

Results of Value Creation

The JGC Group's value-creation mechanism creates economic, social, and environmental value while supporting our sustainable growth, with outcomes gauged and evaluated through financial and non-financial metrics. Here, we present business results for fiscal 2022 and chronicle this value creation.

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Results of Value Creation

Financial Highlights

JGC Holdings Corporation and its consolidated subsidiaries*1

(Millions of yen)

Years ended March 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Performance Highlights										
Net Sales	675,821	799,076	879,954	693,152	722,987	619,241	480,809	433,970	428,401	606,890
Operating Profit (Loss)	68,253	29,740	49,661	(21,496)	21,495	23,249	20,234	22,880	20,688	36,699
Profit (Loss) Attributable to Owners of the Parent*2	47,178	20,628	42,793	(22,057)	16,589	24,005	4,117	5,141	(35,551)	30,665
New Contracts*3	818,161	769,680	320,626	506,293	547,826	935,451	189,643	683,068	315,956	878,789
Outstanding Contracts	1,767,814	1,772,036	1,192,625	1,045,684	846,157	1,208,365	941,618	1,241,204	1,215,911	1,571,093
Financial Position at Year-End										
Total Current Assets	575,886	533,538	522,747	480,865	521,320	541,747	537,955	548,359	533,343	539,493
Total Current Liabilities	333,353	286,533	225,203	226,457	215,773	223,559	228,386	197,055	253,836	272,206
Working Capital	242,533	247,005	297,544	254,408	317,200	318,188	309,569	351,304	279,507	267,287
Net Property, Plant and Equipment	70,290	78,560	76,255	69,877	55,222	55,440	49,794	66,654	69,534	72,234
Total Assets	746,102	719,754	689,782	646,291	684,921	708,855	671,273	702,529	694,274	713,127
Long-Term Loans Payable	13,001	22,715	20,991	12,631	4,294	3,949	347	16,783	11,496	13,891
Net Assets	379,882	388,496	419,673	383,260	395,779	410,350	390,979	417,616	387,662	397,981
Shareholders' Equity	374,654	387,480	418,695	382,215	394,701	409,254	390,516	417,120	387,145	397,343
Cash Flows										
Cash Flows from Operating Activities	120,576	(71,416)	(49,764)	(28,884)	5,539	(55,259)	92,442	12,467	19,311	110,769
Cash Flows from Investing Activities	(18,728)	(23,411)	8,696	(12,979)	11,736	(4,662)	19,364	(13,520)	(7,695)	(11,471)
Cash Flows from Financing Activities	(10,687)	3,836	(4,374)	(19,674)	33,781	(13,878)	(7,699)	196	(148)	(61,288)
Cash and Cash Equivalents at End of Year	385,252	297,707	247,947	185,603	235,394	160,841	261,898	268,281	288,009	332,755
Financial Highlights*4										
Return on Assets (ROA) (%)	12.2	6.1	7.4	(2.3)	3.8	4.6	3.2	3.7	4.3	7.2
Return on Equity (ROE) (%)	13.3	5.4	10.6	(5.5)	4.3	6.0	1.0	1.3	(8.8)	7.8
Net Income (Loss) per Share (yen)	186.90	81.73	169.60	(87.42)	65.75	95.14	16.32	20.37	(140.77)	122.28
Cash Dividends per Share (yen)	46.5	21.0	42.5	30.0	25.0	28.5	12.0	12.0	15.0	38.0
Gross Profit Ratio (%)	13.1	6.6	8.3	0.2	6.2	7.3	9.0	10.1	10.6	11.0
Operating Income Ratio (%)	10.1	3.7	5.6	(3.1)	3.0	3.7	4.2	5.3	4.8	6.0
Equity Ratio (%)	50.2	53.8	60.7	59.1	57.6	57.7	58.2	59.4	55.8	55.7
Current Ratio (%)	172.8	186.2	232.1	212.3	241.6	242.3	235.5	278.2	210.1	198.2
Payout Ratio (%)	24.9	25.7	25.1	—	38.0	30.0	73.5	58.9	—	31.1
Number of Employees	7,005	7,332	7,489	7,554	7,610	7,841	7,607	7,371	7,275	7,876

*1 As of March 31, 2023, there were 25 consolidated subsidiaries.

*2 As a consequence of applying "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013), "Net income (loss)" is referred to as

"Net income (loss) attributable to owners of the parent" from fiscal 2015 onward.

*3 The method of aggregating orders received has been changed to include orders in Functional Materials Manufacturing Business since fiscal 2022.

*4 The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) has been applied from the beginning of fiscal 2021.

Results of Value Creation

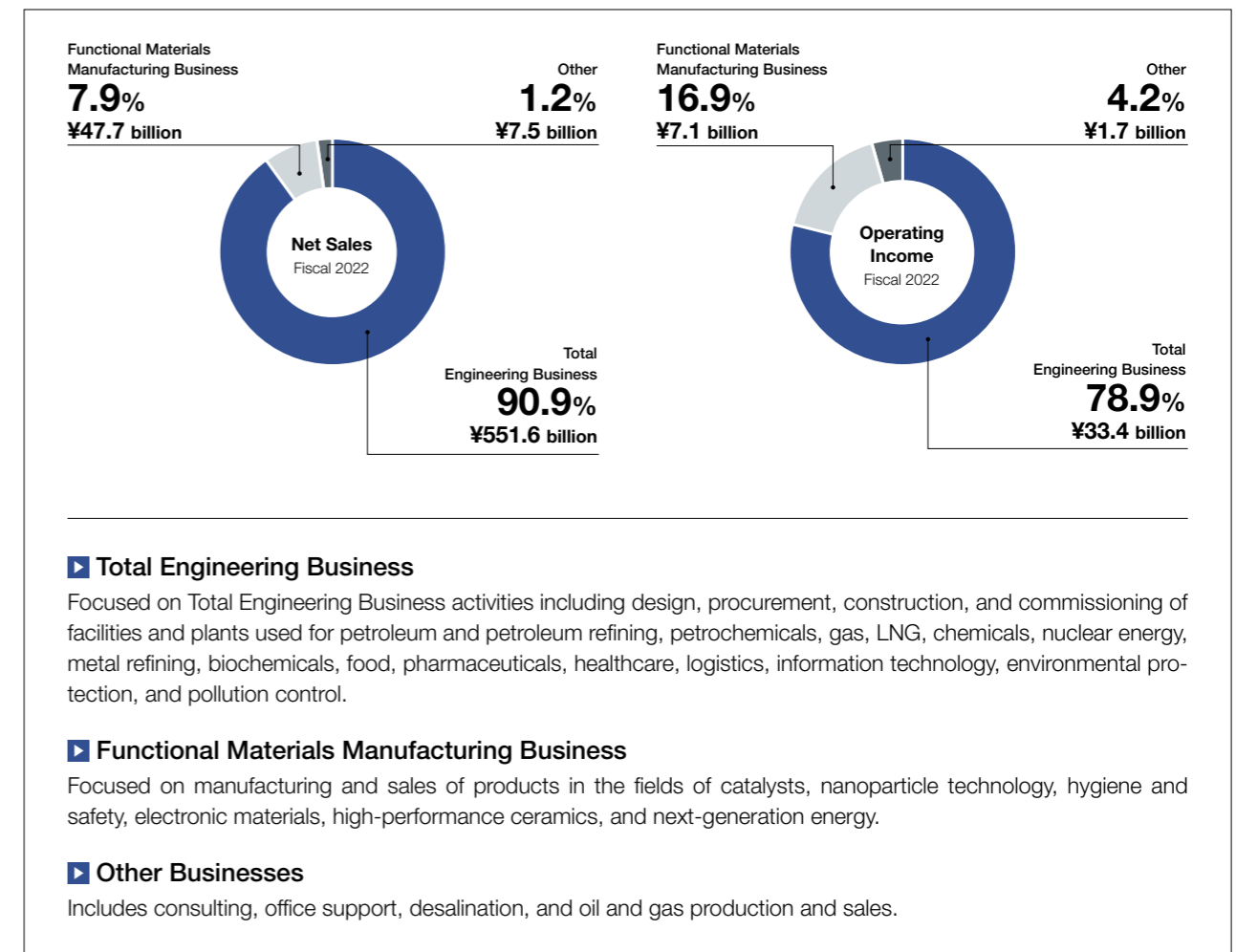
ESG Data Highlights

JGC's Main KPIs		Units	Fiscal 2018	Fiscal 2019	Fiscal 2020 ^{*1}	Fiscal 2021 ^{*1}	Fiscal 2022 ^{*1}
E Report on Environmental Initiatives							
Environment-related Initiatives	Scope 1 and 2 GHG emissions ^{*2}	t	—	—	132,546	133,573	134,004
• Contribution to environmental protection	Scope 3 GHG emissions ^{*2}	t	—	—	—	702,873	975,775
• Environmental improvement activities in line with our business	Industrial waste recycling rate (Domestic construction sites)	%	96.1	85.2	88.3	98.4	99.0
• Promotion of the zero emissions initiative	Number of incidents of leaks of hazardous substances, etc. (Domestic and overseas construction sites)	Incidents	0	0	0	0	0
	Energy-related CO ₂ emissions (Domestic construction sites)	kg CO ₂ /hour	2.39	0.61	0.40	1.91	1.35
	Rate of diffusion of electronic manifests	%	79.5	69.5	85.9	93.9	99.6
	Energy consumption (Yokohama Head Office) ^{*3}	Crude oil equivalent (kl)	2,224	2,139	2,091	2,022	2,035
	Yokohama Head Office power consumption	1,000 kWh	5,497	5,221	4,756	4,658	4,819
	Consumption of chilled water by Yokohama Head Office	1,000 MJ	15,353	15,503	14,349	13,327	14,970
	Consumption of steam by Yokohama Head Office	1,000 MJ	7,724	7,170	10,377	9,963	7,708
	Volume of waste disposed by Yokohama Head Office	1,000 kg	206	191	109	129	149
	Rate of recycling of waste by Yokohama Head Office	%	61.4	59.5	65.5	68.6	61.4
S Report on Social Initiatives							
Initiatives related to human rights and labor practices	Number of women in management positions	Persons	21	26	30	35	39
• Promotion of diversity	Ratio of women in managerial positions	%	—	2.2	2.5	2.8	3.1
• Support for realization of work-life balance	Rate of employment of people with disabilities ^{*4}	%	1.87	1.97	2.27	1.72	2.58
• Support for employee career formation	Number of re-employed employees ^{*5}	Persons	109	55	55	13	8
	Number of non-Japanese employees ^{*5}	Persons	89	86	95	93	90
	Rate of employees taking childcare leave (Male)	%	10	14	48	32	69
	Number of female employees taking childcare leave (Rate of reinstatement of female employees taking childcare leave)	Persons (%)	24 (100)	19 (100)	27 (100)	27 (100)	33 (100)
	Number of employees taking spousal childbirth leave	Persons	64	80	91	87	61
	Number of employees taking sick or injured childcare leave	Persons	185	187	217	167	189
	Number of employees taking nursing care leave	Persons	22	11	42	33	38
	Number of employees taking temporary retirement for nursing care	Persons	0	0	1	0	3
	Number of employees working reduced hours for childcare	Persons	51	47	47	44	68
	Number of employees working reduced hours for nursing care	Persons	0	0	0	0	0
	Rate of utilization of annual leave	%	53	59	60.75	60.95	70.25
	Number of employees dispatched for on-site training / on-site instruction	Persons	86	45	55	88	102
	Total annual training	Hours	—	—	—	57,877	50,871
	Training per person	Hours	—	—	—	18	17
	Number of employees dispatched to overseas companies, etc.	Persons	2	4	4	1	1
Initiatives related to health and safety ^{*6}	Total project working hours	1,000 hours	90,993	56,478	40,861	49,334	46,401
• Fostering of culture of health and safety	Number of fatal accidents	Incidents	0	0	1	0	0
• HSSE leadership by top management	Number of accidents accompanied by lost work time	Incidents	8	7	7	8	8
• Enhancement of HSSE management system for investment projects	Number of restrictions on work	Incidents	11	18	15	11	13
• Ongoing implementation of traffic safety measures	Number of conditions requiring specialized treatment	Incidents	31	46	46	31	32
• Further development of in-house health and safety education	Rate of frequency of accidents accompanied by lost work time ^{*7}		0.018	0.025	0.034	0.032	0.034
• Enhancement of Head Office construction HSSE functions	Rate of frequency of recordable accidents ^{*8}		0.11	0.25	0.34	0.20	0.23
G Report on Governance							
Initiatives related to fair business practices	Number of times compliance training implemented / Number of employees receiving compliance training ^{*9}	Times (People)	6 (199)	21 (559)	19 (1,856)	27 (846)	42 (5,053)
• Realization of increased compliance awareness	Number of reports received by hotlines	Incidents	28	47	44	49	48
Initiatives related to the promotion of information security	Number of serious information security-related incidents	Incidents	0	1 ^{*10}	0	0	0
• Information management awareness verification surveys and voluntary inspections							
• Drills against targeted threats							
Reinforcement of governance system	Number of outside directors	Persons	2	3	4	4	3

*1 Applies to JGC Holdings, JGC, and JGC Japan combined.
 *2 Based on CDP reporting. Also includes JGC C&C, Japan Fine Ceramics, and Japan NUS.
 *3 Energy consumption (Yokohama Head Office): Reduction target set so that an average annual reduction of 1% over the past five years can be achieved.
 *4 From fiscal 2022, scope includes special subsidiary JGC Parallel Technologies Corporation.
 *5 Number of re-employed employees and number of non-Japanese employees = (Number of employees in April + Number of employees in March) ÷ 2
 *6 This data is the total based on the period from January to December.
 *7 Rate of frequency of accidents accompanied by lost work time = (Number of accidents accompanied by lost work time) × 200,000 ÷ Total project working hours
 *8 Rate of frequency of recordable accidents = (Number of fatal accidents + Number of accidents accompanied by lost work time + Number of restrictions on work + Number of conditions requiring specialized treatment) × 200,000 ÷ Total project working hours
 *9 From fiscal 2022, includes e-Learning.
 *10 Number of serious information security-related incidents: 1 (Emails sent to external parties due to unauthorized access)
 Corrective measures for the above incident: introduction of measures to prevent unauthorized access through two-factor authentication

Results of Value Creation

Consolidated Segment Information



► Total Engineering Business

Focused on Total Engineering Business activities including design, procurement, construction, and commissioning of facilities and plants used for petroleum and petroleum refining, petrochemicals, gas, LNG, chemicals, nuclear energy, metal refining, biochemicals, food, pharmaceuticals, healthcare, logistics, information technology, environmental protection, and pollution control.

► Functional Materials Manufacturing Business

Focused on manufacturing and sales of products in the fields of catalysts, nanoparticle technology, hygiene and safety, electronic materials, high-performance ceramics, and next-generation energy.

► Other Businesses

Includes consulting, office support, desalination, and oil and gas production and sales.

Completed Construction by Region

Japan	Southeast Asia	Middle East	Africa	North America	Other	Total
173,106	53,791	148,463	32,009	184,986	14,532	606,890

Millions of yen

(Note) Based on client location and classified by country or region.



Total Engineering Business



Farhan Mujib
Representative Director,
President
JGC Corporation

Overseas Sector

New Contracts in Fiscal 2022 **Approx. ¥696 billion**
New Contracts Targeted for Fiscal 2023 **¥620 billion**

Energy Solutions

Business Areas Engineering, procurement and construction of plants in sectors such as liquefied natural gas (LNG), Carbon Capture and Storage (CCS), petroleum refining, petrochemicals, chemicals, gas processing, etc.



FLNG plant (Africa)

Operational Review

Economic activity resumed around the world during fiscal 2022 as the impact of COVID-19 gradually slowed down. There was also an increase demand for natural gas including LNG as a transition energy, given both concerns over energy security caused by conditions in Ukraine and moves toward low-carbon and decarbonization. With the number of projects increasing as clients resume their capital investments, we received orders for Zuluf AH Oil Increment Central Processing Facilities in Saudi Arabia, a near-shore FLNG plant in Malaysia, and a Vinyl Chloride Monomer (VCM), Polyvinyl Chloride (PVC) and OSBL expansion project in

Thailand.

During fiscal 2023, clients are slated to continue moving forward with their capital investment plants with a focus on natural gas and LNG, the importance of which has been reconfirmed as a transitional energy—a stable energy source in the shift to a low-carbon and decarbonization. We will continue to evaluate the risks and concentrate on selecting projects that are definitely forecast to deliver profits. At the same time, we will also be focusing on increasing future capacity, including the operation center that we established in India.

Sustainable Solutions

Business Areas Engineering, procurement and construction of plants in sectors such as hydrogen/fuel ammonia, SAF, and nuclear energy, etc.



Ammonia synthesis pilot project facility (Fukushima)

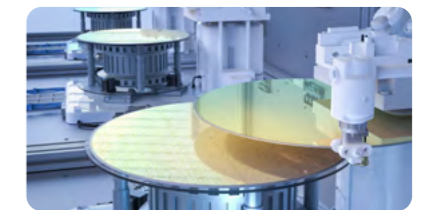
Operational Review

We established the "Sustainable Solutions" organization in September 2022 to serve the sustainability sector outside of Japan toward achieving a low-carbon and decarbonized society. The organization covers sustainability-oriented projects overseas in areas such as hydrogen/fuel ammonia, SAF, green chemicals, and SMRs while securing and executing projects for related facilities from FS to FEED, and EPC.

With the global trend toward low-carbon and decarbonization, capital investment plans are anticipated to move ahead during fiscal 2023, particularly in sectors, such as hydrogen/fuel ammonia and SAF. The Company will take part in FS and FEED, identify the most feasible projects that can create a sense of differentiation, and develop them into EPC orders, all while factoring in partnering and conditions like countries and regions with a proven track record.

Facility Solutions

Business Areas Engineering, procurement and construction of infrastructure facilities in the semiconductor and battery-related industries, data centers, LNG receiving terminals, transportation infrastructure, etc.



Semiconductor manufacturing facilities (image)

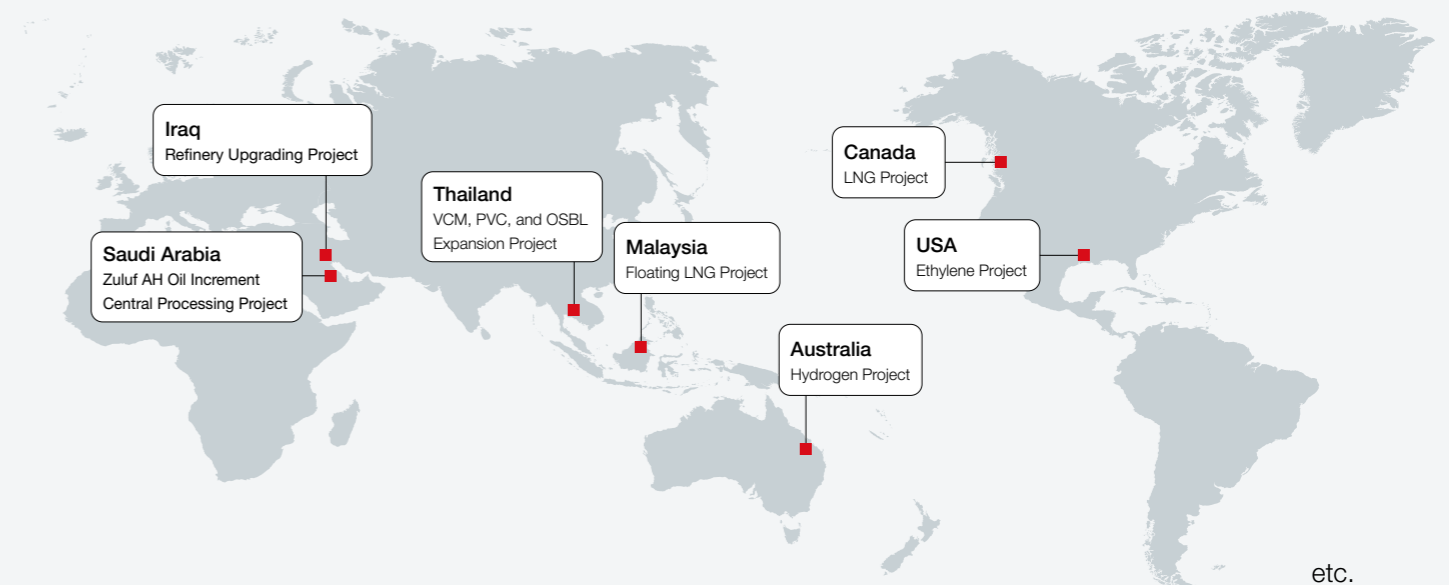
Operational Review

Orders received in fiscal 2021 progressed at a steady pace during fiscal 2022, as we also conducted sales activities in earnest with the goal of developing clients and coordinating and secure projects through a solutions-driven approach starting with conceptual design.

With the expansion of digital industries, we will be aiming to receive EPC projects in industrial infrastructure sectors such as the high-demand semiconductor and battery-related

industries, data centers. We will continue working with client's decision-making processes to develop clients through a solutions-driven approach starting with conceptual design and coordinate and receive projects. Plans for low-carbon and decarbonization-related projects are taking shape throughout Southeast Asia, so we will be coordinating efforts with companies including JGC Asia Pacific to develop them into EPC orders.

Current Major EPC Projects



etc.

Total Engineering Business

Domestic Sector

Shoji Yamada
Representative Director,
President
JGC Japan Corporation



New Contracts in Fiscal 2022 **Approx. ¥128 billion**
New Contracts Targeted for Fiscal 2023 **¥180 billion**

Business Areas Engineering, procurement, and construction of plants and facilities in sectors such as pharmaceuticals, healthcare, SAF, hydrogen/fuel ammonia, chemical recycling, petroleum refining, petrochemicals, chemical, nuclear energy, etc.



Pharmaceutical production plant (Shizuoka)

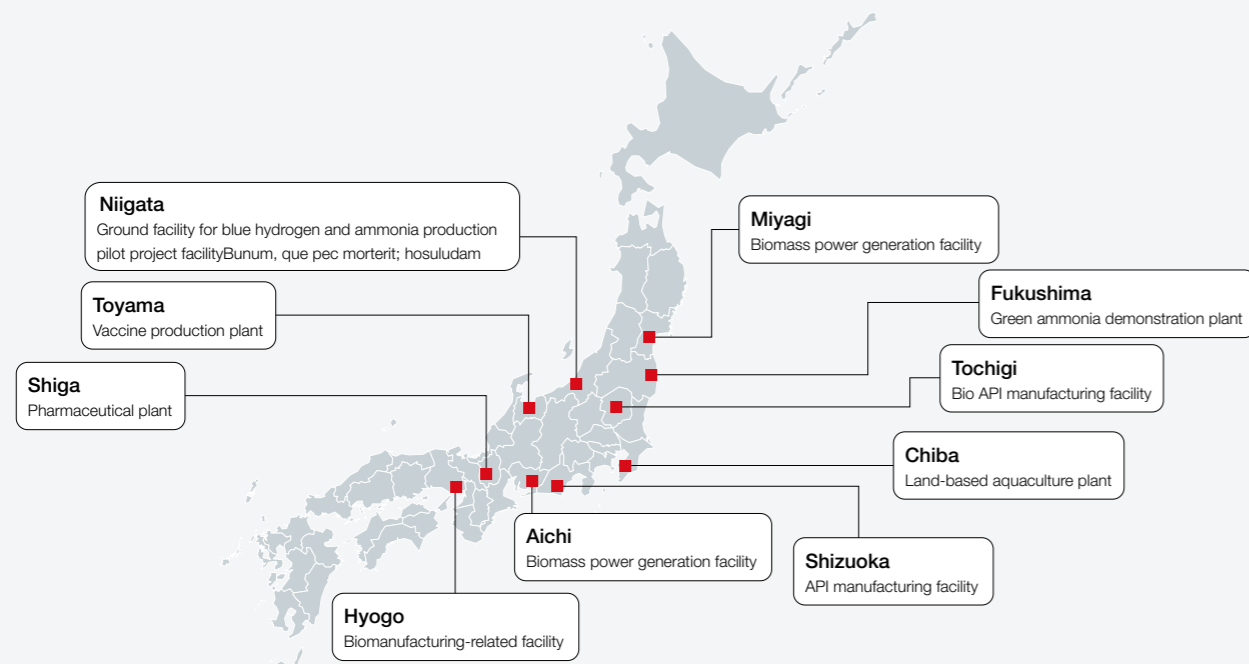
Operational Review

Fiscal 2022 saw activity in renovation and maintenance for existing oil refineries as well as ongoing capital investment in life sciences, healthcare and chemicals facilities. In this kind of environment, in addition to maintenance of existing refineries and chemical plants, the domestic business secured construction contracts for pharmaceutical manufacturing facilities and hospitals, a SAF production facility construction project in Osaka, construction work for a ground facility for blue hydrogen and ammonia production pilot project facility in Niigata Prefecture, and facilities associated with the resumption of nuclear power plants. We also made progress with low-carbon and decarbonization-related projects in

Japan, such as participating in the technology development and demonstration project for CO₂ separation and capture with unused LNG cold energy as put forward by companies, such as Toho Gas Co., Ltd.

There has been ongoing investments in facilities centered on maintenance of existing refineries, life sciences and healthcare and chemicals, as well as anticipated growth in clients capital investments in the low-carbon and decarbonization-related sector, such as hydrogen/fuel ammonia and SAF, CCS and battery facilities toward achieving Green Transformation (GX) set forth by the Japanese government, and the circular economy sector.

Current Major EPC Projects



Functional Materials Manufacturing Business

Catalysts and Fine Chemicals Sector

Toshiharu Hirai
Representative Director,
President
JGC Catalysis and Chemicals Ltd.



Business Areas Development and production of catalysts used in petroleum refining, chemical, and environmental conservation and of fine chemical products used as materials in semiconductor, IT / electronics, optics, cosmetics, and other applications



Oil refining catalysts

Operational Review

In catalysts in fiscal 2022, domestic and overseas demand for catalysts remained steady, primarily with FCC catalysts as fuel demand gradually returned. In the Fine Chemicals sector, despite a worsening business environment in the semiconductor and electronics market leading to a decrease in demand for silica sols used in hard disk and semiconductor polishing and for silica sols used as anti-reflective material in flat panel displays and tablets, demand for cosmetics materials remained steady.

Turning to the Functional Materials Manufacturing Business in fiscal 2023, in catalysts, we will again seek a larger domestic market share for FCC catalysts and continue developing overseas operations, maintain our partnerships

and improve profitability for hydrotreating catalysts, work to secure new chemical catalyst contracts, develop new chemical catalyst products for the growing carbon recycling and chemical recycling sectors, and develop materials for environmental conservation catalysts for renewable energy power generation. In fine chemicals, despite concerns over a worsening business environment in our core electronics and semiconductor markets, we are focusing on launching new silica sol polishing materials, expanding functional coating material sales and applications, developing cosmetic microbead alternatives, and expanding optical material sales and applications.

Hiroshi Tanaka
Representative Director,
President,
Japan Fine Ceramics Co., Ltd



Fine Ceramics Sector

Business Areas Development and production of ceramic materials for semiconductor, automotive, telecommunications, industrial, medical, and aerospace applications



Announcing the location of the new plant

Operational Review

The semiconductor-related market began to suffer in the second half of fiscal 2022 due to slowing demand for products used in semiconductor manufacturing, as device manufacturers adjusted production activities and curtailed new capital investments. Meanwhile, demand for high thermal conductivity silicon nitride substrates for electric vehicle and hybrid vehicle power semiconductors continued to remain strong, and so the decision was made in June and July 2022 to acquire land and for capital investment to increase production of high thermal conductivity silicon

nitride substrates and other materials. To expand business in the Fine Ceramics sector, operations commenced at JFC Materials Co. Ltd., on July 1, 2022 following acquisition of the ceramics business from Showa Denko Materials Co., Ltd.

Despite ongoing concerns over a worsening business environment in the semiconductor manufacturing equipment market in fiscal 2023, we will continue working to acquire new clients and enter new areas, and seek more orders for high thermal conductivity silicon nitride substrates.

Results of Value Creation

Analysis of Performance and Financial Position

Overview of the business environment

Despite a trend toward global economic recovery as the impact of COVID-19 eases, increasing prices over the longer term due to factors, such as the prices of resources caused by conditions in Ukraine, as well as countries' central banks continuing to tighten monetary control in order to curb these increases. This is leading to signs of recession throughout the global economy, and there is growing uncertainty about the future.

With these circumstances affecting the overseas markets served by the JGC Group's Total Engineering Business, the Energy Solutions sector (including oil refining, petrochemicals and chemicals, gas processing, liquefied natural gas (LNG)) saw recovery in demand for energy following the resumption of economic activities around the world. Moreover, from the standpoint of both energy security and the shift to a low-carbon society, the importance of relatively low-impact natural gas (including LNG) is growing, which has led to steady growth in numerous capital investment projects in oil- and gas-producing countries. In the Facility Infrastructure Solutions sector (including power generation, receiving terminals, pharmaceuticals, medical care, water treatment, and railways), there was progress in renewable power generation and investment related to industrial infrastructure mainly throughout Asia in light of the global trend toward low-carbon and decarbonization. In the Sustainable Solutions sector (including hydrogen/fuel ammonia, small modular reactors (SMRs), specialty chemicals, chemical recycling, and green chemicals), there was steady development mainly with low-carbon and decarbonization-related projects such as hydrogen/fuel ammonia, following similar global trends toward low-carbon and decarbonization.

The domestic market for this business saw activity in refinery renovation and maintenance, and there has been ongoing capital investment in infrastructure focused on life sciences, healthcare, and chemicals, as well as progress with low-carbon and decarbonization-related projects such as hydrogen/fuel ammonia and SAF (sustainable aviation fuel) toward achieving Green Transformation (GX) set forth by the Japanese government.

In the Functional Materials Manufacturing Business, the Catalysts and Fine Chemicals sector suffered from a worsening business environment for fine chemicals in the semiconductor and electronics market, due to excess supply and a slowdown in consumer spending following rising global inflation, despite solid demand for customer products centered mainly on catalysts in line with the resumption of economic activities worldwide with the easing of COVID-19. In the Fine Ceramics sector, there was a greater economic slowdown in the previously strong semiconductor-related market, but demand for power semiconductor-related products for electric vehicles and hybrid vehicles continued to remain positive.

The JGC Group continued to monitor the ever-changing business environment, gathering information and taking steps against risk as needed, as we sought to prevent the spread of COVID-19 infection and remain cognizant of the safety of employees and other stakeholders as we conducted business.

Results of operations

In the current consolidated fiscal year, the JGC Group reported net sales of ¥606,890 million (up 41.7% year on year), operating income of ¥36,699 million (up 77.4% year on year), ordinary profit of ¥50,560 million (up 68.4% year on year), and net profit attributable to owners of the parent of ¥30,665 million (net loss attributable to owners of the parent of ¥35,551 million last fiscal year).

Assets

Total current assets at the end of the current consolidated fiscal year were ¥539,493 million, an increase of ¥6,149 million compared to the end of the previous fiscal year. This was mainly due to a decrease of ¥38,712 million in accounts receivable, and an increase of ¥44,792 million in cash and deposits. Fixed assets totaled ¥173,633 million, an increase of ¥12,702 million from the end of the previous fiscal year. This was mainly due to an increase of ¥2,700 million in property, plant and equipment, an increase of ¥1,349 million in intangible assets, and an increase of ¥8,653 million in investments and other assets.

As a result, total assets amounted to ¥713,127 million, an increase of ¥18,852 million compared to the end of the previous fiscal year.

Liabilities

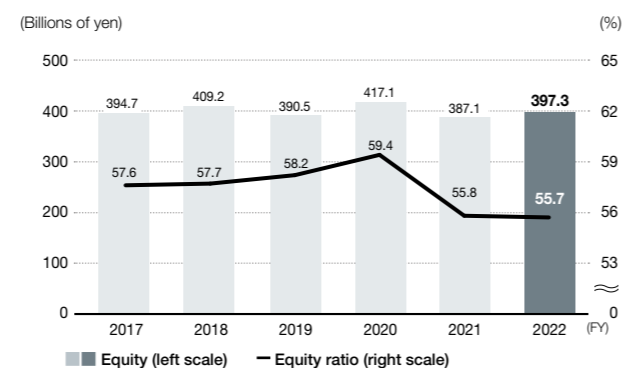
Total current liabilities at the end of the current consolidated fiscal year were ¥272,206 million, an increase of ¥18,369 million compared to the end of the previous fiscal year. This was mainly due to a decrease of ¥20,000 million in current portion of bonds payable, but an increase of ¥26,747 million in notes and accounts payable and an increase of ¥9,794 million in current liabilities and others. Total long-term liabilities amounted to ¥42,939 million, a decrease of ¥9,836 million compared to the end of the previous fiscal year. This was mainly due to a decrease of ¥10,000 million in bonds payable.

As a result, total liabilities amounted to ¥315,145 million, an increase of ¥8,533 million from the end of the previous fiscal year.

Net assets

Total net assets at the end of the current consolidated fiscal year were ¥397,981 million, an increase of ¥10,318 million compared to the end of the previous fiscal year. This was mainly due to the recording of ¥30,665 million in net profit attributable to owners of the parent, despite a decrease of ¥20,000 million due to the purchase of treasury shares.

Equity and equity ratio



As a result, the equity ratio was 55.7% compared with 55.8% at the end of the previous fiscal year.

Segment information

Total Engineering Business

In fiscal 2022, the JGC Group sought total orders of ¥840 billion in the Energy Solutions Business, Facility Infrastructure Solutions Business and Sustainable Solutions Business, made up of ¥670 billion in the overseas business and ¥170 billion in the domestic business. With the number of projects increasing as clients resume their capital investments, we worked toward securing the number of target orders, while concentrating on selecting projects that are definitely forecast to deliver profits, and as a result of these efforts, we achieved new consolidated contracts of ¥824 billion, close to the numerical target and our second-highest level ever recorded.

In the Energy Solutions Business in the current consolidated fiscal year, the orders we received included a construction project for a large gas and oil separation plant for Saudi Aramco, a construction project for a near-shore floating LNG (FLNG) plant for Petrolim Nasional Berhad (PETRONAS) in Malaysia, and a VCM (vinyl chloride monomer) and PVC (polyvinyl chloride) production capacity expansion project in Thailand. Other orders included Front End Engineering Design (FEED) for expansion project of the Cameron LNG plant in the U.S., an FLNG plant in Nigeria and LNG plant in Papua New Guinea. Furthermore, JGC Corporation took part in a joint carbon capture and storage (CSS) study in Malaysia run by Petronas PETRONAS and Japan Petroleum Exploration Co., Ltd., and also played an active role toward low-carbon and decarbonization of fossil fuels, such as taking part in a joint study run by PETRONAS and JX Nippon Oil & Gas Exploration Corporation for developing the specifics of a CSS supply chain covering CO₂ emitted by various industrial facilities within Malaysia as well as the separation and capture, transportation, compression and storage of CO₂ from Japan and other countries outside of Malaysia. Furthermore, being the first Japanese company taking part in the "Aiming for Zero Methane Emissions Initiative," run by an international organization leading the oil and natural gas industry's response to climate change with the aim of reducing methane emissions from the oil and natural gas sector.

Orders received in the previous consolidated fiscal year progressed at a steady pace in the Facility Infrastructure Solutions sector, as we also conducted sales activities in earnest with the goal of developing clients and coordinating and securing projects through a solutions-driven approach starting with conceptual design.

In the Sustainable Solutions Business that was established by JGC Corporation in September 2022 as an organization serving low-carbon and decarbonization projects overseas, we secured orders for pre-FEED services for the circular economy, and conducted sales activities in earnest toward

FEED and EPC (Engineering, Procurement, Construction) services for numerous hydrogen-related projects that were expected to move ahead.

Overseas subsidiaries secured orders, including a large-scale solar power generation installation project by the Vietnam subsidiary, gas processing plant construction project by the Indonesian subsidiary, numerous chemical plant construction projects by the Singaporean subsidiary, and large-scale ethylene production plant construction project by the U.S. subsidiary.

With the overseas plant market slated to expand over the medium to long term in line with increasing demand for energy, we established a new operation center in Chennai City in India, which began operating in November 2022 in order to expand the execution capacity of our Group's overseas plant construction projects. Efforts are already being made to quickly develop a framework comprising 250 engineers, with plans in place to expand up to 1,000 engineers in the future.

In addition to maintenance of existing refineries and chemical plants, the domestic business secured construction contracts for numerous pharmaceutical manufacturing facilities and several hospitals, a SAF production facility construction project in Osaka, and construction work for a ground facility for blue hydrogen and ammonia production pilot project facility in Niigata Prefecture. We also made significant progress in low-carbon and decarbonization-related projects in Japan, such as participating in the technology development and demonstration project*1 for CO₂ separation and capture with unused LNG cold energy as put forward by Toho Gas Co., Ltd, etc.

Our new company "Brownreverse Inc." released the 3D viewer "INTEGNANCE® VR" for advanced support of maintenance for existing facilities using digital twins, while JGC Corporation began offering the "CoreSafety®" risk management software to assist with optimizing smart maintenance. The JGC Group has also focused efforts on diversifying its business models, including beginning the "Development of Polymer Synthesis Technology by Microorganisms using CO₂ as Direct Raw Material*2" together with Kaneka Corporation, Bacchus Bio Innovation Co., Ltd. and Shimadzu Corporation, and as part of this initiative, developing and demonstrating the "Integrated Biofoundry®" with Bacchus Bio Innovation Co., Ltd. as a one-stop service for breeding microbes that produce a variety of useful substances from CO₂, scaling up this technology, and developing production processes.

In addition to the "Perovskite solar cell" next-generation solar cell developed through the corporate venture capital fund "JGC MIRAI Innovation Fund" established in the previous consolidated fiscal year, investments were also made into pharmaceutical and medical-related start-ups, AI-powered wearable devices, and various start-ups for the production of plant-derived plastic substitute materials.

As part initiatives toward the "establishment of future engines of growth" put forward as a key strategy of

Current consolidated accounting year

	Total Engineering Business (Millions of yen)	Year-on-year Change (%)	Functional Materials Manufacturing Business (Millions of yen)	Year-on-year Change (%)	Other Businesses (Millions of yen)	Year-on-year Change (%)
Net sales	551,607	45.9	47,773	8.0	7,509	21.4
Operating profit	33,429	95.5	7,169	(1.7)	1,786	72.2

Results of Value Creation

Analysis of Performance and Financial Position

our current medium-term business plan "Building a Sustainable Planetary Infrastructure 2025 (BSP 2025)," we forged an alliance with Toyo Engineering Corporation for contracting and executing FS (feasibility study), FEED and EPC projects for fuel ammonia production plants and ammonia receiving terminals. We also concluded a license agreement with U.S.-based KBR Inc. for an ammonia production process, with the JGC Group, Toyo Engineering Corporation and KBR Inc. coordinating sales activities toward securing potential contracts in North America, the Middle East, North Africa and other regions.

We also concluded a license agreement with Toyo Engineering Corporation in March this year for contracting and executing FEED and EPC projects for SAF production plants in Japan, and will coordinate joint sales activities and execution of projects for SAF production plant construction projects that are expected to increase in Japan going forward, with the view to securing more projects.

We also partnered with Cosmo Oil Co., Ltd. and Revo International Inc. to establish the merger company SAFFAIRE SKY ENERGY LLC for a domestic SAF production and supply project^{*3} based on used cooking oil, with the aim of commencing operation from between the second half of fiscal 2024 to the start of fiscal 2025. For the production and technological demonstration project^{*4} for green ammonia derived from renewable energy, we concluded a basic cooperation agreement with Namie Town in Fukushima Prefecture for the site of a demonstration plant anticipated to commence operation in fiscal 2024. Furthermore, we partnered with Iwatani Corporation and Toyota Tsusho Corporation to begin a study on developing a low-carbon hydrogen production model using a waste plastic gasification facility in the suburbs around the Port of Nagoya in Aichi Prefecture, and we also worked with Teijin Limited and ITOCHU Corporation to establish the joint venture company RePEaT Co., Ltd. to license technology for the chemical recycling of polyester products, as part of efforts to advance recycling business operations of polyester products by concluding the first license agreement with Chinese corporations.

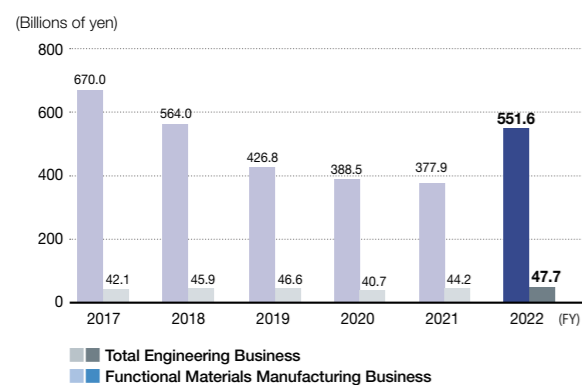
*1 Subcontracting initiatives for the NEDO Green Innovation Fund project: Technology development and demonstration project for CO₂ separation and capture

*2 Selected as NEDO Green Innovation Fund project: Promotion of Carbon Recycling Using CO₂ from Biomass Manufacturing Technology as a Direct Raw Material

*3 Selected as a NEDO Development of Production Technologies for Biojet Fuels project: Development of supply chain model through demonstration

*4 Selected as a NEDO Green Innovation Fund project: Hydrogen production through water electrolysis using power from renewables

Net sales by reportable segment



Functional Materials Manufacturing Business

In catalysts, domestic and overseas demand for catalysts remained steady, primarily with FCC catalysts as fuel demand gradually returned.

In the Fine Chemicals sector, despite a worsening business environment in the semiconductor and electronics market leading to a decrease in demand for silica sols used in hard disk and semiconductor polishing and for silica sols used as anti-reflective material in flat panel displays and tablets, demand for cosmetics materials remained steady.

In the Fine Ceramics sector, the previously strong semiconductor-related market began to suffer from slowing demand for products used in semiconductor manufacturing, as device manufacturers adjusted production activities and curtailed new capital investments. Meanwhile, demand for high thermal conductivity silicon nitride substrates for electric vehicles and hybrid vehicles continued to remain strong, and so the decision was made in June and July, 2022 for capital investment and acquisition of land to increase production of high thermal conductivity silicon nitride substrates and other materials. To expand business in the Fine Ceramics sector, operations commenced at JFC Materials Co., Ltd. on July 1, 2022 following acquisition of the ceramics business from Showa Denko Materials Co., Ltd. As a subsidiary of Japan Fine Ceramics Co., Ltd., our Group company in the Functional Materials Manufacturing Business, JFC Materials Co. Ltd. will help increase production capacity and business performance of the JFC Group.

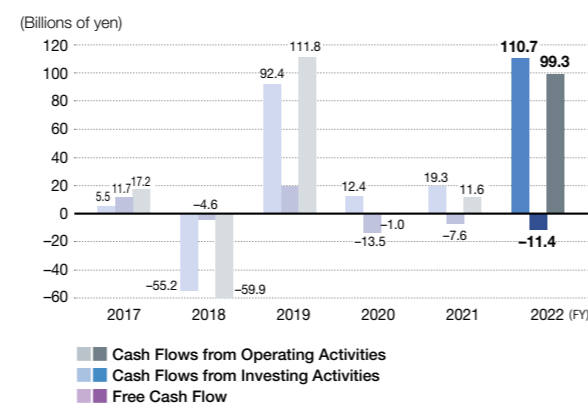
Cash Flows

Current cash and cash equivalents (hereafter, "net cash") on a consolidated basis as of the end of the consolidated fiscal year stood at ¥332,755 million, a year-on-year increase of ¥44,746 million. The cash flow conditions and causes in the current consolidated fiscal year are as follows.

With regard to cash flows from operating activities, in addition to income before taxes on income of ¥48,811 million, a decrease in accounts receivable was the major contributor to give a total of ¥110,769 million for the current fiscal year, an increase of ¥19,311 million compared to the previous fiscal year.

Cash flows from investing activities amounted to ¥11,471 million used in these activities, mainly due to payments for purchases of property, plant and equipment, compared to

Cash flows



¥7,695 million used in these activities in the previous fiscal year.

Cash flows used in financing activities amounted ¥61,288 million, mainly due to redemption of corporate bonds, compared to cash flows provided by financing activities of ¥148 million in the previous fiscal year.

Analysis of new contracts

In the current consolidated fiscal year, orders received totaled ¥878,789 million.

The method used to calculate new contracts was changed from the current consolidated fiscal year, and includes new contracts of the Functional Materials Manufacturing Business. The tables below provide a breakdown of new contracts by sector and region.

New Contracts by Business Sector

	2022	2023	2023 (Percentage of new contracts)
(Billions of yen)			
Total Engineering Business			
Energy Transition	220.3	780.5	-
Oil and gas	92.8	349.7	39.8%
LNG	48.0	147.1	16.7%
Chemical	48.3	212.1	24.1%
Clean energy	28.6	61.8	7.0%
Others	2.5	9.6	1.1%
Healthcare & Life sciences	83.2	38.3	4.4%
Industrial & Urban infrastructure	5.6	4.1	0.5%
Others	0.2	0.9	0.1%
Functional Materials Manufacturing Business	-	47.7	5.4%
Other Businesses	-	7.0	0.8%

New Contracts by Region

	2022	2023	2023 (Percentage of new contracts)
(Billions of yen)			
Japan	166.4	127.6	15.5%
Asia	67.8	251.0	30.5%
Middle East	62.7	310.1	37.6%
Africa	2.0	10.1	1.2%
North America & Other	10.3	125.0	15.2%

Future outlook

Total Engineering Business

In the Energy Solutions Business and Sustainable Solutions Business, there are concerns about ongoing future uncertainties in the business environment due to long-term inflation and tightening monetary control causing a slowdown in the global economy. Meanwhile, with energy shortages as much of the world decouples from Russia and makes efforts to diversify suppliers, clients seeking to secure stable energy supplies over the medium to long term are slated to continue moving forward with their capital investment plans with a focus on natural gas and LNG, the importance of which has been reconfirmed as a transitional energy—a stable energy source in the shift to a low-carbon or decarbonized society. Furthermore, with the global trend toward low-carbon and decarbonization, capital investment plans are anticipated in low-carbon and carbon-free sectors like hydrogen/fuel ammonia and SAF, as well as the circular economy sector.

In the Facility Infrastructure Solutions Business as well, we anticipate steady growth in customer capital investment plans toward industrial infrastructure and advanced industries, driven by population and economic growth in emerging economies and elsewhere, with the need for decarbonization as a background factor.

The domestic sector, there has been ongoing capital investment in industrial infrastructure focused on refinery maintenance, healthcare & life sciences, and chemicals, as well as anticipated growth in customer capital investments in the low-carbon and decarbonization-related sector such as hydrogen/fuel ammonia and SAF toward achieving Green Transformation (GX) set forth by the Japanese government, and the circular economy sector.

Functional Materials Manufacturing Business

Turning to the Functional Materials Manufacturing Business, in catalysts, we will seek a larger domestic market share for FCC catalysts and continue developing overseas operations, maintain our partnerships and improve profitability for hydrotreating catalysts, work to secure new chemical catalyst contracts, develop new chemical catalyst products for the growing carbon recycling and chemical recycling sectors, and develop materials for environmental conservation catalysts for renewable energy power generation. In fine chemicals, despite concerns over a worsening business environment in our core electronics and semiconductor markets, we will focus on launching new silica sol polishing materials, expanding functional coating material sales and applications, developing cosmetic microbead alternatives, and expanding optical material sales and applications.

In fine ceramics, despite ongoing concerns over a worsening business environment in the semiconductor manufacturing equipment market, we will continue working to acquire new clients and enter new areas, and seek increased orders for high thermal conductivity silicon nitride substrates.

Results of Value Creation

Consolidated Balance Sheets

Years ended March 31, 2023 and 2022

The translation of the Japanese yen amounts into U.S. dollars, using the prevailing exchange rate at March 31, 2023 of ¥133.53 to U.S.\$1, is included solely for the convenience of readers outside Japan.

ASSETS	Millions of yen		Millions of U.S. dollars
	2022	2023	2023
CURRENT ASSETS			
Cash and deposits	288,159	332,951	2,493
Notes receivable, trade receivables, contract assets and other	141,222	141,846	1,062
Costs on construction contracts in progress	23,804	16,981	127
Merchandise and finished goods	6,659	7,760	58
Work in process	2,970	3,236	24
Raw materials and supplies	3,596	4,520	34
Accounts receivable-others	64,423	25,710	193
Other	6,069	6,802	51
Allowance for doubtful accounts	(3,562)	(315)	(2)
TOTAL CURRENT ASSETS	533,343	539,493	4,040
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Buildings and structures	74,181	75,001	562
Machinery, vehicles, tools, furniture and fixtures	71,133	72,569	543
Land	18,617	18,639	140
Leased assets	1,079	2,690	20
Construction in progress	803	2,928	22
Other	4,795	—	—
Accumulated depreciation	(101,075)	(99,595)	(746)
TOTAL PROPERTY, PLANT AND EQUIPMENT	69,534	72,234	541
INTANGIBLE ASSETS			
Software	7,228	10,650	80
Other	2,447	374	3
TOTAL INTANGIBLE ASSETS	9,676	11,025	83
INVESTMENTS AND OTHER ASSETS			
Investment securities	55,837	59,224	444
Long-term loans receivable	8,640	11,074	83
Retirement benefit asset	1,506	1,277	10
Deferred tax assets	13,557	15,483	116
Other	16,002	25,333	190
Allowance for doubtful accounts	(13,824)	(22,018)	(165)
TOTAL INVESTMENTS AND OTHER ASSETS	81,720	90,373	677
TOTAL NON-CURRENT ASSETS	160,930	173,633	1,300
TOTAL ASSETS	694,274	713,127	5,341

LIABILITIES	Millions of yen		Millions of U.S. dollars
	2022	2023	2023
CURRENT LIABILITIES			
Notes payable, accounts payable for construction contracts and other	63,258	90,005	674
Short-term borrowings	2,167	2,336	17
Current portion of bonds payable	30,000	10,000	75
Current portion of long-term borrowings	8,660	544	4
Income taxes payable	5,244	4,794	36
Contract liabilities	109,756	113,989	854
Provision for bonuses	6,880	12,509	94
Provision for bonuses for directors (and other officers)	274	299	2
Provision for losses on construction contracts	384	838	6
Provision for warranties for completed construction	1,074	958	7
Other	26,135	35,929	269
TOTAL CURRENT LIABILITIES	253,836	272,206	2,039
NON-CURRENT LIABILITIES			
Bonds payable	20,000	10,000	75
Long-term borrowings	11,496	13,891	104
Retirement benefit liability	15,884	12,803	96
Provision for retirement benefits for directors (and other officers)	210	233	2
Deferred tax liabilities	1,089	1,438	11
Deferred tax liabilities for land revaluation	1,014	1,014	8
Other	3,080	3,557	27
TOTAL NON-CURRENT LIABILITIES	52,775	42,939	322
TOTAL LIABILITIES	306,612	315,145	2,360
NET ASSETS			
SHAREHOLDERS' EQUITY			
Share capital	23,672	23,733	178
Capital surplus	25,770	25,831	193
Retained earnings	342,198	369,066	2,764
Treasury stock	(6,740)	(26,741)	(200)
TOTAL SHAREHOLDERS' EQUITY	384,901	391,889	2,935
ACCUMULATED OTHER COMPREHENSIVE INCOME			
Valuation difference on available-for-sale securities	6,311	7,219	54
Deferred gains or losses on hedges	3,786	2,359	18
Revaluation reserve for land	(10,891)	(10,891)	(82)
Foreign currency translation adjustments	3,462	6,089	46
Remeasurements of defined benefit plans	(424)	677	5
TOTAL ACCUMULATED OTHER COMPREHENSIVE INCOME	2,244	5,454	41
NON-CONTROLLING INTERESTS	517	637	5
TOTAL NET ASSETS	387,662	397,981	2,980
TOTAL LIABILITIES AND NET ASSETS	694,274	713,127	5,341

Results of Value Creation

Consolidated Statements of Operations

Years ended March 31, 2023 and 2022

	Millions of yen		Millions of U.S. dollars
	2022	2023	2023
NET SALES	428,401	606,890	4,545
COST OF SALES	383,029	540,164	4,045
GROSS PROFIT	45,372	66,725	500
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	24,683	30,026	225
OPERATING PROFIT	20,688	36,699	275
NON-OPERATING INCOME			
Interest income	1,060	7,364	55
Dividend income	2,103	2,119	16
Share of profit of entities accounted for using equity method	3,014	2,714	20
Foreign exchange gains	2,528	2,833	21
Other	1,124	226	2
TOTAL NON-OPERATING INCOME	9,831	15,259	114
OTHER EXPENSES			
Interest expense	419	1,162	9
Other	72	235	2
TOTAL OTHER EXPENSES	491	1,397	10
ORDINARY PROFIT	30,028	50,560	379
EXTRAORDINARY INCOME			
Gain on change in equity	—	1,318	10
Gain on sales of investment securities	799	399	3
Gain on liquidation of subsidiaries and associates	179	—	—
Gain on sales of receivables	—	2,079	16
Other	8	5	0
Total extraordinary income	987	3,802	28
EXTRAORDINARY LOSSES			
Impairment losses	—	2,525	19
Loss on valuation of investment securities	397	992	7
Loss on valuation of investments in capital of subsidiaries and associates	—	1,727	13
Loss on Ichthys LNG Project	57,576	—	—
Other	301	307	2
Total extraordinary losses	58,275	5,552	42
Profit (loss) before income taxes	(27,260)	48,811	366
Income taxes - current	7,773	19,302	145
Income taxes - deferred	463	(538)	(4)
Total income taxes	8,236	18,763	141
PROFIT (LOSS)	(35,496)	30,047	225
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	54	(618)	(5)
PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF PARENT	(35,551)	30,665	230

Results of Value Creation

Consolidated Statements of Comprehensive Income

Years ended March 31, 2023 and 2022

	Millions of yen		Millions of U.S. dollars
	2022	2023	2023
PROFIT (LOSS)	(35,496)	30,047	225
OTHER COMPREHENSIVE INCOME			
Valuation difference on a available-for-sale securities	653	(177)	(1)
Deferred gains or losses on hedges	2,855	(2,979)	(22)
Foreign currency translation adjustments	3,220	1,387	10
Remeasurements of defined benefit plans	(4)	1,215	9
Share of other comprehensive income of entities accounted for using equity method	1,410	3,933	29
TOTAL OTHER COMPREHENSIVE INCOME	8,135	3,378	25
COMPREHENSIVE INCOME	(27,360)	33,425	250
COMPREHENSIVE INCOME ATTRIBUTABLE TO			
COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF PARENT	(27,415)	33,875	254
COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	54	(449)	(3)

Results of Value Creation

Consolidated Statements of Changes in Net Assets

Years ended March 31, 2023 and 2022

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Year ended March 31, 2022					
Balance at beginning of period	23,611	25,709	380,402	(6,739)	422,983
Cumulative effects of changes in accounting policies			312		312
Restated balance	23,611	25,709	380,714	(6,739)	423,295
Changes during period					
Issuance of new shares	61	61			122
Dividends of surplus			(3,029)		(3,029)
Loss attributable to owners of parent			(35,551)		(35,551)
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation			64		64
Net changes in items other than shareholders' equity					—
Total changes during period	61	61	(38,515)	(0)	(38,394)
Balance at end of period	23,672	25,770	342,198	(6,740)	384,901

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Year ended March 31, 2023					
Balance at beginning of period	23,672	25,770	342,198	(6,740)	384,901
Changes during period					
Issuance of new shares	60	60			120
Dividends of surplus			(3,788)		(3,788)
Profit attributable to owners of parent			30,665		30,665
Purchase of treasury shares				(20,000)	(20,000)
Change in scope of consolidation			(8)		(8)
Net changes in items other than shareholders' equity					—
Total changes during period	60	60	26,868	(20,000)	6,988
Balance at end of period	23,733	25,831	369,066	(26,741)	391,889

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Year ended March 31, 2023					
Balance at beginning of period	177	193	2,563	(50)	2,883
Changes during period					
Issuance of new shares	0	0			1
Dividends of surplus			(28)		(28)
Profit attributable to owners of parent			230		230
Purchase of treasury shares				(150)	(150)
Change in scope of consolidation			(0)		(0)
Net changes in items other than shareholders' equity					—
Total changes during period	0	0	201	(150)	52
Balance at end of period	178	193	2,764	(200)	2,935

Millions of yen

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
	5,571	248	(10,891)	(358)	(432)	(5,862)	495	417,616
								312
	5,571	248	(10,891)	(358)	(432)	(5,862)	495	417,928
								122
								(3,029)
								(35,551)
								(0)
				(28)		(28)		36
	740	3,537	—	3,849	8	8,135	21	8,157
	740	3,537	—	3,820	8	8,107	21	(30,265)
	6,311	3,786	(10,891)	3,462	(424)	2,244	517	387,662

Millions of yen

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
	6,311	3,786	(10,891)	3,462	(424)	2,244	517	387,662
								120
								(3,788)
								30,665
								(20,000)
								(8)
	907	(1,426)	—	2,627	1,101	3,210	120	3,330
	907	(1,426)	—	2,627	1,101	3,210	120	10,318
	7,219	2,359	(10,891)	6,089	677	5,454	637	397,981

Millions of U.S. dollars

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
	47	28	(82)	26	(3)	17	4	2,903
								1
								(28)
								230
								(150)
								(0)
	7	(11)	—	20	8	24	1	25
	7	(11)	—	20	8	24	1	77
	54	18	(82)	46	5	41	5	2,980

Results of Value Creation

Consolidated Statements of Cash Flows

Years ended March 31, 2023 and 2022

	Millions of yen		Millions of U.S. dollars
	2022	2023	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before income taxes	(27,260)	48,811	366
Depreciation	7,202	7,839	59
Impairment losses	—	2,525	19
Increase (decrease) in allowance for doubtful accounts	3,712	4,489	34
Interest and dividend income	(3,164)	(9,484)	(71)
Interest expense	419	1,162	9
Foreign exchange losses (gains)	(4,419)	(11,761)	(88)
Share of loss (profit) of entities accounted for using equity method	(3,014)	(2,714)	(20)
Decrease (increase) in notes receivable, trade receivables, contract assets and other	3,326	898	7
Decrease (increase) in inventories	(3,742)	5,310	40
Increase (decrease) in notes and accounts payable - trade	19,072	26,594	199
Loss (gain) on sale of investment securities	(799)	(398)	(3)
Increase (decrease) in retirement benefit liabilities	353	(3,324)	(25)
Increase (decrease) in provision for loss on construction contracts	(3,251)	429	3
Loss (gain) on valuation of investment securities	397	992	7
Loss on valuation of investments in capital of subsidiaries and associates	—	1,727	13
Loss (gain) on change in equity	—	(1,318)	(10)
Increase (decrease) in contract liabilities	8,739	3,753	28
Decrease (increase) in accounts receivable - other	33,328	36,579	274
Increase (decrease) in accounts payable - other	(13,437)	7,177	54
Gain on sale of receivables	—	(2,079)	(16)
Other, net	(895)	6,820	51
Subtotal	16,567	124,029	929
Interest and dividends received	5,341	9,985	75
Interest paid	(419)	(932)	(7)
Proceeds from sale of receivables	—	2,079	16
Income taxes paid	(2,177)	(24,392)	(183)
Cash flows from operating activities	19,311	110,769	830
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(5,467)	(6,565)	(49)
Proceeds from sale of property, plant and equipment	9	150	1
Purchase of investment securities	(2,435)	(2,629)	(20)
Proceeds from sale of investment securities	2,835	939	7
Purchase of intangible assets	(4,339)	(5,573)	(42)
Proceeds from sale of intangible assets	—	1,796	13
Proceeds from capital reduction of investments	1,064	733	5
Other, net	637	(322)	(2)
CASH FLOWS FROM INVESTING ACTIVITIES:	(7,695)	(11,471)	(86)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term borrowings	1,617	2,324	17
Repayments of long-term borrowings	(370)	(9,197)	(69)
Redemption of bonds	—	(30,000)	(225)
Dividends paid	(3,031)	(3,789)	(28)
Dividends paid to non-controlling interests	(33)	(44)	(0)
Net increase (decrease) in short-term borrowings	1,819	56	0
Purchase of treasury stock	(0)	(20,000)	(150)
Other, net	(148)	(637)	(5)
CASH FLOWS FROM FINANCING ACTIVITIES:	(148)	(61,288)	(459)
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS			
	7,968	6,592	49
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	19,436	44,602	334
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	268,281	288,009	2,157
INCREASE IN CASH AND CASH EQUIVALENTS FROM INCLUSION OF SUBSIDIARIES IN CONSOLIDATION	291	144	1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	288,009	332,755	2,492

Results of Value Creation

Group Companies

(As of March 31, 2023)

- Consolidated subsidiaries
- Affiliated companies accounted for by the equity method
- Affiliated companies not accounted for by the equity method

Total Engineering Business

Industry	Name	Country	Capital	Percentage of voting rights owned*
EPC	● JGC CORPORATION	Japan	¥1.0 billion	100%
	● JGC JAPAN CORPORATION	Japan	¥1.0 billion	100%
	● JGC ASIA PACIFIC PTE. LTD.	Singapore	S\$2,100,000	100%
	● JGC PHILIPPINES, INC.	The Philippines	PHP1,300,000,000	100%
	● PT. JGC INDONESIA	Indonesia	IDR1,357,050,000	49% (14%)
	● JGC Gulf International Co. Ltd.	Saudi Arabia	SAR262,500,000	100% (5%)
	● JGC OCEANIA PTY LTD	Australia	A\$913,800,000	100%
	● JGC America, Inc.	U.S.A.	US\$41,051,000	100%
	● JGC Gulf Engineering Co. Ltd.	Saudi Arabia	SAR500,000	75% (75%)
	● JGC Construction International Pte. Ltd.	Singapore	US\$1,043,000	100% (100%)
	● JGC ASIA PACIFIC (M) SDN. BHD.	Malaysia	MYR750,000	100% (100%)
	● JGC INDIA EPC PRIVATE LIMITED	India	INR280,000,000	100% (100%)
	● JGC Vietnam Co., Ltd.	Vietnam	VND519,831,000,000	100% (62%)
	● Japan NuScale Innovation, LLC	U.S.A.	US\$173,008,000	29% (29%)
Inspection / Maintenance	● JGC PLANTECH AOMORI Co., Ltd.	Japan	¥50 million	100% (100%)
Process Licensing	● Nikki-Universal Co., Ltd.	Japan	¥1.0 billion	50%

Functional Material Manufacturing Business

	Name	Country	Capital	Percentage of voting rights owned*
	● JGC Catalysts and Chemicals Ltd.	Japan	¥1.8 billion	100%
	● Japan Fine Ceramics Co., Ltd.	Japan	¥0.3 billion	100%
	● Nikki-Universal Co., Ltd.	Japan	¥1.0 billion	50%

Other Businesses

Industry	Name	Country	Capital	Percentage of voting rights owned*
Equipment Procurement	● JGC Trading & Services Co., Ltd.	Japan	¥40 million	24%
Consulting	● Japan NUS CO., LTD.	Japan	¥50 million	88%
Office Support Services	● NIKKI BUSINESS SERVICES CO., LTD.	Japan	¥1,455 million	100%
Water Treatment	● Swing Corporation	Japan	¥5.5 billion	33%
	● Swing AM Corporation	Japan	¥0.1 billion	[100%]
	● Swing Engineering Corporation	Japan	¥0.3 billion	[100%]
Oil and Gas Production Sales	● JGC (GULF COAST), LLC	U.S.A.	US\$51,050,000	100% (100%)
	● JGC Exploration Eagle Ford LLC	U.S.A.	US\$46,700,000	100% (100%)
	● JGC EXPLORATION CANADA LTD.	Canada	C\$160,885,000	100%
Water Desalination	● Al Asilah Desalination Company S. A. O. C.	Oman	OMR7,500,000	75%
	● A. R. C. H WLL	Bahrain	US\$758,000	30%
	● ASH SHARQIYAH OPERATION AND MAINTENANCE COMPANY LLC	Saudi Arabia	SAR1,000,000	29%
FPSO (Floating Production, Storage and Offloading system)	● Japan Sankofa Offshore Production Pte. Ltd.	Singapore	US\$29,824,000	26%

* Figures in parentheses () in percentage of voting rights owned ratio are indirect ownership ratios, and figures in parentheses [] are ownership ratios held by persons closely related to or in agreement with the company, and are outside figures.

Results of Value Creation

Stock Information

(As of March 31, 2023)

Authorized Shares

600,000,000

Issued and Outstanding Shares

259,409,926

Number of Shareholders

36,924

Administrator of the Shareholders' Register

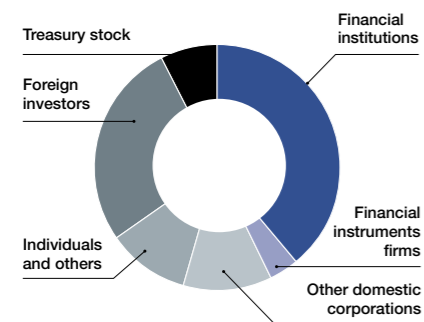
Mitsubishi UFJ Trust and Banking Corp. 1-4-5, Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan

Major Shareholders

	Number of shares (thousands)	Percentage of total (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	46,210	19.20
Custody Bank of Japan, Ltd. (Trust Account)	36,529	15.18
JGC Trading & Services Co., Ltd.	12,112	5.03
JGC-S SCHOLARSHIP FOUNDATION	8,433	3.50
SSBTC CLIENT OMNIBUS ACCOUNT	7,014	2.91
Sumitomo Mitsui Banking Corporation	5,500	2.28
BNYM AS AGT/CLTS NON TREATY JASDEC	3,724	1.54
Mizuho Bank, Ltd.	2,899	1.20
JP MORGAN CHASE BANK 385781	2,866	1.19
JPMorgan Securities Japan Co., Ltd.	2,675	1.11

(Notes) 1. Number of shares is rounded down to the nearest thousand. Percentage of total is rounded down to the second decimal place.
 2. The Company holds 18,820 thousand shares (7.26%, 3rd) of treasury stock, but this is excluded from the above table.
 3. Percentage of total is calculated excluding treasury stock.

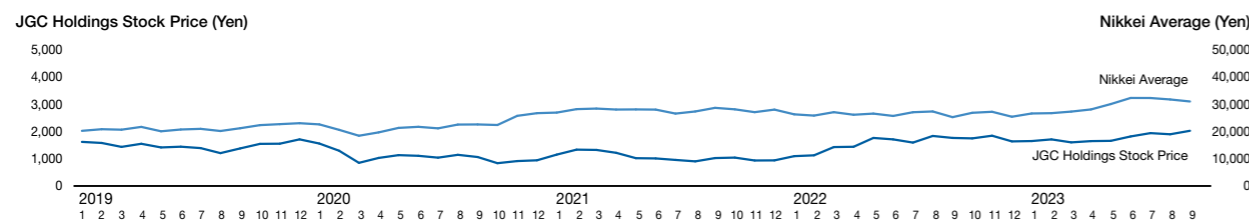
Distribution of Shareholders



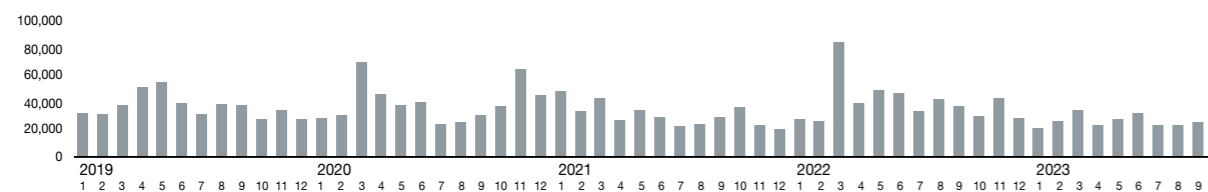
	(%)
Financial institutions	39.02
Financial instruments firms	3.85
Other domestic corporations	11.59
Individuals and others	10.93
Foreign investors	27.35
Treasury stock	7.26

Figures have been rounded down to the second decimal places.

Stock Price



Volume (Thousands of shares)



Results of Value Creation

Outline of JGC

(As of March 31, 2023)

Company Name

JGC HOLDINGS CORPORATION

Head Office

2-3-1, Minato Mirai, Nishi-ku, Yokohama-shi, Kanagawa 220-6001, Japan

Established

October 25, 1928

Capital stock

¥23,733,170,000

Employees

313 (Consolidated: 7,876)

Independent Auditor

KPMG AZSA LLC

Information Provided

