

[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, 2011

Summary of Consolidated Second Quarter Financial Results for Fiscal 2011 (the Year Ending March 2012)

Name of listed company: **JGC Corporation**

Stock exchange: **Tokyo**

Code number: **1963**

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

Representative

Title: **Chairman and Chief Executive Officer**

Tel: **045-682-1111**

Name: **Keisuke Takeuchi**

Contact

Title: **Managing Director and Chief Financial Officer and Senior General Manager, Corporate Administrative & Financial Affairs Division**

Name: **Masayuki Sato**

1. Business results of second quarter for fiscal 2011 (April 1, 2011 - September 30, 2011)

(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 FY2011	255,485	42.7	30,658	69.2	31,406	105.0	19,080	88.3
2Q FY2010	178,990	(12.8)	18,116	(7.8)	15,317	(14.5)	10,132	(10.5)

Note:

Comprehensive income(millions of yen) 2Q FY2011 term 15,036 (87.9%) 2Q FY2010 term 8,000 (-%)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
2Q FY2011	75.56	—
2Q FY2010	40.09	—

(2) Consolidated financial position

	Total assets	Total net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of September 30, 2011	496,055	271,012	54.5
As of March 31, 2011	468,502	264,483	56.3

Reference:

Shareholders' equity (millions of yen): Sep. 30, 2011: 270,460 Mar. 31, 2011: 263,983

2. Dividends

	Annual dividends per share (Yen)				
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual
Mar. 2011 term	—	—	—	30.00	30.00
Mar. 2012 term	—	—	—	—	—
Mar. 2012 term (Forecast)	—	—	—	38.50	38.50

Note: Revision of dividend forecast during this period: Yes

3. Earnings forecast for fiscal 2011 (April 1, 2011 - March 31, 2012)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Full Year	530,000	18.5	61,500	(3.2)	64,000	1.0	39,000	53.1

	Earnings per share
	(Yen)
Full Year	154.46

Note: Revision of earnings forecast during this period: Yes

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: None

② Changes other than the above ①: Yes

③ Changes in accounting estimates: None

④ Restatement: None

(4) Number of shares outstanding

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

Sep. 2011 term: 259,052,929 Mar. 2011 term: 259,052,929

② Number of treasury stock at term-end:

Sep. 2011 term: 6,559,626 Mar. 2011 term: 6,531,492

③ Average Number of shares outstanding (1st Half term):

Sep. 2011 term: 252,505,963 Sep. 2010 term: 252,754,864

(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 : 77.00 yen/US\$ 1.00 105.00 yen/EUR1.00

Consolidated Balance Sheets

	2Q FY2011 (As of Sep. 30, 2011) (Millions of yen)	FY2010 (As of Mar. 31, 2011) (Millions of yen)
ASSETS		
Current assets		
Cash and deposits	158,028	131,894
Notes receivable, accounts receivable from completed construction contracts and other	101,565	108,810
Short-term investment securities	21,000	30,000
Costs on uncompleted construction contracts	24,605	14,616
Merchandise and finished goods	4,232	5,279
Work in process	2,747	1,613
Raw materials and supplies	3,468	2,839
Accounts receivable-other	7,785	7,234
Deferred tax assets	12,009	10,239
Other current assets	8,716	7,038
Allowance for doubtful accounts	(75)	(100)
Total current assets	344,083	319,464
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	59,069	58,784
Machinery, vehicles, tools, furniture and fixtures	48,057	46,341
Land	26,451	26,459
Lease assets	866	863
Construction in progress	2,093	820
Other	1,427	1,495
Accumulated depreciation	72,847	(70,130)
Total Property, plant and equipment	65,118	64,633
Intangible assets		
Goodwill	0	0
Software	3,221	2,939
Other	6,500	1,699
Total intangible assets	9,721	4,639
Investments and other assets		
Investment securities	62,164	66,114
Long-term loans receivable	16,197	17,498
Deferred tax assets	11,572	10,303
Other	2,358	2,243
Allowance for doubtful accounts	(15,161)	(16,395)
Total investments and other assets	77,131	79,764
Total noncurrent assets	151,971	149,038
Total assets	496,055	468,502

	2Q FY2011 (As of Sep. 30, 2011) (Millions of yen)	FY2010 (As of Mar. 31, 2011) (Millions of yen)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	71,896	70,761
Short-term loans payable	14,361	14,438
Income taxes payable	8,921	18,710
Advances received on uncompleted construction contracts	72,446	25,818
Provision for warranties for completed construction	1,134	312
Provision for loss on construction contracts	1,473	525
Provision for bonuses	4,368	6,830
Provision for directors' bonuses	91	193
Other current liabilities	21,501	36,701
Total current liabilities	196,195	174,293
Noncurrent liabilities		
Long-term loans payable	6,412	6,623
Provision for retirement benefits	13,752	14,283
Provision for directors' retirement benefits	295	339
Deferred tax liabilities	206	249
Deferred tax liabilities for land revaluation	3,783	3,783
Other noncurrent liabilities	4,397	4,447
Total noncurrent liabilities	28,847	29,726
Total liabilities	225,043	204,019
NET ASSETS		
Shareholders' equity		
Capital stock	23,511	23,511
Capital surplus	25,602	25,602
Retained earnings	235,240	224,346
Treasury stock	(6,229)	(6,168)
Total shareholders' equity	278,124	267,292
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,063	3,337
Deferred gains or losses on hedges	(363)	2,519
Revaluation reserve for land	(6,553)	(6,553)
Foreign currency translation adjustment	(1,811)	(2,612)
Total valuation and translation adjustments	(7,664)	(3,309)
Minority interests	552	499
Total net assets	271,012	264,483
Total liabilities and net assets	496,055	468,502

Consolidated Statements of Income

Years ended	2Q FY2011 term (Apr. 1, 2011 - Sep. 30, 2011) (Millions of yen)	2Q FY2010 term (Apr. 1, 2010 - Sep. 30, 2010) (Millions of yen)
Net sales	255,485	178,990
Cost of sales	215,600	151,938
Gross profit	39,884	27,051
Selling, general and administrative expenses	9,226	8,935
Operating income	30,658	18,116
Non-operating income:	3,660	3,400
Interest income	494	251
Dividends income	1,708	1,552
Rent income on noncurrent assets	332	336
Equity in earnings of affiliates	631	1,125
Other	493	134
Non-operating expenses:	2,912	6,199
Interest expense	308	337
Foreign exchange losses	2,375	5,543
Rent expenses on noncurrent assets	164	197
Other	63	120
Ordinary income	31,406	15,317
Extraordinary gain:	121	1,862
Gain on sales of noncurrent assets	109	3
Reversal of allowance for doubtful accounts	—	1,836
Other	12	23
Extraordinary loss:	39	290
Loss on sales of noncurrent assets	2	7
Loss on retirement of noncurrent assets	21	33
Other	14	248
Income before income taxes	31,488	16,890
Income taxes	12,096	6,439
Income before minority interests	19,391	10,450
Minority interests in income	311	317
Net income	19,080	10,132

Statements of Consolidated Comprehensive Income

	2Q FY2011 term (Apr. 1, 2011 - Sep. 30, 2011) (Millions of yen)	2Q FY2010 term (Apr. 1, 2010 - Sep. 30, 2010) (Millions of yen)
Income before minority interests	19,391	10,450
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,273)	(3,347)
Deferred gains or losses on hedges	(2,882)	1,728
Foreign currency translation adjustment	801	(559)
Share of other comprehensive income of associates	(0)	(271)
Total other comprehensive income	(4,355)	(2,449)
Comprehensive income	15,036	8,000
Comprehensive income attributable to owners of the parent	14,724	7,682
Comprehensive income attributable to minority interests	311	317

Segment Information

【 Information by business segment 】

Second quarter (6 months) for FY 2010 (April 1, 2010 - September 30, 2010)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Catalysts and fine products	Sub total				
Net sales							
External customers	156,978	17,689	174,667	4,322	178,990	—	178,990
Inter-segment	6	6	12	2,392	2,405	(2,405)	—
Total	156,984	17,695	174,680	6,715	181,395	(2,405)	178,990
Segment profit or loss	15,402	2,333	17,736	330	18,066	49	18,116

*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

Second quarter (6 months) for FY 2011 (April 1, 2011 - September 30, 2011)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Catalysts and fine products	Sub total				
Net sales							
External customers	228,418	23,986	252,405	3,080	255,485	—	255,485
Inter-segment	27	231	258	2,235	2,494	(2,494)	—
Total	228,446	24,218	252,664	5,316	257,980	(2,494)	255,485
Segment profit or loss	25,612	5,049	30,661	(57)	30,604	53	30,658

*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

Consolidated Statements of Cash Flows

Years ended	2Q FY2011 term (Apr. 1, 2011 - Sep. 30, 2011) (Millions of yen)	2Q FY2010 term (Apr. 1, 2010 - Sep. 30, 2010) (Millions of yen)
Net cash provided by (used in) operating activities:		
Income before income taxes	31,488	16,890
Depreciation and amortization	3,525	3,511
Increase (decrease) in allowance for doubtful accounts	(1,258)	(2,123)
Increase (decrease) in provision for loss on construction contracts	947	4
Increase (decrease) in provision for retirement benefits	(573)	(189)
Interest and dividends income	(2,202)	(1,804)
Equity in (earnings) losses of affiliates	(631)	(1,125)
Foreign exchange losses (gains)	3,455	3,333
Decrease (increase) in notes and accounts receivable-trade	8,312	12,421
Decrease (increase) in inventories	10,277	(6,582)
Decrease (increase) in accounts receivable-other	(433)	3,210
Increase (decrease) in notes and accounts payable-trade	(856)	2,444
Increase (decrease) in advances received on uncompleted construction contracts	44,911	(7,044)
Other	(22,066)	987
Subtotal	54,340	23,932
Interest and dividends income received	2,676	2,755
Interest expenses paid	(359)	(238)
Income taxes paid	(21,922)	(9,034)
Net cash provided by (used in) operating activities	34,735	17,414
Net cash provided by (used in) investment activities:		
Purchase of property, plant and equipment	(3,167)	(2,301)
Purchase of investment securities	(1,019)	(2,666)
Proceeds from sales and redemption of investment securities	105	148
Other	(7,161)	(588)
Net cash provided by (used in) investment activities	(11,242)	(5,407)
Net cash provided by (used in) financing activities:		
Cash dividends paid	(7,567)	(5,298)
Other	(727)	(814)
Net cash provided by (used in) financing activities	(8,294)	(6,113)
Effect of exchange rate change on cash and cash equivalents	(1,601)	(2,504)
Net increase (decrease) in cash and cash equivalents	13,596	3,389
Cash and cash equivalents at beginning of year	161,894	123,808
Increase in cash and cash equivalents from newly consolidated subsidiary	3,537	—
Cash and cash equivalents at end of the quarter	179,028	127,197

Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2011	September 30, 2011		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	82	1,254	148	1,187
	Petroleum refining	19,115	10,509	16,348	13,277
	LNG	27,812	80	2,987	24,905
	Chemical	8,644	14,660	7,129	16,175
	Power generation, nuclear power and new energy	16,841	11,763	10,363	18,241
	Living and general production facility	35,439	15,603	7,650	43,392
	Environmental protection, social development and IT	19,457	9,875	4,916	24,416
	Others	1,204	3,002	758	3,449
	Subtotal	128,598	66,749	50,302	145,045
Overseas	Oil and gas development	603,983	37,014	104,463	536,534
	Petroleum refining	45,121	3,702	5,084	43,739
	LNG	315,463	11,300	40,517	286,246
	Chemical	34,328	4,079	18,505	19,903
	Power generation, nuclear power and new energy	3,853	2,103	3,052	2,904
	Living and general production facility	33,452	661	7,725	26,388
	Environmental protection, social development and IT	71	1,313	471	913
	Others	6,411	1,782	1,377	6,816
	Subtotal	1,042,685	61,958	181,197	923,447
Total Engineering Business		1,169,426	123,625	228,418	1,064,633
Others Business		1,857	5,082	3,080	3,859
Subtotal		1,171,284	128,708	231,499	1,068,493
Catalysts and Fine Products Business		—	—	23,986	—
Grand Total		1,171,284	128,708	255,485	1,068,493

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, changes contract amounts and increase in newly consolidated subsidiary for the period under review as follows:

(Millions of yen)

Business area	Foreign currency translation adjustment	Revision for changes in contract amounts	Increase in newly consolidated subsidiary	Total
Oil and gas development	(25,735)	(160)	15,192	(10,702)
Petroleum refining	(964)	(23)	304	(684)
LNG	(8,146)	(43)	—	(8,190)
Chemical	(4,388)	(54)	1	(4,441)
Power generation, nuclear power and new energy	(124)	(1,429)	0	(1,552)
Living and general production facility	(708)	8,570	0	7,861
Environmental protection, social development and IT	5	(9)	—	(4)
Others	(17)	(589)	0	(607)
Total	(40,081)	6,260	15,499	(18,321)
Total Engineering Business	(40,095)	6,268	15,499	(18,327)
Others Business	13	(8)	—	5

*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.