

[Translation]

The following statements are an English-language translation of the original Japanese-language document for your reference purpose only. In the case that there is any discrepancy between the original Japanese version and this English version, the Japanese version shall prevail. (All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

August 9, 2017

Summary of Consolidated First Quarter Financial Results for Fiscal 2017 (For the Year Ended March 31, 2018)

Name of listed company: **JGC Corporation**
Code number: **1963**
Representative
Title: **Representative Director, Chairman and Chief Executive Officer (CEO)**
Name: **Masayuki Sato**
Contact
Title: **General Manager, Finance & Accounting Department**
Name: **Takehiko Hirose**

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1. Consolidated Financial Results for 1Q of FY2017 (April 1, 2017 - June 30, 2017)

(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		Profit attributable to owners of the Parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
1Q FY2017	153,024	(6.3)	6,248	(11.5)	9,022	45.9	5,593	67.8
1Q FY2016	163,371	(21.2)	7,057	(41.0)	6,185	(58.5)	3,333	(64.9)

Note:
Comprehensive income (millions of yen) 1Q FY2017 term 6,002(—%) 1Q FY2016 term (139)(—%)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
1Q FY2017	22.17	—
1Q FY2016	13.21	—

(2) Consolidated financial position

	Total assets	Total net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of June 30, 2017	644,708	381,676	59.0
As of March 31, 2017	646,291	383,260	59.1

Reference:
Shareholders' equity (millions of yen): Jun. 30, 2017: 380,582 Mar. 31, 2017 382,215

2. Dividends

	Annual dividends per share (Yen)				
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual
Mar. 2017 term	—	—	—	30.00	30.00
Mar. 2018 term	—	—	—	—	—
Mar. 2018 term (Forecasts)	—	—	—	25.00	25.00

Note: Revision of dividend forecasts during this period: None

3. Earnings forecasts for FY2017 (April 1, 2017 - March 31, 2018)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the Parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Full Year	680,000	(1.9)	26,000	—	30,000	—	21,000	—

	Earnings per share
	(Yen)
Full Year	83.23

Note: Revision of earnings forecast during this period: None

4. Others

(1) Changes in scope of important consolidated important subsidiaries
 (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):

Jun. 2017 term:	259,052,929	Mar. 2017 term:	259,052,929
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- ② Number of treasury stock at term-end:

Jun. 2017 term:	6,744,883	Mar. 2017 term:	6,744,765
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- ③ Average number of shares outstanding (first quarter term):

Jun. 2017 term:	252,308,122	Jun. 2016 term:	252,308,221
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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) Forecasts based on : 110.00 yen/US\$ 1.00

Consolidated Balance Sheets

	1Q FY2017 (As of Jun. 30, 2017) (Millions of yen)	FY2016 (As of Mar. 31, 2017) (Millions of yen)
ASSETS		
Current assets		
Cash and deposits	206,627	185,603
Notes receivable, accounts receivable from completed construction contracts and other	171,738	196,199
Costs on uncompleted construction contracts	37,917	35,026
Merchandise and finished goods	3,474	3,764
Work in process	2,736	2,210
Raw materials and supplies	3,251	2,968
Accounts receivable	20,791	23,252
Deferred tax assets	12,465	12,411
Other	23,400	20,940
Allowance for doubtful accounts	(1,486)	(1,512)
Total current assets	480,916	480,865
Non-current assets		
Property, plant and equipment		
Buildings and structures	62,176	62,368
Machinery, vehicles, tools, furniture and fixtures	68,168	69,851
Land	25,029	25,046
Leased assets	1,365	1,365
Construction in progress	140	283
Other	4,273	4,436
Accumulated depreciation	(92,653)	(93,474)
Total property, plant and equipment	68,500	69,877
Intangible assets		
Software	1,735	1,526
Other	7,284	7,798
Total intangible assets	9,020	9,324
Investments and other assets		
Investment securities	61,781	60,604
Long-term loans receivable	4,676	5,770
Net defined benefit asset	176	190
Deferred tax assets	12,167	12,447
Other	8,892	8,630
Allowance for doubtful accounts	(647)	(644)
Allowance for investment loss	(774)	(774)
Total investments and other assets	86,271	86,223
Total non-current assets	163,792	165,425
Total assets	644,708	646,291

	1Q FY2017 (As of Jun. 30, 2017) (Millions of yen)	FY2016 (As of Mar. 31, 2017) (Millions of yen)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	99,605	97,612
Short-term loans payable	13,275	14,052
Income taxes payable	3,328	3,523
Advances received on uncompleted construction contracts	47,047	45,040
Provision for warranties for completed construction contracts	2,064	2,850
Provision for loss on construction contracts	26,016	31,261
Provision for bonuses	6,021	6,009
Provision for directors' bonuses	68	61
Provision for loss on guarantees	2,815	2,815
Other	26,282	23,231
Total current liabilities	226,527	226,457
Non-current liabilities		
Long-term loans payable	12,642	12,631
Net defined benefit liability	16,060	15,934
Provision for directors' retirement benefits	256	275
Deferred tax liabilities	361	383
Deferred tax liabilities for land revaluation	3,125	3,125
Other	4,057	4,222
Total non-current liabilities	36,504	36,573
Total liabilities	263,032	263,031
NET ASSETS		
Shareholders' equity:		
Capital stock	23,511	23,511
Capital surplus	25,609	25,609
Retained earnings	339,787	341,764
Treasury shares	(6,736)	(6,736)
Total shareholders' equity	382,172	384,148
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	8,405	7,954
Deferred gains or losses on hedges	(417)	(431)
Revaluation reserve for land	(6,131)	(6,131)
Foreign currency translation adjustment	(1,019)	(755)
Remeasurements of defined benefit plans	(2,426)	(2,569)
Total Accumulated other comprehensive income	(1,589)	(1,933)
Non-controlling interests	1,094	1,045
Total net assets	381,676	383,260
Total liabilities and net assets	644,708	646,291

Consolidated Statements of Income

	1Q FY2017 term (Apr. 1, 2017 - Jun. 30, 2017) (Millions of yen)	1Q FY2016 term (Apr. 1, 2016 - Jun. 30, 2016) (Millions of yen)
Net sales	153,024	163,371
Cost of sales	141,512	150,574
Gross profit	11,512	12,797
Selling, general and administrative expenses	5,264	5,740
Operating income	6,248	7,057
Non-operating income:		
Interest income	680	444
Dividend income	1,198	1,857
Foreign exchange gains	579	—
Rent income on non-current assets	158	158
Share of profit of entities accounted for using equity method	231	180
Other	163	271
Total non-operating income	3,013	2,913
Non-operating expenses:		
Interest expenses	139	158
Foreign exchange losses	—	3,376
Rent expenses on non-current assets	63	68
Other	36	181
Total non-operating expenses	239	3,784
Ordinary income	9,022	6,185
Extraordinary loss:		
Loss on retirement of non-current assets	299	—
Total extraordinary loss	299	—
Profit before income taxes	8,722	6,185
Income taxes	3,060	2,814
Profit	5,661	3,371
Profit attributable to non-controlling interests	68	38
Profit attributable to owners of the parent	5,593	3,333

Statements of Consolidated Comprehensive Income

	1Q FY2017 term (Apr. 1, 2017 - Jun. 30, 2017) (Millions of yen)	1Q FY2016 term (Apr. 1, 2016 - Jun. 30, 2016) (Millions of yen)
Profit	5,661	3,371
Other comprehensive income:		
Valuation difference on available-for-sale securities	450	(1,847)
Deferred gains or losses on hedges	11	(285)
Foreign currency translation adjustment	(263)	(1,504)
Remeasurements of defined benefit plans	140	125
Share of other comprehensive income of entities accounted for using equity method	2	1
Total other comprehensive income	341	(3,511)
Comprehensive income	6,002	(139)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	5,936	(158)
Comprehensive income attributable to non-controlling interests	66	18

Segment Information

【 Information by business segment 】

First quarter for FY 2016 (April 1, 2016 - June 30, 2016)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Catalysts and fine products	Sub total				
Net sales							
External customers	152,470	9,612	162,083	1,287	163,371	—	163,371
Inter-segment	(0)	107	107	355	462	(462)	—
Total	152,470	9,719	162,190	1,642	163,833	(462)	163,371
Segment profit	5,520	1,444	6,965	66	7,031	25	7,057

*1 : "Others" includes Specialized Consulting Services, Office Support Services Business, Power and Water 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 operating income figure from the Consolidated Statements of Income.

First quarter for FY 2017 (April 1, 2017 - June 30, 2017)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Catalysts and fine products	Sub total				
Net sales							
External customers	140,349	10,981	151,331	1,692	153,024	—	153,024
Inter-segment	74	4	79	342	421	(421)	—
Total	140,424	10,986	151,410	2,035	153,445	(421)	153,024
Segment profit	3,521	2,148	5,670	546	6,216	31	6,248

*1 : "Others" includes Specialized Consulting Services, Office Support Services Business, Power and Water 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 operating income figure from the Consolidated Statements of Income.

Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2017	June 30, 2017		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	73	73	19	126
	Petroleum refining	20,980	6,455	4,110	23,325
	LNG	13,477	448	6,919	7,007
	Chemical	23,960	6,092	1,416	28,635
	Power generation, nuclear power and new energy	139,523	4,551	2,820	141,254
	Living and general production facility	7,102	5,480	2,113	10,469
	Environmental protection, social development and IT	7,413	21,028	1,528	26,913
	Others	730	3,866	1,146	3,450
	Subtotal	213,261	47,996	20,074	241,183
Overseas	Oil and gas development	230,764	64,753	20,093	275,424
	Petroleum refining	161,447	431	22,904	138,974
	LNG	369,019	146,934	60,549	455,404
	Chemical	36,786	2,315	13,448	25,653
	Power generation, nuclear power and new energy	17,886	763	3,225	15,424
	Living and general production facility	39	15	15	39
	Environmental protection, social development and IT	195	69	21	243
	Others	7,928	2,239	1,709	8,458
	Subtotal	824,068	217,521	121,968	919,621
Total Engineering Business		1,036,513	261,248	140,349	1,157,412
Others Business		816	4,268	1,692	3,392
Subtotal		1,037,330	265,517	142,042	1,160,805
Catalysts and Fine Products Business		—	—	10,981	—
Grand Total		1,037,330	265,517	153,024	1,160,805

*1 Figures for each business area are exclusive of consumption and other taxes.

*2 The balance as of the end of previous fiscal year for outstanding contracts of "Total Engineering Business" and "Others Business" have been revised to reflect foreign currency translation adjustments and changes in contract amounts for the period as follows:

(Millions of yen)

Business area	Foreign currency translation adjustment	Revision for changes in contract amounts	Total
Oil and gas development	(1,449)	(39)	(1,489)
Petroleum refining	1,996	(1,126)	870
LNG	(1,872)	(3,503)	(5,376)
Chemical	(1,109)	(175)	(1,284)
Power generation, nuclear power and new energy	(696)	—	(696)
Living and general production facility	—	—	—
Environmental protection, social development and IT	—	—	—
Others	(362)	(15)	(378)
Total	(3,493)	(4,860)	(8,354)
Total Engineering Business	(3,490)	(4,860)	(8,351)
Other Business	(2)	—	(2)

*3 All amounts are rounded down to the nearest million yen.