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# Business Overview

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## Fiscal 2011 Results Briefing

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## 1. Target Orders for Fiscal 2012

### Target Consolidated Orders: 600 billion yen

#### Major Target Projects

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

## 2. Market Environment in Fiscal 2012

### Main Features

- ▶ Energy demand rising, price of crude oil remains high
  - Proactive capital investment by NOCs, IOCs continues
- ▶ New projects are plentiful from upstream to downstream
- ▶ Multiple new contracts up for bidding for LNG FEED works
  - EPC bidding to start from next fiscal year
  - Floating LNG also taking shape
- ▶ Competitive environment remains intense

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

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#### Middle East/Africa

- Development of oil and gas fields continuing
- Increase in refinery and petrochemical projects to increase added value in oil and natural gas
- LNG project plans firming up as demand rises

### 3. Situation in Priority Areas (2)

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#### Asia/Oceania

- Rising LNG demand prompting plans for new and expanded facilities

#### Japan

- Response to domestic power supply
- Capital investment continuing in pharmaceutical, medical sectors
- Increase in proposals for overseas expansion by Japanese companies

## 4. EPC Business Order Strategy

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- ◎ Maintain a secure position in regions and fields where we have a competitive advantage
  - Contribute to clients' plans from the initial stage of development
  - Demonstrate competitive strength in the LNG area
- ◎ Continuously enhance cost competitiveness in all areas of EPC
- ◎ Develop new markets
- ◎ Further enhance ability to execute projects
  - Introduce modular construction methods
- ◎ Enhance technical competitive strength
  - Adapt to the unique technological needs of mega-scale plants

## 5. Recent Market Environment Topics

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- ▶ **The U.S. as a market for the EPC business**
  - Increase in proposals for LNG, gas chemicals, GTL due to cheap and plentiful shale gas
- ▶ **Trend of LNG projects**
  - Australia, Southeast Asia, East Africa, Russia
- ▶ **Competition and collaboration with South Korean contractors**

## 6. Investment Business (1)

### Major Investment Projects in Fiscal 2011

#### ▶ Progress of Resource Development Business (Conventional and Unconventional)

Area	Project Name/Region
Resource development business	Shale oil production and development business/U.S.
Resource development business	Natural gas production and development business/U.S.
Resource development business	Shale gas production and development business/Canada
Environmental business	Japan-China energy conservation fund/China
New business	Agriculture business/Japan



## 6. Investment Business (2)

### Status of Major Investments to Date

Area	Project name/Region	Status
Power generation, desalination	IWPP <sup>*1</sup> / U.A.E	Operating
Power generation, desalination	IWSP <sup>*2</sup> / Saudi Arabia	Operating
Resource development	Oil and gas production business/U.S.	Producing
New energy	Solar thermal generation business/Spain	Started operating March 2012
New energy	JCF <sup>*3</sup> business/Indonesia	Start demonstration in May 2012
Water	Water and sewage business/Australia	Operating
Water	Seawater desalination business/China	Operating
Emissions credits	Emissions credits trading business/China	Ongoing

\*1: Independent Water and Power Project (Producer)

\*2: Independent Water, Steam and Power Project (Producer)

\*3: JGC Coal Fuel



## 6. Investment Business (3)

### Major Areas of Focus in Fiscal 2012

- **Infrastructure**
  - Primarily power generation and desalination business
- **Resource Development**
  - Focus on the businesses we participated in through last fiscal year
  - Marketing of superior proposals including mining resources
- **Urban Development**
  - Integrated Township Development(India), DMIC\*, Myanmar, Indonesia

\*Delhi-Mumbai Industrial Corridor Initiative
- **New Energy**
  - Focus on photovoltaic generation business and JCF business



## Note on Future Outlook

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