

Consolidated Financial Statements--Summary

(For the fiscal year ended March 31, 2007)

May 15, 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**

Stock exchange: **Tokyo**

Code number: **1963**

Representative

Title: **Chairman and Chief Executive Officer**

Tel: **045-682-1111**

Name: **Yoshihiro Shigehisa**

URL: **http://www.jgc.co.jp**

Contact

Title: **Director, Senior Manager, Finance & Accounting Department**

Name: **Hiroyoshi Suga**

Scheduled Date of Ordinary Annual General Meeting of Shareholders: **June 28, 2007**

Scheduled Date of Payment of Dividends: **June 29, 2007**

1. Business results for fiscal 2006 (April 1, 2006-March 31, 2007)

(1) Consolidated financial results

Note: All amounts are rounded down to the nearest million yen. Percentage indicate changes from the previous term.

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Mar. 2007 term	608,529	10.6	26,413	29.5	33,029	40.8	20,187	34.5
Mar. 2006 term	550,301	26.4	20,389	54.2	23,454	46.6	15,011	29.6

	Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary income/Total assets	Operating income/Net sales
	(Yen)	(Yen)	(%)	(%)	(%)
Mar. 2007 term	79.52	-	11.2	7.8	4.3
Mar. 2006 term	58.33	-	9.3	6.3	3.7

Reference:

Equity in earning of affiliates (millions of yen): Mar. 2007 term: 3,199 Mar. 2006 term: 1,279

(2) Consolidated financial position

	Total assets	Total net assets	Total net asset/Total assets	Total net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
Mar. 31, 2007	470,286	189,239	40.2	744.51
Mar. 31, 2006	375,287	173,063	46.1	681.66

Reference:

Shareholders' equity (millions of yen): Mar. 31, 2007: 188,965 Mar. 31, 2006: 173,063

(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)
Mar. 2007 term	79,113	(14,009)	1,552	159,410
Mar. 2006 term	26,811	(2,963)	(2,424)	91,489

2. Dividends

	Annual dividends per share (Yen)		Total dividends (annual)	Payout ratio (consolidated)	Dividends/shareholders' equity
	Term-end	Annual	(Millions of yen)	(%)	(%)
Mar. 2006 term	11.00	11.00	2,792	18.9	1.7
Mar. 2007 term	15.00	15.00	3,807	18.9	2.1
Mar. 2008 term (Forecast)	19.50	19.50		19.8	

3. Forecast for fiscal 2007 (April 1, 2007-March 31, 2008)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Interim term	300,000	9.0	20,000	64.6	21,000	44.3	13,000	40.6
Entire term	555,000	(8.8)	38,000	43.9	40,000	21.1	25,000	23.8

	Earnings per share
	(Yen)
Interim term	51.22
Entire term	98.50

4. Others

(1) Changes in scope of consolidated subsidiary

Consolidated subsidiaries: (increase) 1 company (decrease) None

Scope of consolidation and application of the equity method

Consolidated subsidiaries: 13 companies

Affiliated companies accounted for by the equity method: 2 companies

(2) Changes in accounting method: Changed

(3) Number of shares outstanding

① Number of shares outstanding at term-end (including treasury stock):

Mar. 2007 term: 259,052,929 Mar. 2006 term: 259,052,929

② Number of treasury stock at term-end:

Mar. 2007 term: 5,242,063 Mar. 2006 term: 5,165,577

(Reference) Summary of Non-Consolidated Financial Statements**1. Business results for fiscal 2006 (April 1, 2006-March 31, 2007)**

(1) Non-Consolidated financial results

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

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Mar. 2007 term	528,793	9.2	14,432	18.1	22,500	33.9	15,183	33.1
Mar. 2006 term	484,382	25.5	12,221	57.7	16,798	54.5	11,411	31.3

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
Mar. 2007 term	59.81	-
Mar. 2006 term	44.49	-

(2) Non-Consolidated financial position

	Total assets	Total net assets	Total net asset/Total assets	Total net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
Mar. 31, 2007	418,285	165,190	39.5	650.84
Mar. 31, 2006	333,545	155,635	46.7	613.01

Reference:

Shareholders' equity (millions of yen): Mar. 31, 2007: 165,190 Mar. 31, 2006: 155,635

2. Non-Consolidated Financial Forecast for fiscal 2007 (April 1, 2007-March 31, 2008)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Interim term	265,000	10.7	14,500	108.8	18,000	61.1	11,500	49.6
Entire term	480,000	(9.2)	26,000	80.2	30,000	33.3	20,000	31.7

	Earnings per share
	(Yen)
Interim term	45.31
Entire term	78.80

(1) 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.

(2) Forecast based on: ¥ 110.00/US\$1.00 ¥ 150.00/EUR1.00

Consolidated Balance Sheets

ASSETS

	March 31, 2007 (Millions of yen)	March 31, 2006 (Millions of yen)	Increase (decrease) (Millions of yen)
I Current assets			
Cash	159,410	88,490	70,920
Notes and accounts receivable	80,003	69,557	10,446
Marketable securities	–	2,998	(2,998)
Contract works in progress	50,152	47,032	3,120
Other inventories	9,547	7,575	1,972
Deferred tax assets	9,859	6,302	3,557
Other receivables	11,786	11,101	685
Other current assets	7,262	2,645	4,617
Allowance for doubtful accounts	(688)	(3,927)	3,239
Total current assets	327,333	231,776	95,557
II Fixed assets			
1 Tangible fixed assets:			
Buildings and structures	53,605	52,129	1,476
Machinery, vehicles, tools and equipment	39,122	35,723	3,399
Land	26,412	26,376	36
Construction in progress	1,042	237	805
Less accumulated depreciation	(52,962)	(48,778)	(4,184)
Net tangible fixed assets	67,219	65,687	1,532
2 Intangible fixed assets			
Consolidation account adjustment	–	2,825	(2,825)
Goodwill	2,018	–	2,018
Software	2,461	2,970	(509)
Other intangible fixed assets	118	109	9
Total intangible fixed assets	4,598	5,906	(1,308)
3 Investments and other assets			
Investment securities	52,175	51,171	1,004
Long-term loans receivable	23,979	22,630	1,349
Deferred tax assets	2,010	3,095	(1,085)
Other investments and other assets	2,128	2,485	(357)
Allowance for doubtful accounts	(9,160)	(7,466)	(1,694)
Total investments and other assets	71,134	71,916	(782)
Total fixed assets	142,952	143,510	(558)
Total assets	470,286	375,287	94,999

LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31, 2007 (Millions of yen)	March 31, 2006 (Millions of yen)	Increase (decrease) (Millions of yen)
I Current liabilities			
Notes and accounts payable	99,789	75,575	24,214
Short-term loans	3,133	15,306	(12,173)
Income taxes payable	3,921	5,923	(2,002)
Advances received on uncompleted contracts	100,277	57,358	42,919
Reserve for job warranty costs	1,656	2,012	(356)
Reserve for losses on contracts	5,014	3,266	1,748
Reserve for bonuses	6,028	5,294	734
Reserve for directors' bonuses	236	—	236
Deferred tax liabilities	1,151	—	1,151
Other current liabilities	16,376	10,691	5,685
Total current liabilities	237,585	175,428	62,157
II Long-term liabilities			
Long-term loans	17,799	993	16,806
Reserve for retirement benefits	16,603	16,470	133
Reserve for directors' retirement bonuses	456	464	(8)
Consolidation account adjustment	—	209	(209)
Negative goodwill	135	—	135
Deferred tax liabilities	223	105	118
Deferred tax liabilities for land revaluation	3,783	3,787	(4)
Other long-term liabilities	4,459	4,473	(14)
Total long-term liabilities	43,461	26,504	16,957
Total liabilities	281,046	201,932	79,114
Minority interests	—	291	—
I Common stock	—	23,511	—
II Additional paid-in capital	—	25,582	—
III Retained earnings	—	116,850	—
IV Land revaluation, net of deferred tax assets	—	(6,582)	—
V Net unrealized holding gains (losses) on securities	—	17,436	—
VI Foreign currency translation adjustments	—	144	—
VII Treasury stock, at cost	—	(3,878)	—
Total shareholders' equity	—	173,063	—
Total liabilities and shareholders' equity	—	375,287	—
I Shareholders' equity			
Common stock	23,511	—	—
Additional paid-in capital	25,585	—	—
Retained earnings	134,299	—	—
Treasury stock, at cost	(4,032)	—	—
Total shareholders' equity	179,364	—	—
II Valuation and translation adjustments			
Net unrealized holding gains on securities	14,853	—	—
Land revaluation, net of deferred tax assets	(6,589)	—	—
Foreign currency translation adjustment	1,337	—	—
Total valuation and translation adjustments	9,600	—	—
III Minority interests	274	—	—
Total net assets	189,239	—	—
Total liabilities and net assets	470,286	—	—

Consolidated Statements of Income

Years ended	Mar. 2007 term (Millions of yen)	Mar. 2006 term (Millions of yen)	Increase (decrease) (Millions of yen)
Net sales	608,529	550,301	58,228
Cost of sales	564,590	514,071	50,519
Gross profit	43,939	36,230	7,709
Selling, general and administrative expenses	17,526	15,840	1,686
Operating income	26,413	20,389	6,024
Non-operating income:	9,390	5,908	3,482
Interest income	4,182	2,230	1,952
Dividend income	1,001	847	154
Exchange gain, net	-	358	(358)
Rental income from fixed assets	633	709	(76)
Amortization for consolidation difference	-	67	(67)
Goodwill amortization	73	-	73
Equity in earnings of affiliates	3,199	1,279	1,920
Other non-operating income	300	416	(116)
Non-operating expenses:	2,773	2,842	(69)
Interest expense	357	293	64
Exchange loss, net	120	-	120
Expense of rental fixed assets	345	394	(49)
Provision for allowance for doubtful accounts	1,805	1,708	97
Other non-operating expenses	143	446	(303)
Ordinary income	33,029	23,454	9,575
Extraordinary gain:	147	934	(787)
Gain on sales of property and equipment	-	0	(0)
Gain on sales of investment securities	36	161	(125)
Reversal of allowance for doubtful accounts	29	293	(264)
Reversal of allowance for retirement and severance benefits	-	295	(295)
Settlement gain on retirement benefits	81	-	81
Gain on return of the substituted portion of the government's welfare pension insurance scheme	-	171	(171)
Other extraordinary gain	-	12	(12)
Extraordinary loss:	1,353	1,004	349
Loss on sales of property and equipment	0	4	(4)
Loss on disposal of property and equipment	285	110	175
Impairment loss	-	23	(23)
Loss on sales of investment securities	0	0	0
Loss on devaluation of marketable and investment securities	25	29	(4)
Loss on sales of investment in affiliates	-	136	(136)
Loss on devaluation of investment in affiliates	-	679	(679)
Loss on withdrawal from an affiliate company	920	-	920
Loss on devaluation of property and equipment	-	1	(1)
Expense of retirement benefit	117	-	117
Other extraordinary loss	4	18	(14)
Income before taxes on income	31,823	23,384	8,439
Taxes on income:	11,612	8,255	3,357
Current	11,300	9,762	1,538
Deferred	312	(1,507)	1,819
Minority interests in earnings of consolidated subsidiaries	23	117	(94)
Net income	20,187	15,011	5,176

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 15, 2007.

Consolidated Statements of Cash Flows

Years ended	Mar. 2007 term (Millions of yen)	Mar. 2006 term (Millions of yen)	Increase (decrease) (Millions of yen)
I CASH FLOWS FROM OPERATING ACTIVITIES:			
Income before taxes on income and minority interests in earnings of consolidated subsidiaries	31,823	23,384	8,439
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	5,393	4,817	576
Impairment loss	—	23	(23)
Amortization of consolidation account adjustment	—	740	(740)
Goodwill amortization	733	—	733
Increase (decrease) in allowance for doubtful accounts	(937)	1,616	(2,553)
Increase (decrease) in reserve for possible losses on construction projects	1,747	1,192	555
Increase (decrease) in retirement and severance benefits	82	389	(307)
Interest and dividend income	(5,183)	(3,077)	(2,106)
Interest expense	357	293	64
Equity in losses (earnings) of affiliates	(3,199)	(1,279)	(1,920)
Gain on sales of property and equipment	—	(0)	0
Gain on sales of investment securities	(36)	(161)	125
Loss on devaluation of investment securities	25	29	(4)
Loss on sales of property and equipment	0	4	(4)
Loss on disposal of property and equipment	285	110	175
Loss on devaluation of property and equipment	—	1	(1)
Loss on sales of investment in affiliates	—	136	(136)
Loss on devaluation of investment in affiliates	—	679	(679)
Loss on withdrawal from an affiliate company	920	—	920
Decrease (increase) in notes and accounts receivable	(9,563)	(4,953)	(4,610)
Decrease (increase) in inventories	(2,848)	25,208	(28,056)
Decrease (increase) in other assets	(681)	(1,834)	1,153
Increase (decrease) in notes and accounts payable	23,917	14,199	9,718
Increase (decrease) in advances received on uncompleted contracts	42,907	(34,247)	77,154
Gain on return of the substituted portion of the government's welfare pension insurance scheme	—	(171)	171
Other	1,048	75	973
Subtotal	86,791	27,178	59,613
Interest and dividends received	6,206	6,241	(35)
Interest paid	(256)	(293)	37
Income taxes paid	(13,626)	(6,314)	(7,312)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	79,113	26,811	52,302
II CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for purchases of property and equipment	(7,098)	(3,326)	(3,772)
Proceeds from sales of property and equipment	50	61	(11)
Payments for purchases of intangible fixed assets	(698)	(484)	(214)
Payments for purchases of investment securities	(6,076)	(1,618)	(4,458)
Proceeds from sale of investment securities	508	389	119
Payments for sales of investment in subsidiaries related to change in scope of consolidation	—	(75)	75
Decrease (increase) in short-term loans receivable	420	(522)	942
Payments for long-term loans receivable	(1,672)	(849)	(823)
Proceeds from long-term loans receivable	199	3,368	(3,169)
Other	356	94	262
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(14,009)	(2,963)	(11,046)
III CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (decrease) in short-term loans	2,351	(352)	2,703
Proceeds from long-term bank loans	17,481	550	16,931
Repayments of long-term bank loans	(15,299)	(162)	(15,137)
Payments for purchases of treasury stock	(150)	(278)	128
Cash dividends paid	(2,790)	(2,158)	(632)
Cash dividends paid to minority shareholders	(40)	(21)	(19)
NET CASH USED IN FINANCING ACTIVITIES	1,552	(2,424)	3,976
IV EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	965	1,140	(175)
V NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	67,622	22,564	45,058
VI CASH AND CASH EQUIVALENTS at beginning of year	91,489	68,925	22,564
VII INCREASE IN CASH AND CASH EQUIVALENTS FROM NEWLY CONSOLIDATED SUBSIDIARIES	298	—	298
VIII CASH AND CASH EQUIVALENTS at end of year	159,410	91,489	67,920

Note: The above statements of cash flows are unaudited.

Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2006	March 31, 2007		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	169	398	405	162
	Petroleum refining	122,983	61,763	62,009	122,736
	LNG	635	860	1,289	206
	Chemical	44,418	40,256	27,614	57,060
	Power generation, nuclear power and new energy	9,765	9,624	10,465	8,925
	Living and general production facility	21,830	27,296	13,905	35,220
	Environmental protection, social development and IT	7,404	19,959	11,399	15,964
	Others	575	5,110	5,207	478
	Subtotal	207,783	165,269	132,297	240,755
Overseas	Oil and gas development	210,886	29,889	134,151	106,624
	Petroleum refining	122,115	27,416	68,185	81,346
	LNG	186,906	13,943	67,838	133,011
	Chemical	252,103	21,268	142,965	130,407
	Power generation, nuclear power and new energy	41,362	21,517	20,347	42,532
	Living and general production facility	466	21,452	4,389	17,529
	Environmental protection, social development and IT	2,630	118	2,728	20
	Others	95	470	558	6
	Subtotal	816,565	136,077	441,165	511,478
Total Engineering Business		*2 1,024,348	301,347	573,462	752,233
Catalysts and Chemical Products Business		*3 —	*3 —	35,067	*3 —
Grand Total				608,529	

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 As the order received system is not applied to the Catalysts and Chemical Products Business area, no figures are given.

*4 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	9,014	(6,306)	2,708
Petroleum refining	448	(133)	315
LNG	5,263	(1,191)	4,072
Chemical	11,235	(23)	11,212
Power generation, nuclear power and new energy	1,136	—	1,136
Living and general production facility	430	45	475
Environmental protection, social development and IT	—	(4,630)	(4,630)
Others	—	(129)	(129)
Total	27,529	(12,368)	15,161

Non-Consolidated Balance Sheets

ASSETS

	March 31, 2007 (Millions of yen)		March 31, 2006 (Millions of yen)		Increase (decrease) (Millions of yen)
I Current assets					
Cash		148,722		79,427	69,295
Notes receivable		1,389		579	810
Accounts receivable for completed works		52,201		49,648	2,553
Marketable securities		-		2,998	(2,998)
Contract works in progress		52,413		44,274	8,139
Prepaid expense		211		130	81
Deferred tax assets		8,053		4,732	3,321
Other receivables		7,750		9,934	(2,184)
Accrued consumption tax and other taxes		2,637		952	1,685
Accrued income		1,708		895	813
Other current assets		4,234		1,485	2,749
Allowance for doubtful accounts		(695)		(3,909)	3,214
Total current assets		278,627		191,149	87,478
II Fixed assets					
1 Tangible fixed assets:					
Buildings	45,659		44,952		
Accumulated depreciation	17,754	27,904	16,183	28,768	(864)
Structures	980		904		
Accumulated depreciation	723	257	685	218	39
Machinery	2,012		1,831		
Accumulated depreciation	1,360	651	1,204	626	25
Vehicles	1,135		987		
Accumulated depreciation	629	506	497	489	17
Tools and equipment	5,593		5,385		
Accumulated depreciation	4,445	1,148	4,292	1,092	56
Land		22,493		22,507	(14)
Construction in progress		118		41	77
Net tangible fixed assets		53,081		53,744	(663)
2 Intangible fixed assets					
Software		2,143		2,503	(360)
Telephone rights and other intangible fixed assets		39		40	(1)
Total intangible fixed assets		2,183		2,544	(361)
3 Investments and other assets					
Investments securities		38,065		41,818	(3,753)
Investments in affiliates		29,512		25,793	3,719
Contribution to capital		3		3	-
Investment in capital of affiliated companies		48		52	(4)
Long-term loans receivable		22,641		21,589	1,052
Long-term loans to affiliated companies		1,882		1,537	345
Long-term prepaid expenses		6		10	(4)
Deferred tax assets		-		971	(971)
Other investments and other assets		1,053		1,468	(415)
Allowance for doubtful accounts		(8,821)		(7,139)	(1,682)
Total investments and other assets		84,393		86,105	(1,712)
Total fixed assets		139,658		142,395	(2,737)
Total assets		418,285		333,545	84,738

LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31, 2007 (Millions of yen)		March 31, 2006 (Millions of yen)		Increase (decrease) (Millions of yen)
I Current liabilities					
Notes payable		160		0	160
Notes payable on works		85,107		60,288	24,819
Short-term loans		11,939		20,973	(9,034)
Accrued expenses		7,063		5,512	1,551
Income taxes payable		1,384		3,476	(2,092)
Advances received on uncompleted contracts		98,397		57,051	41,346
Deposit received		1,546		1,649	(103)
Reserve for job warranty costs		1,552		1,995	(443)
Reserve for losses on contracts		4,964		3,130	1,834
Reserve for bonuses		3,749		3,531	218
Reserve for directors' bonuses		143		—	143
Other current liabilities		465		399	66
Total current liabilities		216,473		158,011	58,462
II Long-term liabilities					
Long-term loans		16,381		176	16,205
Reserve for retirement benefits		12,189		11,799	390
Long-term deposits		4,135		4,135	—
Deferred tax liabilities for land revaluation		3,783		3,787	(4)
Deferred tax liabilities		131		—	131
Total long-term liabilities		36,621		19,898	16,723
Total liabilities		253,094		177,909	75,185
I Common stock		—		23,511	(23,511)
II Capital reserve					
1 Additional paid-in capital	—		25,578		
2 Other capital reserve					
Gain on retirement of treasury stock	—	—	4	25,582	
Total capital reserve		—		25,582	(25,582)
III Retained earnings					
1 Legal reserve		—		2,692	
2 Voluntary reserve					
Overseas transactions contingency loss reserve	—		24,500		
Dividend reserve	—		4,355		
Fixed asset rationalization reserve	—		221		
General reserve	—	—	54,445	83,521	
3 Unappropriated profit for the current period		—		13,567	
Total retained earnings		—		99,782	(99,782)
IV Land revaluation, net of deferred tax assets		—		(6,582)	6,582
V Net unrealized holding gains on securities		—		17,339	(17,339)
VI Treasury stock, at cost		—		(3,997)	3,997
Total shareholders' equity		—		155,635	(155,635)
Total liabilities and shareholders' equity		—		333,545	(333,545)
I Shareholders' equity					
1 Common stock		23,511		—	23,511
2 Capital reserve					
(1) Additional paid-in capital	25,578		—		
(2) Other capital reserve	7		—		
Total capital reserve		25,585		—	25,585
3 Retained earnings					
(1) Legal reserve	2,692		—		
(2) Other retained earnings					
Voluntary reserve	91,021		—		
Earned surplus carried forward	18,353		—		
Total retained earnings		112,067		—	
4 Treasury stock, at cost		(4,150)		—	
Total shareholders' equity		157,013		—	157,013
II Valuation and translation adjustments					
1 Net unrealized holding gains on securities		14,766		—	14,766
2 Land revaluation, net of deferred tax assets		(6,589)		—	(6,589)
Total valuation and translation adjustments		8,176		—	8,176
Total net assets		165,190		—	165,190
Total liabilities and net assets		418,286		—	418,286

Non-Consolidated Statements of Income

Years ended	Mar. 2007 term (Millions of yen)	Mar. 2006 term (Millions of yen)	Increase (decrease) (Millions of yen)
Net sales	528,793	484,382	44,411
Cost of sales	505,272	463,667	41,605
Gross profit	23,520	20,714	2,806
Selling, general and administrative expenses	9,088	8,493	595
Operating income	14,432	12,221	2,211
Non-operating income:	10,704	7,292	3,412
Interest income	3,972	2,164	1,808
Dividend income	5,677	3,485	2,192
Exchange gain, net	-	478	(478)
Rental income from fixed assets	822	853	(31)
Other non-operating income	231	310	(79)
Non-operating expenses:	2,636	2,715	(79)
Interest expense	344	284	60
Exchange loss, net	14	-	14
Expense of rental fixed assets	345	394	(49)
Provision for allowance for doubtful accounts	1,805	1,708	97
Other non-operating expenses	125	328	(203)
Ordinary income	22,500	16,798	5,702
Extraordinary gain:	15	619	(604)
Gain on sales of property and equipment	-	0	(0)
Gain on sales of investment securities	-	161	(161)
Reversal of allowance for doubtful accounts	15	286	(271)
Gain on return of the substituted portion of the government's welfare pension insurance scheme	-	171	(171)
Extraordinary loss:	978	766	212
Loss on sales of property and equipment	0	0	(0)
Loss on disposal of property and equipment	32	37	(5)
Loss on devaluation of investment securities	25	29	(4)
Loss on withdrawal from an affiliate company	920	-	920
Loss on devaluation of investment in affiliates	-	679	(679)
Impairment loss	-	12	(12)
Loss on devaluation of property and equipment	-	1	(1)
Other extraordinary loss	0	5	(4)
Income before taxes on income	21,537	16,651	4,886
Taxes on income:	6,354	5,239	1,115
Current	7,117	6,334	783
Deferred	(762)	(1,094)	332
Net income	15,183	11,411	3,772
Retained earnings at the beginning of the period	-	2,306	-
Disposition on revaluation of land	-	(150)	-
Unappropriated earnings for the period	-	13,567	-

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 15, 2007.

Sales, Orders Received and Backlog (Non-Consolidated)

(Millions of yen)

Business area		March 31, 2006	March 31, 2007		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	15	228	81	162
	Petroleum refining	119,515	49,061	50,075	118,501
	LNG	167	591	574	184
	Chemical	38,548	26,717	14,511	50,754
	Power generation, nuclear power and new energy	9,753	6,842	8,109	8,486
	Living and general production facility	21,535	26,357	12,889	35,004
	Environmental protection, social development and IT	5,604	14,327	5,975	13,956
	Others	45	448	389	104
Subtotal		195,186	124,575	92,607	227,155
Overseas	Oil and gas development	210,886	29,889	134,151	106,624
	Petroleum refining	122,111	27,365	68,168	81,308
	LNG	186,906	13,276	67,629	132,552
	Chemical	249,871	16,378	138,235	128,015
	Power generation, nuclear power and new energy	41,362	21,517	20,347	42,532
	Living and general production facility	466	21,452	4,389	17,529
	Environmental protection, social development and IT	2,630	114	2,724	20
	Others	95	444	539	—
Subtotal		814,329	130,439	436,186	508,582
Total		*3 1,009,515	255,015	528,793	735,737

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	9,014	(6,306)	2,707
Petroleum refining	448	(133)	314
LNG	5,263	(1,191)	4,071
Chemical	10,546	—	10,546
Power generation, nuclear power and new energy	1,136	—	1,136
Living and general production facility	430	(83)	346
Environmental protection, social development and IT	—	(4,630)	(4,630)
Others	—	—	—
Total	26,840	(12,345)	14,495