

[Translation]

The following statements are an English-language translation of the original Japanese-language document for your reference purpose only. In the case that there is any discrepancy between the original Japanese version and this English version, the Japanese version shall prevail.
(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

August 8, 2019

Summary of Consolidated First Quarter Financial Results for Fiscal 2019

(For the fiscal year ended March 31, 2020)

Name of listed company: **JGC Corporation**
Code number: **1963**
Representative
Title: **Representative Director, Chairman and Chief Executive Officer (CEO)**
Name: **Masayuki Sato**
Contact
Title: **General Manager, Finance & Accounting Department**
Name: **Shinichi Taguchi**

Stock exchange: **Tokyo**

Tel: **045-682-1111**
URL: **https://www.jgc.com**

1. Consolidated Financial Results for 1Q of FY2019(April 1, 2019 - June 30, 2019)

(1) Consolidated financial results

Note: All amounts are rounded down to the nearest million yen. Percentage indicate changes from the previous term.

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the Parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
1Q FY2019	107,454	(26.5)	2,879	(48.5)	5,328	(38.2)	2,100	(20.5)
1Q FY2018	146,157	(4.5)	5,594	(10.5)	8,628	(4.4)	2,641	(52.8)

Note: Comprehensive income (millions of yen): 1Q FY2019 term: (1,481)(-%) 1Q FY 2018 term: 7((99.9%))

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
1Q FY2019	8.32	—
1Q FY2018	10.47	—

(2) Consolidated financial position

	Total assets	Total net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of June 30, 2019	688,454	401,661	58.2
As of March 31, 2019	708,855	410,350	57.7

Reference: Shareholders' equity (millions of yen): June. 30, 2019: 400,532 Mar. 31, 2019: 409,254

2. Dividends

	Annual dividends per share (Yen)				
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual
Mar. 2019 term	—	—	—	28.50	28.50
Mar. 2020 term	—	—	—	—	—
Mar. 2020 term (Forecast)	—	—	—	12.00	12.00

Note: Revision of dividend forecasts during this period: None

3. Earnings forecasts for FY2019 (April 1, 2019 - March 31, 2020)

Note: Percentage indicate changes from the previous term.

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the Parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Full Year	500,000	(19.3)	19,000	(18.3)	26,000	(19.5)	10,000	(58.3)

	Earnings per share
	(Yen)
Full Year	39.63

4. Others

(1) Changes in scope of consolidated important subsidiaries
 (increase) None (decrease) None

(2) Adoption of simplified accounting methods or special accounting methods for preparing quarterly consolidated financial statements: Yes

(3) Changes of accounting principles, procedures and presentation

- ① Changes due to revisions of accounting standards: None
- ② Changes other than the above ①: None
- ③ Changes in accounting estimates: None
- ④ Restatement: None

(4) Number of shares outstanding

① Number of shares outstanding at term-end (including treasury stock):			
	Jun. 2019 term:	259,052,929	Mar. 2019 term: 259,052,929
② Number of treasury stock at term-end:			
	Jun. 2019 term:	6,746,145	Mar. 2019 term: 6,746,081
③ Average number of shares outstanding at term-end:			
	Jun. 2019 term:	252,306,816	Jun. 2018 term: 252,307,407

(1) This document is unaudited by certificated public accountants or audit firms.

(2) The forecasts given above are based on information available at the time of compilation and are inherently subject to a variety of risks and uncertainties. Actual results may vary significantly from forecasts due to factors including, but not limited to, changes in the economic or business environment and exchange rate fluctuations.

(3) Forecasts based on : 110.00 yen/US\$ 1.00

Consolidated Balance Sheets

	1Q FY 2019	FY2018
	(As of Jun. 30, 2019)	(As of Mar. 31, 2019)
	(Millions of yen)	(Millions of yen)
ASSETS		
Current assets		
Cash and deposits	211,293	160,841
Notes receivable, accounts receivable from completed construction contracts and other	159,521	232,682
Costs on uncompleted construction contracts	24,534	24,471
Merchandise and finished goods	4,866	4,765
Work in process	3,194	2,809
Raw materials and supplies	4,032	3,981
Short-term loans receivable	813	4,029
Accounts receivable	88,260	93,545
Other	22,705	15,795
Allowance for doubtful accounts	(1,100)	(1,174)
Total current assets	518,122	541,747
Non-current assets		
Property, plant and equipment		
Buildings and structures	59,474	59,914
Machinery, vehicles, tools, furniture and fixtures	64,354	64,574
Land	18,474	18,491
Leased assets	313	314
Construction in progress	1,834	935
Other	4,433	4,402
Accumulated depreciation	(93,450)	(93,191)
Total property, plant and equipment	55,435	55,440
Intangible assets		
Software	4,145	4,180
Other	5,836	5,862
Total intangible assets	9,982	10,043
Investments and other assets		
Investment securities	69,055	68,993
Long-term loans receivable	7,788	4,626
Net defined benefit asset	584	604
Deferred tax assets	25,515	25,197
Other	10,000	10,179
Allowance for doubtful accounts	(8,029)	(7,978)
Total investments and other assets	104,914	101,623
Total non-current assets	170,331	167,107
Total assets	688,454	708,855

	1Q FY 2019 (As of Jun. 30, 2019) (Millions of yen)	FY2018 (As of Mar. 31, 2019) (Millions of yen)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	69,735	92,091
Short-term loans payable	571	614
Income taxes payable	2,498	3,010
Advances received on uncompleted construction contracts	78,215	74,104
Provision for warranties for completed construction contracts	1,198	1,153
Provision for loss on construction contracts	16,050	17,765
Provision for bonuses	8,051	6,604
Provision for directors' bonuses	70	83
Other	34,960	28,131
Total current liabilities	211,352	223,559
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	3,943	3,949
Net defined benefit liability	16,059	15,874
Provision for directors' retirement benefits	190	305
Provision for loss on business liquidation	1,428	1,464
Deferred tax liabilities	660	649
Deferred tax liabilities for land revaluation	1,014	1,014
Other	2,143	1,687
Total non-current liabilities	75,439	74,945
Total liabilities	286,792	298,504
NET ASSETS		
Shareholders' equity:		
Capital stock	23,511	23,511
Capital surplus	25,609	25,609
Retained earnings	371,054	376,145
Treasury shares	(6,738)	(6,738)
Total shareholders' equity	413,436	418,526
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	6,631	7,239
Deferred gains or losses on hedges	(396)	(276)
Revaluation reserve for land	(10,891)	(10,891)
Foreign currency translation adjustment	(6,945)	(3,968)
Remeasurements of defined benefit plans	(1,301)	(1,375)
Total Accumulated other comprehensive income	(12,903)	(9,272)
Non-controlling interests	1,129	1,096
Total net assets	401,661	410,350
Total liabilities and net assets	688,454	708,855

Consolidated Statements of Income

	1Q FY2019 term (Apr. 1, 2019 - Jun. 30, 2019) (Millions of yen)	1Q FY2018 term (Apr. 1, 2018 - Jun. 30, 2018) (Millions of yen)
Net sales	107,454	146,157
Cost of sales	99,191	135,180
Gross profit	8,262	10,976
Selling, general and administrative expenses	5,383	5,382
Operating income	2,879	5,594
Non-operating income:		
Interest income	1,005	965
Dividend income	1,108	1,332
Foreign exchange gains	—	196
Share of profit of entities accounted for using equity method	942	706
Other	203	72
Total non-operating income	3,260	3,273
Non-operating expenses:		
Interest expenses	36	171
Foreign exchange losses	739	—
Other	35	68
Total non-operating expenses	811	239
Ordinary income	5,328	8,628
Extraordinary income:		
Gain on Sales of non-current assets	5	0
Gain on liquidation of subsidiaries and associates	—	248
Other	—	0
Total extraordinary Income	5	248
Extraordinary loss:		
Loss on retirement of non-current assets	42	47
Loss on sales of investment securities	—	150
Other	0	10
Total extraordinary loss	43	209
Profit before income taxes	5,290	8,667
Income taxes	3,134	5,962
Profit	2,156	2,705
Profit attributable to non-controlling interests	55	63
Profit attributable to owners of the parent	2,100	2,641

Statements of Consolidated Comprehensive Income

	1Q FY2019 term (Apr. 1, 2019 - Jun. 30, 2019) (Millions of yen)	1Q FY2018 term (Apr. 1, 2018 - Jun. 30, 2018) (Millions of yen)
Profit	2,156	2,705
Other comprehensive income:		
Valuation difference on available-for-sale securities	(608)	(72)
Deferred gains or losses on hedges	(126)	427
Foreign currency translation adjustment	(2,973)	(2,622)
Remeasurements of defined benefit plans	74	116
Share of other comprehensive income of entities accounted for using equity method	(4)	(546)
Total other comprehensive income	(3,637)	(2,697)
Comprehensive income	(1,481)	7
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	(1,530)	(55)
Comprehensive income attributable to non-controlling interests	49	63

Segment Information

【 Information by business segment 】

First quarter (3 months) for FY 2018 (April 1, 2018 - June 30, 2018)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Functional Materials Manufacturing	Sub total				
Net sales							
External customers	133,058	11,738	144,797	1,360	146,157	—	146,157
Inter-segment	19	—	19	532	551	(551)	—
Total	133,077	11,738	144,816	1,892	146,709	(551)	146,157
Segment profit	3,020	2,190	5,211	361	5,572	22	5,594

*1: "Others" includes Specialized Consulting Services, Office Support Services Business, Power and Water Business, and Oil and Gas Production Sales Business.

*2: Segment profit, Segment asset and Other item are adjusted to eliminate transactions between segments.

*3: Segment profits are adjusted with the operating income figure from the Consolidated Statements of Income.

First quarter (3 months) for FY 2019 (April 1, 2019 - June 30, 2019)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Functional Materials Manufacturing	Sub total				
Net sales							
External customers	94,410	11,866	106,276	1,177	107,454	—	107,454
Inter-segment	19	0	20	369	389	(389)	—
Total	94,429	11,867	106,297	1,546	107,844	(389)	107,454
Segment profit	1,004	1,628	2,632	226	2,859	20	2,879

*1: "Others" includes Specialized Consulting Services, Office Support Services Business, Power and Water Business, and Oil and Gas Production Sales Business.

*2: Segment profit, Segment asset and Other item are adjusted to eliminate transactions between segments.

*3: Segment profits are adjusted with the operating income figure from the Consolidated Statements of Income.

Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2019	June 30, 2019		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	1,558	649	110	2,097
	Petroleum refining	9,616	3,229	2,451	10,393
	LNG	212	—	—	212
	Chemical	47,135	10,111	2,000	55,246
	Power generation, nuclear power and new energy	87,972	2,365	12,893	77,444
	Living and general production facility	31,305	16,642	8,390	39,558
	Environmental protection, social development and IT	25,572	4,374	3,223	26,722
	Others	1,018	2,458	613	2,863
	Subtotal	204,391	39,831	29,684	214,538
Overseas	Oil and gas development	141,977	751	20,845	121,883
	Petroleum refining	54,898	2,030	7,044	49,883
	LNG	725,789	2,197	27,136	700,851
	Chemical	62,043	1,914	3,247	60,710
	Power generation, nuclear power and new energy	7,687	189	5,759	2,117
	Living and general production facility	2,579	1,034	365	3,248
	Environmental protection, social development and IT	237	80	256	61
	Others	2,452	3,410	1,248	4,614
	Subtotal	997,666	11,608	65,903	943,371
Total Engineering Business		1,201,034	48,428	94,410	1,155,053
Others Business		1,023	3,011	1,177	2,857
Subtotal		1,202,058	51,440	95,587	1,157,910
Functional Materials Manufacturing		—	—	11,866	—
Grand Total		1,202,058	51,440	107,454	1,157,910

*1 Figures for each business area are exclusive of consumption and other taxes.

*2 The balance as of the end of previous fiscal year for outstanding contracts of "Total Engineering Business" and "Others Business" have been revised to reflect foreign currency translation adjustments and changes in contract amounts for the period as follows:

(Millions of yen)

Business area	Foreign currency translation adjustment	Revision for changes in contract amounts	Total
Oil and gas development	(977)	—	(977)
Petroleum refining	(291)	(12)	(303)
LNG	(1,988)	(2,874)	(4,863)
Chemical	3	(12)	(9)
Power generation, nuclear power and new energy	(48)	(23)	(71)
Living and general production facility	(12)	(57)	(70)
Environmental protection, social development and IT	(0)	(0)	(0)
Others	(11)	(0)	(11)
Total	(3,324)	(2,982)	(6,307)
Total Engineering Business	(3,320)	(2,982)	(6,302)
Other Business	(4)	—	(4)

*3 All amounts are rounded down to the nearest million yen.