

Consolidated Interim Financial Statements--Summary

(For the fiscal year ending March 31, 2005)

November 10, 2004

The following statements are an English-language translation of 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: **Executive Officer, Senior Manager, Finance & Accounting Department**

Name: **Hiroyoshi Suga**

Board of Directors meeting: **November 10, 2004**

Use of U.S. accounting standards: **No**

Stock exchange: **Tokyo**

Head office: **Tokyo**

Tel: **045-682-1111**

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

1. Business results for the interim term (April 1, 2004-September 30, 2004)

(1) 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)	(%)
Sep. 2004 interim term	181,779	(3.9)	4,958	(40.0)	7,477	(14.1)
Sep. 2003 interim term	189,085	2.2	8,258	13.6	8,703	30.7
Mar. 2004 term	409,961		15,486		18,481	

	Net income		Earnings per share	Earnings per share (diluted)
	(Millions of yen)	(%)	(Yen)	(Yen)
Sep. 2004 interim term	5,271	(13.4)	20.74	-
Sep. 2003 interim term	6,088	(6.1)	23.93	23.92
Mar. 2004 term	10,587		40.88	-

Notes:

Equity in earning of affiliates(millions of yen):

Sep. 2004 interim term: 669

Sep. 2003 interim term: 774

Mar. 2004 term: 1,088

Average number of shares outstanding (consolidated):

Sep. 2004 interim term: 254,130,621

Sep. 2003 interim term: 254,412,582

Mar. 2004 term: 254,276,910

Changes in accounting methods: Changed

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

(2) Consolidated financial position

	Total assets	Shareholders' equity	Shareholders' equity/total assets	Shareholders' equity per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
Sep. 2004 interim term	393,679	148,606	37.7	584.81
Sep. 2003 interim term	342,857	138,556	40.4	545.27
Mar. 2004 term	355,009	146,289	41.2	575.60

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

Sep. 2004 interim term: 254,108,605

Sep. 2003 interim term: 254,108,257

Mar. 2004 term: 254,151,280

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at term-end
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Sep. 2004 interim term	(2,332)	(8,899)	(2,537)	86,939
Sep. 2003 interim term	(13,064)	(4,050)	(2,163)	70,386
Mar. 2004 term	18,778	(3,944)	(3,437)	99,987

(4) Scope of consolidation and application of the equity method

Consolidated subsidiaries: 14 companies

Non-consolidated subsidiaries accounted for by the equity method: None

Affiliated companies accounted for by the equity method: 2 companies

(5) Changes in scope of consolidation and application of the equity method

Consolidated subsidiaries: (increase) None (decrease) None

Equity-method companies: (increase) None (decrease) None

2. Forecast for fiscal 2004 (April 1, 2004-March 31, 2005)

	Net sales	Ordinary income	Net income
	(Millions of yen)	(Millions of yen)	(Millions of yen)
Entire term	440,000	13,600	9,700

Reference: Estimated earnings per share (yen, fiscal 2004): 38.17

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.

Consolidated Statements of Income

	Sep. 2004 interim term (Millions of yen)	Sep. 2003 interim term (Millions of yen)	Mar. 2004 term (Millions of yen)
Net sales	¥181,779	¥189,085	¥409,961
Cost of sales	169,543	173,513	379,534
Gross profit	12,235	15,571	30,427
Selling, general and administrative expenses	7,277	7,312	14,940
Operating income	4,958	8,258	15,486
Non-operating income:	2,912	2,162	3,990
Interest income	493	653	1,158
Dividend income	506	183	244
Exchange gain, net	737	-	197
Rental income from fixed assets	344	346	858
Amortization for consolidation difference	30	-	29
Equity in earnings of affiliates	669	774	1,088
Other non-operating income	130	203	413
Non-operating expenses:	393	1,717	994
Interest expense	161	163	328
Exchange loss, net	-	1,214	-
Expense of rental fixed assets	178	143	286
Other non-operating expenses	52	196	380
Ordinary income	7,477	8,703	18,481
Extraordinary gain:	3,925	733	616
Gain on sales of property and equipment	20	6	0
Gain on sales of investment securities	66	-	73
Reversal of allowance for doubtful accounts	121	722	534
Gain on return of the substituted portion of the government's welfare Pension Insurance Scheme	3,679	-	-
Other extraordinary gain	38	3	7
Extraordinary loss:	3,491	432	1,914
Loss on sale or disposal of property and equipment	54	15	620
Loss on devaluation of marketable and investment securities	23	4	5
Loss on devaluation of investment in affiliates	-	400	524
Loss on withdrawal from certain business	-	-	312
Loss on devaluation of property and equipment	-	-	420
Lump-sum amortization of net transition obligation arising from change in retirement benefit accounting	3,357	-	-
Other extraordinary loss	56	11	30
Income before taxes on income	7,911	9,004	17,184
Taxes on income:	2,396	2,612	6,050
Current	2,930	2,225	6,050
Deferred	(534)	387	0
Minority interests in earnings of consolidated subsidiaries	243	302	546
Net income	¥5,271	¥6,088	¥10,587

Note: These unaudited financial statements have been translated to English for the convenience of foreign readers, and have been based on financial statements disclosed by JGC Corporation on the Tokyo Stock Exchange on November 10, 2004.

Consolidated Balance Sheets

ASSETS

	September 30, 2004 (Millions of yen)	September 30, 2003 (Millions of yen)	March 31, 2004 (Millions of yen)
Current assets:	¥ 253,203	¥ 221,184	¥234,521
Cash	71,921	50,871	79,470
Notes and accounts receivable	56,364	66,869	72,205
Marketable securities	15,018	19,515	20,516
Contract works in progress	90,383	69,064	51,327
Other inventories	5,671	5,424	3,858
Deferred tax assets	3,582	5,007	5,275
Other receivables	5,558	6,966	4,683
Other current assets	8,172	6,138	5,153
Allowance for doubtful accounts	(3,469)	(8,673)	(7,970)
Fixed assets:	140,476	121,672	120,487
Tangible fixed assets:	66,366	69,856	67,170
Buildings and structures	32,910	34,873	33,782
Land	26,692	28,080	26,759
Other tangible fixed assets	6,763	6,902	6,628
Intangible fixed assets:	7,926	4,137	3,938
Consolidation account adjustment	4,008	0	-
Software	3,806	4,024	3,826
Other intangible fixed assets	111	112	112
Investments and other assets:	66,184	47,679	49,379
Investment securities	32,987	28,735	33,446
Long-term loans receivable	24,440	5,761	4,959
Deferred tax assets	12,529	11,619	9,779
Deferred tax assets for land revaluation	1,061	1,264	1,061
Other investments and other assets	3,098	3,791	3,739
Allowance for doubtful accounts	(7,933)	(3,493)	(3,607)
Total assets	¥ 393,679	¥ 342,857	¥ 355,009

* Accumulated depreciation on tangible fixed assets

September 30, 2004	September 30, 2003	March 31, 2004
46,542	44,828	45,593

LIABILITIES AND SHAREHOLDERS' EQUITY

	September 30, 2004 (Millions of yen)	September 30, 2003 (Millions of yen)	March 31, 2004 (Millions of yen)
Total liabilities:	244,841	199,553	203,886
Current liabilities:	200,890	157,419	160,127
Notes and accounts payable	59,847	53,515	57,218
Short-term loans	1,186	2,285	1,379
Convertible bonds	-	22	-
Accrued expenses	9,554	6,587	4,847
Income taxes payable	2,291	1,482	2,325
Advances received on uncompleted contracts	119,130	85,026	85,756
Reserve for job warranty costs	1,821	1,554	1,761
Reserve for bonuses	3,402	3,322	4,451
Other current liabilities	3,656	3,623	2,387
Long-term liabilities:	43,950	42,134	43,758
Long-term loans	15,924	16,244	16,086
Reserve for retirement benefits	22,792	19,923	21,639
Reserve for directors' retirement bonuses	338	1,076	1,236
Consolidation account adjustment	215	304	273
Deffered tax liabilities	252	245	113
Other long-term liabilities	4,428	4,339	4,408
Minority interests	231	4,746	4,833
Shareholders' equity:	148,606	138,556	146,289
Common stock	23,511	23,500	23,511
Additional paid-in capital	25,579	25,567	25,578
Retained earnings	99,079	91,889	96,029
Land revaluation, net of deferred tax assets	(1,870)	(2,229)	(1,870)
Net unrealized holding gains (losses) on securities	6,342	3,438	7,019
Foreign currency translation adjustments	(509)	(178)	(498)
Treasury stock, at cost	(3,526)	(3,431)	(3,480)
Total liabilities and shareholders' equity	¥ 393,679	¥ 342,857	¥355,009

* Guarantee obligations

* Contingent liabilities relating to debt assumption of bonds

* Pledged assets

September 30, 2004	September 30, 2003	March 31, 2004
3,998	5,252	3,786
11,900	11,900	11,900
12,036	11,834	11,747

Consolidated Statements of Cash Flows

	Sep. 2004 interim term (Millions of yen)	Sep. 2003 interim term (Millions of yen)	Mar. 2004 term (Millions of yen)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income before taxes on income and minority interests in earnings of consolidated subsidiaries	¥7,911	¥9,004	¥17,184
Adjustments to reconcile income before taxes on income and minority interests in earnings of consolidated subsidiaries to net cash provided by (used in) operating activities:			
Depreciation and amortization	2,257	2,385	5,042
Amortization of consolidation account adjustment	(30)	0	(29)
Increase (decrease) in allowance for doubtful accounts	(176)	(1,248)	(1,837)
Increase (decrease) in retirement and severance benefits	1,474	1,699	3,415
Interest and dividend income	(999)	(837)	(1,403)
Interest expense	161	163	328
Equity in losses (earnings) of affiliates	(669)	(774)	(1,088)
Gain on sales of property and equipment	(20)	(6)	(0)
Gain on sales of investment securities	(66)	-	(73)
Loss on devaluation of investment securities	23	4	5
Loss on sales or disposal of property and equipment	54	15	620
Loss on devaluation of investment in affiliates	-	400	524
Loss on liquidation of an affiliate	-	5	312
Loss on devaluation of property and equipment	-	-	420
Decrease (increase) in notes and accounts receivable	3,010	(2,747)	(8,113)
Decrease (increase) in inventories	(40,869)	(13,342)	5,945
Decrease (increase) in other assets	(875)	(150)	2,251
Increase (decrease) in notes and accounts payable	2,587	(18,597)	(14,849)
Increase (decrease) in advances received on uncompleted contracts	26,532	16,286	17,017
Gain on return of the substituted portion of the government's welfare Pension Insurance Scheme	(3,679)	-	-
Lump-sum amortization of net transition obligation arising from change in retirement benefit accounting	3,357	-	-
Other	(708)	(749)	(311)
Subtotal	(725)	(8,488)	25,361
Interest and dividends received	1,576	994	2,131
Interest paid	(125)	(176)	(340)
Special early retirement benefits paid	-	-	(5)
Income taxes paid	(3,058)	(5,393)	(8,368)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(2,332)	(13,064)	18,778
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for purchases of property and equipment	(1,272)	(1,014)	(2,486)
Proceeds from sales of property and equipment	55	16	802
Payments for purchases of intangible fixed assets	(512)	(1,142)	(1,134)
Payments for purchases of investment securities	(8,395)	(1,564)	(1,504)
Proceeds from sale of investment securities	294	245	533
Decrease (increase) in short-term loans receivable	39	(1,239)	(1,045)
Payments for long-term loans receivable	(12)	-	-
Proceeds from long-term loans receivable	270	255	513
Other	633	392	376
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(8,899)	(4,050)	(3,944)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (decrease) in short-term loans	(94)	(216)	(1,063)
Proceeds from long-term bank loans	2	334	633
Repayments of long-term bank loans	(263)	(192)	(709)
Cash dividends paid	(2,030)	(1,528)	(1,530)
Cash dividends paid to minority shareholders	(106)	(175)	(333)
Payments for purchases of treasury stock	(45)	(385)	(434)
NET CASH USED IN FINANCING ACTIVITIES	(2,537)	(2,163)	(3,437)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	722	621	(452)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(13,047)	(18,656)	10,943
CASH AND CASH EQUIVALENTS at beginning of year	99,987	89,032	89,032
INCREASE IN CASH AND CASH EQUIVALENTS FROM NEWLY CONSOLIDATED SUBSIDIARIES	-	10	10
CASH AND CASH EQUIVALENTS at end of period	¥86,939	¥70,386	¥99,987

Note: The above Statements of Cash Flows are unaudited.