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To whom it may concern:

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Notice Regarding of Revision of Earnings Forecast

As a consequence of recent changes in its business outlook, JGC Holdings Corporation (the “Company”) hereby announces that it has decided to revise the full-year forecasts for the fiscal year 2023 ending March 2024 (April 1, 2023 to March 31, 2024), which was disclosed May 11, 2023.

I. Revisions of the Earnings Forecast

1. Revisions to the Earnings Forecast for fiscal year 2023 ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Net Sales	Operating Profit	Ordinary Income	Profit attributable to Owners of Parent	Earnings per Share (Yen)
Previous Forecast (A) (Announced on May 11, 2023)	800,000	38,000	45,000	32,000	133.01
Revised Forecast (B)	800,000	16,000	28,000	16,000	66.40
Difference (B – A)	–	△22,000	△17,000	△16,000	–
Percentage Increase (Decrease) (%)	–	△57.9	△37.8	△50.0	–
(Reference) Results for the fiscal year 2022, ended March 31, 2023	606,890	36,699	50,560	30,665	122.28

2. Major reasons for the Revisions

Company has revised the Earnings Forecast announced at the beginning of this fiscal year. In some EPC (Engineering, Procurement and Construction) projects being executed in Japan and overseas for Total Engineering Business, project profitability deteriorated, and gross profit declined, due to the charges from cost increase related to the risk of construction delays.

In addition, selling, general and administrative expenses increased due to progress in R&D activities and others. Therefore, operating income is expected to decrease and fall short of the full year earnings forecast announced previously.

Despite an increase in interest income due to interest rate hike, the decrease in operating profit could not be absorbed, resulting in a decrease in ordinary profit and profit attributable to owners of parent, which is expected to be lower than the full year earnings forecast announced at the beginning of the fiscal year.

The assumed exchange rate for the fourth quarter used in this forecast is 140 yen for 1 USD.

II. Dividends Forecast

As part of its dividends policy, Company has set a target payout ratio of 30% of profit attributable to owners of parent, and planned to pay an annual dividend of 40 yen per share for this fiscal year results. Although profit attributable to owners of parent is expected to decrease after the revision of the earnings forecast, the annual dividends forecast remains unchanged, taking into consideration the liquidity on hand and prospects.

(Note) The above forecasts were created based on information available to the Company as of the date that this revision to earnings forecast was made, and actual results, etc. may eventually differ from these forecasts due to a variety of factors.