March 26, 2018

To whom it may concern:

Company name: JGC Corporation
Representative: Masayuki Sato
Chairman and Chief Executive Officer (CEO)
(Code number: 1963, Stock Exchange: Tokyo)
Contact: Takeshi Endo
General Manager, PR & IR Department
(TEL: 81-45-682-1111)

Notice of Recognition of Extraordinary Loss

JGC Corporation announced today that the Company will recognize an extraordinary loss in the fiscal year ending March 31, 2018 as follows:

1. Details of the Extraordinary Loss

   The Company is engaged in a shale gas project in Canada through its Canadian subsidiary, JGC EXPLORATION CANADA LTD. Following a valuation of investment assets for the project based on a weakening outlook of natural gas prices in the Americas, the Company will recognize approximately 8.5 billion yen of extraordinary loss in the consolidated account, and 10.0 billion yen of extraordinary loss in the non-consolidated account, in the fiscal year ending March 31, 2018.

Note: The loss in the non-consolidated account is an estimated value calculated using the latest exchange rate for reference purpose.

2. Accounting Impacts

   Although the above mentioned extraordinary loss will be recognized, the impact on the profit attributable to owners of the parent for the fiscal year ending March 31, 2018 will be immaterial given that the Company will recognize extraordinary income from sales of several assets including investment projects and properties in the fourth quarter of the fiscal year ending March 31, 2018. Therefore, at this point, the Company’s consolidated financial forecasts for the fiscal year ending March 31, 2018 remain unchanged.

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