

JGC Group
Scenario 2010:
The New Medium-Term Management Plan

Engineering the Future

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JGC Corporation

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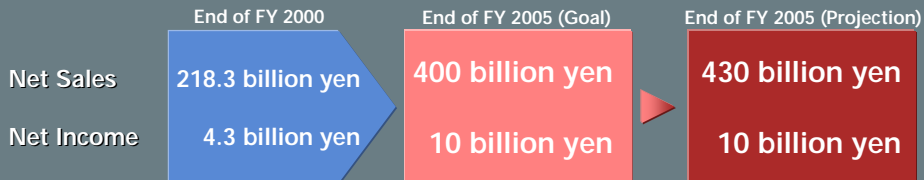
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1. Scenario for Growth: The Current Medium-Term Management Plan

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Summary of performance and goals



Major Measures

1. Expansion of business domains
2. Further strengthening of financial position
3. Strengthening of domestic and overseas JGC engineering subsidiaries
4. Enhancement of competitive edge
(technology development, IT, fostering of human resources)

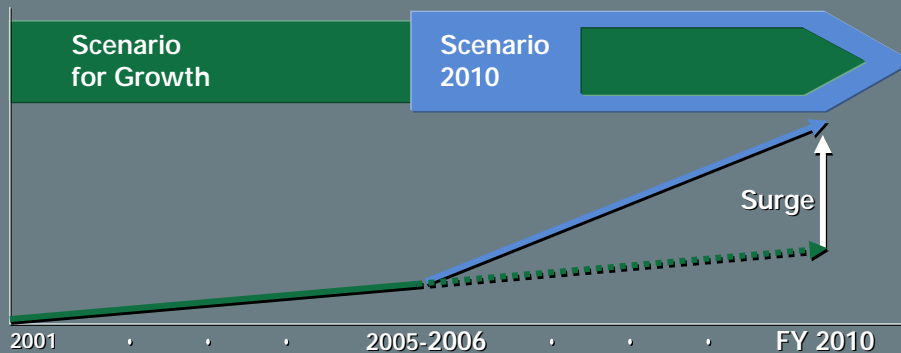
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2. Scenario 2010: The New Medium-Term Management Plan

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What is Scenario 2010?

With Scenario for Growth as the cornerstone, Scenario 2010 is a five-year plan aimed at creating a rapidly rising JGC growth curve.



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As a Standout Engineering Enterprise

Evolving from conventional E&C contractor to satisfy all client needs...

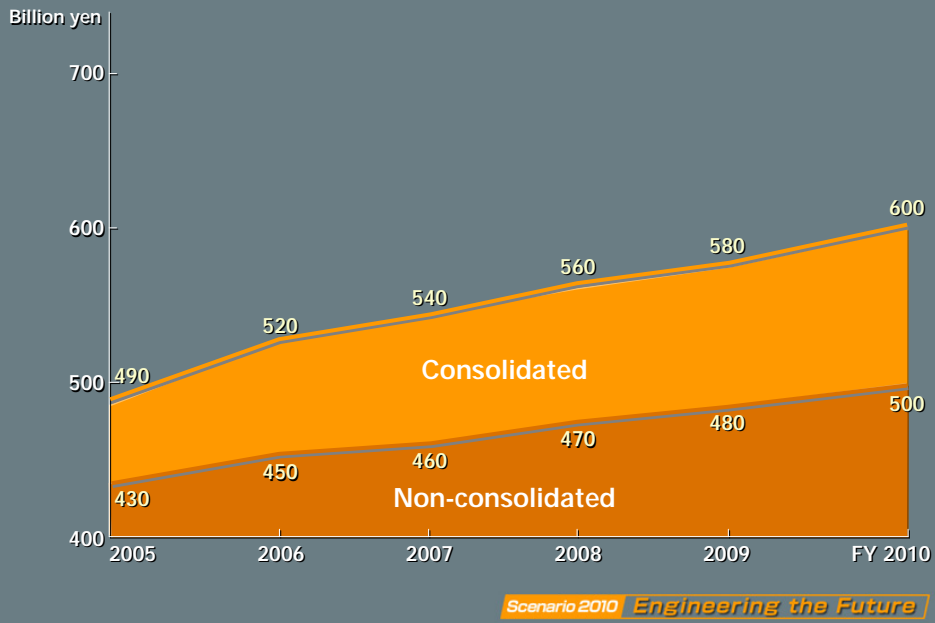
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4-1 Target Management Figures (consolidated basis)

	End of FY 2005 (Projection)	End of FY 2010 (Goal)
Net Sales	490 billion yen	600 billion yen
Net Income	12 billion yen	30 billion yen
Dividend Payout Ratio (non-consolidated)	25%	25%
ROE	7.7%	11.0% or more

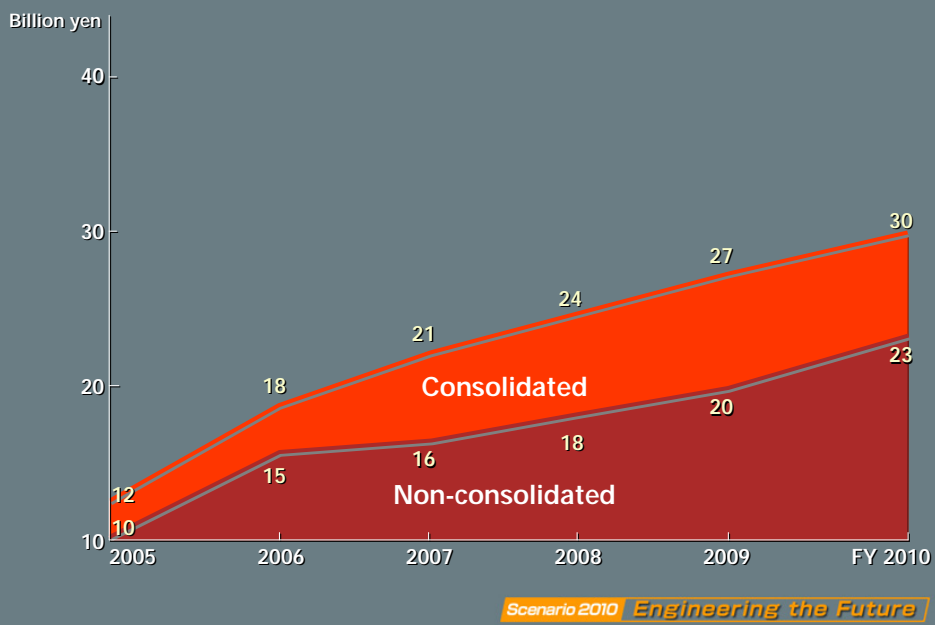
4-2 Expected Growth of Net Sales

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4-3 Expected Growth of Net Income

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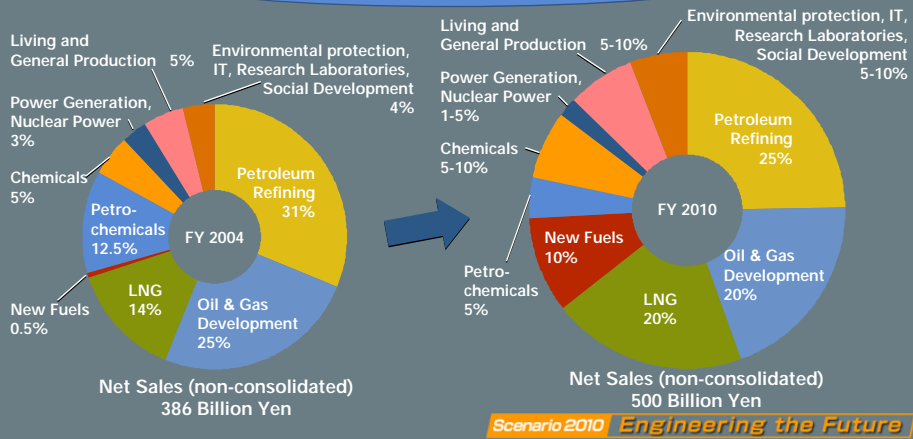
5-1 E&C Business Strategy [1]



Further expand our core E&C business:

- By developing new technologies, create businesses for new fuels (e.g. GTL)
- Further expansion of LNG business

Expected Business Domain Expansion

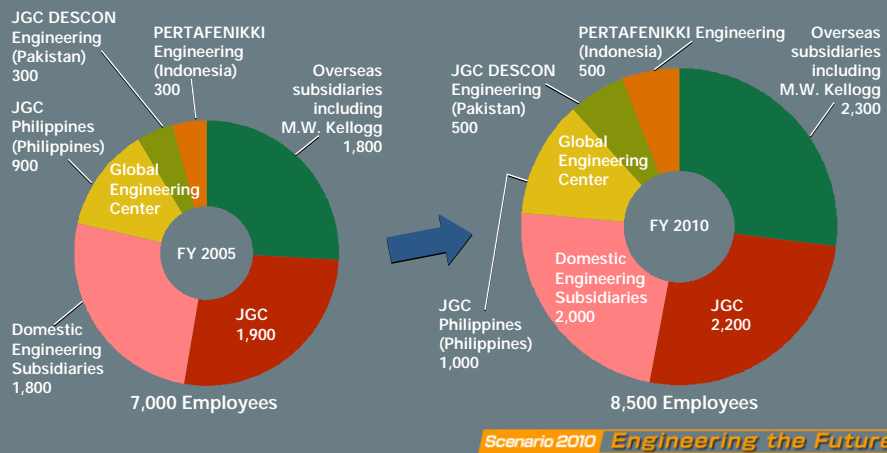


5-2 E&C Business Strategy [2]



In response to higher sales, increase domestic and overseas manpower resources by 20% or more

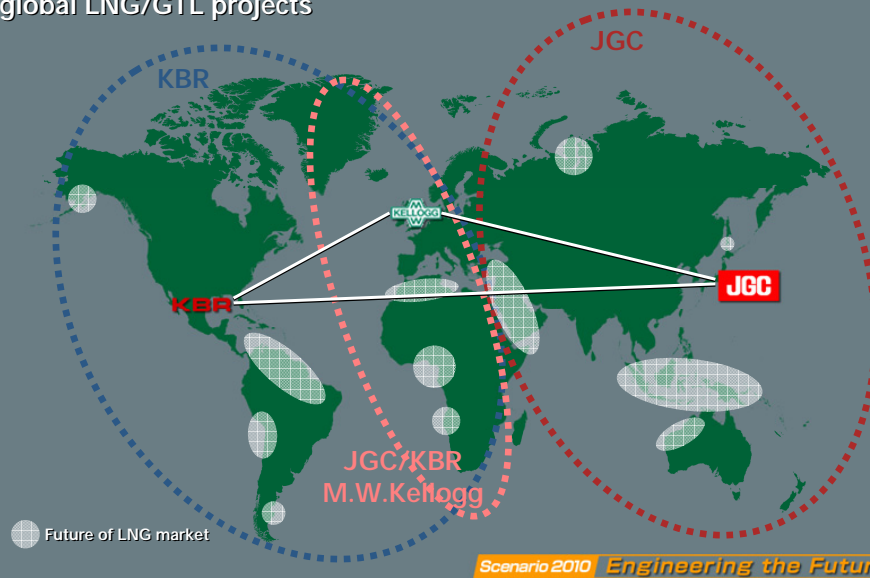
Expected Manpower Resource Expansion



5-3 E&C Business Strategy [3]



Maximize JGC-KBR Gas Alliance for execution of global LNG/GTL projects



6. Business Environment



Increasingly varied needs of clients and client nations

Harsher E&C business cost competition and volatile project market

Issues not resolved by E&C projects

- Shortage of water/electricity
- Environmental
- High unemployment rates
- Fostering human resources

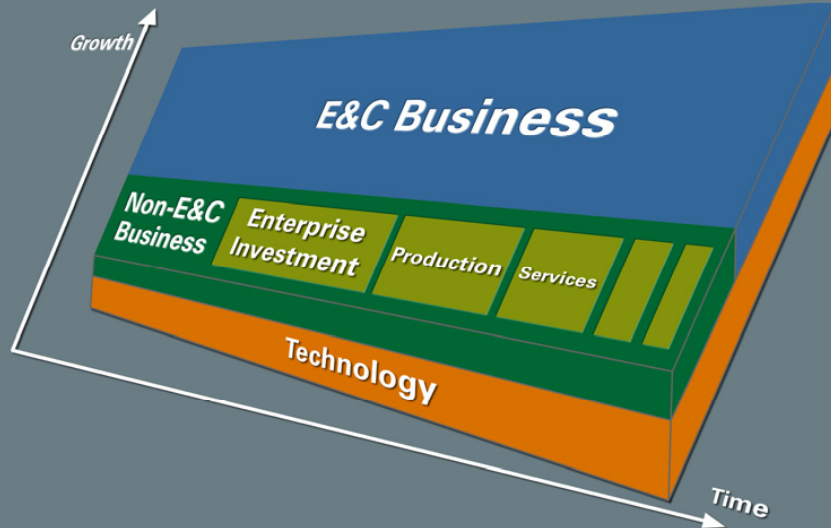
Need to develop new business models

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7-1 Business Strategy

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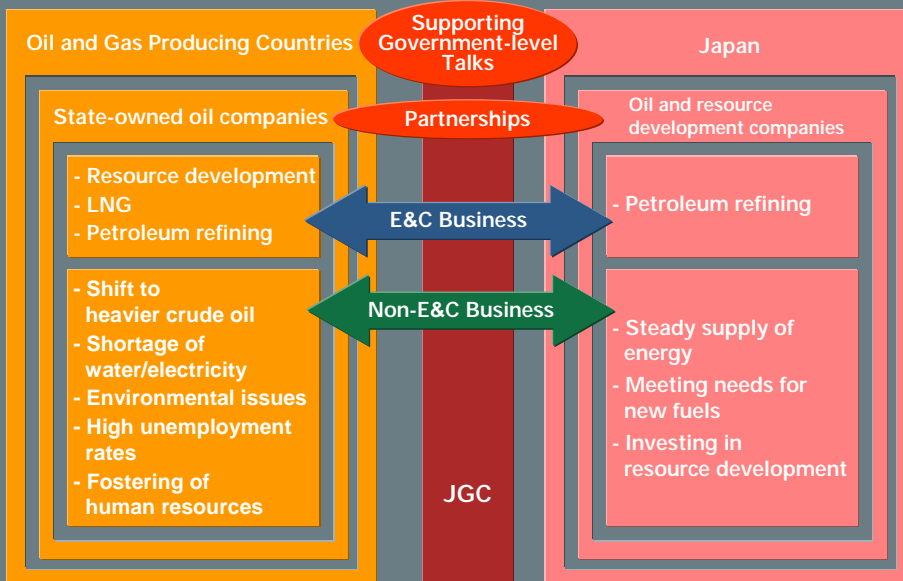
Combine business models through new technology development



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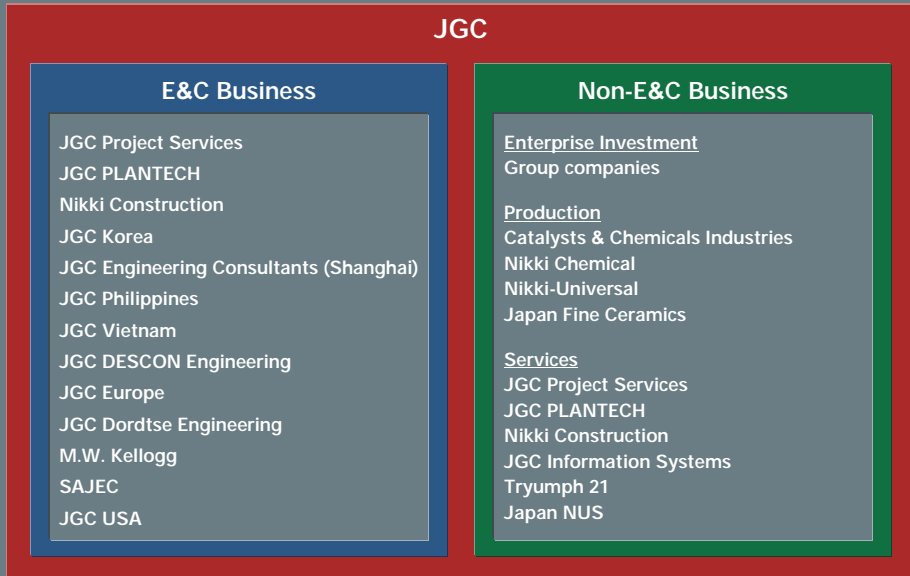
7-2 Scenario 2010: Goals

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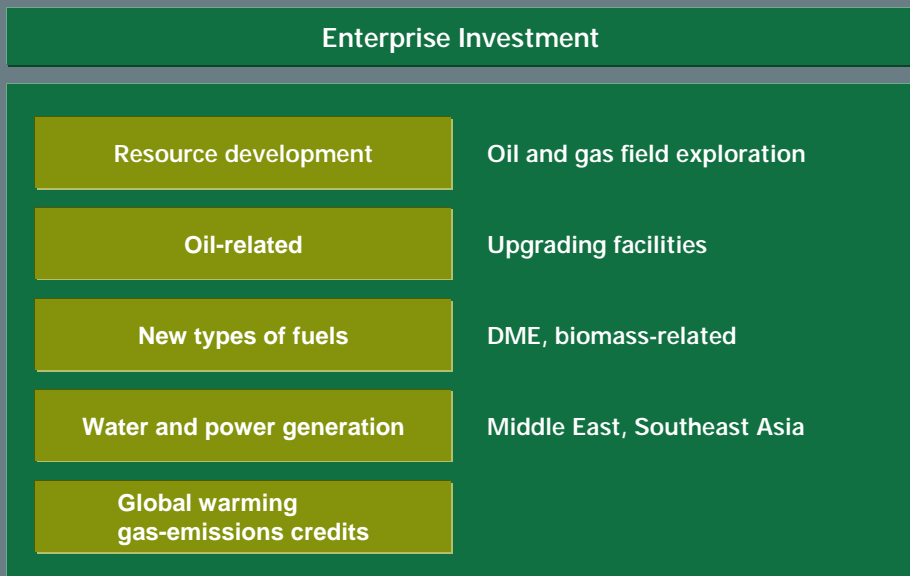
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7-3 JGC Group Companies



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8-1 Non-E&C Business Strategy [1]



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8-2 Power Business Strategy

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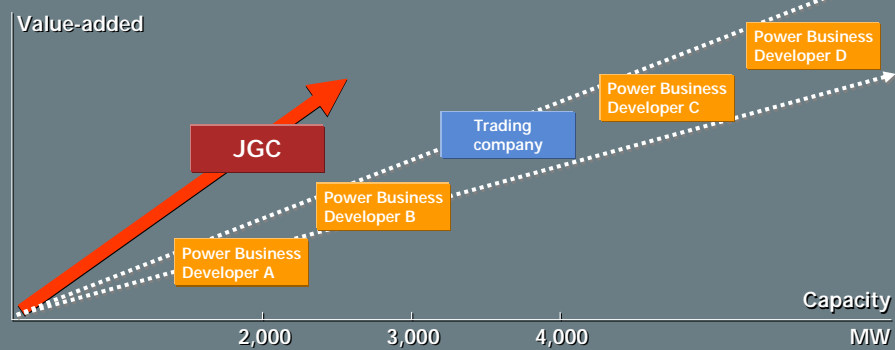
Goal of being a unique player

As E&C Specialist:

- Reduction of investment costs/minimization of risks
- Improved plant operability and availability



Improving profitability



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8-3 Non-E&C Business Strategy [2]

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Production

Aiming to be leading domestic producer of industrial catalysts

Accelerating overseas business activities

Promoting new material development for chemical products

Catalysts

For the petroleum refining,
petrochemicals,
and environmental protection areas

Chemicals

Nanotechnology products
Cathode materials

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8-4 Non-E&C Business Strategy [3]

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Services

1. Operation & Maintenance (O&M) for Hydrocarbon Sector

Following E&C execution

2. IT services for Hydrocarbon Sector

System solutions from E&C to O&M

3. Consulting Services

Environmental-related, plant analysis

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9-1 Investment Planning

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Based on solid financial foundation:

1. Investing in Enterprises

40 billion yen

Target IRR: 12% or more

From 2010 onward, recovery of investment

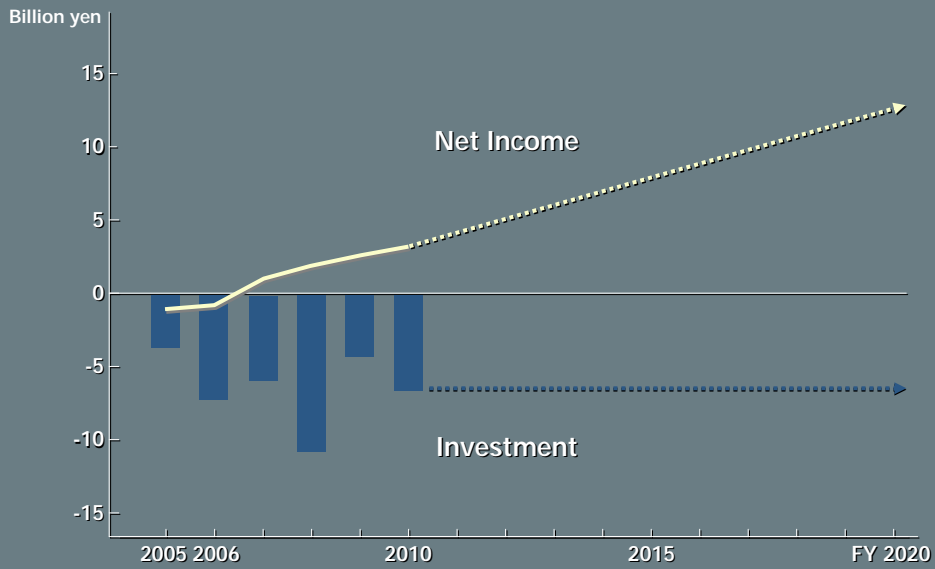
2. E&C Business

Focusing on M&As to expand core business

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9-2 Investing in Enterprises: Expected Returns

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10. Technologies

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Main Development Areas

1. Responding to shift to heavier crude oil

Syn-crude refinery

- Crude oil from Middle East
- Japan's energy security

2. Developing production processes for cleaner fuels

Syn-gas production processes for GTL and DME plants

Bio-coal (power generation fuels from low-rank coal and biomass)

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Note on future outlook

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