

<< Translation for Reference >>

April 12, 2022

Company Name: Chiyoda Corporation
Chairman of the Board, President & CEO: Masakazu Sakakida
Stock Code: 6366
Stock Listing: Standard Market of the Tokyo Stock Exchange
Inquiries: Masatake Watanabe, Manager, Corporate Services Dept.
Telephone: +81-45-225-7734

Notice of Settlement of Arbitration

Chiyoda Corporation (Chiyoda) hereby announces that a joint venture, including Chiyoda, and subcontractors reached a conditional out-of-court settlement (Settlement) as detailed below with regard to the discussions and arbitration related to the ICHTHYS LNG project.

1. Process from Filing to Settlement

In 2012, JKC AUSTRALIA LNG PTY Ltd. (JKC), a joint venture established by the Chiyoda Group, JGC Holdings Corp., and US company, KBR, Inc., was awarded the contract from ICHTHYS LNG PTY Ltd. (the Client) to perform the engineering, procurement, and construction work for LNG facilities (the Project). The plant facilities have already turned over to the Client. Commercial operation of the plant and shipment of LNG started in October 2018.

JKC placed the order for the engineering and construction of the Combined Cycle Power Plant (CCPP) that is part of the Project through a fixed-price contract with a consortium of four companies, General Electric Company and General Electric International, Inc., and UGL Engineering Pty Limited and CH2M Hill Australia Pty Limited (collectively, the ‘Consortium’).

However, the Consortium withdrew from the construction site before completion of service. The Consortium and JKC filed for arbitration and a counterclaim respectively.

The three joint venture partners of JKC re-evaluated the risks of prolonged arbitration under the influence of the COVID-19 pandemic, the accumulating dispute expenses, and the uncertainty of the result from the prolonged arbitration and litigation. The Joint Venture partners decided to make an out-of-court settlement with the Consortium determining that swiftly resolving the matters would be the best solution.

2. Outline of the Other Party to the Settlement

(1) Name: General Electric Company

Address: One River Road, Schenectady, New York 12345, United States of America

Name and Title of Representative: Frederic Ribieras, GE Gas Power Projects Commercial Officer

- (2) Name: General Electric International, Inc.
Address: 2 Corporate Drive, Suite 150, Shelton, Connecticut 06484-6239, United States of America
Name and Title of Representative: Frederic Ribieras, GE Gas Power Projects Commercial Officer
- (3) Name: UGL Engineering Pty Ltd
Address: Level 8, 40 Miller Street, North Sydney, New South Wales 2060, Australia
Name and Title of Representative: Michael Cooper, CIMIC General Counsel
- (4) Name: CH2M Hill Australia Pty Limited
Address: Level 6, 60 Martin Place, Sydney, New South Wales 2000, Australia
Name and Title of Representative: Patrick Hill, Director

3. Gist of Settlement

JKC and the Consortium agreed to withdraw all claims against each other concerning the CCPP on condition that the payment conditions in the settlement deed are satisfied by the Consortium.

4. Future Outlook

Chiyoda has re-evaluated the risks related to the ICHTHYS LNG project timely and appropriately. No impact on our financial results forecast to be disclosed is anticipated by this settlement.

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