

<<Translation for Reference>>

November 5, 2021

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 Disposition of Treasury Shares by Third-Party Allotment**

Chiyoda Corporation (Chiyoda) hereby provides notice that at the meeting convened on November 5, 2021, the Board of Directors approved the disposition of treasury shares through a third-party allotment (Disposition of Treasury Shares) described below.

1. Overview of disposition

(1) Disposition date	December 2, 2021
(2) Class and number of shares	Common stock 909,600 shares
(3) Disposition price	413 yen per share
(4) Disposition amount	375,664,800 yen
(5) Intended recipient of the shares	Master Trust Bank of Japan, Ltd. (Officers Compensation BIP Trust)
(6) Other information	The Disposition of Treasury Shares is conditional on the effectiveness of filings in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reasons for the disposition

In order to make the connection between the compensation for our directors and executive officers (excluding non-executive directors and non-residents of Japan; hereinafter collectively referred to as the 'Directors & Officers') and our business performance and the value of our shares more clear in order to improve medium-to-long term business performance and to heighten the awareness of the importance of contributing to the enhancement of corporate value, on May 7, 2021 the Board of Directors approved the proposal to introduce the 'Performance-Based Stock Compensation Plan' (hereinafter referred to as the 'Plan') for the Directors & Officers, and on June 23, 2021 the shareholders approved the resolution to introduce the Plan. The Disposition of Treasury Shares will be executed as a disposition of treasury shares by third-Party allotment to Master Trust Bank of Japan, Ltd. (Officers Compensation BIP Trust), the co-trustee under the Officers Compensation BIP Trust Agreement executed between Chiyoda and Mitsubishi UFJ Trust and Banking Corporation in conjunction with the introduction of the Plan.

The number of shares subject to disposition is the number of shares expected to be delivered to the Directors & Officers pursuant to the stock delivery rules during the trust period, and the dilution will be 0.21% of total outstanding shares (rounded to the nearest third decimal place; 0.35% of 2,588,736 of

total voting rights as of September 30, 2021).

The Chiyoda shares allotted through the Disposition of Treasury Shares are those to be delivered to the Directors & Officers in accordance with the stock delivery rules, and because it is not believed that the shares associated with the Disposition of Treasury Shares will be placed on the stock market all at once, it has been determined that it will have an immaterial effect on the stock market and therefore the number of shares subject to disposition and the size of the dilution are reasonable.

Please refer to our ‘Notice Concerning the Introduction of Performance-Based Stock Compensation Plan,’ dated May 7, 2021, for details of the Officers Compensation BIP Trust.

3. Basis for calculating the disposition price and details thereof

In light of recent share price movements, in order to eliminate arbitrariness in setting the price, the disposition price will be 413 yen, the closing price for Chiyoda shares on the Tokyo Stock Exchange on the business day preceding the date of the Board of Directors meeting concerning the Disposition of Treasury Shares, based on the Japan Securities Dealers Association’s Rules Concerning Handling of Allotment of New Shares to Third Party, Etc. It was decided to use the closing price for Chiyoda shares on the business day preceding the Board of Directors approval because the market value immediately preceding the Board of Directors’ decision was judged to be an objective and highly reasonable basis for the calculation.

With respect to the aforementioned disposition price, our Audit and Supervisory Committee has expressed its opinion that the basis for calculating the disposition price is reasonable, and does not constitute an especially favorable disposition price, and is therefore lawful.

4. Corporate code of conduct procedures

Because the dilution arising from this event is less than 25% and there is no change in the controlling shareholder, there is no requirement to obtain the opinion of an independent third-party or to confirm the will of the shareholders, as provided by Rule 432 of the Tokyo Stock Exchange’s Securities Listing Regulations.

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