

<<Translation for Reference>>

January 28, 2026

Company Name: Chiyoda Corporation

Representative Director, President & CEO: Koji Ota

Stock Code: 6366

Stock Listing: Tokyo Stock Exchange Standard Section

Inquiries: Satomi Fukuda, General Manager, Corporate Services Dept.

Telephone: +81-45-225-7777

## **Notice of Agreement regarding the redemption plan of Class A Preferred Shares and Partial Amendment to Articles of Incorporation**

We hereby inform you that at today's Board of Directors meeting, we resolved to agree with Mitsubishi Corporation (hereinafter referred to as "Mitsubishi") to modify the conditions of the Class A Preferred Shares held by Mitsubishi, with the condition that the proposed partial amendment to the Articles of Incorporation, as outlined in Exhibit 1 (hereinafter referred to as "Detail of Amendments to Articles of Incorporation"), is approved at our 98th Annual General Meeting of Shareholders scheduled for June of this year (hereinafter referred to as "the General Meeting"). Additionally, we have resolved to submit the proposal for the partial amendment to the Articles of Incorporation related to this proposed amendment at the General Meeting.

### **I. Redemption Policy for Class A Preferred Shares**

#### **1. Background and Objectives**

Since the formulation of our restructuring plan in 2019, we have recognized that we have achieved certain results in thoroughly managing risks and transitioning to a stable profit structure. However, we have been unable to avoid losses from large projects ordered prior to this restructuring plan, which has delayed the recovery of our financial strength and resulted in our inability to process redemptions, including the dividends for the Class A Preferred Shares, making this our most significant management challenge.

Considering this situation, in addition to our restructuring plan, we have successfully achieved contract revisions for the Golden Pass LNG project in the United States, which is one of the critical initiatives in our current medium-term management plan (Management Plan 2025). We have solidified our execution plan towards completion, and as stated in our announcement regarding the "Revision of Earnings and Dividend Forecasts" dated today, we have been able to upwardly revise our earnings forecasts by reflecting the review of the costs (provisions) we anticipate will be sufficient until the completion of this project. Furthermore, as we have also made certain progress towards achieving the "average annual net profit of 15 billion yen" outlined in "Management Plan 2025," we have decided to aim for the early redemption of all Class A Preferred Shares, which is our most significant management challenge.

However, aiming for the full redemption of all Class A Preferred Shares under the current Articles of Incorporation poses a challenge, as the redemption price is linked to the company's stock price level (market value). Considering the future earnings levels of our company that will serve as the source for redemption funds, it would take an extremely long time to redeem all shares, making a realistic resolution

difficult.

Taking this situation into account, we have negotiated with Mitsubishi and, as a result, agreed to change the conditions of the preferred shares under the proposed amendment to the Articles of Incorporation, with the condition that it is approved at the General Meeting, using the projected earnings during the execution period of "Management Plan 2025" (fiscal years 2025 to 2027) as the source of funds (hereinafter referred to as "this Agreement"). Our company will strive to achieve full redemption within approximately two years after the condition change (by the end of June 2028), achieve financial independence, and after full redemption, aim to transition from the Standard Market to the Prime Market, as well as reinstating dividends to common shareholders, while establishing a solid growth trajectory looking five and ten years ahead.

## 2. Main Contents and Schedule of the Condition Changes

The main contents of the changes to the conditions of Class A Preferred Shares under this Agreement are as follows.

First, under the current Articles of Incorporation, the redemption price per Class A Preferred Share is generally equivalent to the market value of four common shares. This will be fixed at 436 yen until the end of June 2029. Additionally, while the current Articles of Incorporation allow for the exercise of conversion rights to common shares at any time, the exercise period for these conversion rights will be set to after July 2029. This change will enable us to proceed with cash redemption without concerns regarding the exercise of conversion rights into common shares.

On the other hand, regarding the preferred dividend rate, it will remain at the current rate of 3% until the end of June 2028 but will increase to 12% after July 2028. However, based on this Agreement with Mitsubishi, we aim to achieve full redemption of all Class A Preferred Shares by the end of June 2028, before the preferred dividend rate increases, using all available distributable amounts determined by our annual financial results. After the full redemption of the Class A Preferred Shares, we will aim to reinstate dividends for common shares while continuing to maximize our earnings.

Following the approval of the proposed amendment to the Articles of Incorporation at the General Meeting, we plan to execute the redemption of Class A Preferred Shares using internal reserves and other available funds within the distributable amount. We will announce the timing and price of the initial redemption as soon as they are decided.

Moreover, we intend to maintain a cooperative relationship with Mitsubishi that supports both of our growth strategies. Furthermore, we have confirmed continued support from our main bank, Mitsubishi UFJ Bank.

In addition, our financial strengthening measures implemented in 2019 included the issuance of Class A Preferred Shares, as well as subordinated loans from Mitsubishi UFJ Bank and a borrowing line from Mitsubishi Corporation Financial Services. These have since undergone reductions and changes in conditions due to the maturity of the respective loans. Currently, in parallel with the changes to the conditions of the Class A Preferred Shares, we are in discussions with relevant parties regarding the repayment of subordinated loans from Mitsubishi UFJ Bank, the establishment of new commitment lines,

and the termination of the borrowing line from Mitsubishi Corporation Financial Services. We will notify you once our policies are determined.

For an overview of the redemption policy for Class A Preferred Shares, please refer to the table below and Exhibit 2: "New Capital Policy and Future Strategy."

**【Comparison Table of Changes to Class A Preferred Share Conditions】**

	Current Conditions	After Changes		
		2026/6~2028/6	2028/7~2029/6	2029/7~
Dividend Rate	3% (simple interest)※2	3% (simple interest)※2	12% (compound interest) ※3	
Redemption Price at Request of Preferred Shareholders	The higher of (a) or (b) below: (a) Stock Price ※4 × (400 yen + unpaid dividends ※5) ÷ 100 yen ※6 (b) 400 yen + unpaid dividends ※5	436 yen + unpaid dividends ※5	436 yen + unpaid dividends ※5	436 yen + unpaid dividends ※5
Redemption Price at Request of Our Company	Same as above	Same as above	Same as above	The higher of (a) or (b) below: (a) Stock Price ※4 × (400 yen + unpaid dividends ※5) ÷ 100 yen ※6 (b) 436 yen + unpaid dividends ※5
Conversion Rights to Common Shares by Our Company	Exercisable Conversion Price: 100 yen ※6	Not exercisable	Not exercisable	Exercisable Conversion Price: 100 yen ※6

(※1) Corresponds to 175 million Class A Preferred Shares at a redemption price of 436 yen per share

(※2) Dividend of 400 yen per Class A Preferred Share × 3% per annum

(※3) Dividend of 436 yen per preferred share plus the total amount of accumulated unpaid dividends for Class A Preferred Shares at that time × 12% per annum

(※4) An amount equivalent to the average price of the common shares of our company traded on the Tokyo Stock Exchange over a continuous 30 trading days starting from the 45th trading day prior to the redemption request date, as announced by the Exchange

(※5) Total amount of accumulated unpaid dividends per Class A Preferred Shares + total amount of overdue unpaid dividends per Class A Preferred Share

(※6) Conversion price of the Class A Preferred Shares as stipulated in Article 11, Section 7, Item 2 of our Articles of Incorporation

### 3.Future Outlook

This matter will have no impact on our current fiscal performance (fiscal year ending March 2026).

## II. Changes to Class A Preferred Shares

The changes to Class A Preferred Shares in this proposed amendment to the Articles of Incorporation are as follows:

**【Basic Information on Target Shares】**

1. Type of Shares: Class A Preferred Shares
2. Number of Shares: 175,000,000 shares
3. Amount Paid-In: 400 yen per share
4. Total Amount Paid-In: 70,000,000,000 yen

**【Changes to Class A Preferred Shares】**

1.Dividend on Surplus

The amount of Class A Preferred Dividends per Class A Preferred Share will be calculated based on the following formula, considering the actual number of days from the beginning of the fiscal year in which the dividend record date falls (inclusive) to the dividend record date (inclusive), using a year of 365 days (or 366 days if the fiscal year includes February 29 of a leap year) for the daily pro-rata calculation. However, if dividends on Class A Preferred Shares are paid based on a record date prior to the dividend record date within the same fiscal year, the amount of Class A Preferred Dividends per Class A Preferred Share will be the total amount of Class A Preferred Dividends deducted from the respective dividends (the Class A Preferred Dividends will be calculated to the nearest second decimal place and rounded accordingly).

- ① From the approval of the proposed amendment to the Articles of Incorporation at the General Meeting until June 30, 2028:

Amount of Class A Preferred Dividends:  $400 \text{ yen} \times 3.0\% \text{ per annum}$

- ② From July 1, 2028, onwards:

Amount of Class A Preferred Dividends:  $(436 \text{ yen plus the total amount of accumulated unpaid dividends at that time}) \times 12.0\% \text{ per annum}$

2. Acquisition Rights for Cash Consideration (Redemption by Shareholders)

- Exercise Period: After the approval of the proposed amendment to the Articles of Incorporation at the General Meeting
- Redemption Price:  $436 \text{ yen} + \text{the total amount of accumulated unpaid dividends for Class A Preferred Shares} + \text{the total amount of overdue unpaid dividends for Class A Preferred Shares.}$

3. Acquisition Rights for Cash Consideration (Redemption by the Issuer)

- Exercise Period: After the approval of the proposed amendment to the Articles of Incorporation at the General Meeting
- Redemption Price per Share:

- ① From the approval of the proposed amendment to the Articles of Incorporation at the General Meeting until June 30, 2029:

$436 \text{ yen} + \text{the total amount of accumulated unpaid dividends for Class A shares} + \text{the total amount of overdue unpaid dividends for Class A shares}$

② From July 1, 2029, onwards: the higher of the following (a) or (b):

(a) An amount equivalent to the average price of the common shares of the company traded on the Tokyo Stock Exchange over a continuous 30 trading days starting from the 45th trading day prior to the redemption request date, as announced by the Tokyo Stock Exchange (hereinafter referred to as "VWAP"). This amount will be calculated to the nearest second decimal place (rounded up or down), and if an event occurs during the above period that requires an adjustment to the conversion price, the average VWAP will be adjusted to a value deemed appropriate by the company in accordance with the conversion price adjustment. This amount will be multiplied by the number of shares specified below.

(b) The total amount of 436 yen + the total amount of accumulated unpaid dividends for Class A Preferred Shares + the total amount of overdue unpaid dividends for Class A Preferred Shares.

#### 4. Conversion Rights with Common Shares as Consideration

- Exercise Period: From July 1, 2029, onwards
- Initial Conversion Price: 100 yen (subject to adjustments similar to those in the current Articles of Incorporation.)

### III. Matters Concerning the Appropriateness and Fairness of This Transaction

We have entered into this agreement with Mitsubishi, and based on this agreement, we will modify the terms of the Class A Preferred Shares and aim for their early redemption (hereinafter referred to as "the Transaction"). While this does not fall under the category of "important transactions with controlling shareholders" as defined by the Tokyo Stock Exchange's Securities Listing Regulations, we note that Mitsubishi holds approximately 33% of our voting rights, which will increase to about 82% after the exercise of conversion rights into common shares. Therefore, we have taken the following measures, treating this as akin to "important transactions with controlling shareholders."

#### 1. Measures to Ensure Fairness and Avoid Conflicts of Interest

At the Board of Directors meeting on January 28, 2026, our company conducted thorough discussions with 11 directors who do not have a special interest in Mitsubishi (including five outside directors). A resolution was passed unanimously by all attending directors. It should be noted that Satoshi Sato, a director of our company, also serves as an executive officer of Mitsubishi and thus has a special interest; he did not participate in the discussions or resolution regarding this Transaction and has not been involved in discussions or negotiations concerning this Transaction from our company's standpoint.

#### 2. Obtaining Opinions Regarding the Transaction from Individuals Without Interests in Mitsubishi

We have received opinions from Yumiko Matsuo and Takashi Mukuno, who are independent officers and outside director auditors of our company and do not have interests in Mitsubishi. They noted that (i) under the current terms of the Class A Preferred Shares, full redemption is not easy and poses significant challenges to our company's shareholder return strategies and other management strategies over a long period. The modification of the terms of the Class A Preferred Shares based on this agreement was the result of concentrated and sincere negotiations with Mitsubishi to address these significant management challenges, thereby recognizing the legitimacy of the objective and the reasonableness of the agreement and the subsequent modification of the terms. Furthermore, (ii) our

company has obtained advice from external experts independent of both our company and Mitsubishi, and measures described in [the above (1)] have been taken regarding this Transaction. Additionally, since November 5, 2025, we have provided multiple opportunities for explanations to the outside directors, securing the agreement of all outside directors. Considering these factors comprehensively, we have received an opinion stating that the negotiation process and decision-making procedures regarding this Transaction are fair and that the Transaction is not disadvantageous to our general shareholders.

#### IV. Amendment to Articles of Incorporation:

##### 1. Purpose of Amendment to Articles of Incorporation

In order to implement the redemption plan described in "I. Redemption Plan for Class A Preferred Shares" above, we will amend the provisions of the Articles of Incorporation, along with making necessary modifications and additions to other wording.

##### 2. Detail of Amendments to Articles of Incorporation

The amendments are shown in Exhibit 1: "Detail of Amendments to Articles of Incorporation".

##### 3. Schedule

The date of the General Meeting for the amendment to the Articles of Incorporation and the effective date will be disclosed once they are confirmed.

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#### Attachments:

Exhibit 1: Detail of Amendments to Articles of Incorporation

Exhibit 2: New Capital Policy and Future Strategy

Articles of Incorporation (current version)	Articles of Incorporation (revised version)
<p>CHAPTER II-2 CLASS A PREFERRED SHARES</p> <p>ARTICLE 11-2 (Dividends from Surplus) (Preferred Dividends) (omitted) (Amount of Preferred Dividends)</p> <p>2. The amount of the Class A Preferred Dividend per Class A Preferred Share will be the amount calculated by using the following formula on a daily prorated basis assuming a year to be 365 days (or 366 days, if the business year contains a leap day) for the actual number of days elapsed in the period from and including the first day of the business year <u>(or the payment date, if the Record Date for Dividends belongs to a business year ending on the last day of March 2020)</u> up to and including the Record Date for Dividends. If, however, dividends from surplus are paid to the Class A Shareholders or the Registered Class A Preferred Share Pledgees using a record date prior to the Record Date for Dividends during a business year to which the Record Date for Dividends belongs, the amount to be paid as the Class A Preferred Dividend for each Class A Preferred Share will be reduced by the total amount of the Class A Preferred Dividends per Class A Preferred Share paid at each of such dividends (The Class A Preferred Dividend will be calculated to two (2) decimal places and then rounded off to one (1) decimal place).</p> <p>&lt;Formula&gt; Class A Preferred Dividend = JPY400 × 3.0%</p> <p>3 to 4 (omitted)</p> <p>ARTICLE 11-3 (Distribution of Residual Assets) (Preferred Distribution)</p> <p>If the Company is to distribute residual assets,</p>	<p>CHAPTER II-2 CLASS A PREFERRED SHARES</p> <p>ARTICLE 11-2 (Dividends from Surplus) (Preferred Dividends) (no change) (Amount of Preferred Dividends)</p> <p>2. The amount of the Class A Preferred Dividend per Class A Preferred Share will be the amount calculated by using the following formula on a daily prorated basis assuming a year to be 365 days (or 366 days, if the business year contains <u>the leap day of February 29</u>) for the actual number of days elapsed in the period from and including the first day of the business year up to and including the Record Date for Dividends. If, however, dividends from surplus are paid to the Class A Shareholders or the Registered Class A Preferred Share Pledgees using a record date prior to the Record Date for Dividends during a business year to which the Record Date for Dividends belongs, the amount to be paid as the Class A Preferred Dividend for each Class A Preferred Share will be reduced by the total amount of the Class A Preferred Dividends per Class A Preferred Share paid at each of such dividends (The Class A Preferred Dividend will be calculated to two (2) decimal places and then rounded off to one (1) decimal place).</p> <p>&lt;Formula to use until June 30, 2028&gt; Class A Preferred Dividend = JPY 400 × 3.0%</p> <p>&lt;Formula to use from July 1, 2028&gt; <u>Class A Preferred Dividend = (the total amount of JPY 436 and the Class A Accumulated and Unpaid Dividends (defined in Section 3) at that time) × 12.0%</u></p> <p>3 to 4 (no change)</p> <p>ARTICLE 11-3 (Distribution of Residual Assets) (Preferred Distribution)</p> <p>If the Company is to distribute residual assets, it shall distribute to the Class A Preferred</p>

<p>it shall distribute to the Class A Preferred Shareholders or the Registered Class A Preferred Share Pledges, in preference to the Common Shareholders and the Registered Common Share Pledges, the amount in cash for each Class A Preferred Share calculated by adding the amount equivalent to the Class A Accumulated and Unpaid Dividends and the Amount Equivalent to the Class A Accrued and Unpaid Dividends to JPY 400.</p> <p>“Amount Equivalent to the Class A Accrued and Unpaid Dividends” is the amount of the preferred dividends obtained, assuming the residual asset distribution date to be the Record Date for Dividends, by applying the number of days elapsed in the period from and including the first day of the business year <u>(or the payment date, if the residual asset distribution date belongs to a business year ending on the last day of March 2020)</u> up to and including the residual asset distribution date to the formula set forth in ARTICLE 11-2, Section 2 above.</p> <p>2 (omitted)</p> <p>ARTICLE 11-4 (omitted)</p> <p>ARTICLE 11-5 (Put Option the Consideration for which is Cash (Redemption Request)) (Details of Redemption Request)</p> <p>Each Class A Preferred Shareholder is entitled to request the Company at any time <u>on or after July 1, 2021</u> to acquire all or part of the Class A Preferred Shares held by such Class A Preferred Shareholder in consideration for cash (the “Redemption Request”). In such case, on the date when such Redemption Request takes effect, the Company shall deliver to the requesting Class A Preferred Shareholder, in exchange for the acquisition by the Company of one (1) Class A Preferred Share, cash consideration in the amount set forth in Section 2 below not exceeding the Distributable Amount within the meaning of Article 461, Paragraph 2 of the Companies Act as of the date of such Redemption Request (the “Redemption Request Date”) to the extent permissible under laws and regulations. If a Redemption Request is made in excess of the Distributable Amount as of the Redemption Request Date, the Class A</p>	<p>Shareholders or the Registered Class A Preferred Share Pledges, in preference to the Common Shareholders and the Registered Common Share Pledges, the amount in cash for each Class A Preferred Share calculated by adding the amount equivalent to the Class A Accumulated and Unpaid Dividends and the Amount Equivalent to the Class A Accrued and Unpaid Dividends to JPY 400.</p> <p>“Amount Equivalent to the Class A Accrued and Unpaid Dividends” is the amount of the preferred dividends obtained, assuming the residual asset distribution date to be the Record Date for Dividends, by applying the number of days elapsed in the period from and including the first day of the business year up to and including the residual asset distribution date to the formula set forth in ARTICLE 11-2, Section 2 above.</p> <p>2 (no change)</p> <p>ARTICLE 11-4 (no change)</p> <p>ARTICLE 11-5 (Put Option the Consideration for which is Cash (Redemption Request)) (Details of Redemption Request)</p> <p>Each Class A Preferred Shareholder is entitled to request that the Company at any time acquire all or part of the Class A Preferred Shares held by such Class A Preferred Shareholder in consideration for cash (the “Redemption Request”). In such case, on the date when such Redemption Request takes effect, the Company shall deliver to the requesting Class A Preferred Shareholder, in exchange for the acquisition by the Company of one (1) Class A Preferred Share, cash consideration in the amount set forth in Section 2 below not exceeding the Distributable Amount within the meaning of Article 461, Paragraph 2 of the Companies Act as of the date of such Redemption Request (the “Redemption Request Date”) to the extent permissible under laws and regulations. If a Redemption Request is made in excess of the Distributable Amount as of the Redemption Request Date, the Class A</p>
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Preferred Shares to be acquired will be determined in proportion to the number of the Class A Preferred Shares for which the Redemption Request is made.

(Redemption Price)

2. The redemption price per share of the Class A Preferred Shares will be the higher of (a) or (b) below:

(a) The amount calculated by multiplying the amount equivalent to the average of the volume weighted average prices (the “VWAPs”) in regular trade of the Company’s common shares announced by the Tokyo Stock Exchange, Inc. (the “TSE”) for thirty (30) consecutive Trading Days counting from the forty-fifth (45th) Trading Day prior to the Redemption Request Date (The price will be calculated to two (2) decimal places and then rounded off to one (1) decimal place. If, during the abovementioned period, any of the events provided in ARTICLE 11-7, Section 3 occurs, the average of the VWAPs mentioned above will be adjusted to a value that the Company deems appropriate in accordance with ARTICLE 11-7, Section 3 by the Base Number of Shares defined below. For the purpose of this (a), “Base Number of Shares” means the value calculated by first adding the amount equivalent to the Class A Accumulated and Unpaid Dividends and the Amount Equivalent to the Class A Accrued and Unpaid Dividends to JPY 400 and then dividing the sum by the conversion price calculated in accordance with ARTICLE 11-7, Sections 2 and 3.

“Trading Day” means the day on which regular trade in the Company’s common shares is conducted on the TSE, excluding the days on which no VWAP is announced by the TSE (the same applies hereafter).

(b) The amount calculated by adding the amount equivalent to the Class A Accumulated and Unpaid Dividends and the Amount Equivalent to the Class A Accrued and Unpaid Dividends to JPY 400.

In this Section, the Amount Equivalent to the Class A Accrued and Unpaid Dividends is calculated by replacing the term “residual asset distribution date” in the calculation of the Amount Equivalent to the Class A Accrued and Unpaid Dividends provided in ARTICLE

Preferred Shares to be acquired will be determined in proportion to the number of the Class A Preferred Shares for which the Redemption Request is made.

(Redemption Price)

2. The redemption price per share of the Class A Preferred Shares will be as follows:

The amount calculated by adding the amount equivalent to the Class A Accumulated and Unpaid Dividends and the Amount Equivalent to the Class A Accrued and Unpaid Dividends to JPY 436.

In this Section, the Amount Equivalent to the Class A Accrued and Unpaid Dividends is calculated by replacing the term “residual asset distribution date” in the calculation of the Amount Equivalent to the Class A Accrued and Unpaid Dividends provided in ARTICLE 11-3, Section 1 with the term Redemption Request Date. The same shall apply for the following.

<p>11-3, Section 1 with the term Redemption Request Date.</p> <p>3 to 4 (omitted)</p> <p>ARTICLE 11-6 (Call Option the Consideration for which is Cash (Mandatory Redemption)) (Details of Mandatory Redemption) Regardless of the intention of the Class A Preferred Shareholders or the Registered Class A Preferred Share Pledgees, the Company may, <u>on or after July 1, 2021</u> upon the occurrence of the date separately determined by the Board of Directors of the Company (the “Mandatory Redemption Date”), deliver to the Class A Preferred Shareholders or the Registered Class A Preferred Share Pledgees, in exchange for the acquisition by the Company of all or part of the Class A Preferred Shares, cash consideration in the amount set forth in Section 2 below not exceeding the Distributable Amount within the meaning of Article 461, Paragraph 2 of the Companies Act as of the Mandatory Redemption Date of the Class A Preferred Shares after giving notice to such Class A Preferred Shareholders or the Registered Class A Preferred Share Pledgees no later than two (2) weeks prior to the Mandatory Redemption Date. When acquiring part of the Class A Preferred Shares, the Class A Preferred Shares to be acquired will be determined in proportion to the number of the Class A Preferred Shares to be acquired.</p> <p>(Mandatory Redemption Price) 2. The mandatory redemption price per share of the Class A Preferred Shares will be the higher of (a) or (b) below: (a) The amount calculated by multiplying the amount equivalent to the average of the VWAPs for thirty (30) consecutive Trading Days counting from the forty-fifth (45th) Trading Day prior to the Mandatory Redemption Date (The price will be calculated to two (2) decimal places and then rounded off to one (1) decimal place. If, during the abovementioned period, any of the events provided in ARTICLE 11-7, Section 3</p>	<p>3 to 4 (no change)</p> <p>ARTICLE 11-6 (Call Option the Consideration for which is Cash (Mandatory Redemption)) (Details of Mandatory Redemption) Regardless of the intention of the Class A Preferred Shareholders or the Registered Class A Preferred Share Pledgees, the Company may, <u>at any time</u>, upon the occurrence of the date separately determined by the Board of Directors of the Company (the “Mandatory Redemption Date”), deliver to the Class A Preferred Shareholders or the Registered Class A Preferred Share Pledgees, in exchange for the acquisition by the Company of all or part of the Class A Preferred Shares, cash consideration in the amount set forth in Section 2 below not exceeding the Distributable Amount within the meaning of Article 461, Paragraph 2 of the Companies Act as of the Mandatory Redemption Date of the Class A Preferred Shares after giving notice to such Class A Preferred Shareholders or the Registered Class A Preferred Share Pledgees no later than two (2) weeks prior to the Mandatory Redemption Date. When acquiring part of the Class A Preferred Shares, the Class A Preferred Shares to be acquired will be determined in proportion to the number of the Class A Preferred Shares to be acquired.</p> <p>(Mandatory Redemption Price) 2. The mandatory redemption price per share of the Class A Preferred Shares will be <u>as follows:</u> <u>&lt;Redemption price until June 30, 2029&gt;</u> <u>The amount calculated by adding the amount equivalent to the Class A Accumulated and Unpaid Dividends and the Amount Equivalent to the Class A Accrued and Unpaid Dividends to JPY 436.</u> <u>In this section, the Amount Equivalent to the Class A Accrued and Unpaid Dividends is calculated by replacing the term “residual asset distribution date” in the calculation of</u></p>
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occurs, the average of the VWAPs mentioned above will be adjusted to a value that the Company deems appropriate in accordance with ARTICLE 11-7, Section 3 by the Base Number of Shares defined below.

For the purpose of this (a), “Base Number of Shares” means the value calculated by first adding the amount equivalent to the Class A Accumulated and Unpaid Dividends and the Amount Equivalent to the Class A Accrued and Unpaid Dividends to JPY 400 and then dividing the sum by the conversion price calculated in accordance with ARTICLE 11-7, Sections 2 and 3.

(b) The amount calculated by adding the amount equivalent to the Class A Accumulated and Unpaid Dividends and the Amount Equivalent to the Class A Accrued and Unpaid Dividends to JPY 400.

In this Section, the Amount Equivalent to the Class A Accrued and Unpaid Dividends is calculated by replacing the term “residual asset distribution date” in the calculation of the Amount Equivalent to the Class A Accrued and Unpaid Dividends provided in ARTICLE 11-3, Section 1 with the term “Mandatory Redemption Date.”

ARTICLE 11-7 (Put Option the Consideration for which is Common Shares (Conversion Request))

(Details of Conversion Request)

Each Class A Preferred Shareholder is entitled to request the Company at any time on or after July 1, 2019 to acquire all or part of the Class A Preferred Shares held by such Class A Preferred Shareholder in exchange for the delivery of common shares in such number as provided in Section 4 below (the “Conversion Request”), and the Company shall deliver the common shares in such number as provided in Section 4 to the extent permissible under laws

the Amount Equivalent to the Class A Accrued and Unpaid Dividends provided in ARTICLE 11-3, Section 1 with the term “Mandatory Redemption Date.” The same shall apply for the following.

<Redemption price from July 1, 2029>

The price will be the higher of (a) or (b) below:

(a) The amount calculated by multiplying the amount equivalent to the average of the VWAPs for thirty (30) consecutive Trading Days counting from the forty-fifth (45th) Trading Day prior to the Mandatory Redemption Date (The price will be calculated to two (2) decimal places and then rounded off to one (1) decimal place. If, during the abovementioned period, any of the events provided in ARTICLE 11-7, Section 3 occurs, the average of the VWAPs mentioned above will be adjusted to a value that the Company deems appropriate in accordance with ARTICLE 11-7, Section 3 by the Base Number of Shares defined below.

For the purpose of this (a), “Base Number of Shares” means the value calculated by first adding the amount equivalent to the Class A Accumulated and Unpaid Dividends and the Amount Equivalent to the Class A Accrued and Unpaid Dividends to JPY 400 and then dividing the sum by the conversion price calculated in accordance with ARTICLE 11-7, Sections 2 and 3.

(b) The amount calculated by adding the amount equivalent to the Class A Accumulated and Unpaid Dividends and the Amount Equivalent to the Class A Accrued and Unpaid Dividends to JPY 436.

ARTICLE 11-7 (Put Option the Consideration for which is Common Shares (Conversion Request))

(Details of Conversion Request)

Each Class A Preferred Shareholder is entitled to request the Company at any time on or after July 1, 2029 to acquire all or part of the Class A Preferred Shares held by such Class A Preferred Shareholder in exchange for the delivery of common shares in such number as provided in Section 4 below (the “Conversion Request”), and the Company shall deliver the common shares in such number as provided in Section 4 to the extent permissible under laws

<p>and regulations in exchange for the acquisition by the Company of the Class A Preferred Shares for which the Conversion Request is made. However, for making a Conversion Request, the Class A Preferred Shareholders must have duly and effectively completed all necessary procedures under domestic and foreign competition laws for acquiring common shares before making a Conversion Request (as regards procedures that require a waiting period, such waiting period has to have expired as well). The date on which the Conversion Request takes effect pursuant to Section 6 below will be hereinafter referred to as the “Conversion Request Effective Date.”</p> <p>2 (omitted)</p> <p>(Adjustment of Conversion Price)</p> <p>3.</p> <p>(a)</p> <p>(i) to (ii) (omitted)</p> <p>(iii) If the Company issues common shares, or disposes of common shares held by the Company, at a paid-in amount below the market price per common share provided in (d) below (excluding the case of a gratis allotment, the case of an acquisition of shares or stock acquisition rights (shinkabu yoyakuken) (including those attached to bonds with stock acquisition rights; hereinafter the same in this Section) in exchange for delivery of common shares, the case of an exercise of stock acquisition rights to acquire common shares or the case of a delivery of common shares by amalgamation, stock swap <u>or</u> company split), the conversion price will be adjusted in accordance with formula set out below (the “Conversion Price Adjustment Formula”). If any property other than money is the subject of contribution, “Amount to be paid in per share” in the Conversion Price Adjustment Formula will be the fair value of such property. The conversion price after adjustment will apply from the day following the payment date (or following the last day of a payment period if such payment period is determined) or, if a record date for the allotment of shares to shareholders is determined, from the day following such</p>	<p>and regulations in exchange for the acquisition by the Company of the Class A Preferred Shares for which the Conversion Request is made. However, for making a Conversion Request, the Class A Preferred Shareholders must have duly and effectively completed all necessary procedures under domestic and foreign competition laws for acquiring common shares before making a Conversion Request (as regards procedures that require a waiting period, such waiting period has to have expired as well). The date on which the Conversion Request takes effect pursuant to Section 6 below will be hereinafter referred to as the “Conversion Request Effective Date.”</p> <p>2 (no change)</p> <p>(Adjustment of Conversion Price)</p> <p>3.</p> <p>(a)</p> <p>(i) to (ii) (no change)</p> <p>(iii) If the Company issues common shares, or disposes of common shares held by the Company, at a paid-in amount below the market price per common share provided in (d) below (excluding the case of a gratis allotment, the case of an acquisition of shares or stock acquisition rights (shinkabu yoyakuken) (including those attached to bonds with stock acquisition rights; hereinafter the same in this Section) in exchange for delivery of common shares, the case of an exercise of stock acquisition rights to acquire common shares or the case of a delivery of common shares by amalgamation, stock swap, <u>company split or issuance of shares</u>), the conversion price will be adjusted in accordance with formula set out below (the “Conversion Price Adjustment Formula”). If any property other than money is the subject of contribution, “Amount to be paid in per share” in the Conversion Price Adjustment Formula will be the fair value of such property. The conversion price after adjustment will apply from the day following the payment date (or following the last day of a payment period if such payment period is determined) or, if a record date for the allotment of shares to shareholders is</p>
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record date (the “Shareholder Allotment Date”). If the Company disposes of common shares held by it, the terms “number of newly issued shares” and “number of treasury shares” in the following formula are deemed to be replaced with “number of shares disposed of” and “number of treasury shares before disposal,” respectively.

$$\text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment} \times \left( \frac{\text{Number of issued common shares} + \text{Number of newly issued shares}}{\text{Number of issued common shares} - \text{Number of treasury shares}} \right) \times \text{Amount to be paid in per share}}{\text{Market price}}$$

(Number of issued shares - Number of treasury shares) + Number of newly issued share

(iv) to (v) (omitted)

(b) In addition to the events provided in (a) above, if any of the events provided in (i) through (iii) below occurs, the Company will adjust the conversion price in an appropriate manner after giving prior written notice to the Class A Preferred Shareholders and the Registered Class A Preferred Share Pledges to that effect and also stating the reasons for such adjustment, the conversion price after adjustment, the day on which such adjusted conversion price becomes effective and any other necessary matters:

(i) If it is necessary to adjust the conversion price because of: a merger; share exchange; acquisition of all issued shares of other joint-stock company through share exchange; share transfer; absorption-type split; succession to all or part of the rights and obligations held by other company in relation to its own business through absorption-type split; or incorporation-type split;

(ii) to (iii) (omitted)

(c) to (e) (omitted)

4 to 6 (omitted)

ARTICLE 11-8 to 11-9 (omitted)

determined, from the day following such record date (the “Shareholder Allotment Date”). If the Company disposes of common shares held by it, the terms “number of newly issued shares” and “number of treasury shares” in the following formula are deemed to be replaced with “number of shares disposed of” and “number of treasury shares before disposal,” respectively.

$$\text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment} \times \left( \frac{\text{Number of issued common shares} + \text{Number of newly issued shares}}{\text{Number of issued common shares} - \text{Number of treasury shares}} \right) \times \text{Amount to be paid in per share}}{\text{Market price}}$$

(Number of issued shares - Number of treasury shares) + Number of newly issued share

(iv) to (v) (no change)

(b) In addition to the events provided in (a) above, if any of the events provided in (i) through (iii) below occurs, the Company will adjust the conversion price in an appropriate manner after giving prior written notice to the Class A Preferred Shareholders and the Registered Class A Preferred Share Pledges to that effect and also stating the reasons for such adjustment, the conversion price after adjustment, the day on which such adjusted conversion price becomes effective and any other necessary matters:

(i) If it is necessary to adjust the conversion price because of: a merger; share exchange; acquisition of all issued shares of other joint-stock company through share exchange; share transfer; absorption-type split; succession to all or part of the rights and obligations held by other company in relation to its own business through an absorption-type split; incorporation-type split; or the issuance of shares;

(ii) to (iii) (no change)

(c) to (e) (no change)

4 to 6 (no change)

ARTICLE 11-8 to 11-9 (no change)

# New Capital Policy and Future Strategy

## AGENDA :

1. Executive Summary
2. Background of the New Capital Policy
3. Schedule for Articles of Incorporation Amendment
4. Business Strategy

Appendix

社会の“かなえたい”を共創する  
エンジニアリング  
*Enriching Society through Engineering Value*

# **1. Executive Summary**

# Executive Summary

## Summary

- **Preferred shares to be settled within the current mid-term plan via amended terms\*, targeting dividend resumption and Prime Market**
- Maintain cooperative relationship with Mitsubishi Corporation (“MC”) to support growth strategy
- Subordinated loan from MUFG repaid; Mitsubishi Corporation Financial & Management Services (Japan) Ltd. (“MCFS”) credit line terminated. MUFG support unchanged, with commitment-line discussions ongoing

## Background

- A clear path established for settling unpaid dividends and full redemption of Preferred Shares, based on reversed overrun costs for Golden Pass LNG (provision) and profits during the current mid-term plan
- Agreement with MC to complete full redemption of Preferred Share by June 2028 under amended terms
- Required cash reserves secured, including for preferred share redemption

## Toward Financial Independence and Enhanced Corporate Value

- Dilution concerns for common shares eliminated through amended terms
- Solid execution of the current mid-term plan, establishing a foundation for stable and diversified earnings and Non-EPC
- **Next mid-term plan positioned as a full-scale growth trajectory toward the vision for the next 10 years**

\*Subject to approval at the General Meeting of Shareholders (June 2026)



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## **2. Background of the New Capital Policy**

# Purpose and Context

Since the revitalization plan, risk management has strengthened and transition to stable earnings has progressed

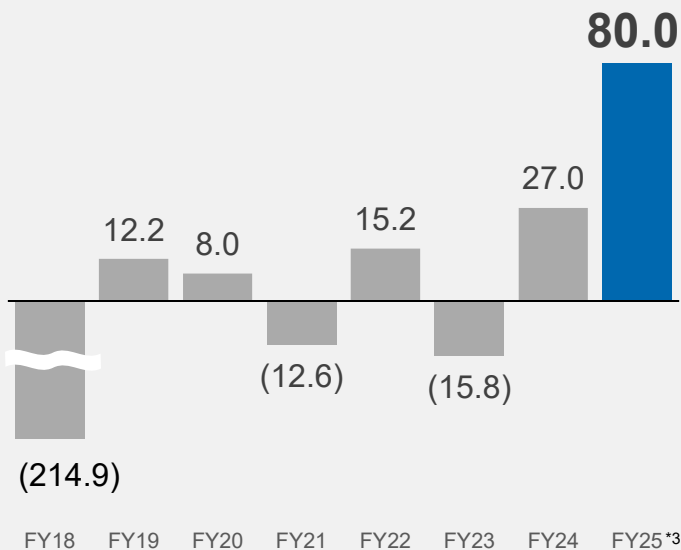
(JPY Bn)

Golden Pass LNG contract revised, recovering FY23 losses and enabling an upward revision of forecasts

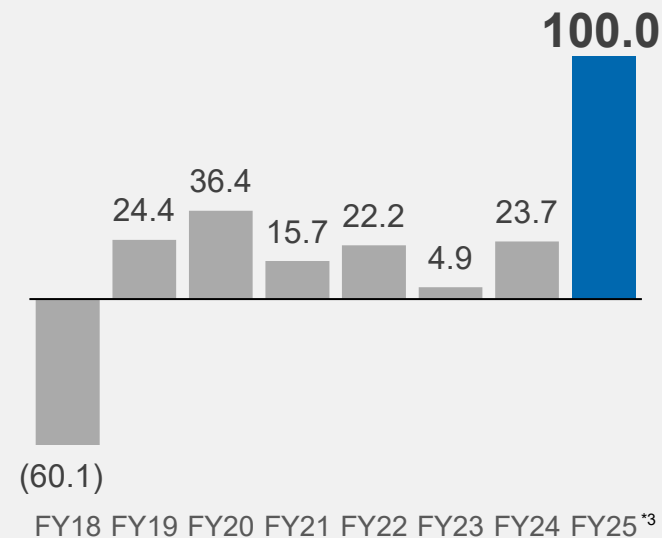
Equity projected to recover to approximately ¥100 bn\*2

Required cash reserves secured, including for redemption

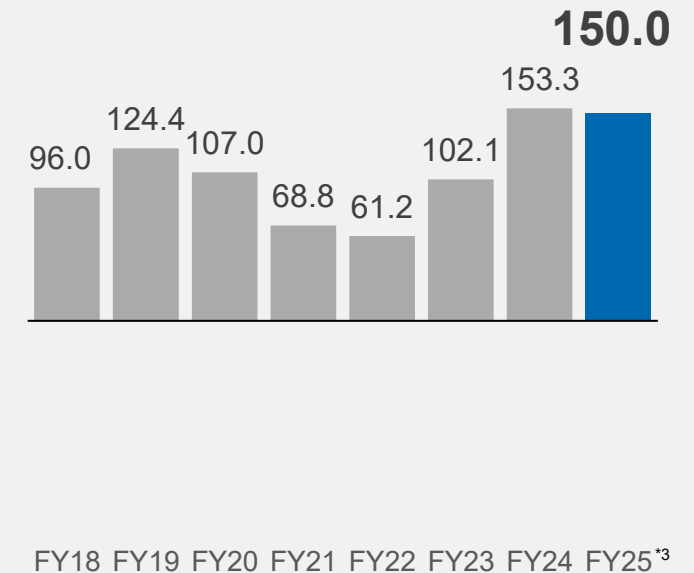
Net Profit\*1



Equity



Cash



\*1 : Profit attributable to owners of the parent

\*2 : Equity before the execution of preferred share redemption following the Annual General Meeting of Shareholders in June 2026

\*3 : FY25 Forecasts

# Overview of Amendments to Preferred Shares Terms and Redemption Plan

- 1 Principal redemption amount, previously linked to market share price, fixed at ¥76.3bn\* based on redemption by June 2028
- 2 Accumulated unpaid dividends up to the FY2025 total ¥10.5 bn
- 3 Maintain dividend rate set at 3% per annum (simple) through June 2028
- 4 Aim to complete the redemption of Preferred Shares by allocating approx. ¥90 bn (incl. the above ¥76.3 billion plus dividends) over the next 3 years

\*The principal amount of ¥76.3 bn corresponds to 175 mn Preferred Shares at ¥463 per share

However, if redemption is not completed within the 3-year period, starting from the 4th year (July 2029), a dividend of 12% per annum (compound interest) will be applied to the cumulative unpaid dividends and the outstanding redemption amount.

In addition, the conversion right of Preferred Shares will be suspended during the 3-year period from 2026 to 2028, plus one additional year until June 2029

# Overview of the Financial Strengthening Measures Implemented in 2019

**Loans and credit lines under financial measures to be repaid and terminated;  
commitment-line arrangement under discussion**

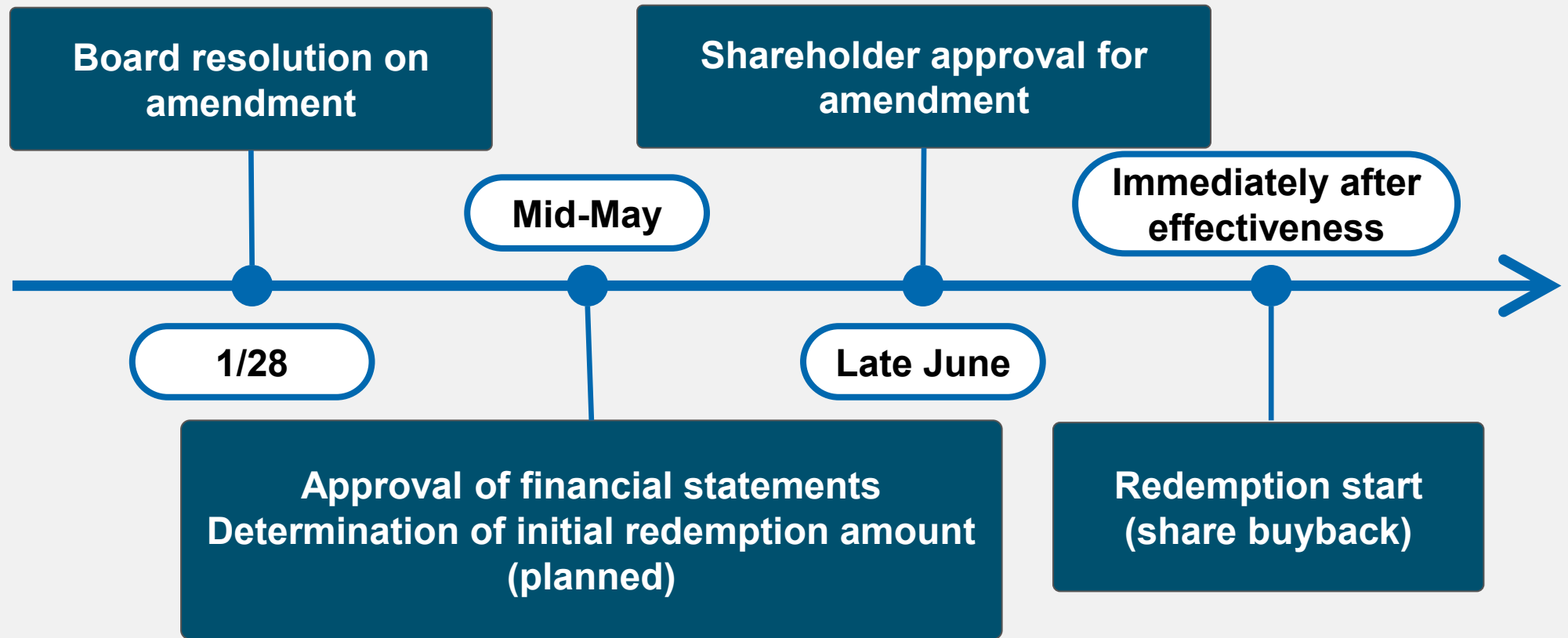
	<u>MUFG Bank</u>	<u>MCFS</u>
Initial (FY2019)	¥ 20bn	¥ 90bn
	<u>Loan agreement renewed in FY2024</u>	
Current	¥ 20bn	credit line ¥ 10bn (unused)
Going Forward	support unchanged, with commitment-line discussions ongoing	No future use anticipated; termination planned

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## **3 . Schedule for Articles of Incorporation Amendment**

# Schedule for Articles of Incorporation Amendment

Initial redemption planned promptly after the June 2026 General Meeting



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## **4. Business Strategy**

# Business Strategy (Business Plan 2025)

**Basic strategy unchanged;  
Continue stable profit generation to support redemption**

**Core initiatives remain unchanged; targeting average annual net income of ¥15 billion**

## Priority Initiatives and Quantitative Targets under Business Plan 2025

### Priority Initiatives

- 1 Steady Execution of Existing Large Overseas Projects
- 2 Overseas Project Approach Reform (Order Policy)
- 3 Increasing Domestic Project Revenue
- 4 Expanding Business Co-creation
- 5 Creating a Robust Human Resources

Thorough business fields of 'energy and materials' and 'life science' we will achieve harmony between energy and the environment and realize a healthy and prosperous future

### Quantitative Targets

Net Profit  
**JPY 15bn**  
(3-year average)

Incl. Non-EPC Net profit  
**JPY 1bn** (in 2027)

### Related indicators

Gross Margin : 10% or greater  
(3-year average)

New Orders : JPY 950bn (3-year total)

Net Sales : JPY 380bn (3-year average)

Backlog of Orders : JPY 600bn  
(3-year average )

### Net Profit

**JPY 80bn**

**Avg. JPY 15bn**

FY2025

FY2026

FY2027



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# Appendix

# Key Points of the Revised Terms for Preferred Shares

※The following assumes that the redemption price per preferred share <sup>\*1</sup> exceeds its face value, for clarity.

For details, please refer to page 13 and today's disclosure titled 'Notice of Agreement regarding the redemption plan of Class A Preferred Shares and Partial Amendment to Articles of Incorporation'

per preferred share <sup>*1</sup>	Current Terms	After Revision		
		until the end of June 2028	until the end of June 2029	From July 2029 onward
Dividend Rate	3% (simple interest) <sup>*2</sup>	3% (simple interest) <sup>*2</sup>		12% (compound interest) <sup>*3</sup>
Redemption Price upon Request by Shareholder	Share Price <sup>*4</sup> × $\frac{\text{JPY400 + Unpaid Dividends}^{*5}}{\text{JPY 100}^{*6}}$	JPY 436 + Unpaid Dividends <sup>*5</sup>		
Acquisition Price by Chiyoda				Share Price <sup>*4</sup> × $\frac{\text{JPY 400 + Unpaid Dividends}^{*5}}{\text{JPY 100}^{*6}}$
Preferred Share Conversion Right	Exercisable at any time Conversion Price : JPY 100 <sup>*6</sup>	Not exercisable		Exercisable at any time Conversion Price : JPY 100 <sup>*6</sup>

\*1) Number of shares: 175,000,000

\*2) JPY 400 × annual 3%

\*3) JPY 436 plus accumulated unpaid dividends per Class A share at that time × annual 12%

\*4) Amount equivalent to the average of the volume-weighted average prices of the company's common shares in regular trading on the Tokyo Stock Exchange during the consecutive 30 trading days starting from the 45th trading day prior to the redemption request date

\*5) Total of accumulated unpaid dividends per Class A share plus accrued unpaid dividends per Class A share

\*6) Conversion price of Preferred Shares as stipulated in Article 11-7, Item 2 of the Articles of Incorporation

# A Details of Changes to Class A Preferred Shares

#	Item	Before Revision	After Revision
1	Dividend terms	Fixed, 3.0% during the period (dividends paid in priority to common shareholders)	<p><b>From June 2026 (after Articles amendment) to end of June 2028:</b>  <u>3.0% (Simple Interest)[Paid-in amount per share (¥400)] × annual 3.0%</u></p> <p><b>From July 2028 onward:</b>  <u>12% (Compound Interest)[Paid-in amount per share (¥436) plus the total accumulated unpaid dividends per Class A share at that time] × annual 12%</u></p>
2	Conversion rights	Exercisable at any time Conversion price : ¥100*1、No adjustment clause for conversion price	<p><b>Not exercisable until the end of June 2029</b>  <b>Exercisable at any time from July 2029 onward</b>            Conversion Price: ¥100*1、, No Conversion Price Adjustment Clause</p>
3	Redemption terms	Exercisable at any time The higher of (a) or (b) below  (a) An amount equivalent to the average of the volume-weighted average prices of the company's common shares in regular trading on the Tokyo Stock Exchange during the consecutive 30 trading days starting from the 45th trading day prior to the redemption request date, multiplied by the reference number of shares*2  (b) ¥400 plus the amount of accumulated unpaid dividends per Class A share plus the amount of accrued unpaid dividends per Class A share	Exercisable at any time after the Articles amendment Redemption Price per Share:  <p><b>¥436 plus the amount of accumulated unpaid dividends per Class A share plus the amount of accrued unpaid dividends per Class A share</b></p>
4	Call Option Provision	Exercisable at any time: The higher of (a) or (b) below (a) An amount equivalent to the average of the volume-weighted average prices of the company's common shares in regular trading on the Tokyo Stock Exchange during the consecutive 30 trading days starting from the 45th trading day prior to the redemption request date, multiplied by the reference number of shares*2  (b) ¥400 plus the amount of accumulated unpaid dividends per Class A share plus the amount of accrued unpaid dividends per Class A share	<p><b>From June 2026 (after Articles amendment) to end of June 2029:¥436 plus the amount of accumulated unpaid dividends per Class A share plus the amount of accrued unpaid dividends per Class A share</b></p> <p><b>From July 2029 onward:</b>  <b>The higher of (a) or (b) below</b>            (a) An amount equivalent to the average of the volume-weighted average prices of the company's common shares in regular trading on the Tokyo Stock Exchange during the consecutive 30 trading days starting from the 45th trading day prior to the redemption request date, multiplied by the reference number of shares*2             (b) ¥436 plus the amount of accumulated unpaid dividends per Class A share plus the amount of accrued unpaid dividends per Class A share</p>

\*1 : Number of common shares to be delivered: For each preferred share subject to conversion request, the amount obtained by adding ¥400 to the accumulated unpaid dividends and accrued unpaid dividends at the time of exercise, divided by the conversion price, will be delivered as common shares

\*2 : Reference number of shares: The amount obtained by adding ¥400 to the accumulated unpaid dividends and accrued unpaid dividends at the time of exercise, divided by the conversion price (¥100)

Forward-Looking Statements: Any projections included in these materials are based solely on information available at the time this presentation was prepared. It is possible that actual results may vary significantly from the projections due to a number of risk factors such as economic conditions. The results projected here should not be construed in any way as being guaranteed by the Company. Investor are recommended not to depend solely on these projections for making investment decisions.

**【Inquiries】**

Chiyoda Corporation

Corporate Services Department IR, PR & Sustainability Advanced Section

E-Mail : [ir@chiyodacorp.com](mailto:ir@chiyodacorp.com)



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