

Translation

This presentation is English-language translation of the original Japanese-language document for your convenience.
In the case that there is any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct.



Outline of 1st Quarter Financial Results for Fiscal Year 2021

April 1, 2021 – June 30, 2021

August 10, 2021

JGC HOLDINGS CORPORATION

My name is Taguchi, and I am General Manager of the Group Finance and Accounting Department.

I will be giving you an outline of 1st quarter financial results for the Fiscal Year 2021.

- 1. Highlights of Fiscal Year 2021 1Q**
- 2. Income Statement**
- 3. Segment Information**
- 4. Balance Sheets**
- 5. Outline of Contracts**
- 6. Forecasts for Fiscal Year 2021**

1. Highlights of Fiscal Year 2021 1Q



- A net loss was recorded due to an extraordinary loss related to Ichthys LNG Project.
- The 1Q performance, excluding the loss related to Ichthys, is generally favorable. Profit margin was better than annual forecast due to strong results in the Functional Materials Manufacturing segment.
- A healthy financial position is maintained.

3

I will begin with a review of the highlights.

As we reported on July 30, we posted an extraordinary loss related to the Ichthys LNG project, but when excluding this, earnings got off to a smooth start overall.

In particular, the Functional Materials Manufacturing segment revenue and income increased year over year. These results were stronger than our initial forecasts and boosted the overall profit margin.

Although we posted a loss, there are no problems with our financial position, owing to the net cash position and solid financial base.

1. Highlights of Fiscal Year 2021 1Q



- Response to Ichthys impact
 - A provision for loss was recorded as a result of careful review of recoverability of costs along with the recent progress in negotiations.
 - A provision of 59.4 billion yen was recorded as an extraordinary loss.
 - Increased certainty for future management.
 - We will be better able to focus on the execution of our business plan, “BSP2025”.

4

We now move on to the brief explanation of the Ichthys LNG project.

Since there was progress in negotiations with the client in July, we reviewed the recoverability of costs that have not been collected, among other factors. As a result, we decided to post a provision for loss.

As a provision for loss, we posted a 59.4 billion yen extraordinary loss.

We believe that this loss amount appropriately factors in the risk of future losses, and posting this loss removes uncertainties on future management to the maximum extent possible.

2. Income Statement



[Unit: Billions of Yen]

	FY2020 1Q	FY2021 1Q	Difference	Forecast
Net sales	96.8	107.0	+10.1	470.0
Gross profit	9.1	9.4	+0.3	38.0
Profit ratio	9.4%	8.8%	△ 0.6pt	8.1%
Operating income	4.2	4.1	△ 0.0	16.0
Ordinary income	4.3	5.9	+1.6	19.0
Profit/loss attributable to owners of the parent	1.4	△ 55.1	△ 56.5	△ 46.0

5

I will move on now to the Statement of Income.

Net sales rose 10.1 billion yen over the same period of the previous fiscal year to 107.0 billion yen.

Gross profit increased 300 million yen to 9.4 billion yen, while operating income was flat at 4.1 billion yen.

Ordinary income rose 1.6 billion yen to 5.9 billion yen due to the impact of foreign exchange and an increase in share of profit of entities accounted for using equity method, among other factors.

Profit/loss attributable to owners of the parent was a loss of 55.1 billion yen due to the impact of the extraordinary loss.

When excluding the impact of the Ichthys LNG project, profit for the quarter was 4.2 billion yen.

3. Segment Information



[Unit: Billions of Yen]

		FY2020 1Q	FY2021 1Q	Difference	
Total Engineering	Net sales	86.1	95.5	+9.3	+11%
	Segment profit	2.8	2.2	△ 0.5	△ 20%
Functional Materials Manufacturing	Net sales	10.3	11.1	+0.8	+8%
	Segment profit	1.5	2.1	+0.6	+41%
Others (Including adjustments)	Net sales	0.3	0.3	+0.0	+10%
	Segment profit	△ 0.1	△ 0.2	△ 0.0	△ 49%
Total (Consolidated)	Net sales	96.8	107.0	+10.1	+11%
	Segment profit	4.2	4.1	△ 0.0	△ 1%

6

Next is segment information.

In the Total Engineering segment, net sales increased by 9.3 billion yen compared with the same period of the previous fiscal year, to 95.5 billion yen. Segment profit was down 500 million yen to 2.2 billion yen.

In the Functional Materials Manufacturing segment, manufacturing demand is bouncing back, primarily in the fine chemical area, and earnings are also recovering.

Net sales were up 800 million yen over the previous fiscal year to 11.1 billion yen, and segment profit rose 600 million yen to 2.1 billion yen. Others were almost flat.

4. Balance Sheets



[Unit: Billions of Yen]

	FY2020	FY2021 1Q	Difference
Current assets	548.3	542.4	△ 5.9
Non-current assets	154.1	155.3	+1.2
Total assets	702.5	697.8	△ 4.7
	FY2020	FY2021 1Q	Difference
Current liabilities	197.0	198.4	+1.4
Non-current liabilities	87.8	139.4	+51.6
Total net assets	417.6	359.8	△ 57.7
JV Cash JGC Portion	197.0	204.5	+7.5

7

Next are the consolidated balance sheets.

Total assets were unchanged compared with the end of the previous fiscal year at 697.8 billion yen.

The increase in non-current liabilities was due to the posting of provision related to the Ichthys LNG Project.

Due the posting of the extraordinary loss, net assets decreased 57.7 billion yen to 359.8 billion yen.

The shareholders' equity ratio dropped from 59.4% at the end of the previous fiscal year to 51.5%, but was above our target of 50%, indicating that we maintained our solid financial base.

5. Outline of Contracts



i) New Contracts

[Unit: Billions of Yen]

	FY2021 1Q	FY2021 Forecast
Overseas	4.9	340.0
Domestic	39.4	160.0
Total	44.3	500.0

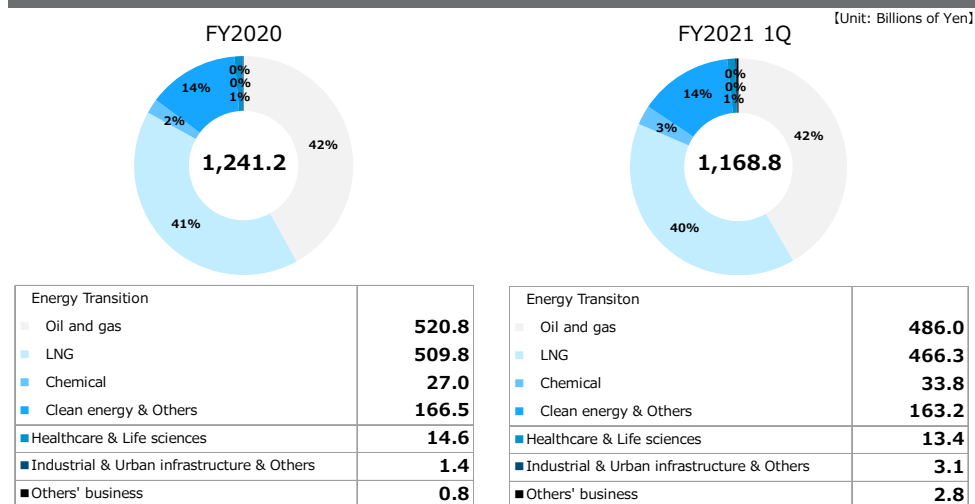
Next, I will discuss new contracts.

Orders received totaled 44.3 billion yen, compared with our full-year forecast of 500 billion yen.

Domestic projects were off to a smooth start, with 39.4 billion yen in orders, but orders received for overseas projects were low.

We expect overseas clients to make decisions on investments in large projects in the second half of the fiscal year, but we are monitoring conditions carefully since clients remain cautious about investments.

ii) Outstanding Contracts By Business Area



➤ From this quarter, the classification method has been changed in line with the business area under medium-term business plan, "BSP 2025".

Next, I will discuss our outstanding contracts.

Beginning from this fiscal year, we changed category of business area so that that is consistent with the business area categories in our Medium-term Management Plan.

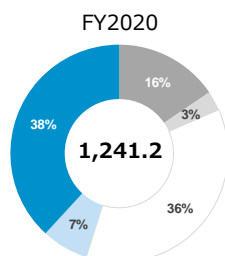
Please refer to page 15 for details.

The order backlog as of the end of June was 1,168.8 billion yen. By business area, oil and gas as well as LNG-related orders accounted for about 40% each of total orders.

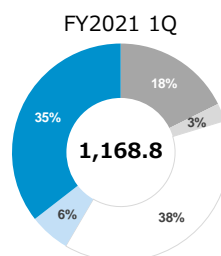
ii) Outstanding Contracts

By Region

[Unit: Billions of Yen]



■ Japan	192.7
■ Asia	35.7
□ Middle East	452.9
■ Africa	86.1
■ Americas & Others	473.7



■ Japan	206.4
■ Asia	31.0
□ Middle East	445.4
■ Africa	70.6
■ Americas & Others	415.2

FY2021
1Q
Major
Outstanding
Contracts

Over 100 Billion Yen

LNG (Canada)
Oil Refinery
Modernization (Iraq)

Over 50 Billion Yen

Biomass Power Generation
(Japan)
FLNG (Mozambique)

Over 30 Billion Yen

Gas Separation Plant (Saudi Arabia)
Biomass Power Generation (Japan)

In terms of region, the Middle East and Americas and others accounted for 38% and 35% of orders, respectively.

The major projects were an LNG project in Canada, a refinery upgrading project in Iraq, a biomass power plant in Japan, a floating LNG project in Mozambique, among others.

6. Forecasts for Fiscal Year 2021



The full-year forecast was revised on July 30.

[Unit: Billions of Yen]

	Initial forecast	Revised forecast	Difference
New contracts	500.0	500.0	-
Net sales	470.0	470.0	-
Gross profit	38.0	38.0	-
Profit ratio	8.1%	8.1%	-
Operating income	16.0	16.0	-
Ordinary income	19.0	19.0	-
Profit/loss attributable to owners of the parent	13.0	△ 46.0	△ 59.0
Annual dividend per share	¥15.00	¥15.00	-
Forecasts based on (¥/US\$)	¥107.00	¥110.00	+¥3.0

11

Next, I will discuss our forecasts for Fiscal Year 2021.

We announced our revised full-year earnings forecasts on July 30.

These reflect the impact of the extraordinary loss, and when excluding this, there is no change from the forecasts initially announced in May. We forecasted a bottom-line loss, but taking into account financial conditions and our medium- and long-term business forecasts, we have kept our dividend forecast unchanged at 15 yen per share, in line with the dividend policy in the Medium-term Management Plan.

This concludes my overview of our financial results.

Appendix

Reference (Forecasts for Fiscal Year 2021 by Segment)

[Unit: Billions of Yen]

	Total Engineering	Functional Materials	Others
Net sales	424.0	40.0	6.0
Segment profit	11.0	5.0	0.0
Profit ratio	2.6%	12.5%	0.0%

Reference (Net sales & New Contracts by Region)

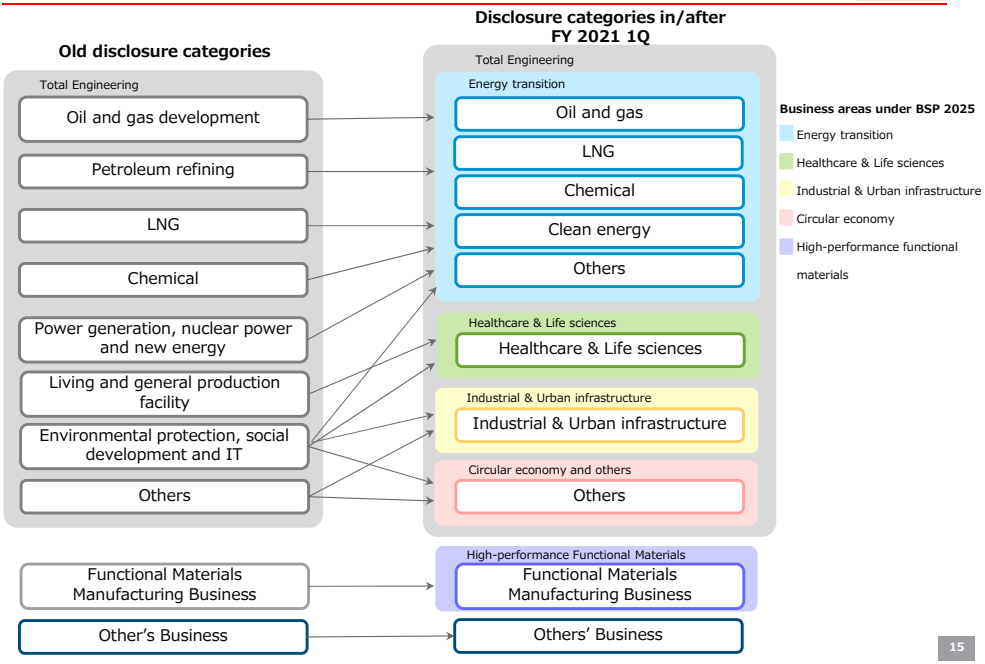


Net sales

New contracts

[Unit: Billions of Yen]				[Unit: Billions of Yen]					
	FY2020 1Q		FY2021 1Q			FY2020 1Q		FY2021 1Q	
Japan	40.1	(41.5%)	30.7	(28.8%)	Japan	14.7	(18.5%)	39.4	(88.8%)
Asia	10.2	(10.5%)	11.6	(10.9%)	Asia	3.4	(4.3%)	4.1	(9.3%)
Middle East	8.7	(9.1%)	7.0	(6.5%)	Middle East	38.1	(47.7%)	0.4	(1.1%)
Africa	11.3	(11.7%)	16.0	(15.0%)	Africa	2.2	(2.8%)	0.5	(1.2%)
Americas & Others	26.2	(27.2%)	41.5	(38.8%)	Americas & Others	21.3	(26.7%)	△ 0.2	(△0.4%)
Total	96.8	(100.0%)	107.0	(100.0%)	Total	79.9	(100.0%)	44.3	(100.0%)

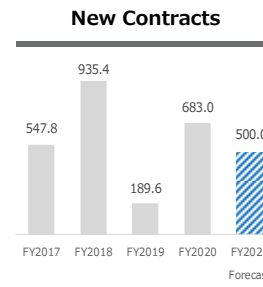
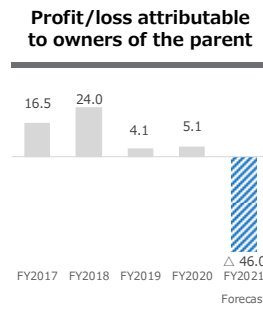
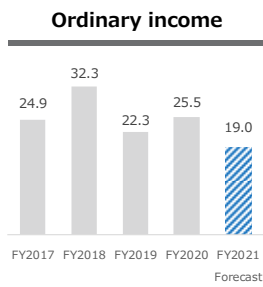
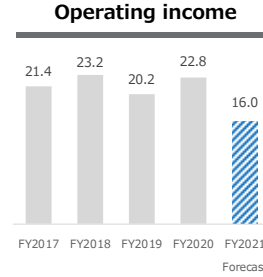
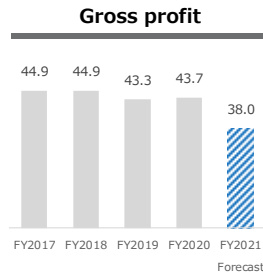
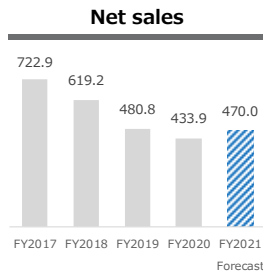
Reference (Change in Disclosure Information)



Reference (Historical data chart)



[Unit: Billions of Yen]



Cautionary Statement



This presentation may contain forward-looking statements that reflect JGC's plans and expectations.

Such statements are based on currently available information and current assumptions of future events which may not prove to be accurate. Such statements are also subject to various risks and uncertainties that could cause actual results to differ materially from those forward-looking statements.

JGC Holdings Corporation undertakes no obligation to update any forward-looking statements after the date of this presentation. These potential risks and uncertainties include, but are not limited to:

- changes in general economic conditions, including foreign currency exchange rates, interest rates and other factors that could affect our profitability
- changes in government regulations or tax laws in jurisdictions where we conduct business

For questions concerning this material please contact:

JGC HOLDINGS CORPORATION
Group Management Development Department
Tel: 81-45-682-1111 Fax: 81-45-682-1112
E-mail : ir@jgc.com