



CHIYODA CORPORATION
Group CSR Report 2009
Fiscal Year Ended March 31, 2009



From the Editors

We hope you will enjoy reading the Group CSR Report 2009, in which we report the Chiyoda Group's CSR* activities.

As we would like to reflect your opinions and thoughts in our future activities, please take a moment to fill out the attached questionnaire and let us know what you think.

***METI's Definition of CSR:** CSR, the abbreviation of Corporate Social Responsibility, is defined by the Ministry of Economy, Trade and Industry (METI) as follows: "A corporation should voluntarily take a balanced approach to addressing economic, environmental and social issues in order to also benefit citizens, communities and society, which leads to the success of its business operations."

Organization of the Report

Feature: The Chiyoda Group's Unique CSR Initiatives

In this section we introduce two examples of the Chiyoda Group's contribution through business activities to the sustainable development of society.

The Chiyoda Group's CSR Vision in Action

In line with our five CSR visions, this section highlights our main achievements in the fiscal year ended March 31, 2009.

"Commitment to CSR" on Our Website

In the "Commitment to CSR" section of our website, we introduce our CSR policy and initiatives for corporate governance, compliance, social contribution and the environment, as well as our relationship with customers and business partners and measures for employees. Please browse previous CSR reports that we have also made available online.



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

CHIYODA Commitment to CSR Search

Coverage of this Report

This report covers the CSR activities of nine Chiyoda Group companies, consisting of Chiyoda Corporation and eight domestic consolidated subsidiaries. Activities of specific companies are noted where relevant.



Chiyoda Kosho Co., Ltd.

Engineering, construction and maintenance of domestic energy and chemical plants; life and non-life insurance agent



Chiyoda Advanced Solutions Corporation

Advanced analysis and solutions for plant and industrial facility operation; consulting for use in space



Chiyoda Keiso Co., Ltd.

Engineering, construction and maintenance of electrical, instrumentation, control and automated factory equipment



Arrow Business Consulting Corporation

Consulting on finance, accounting and tax



Chiyoda TechnoAce Co., Ltd.

Engineering, construction and consulting for research laboratories, pharmaceutical and food product plants and distribution facilities



Arrowhead International Corporation

Business travel and relocation agent; materials export and air cargo agent



Chiyoda U-Tech Co., Ltd.

Feasibility studies and consulting for industrial facilities



IT Engineering Limited

IT system development and consulting



Chiyoda Corporation

Applicable Period and Date of Publication

Applicable Period: Fiscal year 2009 (April 1, 2008 to March 31, 2009)

Date of Publication: August 2009

Guidelines

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

The Chiyoda Group will strive to contribute to the sustainable development of society while promoting harmony between energy and the environment.

As of March 2009, the Chiyoda Group consists of Chiyoda Corporation, 17 consolidated subsidiaries and 3 affiliates. Chiyoda is an integrated engineering and construction group primarily engaged in the engineering and construction of various plants and facilities in Japan and around the world.

Corporate Profile (As of March 31, 2009)

- Name: Chiyoda Corporation
- Main Offices: Yokohama Head Office (Tsurumi-ku, Yokohama, Japan)
Koyasu Office & Research Park (Kanagawa-ku, Yokohama, Japan)
- Paid-in Capital: ¥43,392 million
- Main Business Fields: Consulting, planning, engineering, procurement, construction, commissioning (test operation), consulting and training for operation and maintenance, research and development and technology services, project management for plants and facilities in fields including energy, chemicals, pharmaceuticals, biotechnology and the environment
- Consolidated Financial Highlights (Fiscal year ended March 31, 2009):

New contracts:	¥209.4 billion
Revenues:	¥446.4 billion
Ordinary income:	¥11.4 billion
Net income:	¥6.4 billion
Backlog of contracts:	¥425.0 billion
Number of employees:	3,376
- URL: <http://www.chiyoda-corp.com/en/>

Contents

Overview of the Chiyoda Group

Corporate Profile	1
A Message from the President	2

Feature:

The Chiyoda Group's Unique CSR Initiatives

Serving Global Needs for Clean Energy	4
Creating the Future with Chiyoda's Energy and Environmental Technologies	6

The Chiyoda Group's CSR Vision in Action

Chiyoda's CSR Vision 1 A Reliable Company	8
Chiyoda's CSR Vision 2 Environmental Initiatives	10
Chiyoda's CSR Vision 3 Social Contributions through Business Activities	12
Chiyoda's CSR Vision 4 Respect for Human Rights	14
Chiyoda's CSR Vision 5 Commitment to Fairness	16



A Message from the President

We aim to be an energetic company with a worldwide reputation for reliability.

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 Vision

1. A Reliable Company
2. Environmental Initiatives
3. Social Contributions through Business Activities
4. Respect for Human Rights
5. Commitment to Fairness

Completion of the Sakhalin LNG Project A Product of Chiyoda's DNA

Since I became President and CEO of Chiyoda in 2007, I have emphasized the three pillars of "intellectual property for the future," "environmentally responsible technologies" and "people-oriented management," based on the key concepts of "people," "technology and trust" and "contribution to the international community" that make up the DNA of the Chiyoda Group.

In a sense, our completion of the Sakhalin LNG project, featured on pages 4 and 5 of this CSR Report, and receipt of the "JAPAN Project International Award" Minister's Prize from the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) are products of this DNA. The award is objective recognition of over 20 million man-hours without a single accident or lost-time incident, 40 million kilometers of accident-free transport, overcoming harsh environmental conditions, and safety compliance, at the same time completely satisfying the region's strict environmental protection demands, contributing to the region in various ways, including technology transfer, and managing nearly 10 thousand workers of differing cultures and languages from over 40 countries. I am extremely pleased that this success is a product of not only the hard work of those who took part in the project, but also the natural expression of Chiyoda's DNA that has taken root in our employees.

New Medium-Term Management Plan: Engineering Excellence, Value Creation Focusing on Energy, Environment and Resource Development

In May 2009, Chiyoda announced its new medium-term management plan, "Engineering Excellence, Value Creation," for the period ending March 2013. In it we set energy, environment and resource development as our business domain. In 1972, well before environmental issues became a focal point, Chiyoda's founder, Akiyoshi Tamaki, declared in his booklet *Legacy for the 21st Century* that Chiyoda would take the initiative to develop technologies to solve energy and environmental problems. To that end, we have worked for harmony between energy and the environment, including construction of residuum hydrodesulfurization plants and development of Chiyoda Thoroughbred-121 (CT-121) flue gas desulfurization technology. As achieving a low-carbon society gains importance, our strengths in LNG projects will form the core of our effort to expand our range of business to the field of alternative clean energy as we reinforce business development in a greater number of countries and regions. In the decades ahead, we will also work to develop new technologies to reduce carbon from the existing energy sources of oil, gas and coal. With our teams of engineers and other technical staff, we will steadily carry out the plan one step at a time. I believe that Chiyoda people can make it happen.



Promotion of Consistent CSR Activities Aiming to be a Reliable Company Worldwide

I expect that with the new medium-term management plan under way, we will become an energetic company with even broader business operations. The engineering that sustains the Chiyoda Group is finally beginning to earn society's recognition. I am excited about the potential for more young people to gain interest and for our industry as a whole to expand further by earning greater recognition from society at large.

I believe that the essence of CSR is embodied in corporate behavior that conforms to social norms. The Chiyoda Group's management philosophy is to enhance our business to achieve harmony between energy and the environment and contribute to the development of a sustainable society as an integrated engineering and construction company through the use of our collective wisdom and painstakingly developed technology. As such, we will promote corporate activities that are in line with social norms in our pursuit of Group management that earns the trust and understanding of all our stakeholders. We will promote the Chiyoda Group's unique CSR activities to further build our reputation for reliability worldwide.



*Legacy for the 21st Century:
An Everlasting Commitment to
Chiyoda's DNA*

This spirit is passed on to the new generation of Chiyoda people so that our DNA remains the nucleus of all our technologies.

July 2009

Takashi Kubota
President & CEO

Serving Global Needs for Clean Energy: Sakhalin LNG Project Receives Minister's Prize, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

Concurrently with construction of an LNG plant in extremely hot Qatar, the Chiyoda Group completed the first LNG plant in Russia, which was under construction on the bitterly cold Sakhalin Island. This project received the MLIT's "JAPAN Project International Award"* Minister's Prize, recognizing the Chiyoda Group's project implementation capabilities.



A Project Displaying the Technological Prowess of Japanese Companies



Panoramic view of the plant and the project staff

The project was awarded the Minister's Prize for the excellent evaluation it received in the following four areas:

1. Giving full consideration to preserving the natural environment of Sakhalin, including the river running on the plant site where Sakhalin trout spawn, and minimizing environmental impact
2. An excellent safety record under harsh environmental conditions, including over 20 million man-hours without a single accident or lost-time incident and 40 million kilometers of accident-free transport
3. Wide ranging activities for employment, technology transfer and social contribution in the local community
4. Combining Russian resources and Japanese technology to secure a source of energy in neighboring Russia, thus reducing reliance on the Middle East and other regions



*The MLIT bestows the "JAPAN Project International Award," established in 2009, to overseas projects that exhibit the excellent design and construction know-how and technological strengths of Japanese companies. For their involvement in the Sakhalin LNG project, Chiyoda and four other companies received the Minister's Prize, the highest award.

The Significance of Completing Russia's First LNG Project



Ribbon cutting at the completion ceremony

Liquefied natural gas from the completed LNG project will be supplied to Japan and other countries in East Asia by tanker. As a clean energy source with low CO₂ emissions, LNG is in high demand, and plays an important role in Japan's national energy strategy to diversify supply sources.

The leaders of Japan and Russia attended the grand ceremony for the successful completion of the project in February 2009, and the first shipment arrived in April at the Sodegaura terminal operated jointly by Tokyo Electric Power Company and Tokyo Gas Co., Ltd.

Camp Operations in the Extreme Cold of Sakhalin



The plant at sunrise in midwinter

Temperatures in Sakhalin fall under -30°C in midwinter. Under these extreme weather conditions, Chiyoda enabled operations for over 7,000 people, including expanding camp capacity to accommodate the increase in workers after it opened in August 2004. Regional characteristics in Russia required various considerations, in particular strengthening control of alcohol, traffic control throughout the expansive camp, and snow management. We successfully completed and turned over the plant in September 2008 through the combined ideas of everyone involved, such as cleaning events and other opportunities to raise everyone's sense of involvement, as well as timely revision of camp rules.

Sakhalin II Plant and LNG tanker

Creating the Future with Chiyoda's Energy and Environmental Technologies: Chiyoda's Transitions in Contributing to a Prosperous Society

Chiyoda Corporation, which marked its 60th anniversary in 2008, published a booklet in 1972 entitled *Legacy for the 21st Century*, stating it would take the initiative to develop technologies and solve energy and environmental problems. Guided by this principle, we have contributed to prosperous lifestyles in countries around the world by developing energy- and environment-related technologies and building numerous plants in Japan and overseas. In this feature, we introduce our transitions in such technologies and plants, including LNG¹, flue gas desulfurization (FGD) plants² and residuum hydrodesulfurization and gas oil deep desulfurization plants^{3,4}.

Developed and received many orders for waste water filtration plants

Constructed residuum hydrodesulfurization plants

Developed and constructed numerous CT-101 FGD plants

First commercial Chiyoda Thoroughbred-121 (CT-121) FGD plant for Mitsubishi Petrochemical Co., Ltd. in Yokkaichi



Completed first CT-121 FGD plant, followed by successive orders

Gas oil deep desulfurization plant for TOA Oil Co., Ltd. in Kawasaki



Completed gas oil deep desulfurization plant, followed by successive orders

1960s
~1970s

1980s

1990s

Completion of Japan's first LNG receiving terminal



Tokyo Gas Co., Ltd. LNG Receiving Terminal in Negishi

Successive orders for LNG plants (2.0-5.0 MMTPA)



Courtesy of Qatargas

Qatargas, LNG Plant (Train 3)

Green indicates events related to FGD plants (CT-101, 121) and residuum / gas oil desulfurization plants.
Orange indicates events related to LNG plants.

Georgia Power Co. (USA)
 Plant Bowen Unit 3
 CT-121 FGD Plant



Continuous orders for CT-121 FGD plants in United States

FGD Plants
 Top-level share of orders in the industry

Installed energy-saving facilities at industrial complexes

2000s

Series of orders following completion of LNG receiving terminals in Japan

Full-scale orders for and completion of large-scale LNG plants



Courtesy of Qatargas

Qatargas 2, LNG Plant (Train 4)

LNG Plants
 No. 1 share of orders in the industry

Environment

- Provide carbon management solutions toward a low carbon society
- Develop integrated utility systems and water management

Creating Value for Tomorrow

- Strengthen initiatives for floating LNG
- Expand business to the renewable energy field
- Use energy resources more efficiently

Energy



Floating LNG

Notes:

1. **LNG:** Liquefied natural gas
2. **Flue gas desulfurization (FGD) plant:** A plant for removing sulfur dioxide from flue gas. The Thoroughbred Series CT-101 and CT-121 were developed by Chiyoda.
3. **Residuum hydrodesulfurization plant:** A plant for removing sulfur from residuum.
4. **Gas oil deep desulfurization plant:** A plant for removing sulfur from gas oil. Deep desulfurization removes sulfur to concentrations of less than 500ppm. Recent plants can desulfurize to even lower concentrations.

CSR vision 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.

CSR Medium-Term Policies

- Provide industrial plants that earn customer trust through engineering of outstanding quality
- Share our CSR principles with vendors, subcontractors and other business partners

Maintenance Service Cultivated through Reliability

The Chiyoda Group works in unison to provide plant lifecycle engineering, a service that adapts to a plant's lifecycle from design, procurement and construction to operation and maintenance. Maintenance services for optimal plant operation are proof of customers' trust in us cultivated over many years by providing safe and reliable services.



Customer-Focused, Proposal-Based Maintenance Business

Chiyoda Keiso conducts the maintenance business of On Stream Maintenance (OSM: daily maintenance done during ongoing plant operation) and Shut Down Maintenance (SDM: maintenance done during a scheduled shut-down of plant operation) through four regional offices (Eastern Japan, Kanto, Chubu and Western Japan) with a customer-focused, proposal-based approach. Chiyoda Keiso has gained the trust of customers over the years by ensuring thorough workplace safety using proprietary safety tools, services of quality management-certified employees, and reduction of CO₂ emissions. This trust enabled the Company to win a recent series of orders not only for OSM/SDM but also for revamp and construction from Fuji Oil Company and Showa Yokkaichi Sekiyu Co., Ltd. Chiyoda Keiso is working hard on these projects together with the customers.



Shut Down Maintenance



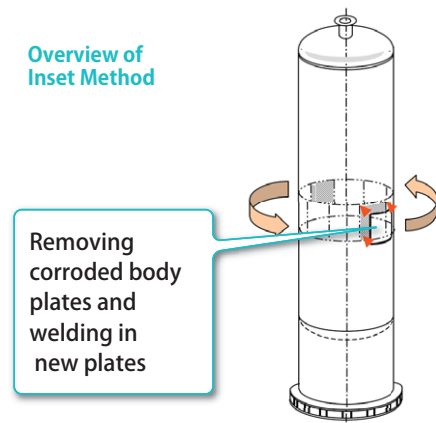
Quality management by certified workers

Development of Construction Method Improves Cost Efficiency at Plants

Chiyoda Kosho Co., Ltd. and Chiyoda developed a short delivery, low-cost construction method for inseting body plates in repair and renewal of large-scale distillation columns. The method applies a technique for stripping away several body plates of a column at a designated repair spot and inseting new plates.

The technique achieves enhanced cost efficiency compared to conventional methods by shortening turnaround and making maximum use of existing facilities, and contributes to reduced environmental impact.

Overview of Inset Method



Safety-Oriented Maintenance Engineering

The general manager of Chiyoda Kosho's Maintenance Division, Keihin Office gave a presentation on safety management activities at a seminar on preventing work-related accidents during scheduled repair work, held by the Kawasaki South Labor Standards Inspection Office in July 2008. Approximately 300 attendees gathered from local companies, including customers, contractors and subcontractors. In an inspection of the Mizue Factory of TOA Oil Co., Ltd.'s Keihin Refinery, administrated by the Keihin Office, the Kawasaki South Labor Standards Inspection Office highly evaluated Chiyoda Kosho's safety management at the site, and extended the invitation to present at the seminar.

Chiyoda Kosho has regional offices in Hokkaido, Kashima, Keihin, Shizuoka, Aichi, Yokkaichi, Kurashiki, Onoda and Fukuoka, covering a major industrial belt in Japan. The company also keeps offices within customers' refineries to support plant operation and management, centered on maintenance including plant construction, repair, renovation, expansion and emergency response.



Safety recitation at a morning assembly



Safety patrol

Comment from Masaru Takahashi, General Manager of Maintenance Division, Keihin Office, Chiyoda Kosho

A culture of safety must involve repeating and sustaining sharp awareness and behavior toward safety on a daily basis. Instead of assigning responsibility, I believe that a true culture of safety comes from the personal commitment of everyone involved in construction to safety matters. As a result of further

strengthening the initiatives I introduced in the presentation in 2008, we also succeeded in completing construction work ordered in the fiscal year ended March 31, 2009 at the Mizue Factory of TOA Oil's Keihin Refinery without accident or injury.



CSR vision 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. Our environmental initiatives include measures to reduce greenhouse gas emissions and waste.

CSR Medium-Term Policies

- Develop and provide environmentally friendly energy and conservation technologies
- Conduct business activities that contribute to environmental conservation

Material flow in business activities (FY2009)

INPUT

Domestic construction sites



Electricity..... 610,000kWh
 Diesel oil 1,830kl
 Kerosene 9.4kl
 Ready mixed concrete . . .86,000 tons
 Asphalt concrete.....1,000 tons
 Steel14,000 tons

Offices



Electricity..... 12,600,000kWh
 Water.....62,000kl
 Gas..... 542,000m³
 Paper..... 364 tons

Environmental Business Activities

EPC Activities*



* EPC Activities: Engineering, procurement and construction

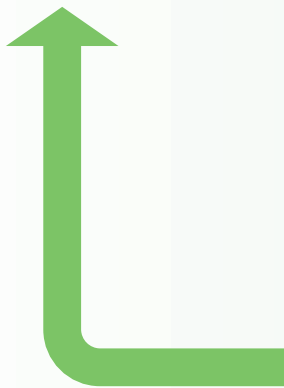
Intermediate treatment facilities



Domestic construction sites
 Recycling Rate 89.6% (excluding sewage)



Offices
 Recycling Rate 74.0%



Green Procurement*

Recycling facilities



Recycle

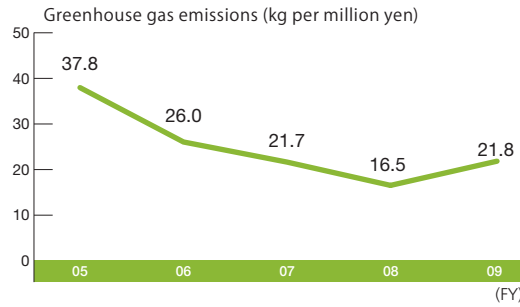
* Green procurement: Procurement that gives preference to eco-friendly equipment and materials

Initiatives in Office Activities

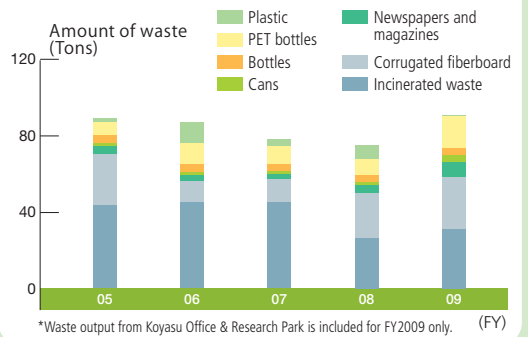
The Chiyoda Group is working to reduce the ratio of greenhouse gas emissions to revenues at its offices by using natural energy sources and introducing energy-saving facilities.

In addition, we are working to reduce the amount of general waste through trash separation and recycling.

Ratio of Greenhouse Gas Emissions (Mainly CO₂) to Revenues



Changes in Amount of General Waste



Office Activities



Research and Development Activities

OUTPUT

Domestic construction sites



Greenhouse gas 5,160 tons
 Chemical substances 12 tons
 Industrial waste 9,060 tons (excluding sewage)

Offices



Greenhouse gas 8,350 tons
 General waste 89 tons

Final disposal site

Final disposal quantity

855 tons
 (not including sludge and incineration ash)



Comment from Satoru Narita, General Manager, Wakamatsu Field Office

We removed an existing underground concrete foundation (3,500m³) ahead of construction as an environmental protection measure. Using a crushing machine at the construction site, we broke up the industrial waste concrete into bits of 40mm in diameter or smaller and reused it as roadbed material.

Traditionally, we use approximately 1,000 dump trucks making round-trips to transport the waste concrete offsite. However, this time we planned and implemented the transport

with a focus on not bothering residents along the road with excessive noise and dust, as well as effective reuse and recycling of industrial waste.



CSR vision 3

Social Contributions through Business Activities

Through its engineering business in Japan and overseas, Chiyoda contributes to local communities in ways including human resources development, technology transfer and environmental protection.

CSR Medium-Term Policies

- Contribute to society through integrated engineering business activities
- Enhance social contribution activities by providing knowledge and labor

Chiyoda builds plants around the world that treat water and air. We are utilizing that experience to educate the next generation for the future.



Students raise their hands eagerly during the quiz.

Environment Classes as Education for the Next Generation

Chiyoda held an environment class for 55 fourth grade students at Shincho Elementary School in Kawasaki, Kanagawa on November 17, 2008, with company employees serving as instructors.

The class quizzed students on topics such as how much water a Japanese person uses in a day and the volume of water necessary to clean water with soy sauce mixed in it. The children eagerly raised their hands and their voices rose with surprise to the answers, which enlivened the class.



Chiyoda held an environment class on February 20, 2009 for 105 fifth grade students at Tsurumi Elementary School, which is located near Chiyoda's head office.



Letters from students with their impressions

Comment from Takao Tsuchiya, Principal of Tsurumi Elementary School in Yokohama, Kanagawa

We began requesting guest lessons on the environment two years ago. In the 2008-2009 school year, students learned about the importance of water through quizzes and experiments.

Following the class, many students expressed their

surprise on learning that they use 50 times more water than people in desert countries, and resolved to use it more carefully. We will continue these lessons so that children will find interest in the environment in their daily lives.





Listening intently to the instructor's explanation

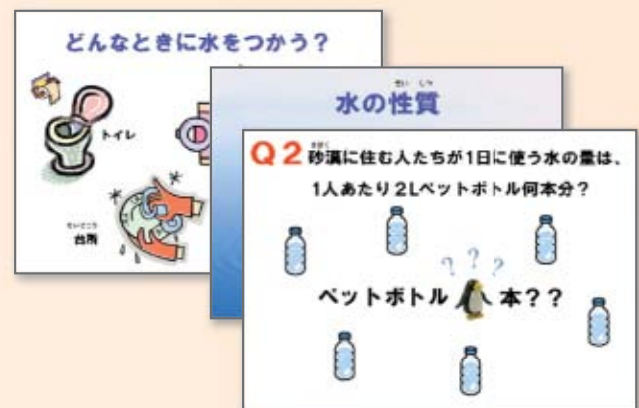


A water purification experiment

In addition, the students voiced their amazement on watching colored water turn clear, in an experiment to purify water using activated carbon and a filter. Teachers were also impressed by the class, which created an opportunity to reflect on how to use water wisely in our daily lives.

An overview of the environment class ran in an environment and energy advertising issue of The Nikkei newspaper on December 9, 2008. Please refer to our website for the entire feature (in Japanese only).

Chiyoda also conducts private-sector training for teachers, dispatches instructors to universities, and accepts students for internships.



A sample question from the quiz ("The amount of water that people in the desert use each day is equal to how many 2-liter bottles?").

Communication with the Region



On November 16, 2008, 70 employees and their families volunteered in the cleanup campaign held by the neighborhood association of Tsurumi-ku, Yokohama, where Chiyoda's Yokohama Head Office is located. Following the cleanup, we held a tour of facilities including our solar power generation equipment and rooftop greenification.

International Contributions



Chiyoda Philippines Corporation invites local engineering students and engineers from Southeast Asia for on-the-job engineering training. The Chiyoda Group supports technology transfer and job creation through the construction of its overseas plants, while respecting the traditions of host countries.

CSR vision 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.

CSR Medium-Term Policies

- Create a lively and energetic working environment and help employees develop their talents
- Instill in everyone involved that safety is a core value

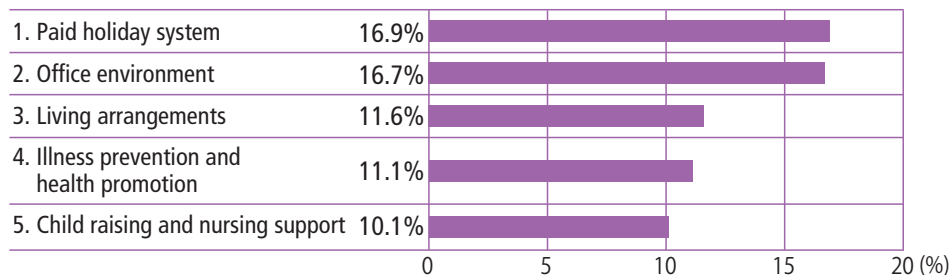
Achieving Work-Life Balance

Joint Employee Survey with the Labor Union

We conducted a survey together with the employee union in January 2009 to assess employees' needs and opinions concerning welfare and work-life balance. As an example, the top five systems chosen by respondents as the most important from a list of 14 are shown below. We will cooperate with the labor union to enhance the welfare system based on the results.

Systems that Employees Find Important

Survey subjects	1,429
Respondents	844
Response rate	59.1%



Response to Interest in Paid Holiday System

We have introduced anniversary holidays where employees can use annual leave days for their birthday or wedding anniversary, seasonal holidays for taking consecutive days off, and a holiday system to use for volunteer activities.

Response to Interest in Illness Prevention and Health Promotion

Aiming to reduce the number of employees who have or are at risk of illnesses such as metabolic syndrome and diabetes, we implemented a lifestyle disease checkup from the fiscal year ended March 2009.

Initiatives Toward a Safety Culture

Chiyoda is continuing its efforts to instill a commitment in all employees to prioritize safety above all else.

Safety Commendation: EMDC 2009 Safe Contractor Award from Exxon Mobil Development Company

After receiving the Shell CEO 2007 HSE (Health, Safety and Environment) Award in the fiscal year ended March 2008, Chiyoda received the EMDC 2009 Safe Contractor Award, symbolizing customer recognition of Chiyoda's joint safety initiatives with the customer and subcontractors at an LNG project for Qatargas.



Presentation by Mrs. Hilary Mercer,
Customer Project Manager of the Sakhalin project

Company-wide Safety Conference

We hold an annual Company-wide safety conference, which began in the fiscal year ended March 2008, to enhance awareness of safety as a core value. In the fiscal year ended March 2009, customers gave presentations on safety from their perspective.

- Presentation by the Customer Project Manager of the Sakhalin project (July 2008)
- Presentation by the presidents of Shell Gas & Power Japan Ltd. and Shell Global Solutions (Japan) K.K. (December 2008)

Educational Activities

We carry out easy-to-understand education on labor, safety and sanitation, using methods such as posters at construction sites in the local language.



A poster showing that eating and drinking within the facility is prohibited
(In English above and Russian below)

Accident Rate

The frequency rate of accidents at construction sites was 0.14¹ and the severity rate was 0.13.² (Fiscal year ended March 2008 frequency rate: 0.13; severity rate: 0.01)

Notes: 1. The frequency rate of accidents is the number of individuals in accidents (excluding accidents with no loss of working time) per total working hours, times 1 million. A lower figure indicates higher safety.

2. The severity rate of accidents is the number of lost-time days per total working hours, times 1,000. A lower figure indicates higher safety.



Trying on kimono

Support for Foreign Engineers

Chiyoda employs over 100 engineers from the Philippines, India and other countries at its Yokohama Office, and we hold festivals, parties and other events respecting the culture and traditions of their countries. We also offer support for day-to-day living, including providing information on schools and helping with hospital visits, in addition to obtaining visas and resident status.

CSR vision 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.

CSR Medium-Term Policies

- Conduct business activities based on strict compliance and a high degree of transparency
- Conduct a thorough risk management program

Compliance Initiatives

Compliance Consciousness Survey:

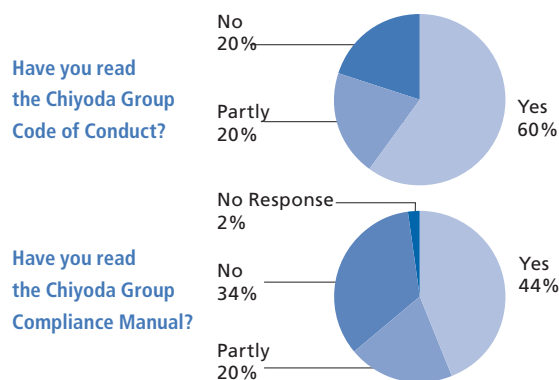
We conducted a survey in March 2009 to measure compliance consciousness, including awareness of compliance activities carried out by the Chiyoda Group. The response rate of 3,500 Group employees was 65 percent.

Responses to major items on the survey were as follows.

1. Awareness of the Chiyoda Group Code of Conduct: 80% (68%)
2. Awareness of the Chiyoda Group Compliance Manual: 64% (42%)
3. Awareness of the Compliance Consultation and Reporting System: 84% (67%)

(Figures in parentheses show previous survey results.)

We will reflect the survey results in conducting higher quality activities while raising awareness within the Group.



Use of the Compliance Consultation and Reporting System in the Fiscal Year Ended March 2009

1. Reports related to workplace improvements	6
2. Reports related to compliance with workplace rules	2
3. Other	3
Total	11

Please refer to our website for the Chiyoda Group Code of Conduct and the Chiyoda Group Compliance Manual.
<http://www.chiyoda-corp.com/en/company/csr/compliance/koudoukihan.php>

Internal Control

Chiyoda maintains and operates an internal control system, which is necessary to ensure appropriate business activities. The Board of Directors adopted the Basic Policy on Formation of an Internal Control System in April 2006, when the Corporation Law was implemented.

In addition, we conducted an internal audit that contributed to management's evaluation of the internal control reporting system of the Financial Instruments and Exchange Law (the so-called J-SOX Law), and confirmed the appropriateness of Chiyoda's internal controls in late March 2009. Based on the Financial Instruments and Exchange Law, we submitted our Internal Control Report on June 24, 2009.

Please refer to our website for the Internal Control Report dated June 24, 2009 (Japanese only).
http://www.chiyoda-corp.com/ir/library/file/financial-report/fr81-200903_naibu.pdf

Intensive Compliance Campaign Month

In October 2008, we designated October every year as Intensive Compliance Campaign Month. During this month, we conduct compliance education through e-learning and seminars by outside professional instructors covering laws related to the Chiyoda Group's operations. Seminars to date and participation from related departments are shown here.

	Participants
Anti-Monopoly Law (to prevent bid rigging)	Approximately 70
Subcontract Act	Approximately 110
Unfair Competition Prevention Act (to prevent bribes to foreign civil servants)	Approximately 40
Insider trading	For division manager level and above



A lawyer giving an Unfair Competition Prevention Act seminar

Notes: **Anti-Monopoly Law:** The Anti-Monopoly Law basically prohibits unreasonable restraints on trade, private monopolization and unfair methods of competition, and is intended to ensure free and fair trade among companies and businesses.

Subcontract Act: A special act within the Anti-Monopoly Law, officially called the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors. It proscribes obligations and restrictions related to payment by contractors in order to protect the interests of subcontractors.

Unfair Competition Prevention Act: A law regulating dishonest behavior in order to ensure fair competition among business entities and a fair market. A revision in 1999 prohibits bribes to foreign civil servants.

Insider trading: A representative example of unfair trading, in which individuals related to a company obtain significant information that could affect that company's stock price, and then buy or sell that stock before the information is made public.

Information Security Measures

The Chiyoda Group holds regular Group liaison conferences, and works in unison to maintain and enhance its information security system.

After Chiyoda Corporation acquired information security certification in December 2007, Chiyoda Advanced Solutions Corporation and IT Engineering Limited acquired ISO/IEC 27001:2005 / JIS Q 27001:2006 third-party certification in December 2008 and April 2009, respectively, for their information security management systems.



Third-party certification

Comment from Setsuko Kinukawa and Reiko Yokota, Chiyoda Corporation, Operational Auditing Office

Internal audits are often compared to a health checkup. At a health checkup, the doctor gives advice on any illness symptoms to keep a medical condition from worsening.

However, only the individual concerned can take

measures like diet and lifestyle improvements based on the checkup results.

We strive through internal audits to help each staff member review whether business is being carried out properly.





We consolidate Group strengths in our business operations.



12-1, Tsurumichuo 2-chome, Tsurumi-ku, Yokohama 230-8601, Japan
Tel: (81) 45-506-7535 Fax: (81) 45-506-6857

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

