

[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 9, 2024

Summary-Consolidated Third Quarter Financial Statements

(For the fiscal year ending March 31, 2024)

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, Finance Unit**

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 ending March 31, 2024 (April 1, 2023 - December 31, 2023)

(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 ending March 31, 2024	601,069	44.3	9,272	(63.4)	23,323	(30.4)	10,623	(52.9)
3Q of fiscal year ended March 31, 2023	416,618	30.4	25,319	65.1	33,494	68.6	22,551	—

Note: Comprehensive income (millions of yen): 3Q of fiscal year ending March 31, 2024: 13,653 ((54.4%)) 3Q of fiscal year ended March 31, 2023: 29,949 (—%)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
3Q of fiscal year ending March 31, 2024	44.08	44.06
3Q of fiscal year ended March 31, 2023	89.27	—

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of December 31, 2023	759,445	402,574	52.9
As of March 31, 2023	713,127	397,981	55.7

Reference: Equity (millions of yen): As of December 31, 2023: 401,995 As of March 31, 2023: 397,343

2. Dividends

	Annual dividends per share (Yen)				
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual
Fiscal year ended March 31, 2023	—	—	—	38.00	38.00
Fiscal year ending March 31, 2024	—	—	—		
Fiscal year ending March 31, 2024 (Forecasts)				40.00	40.00

Note: Revision to the latest forecast announcement: None

3. Earnings forecasts for fiscal year ending March 31, 2024 (April 1, 2023 - March 31, 2024)

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	800,000	31.8	16,000	(56.4)	28,000	(44.6)	16,000	(47.8)	66.40

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, 2023:	259,481,819	As of March 31, 2023:	259,409,926
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(b) Number of treasury shares at term-end:

As of December 31, 2023:	17,940,478	As of March 31, 2023:	18,820,609
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(c) Average number of shares outstanding during this period:

3Q of fiscal year ending March 31, 2024:	240,977,279	3Q of fiscal year ended March 31, 2023:	252,622,981
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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: 140.00 yen/US\$ 1.00

Consolidated Balance Sheet

	As of March 31, 2023	As of December 31, 2023
	(Millions of yen)	(Millions of yen)
ASSETS		
Current assets		
Cash and deposits	332,951	293,693
Notes receivable, trade receivables, contract assets and other	141,846	198,001
Costs on construction contracts in progress	16,981	20,864
Merchandise and finished goods	7,760	8,003
Work in process	3,236	5,320
Raw materials and supplies	4,520	4,779
Accounts receivable - other	25,710	35,401
Other	6,802	14,376
Allowance for doubtful accounts	(315)	(321)
Total current assets	539,493	580,118
Non-current assets		
Property, plant and equipment		
Buildings and structures	75,001	77,069
Machinery, vehicles, tools, furniture and fixtures	72,569	76,687
Land	18,639	22,157
Leased assets	2,690	3,055
Construction in progress	2,928	3,123
Accumulated depreciation	(99,595)	(103,900)
Total property, plant and equipment	72,234	78,192
Intangible assets		
Software	10,650	12,608
Other	374	293
Total intangible assets	11,025	12,902
Investments and other assets		
Investment securities	59,224	61,848
Long-term loans receivable	11,074	12,024
Retirement benefit asset	1,277	1,250
Deferred tax assets	15,483	15,000
Other	25,333	21,698
Allowance for doubtful accounts	(22,018)	(23,591)
Total investments and other assets	90,373	88,232
Total non-current assets	173,633	179,326
Total assets	713,127	759,445

	As of March 31, 2023	As of December 31, 2023
	(Millions of yen)	(Millions of yen)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	90,005	113,996
Short-term borrowings	2,336	2,683
Current portion of bonds payable	10,000	—
Current portion of long-term borrowings	544	601
Income taxes payable	4,794	6,319
Contract liabilities	113,989	100,805
Provision for bonuses	12,509	8,228
Provision for bonuses for directors (and other officers)	299	195
Provision for loss on construction contracts	838	14,577
Provision for warranties for completed construction	958	1,020
Other	35,929	54,104
Total current liabilities	272,206	302,532
Non-current liabilities		
Bonds payable	10,000	20,000
Long-term borrowings	13,891	14,538
Retirement benefit liability	12,803	13,072
Provision for retirement benefits for directors (and other officers)	233	950
Deferred tax liabilities	1,438	1,449
Deferred tax liabilities for land revaluation	1,014	1,014
Other	3,557	3,313
Total non-current liabilities	42,939	54,338
Total liabilities	315,145	356,870
NET ASSETS		
Shareholders' equity		
Share capital	23,733	23,798
Capital surplus	25,831	25,865
Retained earnings	369,066	369,322
Treasury shares	(26,741)	(25,485)
Total shareholders' equity	391,889	393,501
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,219	4,035
Deferred gains or losses on hedges	2,359	3,279
Revaluation reserve for land	(10,891)	(10,891)
Foreign currency translation adjustment	6,089	11,685
Remeasurements of defined benefit plans	677	385
Total accumulated other comprehensive income	5,454	8,494
Non-controlling interests	637	579
Total net assets	397,981	402,574
Total liabilities and net assets	713,127	759,445

Consolidated Statement of Income

	3Q of fiscal year ended March 31, 2023 (Apr. 1, 2022 - Dec. 31, 2022)	3Q of fiscal year ending March 31, 2024 (Apr. 1, 2023 - Dec. 31, 2023)
	(Millions of yen)	(Millions of yen)
Net sales	416,618	601,069
Cost of sales	371,589	568,744
Gross profit	45,029	32,324
Selling, general and administrative expenses	19,709	23,051
Operating profit	25,319	9,272
Non-operating income		
Interest income	4,341	11,391
Dividend income	1,689	706
Foreign exchange gains	1,708	1,463
Share of profit of entities accounted for using equity method	1,216	1,432
Other	192	293
Total non-operating income	9,148	15,287
Non-operating expenses		
Interest expenses	863	943
Other	109	293
Total non-operating expenses	972	1,236
Ordinary profit	33,494	23,323
Extraordinary income		
Gain on change in equity	1,267	—
Gain on liquidation of subsidiaries	—	828
Gain on sale of receivables	2,079	—
Other	23	—
Total extraordinary income	3,370	828
Extraordinary losses		
Loss on sale of non-current assets	83	—
Loss on retirement of non-current assets	142	63
Loss on valuation of investment securities	923	18
Other	46	—
Total extraordinary losses	1,195	81
Profit before income taxes	35,669	24,070
Income taxes	13,158	13,516
Profit	22,511	10,553
Loss attributable to non-controlling interests	(40)	(69)
Profit attributable to owners of parent	22,551	10,623

Consolidated Statement of Comprehensive Income

	3Q of fiscal year ended March 31, 2023 (Apr. 1, 2022 - Dec. 31, 2022)	3Q of fiscal year ending March 31, 2024 (Apr. 1, 2023 - Dec. 31, 2023)
	(Millions of yen)	(Millions of yen)
Profit	22,511	10,553
Other comprehensive income		
Valuation difference on available-for-sale securities	(206)	1,198
Deferred gains or losses on hedges	(3,207)	294
Foreign currency translation adjustment	4,123	4,147
Remeasurements of defined benefit plans	(84)	(284)
Share of other comprehensive income of entities accounted for using equity method	6,814	(2,256)
Total other comprehensive income	7,438	3,099
Comprehensive income	29,949	13,653
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	29,769	13,663
Comprehensive income attributable to non-controlling interests	179	(9)

Segment Information

【 Information by reportable segment 】

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

(Millions of yen)

	Reportable segment			Others	Total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Subtotal				
Net sales							
Sales to external customers	377,841	36,011	413,852	2,765	416,618	—	416,618
Inter-segment sales or transfers	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

Notes:

- "Others" includes business activities of consulting, management of real estate, water desalination, and production and sale of oil and gas.
- Adjustments to segment profit include corporate expenses not allocated to individual segments and the elimination of transactions between segments.
- Segment profit is reconciled to operating profit on the consolidated statement of income.

3Q of fiscal year ending March 31, 2024 (April 1, 2023 - December 31, 2023)

(Millions of yen)

	Reportable segment			Others	Total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Subtotal				
Net sales							
Sales to external customers	561,408	36,792	598,200	2,868	601,069	—	601,069
Inter-segment sales or transfers	9	5	14	2,791	2,805	(2,805)	—
Total	561,417	36,797	598,215	5,659	603,875	(2,805)	601,069
Segment profit	8,678	5,469	14,148	776	14,924	(5,652)	9,272

Notes:

- "Others" includes business activities of consulting, management of real estate, water desalination, and production and sale of oil and gas.
- Adjustments to segment profit include corporate expenses not allocated to individual segments and the elimination of transactions between segments.
- Segment profit is reconciled to operating profit on the consolidated statement of income.

Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2023	December 31, 2023		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Total Engineering Business		1,563,459	246,997	561,408	1,350,254
Domestic	Energy Transition				
	Oil and gas	8,663	18,608	15,445	11,826
	LNG	0	12	12	—
	Chemical	24,136	13,191	20,601	16,703
	Clean energy	134,284	23,864	43,901	114,151
	Others	3,326	1,472	2,306	2,341
	Subtotal	170,410	57,149	82,268	145,022
	Healthcare & life sciences	67,622	76,559	46,909	97,056
	Industrial & urban infrastructure	138	8,324	1,130	7,333
	Others	154	472	484	90
Domestic Subtotal	238,326	142,506	130,792	249,503	
Overseas	Energy Transition				
	Oil and gas	739,098	21,768	226,223	583,498
	LNG	376,018	44,000	147,827	305,566
	Chemical	183,936	26,338	44,382	183,486
	Clean energy	2,068	8,154	2,335	8,024
	Others	6,469	670	1,956	5,877
	Subtotal	1,307,590	100,932	422,726	1,086,453
	Healthcare & life sciences	17,224	670	6,021	13,028
	Industrial & urban infrastructure	318	2,263	1,526	1,014
	Others	—	624	341	254
Overseas Subtotal	1,325,132	104,491	430,616	1,100,751	
Functional Materials Manufacturing Business		7,036	36,954	36,792	7,225
Other Businesses		597	6,068	2,868	3,999
Grand Total		1,571,093	290,020	601,069	1,361,479

Notes:

1. The figure for outstanding contracts for "Total Engineering Business" at the end of the third quarter of the current consolidated fiscal year includes an upward adjustment of ¥101,205 million due to foreign currency translation, amendments and changes in contract amounts and others in the third quarter of the current consolidated fiscal year.
2. The figure for outstanding contracts for "Functional Materials Manufacturing Business" at the end of the third quarter of the current consolidated fiscal year includes an upward adjustment of ¥26 million due to foreign currency translation, amendments and changes in contract amounts and others in the third quarter of the current consolidated fiscal year.
3. The figure for outstanding contracts for "Other Businesses" at the end of the third quarter of the current consolidated fiscal year includes an upward adjustment of ¥202 million due to foreign currency translation, amendments and changes in contract amounts and others in the third quarter of the current consolidated fiscal year.