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To whom it may concern:

Company name: JGC Holdings Corporation
Representative: Masayuki Sato
Chairman, Representative Director and Chief
Executive Officer (CEO)
(Code number: 1963, Stock Exchange: Tokyo)
Contact: Akihiro Yamagami
Manager, Corporate Communication Group
Group Management Development Department
(TEL: +81-45-682-8026)

Notice Regarding Recording of Extraordinary Loss and Revision of Earnings Forecast

JGC Holdings Corporation (the "Company") hereby announces that in the first quarter of the fiscal year 2021 ending March 2022, the Company is planning to record an extraordinary loss on the Ichthys LNG Project, and as a result, it has decided to revise the full-year forecasts for the fiscal year 2021 ending March 2022 (April 1, 2021 to March 31, 2022), which was disclosed on May 12, this year.

1. Recording of Extraordinary Loss

(1) Summary and Background

The Company formed a joint venture company JKC AUSTRALIA LNG PTY Ltd. (the "JV") with KBR Inc. and Chiyoda Corporation, was awarded a project for the design, procurement and construction services of an onshore gas liquefaction plant to produce liquefied natural gas and other products (the "Project") from ICHTHYS LNG PTY Ltd (the "Client"), an equity-method affiliated company of INPEX Corporation, in 2012. The execution of the Project has been substantially completed and the plant handed over to the Client in August 2018.

Notwithstanding the above situation, the JV and the Client have not reached a final settlement about part of the additional costs incurred due to increase in services scope and other factors, and the parties are currently under a few arbitration processes and concurrent negotiations.

In addition, to fulfill its obligation under the contract with the Client, the JV awarded a fixed-price EPC contract to a subcontractor for the design, procurement, construction and commissioning of the combined cycle power plant (hereinafter referred to as the "Power Plant"). The subcontractor was a consortium consisting of General Electric Company,

General Electric International, Inc., UGL Engineering Pty Limited and CH2M Hill Australia Pty. Limited (hereinafter referred to as a “Consortium”). During the execution of the Ichthys LNG Project, the Consortium unilaterally repudiated the contract and entered into an arbitration demanding damages. While the JV having hired another subcontractor and paid the costs to complete the Power Plant, the JV is making a counter-claim under the arbitration, pursuing recourse against the Consortium to recover all of the costs.

As a result of careful review on the recoverability of costs that have not been collected based on situation including the recent progress in negotiations and charge in future outlook, we recognize extraordinary losses ¥59.4 billion in the first quarter of the fiscal year 2021 ending March 2022.

(2) Future Plan

Negotiations with the Client are continuing towards a final agreement. Should there be any future event that requires further disclosure, we will make an announcement promptly.

This extraordinary loss is one-time, has no negative impact on our liquidity, and we expect to be able to maintain a robust financial position. We continue to steadily advance the medium-term management plan "BSP2025" toward the long-term management vision "2040 Vision."

2. Revision of the Consolidated Results Forecast

(1) Revisions to the consolidated results forecasts for the fiscal year 2021 ending March 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of the Parent	Earnings per Share (Yen)
Previous Forecast (A) (Announced on May 12, 2021)	470,000	16,000	19,000	13,000	51.50
Revised Forecast (B)	470,000	16,000	19,000	△46,000	△182.20
Difference (B – A)	—	—	—	△59,000	—
Percentage Increase / Decrease (%)	—	—	—	—	—
(Reference) Results for the Fiscal Year 2020 Ended March 31, 2021	433,970	22,880	25,506	5,141	20.37

(2) Main Reasons for the Revision

With the recording of an extraordinary loss related to the Ichthys Project, the profit attributable to owners of the parent is projected to be a loss of ¥46.0 billion.

The annual dividend for the fiscal year 2021 ending March 2022 remains unchanged at ¥15 per share, as announced on May 12, 2021.

(Note) The above forecasts were created based on information available to the Company as of the date that this revision to earnings forecasts was made, and actual results, etc. may eventually differ from these forecasts due to a variety of factors.