

Summary of Consolidated Third 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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1. Business results of Third quarter for fiscal 2007 (April 1, 2007 - December 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)	(%)
3Q FY2007	432,612	3.8	32,801	114.3	37,636	89.5	23,991	87.9
3Q FY2006	416,943	12.3	15,309	10.4	19,858	15.5	12,771	10.5
Mar. 2007 term	608,529	—	26,413	—	33,029	—	20,187	—

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
3Q FY2007	94.54	—
3Q FY2006	50.31	—
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)
December 31, 2007	476,056	206,285	43.3	812.05
December 31, 2006	436,138	181,379	41.5	714.58
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)
3Q FY2007	(6,975)	(11,464)	(6,270)	135,202
3Q FY2006	40,765	(11,327)	(265)	121,946
Mar. 2007 term	79,113	(14,009)	1,552	159,410

2. Dividends

	Annual dividends per share (Yen)	
	Term-end	Annual
Mar. 2007 term	15.00	15.00
Mar. 2008 term	—	20.50
Mar. 2008 term (Forecast)	20.50	

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)	(%)
Entire term	560,000	(8.0)	43,000	62.8	44,000	33.2	26,500	31.3

	Earnings per share
	(Yen)
Entire term	104.43

4. 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**

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.

Consolidated Balance Sheets

ASSETS

	3Q FY2007 (As of Dec. 31, 2007) (Millions of yen)	3Q FY2006 (As of Dec. 31, 2006) (Millions of yen)	FY2007 (As of Mar. 31, 2007) (Millions of yen)
I Current assets			
Cash	73,702	121,946	159,410
Notes and accounts receivable	98,039	73,617	80,003
Marketable securities	61,500	—	—
Contract works in progress	59,065	60,061	50,152
Other inventories	12,593	12,211	9,547
Deferred tax assets	8,558	6,695	9,859
Other receivables	10,942	10,817	11,786
Other current assets	5,735	7,118	7,262
Allowance for doubtful accounts	(443)	(3,333)	(688)
Total current assets	329,694	289,136	327,333
II Fixed assets			
1 Tangible fixed assets:			
Buildings and structures	54,768	53,499	53,605
Machinery, vehicles, tools and equipment	41,400	38,472	39,122
Land	26,438	26,412	26,412
Construction in progress	1,550	2,201	1,042
Less accumulated depreciation	(55,235)	(51,968)	(52,962)
Net tangible fixed assets	68,922	68,616	67,219
2 Intangible fixed assets			
Goodwill	1,412	2,220	2,018
Software	2,246	2,590	2,461
Other intangible fixed assets	115	119	118
Total intangible fixed assets	3,775	4,931	4,598
3 Investments and other assets			
Investment securities	51,919	51,259	52,175
Long-term loans receivable	27,166	23,942	23,979
Deferred tax assets	3,454	4,472	2,010
Other investments and other assets	2,498	2,211	2,128
Allowance for doubtful accounts	(11,374)	(8,431)	(9,160)
Total investments and other assets	73,663	73,454	71,134
Total fixed assets	146,361	147,002	142,952
Total assets	476,056	436,138	470,286

LIABILITIES AND SHAREHOLDERS' EQUITY

	3Q FY2007 (As of Dec. 31, 2007) (Millions of yen)	3Q FY2006 (As of Dec. 31, 2006) (Millions of yen)	FY2007 (As of Mar. 31, 2007) (Millions of yen)
I Current liabilities			
Notes and accounts payable	89,384	83,202	99,789
Short-term loans	789	2,607	3,133
Income taxes payable	7,226	1,291	3,921
Advances received on uncompleted contracts	106,946	100,344	100,277
Reserve for job warranty costs	920	1,504	1,656
Reserve for losses on contracts	2,193	3,642	5,014
Reserve for bonuses	3,510	3,077	6,028
Reserve for directors' bonuses	214	172	236
Deferred tax liabilities	—	—	1,151
Other current liabilities	15,946	16,757	16,376
Total current liabilities	227,132	212,599	237,585
II Long-term liabilities			
Long-term loans	17,678	16,471	17,799
Reserve for retirement benefits	16,067	16,782	16,603
Reserve for directors' retirement bonuses	487	438	456
Negative goodwill	80	154	135
Deferred tax liabilities	72	73	223
Deferred tax liabilities for land revaluation	3,783	3,783	3,783
Other long-term liabilities	4,469	4,455	4,459
Total long-term liabilities	42,639	42,159	43,461
Total liabilities	269,771	254,758	281,046
I Shareholders' equity			
1 Common stock	23,511	23,511	23,511
2 Additional paid-in capital	25,591	25,585	25,585
3 Retained earnings	154,282	126,883	134,299
4 Treasury stock, at cost	(4,216)	(3,996)	(4,032)
Total shareholders' equity	199,168	171,984	179,364
II Valuation and translation adjustments			
1 Net unrealized holding gains on securities	11,916	15,025	14,853
2 Deferred hedge income	(2)	—	—
3 Land revaluation, net of deferred tax assets	(6,589)	(6,589)	(6,589)
4 Foreign currency translation adjustment	1,549	738	1,337
Total valuation and translation adjustments	6,874	9,173	9,600
III Minority interests	242	221	274
Total net assets	206,285	181,379	189,239
Total liabilities and net assets	476,056	436,138	470,286

Consolidated Statements of Income

Years ended	3Q FY2007 term (Apr. 1, 2007 - Dec. 31, 2007) (Millions of yen)	3Q FY2006 term (Apr. 1, 2006 - Dec. 31, 2006) (Millions of yen)	FY2007 term (Apr. 1, 2006 - Mar. 31, 2007) (Millions of yen)
Net sales	432,612	416,943	608,529
Cost of sales	385,686	388,730	564,590
Gross profit	46,925	28,212	43,939
Selling, general and administrative expenses	14,124	12,903	17,526
Operating income	32,801	15,309	26,413
Non-operating income:	9,777	6,094	9,390
Interest income	4,461	2,696	4,182
Dividend income	738	613	1,001
Exchange gain, net	—	657	—
Rental income from fixed assets	498	473	633
Goodwill amortization	55	55	73
Equity in earnings of affiliates	3,821	1,382	3,199
Other non-operating income	203	215	300
Non-operating expenses:	4,942	1,544	2,773
Interest expense	425	211	357
Exchange loss, net	2,061	—	120
Expense of rental fixed assets	286	284	345
Provision for allowance for doubtful accounts	2,063	966	1,805
Other non-operating expenses	105	82	143
Ordinary income	37,636	19,858	33,029
Extraordinary gain:	266	111	147
Gain on sales of property and equipment	1	—	—
Gain on sales of investment securities	147	—	36
Reversal of allowance for doubtful accounts	90	26	29
Settlement gain on retirement benefits	—	85	81
Other extraordinary gain	26	—	—
Extraordinary loss:	187	1,162	1,353
Loss on sales of property and equipment	—	0	0
Loss on disposal of property and equipment	155	90	285
Loss on sales of marketable and investment securities	—	—	0
Loss on devaluation of marketable and investment securities	23	25	25
Loss on withdrawal from an affiliate company	—	920	920
Expense of retirement benefit	—	120	117
Other extraordinary loss	8	5	4
Income before taxes on income	37,716	18,808	31,823
Taxes on income:	13,744	6,065	11,612
Minority interests in earnings of consolidated subsidiaries	(19)	(28)	23
Net income	23,991	12,771	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 February 14, 2008.

Consolidated Statements of Cash Flows

Years ended	3Q FY2007 term (Apr. 1, 2007 - Dec. 31, 2007) (Millions of yen)	3Q FY2006 term (Apr. 1, 2006 - Dec. 31, 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	37,716	18,808	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	4,326	3,909	5,393
Goodwill amortization	550	550	733
Increase (decrease) in allowance for doubtful accounts	1,969	948	(937)
Increase (decrease) in reserve for possible losses on construction projects	(2,821)	375	1,747
Increase (decrease) in retirement and severance benefits	(536)	260	82
Interest and dividend income	(5,199)	(3,309)	(5,183)
Interest expense	425	211	357
Equity in losses (earnings) of affiliates	(3,821)	(1,382)	(3,199)
Gain on sales of investment securities	(147)	—	(36)
Loss on devaluation of investment securities	23	25	25
Loss on sales and disposal of property and equipment	155	90	285
Loss on withdrawal from an affiliate company	—	920	920
Decrease (increase) in notes and accounts receivable	(18,035)	(3,278)	(9,563)
Decrease (increase) in inventories	(11,959)	(17,384)	(2,848)
Decrease (increase) in other receivables	693	284	(681)
Increase (decrease) in notes and accounts payable	(10,377)	7,428	23,917
Increase (decrease) in advances received on uncompleted contracts	6,667	42,959	42,907
Other	(2,541)	(1,718)	1,048
Subtotal	(2,911)	49,699	86,791
Interest and dividends received	6,793	2,611	6,206
Interest paid	(524)	(222)	(256)
Income taxes paid	(10,331)	(11,322)	(13,626)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(6,975)	40,765	79,113
II CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for purchases of property and equipment	(4,986)	(5,621)	(7,098)
Proceeds from sales of property and equipment	68	48	50
Payments for purchases of intangible fixed assets	(806)	(407)	(698)
Payments for purchases of investment securities	(2,893)	(5,851)	(6,076)
Proceeds from sale of investment securities	852	1,035	508
Decrease (increase) in short-term loans receivable	575	420	420
Payments for long-term loans receivable	(4,698)	(1,422)	(1,672)
Proceeds from long-term loans receivable	657	199	199
Other	(234)	271	356
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(11,464)	(11,327)	(14,009)
III CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (decrease) in short-term loans	(2,248)	2,076	2,351
Proceeds from long-term bank loans	500	15,791	17,481
Repayments of long-term bank loans	(527)	(15,188)	(15,299)
Payments for purchases of treasury stock	(178)	(114)	(150)
Cash dividends paid	(3,803)	(2,789)	(2,790)
Cash dividends paid to minority shareholders	(12)	(40)	(40)
NET CASH USED IN FINANCING ACTIVITIES	(6,270)	(265)	1,552
IV EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH	501	985	965
V NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(24,208)	30,158	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	298
VIII CASH AND CASH EQUIVALENTS at end of the quarter	135,202	121,946	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	December 31, 2007		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	162	2,887	148	2,902
	Petroleum refining	124,157	46,368	71,466	99,059
	LNG	206	290	289	206
	Chemical	57,060	22,917	32,572	47,404
	Power generation, nuclear power and new energy	8,925	10,247	6,043	13,130
	Living and general production facility	35,220	6,047	13,932	27,336
	Environmental protection, social development and IT	15,959	16,705	11,051	21,613
	Others	474	4,110	1,738	2,846
	Subtotal	242,167	109,575	137,242	214,500
Overseas	Oil and gas development	105,324	3,695	59,621	49,399
	Petroleum refining	83,444	17,163	40,754	59,853
	LNG	133,209	9,621	70,912	71,919
	Chemical	130,974	216,527	68,008	279,493
	Power generation, nuclear power and new energy	43,788	50	16,101	27,736
	Living and general production facility	18,458	116	9,732	8,842
	Environmental protection, social development and IT	20	12	10	22
	Others	4	137	142	0
	Subtotal	515,225	247,324	265,283	497,267
Total Engineering Business		*2 757,392	356,900	402,525	711,767
Catalysts and Chemical Products Business		*3 —	*3 —	30,086	*3 —
Grand Total				432,612	

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	2,441	(3,740)	(1,299)
Petroleum refining	2,223	1,295	3,518
LNG	4,100	(3,902)	198
Chemical	2,704	(2,137)	567
Power generation, nuclear power and new energy	1,256	—	1,256
Living and general production facility	928	—	928
Environmental protection, social development and IT	—	(5)	(5)
Others	—	(5)	(5)
Total	13,654	(8,495)	5,159

Non-Consolidated Balance Sheets

ASSETS

	3Q FY2007 (As of Dec. 31, 2007) (Millions of yen)	3Q FY2006 (As of Dec. 31, 2006) (Millions of yen)	FY2007 (As of Mar. 31, 2007) (Millions of yen)
I Current assets			
Cash	62,437	111,069	148,722
Notes receivable	1,765	1,297	1,389
Accounts receivable for completed works	70,768	50,094	52,201
Marketable securities	61,500	—	—
Contract works in progress	53,605	55,301	52,413
Other receivables	8,716	9,605	10,387
Deferred tax assets	7,784	4,732	8,053
Other current assets	6,934	6,827	6,155
Allowance for doubtful accounts	(533)	(3,334)	(695)
Total current assets	272,977	235,593	278,627
II Fixed assets			
1 Tangible fixed assets:			
Buildings and structures	27,077	28,567	28,162
Machinery and vehicles	912	1,124	1,158
Tools and equipment	1,077	1,184	1,148
Land	22,493	22,493	22,493
Construction in progress	57	1,961	118
Net tangible fixed assets	51,618	55,331	53,081
2 Intangible fixed assets			
Software	1,990	2,170	2,143
Telephone rights and other intangible fixed assets	39	40	39
Total intangible fixed assets	2,029	2,210	2,183
3 Investments and other assets			
Investments securities	34,877	38,007	38,065
Investments in affiliates	29,866	29,127	29,512
Investment in capital of affiliated companies	48	48	48
Long-term loans receivable	28,030	24,487	24,524
Deferred tax assets	1,518	2,334	—
Other investments and other assets	1,429	1,183	1,063
Allowance for doubtful accounts	(11,039)	(8,097)	(8,821)
Total investments and other assets	84,731	87,092	84,393
Total fixed assets	138,379	144,633	139,658
Total assets	411,356	380,227	418,285

LIABILITIES AND SHAREHOLDERS' EQUITY

	3Q FY2007 (As of Dec. 31, 2007) (Millions of yen)	3Q FY2006 (As of Dec. 31, 2006) (Millions of yen)	FY2007 (As of Mar. 31, 2007) (Millions of yen)
I Current liabilities			
Notes payable	405	37	160
Accounts payable on works	68,967	68,229	85,107
Short-term loans	10,345	4,955	11,939
Other payable	4,900	4,679	7,063
Income taxes payable	5,221	—	1,384
Advances received on uncompleted contracts	101,931	94,490	98,397
Reserve for job warranty costs	791	1,487	1,552
Reserve for losses on contracts	2,143	3,403	4,964
Reserve for bonuses	2,091	1,962	3,749
Reserve for directors' bonuses	135	107	143
Other current liabilities	1,983	5,234	2,011
Total current liabilities	198,915	184,587	216,473
II Long-term liabilities			
Long-term loans	16,193	15,393	16,381
Reserve for retirement benefits	11,973	12,202	12,189
Long-term deposits	4,135	4,135	4,135
Deferred tax liabilities for land revaluation	3,783	3,783	3,783
Deferred tax liabilities	—	—	131
Total long-term liabilities	36,085	35,514	36,621
Total liabilities	235,000	220,101	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	13	6	7
Total capital reserve	25,591	25,585	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	23,606	13,081	18,353
Total retained earnings	126,321	106,796	112,067
4 Treasury stock, at cost	(4,334)	(4,114)	(4,150)
Total shareholders' equity	171,089	151,778	157,013
II Valuation and translation adjustments			
1 Net unrealized holding gains on securities	11,858	14,937	14,766
2 Deferred hedge income	(2)	—	—
3 Land revaluation, net of deferred tax assets	(6,589)	(6,589)	(6,589)
Total valuation and translation adjustments	5,266	8,347	8,176
Total net assets	176,355	160,125	165,190
Total liabilities and net assets	411,356	380,227	418,285

Non-Consolidated Statements of Income

Years ended	3Q FY2007 term (Apr. 1, 2007 - Dec. 31, 2007) (Millions of yen)	3Q FY2006 term (Apr. 1, 2006 - Dec. 31, 2006) (Millions of yen)	FY2007 term (Apr. 1, 2006 - Mar. 31, 2007) (Millions of yen)
Net sales	373,244	366,282	528,793
Cost of sales	343,331	351,165	505,272
Gross profit	29,913	15,116	23,520
Selling, general and administrative expenses	7,437	6,751	9,088
Operating income	22,476	8,364	14,432
Non-operating income:	10,612	7,692	10,704
Interest income	4,278	2,560	3,972
Dividend income	5,590	3,642	5,677
Exchange gain, net	—	706	—
Rental income from fixed assets	624	615	822
Other non-operating income	118	167	231
Non-operating expenses:	4,969	1,520	2,636
Interest expense	463	203	344
Exchange loss, net	2,054	—	14
Provision for allowance for doubtful accounts	2,063	966	1,805
Expense of rental fixed assets	286	284	345
Other non-operating expenses	102	66	125
Ordinary income	28,118	14,535	22,500
Extraordinary gain:	145	16	15
Reversal of allowance for doubtful accounts	6	16	15
Gain on sales of property and equipment	0	—	—
Gain on sales of investment securities	133	—	—
Other extraordinary gain	4	—	—
Extraordinary loss:	44	973	978
Loss on sales and disposal of property and equipment	19	27	33
Loss on devaluation of investment securities	23	25	25
Loss on withdrawal from an affiliate company	—	920	920
Other extraordinary loss	1	0	0
Income before taxes on income	28,220	13,578	21,537
Taxes on income:	10,159	3,666	6,354
Net income	18,061	9,912	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 February 14, 2008.

Sales, Orders Received and Backlog (Non-Consolidated)

(Millions of yen)

Business area		March 31, 2007	December 31, 2007		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	162	74	20	216
	Petroleum refining	118,498	31,816	58,011	92,303
	LNG	184	11	62	133
	Chemical	50,754	14,232	25,592	39,394
	Power generation, nuclear power and new energy	8,486	4,782	4,931	8,336
	Living and general production facility	35,004	5,581	13,505	27,080
	Environmental protection, social development and IT	13,956	8,741	6,692	16,004
	Others	104	258	192	170
	Subtotal	227,151	65,498	109,009	183,640
Overseas	Oil and gas development	105,324	3,695	59,621	49,399
	Petroleum refining	83,392	17,089	40,703	59,778
	LNG	132,750	9,001	69,863	71,888
	Chemical	131,058	215,651	68,085	278,624
	Power generation, nuclear power and new energy	43,788	50	16,101	27,736
	Living and general production facility	18,458	116	9,732	8,842
	Environmental protection, social development and IT	20	11	9	22
	Others	—	117	117	—
	Subtotal	514,794	245,734	264,235	496,293
Total	*3 741,945	311,232	373,244	679,933	

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	2,441	(3,740)	(1,299)
Petroleum refining	2,223	(142)	2,080
LNG	4,100	(3,902)	198
Chemical	5,181	(2,137)	3,043
Power generation, nuclear power and new energy	1,256	—	1,256
Living and general production facility	928	—	928
Environmental protection, social development and IT	—	—	—
Others	—	—	—
Total	16,131	(9,923)	6,208