

[Translation]

The following statement is an English-language translation of the original Japanese-language document provided for your convenience. In the event there is any discrepancy between the Japanese and English versions, the Japanese version is presumed to be correct.

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

February 10, 2011

Summary of Consolidated Third 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 Department**

Name: **Masayuki Sato**

Stock exchange: **Tokyo**

Tel: **045-682-1111**

1. Business results of Third quarter for fiscal 2010 (April 1, 2010 - December 31, 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)	(%)
3Q FY2010	285,319	(5.1)	34,795	25.4	32,657	18.8	10,805	(36.8)
3Q FY2009	300,638	(6.7)	27,743	(26.6)	27,480	(20.5)	17,084	(17.1)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
3Q FY2010	42.75	—
3Q FY2009	67.59	—

(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 December 31, 2010	458,971	251,624	54.7	994.28
As of March 31, 2010	430,176	246,140	57.1	972.53

Reference:

Shareholders' equity (millions of yen): Dec. 31, 2010: 251,138 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)	(%)
Full Year	480,000	15.9	57,000	36.0	57,000	39.6	23,500	(13.3)

	Earnings per share
	(Yen)
Full Year	92.98

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):

Dec. 2010 term: 259,052,929 Mar. 2010 term: 259,052,929

② Number of treasury stock at term-end:

Dec. 2010 term: 6,470,214 Mar. 2010 term: 6,290,126

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

Dec. 2010 term: 252,733,842 Dec. 2009 term: 252,787,355

1. The company has been revised consolidated and non-consolidated full-year earnings forecasts for fiscal year ending March 2011, at announcement of " Notice on Loss and Revision of Earnings Forecasts for Fiscal Year Ending March 2011" on January 31, 2011,

2. 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

	3Q FY2010 (As of Dec. 31, 2010) (Millions of yen)	FY2009 (As of Mar. 31, 2010) (Millions of yen)
ASSETS		
Current assets		
Cash and deposits	117,151	83,308
Notes receivable, accounts receivable from completed construction contracts and other	93,819	87,626
Short-term investment securities	13,000	40,500
Costs on uncompleted construction contracts	31,341	28,123
Merchandise and finished goods	5,691	4,714
Work in process	3,341	1,634
Raw materials and supplies	2,905	2,424
Accounts receivable-other	21,313	11,743
Deferred tax assets	11,638	12,182
Other	12,847	11,372
Allowance for doubtful accounts	(98)	(91)
Total current assets	312,951	283,538
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	58,680	56,616
Machinery, vehicles, tools, furniture and fixtures	45,477	44,705
Land	26,459	26,459
Lease assets	855	813
Construction in progress	1,087	1,718
Other	1,574	1,747
Accumulated depreciation	(68,759)	(66,004)
Total Property, plant and equipment	65,374	66,057
Intangible assets		
Goodwill	0	0
Software	2,697	2,744
Other	1,911	2,703
Total intangible assets	4,610	5,448
Investments and other assets		
Investment securities	60,874	61,666
Long-term loans receivable	17,255	19,012
Deferred tax assets	11,740	10,749
Other	2,308	2,379
Allowance for doubtful accounts	(16,144)	(18,676)
Total investments and other assets	76,034	75,131
Total noncurrent assets	146,019	146,637
Total assets	458,971	430,176

	3Q FY2010 (As of Dec. 31, 2010) (Millions of yen)	FY2009 (As of Mar. 31, 2010) (Millions of yen)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	63,560	59,391
Short-term loans payable	14,429	1,051
Income taxes payable	7,553	7,671
Advances received on uncompleted construction contracts	48,208	46,766
Provision for warranties for completed construction	449	455
Provision for loss on construction contracts	128	146
Provision for bonuses	3,687	6,715
Provision for directors' bonuses	143	190
Provision for settlement package	17,830	—
Other	20,734	15,339
Total current liabilities	176,726	137,728
Noncurrent liabilities		
Long-term loans payable	6,703	21,925
Provision for retirement benefits	15,119	15,352
Provision for directors' retirement benefits	368	368
Negative goodwill	—	6
Deferred tax liabilities	51	49
Deferred tax liabilities for land revaluation	3,783	3,783
Other	4,594	4,822
Total noncurrent liabilities	30,620	46,307
Total liabilities	207,347	184,035
NET ASSETS		
Shareholders' equity		
Capital stock	23,511	23,511
Capital surplus	25,601	25,600
Retained earnings	209,674	204,177
Treasury stock	(6,051)	(5,735)
Total shareholders' equity	252,736	247,553
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,037	5,086
Deferred gains or losses on hedges	3,988	2,712
Revaluation reserve for land	(6,553)	(6,553)
Foreign currency translation adjustment	(2,069)	(2,980)
Total valuation and translation adjustments	(1,597)	(1,734)
Minority interests	485	321
Total net assets	251,624	246,140
Total liabilities and net assets	458,971	430,176

Consolidated Statements of Income (9 months)

Years ended	3Q FY2010 term (9 months) (Apr. 1, 2010 - Dec. 31, 2010) (Millions of yen)	3Q FY2009 term (9 months) (Apr. 1, 2009 - Dec. 31, 2009) (Millions of yen)
Net sales	285,319	300,638
Cost of sales	237,158	259,071
Gross profit	48,160	41,567
Selling, general and administrative expenses	13,364	13,823
Operating income	34,795	27,743
Non-operating income:	4,629	4,072
Interest income	428	562
Dividends income	1,874	838
Rent income on noncurrent assets	503	505
Amortization of negative goodwill	6	9
Equity in earnings of affiliates	1,632	2,030
Other	184	125
Non-operating expenses:	6,767	4,336
Interest expense	498	520
Foreign exchange losses	5,834	2,848
Rent expenses on noncurrent assets	284	241
Provision of allowance for doubtful accounts	8	607
Other	140	117
Ordinary income	32,657	27,480
Extraordinary gain:	10,711	441
Gain on sales of noncurrent assets	24	0
Gain on sales of investment securities	10,593	—
Reversal of allowance for doubtful accounts	66	13
Gain on revision of retirement benefit plan	—	425
Other	26	0
Extraordinary loss:	20,493	4,057
Loss on sales of noncurrent assets	12	30
Loss on retirement of noncurrent assets	57	47
Impairment loss	—	3,786
Loss on sales of investment securities	3	7
Loss on valuation of investment securities	178	22
Retirement benefit expenses	—	138
Loss on adjustment for changes of accounting standard for asset retirement obligations	20	—
Settlement package	2,322	—
Provision for settlement package	17,830	—
Other	68	26
Income before income taxes	22,874	23,863
Income taxes	11,803	6,920
Income before minority interests	11,071	—
Minority interests in income	265	(141)
Net income	10,805	17,084

Consolidated Statements of Income (3 months)

Years ended	3Q FY2010 term (3 months) (Oct. 1, 2010 - Dec. 31, 2010) (Millions of yen)	3Q FY2009 term (3 months) (Oct. 1, 2009 - Dec. 31, 2009) (Millions of yen)
Net sales	106,328	95,382
Cost of sales	85,219	82,577
Gross profit	21,108	12,805
Selling, general and administrative expenses	4,429	4,709
Operating income	16,679	8,096
Non-operating income:	1,228	2,291
Interest income	176	164
Dividends income	321	464
Foreign exchange gains	—	534
Rent income on noncurrent assets	166	167
Amortization of negative goodwill	—	3
Equity in earnings of affiliates	506	928
Other	56	27
Non-operating expenses:	2,338	829
Interest expense	160	352
Foreign exchange losses	2,033	—
Rent expenses on noncurrent assets	87	81
Provision of allowance for doubtful accounts	27	348
Other	29	47
Ordinary income	15,569	9,557
Extraordinary gain:	10,618	0
Gain on sales of noncurrent assets	21	0
Gain on sales of investment securities	10,586	—
Other	9	—
Extraordinary loss:	20,203	3,807
Loss on sales of noncurrent assets	4	0
Loss on retirement of noncurrent assets	24	27
Impairment loss	—	3,739
Loss on valuation of investment securities	6	22
Settlement package	2,322	—
Provision for settlement package	17,830	—
Other	15	18
Income before income taxes	5,984	5,750
Income taxes	5,364	47
Income before minority interests	620	—
Minority interests in income	(51)	(60)
Net income	672	5,762

Consolidated Statements of Cash Flows

Years ended	3Q FY2010 term (9 months) (Apr. 1, 2010 - Dec. 31, 2010) (Millions of yen)	3Q FY2009 term (9 months) (Apr. 1, 2009 - Dec. 31, 2009) (Millions of yen)
Net cash provided by (used in) operating activities:		
Income before income taxes	22,874	23,863
Depreciation and amortization	5,430	6,578
Impairment loss	—	3,786
Increase (decrease) in allowance for doubtful accounts	(2,524)	664
Increase (decrease) in provision for loss on construction contracts	(17)	(1,762)
Increase (decrease) in provision for retirement benefits	(225)	(121)
Interest and dividends income	(2,302)	(1,401)
Equity in (earnings) losses of affiliates	(1,632)	(2,030)
Loss (gain) on sales of investment securities	(10,589)	7
Loss (gain) on valuation of investment securities	178	22
Foreign exchange losses (gains)	4,950	573
Decrease (increase) in notes and accounts receivable-trade	(6,272)	(7,466)
Decrease (increase) in inventories	(6,466)	15,547
Decrease (increase) in accounts receivable-other	3,903	(2,713)
Increase (decrease) in notes and accounts payable-trade	4,204	(17,432)
Increase (decrease) in advances received on uncompleted construction contracts	1,443	(22,292)
Other	19,512	(10,579)
Subtotal	32,468	(14,756)
Interest and dividends income received	5,925	3,768
Interest expenses paid	(553)	(862)
Income taxes paid	(11,999)	(16,881)
Net cash provided by (used in) operating activities	25,841	(28,732)
Net cash provided by (used in) investment activities:		
Purchase of property, plant and equipment	(2,698)	(2,773)
Purchase of investment securities	(5,268)	(7,984)
Proceeds from sales and redemption of investment securities	148	88
Payments of long-term loans receivable	(801)	(507)
Other	(440)	(1,711)
Net cash provided by (used in) investment activities	(9,060)	(12,888)
Net cash provided by (used in) financing activities:		
Cash dividends paid	(5,303)	(7,576)
Other	(1,679)	(915)
Net cash provided by (used in) financing activities	(6,982)	(8,491)
Effect of exchange rate change on cash and cash equivalents	(3,455)	1,731
Net increase (decrease) in cash and cash equivalents	6,343	(48,381)
Cash and cash equivalents at beginning of year	123,808	174,281
Increase in cash and cash equivalents from newly consolidated subsidiary	—	1,134
Cash and cash equivalents at end of the quarter	130,151	127,034

Segment Information

【 Information by business segment 】

Third quarter (9 months) for FY 2009 (April 1, 2009 - December 31, 2009) (Millions of yen)

	Total engineering	Catalysts and fine products	Total	Elimination or corporation	Consolidated
Net sales					
External customers	272,572	28,066	300,638	—	300,638
Inter-segment	10	10	21	(21)	—
Total	272,582	28,077	300,659	(21)	300,638
Operating profit	26,433	1,299	27,733	10	27,743

Third quarter (3 months) for FY 2009 (October 1, 2009 - December 31, 2009) (Millions of yen)

	Total engineering	Catalysts and fine products	Total	Elimination or corporation	Consolidated
Net sales					
External customers	86,342	9,039	95,382	—	95,382
Inter-segment	2	6	9	(9)	—
Total	86,345	9,046	95,392	(9)	95,382
Operating profit	7,250	840	8,090	5	8,096

Third quarter (9 months) for FY 2010 (April 1, 2010 - December 31, 2010) (Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Catalysts and fine products	Sub total				
Net sales							
External customers	254,106	25,103	279,210	6,108	285,319	—	285,319
Inter-segment	12	7	19	3,510	3,530	(3,530)	—
Total	254,119	25,111	279,230	9,619	288,849	(3,530)	285,319
Segment profit	31,067	3,341	34,409	322	34,731	63	34,795

*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

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

Third quarter (3 months) for FY 2010 (October 1, 2010 - December 31, 2010) (Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Catalysts and fine products	Sub total				
Net sales							
External customers	97,128	7,414	104,542	1,785	106,328	—	106,328
Inter-segment	6	1	7	1,118	1,125	(1,125)	—
Total	97,134	7,415	104,550	2,904	107,454	(1,125)	106,328
Segment profit	15,665	1,007	16,672	(7)	16,665	13	16,679

*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

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

Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2010	December 31, 2010		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	380	375	653	103
	Petroleum refining	35,673	10,922	22,179	24,415
	LNG	7,570	22,557	1,631	28,496
	Chemical	13,405	15,206	16,808	11,803
	Power generation, nuclear power and new energy	10,505	13,700	3,355	20,850
	Living and general production facility	15,579	9,837	5,324	20,092
	Environmental protection, social development and IT	33,578	7,420	7,641	33,356
	Others	543	4,086	1,421	3,208
	Subtotal	117,236	84,107	59,017	142,326
Overseas	Oil and gas development	503,189	14,038	93,811	423,417
	Petroleum refining	2,811	47,961	2,420	48,352
	LNG	224,939	10,599	38,657	196,880
	Chemical	97,561	6,484	46,300	57,744
	Power generation, nuclear power and new energy	9,576	6,140	10,257	5,460
	Living and general production facility	29,737	26	6,187	23,575
	Environmental protection, social development and IT	19	82	0	102
	Others	445	3,384	3,563	266
	Subtotal	868,280	88,718	201,198	755,801
Total Engineering Business		*2 983,649	164,330	254,106	893,873
Other Business		*2 1,868	8,495	6,108	4,254
Subtotal		985,517	172,825	260,215	898,127
Catalysts and Fine Products Business		*3 —	*3 —	25,103	*3 —
Grand Total		985,517	172,825	285,319	898,127

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	(16,875)	—	(16,875)
Petroleum refining	(345)	—	(345)
LNG	(3,564)	(11)	(3,576)
Chemical	(14,751)	(789)	(15,541)
Power generation, nuclear power and new energy	(2,241)	—	(2,241)
Living and general production facility	(432)	(4,064)	(4,496)
Environmental protection, social development and IT	—	—	—
Others	137	(4)	132
Total	(38,073)	(4,870)	(42,943)
Total Engineering Business	(38,192)	(4,865)	(43,058)
Other Business	119	(4)	115

*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.