

Non-Consolidated Financial Statements--Summary

(For the fiscal year ended March 31, 2005)

May 11, 2005

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: **May 11, 2005**
Ordinary Annual General Meeting of Shareholders: **June 29, 2005**
Scheduled dividend payment start date: **June 30, 2005**

Stock exchange: **Tokyo**
Head office: **Tokyo**

Tel: **045-682-1111**
URL: **http://www.jgc.co.jp**

Interim dividend system: **No**
Investment unit system: **Yes**
One investment unit = 1,000 shares

1. Business results for fiscal 2004 (April 1, 2004–March 31, 2005)

(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. 2005 term | 386,040 | 5.0 | 7,747 | (30.6) | 10,875 | (23.3) |
| Mar. 2004 term | 367,740 | 8.5 | 11,170 | (15.1) | 14,172 | 1.2 |

| | 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. 2005 term | 8,690 | 5.1 | 33.82 | – | 6.4 | 3.3 | 2.8 |
| Mar. 2004 term | 8,265 | 55.7 | 31.98 | – | 6.4 | 4.6 | 3.9 |

Notes:

- ①Average number of shares outstanding (non-consolidated):
Mar. 2005 term: 254,101,172 Mar. 2004 term: 254,276,910
- ②Change in accounting methods: Changed
- ③Percentages 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) (Millions of yen) | Payout ratio (%) | Dividends/shareholders' equity (%) |
|----------------|----------------------------------|----------|------|---|---------------------|---------------------------------------|
| | Interim | Term-end | | | | |
| Mar. 2005 term | 8.50 | – | 8.50 | 2,159 | 24.8 | 1.6 |
| Mar. 2004 term | 8.00 | – | 8.00 | 2,033 | 24.6 | 1.5 |

(3) Non-consolidated financial position

| | Total assets (Millions of yen) | Shareholders' equity (Millions of yen) | Shareholders' equity/total assets (%) | Shareholders' equity per share (Yen) |
|---------------|-----------------------------------|---|--|---|
| Mar. 31, 2005 | 332,727 | 136,660 | 41.1 | 537.95 |
| Mar. 31, 2004 | 319,109 | 134,860 | 42.3 | 530.63 |

Notes:

- ①Number of shares outstanding at term-end (non-consolidated):
Mar. 31, 2005: 254,040,214 Mar. 31, 2004: 254,151,280
- ②Number of treasury stock at term-end:
Mar. 31, 2005: 5,012,715 Mar. 31, 2004: 4,901,649

2. Forecast for fiscal 2005 (April 1, 2005–March 31, 2006)

| | 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 | 220,000 | 7,400 | 4,600 | – | – | – |
| Entire term | 430,000 | 16,000 | 10,000 | – | 10.00 | 10.00 |

Reference: Estimated earnings per share

(yen, fiscal 2005): 39.36

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 Statements of Income

| Years ended | Mar. 2005 term (Millions of yen) | Mar. 2004 term (Millions of yen) | Increase (decrease) (Millions of yen) |
|---|--|--|---|
| Net sales | 386,040 | 367,740 | 18,300 |
| Cost of sales | 369,945 | 347,736 | 22,209 |
| Gross profit | 16,095 | 20,003 | (3,908) |
| Selling, general and administrative expenses | 8,348 | 8,832 | (484) |
| Operating income | 7,747 | 11,170 | (3,423) |
| Non-operating income: | 4,407 | 3,826 | 581 |
| Interest income and dividend income | 3,353 | 2,322 | 1,031 |
| Exchange gain, net | - | 263 | (263) |
| Rental income from fixed assets | 824 | 843 | (19) |
| Other non-operating income | 229 | 397 | (168) |
| Non-operating expenses: | 1,279 | 824 | 455 |
| Interest expense | 303 | 292 | 11 |
| Exchange loss, net | 427 | - | 427 |
| Expense of rental fixed assets | 391 | 286 | 105 |
| Other non-operating expenses | 157 | 246 | (89) |
| Ordinary income | 10,875 | 14,172 | (3,297) |
| Extraordinary gain: | 4,804 | 547 | 4,257 |
| Reversal of allowance for doubtful accounts | 0 | 509 | (509) |
| Gain on sales of property and equipment | 2 | 0 | 2 |
| Gain on sales of investment securities | 1,591 | 33 | 1,558 |
| Gain on return of the substituted portion of the government's welfare pension insurance scheme | 3,203 | - | 3,203 |
| Other extraordinary gain | 6 | 4 | 2 |
| Extraordinary loss: | 2,893 | 1,786 | 1,107 |
| Loss on sales or disposal of property and equipment | 39 | 517 | (478) |
| Loss on sales of investment securities | 0 | 2 | (2) |
| Loss on devaluation of investment securities | 23 | 5 | 18 |
| Loss on devaluation of investment in subsidiaries | 200 | 524 | (324) |
| Loss on withdrawal from certain business | - | 312 | (312) |
| Loss on devaluation of property and equipment | 25 | 420 | (395) |
| Lump-sum amortization of net transition obligation arising from change in retirement benefit accounting | 2,567 | - | 2,567 |
| Other extraordinary loss | 37 | 4 | 33 |
| Income before taxes on income | 12,787 | 12,933 | (146) |
| Taxes on income: | 4,096 | 4,668 | (572) |
| Current | 2,470 | 4,262 | (1,792) |
| Deferred | 1,626 | 406 | 1,220 |
| Net income | 8,690 | 8,265 | 425 |
| Retained earnings at the beginning of the period | 2,370 | 2,131 | 239 |
| Disposition on revaluation of land | 1 | (359) | 360 |
| Unappropriated earnings for the period | 11,062 | 10,037 | 1,025 |

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 May 11, 2005.

Non-Consolidated Balance Sheets

ASSETS

| | March 31, 2005 (Millions of yen) | | March 31, 2004 (Millions of yen) | | Increase (decrease) (Millions of yen) |
|--|--|----------------|--|----------------|---|
| | | | | | |
| I Current assets | | | | | |
| Cash | | 51,168 | | 73,168 | (22,000) |
| Notes receivable | | 580 | | 651 | (71) |
| Accounts receivable for completed works | | 47,412 | | 56,158 | (8,746) |
| Marketable securities | | 12,984 | | 20,516 | (7,532) |
| Contract works in progress | | 72,886 | | 50,349 | 22,537 |
| Deferred tax assets | | 4,285 | | 4,285 | 0 |
| Other receivables | | 8,746 | | 4,258 | 4,488 |
| Other current assets | | 6,668 | | 5,531 | 1,137 |
| Allowance for doubtful accounts | | (3,394) | | (7,882) | 4,488 |
| Total current assets | | 201,337 | | 207,037 | (5,700) |
| II Fixed assets | | | | | |
| 1 Tangible fixed assets: | | | | | |
| Buildings | 45,249 | | 45,799 | | |
| Accumulated depreciation | 15,058 | 30,190 | 14,087 | 31,712 | (1,522) |
| Structures | 904 | | 1,016 | | |
| Accumulated depreciation | 659 | 244 | 742 | 273 | (29) |
| Machinery | 1,544 | | 1,494 | | |
| Accumulated depreciation | 1,105 | 438 | 1,154 | 340 | 98 |
| Vehicles | 709 | | 529 | | |
| Accumulated depreciation | 424 | 285 | 350 | 179 | 106 |
| Equipment and tools | 5,436 | | 5,363 | | |
| Accumulated depreciation | 4,294 | 1,141 | 4,360 | 1,002 | 139 |
| Land | | 22,542 | | 22,812 | (270) |
| Construction in progress | | 53 | | 33 | 20 |
| Net tangible fixed assets | | 54,897 | | 56,354 | (1,457) |
| 2 Intangible fixed assets | | | | | |
| Software | | 3,094 | | 2,003 | 1,091 |
| Telephone rights and other intangible fixed assets | | 41 | | 42 | (1) |
| Total intangible fixed assets | | 3,136 | | 2,046 | 1,090 |
| 3 Investments and other assets | | | | | |
| Investments securities | | 25,242 | | 24,091 | 1,151 |
| Investments in affiliates | | 23,711 | | 14,411 | 9,300 |
| Long-term loans receivable | | 23,986 | | 6,679 | 17,307 |
| Deferred tax assets | | 6,065 | | 7,838 | (1,773) |
| Deferred tax assets for land revaluation | | — | | 1,061 | (1,061) |
| Other investments and other assets | | 1,689 | | 2,709 | (1,020) |
| Allowance for doubtful accounts | | (7,340) | | (3,121) | (4,219) |
| Total investments and other assets | | 73,355 | | 53,670 | 19,685 |
| Total fixed assets | | 131,389 | | 112,071 | 19,318 |
| Total assets | | 332,727 | | 319,109 | 13,618 |

LIABILITIES AND SHAREHOLDERS' EQUITY

| | March 31, 2005 (Millions of yen) | | March 31, 2004 (Millions of yen) | | Increase (decrease) (Millions of yen) |
|---|--|----------------|--|----------------|---|
| | | | | | |
| Current liabilities | | | | | |
| Notes payable | | 78 | | 215 | (137) |
| Notes payable on works | | 50,546 | | 49,018 | 1,528 |
| Short-term loans | | 4,455 | | 1,911 | 2,544 |
| Accrued expenses | | 5,300 | | 3,548 | 1,752 |
| Income taxes payable | | 693 | | 1,230 | (537) |
| Advances received on uncompleted contracts | | 91,551 | | 85,744 | 5,807 |
| Reserve for job warranty costs | | 1,880 | | 1,761 | 119 |
| Reserve for losses on contracts | | 2,074 | | - | 2,074 |
| Reserve for bonuses | | 2,940 | | 2,785 | 155 |
| Other current liabilities | | 2,360 | | 1,167 | 1,193 |
| Total current liabilities | | 161,881 | | 147,384 | 14,497 |
| Long-term liabilities | | | | | |
| Long-term loans | | 15,226 | | 15,277 | (51) |
| Reserve for retirement benefits | | 11,025 | | 16,553 | (5,528) |
| Reserve for directors' retirement bonuses | | - | | 893 | (893) |
| Long-term deposits | | 4,135 | | 4,140 | (5) |
| Deferred tax liabilities for land revaluation | | 3,798 | | - | 3,798 |
| Total long-term liabilities | | 34,185 | | 36,864 | (2,679) |
| Total liabilities | | 196,067 | | 184,248 | 11,819 |
| Common stock | | | | | |
| Capital reserve | | | | | |
| 1 Additional paid-in capital | | 23,511 | | 23,511 | - |
| 2 Other capital surplus | | 25,578 | | 25,578 | - |
| Gain on retirement of treasury stock | 2 | 2 | 0 | 0 | 2 |
| Total capital reserve | | 25,580 | | 25,578 | 2 |
| Retained earnings | | | | | |
| 1 Legal reserve | | 2,692 | | 2,692 | - |
| 2 Voluntary reserve | | | | | |
| Overseas transactions contingency loss reserve | 24,500 | | 24,500 | | |
| Dividend reserve | 4,355 | | 4,355 | | |
| Fixed asset rationalization reserve | 221 | | 221 | | |
| General reserve | 47,945 | 77,021 | 42,445 | 71,521 | 5,500 |
| 3 Unappropriated profit for the current period | | 11,062 | | 10,037 | 1,025 |
| Total retained earnings | | 90,776 | | 84,252 | 6,524 |
| Land revaluation, net of deferred tax assets | | (6,732) | | (1,870) | (4,862) |
| Net unrealized holding gains on securities | | 7,240 | | 6,987 | 253 |
| Treasury stock, at cost | | (3,716) | | (3,598) | (118) |
| Total shareholders' equity | | 136,660 | | 134,860 | 1,800 |
| Total liabilities and shareholders' equity | | 332,727 | | 319,109 | 13,618 |

Sales, Orders Received and Backlog

(Millions of yen)

| | | March 31, 2004 | March 31, 2005 | | |
|---------------|---|-----------------------|----------------|----------------|-----------------------|
| Business area | | Outstanding Contracts | New Contracts | Sales | Outstanding Contracts |
| Domestic | Oil and gas development | 6 | 91 | 25 | 72 |
| | Petroleum refining | 56,755 | 32,143 | 45,095 | 43,802 |
| | LNG | 291 | 1,228 | 1,475 | 45 |
| | Chemical | 4,936 | 7,308 | 6,380 | 5,864 |
| | Power generation, nuclear power and new energy | 15,872 | 5,349 | 11,468 | 9,753 |
| | Living and general production facility | 22,616 | 22,653 | 16,845 | 28,424 |
| | Environmental protection, social development and IT | 16,730 | 15,023 | 13,728 | 18,024 |
| | Others | 10 | 224 | 185 | 49 |
| | Subtotal | 117,219 | 84,022 | 95,206 | 106,036 |
| Overseas | Oil and gas development | 290,450 | 32,469 | 99,590 | 223,329 |
| | Petroleum refining | 110,474 | 58,123 | 73,675 | 94,921 |
| | LNG | 44,917 | 133,502 | 53,550 | 124,870 |
| | Chemical | 68,841 | 123,524 | 60,847 | 131,518 |
| | Power generation, nuclear power and new energy | 16,128 | 6,829 | 1,383 | 21,574 |
| | Living and general production facility | 1,087 | 770 | 1,719 | 138 |
| | Environmental protection, social development and IT | 3,126 | - | 51 | 3,074 |
| | Others | - | 112 | 17 | 95 |
| | Subtotal | 535,026 | 355,332 | 290,834 | 599,523 |
| Total | *3 652,246 | 439,355 | 386,040 | 705,560 | |

Notes:

*1 Figures for each business area are exclusive of consumption and other taxes.

*2 All amounts are rounded down to the nearest million yen.

*3 The balances of new contracts as of the end of the previous fiscal year have been revised to reflect foreign currency translation adjustments and changes in contract amounts for the period under review as follows:

(Millions of yen)

| Business area | Foreign currency translation adjustment | Revision for changes in contract amounts | Total |
|---|---|--|-----------------|
| Oil and gas development | 2,108 | (3,534) | (1,425) |
| Petroleum refining | (8,451) | 24 | (8,427) |
| LNG | (1,101) | - | (1,101) |
| Chemical | (1,607) | (1,940) | (3,548) |
| Power generation, nuclear power and new energy | - | (1,899) | (1,899) |
| Living and general production facility | 0 | (2,642) | (2,641) |
| Environmental protection, social development and IT | - | (5) | (5) |
| Others | - | - | - |
| Total | (9,051) | (9,997) | (19,048) |