

JGC **Business Overview**
Fiscal 2005 Results Briefing

May 18, 2006

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1. Major Orders Received in Fiscal 2005

Project	Country
NGL	Saudi Arabia
Refinery	Vietnam
LNG	Yemen
GTL	Qatar
Refining/Petrochemical Complex	Saudi Arabia

Additionally, domestic orders has reached about 210 billion yen

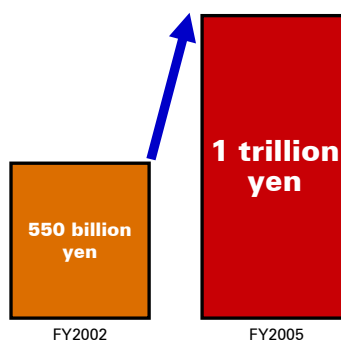
> Received Orders: 800 billion yen (consolidated)



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2. Outstanding Contracts

Hits All-time Record High



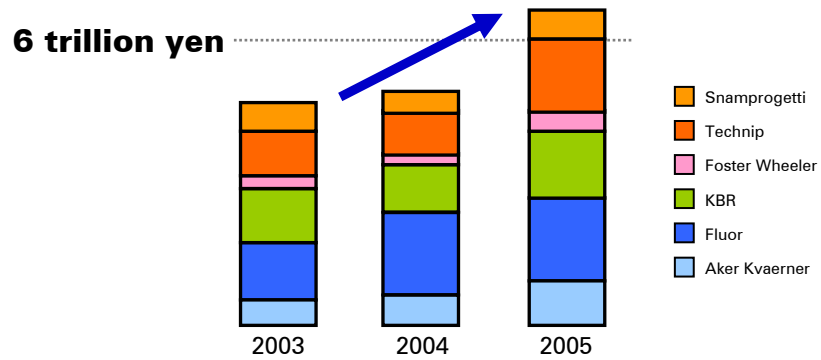
Doubles in Five Years



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3. Western Contractors' Outstanding Contracts

Sharp Rise for All Contractors



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4. Worldwide Conditions for Engineering Contractors

- Shortage of manpower resources
- Shortage of equipment suppliers' capacity
- Shortage of qualified subcontractors



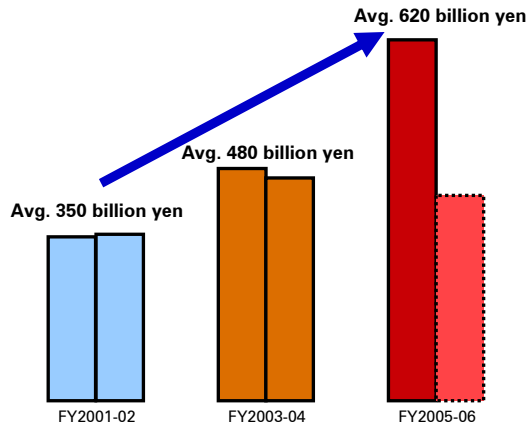
This year may see top contractors curtailing order acceptance.

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5. JGC's Trends in Orders Received

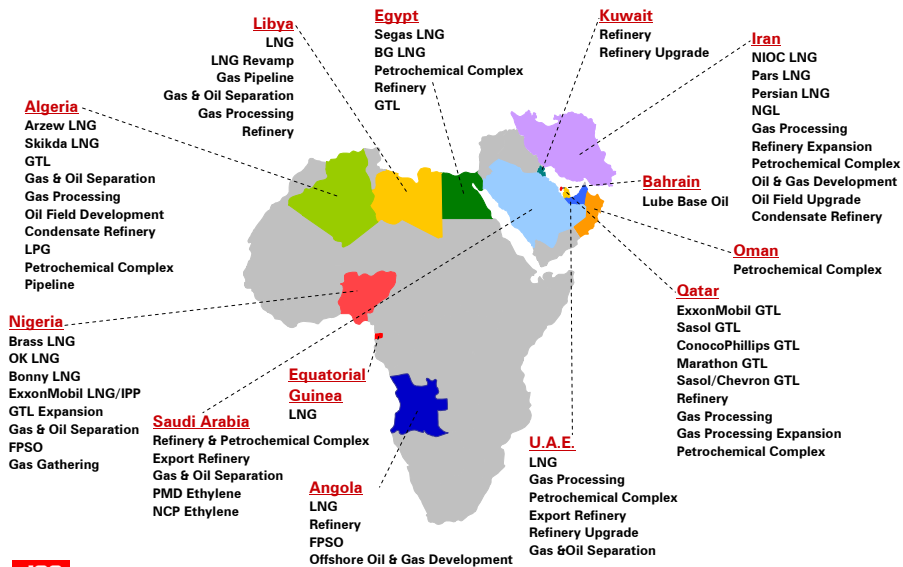
Steady Increase in Two-year Average



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6. Projects Planned in the Middle East and Africa



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7. Market Conditions

High Demand for Plants Continues

Oil and Gas Projects

- Concentrated in the Middle East and Africa
- The trend will remain for at least several years

Domestic Oil Refining Market

- Needs for processing heavy crude oil
- High level of capital investment will continue for at least a few years

LNG Projects

- Many more projects planned in Africa, South America, and Australia



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8. Changes in Clients' Needs

- Jobs are increasingly getting larger and more complex.
- Engineering capacity by clients is decreasing.



Higher Level of Project Management Capability

- More jobs are requiring advanced technologies



More Advanced Technological Capability



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9. JGC's Endeavors

Focuses on Large-scale, Complex Projects Requiring Advanced Technologies

1. Oil and Gas Development (Upstream)

- Middle East, Africa

2. Solution for Heavy Oil

- Domestic, Oil Producing Countries

3. LNG

- Africa, Central and South America, Australia, and Others

4. Solution for Environment

- CDM Businesses in China



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10. Efforts toward Improved Profitability

Establish Win-Win Relationship with Clients



Reduce risks at the time of receiving orders

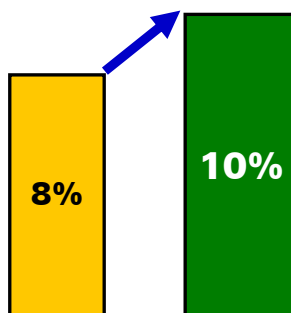
- Diversify contract types
- Have clients preorder large equipments
- Co-work with clients from FEED stage



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11. Project Profitability

**Typical Projects Shall Ensure
10% Gross Profit Margin**



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Note on Future Outlook

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