

Financial Results for Fiscal 2022

Business Overview

A large, stylized globe graphic made of dots, showing the continents, is positioned on the right side of the slide. A thick blue horizontal line spans the width of the slide, passing behind the globe and the text "Enhancing planetary health".

Enhancing planetary health

May 11, 2023

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Status of Key Strategies in the medium-term business plan

Total Engineering Market Environment Outlook for FY2023



Overseas

- Ongoing implementation of capital investment plans by clients, focused on natural gas and LNG (with lower environmental impact) and with a regard for stable energy supply over the medium to long term
- Progress in LNG projects, including E-drive ones, in North America, Africa, the Middle East, Oceania, and elsewhere
- Rapid increase in North America, Middle East, and Oceania decarbonization projects, especially related to hydrogen/fuel ammonia and SAF



Domestic

- Life sciences: Increased capital investment for applications such as biopharmaceuticals and vaccine production
- Decarbonization applications also active; some capital investment expected rapidly, especially for hydrogen/ammonia and SAF

Total Engineering Orders Target for FY2023

Value of FY2023 Consolidated Orders Target :

800 Billion Yen

Overseas

620 Billion Yen

Orders target
for fiscal 2022

Expected Projects

- Middle East LNG
- Middle East Gas Processing
- Africa LNG
- North America LNG
- Asia LNG Terminal
- Asia Geothermal power generation
- North America Industrial infrastructure
- Asia Chemicals
- Oceania Green hydrogen plant
- North America Circular economy (FEED)
- Asia Hydrogen (FEED), etc.

Domestic

180 Billion Yen

- Pharmaceutical mfg. plants
- Hospital
- Chemicals
- Onshore aquaculture
- Decarbonization related (FEED)
- Nuclear related
- Maintenance services, etc.

Progress in Major Projects : LNG Canada

The shipment of modules to the sites are in the final stages.
On-site construction and installation activities are at their peak.



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API Facility Construction Project for Small and Mid-Size Molecule Drugs for Chugai Pharma Manufacturing

Solidify our position as a leading EPC contractor for pharmaceutical manufacturing plants



2023 Category Winner for Innovation: Chugai Pharma Manufacturing Co., Ltd.

Won ISPE (International Society for Pharmaceutical Engineering) 2023 Category Winner for Innovation



Progress in Major Projects : Basrah Refinery Upgrading

Detailed design is mostly complete and the fabrication of equipment is in the final stages. The peak of civil work continues, and mechanical work has started at site.



Progress in Major Projects : Biomass Power Plant in Ishinomaki

**Construction and utility commissioning are complete.
Boiler and turbine generator commissioning are underway.**



Functional Materials Manufacturing

Results for FY2022 and Target for FY2023

Results for FY2022/
Target for FY2023

Net sales

Fiscal 2022 Results

Approx.

48 Billion Yen

Fiscal 2023 Target

50 Billion Yen

Market
Environment/
Policy for
FY2023

Catalysts / Fine Chemicals

<Market environment>

- Fuel demand has recovered, with demand especially strong for FCC catalysts. Demand for general-purpose chemical catalysts has been sluggish.
- Worse market conditions for electronics and semiconductors led to lower demand for some fine chemical products.

<Policy for 2023>

- Catalysts: Expand overseas sales, promote development of products for decarbonization applications.
- Fine chemicals: Accelerate diversification of revenue streams through expanded applications for existing products, etc.

Fine Ceramics

<Market environment>

- Demand in the semiconductor manufacturing equipment market has leveled off.
- Demand remains robust for high thermal conductivity silicon nitride substrates for power semiconductors.

<Policy for 2023>

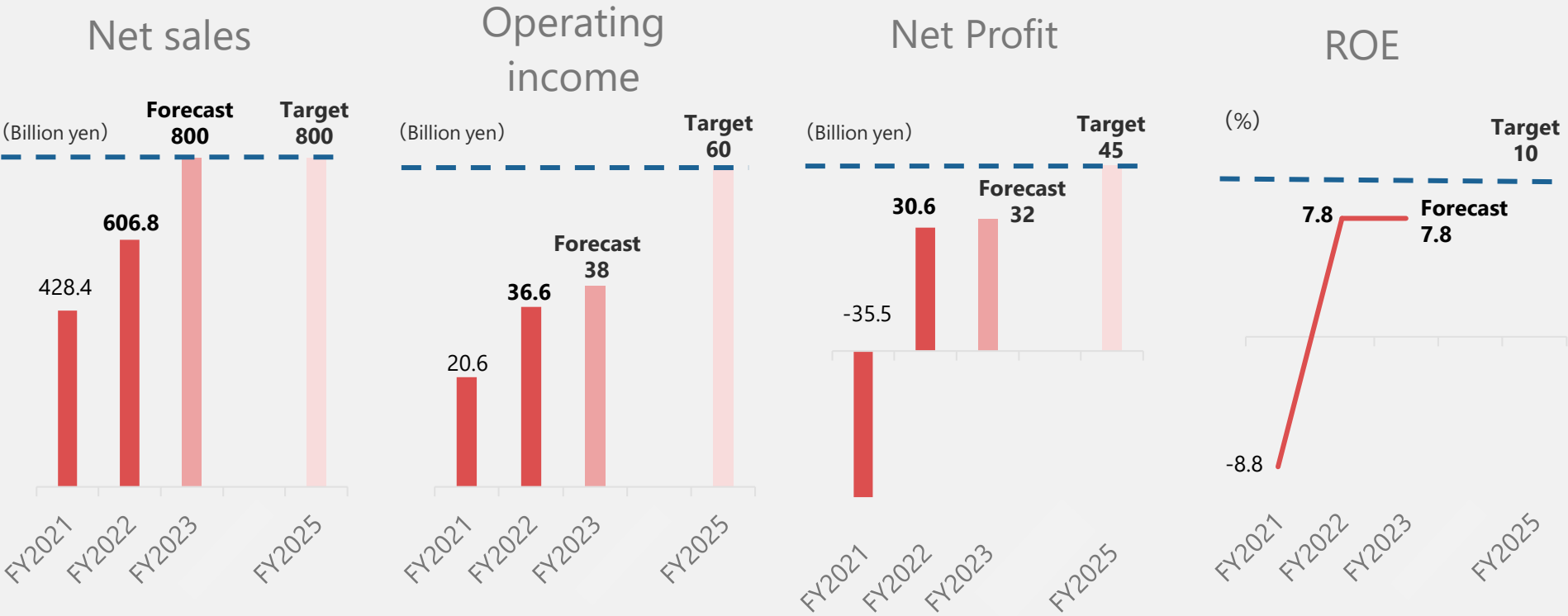
- We expect a decline in orders, mainly for semiconductor-related products, and will review our production plan and structure in anticipation of a recovery in the business environment in FY2024 and beyond.
- Silicon nitride substrates remain in high demand, and our expansion of production capacity is proceeding as planned.

BSP 2025 Progress and Outlook



Progress and Outlook for Medium-Term Financial Targets

Consistent progress toward targets, from favorable market environments and steady implementation of the three key strategies



Progress and Outlook for Three Key Strategies

Transformation of EPC operations

	Current understanding, outlook	Policies
Increasing competitiveness and profitability in mega-sized EPC projects	<ul style="list-style-type: none"> Have largely met FY2022 order targets; high standards likely to be maintained for FY2023 order targets 	<ul style="list-style-type: none"> With more large EPC projects expected, focus on securing orders for projects likely to proceed, expanding capacity, and implementing EPC DX Maintain high sales levels
Taking on EPC growth markets and segments	<ul style="list-style-type: none"> JGC Asia Pacific now fully operational; foundation for regional management in place 	<ul style="list-style-type: none"> Strengthen overseas performance in industrial infrastructure business Maintain a focus on the active domestic life sciences segment

Topics

New operations center established in India – expansion of execution capacity

- A measure to expand capacity** in anticipation of growth in the overseas plant market
- High population of **talented engineers** proficient in English
- Opening ceremony held in April this year; **on the level of 1,000 employees** in the future



Progress and Outlook for Three Key Strategies

Expansion of manufacturing business for high-performance functional materials

Current understanding, outlook	Policies
<ul style="list-style-type: none"> • Temporary leveling off of demand in the market for semiconductor and semiconductor manufacturing equipment. However, it is expected to recover from FY2024 onward. • EV-related market expanding faster than expected 	<ul style="list-style-type: none"> • Diversify sources of revenue by developing new clients, expanding applications, etc. • Implement capital investment to meet future demand as planned, as a groundwork laid for achieving the BSP2025 plan.

Topics

Facility investment to increase production of semiconductor ceramics – expanded earnings from existing business, expanded sales of strategic products

- < Silicon nitride substrates for power semiconductors for EVs >
 - **Implemented capital investment** to increase production (scheduled to start operation in FY2023)
 - **Purchase of new land to accommodate market expansion** (total investment of 10 billion yen)
- < Ceramics for semiconductor manufacturing equipment >
 - **Implemented capital investment** for higher precision in manufacturing (scheduled to start operation in FY2023)
 - **Started capital investment plan** to expand production capacity



Tomiya Plant, which manufactures semiconductor manufacturing components and silicon nitride substrates

Progress and Outlook for Three Key Strategies

Establishment of future engines of growth

Segments of focus through FY2025

Offshore wind power / Hydrogen, fuel ammonia / SAF / Chemical recycling of plastic and fiber waste

Current understanding, outlook	Policies
<ul style="list-style-type: none">Markets for hydrogen/ammonia, SAF, and plastic waste segments are moving forward toward realization. EPC projects already received in Japan, FS and FEED to be conducted overseasEPC orders likely to increase, anticipating sales recorded through FY2025	<ul style="list-style-type: none">Continue to pursue steady results in hydrogen/ammonia, SAF, and plastic wastes segmentsOffshore wind sector is off to a slower start than expected

Topics	<h3>Multiple orders for domestic sustainability-oriented EPC projects received – groundwork laid for sales of 50 billion yen by 2025</h3> <ul style="list-style-type: none">Blue hydrogen/ammonia pilot plant order received for INPEXDomestic SAF plant order received (Sakai Refinery of Cosmo Oil)More than 30 billion yen of orders in segments representing growth engines in FY2022, including above projects	
	Construction site for domestic SAF plant	

Progress and Outlook for Three Key Strategies

Establishment of future engines of growth

Topics

Alliance formed with TOYO for SAF plants – cultivating business from a long-term view

- Alliance agreement on FEED and EPC services for domestic SAF plants was signed with Toyo Engineering Corporation
- Responds to growing demand and increased projects to meet a government target for introducing approx. 1.71 million kiloliters of SAF by 2030



Progress in demonstrating technology for green ammonia production - cultivating business from a long-term view

- Promoting development / demonstration of an integrated control system for optimized green chemical (ammonia) plant operation
- Signing ceremony held for site agreement with a town in Fukushima; operation to start in FY2024




Progress and Outlook for Growth Strategy Investment

Growth strategy investment

Approx. **32 billion yen** invested (mainly in R&D and facilities) out of 200 billion yen allocated.
Expecting approx. **100 billion yen** of investment, including projects to be invested in FY2023 and beyond
(internal investment decisions have already been made) .

	Investment results for FY2022	Future investment plans from FY2023 onward
Transformation of EPC operations	<ul style="list-style-type: none">• Investment in EPC DX, project execution technology• Establishment and operation of operation center in India	
Expansion of manufacturing business for high-performance functional materials	<ul style="list-style-type: none">• Investment in high thermal conductivity silicon nitride substrate facilities• Investment to expand production facilities• Investment to develop new product technologies, etc.	
Establishment of future engines of growth	<ul style="list-style-type: none">• DDR Commercialization• Integnance VR	<ul style="list-style-type: none">• Biomanufacturing• SAF, etc.
	<ul style="list-style-type: none">• Ammonia related• Food tech related (Onshore aquaculture, cultured-meat)• Investment in healthcare related field, etc.	

Maintain effective cash management, including in M&As, and **continue growth strategy investment**



(APPENDIX)

BSP2025 Status of Key Strategies

Enhancing planetary health

Key Strategy①② Transformation of EPC operations/ Expansion of manufacturing for high-performance functional materials

Transformation of EPC Business

Large Projects

Expansion of execution capacity

- JGC India EPC Private Limited established as a new base of executing EPC projects overseas, enabling responsiveness to an overseas plant market that is expected to grow over the medium to long term

Large Projects

Accelerate digital transformation of EPC

- Construction Management System fully operational in ongoing projects (Zuluf, LNG Canada, USGC2, etc.)

Growth Market/ segments

Expand operations for the Asian market

- JGC Asia Pacific now fully operational, increased workforce for expansion into the Asian market, and increased orders mainly in the Indonesian market
- Securing orders in growth areas: life sciences, LNG receiving terminals, renewable energy

Expansion of High - performance Functional Material Business

Accelerate expansion of functional materials manufacturing

- Appointment of Chief Manufacturing Officer, aiming to develop growth strategies beyond FY26 and to further strengthen the manufacturing industry.

Expand earnings of existing businesses

Expand structural ceramic production capacity

- Ceramics business acquired from Showa Denko Materials Seeking further gains in JFC Group production capacity, expanded business performance

Expand earnings of existing businesses/
Expand sales of strategic products

Expand production facilities: ceramics for semiconductor manufacturing equipment, silicon nitride substrates

- Purchase of new site for establishing new plants for increased semiconductor ceramic production
- Planning further facility investment for additional increased production of semiconductor ceramics products to meet future growth in demand

Key Strategy③ Establishment of future engines of growth

Groundwork Laid for Sales of 50 Billion Yen by 2025

Energy Transition Field

- Alliance agreement signed with Toyo Engineering on services for domestic SAF plants
- Receiving EPC orders for ground facilities at blue hydrogen/ammonia pilot plants

Circular Economy Field

- Alliance agreement signed with Toyo Engineering on services for domestic SAF plants

Life Science Field

- Received a plant expansion order for Hoya – smart factory project

Cultivating Business from a Long-term View

Energy Transition Field

- Start of technical development of carbon capture applying unused LNG cold energy as a NEDO Green Innovation Fund project
- Participation in joint study on CCS in Malaysia
- In wind power, invested in Japan Grid to venture into peripheral areas in this field
- Established smart O&M service company Brownreverse, launched paid version of Integnance VR

Key Strategy③ Establishment of future engines of growth

Cultivating Business from a Long-term View

Energy Transition Field

- "Development of Polymer Synthesis Technology by Microorganisms using CO₂ as Direct Raw Material" selected as a NEDO Green Innovation Fund Project; biomanufacturing now underway

Circular Economy Field

- Established Saffaire Sky Energy for Japan's first large-scale production of SAF
- Established RePEaT to license polyester chemical recycling technology
- Basic agreement signed on hydrogen production business collaboration using waste plastic gasification facilities

Life Science Field

- Organoid Farm established for commercialization of cultured meat
- Kamome Mirai Fisheries established for commercialization of onshore aquaculture

Investment through CVC Funds

- Investment in six new companies, mainly in healthcare/life sciences
(Enecoat Technologies, LIFESCAPES, Fairy Devices, AmicaTerra, Alpha Fusion, Biome)

Others (Digital)

- Established IT services company JGC Digital to accelerate creation of new, highly value-added business applying IT
- Provision of Construction Site Safety Culture Improvement Support Application "Azas", and Plant Maintenance Risk Visualization Software "CoreSafety"

Note on Future Outlook

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