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5th International Energy Business Forum
Koichi Kawana, President & COO
JGC Corporation

Thank you Chairman. Your Excellencies and distinguished guests, good morning. My name is Koichi Kawana. I serve as President and COO of JGC Corporation.

On March 11th of last year, Japan suffered a gigantic earthquake and tsunami which devastated our country.

I'm not from the government, but on behalf of the Japanese people, I would like to once again express my sincere appreciation for the warm support received from countries and organizations around the world.

We ourselves at JGC have long enjoyed a special relationship with Kuwait, dating back to our construction of the Mina Al-Ahmadi Refinery in the 1980's.

And, last year, Japan received 5 million barrels of crude oil as a very meaningful gesture of goodwill.

Again, thank you very much to all.

I truly feel the existence of a long-term reliable relationship between the oil producing countries and Japan

Since the time of the earthquake, we have been debating how we have been changed, or not changed.

From an energy standpoint, we have observed significant changes.

Please look at this pie-chart: it shows the changes of power generation in Japan between 2010 and 2011.

The decreased total consumption of power generation is very evident.

But you also see the increase in power generation by oil.

How can we deliver energy quickly and safely to the place where infrastructure was destroyed?

After such natural disasters, we fully recognized and have in fact renewed our understanding of the importance of oil on the basis of its ease of handling and transportation, as well as storage.

Nuclear power has provided almost one third of Japan's electricity generation prior to the Fukushima events of last March.

The original policy before the crisis had targeted 50% of electricity generation being

sourced from nuclear power by the year 2030.

In Japan, we have 54 nuclear reactors: do you happen to know how many reactors are currently operating, as I speak today? The answer is two.

I hope they will be quickly resumed. But, how soon, how many, we don't know yet

During 2011, we were able to compensate for the lack of nuclear power by cutting demand through energy conservation, restarting oil-fired thermal power plants that had been idle and importing emergency supplies of LNG from gas-producing countries such as Qatar..

Importation of LNG increased from 70 mtpa to 78 mtpa: the increase was 12% as volume, and 38% as cost.

According to IEEJ of Japan, it seems money spent on LNG importation exceeded 1% of Japan's GDP, as a first in our history. LNG become more important.

Here we see LNG plants constructed by JGC worldwide, to date.

Since early 70s' JGC constructed Burnei, JGC has built 39 LNG trains.

We are currently undertaking LNG projects in Indonesia, Papua New Guinea and two LNG projects in Australia. Investors of these ongoing LNG projects are NOCs and IOCs such as ExxonMobil, Chevron, Shell, TOTAL and from Japan, Mitsubishi and INPEX.

Through the year 2020, we can see that LNG production significantly expands. Innovative technologies and expertise will enable us to monetize new gas resources in more difficult areas, including deep sea, as well as maximize new gas resources such as shale gas and coal seam gas.

- Developing countries, including in Asia, have been experiencing rapid growth: how will NOCs and IOCs work together to meet their energy demands while satisfying the requirements for sustainable development?

As a global contractor, JGC hopes to work with NOCs and IOCs, helping to bring the developing countries' sustainable development and diversification of industries together.

Thank you.