Corporate Profile  (as of March 31, 2017)

Company Name  Chiyoda Corporation
Established  January 20, 1948
Paid-in Capital  43,396 million yen

Consolidated Financial Highlights
(One Hundred Million Yen)

<table>
<thead>
<tr>
<th>New Orders</th>
<th>Revenues</th>
<th>Net Income (Losses)</th>
</tr>
</thead>
</table>

Revenues by Region (FY2016)

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenues (FY2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas</td>
<td>80%</td>
</tr>
<tr>
<td>Domestic</td>
<td>20%</td>
</tr>
</tbody>
</table>

Revenues by Industry (FY2016)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Revenues (FY2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refinery/Petrochemical/Metals</td>
<td>17%</td>
</tr>
<tr>
<td>Gas Development/Processing/Receiving</td>
<td>13%</td>
</tr>
<tr>
<td>LNG Plants</td>
<td>8%</td>
</tr>
<tr>
<td>Environment/New Energy/Infrastructure</td>
<td>8%</td>
</tr>
<tr>
<td>Pharmaceuticals/Biochemistry/Chemicals</td>
<td>6%</td>
</tr>
<tr>
<td>Others</td>
<td>5%</td>
</tr>
</tbody>
</table>

Editorial Policy

■ CSR Activity Report Policy
The Chiyoda Group provides comprehensive reporting on its CSR activities, including detailed information presented on the Chiyoda Corporation website.

■ Applicable Period: FY2016 (April 1, 2016 to March 31, 2017, unless otherwise specified)

■ Website
Corporate Governance Policy
https://www.chiyoda-corp.com/csr/
The Chiyoda Group’s Backgrounds as a Social Entity

Chiyoda Corporation was founded in 1948 for the purpose of contributing to society through engineering, making excellent use of its sophisticated technologies. It has since been engaged in the engineering and construction of plants and facilities such as in petroleum refining, gas processing and petrochemicals, contributing to the development of industry in Japan. We have also made forays into countries in the Middle East and Asia, where we have also been striving to contribute to the development of society with our refined technical capabilities by providing each region with infrastructure tailored to the needs of the times and the regions. In those backgrounds, we have consistently continued engineering operation based on the core of our corporate philosophy of “harmony between energy and the environment.”

The Chiyoda Group’s Corporate Social Responsibility (CSR)

Recently, the global requirements for corporate social responsibility (CSR) have changed significantly. As corporate activities become increasingly globalized, new demands are emerging for the resolution of social issues such as respect for human rights, the correction of inequality, environmental preservation and compliance such as anti-corruption. To address these issues, expectations are growing for the business sector and its resources. The goals and directions to be followed by companies are shown through the Sustainable Development Goals (SDGs)*₁, adopted by the United Nations in the year 2015, and the Paris Climate Agreement, in which the international community agreed to aim for a carbon-free world as a measure to combat climate change. As shown in our corporate philosophy and CSR visions, commitment to UN Global Compact*₂ joined in 2012, there are many areas in which our technologies and human resources could resolve these issues.

We believe that we can satisfy these requirements through the Chiyoda Group’s CSR activities to contribute to the creation of a better society by having a correct understanding of the requirements of the times and our stakeholders and making efforts to solve social issues through engineering.

To Achieve Our Ultimate Goal of Becoming a Reliable Company

As our corporate activities have been increasingly global in scope, we are dedicated to developing the circumstance in which employees as well as other stakeholders such as customers, business partner and local communities can participate and play an active role, regardless of their gender, nationality, age or religion in a spirit of respecting human rights, above all.

In addition, Chiyoda Corporation made the transition to a “company with the audit and supervisory committee” in June 2016 based on the Corporate Governance Policy, seeking to increase the fairness and transparency of business management and make decisions more promptly. Through this action, we have further enhanced our corporate governance system by appointing three independent outside directors. As a group, we will solidify the foundations for our operations and work on the medium-term management plan starting on the fiscal year 2017 to contribute to a sustainable society.

August 2017

---

*1: SDGs are a set of global goals to be achieved by 2030, adopted at the UN Sustainable Development Summit in September 2015. They are common goals for the international community, consisting of 17 goals and 169 targets, for both developed and developing countries to tackle to eradicate poverty and realize a sustainable world.

*2: UN Global Compact was announced by then UN Secretary-General Kofi Annan in an address to the World Economic Forum held in 1999. It is a principle-based framework for businesses, stating ten principles in the areas of human rights, labor, the environment and anti-corruption. Chiyoda has signed up in UN Global Compact in 2012.
History and Future of the Chiyoda Group

We were founded in 1948, during the period when Japan was starting to make powerful moves toward its postwar recovery. With “serving society through technology” as its founding motto, the company has kept moving forward in accordance with the Corporate Philosophy of “harmony between energy and the environment” and in unswovering awareness of the requirements of the international community. As we address the issues of society with our technological capabilities, we continue aiming to make even greater advances.

Project Execution and Technology Development founded on "Energy and Environment in Harmony"

1940s
- 1945 Mitsubishi Oil Co. refinery in Kawasaki is heavily damaged
- The Second World War ends
- 1950 Domestic refineries enter operation, starting the “Age of Oil”

Mizushima grass-roots refinery for Mitsubishi Oil Co., Ltd.

1960s
- 1948 Founding of Chiyoda Corporation
- Contributions to the postwar reconstruction of Japan’s domestic industry
- Participation by means of engineering in oil and petrochemical industries
- Start establishing footholds for overseas expansion

1970s
- Construction to rebuild the Kawasaki refinery of Mitsubishi Oil Co., Ltd. (present JXTG Energy)
- New refinery for Mitsubishi Oil Co., Ltd.
- Fertilizer/Ammonia/Urea plant for India

1980s
- Start environmental initiatives in conjunction with domestic economic growth
- Respond to the diversification of plant demands led by oil producing countries
- Overseas expansion shifts into high gear in line with promotion of Group-wide internationalization
- Start initiatives for laboratory facilities projects

2000s
- Accelerate overseas expansion and move to global operations
- Expand into fields of general industrial facilities and non-ferrous metals
- Initiatives for LNG projects shift into high gear
- Participation in national oil stockpiling projects

Dawning
Chiyoda Group History

1940s
- 1948 Founding of Chiyoda Corporation
- Contributions to the postwar reconstruction of Japan’s domestic industry
- Participation by means of engineering in oil and petrochemical industries
- Start establishing footholds for overseas expansion

1950s
- Mitsubishi Oil Co. refinery in Kawasaki is heavily damaged
- The Second World War ends
- Domestic refineries enter operation, starting the “Age of Oil”

Growth
Major Projects Awarded and Technology Development Achievements

- Construction to rebuild the Kawasaki refinery of Mitsubishi Oil Co., Ltd. (present JXTG Energy)
- New refinery for Mitsubishi Oil Co., Ltd.
- Fertilizer/Ammonia/Urea plant for India

1960s
- Construction of desulfurization units for the petroleum refinery
- Consecutive domestic orders for flue gas desulfurization units
- Jeddah and Riyadh refineries, Saudi Arabia
- Refineries for Nigeria

1970s
- Market changes due to two times of oil crisis

1980s
- Accelerate environmental initiatives in conjunction with domestic economic growth
- Respond to the diversification of plant demands led by oil producing countries
- Overseas expansion shifts into high gear in line with promotion of Group-wide internationalization
- Start initiatives for laboratory facilities projects

2000s
- Accelerate overseas expansion and move to global operations
- Expand into fields of general industrial facilities and non-ferrous metals
- Initiatives for LNG projects shift into high gear
- Participation in national oil stockpiling projects

Resurgence & Transition
Contributions to the sustainable development of society

- Accelerate environmental initiatives in conjunction with domestic economic growth
- Respond to the diversification of plant demands led by oil producing countries
- Overseas expansion shifts into high gear in line with promotion of Group-wide internationalization
- Start initiatives for laboratory facilities projects

Further Development
- Start environmental initiatives in conjunction with domestic economic growth
- Respond to the diversification of plant demands led by oil producing countries
- Overseas expansion shifts into high gear in line with promotion of Group-wide internationalization
- Start initiatives for laboratory facilities projects

6 CHIYODA GROUP Sustainability Report 2017
5 CHIYODA GROUP Sustainability Report 2017

1940s
- 1945 Mitsubishi Oil Co. refinery in Kawasaki is heavily damaged
- The Second World War ends
- 1950 Domestic refineries enter operation, starting the “Age of Oil”

Mizushima grass-roots refinery for Mitsubishi Oil Co., Ltd.

1950s
- Mitsubishi Oil Co. refinery in Kawasaki is heavily damaged
- The Second World War ends
- Domestic refineries enter operation, starting the “Age of Oil”

Social Context

- Market changes due to two times of oil crisis

Growth
Major Projects Awarded and Technology Development Achievements

- Construction to rebuild the Kawasaki refinery of Mitsubishi Oil Co., Ltd. (present JXTG Energy)
- New refinery for Mitsubishi Oil Co., Ltd.
- Fertilizer/Ammonia/Urea plant for India

1960s
- Construction of desulfurization units for the petroleum refinery
- Consecutive domestic orders for flue gas desulfurization units
- Jeddah and Riyadh refineries, Saudi Arabia
- Refineries for Nigeria

1970s
- Market changes due to two times of oil crisis

1980s
- Accelerate environmental initiatives in conjunction with domestic economic growth
- Respond to the diversification of plant demands led by oil producing countries
- Overseas expansion shifts into high gear in line with promotion of Group-wide internationalization
- Start initiatives for laboratory facilities projects

2000s
- Accelerate environmental initiatives in conjunction with domestic economic growth
- Respond to the diversification of plant demands led by oil producing countries
- Overseas expansion shifts into high gear in line with promotion of Group-wide internationalization
- Start initiatives for laboratory facilities projects

Resurgence & Transition
Contributions to the sustainable development of society

- Accelerate environmental initiatives in conjunction with domestic economic growth
- Respond to the diversification of plant demands led by oil producing countries
- Overseas expansion shifts into high gear in line with promotion of Group-wide internationalization
- Start initiatives for laboratory facilities projects

Further Development
- Start environmental initiatives in conjunction with domestic economic growth
- Respond to the diversification of plant demands led by oil producing countries
- Overseas expansion shifts into high gear in line with promotion of Group-wide internationalization
- Start initiatives for laboratory facilities projects

6 CHIYODA GROUP Sustainability Report 2017
5 CHIYODA GROUP Sustainability Report 2017

1940s
- 1945 Mitsubishi Oil Co. refinery in Kawasaki is heavily damaged
- The Second World War ends
- 1950 Domestic refineries enter operation, starting the “Age of Oil”

Mizushima grass-roots refinery for Mitsubishi Oil Co., Ltd.

1950s
- Mitsubishi Oil Co. refinery in Kawasaki is heavily damaged
- The Second World War ends
- Domestic refineries enter operation, starting the “Age of Oil”

Social Context

- Market changes due to two times of oil crisis

Growth
Major Projects Awarded and Technology Development Achievements

- Construction to rebuild the Kawasaki refinery of Mitsubishi Oil Co., Ltd. (present JXTG Energy)
- New refinery for Mitsubishi Oil Co., Ltd.
- Fertilizer/Ammonia/Urea plant for India

1960s
- Construction of desulfurization units for the petroleum refinery
- Consecutive domestic orders for flue gas desulfurization units
- Jeddah and Riyadh refineries, Saudi Arabia
- Refineries for Nigeria

1970s
- Market changes due to two times of oil crisis

1980s
- Accelerate environmental initiatives in conjunction with domestic economic growth
- Respond to the diversification of plant demands led by oil producing countries
- Overseas expansion shifts into high gear in line with promotion of Group-wide internationalization
- Start initiatives for laboratory facilities projects

2000s
- Accelerate environmental initiatives in conjunction with domestic economic growth
- Respond to the diversification of plant demands led by oil producing countries
- Overseas expansion shifts into high gear in line with promotion of Group-wide internationalization
- Start initiatives for laboratory facilities projects

Resurgence & Transition
Contributions to the sustainable development of society

- Accelerate environmental initiatives in conjunction with domestic economic growth
- Respond to the diversification of plant demands led by oil producing countries
- Overseas expansion shifts into high gear in line with promotion of Group-wide internationalization
- Start initiatives for laboratory facilities projects

Further Development
- Start environmental initiatives in conjunction with domestic economic growth
- Respond to the diversification of plant demands led by oil producing countries
- Overseas expansion shifts into high gear in line with promotion of Group-wide internationalization
- Start initiatives for laboratory facilities projects

6 CHIYODA GROUP Sustainability Report 2017
5 CHIYODA GROUP Sustainability Report 2017

1940s
- 1945 Mitsubishi Oil Co. refinery in Kawasaki is heavily damaged
- The Second World War ends
- 1950 Domestic refineries enter operation, starting the “Age of Oil”

Mizushima grass-roots refinery for Mitsubishi Oil Co., Ltd.

1950s
- Mitsubishi Oil Co. refinery in Kawasaki is heavily damaged
- The Second World War ends
- Domestic refineries enter operation, starting the “Age of Oil”

Social Context

- Market changes due to two times of oil crisis

Growth
Major Projects Awarded and Technology Development Achievements

- Construction to rebuild the Kawasaki refinery of Mitsubishi Oil Co., Ltd. (present JXTG Energy)
- New refinery for Mitsubishi Oil Co., Ltd.
- Fertilizer/Ammonia/Urea plant for India

1960s
- Construction of desulfurization units for the petroleum refinery
- Consecutive domestic orders for flue gas desulfurization units
- Jeddah and Riyadh refineries, Saudi Arabia
- Refineries for Nigeria

1970s
- Market changes due to two times of oil crisis

1980s
- Accelerate environmental initiatives in conjunction with domestic economic growth
- Respond to the diversification of plant demands led by oil producing countries
- Overseas expansion shifts into high gear in line with promotion of Group-wide internationalization
- Start initiatives for laboratory facilities projects

2000s
- Accelerate environmental initiatives in conjunction with domestic economic growth
- Respond to the diversification of plant demands led by oil producing countries
- Overseas expansion shifts into high gear in line with promotion of Group-wide internationalization
- Start initiatives for laboratory facilities projects

Resurgence & Transition
Contributions to the sustainable development of society

- Accelerate environmental initiatives in conjunction with domestic economic growth
- Respond to the diversification of plant demands led by oil producing countries
- Overseas expansion shifts into high gear in line with promotion of Group-wide internationalization
- Start initiatives for laboratory facilities projects

Further Development
- Start environmental initiatives in conjunction with domestic economic growth
- Respond to the diversification of plant demands led by oil producing countries
- Overseas expansion shifts into high gear in line with promotion of Group-wide internationalization
- Start initiatives for laboratory facilities projects
The Value Creation Story by the Chiyoda Group

The Chiyoda Group pledges to continue as an enterprise that optimizes the use of the cutting-edge technology and human resources to create value for society. We have been pursuing business according to our declared Corporate Philosophy of "harmony between energy and the environment" and with our CSR Visions as our core value. In order to respond to the requirements of global markets and communities, we aim to be a global top-tier provider of comprehensive engineering services in both energy and environmental fields by implementing our Medium-term management plan "Mirai Engineering - A Grand Opportunity for the Future".

Realization of the Corporate Philosophy

- The Mission for us to Accomplish -

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.

What are the SDGs (Sustainable Development Goals)?

These are goals that need to be realized by the year 2030 in order to achieve a sustainable development of society. They consist of 17 major goals and 169 targets that were adopted by the United Nations General Assembly in September 2015 to provide a basic framework for action in the international community of both developing and developed countries.

As a member of the community, the Chiyoda Group is responding to this movement by engaging in actions intended to contribute to the achievement of the goals.

In this report, we are reconfirming our own corporate activities and displaying icons for the relevant goals side by side with such activities.
Our Shared Values

CSR Management

The Chiyoda Group's CSR Vision

One of our primary aims in the Chiyoda Group, as an integrated engineering company, is to contribute to the sustainable development of society through our business activities. By furthering the below activities in a sustained manner, we strive constantly to enhance our corporate value and to be a corporation that earns the trust and affinity of all our stakeholders.

<table>
<thead>
<tr>
<th>The Chiyoda Group's CSR Vision</th>
<th>ISO26000 Core Subjects</th>
<th>UN Global Compact</th>
<th>Action Policies</th>
<th>FY2016 Activities</th>
<th>Related SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 A Reliable Company</td>
<td>Consumer (customer) issues</td>
<td>—</td>
<td>Provide industrial plants that earn customer trust through engineering of outstanding quality</td>
<td>The engineering company’s mission in society</td>
<td>—</td>
</tr>
<tr>
<td>2 Environmental Initiatives</td>
<td>The environment</td>
<td>—</td>
<td>Develop and provide environmentally friendly energy and conservation technologies</td>
<td>Next-generation clean energy</td>
<td>—</td>
</tr>
<tr>
<td>3 Social Contributions through Business Activities</td>
<td>Community involvement and development</td>
<td>—</td>
<td>Contribute to society through integrated engineering business activities</td>
<td>Providing optimized operation through cutting-edge technology</td>
<td>—</td>
</tr>
<tr>
<td>4 Respect for Human Rights</td>
<td>Human rights Labor practices</td>
<td>—</td>
<td>Create a lively and energetic working environment and help employees develop their talents</td>
<td>Safety first</td>
<td>—</td>
</tr>
<tr>
<td>5 Commitment to Fairness</td>
<td>Organizational governance Fair operating practices</td>
<td>—</td>
<td>Conduct business activities based on strict compliance and a high degree of transparency</td>
<td>Initiatives to prevent misconduct</td>
<td>—</td>
</tr>
</tbody>
</table>
Global Trend of CSR and Expectations to the Chiyoda Group from Stakeholders

Looking at the world, we see that the circumstances of CSR are constantly undergoing change. We invited outside experts for the Feature Stakeholder Dialogues to discuss the current state of CSR and what stakeholders expect of the Chiyoda Group.

Taking a Global View of Added Value from a CSR Perspective

The image of the Chiyoda Corporation and of the industry is that it is extremely open and diverse. I was amazed of how far the organizational structure in the industry is, and how diverse, official, organizational constraints. It just seems that the industry is too little known in Japan, because there is a lack of domestic RI. An approach from the standpoint of Daiwa Securities considers that in the investment world, conventional environmental and social problems are addressed by SRI, or Socially Responsible Investment, for which the motivation is the need to solve environmental and social issues. At present, however, we see rapid expansion of ESG investment, which places an emphasis on the price of assets influenced by top management. It will also be possible, however, that this kind of approach may make some employees feel that they are being forced. I think it would be good to get away from the notion that there are some particular individuals who are interested in CSR and instead spread that CSR consciousness widely among your employees.

Perusing Business Trends with Sincerity to Achieve Aggressive CSR

My first impression of the Chiyoda Corporation was of its extremely sophisticated technological capabilities, as an unusually powerful global corporation that would rather transform society than contribute to society. In the area of CSR activities, the corporation is currently grappling with the demands of society, but my impression is that it stills somewhat toward a defensive stance. I wonder if it might not be worth appealing to the stakeholders with more aggressive CSR activity that tells the Chiyoda story. The SDGs were adopted in 2015, and then the Paris Climate Agreement was signed toward the end of that same year, so that was a major turning-point. With the world now starting to steer toward the zero-carbon goal, this transition risk represents a new business opportunity for Chiyoda. The most important thing is for top management to make a commitment. Statistics tell us that management in European companies has about 60% understanding of SDGs, while management in Japanese corporations is still at 25%. It will also be important to work on middle management, which is most directly influenced by top management.

A baseline of business today is the respect for human rights, which also underpins the foundation of the SDGs. It is necessary for the corporation to establish policy regarding human rights and disclose it. It must also identify the risks of human rights infringement in value chains, and activate the IFOICA cycle to implement preventive measures.

Formulating Value Creating Story in CSR Message on the Basis of Corporate Philosophy

The business category called comprehensive engineering in Japan is easiest to understand in its English form, which is integrated engineering. There are very high expectations of Chiyoda with respect to CSR because the company has a diversity of technologies and human resources to implement the Corporate Philosophy of "Harmony between energy and the environment" that forms the core of the SDGs. At the same time, therefore, the company bears a great responsibility. A specific example, for instance, to CSR report says that a project in Papua New Guinea hired 2,500 local people and gave them training. According to development economics, it is a tremendous boost to accomplish this without ODA or other cooperation, and I think this is a story that Chiyoda could disseminate more actively. The mindset of the individuals involved is very important in CSR implementation, so I think that if Chiyoda created an arrangement for collecting the things local people on the ground are saying, and the company focused the spotlight on its employees when disclosing information, this would heighten the degree of penetration and the ability to communicate Chiyoda’s CSR message.

Envision the kind of change your company’s initiative could bring about a decade from now, formulate the story accordingly, and throw yourself wholeheartedly into it so that what will emerge as the result of that effort is your CSR. Create a means for arranging this to the young people in it, and the company will undergo changes if you set the long-term objective to make the same leap (goal as the SDGs). This can strongly influence the business that will set concrete targets for renewable energy, hydrogen-related programs, and other environmental areas, and reassure each other on this basis. In dealing with the value chain, you should also consider human rights and other related matters. It is important to be aware that in resolving societal issues can yield corporate value, and share that awareness.

Cleaving Value from Solutions to Societal Issues in View of SDGs

An engineering company deals with more than just technology, its business also covers a wide range, and thinking this way, we could say that it seems a kind of enterprise that has great possibilities. Think of CSR not as the corporation’s responsibility, but as the expectations placed on the corporation. Since the late 20th century, a consensus has formed that resolving social and economic problems will require more than just a United Nations framework. It will depend on the corporation as the business sector with its abundance of resources. The Global Compact came into being as a result. In 2015, the voices of stakeholders from around the world formed at the United Nations in the SDGs, which form a common language. It appears to me that corporate social responsibility (CSR) and creating shared value (CSV), which originated in social contribution activities, have come back to their original place as a vision of what can be accomplished by a company’s core business. For the Chiyoda Corporation, the core business covers a broad range, so all seventeen goals of the SDGs are relevant, but your technology cannot be put to good use or purposed unless you analyze societal issues and apply your own technology and know-how in an outside-in manner (or from an external viewpoint) to generate innovation. Since people have expectations of your company, I hope you will set concrete targets for renewable energy, hydrogen-related programs, and other environmental areas, and reassure each other on this basis. In dealing with the value chain, you should also consider human rights and other related matters. It is important to be aware that in resolving societal issues can yield corporate value, and share that awareness.

Making CSR Consciousness in Employees and A Driving Force for Moving Forward

The idea here is that furthering CSR activities will generate a driving force in the form of corporate value. In order to reach out to employees and give them a solid sense for the relationship between the Chiyoda Group’s core business and their own individual work on the one-hand, and the SDGs on the other hand, it will be essential not only to members of top management emphasize the point, but also to incorporate that understanding into company policy. It is possible, however, that this kind of approach may make some employees feel that they are being forced. I think it would be good to get away from the notion that there are some particular individuals who are interested in CSR and instead spread that CSR consciousness widely among your employees.

Transforming Risks to Opportunities for Enhancing Corporate Value

CSR is not a duty but an expectation, so where you have an ability or response, you have a broad possibility for responding to stakeholders’ expectations. It is the same with risk management. As I understand it, managing risk means the same thing as determining how to take advantage of an opportunity. I would like to see us bring the corporate value of the Chiyoda Corporation into even clearer definition. Have every individual think about transformation and discovery, and then go on to develop the combination of these.
Yamal LNG Project

The philosophy of the Chiyoda Group is to “Enhance our business in aiming for harmony between energy and the environment,” and “contributing to the sustainable development of society as an integrated engineering company through the use of our collective wisdom and painstakingly developed technology.” In that spirit, we are contributing to the development of society by transcending the frameworks of regions and corporations to provide high-quality plants for a stable supply of energy. This feature article introduces the Yamal LNG Project as one such example of this approach.

Project Overview

We are engaged in the construction of Yamal LNG Plant project located in Yamalo-nenets Autonomous Region in Russia, as member of the joint venture UUSi comprised of TechnipFMC, JGC and Chiyoda. Chiyoda’s involvement in this project is based on the recognition for its achievement of the successful project execution in Russia; Sakhalin 2 LNG Project.

The contract for this project was signed in 2014. This project is such a huge scale undertaking that the construction of LNG plant with three lines producing 4.5 million tons annually is to be completed in five years. The LNG it produces will be exported to China, Spain, France, and other countries.

The construction site is located at the severest natural environment in Russia at a latitude of 71 degrees north. The winter season occupies eight months of the year, in the winter the sun never rises, and in the summer, it never sets. Since operations are carried out in a harsh environment where the winter temperature drops as far as -50°C, a modular construction method is adopted. Construction modules, some of which are tall as a 10-story building, were fabricated at various locations in the South East Asia and shipped on large ships to be completed on-site, thereby making this project tackle various challenges.

Further, this region serves as an energy frontier where 22% of reserves of the world natural gas are concentrated, and this project will be the Russia’s first large-scale energy development project undertaken in an untapped land under such harsh environment as located on the permanently frozen ground in the Arctic. The JV is based in Paris, from where it manages seven engineering centers and ten module yards set up throughout China, Indonesia, and so on. At its peak, there are fifteen thousand people working on-site to carry out the project.

Initiatives for Safety

At present, approximately one thousand three hundred (1,300) JV staff members and twelve thousand (12,000) workers under the joint venture supervision are working on the construction site of Sabetta. In addition, there are ten module yards set up in Asia under management by the Paris office of the joint venture, which serves as a central base for execution of this internationally networked project.

Safety measures are being thoroughly implemented at all project sites and offices. These began with a workshop for manager level staff held in 2015, followed by seminars held at every operation center and every module yard, and extending even to subcontractors at the Sabetta site office. Particularly, ten (10) Asian yards attained a great success. On April 28, The World Day for Safety and Health at Work, three (3) members were awarded for their active safety improvement initiatives. Safety Day events are held every three months, and all the members of the project team are engaged together in the Safety First approach.

Initiatives for Environmental Preservation

A beach cleaning campaign was held in areas around the plant construction site on September 24, 2016. A large number of employees participated.

Initiatives for Human Resource Development

Fifteen (15) students from the Moscow State University of Civil Engineering took the opportunity to come and work at Sabetta site office from June 29 to August 19 of 2016. The students had broad experience of operations in a number of fields, including construction, quality, HSE, transportation, pre-commissioning, and so on. This gave the students a good opportunity to learn a great deal from the highly experienced members of the joint venture team, as well as to get practical approaches for their own future work, and they were very satisfied. We intend to continue contributing to the development of the engineers of the future.

Initiatives for Safety

At present, approximately one thousand three hundred (1,300) JV staff members and twelve thousand (12,000) workers under the joint venture supervision are working on the construction site of Sabetta. In addition, there are ten module yards set up in Asia under management by the Paris office of the joint venture, which serves as a central base for execution of this internationally networked project.

Safety measures are being thoroughly implemented at all project sites and offices. These began with a workshop for manager level staff held in 2015, followed by seminars held at every operation center and every module yard, and extending even to subcontractors at the Sabetta site office. Particularly, ten (10) Asian yards attained a great success. On April 28, The World Day for Safety and Health at Work, three (3) members were awarded for their active safety improvement initiatives. Safety Day events are held every three months, and all the members of the project team are engaged together in the Safety First approach.

Participants in Charitable Activities

Eleven (11) female members of the Yamal LNG Paris team participated in the most famous women’s marathon in Paris, La Parisienne, on September 11, 2016. There were thirty-seven thousand (37,000) runners and the course was 6.7 km long. The entry fees were used to support medical research on breast cancer.

Voice of Employees

In this project, we are taking the challenge of LNG plant construction in the Arctic, a harsher environment than ever before. Overcoming this challenge enables us to promote development of a gas field with reserves in a territory too cold to be considered readily accessible, and we think this will support the sustained, stable supply of LNG, which is an environmentally friendly energy source. We are making the most of the expertise and technology developed in our past project experiences, and all our employees are joining together as a team in our day-to-day effort to bring the plant to the successful completion.

Moscow State University students

Events of beach cleaning
A Reliable Company

Why
For a corporation, the trust of its stakeholders provides the foundation for management. Through our business, the Chiyoda Group will contribute to the resolution of global issues and the sustainable development of society to continue earning the trust of our stakeholders.

How
- Provide safe, reliable plants
- Execute high-quality engineering
- Provide full support for plants during emergencies
- Provide solutions to global issues through business
- Provide engineering solutions for the sustainable development of society

Vision
1. A Reliable Company
2. Sustainable and Production
3. Responsible Environmental Stewardship
4. Respect for Human Rights
5. Social Contributions through Business Activities
6. Respect for Animal Rights

The Engineering Company’s Mission in Society

Construction for Early Restoration of Operations at the Kumamoto Plant of the Nippon Synthetic Chemical Industry Co., Ltd

When the Kumamoto earthquake struck in April 2016, a peak seismic intensity of 7 was observed. In the city of Uto, the Kumamoto Plant of the Nippon Synthetic Chemical Industry Co., Ltd., was a major factory where Chiyoda Group was asked to quickly restore operation of three lines that manufacture polyvinyl alcohol and optical film, which are the company’s main products. Teams were formed to mobilize the Chiyoda Group capability, including the CHAS & Life Science Project Operations (facility diagnostics), OKS (construction management), and CST (electrical and instrumentation), and we began restoration work in early May while aftershocks were still continuing.

The work started with emergency safety checks and risk determination of structure collapse using 3D laser scanners, after which we implemented repairs on building columns, walls, and framework (fifty locations), inspection and repair of rotating equipment, towers, and vessels (one hundred sixty items), inspection of instrumentation (a thousand items), testing air tightness and making repairs of piping (one hundred twenty packs), and so on. A consistent end-to-end project system was used from surveying and inspection to analysis, planning, and construction. A response team consisting of the members both from a customer and from the Chiyoda Group was formed. Further, thanks to the cooperation of onsite suppliers, the restoration of the main lines was completed over a brief period of approximately two and a half months. Thus, responding to the requirements of the customer suffering from the earthquake, we fulfilled our responsibility as an engineering company.

Voice of Employees

Real Feeling of Single team Project Execution with the Customer

The situation had been unexpected on the customer side, as well, when the disaster first happened. The customer had not even have together all of the drawings necessary for us to take measures. We were being pressed to take measures in a situation that did not even give a clear picture of how work should proceed. The Chiyoda Group and the customer formed a single team combining maintenance and operation personnel. In the course of going forward with day-to-day on-site work and formulating restoration proposals, a sense of unity gradually formed with the aim of rapid restoration of operations, and we built strong relationships with each other.

I think that this relationship contributed to the smooth progress of our following project work. Since we had already built relationships of trust that made it possible for the many proposals to resolve problems presented by experts from the Chiyoda Group to be communicated directly to management on the customer side.

What impresses us each time is the high qualities of their technical support and ideas, and the abundance of human resources who put them into practice.

The project was successful. They faced severe conditions, including updating specifications due to changes in the plans and tight delivery dates. The Chiyoda Group members, however, think as our company’s point of view, and were courteous and flexible in their responses. We are also grateful for the courtesy they showed us in the following:

Mr. Yoshinobu Okubo
Chairman, Fujinomiya Plant
Nippon Collagen Industries, Ltd.

See also
- Provide engineering solutions for the sustainable development of society
- A Reliable Company
- Sustainable and Production
- Responsible Environmental Stewardship
- Respect for Human Rights
- Social Contributions through Business Activities
- Respect for Animal Rights

Comments from the Client

We Give CST High Marks for Quality of Engineering and Implementation Capabilities

We use collagen extracted from cowskin as the main ingredient to manufacture edible sausage casings.

Our company’s relationship with the Chiyoda Group goes back to 20 years or more. During this time, we have successfully carried out a variety of developmental projects. The projects have been centered mainly on new plant constructions.

What impresses us each time is the high qualities of their technical support and ideas, and the abundance of human resources who put them into practice.

The project was successful. They faced severe conditions, including updating specifications due to changes in the plans and tight delivery dates. The Chiyoda Group members, however, think as our company’s point of view, and were courteous and flexible in their responses. We are also grateful for the courtesy they showed us in the following:

Mr. Yoshinobu Okubo
Chairman, Fujinomiya Plant
Nippon Collagen Industries, Ltd.
Environmental Initiatives

Why

Ever since it was founded, the Chiyoda Group has been addressing the conflicting topics of energy and the environment. The Paris Climate Agreement and the SDGs adopted by the United Nations in 2015 communicated a common message to the world regarding initiatives for environmental conservation and clean energy, and concern with the environment among stakeholders has been growing greater.

How

- Development and demonstration of clean energy
- Engineering contributions leading to a carbon-free society
- Dissemination of environmental technology
- Environmental initiatives implemented through project execution

Technology

“Serving Society with Technology” is the philosophy of Chiyoda’s foundation. Bearing this in mind, we have undertaken research and development, demonstration projects and commercialization of energy and advanced environment-related technologies.

Making the most of our strengths as an engineering firm, we are able to take such a comprehensive approach to research and development as it is integrated with process development, design and system analysis. With this approach, we have carried out technology development both on our own and in cooperation with our clients and technology owners, aiming for commercialization and problem-solving based on society’s ever-changing demands. We will continue our efforts to contribute to solving new issues including materializing a low-carbon and carbon-free society.

NEXT-GENERATION CLEAN ENERGY

A demonstration plant for renewable jet and diesel fuels

As a business partner in the “Domestic Biofuel Project,” led by Euglena Co., Ltd. (Euglena), we are currently participating in the construction of Japan’s first renewable jet and diesel fuel demonstration plant (to be completed in October 2016). Using technology that was introduced by our technology owner in the United States, Chevron Lumus Global, Euglena is executing the design, procurement and construction according to Japanese standards.

Led by METI (the Ministry of Economy, Trade and Industry) and MEXT (the Ministry of Land, Infrastructure, Transport and Tourism), the project aims to switch to biofuel by 2020 to reduce the extent of CO2 emissions. The international framework of the ICAO (International Civil Aviation Organization) to prevent CO2 emissions from exceeding the 2020 standard means that the need for jet biofuel is becoming greater than ever.

With know-how accumulated through engineering and the construction of oil refineries, we continue to collaborate in the commercialization of this technology and further contribute to reducing CO2 emissions.

EFFECTIVE UTILIZATION OF OIL FIELDS

Yabase oil field produced-water treatment demonstration plant

Global energy needs are growing, for one reason, because water production from oil fields rises as oil fields age. To maintain high levels of productivity in oil and gas production while concurrently abiding by environmental regulations, more advanced produced-water treatment technology is needed.

To resolve the problem of produced-water treatment, the Japan Oil, Gas and Metals National Corporation’s project known as “Small-scale Demonstration of Produced-Water Treatment Technology” is being jointly conducted by four companies: the Japan Oil, Gas and Metals National Corporation, IHI, METAWATER and Chiyoda.

For the project, a demonstration plant was constructed at the Yabase oil field in Akita Prefecture, with operations begun in March 2015 and planned for seven months.

Because the ceramic membrane filter requires no pretreatment such as that for coagulation, the use of chemicals can be greatly reduced. Further, as the membrane can be washed and used repeatedly, no disposable waste will be generated, reducing the environmental burden. It is expected that the filtered water will be reused as injection water for reservoir pressure maintenance in oil fields.

We will continue this domestic demonstration project, aiming to improve the produced-water filtering technology that supplies oil more economically, increases its field longevity and decreases the environmental burden.

Produced-water treatment technology

- High-quality treated water
- Low environmental impact
- Low costs
- reused for injection water
- Minimized environmental impact
- Minimized investment costs

For the project, a demonstration plant was constructed at the Yabase oil field in Akita Prefecture, with operations begun in March 2015 and planned for seven months.

Because the ceramic membrane filter requires no pretreatment such as that for coagulation, the use of chemicals can be greatly reduced. Further, as the membrane can be washed and used repeatedly, no disposable waste will be generated, reducing the environmental burden. It is expected that the filtered water will be reused as injection water for reservoir pressure maintenance in oil fields.

THE DISSEMINATION OF TECHNOLOGY TO PREVENT AIR POLLUTION

CT-121 licensing of technology to one of India’s major heavy industry manufacturers

In November 2016, Chiyoda concluded a technology license agreement with India’s major heavy industry manufacturer Larsen & Toubro (L&T) to provide its proprietary “Chiyoda Thoroughbred 121 (the CT-121)” flue gas desulfurization process (FGD) technology for promotion in the Indian market.

Coal accounts for 70% of the power supply in India, which, with its robust and rapid economic growth, is in need of power plants to sustain development. The demand for FGD plants is increasing significantly, as the demand for coal is firmly rooted in its cheap and stable price. While coal-fuelled thermal power provides 42% of the world’s energy, that figure is expected to reach 44.5% by 2030.

Under these conditions, CT-121, the environmental technology highly evaluated by L&T, will continue to meet the demands of India’s economic growth while helping to resolve its environmental issues.
How

"Design Safety Induction Course" that targets all engineers involved in project execution. To date, over 400 engineers have participated in the course, which begins with consideration of the concept of plant safety. By the end of the course, we plan to have taught participants how to achieve safe plant design. The participants review relevant case studies, study the work flow and relationships between the various required safety studies, look at how interdisciplinary safety matters are addressed and learn the effects on costs and schedules when safety studies/activities affect the design of a plant.

The social responsibility of engineering is to address issues surrounding society and provide solutions for those issues. In this respect, we are assigned the mission of providing superior services and products in partnership with our clients, using skills and expertise accumulated from experience in engineering and constructing plants and consistently offering services with the full use of cutting-edge technologies.

SAFETY FIRST

Best international safety practices to benefit project execution

The Chiyoda Group conducts all activities with “Safety First” as a core value. Furthermore, for our clients, a safe plant is usually their highest priority. While some industries apply “destructive testing” of their products (think of crash tests for cars), this approach would be obviously unacceptable in the design of hydrocarbon plants. We verify the safety of our plant design by incorporating international, industry and client-based safety standards. However, safety standards vary from each country and are continually being updated. In addition, each plant’s configuration and specific conditions are unique. Therefore, a complete understanding of the relevant codes and standards and the skills to undertake through safety studies are required when we design a plant.

To deal with the various safety requirements, our company offers a “Design Safety Induction Course” that targets all engineers involved in project execution. To date, over 400 engineers have participated in the course, which begins with consideration of the concept of plant safety. By the end of the course, we plan to have taught participants how to achieve safe plant design. The participants review relevant case studies, study the work flow and relationships between the various required safety studies, look at how interdisciplinary safety matters are addressed and learn the effects on costs and schedules when safety studies/activities affect the design of a plant.

DEVELOPING EXCELLENT HUMAN RESOURCES THROUGH TECHNOLOGY TRANSFER

Deployment of international client training

In addition to carrying out many international projects, the Chiyoda Group also concentrates on developing human resources in those countries. Starting with the acceptance of trainees from the Kingdom of Saudi Arabia in 1976, followed by training including onsite technical education in the Federal Republic of Nigeria in 1978, collaborative training with external organizations has been in practice since 1982. The training offered to foreign clients is highly esteemed both domestically and overseas. The United Arab Emirates joined in 2010, and the State of Qatar joined in 2012, while the number of countries participating in training continues to grow, including the Kingdom of Saudi Arabia, the Republic of Korea, the Republic of Mozambique and the Islamic Republic of Iran. The training provided to foreign clients can be conducted both in Japan and by dispatching lecturers abroad.

The number of participants in these programs last year was 73. The training provided in Japan also includes the opportunity to experience Japanese culture. Thus, through engineering training and cultural exchange, we collaborate with countries where plants are constructed to help create a basis for the innovation of their industries and technologies as well as develop their human resources.

DEVELOPING HUMAN RESOURCES WITH THE GOAL OF ESTABLISHING INDUSTRIAL INFRASTRUCTURE

Opening up internships for the Masdar Institute of Science and Technology (MIST)

Through subsidiary aid granted by the Agency for Natural Resources and Energy in the Ministry of Economy, Trade and Industry, internships have been provided to the United Arab Emirates’ Masdar Institute of Science and Technology (MIST), with the Japan International Cooperation Center (JICE) as the point of contact. The project was founded with the goal of promoting fellowship and strengthening cooperation between Japan and the United Arab Emirates. Within the fields of renewable energy, smart communities and green technology, Japanese companies annually accept MIST students of U.S. nationality, with 2016 marking the 9th year so far. After arriving in Japan, MIST interns receive a basic introduction to life in Japan. Training is provided for each enterprise. Over five consecutive years, the Chiyoda Group has hosted a total of eight graduate students in internships involving classroom lectures and on-site inspections for a month and a half. The Japanese government also works in close cooperation, fostering engineering skills and human resource development.

Diverse human resource development at Chiyoda Almana in accordance with the Qatar National Vision 2030

Our overseas Group companies contribute to developing various human resources. Chiyoda Almana Engineering LLC supports the development of human resources, an important aspect of the Qatar National Vision 2030. Chiyoda Almana supports Qatar by nurturing diverse human resources and career development.

In 2016, the company sponsored many educational opportunities in the field of hydrocarbon processing technology. With the goal of enriching the technical experience of those in the fields, Chiyoda Almana and Chiyoda Global Headquarters facilitated training programs geared toward RasGas and QatarGas engineers.

On November 2 and 3, 2016, we presented an important overview of the basic operation of LNG plants to young engineers of QatarGas. We are also proactively involved with developing human resources in regional communities.
Respect for Human Rights

Why

Human resources are valuable assets for an engineering company. We will continue to create a corporate climate that not only all of our employees, of course but also their families can take pride in. At the Chiyoda Group, which is developing operations on a global scale, we are faced with a growing necessity to observe work style reforms promoted by the national government, develop global human resource development and respect diversity.

How

- Initiatives to work style reform
- Reinforcement of emergency management systems
- Reinforcement of corporate strengths by development of global human resources

Initiatives for Changes in Work Style in FY2016

We have been encouraging reform through changes in our employees’ mindsets and organizational operations as well as improvements in the operating bases where Chiyoda is 1) a company whose employees are motivated to continue working on a long-term basis and 2) a company that is continually able to develop its competitiveness and strengths.

- Leaves of absence for employees working in Japan or overseas
- Flexibility of child care and nursing care
- Flexibility of arrangements for our employees’ business trips.
- Additional initiative to promote the safety and well-being of employees and their families.

In FY2016, Chiyoda Corporation received “Kurumin,” a certification for companies recognized for their enthusiastic efforts to cultivate the next generation, granted by the Kanagawa Labor Bureau of the Ministry of Health,Labour and Welfare. Companies can gain this certification by achieving the goals specified in their action plans and by satisfying the criteria set by the bureau.

Chiyoda Corporation obtained the certification after achieving the targets set for the period from April 1, 2010 to March 31, 2015 and for being highly appreciated for the following new initiatives to take from now:

- Extending application of a program of shorter working hours to employees with elementary school children up through the sixth academic year, fostering a better balance between work and child care.
- Consideration of flexible work styles.
- Reduction of total working hours by enforcing stoppage of work after 20:00 and on holidays.

We will continue our efforts to create an environment where employees can perform to the best of their potential.

Voice of Employees

Thanks to the Efforts of Many People, We Can Now Make Use of absence program for taking along spouse

I was working as an engineer in the Gas & LNG Process Engineering Unit when my spouse was assigned to Australia. Starting in October 2016, I used the system for leave to accompany my spouse and am now living in Darwin, Australia. Under the corporate efforts to promote work style reform, I felt some hesitation to choose this program, and I think that people who make use of this program will be a very small part of the total number of employees. However, now I am appreciating the company listening to the minority voices of their employees, and gave me the choice of an alternative to continue working from the long term viewpoint.

Chie Tanaka
Human Resources Unit

SAFETY FIRST CRISIS MANAGEMENT SUPPORT TO PREPARE FOR ALL EMERGENCIES

Business Continuity Plan/Disaster prevention

In 2015, the Chiyoda Group formulated a Business Continuity Plan (BCP). Covering all kinds of disasters, including fire and large earthquakes, disaster prevention practice and BCP training are conducted with the basic principle of “Life comes first.”

In 2016, we practiced BCP drills from buildings and dealing with disrupted transportation networks to help people return home safely in the event of a large earthquake. While Chiyoda Global Headquaters continued its BCP training from last year, training has expanded on a larger scale to the Koyasu Office & Research Park and the corporate Group this year.

In addition, the "Nighttime/Holiday Initial Response Training" outlines the procedures necessary for the smooth resumption and execution of business after a major crisis. In addition to verifying the safety of employees, we also strive to ensure the safety of their families. In the event of a disaster, employees’ family members will receive emails to confirm their safety if they are registered on the relevant system.

Further, our Group company Arrowhead International makes all the arrangements for our employees’ business trips. Providing adequate support that puts safety first for the various risks that may occur between departure and return, the Arrowhead Travel Risk Management System (A-TRIMS) provides safer and more reliable crisis management. This system verifies the itineraries of those traveling overseas and ensures the safety by thoroughly checking through email and mobile phone. The Group as a whole supports stronger crisis management and puts the safety of employees first.

Crisis management activity at the field office in Yanbu, Kingdom of Saudi Arabia

At the construction site of a sponge titanium plant that was mechanically completed in May 2017 with Non LTI for Advanced Metal Industries Cluster and Toho Titanium Metal Company Limited, we worked with the client to implement various crisis management measures in terms of both hardware and software to ensure the safety of the client and field office staff from around the world.

As part of this activity, we conducted evacuation drills several times to ensure prompt evacuation and confirm the effectiveness of the Emergency Plan and Emergency Response System. Practical training was carried out while the difficulty level was continuously raised according to the progress of construction and the number of field office staff.

The completed sponge titanium manufacturing plant

An evacuation drill in progress

Field office staff participating in an evacuation drill
Reinforcement of Corporate Strengths by Development of Global Human Resources

Global Engineer System

We instituted the Global Engineer system in April 2016 as a measure to develop engineers who are able to perform globally at a higher level at the Chiyoda Philippines Corporation (CPh) and other Group companies. We aim to use this system to raise the level of the Group as a whole as well as to realize true globalization by assigning these engineers flexibly to CGH (Chiyoda Global Headquarters) and Group company jobs.

Developing Staff for Commissioning Operations

The Commissioning Unit employs staff from the Philippines, India, Europe, America, and other places outside Japan. They receive technical training at CGH in matters ranging from safety, the environment, security, and planning of plant test operations, to implementation of said test operations. Then they are dispatched to construction projects as on-site staff specialized in preparation for test operation. These engineers contribute to project execution as well as to business and growth in other countries.

Developing Staff for Risk Management

Corporate Risk Management Division has begun deploying safety, quality, environment, information security, compliance, and crisis management measures globally, providing its services to the entire Chiyoda Group. The First Summit of the Risk Management Division (RMD), held in July 2016, also marked the start of an RM3 program to share its personnel concerned with the risk management within the Group. As an initial part of this effort, a global operation platform (GOP) task was started up at the Group headquarters. During FY2016, quality management coordinators and information security coordinators from CPh were dispatched to CGH for a period of four months each. After that, information security coordinators were dispatched from Chiyoda Amano Engineering LLC.

Developing Staff for Quality Management

Chiyoda & Public Works Co., Ltd. (CPW) is preparing for acquiring ISO 9001:2015 certification, and CGH is providing full backup for this effort. We therefore hosted a representative from CPW for two months of training not only to support CPW in acquiring OMS certification but also to develop human resources for QMS maintenance and management after receiving the certification.

Back in CPW, she will be a staff member with a key responsibility for tasks relating to QMS certification acquisition. CPW aims to eventually obtain management systems certification in safety, environment, and information security as well.

Voice of Employees

My assignment is to acquire necessary work practice & study in OMS Management Unit of CGH, which is great assistance to conduct ISO 9001:2015 Certification process for CPW.

I have learnt a lot about not only OMS but also OH&SML, EMS and ISMS in CGH. Although the organization size is big difference between CGH and CPW, I believe I will be able to apply my new knowledge & experiences acquired here.

Even though my training is two months on-desk training, not on-job training, it is sure I will not be able to work actual activities without this training.

After this training, I will be fully responsible for HOSE® activities in CPW and expect all these things learnt are reflected to work process in CPW definitely. So, please let me express my sincerest gratitude for giving me the opportunity to visit CGH for training. Thank you so much for all supports to CPW and me during my stay in Japan.

Commitment to Fairness

Commitment to fairness is the foundation for the Corporation’s continuing existence. The Chiyoda Group has pursued stronger governance and a more thoroughgoing compliance. Beyond that, there have been growing demands for greater management transparency and fairness from the Financial Services Agency, the United Nations Global Compact, and other such internal and external demands.

INITIATIVES TO PREVENT MISCONDUCT

Measures to make the active use of the Compliance Consultation and Reporting System

The Chiyoda Group has adopted a Compliance Consultation and Reporting System (Whistleblowing System) for the purpose of prevention, early detection, and correction of misconduct and unethical behavior within the Group. The Whistleblowing System can be used not only by Group employees but also by their families, retirees, and employees of our business partners. An outside contact point has also been set up. Reported matters are treated appropriately according to the provisions of relevant legal statutes and regulations. The Whistleblowing System is arranged so that people seeking consultation or making reports can have a sense of security.

To promote use of the Whistleblowing System in the Group companies, inside and outside Japan, in FY2016, thoroughgoing steps were taken to confirm the importance and necessity of the Whistleblowing System for Group companies. Examples of measures taken to activate the Whistleblowing System were also compiled and shared within the Group to foster better understanding. Group companies overseas sent their members to gather at CGH in July for discussion of the Whistleblowing System and compliance education.

From now on as well, the Chiyoda Group as a whole will make the active use of the Whistleblowing System in order to enhance the control on misconduct, enable the earlier discovery when it occurs, and make the correction promptly by responding to it.

Compliance Education and Export Control Education Performance

<table>
<thead>
<tr>
<th>Category</th>
<th>Date</th>
<th>Non-Japanese</th>
<th>Japanese</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training for new hires</td>
<td>Held 5 times</td>
<td>Held 2 times</td>
<td>Held 1 time</td>
<td>8</td>
</tr>
<tr>
<td>Training for mid-career hires</td>
<td>Held 3 times</td>
<td>Held 2 times</td>
<td>Held 1 time</td>
<td>6</td>
</tr>
<tr>
<td>Training for new managerial personnel</td>
<td>Held 2 times</td>
<td>Held 1 times</td>
<td>Held 1 time</td>
<td>4</td>
</tr>
<tr>
<td>Functional training</td>
<td>Held 8 times</td>
<td>Held 5 times</td>
<td>Held 1 time</td>
<td>14</td>
</tr>
<tr>
<td>Seminar</td>
<td>Held 10 times</td>
<td>Held 8 times</td>
<td>Held 1 time</td>
<td>19</td>
</tr>
<tr>
<td>Seminar with outside instructor (for managerial staff)</td>
<td>Held 5 times</td>
<td>Held 1 time</td>
<td>Held 1 time</td>
<td>7</td>
</tr>
<tr>
<td>Seminar with outside instructor (for general employees)</td>
<td>Held 1 time</td>
<td>Held 1 time</td>
<td>Held 1 time</td>
<td>3</td>
</tr>
<tr>
<td>e-Learning</td>
<td>Held 1 time</td>
<td>Held 1 time</td>
<td>Held 1 time</td>
<td>3</td>
</tr>
<tr>
<td>Online consultation</td>
<td>Held 1 time</td>
<td>Held 1 time</td>
<td>Held 1 time</td>
<td>3</td>
</tr>
<tr>
<td>Export control: General training</td>
<td>Held 1 time</td>
<td>Held 1 time</td>
<td>Held 1 time</td>
<td>3</td>
</tr>
</tbody>
</table>

Commitment to Fairness

Commitment to fairness is the foundation for the Corporation’s continuing existence. The Chiyoda Group has pursued stronger governance and a more thoroughgoing compliance. Beyond that, there have been growing demands for greater management transparency and fairness from the Financial Services Agency, the United Nations Global Compact, and other such internal and external demands.

INITIATIVES TO PREVENT MISCONDUCT

Measures to make the active use of the Compliance Consultation and Reporting System

The Chiyoda Group has adopted a Compliance Consultation and Reporting System (Whistleblowing System) for the purpose of prevention, early detection, and correction of misconduct and unethical behavior within the Group. The Whistleblowing System can be used not only by Group employees but also by their families, retirees, and employees of our business partners. An outside contact point has also been set up. Reported matters are treated appropriately according to the provisions of relevant legal statutes and regulations. The Whistleblowing System is arranged so that people seeking consultation or making reports can have a sense of security.

To promote use of the Whistleblowing System in the Group companies, inside and outside Japan, in FY2016, thoroughgoing steps were taken to confirm the importance and necessity of the Whistleblowing System for Group companies. Examples of measures taken to activate the Whistleblowing System were also compiled and shared within the Group to foster better understanding. Group companies overseas sent their members to gather at CGH in July for discussion of the Whistleblowing System and compliance education.

From now on as well, the Chiyoda Group as a whole will make the active use of the Whistleblowing System in order to enhance the control on misconduct, enable the earlier discovery when it occurs, and make the correction promptly by responding to it.
The Chiyoda Group is actively seeking solutions to global issues in order to help create a better society. This is not just a matter of Social Contributions. We will also continue working closely with local communities to contribute to the sustainable development of society.

**Educational Support & Human Resource Development**
- Internships
  - Operating in 7 companies
  - 38 students
- Student visits to the Company
  - Held at 2 universities
- University lecturers
- Grade school campaign drive
  - (Donation of books, satchels, uniforms, etc., by CPh and L&T)
- Donations for 270 students

**Environmental Conservation**
- Tree planting
  - (Implemented at CPW)
  - 43 participants
  - 200 trees planted
- Cleaning operations
  - (Implemented at Chiyoda Group in Japan, Chiyoda-Almana, and CI)
  - Over 350 participants

**Collaboration with Yokohama City Council of Social Welfare**
- In-house sale of products made by people with special needs
  - (CGH and Koyasu Office)
  - 15 gatherings
  - 25 sets
  - 50 people invited
- Japan Philharmonic performance of Beethoven’s 9th Symphony concert
  - Invitations provided to those with visual impairments
  - 196,166 caps recycled
  - (Vaccine doses for 228 people)
- ECOCAP collection
  - (Implemented at Chiyoda Group in Japan)
  - Over 350 participants
- Blood donation
  - (Implemented at CPh and L&T)
  - 503 donors

**Contributions to Health & Welfare**
- Table For Two
  - (Facilitated domestically by the Chiyoda Group)
  - 3,720 yen
  - (1,860 meals provided)
- Sale of products from areas hit by disasters
  - (Held at CPh and Koyasu Office)
  - 500 people
  - 10 gatherings
- Sale of products
  - (实施 at Chiyoda Group in Japan)
  - 25 gatherings
  - 200 people invited

**Widen the Circle of Exchange and Collaboration with Local Communities and Aim to Further Realize the Sustainable Development of Society**

**Assistance to areas hit by disasters**
- Remittance of donations for earthquakes in Italy, Ecuador, and Kumamoto
  - (Implemented at Chiyoda Group in Japan and at CPh)
  - 500 people
  - 10 gatherings
- Providing food to the victims of large-scale disasters
  - (Implemented at CPh)
- Employee volunteer dispatching to areas hit by disasters
  - (Implemented at Chiyoda Group in Japan)
  - 7,700 visits
  - 70 people participated
- Purchase of CO2 sequestration credit
  - (19.00t-CO2)
- Registration for Green Wave program

**Table For Two**
- The TFT menu provided at employee dining halls includes a 20-yen donation, and each 20 yen can provide one school meal in a developing country.

**Why**
The Chiyoda Group is actively seeking solutions to global issues in order to help create a better society. This is not just a matter of Social Contributions. We will also continue working closely with local communities to contribute to the sustainable development of society.

**How**
Taking “CSR promotion by all members together” as a motto, we are engaging continuously in social contribution activities of all types, both inside and outside Japan, with the aim of collaboration and harmonious coexistence with local communities.

---

*1: The TFT menu provided at employee dining halls includes a 20-yen donation, and each 20 yen can provide one school meal in a developing country.

*2: An initiative to spread the “Green Wave” across the Earth by tree planting and so on carried out on the International Day for Biological Diversity established by the United Nations. (http://greenwave.undb.jp/index.html/)

*3: Caps for PET bottles are collected at the office and the proceeds (approximately 860 caps provides a polio vaccine for one person) are sent to developing countries.