

[Translation]

The following statements are an English-language translation of the original Japanese-language document for your reference purpose only. In 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.)

February 12, 2021

Consolidated Third 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 3Q of Fiscal year ended March 31, 2021 (April 1, 2020 - December 31, 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)	(%)
3Q of Fiscal year ended March 31, 2021	304,928	(10.9)	17,317	28.7	18,520	0.8	6,995	46.2
3Q of Fiscal year ended March 31, 2020	342,234	(19.4)	13,451	(11.8)	18,367	(19.0)	4,784	(51.9)

Note: Comprehensive income (millions of yen): 3Q of Fiscal year ended March 31, 2021: 21,395 (872.5%) 3Q of Fiscal year ended March 31, 2020: 2,200 ((53.3%)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
3Q of Fiscal year ended March 31, 2021	27.72	—
3Q of Fiscal year ended March 31, 2020	18.96	—

(2) Consolidated financial position

	Total assets	Total net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of December 31, 2020	711,380	409,426	57.5
As of March 31, 2020	671,273	390,979	58.2

Reference: Shareholders' equity (millions of yen): As of December 31, 2020: 408,984 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	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

(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 December 31, 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 December 31, 2020:	6,748,973	As of March 31, 2020:	6,748,713
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(c) Average number of shares outstanding during this period:

3Q of Fiscal year ended March 31, 2021:	252,414,045	3Q of Fiscal year ended March 31, 2020:	252,335,252
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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 Dec. 31, 2020	As of Mar. 31, 2020
	(Millions of yen)	(Millions of yen)
ASSETS		
Current assets		
Cash and deposits	291,929	261,898
Notes receivable, accounts receivable from completed construction contracts and other	127,007	145,276
Costs on uncompleted construction contracts	36,332	22,989
Merchandise and finished goods	6,227	5,366
Work in process	4,015	2,636
Raw materials and supplies	4,202	3,687
Short-term loans receivable	417	437
Accounts receivable	90,711	84,073
Other	11,930	11,748
Allowance for doubtful accounts	(111)	(158)
Total current assets	572,664	537,955
Non-current assets		
Property, plant and equipment		
Buildings and structures	61,027	59,852
Machinery, vehicles, tools, furniture and fixtures	60,030	59,255
Land	18,566	18,581
Leased assets	995	770
Construction in progress	859	910
Other	4,342	4,422
Accumulated depreciation	(96,207)	(93,997)
Total property, plant and equipment	49,614	49,794
Intangible assets		
Software	4,699	4,869
Other	4,992	5,312
Total intangible assets	9,692	10,181
Investments and other assets		
Investment securities	48,697	44,807
Long-term loans receivable	7,642	8,026
Net defined benefit asset	507	569
Deferred tax assets	20,543	21,713
Other	14,497	11,241
Allowance for doubtful accounts	(12,480)	(13,016)
Total investments and other assets	79,408	73,341
Total non-current assets	138,716	133,317
Total assets	711,380	671,273

	As of Dec. 31, 2020	As of Mar. 31, 2020
	(Millions of yen)	(Millions of yen)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	43,738	68,239
Short-term loans payable	231	227
Current portion of bonds payable	—	20,000
Income taxes payable	5,465	1,955
Advances received on uncompleted construction contracts	140,607	83,227
Provision for warranties for completed construction contracts	1,489	976
Provision for loss on construction contracts	4,764	11,109
Provision for bonuses	3,441	6,203
Provision for directors' bonuses	43	77
Other	30,652	36,369
Total current liabilities	230,433	228,386
Non-current liabilities		
Bonds payable	50,000	30,000
Long-term loans payable	324	347
Net defined benefit liability	16,466	16,718
Provision for directors' retirement benefits	217	253
Deferred tax liabilities	950	959
Deferred tax liabilities for land revaluation	1,014	1,014
Other	2,546	2,614
Total non-current liabilities	71,520	51,907
Total liabilities	301,954	280,293
NET ASSETS		
Shareholders' equity		
Capital stock	23,611	23,554
Capital surplus	25,709	25,653
Retained earnings	379,608	375,641
Treasury shares	(6,739)	(6,739)
Total shareholders' equity	422,190	418,109
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,999	2,205
Deferred gains or losses on hedges	(82)	(1,004)
Revaluation reserve for land	(10,891)	(10,891)
Foreign currency translation adjustment	(4,933)	(16,491)
Remeasurements of defined benefit plans	(1,298)	(1,411)
Total accumulated other comprehensive income	(13,206)	(27,592)
Non-controlling interests	442	463
Total net assets	409,426	390,979
Total liabilities and net assets	711,380	671,273

Consolidated Statements of Income

	3Q of Fiscal year ended March 31, 2021 (Apr. 1, 2020 - Dec. 31, 2020)	3Q of Fiscal year ended March 31, 2020 (Apr. 1, 2019 - Dec. 31, 2019)
	(Millions of yen)	(Millions of yen)
Net sales	304,928	342,234
Cost of sales	272,222	312,357
Gross profit	32,705	29,876
Selling, general and administrative expenses	15,388	16,424
Operating income	17,317	13,451
Non-operating income		
Interest income	999	3,023
Dividend income	1,393	2,272
Share of profit of entities accounted for using equity method	935	3,114
Other	509	411
Total non-operating income	3,837	8,821
Non-operating expenses		
Interest expenses	138	122
Foreign exchange losses	2,281	3,551
Other	214	231
Total non-operating expenses	2,634	3,905
Ordinary income	18,520	18,367
Extraordinary income		
Gain on sales of investment securities	1,849	2,161
Other	12	10
Total extraordinary income	1,862	2,171
Extraordinary loss		
Loss on retirement of non-current assets	86	153
Loss on sales of investment securities	—	3,211
Loss on valuation of investment securities	175	823
Other	66	8
Total extraordinary loss	328	4,197
Profit before income taxes	20,054	16,341
Income taxes	13,045	11,466
Profit	7,009	4,875
Profit attributable to non-controlling interests	13	91
Profit attributable to owners of the parent	6,995	4,784

Consolidated Statements of Comprehensive Income

	3Q of Fiscal year ended March 31, 2021 (Apr. 1, 2020 - Dec. 31, 2020)	3Q of Fiscal year ended March 31, 2020 (Apr. 1, 2019 - Dec. 31, 2019)
	(Millions of yen)	(Millions of yen)
Profit	7,009	4,875
Other comprehensive income		
Valuation difference on available-for-sale securities	1,755	(69)
Deferred gains or losses on hedges	922	212
Foreign currency translation adjustment	11,558	(2,689)
Remeasurements of defined benefit plans	229	231
Share of other comprehensive income of entities accounted for using equity method	(78)	(359)
Total other comprehensive income	14,386	(2,675)
Comprehensive income	21,395	2,200
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	21,382	2,023
Comprehensive income attributable to non-controlling interests	13	176

Segment Information

【 Information by business segment 】

3Q of Fiscal year ended March 31, 2020 (April 1, 2019 - December 31, 2019)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Sub total				
Net sales							
External customers	304,498	34,766	339,265	2,968	342,234	—	342,234
Inter-segment	42	10	52	1,377	1,430	(1,430)	—
Total	304,540	34,777	339,318	4,346	343,664	(1,430)	342,234
Segment profit	8,049	5,177	13,227	153	13,381	70	13,451

*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.

3Q of Fiscal year ended March 31, 2021 (April 1, 2020 - December 31, 2020)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Sub total				
Net sales							
External customers	273,985	29,747	303,733	1,195	304,928	—	304,928
Inter-segment	17	1	19	1,557	1,577	(1,577)	—
Total	274,002	29,749	303,752	2,753	306,505	(1,577)	304,928
Segment profit (loss)	13,621	4,159	17,781	(515)	17,265	51	17,317

*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	December 31, 2020		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	2,280	1,328	1,054	2,554
	Petroleum refining	8,078	11,178	12,007	7,249
	LNG	—	134	101	32
	Chemical	40,375	13,096	34,648	18,823
	Power generation, nuclear power and new energy	66,923	50,585	19,995	97,513
	Living and general production facility	23,818	5,276	16,831	12,263
	Environmental protection, social development and IT	15,950	1,688	9,231	8,407
	Others	605	3,544	674	3,476
	Subtotal	158,033	86,832	94,545	150,320
Overseas	Oil and gas development	71,497	39,907	30,620	80,784
	Petroleum refining	46,012	412,877	11,094	447,795
	LNG	603,834	13,317	107,730	509,421
	Chemical	56,406	4,886	27,912	33,380
	Power generation, nuclear power and new energy	157	20	53	125
	Living and general production facility	1,626	1,709	1,537	1,798
	Environmental protection, social development and IT	2,205	21	550	1,677
	Others	382	1,042	1,137	288
	Subtotal	782,124	473,783	180,635	1,075,271
Total Engineering Business		939,516	556,577	273,985	1,222,109
Others' Business		640	4,038	1,195	3,483
Subtotal		940,157	560,616	275,180	1,225,592
Functional Materials Manufacturing Business		—	—	29,747	—
Grand Total		940,157	560,616	304,928	1,225,592

*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	(754)	(1,693)	(2,447)
Petroleum refining	(322)	(706)	(1,028)
LNG	2,059	(484)	1,575
Chemical	301	(14)	287
Power generation, nuclear power and new energy	0	226	227
Living and general production facility	(4)	3,939	3,934
Environmental protection, social development and IT	(66)	(3,938)	(4,004)
Others	3	(6)	(3)
Total	1,217	(2,677)	(1,460)
Total Engineering Business	1,208	(2,676)	(1,468)
Others' Business	8	(1)	7

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