

# Business Overview

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## 2nd Quarter Financial Results for Fiscal 2019

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# 1. Total Engineering Orders

**Making Steady Progress Toward Achieving our Targets.  
The Majority of the Orders Received are Included in the  
Outlook for the Second Half of the Fiscal Year.**

Order Target	800 Billion Yen
First Half Results	76 Billion Yen
Expected Orders (e.g. Pending FID)	480 Billion Yen
<b>Total</b>	<b>556 Billion Yen</b>
Remainder to Reach our Target	244 Billion Yen

● Mozambique Rovuma (Area4) LNG Project (Pending FID)  
● Southeast Asia LNG Receiving Terminal etc.

- Good prospects of reaching the individual target for Overseas Infrastructure orders
- Gaining orders for Overseas Oil and Gas and Domestic projects is the key point for reaching our target

## Total Engineering

# 2. Overseas Oil & Gas

**Order Target for Fiscal 2019: 600 Billion Yen**

Orders Received and Anticipated  
as of the Present: 425 Billion Yen\*  
(First Half Results of 15 Billion Yen + 410 Billion Yen)

\*Includes the Mozambique LNG project which is awaiting FID

➤ Oman LNG Bunkering (FEED) etc.

Pending FID:

➤ Mozambique LNG

Target Projects for the  
Second Half of the Fiscal Year

LNG

- Qatar
- Papua New Guinea (FEED)

Non-LNG

- Iraq Refinery
- Saudi Arabia Gas Processing
- Algeria Crude Oil Processing
- USA Petrochemical (FEED) etc.

## Outlook for Fiscal 2020

- Expectation that FEED conducted in Fiscal 2019 will result in EPC orders; prospects good for increased orders

### 3. Overseas Infrastructure

#### Order Target for Fiscal 2019: 50 Billion Yen

Orders Received and Anticipated  
as of the Present: 71.5 Billion Yen\*  
(First Half Results of 1.5 Billion Yen + 70 Billion Yen)

\*Includes LNG Receiving Terminal for which we  
have been selected as a "preferred Contractor"

- Southeast Asia LNG Receiving Terminal

Target Projects for the  
Second Half of the Fiscal Year

- Southeast Asia LPG Receiving Terminal
- Southeast Asia Solar Power etc.

#### Outlook for Fiscal 2020

- With population growth and improvements in living standards, countries in the Southeast Asia region have a growing number of infrastructure plans in fields such as energy, social and industrial infrastructure

### 4. Domestic EPC

#### Order Target for Fiscal 2019: 150 Billion Yen

Orders Received as of the Present:  
55 Billion Yen  
(First Half Results of 55 Billion Yen)

- Pharmaceuticals Manufacturing
- Chemical
- Research Institute
- Hospital
- Maintenance Service etc.

Target Projects for the  
Second Half of the Fiscal Year

- Biomass Power
- LNG Receiving Terminal Modifications
- Maintenance Service etc.

#### Outlook for Fiscal 2020

- Continued market growth for projects involving the expansion, modification and maintenance of refining and petrochemical plants

## 5. Situation of Large-scale LNG Projects

### Continued Execution While Carefully Managing Risks

#### LNG Canada

- Engineering and procurement are proceeding on schedule
- Fabrication of modules has commenced
- Preparation of the construction site is proceeding according to plan

#### Mozambique Rovuma (Area 4) LNG

- Order received by the JV of JGC (Leader), Fluor (USA) and Technip FMC (France). Client comprises ENI (Italy), Exxon-Mobil (USA) and CNPC (China)
- Lump-sum contract; construction is stick-built
- The FID is expected during 2020 with production to begin in 2025
- Strict risk profiling is reflected in the contract
- Have made arrangements with dependable experienced sub-contractors in the Middle East and Africa

## 6. Situation of Functional Materials Manufacturing

	Target for Fiscal 2019	First Half Results
Net Sales	47 Billion Yen	21.9 Billion Yen
Segment Profit	7 Billion Yen	3.1 Billion Yen

#### Catalysts

- Strong sales of FCC Catalysts to domestic refiners
- Sales of environmental protection catalysts and chemical catalysts remain strong

#### Fine Chemicals

- Affected by the extended trade friction between the U.S. and China and reduced demand for semiconductors and plant panel displays (TV, smartphones), functional paint materials sales (semiconductor abrasives, antireflective materials) are slowing
- Good performance for cosmetic ingredients in western markets

#### Fine Ceramics

- With the fall in demand for semiconductors, there are reduced sales of parts for semiconductor manufacturing
- Signs of recovery of demand for optical communication parts

## 7. Initiatives in Environmental Business

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### Accelerating the Formation of Business Focused on New Environmental Technologies

#### – “Sustainability Co-Creation Department” Established –

- Use of technologies for the control of carbon dioxide emissions, development of practical hydrogen energy and the use of plastic waste
- Aiming to speed up our approach to business, make efforts to engage in “open innovation” with government agencies, local authorities, companies and other outside organizations.

## Note on Future Outlook

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