

This presentation is English-language translation of the original Japanese-language document for your convenience. In the case that there is any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct.

# Outline of Half Year Financial Results for Fiscal Year 2023

April 1, 2023 – September 30, 2023

A stylized globe graphic composed of a grid of small dots, showing the continents of Asia and Australia. It is positioned on the right side of the slide, partially overlapping the text "Enhancing planetary health".

Enhancing planetary health

November 9, 2023

**JGC HOLDINGS CORPORATION**

# CONTENTS

- Results for Fiscal Year 2023 H1
- Forecasts for Fiscal Year 2023
- Appendix



# Results for Fiscal Year 2023 H1

Enhancing planetary health

---

# Highlights

---

- Sales increased year on year due to steady progress on major large-scale projects.
- Profitability decreased due to risk reviews of the on going projects executed by overseas subsidiaries.
- Steadily accumulating domestic project orders.

# Income Statement

【Unit: Billions of Yen】

	H1 FY2022	H1 FY2023	Difference	
<b>Net sales</b>	267.2	<b>403.2</b>	+136.0	+51%
<b>Gross profit</b>	32.0	<b>28.4</b>	△ 3.6	△ 11%
<b>Profit ratio</b>	12.0%	<b>7.1%</b>	△ 4.9pt	
<b>Operating profit</b>	18.9	<b>13.0</b>	△ 5.9	△ 31%
<b>Ordinary profit</b>	30.4	<b>25.4</b>	△ 5.0	△ 17%
<b>Profit attributable to owners of parent</b>	20.7	<b>12.5</b>	△ 8.1	△ 39%
<b>Earnings per share</b>	¥82.10	<b>¥52.29</b>		

# Segment Information

【Unit: Billions of Yen】

		H1 FY2022	H1 FY2023	Difference	
<b>Total Engineering</b>	<b>Net sales</b>	241.8	<b>375.5</b>	+133.7	+55%
	<b>Segment profit</b>	17.3	<b>12.2</b>	△ 5.0	△ 29%
	<b>Profit ratio</b>	7.2%	<b>3.3%</b>	△ 3.9pt	
<b>Functional Materials Manufacturing</b>	<b>Net sales</b>	23.4	<b>25.7</b>	+2.2	+10%
	<b>Segment profit</b>	3.8	<b>3.7</b>	△ 0.1	△ 3%
	<b>Profit ratio</b>	16.6%	<b>14.6%</b>	△ 2.0pt	
<b>Others</b>	<b>Net sales</b>	1.9	<b>1.9</b>	-	-
	<b>Segment profit</b>	0.3	<b>0.6</b>	+0.2	+90%
	<b>Profit ratio</b>	17.4%	<b>33.0%</b>	+15.6pt	
<b>Adjustment</b>	<b>Segment profit</b>	△ 2.5	<b>△ 3.6</b>	△ 1.0	-

# Segment Information

## Outline of Contracts (Total Engineering)

### i) New Contracts

【Unit: Billions of Yen】

	H1 FY2022	H1 FY2023
Overseas	416.1	<b>44.0</b>
Domestic	47.2	<b>114.8</b>
Total	463.4	<b>158.9</b>

H1 FY2023  
Major New Contracts

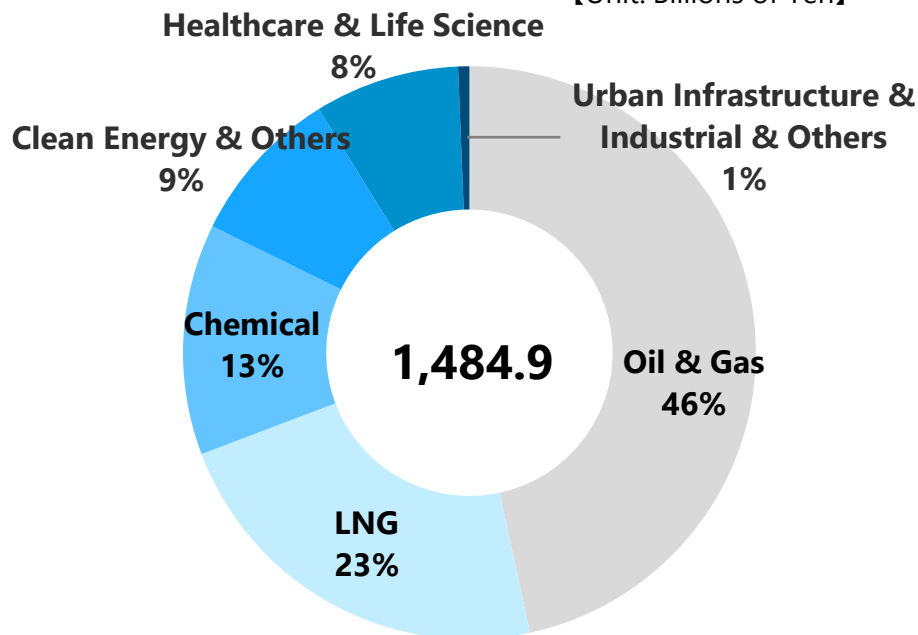
ATMPs and mRNA Vaccine Ingredients Facility (Japan)  
Bio API Manufacturing Facility (Japan)

# Segment Information

## ii) Outstanding Contracts (As of September 30, 2023)

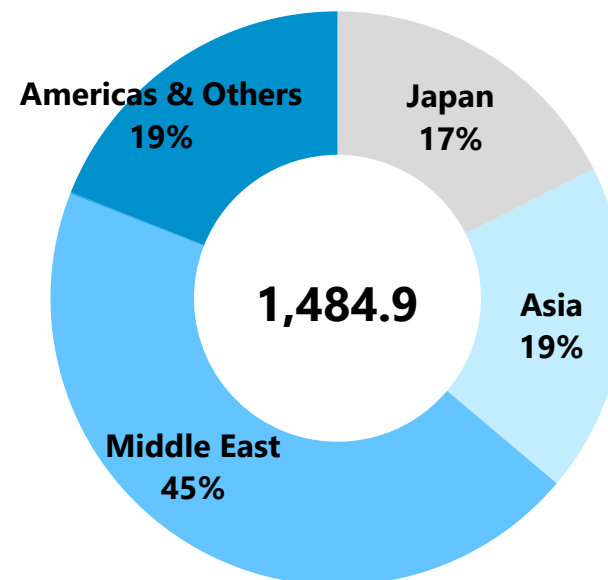
### By Business Area

[Unit: Billions of Yen]



### By Region

[Unit: Billions of Yen]



H1 FY2023  
Major  
Outstanding  
Contracts

Over 100 Billion Yen

LNG (Canada)  
Oil Refinery Modernization (Iraq)  
Gas Oil Separation Unit (Saudi Arabia)  
Nearshore Floating LNG Plant (Malaysia)  
Large-scale Ethylene Plants (The U.S.)

Over 50 Billion Yen

Dew Point Control Unit (Saudi Arabia)

Over 30 Billion Yen

VCM, PVC, and OSBL Expansion (Thailand)  
LNG Terminal Facilities (Taiwan)  
Biomass Power Generation (Japan)  
ATMPs and mRNA Vaccine Ingredients (Japan)



# Financial Position & Cash Flows

【Unit: Billions of Yen】

	As of March 31, 2023	As of September 30, 2023	Difference
<b>Total assets</b>	713.1	<b>754.2</b>	+41.1
<b>Total net assets</b>	397.9	<b>404.5</b>	+6.6
<b>Equity ratio</b>	55.7%	<b>53.5%</b>	△ 2.2pt
Off Balance Sheet JV Cash JGC Portion	171.7	<b>170.5</b>	△ 1.1
	H1 FY2022	H1 FY2023	Difference
<b>Cash flows from operating activities</b>	88.9	<b>16.2</b>	△ 72.6
<b>Cash flows from investing activities</b>	△ 4.9	<b>△ 13.3</b>	△ 8.3
<b>Cash flows from financing activities</b>	△ 10.5	<b>△ 11.6</b>	△ 1.0
<b>Cash and cash equivalents at end of period</b>	371.6	<b>333.6</b>	△ 37.9

# Forecasts for Fiscal Year 2023

A stylized globe composed of a grid of small dots, showing the continents of North and South America.

Enhancing planetary health

---

# Forecasts for Fiscal Year 2023

Full year forecast remains unchanged.

	FY2023 Forecast	【Unit: Billions of Yen】	
		H1 FY2023 Actual	Progress Rate
New contracts *1	800.0	158.9	20%
Net sales	800.0	403.2	50%
Gross profit	68.0	28.4	42%
Profit ratio	8.5%	7.1%	
Operating profit	38.0	13.0	34%
Ordinary profit	45.0	25.4	56%
Profit attributable to owners of parent	32.0	12.5	39%
Annual dividends per share	¥40.0		
Forecasts based on (¥/US\$)	¥140.00*2		

\*1 Total Engineering

\*2 Exchange rate of forecast for H2 FY2023

---

# Appendix

# Reference (Net sales & New Contracts by Region)

## Net sales

【Unit: Billions of Yen】

	H1 FY2022		H1 FY2023	
<b>Japan</b>	67.4	(25.2%)	<b>107.5</b>	(26.7%)
<b>Asia</b>	27.9	(10.5%)	<b>49.5</b>	(12.3%)
<b>Middle East</b>	54.5	(20.4%)	<b>143.6</b>	(35.6%)
<b>Africa</b>	22.4	(8.4%)	<b>21.0</b>	(5.2%)
<b>Americas &amp; Others</b>	94.8	(35.5%)	<b>81.4</b>	(20.2%)
<b>Total</b>	267.2	(100.0%)	<b>403.2</b>	(100.0%)

## New contracts (Total Engineering)

【Unit: Billions of Yen】

	H1 FY2022		H1 FY2023	
<b>Japan</b>	47.2	(10.2%)	<b>114.8</b>	(72.3%)
<b>Asia</b>	99.1	(21.4%)	<b>13.0</b>	(8.2%)
<b>Middle East</b>	306.0	(66.0%)	<b>13.2</b>	(8.3%)
<b>Africa</b>	4.4	(1.0%)	<b>2.3</b>	(1.5%)
<b>Americas &amp; Others</b>	6.4	(1.4%)	<b>15.4</b>	(9.7%)
<b>Total</b>	463.4	(100.0%)	<b>158.9</b>	(100.0%)

# Reference (Outstanding Contracts by Region & Business Area)

## By Region (Total Engineering)

【Unit: Billions of Yen】

	H1 FY2023	
Japan	260.9	(17.5%)
Asia	275.9	(18.6%)
Middle East	664.8	(44.8%)
Africa	1.2	(0.1%)
Americas & Others	281.8	(19.0%)
<b>Total</b>	<b>1,484.9</b>	<b>(100.0%)</b>

## By Business Area (Total Engineering)

【Unit: Billions of Yen】

	H1 FY2023	
<b>Energy Transition</b>		
Oil and gas	692.0	(46.6%)
LNG	336.0	(22.6%)
Chemical	193.5	(13.0%)
Clean energy & Others	132.3	(8.9%)
<b>Healthcare &amp; Life sciences</b>	<b>121.4</b>	<b>(8.2%)</b>
<b>Industrial &amp; Urban infrastructure &amp; Others</b>	<b>9.4</b>	<b>(0.7%)</b>
<b>Total</b>	<b>1,484.9</b>	<b>(100.0%)</b>

# Reference (Forecasts for Fiscal Year 2023 by Segment)

Segment forecast remains unchanged.

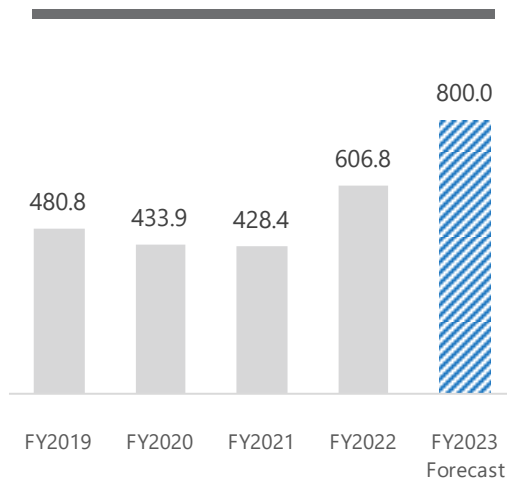
【Unit: Billions of Yen】

		FY2023 Forecast
<b>Total Engineering</b>	<b>Net sales</b>	<b>743.0</b>
	<b>Segment profit</b>	<b>38.5</b>
	<b>Profit ratio</b>	<b>5.2%</b>
<b>Functional Materials Manufacturing</b>	<b>Net sales</b>	<b>50.0</b>
	<b>Segment profit</b>	<b>5.7</b>
	<b>Profit ratio</b>	<b>11.4%</b>
<b>Others</b>	<b>Net sales</b>	<b>7.0</b>
	<b>Segment profit</b>	<b>1.5</b>
	<b>Profit ratio</b>	<b>21.4%</b>
<b>Adjustment</b>	<b>Segment profit</b>	<b>△ 7.7</b>

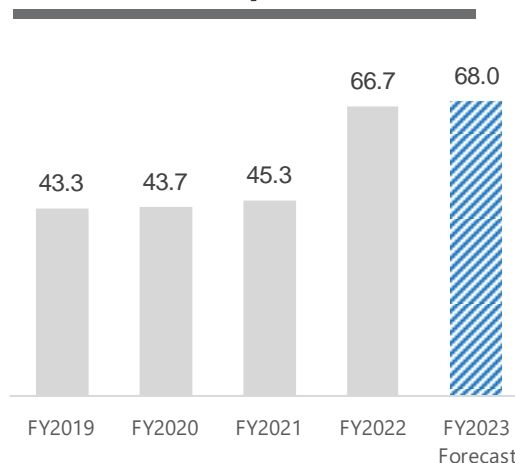
# Reference (Historical data chart)

【Unit: Billions of Yen】

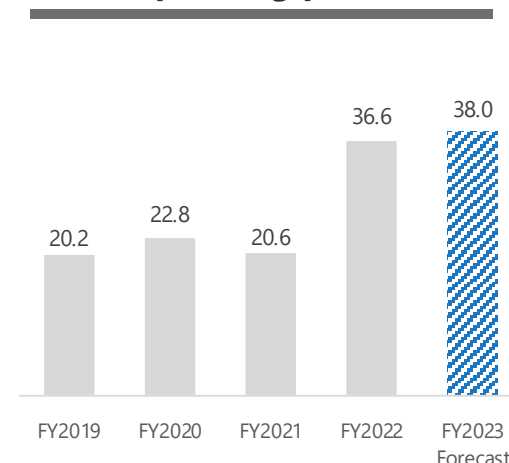
## Net sales



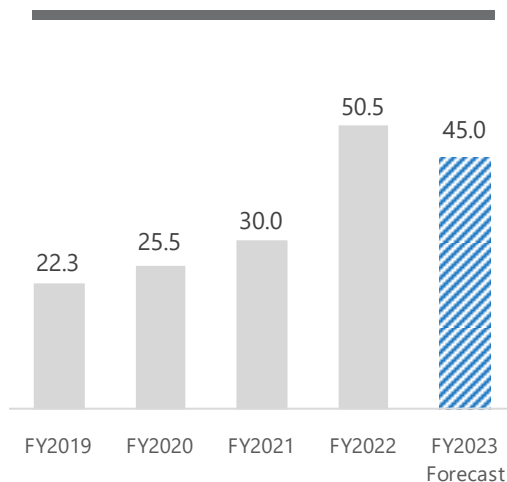
## Gross profit



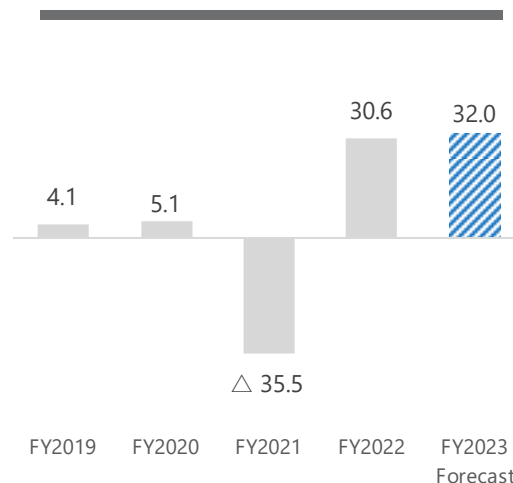
## Operating profit



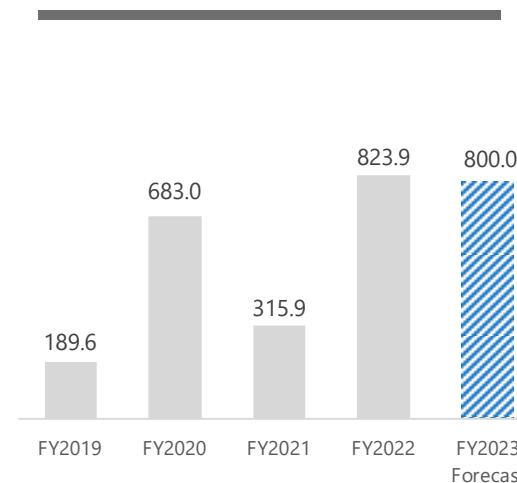
## Ordinary profit



## Profit/loss attributable to owners of parent



## New Contracts





# Enhancing corporate value by the medium-term business plan

– Action to implement management that is conscious of cost of capital and stock price –

## Assessment of current conditions

- Stock price: P/B ratio around 1 since the beginning of the year
- Return on capital: recent ROE in the 7% range, below cost of equity
  - Although the market for total engineering business is booming, asset turnover is still under recovery
- Growth: Currently pursuing growth strategy investment

## Policies And targets

- Medium-Term Business Plan (BSP 2025)
  - Three key strategies
    - Transformation of EPC operations
    - Expansion of manufacturing business for high-performance functional materials
    - Establishment of future engines of growth
  - Maintaining sound finances
  - Disciplined growth strategy investment
  - Payout ratio of about 30% (minimum dividend per share: 15 yen), flexible stance on share buyback
  - ROE of 10% as a FY2025 financial targets

## Initiatives, time frame

- Strong execution of BSP 2025
- Sales recovery and expansion by securing a high level of order backlog
- Entering execution phase for growth strategy investments
- Dividends and share buyback in line with shareholder return policy

# Cautionary Statement

This presentation may contain forward-looking statements that reflect JGC's plans and expectations.

Such statements are based on currently available information and current assumptions of future events which may not prove to be accurate. Such statements are also subject to various risks and uncertainties that could cause actual results to differ materially from those forward-looking statements.

JGC Holdings Corporation undertakes no obligation to update any forward-looking statements after the date of this presentation. These potential risks and uncertainties include, but are not limited to:

- changes in general economic conditions, including foreign currency exchange rates, interest rates and other factors that could affect our profitability
- changes in government regulations or tax laws in jurisdictions where we conduct business

For questions concerning this material, please contact:

Strategy Planning Office

Strategic Planning Unit

Corporate Communication Group

JGC Holdings Corporation

Tel: 81-45-682-8026 Fax: 81-45-682-1112

Email: [ir@jgc.com](mailto:ir@jgc.com)