

## PRESS RELEASE

May 11, 2012

### Chiyoda to Merge Subsidiaries; Chiyoda Keiso Co., Ltd. and IT Engineering Limited

Chiyoda Corporation (“Chiyoda”) announces that it has decided to establish an integrated company by merging its subsidiaries, Chiyoda Keiso Co., Ltd. (“CKC”) and IT Engineering Limited (“ITE”). Details are provided below. Chiyoda will announce the specific schedule for the merger and other details as soon as they have been determined.

#### 1. Purpose of the merger

Investments in social infrastructure and smart cities will likely continue given the growing world population and high-performing innovative cities. The need to support these smart cities is expected to expand in the energy management and IT systems fields.

The merger is Chiyoda Group’s bid to develop a social infrastructure business, especially for smart cities as a major business field for the future. CKC, which specializes in electrical and instrumentation control in plant engineering, and ITE, a solution provider specializing in information technology, will merge to create a core company for the Group’s social infrastructure business.

#### 2. Outline of the integrated company

CKC’s core business will be succeeded to the electrical and instrumentation unit within the integrated entity. As an integrated electrical and instrumentation engineering force, the unit plans to enhance its cost-competitiveness by optimizing the use of CKC’s outsourcing resources including engineering subcontractors, design offices overseas and contract engineers.

Also, ITE’s business will be succeeded to the IT unit within the integrated entity. While undertaking IT-related services for the whole Chiyoda group, the unit will refine its focus on existing business.

In addition to the above two units, the entity will operate a new unit for the social infrastructure business. The unit, which will mainly consist of staff both from CKC and ITE, will aim to develop and provide smart operation management services for infrastructure both in terms of hardware and software.

Specifically, the integrated entity will position EPC (Engineering, Procurement and Construction) for domestic mega-solar projects as its immediate business target. Meanwhile,

the scope of services of the integrated entity will encompass not only EPC but services related to the O&M and management. Moreover, the integrated entity plans to expand its areas of focus to smart grids, integrated utility projects, and other areas.

To achieve this business target, the integrated entity will seek to create synergy between the solar power generation business, which CKC has independently developed, and the IT business functions of ITE.

### 3. Overview of the companies involved in the merger

(1)Corporate name	Chiyoda Keiso Co., Ltd.	IT Engineering Limited
(2) Business	Design, construction, and maintenance of electrical and instrumentation control in plant engineering	Consulting, development and operation of integrated IT systems, information systems management business, etc.
(3) Established	October 17, 1956	October 1, 1986
(4) Head office location	13, Moriya-cho 3-chome, Kanagawa-ku, Yokohama, Japan	11F Technowave 100 Building 1-25, Shinurashima-cho 1-chome, Kanagawa-ku, Yokohama, Japan
(5)Representative: Name and position	Hideo Nakajima, President & CEO	Shuji Nagano, President & CEO
(6)Paid-in Capital	334 million yen	200 million yen
(7)Major shareholder and its shareholding ratio	Chiyoda Corporation 99.99%	Chiyoda Corporation 100%
(8) Revenues (Fiscal year ended March 31, 2011)	13,458 million yen	2,822 million yen
(9)Number of employees (as of March 31, 2012)	313	190
(10)URL	URL: <a href="http://www.ckc.chiyoda.co.jp/">http://www.ckc.chiyoda.co.jp/</a>	URL: <a href="http://www.ite.co.jp/">http://www.ite.co.jp/</a>

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URL: <http://www.chiyoda-corp.com/en>