

JFE Engineering opens two new international Engineering Centers overseas

–Localizing design and engineering through mergers and acquisitions: Energy plant design and engineering in Indonesia, and Waste to Energy plant design and engineering in India–

JFE Engineering Corporation (President and CEO: Hisanori Kanou; Head Office: Chiyoda-ku, Tokyo) is promoting the localization of Engineering, Procurement, and Construction (EPC) implementation globally as part of our current push to expand our global business.

Against this backdrop, we are pleased to announce that through the acquisition of local company in Indonesia and the expertise in India, we have successfully established two new international engineering centers for planning, design and project management especially for our Asian business.

Indonesia: Establishment of Engineering Center for Energy Plant

JFE Engineering Corporation acquired 55% of existing shares in PT. ERRAENERSI KONSTRUKSINDO (PT. Enerkon, President: Bambang N Gyat; Head Office: Jakarta Special Capital Region), a medium-sized engineering and consultancy company in Indonesia. PT. Enerkon was founded in 1995 and has been establishing good relationships with major oil/gas developers and transporters in Indonesia in undertaking feasibility studies (FS), front end engineering design (FEED) and project management services (PMC) for constructing crude oil and natural gas production facilities and pipelines along with engineering, procurement and construction management (EPCM) services to EPC contractors.

By adding PT. Enerkon to JFE Engineering Group we have doubled the number of local staff to 200, this includes employees at PT. JFE Engineering Indonesia (previously PT. PERMIKO) founded in 1974 which has a solid track record in the construction of large scale pipelines.

Going forward we hope to optimize the synergy between PT. Enerkon with its strengths in planning and design, and PT. JFE Engineering Indonesia with its strengths in construction and maintenance, to actively work together on crude oil and natural gas production facilities and pipeline projects, as well as geothermal power plant projects, which are areas of active investment in Indonesia. We expect that the center will evolve into an engineering base for international energy infrastructure construction.

India: Establishment of Engineering Center for Waste to Energy Plant

Through JFE Engineering India Pvt. Ltd (a wholly owned subsidiary of JFE Engineering Corporation), JFE Engineering Corporation acquired the design and engineering expertise related to Waste to Energy Plant of Transparent Energy Systems Pvt. Ltd, a market leader in the design and construction of waste heat recovery facilities for cement works in India.*¹

The new engineering center that JFE Engineering India Pvt. Ltd will set up is to be located in Pune City, in the state of Maharashtra, home to many of India's leading educational and research institutes. Starting with around 50 employees, it will offer integrated services from design and estimation to project management for Waste to Energy plants.

We plan to augment our staff by recruiting from the pool of exceptional minds that gather in this area of India. We will make technical proposals suitable to each local area to address the increasingly serious issues of waste management that come with the rapid urbanization of countries in Asia, and accelerate market development for Waste to Energy plants.

JFE Engineering Group will strive to expand its overseas business by passing on technical know-how to these centers and by promoting low cost, high quality engineering services.

General Outline of the Parties:

Indonesia

PT. Enerkon

- Founded 1995
- Share Capital 330 million yen (36.5 billion rupiah)
- Line of Business Oil & gas plant engineering & consultancy
- Sales 270 million yen (30 billion rupiah, 2013)
- Employees 122 (as of April 2014)
- Major Clients Major Oil and Gas development and Transportation
(including PGN, Pertamina, Medco, ConocoPhillips and Exxon Mobil)

PT. JFE Engineering Indonesia

- Founded 1974
- Share Capital 7.5 million yen (830 million rupiah)
- Line of Business Engineering & construction
- Sales 750 million yen (83.1 billion rupiah, 2013)
- Employees 72 (April 2014)
- Major Clients Oil, gas, power generation, & chemical companies

India

Transparent Energy Systems Pvt. Ltd

- Founded 1986
- Employees 170
- Line of Business Design, manufacture & installation of Boilers, Heaters, Cogeneration Plants, Waste Heat Recovery Power Plants, Ammonia Absorption Refrigeration Plants, Zero Liquid Discharge Systems and Bio-methanation Plants
- Major Clients Leading cement and chemical process companies in India & Europe
- URL www.tespl.com

JFE Engineering India Pvt. Ltd

- Founded 2011
- Share Capital 790 million yen (460 million rupees)
- Line of Business Development of the Indian market, Engineering of waste processing projects in Asia
- Sales 110 million yen (70 million rupees, 2013)
- Employees 47
- Major Clients State and municipal local government

*1 Transparent Energy Systems Pvt. Ltd. continues to be in the business of waste heat recovery systems for cement companies in India as well as worldwide. All the other business divisions of Transparent, including the manufacturing activities and facilities, continue to remain with Transparent without any obligations. JFE Engineering Corporation and Transparent Energy Systems Pvt. Ltd plan to maintain a collaborative partnership in such fields.

For inquiries regarding this press release, please contact JFE Engineering at the following:
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