

[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.)

Aug 8, 2024

Summary-Consolidated First Quarter Financial Statements

(For the fiscal year ending March 31, 2025)

Name of listed company: **JGC HOLDINGS CORPORATION**

Stock exchange: **Tokyo**

Code number: **1963**

Representative

Tel: **045-682-1111**

Title: **Representative Director, Chairman of the Board & Chief Executive Officer (CEO)**

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

Name: **Masayuki Sato**

Contact

Title: **Executive Officer**

Name: **Shinichi Taguchi**

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

1. Consolidated financial results for 1Q of fiscal year ending March 31, 2025 (April 1, 2024 - June 30, 2024)

(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)	(%)
1Q of fiscal year ending March 31, 2025	204,165	13.5	8,105	(19.3)	17,632	(0.8)	12,386	20.8
1Q of fiscal year ended March 31, 2024	179,860	52.2	10,044	(1.9)	17,776	(4.0)	10,249	(18.1)

Note: Comprehensive income (millions of yen): 1Q of fiscal year ending March 31, 2025: 20,166 (64.4%) 1Q of fiscal year ended March 31, 2024: 12,264 ((16.9)%)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
1Q of fiscal year ending March 31, 2025	51.28	51.24
1Q of fiscal year ended March 31, 2024	42.60	42.58

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of June 30, 2024	827,863	398,373	47.9
As of March 31, 2024	792,296	387,885	48.7

Reference: Equity (millions of yen): As of June 30, 2024: 396,542 As of March 31, 2024: 386,155

2. Dividends

	Annual dividends per share (Yen)				
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual
Fiscal year ended March 31, 2024	—	—	—	40.00	40.00
Fiscal year ending March 31, 2025	—	—	—	—	—
Fiscal year ending March 31, 2025 (Forecasts)	—	—	—	40.00	40.00

Note: Revision to the latest forecast announcement: None

3. Earnings forecasts for fiscal year ending March 31, 2025 (April 1, 2024 - March 31, 2025)

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	830,000	(0.3)	26,000	—	34,000	9,372.9	23,000	—	95.39

Note: Revision to the latest forecast announcement: None

4. Others

(1) Important changes in scope of consolidation

(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 shares):

As of June 30, 2024:	259,481,819	As of March 31, 2024:	259,481,819
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(b) Number of treasury shares at term-end:

As of June 30, 2024:	17,940,572	As of March 31, 2024:	17,940,497
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(c) Average number of shares outstanding during this period:

1Q of fiscal year ending March 31, 2025:	241,541,285	1Q of fiscal year ended March 31, 2024:	240,589,275
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(i) Review by a certified public accountant or audit firm of the attached quarterly consolidated financial statements: Yes (optional)

(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. For the assumptions underlying the performance forecasts, please refer to the "Outline of Financial Results 1Q FY2024" disclosed on TDnet today.

Consolidated Balance Sheet

	As of March 31, 2024	As of June 30, 2024
	(Millions of yen)	(Millions of yen)
ASSETS		
Current assets		
Cash and deposits	324,964	366,992
Notes receivable, trade receivables, contract assets and other	200,819	179,623
Costs on construction contracts in progress	25,304	29,015
Merchandise and finished goods	7,474	6,768
Work in process	3,731	4,239
Raw materials and supplies	4,411	4,422
Accounts receivable - other	28,167	30,779
Other	9,242	11,295
Allowance for doubtful accounts	(553)	(547)
Total current assets	603,563	632,587
Non-current assets		
Property, plant and equipment		
Buildings and structures	79,968	81,200
Machinery, vehicles, tools, furniture and fixtures	79,639	81,094
Land	24,862	24,938
Leased assets	3,055	2,818
Construction in progress	3,392	4,615
Accumulated depreciation	(106,505)	(108,140)
Total property, plant and equipment	84,411	86,526
Intangible assets		
Software	13,060	13,065
Other	268	249
Total intangible assets	13,328	13,315
Investments and other assets		
Investment securities	56,073	60,734
Long-term loans receivable	11,869	12,493
Retirement benefit asset	1,600	1,578
Deferred tax assets	22,834	22,066
Other	22,985	24,222
Allowance for doubtful accounts	(24,369)	(25,660)
Total investments and other assets	90,993	95,434
Total non-current assets	188,733	195,275
Total assets	792,296	827,863

	As of March 31, 2024	As of June 30, 2024
	(Millions of yen)	(Millions of yen)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	147,309	148,317
Short-term borrowings	3,817	291
Current portion of long-term borrowings	741	779
Income taxes payable	5,480	7,552
Contract liabilities	95,855	111,728
Provision for bonuses	8,281	12,561
Provision for bonuses for directors (and other officers)	209	246
Provision for loss on construction contracts	48,072	45,001
Provision for warranties for completed construction	1,249	1,259
Other	39,719	46,506
Total current liabilities	350,736	374,244
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	14,717	15,566
Retirement benefit liability	11,486	11,950
Provision for retirement benefits for directors (and other officers)	1,059	1,176
Deferred tax liabilities	2,231	2,377
Deferred tax liabilities for land revaluation	1,014	1,014
Other	3,163	3,158
Total non-current liabilities	53,674	55,245
Total liabilities	404,410	429,489
NET ASSETS		
Shareholders' equity		
Share capital	23,798	23,798
Capital surplus	25,378	25,378
Retained earnings	350,511	353,236
Treasury shares	(25,485)	(25,485)
Total shareholders' equity	374,202	376,927
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,410	9,924
Deferred gains or losses on hedges	3,072	4,890
Revaluation reserve for land	(10,891)	(10,891)
Foreign currency translation adjustment	11,082	14,558
Remeasurements of defined benefit plans	1,278	1,133
Total accumulated other comprehensive income	11,952	19,615
Non-controlling interests	1,730	1,831
Total net assets	387,885	398,373
Total liabilities and net assets	792,296	827,863

Consolidated Statement of Income

	1Q of fiscal year ended March 31, 2024 (Apr. 1, 2023 - Jun. 30, 2023)	1Q of fiscal year ending March 31, 2025 (Apr. 1, 2024 - Jun. 30, 2024)
	(Millions of yen)	(Millions of yen)
Net sales	179,860	204,165
Cost of sales	162,017	188,584
Gross profit	17,842	15,580
Selling, general and administrative expenses	7,798	7,475
Operating profit	10,044	8,105
Non-operating income		
Interest income	3,380	4,840
Dividend income	293	240
Foreign exchange gains	4,035	3,969
Share of profit of entities accounted for using equity method	360	755
Other	112	217
Total non-operating income	8,182	10,023
Non-operating expenses		
Interest expenses	338	356
Other	111	140
Total non-operating expenses	450	496
Ordinary profit	17,776	17,632
Extraordinary losses		
Loss on retirement of non-current assets	13	13
Total extraordinary losses	13	13
Profit before income taxes	17,763	17,618
Income taxes	7,504	5,219
Profit	10,258	12,399
Profit attributable to non-controlling interests	8	12
Profit attributable to owners of parent	10,249	12,386

Consolidated Statement of Comprehensive Income

	1Q of fiscal year ended March 31, 2024 (Apr. 1, 2023 - Jun. 30, 2023)	1Q of fiscal year ending March 31, 2025 (Apr. 1, 2024 - Jun. 30, 2024)
	(Millions of yen)	(Millions of yen)
Profit	10,258	12,399
Other comprehensive income		
Valuation difference on available-for-sale securities	615	795
Deferred gains or losses on hedges	1,208	1,327
Foreign currency translation adjustment	1,127	3,065
Remeasurements of defined benefit plans	(70)	(142)
Share of other comprehensive income of entities accounted for using equity method	(875)	2,722
Total other comprehensive income	2,005	7,767
Comprehensive income	12,264	20,166
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,172	20,049
Comprehensive income attributable to non-controlling interests	91	117

Segment Information

1Q of fiscal year ended March 31, 2024 (April 1, 2023 - June 30, 2023)

(Millions of yen)

	Reportable segment			Others	Total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Subtotal				
Net sales							
Sales to external customers	164,591	14,434	179,026	833	179,860	–	179,860
Inter-segment sales or transfers	2	1	3	929	933	(933)	–
Total	164,593	14,436	179,030	1,762	180,793	(933)	179,860
Segment profit	8,789	2,593	11,383	345	11,728	(1,684)	10,044

Notes:

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

1Q of fiscal year ending March 31, 2025 (April 1, 2024- June 30, 2024)

(Millions of yen)

	Reportable segment			Others	Total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Subtotal				
Net sales							
Sales to external customers	188,225	14,999	203,225	939	204,165	–	204,165
Inter-segment sales or transfers	0	0	0	827	827	(827)	–
Total	188,225	14,999	203,225	1,767	204,992	(827)	204,165
Segment profit	7,581	2,402	9,984	308	10,293	(2,187)	8,105

Notes:

1. "Others" includes business activities of consulting, management of real estate, water desalination, and production and sale of oil and gas.
2. Adjustments to segment profit include corporate expenses not allocated to individual segments and the elimination of transactions between segments.
3. 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, 2024	June 30, 2024		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Total Engineering Business		1,243,957	288,205	188,225	1,432,328
Domestic	Energy Transition				
	Oil and gas	5,766	8,793	3,067	11,491
	LNG	—	—	—	—
	Chemical	13,496	6,652	7,482	12,666
	Clean energy	97,469	4,006	21,638	79,837
	Others	472	676	130	1,018
	Subtotal	117,204	20,129	32,320	105,014
	Healthcare & life sciences	85,414	913	7,307	79,019
	Industrial & urban infrastructure	7,401	1,948	299	9,050
	Others	24	146	52	119
Domestic Subtotal	210,045	23,137	39,979	193,203	
Overseas	Energy Transition				
	Oil and gas	570,862	6,174	67,655	545,081
	LNG	270,722	253,861	51,295	515,638
	Chemical	170,243	672	22,110	158,359
	Clean energy	9,517	56	1,084	8,741
	Others	2,897	1,421	530	3,953
	Subtotal	1,024,243	262,186	142,675	1,231,775
	Healthcare & life sciences	7,570	651	4,835	3,602
	Industrial & urban infrastructure	1,855	2,209	696	3,449
	Others	242	20	39	297
Overseas Subtotal	1,033,912	265,067	148,246	1,239,124	
Functional Materials Manufacturing Business		8,660	15,079	14,999	8,754
Other Businesses		835	3,916	939	3,787
Grand Total		1,253,452	307,201	204,165	1,444,869

Notes:

1. The figure for outstanding contracts for "Total Engineering Business" at the end of the first quarter of the current consolidated fiscal year includes an upward adjustment of ¥88,391 million due to foreign currency translation, amendments and changes in contract amounts and others in the first quarter of the current consolidated fiscal year.
2. The figure for outstanding contracts for "Functional Materials Manufacturing Business" at the end of the first quarter of the current consolidated fiscal year includes an upward adjustment of ¥14 million due to foreign currency translation, amendments and changes in contract amounts and others in the first quarter of the current consolidated fiscal year.
3. The figure for outstanding contracts for "Other Businesses" at the end of the first quarter of the current consolidated fiscal year includes a downward adjustment of ¥24 million due to foreign currency translation, amendments and changes in contract amounts and others in the first quarter of the current consolidated fiscal year.