

[Translation]

The following statements are an English-language translation of the original Japanese-language document for your reference purpose only. In the 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 12, 2020

Consolidated First Quarter Financial Statements-Summary

(For the fiscal year ended March 31, 2021)

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, Group Finance & Accounting Department

Name: Shinichi Taguchi

Stock exchange: Tokyo

Tel: 045-682-1111

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1. Consolidated Financial Results for 1Q of Fiscal year ended March 31, 2021(April 1, 2020 - June 30, 2020)

(1) Consolidated financial results

Note: All amounts are rounded down to the nearest million yen. Percentage indicates changes from the previous term.

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
1Q of Fiscal year ended March 31, 2021	96,858	(9.9)	4,219	46.6	4,377	(17.8)	1,412	(32.7)
1Q of Fiscal year ended March 31, 2020	107,454	(26.5)	2,879	(48.5)	5,328	(38.2)	2,100	(20.5)

Note: Comprehensive income (millions of yen):

1Q of Fiscal year ended March 31, 2021: 10,713(—%)

1Q of Fiscal year ended March 31, 2020: (1,481)(—%)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
1Q of Fiscal year ended March 31, 2021	5.60	—
1Q of Fiscal year ended March 31, 2020	8.32	—

(2) Consolidated financial position

	Total assets	Total net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of June 30, 2020	656,697	398,655	60.6
As of March 31, 2020	671,273	390,979	58.2

Reference: Shareholders' equity (millions of yen):

As of June 30, 2020: 398,212

As of March 31, 2020: 390,516

2. Dividends

	Annual dividends per share (Yen)				
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual
Fiscal year ended March 31, 2020	—	—	—	12.00	12.00
Fiscal year ended March 31, 2021	—	—	—	—	—
Fiscal year ended March 31, 2021 (Forecasts)	—	—	—	12.00	12.00

Note: Revision of dividends forecasts during this period: None

3. Earnings forecasts for Fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

Note: Percentage indicates changes from the previous term.

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Full Year	480,000	(0.2)	20,000	(1.2)	23,000	2.8	8,000	94.3

	Earnings per share
	(Yen)
Full Year	31.70

Note: Revision of earnings forecasts during this period: None

4. Others

(1) Changes in scope of consolidated important subsidiaries

(increase) None (decrease) 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

① Changes due to revisions of accounting standards: None

② Changes other than the above ①: None

③ Changes in accounting estimates: None

④ Restatement: None

(4) Number of shares outstanding

① Number of shares outstanding at term-end (including treasury stock):

As of June 30, 2020: 259,110,861 As of March 31, 2020: 259,110,861

② Number of treasury stock at term-end:

As of June 30, 2020: 6,748,713 As of March 31, 2020: 6,748,713

③ Average number of shares outstanding during the period:

1Q of Fiscal year ended March 31, 2021: 252,362,148 1Q of Fiscal year ended March 31, 2020: 252,306,816

(1) This document is unaudited by certificated public accountants or audit firms.

(2) 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.

(3) Forecasts based on: 107.00 yen/US\$ 1.00

Consolidated Balance Sheets

	As of June 30, 2020 (Millions of yen)	As of March 31, 2020 (Millions of yen)
ASSETS		
Current assets		
Cash and deposits	253,358	261,898
Notes receivable, accounts receivable from completed construction contracts and other	124,979	145,276
Costs on uncompleted construction contracts	30,328	22,989
Merchandise and finished goods	5,753	5,366
Work in process	3,170	2,636
Raw materials and supplies	4,523	3,687
Short-term loans receivable	432	437
Accounts receivable	88,416	84,073
Other	9,622	11,748
Allowance for doubtful accounts	(123)	(158)
Total current assets	520,461	537,955
Non-current assets		
Property, plant and equipment		
Buildings and structures	59,973	59,852
Machinery, vehicles, tools, furniture and fixtures	59,409	59,255
Land	18,578	18,581
Leased assets	722	770
Construction in progress	988	910
Other	4,424	4,422
Accumulated depreciation	(94,724)	(93,997)
Total property, plant and equipment	49,372	49,794
Intangible assets		
Software	4,723	4,869
Other	5,278	5,312
Total intangible assets	10,002	10,181
Investments and other assets		
Investment securities	46,603	44,807
Long-term loans receivable	7,610	8,026
Net defined benefit asset	547	569
Deferred tax assets	20,720	21,713
Other	13,932	11,241
Allowance for doubtful accounts	(12,553)	(13,016)
Total investments and other assets	76,860	73,341
Total non-current assets	136,236	133,317
Total assets	656,697	671,273

	As of June 30, 2020 (Millions of yen)	As of March 31, 2020 (Millions of yen)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	54,712	68,239
Short-term loans payable	229	227
Current portion of bonds payable	20,000	20,000
Income taxes payable	2,932	1,955
Advances received on uncompleted construction contracts	72,304	83,227
Provision for warranties for completed construction contracts	913	976
Provision for loss on construction contracts	8,300	11,109
Provision for bonuses	8,382	6,203
Provision for directors' bonuses	85	77
Other	38,578	36,369
Total current liabilities	206,439	228,386
Non-current liabilities		
Bonds payable	30,000	30,000
Long-term loans payable	308	347
Net defined benefit liability	16,563	16,718
Provision for directors' retirement benefits	197	253
Deferred tax liabilities	949	959
Deferred tax liabilities for land revaluation	1,014	1,014
Other	2,568	2,614
Total non-current liabilities	51,601	51,907
Total liabilities	258,041	280,293
NET ASSETS		
Shareholders' equity:		
Capital stock	23,554	23,554
Capital surplus	25,653	25,653
Retained earnings	374,025	375,641
Treasury shares	(6,739)	(6,739)
Total shareholders' equity	416,494	418,109
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	3,659	2,205
Deferred gains or losses on hedges	(314)	(1,004)
Revaluation reserve for land	(10,891)	(10,891)
Foreign currency translation adjustment	(9,280)	(16,491)
Remeasurements of defined benefit plans	(1,454)	(1,411)
Total accumulated other comprehensive income	(18,281)	(27,592)
Non-controlling interests	443	463
Total net assets	398,655	390,979
Total liabilities and net assets	656,697	671,273

Consolidated Statements of Income

	1Q of Fiscal year ended March 31, 2021 (Apr 1, 2020 - Jun 30, 2020) (Millions of yen)	1Q of Fiscal year ended March 31, 2020 (Apr 1, 2019 - Jun 30, 2019) (Millions of yen)
Net sales	96,858	107,454
Cost of sales	87,734	99,191
Gross profit	9,123	8,262
Selling, general and administrative expenses	4,903	5,383
Operating income	4,219	2,879
Non-operating income:		
Interest income	486	1,005
Dividend income	511	1,108
Share of profit of entities accounted for using equity method	106	942
Other	233	203
Total non-operating income	1,338	3,260
Non-operating expenses:		
Interest expenses	52	36
Foreign exchange losses	990	739
Provision of allowance for doubtful accounts	48	—
Other	89	35
Total non-operating expenses	1,180	811
Ordinary income	4,377	5,328
Extraordinary income:		
Gain on Sales of non-current assets	6	5
Total extraordinary Income	6	5
Extraordinary loss:		
Loss on retirement of non-current assets	6	42
Other	—	0
Total extraordinary loss	6	43
Profit before income taxes	4,377	5,290
Income taxes	2,974	3,134
Profit	1,403	2,156
Profit (loss) attributable to non-controlling interests	(9)	55
Profit attributable to owners of the parent	1,412	2,100

Statements of Consolidated Comprehensive Income

	1Q of Fiscal year ended March 31, 2021 (Apr 1, 2020 - Jun 30, 2020) (Millions of yen)	1Q of Fiscal year ended March 31, 2020 (Apr 1, 2019 - Jun 30, 2019) (Millions of yen)
Profit	1,403	2,156
Other comprehensive income:		
Valuation difference on available-for-sale securities	1,450	(608)
Deferred gains or losses on hedges	690	(126)
Foreign currency translation adjustment	7,210	(2,973)
Remeasurements of defined benefit plans	68	74
Share of other comprehensive income of entities accounted for using equity method	(108)	(4)
Total other comprehensive income	9,310	(3,637)
Comprehensive income	10,713	(1,481)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	10,723	(1,530)
Comprehensive income attributable to non-controlling interests	(9)	49

Segment Information

【 Information by business segment 】

1Q of Fiscal year ended March 31, 2020 (April 1, 2019 - June 30, 2019)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Sub total				
Net sales							
External customers	94,410	11,866	106,276	1,177	107,454	—	107,454
Inter-segment	19	0	20	369	389	(389)	—
Total	94,429	11,867	106,297	1,546	107,844	(389)	107,454
Segment profit	1,004	1,628	2,632	226	2,859	20	2,879

*1: "Others" includes Specialized Consulting Services, Office Support Services Business, Power and Water Business, and Oil and Gas Production Sales Business.

*2: Segment profit is adjusted to eliminate transactions between segments.

*3: Segment profit is adjusted with the operating income figure from the Consolidated Statements of Income.

1Q of Fiscal year ended March 31, 2021 (April 1, 2020 - June 30, 2020)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total Engineering	Functional Materials Manufacturing	Sub total				
Net sales							
External customers	86,181	10,342	96,523	335	96,858	—	96,858
Inter-segment	4	1	6	461	468	(468)	—
Total	86,186	10,343	96,529	797	97,327	(468)	96,858
Segment profit (loss)	2,850	1,542	4,392	(213)	4,179	40	4,219

*1: "Others" includes Specialized Consulting Services, Office Support Services Business, Power and Water Business, and Oil and Gas Production Sales Business.

*2: Segment profit (loss) is adjusted to eliminate transactions between segments.

*3: Segment profit (loss) is adjusted with the operating income figure from the Consolidated Statements of Income.

Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

		March 31, 2020	June 30, 2020		
Business area		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	2,280	755	863	2,172
	Petroleum refining	8,078	2,956	3,094	7,939
	LNG	—	—	—	—
	Chemical	40,375	4,535	11,850	33,061
	Power generation, nuclear power and new energy	66,923	1,831	7,742	61,013
	Living and general production facility	23,818	1,821	5,143	20,496
	Environmental protection, social development and IT	15,950	951	3,776	13,125
	Others	606	1,906	155	2,357
	Subtotal	158,034	14,759	32,627	140,166
Overseas	Oil and gas development	71,980	37,984	13,151	96,812
	Petroleum refining	47,215	1,092	4,063	44,244
	LNG	603,863	23,018	26,911	599,970
	Chemical	56,202	1,259	8,500	48,961
	Power generation, nuclear power and new energy	155	124	65	214
	Living and general production facility	1,618	1,338	462	2,494
	Environmental protection, social development and IT	2,257	1	391	1,868
	Others	382	399	343	439
	Subtotal	783,675	65,218	53,889	795,004
Total Engineering Business		941,076	77,886	86,181	932,781
Others Business		633	2,091	335	2,389
Subtotal		941,710	79,977	86,516	935,171
Functional Materials Manufacturing		—	—	10,342	—
Grand Total		941,710	79,977	96,858	935,171

*1: Figures for each business area are exclusive of consumption and other taxes.

*2: The balance as of the end of previous fiscal year for outstanding contracts of "Total Engineering Business" and "Others Business" have been revised to reflect foreign currency translation adjustments and changes in contract amounts for the period as follows:

(Millions of yen)

Business area	Foreign currency translation adjustment	Revision for changes in contract amounts	Total
Oil and gas development	(271)	(1,693)	(1,965)
Petroleum refining	177	(3)	173
LNG	1,888	(285)	1,603
Chemical	99	(15)	83
Power generation, nuclear power and new energy	(1)	226	225
Living and general production facility	(5)	3,931	3,926
Environmental protection, social development and IT	(14)	(3,938)	(3,952)
Others	(2)	—	(2)
Total	1,870	(1,778)	92
Total Engineering Business	1,870	(1,778)	91
Others Business	0	—	0

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