

[Translation]

The following statements are an English-language translation of the original Japanese-language document for your reference purpose only. In 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.)

Aug 10, 2022

Summary-Consolidated First Quarter Financial Statements

(For the fiscal year ended March 31, 2023)

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

Code number: **1963**

Representative

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

Name: **Masayuki Sato**

Contact

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

Name: **Shinichi Taguchi**

Stock exchange: **Tokyo**

Tel: **045-682-1111**

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

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

1. Consolidated Financial Results for 1Q of Fiscal year ended March 31, 2023 (April 1, 2022 - June 30, 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)	(%)
1Q of Fiscal year ended March 31, 2023	118,190	10.4	10,242	144.4	18,520	208.9	12,519	—
1Q of Fiscal year ended March 31, 2022	107,051	10.5	4,191	(0.7)	5,996	37.0	(55,173)	—

Note: Comprehensive income (millions of yen): 1Q of Fiscal year ended March 31, 2023: 14,766 (—%) 1Q of Fiscal year ended March 31, 2022: (55,014) (—%)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
1Q of Fiscal year ended March 31, 2023	49.57	—
1Q of Fiscal year ended March 31, 2022	(218.54)	—

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of June 30, 2022	711,697	398,627	55.9
As of March 31, 2022	694,274	387,662	55.8

Reference: Equity (millions of yen):

As of June 30, 2022: 398,100

As of March 31, 2022: 387,145

2. Dividends

	Annual dividends per share (Yen)				
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual
Fiscal year ended March 31, 2022	—	—	—	15.00	15.00
Fiscal year ended March 31, 2023	—	—	—	—	—
Fiscal year ended March 31, 2023 (Forecasts)	—	—	—	29.00	29.00

Note: Revision to the latest forecast announcement: Yes

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	620,000	44.7	29,000	40.2	36,000	19.9	24,000	—

	Earnings per share
	(Yen)
Full Year	95.02

Note: Revision to the latest forecast announcement: Yes

4. Others

(1) Changes in scope of consolidated important subsidiaries
(Newly added) None (Excluded) None

(2) Adoption of simplified accounting methods or special accounting methods for preparing quarterly consolidated financial statements: Yes

(3) 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

(4) Number of shares outstanding

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

As of June 30, 2022:	259,336,682	As of March 31, 2022:	259,336,682
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(b) Number of treasury shares at term-end:

As of June 30, 2022:	6,750,276	As of March 31, 2022:	6,750,140
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(c) Average number of shares outstanding during this period:

1Q of Fiscal year ended March 31, 2023:	252,586,453	1Q of Fiscal year ended March 31, 2022:	252,465,653
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(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: 130.00 yen/US\$ 1.00

Consolidated Balance Sheet

	As of March 31, 2022	As of June 30, 2022
	(Millions of yen)	(Millions of yen)
ASSETS		
Current assets		
Cash and deposits	288,159	335,393
Notes receivable, trade receivables, contract assets and other	141,222	130,058
Costs on construction contracts in progress	23,804	27,561
Merchandise and finished goods	6,659	6,084
Work in process	2,970	4,053
Raw materials and supplies	3,596	3,692
Accounts receivable - other	64,423	33,919
Other	6,069	8,404
Allowance for doubtful accounts	(3,562)	(3,957)
Total current assets	533,343	545,210
Non-current assets		
Property, plant and equipment		
Buildings and structures	74,181	75,729
Machinery, vehicles, tools, furniture and fixtures	71,133	72,566
Land	18,617	18,644
Leased assets	1,079	978
Construction in progress	803	1,361
Other	4,795	5,121
Accumulated depreciation	(101,075)	(102,586)
Total property, plant and equipment	69,534	71,815
Intangible assets		
Software	7,228	7,541
Other	2,447	2,528
Total intangible assets	9,676	10,069
Investments and other assets		
Investment securities	55,837	58,455
Long-term loans receivable	8,640	9,495
Retirement benefit asset	1,506	1,517
Deferred tax assets	13,557	13,661
Other	16,002	16,433
Allowance for doubtful accounts	(13,824)	(14,959)
Total investments and other assets	81,720	84,602
Total non-current assets	160,930	166,487
Total assets	694,274	711,697

	As of March 31, 2022	As of June 30, 2022
	(Millions of yen)	(Millions of yen)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	63,258	62,935
Short-term borrowings	2,167	2,312
Current portion of bonds payable	30,000	30,000
Current portion of long-term borrowings	8,660	508
Income taxes payable	5,244	3,770
Contract liabilities	109,756	115,867
Provision for bonuses	6,880	9,321
Provision for bonuses for directors (and other officers)	274	267
Provision for loss on construction contracts	384	367
Provision for warranties for completed construction	1,074	982
Other	26,135	30,463
Total current liabilities	253,836	256,796
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	11,496	15,130
Retirement benefit liability	15,884	15,903
Provision for retirement benefits for directors (and other officers)	210	210
Deferred tax liabilities	1,089	1,056
Deferred tax liabilities for land revaluation	1,014	1,014
Other	3,080	2,959
Total non-current liabilities	52,775	56,274
Total liabilities	306,612	313,070
NET ASSETS		
Shareholders' equity		
Share capital	23,672	23,672
Capital surplus	25,770	25,770
Retained earnings	342,198	350,929
Treasury shares	(6,740)	(6,741)
Total shareholders' equity	384,901	393,631
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,311	5,630
Deferred gains or losses on hedges	3,786	5,513
Revaluation reserve for land	(10,891)	(10,891)
Foreign currency translation adjustment	3,462	4,655
Remeasurements of defined benefit plans	(424)	(438)
Total accumulated other comprehensive income	2,244	4,468
Non-controlling interests	517	526
Total net assets	387,662	398,627
Total liabilities and net assets	694,274	711,697

Consolidated Statement of Income

	1Q of Fiscal year ended March 31, 2022 (Apr. 1, 2021 - Jun. 30, 2021)	1Q of Fiscal year ended March 31, 2023 (Apr. 1, 2022 - Jun. 30, 2022)
	(Millions of yen)	(Millions of yen)
Net sales	107,051	118,190
Cost of sales	97,599	101,939
Gross profit	9,451	16,250
Selling, general and administrative expenses	5,260	6,007
Operating profit	4,191	10,242
Non-operating income		
Interest income	456	592
Dividend income	374	1,397
Foreign exchange gains	199	5,993
Share of profit of entities accounted for using equity method	431	468
Other	413	157
Total non-operating income	1,875	8,609
Non-operating expenses		
Interest expenses	40	311
Other	30	21
Total non-operating expenses	70	332
Ordinary profit	5,996	18,520
Extraordinary income		
Gain on change in equity	—	1,163
Gain on sale of non-current assets	0	0
Total extraordinary income	0	1,164
Extraordinary losses		
Loss on retirement of non-current assets	7	13
Provision for loss on Ichthys LNG Project	59,400	—
Other	208	—
Total extraordinary losses	59,616	13
Profit (Loss) before income taxes	(53,619)	19,671
Income taxes	1,559	7,154
Profit (Loss)	(55,178)	12,516
Loss attributable to non-controlling interests	(4)	(3)
Profit (Loss) attributable to owners of parent	(55,173)	12,519

Consolidated Statement of Comprehensive Income

	1Q of Fiscal year ended March 31, 2022 (Apr. 1, 2021 - Jun. 30, 2021)	1Q of Fiscal year ended March 31, 2023 (Apr. 1, 2022 - Jun. 30, 2022)
	(Millions of yen)	(Millions of yen)
Profit (Loss)	(55,178)	12,516
Other comprehensive income		
Valuation difference on available-for-sale securities	(364)	(597)
Deferred gains or losses on hedges	(454)	934
Foreign currency translation adjustment	805	536
Remeasurements of defined benefit plans, net of tax	(45)	(7)
Share of other comprehensive income of entities accounted for using equity method	223	1,384
Total other comprehensive income	164	2,250
Comprehensive income	(55,014)	14,766
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(55,009)	14,744
Comprehensive income attributable to non-controlling interests	(4)	22

Segment Information

【 Information by business segment 】

1Q of Fiscal year ended March 31, 2022 (April 1, 2021 - June 30, 2021)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Subtotal				
Net sales							
External customers	95,511	11,172	106,684	367	107,051	—	107,051
Inter-segment	8	—	8	451	459	(459)	—
Total	95,520	11,172	106,692	818	107,510	(459)	107,051
Segment profit (loss)	3,470	2,168	5,639	(59)	5,579	(1,388)	4,191

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

*2: Adjustments to segment profit (loss) include corporate expenses not allocated to individual segments and the elimination of transactions between segments.

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

1Q of Fiscal year ended March 31, 2023 (April 1, 2022- June 30, 2022)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Subtotal				
Net sales							
External customers	104,002	13,210	117,212	977	118,190	—	118,190
Inter-segment	4	—	4	624	629	(629)	—
Total	104,007	13,210	117,217	1,602	118,819	(629)	118,190
Segment profit	8,576	2,647	11,223	243	11,467	(1,224)	10,242

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

*2: Adjustments to segment profit include corporate expenses not allocated to individual segments and the elimination of transactions between segments.

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

【 Changes in business segment 】

The group administrative expenses of JGC Holdings Corporation, which were previously allocated to individual segments, are included in "Adjustment" as a corporate expense not allocated to individual segments due to a change in the method of performance management from the first quarter of the current fiscal year.

The segment information for the first quarter of the previous consolidated fiscal year is presented based on the calculation method adopted after the change.

Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2022	June 30, 2022		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Total Engineering Business		1,207,832	360,688	104,002	1,568,300
Domestic	Energy Transition				
	Oil and gas	4,708	4,619	2,096	7,231
	LNG	37	2	2	—
	Chemical	32,971	7,859	6,092	34,738
	Clean energy	123,710	2,675	7,165	118,966
	Others	15,476	321	4,044	11,749
	Subtotal	176,905	15,478	19,401	172,686
	Healthcare & Life sciences	72,672	14,120	3,767	83,025
	Industrial & Urban infrastructure	62	973	152	883
	Others	1	69	27	43
	Domestic Subtotal	249,642	30,642	23,349	256,638
Overseas	Energy Transition				
	Oil and gas	509,212	304,220	21,561	854,661
	LNG	417,813	9,138	54,063	413,031
	Chemical	11,957	2,275	2,978	11,762
	Clean energy	8,093	771	354	8,881
	Others	748	188	174	490
	Subtotal	947,826	316,594	79,133	1,288,827
	Healthcare & Life sciences	7,928	12,311	343	20,244
	Industrial & Urban infrastructure	2,434	1,030	1,066	2,589
	Others	—	110	110	—
	Overseas Subtotal	958,190	330,046	80,653	1,311,662
Functional Materials Manufacturing Business		7,080	14,060	13,210	7,930
Other Businesses		998	3,287	977	3,267
Grand Total		1,215,911	378,037	118,190	1,579,499

*1: New contracts for "Functional Materials Manufacturing Business" are contained in the figure for the grand total because the calculation method for new contracts has been changed from the first quarter of the current fiscal year.

*2: The figure for outstanding contracts for "Total Engineering Business" at the end of the first quarter of the current fiscal year includes an upward adjustment of ¥103,782 million due to foreign currency translation, amendments and changes in contract amounts and others in the first quarter of the current fiscal year.

*3: The figure for outstanding contracts for "Other Businesses" at the end of the first quarter of the current fiscal year includes a downward adjustment of ¥41 million due to foreign currency translation, amendments and changes in contract amounts and others in the first quarter of the current fiscal year.