

Translation



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Outline of Financial Results FY2025

April 1, 2025 – March 31, 2026



Enhancing planetary health

May 14, 2026

JGC HOLDINGS CORPORATION

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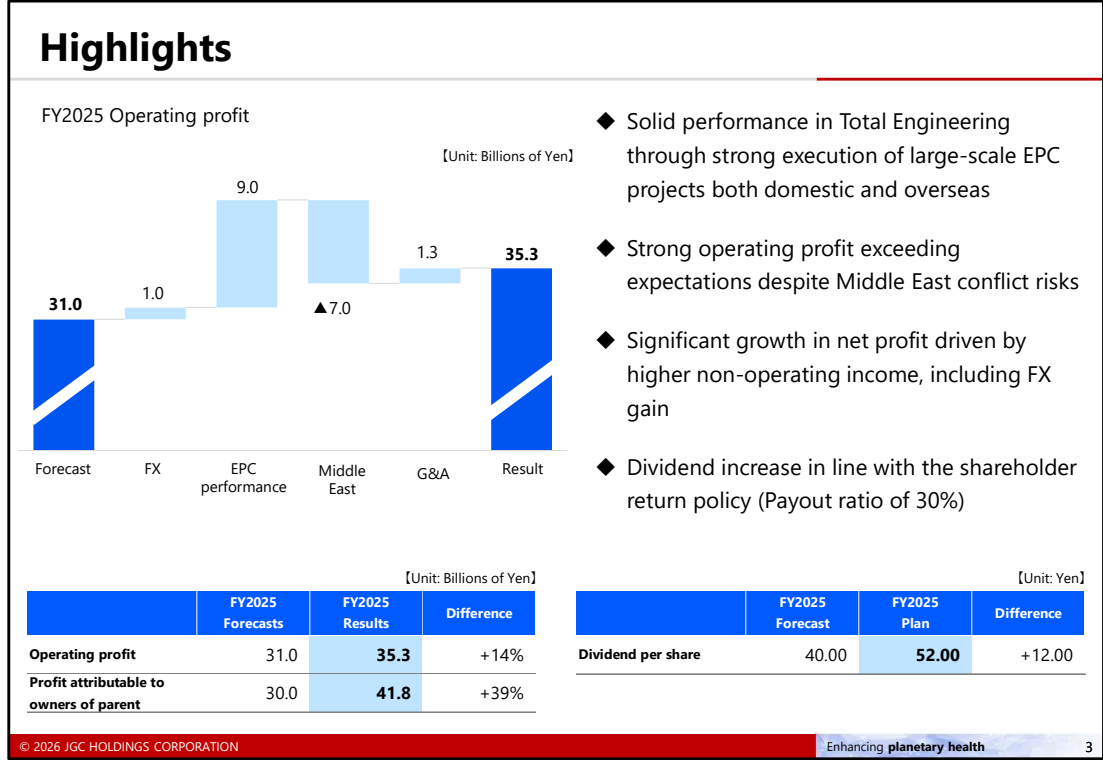
My name is Shinichi Taguchi, and I am Executive Officer and General Manager of the Investor Relations Unit.
I will be giving you an outline of FY2025.

CONTENTS

- Highlights
- Results for FY2025
- Forecasts for FY2026
- Enhanced Shareholder Returns
- Appendix



I will begin with the highlights, review our FY2026 results, present our full-year forecast for FY2027, and conclude with our approach to enhancing shareholder returns.



These are the highlights.

In the Total Engineering Business, we strengthen project execution capabilities, and overall profitability improved in the fourth quarter. While certain projects continued to face challenges, solid progress on large-scale EPC projects in both domestic and overseas contributed to this improvement.

The financial results reflected the potential risks of cost increase arising from armed conflict in the Middle East that began in February. Nevertheless, operating profit exceeded expectations.

In addition, the USD/JPY exchange rate at the fiscal year-end settled in the 159 yen range, significantly weaker than our view of 150 yen for forecast. Higher non-operating income, including foreign exchange gains, contributed to net profit exceeding our forecast.

Regarding dividends, we had previously forecasted a minimum dividend of 40 yen. Based on the increase in net profit, we applied the 30% payout ratio under our shareholder return policy and plan to increase the dividend by 12 yen to 52 yen per share.

We will explain the revision to our dividend policy, which will take effect from FY2026, at the end of this presentation.

Middle East Situation

Business Impact

Current Situation

- ◆ 45% of order backlog in the Middle East
- ◆ Multiple major large-scale projects under execution
- ◆ Ongoing stakeholder safety measures

Challenges

- ◆ Safety assurance
- ◆ Temporary evacuation and site access restrictions
- ◆ Personnel and logistics constraints

Risks

- ◆ Safety-related costs
- ◆ Schedule delay costs
- ◆ Alternative transportation route costs
- ◆ Appropriate cost-sharing arrangements
- ◆ Raw material procurement challenges within domestic manufacturing

Financial Performance Impact

FY2025 Results

- ◆ Recognition of risk contingency budget in FY2025 results, assuming easing tensions in the first half of 2026
 - ✓ Approx. 1% decline in profit margin

FY2026 Outlook

- ◆ Impact from progress delays in addition to the risk contingency budget
 - ✓ Approx. 60 billion yen revenue reduction and margin deterioration
- ◆ Impact from raw material procurement within the manufacturing business

I will explain impacts of Middle East situation

Firstly, I will explain the business impact.

In the Total Engineering Business, the Middle East accounted for 45% of the order backlog as of the end of March 2026, and work execution is currently under way on multiple large-scale projects in the region. Close coordination between headquarters and construction sites is being maintained, with careful measures taken to ensure the safety of those involved. While none of the construction sites has suffered direct damages from the armed conflict, we observed some impacts toward the end of the fourth quarter, including slowdown in operations due to temporary evacuations and restrictions on access to construction sites. In addition, the continued personnel movements and logistics constraint are expected to remain as challenges in these projects.

As a consequence, various costs not estimated at the planning stage may arise, and we will ensure appropriate cost sharing arrangements with clients. While contractual treatment differs by project and may require negotiation in some cases, it is considered to be necessary to take a conservative view of these risks. In the Functional Material Manufacturing Business, uncertainty has also increased regarding the future outlook for the procurement of certain raw materials at domestic manufacturing sites.

Next, the impact on financial performance.

For accounting purposes, we estimated additional costs on a project-by-project basis related to safety measures, schedule delays, and restrictions on personnel movement and logistics. After considering contractual terms with clients, including the possibility that a portion of these costs may be borne by our clients, we recorded these costs conservatively as risk contingencies.

These estimates are based on the assumption that geopolitical tensions, including the closure of the Strait of Hormuz, will be resolved in the first half of this year and that there will be no material impediments to project execution. Reflecting these factors, profit margins for FY2025 declined by approximately one percentage point.

Turning to the earnings forecast for FY2026, in addition to the impacts described above, we have factored in a decrease in net sales of approximately 60 billion yen, reflecting slower progress on certain projects in the Middle East. This decrease in net sales is expected to be recognized from FY2027 onward. We have also incorporated a certain level of impact, assuming that sufficient procurement of raw materials may not be possible in the Functional Materials Manufacturing Business.

All of these assumptions are based on a normalization of the situation in the first half of this year. However, if the closure of the Strait of Hormuz is prolonged or military conflict escalates, there is a possibility of further impacts due to additional response measures and increased costs associated with schedule delays.



Next, I will explain the results of FY2025.

Income Statement

[Unit: Billions of Yen]

	FY2024	FY2025	Difference		FY2025 Forecasts	Difference
Net sales	858.0	745.2	△ 112.8	△ 13.1%	740.0	+5.2
Gross profit	18.9	64.1	+45.2	+238.9%	61.0	+3.1
Profit ratio	2.2%	8.6%	+6.4pt		8.2%	+0.4pt
Operating profit/loss(Δ)	△ 11.4	35.3	+46.8	-	31.0	+4.3
Ordinary profit	11.3	58.1	+46.8	+414.0%	44.0	+14.1
Profit/loss(Δ) attributable to owners of parent	△ 0.3	41.8	+42.2	-	30.0	+11.8
Earnings per share	△¥1.65	¥173.06				
Return on equity	△ 0.1%	10.2%				

This is the consolidated income statement.

Net sales was 745.2 billion yen, a decrease of 112.8 billion yen compared with the previous fiscal year.

Gross profit was 64.1 billion yen, with the profit margin of 8.6%.

Actual results exceeded the forecast, driven primarily by improved profitability in EPC projects in Japan and overseas.

Operating profit was 35.3 billion yen.

Ordinary profit was 58.1 billion yen.

Profit attributable to owners of parent was 41.8 billion yen.

As a result, return on equity (ROE) reached to 10.2%.

Segment Information

[Unit: Billions of Yen]

		FY2024	FY2025	Difference		FY2025 Forecasts	Difference
Total Engineering	Net sales	794.9	679.5	△ 115.3	△ 15%	675.0	+4.5
	Segment profit/loss(△)	△ 14.5	33.6	+48.2	-	29.5	+4.1
	Profit ratio	△ 1.8%	5.0%	+6.8pt		4.4%	+0.6pt
Functional Materials Manufacturing	Net sales	54.6	56.9	+2.3	+4%	57.0	△ 0.1
	Segment profit	8.1	7.6	△ 0.5	△ 6%	7.5	+0.1
	Profit ratio	15.0%	13.5%	△ 1.5pt		13.2%	+0.3pt
Others	Net sales	8.4	8.6	+0.2	+3%	8.0	+0.6
	Segment profit	2.4	2.1	△ 0.2	△ 12%	2.0	+0.1
	Profit ratio	28.4%	24.3%	△ 4.1pt		25.0%	△ 0.7pt
Adjustment	Segment profit	△ 7.4	△ 8.0	△ 0.5	-	△ 8.0	-

This is the segment information.

Net sales of the Total Engineering Business was 679.5 billion yen, close to the full-year forecast revised in the third quarter following a review of project progress rates.

Compared with the previous fiscal year, net sales decreased by 115.3 billion yen, mainly due to the postponement of new project awards.

Segment profit was 33.6 billion yen.

Overall profitability improved, supported by solid execution and risk reductions across multiple large-scale overseas projects.

Accordingly, actual results exceeded the forecast, despite reflecting negative impacts such as additional costs arising from risks related to conflict in the Middle East.

The Functional Material Manufacturing Business performed broadly in line with the forecast, with net sales of 56.9 billion yen and segment profit of 7.6 billion yen. Other segment and Adjustment were also in line with the forecast.

Segment Information

Outline of Contracts (Total Engineering)

i) New Contracts

[Unit: Billions of Yen]

	FY2024	FY2025
Overseas	832.0	250.4
Domestic	90.5	158.7
Total	922.5	409.2

FY2025
Major New Contracts

LNG FEED contract(Canada)
FLNG preliminary contract(Mozambique)
Rocket Testing and Fuel Facilities(Japan)
Renovation of Pharmaceutical Plants(Japan)
Expansion of the Gas Oil Separation Unit(Saudi Arabia)
Renovation project chemical plants(Japan)
Food related factories(Japan)

This is the result of new contracts in the Total Engineering Business.

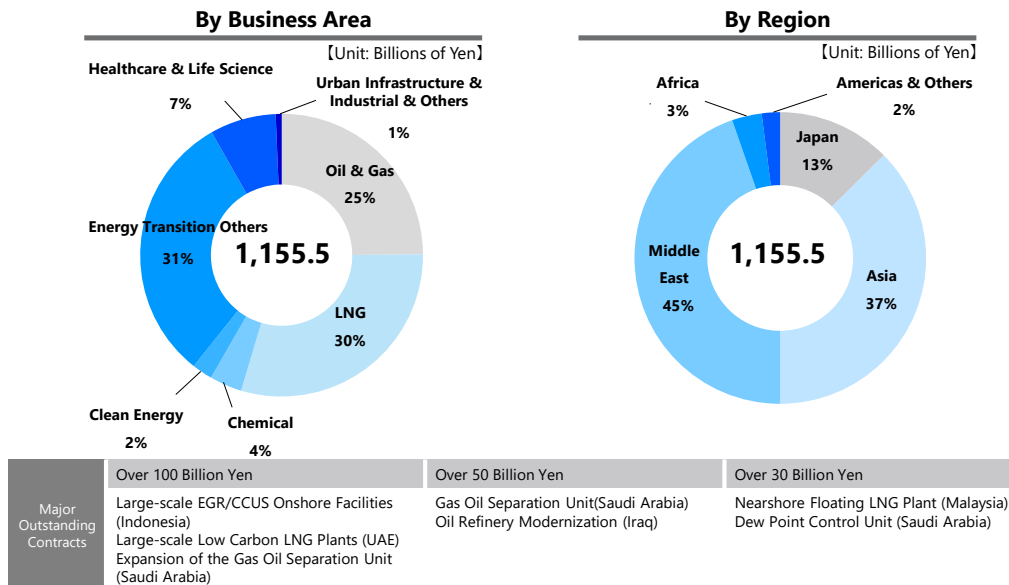
New contracts in FY2025 was 250.4 billion yen for overseas, and 158.7 billion yen for domestic, a total of 409.2 billion yen.

Domestic new order intake progressed steadily, while overseas new order intake fell short of the forecast due to the deferral of clients' investment decisions on large-scale LNG projects to the next fiscal year.

Major new orders awarded in the fourth quarter included additional preliminary services for an FLNG project overseas, as well as food factory construction projects in Japan.

Segment Information

ii) Outstanding Contracts (As of March 31, 2026)



This shows outstanding contracts.

At the end of March 2026, outstanding contracts was 1,155.5 billion yen.

The Middle East accounts for 45%, and five of the major projects are located in the region.

Including these, none of the projects currently under execution in the Middle East has been suspended, and all projects are progressing with appropriate safety measures in place.

Of these, two projects in the UAE and Saudi Arabia, each with outstanding contracts of over 100 billion yen, are currently in the early stages, primarily focused on engineering. As equipment delivery and construction work have yet to enter a full-scale phase for these projects, the impact of the Middle East situation has so far been limited at this stage.

The current budget assumes that project execution will normalize in the first half of this year, while a prolonged closure of the Strait of Hormuz remains as a risk factor.

In addition, two projects with outstanding contracts of over 50 billion yen and one project with outstanding contracts of over 30 billion yen are already in the final stages. While equipment and materials have been delivered, the outbreak of armed conflict affected progress from March through April, as safety measures at construction sites were strengthened and project execution frameworks were reviewed.

However, work is currently continuing under arrangements tailored to conditions at each site, and even if the current situation persists, the impact going forward is expected to remain limited.

Financial Position & Cash Flows

【Unit: Billions of Yen】

	As of March 31, 2025	As of March 31, 2026	Difference
Total assets	784.1	838.7	+54.6
Total net assets	392.2	431.1	+38.9
Equity ratio	49.8%	51.2%	+1.4pt
Off Balance Sheet JV Cash JGC Portion	93.5	109.8	+16.2
	FY2024	FY2025	Difference
Cash flows from operating activities	46.7	79.8	+33.1
Cash flows from investing activities	△ 21.1	△ 14.8	+6.3
Cash flows from financing activities	△ 15.0	△ 10.9	+4.0
Cash and cash equivalents at end of period	332.7	400.4	+67.7

This is the consolidated financial position and cash flows.

Total assets increased by 54.6 billion yen from the beginning of the fiscal year to 838.7 billion yen.

Net assets rose by 38.9 billion yen to 431.1 billion yen, and the equity ratio was 51.2%.

JGC portion of Off balance sheet JV Cash increased by 16.2 billion yen from the beginning of the fiscal year to 109.8 billion yen.

Cash flows from operating activities turned positive by 79.8 billion yen mainly due to an increase in advance payments received for projects in the early stages.

Cash flow from investing activities turned negative by 14.8 billion yen due to the acquisition of property, plant and equipment, including business sites and manufacturing facilities, in the Functional Material Manufacturing Business.

Cash flow from financing activities turned negative by 10.9 billion yen due mainly to dividend payment.



Next, I will explain the forecasts for FY2026.

Forecasts for FY2026

[Unit: Billions of Yen]

	FY2025 Results	FY2026 Forecasts
New contracts (*)	409.2	1,740.0
Net sales	745.2	670.0
Gross profit	64.1	73.0
Profit ratio	8.6%	10.9%
Operating profit	35.3	40.0
Ordinary profit	58.1	46.0
Profit attributable to owners of parent	41.8	46.0
Annual dividends per share	¥52.00	¥52.00
Forecasts based on (¥/US\$)	¥159.88	¥150.00

(*) Total Engineering

【Forecast Assumptions】

- ◆ Easing tensions in the Middle East in the first half of 2026
- ◆ Non-operating FX losses reflecting a stronger yen assumption
- ◆ Approx. 20 billion yen in extraordinary gains from the sale of equity-method affiliates

We have set a target of 1.74 trillion yen for new orders in our Total Engineering Business.

Net sales is forecasted to decline by 10% compared with the previous fiscal year to 670 billion yen.

Gross profit is forecasted to increase by 14% compared with the previous fiscal year to 73 billion yen, and the profit margin to rise by 2.3 percentage points to 10.9%.

The profit margin of the Total Engineering Business is forecasted to improve, mainly due to the conclusion of projects that have been facing challenges.

Operating profit is forecasted to increase by 13% compared with the previous fiscal year to 40 billion yen.

Ordinary profit is forecasted to decline by 20% compared with the previous fiscal year to 46 billion yen.

The USD/JPY exchange rate is assumed at USDJPY150, reflecting a stronger yen compared with the previous fiscal year end, with the non-operating foreign exchange gains recorded in the previous year end to turn into foreign exchange losses.

Profit attributable to owners of parent is forecasted to increase by 10% compared with the previous fiscal year to 46 billion yen, reflecting the inclusion of extraordinary gains of approximately 20 billion yen from the sale of equity-method affiliates.

This forecast is based on the assumption that tensions, including a closure of the Strait of Hormuz, will be resolved in the first half of this year and that there will be no impediments to project execution.

Forecasts for FY2026 by Segment

[Unit: Billions of Yen]

		FY2025 Results	FY2026 Forecasts
Total Engineering	Net sales	679.5	606.0
	Segment profit	33.6	41.4
	Profit ratio	5.0%	6.8%
Functional Materials Manufacturing	Net sales	56.9	55.5
	Segment profit	7.6	6.6
	Profit ratio	13.5%	11.9%
Others	Net sales	8.6	8.5
	Segment profit	2.1	2.0
	Profit ratio	24.3%	23.5%
Adjustment	Segment profit	△ 8.0	△ 10.0

These are the FY2026 forecasts by segments

For Total Engineering Business, net sales of 606 billion yen, segment profit of 41.4 billion yen, and a segment profit margin of 6.8%.

As a risk associated with slower project progress due to the situation in the Middle East, a decrease in net sales of approximately 60 billion yen has been factored in.

As most of the risks related to the impact of the Middle East situation assumed this time have already been reflected in the FY2025 results, and as projects that have been facing challenges are nearing completion, negative profit factors are expected to be minimal. As a result, the profit margin is expected to show a recovery trend.

For the Functional Material Manufacturing Business, net sales of 55.5 billion yen, and segment profit of 6.6 billion yen, representing a forecast of lower net sales and lower profit.

While baseline performance is expected to be broadly in line with the previous fiscal year, this forecast reflects a decrease in net sales of approximately 1 billion yen factored in as a risk related to raw material procurement due to the situation in the Middle East.

Other businesses are expected to remain largely flat. The adjustment is projected to increase expenses by 2 billion yen, mainly due to higher investment in research and development and digital-related.



Next, I will explain the enhanced shareholder returns.

Enhanced Shareholder Returns

Enhanced Shareholder Returns Through Revision of the Dividend Policy

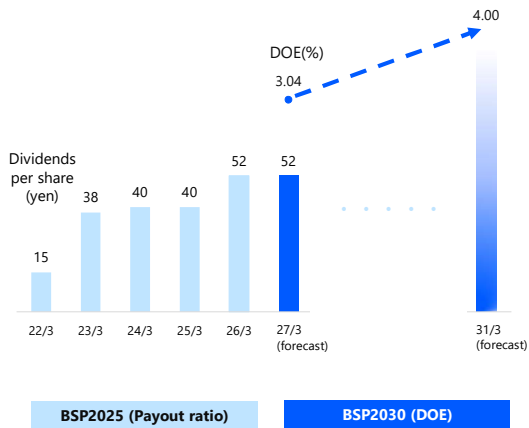
- ◆ Introduction of a Dividend on Equity (※DOE)-based policy, replacing the payout ratio policy, with a focus on stable dividends and growth-driven dividend increases

(※) The ratio of total dividends to the average consolidated shareholders' equity at the beginning and end of the period, excluding accumulated other comprehensive income

- ◆ DOE target of 4% toward the final year of the medium-term management plan, the fiscal year ending March 2031

- ◆ Consideration of share repurchases as appropriate, based on earnings outlook, cash flow, and capital efficiency

Dividends & DOE



We have introduced a new shareholder return policy that will be applied from FY2026, based on the five-year medium-term business plan BSP2030 announced today.

Our dividend policy has previously been based on a 30% payout ratio and a minimum dividend of 40 yen per share. We have changed this policy to a dividend on equity (DOE) base. This will allow us to provide stable dividends regardless of profit fluctuations and aim to increase dividends in line with growth. For the first year, FY2026, the dividend is forecast at 52 yen per share, based on a DOE of approximately 3%.

The DOE target is 4% by the final year of the medium-term business plan, FY2030.

Regarding share repurchases, implementation will be considered as appropriate, taking into account earnings outlook, cash flow conditions, and capital efficiency.

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

For questions concerning this material, please contact:

Finance & IR Office IR Unit
JGC Holdings Corporation
Tel: 81-45-682-8026 Fax: 81-45-682-1112
Email: ir@jgc.com