

<< Translation for Reference >>

May 10, 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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**Notification of Lawsuit Filed against a JV Partner**

Chiyoda Corporation (Chiyoda) hereby announces that a lawsuit was filed against a JV partner in the Yokohama District Court, as set out below.

1. Date of the Lawsuit Filed

April 16, 2021

2. Plaintiff

(1) Name: ICHTHYS LNG PTY Ltd

(2) Address: 22-3-12nd Floor, 100 St George's Terrace, Perth, Western Australia, Australia

(3) Name and Title of Representative: Tetsuhiro Murayama, Representative Director

3. Defendant and Relationship with Chiyoda

(1) Defendant

Name: JGC Holdings Corporation (JGC)

Address: 2-3-1, Minatomirai, Nishi-ku, Yokohama, Kanagawa Prefecture, Japan

Name and Title of Representative: Masayuki Sato, Chairman and Representative Director and Chief Executive Officer (CEO)

(2) Relationship with Chiyoda

Chiyoda is not being sued directly by the Plaintiff, but may jointly bear consequences resulting from the lawsuit in accordance with the joint venture agreement with JGC and KBR Inc.

Please refer to the item 5.

4. Outline of the Lawsuit and Amount Claimed

(1) Statement of Claim

The Plaintiff seeks subrogation against JGC, by way of performance of the parent company guarantee deed, for the full amount of the funds provided by the Plaintiff to the JV under the Deed, ("JV" and "Deed" are defined in the item 5.)

(2) Amount of Claim

A\$757,727,884.46 (equivalent to approx. 64,220 million Japanese Yen, Conversion rate: JPY84.75//AUD) and legal costs relating to the case.

5. Background of the Lawsuit

Chiyoda formed a joint venture company, JKC AUSTRALIA LNG PTY Ltd. (JV) with JGC and KBR Inc. and was awarded the design, procurement and construction for an onshore gas liquefaction plant to produce liquefied natural gas and other products (Project) from ICHTHYS LNG PTY Ltd (Plaintiff), an equity-method affiliated company of INPEX Corporation, in 2012. All plant facilities have been completed and delivered.

During Project execution, subcontractors requested additional payments to cover increased costs. A funding deed (Deed) for the sum of A \$757,727,884.46 was agreed and payed by the Plaintiff to the JV for the additional costs. Subsequently, a dispute concerning the settlement of the additional costs arose, and an arbitration is being conducted in Singapore. During the course of the arbitration, the Plaintiff demanded that the JV return the full amount by the end of December 2020, but the JV refused on the grounds that the correct settlement procedures under the Deed had not been followed and the arbitration award to determine this had not been made. Having considered this, the Plaintiff delivered a letter dated January 15, 2021, to the parent companies of the JV, namely Chiyoda, JGC and KBR Inc. (Parent Companies), requesting the Parent Companies pay the identical amount to the Plaintiff based on the parent company guarantee deeds. However, the Parent Companies declined the request for the reasons identified above. Chiyoda's liability share of the JV is 30%.

6. Future Outlook

Chiyoda will examine the details of this lawsuit in collaboration with JGC and KBR Inc. and take appropriate action. Further, Chiyoda is currently reviewing the potential impact (if any) on Chiyoda's consolidated financial results forecast. If it appears there will be an impact, Chiyoda will promptly disclose updated detailed information.

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