

# [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, 2010

## Summary of Consolidated First Quarter Financial Results for Fiscal 2010 (the Year Ending March 2011)

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 Division**

Name: **Masayuki Sato**

Stock exchange: **Tokyo**

Tel: **045-682-1111**

### 1. Business results of first quarter for fiscal 2010 (April 1, 2010 - June 30, 2010)

#### (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 FY2010	72,514	(15.9)	6,932	(3.0)	5,177	(29.2)	3,031	(22.5)
1Q FY2009	86,266	(24.9)	7,146	(35.6)	7,312	(54.4)	3,911	(51.9)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
1Q FY2010	11.99	—
1Q FY2009	15.47	—

#### (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 June 30, 2010	418,927	242,078	57.7	956.58
As of March 31, 2010	430,176	246,140	57.1	972.53

Reference:

Shareholders' equity (millions of yen): Jun. 30, 2010: 241,782 Mar. 31, 2010: 245,819

### 2. Dividends

	Annual dividends per share (Yen)				
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual
Mar. 2010 term	—	—	—	21.00	21.00
Mar. 2011 term	—	—	—	—	—
Mar. 2011 term (Forecast)	—	—	—	30.00	30.00

Note: Revision of dividend forecast during this period: None

### 3. Earnings forecast for fiscal 2010 (April 1, 2010 - March 31, 2011)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
1st Half	210,000	2.3	19,000	(3.3)	18,000	0.4	12,000	6.0
Full Year	500,000	20.7	47,000	12.1	49,000	20.0	33,000	21.7

	Earnings per share
	(Yen)
1st Half	47.48
Full Year	130.56

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: None

(4) Number of shares outstanding

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

Jun. 2010 term:	259,052,929	Mar. 2010 term:	259,052,929
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② Number of treasury stock at term-end:

Jun. 2010 term:	6,296,298	Mar. 2010 term:	6,290,126
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③ Average Number of shares outstanding (first quarter term):

Jun. 2010 term:	252,759,318	Jun. 2009 term:	252,794,686
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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 : 87.00 yen/US\$ 1.00    110.00 yen/EUR1.00

## Consolidated Balance Sheets

	1Q FY2010 (As of Jun. 30, 2010) (Millions of yen)	FY2009 (As of Mar. 31, 2010) (Millions of yen)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	92,291	83,308
Notes receivable, accounts receivable from completed construction contracts and other	61,618	87,626
Short-term investment securities	43,000	40,500
Costs on uncompleted construction contracts	31,504	28,123
Merchandise and finished goods	4,613	4,714
Work in process	2,024	1,634
Raw materials and supplies	2,883	2,424
Accounts receivable-other	10,796	11,743
Deferred tax assets	12,178	12,182
Other current assets	12,881	11,372
Allowance for doubtful accounts	(68)	(91)
<b>Total current assets</b>	<b>273,723</b>	<b>283,538</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	56,733	56,616
Machinery, vehicles, tools, furniture and fixtures	44,947	44,705
Land	26,459	26,459
Lease assets	805	813
Construction in progress	2,847	1,718
Other noncurrent assets	1,750	1,747
Accumulated depreciation	(67,126)	(66,004)
<b>Total property, plant and equipment</b>	<b>66,417</b>	<b>66,057</b>
<b>Intangible assets</b>		
Goodwill	0	0
Software	2,669	2,744
Other intangible assets	2,537	2,703
<b>Total intangible assets</b>	<b>5,208</b>	<b>5,448</b>
<b>Investments and other assets</b>		
Investment securities	59,049	61,666
Long-term loans receivable	18,128	19,012
Deferred tax assets	11,768	10,749
Other investments and other assets	2,428	2,379
Allowance for doubtful accounts	(17,795)	(18,676)
<b>Total investments and other assets</b>	<b>73,578</b>	<b>75,131</b>
<b>Total noncurrent assets</b>	<b>145,204</b>	<b>146,637</b>
<b>Total assets</b>	<b>418,927</b>	<b>430,176</b>

	1Q FY2010 (As of Jun. 30, 2010) (Millions of yen)	FY2009 (As of Mar. 31, 2010) (Millions of yen)
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	52,287	59,391
Short-term loans payable	1,040	1,051
Income taxes payable	2,257	7,671
Advances received on uncompleted construction contracts	49,405	46,766
Provision for warranties for completed construction	426	455
Provision for loss on construction contracts	157	146
Provision for bonuses	8,040	6,715
Provision for directors' bonuses	193	190
Other current liabilities	17,051	15,339
<b>Total current liabilities</b>	<b>130,861</b>	<b>137,728</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	21,501	21,925
Provision for retirement benefits	15,518	15,352
Provision for directors' retirement benefits	326	368
Negative goodwill	3	6
Deferred tax liabilities	47	49
Deferred tax liabilities for land revaluation	3,783	3,783
Other noncurrent liabilities	4,807	4,822
<b>Total noncurrent liabilities</b>	<b>45,987</b>	<b>46,307</b>
<b>Total liabilities</b>	<b>176,849</b>	<b>184,035</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Capital stock	23,511	23,511
Capital surplus	25,600	25,600
Retained earnings	201,988	204,177
Treasury stock	(5,744)	(5,735)
<b>Total shareholders' equity</b>	<b>245,355</b>	<b>247,553</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	3,006	5,086
Deferred gains or losses on hedges	2,809	2,712
Revaluation reserve for land	(6,553)	(6,553)
Foreign currency translation adjustment	(2,835)	(2,980)
<b>Total valuation and translation adjustments</b>	<b>(3,572)</b>	<b>(1,734)</b>
<b>Minority interests</b>	<b>296</b>	<b>321</b>
<b>Total net assets</b>	<b>242,078</b>	<b>246,140</b>
<b>Total liabilities and net assets</b>	<b>418,927</b>	<b>430,176</b>

## Consolidated Statements of Income

Years ended	1Q FY2010 term (Apr. 1, 2010 - Jun. 30, 2010) (Millions of yen)	1Q FY2009 term (Apr. 1, 2009 - Jun. 30, 2009) (Millions of yen)
<b>Net sales</b>	<b>72,514</b>	<b>86,266</b>
Cost of sales	61,320	74,541
Gross profit	11,193	11,725
Selling, general and administrative expenses	4,260	4,578
<b>Operating income</b>	<b>6,932</b>	<b>7,146</b>
<b>Non-operating income:</b>	<b>1,290</b>	<b>1,475</b>
Interest income	107	337
Dividends income	548	317
Rent income on noncurrent assets	169	171
Amortization of negative goodwill	3	3
Equity in earnings of affiliates	410	617
Other	51	28
<b>Non-operating expenses:</b>	<b>3,045</b>	<b>1,309</b>
Interest expense	171	168
Foreign exchange losses	2,707	1,032
Rent expenses on noncurrent assets	112	79
Other	54	29
<b>Ordinary income</b>	<b>5,177</b>	<b>7,312</b>
<b>Extraordinary gain:</b>	<b>939</b>	<b>451</b>
Gain on sales of noncurrent assets	2	0
Reversal of allowance for doubtful accounts	912	451
Other	24	—
<b>Extraordinary loss:</b>	<b>68</b>	<b>197</b>
Loss on sales of noncurrent assets	5	—
Loss on retirement of noncurrent assets	9	4
Impairment loss	—	46
Loss on sales of investment securities	—	7
Retirement benefit expenses	—	138
Loss on reduction of noncurrent assets	18	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	20	—
Other	14	0
<b>Income before income taxes</b>	<b>6,048</b>	<b>7,567</b>
<b>Income taxes</b>	<b>3,026</b>	<b>3,708</b>
<b>Income before minority interests</b>	<b>3,021</b>	<b>—</b>
<b>Minority interests in income</b>	<b>(9)</b>	<b>(53)</b>
<b>Net income</b>	<b>3,031</b>	<b>3,911</b>

## Consolidated Statements of Cash Flows

Years ended	1Q FY2010 term	1Q FY2009 term
	(Apr. 1, 2010 - Jun. 30, 2010) (Millions of yen)	(Apr. 1, 2009 - Jun. 30, 2009) (Millions of yen)
<b>Net cash provided by (used in) operating activities:</b>		
Income before income taxes	6,048	7,567
Depreciation and amortization	1,699	1,545
Impairment loss	—	46
Increase (decrease) in allowance for doubtful accounts	(903)	(428)
Increase (decrease) in provision for loss on construction contracts	11	(1,835)
Increase (decrease) in provision for retirement benefits	158	392
Interest and dividends income	(655)	(654)
Equity in (earnings) losses of affiliates	(410)	(617)
Loss (gain) on sales of investment securities	—	7
Foreign exchange losses (gains)	2,415	251
Decrease (increase) in notes and accounts receivable-trade	26,041	6,235
Decrease (increase) in inventories	(4,127)	(5,771)
Decrease (increase) in accounts receivable-other	944	450
Increase (decrease) in notes and accounts payable-trade	(7,100)	(7,957)
Increase (decrease) in advances received on uncompleted construction contracts	2,639	460
Other	1,524	(1,627)
Subtotal	28,285	(1,935)
Interest and dividends income received	923	1,406
Interest expenses paid	(258)	(394)
Income taxes paid	(8,332)	(15,518)
Net cash provided by (used in) operating activities	20,618	(16,441)
<b>Net cash provided by (used in) investment activities:</b>		
Purchase of property, plant and equipment	(1,413)	(614)
Purchase of investment securities	(525)	(2,708)
Proceeds from sales and redemption of investment securities	—	2
Payments of long-term loans receivable	(1)	(796)
Other	(129)	(281)
Net cash provided by (used in) investment activities	(2,070)	(4,399)
<b>Net cash provided by (used in) financing activities:</b>		
Cash dividends paid	(5,312)	(7,586)
Other	(210)	(233)
Net cash provided by (used in) financing activities	(5,523)	(7,820)
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(1,542)</b>	<b>398</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>11,482</b>	<b>(28,263)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>123,808</b>	<b>174,281</b>
<b>Cash and cash equivalents at end of the quarter</b>	<b>135,291</b>	<b>146,018</b>

## Segment Information

## 【 Information by business segment 】

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

(Millions of yen)

	Total engineering	Catalysts and fine products	Sub total	Others	Grand total	Adjustment	Consolidated
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

\*2: Segment profits are adjusted with the operation income figure from the Consolidated Statements of Income

First quarter for FY 2009 (April 1, 2009 - June 30, 2009)

(Millions of yen)

	Total engineering	Catalysts and fine products	Total	Elimination or corporation	Consolidated
Net sales					
External customers	75,860	10,406	86,266	—	86,266
Inter-segment	1	0	2	(2)	—
Total	75,862	10,406	86,269	(2)	86,266
Operating profit	7,091	50	7,142	4	7,146

## Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2010	June 30, 2010		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	380	165	103	443
	Petroleum refining	35,699	4,795	3,104	37,389
	LNG	7,570	17	266	7,321
	Chemical	13,405	10,961	2,757	21,609
	Power generation, nuclear power and new energy	10,505	3,317	607	13,215
	Living and general production facility	15,579	2,683	2,288	15,974
	Environmental protection, social development and IT	33,578	3,274	2,198	34,653
	Others	547	1,781	296	2,032
	Subtotal	117,267	26,995	11,623	132,639
Overseas	Oil and gas development	515,653	213	21,125	494,741
	Petroleum refining	3,131	896	430	3,597
	LNG	227,650	275	5,265	222,660
	Chemical	106,975	387	17,893	89,469
	Power generation, nuclear power and new energy	10,967	2,731	5,927	7,770
	Living and general production facility	34,234	5	0	34,239
	Environmental protection, social development and IT	19	38	0	57
	Others	283	1,488	924	848
	Subtotal	898,915	6,036	51,568	853,384
Total Engineering Business		*2 1,014,448	28,926	61,101	982,273
Others Business		1,734	4,106	2,089	3,750
Subtotal		1,016,182	33,032	63,191	986,023
Catalysts and Fine Products Business		*3 —	*3 —	9,322	*3 —
Grand Total				72,514	

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	(4,411)	—	(4,411)
Petroleum refining	1	—	1
LNG	(853)	(11)	(865)
Chemical	(5,336)	(789)	(6,126)
Power generation, nuclear power and new energy	(850)	—	(850)
Living and general production facility	(0)	—	(0)
Environmental protection, social development and IT	—	—	—
Others	(24)	—	(24)
Total	(11,475)	(801)	(12,277)
Total Engineering Business	(11,457)	(801)	(12,259)
Others Business	(18)	—	(18)

\*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.