

JGC Corporation

# Outline of Financial Results Fiscal 2004

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Hideo Masuda  
Executive Vice-President and CFO



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# 1. Summary of Business Conditions

(billion yen)

<b>Higher Sales-Higher Profits</b>		<b>FY2004</b>	<b>FY2003</b>	<b>Difference</b>
<b>(Year on year)</b>	<b>Net sales</b>	<b>435.1</b>	<b>409.9</b>	<b>+25.2</b>
	<b>Operating income</b>	<b>13.2</b>	<b>15.4</b>	<b>-2.2</b>
	<b>Ordinary income</b>	<b>16.0</b>	<b>18.4</b>	<b>-2.4</b>
	<b>Net income</b>	<b>11.5</b>	<b>10.5</b>	<b>+1.0</b>

➤ **Increase in net sales**

Increased net sales resulting from a high volume of new contracts.

➤ **Decrease in operating income.**

Increased costs resulting from change in Algerian project site.

Influence of sharply rising costs of resources, machinery and materials.

➤ **Net non-operating income and extraordinary gain**

Gain on sales of investment securities, equity in earnings of affiliates, etc: ¥4.4 billion

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# 2. Outline of Statements of Income

## 2-1. Summary

(billion yen)

	<b>FY2004</b>	<b>FY2003</b>	<b>Difference</b>	<b>Forecast</b>	<b>Comparison with forecast</b>
<b>Consolidated</b> Net sales	<b>435.1</b>	409.9	+25.2	440.0	-4.8
Operating income	<b>13.2</b>	15.4	-2.2	11.2	+2.0
<b>(Profit ratio)</b>	<b>(3.0%)</b>	(3.8%)	(-0.8)	(2.5%)	(+0.5)
Ordinary income	<b>16.0</b>	18.4	-2.4	13.6	+2.4
Net income	<b>11.5</b>	10.5	+1.0	9.7	+1.8
<b>Non-Consolidated</b> Net sales	<b>386.0</b>	367.7	+18.3	390.0	-3.9
Operating income	<b>7.7</b>	11.1	-3.4	7.5	+0.2
<b>(Profit ratio)</b>	<b>(2.0%)</b>	(3.0%)	(-1.0)	(1.9%)	(+0.1)
Ordinary income	<b>10.8</b>	14.1	-3.2	10.4	+0.4
Net income	<b>8.6</b>	8.2	+0.4	8.3	+0.3

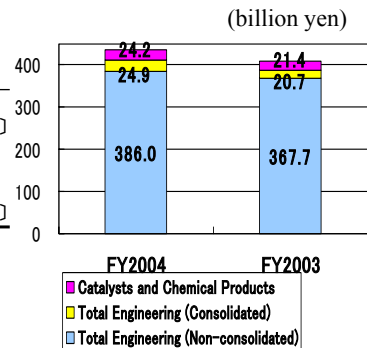
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## 2-2. Segment Information

### (1) By Business Segment

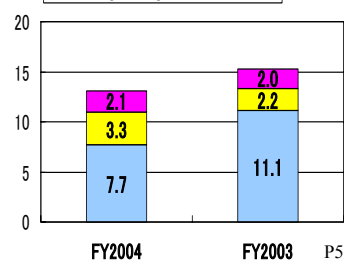
#### Net sales

	FY2004	FY2003
Total engineering (Non-consolidated)	410.9 [94%] <b>(386.0)</b>	388.4 [95%] <b>(367.7)</b>
Catalysts and chemical products	24.2 [6%]	21.4 [5%]
<b>Total</b>	<b>435.1</b>	<b>409.9</b>



#### Operating income

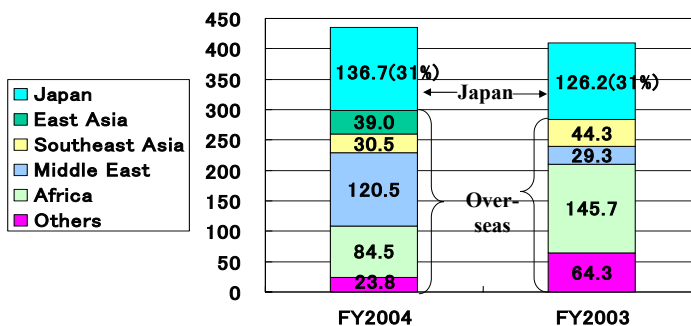
	FY2004	FY2003
Total engineering (Non-consolidated)	11.0 [84%] <b>(7.7)</b>	13.4 [87%] <b>(11.1)</b>
Catalysts and chemical products	2.1 [16%]	2.0 [13%]
<b>Total</b>	<b>13.2</b>	<b>15.4</b>



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### (2) By Geographic Segment

	<u>FY2004</u>	<u>(%)</u>	<u>FY2003</u>	<u>(%)</u>
<b>Sales in Japan</b>	<b>136.7</b>	<b>31%</b>	<b>126.2</b>	<b>31%</b>
(Non-consolidated)	(95.2)	(25%)	(91.2)	(25%)
<b>Overseas sales</b>	<b>298.4</b>	<b>69%</b>	<b>283.6</b>	<b>69%</b>
(Non-consolidated)	(290.8)	(75%)	(276.4)	(75%)
<b>Total</b>	<b>435.1</b>		<b>409.9</b>	
(Non-consolidated)	(386.0)		(367.7)	



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## 2-3. Fluctuations in Management Indexes

	<u>FY2004</u>	<u>FY2003</u>	<u>FY2002</u>
◎ Gross profit ratio	<u>6.5%</u>	<u>7.4%</u>	<u>8.5%</u>
◎ Return on equity (ROE)	<u>7.8%</u>	<u>7.6%</u>	<u>5.2%</u>
◎ Earnings per share	<u>¥44.93</u>	<u>¥40.88</u>	<u>¥25.65</u>
◎ Dividend payout ratio (Non-consolidated)	<u>24.8%</u>	<u>24.6%</u>	<u>28.8%</u>

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## 3. Outline of Balance Sheets

### 3-1. Summary

(billion yen)

Current assets [63%] 31.8 (201.3)	Current liabilities [48%] 175.0 (161.8)
	Fixed liabilities 40.9 (34.1) [11%]
	Minority interests 0.3 (-) [0%]
Fixed assets [37%] 135.6 (131.3)	Shareholders' equity 151.1 (136.6) [41%]
Total assets 367.4 (332.7)	Total 367.4 (332.7)

Cash and cash equivalents: ¥68.9 (Mar 31, 2004: 99.9 ▲31.0)

Interest-bearing debt: ¥16.2 (Mar 31, 2004: 17.4 ▲1.2)

Shareholders equity: ¥151.1 (Mar 31, 2004: 146.2 +4.8)

Note: Figures enclosed in parentheses are non-consolidated; figures enclosed in brackets are ratios to total assets.

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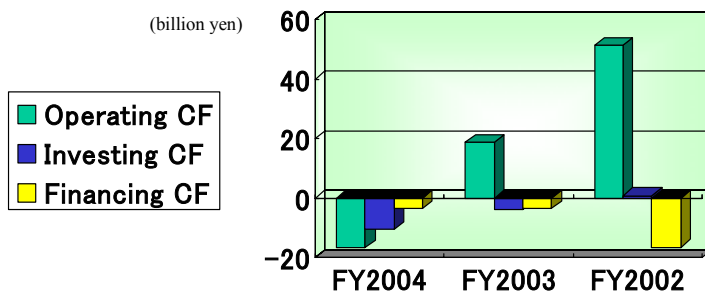
### 3-2. Fluctuations in Main Balance-Sheet Indexes

	<u>FY2004</u>	<u>FY2003</u>	<u>FY2002</u>
◎ Current ratio	<u>132%</u>	<u>146%</u>	<u>136%</u>
◎ Fixed assets ratio	<u>90%</u>	<u>82%</u>	<u>89%</u>
◎ Equity ratio	<u>41%</u>	<u>41%</u>	<u>39%</u>
◎ Shareholders' equity per share	<u>¥595</u>	<u>¥575</u>	<u>¥515</u>

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### 4. Outline of Cash Flows

	(billion yen)		
	<u>FY2004</u>	<u>FY2003</u>	<u>FY2002</u>
◎ Operating cash flows	-16.8	18.7	51.3
◎ Investing cash flows	-10.6	-3.9	0.8
◎ Financing cash flows	-3.4	-3.4	-16.6
◎ Effect of exchange rate changes	-0.1	-0.4	-0.1
<b>Net cash increase (decrease)</b>	<b>-31.0</b>	<b>10.9</b>	<b>35.4</b>
◎ Cash and cash equivalents at end of year	68.9	99.9	89.0



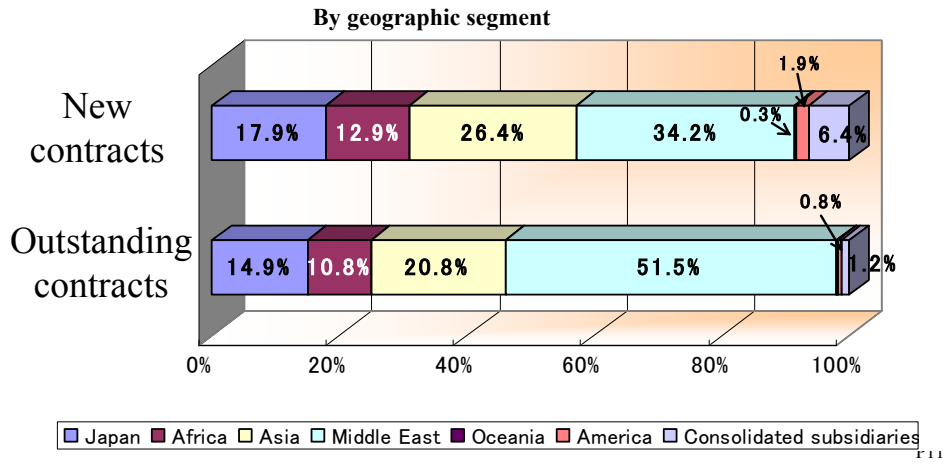
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## 5. Outline of New Contracts

### 5-1. Summary of New and Outstanding Contracts

New contracts: 469.5 billion yen

Outstanding contracts: 714.1 billion yen

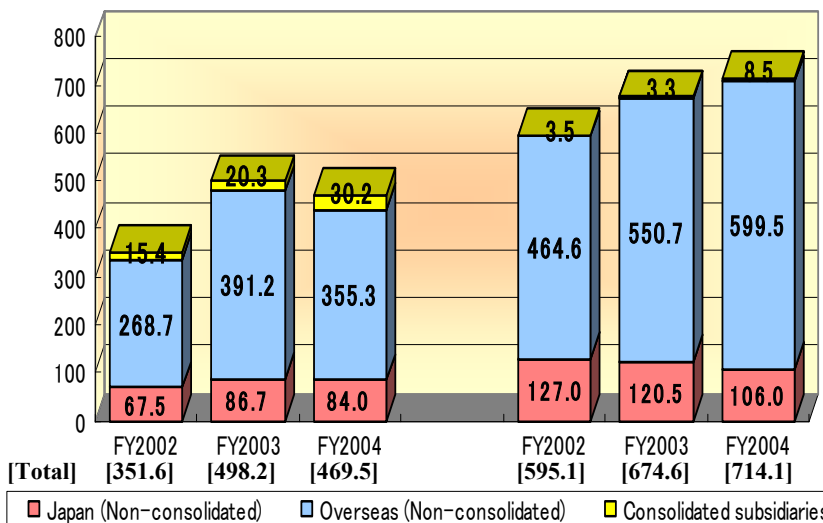


### 5-2. Trends in New and Outstanding Contracts

(billion yen)

New Contracts

Outstanding Contracts



## 6. Targets for Fiscal 2005

		(billion yen)		
		FY2005 Forecast	FY2004	Difference
<b>Consoli- -dated</b>	Net sales	490.0	435.1	54.8
	Ordinary income	20.0	16.0	3.9
	Net Income	12.0	11.5	0.4
<b>Non- Consolidated</b>	Net sales	430.0	386.0	43.9
	Ordinary income	16.0	10.8	5.1
	Net income	10.0	8.6	1.3
	New contracts	400.0	439.3	-39.3
	Dividends	¥10	¥8.5	¥1.5

\*Forecast based on : ¥107/US\$1.00