

Summary of Consolidated First Quarter Financial Results for Fiscal 2007 (the Year Ending March 2008)

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.)

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Code number: **1963**
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Contact
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1. Business results of first quarter for fiscal 2007 (April 1, 2007 - June 30, 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)	(%)
1Q FY2007	145,237	17.8	11,043	107.8	15,399	142.6	9,064	136.9
1Q FY2006	123,299	16.9	5,315	25.2	6,347	2.5	3,826	(8.4)
Mar. 2007 term	608,529	—	26,413	—	33,029	—	20,187	—

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
1Q FY2007	35.71	—
1Q FY2006	15.07	—
Mar. 2007 term	79.52	—

(2) Consolidated financial position

	Total assets	Total net assets	Shareholders' equity ratio	Total net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of June 30, 2007	514,347	195,726	38.0	770.23
As of June 30, 2006	389,529	172,601	44.2	679.86
As of March 31, 2007	470,286	189,239	40.2	744.51

(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)
1Q FY2007	25,547	(2,072)	(6,519)	177,171
1Q FY2006	8,271	(2,241)	(1,588)	95,887
Mar. 2007 term	79,113	(14,009)	1,552	159,410

2. 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	98.51

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.

3. Others

(1) Changes in the Scope of Consolidation or Application of the Equity Method: **None**

(2) Use of Simplified Accounting Procedures: **Yes**

Simplified methods are employed in calculation of income taxes using annual effective tax rates and in some other items with little influence on overall accounting.

(3) Changes in Accounting Procedures from the Most Recent Consolidated Fiscal Year: **Yes**

Consolidated Balance Sheets

ASSETS

	1Q FY2007 (As of Jun. 30, 2007) (Millions of yen)	1Q FY2006 (As of Jun. 30, 2006) (Millions of yen)	FY2007 (As of Mar. 31, 2007) (Millions of yen)
I Current assets			
Cash	177,171	95,887	159,410
Notes and accounts receivable	82,256	65,426	80,003
Contract works in progress	67,062	55,626	50,152
Other inventories	9,594	8,447	9,547
Deferred tax assets	8,662	6,279	9,859
Other receivables	10,492	13,700	11,786
Other current assets	12,112	5,437	7,262
Allowance for doubtful accounts	(671)	(3,890)	(688)
Total current assets	366,680	246,914	327,333
II Fixed assets			
1 Tangible fixed assets:			
Buildings and structures	54,303	52,133	53,605
Machinery, vehicles, tools and equipment	39,825	36,170	39,122
Land	26,438	26,362	26,412
Construction in progress	1,110	1,486	1,042
Less accumulated depreciation	(53,807)	(49,569)	(52,962)
Net tangible fixed assets	67,870	66,583	67,219
2 Intangible fixed assets			
Goodwill	1,816	2,623	2,018
Software	2,377	2,824	2,461
Other intangible fixed assets	117	109	118
Total intangible fixed assets	4,311	5,558	4,598
3 Investments and other assets			
Investment securities	55,370	49,061	52,175
Long-term loans receivable	25,512	22,320	23,979
Deferred tax assets	1,997	4,053	2,010
Other investments and other assets	2,128	2,380	2,128
Allowance for doubtful accounts	(9,523)	(7,342)	(9,160)
Total investments and other assets	75,484	70,472	71,134
Total fixed assets	147,666	142,614	142,952
Total assets	514,347	389,529	470,286

LIABILITIES AND SHAREHOLDERS' EQUITY

	1Q FY2007 (As of Jun. 30, 2007) (Millions of yen)	1Q FY2006 (As of Jun. 30, 2006) (Millions of yen)	FY2007 (As of Mar. 31, 2007) (Millions of yen)
I Current liabilities			
Notes and accounts payable	105,437	71,719	99,789
Short-term loans	601	16,626	3,133
Income taxes payable	6,412	3,315	3,921
Advances received on uncompleted contracts	127,443	75,463	100,277
Reserve for job warranty costs	1,085	1,554	1,656
Reserve for losses on contracts	4,124	3,211	5,014
Reserve for bonuses	8,148	6,921	6,028
Reserve for directors' bonuses	235	—	236
Deferred tax liabilities	21	—	1,151
Other current liabilities	20,686	11,630	16,376
Total current liabilities	274,197	190,444	237,585
II Long-term liabilities			
Long-term loans	17,940	938	17,799
Reserve for retirement benefits	16,724	16,661	16,603
Reserve for directors' retirement bonuses	436	366	456
Negative goodwill	117	190	135
Deferred tax liabilities	958	70	223
Deferred tax liabilities for land revaluation	3,783	3,780	3,783
Other long-term liabilities	4,462	4,475	4,459
Total long-term liabilities	44,422	26,484	43,461
Total liabilities	318,620	216,928	281,046
I Shareholders' equity			
1 Common stock	23,511	23,511	23,511
2 Additional paid-in capital	25,586	25,583	25,585
3 Retained earnings	139,557	117,698	134,299
4 Treasury stock, at cost	(4,087)	(3,899)	(4,032)
Total shareholders' equity	184,566	162,893	179,364
II Valuation and translation adjustments			
1 Net unrealized holding gains on securities	16,156	15,826	14,853
2 Deferred hedge income	0	(68)	—
3 Land revaluation, net of deferred tax assets	(6,589)	(6,586)	(6,589)
4 Foreign currency translation adjustment	1,340	292	1,337
Total valuation and translation adjustments	10,906	9,463	9,600
III Minority interests	252	244	274
Total net assets	195,726	172,601	189,239
Total liabilities and net assets	514,347	389,529	470,286

Consolidated Statements of Income

Years ended	1Q FY2007 term (Apr. 1, 2007 - Jun. 30, 2007) (Millions of yen)	1Q FY2006 term (Apr. 1, 2006 - Jun. 30, 2006) (Millions of yen)	FY2007 term (Apr. 1, 2006 - Mar. 31, 2007) (Millions of yen)
Net sales	145,237	123,299	608,529
Cost of sales	129,646	113,766	564,590
Gross profit	15,591	9,532	43,939
Selling, general and administrative expenses	4,547	4,217	17,526
Operating income	11,043	5,315	26,413
Non-operating income:	5,046	1,768	9,390
Interest income	1,370	643	4,182
Dividend income	547	487	1,001
Exchange gain, net	2,248	-	-
Rental income from fixed assets	167	162	633
Goodwill amortization	18	18	73
Equity in earnings of affiliates	637	410	3,199
Other non-operating income	58	45	300
Non-operating expenses:	690	736	2,773
Interest expense	150	82	357
Exchange loss, net	-	524	120
Expense of rental fixed assets	109	114	345
Provision for allowance for doubtful accounts	366	-	1,805
Other non-operating expenses	64	16	143
Ordinary income	15,399	6,347	33,029
Extraordinary gain:	146	163	147
Gain on sales of property and equipment	0	-	-
Gain on sales of investment securities	133	-	36
Reversal of allowance for doubtful accounts	11	160	29
Settlement gain on retirement benefits	-	-	81
Other extraordinary gain	0	3	-
Extraordinary loss:	121	57	1,353
Loss on sales of property and equipment	-	0	0
Loss on disposal of property and equipment	98	34	285
Loss on sales of marketable and investment securities	-	-	0
Loss on devaluation of marketable and investment securities	23	22	25
Loss on withdrawal from an affiliate company	-	-	920
Expense of retirement benefit	-	-	117
Other extraordinary loss	-	0	4
Income before taxes on income	15,423	6,453	31,823
Taxes on income:	6,368	2,632	11,612
Minority interests in earnings of consolidated subsidiaries	(9)	(6)	23
Net income	9,064	3,826	20,187

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 August 7, 2007.

Consolidated Statements of Cash Flows

Years ended	1Q FY2007 term (Apr. 1, 2007 - Jun. 30, 2007) (Millions of yen)	1Q FY2006 term (Apr. 1, 2006 - Jun. 30, 2006) (Millions of yen)	FY2007 term (Apr. 1, 2006 - Mar. 31, 2007) (Millions of yen)
I CASH FLOWS FROM OPERATING ACTIVITIES:			
Income before taxes on income and minority interests in earnings of consolidated subsidiaries	15,423	6,453	31,823
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	1,325	1,197	5,393
Goodwill amortization	183	183	733
Increase (decrease) in allowance for doubtful accounts	358	(161)	(937)
Increase (decrease) in reserve for possible losses on construction projects	(890)	(55)	1,747
Increase (decrease) in retirement and severance benefits	120	191	82
Interest and dividend income	(1,917)	(1,131)	(5,183)
Interest expense	150	82	357
Equity in losses (earnings) of affiliates	(637)	(410)	(3,199)
Gain on sales of investment securities	(133)	—	(36)
Loss on devaluation of investment securities	23	22	25
Loss on sales and disposal of property and equipment	98	34	285
Loss on withdrawal from an affiliate company	—	—	920
Decrease (increase) in notes and accounts receivable	(2,247)	4,141	(9,563)
Decrease (increase) in inventories	(16,957)	(9,464)	(2,848)
Decrease (increase) in other assets	1,294	(2,598)	(681)
Increase (decrease) in notes and accounts payable	5,621	(3,893)	23,917
Increase (decrease) in advances received on uncompleted contracts	27,165	18,102	42,907
Other	(1,022)	40	1,048
Subtotal	27,960	12,735	86,791
Interest and dividends received	1,786	1,007	6,206
Interest paid	(356)	(111)	(256)
Income taxes paid	(3,843)	(5,360)	(13,626)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	25,547	8,271	79,113
II CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for purchases of property and equipment	(948)	(2,112)	(7,098)
Proceeds from sales of property and equipment	26	20	50
Payments for purchases of intangible fixed assets	(145)	(114)	(698)
Payments for purchases of investment securities	(877)	(10)	(6,076)
Proceeds from sale of investment securities	438	—	508
Decrease (increase) in short-term loans receivable	(46)	0	420
Payments for long-term loans receivable	(500)	(112)	(1,672)
Proceeds from long-term loans receivable	0	10	199
Other	(18)	77	356
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(2,072)	(2,241)	(14,009)
III CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (decrease) in short-term loans	(2,349)	1,320	2,351
Proceeds from long-term bank loans	—	—	17,481
Repayments of long-term bank loans	(293)	(54)	(15,299)
Payments for purchases of treasury stock	(55)	(19)	(150)
Cash dividends paid	(3,808)	(2,793)	(2,790)
Cash dividends paid to minority shareholders	(12)	(40)	(40)
NET CASH USED IN FINANCING ACTIVITIES	(6,519)	(1,588)	1,552
IV EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH	805	(43)	965
V NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,761	4,397	67,622
VI CASH AND CASH EQUIVALENTS at beginning of year	159,410	91,489	91,489
VII INCREASE IN CASH AND CASH EQUIVALENTS FROM NEWLY CONSOLIDATED SUBSIDIARIES	—	—	298
VIII CASH AND CASH EQUIVALENTS at end of the quarter	177,171	95,887	159,410

Note: The above statements of cash flows are unaudited.

Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2007	June 30, 2007		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	162	17	5	174
	Petroleum refining	122,736	33,353	22,313	133,776
	LNG	206	51	75	181
	Chemical	57,060	4,258	11,054	50,264
	Power generation, nuclear power and new energy	8,925	1,584	833	9,676
	Living and general production facility	35,220	3,198	1,793	36,625
	Environmental protection, social development and IT	15,959	3,823	1,309	18,472
	Others	478	1,708	442	1,743
	Subtotal	240,750	47,995	37,828	250,916
Overseas	Oil and gas development	108,985	3,055	22,780	89,260
	Petroleum refining	83,134	9,694	14,046	78,782
	LNG	137,208	1,180	24,352	114,036
	Chemical	134,629	277	27,880	107,026
	Power generation, nuclear power and new energy	43,549	—	5,224	38,324
	Living and general production facility	17,792	105	1,811	16,086
	Environmental protection, social development and IT	20	6	6	20
	Others	6	31	36	1
	Subtotal	525,326	14,350	96,138	443,538
Total Engineering Business		*2 766,076	62,345	133,967	694,454
Catalysts and Chemical Products Business		*3 —	*3 —	11,269	*3 —
Grand Total				145,237	

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	3,693	(1,332)	2,361
Petroleum refining	1,799	(11)	1,788
LNG	4,197	—	4,197
Chemical	4,907	(685)	4,222
Power generation, nuclear power and new energy	1,017	—	1,017
Living and general production facility	262	—	262
Environmental protection, social development and IT	—	(5)	(5)
Others	—	—	—
Total	15,877	(2,034)	13,843

Non-Consolidated Balance Sheets

ASSETS

	1Q FY2007 (As of Jun. 30, 2007) (Millions of yen)	1Q FY2006 (As of Jun. 30, 2006) (Millions of yen)	FY2007 (As of Mar. 31, 2007) (Millions of yen)
I Current assets			
Cash	167,663	86,262	148,722
Notes receivable	9	1,480	1,389
Accounts receivable for completed works	60,462	45,909	52,201
Contract works in progress	64,341	48,469	52,413
Other receivables	9,368	13,412	10,387
Deferred tax assets	8,053	4,732	8,053
Other current assets	11,192	5,226	6,155
Allowance for doubtful accounts	(694)	(3,888)	(695)
Total current assets	320,397	201,605	278,627
II Fixed assets			
1 Tangible fixed assets:			
Buildings and structures	27,753	28,595	28,162
Machinery and vehicles	1,065	1,110	1,158
Tools and equipment	1,083	1,121	1,148
Land	22,493	22,493	22,493
Construction in progress	142	1,145	118
Net tangible fixed assets	52,539	54,466	53,081
2 Intangible fixed assets			
Software	2,068	2,361	2,143
Telephone rights and other intangible fixed assets	39	40	39
Total intangible fixed assets	2,107	2,402	2,183
3 Investments and other assets			
Investments securities	40,392	39,282	38,065
Investments in affiliates	29,571	25,803	29,512
Long-term loans receivable	25,965	22,742	24,524
Deferred tax assets	-	1,920	-
Investment in capital of affiliated companies	48	52	48
Other investments and other assets	1,068	1,363	1,063
Allowance for doubtful accounts	(9,188)	(7,009)	(8,821)
Total investments and other assets	87,857	84,154	84,393
Total fixed assets	142,504	141,023	139,658
Total assets	462,901	342,628	418,285

LIABILITIES AND SHAREHOLDERS' EQUITY

	1Q FY2007 (As of Jun. 30, 2007) (Millions of yen)	1Q FY2006 (As of Jun. 30, 2006) (Millions of yen)	FY2007 (As of Mar. 31, 2007) (Millions of yen)
I Current liabilities			
Notes payable	18	3	160
Notes payable on works	88,785	55,775	85,107
Short-term loans	12,082	17,107	11,939
Accrued expenses	10,590	6,015	7,063
Income taxes payable	5,007	2,356	1,384
Advances received on uncompleted contracts	125,529	74,455	98,397
Reserve for job warranty costs	922	1,537	1,552
Reserve for losses on contracts	4,074	3,095	4,964
Reserve for bonuses	4,912	4,661	3,749
Reserve for directors' bonuses	185	—	143
Other current liabilities	1,510	2,437	2,011
Total current liabilities	253,620	167,444	216,473
II Long-term liabilities			
Long-term loans	16,633	176	16,381
Reserve for retirement benefits	12,390	12,050	12,189
Long-term deposits	4,135	4,135	4,135
Deferred tax liabilities for land revaluation	3,783	3,780	3,783
Deferred tax liabilities	875	—	131
Total long-term liabilities	37,818	20,141	36,621
Total liabilities	291,439	187,586	253,094
I Shareholders' equity			
1 Common stock	23,511	23,511	23,511
2 Capital reserve			
(1) Additional paid -in capital	25,578	25,578	25,578
(2) Other capital reserve	8	5	7
Total capital reserve	25,586	25,583	25,585
3 Retained earnings			
(1) Legal reserve	2,692	2,692	2,692
(2) Other retained earnings			
Voluntary reserve	100,021	91,021	91,021
Earned surplus carried forward	14,368	7,171	18,353
Total retained earnings	117,082	100,885	112,067
4 Treasury stock, at cost	(4,206)	(4,018)	(4,150)
Total shareholders' equity	161,973	145,962	157,013
II Valuation and translation adjustments			
1 Net unrealized holding gains on securities	16,078	15,735	14,766
2 Deferred hedge income	0	(68)	—
3 Land revaluation, net of deferred tax assets	(6,589)	(6,586)	(6,589)
Total valuation and translation adjustments	9,488	9,080	8,176
Total net assets	171,462	155,042	165,190
Total liabilities and net assets	462,901	342,628	418,285

Non-Consolidated Statements of Income

Years ended	1Q FY2007 term (Apr. 1, 2007 - Jun. 30, 2007) (Millions of yen)	1Q FY2006 term (Apr. 1, 2006 - Jun. 30, 2006) (Millions of yen)	FY2007 term (Apr. 1, 2006 - Mar. 31, 2007) (Millions of yen)
Net sales	127,040	108,152	528,793
Cost of sales	117,724	103,085	505,272
Gross profit	9,315	5,067	23,520
Selling, general and administrative expenses	2,395	2,305	9,088
Operating income	6,919	2,762	14,432
Non-operating income:	7,442	3,539	10,704
Interest income	1,308	601	3,972
Dividend income	3,715	2,702	5,677
Exchange gain, net	2,173	-	-
Rental income from fixed assets	211	203	822
Other non-operating income	34	31	231
Non-operating expenses:	686	699	2,636
Interest expense	163	81	344
Exchange loss, net	-	490	14
Provision for allowance for doubtful accounts	366	-	1,805
Expense of rental fixed assets	109	114	345
Other non-operating expenses	46	13	125
Ordinary income	13,675	5,601	22,500
Extraordinary gain:	133	151	15
Gain on sales of property and equipment	0	-	-
Gain on sales of investment securities	133	-	-
Reversal of allowance for doubtful accounts	-	150	15
Extraordinary loss:	24	31	978
Loss on sales of property and equipment	-	0	0
Loss on disposal of property and equipment	1	8	32
Loss on devaluation of investment securities	23	22	25
Loss on withdrawal from an affiliate company	-	-	920
Other extraordinary loss	-	-	0
Income before taxes on income	13,784	5,720	21,537
Taxes on income:	4,962	1,716	6,354
Net income	8,822	4,004	15,183

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 August 7, 2007.

Sales, Orders Received and Backlog (Non-Consolidated)

(Millions of yen)

Business area		March 31, 2007	June 30, 2007		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	162	13	1	174
	Petroleum refining	118,501	27,120	18,715	126,906
	LNG	184	1	47	138
	Chemical	50,754	30	9,706	41,077
	Power generation, nuclear power and new energy	8,486	1,155	372	9,269
	Living and general production facility	35,004	2,840	1,762	36,082
	Environmental protection, social development and IT	13,956	1,630	199	15,387
	Others	104	135	113	126
	Subtotal	227,155	32,927	30,918	229,164
Overseas	Oil and gas development	108,985	3,055	22,780	89,260
	Petroleum refining	83,107	9,683	14,042	78,748
	LNG	136,749	741	24,348	113,143
	Chemical	132,237	182	27,880	104,539
	Power generation, nuclear power and new energy	43,549	—	5,224	38,324
	Living and general production facility	17,792	105	1,811	16,086
	Environmental protection, social development and IT	20	6	6	20
	Others	—	28	28	—
	Subtotal	522,442	13,802	96,121	440,123
Total	*3 749,597	46,730	127,040	669,287	

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	3,693	(1,332)	2,361
Petroleum refining	1,799	(0)	1,798
LNG	4,197	—	4,197
Chemical	4,907	(685)	4,222
Power generation, nuclear power and new energy	1,017	—	1,017
Living and general production facility	262	—	262
Environmental protection, social development and IT	—	—	—
Others	—	—	—
Total	15,877	(2,017)	13,859