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# Business Overview

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## Fiscal 2010 Results Briefing

May 13, 2011



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Chairman and CEO

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## 1. Management Strategy for Fiscal 2011

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Covering five years from 2011, the new Medium-Term Management Plan

**NEW HORIZON 2015** is underway.

Under a new administrative organization, JGC Group is committed to achieving its numerical targets and becoming a

**Program Management Contractor  
& Investment Partner**

## 2. Target Orders for Fiscal 2011

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Target Consolidated Orders : 550 billion yen

Major Target Projects

Middle East	Africa
Refinery & Petrochemicals Projects	Gas Processing Projects
Asia/Oceania	Japan
Refinery Projects LNG Projects	Energy, Chemical, and Life Science Projects

### 3. Market Environment

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- ▶ Global oil and gas investment remains active, backed by strong demand for energy and industry diversification in emerging countries.
- ▶ Both international oil companies (IOC) and national oil companies (NOC) are continuing or expanding capital investment in 2011.

(Capital expenditures rose 10% year on year in 2010 and are expected to increase further 10% to 15% year on year in 2011.)

### 4. Situation in Priority Areas (1)

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#### Middle East/North Africa

- The development of crude oil and gas is continuing. Refinery and petrochemical plant projects designed to add considerable value to resources are being planned.
- Demand for natural gas for domestic use is high. We are anticipating future gas plant plans.

## -Effects of Turmoil in the Middle East and North Africa-

- ▶ Projects in progress have not been affected.

Major projects underway in the Middle East and North Africa



- ▶ Future bidding does not seem to have been affected.
- ▶ We will continue to monitor the situation.

## 4. Situation in Priority Areas (2)

### Asia/Oceania

- Demand for natural gas is expanding faster than expected. LNG development plans are in progress, especially in Asia and Australia.

### Japan

- It will take time before specific disaster reconstruction projects are developed.
- We will monitor trends in the oil and petrochemical industries.
- Capital investment is continuing in the pharmaceutical sector.

## -Effects of East Japan Earthquake-

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### Market situation and our response

- ▶ The short-term effect on the global plant market is minor.
- ▶ Demand for LNG plants will probably expand in the medium to long term.
- ▶ We will participate in reconstruction projects in a range of fields in Japan.

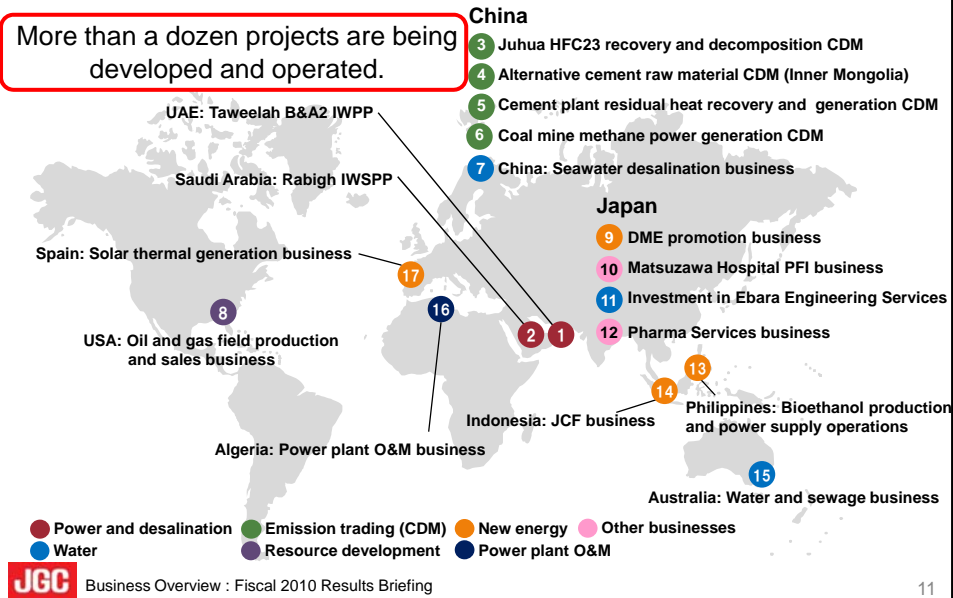
## 5. EPC Business Strategy

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- ◎ Participate in customers' development planning, aiming to receive EPC orders.
- ◎ Maintain a secure position in regions and fields where we have competitive superiority.
- ◎ Enhance competitiveness in receiving orders.
  - Devise strategies for receiving an order for each project in accordance with the customer's policy.
  - Bolster cost competitiveness.
  - Accelerate the independence of overseas EPC subsidiaries.

## 6. Investment Business Strategy (1)

More than a dozen projects are being developed and operated.



## 6. Investment Business Strategy (2)

### Future Focuses

- ◆ Power generation, desalination  
IPP, IWPP
- ◆ The environment, new energy  
Solar thermal generation, photovoltaic generation, bioethanol
- ◆ Water  
Seawater desalination, waste water treatment, reclamation water
- ◆ Urban development

IPP: Independent Power Project (Producer)  
IWPP: Independent Water and Power Project (Producer)

## 6. Investment Business Strategy (3)

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### Future Focuses

- ◆ Resource development
- ◆ Promotion of commercialization of new technologies
  - Hi-PACT (CO<sub>2</sub> recovery process)
  - DTP (new technology for propylene production)
  - JCF (technology for effective use of low-rank coal)

Hi-PACT: High Pressure Acid gas Capture Technology  
DTP: Dominant Technology for Propylene Production  
JCF: JGC Coal Fuel

## 7. Planning and Management Service Strategy

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### Focusing on urban development

- ◆ India: Delhi-Mumbai Industrial Corridor Initiative
  - A feasibility study is underway in cooperation with partners
- ◆ India: Chennai integrated eco-friendly city project
  - Underway, in cooperation with Mizuho CB and Ascendas

## Note on Future Outlook

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