

## Summary of Consolidated First Quarter Financial Results for Fiscal 2008 (the Year Ending March 2009)

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**

URL: <http://www.jgc.co.jp>

Representative

Title: **Chairman and Chief Executive Officer**

Tel: **045-682-1111**

Name: **Yoshihiro Shigehisa**

Contact

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

Name: **Hiroyoshi Suga**

### 1. Business results of first quarter for fiscal 2008 (April 1, 2008 - June 30, 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)	(%)
1Q FY2008	114,883	—	11,098	—	16,051	—	8,135	—
1Q FY2007	145,237	17.8	11,043	107.8	15,399	142.6	9,064	136.9

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
1Q FY2008	32.17	—
1Q FY2007	35.71	—

#### (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, 2008	474,105	211,531	44.6	835.53
As of March 31, 2008	466,772	207,536	44.4	819.59

Reference:

Shareholders' equity (millions of yen): Jun. 30, 2008: 211,269 Mar. 31, 2008: 207,254

### 2. Dividends

	Annual dividends per share (Yen)				
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual
Mar. 2008 term	—	—	—	21.00	21.00
Mar. 2009 term	—	—	—	—	—
Mar. 2009 term (Forecast)	—	—	—	26.50	26.50

Note: Revision of dividend forecast during this period: None

### 3. Earnings 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)	(%)
Interim term	290,000	—	23,000	—	25,000	—	17,000	—
Entire term	560,000	1.6	46,000	2.5	47,000	0.3	31,000	3.3

	Earnings per share
	(Yen)
Interim term	67.23
Entire term	122.60

Note: Revision of earnings forecast during this period: None

#### 4. Others

(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) Adoption of simplified accounting methods or special accounting methods for preparing quarterly consolidated financial statements: Yes

(3) Changes of accounting principles, procedures and presentation when preparing quarterly consolidated financial statement.

① Changes due to revisions of accounting standards: Yes

② Changes other than the above ①: None

(4) Number of shares outstanding

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

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

② Number of treasury stock at term-end:

Jun. 2008 term: 6,196,891 Mar. 2008 term: 6,178,157

③ Average Number of shares outstanding (first quarter term):

Jun. 2008 term: 252,866,108 Jun. 2007 term: 253,799,408

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,

## Consolidated Balance Sheets

	1Q FY2008 (As of Jun. 30, 2008) (Millions of yen)	FY2007 (As of Mar. 31, 2008) (Millions of yen)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	123,633	93,617
Notes receivable, accounts receivable from completed construction contracts and other	56,588	68,131
Short-term investment securities	40,000	71,000
Costs on uncompleted construction contracts	61,326	58,496
Merchandise	39	7
Finished goods	6,534	5,284
Raw materials	3,407	2,955
Work in process	2,414	1,654
Other inventories	420	344
Accounts receivable-other	10,291	11,457
Deferred tax assets	8,689	9,135
Other current assets	9,106	3,063
Allowance for doubtful accounts	(44)	(532)
<b>Total current assets</b>	<b>322,409</b>	<b>324,616</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	54,412	54,827
Machinery, vehicles, tools, furniture and fixtures	42,856	43,316
Land	26,516	26,516
Lease assets	161	—
Construction in progress	239	95
Accumulated depreciation	(56,910)	(56,305)
<b>Total Property, plant and equipment</b>	<b>67,275</b>	<b>68,450</b>
<b>Intangible assets</b>		
Goodwill	1,009	1,211
Software	2,322	2,410
Other intangible assets	113	115
<b>Total intangible assets</b>	<b>3,445</b>	<b>3,737</b>
<b>Investments and other assets</b>		
Investment securities	52,036	47,695
Long-term loans receivable	33,577	24,435
Deferred tax assets	4,875	6,188
Other investments and other assets	2,391	2,390
Allowance for doubtful accounts	(11,906)	(10,741)
<b>Total investments and other assets</b>	<b>80,975</b>	<b>69,968</b>
<b>Total noncurrent assets</b>	<b>151,695</b>	<b>142,155</b>
<b>Total assets</b>	<b>474,105</b>	<b>466,772</b>

	1Q FY2008 (As of Jun. 30, 2008) (Millions of yen)	FY2007 (As of Mar. 31, 2008) (Millions of yen)
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	82,568	72,470
Short-term loans payable	699	761
Income taxes payable	7,755	9,368
Advances received on uncompleted construction contracts	104,587	111,955
Provision for warranties for completed construction	490	694
Provision for loss on construction contracts	2,170	2,611
Provision for bonuses	7,888	6,679
Provision for directors' bonuses	273	289
Deferred tax liabilities	—	36
Other current liabilities	12,924	12,472
<b>Total current liabilities</b>	<b>219,359</b>	<b>217,339</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	18,510	17,299
Provision for retirement benefits	15,843	15,699
Provision for directors' retirement benefits	421	514
Negative goodwill	43	62
Deferred tax liabilities	63	66
Deferred tax liabilities for land revaluation	3,783	3,783
Other noncurrent liabilities	4,548	4,471
<b>Total noncurrent liabilities</b>	<b>43,214</b>	<b>41,896</b>
<b>Total liabilities</b>	<b>262,573</b>	<b>259,236</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Capital stock	23,511	23,511
Capital surplus	25,593	25,593
Retained earnings	163,135	160,310
Treasury stock	(5,570)	(5,532)
<b>Total shareholders' equity</b>	<b>206,669</b>	<b>203,882</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	10,345	8,055
Deferred gains or losses on hedges	272	331
Revaluation reserve for land	(6,589)	(6,589)
Foreign currency translation adjustment	571	1,574
<b>Total valuation and translation adjustments</b>	<b>4,599</b>	<b>3,372</b>
<b>Minority interests</b>	<b>262</b>	<b>281</b>
<b>Total net assets</b>	<b>211,531</b>	<b>207,536</b>
<b>Total liabilities and net assets</b>	<b>474,105</b>	<b>466,772</b>

## Consolidated Statements of Income

Years ended	1Q FY2008 term (Apr. 1, 2008 - Jun. 30, 2008) (Millions of yen)
<b>Net sales</b>	<b>114,883</b>
Cost of sales	98,944
Gross profit	15,938
Selling, general and administrative expenses	4,840
<b>Operating income</b>	<b>11,098</b>
<b>Non-operating income:</b>	<b>5,852</b>
Interest income	931
Dividends income	486
Foreign exchange gains	3,047
Rent income on noncurrent assets	163
Amortization of negative goodwill	18
Equity in earnings of affiliates	1,160
Other non-operating income	43
<b>Non-operating expenses:</b>	<b>899</b>
Interest expense	153
Rent expenses on noncurrent assets	104
Provision of allowance for doubtful accounts	613
Other non-operating expenses	28
<b>Ordinary income</b>	<b>16,051</b>
<b>Extraordinary gain:</b>	<b>17</b>
Gain on sales of noncurrent assets	2
Reversal of allowance for doubtful accounts	14
<b>Extraordinary loss:</b>	<b>33</b>
Loss on retirement of noncurrent assets	23
Other extraordinary loss	10
<b>Income before taxes on income</b>	<b>16,034</b>
<b>Income tax</b>	<b>7,908</b>
<b>Minority interests in income</b>	<b>(8)</b>
<b>Net income</b>	<b>8,135</b>

## Consolidated Statements of Cash Flows

Years ended	1Q FY2008 term (Apr. 1, 2008 - Jun. 30, 2008) (Millions of yen)
<b>Net cash provided by (used in) operating activities:</b>	
Income before income taxes	16,034
Depreciation and amortization	1,615
Increase (decrease) in allowance for doubtful accounts	676
Increase (decrease) in provision for loss on construction contracts	(440)
Increase (decrease) in provision for retirement benefits	144
Interest and dividends income	(1,418)
Equity in (earnings) losses of affiliates	(1,160)
Foreign exchange losses (gains)	(2,482)
Decrease (increase) in notes and accounts receivable-trade	11,375
Decrease (increase) in inventories	(5,400)
Decrease (increase) in accounts receivable-other	1,158
Increase (decrease) in notes and accounts payable-trade	10,069
Increase (decrease) in advances received on uncompleted construction contracts	(7,358)
Other	(14)
Subtotal	22,798
Interest and dividends income received	2,943
Interest expenses paid	(361)
Income taxes paid	(8,894)
Net cash provided by (used in) operating activities	16,486
<b>Net cash provided by (used in) investment activities:</b>	
Purchase of property, plant and equipment	(1,531)
Purchase of investment securities	(3,002)
Proceeds from sales of investment securities	1,004
Payments of long-term loans receivable	(7,099)
Other	(3,033)
Net cash provided by (used in) investment activities	(13,662)
<b>Net cash provided by (used in) financing activities:</b>	
Proceeds from long-term loans payable	1,019
Cash dividends paid	(5,311)
Other	(269)
Net cash provided by (used in) financing activities	(4,561)
<b>Effect of exchange rate change on cash and cash equivalents</b>	754
<b>Net increase (decrease) in cash and cash equivalents</b>	(983)
<b>Cash and cash equivalents at beginning of year</b>	164,617
<b>Cash and cash equivalents at end of the quarter</b>	163,633

## Segment Information

## 【 Information by business segment 】

First quarter for FY 2008 (April 1, 2008 - June 30, 2008)

(Millions of yen)

	Total engineering	Catalysts and fine products	Total	Elimination or corporation	Consolidated
Net sales					
External customers	105,031	9,851	114,883	—	114,883
Inter-segment	3	0	4	(4)	—
Total	105,035	9,852	114,888	(4)	114,883
Operating profit	10,136	955	11,091	6	11,098

## 【 Information by geographic segment 】

Geographic segment information is not disclosed, as the Company and its consolidated subsidiaries operate mainly within Japan.

## 【 Overseas sales 】

First quarter for FY 2008 (April 1, 2008 - June 30, 2008)

(Millions of yen)

	East Asia	Southeast Asia	Middle East	Africa	Other	Total
I Overseas sales	288	16,435	48,009	1,287	1,103	67,123
II Consolidated sales						114,883
III Percentage of overseas sales over consolidated sales	0.2	14.3	41.8	1.1	1.0	58.4

Major countries and areas included in each geographic area are as follows:

East Asia: China, Korea  
Southeast Asia: Vietnam, Indonesia, Singapore  
Middle East: Saudi Arabia, Qatar, Yemen  
Africa: Nigeria, Algeria  
Other: the United States, Germany, Australia

## (1) Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2008	June 30, 2008		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	2,766	285	144	2,907
	Petroleum refining	99,122	11,958	9,668	101,413
	LNG	18	227	17	228
	Chemical	43,886	8,811	18,728	33,969
	Power generation, nuclear power and new energy	7,777	1,219	300	8,696
	Living and general production facility	29,288	2,452	7,522	24,217
	Environmental protection, social development and IT	16,409	5,327	2,653	19,083
	Others	547	2,164	442	2,269
	Subtotal	199,816	32,446	39,478	192,785
Overseas	Oil and gas development	34,922	219,964	12,900	241,986
	Petroleum refining	54,541	201,095	8,571	247,065
	LNG	54,707	9,445	11,118	53,033
	Chemical	266,091	1,635	26,426	241,300
	Power generation, nuclear power and new energy	28,110	1,270	4,881	24,499
	Living and general production facility	4,591	—	1,628	2,963
	Environmental protection, social development and IT	—	—	—	—
	Others	—	26	26	—
	Subtotal	442,965	433,437	65,553	810,849
Total Engineering Business		*2 642,781	465,884	105,031	1,003,634
Catalysts and Fine Products Business		*3 —	*3 —	9,851	*3 —
Grand Total				114,883	

## 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	1,611	(18)	1,593
Petroleum refining	1,465	(14)	1,451
LNG	2,727	(2,536)	190
Chemical	833	—	833
Power generation, nuclear power and new energy	910	(20)	890
Living and general production facility	189	(136)	53
Environmental protection, social development and IT	—	(546)	(546)
Others	—	(0)	(0)
Total	7,738	(3,271)	4,466

**(2) Consolidated Statements of Income - Summary**

Years ended	1Q FY2007 term (Apr. 1, 2007 - Jun. 30, 2007) (Millions of yen)
<b>Net sales</b>	<b>145,237</b>
Cost of sales	129,646
Gross profit	15,591
Selling, general and administrative expenses	4,547
<b>Operating income</b>	<b>11,043</b>
<b>Non-operating income:</b>	<b>5,046</b>
Interest income	1,370
Dividend income	547
Foreign exchange gains	2,248
Rent income on noncurrent assets	167
Amortization of goodwill	18
Equity in earnings of affiliates	637
Miscellaneous income	58
<b>Non-operating expenses:</b>	<b>690</b>
Interest expense	150
Rent expenses on noncurrent assets	109
Provision of allowance for doubtful accounts	366
Miscellaneous expenses	64
<b>Ordinary income</b>	<b>15,399</b>
<b>Extraordinary gain:</b>	<b>146</b>
Gain on sales of noncurrent assets	0
Gain on sales of investment securities	133
Reversal of allowance for doubtful accounts	11
Other extraordinary gain	0
<b>Extraordinary loss:</b>	<b>121</b>
Loss on retirement of noncurrent assets	98
Loss on valuation of investment securities	23
<b>Income before taxes on income</b>	<b>15,423</b>
<b>Income taxes</b>	<b>6,368</b>
<b>Minority interests in income (loss)</b>	<b>(9)</b>
<b>Net income</b>	<b>9,064</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 August 12, 2008.

**(3) Consolidated Statements of Cash Flows - Summary**

Years ended	1Q FY2007 term (Apr. 1, 2007 - Jun. 30, 2007) (Millions of yen)
<b>I Net cash provided by (used in) operating activities:</b>	
Income before income taxes	15,423
Depreciation and amortization	1,325
Amortization of goodwill	183
Increase (decrease) in allowance for doubtful accounts	358
Increase (decrease) in provision for loss on construction contracts	(890)
Increase (decrease) in provision for retirement benefits	120
Interest and dividends income	(1,917)
Interest expenses	150
Equity in (earnings) losses of affiliates	(637)
Gain on sales of investment securities	(133)
Loss on valuation of investment securities	23
Loss on sales and retirement of noncurrent assets	98
Decrease (increase) in notes and accounts receivable-trade	(2,247)
Decrease (increase) in inventories	(16,957)
Decrease (increase) in accounts receivable-other	1,294
Increase (decrease) in notes and accounts payable-trade	5,621
Increase (decrease) in advances received on uncompleted construction contracts	27,165
Other	(1,022)
Subtotal	27,960
Interest and dividends income received	1,786
Interest expenses paid	(356)
Income taxes paid	(3,843)
Net cash provided by (used in) operating activities	25,547
<b>II Net cash provided by (used in) investment activities:</b>	
Purchase of property, plant and equipment	(948)
Proceeds from sales of property, plant and equipment	26
Purchase of intangible assets	(145)
Purchase of investment securities	(877)
Proceeds from sales of investment securities	438
Decrease (increase) in short-term loans receivable	(46)
Payments of long-term loans receivable	(500)
Collection of long-term loans receivable	0
Other	(18)
Net cash provided by (used in) investment activities	(2,072)
<b>III Net cash provided by (used in) financing activities:</b>	
Increase (decrease) in short-term bank loans	(2,349)
Payments for long-term accounts payable-other	(293)
Purchase of treasury stock	(55)
Cash dividends paid	(3,808)
Cash dividends paid to minority shareholders	(12)
Net cash provided by (used in) financing activities	(6,519)
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	805
<b>V Net increase (decrease) in cash and cash equivalents</b>	17,761
<b>VI Cash and cash equivalents at beginning of year</b>	159,410
<b>VII Cash and cash equivalents at end of the quarter</b>	177,171