

# Business Overview

Fiscal 2015 First Half  
Financial Results Briefing  
November 11, 2015



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## 1. New Contracts in the First Half of FY2015

**New Contracts in First Half: 62.9 billion yen  
(Full-year target: 750 billion yen)**

### Overseas

Middle East: Gas Processing  
North America: Chemicals (FEED)  
Southeast Asia: Petroleum Refining,  
Chemicals (FEED)

### Domestic

Petroleum Refining  
Chemicals  
Power Generation

As of November 11



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## 2. Current Market Environment

- Concentration of contractors in limited number of projects, intensification of competition
- Continuous flow of projects for domestic demand in resource-rich countries
- Progress in LNG projects in East Africa and North America

<b>Middle East/Africa</b>	<ul style="list-style-type: none"> <li>■ Projects, esp. LNG projects and those for domestic demand, making progress towards materialization</li> </ul>
<b>Southeast Asia</b>	<ul style="list-style-type: none"> <li>■ Steady capital investment owing to expanding domestic demand for energy</li> </ul>
<b>North America</b>	<ul style="list-style-type: none"> <li>■ FID period uncertain but many projects</li> </ul>
<b>Russia/CIS</b>	<ul style="list-style-type: none"> <li>■ Developments in large-scale gas field development and petrochemical projects</li> <li>■ Collaborative projects between GG</li> </ul>
<b>Domestic</b>	<ul style="list-style-type: none"> <li>■ Continued investment in pharmaceuticals, mega-solar power generation, etc.</li> </ul>

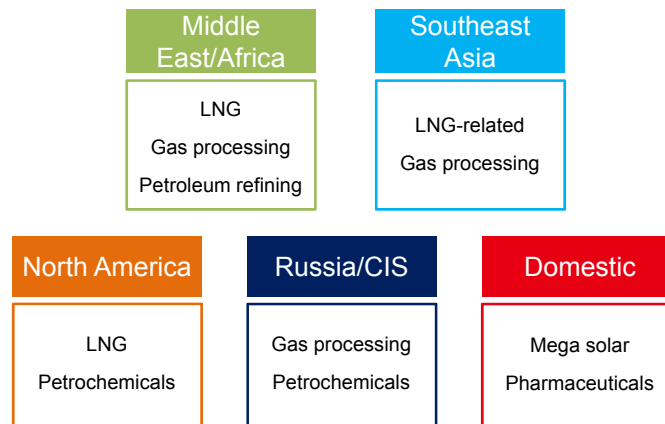


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### 3. Major Projects for the Second Half of FY2015

In addition to LNG, focus on projects in new regions as well as on revamping and expansion projects



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### 4. Strategy for New Contracts in the Second Half of FY2015

Aim for new contracts in good quality projects from which profits can be secured

#### Further strengthen cost competitiveness

- Make proactive use of overseas EPC Group companies, and increase the number of contracts bid on independently

#### Adopt approach that is sure to win LNG contracts

- For North American projects, follow customers' FID decisions
- In Africa, Mozambique will be a priority area for the time being

#### Proactively tap into future promising markets

- Anticipate changes in CIS, Iran, and Iraq



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## 5. Growth of Overseas EPC Group Companies

Significant improvement in competitiveness to receive contracts and ability to execute projects

JGC Gulf	JGC Indonesia	JGC America
<p><b>Upstream gas development</b></p> <p>Awarded contract for medium-scale project independently</p>	<p><b>Gas processing</b></p> <p>Bidding on contract for medium-scale project independently</p>	<p><b>Ethylene FEED</b></p> <p>Awarded contract for FEED project independently for the first time</p>



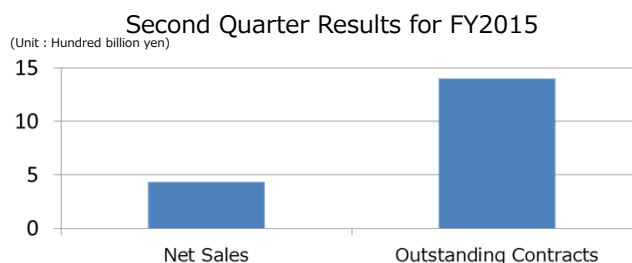
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## 6. Stance on New Contracts

Prioritize sustainable growth and expansion from mid- to long-term perspective

- ✓ Based on current sales, new contracts valued at 2 trillion yen (700-800 billion yen per year on average) over three years needed for sustainable growth and expansion.
- ✓ Single year contract amount influenced by that year's market situation.
- ✓ With outstanding contracts at 1.4 trillion yen, avoid clinging to single year contract targets and accumulating unreasonable contracts.
- ✓ Aim to increase the added value and competitiveness of clients' businesses.



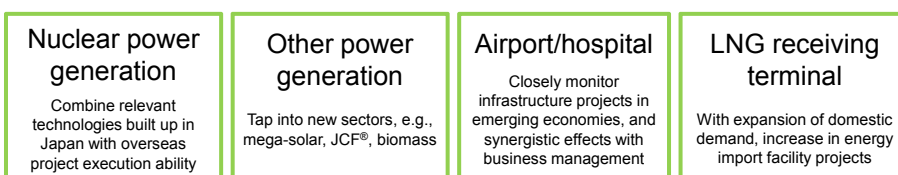
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## 7. Preparation for Expanding EPC Sector

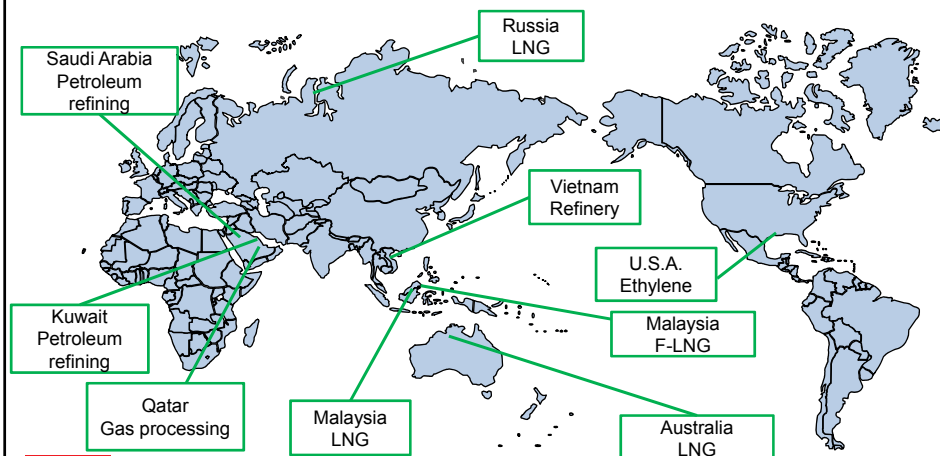
### Promote diversification strategy not limited to hydrocarbons

In addition to further expanding the hydrocarbon sector, accelerate businesses in the infrastructure sector



## 8.1 Status of Projects (Overall)

Major projects contributing to net sales made steady progress in current term  
Unprofitable projects continue to be managed thoroughly



## 8.2 Status of Projects (Large-Scale Projects)

### Steady execution of large-scale LNG projects



5,000+ ton module transport ship

#### Australia: Ichthys LNG Project

- Onshore LNG plant managed by our JV is making steady progress
- At Darwin site, installation construction work is at its peak



Modules brought to the site

#### Russia: Yamal LNG Project

- Module transport has started; modules have begun to be brought to the site



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## 9.1 Investment Business, Catalyst and Fine Products Business

### Investment Business: Current Term

#### Further expanded core businesses of power and water

- Power supply project in the Middle East  
Currently bidding as a major investor for the first time in this sector

### Investment Business: Way Forward (1)

#### Seek to develop businesses in energy business chain <Make use of achievements and knowhow in oil and gas sectors>

- LNG-receiving facility operation and power generation business
- Power generation business using slurry fuel made from upgraded low-rank coal, etc.



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## 9.2 Investment Business, Catalyst and Fine Products Business

### Investment Business: Way Forward ( 2 )

#### Pursue multilayered profits from business management and EPC

- Tap into new projects based on experience in domestic solar power generation project (Kamogawa City, Chiba)

### Catalyst and Fine Products Business

#### Strengthen mass production system and expand consignment business

- Building catalyst plant in Kitakyushu



## 10. Summary and New Medium-Term Management Plan

- Aiming for full-year new contract target of 750 billion yen

Assess market changes and customer trends and pursue possibilities until the very end

- To ensure achievement of full-year performance target

Commit to achieving consolidated net income of 50 billion yen, the target set out in the medium-term management plan

- Release of new medium-term management plan

Scheduled for May 2016



## Note on Future Outlook

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