

Consolidated Balance Sheets

JGC CORPORATION
March 31, 2010 and 2009

Assets	Millions of yen		Thousands of U.S. dollars (Note 1)
	2010	2009	2010
Current Assets:			
Cash and deposits (Notes 13 & 18)	¥ 83,308	¥117,782	\$ 895,400
Marketable securities (Notes 9, 13 & 18)	40,500	56,500	435,296
Notes and accounts receivable (Notes 2 & 18)	87,626	72,455	941,810
Inventories (Note 4)	36,897	62,250	396,571
Deferred tax assets (Note 12)	12,182	13,734	130,933
Other current assets (Notes 2, 10 & 18)	23,117	12,559	248,464
Allowance for doubtful accounts	(92)	(60)	(989)
Total Current Assets	283,538	335,220	3,047,485
Property and Equipment (Note 3):			
Land (Notes 14 & 17)	26,459	26,561	284,383
Buildings and structures (Note 17)	56,617	55,509	608,523
Machinery and equipment	45,520	44,461	489,252
Construction in progress	1,719	853	18,476
Other (Note 19)	1,747	—	18,777
	132,062	127,384	1,419,411
Less accumulated depreciation	(66,004)	(60,875)	(709,415)
Net Property and Equipment	66,058	66,509	709,996
Other Assets:			
Investments in unconsolidated subsidiaries and affiliates (Note 9)	31,968	27,804	343,594
Marketable and investment securities (Notes 9 & 18)	29,699	23,918	319,207
Long-term loans receivable (Notes 2, 15 & 18)	1,085	10,719	11,662
Deferred tax assets (Note 12)	10,750	11,241	115,542
Goodwill	0	404	0
Other (Note 19)	7,078	4,464	76,074
Total Other Assets	80,580	78,550	866,079
Total Assets	¥430,176	¥480,279	\$4,623,560

The accompanying notes are an integral part of these statements.

Liabilities and Net Assets	Millions of yen		Thousands of U.S. dollars (Note 1)
	2010	2009	2010
Current Liabilities:			
Short-term loans and current maturities of long-term debt (Note 3)	¥ 1,052	¥ 762	\$ 11,307
Notes and accounts payable (Notes 2 & 18)	59,392	80,608	638,349
Advances received on uncompleted contracts	46,767	81,501	502,655
Reserve for job warranty costs	456	468	4,901
Reserve for losses on contracts	146	1,835	1,569
Income taxes payable	7,671	14,592	82,448
Other current liabilities (Notes 2, 10 & 18)	22,244	28,257	239,081
Total Current Liabilities	137,728	208,023	1,480,310
Long-Term Debt, Less Current Maturities (Notes 3 & 18)	21,926	23,255	235,662
Retirement and Severance Benefits (Note 6)	15,720	16,226	168,960
Deferred Tax Liabilities for Land Revaluation (Notes 12 & 14)	3,783	3,783	40,660
Other Non-Current Liabilities (Notes 2 & 12)	4,878	4,504	52,428
Total Liabilities	184,035	255,791	1,978,020
Contingencies (Note 7)			
Net Assets (Note 8):			
Common stock			
Authorized — 600,000,000 shares,			
Issued — 259,052,929 shares in 2010 and 2009	23,511	23,511	252,698
Capital surplus	25,601	25,599	275,161
Retained earnings	204,177	188,547	2,194,508
Treasury stock, at cost	(5,735)	(5,671)	(61,640)
Net unrealized holding gains on securities (Notes 9 & 18)	5,087	2,481	54,675
Deferred gains (losses) on hedges (Note 10)	2,712	(1,027)	29,149
Land revaluation, net of deferred tax portion (Note 14)	(6,553)	(6,590)	(70,432)
Foreign currency translation adjustments	(2,980)	(2,962)	(32,029)
Minority interests	321	600	3,450
Total Net Assets	246,141	224,488	2,645,540
Total Liabilities and Net Assets	¥430,176	¥480,279	\$4,623,560

Consolidated Statements of Income

JGC CORPORATION

Years ended March 31, 2010, 2009 and 2008

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2010	2009	2008	2010
Net Sales (Note 11)	¥414,258	¥450,912	¥551,062	\$4,452,472
Cost of Sales	353,906	378,942	487,362	3,803,805
Gross profit	60,352	71,970	63,700	648,667
Selling, General and Administrative Expenses	18,433	19,967	18,804	198,119
Operating income	41,919	52,003	44,896	450,548
Other Income (Expenses):				
Interest and dividend income	1,814	3,980	6,593	19,497
Interest expense	(684)	(807)	(558)	(7,352)
Loss on sales and disposal of property and equipment	(98)	(90)	(177)	(1,053)
Loss on impairment of fixed assets (Note 19)	(3,649)	—	—	(39,220)
Loss on devaluation of marketable and investment securities	—	(2,148)	(24)	—
Exchange loss, net	(3,615)	(1,611)	(8,152)	(38,854)
Equity in earnings of affiliates	2,556	2,143	5,078	27,472
Gain on sales of marketable and investment securities	518	2,577	148	5,567
Gain on revision of pension plan	426	—	—	4,579
Provision for doubtful accounts	(1,496)	(6,635)	(1,424)	(16,079)
Provision for retirement and severance benefits	(138)	—	—	(1,483)
Other, net	297	32	528	3,192
	(4,069)	(2,559)	2,012	(43,734)
Income before taxes on income and minority interests in earnings of consolidated subsidiaries	37,850	49,444	46,908	406,814
Taxes on Income (Note 12):				
Current	12,431	23,677	17,910	133,609
Deferred	(1,576)	(5,715)	(1,042)	(16,939)
Income before minority interests	26,995	31,482	30,040	290,144
Minority Interests in (Earnings) Losses of Consolidated Subsidiaries	117	61	(20)	1,258
Net Income	¥ 27,112	¥ 31,543	¥ 30,020	\$ 291,402
Amounts Per Share of Common Stock				
Net income	¥107.25	¥124.76	¥118.33	\$1.15
Cash dividends applicable to the year	¥ 21.00	¥ 30.00	¥ 21.00	\$0.23

The accompanying notes are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

JGC CORPORATION

Years ended March 31, 2010, 2009 and 2008

	Thousands of shares					Millions of yen				
	Common stock		Capital surplus	Retained earnings	Treasury stock, at cost	Net unrealized holding gains (losses) on securities (Notes 9 & 18)	Deferred gains (losses) on hedges (Note 10)	Land revaluation, net of deferred tax portion (Note 14)	Foreign currency translation adjustments	Minority Interests
Shares	Amount									
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					
Net unrealized holding losses 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
Net income for the year				27,112						
Effect of change in scope of consolidation				(3,861)					(518)	
Cash dividends				(7,584)						
Gain on retirement of treasury stock			2		2					
Land revaluation, net of deferred tax portion				(37)				37		
Net unrealized holding gains on securities						2,606				
Net deferred gains on hedges							3,739			
Foreign currency translation adjustments									500	
Increase of treasury stock					(66)					
Net changes during the year										(279)
Balance at March 31, 2010	259,053	¥23,511	¥25,601	¥204,177	¥(5,735)	¥ 5,087	¥2,712	¥(6,553)	¥(2,980)	¥ 321

	Thousands of U.S. dollars (Note 1)									
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Net unrealized holding gains (losses) on securities (Notes 9 & 18)	Deferred gains (losses) on hedges (Note 10)	Land revaluation, net of deferred tax portion (Note 14)	Foreign currency translation adjustments	Minority Interests	
Balance at March 31, 2009	\$252,698	\$275,140	\$2,026,515	\$(60,952)	\$26,666	\$(11,038)	\$(70,830)	\$(31,836)	\$ 6,449	
Net income for the year			291,402							
Effect of change in scope of consolidation			(41,498)					(5,567)		
Cash dividends			(81,513)							
Gain on retirement of treasury stock		21		21						
Land revaluation, net of deferred tax portion			(398)				398			
Net unrealized holding gains on securities					28,009					
Net deferred gains on hedges						40,187				
Foreign currency translation adjustments								5,374		
Increase of treasury stock				(709)						
Net changes during the year									(2,999)	
Balance at March 31, 2010	\$252,698	\$275,161	\$2,194,508	\$(61,640)	\$54,675	\$ 29,149	\$(70,432)	\$(32,029)	\$ 3,450	

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

JGC CORPORATION

Years ended March 31, 2010, 2009 and 2008

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2010	2009	2008	2010
Cash Flows From Operating Activities:				
Income before taxes on income and minority interests in earnings of consolidated subsidiaries	¥ 37,850	¥ 49,444	¥ 46,908	\$ 406,814
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	9,134	6,979	6,081	98,173
Amortization of goodwill	391	764	734	4,202
Increase in allowance for doubtful accounts	780	6,687	1,421	8,383
Decrease in reserve for losses on contracts	(1,689)	(776)	(2,403)	(18,153)
Decrease in retirement and severance benefits	(375)	(8)	(928)	(4,031)
Interest and dividend income	(1,814)	(3,980)	(6,593)	(19,497)
Interest expense	684	807	558	7,352
Exchange (gain) loss	(15)	660	5,005	(161)
Equity in earnings of affiliates	(2,556)	(2,143)	(5,078)	(27,472)
Gain on sales of marketable and investment securities	(518)	(2,577)	(148)	(5,567)
Loss on devaluation of marketable and investment securities	—	2,148	24	—
Loss on sales and disposal of property and equipment	98	90	177	1,053
Loss on impairment of fixed assets (Note 19)	3,649	—	—	39,220
Decrease (increase) in notes and accounts receivable	(14,973)	(4,141)	12,300	(160,931)
Decrease (increase) in inventories	25,377	7,146	(9,038)	272,754
Decrease (increase) in other assets	(5,560)	5,758	176	(59,759)
Increase (decrease) in notes and accounts payable	(22,014)	9,103	(27,782)	(236,608)
Increase (decrease) in advances received on uncompleted contracts	(34,735)	(31,909)	11,676	(373,334)
Other	(3,404)	5,014	(40)	(36,587)
Subtotal	(9,690)	49,066	33,050	(104,149)
Interest and dividends received	4,854	6,667	8,801	52,171
Interest paid	(925)	(777)	(460)	(9,942)
Income taxes paid	(19,419)	(18,361)	(12,526)	(208,716)
Net Cash Provided by Operating Activities	(25,180)	36,595	28,865	(270,636)
Cash Flows From Investing Activities:				
Payments for purchases of property and equipment	(4,766)	(6,042)	(6,494)	(51,225)
Proceeds from sales of property and equipment	121	195	133	1,301
Payments for purchase of intangible fixed assets	(2,540)	(1,211)	(997)	(27,300)
Payments for purchase of marketable and investment securities	(12,494)	(21,528)	(3,872)	(134,286)
Proceeds from sales of marketable and investment securities	942	5,399	550	10,125
Decrease (increase) in short-term loans receivable	28	(77)	293	301
Payments for long-term loans receivable	(528)	(3,375)	(5,233)	(5,675)
Proceeds from long-term loans receivable	171	63	658	1,838
Other	(758)	119	(70)	(8,149)
Net Cash Used in Investing Activities	(19,824)	(26,457)	(15,032)	(213,070)
Cash Flows From Financing Activities:				
Decrease in short-term loans	—	(75)	(2,389)	—
Proceeds from long-term bank loans	—	6,839	1,050	—
Repayments of long-term bank loans	(737)	(808)	(670)	(7,921)
Repayments of finance lease obligation	(59)	(33)	—	(634)
Payments for purchase of treasury stock	(62)	(133)	(1,492)	(666)
Cash dividends paid	(7,579)	(5,307)	(3,805)	(81,460)
Cash dividends paid to minority shareholders	(20)	(11)	(12)	(215)
Other	(437)	—	—	(4,697)
Net Cash Provided by (Used in) Financing Activities	(8,894)	472	(7,318)	(95,593)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	2,290	(2,815)	(1,360)	24,613
Net Increase in Cash and Cash Equivalents	(51,608)	7,795	5,155	(554,686)
Cash and Cash Equivalents at Beginning of Year	174,282	164,617	159,411	1,873,194
Increase in Cash and Cash Equivalents From Newly Consolidated Subsidiaries	1,134	1,870	—	12,188
Increase In Cash and Cash Equivalents From Subsidiaries Merged	—	—	51	—
Cash and Cash Equivalents at End of Year (Note 13)	¥123,808	¥174,282	¥164,617	\$1,330,696

The accompanying notes are an integral part of these statements.