

# [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.)

November 10, 2020

## Consolidated Second Quarter Financial Statements-Summary

(For the fiscal year ended March 31, 2021)

Name of listed company: JGC HOLDINGS CORPORATION

Code number: 1963

Representative

Title: Representative Director, Chairman of the Board & Chief Executive Officer (CEO)

Name: Masayuki Sato

Contact

Title: General Manager, Group Finance & Accounting Department

Name: Shinichi Taguchi

Stock exchange: Tokyo

Tel: 045-682-1111

URL: <https://www.jgc.com>

### 1. Consolidated Financial Results for 2Q of Fiscal year ended March 31, 2021 (April 1, 2020 - September 30, 2020)

#### (1) Consolidated financial results

Note: All amounts are rounded down to the nearest million yen. Percentage indicates 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)	(%)
2Q of Fiscal year ended March 31, 2021	199,400	(8.7)	11,508	59.8	11,928	15.1	3,973	(11.2)
2Q of Fiscal year ended March 31, 2020	218,354	(21.5)	7,203	(30.1)	10,360	(35.1)	4,474	(36.5)

Note: Comprehensive income (millions of yen): 2Q of Fiscal year ended March 31, 2021: 15,119(-%) 2Q of Fiscal year ended March 31, 2020: (3,453)(-%)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
2Q of Fiscal year ended March 31, 2021	15.75	—
2Q of Fiscal year ended March 31, 2020	17.73	—

#### (2) Consolidated financial position

	Total assets	Total net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of September 30, 2020	664,214	403,150	60.6
As of March 31, 2020	671,273	390,979	58.2

Reference: Shareholders' equity (millions of yen): As of September 30, 2020: 402,704 As of March 31, 2020: 390,516

### 2. Dividends

	Annual dividends per share (Yen)				
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual
	Fiscal year ended March 31, 2020	—	—	—	12.00
Fiscal year ended March 31, 2021	—	—	—	—	—
Fiscal year ended March 31, 2021 (Forecasts)	—	—	—	12.00	12.00

Note: Revision of dividends forecasts during this period: None

### 3. Earnings forecasts for Fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

Note: Percentage indicates 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	480,000	(0.2)	20,000	(1.2)	23,000	2.8	8,000	94.3

	Earnings per share
	(Yen)
Full Year	31.70

Note: Revision of earnings forecasts during this period: None

**4. Others**

(1) Changes in scope of consolidated important subsidiaries

(Newly added)	None	(Excluded)	None
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(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

(a) Changes due to revisions of accounting standards: None

(b) Changes other than the above (a): None

(c) Changes in accounting estimates: None

(d) Restatement: None

(4) Number of shares outstanding

(a) Number of shares outstanding at term-end (including treasury stock):

As of September 30, 2020:	259,214,827	As of March 31, 2020:	259,110,861
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(b) Number of treasury stock at term-end:

As of September 30, 2020:	6,748,830	As of March 31, 2020:	6,748,713
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(c) Average number of shares outstanding during this period:

2Q of Fiscal year ended March 31, 2021:	252,391,813	2Q of Fiscal year ended March 31, 2020:	252,323,345
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(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: 105.00 yen/US\$ 1.00

## Consolidated Balance Sheets

	As of Sep. 30, 2020	As of Mar. 31, 2020
	(Millions of yen)	(Millions of yen)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	257,904	261,898
Notes receivable, accounts receivable from completed construction contracts and other	128,388	145,276
Costs on uncompleted construction contracts	33,647	22,989
Merchandise and finished goods	5,957	5,366
Work in process	3,484	2,636
Raw materials and supplies	4,002	3,687
Short-term loans receivable	425	437
Accounts receivable	84,989	84,073
Other	8,870	11,748
Allowance for doubtful accounts	(104)	(158)
<b>Total current assets</b>	<b>527,566</b>	<b>537,955</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	60,825	59,852
Machinery, vehicles, tools, furniture and fixtures	59,984	59,255
Land	18,574	18,581
Leased assets	780	770
Construction in progress	1,180	910
Other	4,402	4,422
Accumulated depreciation	(95,723)	(93,997)
<b>Total property, plant and equipment</b>	<b>50,024</b>	<b>49,794</b>
<b>Intangible assets</b>		
Software	4,658	4,869
Other	5,173	5,312
<b>Total intangible assets</b>	<b>9,832</b>	<b>10,181</b>
<b>Investments and other assets</b>		
Investment securities	47,054	44,807
Long-term loans receivable	7,697	8,026
Net defined benefit asset	527	569
Deferred tax assets	20,526	21,713
Other	13,566	11,241
Allowance for doubtful accounts	(12,581)	(13,016)
<b>Total investments and other assets</b>	<b>76,791</b>	<b>73,341</b>
<b>Total non-current assets</b>	<b>136,648</b>	<b>133,317</b>
<b>Total assets</b>	<b>664,214</b>	<b>671,273</b>

	As of Sep. 30, 2020 (Millions of yen)	As of Mar. 31, 2020 (Millions of yen)
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	46,587	68,239
Short-term loans payable	230	227
Current portion of bonds payable	20,000	20,000
Income taxes payable	4,413	1,955
Advances received on uncompleted construction contracts	72,445	83,227
Provision for warranties for completed construction contracts	1,533	976
Provision for loss on construction contracts	6,253	11,109
Provision for bonuses	4,353	6,203
Provision for directors' bonuses	30	77
Other	33,689	36,369
<b>Total current liabilities</b>	<b>189,536</b>	<b>228,386</b>
<b>Non-current liabilities</b>		
Bonds payable	50,000	30,000
Long-term loans payable	316	347
Net defined benefit liability	16,491	16,718
Provision for directors' retirement benefits	207	253
Deferred tax liabilities	863	959
Deferred tax liabilities for land revaluation	1,014	1,014
Other	2,633	2,614
<b>Total non-current liabilities</b>	<b>71,527</b>	<b>51,907</b>
<b>Total liabilities</b>	<b>261,064</b>	<b>280,293</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Capital stock	23,611	23,554
Capital surplus	25,709	25,653
Retained earnings	376,586	375,641
Treasury shares	(6,739)	(6,739)
<b>Total shareholders' equity</b>	<b>419,168</b>	<b>418,109</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,897	2,205
Deferred gains or losses on hedges	(154)	(1,004)
Revaluation reserve for land	(10,891)	(10,891)
Foreign currency translation adjustment	(7,938)	(16,491)
Remeasurements of defined benefit plans	(1,377)	(1,411)
<b>Total accumulated other comprehensive income</b>	<b>(16,464)</b>	<b>(27,592)</b>
<b>Non-controlling interests</b>	<b>446</b>	<b>463</b>
<b>Total net assets</b>	<b>403,150</b>	<b>390,979</b>
<b>Total liabilities and net assets</b>	<b>664,214</b>	<b>671,273</b>

## Consolidated Statements of Income

	2Q of Fiscal year ended March 31, 2021 (Apr. 1, 2020 - Sep. 30, 2020) (Millions of yen)	2Q of Fiscal year ended March 31, 2020 (Apr. 1, 2019 - Sep. 30, 2019) (Millions of yen)
<b>Net sales</b>	199,400	218,354
Cost of sales	177,807	200,329
Gross profit	21,592	18,024
Selling, general and administrative expenses	10,084	10,821
<b>Operating income</b>	<b>11,508</b>	<b>7,203</b>
<b>Non-operating income</b>		
Interest income	773	2,076
Dividend income	677	1,795
Share of profit of entities accounted for using equity method	248	2,060
Other	428	338
<b>Total non-operating income</b>	<b>2,127</b>	<b>6,271</b>
<b>Non-operating expenses</b>		
Interest expenses	98	86
Foreign exchange losses	1,400	2,883
Other	208	145
<b>Total non-operating expenses</b>	<b>1,707</b>	<b>3,114</b>
<b>Ordinary income</b>	<b>11,928</b>	<b>10,360</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	5	8
Gain on sales of investment securities	25	—
Other	2	—
<b>Total extraordinary income</b>	<b>33</b>	<b>8</b>
<b>Extraordinary loss</b>		
Loss on retirement of non-current assets	36	112
Loss on valuation of investment securities	175	823
Other	27	7
<b>Total extraordinary loss</b>	<b>239</b>	<b>943</b>
<b>Profit before income taxes</b>	<b>11,721</b>	<b>9,425</b>
<b>Income taxes</b>	<b>7,730</b>	<b>4,850</b>
<b>Profit</b>	<b>3,991</b>	<b>4,575</b>
<b>Profit attributable to non-controlling interests</b>	<b>17</b>	<b>101</b>
<b>Profit attributable to owners of the parent</b>	<b>3,973</b>	<b>4,474</b>

## Consolidated Statements of Comprehensive Income

	2Q of Fiscal year ended March 31, 2021 (Apr. 1, 2020 - Sep. 30, 2020) (Millions of yen)	2Q of Fiscal year ended March 31, 2020 (Apr. 1, 2019 - Sep. 30, 2019) (Millions of yen)
<b>Profit</b>	<b>3,991</b>	<b>4,575</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,683	(1,118)
Deferred gains or losses on hedges	849	(433)
Foreign currency translation adjustment	8,552	(6,090)
Remeasurements of defined benefit plans	148	157
Share of other comprehensive income of entities accounted for using equity method	(106)	(543)
<b>Total other comprehensive income</b>	<b>11,128</b>	<b>(8,028)</b>
<b>Comprehensive income</b>	<b>15,119</b>	<b>(3,453)</b>
<b>Comprehensive income attributable to</b>		
Comprehensive income attributable to owners of the parent	15,102	(3,553)
Comprehensive income attributable to non-controlling interests	17	100

## Consolidated Statements of Cash Flows

	2Q of Fiscal year ended March 31, 2021 (Apr. 1, 2020 - Sep. 30, 2020)	2Q of Fiscal year ended March 31, 2020 (Apr. 1, 2019 - Sep. 30, 2019)
	(Millions of yen)	(Millions of yen)
<b>Cash flows from operating activities</b>		
Profit before income taxes	11,721	9,425
Depreciation	3,021	3,405
Increase (decrease) in allowance for doubtful accounts	(206)	(110)
Increase (decrease) in provision for loss on construction contracts	(4,824)	(1,699)
Increase (decrease) in net defined benefit liability	(195)	194
Interest and dividend income	(1,450)	(3,872)
Foreign exchange losses (gains)	132	(156)
Share of loss (profit) of entities accounted for using equity method	(248)	(2,060)
Decrease (increase) in notes and accounts receivable-trade	17,620	97,273
Decrease (increase) in inventories	(12,396)	(2,731)
Increase (decrease) in accounts receivable-other	7,604	1,689
Increase (decrease) in notes and accounts payable-trade	(22,771)	(26,678)
Increase (decrease) in advances received on uncompleted construction contracts	(10,705)	41,567
Other	(1,911)	(2,847)
Subtotal	(14,609)	113,399
Interest and dividend income received	1,793	3,771
Interest expenses paid	(93)	(52)
Income taxes paid	(4,644)	(3,886)
Cash flows from operating activities	(17,553)	113,232
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,436)	(3,170)
Proceeds from sales of investment securities	53	1
Other	7	(583)
Cash flows from investing activities	(3,375)	(3,752)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of bonds	20,000	—
Cash dividends paid	(3,028)	(7,189)
Other	(30)	(523)
Cash flows from financing activities	16,940	(7,712)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(5)	(1,593)
<b>Net increase (decrease) in cash and cash equivalents</b>	(3,993)	100,173
<b>Cash and cash equivalents at beginning of period</b>	261,898	160,841
<b>Cash and cash equivalents at end of period</b>	257,904	261,014

## Segment Information

## 【 Information by business segment 】

2Q of Fiscal year ended March 31, 2020 (April 1, 2019 - September 30, 2019)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Sub total				
Net sales							
External customers	194,142	21,897	216,039	2,314	218,354	—	218,354
Inter-segment	27	7	35	799	834	(834)	—
Total	194,170	21,905	216,075	3,113	219,189	(834)	218,354
Segment profit	3,661	3,122	6,783	375	7,158	44	7,203

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

\*2: Segment profit is adjusted to eliminate transactions between segments.

\*3: Segment profit is adjusted with the operating income figure from the Consolidated Statements of Income.

2Q of Fiscal year ended March 31, 2021 (April 1, 2020 - September 30, 2020)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Sub total				
Net sales							
External customers	178,445	20,146	198,591	808	199,400	—	199,400
Inter-segment	10	1	12	944	957	(957)	—
Total	178,455	20,148	198,604	1,753	200,357	(957)	199,400
Segment profit (loss)	9,103	2,721	11,824	(357)	11,466	42	11,508

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

\*2: Segment profit (loss) is adjusted to eliminate transactions between segments.

\*3: Segment profit (loss) is 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, 2020	September 30, 2020		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	2,280	856	901	2,236
	Petroleum refining	8,078	7,867	7,151	8,795
	LNG	—	8	—	8
	Chemical	40,375	8,909	24,866	24,418
	Power generation, nuclear power and new energy	66,923	3,467	13,485	56,905
	Living and general production facility	23,818	3,920	9,871	17,866
	Environmental protection, social development and IT	15,950	1,540	6,964	10,526
	Others	605	2,739	463	2,881
	Subtotal	158,033	29,309	63,704	123,638
Overseas	Oil and gas development	71,672	38,244	22,428	87,489
	Petroleum refining	46,794	411,455	5,080	453,169
	LNG	608,308	14,835	67,574	555,569
	Chemical	56,153	2,147	18,180	40,120
	Power generation, nuclear power and new energy	156	62	12	206
	Living and general production facility	1,626	1,262	978	1,911
	Environmental protection, social development and IT	2,238	28	513	1,752
	Others	382	782	780	384
	Subtotal	787,333	468,818	115,549	1,140,602
Total Engineering Business		944,732	495,036	178,445	1,261,324
Others' Business		633	3,091	808	2,915
Subtotal		945,366	498,127	179,253	1,264,240
Functional Materials Manufacturing Business		—	—	20,146	—
Grand Total		945,366	498,127	199,400	1,264,240

\*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	(578)	(1,693)	(2,272)
Petroleum refining	(134)	(112)	(247)
LNG	2,290	3,758	6,048
Chemical	48	(14)	34
Power generation, nuclear power and new energy	(0)	226	226
Living and general production facility	(4)	3,939	3,934
Environmental protection, social development and IT	(33)	(3,938)	(3,972)
Others	(2)	(1)	(3)
Total	1,584	2,164	3,748
Total Engineering Business	1,582	2,165	3,748
Others' Business	1	(1)	0

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