

# Consolidated Financial Statements--Summary

May 15, 2008

(For the fiscal year ended March 31, 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.)

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 General Manager, Finance & Accounting Division**

Name: **Hiroyoshi Suga**

Scheduled Date of Ordinary Annual General Meeting of Shareholders: **June 27, 2008**

Scheduled Date of Payment of Dividends: **June 30, 2008**

## 1. Business results for fiscal 2007 (April 1, 2007-March 31, 2008)

### (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)	(%)
term	551,062	(9.4)	44,896	70.0	46,837	41.8	30,019	48.7
term	608,529	10.6	26,413	29.5	33,029	40.8	20,187	34.5

	Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary income/Total assets	Operating income/Net sales
	(Yen)	(Yen)	(%)	(%)	(%)
term	118.33	-	15.2	10.0	8.1
term	79.52	-	11.2	7.8	4.3

Reference:

Equity in earning of affiliates (millions of yen): Mar. 2008 term: 5,077 Mar. 2007 term: 3,199

### (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, 2008	466,772	207,536	44.4	819.59
Mar. 31, 2007	470,286	189,239	40.2	744.51

Reference:

Shareholders' equity (millions of yen): Mar. 31, 2008: 207,254 Mar. 31, 2007: 188,965

### (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)
term	28,864	(15,032)	(7,317)	164,617
term	79,113	(14,009)	1,552	159,410

## 2. Dividends

	Annual dividends per share (Yen)		Total dividends (annual)	Payout ratio (consolidated)	Dividends/shareholders' equity
	Term-end	Annual	(Millions of yen)	(%)	(%)
term	15.00	15.00	3,807	18.9	2.1
term	21.00	21.00	5,310	17.7	2.7
Mar. 2009 term	26.50	26.50	—	21.6	—

## 3. Forecast for fiscal 2008 (April 1, 2008-March 31, 2009)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
2Q term	290,000	(7.7)	23,000	(5.6)	25,000	(2.0)	17,000	3.6
Entire term	560,000	1.6	46,000	2.5	47,000	0.3	31,000	3.3

	Earnings per share
	(Yen)
2Q term	67.23
Entire term	122.59

#### 4. Others

JGC Corporation

(1) Changes in scope of consolidated subsidiary

Consolidated subsidiaries: (increase) None (decrease) None

Scope of consolidation and application of the equity method	
Consolidated subsidiaries:	13 companies
Affiliated companies accounted for by the equity method:	3 companies

(2) Changes in accounting method: Changed

(3) Number of shares outstanding

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

Mar. 2008 term: 259,052,929 Mar. 2007 term: 259,052,929

② Number of treasury stock at term-end:

Mar. 2008 term: 6,178,157 Mar. 2007 term: 5,242,063

#### (Reference) Summary of Non-Consolidated Financial Statements

##### 1. Business results for fiscal 2007 (April 1, 2007-March 31, 2008)

(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)	(%)
term	460,160	(13.0)	30,549	111.7	32,707	45.4	21,312	40.4
term	528,793	9.2	14,432	18.1	22,500	33.9	15,183	33.1

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
term	84.01	-
term	59.81	-

(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, 2008	404,423	174,795	43.2	691.23
Mar. 31, 2007	418,285	165,190	39.5	650.84

Reference:

Shareholders' equity (millions of yen): Mar. 31, 2008: 174,795 Mar. 31, 2007: 165,190

##### 2. Non-Consolidated Financial Forecast for fiscal 2008 (April 1, 2008-March 31, 2009)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
2Q term	250,000	(8.4)	16,500	2.2	22,500	12.1	17,000	25.4
Entire term	460,000	(0.0)	32,000	4.7	39,000	19.2	27,000	26.7

	Earnings per share
	(Yen)
2Q term	67.23
Entire term	106.77

(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: ¥95.00/US\$1.00 ¥152.00/EUR1.00

## Consolidated Balance Sheets

## ASSETS

	March 31, 2008 (Millions of yen)	March 31, 2007 (Millions of yen)	Increase (decrease) (Millions of yen)
<b>I Current assets</b>			
Cash	93,617	159,410	(65,793)
Notes and accounts receivable	68,131	80,003	(11,872)
Marketable securities	71,000	-	71,000
Contract works in progress	58,496	50,152	8,344
Other inventories	10,247	9,547	700
Deferred tax assets	9,135	9,859	(724)
Other receivables	11,457	11,786	(329)
Other current assets	3,063	7,262	(4,199)
Allowance for doubtful accounts	(532)	(688)	156
<b>Total current assets</b>	<b>324,616</b>	<b>327,333</b>	<b>(2,717)</b>
<b>II Fixed assets</b>			
<b>1 Tangible fixed assets:</b>			
Buildings and structures	54,827	53,605	1,222
Machinery, vehicles, tools and equipment	43,316	39,122	4,194
Land	26,516	26,412	104
Construction in progress	95	1,042	(947)
Less accumulated depreciation	(56,305)	(52,962)	(3,343)
<b>Net tangible fixed assets</b>	<b>68,450</b>	<b>67,219</b>	<b>1,231</b>
<b>2 Intangible fixed assets</b>			
Goodwill	1,211	2,018	(807)
Software	2,410	2,461	(51)
Other intangible fixed assets	115	118	(3)
<b>Total intangible fixed assets</b>	<b>3,737</b>	<b>4,598</b>	<b>(861)</b>
<b>3 Investments and other assets</b>			
Investment securities	47,695	52,175	(4,480)
Long-term loans receivable	24,435	23,979	456
Deferred tax assets	6,188	2,010	4,178
Other investments and other assets	2,390	2,128	262
Allowance for doubtful accounts	(10,741)	(9,160)	(1,581)
<b>Total investments and other assets</b>	<b>69,968</b>	<b>71,134</b>	<b>(1,166)</b>
<b>Total fixed assets</b>	<b>142,155</b>	<b>142,952</b>	<b>(797)</b>
<b>Total assets</b>	<b>466,772</b>	<b>470,286</b>	<b>(3,514)</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31, 2008 (Millions of yen)	March 31, 2007 (Millions of yen)	Increase (decrease) (Millions of yen)
<b>I Current liabilities</b>			
Notes and accounts payable	72,470	99,789	(27,319)
Short-term loans	761	3,133	(2,372)
Income taxes payable	9,368	3,921	5,447
Advances received on uncompleted contracts	111,955	100,277	11,678
Reserve for job warranty costs	694	1,656	(962)
Reserve for losses on contracts	2,611	5,014	(2,403)
Reserve for bonuses	6,679	6,028	651
Reserve for directors' bonuses	289	236	53
Deferred tax liabilities	36	1,151	(1,115)
Other current liabilities	12,472	16,376	(3,904)
<b>Total current liabilities</b>	<b>217,339</b>	<b>237,585</b>	<b>(20,246)</b>
<b>II Long-term liabilities</b>			
Long-term loans	17,299	17,799	(500)
Reserve for retirement benefits	15,699	16,603	(904)
Reserve for directors' retirement bonuses	514	456	58
Negative goodwill	62	135	(73)
Deferred tax liabilities	66	223	(157)
Deferred tax liabilities for land revaluation	3,783	3,783	—
Other long-term liabilities	4,471	4,459	12
<b>Total long-term liabilities</b>	<b>41,896</b>	<b>43,461</b>	<b>(1,565)</b>
<b>Total liabilities</b>	<b>259,236</b>	<b>281,046</b>	<b>(21,810)</b>
<b>I Shareholders' equity</b>			
1 Common stock	23,511	23,511	—
2 Additional paid-in capital	25,593	25,585	8
3 Retained earnings	160,310	134,299	26,011
4 Treasury stock, at cost	(5,532)	(4,032)	(1,500)
<b>Total shareholders' equity</b>	<b>203,882</b>	<b>179,364</b>	<b>24,518</b>
<b>II Valuation and translation adjustments</b>			
1 Net unrealized holding gains on securities	8,055	14,853	(6,798)
2 Deferred gains or losses on hedges	331	—	331
3 Land revaluation, net of deferred tax assets	(6,589)	(6,589)	—
4 Foreign currency translation adjustment	1,574	1,337	237
<b>Total valuation and translation adjustments</b>	<b>3,372</b>	<b>9,600</b>	<b>(6,228)</b>
<b>III Minority interests</b>	<b>281</b>	<b>274</b>	<b>7</b>
<b>Total net assets</b>	<b>207,536</b>	<b>189,239</b>	<b>18,297</b>
<b>Total liabilities and net assets</b>	<b>466,772</b>	<b>470,286</b>	<b>(3,514)</b>

## Consolidated Statements of Income

Years ended	Mar. 2008 term (Millions of yen)	Mar. 2007 term (Millions of yen)	Increase (decrease) (Millions of yen)
<b>Net sales</b>	<b>551,062</b>	<b>608,529</b>	<b>(57,467)</b>
Cost of sales	487,361	564,590	(77,229)
Gross profit	63,700	43,939	19,761
Selling, general and administrative expenses	18,804	17,526	1,278
<b>Operating income</b>	<b>44,896</b>	<b>26,413</b>	<b>18,483</b>
<b>Non-operating income:</b>	<b>12,660</b>	<b>9,390</b>	<b>3,270</b>
Interest income	5,667	4,182	
Dividend income	925	1,001	
Rental income from fixed assets	661	633	
Goodwill amortization	73	73	
Equity in earnings of affiliates	5,077	3,199	
Other non-operating income	255	300	
<b>Non-operating expenses:</b>	<b>10,719</b>	<b>2,773</b>	<b>7,946</b>
Interest expense	558	357	
Exchange loss, net	8,152	120	
Expense of rental fixed assets	353	345	
Provision for allowance for doubtful accounts	1,484	1,805	
Other non-operating expenses	170	143	
<b>Ordinary income</b>	<b>46,837</b>	<b>33,029</b>	<b>13,808</b>
<b>Extraordinary gain:</b>	<b>410</b>	<b>147</b>	<b>263</b>
Gain on sales of property and equipment	1	-	
Gain on sales of investment securities	147	36	
Reversal of allowance for doubtful accounts	61	29	
Settlement gain on retirement benefits	-	81	
Gain on extinguishment of tie-in shares	162	-	
Other extraordinary gain	36	-	
<b>Extraordinary loss:</b>	<b>340</b>	<b>1,353</b>	<b>(1,013)</b>
Loss on sales of property and equipment	0	0	
Loss on disposal of property and equipment	178	285	
Loss on sales of investment securities	-	0	
Loss on devaluation of investment securities	23	25	
Loss on withdrawal from an affiliate company	-	920	
Expense of retirement benefit	-	117	
Office transfer expenses	98	-	
Other extraordinary loss	39	4	35
<b>Income before taxes on income</b>	<b>46,907</b>	<b>31,823</b>	<b>15,084</b>
<b>Taxes on income:</b>	<b>16,867</b>	<b>11,612</b>	<b>5,255</b>
Current	17,909	11,300	
Deferred	(1,041)	312	
<b>Minority interests in earnings of consolidated subsidiaries</b>	<b>19</b>	<b>23</b>	<b>(4)</b>
<b>Net income</b>	<b>30,019</b>	<b>20,187</b>	<b>9,832</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 May 15, 2008.

## Consolidated Statements of Cash Flows

Years ended	Mar. 2008 term (Millions of yen)	Mar. 2007 term (Millions of yen)	Increase (decrease) (Millions of yen)
<b>I CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Income before taxes on income and minority interests in earnings of consolidated subsidiaries	46,907	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	6,080	5,393	
Goodwill amortization	733	733	
Increase (decrease) in allowance for doubtful accounts	1,421	(937)	
Increase (decrease) in reserve for loss on contracts	(2,402)	1,747	
Increase (decrease) in reserve for retirement benefits	(927)	82	
Interest and dividend income	(6,593)	(5,183)	
Interest expense	558	357	
Equity in losses (earnings) of affiliates	(5,077)	(3,199)	
Gain on sales of property and equipment	(1)	—	
Gain on sales of investment securities	(147)	(36)	
Loss on devaluation of investment securities	23	25	
Loss on sales of property and equipment	0	0	
Loss on disposal of property and equipment	178	285	
Loss on withdrawal from an affiliate company	—	920	
Exchange loss	5,004	—	
Decrease (increase) in notes and accounts receivable	12,300	(9,563)	
Decrease (increase) in inventories	(9,037)	(2,848)	
Decrease (increase) in other receivables	175	(681)	
Increase (decrease) in notes and accounts payable	(27,781)	23,917	
Increase (decrease) in advances received on uncompleted contracts	11,675	42,907	
Other	(39)	1,048	
Subtotal	33,049	86,791	(53,742)
Interest and dividends received	8,800	6,206	
Interest paid	(459)	(256)	
Income taxes paid	(12,526)	(13,626)	
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>28,864</b>	<b>79,113</b>	<b>(50,249)</b>
<b>II CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payments for purchases of property and equipment	(6,494)	(7,098)	
Proceeds from sales of property and equipment	132	50	
Payments for purchases of intangible fixed assets	(996)	(698)	
Payments for purchases of investment securities	(3,871)	(6,076)	
Proceeds from sale of investment securities	550	508	
Decrease (increase) in short-term loans receivable	292	420	
Payments for long-term loans receivable	(5,232)	(1,672)	
Proceeds from long-term loans receivable	657	199	
Other	(70)	356	
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(15,032)</b>	<b>(14,009)</b>	<b>(1,023)</b>
<b>III CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Increase (decrease) in short-term loans	(2,389)	2,351	
Proceeds from long-term bank loans	1,050	17,481	
Repayments of long-term bank loans	(669)	(15,299)	
Payments for purchases of treasury stock	(1,492)	(150)	
Cash dividends paid	(3,804)	(2,790)	
Cash dividends paid to minority shareholders	(12)	(40)	
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>(7,317)</b>	<b>1,552</b>	<b>(8,869)</b>
<b>IV EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>(1,359)</b>	<b>965</b>	<b>(2,324)</b>
<b>V NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,155</b>	<b>67,622</b>	<b>(62,467)</b>
<b>VI CASH AND CASH EQUIVALENTS at beginning of year</b>	<b>159,410</b>	<b>91,489</b>	<b>67,921</b>
<b>VII INCREASE IN CASH AND CASH EQUIVALENTS FROM NEWLY CONSOLIDATED SUBSIDIARIES</b>	<b>—</b>	<b>298</b>	<b>(298)</b>
<b>VIII INCREASE IN CASH AND CASH EQUIVALENTS FROM MARGED CONSOLIDATED SUBSIDIARIES</b>	<b>51</b>	<b>—</b>	<b>51</b>
<b>IX CASH AND CASH EQUIVALENTS at end of year</b>	<b>164,617</b>	<b>159,410</b>	<b>5,207</b>

Note: The above statements of cash flows are unaudited.

## Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2007	March 31, 2008		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	162	2,902	299	2,766
	Petroleum refining	122,720	58,712	82,307	99,125
	LNG	206	478	666	18
	Chemical	57,060	28,269	41,443	43,886
	Power generation, nuclear power and new energy	8,925	11,603	12,731	7,797
	Living and general production facility	35,203	10,318	16,231	29,290
	Environmental protection, social development and IT	15,844	19,219	18,108	16,955
	Others	463	4,251	4,167	548
	Subtotal	240,587	135,756	175,954	200,388
Overseas	Oil and gas development	103,131	8,398	78,200	33,329
	Petroleum refining	81,418	20,479	48,809	53,087
	LNG	127,988	15,541	89,013	54,516
	Chemical	130,426	215,637	80,806	265,258
	Power generation, nuclear power and new energy	42,411	6,153	21,365	27,199
	Living and general production facility	18,690	122	14,277	4,535
	Environmental protection, social development and IT	20	15	35	—
	Others	5	247	252	—
	Subtotal	504,092	266,596	332,762	437,926
Total Engineering Business		*2 744,679	402,352	508,717	638,314
Catalysts and Fine Products Business		*3 —	*3 —	42,344	*3 —
Grand Total				551,062	

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 Fine 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	248	(3,740)	(3,492)
Petroleum refining	55	(0)	54
LNG	(455)	(4,567)	(5,022)
Chemical	1,966	(1,946)	19
Power generation, nuclear power and new energy	(121)	—	(121)
Living and general production facility	1,218	(75)	1,143
Environmental protection, social development and IT	0	(120)	(120)
Others	0	(15)	(15)
Total	2,911	(10,465)	(7,553)

## Non-Consolidated Balance Sheets

## ASSETS

	March 31, 2008 (Millions of yen)		March 31, 2007 (Millions of yen)		Increase (decrease) (Millions of yen)
<b>I Current assets</b>					
Cash		81,875		148,722	(66,847)
Notes receivable		2,313		1,389	924
Accounts receivable for completed works		38,567		52,201	(13,634)
Marketable securities		71,000		-	71,000
Contract works in progress		57,255		52,413	4,842
Prepaid expense		222		211	11
Deferred tax assets		7,772		8,053	(281)
Other receivables		6,699		7,750	(1,051)
Accrued consumption tax and other taxes		858		2,637	(1,779)
Accrued income		1,302		1,708	(406)
Other current assets		3,367		4,234	(867)
Allowance for doubtful accounts		(588)		(695)	107
<b>Total current assets</b>		<b>270,646</b>		<b>278,627</b>	<b>(7,981)</b>
<b>II Fixed assets</b>					
<b>1 Tangible fixed assets:</b>					
Buildings	45,566		45,659		
Accumulated depreciation	19,140	26,425	17,754	27,904	(1,479)
Structures	980		980		
Accumulated depreciation	754	225	723	257	(32)
Machinery	1,787		2,012		
Accumulated depreciation	1,361	425	1,360	651	(226)
Vehicles	1,013		1,135		
Accumulated depreciation	690	323	629	506	(183)
Tools and equipment	5,760		5,593		
Accumulated depreciation	4,570	1,190	4,445	1,148	42
Land		22,493		22,493	-
Construction in progress		30		118	(88)
<b>Net tangible fixed assets</b>		<b>51,115</b>		<b>53,081</b>	<b>(1,966)</b>
<b>2 Intangible fixed assets</b>					
Software		2,105		2,143	(38)
Telephone rights and other intangible fixed assets		38		39	(1)
<b>Total intangible fixed assets</b>		<b>2,144</b>		<b>2,183</b>	<b>(39)</b>
<b>3 Investments and other assets</b>					
Investments securities		28,871		38,065	(9,194)
Investments in affiliates		31,172		29,512	1,660
Contribution to capital		3		3	-
Investment in capital of affiliated companies		48		48	-
Long-term loans receivable		19,164		22,641	(3,477)
Long-term loans receivable from employees		2		-	2
Long-term loans receivable from subsidiaries and affiliates		5,956		1,882	4,074
Long-term prepaid expenses		5		6	(1)
Deferred tax assets		4,262		-	4,262
Other investments and other assets		1,433		1,053	380
Allowance for doubtful accounts		(10,405)		(8,821)	(1,584)
<b>Total investments and other assets</b>		<b>80,517</b>		<b>84,393</b>	<b>(3,876)</b>
<b>Total fixed assets</b>		<b>133,777</b>		<b>139,658</b>	<b>(5,881)</b>
<b>Total assets</b>		<b>404,423</b>		<b>418,285</b>	<b>(13,862)</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31, 2008 (Millions of yen)		March 31, 2007 (Millions of yen)		Increase (decrease) (Millions of yen)
<b>I Current liabilities</b>					
Notes payable		656		160	496
Notes payable on works		49,840		85,107	(35,267)
Short-term loans		16,537		11,939	4,598
Other payable		4,584		7,063	(2,479)
Income taxes payable		5,412		1,384	4,028
Advances received on uncompleted contracts		109,101		98,397	10,704
Deposit received		606		1,546	(940)
Reserve for job warranty costs		616		1,552	(936)
Reserve for losses on contracts		2,497		4,964	(2,467)
Reserve for bonuses		3,977		3,749	228
Reserve for directors' bonuses		180		143	37
Other current liabilities		457		465	(8)
<b>Total current liabilities</b>		<b>194,469</b>		<b>216,473</b>	<b>(22,004)</b>
<b>II Long-term liabilities</b>					
Long-term loans		15,519		16,381	(862)
Reserve for retirement benefits		11,721		12,189	(468)
Long-term deposits		4,135		4,135	—
Deferred tax liabilities for land revaluation		3,783		3,783	—
Deferred tax liabilities		—		131	(131)
<b>Total long-term liabilities</b>		<b>35,159</b>		<b>36,621</b>	<b>(1,462)</b>
<b>Total liabilities</b>		<b>229,628</b>		<b>253,094</b>	<b>(23,466)</b>
<b>I Shareholders' equity</b>					
1 Common stock		23,511		23,511	—
2 Capital reserve					
(1) Additional paid -in capital	25,578		25,578		
(2) Other capital reserve	15		7		
<b>Total capital reserve</b>		<b>25,593</b>		<b>25,585</b>	<b>8</b>
3 Retained earnings					
(1) Legal reserve	2,692		2,692		
(2) Other retained earnings					
Overseas transactions contingency loss reserve	24,500		24,500		
Dividend reserve	4,355		4,355		
Fixed asset rationalization reserve	221		221		
General reserve	70,945		61,945		
Earned surplus carried forward	26,858		18,353		
<b>Total retained earnings</b>		<b>129,572</b>		<b>112,067</b>	<b>17,505</b>
4 Treasury stock, at cost		(5,650)		(4,150)	(1,500)
<b>Total shareholders' equity</b>		<b>173,026</b>		<b>157,013</b>	<b>16,013</b>
<b>II Valuation and translation adjustments</b>					
1 Net unrealized holding gains on securities		8,026		14,766	(6,740)
2 Deferred gains or losses on hedges		331		—	331
3 Land revaluation, net of deferred tax assets		(6,589)		(6,589)	—
<b>Total valuation and translation adjustments</b>		<b>1,768</b>		<b>8,176</b>	<b>(6,408)</b>
<b>Total net assets</b>		<b>174,795</b>		<b>165,190</b>	<b>9,605</b>
<b>Total liabilities and net assets</b>		<b>404,423</b>		<b>418,285</b>	<b>(13,862)</b>

## Non-Consolidated Statements of Income

Years ended	Mar. 2008 term (Millions of yen)	Mar. 2007 term (Millions of yen)	Increase (decrease) (Millions of yen)
<b>Net sales</b>	<b>460,160</b>	<b>528,793</b>	<b>(68,633)</b>
Cost of sales	420,019	505,272	(85,253)
Gross profit	40,141	23,520	16,621
Selling, general and administrative expenses	9,592	9,088	504
<b>Operating income</b>	<b>30,549</b>	<b>14,432</b>	<b>16,117</b>
<b>Non-operating income:</b>	<b>12,709</b>	<b>10,704</b>	<b>2,005</b>
Interest income	5,423	3,972	
Dividend income	6,277	5,677	
Rental income from fixed assets	829	822	
Other non-operating income	177	231	
<b>Non-operating expenses:</b>	<b>10,550</b>	<b>2,636</b>	<b>7,914</b>
Interest expense	604	344	
Exchange loss, net	7,963	14	
Expense of rental fixed assets	353	345	
Provision for allowance for doubtful accounts	1,484	1,805	
Other non-operating expenses	144	125	
<b>Ordinary income</b>	<b>32,707</b>	<b>22,500</b>	<b>10,207</b>
<b>Extraordinary gain:</b>	<b>174</b>	<b>15</b>	<b>159</b>
Gain on sales of property and equipment	0	-	
Gain on sales of investment securities	161	-	
Reversal of allowance for doubtful accounts	7	15	
Other extraordinary gain	5	-	
<b>Extraordinary loss:</b>	<b>50</b>	<b>978</b>	<b>(928)</b>
Loss on sales of property and equipment	-	0	
Loss on disposal of property and equipment	21	32	
Loss on devaluation of investment securities	23	25	
Loss on withdrawal from an affiliate company	-	920	
Loss on devaluation of golf club membership	3	-	
Other extraordinary loss	1	0	
<b>Income before taxes on income</b>	<b>32,832</b>	<b>21,537</b>	<b>11,295</b>
<b>Taxes on income:</b>	<b>11,519</b>	<b>6,354</b>	<b>5,165</b>
Current	11,996	7,117	
Deferred	(476)	(762)	
<b>Net income</b>	<b>21,312</b>	<b>15,183</b>	<b>6,129</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 May 15, 2008.

## Sales, Orders Received and Backlog (Non-Consolidated)

(Millions of yen)

Business area		March 31, 2007	March 31, 2008		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	162	79	101	140
	Petroleum refining	118,484	39,705	65,222	92,968
	LNG	184	110	288	6
	Chemical	50,754	16,737	27,897	39,595
	Power generation, nuclear power and new energy	8,486	6,119	8,039	6,567
	Living and general production facility	34,986	9,814	15,552	29,249
	Environmental protection, social development and IT	13,842	9,175	11,122	11,894
	Others	104	414	426	92
	Subtotal	227,006	82,158	128,651	180,513
Overseas	Oil and gas development	103,131	8,398	78,200	33,329
	Petroleum refining	81,380	20,363	48,694	53,049
	LNG	127,529	14,797	87,975	54,351
	Chemical	127,998	216,513	80,727	263,784
	Power generation, nuclear power and new energy	42,411	6,153	21,365	27,199
	Living and general production facility	18,690	122	14,277	4,535
	Environmental protection, social development and IT	20	13	33	—
	Others	—	233	233	—
	Subtotal	501,162	266,596	331,509	436,249
Total	*3 728,168	348,755	460,160	616,763	

## 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	248	(3,740)	(3,492)
Petroleum refining	55	(0)	54
LNG	(455)	(4,567)	(5,022)
Chemical	1,930	(1,946)	(16)
Power generation, nuclear power and new energy	(121)	—	(121)
Living and general production facility	1,218	(75)	1,143
Environmental protection, social development and IT	—	(114)	(114)
Others	—	—	—
Total	2,875	(10,444)	(7,568)