

<Translation for Reference>

28 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 of Company split of Consolidated Subsidiary
and Transfer of the Splitting Company Shares**

Chiyoda Corporation (“Chiyoda”, TSE:6366) announced its IT business domain, owned by its subsidiary Chiyoda System Technologies (“CST”), will be transferred to a splitting company (“Splitting Company”), established through an incorporation-type company split of CST. Part of the Splitting Company shares will be transferred to TIS Inc. As an incorporation-type split of a subsidiary, limited information is disclosed below.

I . Purpose of Company Split and Transfer of Shares

CST provides clients with IT solutions covering project management, project control and operational control of industrial plants to resolve business challenges. To further improve performance as an IT solution provider however, Chiyoda and CST will develop CST’s IT capability in collaboration with TIS Inc., a first class integrated IT enterprise in Japan and will execute a company split of CST and transfer the Splitting Company’s shares to TIS Inc.

II . Summary of Company Split

1. Essence of Company Split

(1) Schedule of Company Split and Transfer of Shares

Board Meeting (CST) Approval of the Company Split	Late March 2020 (Planned)
Effective Date of Company Split	1 October 2020 (Planned)

(2) Scheme of Company Split

The company split is an incorporation-type split of CST. The Splitting Company succeeds CST’s IT business domain.

(3) Transfer of Shares

CST will transfer all shares (1,000 shares) of the Splitting Company to Chiyoda. Thereafter, Chiyoda will transfer 66% of the shares to TIS Inc.

(4) Stock Acquisition Rights and Corporate Bond with Stock Acquisition Rights related to the Company Split
Not applied.

(5) Change of Capital of CST
The amount of capital of CST remains unchanged.

(6) Rights and Obligations of Splitting Company
The Splitting Company succeeds part of assets, debts and contracts related to the IT business domain which CST owns before the effective date of the company split

(7) Fulfilment of Obligations
Chiyoda makes a judgement that the Splitting Company and CST are capable of fulfilling their obligations after the company split.

2. Summary of the Separate Company and the new Splitting Company

	Separated Company (As of 31 December 2019)	New Splitting Company (To be established on 1 October 2020)
Name	Chiyoda System Technologies Corporation	To be decided
Address	Technowave 100 Building, 1-1-25, Shinurashima-cho, Kanagawa-ku, Yokohama-shi	Technowave100 Building, 1-1-25, Shinurashima-cho, Kanagawa-ku, Yokohama-shi
Title and name of the representative	Toshiya Murata, President and Representative Director	To be decided
Services	Engineering design, procurement, construction, start-up operation and maintenance for electrical and instrumentation facilities. IT system consulting, development, integration and operation support. Engineering design, procurement, construction, start-up operation and maintenance of mega solar facilities.	IT system consulting, development, integration and operational support etc
Capital	JPY 334 million	JPY 100 million
Establishment Date	17 October 1956	1 October 2020 (planned)
Number of issued shares	974,800 shares	1,000 shares
End of fiscal year	31 March	31 March

Number of employees	521	To be decided
Major customers	Chiyoda Corporation JRE Solar Holdings Inashikiisatsu Chiyoda Kosyo Co., Ltd	To be decided
Main Bank	MUFG Bank	To be decided
Major shareholders	Chiyoda Corporation :100%	TIS Inc. : 66% Chiyoda Corporation: 34%

Previous three years financial results and business performance			
<u>Chiyoda System Technologies Corporation (Consolidated)</u>			
Fiscal Year	Ending 31 March 2017	Ending 31 March 2018	Ending 31 March 2019
Net Assets (Million Yen)	8,062	8,210	8,903
Total Assets (Million Yen)	15,712	16,083	16,354
Net Assets per Share (Yen)	8,271	8,422	9,133
Revenues (Million Yen)	22,223	19,297	23,462
Operating Income (Million Yen)	618	536	1,347
Ordinary Income (Million Yen)	709	668	1,366
Profit attributable to owners of parent (Million Yen)	577	470	948
Earning Per Share (Yen)	592	482	973
Dividend per share (Yen)	296	241	5,738

3. Summary of Split Business Domain

(1) Split Business Domain

IT business operated by CST

(2) Financial Results of the Split Business Domain (Ending 31 March 2019)

Revenues: 4,303 million yen

(3) Asset and Debt of the Split Business Domain (as of 31 March 2019)

Asset		Debt	
Item	Book Value (Million yen)	Item	Book Value (Million yen)
Current Assets	884	Current Liability	371
Fixed Assets	42	Fixed Liability	-
Total	927		371

4. CST following the Company Split

Following the company split, CST's name, address, title and name of representative, capital and fiscal year remain unchanged.

On 1 October 2020, its range of service will change to:

Engineering design, procurement, construction, start-up operation and maintenance of electrical and instrumentation facilities.

Engineering design, procurement, construction, start-up operation and maintenance of social infrastructure facilities.

Export of equipment and material.

III. Summary of Transfer of Shares

1. Scheme of Transfer of Shares

On 1 October 2020(planned), CST will transfer all shares (1,000 shares) of the Splitting Company to Chiyoda and Chiyoda will transfer 660 shares to TIS Inc.

2. Outline of the Separated Company

Please refer to Item II -2.

3. Summary of the Transferee (As of 1 December 2019)

(1) Name	TIS Inc.
(2) Address	17-1, Nishi-shinnjyuku 8-chome Shinjyuku-ku, Tokyo
(3) Title and Name of the Representative	Toru, Kuwano, President and Representative Director
(4) Services	TIS is a comprehensive IT services provider, meeting the needs of clients over a wide spectrum of industries and sectors from core systems that support business to applications that lead to a sharper competitive edge and platforms that underpin systems.
(5) Capital	JPY 10,001 million
(6) Date of Establishment	1 April 2008
(7) Consolidated Net Assets	234,408 million yen (as of 31 March 2019)
(8) Consolidated Total Assets	370,657 million yen (as of 31 March 2019)

(9) Major Shareholders	Japan Trustee Services Bank, Ltd.:13.15% The Master Trust Bank of Japan, Ltd.:8.24% Ichigo Trust PTE Ltd.: 7.56% (as of 30 September 2019)
(10) Relationship between Chiyoda and TIS Inc.	None

4. Schedule of Transfer of Shares

Date of execution of the contract for share transfer	28 February 2020
Date of transfer of shares	1 October 2020 (Planned)

5. Number of Transferred Shares, Selling Price and others

Number of shares Chiyoda owns prior to 1 October 2020	1,000 shares (Percentage of voting rights: 100%)
Number of shares to be transferred	660 shares (Percentage of voting rights: 66%)
Transfer Price	JPY 396 million ※
Number of shares Chiyoda will own following 1 October 2020	340 shares (Percentage of voting rights: 34%)

※ This transfer price will be adjusted based on amount of asset and debt of the new splitting company as of October1, 2020.

6. Forwarded-looking Statements

The impact of this transaction on the consolidated financial results for the fiscal year ending 31 March 2021 may be minor. Chiyoda will release further updated information as and when required.

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