

# [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 11, 2014

## Summary of Consolidated First Quarter Financial Results for Fiscal 2014 (the Year Ending March 2015)

Name of listed company: **JGC Corporation**  
 Code number: **1963** URL: <http://www.jgc.com>  
 Representative  
 Title: **Chairman and Representative Director**  
 Name: Masayuki Sato  
 Contact  
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### 1. Business results of first quarter for fiscal 2014 (April 1, 2014 - June 30, 2014)

(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 FY2014	170,459	10.6	12,920	(15.6)	12,843	(43.0)	9,615	(30.9)
1Q FY2013	154,118	11.1	15,313	(3.9)	22,527	50.3	13,911	26.6

Note:

Comprehensive income(millions of yen) 1Q FY2014 term 9,384(-39.0%) 1Q FY2013 term 15,381(53.3%)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
1Q FY2014	38.10	—
1Q FY2013	55.11	—

(2) Consolidated financial position

	Total assets	Total net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of June 30, 2014	701,375	373,163	53.1
As of March 31, 2014	746,102	379,882	50.2

Reference:

Shareholders' equity (millions of yen): Jun. 30, 2014: 372,110 Mar. 31, 2014: 374,654

### 2. Dividends

	Annual dividends per share (Yen)				
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual
Mar. 2014 term	—	—	—	46.50	46.50
Mar. 2015 term	—	—	—	—	—
Mar. 2015 term (Forecast)	—	—	—	41.50	41.50

Note: Revision of dividend forecast during this period: None

### 3. Earnings forecast for fiscal 2014 (April 1, 2014 - March 31, 2015)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Entire term	780,000	15.4	55,000	(19.4)	59,000	(29.5)	42,000	(11.0)

	Earnings per share
	(Yen)
Entire term	166.39

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 special accounting methods for preparing quarterly consolidated financial statements : Yes

(3) Changes in accounting policies and accounting estimates and restatement.

- ① Changes in accounting policies accompanying revisions in accounting standards: Yes
- ② Changes other than the above ①: No
- ③ Changes in accounting estimates: No
- ④ Restatement: No

(4) Number of shares outstanding

- ① Number of shares outstanding at term-end (including treasury stock):  
Jun. 2014 term:      259,052,929      Mar. 2014 term:      259,052,929
- ② Number of treasury stock at term-end:  
Jun. 2014 term:      6,640,825      Mar. 2014 term:      6,639,762
- ③ Average Number of shares outstanding (first quarter term):  
Jun. 2014 term:      252,412,656      Jun. 2013 term:      252,448,124

(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 : 103.00 yen/US\$ 1.00

## Consolidated Balance Sheets

	1Q FY2014 (As of Jun. 30, 2014) (Millions of yen)	FY2013 (As of Mar. 31, 2014) (Millions of yen)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	282,176	354,199
Notes receivable, accounts receivable from completed construction contracts and other	108,615	102,170
Securities	25,051	31,052
Costs on uncompleted construction contracts	56,959	41,007
Merchandise and finished goods	3,751	4,203
Work in process	2,380	1,675
Raw materials and supplies	2,720	2,598
Accounts receivable -other	17,288	13,286
Deferred tax assets	15,648	15,534
Other	13,142	10,272
Allowance for doubtful accounts	(122)	(114)
<b>Total current assets</b>	<b>527,612</b>	<b>575,886</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	64,061	63,419
Machinery, vehicles, tools, furniture and fixtures	60,650	60,222
Land	25,996	25,977
Leased assets	347	228
Construction in progress	606	381
Other	4,401	4,207
Accumulated depreciation	(85,182)	(84,146)
<b>Total property, plant and equipment</b>	<b>70,881</b>	<b>70,290</b>
<b>Intangible assets</b>		
Goodwill	0	0
Software	2,153	2,271
Other	14,394	14,485
<b>Total intangible assets</b>	<b>16,548</b>	<b>16,757</b>
<b>Investments and other assets</b>		
Investment securities	87,586	88,270
Long-term loans receivable	24,553	20,512
Deferred tax assets	1,531	1,690
Other	5,153	6,084
Allowance for doubtful accounts	(19,905)	(20,213)
Allowance for investment loss	(12,586)	(13,174)
<b>Total investments and other assets</b>	<b>86,333</b>	<b>83,168</b>
<b>Total non-current assets</b>	<b>173,763</b>	<b>170,216</b>
<b>Total assets</b>	<b>701,375</b>	<b>746,102</b>

## Consolidated Balance Sheets

	1Q FY2014 (As of Jun. 30, 2014) (Millions of yen)	FY2013 (As of Mar. 31, 2014) (Millions of yen)
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	109,988	107,450
Income taxes payable	1,192	16,843
Advances received on uncompleted construction contracts	133,263	163,406
Provision for warranties for completed construction	2,232	2,449
Provision for loss on construction contracts	19,828	21,062
Provision for bonuses	8,267	7,047
Provision for directors' bonuses	182	166
Provision for loss on guarantees	65	65
Other	19,164	14,862
<b>Total current liabilities</b>	<b>294,186</b>	<b>333,353</b>
<b>Non-current liabilities</b>		
Long-term loans payable	13,850	13,001
Net defined benefit liability	11,748	11,436
Provision for directors' retirement benefits	250	288
Deferred tax liabilities	293	209
Deferred tax liabilities for land revaluation	3,644	3,691
Other	4,238	4,239
<b>Total non-current liabilities</b>	<b>34,025</b>	<b>32,866</b>
<b>Total liabilities</b>	<b>328,211</b>	<b>366,220</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Capital stock	23,511	23,511
Capital surplus	25,607	25,607
Retained earnings	325,531	327,775
Treasury shares	(6,481)	(6,477)
<b>Total shareholders' equity</b>	<b>368,169</b>	<b>370,415</b>
<b>Valuation and translation adjustments:</b>		
Valuation difference on available-for-sale securities	7,710	6,868
Deferred gains or losses on hedges	(24)	(51)
Revaluation reserve for land	(6,627)	(6,542)
Foreign currency translation adjustment	3,310	4,384
Remeasurements of defined benefit plans	(428)	(420)
<b>Total valuation and translation adjustments</b>	<b>3,941</b>	<b>4,238</b>
<b>Minority interests</b>	<b>1,053</b>	<b>5,227</b>
<b>Total net assets</b>	<b>373,163</b>	<b>379,882</b>
<b>Total liabilities and net assets</b>	<b>701,375</b>	<b>746,102</b>

## Consolidated Statements of Income

Years ended	1Q FY2014 term (Apr. 1, 2014 - Jun. 30, 2014) (Millions of yen)	1Q FY2013 term (Apr. 1, 2013 - Jun. 30, 2013) (Millions of yen)
<b>Net sales</b>	<b>170,459</b>	<b>154,118</b>
Cost of sales	152,067	133,883
Gross profit	18,391	20,234
Selling, general and administrative expenses	5,470	4,921
<b>Operating income</b>	<b>12,920</b>	<b>15,313</b>
<b>Non-operating income:</b>		
Interest income	613	424
Dividends income	1,130	969
Foreign exchange gains	—	5,506
Rent income on non-current assets	158	159
Share of profit of entities accounted for using equity method	143	169
Other	33	180
<b>Total non-operating income</b>	<b>2,079</b>	<b>7,409</b>
<b>Non-operating expenses:</b>		
Interest expenses	103	72
Foreign exchange losses	1,930	—
Rent expenses on non-current assets	79	78
Other	43	44
<b>Total non-operating expenses</b>	<b>2,156</b>	<b>195</b>
<b>Ordinary income</b>	<b>12,843</b>	<b>22,527</b>
<b>Extraordinary income:</b>		
Gain on sales of shares of subsidiaries and associates	819	—
Reversal of allowance for investment loss	588	—
Other	287	2,351
<b>Total extraordinary income</b>	<b>1,696</b>	<b>2,351</b>
<b>Extraordinary losses:</b>		
Loss on sales of non-current assets	48	—
Other	9	2,653
<b>Total extraordinary losses</b>	<b>58</b>	<b>2,653</b>
<b>Income before income taxes</b>	<b>14,480</b>	<b>22,224</b>
<b>Income taxes</b>	<b>4,812</b>	<b>8,351</b>
<b>Income before minority interests</b>	<b>9,668</b>	<b>13,873</b>
<b>Minority interests in income (loss)</b>	<b>52</b>	<b>(38)</b>
<b>Net income</b>	<b>9,615</b>	<b>13,911</b>

## Statements of Consolidated Comprehensive Income

	1Q FY2014 term (Apr. 1, 2014 - Jun. 30, 2014) (Millions of yen)	1Q FY2013 term (Apr. 1, 2013 - Jun. 30, 2013) (Millions of yen)
<b>Income before minority interests</b>	<b>9,668</b>	<b>13,873</b>
<b>Other comprehensive income:</b>		
Valuation difference on available-for-sale securities	842	487
Deferred gains or losses on hedges	(44)	(253)
Foreign currency translation adjustment	(1,073)	1,274
Remeasurements of defined benefit plans, net of tax	(4)	-
Share of other comprehensive income of associates accounted for using equity method	(3)	0
<b>Total other comprehensive income</b>	<b>(283)</b>	1,508
<b>Comprehensive income</b>	<b>9,384</b>	<b>15,381</b>
<b>Comprehensive income attributable to:</b>		
Comprehensive income attributable to owners of the parent	9,353	15,419
Comprehensive income attributable to minority interests	30	(38)

## Segment Information

## 【 Information by business segment 】

First quarter for FY 2013 (April 1, 2013 - June 30, 2013)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Catalysts and fine products	Sub total				
Net sales							
External customers	143,097	8,405	151,502	2,615	154,118	—	154,118
Inter-segment	88	0	89	1,244	1,333	(1,333)	—
Total	143,185	8,406	151,592	3,860	155,452	(1,333)	154,118
Segment profit	14,032	847	14,879	444	15,324	(10)	15,313

\*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

First quarter for FY 2014 (April 1, 2014 - June 30, 2014)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Catalysts and fine products	Sub total				
Net sales							
External customers	156,893	10,304	167,197	3,262	170,459	—	170,459
Inter-segment	0	0	0	1,102	1,103	(1,103)	—
Total	156,893	10,304	167,197	4,364	171,562	(1,103)	170,459
Segment profit or loss	10,972	1,228	12,201	699	12,900	20	12,920

\*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, 2014	June 30, 2014		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	23	670	426	268
	Petroleum refining	20,732	1,819	3,275	19,275
	LNG	13,291	0	3,226	10,065
	Chemical	2,864	5,559	974	7,450
	Power generation, nuclear power and new energy	80,946	4,413	5,847	79,511
	Living and general production facility	3,033	2,260	837	4,455
	Environmental protection, social development and IT	20,143	4,817	1,538	23,421
	Others	562	2,510	661	2,412
	Subtotal	141,597	22,051	16,787	146,860
Overseas	Oil and gas development	116,577	3,577	23,907	96,247
	Petroleum refining	393,802	365	11,390	382,777
	LNG	937,147	450,658	97,606	1,290,199
	Chemical	133,218	615	8,088	125,745
	Power generation, nuclear power and new energy	577	23	23	577
	Living and general production facility	910	21	40	890
	Environmental protection, social development and IT	1	1	1	1
	Others	1,039	3,148	2,307	1,881
	Subtotal	1,583,274	458,413	143,367	1,898,321
Total Engineering Business		1,723,302	475,029	156,893	2,041,438
Others Business		1,570	5,435	3,262	3,743
Subtotal		1,724,872	480,464	160,155	2,045,181
Catalysts and Fine Products Business		—	—	10,304	—
Grand Total		1,724,872	480,464	170,459	2,045,181

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	591	(90)	501
Petroleum refining	728	(120)	607
LNG	1,052	(3,061)	(2,009)
Chemical	(3,192)	(286)	(3,479)
Power generation, nuclear power and new energy	(0)	—	(0)
Living and general production facility	(23)	—	(23)
Environmental protection, social development and IT	(0)	(0)	(0)
Others	(42)	—	(42)
Total	(885)	(3,560)	(4,445)
Total Engineering Business	(883)	(3,560)	(4,443)
Others Business	(2)	(0)	(2)

\*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.