

[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.)

November 10, 2009

Summary of Consolidated Second Quarter Financial Results for Fiscal 2009 (the Year Ending March 2010)

Name of listed company: **JGC Corporation**

Code number: **1963**

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

Representative

Title: **Chairman and Chief Executive Officer**

Name: **Keisuke Takeuchi**

Contact

Title: **Director and Chief Financial Officer and Senior General Manager, Finance & Accounting Department**

Name: **Hiro Yoshi Suga**

Stock exchange: **Tokyo**

Tel: **045-682-1111**

1. Business results of Second quarter for fiscal 2009 (April 1, 2009 - September 30, 2009)

(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)	(%)
2Q FY2009	205,255	(9.8)	19,647	(24.6)	17,921	(35.3)	11,321	(32.9)
2Q FY2008	227,571	—	26,055	—	27,719	—	16,877	—

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
2Q FY2009	44.79	—
2Q FY2008	66.75	—

(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 September 30, 2009	430,606	234,106	54.2	924.13
As of March 31, 2009	480,279	224,488	46.6	885.62

Reference:

Shareholders' equity (millions of yen): Sep. 30, 2009: 233,603 Mar. 31, 2009: 223,887

2. Dividends

	Annual dividends per share (Yen)				
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual
Mar. 2009 term	—	—	—	30.00	30.00
Mar. 2010 term	—	—	—	—	—
Mar. 2010 term (Forecast)	—	—	—	21.00	21.00

Note: Revision of dividend forecast during this period: None

3. Earnings forecast for fiscal 2009 (April 1, 2009 - March 31, 2010)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Full Year	450,000	(0.2)	35,500	(31.7)	34,000	(31.2)	21,500	(31.8)

	Earnings per share
	(Yen)
Full Year	85.05

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 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: Yes

(4) Number of shares outstanding

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

Sep. 2009 term: 259,052,929 Mar. 2009 term: 259,052,929

② Number of treasury stock at term-end:

Sep. 2009 term: 6,270,248 Mar. 2009 term: 6,250,615

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

Sep. 2009 term: 252,790,445 Sep. 2008 term: 252,849,787

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

	2Q FY2009 (As of Sep. 30, 2009) (Millions of yen)	FY2008 (As of Mar. 31, 2009) (Millions of yen)
ASSETS		
Current assets		
Cash and deposits	111,041	117,781
Notes receivable, accounts receivable from completed construction contracts and other	65,006	72,455
Short-term investment securities	28,000	56,500
Costs on uncompleted construction contracts	39,441	48,998
Merchandise and finished goods	5,662	7,729
Work in process	2,448	1,401
Raw materials and supplies	2,686	4,121
Accounts receivable-other	5,056	5,978
Deferred tax assets	11,967	13,734
Other	11,891	6,580
Allowance for doubtful accounts	(62)	(59)
Total current assets	283,139	335,220
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	55,047	55,509
Machinery, vehicles, tools, furniture and fixtures	44,666	44,268
Land	26,459	26,560
Lease assets	235	192
Construction in progress	1,402	853
Accumulated depreciation	(62,977)	(60,874)
Total Property, plant and equipment	64,834	66,508
Intangible assets		
Goodwill	—	403
Software	2,632	2,692
Other	162	109
Total intangible assets	2,794	3,205
Investments and other assets		
Investment securities	59,089	51,721
Long-term loans receivable	26,589	28,000
Deferred tax assets	10,086	11,240
Other	2,285	2,308
Allowance for doubtful accounts	(18,211)	(17,928)
Total investments and other assets	79,839	75,344
Total noncurrent assets	147,467	145,058
Total assets	430,606	480,279

	2Q FY2009 (As of Sep. 30, 2009) (Millions of yen)	FY2008 (As of Mar. 31, 2009) (Millions of yen)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	73,289	80,607
Short-term loans payable	732	762
Income taxes payable	5,924	14,592
Advances received on uncompleted construction contracts	49,040	81,500
Provision for warranties for completed construction	486	468
Provision for loss on construction contracts	—	1,835
Provision for bonuses	4,382	7,024
Provision for directors' bonuses	94	208
Other	16,312	21,024
Total current liabilities	150,262	208,023
Noncurrent liabilities		
Long-term loans payable	22,448	23,255
Provision for retirement benefits	15,327	15,721
Provision for directors' retirement benefits	324	504
Negative goodwill	12	19
Deferred tax liabilities	58	77
Deferred tax liabilities for land revaluation	3,783	3,783
Other	4,282	4,406
Total noncurrent liabilities	46,237	47,767
Total liabilities	196,500	255,791
NET ASSETS		
Shareholders' equity		
Capital stock	23,511	23,511
Capital surplus	25,600	25,599
Retained earnings	192,248	188,547
Treasury stock	(5,700)	(5,671)
Total shareholders' equity	235,658	231,986
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,604	2,481
Deferred gains or losses on hedges	1,909	(1,027)
Revaluation reserve for land	(6,553)	(6,590)
Foreign currency translation adjustment	(2,017)	(2,962)
Total valuation and translation adjustments	(2,055)	(8,098)
Minority interests	503	600
Total net assets	234,106	224,488
Total liabilities and net assets	430,606	480,279

Consolidated Statements of Income

Years ended	2Q FY2009 term (6 months) (Apr. 1, 2009 - Sep. 30, 2009) (Millions of yen)	2Q FY2008 term (6 months) (Apr. 1, 2008 - Sep. 30, 2008) (Millions of yen)
Net sales	205,255	227,571
Cost of sales	176,494	191,843
Gross profit	28,761	35,728
Selling, general and administrative expenses	9,113	9,672
Operating income	19,647	26,055
Non-operating income:	2,493	6,509
Interest income	575	1,846
Dividends income	374	620
Foreign exchange gains	—	1,344
Rent income on noncurrent assets	338	335
Amortization of negative goodwill	6	36
Equity in earnings of affiliates	1,101	2,205
Other	97	119
Non-operating expenses:	4,219	4,845
Interest expense	345	399
Foreign exchange losses	3,383	—
Rent expenses on noncurrent assets	160	161
Provision of allowance for doubtful accounts	260	4,201
Other	70	82
Ordinary income	17,921	27,719
Extraordinary gain:	442	2,656
Gain on sales of noncurrent assets	0	31
Gain on sales of investment securities	—	2,577
Reversal of allowance for doubtful accounts	15	18
Gain on revision of retirement benefit plan	425	—
Other	0	29
Extraordinary loss:	249	665
Loss on sales of noncurrent assets	29	—
Loss on retirement of noncurrent assets	19	40
Impairment loss	46	—
Loss on sales of investment securities	7	—
Loss on valuation of investment securities	—	611
Retirement benefit expenses	138	—
Other	8	14
Income before income taxes	18,113	29,710
Income tax	6,873	12,846
Minority interests in income	(81)	(13)
Net income	11,321	16,877

Consolidated Statements of Income

Years ended	2Q FY2009 term (3 months) (Jul. 1, 2009 - Sep. 30, 2009) (Millions of yen)	2Q FY2008 term (3 months) (Jul. 1, 2008 - Sep. 30, 2008) (Millions of yen)
Net sales	118,988	112,687
Cost of sales	101,952	92,898
Gross profit	17,036	19,789
Selling, general and administrative expenses	4,535	4,832
Operating income	12,501	14,957
Non-operating income:	1,017	2,359
Interest income	237	914
Dividends income	57	133
Rent income on noncurrent assets	166	171
Amortization of negative goodwill	3	18
Equity in earnings of affiliates	483	1,044
Other	68	75
Non-operating expenses:	3,347	5,649
Interest expense	177	246
Foreign exchange losses	2,350	1,703
Rent expenses on noncurrent assets	80	56
Provision of allowance for doubtful accounts	697	3,588
Other	41	53
Ordinary income	10,172	11,668
Extraordinary gain:	427	2,638
Gain on sales of noncurrent assets	0	29
Gain on sales of investment securities	—	2,577
Reversal of allowance for doubtful accounts	—	3
Gain on revision of retirement benefit plan	425	—
Other	0	29
Extraordinary loss:	52	631
Loss on sales of noncurrent assets	29	—
Loss on retirement of noncurrent assets	15	16
Loss on valuation of investment securities	—	611
Other	7	3
Income before income taxes	10,546	13,675
Income tax	3,164	4,937
Minority interests in income	(28)	(4)
Net income	7,410	8,742

Consolidated Statements of Cash Flows

Years ended	2Q FY2009 term	2Q FY2008 term
	(Apr. 1, 2009 - Sep. 30, 2009) (Millions of yen)	(Apr. 1, 2008 - Sep. 30, 2008) (Millions of yen)
Net cash provided by (used in) operating activities:		
Income before income taxes	18,113	29,710
Depreciation and amortization	3,110	3,401
Impairment loss	46	—
Increase (decrease) in allowance for doubtful accounts	285	4,191
Increase (decrease) in provision for loss on construction contracts	(1,835)	(290)
Increase (decrease) in provision for retirement benefits	(399)	(31)
Interest and dividends income	(949)	(2,467)
Equity in (earnings) losses of affiliates	(1,101)	(2,205)
Loss (gain) on sales of investment securities	7	(2,577)
Loss (gain) on valuation of investment securities	—	611
Foreign exchange losses (gains)	1,896	(977)
Decrease (increase) in notes and accounts receivable-trade	7,663	8,564
Decrease (increase) in inventories	11,991	(1,640)
Decrease (increase) in accounts receivable-other	936	5,045
Increase (decrease) in notes and accounts payable-trade	(7,509)	4,117
Increase (decrease) in advances received on uncompleted construction contracts	(32,461)	(7,259)
Other	(7,685)	(2,373)
Subtotal	(7,890)	35,817
Interest and dividends income received	2,458	4,485
Interest expenses paid	(383)	(417)
Income taxes paid	(15,486)	(10,525)
Net cash provided by (used in) operating activities	(21,301)	29,359
Net cash provided by (used in) investment activities:		
Purchase of property, plant and equipment	(1,336)	(2,555)
Purchase of investment securities	(3,622)	(7,523)
Proceeds from sales and redemption of investment securities	2	5,396
Payments of long-term loans receivable	(804)	(7,578)
Other	(368)	(1,980)
Net cash provided by (used in) investment activities	(6,128)	(14,240)
Net cash provided by (used in) financing activities:		
Proceeds from long-term loans payable	—	1,019
Cash dividends paid	(7,573)	(5,303)
Other	(400)	(519)
Net cash provided by (used in) financing activities	(7,974)	(4,803)
Effect of exchange rate change on cash and cash equivalents	164	50
Net increase (decrease) in cash and cash equivalents	(35,240)	10,366
Cash and cash equivalents at beginning of year	174,281	164,617
Increase in cash and cash equivalents from newly consolidated subsidiary	—	1,826
Cash and cash equivalents at end of the quarter	139,041	176,809

Segment Information

【 Information by business segment 】

Second quarter (3 months) for FY 2009 (July 1, 2009 - September 30, 2009) (Millions of yen)

	Total engineering	Catalysts and fine products	Total	Elimination or corporation	Consolidated
Net sales					
External customers	110,369	8,619	118,988	—	118,988
Inter-segment	5	3	9	(9)	—
Total	110,374	8,623	118,998	(9)	118,988
Operating profit	12,091	408	12,499	1	12,501

Second quarter (3 months) for FY 2008 (July 1, 2008 - September 30, 2008) (Millions of yen)

	Total engineering	Catalysts and fine products	Total	Elimination or corporation	Consolidated
Net sales					
External customers	102,122	10,565	112,687	—	112,687
Inter-segment	8	—	8	(8)	—
Total	102,130	10,565	112,695	(8)	112,687
Operating profit	14,147	804	14,952	5	14,957

Second quarter (6 months) for FY 2009 (April 1, 2009 - September 30, 2009) (Millions of yen)

	Total engineering	Catalysts and fine products	Total	Elimination or corporation	Consolidated
Net sales					
External customers	186,229	19,026	205,255	—	205,255
Inter-segment	7	4	11	(11)	—
Total	186,237	19,030	205,267	(11)	205,255
Operating profit	19,183	458	19,642	5	19,647

Second quarter (6 months) for FY 2008 (April 1, 2008 - September 30, 2008) (Millions of yen)

	Total engineering	Catalysts and fine products	Total	Elimination or corporation	Consolidated
Net sales					
External customers	207,154	20,416	227,571	—	227,571
Inter-segment	11	0	12	(12)	—
Total	207,166	20,417	227,584	(12)	227,571
Operating profit	24,284	1,760	26,044	11	26,055

【 Information by geographic segment 】

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

Segment Information

【 Overseas sales 】

Second quarter (3 months) for FY 2009 (July 1, 2009 - September 30, 2009)

(Millions of yen)

	East Asia	Southeast Asia	Middle East	Africa	Other	Total
I Overseas sales	1,160	6,513	29,123	4,238	30,084	71,120
II Consolidated sales						118,988
III Percentage of overseas sales over consolidated sales	1.0	5.5	24.5	3.6	25.3	59.8

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

East Asia: China, Korea
Southeast Asia: Singapore, Vietnam, Malaysia
Middle East: Saudi Arabia, Qatar, Yemen
Africa: Algeria, Egypt
Other: Venezuela, Australia, the United States

Second quarter (3 months) for FY 2008 (July 1, 2008 - September 30, 2008)

(Millions of yen)

	East Asia	Southeast Asia	Middle East	Africa	Other	Total
I Overseas sales	1,569	17,713	43,888	436	936	64,545
II Consolidated sales						112,687
III Percentage of overseas sales over consolidated sales	1.4	15.7	39.0	0.4	0.8	57.3

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, Austria, Australia

Second quarter (6 months) for FY 2009 (April 1, 2009 - September 30, 2009)

(Millions of yen)

	East Asia	Southeast Asia	Middle East	Africa	Other	Total
I Overseas sales	2,389	16,813	54,162	9,674	30,990	114,030
II Consolidated sales						205,255
III Percentage of overseas sales over consolidated sales	1.2	8.2	26.4	4.7	15.1	55.6

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

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

Second quarter (6 months) for FY 2008 (April 1, 2008 - September 30, 2008)

(Millions of yen)

	East Asia	Southeast Asia	Middle East	Africa	Other	Total
I Overseas sales	1,858	34,148	91,897	1,724	2,039	131,668
II Consolidated sales						227,571
III Percentage of overseas sales over consolidated sales	0.8	15.0	40.4	0.8	0.9	57.9

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, Austria, Australia

Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2009	September 30, 2009		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	280	186	379	88
	Petroleum refining	88,303	12,719	49,269	51,753
	LNG	8,705	101	289	8,516
	Chemical	18,014	10,594	13,712	14,896
	Power generation, nuclear power and new energy	5,749	4,782	2,802	7,730
	Living and general production facility	7,634	5,756	2,093	11,297
	Environmental protection, social development and IT	39,040	4,243	7,659	35,624
	Others	571	2,233	632	2,172
	Subtotal	168,300	40,618	76,839	132,079
Overseas	Oil and gas development	254,139	359,725	17,152	596,713
	Petroleum refining	22,013	8,847	24,744	6,116
	LNG	36,278	75,834	21,021	91,092
	Chemical	204,156	6,126	37,537	172,746
	Power generation, nuclear power and new energy	22,096	303	6,553	15,846
	Living and general production facility	1,418	349	1,722	45
	Environmental protection, social development and IT	0	20	1	19
	Others	28	1,463	656	835
	Subtotal	540,132	452,672	109,389	883,414
Total Engineering Business		*2 708,433	493,290	186,229	1,015,494
Catalysts and Fine Products Business		*3 —	*3 —	19,026	*3 —
Grand Total				205,255	

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 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	(1,271)	—	(1,271)
Petroleum refining	(752)	—	(752)
LNG	(653)	—	(653)
Chemical	(10,206)	(5,261)	(15,468)
Power generation, nuclear power and new energy	(839)	—	(839)
Living and general production facility	96	—	96
Environmental protection, social development and IT	0	44	44
Others	3	(46)	(43)
Total	(13,624)	(5,264)	(18,888)

*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.