

[Translation]

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

May 14, 2024

Summary-Consolidated Financial Statements

(For the fiscal year ended March 31, 2024)

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

Stock exchange: **Tokyo**

Code number: **1963**

Representative

Tel: **045-682-1111**

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

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

Name: **Masayuki Sato**

Contact

Title: **Executive Officer**

Name: **Shinichi Taguchi**

Scheduled Date of Ordinary Annual General Meeting of Shareholders: **June 27, 2024**

Scheduled Date of Payment of Dividends: **June 28, 2024**

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

1. Consolidated financial results for fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)

(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)	(%)
Fiscal year ended March 31, 2024	832,595	37.2	(18,995)	—	358	(99.3)	(7,830)	—
Fiscal year ended March 31, 2023	606,890	41.7	36,699	77.4	50,560	68.4	30,665	—

Note: Comprehensive income (millions of yen) FY2023: (1,236) (—%) FY2022: 33,425 (—%)

	Earnings per share	Earnings per share(diluted)	Return on equity	Ordinary profit/ Total assets	Operating profit/ Net sales
	(Yen)	(Yen)	(%)	(%)	(%)
Fiscal year ended March 31, 2024	(32.48)	—	(2.0)	0.0	(2.3)
Fiscal year ended March 31, 2023	122.28	122.27	7.8	7.2	6.0

Reference: Share of profit of entities accounted for using equity method (millions of yen) FY2023: (1,366) FY2022: 2,714

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Total net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
As of March 31, 2024	792,296	387,885	48.7	1,598.71
As of March 31, 2023	713,127	397,981	55.7	1,651.54

Reference: Equity (millions of yen) As of March 31, 2024: 386,155 As of March 31, 2023: 397,343

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal year ended March 31, 2024	11,090	(20,201)	(8,894)	324,507
Fiscal year ended March 31, 2023	110,769	(11,471)	(61,288)	332,755

2. Dividends

	Annual dividends per share (Yen)					Total dividends (annual)	Payout ratio (consolidated)	Dividends/ Equity (consolidated)
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual	(Millions of yen)	(%)	(%)
Fiscal year ended March 31, 2023	—	—	—	38.00	38.00	9,142	31.1	2.4
Fiscal year ended March 31, 2024	—	—	—	40.00	40.00	9,661	—	2.5
Fiscal year ending March 31, 2025 (Forecast)	—	—	—	40.00	40.00		41.9	

3. Earnings forecasts for fiscal year ending March 31, 2025

(April 1, 2024 - March 31, 2025)

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	830,000	(0.3)	26,000	—	34,000	9,372.9	23,000	—

	Earnings per share
	(Yen)
Full Year	95.39

4. Others

(1) Changes in scope of consolidated important subsidiaries

(Newly added) None (Excluded) None

(2) 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

(3) Number of shares outstanding

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

As of March 31, 2024 : 259,481,819 As of March 31, 2023 : 259,409,926

(b) Number of treasury shares at term-end:

As of March 31, 2024 : 17,940,497 As of March 31, 2023 : 18,820,609

(c) Average number of shares outstanding during the period:

Fiscal year ended March 31, 2024 : 241,107,448 Fiscal year ended March 31, 2023 : 250,774,450

(Reference) Summary- Non-Consolidated financial statement

Non-Consolidated financial results for fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)

Note: Percentage indicates changes from the previous term.

(1) Non-Consolidated financial results

	Net sales		Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal year ended March 31, 2024	5,130	15.3	21,121	18.1	2,828	(16.8)	6,126	4.0	17,145	626.9
Fiscal year ended March 31, 2023	4,448	—	17,881	(24.6)	3,399	(67.3)	5,892	(50.7)	2,358	—

	Earnings per share	Earnings per share(diluted)
	(Yen)	(Yen)
Fiscal year ended March 31, 2024	71.11	71.10
Fiscal year ended March 31, 2023	9.41	9.41

(2) Non-Consolidated financial position

	Total assets	Total net assets	Equity ratio	Total net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
As of March 31, 2024	412,562	249,398	60.5	1,032.53
As of March 31, 2023	395,192	240,043	60.7	997.73

Reference: Equity (millions of yen)

As of March 31, 2024 : 249,398

As of March 31, 2023 : 240,043

(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 : 145.00 yen/US\$ 1.00

Consolidated Balance Sheet

	As of March 31, 2023	As of March 31, 2024
	(Millions of yen)	(Millions of yen)
ASSETS		
Current assets		
Cash and deposits	332,951	324,964
Notes receivable, trade receivables, contract assets and other	141,846	200,819
Costs on construction contracts in progress	16,981	25,304
Merchandise and finished goods	7,760	7,474
Work in process	3,236	3,731
Raw materials and supplies	4,520	4,411
Accounts receivable - other	25,710	28,167
Other	6,802	9,242
Allowance for doubtful accounts	(315)	(553)
Total current assets	539,493	603,563
Non-current assets		
Property, plant and equipment		
Buildings and structures	75,001	79,968
Machinery, vehicles, tools, furniture and fixtures	72,569	79,639
Land	18,639	24,862
Leased assets	2,690	3,055
Construction in progress	2,928	3,392
Accumulated depreciation	(99,595)	(106,505)
Total property, plant and equipment	72,234	84,411
Intangible assets		
Software	10,650	13,060
Other	374	268
Total intangible assets	11,025	13,328
Investments and other assets		
Investment securities	59,224	56,073
Long-term loans receivable	11,074	11,869
Retirement benefit asset	1,277	1,600
Deferred tax assets	15,483	22,834
Other	25,333	22,985
Allowance for doubtful accounts	(22,018)	(24,369)
Total investments and other assets	90,373	90,993
Total non-current assets	173,633	188,733
Total assets	713,127	792,296

	As of March 31, 2023	As of March 31, 2024
	(Millions of yen)	(Millions of yen)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	90,005	147,309
Short-term borrowings	2,336	3,817
Current portion of bonds payable	10,000	—
Current portion of long-term borrowings	544	741
Income taxes payable	4,794	5,480
Contract liabilities	113,989	95,855
Provision for bonuses	12,509	8,281
Provision for bonuses for directors (and other officers)	299	209
Provision for loss on construction contracts	838	48,072
Provision for warranties for completed construction	958	1,249
Other	35,929	39,719
Total current liabilities	272,206	350,736
Non-current liabilities		
Bonds payable	10,000	20,000
Long-term borrowings	13,891	14,717
Retirement benefit liability	12,803	11,486
Provision for retirement benefits for directors (and other officers)	233	1,059
Deferred tax liabilities	1,438	2,231
Deferred tax liabilities for land revaluation	1,014	1,014
Other	3,557	3,163
Total non-current liabilities	42,939	53,674
Total liabilities	315,145	404,410
NET ASSETS		
Shareholders' equity		
Share capital	23,733	23,798
Capital surplus	25,831	25,378
Retained earnings	369,066	350,511
Treasury shares	(26,741)	(25,485)
Total shareholders' equity	391,889	374,202
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,219	7,410
Deferred gains or losses on hedges	2,359	3,072
Revaluation reserve for land	(10,891)	(10,891)
Foreign currency translation adjustment	6,089	11,082
Remeasurements of defined benefit plans	677	1,278
Total accumulated other comprehensive income	5,454	11,952
Non-controlling interests	637	1,730
Total net assets	397,981	387,885
Total liabilities and net assets	713,127	792,296

Consolidated Statement of Operations

	Fiscal year ended March 31, 2023 (Apr. 1, 2022 - Mar. 31, 2023)	Fiscal year ended March 31, 2024 (Apr. 1, 2023 - Mar. 31, 2024)
	(Millions of yen)	(Millions of yen)
Net sales	606,890	832,595
Cost of sales	540,164	821,931
Gross profit	66,725	10,663
Selling, general and administrative expenses	30,026	29,659
Operating profit (loss)	36,699	(18,995)
Non-operating income		
Interest income	7,364	15,749
Dividend income	2,119	1,021
Share of profit of entities accounted for using equity method	2,714	—
Foreign exchange gains	2,833	3,790
Other	226	2,343
Total non-operating income	15,259	22,905
Non-operating expenses		
Interest expenses	1,162	1,364
Share of loss of entities accounted for using equity method	—	1,366
Other	235	631
Total non-operating expenses	1,397	3,551
Ordinary profit	50,560	358
Extraordinary income		
Gain on change in equity	1,318	—
Gain on sale of investment securities	399	2,384
Gain on liquidation of subsidiaries and associates	—	828
Gain on sale of receivables	2,079	—
Other	5	—
Total extraordinary income	3,802	3,212
Extraordinary losses		
Impairment losses	2,525	—
Loss on retirement of non-current assets	174	100
Loss on valuation of investments in capital	—	600
Other	2,853	61
Total extraordinary losses	5,552	762
Profit before income taxes	48,811	2,809
Income taxes - current	19,302	18,401
Income taxes - deferred	(538)	(7,738)
Total income taxes	18,763	10,662
Profit (loss)	30,047	(7,852)
Loss attributable to non-controlling interests	(618)	(22)
Profit (loss) attributable to owners of parent	30,665	(7,830)

Consolidated Statement of Comprehensive Income

	Fiscal year ended March 31, 2023 (Apr. 1, 2022 - Mar. 31, 2023)	Fiscal year ended March 31, 2024 (Apr. 1, 2023 - Mar. 31, 2024)
	(Millions of yen)	(Millions of yen)
Profit (loss)	30,047	(7,852)
Other comprehensive income		
Valuation difference on available-for-sale securities	(177)	1,256
Deferred gains or losses on hedges	(2,979)	902
Foreign currency translation adjustment	1,387	4,218
Remeasurements of defined benefit plans	1,215	556
Share of other comprehensive income of entities accounted for using equity method	3,933	(318)
Total other comprehensive income	3,378	6,615
Comprehensive income	33,425	(1,236)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	33,875	(1,331)
Comprehensive income attributable to non-controlling interests	(449)	95

Consolidated Statement of Cash Flows

	Fiscal year ended March 31, 2023 (Apr. 1, 2022 - Mar. 31, 2023)	Fiscal year ended March 31, 2024 (Apr. 1, 2023 - Mar. 31, 2024)
	(Millions of yen)	(Millions of yen)
Cash flows from operating activities		
Profit before income taxes	48,811	2,809
Depreciation	7,839	9,702
Impairment losses	2,525	—
Increase (decrease) in allowance for doubtful accounts	4,489	2,038
Interest and dividend income	(9,484)	(16,771)
Interest expenses	1,162	1,364
Foreign exchange losses (gains)	(11,761)	(7,319)
Share of loss (profit) of entities accounted for using equity method	(2,714)	1,366
Decrease (increase) in notes receivable, trade receivables, contract assets and other	898	(56,474)
Decrease (increase) in inventories	5,310	(7,315)
Increase (decrease) in notes and accounts payable - trade	26,594	54,175
Loss (gain) on sale of investment securities	(398)	(2,384)
Increase (decrease) in retirement benefit liability	(3,324)	(1,601)
Increase (decrease) in provision for loss on construction contracts	429	47,214
Loss on valuation of investments in capital	—	600
Loss on liquidation of subsidiaries and associates	—	(828)
Loss (gain) on change in equity	(1,318)	—
Increase (decrease) in contract liabilities	3,753	(19,176)
Decrease (increase) in accounts receivable - other	36,579	(2,270)
Increase (decrease) in accounts payable - other	7,177	2,594
Gain on sale of receivables	(2,079)	—
Other, net	9,540	(3,690)
Subtotal	124,029	4,033
Interest and dividends received	9,985	19,889
Interest paid	(932)	(1,249)
Proceeds from sale of receivables	2,079	—
Income taxes paid	(24,392)	(11,583)
Cash flows from operating activities	110,769	11,090
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,565)	(13,520)
Purchase of investment securities	(2,629)	(7,899)
Proceeds from sale of investment securities	939	4,095
Purchase of intangible assets	(5,573)	(5,467)
Proceeds from capital reduction of investments	733	1,308
Proceeds from liquidation of subsidiaries and associates	—	871
Other, net	1,623	409
Cash flows from investing activities	(11,471)	(20,201)

	Fiscal year ended March 31, 2023 (Apr. 1, 2022 - Mar. 31, 2023)	Fiscal year ended March 31, 2024 (Apr. 1, 2023 - Mar. 31, 2024)
	(Millions of yen)	(Millions of yen)
Cash flows from financing activities		
Proceeds from long-term borrowings	2,324	—
Repayments of long-term borrowings	(9,197)	(664)
Proceeds from issuance of bonds	—	10,000
Redemption of bonds	(30,000)	(10,000)
Purchase of treasury shares	(20,000)	(0)
Dividends paid	(3,789)	(9,136)
Dividends paid to non-controlling interests	(44)	(51)
Net increase (decrease) in short-term borrowings	56	1,826
Other, net	(637)	(867)
Cash flows from financing activities	(61,288)	(8,894)
Effect of exchange rate change on cash and cash equivalents	6,592	8,938
Net increase (decrease) in cash and cash equivalents	44,602	(9,067)
Cash and cash equivalents at beginning of period	288,009	332,755
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	144	818
Cash and cash equivalents at end of period	332,755	324,507

Segment Information

【 Information by reportable segment】

Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(Millions of yen)

	Reportable segment			Others	Total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Subtotal				
Net sales							
Sales to external customers	551,607	47,773	599,380	7,509	606,890	—	606,890
Inter-segment sales or transfers	26	18	44	2,871	2,916	(2,916)	—
Total	551,633	47,791	599,425	10,381	609,806	(2,916)	606,890
Segment profit	33,429	7,169	40,598	1,786	42,385	(5,686)	36,699
Segment assets	455,888	68,694	524,582	32,978	557,561	155,566	713,127
Others:							
Impairment losses	—	—	—	2,525	2,525	—	2,525
Depreciation	1,481	3,104	4,586	769	5,355	2,484	7,839
Increase in property, plant and equipment and intangible assets	6,454	5,134	11,589	124	11,714	2,770	14,484

Notes:

1. "Other" includes business activities of consulting, management of real estate, water desalination, and production and sale of oil and gas.

2. "Adjustment" is as follows:

(1) Adjustment for segment profit of ¥(5,686) million represents elimination of inter-segment transactions of ¥36 million and corporate expenses unallocated to any reportable segment of ¥(5,722) million. Adjustment for depreciation of ¥2,484 million represents corporate expenses unallocated to any reportable segment. Corporate expenses are mainly the general and administrative expenses not attributable to any reportable segment and the group administrative expenses of the Company.

(2) Adjustment for segment assets of ¥155,566 represents elimination of inter-segment transactions of ¥(42,449) million and corporate assets unallocated to any reportable segment of ¥198,015 million. Corporate assets are mainly cash and deposits, investment securities and non-current assets (buildings and land, etc.) of the Company.

(3) Adjustment for increase in property, plant and equipment and intangible assets of ¥2,770 million represents corporate assets unallocated to any reportable segment. Depreciation pertaining to the increase in property, plant and equipment and intangible assets is also included in the adjustment as a part of the corporate expenses unallocated to any reportable segment.

3. Segment profit is reconciled to operating profit on the consolidated statement of operations.

Fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)

(Millions of yen)

	Reportable segment			Others	Total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Subtotal				
Net sales							
Sales to external customers	773,106	52,012	825,119	7,475	832,595	—	832,595
Inter-segment sales or transfers	12	5	18	3,937	3,955	(3,955)	—
Total	773,119	52,018	825,137	11,413	836,550	(3,955)	832,595
Segment profit (loss)	(22,094)	7,251	(14,843)	2,010	(12,832)	(6,163)	(18,995)
Segment assets	516,835	73,225	590,061	32,604	622,666	169,630	792,296
Others:							
Depreciation	2,696	3,349	6,046	633	6,680	3,022	9,702
Increase in property, plant and equipment and intangible assets	2,647	7,597	10,244	50	10,295	10,105	20,400

Notes:

1. "Other" includes business activities of consulting, management of real estate, water desalination, and production and sale of oil and gas.

2. "Adjustment" is as follows:

(1) Adjustment for segment profit (loss) of ¥(6,163) million represents elimination of inter-segment transactions of ¥89 million and corporate expenses unallocated to any reportable segment of ¥(6,252) million. Adjustment for depreciation of ¥3,022 million represents corporate expenses unallocated to any reportable segment. Corporate expenses are mainly the general and administrative expenses not attributable to any reportable segment and the group administrative expenses of the Company.

(2) Adjustment for segment assets of ¥169,630 represents elimination of inter-segment transactions of ¥(62,314) million and corporate assets unallocated to any reportable segment of ¥231,944 million. Corporate assets are mainly cash and deposits, investment securities and non-current assets (buildings and land, etc.) of the Company.

(3) Adjustment for increase in property, plant and equipment and intangible assets of ¥10,105 million represents corporate assets unallocated to any reportable segment. Depreciation pertaining to the increase in property, plant and equipment and intangible assets is also included in the adjustment as a part of the corporate expenses unallocated to any reportable segment.

3. Segment profit (loss) is reconciled to operating loss on the consolidated statement of operations.

Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2023	March 31, 2024		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Total Engineering Business		1,563,459	293,887	773,106	1,243,957
Domestic	Energy Transition				
	Oil and gas	8,663	21,313	24,209	5,766
	LNG	0	12	12	—
	Chemical	24,136	19,510	30,126	13,496
	Clean energy	134,284	27,426	64,146	97,469
	Others	3,326	2,003	4,703	472
	Subtotal	170,410	70,265	123,199	117,204
	Healthcare & life sciences	67,622	77,357	59,348	85,414
	Industrial & urban infrastructure	138	9,039	1,776	7,401
	Others	154	612	690	24
	Domestic Subtotal	238,326	157,273	185,015	210,045
Overseas	Energy Transition				
	Oil and gas	739,098	45,929	298,133	570,862
	LNG	376,018	47,085	203,615	270,722
	Chemical	183,936	24,097	61,513	170,243
	Clean energy	2,068	11,113	3,675	9,517
	Others	6,469	727	4,754	2,897
	Subtotal	1,307,590	128,953	571,692	1,024,243
	Healthcare & life sciences	17,224	2,867	13,392	7,570
	Industrial & urban infrastructure	318	4,056	2,513	1,855
	Others	—	737	492	242
	Overseas Subtotal	1,325,132	136,614	588,091	1,033,912
Functional Materials Manufacturing Business		7,036	53,589	52,012	8,660
Other Business		597	7,674	7,475	835
Grand Total		1,571,093	355,151	832,595	1,253,452

Notes:

1. The figure for outstanding contracts for "Total Engineering Business" at the end of the current consolidated fiscal year includes an upward adjustment of ¥ 159,716 million due to foreign currency translation, amendments and changes in contract amounts and others.
2. The figure for outstanding contracts for "Functional Materials Business" at the end of the current consolidated fiscal year includes an upward adjustment of ¥ 46 million due to foreign currency translation, amendments and changes in contract amounts and others in the current consolidated fiscal year.
3. The figure for outstanding contracts for "Other Business" at the end of the current consolidated fiscal year includes an upward adjustment of ¥ 38 million due to foreign currency translation, amendments and changes in contract amounts and others in the current consolidated fiscal year.