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JGC Holdings Corporation

Sumitomo Corporation

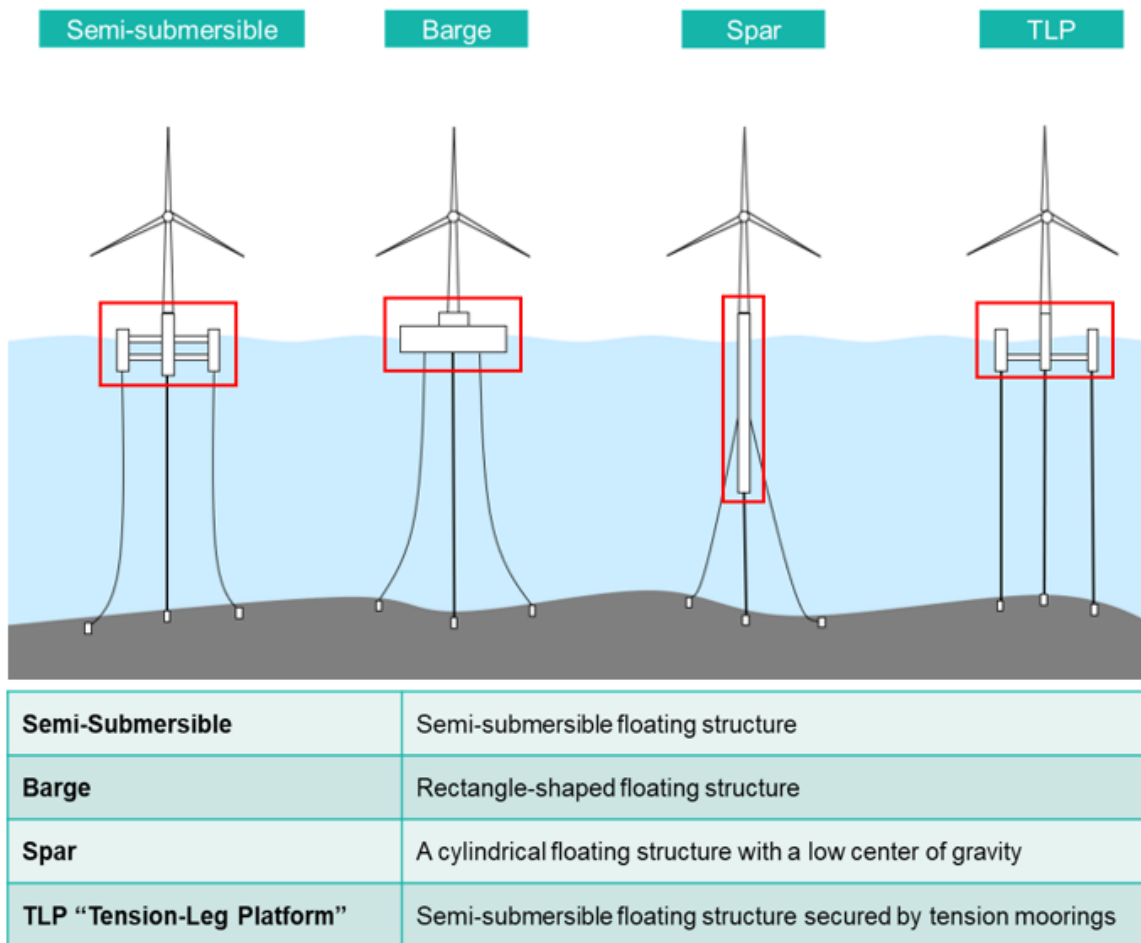
JGC Japan Corporation and Sumitomo Corporation Agree to Establish Supply Chain for Floating Offshore Wind Power Generation

- Eliminating bottlenecks in the offshore wind power industry and contributing to the realization of a decarbonized society -

JGC Japan Corporation (Head Office: Yokohama, Kanagawa Prefecture; President and CEO: Yasuharu Yamaguchi), a domestic EPC¹ operating company of JGC Holdings Corporation, and Sumitomo Corporation (Head Office: Chiyoda-ku, Tokyo; Representative Director, President and Chief Executive Officer: Shingo Ueno) signed an agreement on July 26, 2024 to investigate the possibility of collaboration in the detailed design, manufacture and delivery of floating structural components ("floater components") in the floating offshore wind ("FOW") power generation sector.

With the aims of reducing costs, enhancing efficiency and achieving mass production in the production and supply system by leveraging the strengths of respective partners, the two companies will examine the possibility of collaboration in the following key areas to establish a supply chain for floater components.

- Detailed design of floater components based on floating foundation design
- Development of steel and shipbuilding manufacturers as partners in the manufacture of floater components, order placement and manufacturing management
- Transportation of floater components to base ports for offshore wind power generation



Major floating structure technologies for offshore wind turbine (enclosed sections)

Global FOW power generation capacity is forecast to increase from approximately 0.2 GW in 2022 to 269 GW in 2050,² and approximately 800 new units are expected to be installed annually around 2050.³ While there is a need to develop floatier components for larger wind turbines, technological development is still in its infancy, and a supply chain has yet to be established. The supply of floater components is not keeping up with ever-increasing demand for offshore wind turbines, which is likely to cause a bottleneck in the expansion of the FOW power generation market.

In 2018, the JGC Group established a department dedicated to entering the offshore wind power generation sector, which it has positioned as a focus area for "Energy Transition" in the "Business Area Transformation" section of its long-term management "2040 Vision," as well as a focus area for "Establishment of Future Growth Engines" in the key strategies of its mid-term management plan "BSP 2025," and is currently working to enter and expand this business.

Sumitomo Corporation is an active investor in the field of offshore wind power generation and has

invested in a company that owns heavy lift vessels (Netherlands) and a company that owns and operates vessels that transport engineers and equipment to wind turbines under construction (Norway). Sumitomo Corporation is also the representative company in a consortium for a power generation project off the coast of Enoshima Island in Saikai, Nagasaki Prefecture, and is in discussions with Oshima Shipbuilding (Co., Ltd.) a member of the Sumitomo Corporation Group, with a view to utilizing its large-scale shipbuilding facilities and mass production technology in the manufacture of floating structures.

JGC Group and Sumitomo Corporation Group will continue to explore establishing a supply chain in the offshore wind power generation field from varied perspectives, with a view to realizing a carbon-neutral society.

¹ EPC: Engineering, Procurement, Construction

² According to research conducted by DNV, an international certification body

³ Estimated by Sumitomo Corporation based on data from consulting firm Wood Mackenzie

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