

Notification of Revisions to Financial Results and Dividend Forecasts for the First Half of Fiscal 2003, the Fiscal Year Ending March 31, 2004

In order to reflect recent trends in business performance, JGC Corporation (JGC) has revised its forecasts for financial results and dividends for the six months ended September 30, 2003 previously announced in the Summary of Consolidated Financial Statements issued on May 21, 2003.

1. Revised forecasts for the first half of fiscal 2003 (April 1, 2003 to September 30, 2003)

(1) Non-consolidated forecasts

(Millions of yen, %)

	Net sales	Ordinary income	Net income
Previous forecasts (A)	165,000	5,500	3,000
Current forecasts (B)	171,000	6,300	4,800
Increase or decrease (B-A)	6,000	800	1,800
Percentage (%)	3.6	14.5	60.0
Results for the first half of fiscal 2002	166,893	5,189	3,196

(2) Consolidated forecasts

(Millions of yen, %)

	Net sales	Ordinary income	Net income
Previous forecasts (A)	185,000	7,000	3,500
Current forecasts (B)	189,000	8,700	6,000
Increase or decrease (B-A)	4,000	1,700	2,500
Percentage (%)	2.2	24.3	71.4
Results for the first half of fiscal 2002	184,950	6,661	6,482

2. Revised forecasts for fiscal 2003 (April 1, 2003 to March 31, 2004)

(1) Non-consolidated forecasts

(Millions of yen, %)

	Net sales	Ordinary income	Net income
Previous forecasts (A)	330,000	11,000	6,000
Current forecasts (B)	350,000	13,000	8,300
Increase or decrease (B-A)	20,000	2,000	2,300
Percentage (%)	6.1	18.2	38.3
Results for fiscal 2002	338,945	14,008	5,307

Reference: Estimated earnings per share (yen, fiscal 2003): ¥32.66

(2) Consolidated forecasts

(Millions of yen, %)

	Net sales	Ordinary income	Net income
Previous forecasts (A)	370,000	14,000	7,000
Current forecasts (B)	390,000	16,000	9,300
Increase or decrease (B-A)	20,000	2,000	2,300
Percentage (%)	5.4	14.3	32.9
Results for fiscal 2002	378,063	14,801	6,768

Reference: Estimated earnings per share (yen, fiscal 2003): ¥36.60

3. Revised dividends forecasts for fiscal 2003

	(Yen, %)		
	First-half end	Fiscal year-end	Full year
Previous forecasts (A)	—	6	6
Current forecasts (B)	—	8	8
Increase or decrease (B-A)	—	2	2
Percentage (%)	—	33.3	33.3
Dividends for fiscal 2002	—	6	6

4. Reasons for revisions

(1) Non-consolidated revised forecasts for the first half of fiscal 2003

Despite the appreciation of the yen at the end of September 2003 compared with initial estimates announced on May 21, net sales, ordinary income, and net income are expected to rise as a result of steady progress toward the completion of projects and improvements in the gross profit margin.

(2) Consolidated revised forecasts for the first half of fiscal 2003

Consolidated forecasts have been revised upward in line with non-consolidated forecasts.

(3) Non-consolidated revised forecasts for fiscal 2003

In the second half of fiscal 2003, continued steady progress toward the completion of projects and improvements in the gross profit margin are again expected to offset the impact of persistent yen appreciation. Following on from revised forecasts for the first half of fiscal 2003, JGC has revised upward its non-consolidated full-year forecasts.

(4) Consolidated revised forecasts for fiscal 2003

Consolidated forecasts for the full year have been revised upward in line with non-consolidated forecasts.

(5) Revised dividends forecasts

With regard to dividend payments, JGC's basic policy is to target a payout ratio of 25%. In promoting the return of profits to shareholders, the Company takes full consideration to enhance shareholders' equity, provide for future business expansion, and invest to strengthen technological prowess.

For fiscal 2003, JGC is estimating a non-consolidated net income of ¥8,300 million, exceeding forecasts at the beginning of the period of ¥6,000 million. Accordingly, the dividend forecast has been revised upward to reflect the anticipated improvement in business results, which translates to a year-end dividend of ¥8 per share, an increase of ¥2 per share over initial forecasts.

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[Note]

The above statements are an English-language translation from the original Japanese-language document. (All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

The performance prospect as given above is based on certain assumptions that are, in our judgment reasonable at this moment. Therefore actual performance could differ from the prospect.

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