

# Non-Consolidated Interim Financial Statements--Summary

November 14, 2005

(For the fiscal year ending March 31, 2006)

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 14, 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 the interim term (April 1, 2005–September 30, 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)	(%)
Sep. 2005 interim term	220,365	37.6	6,114	95.1	9,422	62.3
Sep. 2004 interim term	160,154	(6.7)	3,134	(50.7)	5,803	(9.3)
Mar. 2005 term	386,040		7,747		10,875	

	Net income		Earnings per share (Yen)
	(Millions of yen)	(%)	
Sep. 2005 interim term	7,134	54.1	28.09
Sep. 2004 interim term	4,628	(4.6)	18.21
Mar. 2005 term	8,690		33.82

Notes:

① Average number of shares outstanding (non-consolidated):

Sep. 2005 interim term: 254,011,390 Sep. 2004 interim term: 254,130,621 Mar. 2005 term: 254,101,172

② Change in accounting methods: Changed

③ Percentages for net sales, operating income, ordinary income and net income indicate changes from the previous corresponding term.

## (2) Dividends

	Annual dividends per share (Yen)	
	Interim	Term-end
Sep. 2005 interim term	–	–
Sep. 2004 interim term	–	–
Mar. 2005 term	–	8.50

## (3) Non-consolidated financial position

	Total assets (Millions of yen)	Shareholders' equity (Millions of yen)	Shareholders' equity/total assets (%)	Shareholders' equity per share (Yen)
Sep. 2005 interim term	333,086	146,607	44.0	577.27
Sep. 2004 interim term	364,146	136,599	37.5	537.56
Mar. 2005 term	332,727	136,660	41.1	537.95

Notes:

① Number of shares outstanding at term-end (non-consolidated):

Sep. 2005 interim term: 253,966,586 Sep. 2004 interim term: 254,108,605 Mar. 2005 term: 254,040,214

② Number of treasury stock at term-end:

Sep. 2005 interim term: 5,086,343 Sep. 2004 interim term: 4,944,324 Mar. 2005 term: 5,012,715

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

	Net sales	Ordinary income	Net income	Annual dividends per share	
	(Millions of yen)	(Millions of yen)	(Millions of yen)	Year-end (Yen)	(Yen)
Entire term	430,000	16,000	10,000	10.00	10.00

Reference: Estimated earnings per share (yen, fiscal 2005): 39.38

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

	September 30, 2005 (Millions of yen)	September 30, 2004 (Millions of yen)	March 31, 2005 (Millions of yen)
<b>Current assets:</b>	<b>¥196,007</b>	<b>¥228,324</b>	<b>¥201,337</b>
Cash	64,836	66,961	51,168
Notes receivable	1,400	1,019	580
Accounts receivable for completed works	41,994	40,949	47,412
Marketable securities	6,998	15,018	12,984
Contract works in progress	64,378	90,412	72,886
Other receivables	10,777	5,158	8,746
Deferred tax assets	3,782	2,464	4,285
Other current assets	5,139	9,744	6,668
Allowance for doubtful accounts	(3,300)	(3,403)	(3,394)
<b>Fixed assets:</b>	<b>137,079</b>	<b>135,821</b>	<b>131,389</b>
<b>Tangible fixed assets:</b>	<b>54,524</b>	<b>55,369</b>	<b>54,897</b>
Buildings	29,611	30,644	30,190
Land	22,509	22,812	22,542
Construction in progress	212	36	53
Other tangible fixed assets	2,190	1,876	2,110
<b>Intangible fixed assets:</b>	<b>2,871</b>	<b>2,238</b>	<b>3,136</b>
Software	2,829	2,196	3,094
Other intangible fixed assets	41	42	41
<b>Investments and other assets:</b>	<b>79,683</b>	<b>78,212</b>	<b>73,355</b>
Investment securities	33,202	23,008	25,242
Investment in affiliates	24,207	23,454	23,711
Long-term loans receivable	25,328	25,971	23,986
Deferred tax assets	3,075	10,220	6,065
Deferred tax assets for land revaluation	—	1,061	—
Other investments and other assets	1,454	2,011	1,689
Allowance for doubtful accounts	(7,585)	(7,514)	(7,340)
<b>Total assets</b>	<b>¥333,086</b>	<b>¥364,146</b>	<b>¥332,727</b>

\* Accumulated depreciation on tangible fixed assets

September 30, 2005	September 30, 2004	March 31, 2005
22,499	21,161	21,543

## LIABILITIES AND SHAREHOLDERS' EQUITY

	September 30, 2005 (Millions of yen)	September 30, 2004 (Millions of yen)	March 31, 2005 (Millions of yen)
<b>Total liabilities:</b>	<b>¥ 186,479</b>	<b>¥ 227,546</b>	<b>¥ 196,067</b>
<b>Current liabilities:</b>	<b>152,065</b>	<b>190,918</b>	<b>161,881</b>
Notes payable	15	48	78
Notes payable on works	62,265	53,682	50,546
Short-term loans	4,107	2,315	4,455
Advances received on uncompleted contracts	70,805	119,086	91,551
Accrued expenses	5,723	8,751	5,300
Income taxes payable	1,320	1,262	693
Reserve for job warranty costs	1,893	1,821	1,880
Reserve for losses on contracts	1,454	—	2,074
Reserve for bonuses	2,035	1,960	2,940
Other current liabilities	2,443	1,988	2,360
<b>Long-term liabilities:</b>	<b>34,413</b>	<b>36,628</b>	<b>34,185</b>
Long-term loans	15,201	15,252	15,226
Reserve for retirement benefits	11,289	17,241	11,025
Long-term deposits	4,135	4,135	4,135
Deferred tax liabilities for land revaluation	3,787	—	3,798
<b>Shareholders' equity:</b>	<b>146,607</b>	<b>136,599</b>	<b>136,660</b>
<b>Common stock</b>	<b>23,511</b>	<b>23,511</b>	<b>23,511</b>
<b>Capital reserve</b>	<b>25,581</b>	<b>25,579</b>	<b>25,580</b>
Additional paid-in capital	25,578	25,578	25,578
Other capital reserve	3	1	2
<b>Retained earnings</b>	<b>95,505</b>	<b>86,713</b>	<b>90,776</b>
Legal reserve	2,692	2,692	2,692
Voluntary reserve	83,521	77,021	77,021
Unappropriated profit for the period	9,291	6,998	11,062
<b>Land revaluation, net of deferred tax assets</b>	<b>(6,582)</b>	<b>(1,870)</b>	<b>(6,732)</b>
<b>Net unrealized holding gains on securities</b>	<b>12,414</b>	<b>6,310</b>	<b>7,240</b>
<b>Treasury stock, at cost</b>	<b>(3,822)</b>	<b>(3,644)</b>	<b>(3,716)</b>
<b>Total liabilities and shareholders' equity</b>	<b>¥ 333,086</b>	<b>¥ 364,146</b>	<b>¥ 332,727</b>

\* Contingent liabilities relating to debt assumption of bonds

\* Pledged assets

September 30, 2005	September 30, 2004	March 31, 2005
—	11,900	11,900
7,342	7,493	7,417

## Non-Consolidated Statements of Income

	Sep. 2005 interim term (Millions of yen)	Sep. 2004 interim term (Millions of yen)	Mar. 2005 term (Millions of yen)
<b>Net sales</b>	<b>¥ 220,365</b>	<b>¥ 160,154</b>	<b>¥386,040</b>
Cost of sales	210,284	152,683	369,945
Gross profit	10,080	7,471	16,095
Selling, general and administrative expenses	3,965	4,336	8,348
<b>Operating income</b>	<b>6,114</b>	<b>3,134</b>	<b>7,747</b>
<b>Non-operating income:</b>	<b>4,246</b>	<b>3,010</b>	<b>4,407</b>
Interest income	624	499	1,056
Dividend income	1,866	1,301	2,297
Exchange gain, net	1,101	707	-
Rental income from fixed assets	438	411	824
Other non-operating income	215	90	229
<b>Non-operating expenses:</b>	<b>939</b>	<b>340</b>	<b>1,279</b>
Interest expense	148	147	303
Expense of rental fixed assets	227	178	391
Provision for allowance for doubtful accounts	291	-	-
Exchange loss, net	-	-	427
Other non-operating expenses	271	14	157
<b>Ordinary income</b>	<b>9,422</b>	<b>5,803</b>	<b>10,875</b>
<b>Extraordinary gain:</b>	<b>457</b>	<b>3,313</b>	<b>4,804</b>
Reversal of allowance for doubtful accounts	125	42	0
Gain on return of the substituted portion of the government's welfare Pension Insurance Scheme	171	3,203	3,203
Gain on sales of investment securities	160	-	1,591
Other extraordinary gain	-	65	8
<b>Extraordinary loss:</b>	<b>33</b>	<b>2,634</b>	<b>2,893</b>
Loss on disposal of property and equipment	7	10	39
Impairment loss	12	-	-
Loss on devaluation of investment securities	9	23	23
Lump-sum amortization of net transition obligation arising from change in retirement benefit accounting	-	2,567	2,567
Loss on devaluation of investment in an affiliate	-	-	200
Loss on devaluation of property and equipment	-	-	25
Other extraordinary loss	4	33	37
<b>Income before taxes on income</b>	<b>9,846</b>	<b>6,482</b>	<b>12,787</b>
<b>Taxes on income:</b>	<b>2,711</b>	<b>1,854</b>	<b>4,096</b>
Current	2,165	2,033	2,470
Deferred	546	(179)	1,626
<b>Net income</b>	<b>7,134</b>	<b>4,628</b>	<b>8,690</b>
<b>Retained earnings at the beginning of the period</b>	<b>2,306</b>	<b>2,370</b>	<b>2,370</b>
<b>Disposition on revaluation of land</b>	<b>(150)</b>	<b>-</b>	<b>1</b>
<b>Unappropriated earnings for the period</b>	<b>9,291</b>	<b>6,998</b>	<b>11,062</b>

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 14, 2005.

## Sales, Orders Received and Backlog

(Millions of yen)

Business area		March 31, 2005	September 30, 2005		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and Gas development	37	29	28	38
	Petroleum refining	43,802	62,854	11,482	95,175
	LNG	45	612	2	655
	Chemical	5,864	4,043	3,625	6,283
	Power generation, Nuclear power and New energy	9,753	3,055	1,853	10,955
	Living and General production	28,424	4,647	7,219	25,852
	Environmental protection, Social development and IT	18,024	2,983	2,220	18,787
	Others	49	82	9	122
	Subtotal	106,001	78,309	26,440	157,870
Overseas	Oil and Gas development	222,569	118,840	81,400	260,009
	Petroleum refining	93,983	95,756	36,995	152,744
	LNG	125,170	92,424	20,815	196,779
	Chemical	132,054	2,989	37,123	97,919
	Power generation, Nuclear power and New energy	21,574	33,993	16,743	38,824
	Living and General production	127	759	318	567
	Environmental protection, Social development and IT	3,071	—	441	2,630
	Others	95	97	85	108
	Subtotal	598,647	344,859	193,924	749,582
Total	*2 704,649	423,169	220,365	907,453	

Notes:

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

\*2 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:

\*3 All amounts are rounded down to the nearest million yen.

(Millions of yen)

Business area	Foreign currency translation adjustment	Revision for changes in contract amounts	Total
Oil and Gas development	720	(1,514)	(794)
Petroleum refining	(938)	—	(938)
LNG	300	0	300
Chemical	1,135	(599)	535
Power generation, Nuclear power and New energy	—	—	—
Living and General production	(11)	—	(11)
Environmental protection, Social development and IT	—	(3)	(3)
Others	—	—	—
Total	1,207	(2,118)	(910)