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Outline of Half Year Financial Results for Fiscal Year 2023

April 1, 2023 – September 30, 2023

A stylized globe composed of a grid of small dots, showing the continents of Asia and Australia. The globe is light blue and white, with a soft glow at the bottom.

Enhancing planetary health

November 9, 2023

JGC HOLDINGS CORPORATION

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Results for Fiscal Year 2023 H1

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Highlights

- Sales increased year on year due to steady progress on major large-scale projects.
- Profitability decreased due to risk reviews of the on going projects executed by overseas subsidiaries.
- Steadily accumulating domestic project orders.

Income Statement

【Unit: Billions of Yen】

	H1 FY2022	H1 FY2023	Difference	
Net sales	267.2	403.2	+136.0	+51%
Gross profit	32.0	28.4	△ 3.6	△ 11%
Profit ratio	12.0%	7.1%	△ 4.9pt	
Operating profit	18.9	13.0	△ 5.9	△ 31%
Ordinary profit	30.4	25.4	△ 5.0	△ 17%
Profit attributable to owners of parent	20.7	12.5	△ 8.1	△ 39%
Earnings per share	¥82.10	¥52.29		

Segment Information

【Unit: Billions of Yen】

		H1 FY2022	H1 FY2023	Difference	
Total Engineering	Net sales	241.8	375.5	+133.7	+55%
	Segment profit	17.3	12.2	△ 5.0	△ 29%
	Profit ratio	7.2%	3.3%	△ 3.9pt	
Functional Materials Manufacturing	Net sales	23.4	25.7	+2.2	+10%
	Segment profit	3.8	3.7	△ 0.1	△ 3%
	Profit ratio	16.6%	14.6%	△ 2.0pt	
Others	Net sales	1.9	1.9	-	-
	Segment profit	0.3	0.6	+0.2	+90%
	Profit ratio	17.4%	33.0%	+15.6pt	
Adjustment	Segment profit	△ 2.5	△ 3.6	△ 1.0	-

Segment Information

Outline of Contracts (Total Engineering)

i) New Contracts

【Unit: Billions of Yen】

	H1 FY2022	H1 FY2023
Overseas	416.1	44.0
Domestic	47.2	114.8
Total	463.4	158.9

H1 FY2023
Major New Contracts

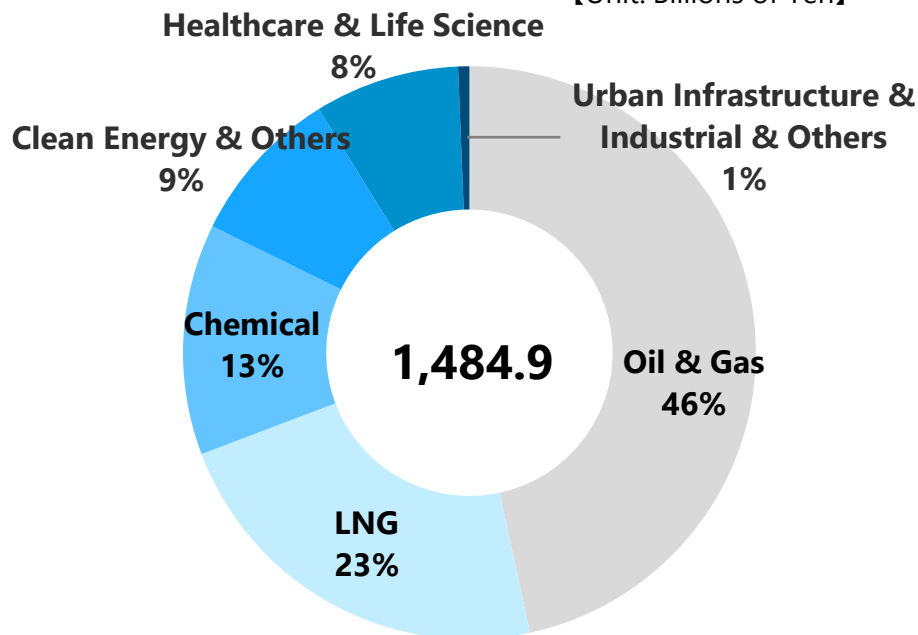
ATMPs and mRNA Vaccine Ingredients Facility (Japan)
Bio API Manufacturing Facility (Japan)

Segment Information

ii) Outstanding Contracts (As of September 30, 2023)

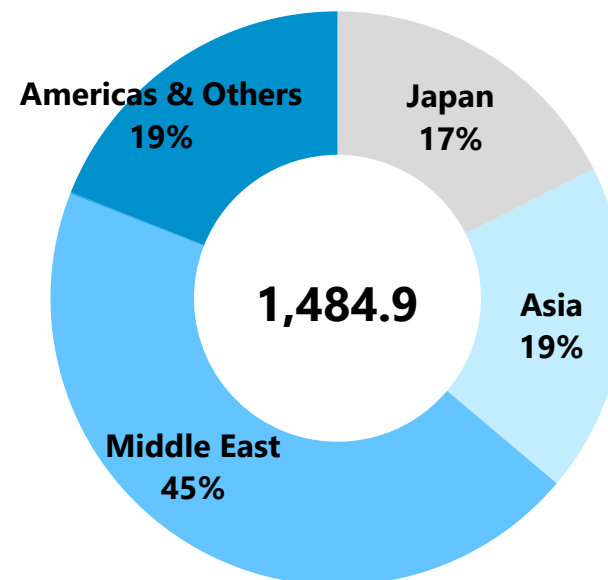
By Business Area

[Unit: Billions of Yen]



By Region

[Unit: Billions of Yen]



H1 FY2023
Major
Outstanding
Contracts

Over 100 Billion Yen

LNG (Canada)
Oil Refinery Modernization (Iraq)
Gas Oil Separation Unit (Saudi Arabia)
Nearshore Floating LNG Plant (Malaysia)
Large-scale Ethylene Plants (The U.S.)

Over 50 Billion Yen

Dew Point Control Unit (Saudi Arabia)

Over 30 Billion Yen

VCM, PVC, and OSBL Expansion (Thailand)
LNG Terminal Facilities (Taiwan)
Biomass Power Generation (Japan)
ATMPs and mRNA Vaccine Ingredients (Japan)

Financial Position & Cash Flows

【Unit: Billions of Yen】

	As of March 31, 2023	As of September 30, 2023	Difference
Total assets	713.1	754.2	+41.1
Total net assets	397.9	404.5	+6.6
Equity ratio	55.7%	53.5%	△ 2.2pt
Off Balance Sheet JV Cash JGC Portion	171.7	170.5	△ 1.1
	H1 FY2022	H1 FY2023	Difference
Cash flows from operating activities	88.9	16.2	△ 72.6
Cash flows from investing activities	△ 4.9	△ 13.3	△ 8.3
Cash flows from financing activities	△ 10.5	△ 11.6	△ 1.0
Cash and cash equivalents at end of period	371.6	333.6	△ 37.9

Forecasts for Fiscal Year 2023

A stylized globe composed of a grid of small dots, rendered in a light blue color. It is positioned on the right side of the slide, partially behind the text.

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Forecasts for Fiscal Year 2023

Full year forecast remains unchanged.

	FY2023 Forecast	【Unit: Billions of Yen】	
		H1 FY2023 Actual	Progress Rate
New contracts *1	800.0	158.9	20%
Net sales	800.0	403.2	50%
Gross profit	68.0	28.4	42%
Profit ratio	8.5%	7.1%	
Operating profit	38.0	13.0	34%
Ordinary profit	45.0	25.4	56%
Profit attributable to owners of parent	32.0	12.5	39%
Annual dividends per share	¥40.0		
Forecasts based on (¥/US\$)	¥140.00*2		

*1 Total Engineering

*2 Exchange rate of forecast for H2 FY2023

Appendix

Reference (Net sales & New Contracts by Region)

Net sales

【Unit: Billions of Yen】

	H1 FY2022		H1 FY2023	
Japan	67.4	(25.2%)	107.5	(26.7%)
Asia	27.9	(10.5%)	49.5	(12.3%)
Middle East	54.5	(20.4%)	143.6	(35.6%)
Africa	22.4	(8.4%)	21.0	(5.2%)
Americas & Others	94.8	(35.5%)	81.4	(20.2%)
Total	267.2	(100.0%)	403.2	(100.0%)

New contracts (Total Engineering)

【Unit: Billions of Yen】

	H1 FY2022		H1 FY2023	
Japan	47.2	(10.2%)	114.8	(72.3%)
Asia	99.1	(21.4%)	13.0	(8.2%)
Middle East	306.0	(66.0%)	13.2	(8.3%)
Africa	4.4	(1.0%)	2.3	(1.5%)
Americas & Others	6.4	(1.4%)	15.4	(9.7%)
Total	463.4	(100.0%)	158.9	(100.0%)

Reference (Outstanding Contracts by Region & Business Area)

By Region (Total Engineering)

【Unit: Billions of Yen】

	H1 FY2023	
Japan	260.9	(17.5%)
Asia	275.9	(18.6%)
Middle East	664.8	(44.8%)
Africa	1.2	(0.1%)
Americas & Others	281.8	(19.0%)
Total	1,484.9	(100.0%)

By Business Area (Total Engineering)

【Unit: Billions of Yen】

	H1 FY2023	
Energy Transition		
Oil and gas	692.0	(46.6%)
LNG	336.0	(22.6%)
Chemical	193.5	(13.0%)
Clean energy & Others	132.3	(8.9%)
Healthcare & Life sciences	121.4	(8.2%)
Industrial & Urban infrastructure & Others	9.4	(0.7%)
Total	1,484.9	(100.0%)

Reference (Forecasts for Fiscal Year 2023 by Segment)

Segment forecast remains unchanged.

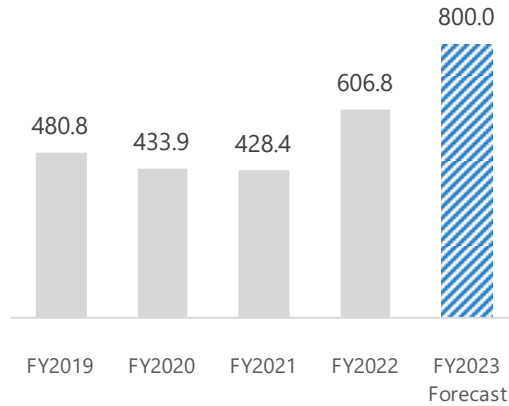
【Unit: Billions of Yen】

		FY2023 Forecast
Total Engineering	Net sales	743.0
	Segment profit	38.5
	Profit ratio	5.2%
Functional Materials Manufacturing	Net sales	50.0
	Segment profit	5.7
	Profit ratio	11.4%
Others	Net sales	7.0
	Segment profit	1.5
	Profit ratio	21.4%
Adjustment	Segment profit	△ 7.7

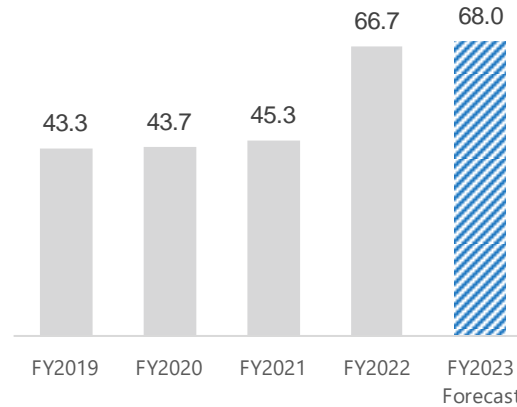
Reference (Historical data chart)

【Unit: Billions of Yen】

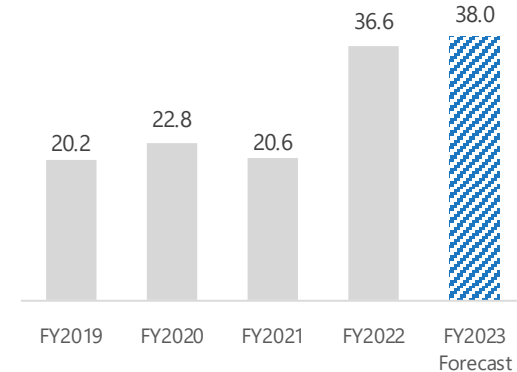
Net sales



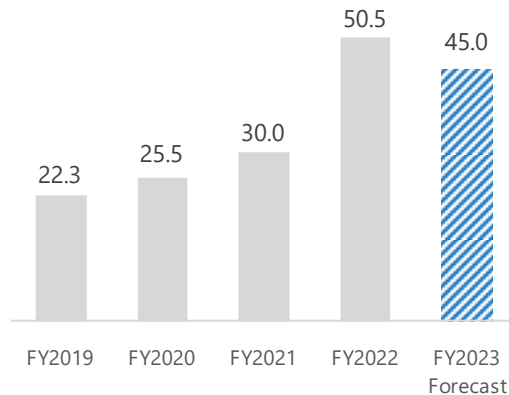
Gross profit



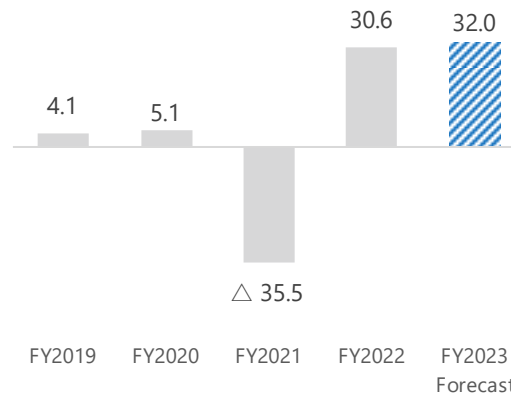
Operating profit



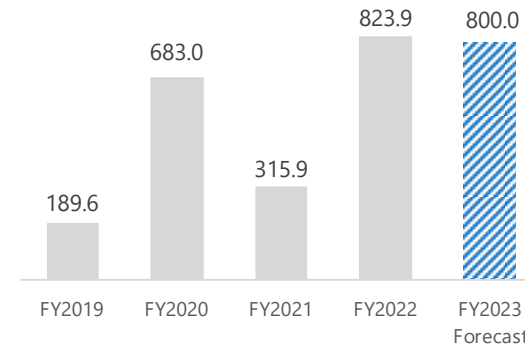
Ordinary profit



Profit/loss attributable to owners of parent



New Contracts



Enhancing corporate value by the medium-term business plan

– Action to implement management that is conscious of cost of capital and stock price –

Assessment of current conditions

- Stock price: P/B ratio around 1 since the beginning of the year
- Return on capital: recent ROE in the 7% range, below cost of equity
 - Although the market for total engineering business is booming, asset turnover is still under recovery
- Growth: Currently pursuing growth strategy investment

Policies And targets

- Medium-Term Business Plan (BSP 2025)
 - Three key strategies
 - Transformation of EPC operations
 - Expansion of manufacturing business for high-performance functional materials
 - Establishment of future engines of growth
 - Maintaining sound finances
 - Disciplined growth strategy investment
 - Payout ratio of about 30% (minimum dividend per share: 15 yen), flexible stance on share buyback
 - ROE of 10% as a FY2025 financial targets

Initiatives, time frame

- Strong execution of BSP 2025
- Sales recovery and expansion by securing a high level of order backlog
- Entering execution phase for growth strategy investments
- Dividends and share buyback in line with shareholder return policy

Cautionary Statement

This presentation may contain forward-looking statements that reflect JGC's plans and expectations.

Such statements are based on currently available information and current assumptions of future events which may not prove to be accurate. Such statements are also subject to various risks and uncertainties that could cause actual results to differ materially from those forward-looking statements.

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- changes in general economic conditions, including foreign currency exchange rates, interest rates and other factors that could affect our profitability
- changes in government regulations or tax laws in jurisdictions where we conduct business

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