

# Non-Consolidated Financial Statements--Summary

(For the fiscal year ending March 31, 2003)

May 21, 2003

The following 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.)

Name of listed company: **JGC Corporation**

Code Number: **1963**

Representative

Title: **Chairman and Chief Executive Officer**

Name: **Yoshihiro Shigehisa**

Contact

Title: **Associated Director, Finance & Accounting Department**

Name: **Yasumasa Saito**

Board of Directors meeting: **May 21, 2003**

Ordinary Annual General Meeting of Shareholders: **June 27, 2003**

Stock exchange: **Tokyo**

Head office: **Tokyo**

Tel: **045-682-1111**

URL: <http://www.jgc.co.jp>

Interim divided system: **No**

Investment unit system: **Yes**

One investment unit = 1,000 shares

## 1. Business results for fiscal 2002 (April 1, 2002-March 31, 2003)

### (1) Non-Consolidated financial results

Note: All amounts are rounded down to the nearest million yen.

	Net sales		Operating income		Ordinary income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Mar. 2003 term	338,945	13.4	13,163	(21.9)	14,008	(30.3)
Mar. 2002 term	298,769	36.8	16,861	189.7	20,085	160.4

	Net income		Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary income/total assets	Ordinary income/net sales
	(Millions of yen)	(%)	(Yen)	(Yen)	(%)	(%)	(%)
Mar. 2003 term	5,307	18.2	20.13	20.11	4.4	4.7	4.1
Mar. 2002 term	4,489	4.8	17.67	17.34	3.8	6.9	6.7

Notes:

Average number of shares outstanding (non-consolidated):

Mar. 2003 term: 257,346,597 Mar. 2002 term: 254,089,809

Change in accounting methods: None

Percentages for net sales, operating income, ordinary income and net income indicate changes from the previous term.

### (2) Dividends

	Annual dividends per share (Yen)			Total dividends (annual)	Payout ratio	Dividends/shareholders' equity
	Interim	Term-end	(Millions of yen)	(%)	(%)	
Mar. 2003 term	6.0	-	6.0	1,527	28.8	1.3
Mar. 2002 term	5.0	-	5.0	1,291	28.8	1.1

### (3) Non-consolidated financial position

	Total assets	Shareholders' equity	Shareholders' equity/total assets	Shareholders' equity per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
Mar. 31, 2003	303,526	121,984	40.2	479.13
Mar. 31, 2002	289,373	120,688	41.7	467.07

Notes:

Number of shares outstanding at term-end (non-consolidated):

Mar. 31, 2003: 254,597,259 Mar. 31, 2002: 258,393,859

Number of treasury stock at term-end:

Mar. 31, 2003: 4,356,502 Mar. 31, 2002: 51,651

## 2. Forecast for fiscal 2003 (April 1, 2003-March 31, 2004)

	Net sales (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Annual dividends per share (Yen)		
				Interim	Year-end	
Interim term	165,000	5,500	3,000	-	-	
Entire term	330,000	11,000	6,000	-	6.0	6.0

Reference: Estimated earnings per share

(yen, fiscal 2003): 23.57

Note: The forecasts given above are based on information available at the time of compilation and are inherently subject to a variety of risks and uncertainties. Actual results may vary significantly from forecasts due to factors including, but not limited to, changes in the economic or business environment and exchange rate fluctuations.

## Non-Consolidated Balance Sheets

### ASSETS

	March 31, 2003 (Millions of yen)	March 31, 2002 (Millions of yen)	Increase (decrease) (Millions of yen)
<b>Current assets:</b>	<b>¥193,500</b>	<b>¥170,656</b>	<b>¥22,844</b>
Cash	61,473	27,722	33,751
Notes receivable	1,146	2,451	(1,305)
Accounts receivable for completed works	46,319	63,828	(17,509)
Marketable securities	22,515	18,608	3,907
Contract works in progress	55,266	51,931	3,335
Other receivables	5,891	4,527	1,364
Deferred tax assets	4,332	4,881	(549)
Other current assets	5,920	4,897	1,023
Allowance for doubtful accounts	(9,365)	(8,193)	(1,172)
<b>Fixed assets:</b>	<b>110,026</b>	<b>118,716</b>	<b>(8,690)</b>
<b>Tangible fixed assets:</b>	<b>59,766</b>	<b>62,359</b>	<b>(2,593)</b>
Buildings and structures*	33,993	35,749	(1,756)
Machinery and vehicles*	575	666	(91)
Equipment and tools*	1,271	1,382	(111)
Land	23,789	24,248	(459)
Construction in progress	135	312	(177)
<b>Intangible fixed assets</b>	<b>1,638</b>	<b>735</b>	<b>903</b>
<b>Investments and other assets:</b>	<b>48,620</b>	<b>55,621</b>	<b>(7,001)</b>
Investment securities	17,501	22,498	(4,997)
Shareholdings in subsidiaries	9,886	12,384	(2,498)
Long-term loans receivable	8,560	9,004	(444)
Long-term prepaid expenses	54	90	(36)
Deferred tax assets	11,779	9,822	1,957
Deferred tax assets for land revaluation	1,264	1,347	(83)
Other investments and other assets	3,074	3,422	(348)
Allowance for doubtful accounts	(3,501)	(2,947)	(554)
<b>Total assets</b>	<b>¥303,526</b>	<b>¥289,373</b>	<b>¥14,153</b>

\*Figures are presented net of accumulated depreciation

Accumulated depreciation	19,365	18,755
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Note: These unaudited financial statements have been translated into English for the convenience of foreign reader and are based on financial statements disclosed by JGC Corporation to the Tokyo Stock Exchange on May 21, 2003.

## LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31, 2003 (Millions of yen)	March 31, 2002 (Millions of yen)	Increase (decrease) (Millions of yen)
<b>Total liabilities:</b>	<b>¥ 181,541</b>	<b>¥ 168,684</b>	<b>¥ 12,857</b>
<b>Current liabilities:</b>	<b>147,994</b>	<b>136,534</b>	<b>11,460</b>
Notes payable	260	65	195
Notes payable on works	62,176	57,863	4,313
Short-term loans	2,511	9,475	(6,964)
Convertible bonds	24	-	24
Accrued expenses	5,192	6,683	(1,491)
Income taxes payable	2,955	1,182	1,773
Advances received on uncompleted contracts	68,494	54,711	13,783
Reserve for job warranty costs	1,352	1,326	26
Reserve for bonuses	2,287	2,848	(561)
Other current liabilities	2,738	2,378	360
<b>Long-term liabilities:</b>	<b>33,547</b>	<b>32,150</b>	<b>1,397</b>
Convertible bonds	-	147	(147)
Long-term loans	15,327	15,378	(51)
Reserve for retirement benefits	13,368	11,235	2,133
Reserve for directors' retirement bonuses	708	1,247	(539)
Long-term deposits	4,143	4,142	1
<b>Shareholders' equity:</b>	<b>121,984</b>	<b>120,688</b>	<b>1,296</b>
<b>Common stock</b>	<b>23,499</b>	<b>23,437</b>	<b>61</b>
<b>Capital reserve</b>	<b>25,566</b>	<b>25,504</b>	<b>61</b>
Additional paid-in capital	25,566	25,504	61
<b>Retained earnings</b>	<b>78,000</b>	<b>74,256</b>	<b>3,743</b>
Legal reserve	2,692	2,692	-
Voluntary reserve	68,022	65,024	2,998
Loss on overseas investment reserve	0	2	(1)
Overseas transactions contingency loss reserve	24,500	24,500	-
Dividend reserve	4,355	4,355	-
Fixed asset rationalization reserve	221	221	-
General reserve	38,945	35,945	3,000
Unappropriated profit for the current period	7,285	6,539	745
[Net income]	5,307	4,489	817
<b>Land revaluation, net of deferred tax assets</b>	<b>(2,229)</b>	<b>(2,374)</b>	<b>144</b>
<b>Net unrealized holding gains on securities</b>	<b>312</b>	<b>(89)</b>	<b>401</b>
<b>Treasury stock, at cost</b>	<b>(3,163)</b>	<b>(47)</b>	<b>(3,116)</b>
<b>Total liabilities and shareholders' equity</b>	<b>¥ 303,526</b>	<b>¥ 289,373</b>	<b>¥ 14,153</b>

## Non-Consolidated Statements of Income

Years ended	March 31, 2003 (Millions of yen)	March 31, 2002 (Millions of yen)	Increase (decrease) (Millions of yen)
<b>Net sales</b>	<b>¥ 338,945</b>	<b>¥ 298,769</b>	<b>¥40,176</b>
Cost of sales	316,801	273,535	43,266
Gross profit	22,143	25,234	(3,091)
Selling, general and administrative expenses	8,980	8,372	608
<b>Operating income</b>	<b>13,163</b>	<b>16,861</b>	<b>(3,698)</b>
<b>Non-operating income:</b>	<b>4,548</b>	<b>6,320</b>	<b>(1,772)</b>
Interest income	3,497	3,639	(142)
Exchange gain, net	-	1,305	(1,305)
Rental income from fixed assets	823	-	823
Other non-operating income	226	1,376	(1,150)
<b>Non-operating expenses:</b>	<b>3,703</b>	<b>3,097</b>	<b>606</b>
Interest expense	354	1,054	(700)
Exchange loss, net	1,834	-	1,834
Provision for allowance for doubtful accounts	789	1,059	(270)
Other non-operating expenses	724	983	(259)
<b>Ordinary income</b>	<b>14,008</b>	<b>20,085</b>	<b>(6,077)</b>
Extraordinary gain:	<b>269</b>	<b>1,731</b>	<b>(1,462)</b>
Gain on disposition of reserve for doubtful accounts	-	918	(918)
Gain on sale of property and equipment	7	0	7
Dividend income from liquidated subsidiary	-	801	(801)
Loss on sale of investment securities	262	-	262
Other extraordinary gain	-	10	(10)
Extraordinary loss:	<b>6,867</b>	<b>15,406</b>	<b>(8,539)</b>
Loss from adjustment in the prior term	-	352	(352)
Loss on sale or disposal of property and equipment	248	91	157
Special early retirement benefits	147	1,058	(911)
Loss on sale of marketable securities	304	-	304
Devaluation of marketable and investment securities	5,808	8,803	(2,995)
Transfer to doubtful accounts reserve	209	4,846	(4,637)
Other extraordinary loss	149	253	(104)
<b>Income before taxes on income</b>	<b>7,410</b>	<b>6,410</b>	<b>1,000</b>
Taxes on income:	<b>2,103</b>	<b>1,921</b>	<b>182</b>
Current	4,672	3,039	1,633
Deferred	(2,569)	(1,118)	(1,451)
<b>Net income</b>	<b>¥ 5,307</b>	<b>¥ 4,489</b>	<b>¥ 818</b>
<b>Retained earnings at the beginning of the period</b>	<b>2,122</b>	<b>2,049</b>	<b>73</b>
<b>Disposition on revaluation of land</b>	<b>(144)</b>	-	<b>(144)</b>
<b>Unappropriated earnings for the current period</b>	<b>¥ 7,285</b>	<b>¥ 6,539</b>	<b>¥ 746</b>

## Sales, Orders Received and Backlog

(Unit: Millions of yen)

Years ended	March 31, 2003			March 31, 2002		
	Sales	Orders Received	Backlog	Sales	Orders Received	Backlog
Oil and gas development	128,815	78,650	178,922	87,520	130,480	218,280 * 10,807
Petroleum refining	28,903	65,973	72,804	24,446	18,883	36,669 * (935)
Gas processing	66,874	64,261	99,767	56,893	75,611	105,249 * (2,869)
Chemical	40,161	80,188	136,536	44,598	34,918	98,639 * (2,130)
Power generation, nuclear power and new energy	33,116	9,655	26,880	43,863	10,817	57,122 * (6,781)
Living and general production	19,739	23,032	43,303	29,046	30,823	39,961 * 49
Environmental protection, social development and IT	19,819	13,330	33,351	11,055	24,727	39,840
Others	1,518	1,124	91	1,348	1,557	485
<b>Total</b>	<b>338,945</b>	<b>336,213</b>	<b>591,654</b>	<b>298,769</b>	<b>327,816</b>	<b>594,386</b>
<i>Export portion of total</i>	<i>241,482</i>	<i>268,701</i>	<i>464,652</i>	<i>190,182</i>	<i>245,238</i>	<i>437,433</i>

\* Increase or decrease due to changes in exchange rates on construction orders received prior to the period. (Not figured in the total.)