

[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 12, 2013

Summary of Consolidated Second Quarter Financial Results for Fiscal 2013 (the Year Ending March 2014)

Name of listed company: **JGC Corporation**
 Code number: **1963**
 Representative
 Title: **Chairman and Representative Director**
 Name: **Keisuke Takeuchi**
 Contact
 Title: **Senior Manager, Financial & Accounting Department**
 Name: **Kenichi Hanahara**

Stock exchange: **Tokyo**

Tel: **045-682-1111**

1. Business results of second quarter for fiscal 2013 (April 1, 2013 - September 30, 2013)

(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 FY2013	314,243	9.5	30,948	(3.7)	38,590	25.2	24,822	7.6
2Q FY2012	287,083	12.4	32,126	4.8	30,834	(1.8)	23,059	20.9

Note:
 Comprehensive income(millions of yen) 2Q FY2013 term 26,738 (22.3%) 2Q FY2012 term 21,864 (45.4%)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
2Q FY2013	98.33	—
2Q FY2012	91.33	—

(2) Consolidated financial position

	Total assets	Total net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of September 30, 2013	682,969	356,014	51.4
As of March 31, 2013	628,757	366,083	53.4

Reference:
 Shareholders' equity (millions of yen): Sep. 30, 2013: 350,821 Mar. 31, 2013 335,534

2. Dividends

	Annual dividends per share (Yen)				
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual
Mar. 2013 term	—	—	—	45.50	45.50
Mar. 2014 term	—	—	—	—	—
Mar. 2014 term (Forecast)	—	—	—	46.50	46.50

Note: Revision of dividend forecast during this period: None

3. Earnings forecast for fiscal 2013 (April 1, 2013 - March 31, 2014)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Full Year	690,000	10.5	69,500	8.4	74,000	2.1	47,000	1.8

	Earnings per share
	(Yen)
Full Year	186.17

Note: Revision of earnings forecast during this period: No

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: None
- 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. 2013 term: 259,052,929 Mar. 2013 term: 259,052,929
- ② Number of treasury stock at term-end:
Sep. 2013 term: 6,616,047 Mar. 2012 term: 6,601,447
- ③ Average Number of shares outstanding (1st Half term):
Sep. 2013 term: 252,443,465 Sep. 2011 term: 252,473,647

(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 : 95.00 yen/US\$ 1.00

Consolidated Balance Sheets

	2Q FY2013 (As of Sep. 30, 2013) (Millions of yen)	FY2012 (As of Mar. 31, 2013) (Millions of yen)
ASSETS		
Current assets		
Cash and deposits	310,006	259,777
Notes receivable, accounts receivable from completed construction contracts and other	88,912	96,570
Short-term investment securities	14,049	25,000
Costs on uncompleted construction contracts	50,373	35,839
Merchandise and finished goods	5,456	4,514
Work in process	2,422	1,911
Raw materials and supplies	2,468	2,119
Accounts receivable-other	11,500	10,971
Deferred tax assets	15,930	15,068
Other current assets	8,358	8,551
Allowance for doubtful accounts	(101)	(92)
Total current assets	509,375	460,231
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	62,045	62,316
Machinery, vehicles, tools, furniture and fixtures	59,534	51,721
Land	25,977	25,977
Lease assets	791	802
Construction in progress	1,041	7,719
Other	3,369	2,573
Accumulated depreciation	(82,159)	(79,401)
Total Property, plant and equipment	70,599	71,708
Intangible assets		
Goodwill	0	0
Software	2,472	2,583
Other	12,254	10,196
Total intangible assets	14,727	12,780
Investments and other assets		
Investment securities	91,710	84,188
Long-term loans receivable	19,834	19,189
Deferred tax assets	1,884	2,667
Other	2,783	2,699
Allowance for doubtful accounts	(19,108)	(18,421)
Allowance for investment loss	(8,838)	(6,286)
Total investments and other assets	88,265	84,037
Total noncurrent assets	173,593	168,526
Total assets	682,969	628,757

	2Q FY2013 (As of Sep. 30, 2013) (Millions of yen)	FY2012 (As of Mar. 31, 2013) (Millions of yen)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	97,276	93,335
Short-term loans payable	1,659	6,686
Income taxes payable	9,255	18,758
Advances received on uncompleted construction contracts	146,924	87,711
Provision for warranties for completed construction	1,976	1,862
Provision for loss on construction contracts	20,056	22,030
Provision for bonuses	4,363	7,001
Provision for directors' bonuses	79	180
Guarantees provision for loss	65	2,417
Other current liabilities	13,686	22,455
Total current liabilities	295,344	262,439
Noncurrent liabilities		
Long-term loans payable	11,780	9,363
Provision for retirement benefits	11,552	12,355
Provision for directors' retirement benefits	257	271
Deferred tax liabilities	61	292
Deferred tax liabilities for land revaluation	3,691	3,691
Other noncurrent liabilities	4,265	4,260
Total noncurrent liabilities	31,610	30,235
Total liabilities	326,954	292,674
NET ASSETS		
Shareholders' equity		
Capital stock	23,511	23,511
Capital surplus	25,603	25,603
Retained earnings	305,419	291,781
Treasury stock	(6,382)	(6,330)
Total shareholders' equity	348,151	334,565
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,457	5,417
Deferred gains or losses on hedges	166	1,606
Revaluation reserve for land	(6,542)	(6,542)
Foreign currency translation adjustment	2,587	486
Total valuation and translation adjustments	2,669	968
Minority interests	5,193	549
Total net assets	356,014	336,083
Total liabilities and net assets	682,969	628,757

Consolidated Statements of Income

Years ended	2Q FY2013 term (Apr. 1, 2013 - Sep. 30, 2013) (Millions of yen)	2Q FY2012 term (Apr. 1, 2012 - Sep. 30, 2012) (Millions of yen)
Net sales	314,243	287,083
Cost of sales	273,307	245,221
Gross profit	40,935	41,861
Selling, general and administrative expenses	9,987	9,735
Operating income	30,948	32,126
Non-operating income:	8,024	2,493
Interest income	894	675
Dividends income	1,831	1,110
Foreign exchange gain	4,434	—
Rent income on noncurrent assets	318	325
Equity in earnings of affiliates	475	205
Other	70	175
Non-operating expenses:	382	3,784
Interest expense	142	116
Foreign exchange losses	—	3,418
Rent expenses on noncurrent assets	151	149
Other	87	100
Ordinary income	38,590	30,834
Extraordinary gain:	2,354	5
Gain on sales of noncurrent assets	1	3
Guarantees provision for loss	2,351	—
Other	2	2
Extraordinary loss:	2,685	41
Loss on sale of fixed assets	0	0
Provision allowance for investment loss	2,551	—
Other	133	40
Income before income taxes	38,259	30,798
Income taxes	13,221	7,672
Income before minority interests	25,037	23,126
Minority interests in income	215	67
Net income	24,822	23,059

Statements of Consolidated Comprehensive Income

	2Q FY2013 term (Apr. 1, 2013 - Sep. 30, 2013) (Millions of yen)	2Q FY2012 term (Apr. 1, 2012 - Sep. 30, 2012) (Millions of yen)
Income before minority interests	25,037	23,126
Other comprehensive income		
Valuation difference on available-for-sale securities	1,039	(1,689)
Deferred gains or losses on hedges	(1,439)	(484)
Foreign currency translation adjustment	2,100	911
Share of other comprehensive income of associates accounted for using equity method	(0)	(0)
Total other comprehensive income	1,700	(1,261)
Comprehensive income	26,738	21,864
Comprehensive income attributable to owners of the parent	26,523	21,797
Comprehensive income attributable to minority interests	215	67

Consolidated Statements of Cash Flows

Years ended	2Q FY2013 term (Apr. 1, 2013 - Sep. 30, 2013) (Millions of yen)	2Q FY2012 term (Apr. 1, 2012 - Sep. 30, 2012) (Millions of yen)
Net cash provided by (used in) operating activities:		
Income before income taxes	38,259	30,798
Depreciation and amortization	4,187	3,744
Increase (decrease) in allowance for doubtful accounts	694	(895)
Increase (decrease) in provision for loss on construction contracts	(2,122)	11,722
Increase (decrease) in provision for retirement benefits	(843)	(421)
Interest and dividends income	(2,725)	(1,786)
Equity in (earnings) losses of affiliates	(475)	(205)
Foreign exchange losses (gains)	(3,331)	3,065
Decrease (increase) in notes and accounts receivable-trade	8,641	9,260
Decrease (increase) in inventories	(15,073)	(13,202)
Decrease (increase) in accounts receivable-other	(397)	4,431
Increase (decrease) in notes and accounts payable-trade	4,136	(1,532)
Increase (decrease) in advances received on uncompleted construction contracts	59,850	17,967
Other	(9,081)	(8,644)
Subtotal	81,720	54,302
Interest and dividends income received	3,014	2,027
Interest expenses paid	(167)	(122)
Income taxes paid	(22,498)	(9,408)
Net cash provided by (used in) operating activities	62,068	46,799
Net cash provided by (used in) investment activities:		
Purchase of property, plant and equipment	(4,059)	(4,724)
Purchase of investment securities	(5,136)	(8,032)
Other	(3,316)	(9,267)
Net cash provided by (used in) investment activities	(12,512)	(22,025)
Net cash provided by (used in) financing activities:		
Cash dividends paid	(11,477)	(9,717)
Other	1,023	(1,232)
Net cash provided by (used in) financing activities	(10,454)	(10,949)
Effect of exchange rate change on cash and cash equivalents	23	(1,822)
Net increase (decrease) in cash and cash equivalents	39,125	12,002
Cash and cash equivalents at beginning of year	284,777	222,556
Increase in cash and cash equivalents from newly consolidated subsidiary	152	-
Cash and cash equivalents at end of the quarter	324,055	234,558

Segment Information

【 Information by business segment 】

Second quarter (6 months) for FY 2012 (April 1, 2012 - September 30, 2012)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Catalysts and fine products	Sub total				
Net sales							
External customers	264,674	18,907	283,582	3,500	287,083	—	287,083
Inter-segment	9	17	27	2,364	2,391	(2,391)	—
Total	264,684	18,925	283,609	5,864	289,474	(2,391)	287,083
Segment profit or loss	29,626	2,117	31,744	348	32,092	33	32,126

*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 2013 (April 1, 2013 - September 30, 2013)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Catalysts and fine products	Sub total				
Net sales							
External customers	292,545	16,542	309,087	5,155	314,243	—	314,243
Inter-segment	95	17	112	2,542	2,654	(2,654)	—
Total	292,640	16,559	309,200	7,698	316,898	(2,654)	314,243
Segment profit or loss	28,855	1,583	30,438	511	30,950	(1)	30,948

*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, 2013	September 30, 2013		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	40	196	136	100
	Petroleum refining	15,809	15,996	7,678	24,127
	LNG	23,627	1,073	7,318	17,382
	Chemical	1,791	7,267	3,084	5,974
	Power generation, nuclear power and new energy	36,659	10,795	3,836	43,619
	Living and general production facility	6,582	2,793	5,019	4,356
	Environmental protection, social development and IT	19,296	10,475	3,390	26,382
	Others	725	3,152	1,437	2,440
	Subtotal	104,533	51,752	31,902	124,383
Overseas	Oil and gas development	214,002	3,222	88,829	128,395
	Petroleum refining	235,956	18,683	12,268	242,371
	LNG	905,861	86,686	141,547	851,000
	Chemical	38,346	108,461	11,328	135,480
	Power generation, nuclear power and new energy	2,386	52	45	2,393
	Living and general production facility	11,335	317	8,828	2,824
	Environmental protection, social development and IT	10	2	11	1
	Others	337	3,778	2,939	1,176
	Subtotal	1,408,238	221,203	265,798	1,363,643
Total Engineering Business		1,511,073	266,263	292,545	1,484,792
Others Business		1,698	6,692	5,155	3,235
Subtotal		1,512,771	272,956	297,700	1,488,027
Catalysts and Fine Products Business		—	—	16,542	—
Grand Total		1,512,771	272,956	314,243	1,488,027

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	7,129	(56)	7,073
Petroleum refining	642	55	697
LNG	(12,285)	(40)	(12,326)
Chemical	3,070	(0)	3,070
Power generation, nuclear power and new energy	(0)	(0)	(1)
Living and general production facility	273	(20)	252
Environmental protection, social development and IT	—	—	—
Others	(30)	(74)	(105)
Total	(1,200)	(136)	(1,337)
Total Engineering Business	(1,136)	(147)	(1,283)
Others Business	(64)	10	(54)

*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.