

November 7, 2017

Company Name: Chiyoda Corporation

CEO & President: Masaji Santo

Stock Code: 6366

Stock Listing: First Section of the Tokyo Stock Exchange

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Notice of Extraordinary Profit

Chiyoda Corporation (“Chiyoda”) announces the recognition of an extraordinary profit in the consolidated financial results for the second quarter of the fiscal year ending March 31, 2018.

1. Summary of the Extraordinary Profit

EMAS Chiyoda Subsea Limited (“ECS”) filed for protection under Chapter 11 of the U. S. Bankruptcy Code in February 2017, due to the harsh business environment. As the result of this filing, Chiyoda recorded a provision for loss under Business of Subsidiaries and Associates of JPY 22.9 billion as well as an extraordinary loss of the same amount in the fiscal year ended March 31, 2017.

As announced in the first quarter of the fiscal year ending March 31, 2018, Chiyoda obtained approval of the proposed reorganization plan by the U. S. Bankruptcy Court in the Southern District of Texas and ECS became a wholly owned subsidiary of Subsea 7. S.A. (“Subsea 7”).

Since the negotiation with Subsea 7 has progressed and the amount of the settlement costs has now been fixed, Chiyoda is able to adjust the stated provision. Accordingly, Chiyoda has decided to reverse the majority of the extraordinary loss posted in the first quarter and recorded JPY 12.1 billion as an extraordinary profit in this second quarter of the fiscal year ending March 31, 2018.

2. Impact on the financial results

The extraordinary profit is reflected in the “Revisions to the Forecast of Consolidated Results of the Fiscal Year ending March 31, 2018”; separately announced today.

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