

Translation for Reference

February 21, 2018

Company Name: Chiyoda Corporation
Representative: President & CEO
Masaji Santo
(Stock code: 6366, the 1st Section of the Tokyo Stock Exchange)
Person to contact: IR, PR & CSR Section
Tomoyuki Tsukamoto
Section Leader
(Tel: +81-45-225-7734)

Announcement of Transfer of Shares in a Consolidated Subsidiary

Chiyoda announces that, as of February 21, 2018, it came to an agreement with SUBSEA 7 International Holdings (UK) Limited (hereinafter "Subsea 7") that Subsea 7 shall hold 60% of the share of Chiyoda's consolidated subsidiary, Xodus Group Holding Limited (hereinafter "Xodus"). Due to this share participation of Subsea 7, the status of Xodus shall be changed from a consolidated subsidiary to an equity method affiliated company.

1. Reason of Share Transfer

Chiyoda and Subsea7 have been discussing collaboration in offshore upstream sector since last year. Having assessed synergies from offshore construction expertise of Subsea 7, Chiyoda and Subsea 7 agreed that 60% of Xodus shares shall be held by Subsea 7 in order to expand Xodus's consulting capability in offshore upstream sector. Chiyoda will remain as 40% shareholder of Xodus.

Xodus Group will continue to develop and expand its presence in offshore and upstream market as an independent energy consulting firm. Together with Subsea 7 - the leading offshore EPCI contractor and Chiyoda - the leading onshore EPC contractor, Xodus will provide wider ranged and more integrated services to clients in all over the world.

2. Outline of the subsidiary (Xodus Group Holdings Limited) thousand GBP (million YEN)

| | | |
|---|--|---|
| (1) Name | Xodus Group (Holdings) Limited | |
| (2) Location | Xodus House, 50 huntly Street, Aberdeen, AB 10 1RS, UK | |
| (3) Representative (Title) | Stephen Swindell (Managing Director) | |
| (4) Busines | Study, Conceptual Definition, Pre-FEED and FEED in the oil and Gas field | |
| (5) Capital | 78,201 (11,804) (exchange rate: 150.95 YEN/GBP) | |
| (6) Establishment | April 21, 2010 | |
| (7) Shareholder and shareholding ratio | Chiyoda Corporation 99.96% | |
| (8) Relationships between Chiyoda and Xodus | Capital relationship | As stated in (7) above, Chiyoda Corporation owns 99.96% stake in Xodus. |
| | Personnel relationship | Two directors and one staff are registered as board members of Xodus. Four staff are seconded to the company. |
| | Business relationship | Chiyoda Corporation has business relationship such as service offering between Xodus. |

| (9) Consolidated operating results and financial position the past three years | | | |
|--|------------------------------|------------------------------|------------------------------|
| thousand GBP (Million Yen) | | | |
| Fiscal Year | Year ended December, 2014 | Year ended December, 2015 | Year ended December, 2016 |
| Consolidated net assets | Δ7,178 (Δ1,342) | Δ24,538 (Δ4,386) | 12,311 (1,760) |
| Consolidated total assets | 45,622 (8,532) | 36,327 (6,494) | 32,101 (4,590) |
| Consolidated revenue | 82,647 (15,457) | 54,663 (9,772) | 34,762 (4,970) |
| Consolidated operating income | Δ9,568 (Δ1,789) | Δ10,403 (Δ1,859) | Δ8,756 (1,252) |
| Consolidated ordinary income | Δ14,017 (Δ2,621) | Δ16,283 (Δ2,911) | Δ14,039 (Δ2,007) |
| Consolidated net income | Δ14,352 (Δ2,684) | Δ17,714 (Δ3,166) | Δ14,472 (Δ2,069) |

Exchange Rate : Year ended December 2014 : 187.03 YEN/GBP

Year ended December 2015 : 178.78 YEN/GBP

Year ended December 2016 : 143.00 YEN/GBP

3. Outline of the Transferee:

thousand USD (million YEN)

| | | |
|---|---|--|
| (1) Name | SUBSEA 7 INTERNATIONAL HOLDINGS (UK) LIMITED | |
| (2) Location | 40 Brighton Road, Sutton, Surrey, England, SM2 5BN | |
| (3) Representative (Title) | Ricardo Rosa (Director) | |
| (4) Business | Holding Company, with investments mainly in operational entities. | |
| (5) Capital | 521,518 (60,751) | |
| (6) Establishment | September 3, 2014 | |
| (7) Consolidated net assets | 3,985,412 (464,260) | |
| (8) Consolidated total assets | 8,572,320 (998,589) | |
| (9) Shareholder and ratio | Subsea7 S.A. 100% | |
| (10) Relationship between Chiyoda and Subsea7 | Capital relationship | Chiyoda has no capital relationship with the company to be stated. No associated person or company of Chiyoda has any capital relationship with any associated person or company of Xodus required to be specifically stated. |
| | Personnel relationship | Chiyoda has no personnel relationship with the company required to be stated. No associated person or company of Chiyoda has any personnel relationship with any associated person or company of the company required to be specifically stated. |
| | Business relationship | Chiyoda has no business relationship with the company required to be stated. No associated person or company of Chiyoda has any business relationship with any associated person or company of the company required to be specifically stated. |
| | Related Party or not | Chiyoda and Subsea7 S.A., parent company of the company are under consideration about collaboration in offshore and upstream business. |

Exchange Rate : 116.49 JPY/USD

4. Number of shares to be transferred

| | | |
|-----|--|--|
| (1) | Number of shares held before the acquisition | 60,271,410 shares (Ownership ratio : 100.00%) |
| (2) | Acquisition number | 36,153,886 shares |
| (3) | Number of shares held after the acquisition | 24,117,524 shares (Ownership ratio : 40.00%) |

*Share transfer price is undisclosable due to secrecy obligation under the share transfer agreement. It is our understanding that the transfer price is fair as it is decided through fair negotiations between both parties

*As of February 21, 2018, Subsea 7 and Chiyoda are under share purchasing negotiation with private shareholders who hold 0.04% of the share. Chiyoda's share participation will become 40% upon completion of the said purchasing agreement.

5. Time Schedule:

| | | |
|-----|---------------------------------------|---------------------------|
| (1) | Binding memorandum of understanding | February 21, 2018 |
| (2) | Execution of the definitive agreement | February 21, 2018 |
| (3) | Completion of Share Transfer | March 23, 2018 (expected) |

6. Future Outlook

There is no significant effect to Chiyoda's consolidated financial forecast for the fiscal year ending March 2018 due to the share transfer.

--End--