

Consolidated Interim Financial Statements--Summary

(For the fiscal year ending March 31, 2003)

November 21, 2002

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: **November 21, 2002**

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 the interim term (April 1, 2002-September 30, 2002)

(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)	(%)
Sep. 2002 interim term	184,950	28.6	7,266	(1.0)	6,661	(13.8)
Sep. 2001 interim term	143,862	16.0	7,338	10.0	7,730	33.0
Mar. 2002 term	335,246		19,968		22,543	

	Net income		Earnings per share (Yen)	Earnings per share (diluted) (Yen)
	(Millions of yen)	(%)		
Sep. 2002 interim term	6,482	25.1	25.11	25.07
Sep. 2001 interim term	5,183	423.6	20.59	20.03
Mar. 2002 term	4,941		19.45	19.08

Notes:

Equity in earning of affiliates(millions of yen):

Sep. 2002 interim term: 456 Sep. 2001 interim term: 261 Mar. 2002 term: 431

Average number of shares outstanding (consolidated):

Sep. 2002 interim term: 258,173,439 Sep. 2001 interim term: 251,700,129 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 (Millions of yen)	Shareholders' equity (Millions of yen)	Shareholders' equity / total assets (%)	Shareholders' equity per share (Yen)
Sep. 2002 interim term	332,817	133,135	40.0	517.02
Sep. 2001 interim term	344,533	126,373	36.7	494.46
Mar. 2002 term	322,671	127,633	39.6	493.95

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

Sep. 2002 interim term: 257,506,330 Sep. 2001 interim term: 255,581,687 Mar. 2002 term: 258,393,859

(3) Consolidated cash flows

	Cash flows from operating activities (Millions of yen)	Cash flows from investing activities (Millions of yen)	Cash flows from financing activities (Millions of yen)	Cash and cash equivalents at term-end (Millions of yen)
Sep. 2002 interim term	15,302	1,845	(9,033)	61,268
Sep. 2001 interim term	5,519	(4,391)	(558)	77,206
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 2002 (April 1, 2002-March 31, 2003)

	Net sales (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)
Entire term	390,000	14,000	9,000

Reference: Estimated earnings per share (yen, fiscal 2002)

34.95

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

	September 30, 2002 (Millions of yen)	September 30, 2001 (Millions of yen)	March 31, 2002 (Millions of yen)
Current assets:	¥ 206,832	¥ 210,091	¥197,191
Cash	40,775	52,419	34,608
Notes and accounts receivable	69,575	58,161	79,036
Marketable securities	20,584	24,787	18,608
Contract works in progress	60,432	55,357	51,785
Other inventories	5,346	5,855	5,709
Deferred tax assets	4,461	2,462	5,389
Other current assets	13,676	14,309	10,284
Allowance for doubtful accounts	(8,020)	(3,262)	(8,230)
Fixed assets:	125,985	134,441	125,480
Tangible fixed assets:	70,534	75,108	71,166
Buildings and structures	36,489	37,028	37,599
Land	26,267	29,582	25,858
Other tangible fixed assets	7,777	8,497	7,708
Intangible fixed assets:	2,801	2,268	2,884
Consolidation differences	0	39	1
Other intangible fixed assets	2,800	2,229	2,883
Investments and other assets:	52,649	57,064	51,429
Investment securities	31,295	33,808	30,334
Deferred tax assets	12,569	14,924	11,582
Deferred tax assets for land revaluation	1,337	-	1,347
Other investments and other assets	10,707	10,505	11,414
Allowance for doubtful accounts	(3,261)	(2,174)	(3,249)
Total assets	¥ 332,817	¥ 344,533	¥ 322,671

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 November 21, 2002.

LIABILITIES AND SHAREHOLDERS' EQUITY

	September 30, 2002 (Millions of yen)	September 30, 2001 (Millions of yen)	March 31, 2002 (Millions of yen)
Total liabilities:	195,161	213,972	190,750
Current liabilities:	157,179	189,738	152,326
Notes and accounts payable	74,892	60,269	64,517
Short-term loans	7,128	19,969	13,261
Current maturities of long-term debt	-	12,200	-
Income taxes payable	3,121	2,161	2,256
Advances received on uncompleted contracts	56,698	77,631	55,289
Reserve for job warranty costs	1,473	1,132	1,326
Reserve for bonuses	3,070	2,957	3,778
Other current liabilities	10,794	13,415	11,897
Long-term liabilities:	37,981	24,234	38,423
Convertible bonds	38	839	147
Long-term loans	16,005	1,725	16,746
Reserve for retirement benefits	16,774	15,949	15,675
Reserve for directors' retirement bonuses	860	1,470	1,625
Other long-term liabilities	4,302	4,250	4,228
Minority interests	4,520	4,186	4,288
Shareholders' equity:	-	126,373	127,633
Common stock	-	23,091	23,437
Additional paid-in capital	-	25,158	25,504
Retained earnings	-	82,387	82,145
Revaluation balance	-	-	(2,374)
Net unrealized holding gains (losses) on securities	-	(2,784)	202
Foreign currency translation adjustments	-	(1,474)	(1,235)
Total	-	126,378	127,680
Treasury stock, at cost	-	(4)	(47)
Total liabilities and shareholders' equity	-	¥344,533	¥322,671
Shareholders' equity:	133,135	-	-
Common stock	23,492	-	-
Additional paid-in capital	25,559	-	-
Retained earnings	87,336	-	-
Land revaluation, net of deferred tax assets	(2,356)	-	-
Net unrealized holding gains (losses) on securities	321	-	-
Foreign currency translation adjustments	(323)	-	-
Total	134,028	-	-
Treasury stock, at cost	(892)	-	-
Total liabilities and shareholders' equity	¥332,817	-	-

Consolidated Statements of Income

	September 30, 2002 (Millions of yen)	September 30, 2001 (Millions of yen)	March 31, 2002 (Millions of yen)
Net sales	¥184,950	¥143,862	¥335,246
Cost of sales	170,582	128,727	300,053
Gross profit	14,368	15,135	35,192
Selling, general and administrative expenses	7,101	7,796	15,224
Operating income	7,266	7,338	19,968
Non-operating income:	1,843	2,379	5,943
Interest income	714	1,287	2,205
Dividend income	152	372	513
Exchange gain, net	-	-	1,494
Equity in earnings of affiliates	456	261	431
Other non-operating income	519	456	1,299
Non-operating expenses:	2,449	1,987	3,368
Interest expense	217	658	1,071
Exchange loss, net	1,754	828	-
Provision for allowance for doubtful accounts	-	87	1,059
Other non-operating expenses	477	412	1,236
Ordinary income	6,661	7,730	22,543
Extraordinary gain:	3,470	1,017	1,021
Gain from adjustment in the prior term	224	180	-
Gain on sale of property and equipment	3,217	0	1
Dividend income from liquidated subsidiary	-	801	801
Other extraordinary gain	28	35	218
Extraordinary loss:	442	761	15,524
Loss from adjustment in the prior term	-	353	353
Loss on sale or disposal of property and equipment	49	32	110
Special early retirement benefits	219	-	1,058
Loss on sale of marketable securities	71	334	8,803
Loss from liquidation of subsidiary	76	-	-
Provision for allowance for doubtful accounts	-	-	4,988
Other extraordinary loss	25	41	209
Income before taxes on income	9,689	7,986	8,040
Taxes on income:	2,859	2,620	2,700
Current	4,052	3,064	4,422
Deferred	(1,193)	(444)	(1,722)
Minority interests in earnings of consolidated subsidiaries	348	183	398
Net income	¥6,482	¥5,183	¥4,941

Consolidated Statements of Cash Flows

	September 30, 2002 (Millions of yen)	September 30, 2001 (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	¥9,689	¥7,986	¥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	2,163	2,445	4,397
Amortization of consolidation account adjustment	0	53	91
Increase (decrease) in allowance for doubtful accounts	(200)	(92)	5,951
Increase in retirement and severance benefits	1,078	1,155	881
Interest and dividend income	(867)	(1,660)	(2,718)
Interest expense	217	658	1,071
Equity in earnings of affiliates	(456)	(261)	(431)
Gain on sales of property and equipment	(3,217)	0	(1)
Gain on sales of marketable securities	(20)	(31)	(36)
Valuation loss on marketable securities	71	32	8,803
Loss on sale or disposal of property and equipment	49	-	110
Special early retirement benefits	219	-	1,058
Loss on liquidation of subsidiary	76	-	-
Decrease (increase) in notes and accounts receivable	9,598	(555)	(21,316)
Decrease (increase) in inventories	(8,127)	(14,282)	(10,559)
Decrease (increase) in other assets	(719)	(2,028)	2,229
Increase (decrease) in notes and accounts payable	10,872	14,478	18,482
Increase (decrease) in advances received on uncompleted contracts	1,412	891	(21,481)
Other	(4,528)	(2,212)	(404)
Subtotal	17,309	6,575	(5,831)
Interest and dividends received	1,068	1,391	2,041
Interest paid	(187)	(711)	(1,286)
Special early retirement benefits paid	(219)	-	(1,058)
Income taxes paid	(2,668)	(1,735)	(3,079)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	15,302	5,519	(9,214)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for purchases of marketable securities	(102)	-	-
Payments for purchases of property and equipment	(1,573)	(3,106)	(4,550)
Proceeds from sales of property and equipment	3,767	31	87
Payments for purchases of intangible fixed assets	(202)	-	(1,236)
Payments for purchases of marketable securities	(1,151)	(647)	(1,231)
Proceeds from sale of marketable securities	555	166	203
Decrease (increase) in short-term loans receivable	(55)	-	53
Payments for long-term loans receivable	(121)	(369)	(768)
Proceeds from long-term loans receivable	508	10	60
Other	219	(476)	(17)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	1,845	(4,391)	(7,399)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) increase in short-term loans	(6,000)	(21)	3,290
Proceeds from long-term bank loans	25	230	15,480
Repayments of long-term bank loans	(897)	(1,502)	(11,846)
Payments for redemption of straight bonds	-	-	(12,200)
Cash dividends paid	(1,288)	(1,121)	(1,122)
Cash dividends paid to minority shareholders	(101)	(140)	(252)
Payments for purchases of treasury stock	(768)	-	-
Other	-	1,997	(45)
NET CASH USED IN FINANCING ACTIVITIES	(9,033)	(558)	(6,696)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	(475)	75	(34)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	7,639	644	(23,344)
CASH AND CASH EQUIVALENTS at beginning of year	53,217	76,561	76,561
INCREASE IN CASH AND CASH EQUIVALENTS FROM NEWLY CONSOLIDATED SUBSIDIARIES	411	-	-
CASH AND CASH EQUIVALENTS at end of year	¥61,268	¥77,206	¥53,217

Note: The above Statements of Cash Flows are unaudited.