

# Non-Consolidated Interim Financial Statements--Summary

November 14, 2006

(For the fiscal year ending March 31, 2007)

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: **Director, Senior General Manager, Finance & Accounting Division**

Name: **Hiroyoshi Suga**

Board of Directors meeting: **November 14, 2006**

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 of the interim term for the Year Ending March 2007 (April 1, 2006-September 30, 2006)

(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. 2006 term	239,419	8.6	6,944	13.6	11,173	18.6
Sep. 2005 term	220,365	37.6	6,114	95.1	9,422	62.3
Mar. 2006 term	484,382		12,221		16,798	

	Net income		Earnings per share (Yen)
	(Millions of yen)	(%)	
Sep. 2006 term	7,686	7.7	30.28
Sep. 2005 term	7,134	54.1	28.09
Mar. 2006 term	11,411		44.49

Notes:

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

Sep. 2006 term: 253,871,764 Sep. 2005 term: 254,011,390 Mar. 2006 term: 253,966,135

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) Non-consolidated financial position

	Total assets (Millions of yen)	Total net assets (Millions of yen)	Total net assets/total assets (%)	Total net assets per share (Yen)
Sep. 2006 term	334,586	157,891	47.2	621.99
Sep. 2005 term	333,086	146,607	44.0	577.27
Mar. 2006 term	333,545	155,635	46.7	613.01

Notes:

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

Sep. 2006 term: 253,848,506 Sep. 2005 term: 253,966,586 Mar. 2006 term: 253,887,352

② Number of treasury stock at term-end:

Sep. 2006 term: 5,204,423 Sep. 2005 term: 5,086,343 Mar. 2006 term: 5,165,577

## 2. Forecast for fiscal 2006 (April 1, 2006-March 31, 2007)

	Net sales (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)
Entire term	490,000	21,000	14,000

Reference: Estimated earnings per share (yen, fiscal 2006): 55.15

## 3. Dividends

	Dividends per share (Yen)					Total annual dividends
	End of first quarter	End of Interim	End of third quarter	End of fiscal year	Other	
Mar. 2006 term	—	—	—	11.00	—	11.00
Mar. 2007 term (results)	—	—	—	—	—	13.50
Mar. 2007 term (forecast)	—	—	—	13.50	—	

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.

## Summary of Non-Consolidated Balance Sheets

### ASSETS

	September 30, 2006 (Millions of yen)	September 30, 2005 (Millions of yen)	March 31, 2006 (Millions of yen)
<b>I Current assets</b>			
Cash	88,940	64,836	79,427
Notes receivable	1,253	1,400	579
Accounts receivable for completed works	41,633	41,994	49,648
Marketable securities	-	6,998	2,998
Contract works in progress	44,220	64,378	44,274
Other receivables	10,184	10,777	10,886
Deferred tax assets	5,899	3,782	4,732
Other current assets	4,298	5,139	2,511
Allowance for doubtful accounts	(3,326)	(3,300)	(3,909)
<b>Total current assets</b>	<b>193,103</b>	<b>196,007</b>	<b>191,149</b>
<b>II Fixed assets</b>			
<b>1 Tangible fixed assets:</b>			
Buildings	28,156	29,611	28,768
Land	22,493	22,509	22,507
Construction in progress	1,134	212	41
Others	2,592	2,190	2,427
<b>Net tangible fixed assets</b>	<b>54,377</b>	<b>54,524</b>	<b>53,744</b>
<b>2 Intangible fixed assets</b>			
Software	2,251	2,829	2,503
Telephone rights and other intangible fixed assets	40	41	40
<b>Total intangible fixed assets</b>	<b>2,291</b>	<b>2,871</b>	<b>2,544</b>
<b>3 Investments and other assets</b>			
Investments securities	38,241	33,202	41,818
Investments in affiliates	29,091	24,207	25,793
Long-term loans receivable	24,307	25,328	23,127
Deferred tax assets	60	3,075	971
Other investments and other assets	1,132	1,454	1,534
Allowance for doubtful accounts	(8,020)	(7,585)	(7,139)
<b>Total investments and other assets</b>	<b>84,813</b>	<b>79,683</b>	<b>86,105</b>
<b>Total fixed assets</b>	<b>141,482</b>	<b>137,079</b>	<b>142,395</b>
<b>Total assets</b>	<b>334,586</b>	<b>333,086</b>	<b>333,545</b>

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

## LIABILITIES AND SHAREHOLDERS' EQUITY

	September 30, 2006 (Millions of yen)	September 30, 2005 (Millions of yen)	March 31, 2006 (Millions of yen)
<b>I Current liabilities</b>			
Notes payable	253	15	0
Notes payable on works	53,655	62,265	60,288
Short-term loans	17,509	4,107	20,973
Advances received on uncompleted contracts	70,648	70,805	57,051
Accrued expenses	5,098	5,723	5,512
Income taxes payable	102	1,320	3,476
Reserve for job warranty costs	1,534	1,893	1,995
Reserve for losses on contracts	2,595	1,454	3,130
Reserve for bonuses	2,188	2,035	3,531
Reserve for bonuses of directors and corporate statutory auditors	71	—	—
Other current liabilities	3,042	2,443	2,049
<b>Total current liabilities</b>	<b>156,700</b>	<b>152,065</b>	<b>158,011</b>
<b>II Long-term liabilities</b>			
Long-term loans	151	15,201	176
Reserve for retirement benefits	11,928	11,289	11,799
Long-term deposits	4,135	4,135	4,135
Deferred tax liabilities for land revaluation	3,780	3,787	3,787
<b>Total long-term liabilities</b>	<b>19,994</b>	<b>34,413</b>	<b>19,898</b>
<b>Total liabilities</b>	<b>176,694</b>	<b>186,479</b>	<b>177,909</b>
<b>I Common stock</b>	—	<b>23,511</b>	<b>23,511</b>
<b>II Capital reserve</b>			
Additional paid-in capital	—	25,578	25,578
Gain on retirement of treasury stock	—	3	4
<b>Total capital reserve</b>	—	<b>25,581</b>	<b>25,582</b>
<b>III Retained earnings</b>			
Legal reserve	—	2,692	2,692
Voluntary reserve	—	83,521	83,521
Unappropriated profit for the current period	—	9,291	13,567
<b>Total retained earnings</b>	—	<b>95,505</b>	<b>99,782</b>
<b>IV Land revaluation, net of deferred tax assets</b>	—	<b>(6,582)</b>	<b>(6,582)</b>
<b>V Net unrealized holding gains on securities</b>	—	<b>12,414</b>	<b>17,339</b>
<b>VI Treasury stock, at cost</b>	—	<b>(3,822)</b>	<b>(3,997)</b>
<b>Total shareholders' equity</b>	—	<b>146,607</b>	<b>155,635</b>
<b>Total liabilities and shareholders' equity</b>	—	<b>333,086</b>	<b>333,545</b>
<b>I Shareholders' equity</b>			
1 Common stock	23,511	—	—
2 Capital reserve			
(1) Additional paid -in capital	25,578	—	—
(2) Other capital reserve	6	—	—
<b>Total capital reserve</b>	<b>25,584</b>	—	—
3 Retained earnings			
(1) Legal reserve	2,692	—	—
(2) Other retained earnings			
Voluntary reserve	91,021	—	—
Earned surplus carried forward	10,853	—	—
<b>Total retained earnings</b>	<b>104,567</b>	—	—
4 Treasury stock, at cost	(4,076)	—	—
<b>Total shareholders' equity</b>	<b>149,587</b>	—	—
<b>II Valuation and translation adjustments</b>			
1 Net unrealized holding gains on securities	15,075	—	—
2 Deferred hedge income	(184)	—	—
3 Land revaluation, net of deferred tax assets	(6,586)	—	—
<b>Total valuation and translation adjustments</b>	<b>8,304</b>	—	—
<b>Total net assets</b>	<b>157,891</b>	—	—
<b>Total liabilities and net assets</b>	<b>334,586</b>	—	—

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

## Non-Consolidated Statements of Income

	Sep. 2006 interim term (Millions of yen)	Sep. 2005 interim term (Millions of yen)	Mar. 2006 term (Millions of yen)
<b>Net sales</b>	<b>¥ 239,419</b>	<b>¥ 220,365</b>	<b>¥484,382</b>
Cost of sales	228,027	210,284	463,667
Gross profit	11,392	10,080	20,714
Selling, general and administrative expenses	4,447	3,965	8,493
<b>Operating income</b>	<b>6,944</b>	<b>6,114</b>	<b>12,221</b>
<b>Non-operating income:</b>	<b>5,456</b>	<b>4,246</b>	<b>7,292</b>
Interest income	1,675	624	2,164
Dividend income	2,869	1,866	3,485
Exchange gain, net	370	1,101	478
Rental income from fixed assets	409	438	853
Other non-operating income	131	215	310
<b>Non-operating expenses:</b>	<b>1,228</b>	<b>939</b>	<b>2,715</b>
Interest expense	118	148	284
Provision for allowance for doubtful accounts	891	291	1,708
Expense of rental fixed assets	178	227	394
Expense of financial research	—	98	—
Other non-operating expenses	40	173	328
<b>Ordinary income</b>	<b>11,173</b>	<b>9,422</b>	<b>16,798</b>
<b>Extraordinary gain:</b>	<b>16</b>	<b>457</b>	<b>619</b>
Reversal of allowance for doubtful accounts	16	125	286
Gain on return of the substituted portion of the government's welfare Pension Insurance Scheme	—	171	171
Gain on sales of investment securities	—	160	161
<b>Extraordinary loss:</b>	<b>953</b>	<b>33</b>	<b>766</b>
Loss on disposal of property and equipment	11	7	37
Loss on devaluation of investment securities	22	9	29
Loss on withdrawal from an affiliate company	920	—	—
Impairment loss	—	12	12
Loss on devaluation of investment in an affiliate	—	—	679
Other extraordinary loss	—	4	6
<b>Income before taxes on income</b>	<b>10,236</b>	<b>9,846</b>	<b>16,651</b>
<b>Taxes on income:</b>	<b>2,549</b>	<b>2,711</b>	<b>5,239</b>
Current	1,424	2,165	6,334
Deferred	1,125	546	(1,094)
<b>Net income</b>	<b>7,686</b>	<b>7,134</b>	<b>11,411</b>
<b>Retained earnings at the beginning of the period</b>	<b>—</b>	<b>2,306</b>	<b>2,306</b>
<b>Disposition on revaluation of land</b>	<b>—</b>	<b>(150)</b>	<b>(150)</b>
<b>Unappropriated earnings for the period</b>	<b>—</b>	<b>9,291</b>	<b>13,567</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, 2006.

## Non-Consolidated Statement of Changes in Net Assets

(April 1, 2006 - September 30, 2006)

(Millions of yen)

	Shareholder' equity									
	Common stock	Capital reserve			Legal reserve	Retained earnings			Treasury stock, at cost	Total shareholder' equity
		Additional paid-in capital	Other capital reserve	Total capital reserve		Other retained earnings		Total retained earnings		
						Voluntary reserve	Earned surplus carried forward			
Balance at March 31, 2006	23,511	25,578	4	25,582	2,692	83,521	13,567	99,782	(3,997)	144,878
Changes in the interim period										
Cash dividends							(2,792)	(2,792)		(2,792)
Payments for bonuses to directors and corporate statutory auditors							(112)	(112)		(112)
General reserve						7,500	(7,500)	—		—
Land revaluation, net of deferred tax portion							4	4		4
Net income							7,686	7,686		7,686
Purchases of treasury stock									(80)	(80)
Disposal of treasury stock			1	1					1	3
Net changes in items other than those in shareholders' equity										
Total of changes in the interim period	—	—	1	1	—	7,500	(2,714)	4,785	(78)	4,708
Balance at September 30, 2006	23,511	25,578	6	25,584	2,692	91,021	10,853	104,567	(4,076)	149,587

	Valuation and translation adjustments				Warrant	Total net assets
	Net unrealized holding gains on securities	Deferred hedge income	Land revaluation, net of deferred tax assets	Total valuation and translation adjustments		
Balance at March 31, 2006	17,339	—	(6,582)	10,756	—	155,635
Changes in the interim period						
Cash dividends						(2,792)
Payments for bonuses to directors and corporate statutory auditors						(112)
General reserve						—
Land revaluation, net of deferred tax portion						4
Net income						7,686
Purchases of treasury stock						(80)
Disposal of treasury stock						3
Net changes in items other than those in shareholders' equity	(2,263)	(184)	(4)	(2,452)		(2,452)
Total of changes in the interim period	(2,263)	(184)	(4)	(2,452)	—	2,255
Balance at September 30, 2006	15,075	(184)	(6,586)	8,304	—	157,891

## Sales, Orders Received and Backlog

(Millions of yen)

Business area		March 31, 2006	September 30, 2006		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and Gas development	15	57	4	69
	Petroleum refining	119,515	4,254	8,994	114,775
	LNG	167	555	—	722
	Chemical	38,482	18,032	4,345	52,169
	Power generation, Nuclear power and New energy	9,753	2,986	1,103	11,636
	Living and General production	20,924	13,623	7,687	26,859
	Environmental protection, Social development and IT	5,604	2,783	1,230	7,157
	Others	45	170	103	112
	Subtotal	194,508	42,463	23,469	213,502
Overseas	Oil and Gas development	204,785	7,306	71,920	140,172
	Petroleum refining	121,045	1,295	33,822	88,518
	LNG	184,033	3,782	32,473	155,341
	Chemical	243,117	15,650	62,643	196,125
	Power generation, Nuclear power and New energy	40,547	21,467	12,091	49,923
	Living and General production	36	18,486	41	18,481
	Environmental protection, Social development and IT	2,630	114	2,698	45
	Others	95	292	259	127
	Subtotal	796,291	68,395	215,950	648,736
Total	*2 990,800	110,858	239,419	862,239	

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	2,914	(6,306)	(3,392)
Petroleum refining	(648)	(102)	(750)
LNG	2,115	(916)	1,198
Chemical	3,931	(204)	3,727
Power generation, Nuclear power and New energy	322	—	322
Living and General production	—	(695)	(695)
Environmental protection, Social development and IT	—	(4,630)	(4,630)
Others	—	—	—
Total	8,635	(12,855)	(4,220)