April 8, 2019

JGC Corporation

Notice of Revisions to the Consolidated Results Forecast and Dividend Forecast
Summary of Telephone Conference (held on April 8, 2019)

※This content is based on information available on the date of the conference call (April 8, 2019).

My name is Shinichi Taguchi, General Manager of Finance and Accounting Department.

We are currently preparing consolidated results for the fiscal year ended March 31, 2019, and we would like to inform you that we have revised the consolidated results forecast and dividend forecast for the year, which were both announced last year.

Firstly, I would like to explain about the revision to the consolidated results forecast for the fiscal year ended March 31, 2019.

The revision was applied only to the net profits attributable to owners of the parent, and we have revised the previous forecast (as of November 8, 2018) from 10.0 billion yen to 21.0 billion yen. The amount increased is 11.0 billion yen, and the percentage increase is 110%.

The reason for the increase is that there has been a considerable change in the expected taxable income amount subject to corporate income tax, due to the earlier completion of an overseas EPC project than we have planned, and foreign tax credits may become available for the consequent elimination of double taxation, which will bring about a reduction in the effective tax rate. This has brought about the revision in our forecast of the net profits attributable to owners of the parent.

To be more specific, Yamal LNG Project, which we originally expected to be completed in the fiscal year ending March 31, 2020, has been moved forward to the fiscal year ended March 31, 2019. Foreign income has increased, and as a result, foreign tax credits may become available, which will likely eliminate double taxation.

We are currently closing accounts for net sales, operating income and ordinary income for fiscal year ended March 31, 2019, and the forecast figures remain unchanged.

Next, I would like to explain about the revision to the dividend forecast.

In our company's dividend policy, the target payout ratio is 30% of the net profits attributable to owners of the parent, and the dividend forecast for the financial year ended March 31, 2019, which was announced on May 10, 2018, was ¥12 per share. Now, with the increase in the revised forecast of the net profits attributable to owners of the parent, the application of this policy resulted in a revised dividend forecast of ¥25 per share.

This concludes my explanation.