

Financial Results for Fiscal 2021

Business Overview

A large, stylized globe is positioned on the right side of the slide. It is composed of a grid of small, light blue dots that form the continents and oceans. The globe is slightly tilted and has a soft glow around its base.

Enhancing planetary health

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(APPENDIX)

Status of Key Strategies in the medium-term business plan

- Key Strategy 1: Transformation of EPC Operations
- Key Strategy 2: Expansion of Manufacturing Business for High-Performance Functional Materials
- Key Strategy 3: Establishment of Future Engines of Growth

Total Engineering Orders for FY2021

Approx. **316** Billion Yen (Target: 500 Billion yen)

Although targets were missed due to the timing of some expected projects, the overall market environment is recovering

	Overseas	Domestic				
Results for fiscal 2021	Approx. 146 Billion Yen	Approx. 170 Billion Yen				
Orders target for fiscal 2021	340 Billion Yen	160 Billion Yen				
Main orders received	<table border="1"> <thead> <tr> <th>Energy Solutions</th> <th>Facility Infrastructure Solutions</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Saudi Arabia Dew point control unit Malaysia FLNG (FEED) Nigeria FLNG (FEED) Canada LNG (change order), etc. </td> <td> <ul style="list-style-type: none"> Taiwan LNG Terminal Philippines Mega solar Malaysia Medical products mfg. plant Bangladesh Infrastructure construction in special economic zone ,etc. </td> </tr> </tbody> </table>	Energy Solutions	Facility Infrastructure Solutions	<ul style="list-style-type: none"> Saudi Arabia Dew point control unit Malaysia FLNG (FEED) Nigeria FLNG (FEED) Canada LNG (change order), etc. 	<ul style="list-style-type: none"> Taiwan LNG Terminal Philippines Mega solar Malaysia Medical products mfg. plant Bangladesh Infrastructure construction in special economic zone ,etc. 	<ul style="list-style-type: none"> Pharmaceutical mfg. plants Chemical plants Hospitals Nuclear related Maintenance services , etc.
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Total Engineering Orders Target for FY2022

Value of FY2022 Consolidated Orders Target :

840 Billion Yen

Overseas

670 Billion Yen

Domestic

170 Billion Yen

Orders target
for fiscal 2022

Expected Projects

Energy Solutions

- Middle East GOSP
- North America Gas chemicals
- Middle East Gas chemicals
- North America LNG
- Southeast Asia LNG
- Southeast Asia Chemicals, etc.

Facility Infrastructure Solutions

- Asia Solar power and power storage system
- Europe Battery parts mfg. plant
- Asia Industrial park tenant factories
- Asia Biodegradable plastics production demonstration, etc.

- Pharmaceutical mfg. plants
- Hospitals
- Blue hydrogen production demonstration
- SAF production demonstration
- Nuclear related
- Maintenance services , etc.

Domestic and Overseas Market Environment

Overseas

- Resumption of development investment, anticipating post-pandemic recovery in energy demand and energy security policy
- More inquiries/orders from international oil companies and others for feasibility studies and front-end engineering and design for LNG projects. EPC orders for large LNG projects may resume after the latter half of fiscal 2022
- Steady progress in Middle East/North America petrochemical projects
- In infrastructure, ongoing investments such as renewable energy projects in Asia

Domestic

- Investment remains brisk in life sciences, healthcare, and maintenance
- Progress in large-scale investment for life science applications such as biopharmaceuticals and vaccine production
- In decarbonization, SAF and blue hydrogen production will be demonstrated, among other expected progress

We will continue to closely monitor the impact of the rising prices of materials and equipment and transportation costs against the backdrop of the situation in Ukraine and other factors.

Progress in Major Projects: LNG Canada

Large modules being completed one after another



Progress in Major Projects: LNG Canada

Modules shipped in succession are arriving in Canada



Progress in Major Projects: LNG Canada

Progress is also being made in installing modules and equipment on-site



Progress in Major Projects: Basra Refinery Upgrading

Temporary and permanent facilities construction now underway



Functional Materials Manufacturing Results for FY2021 and Target for FY2022

Results for FY2021/ Target for FY2022	Net sales	Fiscal 2021 Results	Fiscal 2022 Target
		Approx. 44.2 Billion Yen	Approx. 45 Billion Yen

Policy for FY2022	<u>Catalysts / Fine Chemicals</u> <p>Demand for petroleum refining catalysts and fine chemical products is returning, lifted by global economic recovery. In catalysts, we are entering new fields, and in fine chemicals, we remain committed to developing multiple applications.</p>
	<u>Fine Ceramics</u> <p>With chips still in short supply, growth in our core business for production equipment is also expected this fiscal year. Higher sales will be sought through improved quality, increased hiring, and capital investment.</p>

Status of Key Strategies in the medium-term business plan (Summary)

Steady progress in implementing the three key strategies

Transformation of EPC Operations

- Appointment of a non-Japanese president at the overseas EPC operating company (JGC Corp.)
- **Stronger framework for regional management: JGC Asia Pacific**
- Formulation of a medium-term IT strategy, with April 2023 as the start of accelerated digitalization of EPC
- Reinforcement of life science business: IHI Plant Services' pharmaceutical plant EPC business acquired

Expansion of Manufacturing Business for High-Performance Functional Materials

- **Expansion of silica sol production/sales for hard disk polishing, in the wake of higher chip demand**
- Expansion of catalyst sales overseas, development of catalysts supporting decarbonization
- Start of full-scale production of high thermal conductivity silicon nitride substrates

Establishment of Future Engines of Growth

- **Joint demonstration of a SAF production supply chain model, mainly sourced from used cooking oil**
- Joint Green Innovation Fund project underway with Asahi Kasei to demonstrate green chemical production using hydrogen from renewable energy sources
- Invests in U.S. Company NuScale Power which is ready for commercialization

Implementing strategic investment

- **Value of FY2021: Approx. 16 Billion Yen**
(Main investment)
- Digital transformation of EPC
- Acquisition of IHI Plant Services' pharmaceutical plant EPC business
- Development of new product technologies in functional materials manufacturing
- Facilities related to high thermal conductivity silicon nitride substrates , etc.
- Invests in U.S. Company NuScale Power

Status of Key Strategies in the medium-term business plan (Summary)

Sign Alliance Agreement on EPC Projects for Fuel Ammonia Plants with TOYO

Subject

- Fuel-ammonia manufacturing plants and ammonia receiving terminals
- Receipt of orders and execution of EPC projects, starting from feasibility studies (FS) and front-end engineering design (FEED) for above

Significance

- This field is being promoted under the leadership of Japanese companies with the backing of the Japanese government. To contribute to the development of this field, we have established a leading position in related EPC by working with partners who can utilize and complement each other's strengths.



License Agreement Signed with KBR for Ammonia Manufacturing Process

- The company's process has a proven track record in the world (approximately 50% share of the global production volume) and is a process technology that can be easily adapted to larger scale production.
- Together with the alliances mentioned above, we will demonstrate our competitiveness in the field of fuel ammonia and lead the industry.

(APPENDIX)

Status of Key Strategies in the medium-term business plan

Enhancing planetary health

Key Strategy 1: Transformation of EPC Operations

Accelerate transformation of overseas EPC operations

- Appointment of Mr. Farhan Mujib as president of JGC Corp. (effective Jan. 1, 2022)
- Draws on insight from his previous executive positions at U.S.-based KBR, extensive experience and knowledge of EPC projects, and a wide professional network of clients and contractors to accelerate transformation of our main business of overseas EPC operations



Large Projects

Accelerate digital transformation of EPC

- Formulation of a medium-term IT strategy; from 2023, seeking integrated digital execution of EPC services for overseas projects
- Introducing advanced work packaging (AWP) for the Basra project in Iraq

Growth Markets and Segments

Strengthen framework for domestic pharmaceutical business

- Acquisition of IHI Plant Services' pharmaceutical plant EPC business
Pursuit of further business expansion in this segment
- Receipt of orders for large pharmaceutical projects (making fiscal 2021 the best year on record in this segment)

Growth Markets and Segments

Start preparations to establish regional headquarters for the Asian market

- Establishment of JGC Asia Pacific : Stronger framework for regional management in the fast-growing Asian region; building a framework for sales and project execution that emphasizes local production for local consumption and works closely with regional clients
- Receipt of orders for a mega solar plant in the Philippines and an LNG receiving terminal in Taiwan

Key Strategy 2: Expansion of Manufacturing Business for High-Performance Functional Materials

Expanding revenue from existing business

Respond to higher semiconductor demand

- Expansion of silica sol sales, on growing demand for hard disk polishing materials amid higher semiconductor demand (Fine Chemicals)
- Record orders and sales of structural ceramics for applications related to semiconductor production equipment; steady growth also projected in fiscal 2022 (Fine Ceramics)

Expanding revenue from existing business

Expand product sales overseas Develop and sell catalysts supporting decarbonization

- Increased revenue from more overseas orders of FCC catalysts (Catalysts)
- Development of new amorphous silica-alumina material; focus on expanding sales from fiscal 2022 (Catalysts)
- Development of low-temperature denitration catalysts; market expansion for denitration in waste incinerators and biomass power generation (Catalysts)

Promoting sales of strategic products

Expand production facilities for silicon nitride substrates

- Start of full-scale production of high thermal conductivity silicon nitride substrates in fiscal 2021; continued production line investment and R&D focused on higher performance, to meet greater demand (Fine Ceramics)

Exploring and developing next-gen business

Expand applications to life science materials

- Start market exploration and R&D to expand applications to life science materials, including antibacterial and dental materials expected to show stable demand
- Life Science Group established at the R&D Center (Fine Chemicals)

Key Strategy 3: Establishment of Future Engines of Growth

Clean Energy

Sustainable aviation fuel (SAF)

- Current project: Joint demonstration of a supply chain model for SAF production from used cooking oil with Revo International and Cosmo Oil
- Establishment of "ACT FOR SKY" a voluntary organization working for the Commercialization, Promotion and Expansion of Domestically Produced

Clean Energy

Green chemical production

- Joint project with Asahi Kasei demonstrating production of green chemicals using hydrogen derived from renewable energy sources; a NEDO Green Innovation Fund project
- Targeting Japan's first demonstration of green ammonia production on a semi-commercial scale in 2024

Clean Energy

SMRs – small modular reactors

- Investment in U.S.-based NuScale Power, the company closest to commercialization
- Joining North America's first SMR construction project
Potential for EPC business in the Middle East, Southeast Asia, and elsewhere from the 2030s

Clean Energy

Carbon management

- Conducted a commissioned survey to help establish global MRV/CI methodologies for GHG emission associated with LNG, hydrogen, and ammonia operations

Circular Economy

Chemical recycling of plastic and fiber waste

- Start of development for licensing a plastic waste recycling technology using an oilification process
- Start of a joint working group with Teijin, the University of Tokyo, and others to submit proposals on legislation promoting textile recycling

Other

Water treatment / Smart factory

- In water infrastructure field, start of collaboration with Nihon Suido Consultants
- Receipt of FEED order for smart factory

Note on Future Outlook

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