

# Business Overview

## Fiscal 2008 Results Briefing

May 12, 2009



Keisuke Takeuchi  
President and COO

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## 1. Orders Received - Fiscal 2008

▶ Orders Received: Approx. 506.0 billion yen  
(Target: 700 billion yen)

Major Contracts Awarded:

Saudi Arabia  
Large-scale crude oil  
processing project

Algeria  
Crude oil and gas  
processing project

Australia  
LNG project (FEED)

Japan  
Mental Health Center project

\* Cancellation of contract: Oil refinery project in Kuwait (approx. 230 billion yen)

## 2. Target orders for Fiscal 2009

**Target: 500 billion yen**

<Background>

- ▶ A decline in the economic efficiency of new projects following the fall in crude oil prices
- ▶ Customers face difficulty raising funds following the contraction of the financial market
- ▶ Customers delay in making investment decisions in hopes of a fall in plant costs



While there are plenty of project plans, it is uncertain when they will be implemented.  
(Especially true of projects that rely on market conditions such as in the petrochemical field)

### 3. Market Environment – General (1)

- ▶ Both IOCs and NOCs maintain capital investment programs
  - ➔ Upstream projects, such as for resource development, and necessary-for-life projects continue
- ▶ Natural depletion is accelerating at existing large oil fields
  - ➔ Need for continuous new oil field development and enhanced oil recovery (EOR)

### 3. Market Environment – General (2)

- ▶ Population growth in the Middle East results in an increase in power demand
  - ➔ Growth in energy demand, especially in the demand for natural gas, leads to an increase in related projects
- ▶ Industrial diversification is fostered in resource-rich countries in the Middle East and North Africa
  - ➔ Downstream projects are increasing

### 3. Market Environment

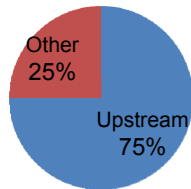
– Customers' capital investment programs (1)

#### Total of eight IOCs



▶ Plan for 2009: Approx. USD 155-165 billion  
(Actual investments in 2008: USD 160.8 billion)

▶ Still positive about new investment

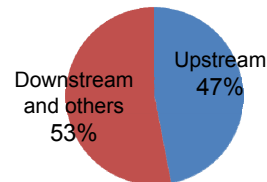


#### Saudi Arabia



▶ Five-Year Plan for 2009-13: USD 60 billion  
(Five-Year Plan set up in 2008: USD 58 billion)

▶ Actively invests in industrial diversification



### 3. Market Environment

– Customers' capital investment programs (2)

#### Algeria



▶ Five-Year Plan for 2009-13: USD 63 billion

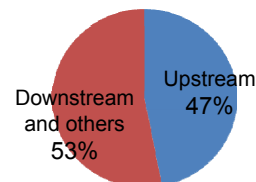
▶ Natural gas exports will be increased 60% from the current level to 100 bcm/y by 2015

#### Kuwait



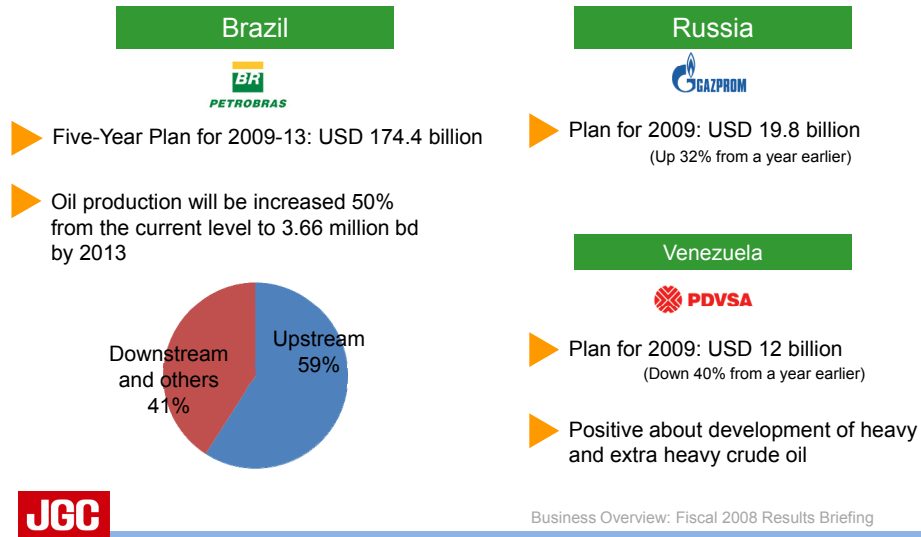
▶ Five-Year Plan for 2009-13: USD 82 billion

▶ The suspended Al-Zour Oil Refinery project is included in the budget.



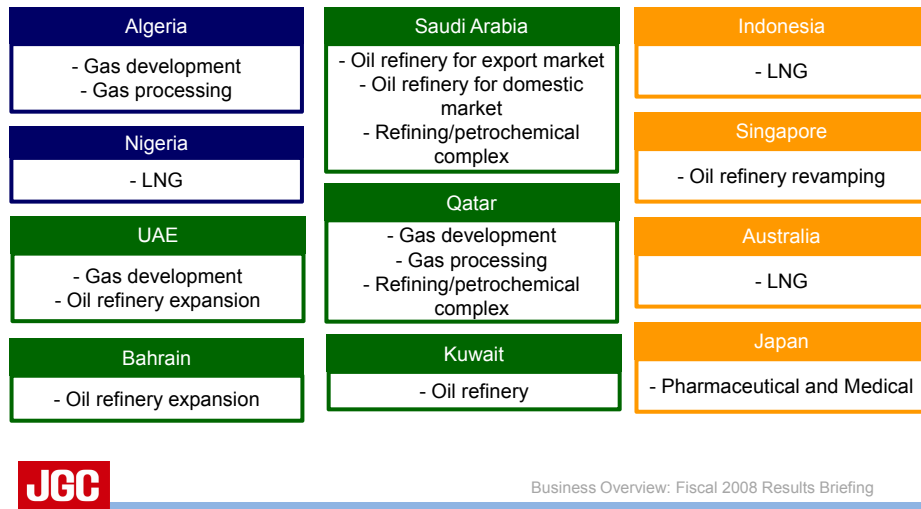
### 3. Market Environment

– Customers' capital investment programs (3)



### 4. Target Projects in Sight

#### Target Projects for Fiscal 2009-2010



## 5. Strategy for Winning Orders (1)

### Regions

- The Middle East and North Africa continue to be the core regions
- Pay attention to the Asia-Pacific region again while keeping an eye on Russia, South America and elsewhere

### Fields

- Further cultivate existing business fields
- Focus on upstream fields such as crude oil and gas development
- Promote FPSO including F-LNG, in an active manner

## 5. Strategy for Winning Orders (2)

### Competitiveness Development

- Work aggressively on PMC and FEED jobs
- Step up efforts to boost cost competitiveness
- Conduct small and midsize projects through overseas profit centers  
(in the Middle East, Northern Africa and Asia regions)

## 6. Strategy for Business Investment

Invest mainly in those countries of which  
we have knowledge through the EPC business

- ▶ Respond to industrial diversification in resource-rich countries
  - Solar power business
  - Water desalination business
  - Housing business
  
- ▶ Prepare for a future low-carbon society
  - Carbon dioxide capture and storage (inc. CCS-EOR) business
  - Emissions trading (CDM) business
  - Water purification business

Seek not only  
proprietary  
technologies but  
also collaboration  
with technology  
holders

## Note on Future Outlook

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For questions concerning this material, please contact:

JGC Corporation  
PR and IR Department  
Tel: 81-45-682-1111 Fax: 81-45-682-1112  
E-mail: ir@jgc.co.jp