

Consolidated Financial Statements--Summary

May 21, 2002

(For the fiscal year ending March 31, 2003)

The following statements are an English-language translation from 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**

Code number: **1963**

Representative

Title: **Chairman and Chief Executive Officer**

Name: **Yoshihiro Shigehisa**

Contact

Title: **Associated Director, Finance & Accounting Department**

Name: **Yasumasa Saito**

Board of Directors meeting: **May 21, 2003**

Use of U.S. accounting standards: **No**

Stock exchange: **Tokyo**

Head office: **Tokyo**

Tel: **045-682-1111**

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

1. Business results for fiscal 2002 (April 1, 2002-March 31, 2003)

(1) Consolidated financial results

Note: All amounts are rounded down to the nearest million yen.

	Net sales		Operating income		Ordinary income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Mar. 2003 term	378,063	12.8	17,080	(14.5)	14,801	(34.3)
Mar. 2002 term	335,246	32.1	19,968	139.2	22,543	116.1

	Net income		Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary income/total assets	Ordinary income/net sales
	(Millions of yen)	(%)	(Yen)	(Yen)	(%)	(%)	(%)
Mar. 2003 term	6,768	37.0	25.65	25.62	5.2	4.5	3.9
Mar. 2002 term	4,941	3.5	19.45	19.08	3.9	6.9	6.7

Notes:

Equity in earning of affiliates (millions of yen):

Mar. 2003 term: (838) Mar. 2002 term: 431

Average number of shares outstanding (consolidated):

Mar. 2003 term: 257,162,188 Mar. 2002 term: 254,089,809

Changes in accounting methods: None

Percentages for net sales, operating income, ordinary income and net income indicate changes from the previous term.

(2) Consolidated financial position

	Total assets	Shareholders' equity	Shareholders' equity/total assets	Shareholders' equity per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
Mar. 31, 2003	335,778	131,248	39.1	515.52
Mar. 31, 2002	322,671	127,633	39.6	493.95

Note: Number of shares outstanding at term-end (consolidated):

Mar. 31, 2003: 254,597,259 Mar. 31, 2002: 258,393,859

(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)
Mar. 2003 term	51,397	816	(16,668)	89,032
Mar. 2002 term	(9,214)	(7,399)	(6,696)	53,217

(4) Scope of consolidation and application of the equity method

Consolidated subsidiaries: 13 companies

Non-consolidated subsidiaries accounted for by the equity method: None

Affiliated companies accounted for by the equity method: 3 companies

(5) Changes in scope of consolidation and application of the equity method

Consolidated subsidiaries: (increase) 1 (decrease) 1

Equity-method companies: (increase) None (decrease) None

2. Forecast for fiscal 2003 (April 1, 2003-March 31, 2004)

	Net sales	Ordinary income	Net income
	(Millions of yen)	(Millions of yen)	(Millions of yen)
Interim term	185,000	7,000	3,500
Entire term	370,000	14,000	7,000

Reference: Estimated earnings per share (yen, fiscal 2003): 27.49

Note: 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

	March 31, 2003 <small>(Millions of yen)</small>	March 31, 2002 <small>(Millions of yen)</small>	Increase (decrease) <small>(Millions of yen)</small>
Current assets:	¥ 218,488	¥ 197,191	¥21,297
Cash	66,517	34,608	31,909
Notes and accounts receivable	60,634	79,036	(18,402)
Marketable securities	22,515	18,608	3,907
Contract works in progress	55,012	51,785	3,227
Other inventories	5,502	5,709	(207)
Deferred tax assets	5,229	5,389	(160)
Other receivables	6,717	4,966	1,751
Other current assets	5,828	5,317	511
Allowance for doubtful accounts	(9,469)	(8,230)	(1,239)
Fixed assets:	117,290	125,480	(8,190)
Tangible fixed assets:	68,874	71,166	(2,292)
Buildings and structures	52,473	52,782	(309)
Machinery, vehicles, tools and equipment	31,786	32,739	(953)
Land	26,238	25,858	380
Construction in progress	291	628	(337)
Less accumulated depreciation	(41,915)	(40,842)	(1,073)
Intangible fixed assets:	3,806	2,884	922
Consolidation differences	0	1	(1)
Other intangible fixed assets	3,806	2,883	923
Investments and other assets:	44,609	51,429	(6,820)
Investment securities	23,179	30,334	(7,155)
Long-term loans receivable	6,250	6,786	(536)
Deferred tax assets	13,538	11,582	1,956
Deferred tax assets for land revaluation	1,264	1,347	(83)
Other investments and other assets	4,156	4,627	(471)
Allowance for doubtful accounts	(3,780)	(3,249)	(531)
Total assets	¥ 335,778	¥ 322,671	¥ 13,107

Note: These unaudited financial statements have been translated into English for the convenience of foreign readers, and are based on financial statements disclosed by JGC Corporation to the Tokyo Stock Exchange on May 21, 2003.

LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31, 2003 (Millions of yen)	March 31, 2002 (Millions of yen)	Increase (decrease) (Millions of yen)
Total liabilities:	¥ 199,937	¥ 190,750	¥ 9,187
Current liabilities:	160,552	152,326	8,226
Notes and accounts payable	69,513	64,517	4,996
Short-term loans	2,176	13,261	(11,085)
Convertible bonds	24	-	24
Income taxes payable	4,650	2,256	2,394
Advances received on uncompleted contracts	68,533	55,289	13,244
Reserve for job warranty costs	1,352	1,326	26
Reserve for bonuses	3,543	3,778	(235)
Other current liabilities	10,758	11,897	(1,139)
Long-term liabilities:	39,384	38,423	961
Convertible bonds	-	147	(147)
Long-term loans	15,855	16,746	(891)
Reserve for retirement benefits	17,822	15,675	2,147
Reserve for directors' retirement bonuses	1,013	1,625	(612)
Liabilities resulting from application of equity-method accounting	375	-	375
Other long-term liabilities	4,318	4,228	90
Minority interests	4,592	4,288	304
Shareholders' equity:	131,248	127,633	3,615
Common stock	23,499	23,437	61
Additional paid-in capital	25,566	25,504	61
Retained earnings	87,495	82,145	5,349
Land revaluation, net of deferred tax assets	(2,229)	(2,374)	144
Net unrealized holding gains (losses) on securities	306	202	103
Foreign currency translation adjustments	(343)	(1,235)	892
Treasury stock, at cost	(3,045)	(47)	(2,998)
Total liabilities and shareholders' equity	¥335,778	¥ 322,671	¥ 13,107

Consolidated Statements of Income

Years ended	March 31, 2003 <small>(Millions of yen)</small>	March 31, 2002 <small>(Millions of yen)</small>	Increase (decrease) <small>(Millions of yen)</small>
Net sales	¥378,063	¥335,246	¥42,817
Cost of sales	345,784	300,053	45,731
Gross profit	32,279	35,192	(2,913)
Selling, general and administrative expenses	15,198	15,224	(26)
Operating income	17,080	19,968	(2,888)
Non-operating income:	2,580	5,943	(3,363)
Interest income	1,333	2,205	(872)
Dividend income	219	513	(294)
Exchange gain, net	-	1,494	(1,494)
Rental income from fixed assets	823	-	823
Equity in earnings of affiliates	-	431	(431)
Other non-operating income	204	1,299	(1,095)
Non-operating expenses:	4,859	3,368	1,491
Interest expense	389	1,071	(682)
Exchange loss, net	1,900	-	1,900
Provision for allowance for doubtful accounts	789	1,059	(270)
Equity in loss of affiliates	838	-	838
Other non-operating expenses	941	1,236	(295)
Ordinary income	14,801	22,543	(7,742)
Extraordinary gain:	3,910	1,021	2,889
Gain on sale of property and equipment	3,591	1	3,590
Gain on sale of investment securities	282	36	246
Dividend income from liquidated subsidiary	-	801	(801)
Reversal of allowance for doubtful accounts	11	176	(165)
Other extraordinary gain	24	5	19
Extraordinary loss:	7,215	15,524	(8,309)
Loss from adjustment in the prior term	-	353	(353)
Loss on sale or disposal of property and equipment	229	110	119
Loss on sale of marketable securities	304	-	304
Devaluation of marketable and investment securities	5,809	8,803	(2,994)
Provision for allowance for doubtful accounts	136	4,988	(4,852)
Special early retirement benefits	280	1,058	(778)
Loss on withdrawal from welfare pension fund	216	-	216
Other extraordinary loss	240	209	31
Income before taxes on income	11,497	8,040	3,457
Taxes on income:	4,130	2,700	1,430
Current	6,964	4,422	2,542
Deferred	(2,834)	(1,722)	(1,112)
Minority interests in earnings of consolidated subsidiaries	598	398	200
Net income	¥6,768	¥4,941	¥1,827

Consolidated Statements of Cash Flows

Years ended	March 31, 2003 (Millions of yen)	March 31, 2002 (Millions of yen)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income before taxes on income and minority interests in earnings of consolidated subsidiaries	¥11,497	¥8,040
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	4,482	4,397
Amortization of consolidation account adjustment	0	91
Increase (decrease) in allowance for doubtful accounts	1,767	5,951
Increase(decrease) in retirement and severance benefits	2,125	881
Interest and dividend income	(1,552)	(2,718)
Interest expense	389	1,071
Equity in earnings of affiliates	838	(431)
Gain on sales of property and equipment	(3,591)	(1)
Gain on sales of marketable securities	(282)	(36)
Devaluation of marketable and investment securities	5,809	8,803
Loss on sale or disposal of property and equipment	229	110
Special early retirement benefits	280	1,058
Decrease (increase) in notes and accounts receivable	18,584	(21,316)
Decrease (increase) in inventories	(2,860)	(10,559)
Decrease (increase) in other assets	(1,564)	2,229
Increase (decrease) in notes and accounts payable	5,541	18,482
Increase (decrease) in advances received on uncompleted contracts	13,253	(21,481)
Other	(1,160)	(404)
Subtotal	53,787	(5,831)
Interest and dividends received	2,323	2,041
Interest paid	(377)	(1,286)
Special early retirement benefits paid	(280)	(1,058)
Income taxes paid	(4,055)	(3,079)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	51,397	(9,214)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for purchases of property and equipment	(2,083)	(4,550)
Proceeds from sales of property and equipment	4,216	87
Payments for purchases of intangible fixed assets	(1,620)	(1,236)
Payments for purchases of marketable securities	(2,590)	(1,231)
Proceeds from sale of marketable securities	2,507	203
Decrease (increase) in short-term loans receivable	(161)	53
Payments for long-term loans receivable	(104)	(768)
Proceeds from long-term loans receivable	220	60
Other	432	(17)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	816	(7,399)
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Decrease) increase in short-term loans	(10,942)	3,290
Proceeds from long-term bank loans	25	15,480
Repayments of long-term bank loans	(1,065)	(11,846)
Payment for redemption of straight bonds	-	(12,200)
Payments for purchase of treasury stock	(3,116)	(45)
Cash dividends paid	(1,289)	(1,122)
Cash dividends paid to minority shareholders	(279)	(252)
NET CASH USED IN FINANCING ACTIVITIES	(16,668)	(6,696)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	(142)	(34)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	35,403	(23,344)
CASH AND CASH EQUIVALENTS at beginning of year	53,217	76,561
INCREASE IN CASH AND CASH EQUIVALENTS FROM NEWLY CONSOLIDATED SUBSIDIARIES		
	411	-
CASH AND CASH EQUIVALENTS at end of year	¥89,032	¥53,217