

Outline of Settlement of Accounts for Fiscal 2002 Interim Period (Consolidated)

(April 1, 2002, to September 30, 2002)

November 22, 2002

Hideo Masuda
Vice President and CFO

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1. Summary of Business Conditions



(¥ billion)

	<u>Sept. 30.</u> <u>2002</u>	<u>Sept. 30.</u> <u>2001</u>	<u>Forecasts at</u> <u>May 2002</u>
Net sales	184.9	143.8	190.0
Net income	6.4	5.1	5.0

- ⊙ Increase in revenues and income (compared with same period last year),
Decline in revenues and increased income
(compared with forecasts at May 2002)

Increase(decrease) breakdown	<u>Non-</u> <u>consolidated</u>	<u>Subsidiaries</u>
Net sales	(3.1)	(2.0)
Net income	0.2	1.2

- ⊙ ¥7.0 billion reduction in interest-bearing debt
(¥30.1 billion to ¥23.1 billion, compared with FY 2001)
- ⊙ Cash flow from operating activities back in black
- ⊙ Stabilization of financial position
(performance indicators relating to balance sheets)

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2. Outline of Statements of Income



(¥ billion)

		<u>Sept. 30.</u> <u>2002 (%)</u>	<u>Sept. 30.</u> <u>2001 (%)</u>	<u>Forecasts (at</u> <u>May 2002)</u>
Net sales	Non-consolidated	166.8	126.2	170.0
	Subsidiaries	18.0	17.6	20.0
	Consolidated	184.9	143.8	190.0
Operating income	Non-consolidated	5.0 (3.0)	6.0 (4.8)	
	Subsidiaries	2.2	1.3	
	Consolidated	7.2 (3.9)	7.3 (5.1)	
Ordinary income	Non-consolidated	5.1 (3.1)	6.9 (5.5)	5.0
	Subsidiaries	1.4	0.8	1.0
	Consolidated	6.6 (3.6)	7.7 (5.4)	6.0
Net income	Non-consolidated	3.1 (1.8)	4.8 (3.9)	2.8
	Subsidiaries	3.2 *1	0.3	2.2
	Consolidated	6.4 (3.5)	5.1 (3.6)	5.0

*1 The increase in net income from subsidiaries is due mainly to JPY3.2 billion received from the sale of buildings and land held by Nikki Business Services Co., Ltd.

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2-1. Segment Information (¥ billion)



(1) Information by business segment

① Net sales

	<u>Sept. 30, 2002</u>	<u>Sept. 30, 2001</u>
Total engineering	172.4	132.7
<i>Non-consolidated</i>	<i>166.8</i>	<i>126.2</i>
<u>Chemical and catalyst</u>	<u>12.5</u>	<u>11.1</u>
Total	184.9	143.8

② Operating income (Profit ratio %)

Total engineering	6.0(3.5)	6.4(4.8)
<i>Non-consolidated</i>	<i>5.0</i>	<i>6.0</i>
<u>Chemical and catalyst</u>	<u>1.2(9.7)</u>	<u>0.9(8.5)</u>
Total	7.2(3.9)	7.3(5.1)

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③ Orders received

	<u>Sept. 30, 2002</u>	<u>Sept. 30, 2001</u>
Total engineering	193.3	152.1
<i>Non-consolidated</i>	<i>183.0</i>	<i>143.6</i>
<u>Chemical and catalyst</u>	<u>—</u>	<u>—</u>
Total	193.3	152.1



(2) Information by geographic segment

	<u>Sept. 30, 2002</u>		<u>Sept. 30, 2001</u>	
	<small>(Japan/International market share, %)</small>			
Domestic sales	54.8	(30)	50.2	(35)
<i>Non-consolidated</i>	<i>41.0</i>	<i>(25)</i>	<i>37.0</i>	<i>(29)</i>
Overseas sales	130.0	(70)	93.6	(65)
<i>Non-consolidated</i>	<i>125.8</i>	<i>(75)</i>	<i>89.2</i>	<i>(71)</i>
Total	184.9		143.8	
<i>Non-consolidated</i>	<i>166.8</i>		<i>126.2</i>	

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2-2. Fluctuations in Performance Indicators for Statements of Income

	Sept. 30. 2002	March 31. 2002	Sept. 30. 2001
○ Gross profit ratio	7.8%	10.5%	10.5%
○ Return on assets (ROA)	3.9%	1.5%	3.0%
○ Return on equity (ROE)	9.7%	3.9%	8.2%

Note: Figures for ROA and ROE are twice the result for the interim period under review, reflecting an annual base.

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3. Outline of Balance Sheets

(¥ billion)

Current assets 206.8 (182.7)	Current liabilities 157.1 (145.2)
	Long-term liabilities 37.9 (32.3)
	Minority interests 4.5 (-)
Fixed assets 125.9 (117.0)	Shareholders' equity 133.1 (122.1)
Total assets 332.8 (299.8)	Total liabilities and shareholders' equity 332.8 (299.8)

Note: Figures in parentheses () indicate results on a non-consolidated basis.

Cash and cash equivalents:	61.2 (March 31, 2002: 53.2 +8.0)
Interest-bearing debt:	23.1 (March 31, 2002: 30.1 -7.0)
Shareholders' equity:	133.1 (March 31, 2002: 127.6 +5.5)

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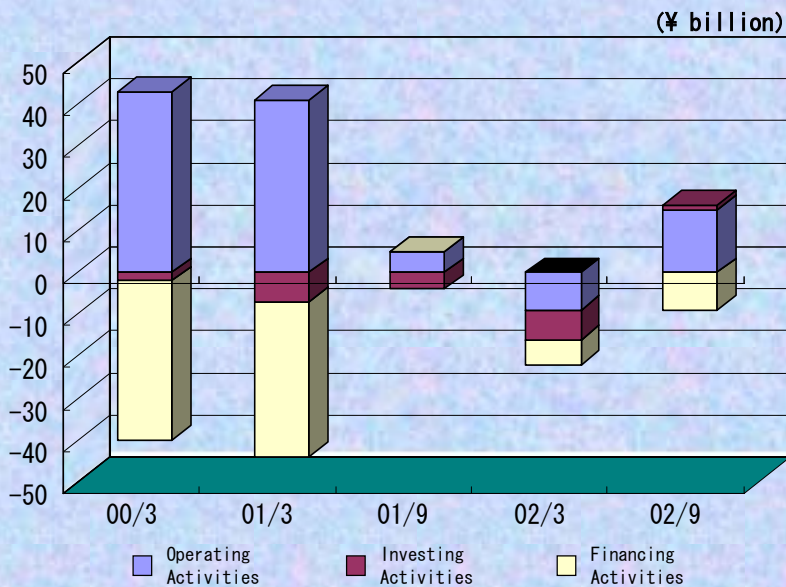
3-1. Fluctuations in Main Balance-Sheet Items



	Sept. 30, 2002	March 31, 2002	Sept. 30, 2001
○ Current ratio	132%	129%	111%
○ Fixed assets ratio	95%	98%	106%
○ Equity ratio	40%	40%	37%
○ Shareholders' equity per share	¥517	¥494	¥494

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4. Outline of Cash Flows



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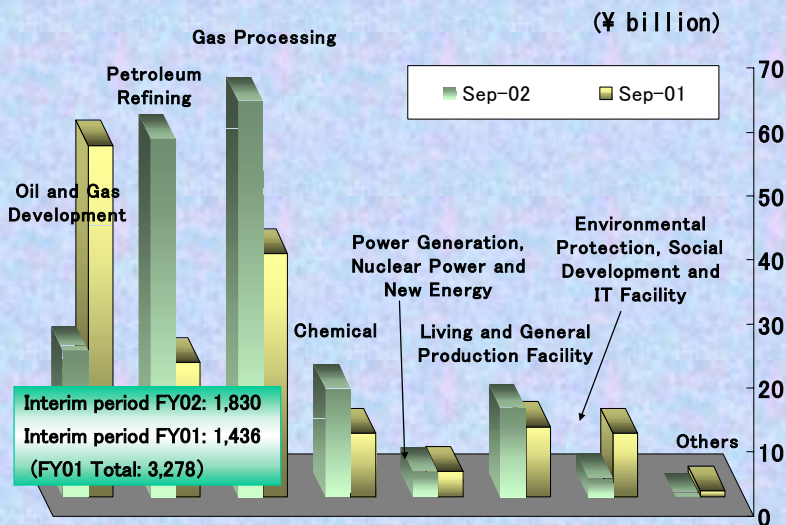
4-1. Outline of Cash Flows (¥ billion)



	Sept. 30, 2002	March 31, 2002	Sept. 30, 2001
⊙ Net cash provided by (used in) operating activities	15.3	(9.2)	5.5
⊙ Net cash used in investing activities	1.8	(7.3)	(4.3)
⊙ Net cash used in financing activities	(9.0)	(6.6)	(0.5)
⊙ Foreign exchange gain (loss)	(0.4)	0	0
⊙ Net cash increase (decrease)	7.6	(23.3)	0.6
⊙ Net cash increase due to newly consolidated subsidiary	0.4	-	-
⊙ Cash and cash equivalents at end of period	61.2	53.2	77.2

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5. Order Status (Non-consolidated, by business sector)

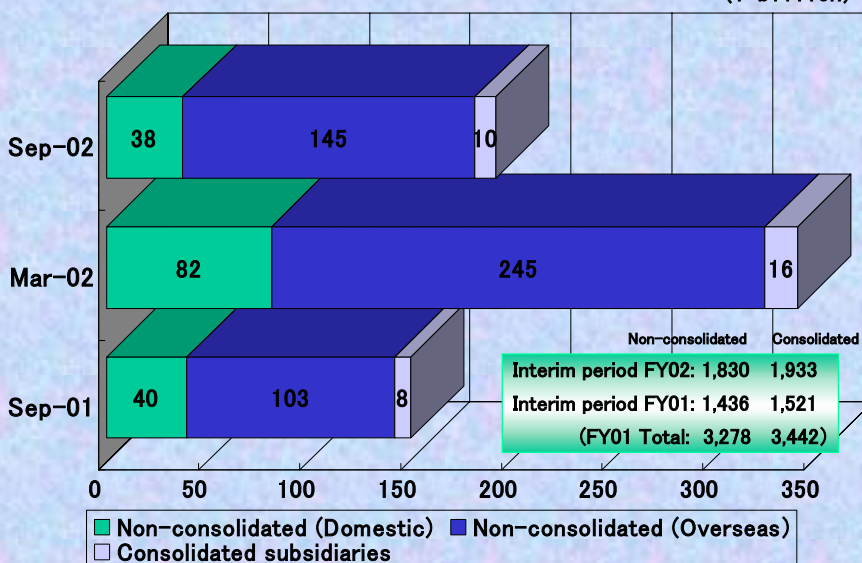


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5-1. Order Status (Consolidated)

JGC

(¥ billion)



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6. Targets for Fiscal 2002

JGC

(¥ billion)

March 31, 2003
Consolidated

March 31, 2003
Non-consolidated

○ Net sales	390.0	350.0
○ Ordinary income	14.0	11.0
○ Net income	9.0	6.0
○ Orders received (Non-consolidated)	Over 320.0	Over 300.0

*An exchange rate of US\$1=JPY115.00 has been assumed for the above figures.

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