

PRESS RELEASE

April 1, 2019

Summary of April 2019 CEO Message
The First Year of Building the Future of Chiyoda

The 2018 fiscal year was one of the most severe years in Chiyoda's history. This fiscal year, we will prioritize the completion of ongoing projects as planned and will soon release a revival plan currently under discussion with stakeholders. Under these circumstances, I wish to address three subjects today.

Firstly, we will strengthen our risk management capabilities by establishing a Strategy & Risk Integration Division to support corporate management and manage project risks throughout all project phases, including pre-award. Furthermore, each project operations division will be supported by a 'middle office', engaged to collaborate with the Strategy & Risk Integration Division to clarify, and coordinate with, the project operations division responsible for primary risk management.

Secondly, we will enhance employee capabilities and optimize the allocation of human resources through a career development program that includes rotation between disciplines. We will also recruit additional employees to supplement our revival plan as required.

Finally, we will structure future business portfolios within Chiyoda. Although it is widely considered within the Group that our core business remains the Engineering, Procurement and Construction (EPC) of hydrocarbon plant projects, we can establish new portfolios that embrace the latest business trends within our industry by utilizing our exceptional engineering capabilities and superior creative skills to originate and advance new technical systems and digital technology. For example, new business areas have emerged in the last fiscal year through activities by our Global Environment & Green Energy Project Operations Division.

Please allow me to reiterate. Our first priority is to complete ongoing projects as planned this fiscal year. Concurrently however, we will conduct our primary operations more effectively throughout the Chiyoda Group and define future business portfolios.

Masaji Santo,
President and CEO

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