

# [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.)

February 10, 2023

## Summary-Consolidated Third 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 3Q of fiscal year ended March 31, 2023 (April 1, 2022 - December 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)	(%)
3Q of Fiscal year ended March 31, 2023	416,618	30.4	25,319	65.1	33,494	68.6	22,551	—
3Q of Fiscal year ended March 31, 2022	319,442	4.8	15,332	(11.5)	19,870	7.3	(44,397)	—

Note: Comprehensive income (millions of yen) 3Q of fiscal year ended March 31, 2023: 29,949 (—%) 3Q of fiscal year ended March 31, 2022: (44,166) (—%)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
3Q of Fiscal year ended March 31, 2023	89.27	—
3Q of Fiscal year ended March 31, 2022	(175.81)	—

#### (2) Consolidated financial position

	Total assets	Total net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of December 31, 2022	715,393	413,901	57.8
As of March 31, 2022	694,274	387,662	55.8

Reference: Equity (millions of yen): As of December 31, 2022: 413,246 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)				36.00	36.00

Note: Revision to the latest forecast announcement: None

### 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		Earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full Year	600,000	40.1	34,000	64.3	46,000	53.2	30,000	—	118.76

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 December 31, 2022:	259,409,926	As of March 31, 2022:	259,336,682
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(b) Number of treasury shares at term-end:

As of December 31, 2022:	6,750,512	As of March 31, 2022:	6,750,140
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(c) Average number of shares outstanding during this period:

3Q of Fiscal year ended March 31, 2023:	252,622,981	3Q of Fiscal year ended March 31, 2022:	252,526,276
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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 December 31, 2022
	(Millions of yen)	(Millions of yen)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	288,159	330,987
Notes receivable, trade receivables, contract assets and other	141,222	126,667
Costs on construction contracts in progress	23,804	26,854
Merchandise and finished goods	6,659	6,835
Work in process	2,970	5,399
Raw materials and supplies	3,596	4,640
Accounts receivable - other	64,423	30,426
Other	6,069	11,369
Allowance for doubtful accounts	(3,562)	(3,848)
<b>Total current assets</b>	533,343	539,331
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	74,181	75,220
Machinery, vehicles, tools, furniture and fixtures	71,133	73,305
Land	18,617	18,693
Leased assets	1,079	1,205
Construction in progress	803	2,344
Other	4,795	—
Accumulated depreciation	(101,075)	(99,194)
<b>Total property, plant and equipment</b>	69,534	71,574
<b>Intangible assets</b>		
Software	7,228	9,123
Other	2,447	403
<b>Total intangible assets</b>	9,676	9,526
<b>Investments and other assets</b>		
Investment securities	55,837	64,113
Long-term loans receivable	8,640	11,113
Retirement benefit asset	1,506	1,499
Deferred tax assets	13,557	15,859
Other	16,002	17,592
Allowance for doubtful accounts	(13,824)	(15,219)
<b>Total investments and other assets</b>	81,720	94,960
<b>Total non-current assets</b>	160,930	176,062
<b>Total assets</b>	694,274	715,393

	As of March 31, 2022	As of December 31, 2022
	(Millions of yen)	(Millions of yen)
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	63,258	80,552
Short-term borrowings	2,167	2,125
Current portion of bonds payable	30,000	10,000
Current portion of long-term borrowing	8,660	489
Income taxes payable	5,244	2,063
Contract liabilities	109,756	111,694
Provision for bonuses	6,880	7,676
Provision for bonuses for directors (and other officers)	274	433
Provision for loss on construction contracts	384	906
Provision for warranties for completed construction	1,074	1,048
Other	26,135	38,858
<b>Total current liabilities</b>	<b>253,836</b>	<b>255,849</b>
<b>Non-current liabilities</b>		
Bonds payable	20,000	10,000
Long-term borrowings	11,496	14,096
Retirement benefit liability	15,884	16,213
Provision for retirement benefits for directors (and other officers)	210	223
Deferred tax liabilities	1,089	1,483
Deferred tax liabilities for land revaluation	1,014	1,014
Other	3,080	2,611
<b>Total non-current liabilities</b>	<b>52,775</b>	<b>45,642</b>
<b>Total liabilities</b>	<b>306,612</b>	<b>301,492</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Share capital	23,672	23,733
Capital surplus	25,770	25,831
Retained earnings	342,198	360,960
Treasury shares	(6,740)	(6,741)
<b>Total shareholders' equity</b>	<b>384,901</b>	<b>403,783</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	6,311	8,424
Deferred gains or losses on hedges	3,786	2,552
Revaluation reserve for land	(10,891)	(10,891)
Foreign currency translation adjustment	3,462	9,908
Remeasurements of defined benefit plans	(424)	(530)
<b>Total accumulated other comprehensive income</b>	<b>2,244</b>	<b>9,462</b>
<b>Non-controlling interests</b>	517	655
<b>Total net assets</b>	<b>387,662</b>	<b>413,901</b>
<b>Total liabilities and net assets</b>	<b>694,274</b>	<b>715,393</b>

## Consolidated Statement of Income

	3Q of Fiscal year ended March 31, 2022 (Apr. 1, 2021 - Dec. 31, 2021)	3Q of Fiscal year ended March 31, 2023 (Apr. 1, 2022 - Dec. 31, 2022)
	(Millions of yen)	(Millions of yen)
<b>Net sales</b>	319,442	416,618
Cost of sales	288,327	371,589
Gross profit	31,114	45,029
Selling, general and administrative expenses	15,782	19,709
<b>Operating profit</b>	15,332	25,319
<b>Non-operating income</b>		
Interest income	816	4,341
Dividend income	1,135	1,689
Foreign exchange gains	149	1,708
Share of profit of entities accounted for using equity method	1,850	1,216
Other	800	192
<b>Total non-operating income</b>	4,752	9,148
<b>Non-operating expenses</b>		
Interest expenses	135	863
Other	78	109
<b>Total non-operating expenses</b>	214	972
<b>Ordinary profit</b>	19,870	33,494
<b>Extraordinary income</b>		
Gain on change in equity	—	1,267
Gain on liquidation of subsidiaries and associates	177	—
Gain on sale of receivables	—	2,079
Other	0	23
<b>Total extraordinary income</b>	178	3,370
<b>Extraordinary losses</b>		
Loss on sale of non-current assets	0	83
Loss on valuation of investment securities	173	923
Loss on Ichthys LNG Project	58,065	—
Other	245	189
<b>Total extraordinary losses</b>	58,485	1,195
<b>Profit (Loss) before income taxes</b>	(38,435)	35,669
<b>Income taxes</b>	5,973	13,158
<b>Profit (Loss)</b>	(44,409)	22,511
<b>Loss attributable to non-controlling interests</b>	(12)	(40)
<b>Profit (Loss) attributable to owners of parent</b>	(44,397)	22,551

## Consolidated Statement of Comprehensive Income

	3Q of Fiscal year ended March 31, 2022 (Apr. 1, 2021 - Dec. 31, 2021)	3Q of Fiscal year ended March 31, 2023 (Apr. 1, 2022 - Dec. 31, 2022)
	(Millions of yen)	(Millions of yen)
<b>Profit (Loss)</b>	(44,409)	22,511
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(571)	(206)
Deferred gains or losses on hedges	566	(3,207)
Foreign currency translation adjustment	(161)	4,123
Remeasurements of defined benefit plans, net of tax	(40)	(84)
Share of other comprehensive income of entities accounted for using equity method	450	6,814
<b>Total other comprehensive income</b>	242	7,438
<b>Comprehensive income</b>	(44,166)	29,949
<b>Comprehensive income attributable to</b>		
Comprehensive income attributable to owners of parent	(44,154)	29,769
Comprehensive income attributable to non-controlling interests	(12)	179

## Segment Information

### 【 Information by business segment 】

3Q of Fiscal year ended March 31, 2022 (April 1, 2021 - December 31, 2021)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Subtotal				
Net sales							
External customers	285,319	32,824	318,143	1,298	319,442	—	319,442
Inter-segment	21	—	21	1,441	1,463	(1,463)	—
Total	285,341	32,824	318,165	2,739	320,905	(1,463)	319,442
Segment profit (loss)	13,565	5,708	19,274	(166)	19,107	(3,775)	15,332

\*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.

3Q of Fiscal year ended March 31, 2023 (April 1, 2022 - December 31, 2022)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Subtotal				
Net sales							
External customers	377,841	36,011	413,852	2,765	416,618	—	416,618
Inter-segment	14	1	16	1,821	1,837	(1,837)	—
Total	377,855	36,013	413,869	4,587	418,456	(1,837)	416,618
Segment profit	22,838	5,911	28,750	608	29,359	(4,039)	25,319

\*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 third 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	December 31, 2022		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Total Engineering Business		1,207,832	669,611	377,841	1,581,148
Domestic	Energy Transition				
	Oil and gas	4,708	16,264	9,304	11,668
	LNG	37	17	17	—
	Chemical	32,971	14,708	19,893	27,786
	Clean energy	123,710	48,631	28,725	143,362
	Others	15,476	645	9,990	6,126
	Subtotal	176,905	80,266	67,930	188,944
	Healthcare & Life sciences	72,672	20,770	18,779	74,663
	Industrial & Urban infrastructure	62	1,311	790	583
	Others	1	534	133	402
Domestic Subtotal	249,642	102,882	87,633	264,594	
Overseas	Energy Transition				
	Oil and gas	509,212	330,548	98,913	798,443
	LNG	417,813	145,548	162,750	422,029
	Chemical	11,957	63,216	12,366	64,746
	Clean energy	8,093	2,054	7,570	3,082
	Others	748	9,520	2,611	7,234
	Subtotal	947,826	550,888	284,211	1,295,536
	Healthcare & Life sciences	7,928	13,808	1,859	20,534
	Industrial & Urban infrastructure	2,434	1,898	4,010	478
	Others	—	133	126	4
Overseas Subtotal	958,190	566,728	290,208	1,316,554	
Functional Materials Manufacturing Business		7,080	36,756	36,011	7,825
Other Businesses		998	6,049	2,765	4,302
Grand Total		1,215,911	712,416	416,618	1,593,276

\*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 third quarter of the current fiscal year includes an upward adjustment of ¥81,547 million due to foreign currency translation, amendments and changes in contract amounts and others in the third quarter of the current fiscal year.

\*3: The figure for outstanding contracts for "Other Businesses" at the end of the third quarter of the current fiscal year includes an upward adjustment of ¥20 million due to foreign currency translation, amendments and changes in contract amounts and others in the third quarter of the current fiscal year.