

The following statement is an English-language translation of the original Japanese-language document provided for your convenience. In the event there is any discrepancy between the Japanese and English versions, the Japanese version is presumed to be correct.

November 8, 2018

To whom it may concern:

Company name: JGC Corporation

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Chairman and Chief Executive Officer (CEO)

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Review Now Underway Toward Reforming
JGC Group Management Structure

As decided in our Board of Directors meeting today, a review is now underway toward reforming the group management structure to a holding company structure, with plans to make this change effective as of October 1, 2019.

The reform will be enacted pending approval at the general meeting of shareholders (to be held in late June, 2019) and after obtaining approval from government agencies with jurisdiction, as needed. Further details will be provided at appropriate times once the matter is decided.

JGC will remain a listed company after the transition to a holding company.

1. Background and Purpose

Within our main business of EPC operations, the Beyond the Horizon medium-term business plan for fiscal 2016–2020 calls for an ongoing focus on the oil and gas sector while expanding further into the field of infrastructure. In non-EPC operations, the plan calls for stronger involvement in manufacturing, among other types of business. Further growth and expansion are sought in both areas of operations.

To pursue this vision of a corporate group with greater corporate value steadily, but with a sense of speed, we have started the process of reviewing our transition to a holding company as the group's new management structure.

2. Purpose and Nature of Reform

For the purpose of securing both sales and profit expansion and stabilization, we are seeking to transition to a holding company structure in order to grant more independence to future primary business divisions, to enable more proactive, agile business operations, and to bring about globally optimal resource allocation and accurate governance of group management.

1) Strengthening group management and governance

Separation of corporate management from executive organizations will enable the holding company to fulfill the functions of establishing management policy and coordinating our operating companies, based on a medium to long-term perspective for the JGC Group, as we seek maximum corporate value and group-minded allocation of management resources. By clarifying the division of holding company and operating company roles and responsibilities, and by reinforcing coordinating functions, this separation also supports greater transparency of corporate management and stronger governance of the group as a whole.

2) Building a market-responsive framework for EPC operations

More proactive, agile business operations will be sought by building an operations framework attuned to the respective characteristics of the domestic market and the overseas market for EPC business—specifically, separate operating companies in charge of domestic EPC and overseas EPC.

(1) Overseas oil and gas

Further growth in this main JGC Group business is sought by establishing a more fine-grained framework for project execution which can respond promptly in the overseas oil and gas business where market volatility is high and projects have become larger and more complex.

(2) Overseas infrastructure

Greater expansion by means of a new pillar of EPC business is sought through the appropriate allocation of management resources by an independent business unit within the overseas EPC operating company, established to venture further into infrastructure as identified in the medium-term business plan.

(3) Domestic EPC

In the domestic market (which is in a relatively stable business environment,

compared to overseas markets), expansion of business areas and market share in both oil and gas and infrastructure is sought by consolidating the management resources of JGC domestic operations and those of the wholly owned subsidiary, JGC Plant Innovation (JPI), yielding greater efficiency and competitiveness.

3) Clarifying how manufacturing business is positioned

The status of manufacturing—positioned as a core group business—will be clarified, and optimal management resources as a group will be allocated, as we promote technical development that can meet next-generation social and industrial needs and step up the supply of high-performance materials.

4) Bolstering manager training

Delegating authority to operating companies will expand the roles and responsibilities of managers at each company. We will seek to build the foundation to develop managers to lead these operations.

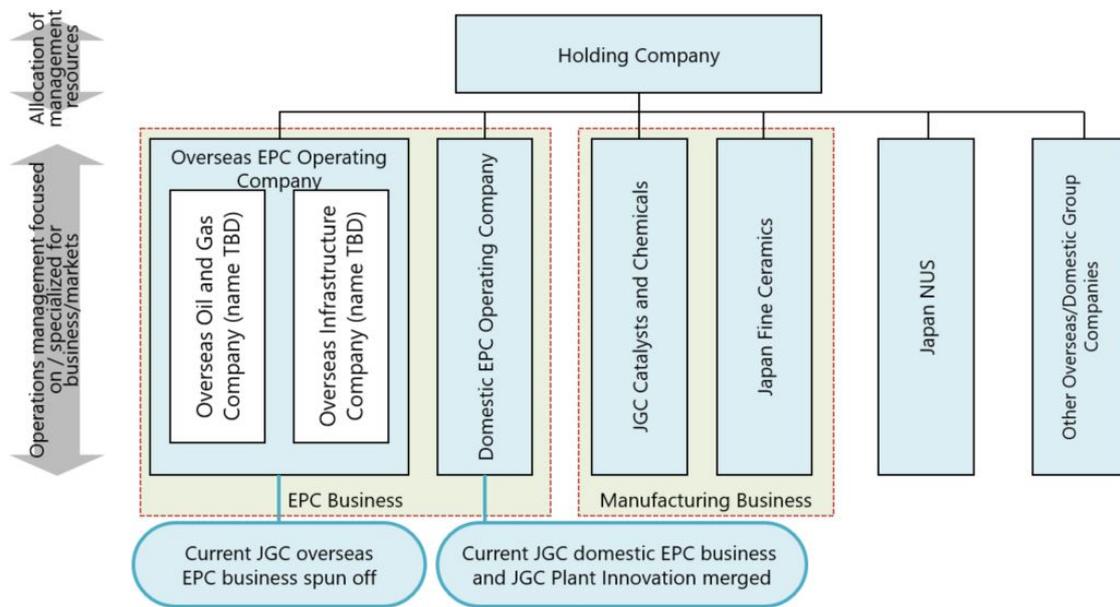
3. Process of Transitioning, Image of New Group Management Structure

Review of the following structure is currently underway. Further details will be provided at appropriate times as each matter is decided.

Overseas and domestic EPC business will be divided between respective operating companies. JGC will fulfill the functions of establishing group strategies and coordinating the activities of the operating companies.

EPC and maintenance operations in Japan will be managed by a domestic EPC operating company formed by merging a JGC spin-off and JPI, which will be the successor company.

As for overseas EPC operations, we are studying an optimal management plan and arrangement. An overseas EPC operating company will be established that consists of both an oil and gas company and an infrastructure company. Each sub-company will conduct its operations separately and they may eventually become independent operating companies.



4. Future Schedule

- Early May 2019 (estimate): Board of Directors meeting to determine corporate separation
- Late June 2019 (estimate): General meeting of shareholders to approve corporate separation
- October 1, 2019 (estimate): Separation takes effect and is registered