

[Translation]

The following statements are an English-language translation of the original Japanese-language document for your reference purpose only. In the case that there is any discrepancy between the original Japanese version and this English version, the Japanese version shall prevail. (All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

May 12, 2022

Summary-Consolidated Financial Statements

(For the fiscal year ended March 31, 2022)

Name of listed company: **JGC HOLDINGS CORPORATION**

Stock exchange: **Tokyo**

Code number: **1963**

Representative

Tel: **045-682-1111**

Title: **Representative Director, Chairman of the Board & Chief Executive Officer (CEO)**

URL: **https://www.jgc.com**

Name: **Masayuki Sato**

Contact

Title: **General Manager, Group Finance & Accounting Department**

Name: **Shinichi Taguchi**

Scheduled Date of Ordinary Annual General Meeting of Shareholders: **June 29, 2022**

Scheduled Date of Payment of Dividends: **June 30, 2022**

Note: All amounts are rounded down to the nearest million yen.

1. Consolidated Financial Results for Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(1) Consolidated financial results

Note: Percentage indicates changes from the previous term.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal year ended March 31, 2022	428,401	(1.3)	20,688	(9.6)	30,028	17.7	(35,551)	—
Fiscal year ended March 31, 2021	433,970	(9.7)	22,880	13.1	25,506	14.0	5,141	24.9

Note: Comprehensive income (millions of yen): FY2021: (27,360) (—%) FY2020: 29,925 (—%)

	Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary profit/ Total assets	Operating profit/ Net sales
	(Yen)	(Yen)	(%)	(%)	(%)
Fiscal year ended March 31, 2022	(140.77)	—	(8.8)	4.3	4.8
Fiscal year ended March 31, 2021	20.37	—	1.3	3.7	5.3

Reference: Share of profit of entities accounted for using equity method (millions of yen): FY2021: 3,014 FY2020: 2,187

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Total net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
As of March 31, 2022	694,274	387,662	55.8	1,532.72
As of March 31, 2021	702,529	417,616	59.4	1,652.19

Reference: Equity (millions of yen): As of March 31, 2022: 387,145 As of March 31, 2021: 417,120

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal year ended March 31, 2022	19,311	(7,695)	(148)	288,009
Fiscal year ended March 31, 2021	12,467	(13,520)	196	268,281

2. Dividends

	Annual dividends per share (Yen)					Total dividends (annual)	Payout ratio (consolidated)	Dividends/ Equity (consolidated)
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual	(Millions of yen)	(%)	(%)
Fiscal year ended March 31, 2021	—	—	—	12.00	12.00	3,029	58.9	0.8
Fiscal year ended March 31, 2022	—	—	—	15.00	15.00	3,788	—	0.9
Fiscal year ended March 31, 2023 (Forecast)	—	—	—	24.00	24.00		30.3	

3. Earnings forecasts for Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

Note: Percentage indicates changes from the previous term.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Full Year	600,000	40.1	26,000	25.7	30,000	(0.1)	20,000	—

	Earnings per share
	(Yen)
Full Year	—

4. Others

(1) Changes in scope of consolidated important subsidiaries

(Newly added) None (Excluded) None

(2) Changes of accounting principles, procedures and presentation

(a) Changes due to revisions of accounting standards:

Yes

(b) Changes other than the above (a):

None

(c) Changes in accounting estimates:

None

(d) Restatement:

None

(3) Number of shares outstanding

(a) Number of shares outstanding at term-end (including treasury shares):

As of March 31, 2022 : 259,336,682

As of March 31, 2021 : 259,214,827

(b) Number of treasury shares at term-end:

As of March 31, 2022 : 6,750,140

As of March 31, 2021 : 6,749,173

(c) Average number of shares outstanding during the period:

Fiscal year ended March 31, 2022 : 252,540,183

Fiscal year ended March 31, 2021 : 252,425,976

(i) This document is unaudited by certificated public accountants or audit firms.

(ii) The forecasts given above are based on information available at the time of compilation and are inherently subject to a variety of risks and uncertainties.

Actual results may vary significantly from forecasts due to factors including, but not limited to, changes in the economic or business environment and exchange rate fluctuations.

(iii) Forecasts based on : 123.00 yen/US\$ 1.00

Consolidated Balance Sheet

	As of March 31, 2022	As of March 31, 2021
	(Millions of yen)	(Millions of yen)
ASSETS		
Current assets		
Cash and deposits	288,159	268,281
Notes receivable, accounts receivable from completed construction contracts and other	—	143,064
Notes receivable, trade receivables, contract assets and other	141,222	—
Costs on construction contracts in progress	23,804	20,848
Merchandise and finished goods	6,659	5,592
Work in process	2,970	2,651
Raw materials and supplies	3,596	3,874
Accounts receivable - other	64,423	97,097
Other	6,069	7,124
Allowance for doubtful accounts	(3,562)	(176)
Total current assets	533,343	548,359
Non-current assets		
Property, plant and equipment		
Buildings and structures	74,181	61,504
Machinery, vehicles, tools, furniture and fixtures	71,133	60,190
Land	18,617	18,552
Leased assets	1,079	1,056
Construction in progress	803	17,835
Other	4,795	4,259
Accumulated depreciation	(101,075)	(96,744)
Total property, plant and equipment	69,534	66,654
Intangible assets		
Software	7,228	4,830
Other	2,447	2,036
Total intangible assets	9,676	6,867
Investments and other assets		
Investment securities	55,837	54,199
Long-term loans receivable	8,640	7,952
Retirement benefit asset	1,506	859
Deferred tax assets	13,557	15,532
Long-term accounts receivable - other	10,872	9,601
Other	5,129	5,432
Allowance for doubtful accounts	(13,824)	(12,929)
Total investments and other assets	81,720	80,648
Total non-current assets	160,930	154,170
Total assets	694,274	702,529

	As of March 31, 2022	As of March 31, 2021
	(Millions of yen)	(Millions of yen)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	63,258	41,777
Short-term borrowings	2,167	224
Current portion of bonds payable	30,000	—
Current portion of long-term borrowings	8,660	364
Income taxes payable	5,244	1,263
Contract liabilities	109,756	—
Advances received on construction contracts in progress	—	100,707
Provision for bonuses	6,880	6,385
Provision for bonuses for directors (and other officers)	274	61
Provision for loss on construction contracts	384	3,590
Provision for warranties for completed construction	1,074	1,317
Other	26,135	41,362
Total current liabilities	253,836	197,055
Non-current liabilities		
Bonds payable	20,000	50,000
Long-term borrowings	11,496	16,783
Retirement benefit liability	15,884	15,325
Provision for retirement benefits for directors (and other officers)	210	219
Deferred tax liabilities	1,089	1,049
Deferred tax liabilities for land revaluation	1,014	1,014
Other	3,080	3,463
Total non-current liabilities	52,775	87,857
Total liabilities	306,612	284,912
NET ASSETS		
Shareholders' equity		
Share capital	23,672	23,611
Capital surplus	25,770	25,709
Retained earnings	342,198	380,402
Treasury shares	(6,740)	(6,739)
Total shareholders' equity	384,901	422,983
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,311	5,571
Deferred gains or losses on hedges	3,786	248
Revaluation reserve for land	(10,891)	(10,891)
Foreign currency translation adjustment	3,462	(358)
Remeasurements of defined benefit plans	(424)	(432)
Total accumulated other comprehensive income	2,244	(5,862)
Non-controlling interests	517	495
Total net assets	387,662	417,616
Total liabilities and net assets	694,274	702,529

Consolidated Statement of Income

	Fiscal year ended March 31, 2022 (Apr. 1, 2021 - Mar. 31, 2022)	Fiscal year ended March 31, 2021 (Apr. 1, 2020 - Mar. 31, 2021)
	(Millions of yen)	(Millions of yen)
Net sales	428,401	433,970
Cost of sales	383,029	390,188
Gross profit	45,372	43,782
Selling, general and administrative expenses	24,683	20,901
Operating profit	20,688	22,880
Non-operating income		
Interest income	1,060	1,320
Dividend income	2,103	897
Share of profit of entities accounted for using equity method	3,014	2,187
Foreign exchange gains	2,528	—
Other	1,124	783
Total non-operating income	9,831	5,189
Non-operating expenses		
Interest expenses	419	180
Foreign exchange losses	—	2,058
Other	72	324
Total non-operating expenses	491	2,563
Ordinary profit	30,028	25,506
Extraordinary income		
Gain on sales of investment securities	799	1,844
Gain on liquidation of subsidiaries and associates	179	—
Other	8	24
Total extraordinary income	987	1,868
Extraordinary losses		
Impairment losses	—	2,911
Loss on valuation of investment securities	397	1,357
Loss on Ichthys LNG Project	57,576	—
Other	301	662
Total extraordinary losses	58,275	4,930
Profit (Loss) before income taxes	(27,260)	22,444
Income taxes		
Income taxes - current	7,773	13,974
Income taxes - deferred	463	3,261
Total income taxes	8,236	17,235
Profit (Loss)	(35,496)	5,208
Profit attributable to non-controlling interests	54	67
Profit (Loss) attributable to owners of parent	(35,551)	5,141

Consolidated Statement of Comprehensive Income

	Fiscal year ended March 31, 2022 (Apr. 1, 2021 - Mar. 31, 2022)	Fiscal year ended March 31, 2021 (Apr. 1, 2020 - Mar. 31, 2021)
	(Millions of yen)	(Millions of yen)
Profit (Loss)	(35,496)	5,208
Other comprehensive income		
Valuation difference on available-for-sale securities	653	3,330
Deferred gains or losses on hedges	2,855	4,596
Foreign currency translation adjustment	3,220	16,406
Remeasurements of defined benefit plans, net of tax	(4)	1,057
Share of other comprehensive income of entities accounted for using equity method	1,410	(674)
Total other comprehensive income	8,135	24,717
Comprehensive income	(27,360)	29,925
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(27,415)	29,858
Comprehensive income attributable to non-controlling interests	54	67

Consolidated Statement of Cash Flows

	Fiscal year ended March 31, 2022 (Apr. 1, 2021 - Mar. 31, 2022)	Fiscal year ended March 31, 2021 (Apr. 1, 2020 - Mar. 31, 2021)
	(Millions of yen)	(Millions of yen)
Cash flows from operating activities		
Profit (loss) before income taxes	(27,260)	22,444
Depreciation	7,202	6,432
Impairment losses	—	2,911
Increase (decrease) in allowance for doubtful accounts	3,712	98
Interest and dividend income	(3,164)	(2,218)
Interest expenses	419	180
Foreign exchange losses (gains)	(4,419)	(2,320)
Share of loss (profit) of entities accounted for using equity method	(3,014)	(2,187)
Decrease (increase) in notes receivable, trade receivables, contract assets and other	3,326	—
Decrease (increase) in notes and accounts receivable - trade	—	3,450
Decrease (increase) in inventories	(3,742)	1,685
Increase (decrease) in notes and accounts payable - trade	19,072	(27,457)
Loss (gain) on sale of investment securities	(799)	(1,844)
Increase (decrease) in retirement benefit liability	353	(1,281)
Increase (decrease) in provision for loss on construction contracts	(3,251)	(7,454)
Loss (gain) on valuation of investment securities	397	1,357
Increase (decrease) in contract liabilities	8,739	—
Increase (decrease) in advances received on construction contracts in progress	—	17,719
Decrease (increase) in accounts receivable - other	33,328	3,479
Increase (decrease) in accounts payable - other	(13,437)	(512)
Other, net	(895)	10,276
Subtotal	16,567	24,760
Interest and dividends received	5,341	3,344
Interest paid	(419)	(182)
Income taxes paid	(2,177)	(15,455)
Cash flows from operating activities	19,311	12,467
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,467)	(8,719)
Proceeds from sale of property, plant and equipment	9	45
Purchase of investment securities	(2,435)	(5,626)
Proceeds from sale of investment securities	2,835	2,095
Purchase of intangible assets	(4,339)	(1,487)
Proceeds from capital reduction of investments	1,064	—
Other, net	637	171
Cash flows from investing activities	(7,695)	(13,520)

	Fiscal year ended March 31, 2022 (Apr. 1, 2021 - Mar. 31, 2022)	Fiscal year ended March 31, 2021 (Apr. 1, 2020 - Mar. 31, 2021)
	(Millions of yen)	(Millions of yen)
Cash flows from financing activities		
Proceeds from long-term borrowings	1,617	3,407
Repayments of long-term borrowings	(370)	(63)
Proceeds from issuance of bonds	—	20,000
Redemption of bonds	—	(20,000)
Dividends paid	(3,031)	(3,030)
Dividends paid to non-controlling interests	(33)	(34)
Net increase (decrease) in short-term borrowings	1,819	17
Net decrease (increase) in treasury shares	(0)	(0)
Other, net	(148)	(99)
Cash flows from financing activities	(148)	196
Effect of exchange rate change on cash and cash equivalents	7,968	5,342
Net increase (decrease) in cash and cash equivalents	19,436	4,485
Cash and cash equivalents at beginning of period	268,281	261,898
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	291	1,896
Cash and cash equivalents at end of period	288,009	268,281

Segment Information

【 Information by business segment 】

Fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Subtotal				
Net sales							
External customers	388,585	40,726	429,312	4,658	433,970	—	433,970
Inter-segment	61	10	72	2,156	2,229	(2,229)	—
Total	388,647	40,737	429,384	6,814	436,199	(2,229)	433,970
Segment profit	16,825	5,816	22,641	188	22,830	50	22,880
Segment asset	419,864	59,822	479,686	29,229	508,916	193,612	702,529
Other item							
Impairment losses	—	—	—	2,911	2,911	—	2,911
Depreciation	3,300	2,669	5,969	462	6,432	(0)	6,432
Capital expenditures	1,068	3,644	4,712	3,332	8,045	1,295	9,340

*1: "Others" includes Specialized Consulting Services Business, Office Support Services Business, Water Business, and Oil and Gas Production Sales Business.

*2: (a) Segment profit and depreciation are adjusted to eliminate transactions between segments.

(b) "Adjustment" to segment assets includes corporate assets of ¥203,013 million that are not allocated to each business segment. Corporate assets consist mainly of cash and deposits, investment securities, and non-current assets (buildings, land, etc.) at the company.

(c) "Adjustment" in capital expenditures refers to corporate assets that are not allocated to each business segment.

(d) Company assets are not allocated to each business segment, but the related depreciation is allocated based on a comprehensive consideration of the burden ratio of each business segment involved.

*3: Segment profit is adjusted with the operating profit figure from the Consolidated Statement of Income.

Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Subtotal				
Net sales							
External customers	377,995	44,250	422,246	6,155	428,401	—	428,401
Inter-segment	52	1	54	1,866	1,921	(1,921)	—
Total	378,047	44,252	422,300	8,022	430,322	(1,921)	428,401
Segment profit	13,221	7,296	20,517	1,006	21,524	(835)	20,688
Segment asset	414,381	66,424	480,806	33,957	514,763	179,511	694,274
Other item							
Depreciation	3,909	2,868	6,778	421	7,199	2	7,202
Capital expenditures	3,192	3,508	6,700	1,658	8,358	2,095	10,454

*1: "Others" includes Specialized Consulting Services Business, Office Support Services Business, Water Business, and Oil and Gas Production Sales Business.

*2 : (a) Segment profit and depreciation are adjusted to eliminate transactions between segments and corporate expenses not allocated to each segment.

(b) "Adjustment" to segment assets include corporate assets of ¥ 182,773 million that are not allocated to each business segment. Corporate assets consist mainly of cash and deposits, investment securities, and non-current assets (buildings, land, etc.) at the company.

(c) "Adjustment" in capital expenditures to corporate assets that are not allocated to each business segment.

(d) Company assets are not allocated to each business segment, but the related depreciation is allocated based on a comprehensive consideration of the burden ratio of each business segment involved.

*3: Segment profit is adjusted with the operating profit figure from the Consolidated Statement of Income.

【Changes in business segment】

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) has been applied from the beginning of the current fiscal year. The method of calculating profit or loss of business segments has been altered due to a change in the accounting method for revenue recognition.

As a result of this change, compared to the previous method, "Total Engineering Business" net sales for the current fiscal year increased by ¥ 286 million and segment profit increased by ¥ 96 million. "Functional Materials Manufacturing Business" net sales decreased by ¥ 1,630 million and "Other Businesses" net sales decreased by ¥ 108 million.

Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2021	March 31, 2022		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Total Engineering Business		1,240,383	309,505	377,995	1,207,832
Domestic	Energy Transition				
	Oil and gas	8,342	21,517	24,122	4,708
	LNG	28	132	123	37
	Chemical	2,904	46,002	15,700	32,971
	Clean energy	139,698	20,064	35,331	123,710
	Others	26,118	1,573	12,094	15,476
	Subtotal	177,091	89,290	87,372	176,905
	Healthcare & Life sciences	13,828	75,367	15,668	72,672
	Industrial & Urban infrastructure	976	1,587	2,499	62
	Others	13	188	200	1
Domestic Subtotal	191,911	166,433	105,741	249,642	
Overseas	Energy Transition				
	Oil and gas	512,511	71,361	86,149	509,212
	LNG	509,820	47,880	166,149	417,813
	Chemical	24,133	2,309	15,210	11,957
	Clean energy	527	8,562	989	8,093
	Others	243	980	474	748
	Subtotal	1,047,236	131,094	268,974	947,826
	Healthcare & Life sciences	786	7,853	901	7,928
	Industrial & Urban infrastructure	448	4,093	2,348	2,434
	Others	—	30	30	—
Overseas Subtotal	1,048,471	143,071	272,253	958,190	
Functional Materials Manufacturing Business		—	—	44,250	7,080
Other Business		821	6,451	6,155	998
Grand Total		1,241,204	315,956	428,401	1,215,911

*1: The classification and the calculation method for outstanding contracts have been changed from the current fiscal year.

*2: The figure for outstanding contracts for "Total Engineering Business" at the end of the current fiscal year includes a downward adjustment of ¥27,519 million due to "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), applied from the beginning of the current fiscal year and others, a downward adjustment of ¥72 million due to changes in the scope of consolidation in the current fiscal year, as well as an upward adjustment due to foreign currency translation, amendments and changes in contract amounts and others that add up to ¥63,531 million in the current fiscal year.

*3: The figure for outstanding contracts for "Other Businesses" at the end of the current fiscal year includes a downward adjustment of ¥118 million due to foreign currency translation, amendments and changes in contract amounts and others in current fiscal year.