

# [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.)

November 9, 2023

## Summary-Consolidated Second Quarter Financial Statements

(For the fiscal year ending March 31, 2024)

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, Finance Unit**

Name: **Shinichi Taguchi**

Stock exchange: **Tokyo**

Tel: **045-682-1111**

URL: **https://www.jgc.com**

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

### 1. Consolidated financial results for 2Q of fiscal year ending March 31, 2024 (April 1, 2023 - September 30, 2023)

(1) Consolidated financial results

Note: Percentage indicates changes from the previous term.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
2Q of fiscal year ending March 31, 2024	403,261	50.9	13,007	(31.5)	25,401	(16.7)	12,588	(39.3)
2Q of fiscal year ended March 31, 2023	267,209	22.6	18,981	82.8	30,481	141.8	20,738	—

Note: Comprehensive income (millions of yen):  
2Q of fiscal year ending March 31, 2024: 15,661 ((38.1%))  
2Q of fiscal year ended March 31, 2023: 25,301 (—%)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
2Q of fiscal year ending March 31, 2024	52.29	52.27
2Q of fiscal year ended March 31, 2023	82.10	—

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of September 30, 2023	754,286	404,582	53.5
As of March 31, 2023	713,127	397,981	55.7

Reference: Equity (millions of yen):  
As of September 30, 2023: 403,818  
As of March 31, 2023: 397,343

### 2. Dividends

	Annual dividends per share (Yen)				
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual
Fiscal year ended March 31, 2023	—	—	—	38.00	38.00
Fiscal year ending March 31, 2024	—	—	—	—	—
Fiscal year ending March 31, 2024 (Forecasts)	—	—	—	40.00	40.00

Note: Revision to the latest forecast announcement: None

### 3. Earnings forecasts for fiscal year ending March 31, 2024 (April 1, 2023 - March 31, 2024)

Note: Percentage indicates changes from the previous term.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full Year	800,000	31.8	38,000	3.5	45,000	(11.0)	32,000	4.4	132.93

Note: Revision to the latest forecast announcement: 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:	Yes
(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 shares):

As of September 30, 2023:	259,481,819	As of March 31, 2023:	259,409,926
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(b) Number of treasury shares at term-end:

As of September 30, 2023:	17,940,381	As of March 31, 2023:	18,820,609
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(c) Average number of shares outstanding during this period:

2Q of fiscal year ending March 31, 2024:	240,735,537	2Q of fiscal year ended March 31, 2023:	252,607,335
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( i ) This document is unaudited by certificated public accountants or audit firms.

( ii ) 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.

( iii ) Forecasts based on: 140.00 yen/US\$ 1.00

## Consolidated Balance Sheet

	As of March 31, 2023	As of September 30, 2023
	(Millions of yen)	(Millions of yen)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	332,951	333,900
Notes receivable, trade receivables, contract assets and other	141,846	160,437
Costs on construction contracts in progress	16,981	17,282
Merchandise and finished goods	7,760	7,283
Work in process	3,236	4,589
Raw materials and supplies	4,520	3,974
Accounts receivable - other	25,710	34,106
Other	6,802	13,334
Allowance for doubtful accounts	(315)	(300)
<b>Total current assets</b>	539,493	574,609
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	75,001	77,435
Machinery, vehicles, tools, furniture and fixtures	72,569	76,331
Land	18,639	20,804
Leased assets	2,690	2,990
Construction in progress	2,928	3,800
Accumulated depreciation	(99,595)	(102,582)
<b>Total property, plant and equipment</b>	72,234	78,779
<b>Intangible assets</b>		
Software	10,650	12,002
Other	374	319
<b>Total intangible assets</b>	11,025	12,322
<b>Investments and other assets</b>		
Investment securities	59,224	61,766
Long-term loans receivable	11,074	12,194
Retirement benefit asset	1,277	1,275
Deferred tax assets	15,483	14,632
Other	25,333	23,006
Allowance for doubtful accounts	(22,018)	(24,299)
<b>Total investments and other assets</b>	90,373	88,575
<b>Total non-current assets</b>	173,633	179,677
<b>Total assets</b>	713,127	754,286

	As of March 31, 2023	As of September 30, 2023
	(Millions of yen)	(Millions of yen)
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	90,005	129,470
Short-term borrowings	2,336	599
Current portion of bonds payable	10,000	—
Current portion of long-term borrowings	544	634
Income taxes payable	4,794	6,586
Contract liabilities	113,989	93,891
Provision for bonuses	12,509	8,764
Provision for bonuses for directors (and other officers)	299	117
Provision for loss on construction contracts	838	10,836
Provision for warranties for completed construction	958	943
Other	35,929	42,272
<b>Total current liabilities</b>	<b>272,206</b>	<b>294,116</b>
<b>Non-current liabilities</b>		
Bonds payable	10,000	20,000
Long-term borrowings	13,891	15,349
Retirement benefit liability	12,803	13,112
Provision for retirement benefits for directors (and other officers)	233	973
Deferred tax liabilities	1,438	1,694
Deferred tax liabilities for land revaluation	1,014	1,014
Other	3,557	3,442
<b>Total non-current liabilities</b>	<b>42,939</b>	<b>55,587</b>
<b>Total liabilities</b>	<b>315,145</b>	<b>349,704</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Share capital	23,733	23,798
Capital surplus	25,831	25,865
Retained earnings	369,066	371,287
Treasury shares	(26,741)	(25,485)
<b>Total shareholders' equity</b>	<b>391,889</b>	<b>395,467</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	7,219	6,221
Deferred gains or losses on hedges	2,359	3,386
Revaluation reserve for land	(10,891)	(10,891)
Foreign currency translation adjustment	6,089	9,151
Remeasurements of defined benefit plans	677	483
<b>Total accumulated other comprehensive income</b>	<b>5,454</b>	<b>8,351</b>
<b>Non-controlling interests</b>	<b>637</b>	<b>764</b>
<b>Total net assets</b>	<b>397,981</b>	<b>404,582</b>
<b>Total liabilities and net assets</b>	<b>713,127</b>	<b>754,286</b>

## Consolidated Statement of Income

	2Q of fiscal year ended March 31, 2023 (Apr. 1, 2022 - Sep. 30, 2022)	2Q of fiscal year ending March 31, 2024 (Apr. 1, 2023 - Sep. 30, 2023)
	(Millions of yen)	(Millions of yen)
<b>Net sales</b>	267,209	403,261
Cost of sales	235,118	374,813
Gross profit	32,090	28,447
Selling, general and administrative expenses	13,109	15,440
<b>Operating profit</b>	18,981	13,007
<b>Non-operating income</b>		
Interest income	1,895	7,581
Dividend income	1,454	364
Foreign exchange gains	7,813	4,221
Share of profit of entities accounted for using equity method	819	796
Other	134	259
<b>Total non-operating income</b>	12,116	13,223
<b>Non-operating expenses</b>		
Interest expenses	556	625
Other	60	203
<b>Total non-operating expenses</b>	616	829
<b>Ordinary profit</b>	30,481	25,401
<b>Extraordinary income</b>		
Gain on change in equity	1,222	—
Gain on sale of receivables	2,079	—
Other	3	—
<b>Total extraordinary income</b>	3,305	—
<b>Extraordinary losses</b>		
Loss on sale of non-current assets	79	—
Loss on retirement of non-current assets	71	30
Loss on valuation of investment securities	923	18
Other	44	—
<b>Total extraordinary losses</b>	1,119	48
<b>Profit before income taxes</b>	32,667	25,353
<b>Income taxes</b>	11,959	12,790
<b>Profit</b>	20,707	12,562
<b>Loss attributable to non-controlling interests</b>	(31)	(26)
<b>Profit attributable to owners of parent</b>	20,738	12,588

## Consolidated Statement of Comprehensive Income

	2Q of fiscal year ended March 31, 2023 (Apr. 1, 2022 - Sep. 30, 2022)	2Q of fiscal year ending March 31, 2024 (Apr. 1, 2023 - Sep. 30, 2023)
	(Millions of yen)	(Millions of yen)
<b>Profit</b>	20,707	12,562
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(819)	1,733
Deferred gains or losses on hedges	(1,206)	1,067
Foreign currency translation adjustment	2,859	2,080
Remeasurements of defined benefit plans	(47)	(188)
Share of other comprehensive income of entities accounted for using equity method	3,806	(1,594)
<b>Total other comprehensive income</b>	4,593	3,099
<b>Comprehensive income</b>	25,301	15,661
<b>Comprehensive income attributable to</b>		
Comprehensive income attributable to owners of parent	25,306	15,485
Comprehensive income attributable to non-controlling interests	(5)	176

## Consolidated Statement of Cash Flows

	2Q of fiscal year ended March 31, 2023	2Q of fiscal year ending March 31, 2024
	(Apr. 1, 2022 - Sep. 30, 2022)	(Apr. 1, 2023- Sep. 30, 2023)
	(Millions of yen)	(Millions of yen)
<b>Cash flows from operating activities</b>		
Profit before income taxes	32,667	25,353
Depreciation	3,615	4,312
Increase (decrease) in allowance for doubtful accounts	1,751	1,600
Interest and dividend income	(3,349)	(7,946)
Interest expenses	556	625
Foreign exchange losses (gains)	(9,519)	(8,642)
Share of loss (profit) of entities accounted for using equity method	(819)	(796)
Decrease (increase) in notes receivable, trade receivables, contract assets and other	11,164	(15,800)
Decrease (increase) in inventories	(6,887)	243
Increase (decrease) in notes and accounts payable - trade	11,651	36,963
Increase (decrease) in retirement benefit liability	(170)	78
Increase (decrease) in provision for loss on construction contracts	336	9,294
Loss (gain) on change in equity	(1,222)	—
Increase (decrease) in contract liabilities	22,407	(21,920)
Decrease (increase) in accounts receivable - other	30,232	(6,463)
Increase (decrease) in accounts payable - other	3,412	6,262
Gain on sale of receivables	(2,079)	—
Other, net	1,580	(9,022)
<b>Subtotal</b>	<b>95,328</b>	<b>14,140</b>
Interest and dividends received	3,130	9,117
Interest paid	(448)	(606)
Proceeds from sale of receivables	2,079	—
Income taxes paid	(11,169)	(6,373)
<b>Cash flows from operating activities</b>	<b>88,919</b>	<b>16,277</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,655)	(7,176)
Purchase of investment securities	(1,875)	(4,535)
Purchase of intangible assets	(2,062)	(2,908)
Proceeds from sale of intangible assets	1,680	—
Proceeds from capital reduction of investments	—	1,102
Other, net	(62)	208
<b>Cash flows from investing activities</b>	<b>(4,976)</b>	<b>(13,309)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	1,810	—
Repayments of long-term borrowings	(8,841)	(302)
Proceeds from issuance of bonds	—	10,000
Redemption of bonds	—	(10,000)
Purchase of treasury shares	(0)	(0)
Dividends paid	(3,787)	(9,133)
Dividends paid to non-controlling interests	(14)	(19)
Net increase (decrease) in short-term borrowings	259	(1,835)
Other, net	(6)	(344)
<b>Cash flows from financing activities</b>	<b>(10,580)</b>	<b>(11,636)</b>

	2Q of fiscal year ended March 31, 2023	2Q of fiscal year ending March 31, 2024
	(Apr. 1, 2022 - Sep. 30, 2022)	(Apr. 1, 2023 - Sep. 30, 2023)
	(Millions of yen)	(Millions of yen)
<b>Effect of exchange rate change on cash and cash equivalents</b>	10,234	9,593
<b>Net increase (decrease) in cash and cash equivalents</b>	83,596	926
<b>Cash and cash equivalents at beginning of period</b>	288,009	332,755
<b>Cash and cash equivalents at end of period</b>	371,605	333,682



## Segment Information

### 【 Information by reportable segment 】

2Q of fiscal year ended March 31, 2023 (April 1, 2022 - September 30, 2022)

(Millions of yen)

	Reportable segment			Others	Total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Subtotal				
Net sales							
Sales to external customers	241,825	23,482	265,307	1,901	267,209	—	267,209
Inter-segment sales or transfers	9	—	9	1,173	1,182	(1,182)	—
Total	241,834	23,482	265,316	3,075	268,392	(1,182)	267,209
Segment profit	17,348	3,892	21,240	330	21,571	(2,589)	18,981

Notes:

- "Others" includes business activities of consulting, management of real estate, water desalination, and production and sale of oil and gas.
- Adjustments to segment profit include corporate expenses not allocated to individual segments and the elimination of transactions between segments.
- Segment profit is reconciled to operating profit on the consolidated statement of income.

2Q of fiscal year ending March 31, 2024 (April 1, 2023 - September 30, 2023)

(Millions of yen)

	Reportable segment			Others	Total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Subtotal				
Net sales							
Sales to external customers	375,585	25,773	401,359	1,901	403,261	—	403,261
Inter-segment sales or transfers	6	4	10	1,826	1,837	(1,837)	—
Total	375,592	25,777	401,369	3,728	405,098	(1,837)	403,261
Segment profit	12,280	3,767	16,048	627	16,675	(3,667)	13,007

Notes:

- "Others" includes business activities of consulting, management of real estate, water desalination, and production and sale of oil and gas.
- Adjustments to segment profit include corporate expenses not allocated to individual segments and the elimination of transactions between segments.
- Segment profit is reconciled to operating profit on the consolidated statement of income.

## Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2023	September 30, 2023		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Total Engineering Business		1,563,459	158,904	375,585	1,484,947
Domestic	Energy Transition				
	Oil and gas	8,663	12,100	7,932	12,831
	LNG	0	10	10	1
	Chemical	24,136	6,062	14,344	15,831
	Clean energy	134,284	16,563	34,764	115,988
	Others	3,326	579	1,868	1,886
	Subtotal	170,410	35,317	58,920	146,538
	Healthcare & life sciences	67,622	71,195	32,081	106,519
	Industrial & urban infrastructure	138	8,117	556	7,699
	Others	154	227	133	196
Domestic Subtotal	238,326	114,857	91,691	260,954	
Overseas	Energy Transition				
	Oil and gas	739,098	13,745	147,578	679,234
	LNG	376,018	15,112	103,099	336,018
	Chemical	183,936	4,402	25,713	177,742
	Clean energy	2,068	7,676	1,564	8,317
	Others	6,469	340	1,220	6,151
	Subtotal	1,307,590	41,277	279,176	1,207,464
	Healthcare & life sciences	17,224	523	3,741	14,963
	Industrial & urban infrastructure	318	1,979	964	1,308
	Others	—	266	11	254
Overseas Subtotal	1,325,132	44,047	283,894	1,223,992	
Functional Materials Manufacturing Business		7,036	26,145	25,773	7,441
Other Businesses		597	4,961	1,901	3,743
Grand Total		1,571,093	190,011	403,261	1,496,132

Notes:

1. The figure for outstanding contracts for "Total Engineering Business" at the end of the second quarter of the current consolidated fiscal year includes an upward adjustment of ¥138,168 million due to foreign currency translation, amendments and changes in contract amounts and others in the second quarter of the current consolidated fiscal year.
2. The figure for outstanding contracts for "Functional Materials Manufacturing Business" at the end of the second quarter of the current consolidated fiscal year includes an upward adjustment of ¥32 million due to foreign currency translation, amendments and changes in contract amounts and others in the second quarter of the current consolidated fiscal year.
3. The figure for outstanding contracts for "Other Businesses" at the end of the second quarter of the current consolidated fiscal year includes an upward adjustment of ¥86 million due to foreign currency translation, amendments and changes in contract amounts and others in the second quarter of the current consolidated fiscal year.