Translation

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# Outline of Financial Results FY2024

April 1, 2024 – March 31, 2025

Enhancing planetary health

May 14, 2025

**JGC HOLDINGS CORPORATION**



My name is Shinichi Taguchi, and I am Executive Officer and General Manager of the Finance Unit.
I will be giving you an outline of FY2024.

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- Results for FY2024
- Forecasts for FY2025
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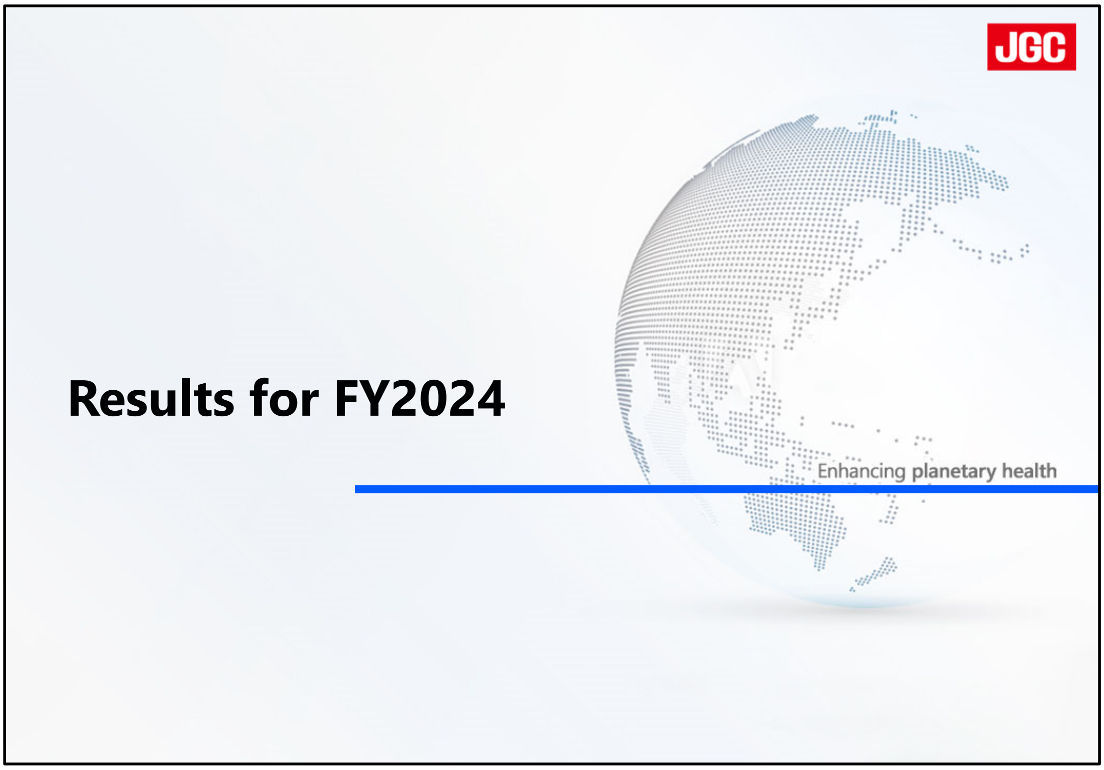
I will explain the results for FY2024 first, then follow by the forecasts for FY2025.




At first, I will begin with the results for FY2024.

# Highlights

【Unit: Billions of Yen】

| | Forecast | Result |
|---|---|---|
| New contracts (Total Engineering) | 970.0 | **922.5** |

【Unit: Billions of Yen】

| | Forecast | Result |
|---|---|---|
| Loss attributable to owners of parent | △ 4.0 | **△ 0.3** |

- For FY2024, new contracts 922.5 billion yen reaching close to the initial forecast, with the award of Large-scale EGR[※1]/CCUS[※2] Onshore Facilities in Indonesia.
- The final loss reduced mainly due to additional gross profit from the completion of several domestic projects and other factors, as well as higher investment income.
- Annual dividends 40 yen per share. (unchanged)

【Update on issues resulted in Q3 downward revision 】

| | |
|---|---|
| Taiwan LNG terminal | The delayed handover of part of construction sites is gradually progressing. |
| Saudi Arabia 2 projects | The contracts with the financial distressed subcontractors are being executed with alternative measures while construction is in progresses. |
| LNG Canada | Additional construction workers are being mobilized in line with the revised plan and work is underway. |
| Lower operating level | Remain within the expected range. |

※1 Short for Enhanced Gas Recovery.
※2 Short for **Carbon Capture, Utilization and Storage.** Technology aimed at reducing greenhouse gas emissions through the capture, utilization, and storage of emitted CO2.




This is the highlight of FY2024.
A new contract award of the large-scale project in Indonesia, which was announced in December, 2024, was recorded in the fourth quarter. As a result, the total new order for the FY2024 reached 922.5 billion yen.
Regarding performance, the final loss was reduced to 0.3 billion yen due to the increase in gross profit from the completion of domestic projects in the fourth quarter, as well as the increase in share of profit of entities accounted for using equity method.
Dividends per share remains unchanged at 40 yen.
Although JGC Group revised the earnings forecast downward at the third quarter release, here is the subsequent situation. In the construction phase of the ongoing LNG terminal facilities project in Taiwan, following a budget revision due to delays in the handover of the construction site, handovers are progressing in certain areas. Measures to address the financial difficulties of the subcontractors employed in Saudi Arabia are ongoing. In the construction phase of the ongoing large-scale LNG plant project in Canada, the additional mobilization to expedite completion is progressing as planned.
Lower operating rate charges were within the range included in the forecast for FY2024, and there were no additional impacts on performance.

# Income Statement

【Unit: Billions of Yen】

| | FY2023 | FY2024 | Difference | | FY2024 Forecast | Difference |
|---|---|---|---|---|---|---|
| **Net sales** | 832.5 | **858.0** | +25.4 | +3% | 830.0 | +28.0 |
| **Gross profit** | 10.6 | **18.9** | +8.2 | +77% | 17.0 | +1.9 |
| **Profit ratio** | 1.3% | **2.2%** | +0.9pt | | 2.0% | +0.2pt |
| **Operating loss** | △ 18.9 | **△ 11.4** | +7.5 | - | △ 14.0 | +2.6 |
| **Ordinary profit** | 0.3 | **11.3** | +10.9 | +3,054% | 6.0 | +5.3 |
| **Loss attributable to owners of parent** | △ 7.8 | **△ 0.3** | +7.4 | - | △ 4.0 | +3.7 |

| | | |
|---|---|---|
| **Earnings per share** | △ ¥32.48 | **△ ¥1.65** |
| **Return on equity** | △ 2.0% | **△ 0.1%** |




This is the consolidated income statement.
I will explain this in comparison with the revised earnings forecast at the third quarter announcement.
Net sales exceeded forecasts by 28 billion yen, reaching 858 billion yen.
There is a better-than-expected progress on large-scale projects in Total Engineering Business.
Gross profit is 18.9 billion yen. Due to factors such as the recording of profits from the completion of domestic construction projects in Total Engineering Business, the results exceeded the forecast by 1.9 billion yen.
Operating loss was △11.4 billion yen, compared to the forecast of △14 billion yen, an improvement of 2.6 billion yen.
Ordinary profit is 11.3 billion yen. In addition to the increase in operating profit, share of profit of entities accounted for using equity method and dividend income exceeded forecasts, resulting in an increase of 5.3 billion yen compared to forecasts.
Loss attributable to owners of parent is △0.3 billion yen, improved by 3.7 billion yen from the forecast of △4 billion yen.

# Segment Information

【Unit: Billions of Yen】

| | | FY2023 | FY2024 | Difference | | FY2024 Forecast | Difference |
|---|---|---|---|---|---|---|---|
| Total Engineering | Net sales | 773.1 | **794.9** | +21.8 | +3% | 768.0 | +26.9 |
| | Segment profit/loss (△) | △ 22.0 | **△ 14.5** | +7.5 | △ 34% | △ 16.0 | +1.5 |
| | Profit ratio | △ 2.9% | **△ 1.8%** | +1.1pt | | △ 2.1% | +0.3pt |
| Functional Materials Manufacturing | Net sales | 52.0 | **54.6** | +2.6 | +5% | 54.0 | +0.6 |
| | Segment profit/loss (△) | 7.2 | **8.1** | +0.9 | +13% | 8.0 | +0.1 |
| | Profit ratio | 13.9% | **15.0%** | +1.1pt | | 14.8% | +0.2pt |
| Others | Net sales | 7.4 | **8.4** | +0.9 | +13% | 8.0 | +0.4 |
| | Segment profit/loss (△) | 2.0 | **2.4** | +0.3 | +20% | 2.0 | +0.4 |
| | Profit ratio | 26.9% | **28.4%** | +1.5pt | | 25.0% | +3.4pt |
| Adjustment | Segment profit/loss (△) | △ 6.1 | **△ 7.4** | △ 1.3 | - | △ 8.0 | +0.6 |




This is the segment information.
I will explain this in comparison with the revised earnings forecast.
The Total Engineering Business exceeded forecasts by 26.9 billion yen, with sales of 794.9 billion yen.
Large-scale overseas projects made progress.
Segment loss improved by 1.5 billion yen from the forecast to △14.5 billion yen. The improvement was due to additional profit recognitions from domestic projects completion at year-end not expected in the last forecasts.
The Functional Materials Manufacturing Business saw a slight increase in both sales and profits. Net sales is 54.6 billion yen and segment profit is 8.1 billion yen.
The fine chemicals and fine ceramics sectors remained strong due to a recovery in demand for semiconductor-related and hard disk-related materials.
Other adjustments are as stated.

## Segment Information

### Outline of Contracts (Total Engineering)

#### i) New Contracts

【Unit: Billions of Yen】

| | FY2023 | FY2024 |
|---|---|---|
| **Overseas** | 136.6 | **832.0** |
| **Domestic** | 157.2 | **90.5** |
| **Total** | 293.8 | **922.5** |

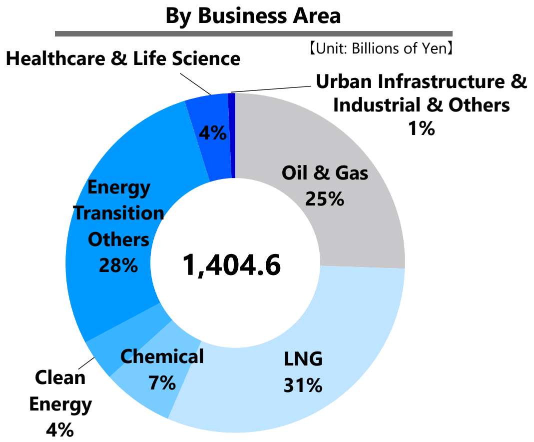
| FY2024 Major New Contracts | Large-scale Low Carbon LNG Plants (UAE)<br>Large-scale EGR/CCUS Onshore Facilities (Indonesia)<br>Technical transfer service for refinery upgrading (Iraq) |
|---|---|

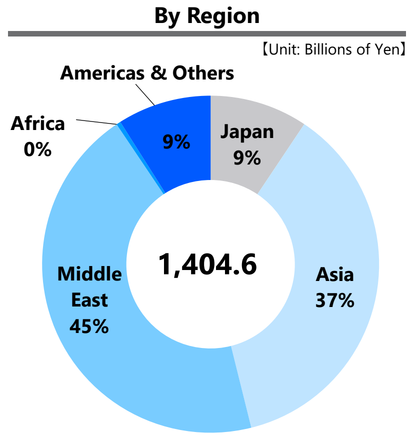



This is the situation of new contracts in the Total Engineering Business. New contracts in FY2024 amounted to 832 billion yen overseas, 90.5 billion yen domestically, and a total of 922.5 billion yen.
In the fourth quarter, the Group was awarded the construction project of large-scale EGR/CCUS onshore facilities in Indonesia.
In addition, the Group recorded additional orders for technical transfer services related to the operation of the refinery upgrading project currently underway in Iraq.

## Segment Information

### ii) Outstanding Contracts (As of March 31, 2025)




| Major Outstanding Contracts | Over 100 Billion Yen | Over 50 Billion Yen | Over 30 Billion Yen |
|---|---|---|---|
| | Large-scale EGR/CCUS Onshore Facilities (Indonesia)<br>Large-scale Low Carbon LNG Plants (UAE)<br>Gas Oil Separation Unit (Saudi Arabia)<br>Oil Refinery Modernization (Iraq) | Large-scale Ethylene Plants (The U.S.)<br>Nearshore Floating LNG Plant (Malaysia) | LNG (Canada)<br>Dew Point Control Unit (Saudi Arabia)<br>Technical transfer service for refinery upgrading (Iraq) |




This shows outstanding contracts.
At the end of March 2025, outstanding contracts was 1,404.6 billion yen, an increase of 160 billion yen from the beginning of the fiscal year.
With the inclusion of contracts in the fourth quarter for EGR/CCUS projects in Indonesia, by business area, the “Energy Transition Others” accounted for 28% of orders, while “LNG” fell from 42% to 31% and “Oil and Gas” declined from 36% to 25%.
By region, the share of Asia reached 37%, while the share of the Middle East decreased to 45%, down from a previous majority.

Among the major orders in outstanding contracts , two projects—the Gas Oil Separation Unit in Saudi Arabia listed in the over 100 billion yen and Dew Point Control Unit in Saudi Arabia listed in the over 30 billion yen—are ones with loss provisions.
The Gas Oil Separation Unit project is proceeding in line with the plan, with on-site construction now at its peak. Most of the equipment has arrived at the site and installation work is underway.
In the Dew Point Control Unit project, the contract with a financially distressed subcontractor was terminated, and the work is now being carried out through direct employment.
In addition to these two projects, there are four other legacy projects, but all are progressing toward completion and remaining contract values are less than 30 billion yen.

## Financial Position & Cash Flows

【Unit: Billions of Yen】

| | As of March 31, 2024 | As of March 31, 2025 | Difference |
|---|---|---|---|
| **Total assets** | 792.2 | **784.1** | △ 8.1 |
| **Total net assets** | 387.8 | **392.2** | +4.3 |
| **Equity ratio** | 48.7% | **49.8%** | +1.1pt |
| Off Balance Sheet JV Cash JGC Portion | 148.1 | **93.5** | △ 54.5 |

| | FY2023 | FY2024 | Difference |
|---|---|---|---|
| **Cash flows from operating activities** | 11.0 | **46.7** | +35.6 |
| **Cash flows from investing activities** | △ 20.2 | **△ 21.1** | △ 0.9 |
| **Cash flows from financing activities** | △ 8.8 | **△ 15.0** | △ 6.1 |
| **Cash and cash equivalents at end of period** | 324.5 | **332.7** | +8.2 |




This is about the financial position and cash flows.
Total assets remained almost flat at 784.1 billion yen, while net assets increased slightly to 392.2 billion yen due to an increase in “valuation difference on available-for-sale securities.” Equity ratio was 49.8%.
The share of cash in joint ventures not recorded on the balance sheet decreased by 54.5 billion yen from the beginning of the period to 93.5 billion yen.
Cash flows from operating activities was positive by 46.7 billion yen due to progress in collecting receivables from domestic and overseas projects, etc.
Cash flow from investing activities was negative by 21.1 billion yen due to expenditures for the acquisition of property, plant and equipment, etc.
Cash flow from financing activities was negative by 15 billion yen due to dividend payment, repayment of short-term borrowings at overseas subsidiaries, etc.
The balance of cash and cash equivalents at end of period was 332.7 billion yen, almost unchanged from the beginning of the period.

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# Forecasts for FY2025

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Next, I will explain the forecasts for FY2025.

# Forecasts for FY2025

【Unit: Billions of Yen】

| | FY2024 Actual | FY2025 Forecast |
|---|---|---|
| New contracts (*) | 922.5 | **650.0** |
| Net sales | 858.0 | **690.0** |
| Gross profit | 18.9 | **52.0** |
| Profit ratio | 2.2% | **7.5%** |
| Operating profit/loss (△) | △ 11.4 | **21.0** |
| Ordinary profit | 11.3 | **22.0** |
| Profit/loss (△) attributable to owners of parent | △ 0.3 | **15.0** |
| Annual dividends per share | ¥40.00 | **¥40.00** |
| Forecasts based on (¥/US$) | ¥149.52 | **¥140.00** |

(*) Total Engineering



There are the forecasts for FY2025.
New contracts in the Total Engineering Business are expected to reach 650 billion yen.
A number of new large-scale LNG projects are under consideration, and multiple FEED contract awards are anticipated. As investment decisions for EPC contracts are expected to be made in the latter half of the fiscal year or beyond, new contracts for the current fiscal year is projected to decline compared to the previous year.
In light of the trend of delays in the awarding of large-scale EPC contracts that contribute significantly to revenue, the earnings forecast is based on the assumption that sales and profit contributions from major projects expected to be awarded this fiscal year will remain limited.
In addition, several large-scale overseas projects currently in progress are expected to come to an end, and net sales are expected to decrease by 20% year on year to 690 billion yen.
Gross profit is forecast at 52 billion yen, with a gross profit margin of 7.5%. Projects with loss provisions still account for less than 20% of net sales, and profit margins are still on the way to recovery.
Operating profit is expected to turn positive at 21 billion yen, with ordinary profit projected at 22 billion yen and profit attributable to owners of parent estimated at 15 billion yen.
The dividend per share is planned to be set at a minimum of 40 yen.

## Reference (Forecasts for FY2025 by Segment)

【Unit: Billions of Yen】

| | | FY2024 Actual | FY2025 Forecast |
|---|---|---|---|
| Total Engineering | Net sales | 794.9 | **628.0** |
| | Segment profit/loss (△) | △ 14.5 | **20.0** |
| | Profit ratio | △ 1.8% | **3.2%** |
| Functional Materials Manufacturing | Net sales | 54.6 | **54.0** |
| | Segment profit/loss (△) | 8.1 | **7.0** |
| | Profit ratio | 15.0% | **13.0%** |
| Others | Net sales | 8.4 | **8.0** |
| | Segment profit/loss (△) | 2.4 | **2.0** |
| | Profit ratio | 28.4% | **25.0%** |
| Adjustment | Segment profit/loss (△) | △ 7.4 | **△ 8.0** |




There are the forecasts by segments in FY2025.
In the Total Engineering Business, revenue is projected to decline significantly to 628 billion yen, reflecting the limited sales and profit contributions expected from major projects anticipated to be awarded this fiscal year, the winding down of several large-scale ongoing projects, and the slow progress of large-scale projects awarded in the previous fiscal year that are still in their early stages.
Segment profit is expected to return positive at 20 billion yen.
In the Functional Materials Manufacturing Business, revenue is expected to remain flat year-on-year at 54 billion yen, while segment profit is projected to decline to 7 billion yen due to anticipated increases in personnel expenses and raw material costs.

This concludes my overview of the financial results.

# 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.

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•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

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