(Note) These documents are partial translations of the Japanese originals for reference purposes only. In the event of any discrepancy between these translated documents and the Japanese originals, the Japanese originals shall prevail. The Company assumes no responsibility for these translations or for direct, indirect or any other forms of damages arising from the translation.

Securities Code: 6366
June 5, 2017

Notice of the FY2016 Ordinary General Meeting of Shareholders

Dear Shareholders,

We would hereby like to inform you that the FY2016 Ordinary General Meeting of Shareholders of the Company will be held as follows, and would be grateful if you could attend the meeting.
If you are unable to attend the meeting in person, you may exercise your voting rights by using one of the following methods. Please refer to the reference materials for the meeting attached to this notice and exercise your voting right.

Voting by Mail
Please use the enclosed document to indicate your approval or disapproval of the proposals and return it to us by Friday, June 23, 2017.

Voting via the Internet
Please refer to Exercising Your Voting Rights via the Internet or by Electronic Proxy on page 2.
If you vote both by mail and via the Internet, only your Internet vote will be valid regardless of the arrival time.

Yours faithfully,

Keiichi Nakagaki, Senior Executive Vice President
(Acting President & CEO)
Chiyoda Corporation
6-2, Minato Mirai 4-chome, Nishi-ku,
Yokohama City, Kanagawa Pref.

1. Date and Time: 10:00 a.m. on Monday, June 26, 2017
(Reception will open at 9:00 A.M.)

2. Venue: Lecture Hall on the 11th floor of Minato Mirai Grand Central Tower, 6-2, Minato Mirai 4-chome, Nishi-ku, Yokohama City.

3. Meeting Agenda:

Matters to be reported:

1. Business report, consolidated financial statements, and the results of auditing consolidated financial statements by the Accounting Auditor and the Audit and Supervisory Committee for the FY2016 (from April 1, 2016 to March 31, 2017)
2. Non-consolidated financial statements for the FY2016 (from April 1, 2016 to March 31, 2017)

Matters to be resolved:

Proposal 1:	Appropriation of surplus
Proposal 2:	Appointment of nine Directors (excluding Audit and Supervisory Committee members)
Proposal 3:	Appointment of one Substitute Director, Audit and Supervisory Committee

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* If you attend the meeting in person, please remember to hand in the enclosed voting ballot at the reception desk.
* When exercising your voting rights by an authorized representative (proxy), please hand in the voting ballot along with an identification document that verifies the authority of representation at the reception desk. The proxy shall be limited to one person who is a shareholder of the Company with voting rights as stipulated in the Articles of Incorporation.
* We will post any modifications to the reference and attached materials for the meeting on our website (http://www.chiyoda-corp.com/)

Exercising Your Voting Rights via the Internet or by Electronic Proxy

1. How to vote via the Internet

Log on to the voting website (http://www.evote.jp/) using the voter code and password indicated on the enclosed reference sheet and follow the on-screen instructions to register your vote for or against each proposal.

2. Electronic Proxy Voting Platform

Institutional investors may use the Electronic Proxy Voting Platform for Institutional Investors managed by ICJ, Inc. as an electronic method for the exercise of votes at the General Meeting of Shareholders of the Company.

Business Report

From April 1, 2016 to March 31, 2017

1. Share data (As of March 31, 2017)

(1) Authorized number of shares

Ordinary 570,000,000 shares

(2) Number of shares issued and outstanding

Ordinary 260,324,529 shares

Note: One unit of stock is one thousand shares.

(3) Number of shareholders 20,380 persons

(decreased 54 persons from the previous fiscal year-end)

(4) Major shareholders (Top 10)

	Number of ordinary shares held (thousands)	Investment ratio (%)
Mitsubishi Corporation	86,931	33.57
The Master Trust Bank of Japan, Ltd. (Trust account)	20,652	7.97
Japan Trustee Services Bank, Ltd. (Trust account)	11,593	4.48
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	9,033	3.49
Trust & Custody Services Bank, Ltd. (Securities Investment Trust account)	6,631	2.56
Mitsubishi UFJ Trust and Banking Corporation	4,274	1.65
State Street Bank and Trust Company	3,707	1.43
Japan Trustee Services Bank, Ltd. (Trust account 9)	3,568	1.38
Japan Trustee Services Bank, Ltd. (Trust account 5)	2,970	1.15
Meiji Yasuda Life Insurance Company	2,265	0.87

(Note) Investment ratio is calculated excluding treasury stock (1,351,100 shares).

2. Directors

(1) List of Directors (As of March 31, 2017)

Name	Position and responsibilities	Representative positions in other companies (including key concurrent posts, etc.)
Shogo Shibuya	Representative Director, President & CEO	
Keiichi Nakagaki	Representative Director, Senior Executive Vice President Corporate Planning & Management, Operations Director, Offshore & Upstream Project Operations	
Hiroshi Ogawa	Representative Director, Senior Executive Vice President Project Operations, Division Director, Global Project Management Division	
Katsuo Nagasaka	Representative Director, Senior Executive Vice President Division Director, Business Development Division	
Masahito Kawashima	Representative Director, Executive Vice President CFO, Risk Management	
Masahiko Kojima	Director, Executive Vice President Division Director, Corporate Planning & Management Division	
Ryosuke Shimizu	Director, Senior Vice President Operations Director, Technology Development, Investment and Project Operations	
Arata Sahara	Director, Senior Vice President Operations Director, Downstream & Non Hydrocarbon Project Operations	
Nobuo Tanaka	Director	Chairman of The Sasakawa Peace Foundation Outside Audit & Supervisory Board Member of TEIJIN LIMITED Outside Audit & Supervisory Board Member of INNOTECH CORPORATION
Tetsuji Nakagawa	Director	Senior Vice President of Mitsubishi Corporation
Mikio Kobayashi	Director, Full-Time Audit and Supervisory Committee member	
Hideaki Takaishi	Director, Full-Time Audit and Supervisory Committee member	
Yukihiro Imadegawa	Director, Audit and Supervisory Committee member	Lawyer

(Notes) 1. Shogo Shibuya resigned from Director on March 31, 2017. The above position and responsibilities of said Director are those at the time of his retirement.
2. Nobuo Tanaka and Tetsuji Nakagawa are Outside Directors. Mikio Kobayashi and Yukihiro Imadegawa are Outside Directors, Audit and Supervisory Committee.
3. Mikio Kobayashi and Hideaki Takaishi are appointed as full-time Audit and Supervisory Committee members to enhance the effectiveness of audits and strengthen audit and supervisory functions by further promoting information gathering and through sufficient collaboration with the internal audit division and other relevant divisions.
4. In accordance with the guideline of the Tokyo Stock Exchange, Inc., the Company registered Nobuo Tanaka, Mikio Kobayashi and Yukihiro Imadegawa as independent officers.
5. Hideaki Takaishi was a manager in accounting and management departments of Mitsubishi Corporation, and has extensive knowledge and insight of finance and accounting.
6. The Company, pursuant to Article 427, Paragraph 1 of the Companies Act, has concluded a contract with each Outside Director to limit the liability for damages stipulated in Article 423, Paragraph 1 of the Law. The limitation of liability amount under such contract shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Law.
7. CFO: Chief Financial Officer

(2) Remuneration for Directors and Audit & Supervisory Board Members

(i) Total amount of remuneration for Directors and Audit & Supervisory Board Members of the term under review

	No. of persons	Base remuneration (millions of yen)	Performance-based remuneration (millions of yen)	Remuneration for Purchase of Treasury Stock (millions of yen)
Directors (excluding Audit and Supervisory Committee members)	9	219	-	43
Directors (Audit and Supervisory Committee members)	3	43	(N/A)	(N/A)
Audit & Supervisory Board Members	3	13	(N/A)	(N/A)

(Note)
1. Total remuneration for Directors (excluding Audit and Supervisory Committee members) is 263 million yen, for Directors serving as Audit and Supervisory Committee members is 43 million yen, and for Audit & Supervisory Board Members is 13 million yen. Total remuneration for Outside Directors and Outside Audit & Supervisory Board Members (one Outside Director, three Outside Audit & Supervisory Board Members, and two Outside Audit and Supervisory Committee members) is 50 million yen.
2. The above number of persons represents the number of Directors and Audit & Supervisory Board Members to whom remuneration was paid during the fiscal year under review, including three Audit & Supervisory Board Members who retired as of the conclusion of the FY2015 Ordinary General Meeting of Shareholders held on June 23, 2016. The Company transitioned to a Company with Audit and Supervisory Committee from the Company with Audit & Supervisory Board on June 23, 2016.
3. The number of Directors (Audit and Supervisory Committee members) and Audit & Supervisory Board Members to whom remuneration will be paid as indicated is the cumulative total number of people (total six people). However, the actual number of the target persons is four.
4. The Company's system of remuneration for Directors and Audit & Supervisory Board Members before the transition to a Company with Audit and Supervisory Committee is described in the following table.

	Category	Concept of Remuneration	Outline of System of Remuneration
Directors	Base Remuneration	Corresponds to roles and responsibilities	Remuneration for Directors is 300 million yen or less per annum
	Performance-Based Remuneration	Corresponds to the achievements for each term	Taking into account the levels of net income and dividend for the consolidated fiscal year under review and qualitative elements such as the degree of achievement of management objectives, the amount is kept within 200 million yen or 1% of the amount of profit attributable to owners of parent.
	Remuneration for Purchase of Treasury Stock	Linked to long-term achievement improvement	Directors (excluding Outside Directors) to acquire treasury shares of 90 million yen or less per annum through the Directors Holding Association for continuous holding until retirement from position.
Audit & Supervisory Board Members	Base Remuneration	Corresponds to roles and responsibilities	Remuneration for Audit & Supervisory Board Members: 84 million yen or less per year

(ii) Policy on decision of content of remuneration

The Company's system of remuneration for Directors aims at strengthening linkage with performance, sharing values with shareholders, and increasing motivation and morale toward improving business results, and was approved by resolution at the FY2015 Ordinary General Meeting of Shareholders held on June 23, 2016 as follows.

1. Directors (excluding Audit and Supervisory Committee members)

	Category	Concept of Remuneration	Outline of System of Remuneration
	Base Remuneration	Corresponds to roles and responsibilities	300 million yen or less per year
	Performance-Based Remuneration	Corresponds to the achievements for each term	Taking into account quantitative elements such as the levels of profit attributable to owners of parent and dividends as well as qualitative elements such as the degree of achievement of management objectives, keep within 200 million yen per year or 1% of the amount of profit attributable to owners of parent.
	Remuneration for Purchase of Treasury Stock	Linked to long-term achievements improvement	Directors other than Directors, Audit and Supervisory Committee (excluding Outside Directors) acquire treasury stocks of 90 million yen or less per year through the Directors Holding Association.

(Note) Only base remuneration shall be paid to Outside Directors.

2. Directors, Audit and Supervisory Committee

The amount of remuneration for Directors, Audit and Supervisory Committee shall be 84 million yen or less per year as the base remuneration that corresponds to roles and responsibilities. For the remuneration for Directors, Audit and Supervisory Committee, only base remuneration, which is a fixed remuneration, shall be paid in consideration of their duties.

(3) Outside Directors and Directors, Audit and Supervisory Committee

(i) Relations between other companies, etc. in which they hold key concurrent posts and the Company

1. Mitsubishi Corporation, which Outside Director Tetsuji Nakagawa concurrently serves, is in capital and business alliance with the Company as well as being its major shareholder.
2. There are no particular business relationships, etc. between the company in which he holds a key concurrent post and the Company, other than the relationship mentioned in 1. above.

(ii) Attendance and opinions expressed at the Board of Directors/Audit & Supervisory Board/ Audit and Supervisory Committee meetings

Title	Name	Major activities
Director	Nobuo Tanaka	Mr. Tanaka attended 20 out of 21 meetings of the Board of Directors held during the term under review. He expressed opinions for the overall management of the Company from time to time utilizing his experience, knowledge, etc. in the energy field.
Director	Tetsuji Nakagawa	Mr. Nakagawa attended 17 out of 18 meetings of the Board of Directors held after assignment as Director on June 23, 2016 during the term under review. He expressed opinions for the overall management of the Company from time to time based on his experience and knowledge as a corporate manager.
Director, Audit and Supervisory Committee	Mikio Kobayashi	Mr. Kobayashi attended, out of 21 meetings of the Board of Directors and the Board of Executive Officers held during the term under review, 3 meetings as an Audit & Supervisory Board Member and 17 meetings as an Audit and Supervisory Committee member, as well as attended the major internal meetings of the Company including meetings of the Executive Committee as a full-time Audit & Supervisory Board Member or full-time Audit and Supervisory Committee member, and expressed opinions from time to time. He also attended all meetings of the Audit & Supervisory Board (all 4 meetings) and the Audit and Supervisory Committee (all 10 meetings) held during the term under review, and reported on regular auditing of the Company.
Director, Audit and Supervisory Committee	Hideaki Takaishi	Mr. Takaishi attended all meetings of the Board of Directors (all 18 meetings), the Board of Executive Officers (all 18 meetings) and the Audit and Supervisory Committee (all 10 meetings) held after assignment as Director on June 23, 2016 during the term under review. He also attended the major internal meetings of the Company including meetings of the Executive Committee as a full-time Audit and Supervisory Committee member and expressed opinions from time to time.
Director, Audit and Supervisory Committee	Yukihiro Imadegawa	Mr. Imadegawa attended, out of 21 meetings of the Board of Directors and the Board of Executive Officers held during the term under review, 3 meetings as an Audit & Supervisory Board Member and 17 meetings as an Audit and Supervisory Committee member, and attended all meetings of the Audit & Supervisory Board (all 4 meetings) and the Audit and Supervisory Committee (all 10 meetings) held during the term under review. He expressed opinions from time to time including explanations of the laws and regulations as a lawyer, chiefly from a legal viewpoint.

3. Accounting Auditor

(1) Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

(2) Remuneration for Accounting Auditor during the term under review

[1] Remuneration for Accounting Auditor during the current business year:
84 million yen

[2] The total amount of cash and other profits from assets the Company and its subsidiaries have to pay:
113 million yen

(Notes) 1. The auditing agreement entered into between the Company and the Audit & Supervisory Board Members does not distinguish between the remuneration for auditing under the Companies Act and that for auditing under the Financial Instruments and Exchange Law. The amount indicated in [1] above is the sum of these two types of remuneration.

2. With regard to [2] above, the Company pays a fee to Accounting Auditor in consideration of advisory and guidance services primarily relating to the sophistication of the risk management system, which are not included in the services defined in Article 2, Paragraph 1 of the Certified Public Accountants Act.

3. Besides the above amount of remuneration for the current business year, 1 million yen of additional remuneration in association with the previous business year is to be paid.

4. Of significant subsidiaries of the Company, overseas subsidiaries are audited by an auditor other than the Accounting Auditor of the Company.

5. The Audit and Supervisory Committee confirmed the contents of an audit plan including the audit system of Accounting Auditor and the calculation basis of estimated remuneration, including audit hours and the unit rate of remuneration, through obtaining necessary materials and receiving reports from Directors, relevant departments within the Company, and Accounting Auditor, while taking into consideration factors, such as the status of the execution of duties in the previous fiscal years, the status of the entrustment for non-audit services, and other companies' examples. As a result of reviewing the above, the Audit and Supervisory Committee gave the consent set forth in Article 399, Paragraph 1 of the Companies Act based on its judgment that the remuneration for Accounting Auditor is appropriate.

(3) Dismissal or non-reappointment of Accounting Auditor

If the Accounting Auditor of the Company ("current Accounting Auditor") falls into any of the categories listed in Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee will dismiss the current Accounting Auditor with the consent of all the Audit and Supervisory Committee members.

In this event, the Audit and Supervisory Committee will also appoint a temporary Accounting Auditor, as necessary; and the Audit and Supervisory Committee member who is selected by the Audit and Supervisory Committee will report on and explain the dismissal of the current Accounting Auditor and the appointment of the temporary Accounting Auditor at the first General Meeting of Shareholders held after such dismissal.

If the Company deems the current Accounting Auditor to have difficulty in performing proper auditing, or judges that the current Accounting Auditor needs to be replaced in consideration of the quality of the audit performed by the current Accounting Auditor or the effectiveness and efficiency of audit performance, the Audit and Supervisory Committee will decide on a proposal for non-reappointment of the current Accounting Auditor and appointment of a new Accounting Auditor. In this event, the Audit and Supervisory Committee member who is selected by the Audit and Supervisory Committee will report on and explain the non-reappointment of the current Accounting Auditor and the appointment of the new Accounting Auditor at the General Meeting of Shareholders.

(Note) The policy stated above was resolved at the Audit and Supervisory Committee on June 28, 2016.

4. Organization and policy of the Company

Framework created aiming at ensuring Directors' duties and the operations of the Company are properly executed in compliance with laws and regulations and the Articles of Incorporation and management status of the framework

<Framework for ensuring proper execution of operations>
An outline of the framework for ensuring proper execution of operations (the basic policy on the internal control system) determined by the Board of Directors is as follows.

[Basic Policy on the Internal Control System]
The Company, in accordance with laws and regulations, has developed and managed an internal control system to ensure the proper execution of operations. To enhance internal controls, the Company has established the Internal Control Committee, which coordinates and summarizes the opinions voiced within the Company. At the end of the term or whenever it considers necessary, the Internal Control Committee proposes improvements on internal controls to the Executive Committee. The Executive Committee then reviews the proposals from the Internal Control Committee, and the Board of Directors makes the necessary decisions on the internal control system.

[Development and Management of the Internal Control System]
1. Framework of Compliance with Laws and Regulations
(1) The Company conducts business activities based on corporate philosophy and the principles provided in the Code of Conduct of the Chiyoda Group, by setting compliance with domestic and international laws and regulations and business execution in accordance with corporate ethics as the top priority. The Directors take the initiative to set an example for the rest of the Company, while the Board of Directors oversees the execution of duties by the Directors in light of compliance with laws and regulations.
(2) To enhance the framework of compliance with laws and regulations, the Company establishes the Compliance Committee chaired by the Representative Director, which reports on the status of compliance and proposes improvements to the Executive Committee, as necessary. In addition, by creating relevant rules and manuals, conducting various training and providing relevant information, the Company thoroughly raises the awareness of its executives and employees, as well as enhances the effectiveness of compliance through the development of whistle-blowing systems and consultation systems. Furthermore, such whistle-blowers or persons who utilize consultation systems will not be treated disadvantageously on the grounds of having made such reports or engaged in such consultations.
(3) With respect to legal issues and the procedures for making management decisions, the Board of Directors consults with legal counsel from time to time in its decision-making process, in an effort to enhance its objectivity and transparency.
(4) The internal audit division conducts audits on the status of compliance with laws and regulations of each sector.
(5) The Company confronts antisocial forces in a firm manner and will not offer profits to them. In the event that unreasonable demands are made on the Company by antisocial forces, it will respond systematically in collaboration with external, expert organizations such as the police force and lawyers.

2. Framework of Information Retention and Management
(1) The Company properly retains and manages documents by setting forth basic matters such as the documents subject to management, the relevant administrators and the retention

periods in the in-house regulations of document handling and confidential information management, with regard to handling of information relating to the execution of duties by the Directors.

(2) The Company prepares minutes of important meetings such as those of the Board of Directors and the Executive Committee in accordance with laws and regulations as well as in-house regulations, and properly retains and manages them.

3. Framework of Loss and Risk Management

(1) The Company establishes a risk and crisis management framework for each type of risk in accordance with basic policy regarding the Company's risk and crisis management, in-house regulations and various manuals. In addition, the Company establishes an organization that constantly monitors risks throughout the Company to centrally supervise the risk management activities implemented by the risk managers assigned to each division.

(2) The division in charge of risk supervision fulfills the crisis management secretariat function in the event of a crisis and deals with emergency situations, while it engages in constant activities to prevent and manage risks including providing relevant information and promoting awareness.

(3) In terms of risk management associated with receiving contract awards and executing awarded projects, which are the Company's core business, the Company develops examination system with regard to take-up, estimation policy, proposals, etc. In addition, an organization is established to be responsible for internal checking including the cold-eye reviews, etc. The relevant divisions review and audit the execution of the projects, using specialized expertise in a timely manner, in line with the execution stages of the projects.

4. Framework to Ensure Efficiency

(1) The Board of Directors makes decisions on company-wide management policies and the execution of material businesses, formulates concrete management plans and takes effort to achieve management targets. In addition, in order to promptly make decisions on operations, the Board of Directors delegates part of its authority to the Executive Committee to the extent that it does not conflict with laws and regulations, in an effort to ensure the efficiency of operations.

(2) To contribute to the efficient achievement of management targets, organizations are formed flexibly and official authorities are clearly articulated and delegated, in accordance with the in-house regulations regarding division of duty and official authority.

(3) To enhance the efficiency of operations throughout the Company, various in-house regulations are established systematically, enforced and managed in an appropriate manner. In addition, information systems are utilized proactively to enable the efficient sharing and analysis of information.

5. Framework of internal control of the Chiyoda Group

(1) The Chiyoda Group clearly sets forth the values to be shared by all group executives and employees in its corporate philosophy and the Code of Conduct of the Chiyoda Group, while the Company and the group companies conduct business based on close mutual cooperation.

(2) The Company will establish in-house regulations to ensure the propriety and efficiency of operations of the Chiyoda Group. In terms of management of group companies, a responsible division will be established for each particular group company, and a division will be established to be responsible for supervising and managing such divisions.

(3) The group companies will establish a framework of internal control based on the same

policy as the Company, including a system for reporting information to the Company in a timely and appropriate manner and a whistle-blowing system, to maintain consistency between the Company and its group companies. Specifically, in terms of compliance with laws and regulations, the Company establishes, beneath the Compliance Committee, the Group Compliance Liaison Meeting consisting of members from the group companies for the purpose of sharing compliance information within the Chiyoda Group. In terms of the risk and crisis management of the group companies, a system similar to the Company's system will be established. In addition, internal audits of the group companies are conducted by the internal audit division of the Company.

(4) As for major group companies, a framework is in place in which the Company's Audit and Supervisory Committee members serve concurrently as the Audit & Supervisory Board Members of each group company and they can conduct proper investigations as necessary.

6. Framework to Ensure the Effectiveness of the Audits by Audit and Supervisory Committee

(1) To enhance auditing activities of the Audit and Supervisory Committee, employees who specialize in supporting the Audit and Supervisory Committee to execute their duties are placed.

(2) To ensure the independence of such employees and to ensure the effectiveness of instructions given to them, the Audit and Supervisory Committee will evaluate the performance of the Audit and Supervisory Committee Office's employees. Furthermore, staff transfers will require the prior approval of the Audit and Supervisory Committee and transferred staff must not concurrently hold positions related to the actual execution of operations of the Company.

7. Framework for Reporting to the Audit and Supervisory Committee

(1) Executives and employees, when requested by the Audit and Supervisory Committee, report on their activities relating to internal controls on a regular basis or whenever important matters arise. The Company does not treat executives and employees who have reported to the Audit and Supervisory Committee disadvantageously on the grounds of having made such reports.

(2) To ensure the effectiveness of audits conducted by the Audit and Supervisory Committee, the Representative Directors meet with the Audit and Supervisory Committee on a regular basis to exchange opinions regarding the status of reports made by executives and employees to the Audit and Supervisory Committee. When the Audit and Supervisory Committee requests that Audit and Supervisory Committee members attend important meetings such as those of the Executive Committee, the Representative Directors accept the request.

(3) To ensure the effectiveness of reporting by the group companies, the Audit and Supervisory Committee meets with the Audit & Supervisory Board Members of major group companies on a regular basis to exchange opinions and share information on the framework of internal controls system of the Chiyoda Group.

(4) If the Audit and Supervisory Committee requests to use external experts selected by it for the audits conducted by Audit and Supervisory Committee members, the Company will pay the necessary expenses associated with the use of external experts, unless it is clearly proved that such external experts are not necessary for the execution of duties of Audit and Supervisory Committee members.

8. Framework for securing the appropriateness of financial reporting

(1) To secure the appropriateness of financial reporting required under the Financial

Instruments and Exchange Law, the Company, together with the principal group companies, will establish and operate the necessary framework of internal control such as the documentation of operating rules. In case a new risk is recognized or in case a fault or deficiency is detected in the framework, prompt corrective action will be taken.

(2) The Company will conduct internal audits of daily operations, etc. to identify and validate the actual status of control activities in each area and secure the effectiveness of internal control functions related to financial reporting on a company-wide basis by establishing a highly-independent internal control division.

(Note) Along with the transition to the Company with Audit and Supervisory Committee, the partial revision including the change in the framework related to Audit & Supervisory Board Members was resolved at the meeting of the Board of Directors on June 23, 2016. The foregoing are the frameworks after said revision has been made.

<Outline of the management status of the framework for ensuring proper execution of operations of the Company>

The Company has developed and managed an internal control system based on the “Policy on the Internal Control System” resolved at the meeting of the Board of Directors as stated above. The Company works for continuous improvement by confirming the management status in each division and sharing information at the meeting of the Internal Control Committee, which was held twice in the FY2016. The major management initiatives in the FY2016 are as follows.

The Company transitioned to the Company with Audit and Supervisory Committee at the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2016, and the outline of the management status after the transition is described in “[5] Initiatives relating to ensuring the effectiveness of audits by the Audit and Supervisory Committee” and “[6] Initiatives relating to reporting to the Audit and Supervisory Committee” below. However, the Company also developed and managed the same frameworks as to Audit & Supervisory Board Members before the transition.

[1] Initiatives relating to compliance with laws and regulations

- The Company has conducted business activities based on corporate philosophy and the principles provided in the Code of Conduct of Chiyoda Group, by setting compliance with domestic and international laws and regulations and business execution in accordance with corporate ethics as the top priority.
- In the FY2016, the Company engaged in the thorough implementation of hitherto developed compliance programs. Specifically, the Company revised and developed various relevant regulations for the introduction of whistle-blowing systems to overseas group companies, conducted various trainings, such as the position-specific training related to the compliance of laws and regulations, pre-transfer training for overseas posting, and harassment prevention training, and held the Compliance Committee meeting five times.
- The internal audit division conducted audits on compliance programs, compliance frameworks, compliance related documents and others of the Company based on compliance regulations.

[2] Initiatives relating to loss and risk management

- The Company has established a risk and crisis management framework for each type of risk in accordance with the basic policy regarding the Company’s risk and crisis management, in-house regulations, and various manuals.
- The Company established a division that constantly fulfills risk management. In the

FY2016, the division implemented activities, such as starting coordination between overseas travel information and registration with the Overseas Travel Registration ("*Tabi-Regi*") introduced by the Ministry of Foreign Affairs, developing overseas travel management systems in major overseas group companies, and continuously holding pre-assignment training for employees posted overseas and their accompanying family members. The division also engaged in detailed prevention and management activities, such as implementing regular security monitoring of overseas bases by telephone, conducting security surveys of overseas bases and field offices, and holding liaison meetings for crisis managers and risk managers including those from domestic group companies.

- In terms of risk management associated with awarding contracts for projects, the division in charge continuously conducted management activities, implementing the cold-eye reviews to 78 projects. With regard to investments, the division conducted assessment in accordance with in-house regulations and regularly reported the status of profit and loss on the investments executed to the Executive Committee and the Board of Directors.

[3] Initiatives relating to ensuring efficiency

- In order to promptly make decisions on the execution of operations, the Board of Directors delegates part of its authority to the Executive Committee to the extent that it does not conflict with laws and regulations, in an effort to ensure the efficiency of the execution of duties.
- In the FY2016, in terms of ensuring the efficiency of the execution of duties, matters of deliberation prescribed in the Regulations of the Board of Directors and the Regulations of the Executive Committee were partially revised.

[4] Initiatives relating to the framework of internal control of the Chiyoda Group

- The Chiyoda Group clearly sets forth the values to be shared by all group executives and employees in its corporate philosophy and the Code of Conduct of the Chiyoda Group, while the Company and the group companies conduct business based on close mutual cooperation.
- In the FY2016, to further ensure the propriety and efficiency of operations of the Chiyoda Group, the Company revised part of its in-house regulations.
- As for initiatives relating to the Chiyoda Group's compliance with laws and regulations, the Group Compliance Liaison Meeting, consisting of members from group companies, was held five times to enhance control and to share information within the Chiyoda Group.

[5] Initiatives relating to ensuring the effectiveness of audits by the Audit and Supervisory Committee

- To ensure the effectiveness of audits conducted by the Audit and Supervisory Committee, Audit and Supervisory Committee held 13 meetings with the Representative Directors and 23 meetings with Executive Directors to exchange opinions. Audit and Supervisory Committee members also attended important meetings including those of the Executive Committee and the Compliance Committee, as well as the Internal Control Committee for collaboration between the Audit and Supervisory Committee and the internal control division, and expressed their opinions as necessary.
- To verify whether the effectiveness of audits conducted by group companies, the Audit and Supervisory Committee held two meetings with Audit & Supervisory Board Members of major group companies, exchanged opinions and shared information regarding internal control systems within the Chiyoda Group.

- To enhance the auditing activities of the Audit and Supervisory Committee, employees who specialize in assisting the Audit and Supervisory Committee to execute its duties are placed.
- In the FY2016, the assignment of such employees and the evaluation of their performance were conducted in a proper manner.

[6] Initiatives relating to reporting to the Audit and Supervisory Committee

- Executives and employees, when requested by the Audit and Supervisory Committee, report on their activities relating to internal controls on a regular basis or whenever important matters arise.
- The Audit and Supervisory Committee received reports from executives and employees on their activities relating to internal controls at regular meetings or through hearings. As for the occurrence of important matters relating to internal controls for which reporting is required by the Audit and Supervisory Committee, no such important matter was recognized.
- The occurrence of a case where the Audit and Supervisory Committee uses external experts in its auditing was not recognized.

Reference Materials for the General Meeting of Shareholders

Proposal 1: Appropriation of surplus

The Company proposes to proceed as follows with respect to appropriation of surplus.

1. Matters concerning the appropriation of other surplus
The Company posted a deficit in retained earnings brought forward of 14,390,048,034 yen for the fiscal year under review. In order to cover the deficit, pay dividend to its shareholders and prepare for future flexible capital policies, the Company proposes to reduce a part of general reserve to offset the deficit in retained earnings brought forward as follows.

(1) Item to be reduced and the amount thereof
General reserve 34,500,000,000 yen
(2) Item to be increased and the amount thereof
Retained earnings brought forward 34,500,000,000 yen
(3) Date on which appropriation of other surplus takes effect
June 27, 2017

2. Matters concerning year-end dividend
The Company's policy is to pay dividends with the objective of having a payment ratio of 30% or more of profit attributable to owners of parent, in consideration of the need to enhance the financial structure for future business development, etc. while maintaining distribution of profits to shareholders.
Although losses incurred during the fiscal year under review were mainly non-repetitive losses related to investment, the Company proposes the year-end dividend as follows, taking into account its financial conditions holistically.

Year-end dividend

(1) Type of dividend
Cash
(2) Dividend allocation and total dividend payment
6.00 yen per share of the Company's common stock
Total dividend payment of 1,553,840,574 yen
(3) Effective date of payment
June 27, 2017

Proposal 2: Appointment of nine Directors (excluding Audit and Supervisory Committee members)

Mr. Shogo Shibuya, Director not serving as Audit and Supervisory Committee member, resigned from his post on March 31, 2017. Also, all nine Directors not serving as Audit and Supervisory Committee member will retire at the closing of this General Meeting of Shareholders due to the expiration of their terms of office.

Therefore, the Company proposes to elect nine Directors (excluding Audit and Supervisory Committee members). The table below lists the nominees for those positions.

This Proposal was deliberated in the Audit and Supervisory Committee, and there was no opinion against it.

[List of nominees]

Nomination No.	Name		Positions and responsibilities within the Company	Number of years in office as Director (at the closing of this general meeting of shareholders)
1	Katsuo Nagasaka	Reelection	Representative Director, Senior Executive Vice President and Division Director of Business Development Division	5 years
2	Masahiko Kojima	Reelection	Director, Executive Vice President and Corporate Planning & Management and Operations Director of Offshore & Upstream Project Operations	4 years
3	Ryosuke Shimizu	Reelection	Director, Senior Vice President and Operations Director of Technology Development, Investment and Project Operations	5 years
4	Arata Sahara	Reelection	Director, Senior Vice President and Operations Director of Downstream & Non Hydrocarbon Project Operations	2 years
5	Nobuo Tanaka	Reelection Outside Director Independent Officer	Director	2 years
6	Masaji Santo	New nominee	Senior Executive Vice President	—
7	Hirotsugu Hayashi	New nominee	Senior Executive Vice President	—

Nomination No.	Name		Positions and responsibilities within the Company	Number of years in office as Director (at the closing of this general meeting of shareholders)
8	Nobuyuki Uchida	New nominee	Senior Vice President and Deputy Operations Director of Gas & LNG Project Operations No. 2	—
9	Hiroshi Sakuma	New nominee Outside Director	—	—

<table>
<tr><th>No.</th><th>Name
(date of birth)</th><th colspan="2">Brief career history, positions, responsibilities and significant concurrent positions</th><th>Number of ordinary shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td>Katsuo Nagasaka
(May 26, 1953)</td><td>April 1976:
November 1997:
January 2004:
June 2010:
April 2012:
June 2012:
April 2013:
February 2017:</td><td>Joined the Company
Manager of International Business Development Unit 2 of the Company
General Manager of International Business Development Division of the Company
Executive Officer, General Manager of Business Development Unit 2 of the Company
Senior Vice President, Division Director of Business Development Division of the Company
Director, Senior Vice President and Division Director of Business Development Division of the Company
Director, Executive Vice President and Division Director of Business Development Division of the Company
Representative Director, Senior Executive Vice President and Division Director of Business Development Division of the Company (current position)</td><td>39,000</td></tr>
<tr><td colspan="4"><Reason for the nomination>
Mr. Katsuo Nagasaka, since joining the Company, has long been involved in management of the International Business Divisions, and since being appointed as a Representative Director of the Company in February 2017, has overseen overall business development of the Company. We have determined that by leveraging his global work experience and knowledge as a director, he is qualified to contribute to improving the corporate value of the Company, and have renominated him as a candidate for Director.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(date of birth)</th><th colspan="2">Brief career history, positions, responsibilities and significant concurrent positions</th><th>Number of ordinary shares of the Company held</th></tr>
<tr><td rowspan="2">2</td><td>Masahiko Kojima
(May 23, 1955)</td><td>April 1978:
January 1997:
May 2003:
April 2006:
July 2009:
July 2010:
June 2013:
April 2015:
April 2017:</td><td>Joined Mitsubishi Corporation
Manager of Machinery Dept. of Mitsubishi Corporation Manila Branch
Manager of Machinery Dept. of Mitsubishi Corporation (UK) Plc
Manager of Energy & Chemical Projects Unit of Mitsubishi Corporation
Executive Officer, General Manager of Corporate Plan Implementation Office of the Company
Managing Executive Officer, General Manager of Corporate Planning Division of the Company
Director, Senior Vice President and Division Director of Corporate Planning & Management Division of the Company
Director, Executive Vice President and Division Director of Corporate Planning & Management Division of the Company
Director, Executive Vice President and Corporate Planning & Management and Operations Director of Offshore & Upstream Project Operations of the Company (current position)</td><td>28,000</td></tr>
<tr><td colspan="4"><Reason for the nomination>
Mr. Masahiko Kojima, after having worked for Mitsubishi Corporation, was appointed as Director of the Company in June 2013 and served as Division Director of Corporate Planning & Management Division. He has also been engaged in Corporate Planning & Management of the Company and has overseen strategies related to the field of Offshore & Upstream Project Operations, one of the Company’s important growth strategies. We have determined that by leveraging his global work experience and knowledge as a director, he is qualified to contribute to improving the corporate value of the Company, and have renominated him as a candidate for Director.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(date of birth)</th><th colspan="2">Brief career history, positions, responsibilities and significant concurrent positions</th><th>Number of ordinary shares of the Company held</th></tr>
<tr><td rowspan="2">3</td><td>Ryosuke Shimizu
(January 27, 1955)</td><td>April 1979:
June 2001:

June 2009:

April 2011:

April 2012:

June 2012:

April 2013:

April 2015:</td><td>Joined the Company
Project Manager of International Project Planning Division of the Company
Executive Officer, Deputy Head of Corporate Planning Unit and General Manager of Corporate Planning Division of the Company
Executive Officer, General Manager of Global Operation Division of the Company
Senior Vice President, Division Director of Global Project Management Division of the Company
Director, Senior Vice President and Division Director of Global Project Management Division of the Company
Director, Senior Vice President and Division Director of Technology & Engineering Division of the Company
Director, Senior Vice President and Operations Director of Technology Development, Investment and Project Operations of the Company (current position)</td><td>29,000</td></tr>
<tr><td colspan="4"><Reason for the nomination>
Mr. Ryosuke Shimizu, after serving as Division Director of Global Project Management Division, etc., was appointed as Director of the Company in June 2012. After serving as Division Director of Technology & Engineering Division, he currently oversees new businesses and undertakes important tasks including the commercialization of hydrogen supply chain. We have determined that by leveraging his global work experience and knowledge as a director, he is qualified to contribute to improving the corporate value of the Company, and have renominated him as a candidate for Director.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(date of birth)</th><th colspan="2">Brief career history, positions, responsibilities and significant concurrent positions</th><th>Number of ordinary shares of the Company held</th></tr>
<tr><td rowspan="2">4</td><td>Arata Sahara
(June 27, 1956)</td><td>April 1980:
July 2009:

April 2014:

April 2015:

June 2015:</td><td>Joined the Company
Deputy Division Director of International Project Division 1 of the Company
Executive Officer and Operations Director of Downstream & Non Hydrocarbon Project Operations of the Company
Senior Vice President and Operations Director of Downstream & Non Hydrocarbon Project Operations of the Company
Director, Senior Vice President and Operations Director of Downstream & Non Hydrocarbon Project Operations of the Company (current position)</td><td>14,000</td></tr>
<tr><td colspan="4"><Reason for the nomination>
Mr. Arata Sahara, after serving as Deputy Division Director of International Project Division 1, etc., was appointed as Director of the Company in June 2015. He has demonstrated centripetal force for leading projects in the field of Downstream & Non Hydrocarbon Project Operations, one of the Company’s core operations. We have determined that by leveraging his global work experience and knowledge as a director, he is qualified to contribute to improving the corporate value of the Company, and have renominated him as a candidate for Director.</td></tr>
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No.	Name (date of birth)	Brief career history, positions, responsibilities and significant concurrent positions		Number of ordinary shares of the Company held
5	Nobuo Tanaka (March 3, 1950)	April 1973:	Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)	0
		October 1991:	Director of Directorate for Science, Technology and Engineering of Organisation for Economic Co-operation and Development (OECD)	
		June 1995:	Director, Industrial Finance Division of Industrial Policy Bureau of Ministry of International Trade and Industry	
		June 1998:	Minister of Embassy of Japan in the United States of America, Ministry of Foreign Affairs of Japan	
		June 2000:	Vice President of Research Institute of Economy, Trade and Industry	
		January 2002:	Director-General, Multilateral Trade System Department of Trade Policy Bureau of Ministry of Economy, Trade and Industry	
		July 2004:	Director of Directorate for Science, Technology and Industry of OECD	
		September 2007:	Executive Director of International Energy Agency	
		June 2012:	Outside Audit & Supervisory Board Member of TEIJIN LIMITED (current position)	
		June 2013:	Outside Audit & Supervisory Board Member of INNOTECH CORPORATION (current position)	
		April 2015:	President of The Sasakawa Peace Foundation	
		June 2015:	Director of the Company (current position)	
		December 2016	Chairman of The Sasakawa Peace Foundation (current position)	
	<Reason for the nomination> Although Mr. Nobuo Tanaka does not have direct experience in corporate management, he has appropriately carried out his duties as Outside Director by drawing on his abundant knowledge and experience in the energy field nurtured through his assignment as Executive Director of the International Energy Agency, and we therefore have renominated him as a candidate for Outside Director.			

No.	Name (date of birth)	Brief career history, positions, responsibilities and significant concurrent positions	Number of ordinary shares of the Company held
6	Masaji Santo (October 21, 1957)	April 1981: Joined Mitsubishi Corporation April 2009: President of Mitsubishi Chile Ltda. (Santiago) April 2012: Senior Vice President of Mitsubishi Corporation President of Mitsubishi Chile Ltda. (Santiago) July 2012: Senior Vice President, Division COO of Environment & Infrastructure Business Division of Mitsubishi Corporation June 2013: Director of the Company (retired in June 2016) July 2013: Senior Vice President, Division COO of Infrastructure Business Division and Division COO of Environmental Business Division of Mitsubishi Corporation April 2015: Senior Vice President, Division COO of Infrastructure Business Division of Mitsubishi Corporation April 2016: Senior Vice President, Regional CEO for Latin America & the Caribbean of Mitsubishi Corporation April 2017: Senior Executive Vice President of the Company (current position)	6,000
	<Reason for the nomination> Mr. Masaji Santo, after serving as President of Mitsubishi Chile Ltda. and Senior Vice President of Mitsubishi Corporation, was appointed as Senior Executive Vice President of the Company in April 2017. He is versed in the businesses of the Company and its group companies as he served as Outside Director of the Company for 3 years from June 2013. We have determined that he is qualified to contribute to the growth of the Company and improving its corporate value with leadership abilities even in the rapidly changing business environment by leveraging his global work experience and knowledge, and have nominated him as a candidate for Director.		

<table>
<tr><th>No.</th><th>Name
(date of birth)</th><th colspan="2">Brief career history, positions, responsibilities and significant concurrent positions</th><th>Number of ordinary shares of the Company held</th></tr>
<tr><td rowspan="2">7</td><td>Hirotsugu Hayashi
(December 6, 1955)</td><td>April 1980:
July 2006:

June 2009:

April 2017:</td><td>Joined The Mitsubishi Bank, Ltd.
Branch Manager of Chicago Branch of The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Full-Time Corporate Auditor of Mitsubishi Plastics, Inc.
Senior Executive Vice President of the Company (current position)</td><td>0</td></tr>
<tr><td colspan="4"><Reason for the nomination>
Mr. Hirotsugu Hayashi, after serving as Branch Manager of Chicago Branch of The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Full-Time Corporate Auditor of Mitsubishi Plastics, Inc., was appointed as Senior Executive Vice President of the Company in April 2017. We have determined that by leveraging his global work experience and extensive knowledge in finance and risk management as a director, he is qualified to contribute to the growth of the Company and improving its corporate value, and have nominated him as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(date of birth)</th><th colspan="2">Brief career history, positions, responsibilities and significant concurrent positions</th><th>Number of ordinary shares of the Company held</th></tr>
<tr><td rowspan="2">8</td><td>Nobuyuki Uchida
(September 28, 1956)</td><td>April 1977:
July 2009:

April 2011:

April 2012:

April 2014:</td><td>Joined the Company
Division Director of Piping and Civil Engineering Division of the Company
Executive Officer and Deputy Manager of Technology & Engineering Division of the Company
Vice President and Deputy Division Director of Technology & Engineering Division of the Company
Senior Vice President and Deputy Operations Director of Gas & LNG Project Operations No. 2 of the Company (current position)</td><td>12,000</td></tr>
<tr><td colspan="4"><Reason for the nomination>
Mr. Nobuyuki Uchida, after serving as Division Director of Piping and Civil Engineering Division, etc., was appointed as Senior Vice President of the Company in April 2014. He has overseen projects in North America in the field of Gas & LNG Project Operations, one of the Company’s core operations. We have determined that by leveraging his global work experience and knowledge as a director, he is qualified to contribute to the growth of the Company and improving its corporate value, and have nominated him as a candidate for Director.</td></tr>
</table>

No.	Name (date of birth)	Brief career history, positions, responsibilities and significant concurrent positions	Number of ordinary shares of the Company held
9	Hiroshi Sakuma (June 2, 1956)	April 1980: Joined Mitsubishi Corporation May 2004: President of Diamond Generating Corporation April 2007: General Manager of Power Generation & Marketing, International Unit, Power & Electrical Systems Division of Mitsubishi Corporation April 2010: Deputy Division COO of New Energy & Power Generation Division (Concurrently) General Manager of Power Generation & Marketing, International Unit of Mitsubishi Corporation April 2011: Senior Vice President, Deputy Division COO of New Energy & Power Generation Division (Concurrently) General Manager of Power Generation & Marketing, International Unit of Mitsubishi Corporation April 2012: Senior Vice President, Division COO of New Energy & Power Generation Division of Mitsubishi Corporation April 2014: Executive Vice President, Group CEO of Global Environmental & Infrastructure Business Group of Mitsubishi Corporation (current position)	0
	<Reason for the nomination> Mr. Hiroshi Sakuma has served as President of Diamond Generating Corporation, Executive Vice President of Mitsubishi Corporation, etc. and is well versed in the wide range of business fields such as infrastructure including petroleum/gas, power generation and new energy. He also has been deeply involved in the management of investee companies and business groups in Japan and overseas. We have determined that by leveraging his experience and knowledge in overall global management, he is capable of appropriately carrying out his duties as Outside Director, and have nominated him as a candidate for Director.		

(Notes) 1. No conflict of interest exists between the Company and the above candidates.
2. CEO: Chief Executive Officer
3. Mr. Nobuo Tanaka is a nominee for an Outside Director. The Company has registered him with the Tokyo Stock Exchange as an independent officer, and intends to continue his designation as independent officer in the event that his re-election is approved. Mr. Nobuo Tanaka meets the Independence Standards for Outside Directors (refer to page 30) set forth by the Company.

4. Mr. Nobuo Tanaka currently serves as an Outside Director of the Company, and his term of office as Outside Director will be two years at the closing of this Ordinary General Meeting of Shareholders.
5. The Company, pursuant to Article 427, Paragraph 1 of the Companies Act, has concluded a contract with Mr. Nobuo Tanaka to limit the liability for damages stipulated in Article 423, Paragraph 1 of the Law. The limitation of liability amount under such contract shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Law, and in the event that the re-election of Mr. Tanaka is approved, the Company intends to continue this contract with him.
6. Mr. Hiroshi Sakuma is a nominee for an Outside Director.
7. In the event that Mr. Hiroshi Sakuma is elected, the Company intends to conclude a contract with Mr. Sakuma in accordance with Article 427, Paragraph 1 of the Companies Act, that would limit the liability for damages stipulated in Article 423, Paragraph 1 of the Law, to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Law.

Proposal 3: Appointment of one Substitute Director, Audit and Supervisory Committee

Should there be a vacancy in the statutory number of Director, Audit and Supervisory Committee, the Company proposes the election of one Substitute Director, Audit and Supervisory Committee. The Audit and Supervisory Committee has agreed to the submission of this proposal.

The table below lists the nominee for the position.

Name (date of birth)	Brief career history, positions and significant concurrent positions	Number of ordinary shares of the Company held
Masaki Okada (January 9, 1959)	April 1988: Registered as a lawyer (Daini Tokyo Bar Association) Joined Ishii Law Office April 1997: Partner of Ishii Law Office (current position)	0
<Reason for the nomination> Although Mr. Masaki Okada has not been directly involved in corporate management, we have determined that he can leverage his expert knowledge and experience as a lawyer to properly execute the duties of an Outside Director, Audit and Supervisory Committee, and have nominated him as a candidate for Outside Substitute Director, Audit and Supervisory Committee.		

(Notes) 1. No conflict of interest exists between the Company and the above candidate.
2. Mr. Masaki Okada is a nominee for a Substitute Director, Outside Audit and Supervisory Committee.
3. Mr. Masaki Okada meets the Independence Standards for Outside Directors (refer to page 30) set forth by the Company.
4. In the event that Mr. Masaki Okada is elected and appointed Outside Director, Audit and Supervisory Committee, the Company intends to conclude a contract with him in accordance with Article 427, Paragraph 1 of the Companies Act, that would limit the liability for damages stipulated in Article 423, Paragraph 1 of the Law, to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Law.

[Reference] Independence Standards

To achieve appropriate decision making and management oversight by the Board of Directors from a variety of perspectives, the Company appoints Outside Directors from among highly insightful persons who possess an objective and professional perspective (persons who fulfill the requirements set forth in Article 2, Item 15 of the Companies Act). The Company bases the independence of Outside Directors on the factors determining independence set forth by Tokyo Stock Exchange, Inc. and deems an Outside Director to be independent if none of the following items are applicable.

1. Major Client or Supplier
   (1) A party for whom the Company is a major client or supplier (Note 1) or an executive thereof
   (2) A party that is the Company's major client or supplier (Note 2) or an executive thereof

2. Experts
   Consultants, accountants, lawyers and persons affiliated with such organizations who receive annual compensation of 10 million yen or more in cash or other assets from the Company, other than remuneration for directors and audit & supervisory board members

3. Major Shareholders
   Major shareholders of the Company (a party holding 10% or more direct or indirect voting rights) or an executive thereof

4. Donation Recipients
   Recipients to whom the Company donates in excess of an annual 10 million yen or an executive thereof

5. Historical Requirements
   A party to whom any of 1. to 4. above applies in the past 10 years

6. Close Relatives
   Spouse or relative within second degree of kinship of the following persons
   (1) A party to whom any of 1. to 5. above applies
   (2) A Director, Executive Officer or other core employee of the Company or its subsidiary (Note 3)

7. Any party other than the above in special circumstances that do not allow said party to fulfill duties as an independent Director, including the existence of conflict of interest with the Company

The Company's Board of Directors shall make efforts to nominate as candidates for the position of Independent Director persons who can be expected to contribute to frank, lively and constructive deliberations at the Board of Directors in accordance with these standards.

(Notes) 1. "A party for whom the Company is a major client or supplier" refers to a party who received payment equivalent to 2% of said party's annual consolidated net sales

or payment of 100 million yen or more, whichever is the higher of the two, in the most recent fiscal year.

2. “A party that is the Company’s major client or supplier” refers to a party whose transactions with the Company were equivalent to 2% or more of the Company’s annual consolidated net sales in the most recent fiscal year, or a party who provided loans to the Company equivalent to 2% or more of the Company’s consolidated total assets in the most recent fiscal year.
3. “Core employee” refers to Division Director or superior.