

# [Translation]

The following statements are an English-language translation of the original Japanese-language document for your convenience. In the case that there is any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct.

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

August 10, 2011

## Summary of Consolidated First Quarter Financial Results for Fiscal 2011 (the Year Ending March 2012)

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: **Keisuke Takeuchi**

Contact

Title: **Managing Director and Senior General Manager, Corporate Administrative & Financial Affairs Division**

Name: **Masayuki Sato**

### 1. Business results of first quarter for fiscal 2011 (April 1, 2011 - June 30, 2011)

(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 FY2011	125,995	73.8	15,608	125.1	17,016	228.7	9,700	220.0
1Q FY2010	72,514	(15.9)	6,932	(3.0)	5,177	(29.2)	3,031	(22.5)

Note:

Comprehensive income(millions of yen) 1Q FY2011 term 9,918(737.9%) 1Q FY2010 term 1,183(-%)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
1Q FY2011	38.42	—
1Q FY2010	11.99	—

(2) Consolidated financial position

	Total assets	Total net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of June 30, 2011	451,555	266,579	58.9
As of March 31, 2011	468,502	264,483	56.3

Reference:

Shareholders' equity (millions of yen): Jun. 30, 2011: 266,023 Mar. 31, 2011: 263,983

### 2. Dividends

	Annual dividends per share (Yen)				
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual
Mar. 2011 term	—	—	—	30.00	30.00
Mar. 2012 term	—	—	—	—	—
Mar. 2012 term (Forecast)	—	—	—	41.50	41.50

Note: Revision of dividend forecast during this period: None

### 3. Earnings forecast for fiscal 2011 (April 1, 2011 - March 31, 2012)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
1st Half	270,000	50.8	31,500	73.9	34,000	122.0	21,000	107.2
Full Year	550,000	23.0	64,000	0.7	68,000	7.3	42,000	64.8

	Earnings per share
	(Yen)
1st Half	83.16
Full Year	166.32

Note: Revision of earnings forecast during this period: None

#### 4. Others

(1) Changes in scope of important consolidated subsidiary  
(increase)      None                      (decrease)      None

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

(3) Changes in accounting policies and accounting estimates and restatement.

① Changes in accounting policies accompanying revisions in accounting standards: No

② Changes other than the above ①: Yes

③ Changes in accounting estimates: No

④ Restatement: No

(4) Number of shares outstanding

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

Jun. 2011 term:	259,052,929	Mar. 2011 term:	259,052,929
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② Number of treasury stock at term-end:

Jun. 2011 term:	6,547,539	Mar. 2011 term:	6,531,492
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③ Average Number of shares outstanding (first quarter term):

Jun. 2011 term:	252,513,432	Jun. 2010 term:	252,759,318
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(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 : 84.00 yen/US\$ 1.00    118.00 yen/EUR1.00

## Consolidated Balance Sheets

	1Q FY2011 (As of Jun. 30, 2011) (Millions of yen)	FY2010 (As of Mar. 31, 2011) (Millions of yen)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	119,428	131,894
Notes receivable, accounts receivable from completed construction contracts and other	100,133	108,810
Short-term investment securities	24,000	30,000
Costs on uncompleted construction contracts	21,530	14,616
Merchandise and finished goods	3,800	5,279
Work in process	2,263	1,613
Raw materials and supplies	3,156	2,839
Accounts receivable-other	10,619	7,234
Deferred tax assets	10,500	10,239
Other current assets	7,158	7,038
Allowance for doubtful accounts	(66)	(100)
<b>Total current assets</b>	<b>302,525</b>	<b>319,464</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	58,872	58,784
Machinery, vehicles, tools, furniture and fixtures	46,815	46,341
Land	26,458	26,459
Lease assets	895	863
Construction in progress	1,383	820
Other noncurrent assets	1,499	1,495
Accumulated depreciation	(71,511)	(70,130)
<b>Total property, plant and equipment</b>	<b>64,414</b>	<b>64,633</b>
<b>Intangible assets</b>		
Goodwill	0	0
Software	3,020	2,939
Other intangible assets	1,553	1,699
<b>Total intangible assets</b>	<b>4,574</b>	<b>4,639</b>
<b>Investments and other assets</b>		
Investment securities	66,068	66,114
Long-term loans receivable	17,045	17,498
Deferred tax assets	10,609	10,303
Other investments and other assets	2,254	2,243
Allowance for doubtful accounts	(15,936)	(16,395)
<b>Total investments and other assets</b>	<b>80,041</b>	<b>79,764</b>
<b>Total noncurrent assets</b>	<b>149,029</b>	<b>149,038</b>
<b>Total assets</b>	<b>451,555</b>	<b>468,502</b>

## Consolidated Balance Sheets

	1Q FY2011 (As of Jun. 30, 2011) (Millions of yen)	FY2010 (As of Mar. 31, 2011) (Millions of yen)
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	70,444	70,761
Short-term loans payable	14,592	14,438
Income taxes payable	6,073	18,710
Advances received on uncompleted construction contracts	34,024	25,818
Provision for warranties for completed construction	473	312
Provision for loss on construction contracts	808	525
Provision for bonuses	8,258	6,830
Provision for directors' bonuses	209	193
Other current liabilities	20,945	36,701
<b>Total current liabilities</b>	<b>155,830</b>	<b>174,293</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	6,169	6,623
Provision for retirement benefits	14,192	14,283
Provision for directors' retirement benefits	275	339
Deferred tax liabilities	206	249
Deferred tax liabilities for land revaluation	3,783	3,783
Other noncurrent liabilities	4,518	4,447
<b>Total noncurrent liabilities</b>	<b>29,145</b>	<b>29,726</b>
<b>Total liabilities</b>	<b>184,976</b>	<b>204,019</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Capital stock	23,511	23,511
Capital surplus	25,602	25,602
Retained earnings	226,471	224,346
Treasury stock	(6,201)	(6,168)
<b>Total shareholders' equity</b>	<b>269,384</b>	<b>267,292</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	2,713	3,337
Deferred gains or losses on hedges	2,352	2,519
Revaluation reserve for land	(6,553)	(6,553)
Foreign currency translation adjustment	(1,874)	(2,612)
<b>Total valuation and translation adjustments</b>	<b>(3,360)</b>	<b>(3,309)</b>
<b>Minority interests</b>	<b>556</b>	<b>499</b>
<b>Total net assets</b>	<b>266,579</b>	<b>264,483</b>
<b>Total liabilities and net assets</b>	<b>451,555</b>	<b>468,502</b>

## Consolidated Statements of Income

Years ended	1Q FY2011 term (Apr. 1, 2011 - Jun. 30, 2011) (Millions of yen)	1Q FY2010 term (Apr. 1, 2010 - Jun. 30, 2010) (Millions of yen)
<b>Net sales</b>	<b>125,995</b>	<b>72,514</b>
Cost of sales	105,966	61,320
Gross profit	20,028	11,193
Selling, general and administrative expenses	4,419	4,260
<b>Operating income</b>	<b>15,608</b>	<b>6,932</b>
<b>Non-operating income:</b>	<b>2,239</b>	<b>1,290</b>
Interest income	234	107
Dividends income	1,385	548
Rent income on noncurrent assets	174	169
Equity in earnings of affiliates	361	410
Other	83	54
<b>Non-operating expenses:</b>	<b>832</b>	<b>3,045</b>
Interest expense	151	171
Foreign exchange losses	581	2,707
Rent expenses on noncurrent assets	79	112
Other	19	54
<b>Ordinary income</b>	<b>17,016</b>	<b>5,177</b>
<b>Extraordinary gain:</b>	<b>109</b>	<b>939</b>
Gain on sales of noncurrent assets	108	2
Reversal of allowance for doubtful accounts	—	912
Other	0	24
<b>Extraordinary loss:</b>	<b>10</b>	<b>68</b>
Loss on sales of noncurrent assets	0	5
Loss on retirement of noncurrent assets	9	9
Loss on reduction of noncurrent assets	—	18
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	20
Other	—	14
<b>Income before income taxes</b>	<b>17,115</b>	<b>6,048</b>
<b>Income taxes</b>	<b>7,144</b>	<b>3,026</b>
<b>Income before minority interests</b>	<b>9,970</b>	<b>3,021</b>
<b>Minority interests in income</b>	<b>270</b>	<b>(9)</b>
<b>Net income</b>	<b>9,700</b>	<b>3,031</b>

## Statements of Consolidated Comprehensive Income

	1Q FY2011 term (Apr. 1, 2011 - Jun. 30, 2011) (Millions of yen)	1Q FY2010 term (Apr. 1, 2010 - Jun. 30, 2010) (Millions of yen)
<b>Income before minority interests</b>	<b>9,970</b>	<b>3,021</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(624)	(2,080)
Deferred gains or losses on hedges	(166)	96
Foreign currency translation adjustment	738	253
Share of other comprehensive income of associates accounted for using equity method	(0)	(108)
Total other comprehensive income	(51)	(1,837)
<b>Comprehensive income</b>	<b>9,918</b>	<b>1,183</b>
Comprehensive income attributable to owners of the parent	9,648	1,193
Comprehensive income attributable to minority interests	270	(9)

## Segment Information

## 【 Information by business segment 】

First quarter for FY 2011 (April 1, 2011 - June 30, 2011)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Catalysts and fine products	Sub total				
Net sales							
External customers	111,002	13,461	124,464	1,531	125,995	—	125,995
Inter-segment	10	230	241	1,130	1,371	(1,371)	—
Total	111,012	13,692	124,705	2,661	127,367	(1,371)	125,995
Segment profit or loss	12,760	2,992	15,753	(102)	15,651	(42)	15,608

\*1: "Others" includes System Solution Services, Specialized Consulting Services, Office Support Services Business and Oil and Gas Production Sales Business.

\*2: Segment profits are adjusted to eliminate transactions between segments

\*3: Segment profits are adjusted with the operation income figure from the Consolidated Statements of Income

First quarter for FY 2010 (April 1, 2010 - June 30, 2010)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Catalysts and fine products	Sub total				
Net sales							
External customers	61,101	9,322	70,424	2,089	72,514	—	72,514
Inter-segment	4	0	5	1,183	1,189	(1,189)	—
Total	61,106	9,323	70,429	3,273	73,703	(1,189)	72,514
Segment profit	5,394	1,363	6,758	146	6,904	28	6,932

\*1: "Others" includes System Solution Services, Specialized Consulting Services, Office Support Services Business and Oil and Gas Production Sales Business.

\*2: Segment profits are adjusted to eliminate transactions between segments

\*3: Segment profits are adjusted with the operation income figure from the Consolidated Statements of Income

## Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2011	June 30, 2011		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	94	244	49	288
	Petroleum refining	19,113	4,436	8,939	14,609
	LNG	27,812	34	1,509	26,337
	Chemical	8,631	9,580	1,898	16,313
	Power generation, nuclear power and new energy	16,815	3,140	1,247	18,708
	Living and general production facility	35,439	3,053	2,916	35,577
	Environmental protection, social development and IT	19,464	7,644	1,907	25,201
	Others	1,209	2,363	259	3,313
	Subtotal	128,579	30,489	18,728	140,349
Overseas	Oil and gas development	605,552	114	56,284	549,381
	Petroleum refining	45,478	843	1,475	44,846
	LNG	321,646	2,263	22,393	301,516
	Chemical	36,671	2,545	7,786	31,430
	Power generation, nuclear power and new energy	3,597	1,914	1,832	3,679
	Living and general production facility	34,235	580	2,884	31,931
	Environmental protection, social development and IT	67	70	19	118
	Others	7,160	2,573	1,128	8,605
	Subtotal	1,054,409	10,905	93,805	971,510
Total Engineering Business		1,181,143	38,279	111,002	1,108,420
Others Business		1,846	3,124	1,531	3,439
Subtotal		1,182,989	41,404	112,533	1,111,860
Catalysts and Fine Products Business		—	—	13,461	—
Grand Total		1,182,989	41,404	125,995	1,111,860

Notes:

\*1 Figures for each business area are exclusive of consumption and other taxes.

\*2 The balances as of the end of the previous fiscal year for new contracts for the "Total Engineering Business" and "Others Business" areas have been revised to reflect foreign currency translation adjustments and changes 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	(9,052)	(69)	(9,122)
Petroleum refining	(302)	(26)	(329)
LNG	(1,963)	(44)	(2,007)
Chemical	(1,950)	(162)	(2,113)
Power generation, nuclear power and new energy	(67)	(1,767)	(1,835)
Living and general production facility	23	8,621	8,644
Environmental protection, social development and IT	—	(1)	(1)
Others	151	(3)	147
Total	(13,162)	6,545	(6,616)
Total Engineering Business	(13,156)	6,545	(6,611)
Others Business	(5)	—	(5)

\*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.