

Translation



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The New Management Structure

Enhancing planetary health

February 12, 2025

Masayuki Sato
Representative Director, Chairman & CEO
JGC Holdings Corporation

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The New Management Structure (Major changes)



JGC HOLDINGS CORPORATION

Present



Representative Director, Chairman & CEO
Masayuki Sato



Representative Director, President & COO
Tadashi Ishizuka



**Member of the Board,
Senior Executive Vice President & CFO**
Kiyotaka Terajima

After April 1, 2025



**Representative Director,
Chairman, President & CEO**
Masayuki Sato



**Representative Director,
Senior Executive Vice President & CFO**
Kiyotaka Terajima



Resignation on March 31
Tadashi Ishizuka



JGC CORPORATION

Presents



Representative Director, President
Farhan Mujib



**Representative Director,
Senior Executive Vice President**
Shoji Yamada



Senior Executive Vice President
Terumitsu Hayashi
(Managing Director, JGC ASIA PACIFIC)



Senior Executive Vice President
Satoshi Sato



Senior Executive Vice President
Akira Kondo
(President and CEO, JGC Gulf International)

After April 1, 2025



**Representative Director,
President**
Shoji Yamada



Senior Executive Vice President
Satoshi Sato



**Member of the Board*,
Senior Executive Vice President**
Koji Sakurai



**and six (6) Senior Executive Officers
(with EPC project experience)**

Member of the Board, Advisor from April 1
Resignation at end of June
Farhan Mujib

※ Effective June 2025

My name is Masayuki Sato.

As our Shinichi Taguchi has explained, JGC Holdings Corporation (“Company”) today announced a downward revision of the full-year earnings forecast for FY 2024.

The reason for the downward revision described by Taguchi is the worsening of the profitability forecast for four projects being carried out by JGC Corporation (“JGC”) and its overseas subsidiaries, in addition to the delay in the FID of an expected project which has resulted in loss from the decreased operating rate of engineers.

Considering this situation where downward revisions occurred for two consecutive quarters due to EPC Projects, Tadashi Ishizuka offered to resign as Representative Director, President and COO of Company at the end of March of this year in order to clarify management responsibility for execution of EPC projects. After extensive discussions in the nomination committee of Company, the Board of Directors approved his resignation.

In the new management structure of Company, effective April 1st of this year, I will assume the role of Representative Director, Chairman, President and CEO, overseeing the overall management of the JGC Group. Additionally, Kiyotaka Terajima, Member of the Board, Senior Executive Vice President and CFO, will be newly appointed as Representative Director, Senior Executive Vice President and CFO as of the same date.

My responsibility is to first restore the JGC Group's current performance and pave the way for medium- to long-term growth. To this, I will devote my utmost efforts.

JGC, which is responsible for overseas operations of our EPC business, will have Representative Director, Senior Executive Vice President Shoji Yamada assume the role of Representative Director, President, and Senior Executive Officer. Koji Sakurai, Senior Executive Officer, who currently oversees sales, will become Member of the Board and Senior Executive Vice President.

Together with Satoshi Sato, Senior Executive Vice President, they will support new President Yamada.

Furthermore, under the leadership of President Yamada, as well as Senior Executive Vice Presidents Sato and Sakurai, Company will have a structure that includes six Executive Officers who are well experienced with EPC projects, and they will lead the execution and management of EPC projects. Current President Farhan Mujib will complete his five-year term and step down as President on March 31st of this year. He will then serve as Member of the Board and Advisor to JGC to facilitate the transition. He is scheduled to retire from Member of the Board at the conclusion of JGC's Annual General Meeting on June 18th and will also retire from Advisor at the end of June. JGC Japan Corporation ("JGC Japan") will maintain its current management structure centered around current President Yasuharu Yamaguchi.

Future Management Structure of the EPC Business

- The strong culture of risk management as well as project successful completion in the JGC Group's EPC business is deeply ingrained and passed down to the executives and employees of the EPC business companies. Each EPC business company will respond with a new management team and a robust organization.
- JGC Holdings' principal role is optimization of the Group's management strategy and resources (with the holding company philosophy remaining unchanged).
- The EPC business execution and management are to be led by President Yamada of JGC and President Yamaguchi of JGC Japan.
- At JGC, the president, two senior executive vice presidents, and six senior executive officers with EPC project backgrounds will lead the execution and management of overseas EPC projects.
- For major EPC projects, JGC Holdings will continue to engage and support the governance system in the selection and execution phases of projects, conducting periodic reviews as deemed necessary.

As for the future EPC business management structure, the strong culture of risk management as well as project success built by Ishizuka is deeply ingrained and passed down to the executives and employees of the EPC business companies, JGC and JGC Japan. With the new management team and a robust organization, we will effectively manage the EPC business. In regard to the future management structure of the EPC business, there will be no change from our philosophy of being a holding company. As CEO, I will lead the Group with a primary focus on management strategy and the optimal allocation of management resources.

Regarding EPC business execution and management, under my leadership President Yamada of JGC will lead the overseas operations, while President Yamaguchi of JGC Japan will lead the domestic operations.

To reiterate, JGC will establish a management structure where president Yamada, along with two senior vice presidents Sato and Sakurai, will be strongly supported by six senior executive officers who are experienced EPC Project managers. This management team will lead the execution and management of overseas EPC projects.

Execution of individual EPC projects has been handled by our EPC business companies, JGC and JGC Japan. Under the leadership of myself and Ishizuka, we took steps to strengthen governance.

For example, Company has been deeply involved in the selection of projects, risk assessment, and determination of estimates and conditions for major EPC projects. We have also established thorough reporting and instruction mechanisms to Company for early detection and response to issues during the execution phase. Even after Ishizuka's retirement, we plan to continue this governance structure, regularly reviewing and strengthening it to enhance effectiveness.

Finally, although Ishizuka had resigned once in 2014, after I asked him to return as President in 2017 he demonstrated strong leadership and paved the way for the completion of unprofitable projects at the time, such as the Kuwait refinery project and the US ethylene project.

Moreover, he took the lead in the award to JGC of the contracts for large EPC projects, the FLNG Project in Mozambique and the LNG Canada Project, and made very considerable contributions by bringing substantial profit to JGC Group.

Notably, in the management of EPC projects I am grateful for his strong promotion of raising risk sensitivity based on his belief of “placing oneself at the center of risk.” This has driven significant changes in the awareness of executives and employees, as well as reforms in risk profiling methods.

To our shareholders and investors, we kindly ask for your continued support and encouragement for the JGC Group.

This concludes my overview of the new management structure.