

<< Translation for Reference >>

June 28, 2019

Company Name: Chiyoda Corporation

President & CEO: Masaji Santo

Stock Code: 6366

Stock Listing: First Section of the Tokyo Stock Exchange

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**Notice on Section Transfer in Tokyo Stock Exchange
and Entering into Grace Period Pertaining to Delisting**

Chiyoda Corporation (“Chiyoda”) today announced that the company has received notice from Tokyo Stock Exchange (“TSE”) that its stock will be transferred from the first to the second section of TSE, and also listed as security in a grace period pertaining to delisting.

This designation was made based on the consolidated financial results of the fiscal year ended March 31, 2019 provided by Chiyoda, in which show the shareholder’s equity ratio of the company was negative.

1. Basis of Designation

Consolidated Financial Results ended March 31, 2019 (From Apr. 1, 2018 to Mar. 31, 2019)

2. Background of Chiyoda falling into negative shareholder’s equity

Due to increase in incremental construction cost for namely Cameron LNG project and Tangguh LNG project, the company recognized JPY 214.9 billion of Loss attributable to owners of parent as of March 31, 2019, which led JPY 59.2 billion of capital deficit.

3. Date of Section Transfer and Grace Period

Transfer from the first to second section: as of August 1, 2019

Grace period pertaining to delisting: from April 1, 2019 to March 31, 2020

4. Future Outlook

Chiyoda entered into a share subscription agreement with its major shareholder, Mitsubishi Corporation, to issue Class A Preferred Share with a total issue price of JPY 70 billion by way of a third-party allotment. As it was approved at the 91st ordinary general meeting of shareholders held on June 25, 2019, it is expected that the capital deficit will be ended upon paid-in of the allotment scheduled on July 1, 2019.

By implementing “Chiyoda’s Revitalization Plan - Initiatives for revitalization and the future - “ announced in May 2019, the company strives to reinforce its risk management structure, enhance EPC execution and management capacity and develop human resources, aiming at thorough profit/loss management and further growth. Chiyoda will try every effort to return to the first section of TSE.

End