

JGC Corporation

# Outline of Financial Results

## Fiscal 2003

(April 1,2003-March 31,2004)

2004.5.17

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Executive Vice President and CFO

The JGC logo consists of the letters "JGC" in white, bold, sans-serif font, centered within a red rectangular background.

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# 1 .Summary of Business Conditions

(¥ billion)

Higher Sales-Higher Profits (Year on year)		FY2003	FY2002	Y-o-Y Change
	Net Sales	409.9	378.0	+31.8
	Ordinary Income	18.4	14.8	+3.6
	Net Income	10.5	6.7	+3.8

- Operating income decreased ¥1.5billion from FY2002 (15.4<=17.0)
- Currency exchange resulted in increase of gain by ¥2.1billion (+0.2<= 1.9) in spite of accelerated YEN appreciation :  
FY03 ¥14.51/\$ FY02 ¥ 13.05/\$
- [Equity in earnings of affiliates] increased by ¥1.9billion (+1.1<= 0.8)
- Assets compression amounting to ¥1.8billion(Extraordinary Deductions)
- ¥18.7billion of positive cash flows in operating activities

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# 2 .Outline of Statements of Income

(See : consolidated interim results P6, non-consolidated interim results P2)

(¥ billion)

## 2 -1. Summary

		FY2003	FY2002	Y - o -Y Change	Forecast	Comparison with forecast
<b>Consolidated</b>	Net sales	409.9	378.0	+31.8	390.0	+19.9
	Operating Income	15.4	17.0	1.5	(16.0)	5.0
	Ordinary Income	18.4	14.8	+3.6	16.0	+2.4
	Net income	10.5	6.7	+3.8	9.3	+1.2
<b>Non-Consolidated</b>	Net sales	367.7	338.9	+28.7	350.0	+17.7
	Operating Income	11.1	13.1	1.9	(12.5)	1.3
	Ordinary Income	14.1	14.0	+1.0	13.0	+1.1
	Net income	8.2	5.3	+2.9	8.3	0.0

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( See : consolidated interim results P15 )

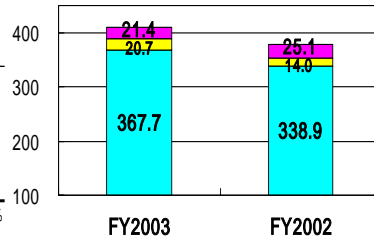


## 2 -2. Segment Information

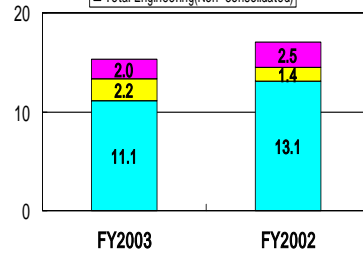
( ¥ billion )

### ( 1 ) Information by business segment

<b>Net Sales</b>	FY2003(%)	FY2002(%)
Total engineering (Non-consolidated)	388.4 [95%] <b>(367.7)</b>	352.9 [93%] <b>(338.9)</b>
Catalysts and chemical products	21.4 [5%]	25.1 [7%]
<b>Total</b>	<b>409.9 [100%]</b>	<b>378.0 [100%]</b>



<b>Operating Income</b>	FY2003(%)	FY2002(%)
Total engineering (Non-consolidated)	13.4 [87%] <b>(11.1)</b>	14.5 [85%] <b>(13.1)</b>
Catalysts and chemical products	2.0 [13%]	2.5 [15%]
<b>Total</b>	<b>15.4 [100%]</b>	<b>17.0 [100%]</b>



Note:Figures in brackets[ ] indicate percentage of total.

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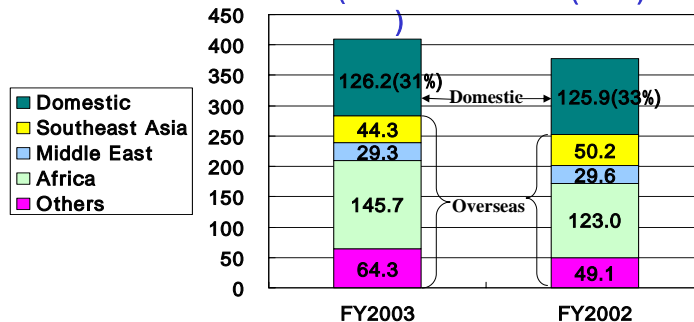
### (2) Information by geographic segment

( See : consolidated interim results P16, non-consolidated interim results P7 )



( ¥ billion )

	FY2003 (%)	FY2002 (%)
Domestic sales	126.2 (31%)	125.9 (33%)
( )Non-consolidated	<b>(91.2) (25%)</b>	<b>(97.4) (29%)</b>
Overseas sales	283.6 (69%)	252.1 (67%)
( )Non-consolidated	<b>(276.4) (75%)</b>	<b>(241.4) (71%)</b>
<b>合計</b>	<b>409.9</b>	<b>378.0</b>
( )Non-consolidated	<b>(367.7)</b>	<b>(338.9)</b>

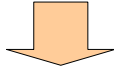


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## 2 - 3 . Exchange gain(loss)

		(¥ billion )
1st Half Results(120 111: 9)	Exchange loss	1.2
2nd Half Results(111 105: 6)	Exchange loss	0.7
	Exchange gain from forward contracts	+2.1(*)
FY2003 TOTAL Exchange gain		+0.2

(\*)Exchange gain(2.1) from currency forward contracts is Non operating income, because of comprehensive basis of hedge accounting.



Operating income would have increased by 0.5 billion from the previous fiscal year, if the 2.1 billion of exchange gain was recognized as Net Sales.

(+0.5 ; (FT2003)15.4+2.1=(FT2002)17.5 <= 17.0)

## 2 -4 . Fluctuations in Management Indexes

	<u>March 31.</u> <u>2004</u>	<u>March 31.</u> <u>2003</u>	<u>March 31.</u> <u>2002</u>
Gross profit ratio	<u>7.4%</u>	<u>8.5%</u>	<u>10.5%</u>
Return on equity(ROE)	<u>7.6%</u>	<u>5.2%</u>	<u>3.9%</u>
Net income per share	<u>¥40.88</u>	<u>¥25.65</u>	<u>¥19.45</u>
Dividend payout ratio (Non-consolidated)	<u>24.6%</u>	<u>28.8%</u>	<u>28.8%</u>

### 3.Outline of Balance Sheets



(See : consolidated interim results P7&8, non-consolidated interim results P3)

#### 3-1 . Summary

(¥ billion )

Current assets ] 234.5 (207.0)	Current liabilities [45%] 160.1 (147.3)
	Fixed liabilities 43.7(36.8) [12%]
	Minority interests 4.8 (-) [1%]
Fixed assets [34%] 120.4 (112.0)	Shareholders' equity 146.2 (134.8)[41%]
Total assets 355.0(319.1)	Total 355.0(319.1)

Note:Figures in parentheses ( ) indicate results on a non-consolidated basis.

Figures in brackets [ ] indicate percentage of total.

Cash and cash equivalents : ¥99.9 bil.(March 31,2003: ¥89.0 bil. ;+¥10.9 bil.)

Interest-bearing debt : ¥17.4 bil.(March 31,2003: ¥18.0 bil. ; -¥0.5 bil.)

Shareholders' equity : ¥146.2 bil.(March 31,2003: ¥131.2 bil. ;+15.0 bil.)

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(See : consolidated interim results P1,7&8)



#### 3-2 . Fluctuations in Main Balance-Sheet Indexes

	<u>March 31.</u> <u>2004</u>	<u>March 31.</u> <u>2003</u>	<u>March 31.</u> <u>2002</u>
Current ratio	<u>146%</u>	<u>136%</u>	<u>129%</u>
Fixed assets ratio	<u>82%</u>	<u>89%</u>	<u>98%</u>
Equity ratio	<u>41%</u>	<u>39%</u>	<u>40%</u>
Shareholders' equity per share	<u>¥575</u>	<u>¥515</u>	<u>¥493</u>

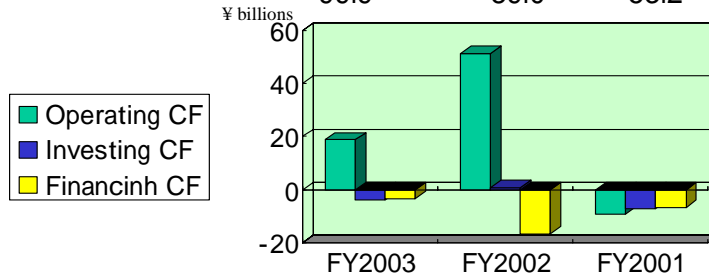
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(See : consolidated interim results P10)



## 4. Outline of Cash Flows

	(¥ billion )		
	FY2003	FY2002	FY2001
Operating cash flows	18.7	51.3	9.2
Investing cash flows	3.9	0.8	7.3
Financing cash flows	3.4	16.6	6.6
Foreign exchange gain(loss)	0.4	0.1	0.0
<b>Net cash increase(decrease)</b>	<b>10.9</b>	<b>35.4</b>	<b>23.3</b>
Net cash increase due to newly consolidated companies	0.0	0.4	-
Cash and cash equivalents at end of period	99.9	89.0	53.2



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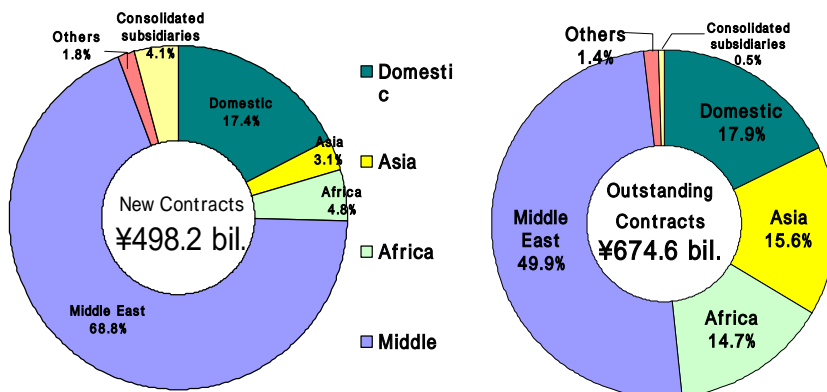
## 5. Outline of Orders Received



### 5 -1 . Status of orders

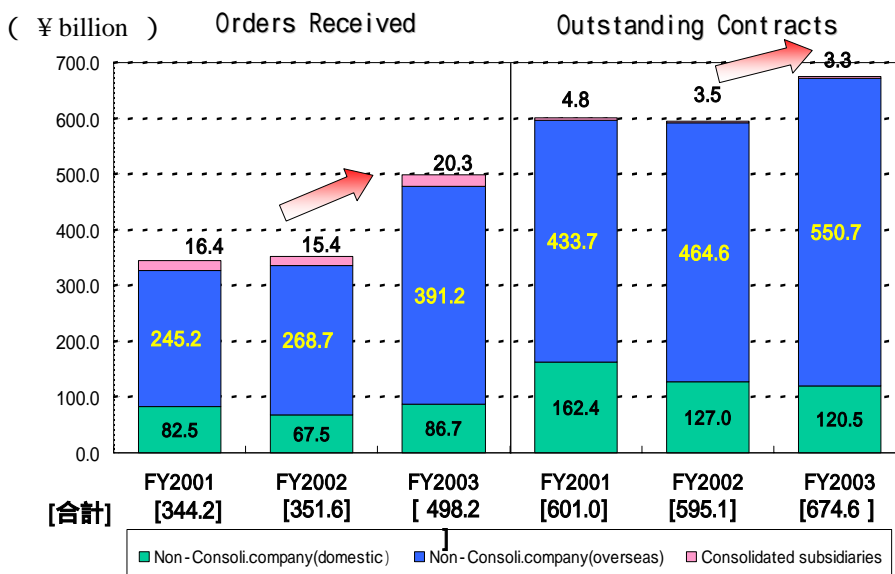
New Contracts : ¥498.2 bil. / Outstanding Contracts : ¥674.6 bil.

By geographic sector



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## 5 -2. Trends in Orders Received/Outstanding Contracts



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## 6 .Targets for Fiscal 2004

( ¥ billion )

	FY2004 Forecast	FY2003
<b>Consolidated</b> Net Sales	440.0	409.9
Ordinary Income	18.5	18.4
Net Income	11.0	10.5
<b>Non-Consolidated</b> Net Sales	390.0	367.7
Ordinary Income	14.5	14.1
Net Income	9.5	8.2
Orders Received	370.0	477.9

\* An exchange rate of US\$1=¥108.00 and EUR1=¥128.88 have been assumed for the above figures.

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