

CONSOLIDATED BALANCE SHEETS

JGC CORPORATION
March 31, 2009 and 2008

Assets	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Current Assets:			
Cash and deposits (Note 14)	¥117,782	¥ 93,617	\$1,199,043
Marketable securities (Notes 10 & 14)	56,500	71,000	575,181
Notes and accounts receivable (Note 2)	72,455	68,131	737,606
Inventories (Note 4)	62,250	68,744	633,717
Deferred tax assets (Note 13)	13,734	9,136	139,815
Other current assets (Note 2)	12,559	14,522	127,852
Allowance for doubtful accounts	(60)	(533)	(611)
Total Current Assets	335,220	324,617	3,412,603
Property and Equipment (Note 3):			
Land (Note 15)	26,561	26,517	270,396
Buildings and structures	55,509	54,827	565,092
Machinery and equipment	44,461	43,316	452,621
Construction in progress	853	96	8,684
	127,384	124,756	1,296,793
Less accumulated depreciation	(60,875)	(56,306)	(619,719)
Net Property and Equipment	66,509	68,450	677,074
Other Assets:			
Investments in unconsolidated subsidiaries and affiliates (Note 10)	27,804	18,663	283,050
Marketable and investment securities (Note 10)	23,918	29,033	243,490
Long-term loans receivable (Note 2)	10,073	13,694	102,545
Deferred tax assets (Note 13)	11,241	6,188	114,436
Goodwill	404	1,211	4,113
Other	5,110	4,917	52,020
Total Other Assets	78,550	73,706	799,654
Total Assets	¥480,279	¥466,773	\$4,889,331

The accompanying notes are an integral part of these statements.

Liabilities and Net Assets	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	2009
Current Liabilities:			
Short-term loans and current maturities of long-term debt (Note 3)	¥ 762	¥ 762	\$ 7,757
Notes and accounts payable (Note 2)	92,519	82,017	941,861
Advances received on uncompleted contracts	81,501	111,955	829,696
Reserve for job warranty costs	468	695	4,764
Reserve for losses on contracts	1,835	2,611	18,681
Income taxes payable	14,592	9,368	148,549
Other current liabilities (Notes 2 & 13)	16,346	9,931	166,405
Total Current Liabilities	208,023	217,339	2,117,713
Long-Term Debt, Less Current Maturities (Note 3)	23,255	17,300	236,740
Retirement and Severance Benefits (Note 6)	16,226	16,214	165,184
Deferred Tax Liabilities for Land Revaluation (Notes 13 & 15)	3,783	3,783	38,512
Other Non-Current Liabilities (Notes 2 & 13)	4,504	4,600	45,852
Total Liabilities	255,791	259,236	2,604,001
Contingencies (Note 7)			
Net Assets (Note 8):			
Common stock			
Authorized — 600,000,000 shares,			
Issued — 259,052,929 shares in 2009 and 2008	23,511	23,511	239,346
Capital surplus	25,599	25,593	260,603
Retained earnings	188,547	160,311	1,919,444
Treasury stock, at cost	(5,671)	(5,532)	(57,732)
Net unrealized holding gains on securities	2,481	8,056	25,257
Deferred gains (losses) on hedges	(1,027)	331	(10,455)
Land revaluation, net of deferred tax portion (Note 15)	(6,590)	(6,590)	(67,087)
Foreign currency translation adjustments	(2,962)	1,575	(30,154)
Minority interests	600	282	6,108
Total Net Assets	224,488	207,537	2,285,330
Total Liabilities and Net Assets	¥480,279	¥466,773	\$4,889,331

CONSOLIDATED STATEMENTS OF INCOME

JGC CORPORATION

Years ended March 31, 2009, 2008 and 2007

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2009	2008	2007	2009
Net Sales (Notes 9 & 12)	¥450,912	¥551,062	¥608,530	\$4,590,370
Cost of Sales	378,942	487,362	564,591	3,857,702
Gross profit	71,970	63,700	43,939	732,668
Selling, General and Administrative Expenses	19,967	18,804	17,526	203,268
Operating income	52,003	44,896	26,413	529,400
Other Income (Expenses):				
Interest and dividend income	3,980	6,593	5,184	40,517
Interest expense	(807)	(558)	(358)	(8,215)
Loss on sales and disposal of property and equipment	(90)	(177)	(286)	(916)
Loss on devaluation of marketable and investment securities	(2,148)	(24)	(26)	(21,867)
Exchange gain, net	(1,611)	(8,152)	(120)	(16,400)
Equity in earnings of affiliates	2,143	5,078	3,199	21,816
Gain on sales of marketable and investment securities	2,577	148	36	26,234
Gain on transition to new defined contribution pension plan	—	—	81	—
Provision for doubtful accounts	(6,635)	(1,424)	(1,776)	(67,546)
Loss on withdrawal from certain business	—	—	(920)	—
Provision for retirement and severance benefits	—	—	(117)	—
Other, net	32	528	513	326
	(2,559)	2,012	5,410	(26,051)
Income before taxes on income and minority interests in earnings of consolidated subsidiaries	49,444	46,908	31,823	503,349
Taxes on Income (Note 13):				
Current	23,677	17,910	11,300	241,036
Deferred	(5,715)	(1,042)	312	(58,180)
Income before minority interests	31,482	30,040	20,211	320,493
Minority Interests in Earnings (Losses) Consolidated Subsidiaries	61	(20)	(24)	621
Net Income	¥ 31,543	¥ 30,020	¥ 20,187	\$ 321,114
Amounts Per Share of Common Stock				
Net income	¥124.76	¥118.33	¥79.52	\$1.27
Cash dividends applicable to the year	¥ 30.00	¥ 21.00	¥15.00	\$0.31

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

JGC CORPORATION

Years ended March 31, 2009, 2008 and 2007

	Thousands of shares									Millions of yen	
	Shares	Amount	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Net unrealized holding gains (losses) on securities	Deferred gains (losses) on hedges	Land revaluation, net of deferred tax portion (Note 15)	Foreign currency translation adjustments	Minority Interests
Balance at March 31, 2006	259,053	¥23,511	¥25,582	¥116,850	¥(3,879)	¥17,437	¥ —	¥(6,582)	¥ 145	¥ 291	
Net income for the year				20,187							
Effect of change in scope of consolidation				240							
Cash dividends				(2,793)							
Bonuses to directors and corporate statutory auditors				(192)							
Gain on retirement of treasury stock			4			2					
Land revaluation, net of deferred tax portion				8				(8)			
Net unrealized holding losses on securities							(2,584)				
Foreign currency translation adjustments									1,192		
Increase of treasury stock					(155)						
Net changes during the year										(17)	
Balance at March 31, 2007	259,053	¥23,511	¥25,586	¥134,300	¥(4,032)	¥14,853	¥ —	¥(6,590)	¥ 1,337	¥ 274	
Net income for the year				30,020							
Effect of change in scope of consolidation				(202)							
Cash dividends				(3,807)							
Gain on retirement of treasury stock			7			6					
Land revaluation, net of deferred tax portion											
Net unrealized holding gains on securities							(6,797)				
Net deferred gains on hedges								331			
Foreign currency translation adjustments									238		
Increase of treasury stock					(1,506)						
Net changes during the year										8	
Balance at March 31, 2008	259,053	¥23,511	¥25,593	¥160,311	¥(5,532)	¥ 8,056	¥ 331	¥(6,590)	¥ 1,575	¥ 282	
Net income for the year				31,543							
Effect of change in scope of consolidation				2,003					(48)	435	
Cash dividends				(5,310)							
Gain on retirement of treasury stock			6			15					
Land revaluation, net of deferred tax portion				0				(0)			
Net unrealized holding losses on securities							(5,575)				
Net deferred losses on hedges								(1,358)			
Foreign currency translation adjustments									(4,489)		
Increase of treasury stock					(154)						
Net changes during the year										(117)	
Balance at March 31, 2009	259,053	¥23,511	¥25,599	¥188,547	¥(5,671)	¥ 2,481	¥(1,027)	¥(6,590)	¥(2,962)	¥ 600	

	Thousands of U.S. dollars (Note1)									
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Net unrealized holding gains (losses) on securities	Deferred gains (losses) on hedges	Land revaluation, net of deferred tax portion (Note 15)	Foreign currency translation adjustments	Minority Interests	
Balance at March 31, 2008	\$239,346	\$260,542	\$1,631,996	\$(56,317)	\$ 82,012	\$ 3,370	\$(67,087)	\$ 16,034	\$ 2,871	
Net income for the year			321,114							
Effect of change in scope of consolidation			20,391					(489)	4,428	
Cash dividends			(54,057)							
Gain on retirement of treasury stock		61		153						
Land revaluation, net of deferred tax portion			0				(0)			
Net unrealized holding losses on securities					(56,755)					
Net deferred losses on hedges						(13,825)				
Foreign currency translation adjustments								(45,699)		
Increase of treasury stock				(1,568)						
Net changes during the year										(1,191)
Balance at March 31, 2009	\$239,346	\$260,603	\$1,919,444	\$(57,732)	\$ 25,257	\$(10,455)	\$(67,087)	\$(30,154)	\$ 6,108	

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

JGC CORPORATION

Years ended March 31, 2009, 2008 and 2007

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2009	2008	2007	2009
Cash Flows From Operating Activities:				
Income before taxes on income and minority interests in earnings of consolidated subsidiaries	¥ 49,444	¥ 46,908	¥ 31,823	\$ 503,349
Adjustments to reconcile income before taxes on income and minority interests in earnings of consolidated subsidiaries to net cash provided by operating activities:				
Depreciation and amortization	6,979	6,081	5,394	71,048
Amortization of goodwill	764	734	734	7,778
Increase (decrease) in allowance for doubtful accounts	6,687	1,421	(938)	68,075
Increase (decrease) in reserve for losses on contracts	(776)	(2,403)	1,747	(7,900)
Increase (decrease) in retirement and severance benefits	(8)	(928)	82	(81)
Interest and dividend income	(3,980)	(6,593)	(5,184)	(40,517)
Interest expense	807	558	358	8,215
Exchange (gain) loss	660	5,005	(402)	6,719
Equity in earnings of affiliates	(2,143)	(5,078)	(3,199)	(21,816)
Gain on sales of marketable and investment securities	(2,577)	(148)	(36)	(26,234)
Loss on devaluation of marketable and investment securities	2,148	24	26	21,867
Loss on sales and disposal of property and equipment	90	177	286	916
Loss on withdrawal from certain businesses	—	—	920	—
Decrease (increase) in notes and accounts receivable	(4,141)	12,300	(9,564)	(42,156)
Decrease (increase) in inventories	7,146	(9,038)	(2,848)	72,748
Decrease (increase) in other assets	5,758	176	(682)	58,618
Increase (decrease) in notes and accounts payable	9,103	(27,782)	23,917	92,670
Increase (decrease) in advances received on uncompleted contracts	(31,909)	11,676	42,907	(324,840)
Other	5,014	(40)	1,450	51,042
Subtotal	49,066	33,050	86,791	499,501
Interest and dividends received	6,667	8,801	6,206	67,871
Interest paid	(777)	(460)	(256)	(7,910)
Income taxes paid	(18,361)	(12,526)	(13,627)	(186,918)
Net Cash Provided by Operating Activities	36,595	28,865	79,114	372,544
Cash Flows From Investing Activities:				
Payments for purchases of property and equipment	(6,042)	(6,494)	(7,098)	(61,509)
Proceeds from sales of property and equipment	195	133	51	1,985
Payments for purchase of intangible fixed assets	(1,211)	(997)	(698)	(12,328)
Payments for purchase of marketable and investment securities	(21,528)	(3,872)	(6,077)	(219,159)
Proceeds from sales of marketable and investment securities	5,399	550	508	54,963
Decrease (increase) in short-term loans receivable	(77)	293	421	(784)
Payments for long-term loans receivable	(3,375)	(5,233)	(1,672)	(34,358)
Proceeds from long-term loans receivable	63	658	199	641
Other	119	(70)	356	1,212
Net Cash Used in Investing Activities	(26,457)	(15,032)	(14,010)	(269,337)
Cash Flows From Financing Activities:				
Increase (decrease) in short-term loans	(75)	(2,389)	2,351	(763)
Proceeds from long-term bank loans	6,839	1,050	17,482	69,622
Repayments of long-term bank loans	(808)	(670)	(15,300)	(8,226)
Repayment of finance lease obligation	(33)	—	—	(336)
Payments for purchase of treasury stock	(133)	(1,492)	(150)	(1,354)
Cash dividends paid	(5,307)	(3,805)	(2,790)	(54,026)
Cash dividends paid to minority shareholders	(11)	(12)	(40)	(112)
Net Cash Provided by (Used in) Financing Activities	472	(7,318)	1,553	4,805
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2,815)	(1,360)	966	(28,657)
Net Increase in Cash and Cash Equivalents	7,795	5,155	67,623	79,355
Cash and Cash Equivalents at Beginning of Year	164,617	159,411	91,489	1,675,832
Increase in Cash and Cash Equivalents From Newly Consolidated Subsidiaries	1,870	—	299	19,037
Increase in Cash and Cash Equivalents From Subsidiaries Merged	—	51	—	—
Cash and Cash Equivalents at End of Year (Note 14)	¥174,282	¥164,617	¥159,411	\$1,774,224

The accompanying notes are an integral part of these statements.