

<< Translation for Reference >>

4 February 2020

Company Name: Chiyoda Corporation

President & COO: Masaji Santo

Stock Code: 6366

Stock Listing: Second Section of the Tokyo Stock Exchange

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**Notice regarding recognition of non-operating expenses (foreign exchange losses)  
and income taxes-deferred**

Chiyoda Corporation (“Chiyoda”) announced today that it recognized non-operating expenses (foreign exchange losses) and income taxes-deferred in the 3rd quarter of the fiscal year ending 31 March 2020 (from 1 April to 31 December 2019).

1. Non-operating Expenses (Foreign Exchange Losses)

In the 3rd quarter of the fiscal year ending 31 March 2020, Chiyoda recognized foreign exchange losses of JPY 5,036 million for overseas operating assets due to foreign exchange fluctuations as part of non-operating expenses.

In the quarterly consolidated statement of comprehensive income, the effect on consolidated net assets of the change in comprehensive income of JPY 4,208 million in the foreign currency translation adjustment account is limited, and foreign exchange losses have no material adverse effect on Chiyoda’s financial position.

Foreign exchange losses were recognized as the result of foreign exchange fluctuations to the 3rd quarter of 2020 and may change depending on future foreign exchange rates.

2. Income taxes-deferred

The Corporate income tax adjustment of JPY 109 million was due to reversal of deferred tax assets liability.

3. Impact on financial results

Please refer to the “Consolidated Financial Results for the Nine Months Ended 31 December 2019” disclosed today for the impact of foreign exchange losses on Chiyoda financial results.

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