

<< Translation for Reference >>

August 1, 2019

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 regarding recognition of non-operating expenses (foreign exchange losses)
and income taxes-deferred**

Chiyoda Corporation (“Chiyoda”) announces today that it recognized non-operating expenses (foreign exchange losses) and income taxes-deferred in the 1st quarter of the fiscal year ending March 2020 (from April 1 to June 30, 2019).

1. Details of Non-operating Expenses (Foreign Exchange Losses)

In the 1st quarter of the fiscal year ending March 2020, Chiyoda recognized foreign exchange losses of JPY 5,999 million for operating assets in foreign currencies as a part of non-operating expenses, due to foreign exchange fluctuation.

As there is no substantial difference between the balance of assets and debts in foreign currencies in Chiyoda’s consolidated financial statements and the amount is recognized as “comprehensive income”, it is understood that the said foreign exchange losses does not have material adverse effect on Chiyoda’s financial condition.

The above-mentioned foreign exchange losses was recognized as the result of foreign exchange fluctuation in the 1st quarter (from April to June 2019), and the amount may change in accordance with future foreign exchange market.

2. Details of Income taxes-deferred

Corporate income tax adjustment of JPY 8 million was recognized as one of consolidated subsidiaries has recognized a deferred tax assets taking account of its business environment.

3. Impact on financial results

Please refer to the “Consolidated Financial Results for the Three Months Ended June 30, 2019” disclosed today to confirm the impact of this foreign exchange losses on Chiyoda’s financial results.

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