[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 9, 2016

Summary of Consolidated Second Quarter Financial Results for Fiscal 2016 (the Year Ending March 2017)

Name of listed company: **JGC Corporation** Stock exchange: **Tokyo**
Code number: **1963** URL: **http://www.jgc.com**
Representative
Title: **Chairman and Representative Director** Tel: **045-682-1111**
Name: **Masayuki Sato**
Contact
Title: **General Manager, Finance & Accounting Department**
Name: **Takehiko Hirose**

1. Consolidated Financial Results for 2Q of FY2016 (April 1, 2016 - September 30, 2016)

(1) Consolidated business 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 attribute to owners of the Parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
2Q FY2016	318,367	(27.0)	(14,190)	—	(14,859)	—	(20,907)	—
2Q FY2015	436,199	8.8	27,483	(11.4)	29,149	(17.5)	31,916	25.5

Note:
Comprehensive income(millions of yen) 2Q FY2016 term (23,419) (—%) 2Q FY2015term 30,515 (22.2%)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
2Q FY2016	(82.86)	—
2Q FY2015	126.49	—

(2) Consolidated financial position

	Total assets	Total net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of September 30, 2016	619,659	385,368	62.0
As of March 31, 2016	689,782	419,673	60.7

Reference:
Shareholders' equity (millions of yen): Sep. 30, 2016 384,452 Mar. 31, 2016 418,695

2. Dividends

	Annual dividends per share (Yen)				
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual
Mar. 2015 term	—	—	—	42.50	42.50
Mar. 2016 term	—	—			
Mar. 2016 term (Forecast)			—	30.00	30.00

Note: Revision of dividend forecast during this period: None

3. Earnings forecast for fiscal 2016 (April 1, 2015 - March 31, 2017)

	Net sales		Operating income		Ordinary income		Profit attribute to owners of the Parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Full Year	660,000	(25.0)	(9,500)	—	(8,500)	—	(17,000)	—

	Earnings per share
	(Yen)
Full Year	(67.38)

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: Yes
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. 2016 term: 259,052,929 Mar. 2016 term: 259,052,929

② Number of treasury stock at term-end:

Sep. 2016 term: 6,744,336 Mar. 2016 term: 6,744,842

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

Sep. 2016 term: 252,308,389 Sep. 2015 term: 252,323,144

(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 : 100.00 yen/US$ 1.00

Consolidated Balance Sheets

	2Q FY2016 (As of Sep. 30, 2016) (Millions of yen)	FY2015 (As of Mar. 31, 2016) (Millions of yen)
ASSETS		
Current assets		
Cash and deposits	177,634	239,947
Notes receivable, accounts receivable from completed construction contracts and other	158,201	175,876
Securities	8,500	8,000
Costs on uncompleted construction contracts	51,403	42,338
Merchandise and finished goods	3,375	3,731
Work in process	2,984	2,088
Raw materials and supplies	2,707	2,394
Accounts receivable	16,197	24,949
Deferred tax assets	12,048	11,980
Other	24,608	11,838
Allowance for doubtful accounts	(310)	(398)
Total current assets	**457,352**	**522,747**
Non-current assets		
Property, plant and equipment		
Buildings and structures	63,972	65,520
Machinery, vehicles, tools, furniture and fixtures	70,059	70,544
Land	25,121	25,380
Leased assets	1,365	1,206
Construction in progress	526	217
Other	4,689	5,356
Accumulated depreciation	(92,247)	(91,970)
Total Property, plant and equipment	**73,487**	**76,255**
Intangible assets		
Software	1,556	1,773
Other	10,651	12,612
Total intangible assets	**12,208**	**14,385**
Investments and other assets		
Investment securities	60,723	63,496
Long-term loans receivable	5,828	5,195
Net defined benefit asset	159	193
Deferred tax assets	6,497	5,998
Other	8,512	6,660
Allowance for doubtful accounts	(934)	(977)
Allowance for investment loss	(4,173)	(4,173)
Total investments and other assets	**76,610**	**76,394**
Total non-current assets	**162,307**	**167,034**
Total assets	**619,659**	**689,782**

	2Q FY2016 (As of Sep. 30, 2016) (Millions of yen)	FY2015 (As of Mar. 31, 2016) (Millions of yen)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	87,007	108,389
Short-term loans payable	13,404	15,338
Income taxes payable	2,328	3,741
Advances received on uncompleted construction contracts	31,828	37,960
Provision for warranties for completed construction	2,818	2,883
Provision for loss on construction contracts	26,777	20,679
Provision for bonuses	4,649	7,039
Provision for directors' bonuses	63	124
Provision for loss on guarantees	1,301	1,301
Other	21,311	27,742
Total current liabilities	**191,490**	**225,203**
Non-current liabilities		
Long-term loans payable	19,069	20,991
Net defined benefit liability	15,288	15,370
Provision for directors' retirement benefits	249	241
Deferred tax liabilities	370	429
Deferred tax liabilities for land revaluation	3,125	3,132
Other	4,698	4,740
Total non-current liabilities	**42,801**	**44,905**
Total liabilities	**234,291**	**270,108**
NET ASSETS		
Shareholders' equity:		
Capital stock	23,511	23,511
Capital surplus	25,609	25,608
Retained earnings	343,010	374,625
Treasury shares	(6,735)	(6,735)
Total shareholders' equity	**385,395**	**417,009**
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	5,590	7,064
Deferred gains or losses on hedges	(640)	(503)
Revaluation reserve for land	(6,131)	(6,115)
Foreign currency translation adjustment	2,811	4,072
Remeasurements of defined benefit plans	(2,573)	(2,832)
Total Accumulated other comprehensive income	**(943)**	**1,685**
Non-controlling interests	**916**	**978**
Total net assets	**385,368**	**419,673**
Total liabilities and net assets	**619,659**	**689,782**

Consolidated Statements of Income

Years ended	2Q FY2016 term (Apr. 1, 2016 - Sep. 30, 2016) (Millions of yen)	2Q FY2015term (Apr. 1, 2015 - Sep. 30, 2015) (Millions of yen)
Net sales	**318,367**	**436,199**
Cost of sales	321,049	397,871
Gross profit (Loss)	(2,682)	38,328
Selling, general and administrative expenses	11,508	10,844
Operating income (Loss)	**(14,190)**	**27,483**
Non-operating income:		
Interest income	920	1,102
Dividends income	2,649	1,725
Rent income on non-current assets	318	317
Share of profit of entities accounted for using equity method	268	336
Other	354	293
Total non-operating income	4,511	3,776
Non-operating expenses:		
Interest expenses	310	337
Foreign exchange losses	4,475	1,539
Rent expenses on non-current assets	140	147
Other	253	85
Total non-operating expenses	5,180	2,109
Ordinary income (Loss)	**(14,859)**	**29,149**
Extraordinary income:		
Gain on sales of non-current assets	65	233
Gain on sales of shares of subsidiaries and associates	—	2,452
Reversal of allowance for doubtful accounts	—	10,195
Reversal of provision for loss on guarantees	—	977
State subsidy	148	52
Total extraordinary income	213	13,911
Extraordinary losses:		
Loss on valuation of investment securities	383	998
Other	45	111
Total extraordinary losses	428	1,109
Profit (Loss) before income taxes	**(15,074)**	**41,952**
Income taxes	**5,723**	**9,936**
Profit (Loss)	**(20,798)**	**32,015**
Profit attributable to non-controlling interests	**109**	**99**
Profit (Loss) attributable to owners of the parent	**(20,907)**	**31,916**

Statements of Consolidated Comprehensive Income

	2Q FY2016 term (Apr. 1, 2016 - Sep. 30, 2016) (Millions of yen)	2Q FY2015 term (Apr. 1, 2015 - Sep. 30, 2015) (Millions of yen)
Profit (Loss)	**(20,798)**	**32,015**
Other comprehensive income:		
Valuation difference on available-for-sale securities	(1,474)	(2,043)
Deferred gains or losses on hedges	(144)	151
Foreign currency translation adjustment	(1,260)	(1,371)
Remeasurements of defined benefit plans, net of tax	255	1,764
Share of other comprehensive income of entities accounted for using equity method	2	(0)
Total other comprehensive income	(2,620)	(1,500)
Comprehensive income	**(23,419)**	**30,515**
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	(23,521)	30,418
Comprehensive income attributable to non-controlling interests	102	96

Consolidated Statements of Cash Flows

Years ended	2Q FY2016 term (Apr. 1, 2016 - Sep. 30, 2016) (Millions of yen)	2Q FY2015 term (Apr. 1, 2015 - Sep. 30, 2015) (Millions of yen)
Cash flows from operating activities:		
Profit (loss) before income taxes	(15,074)	41,952
Depreciation	4,033	4,475
Decrease in allowance for doubtful accounts	(121)	(9,302)
Increase (decrease) in provision for loss on construction contracts	6,989	(8,009)
Increase (decrease) in net defined benefit liability	111	(2,443)
Interest and dividends income	(3,570)	(2,828)
Foreign exchange losses (gains)	3,022	2,656
Equity in (earnings) losses of affiliates	(268)	(336)
Increase in notes and accounts receivable-trade	11,651	8,805
Decrease in inventories	(11,055)	(8,571)
Increase in accounts receivable-other	8,445	7,250
Decrease in notes and accounts payable-trade	(14,376)	(13,952)
Decrease in advances received on uncompleted construction contracts	(5,926)	(37,881)
Other	(12,076)	(3,245)
Subtotal	(28,215)	(21,429)
Interest and dividends income received	3,159	2,641
Interest expenses paid	(278)	(333)
Income taxes paid	(6,964)	(11,611)
Cash flows from operating activities	(32,299)	(30,732)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(5,198)	(2,926)
Purchase of investment securities	(103)	(2,445)
Other	(8,203)	3,044
Cash flows from investing activities	(13,505)	(2,326)
Cash flows from financing activities:		
Cash dividends paid	(10,719)	(5,300)
Other	(1,217)	2,568
Cash flows from financing activities	(11,936)	(2,731)
Effect of exchange rate change on cash and cash equivalents	**(4,071)**	**(4,471)**
Net increase (decrease) in cash and cash equivalents	**(61,812)**	**(40,262)**
Cash and cash equivalents at beginning of period	**247,947**	**297,707**
Cash and cash equivalents at end of period	**186,134**	**257,444**

Segment Information

【 Information by business segment 】

Second quarter (6 months) for FY 2015 (April 1, 2015 - September 30, 2015) (Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Catalysts and fine products	Sub total				
Net sales							
External customers	412,303	18,100	430,404	5,795	436,199	—	436,199
Inter-segment	8	—	8	2,114	2,123	(2,123)	—
Total	412,312	18,100	430,413	7,909	438,322	(2,123)	436,199
Segment profit	25,079	1,544	26,624	665	27,289	193	27,483

*1 : "Others" includes System Solution Services, 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

Second quarter (6 months) for FY 2016 (April 1, 2016 - September 30, 2016) (Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Catalysts and fine products	Sub total				
Net sales							
External customers	295,796	19,668	315,465	2,902	318,367	—	318,367
Inter-segment	(0)	107	107	697	804	(804)	—
Total	295,796	19,776	315,572	3,599	319,172	(804)	318,367
Segment profit or loss	(17,390)	2,686	(14,703)	420	(14,283)	92	(14,190)

*1 : "Others" includes System Solution Services, Specialized Consulting Services, Office Support Services Business, Power and Water Business and Oil and Gas Production Sales Business.

*2 : Segment profit or loss is adjusted to eliminate transactions between segments

*3 : Segment profit or loss is adjusted with the operating loss figure from the Consolidated Statements of Income

Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2016	September 30, 2016		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	188	298	227	259
	Petroleum refining	20,844	5,756	6,387	20,213
	LNG	22,758	8,445	3,433	27,770
	Chemical	6,338	10,590	6,463	10,465
	Power generation, nuclear power and new energy	61,019	5,508	6,468	60,060
	Living and general production facility	10,521	2,952	4,683	8,791
	Environmental protection, social development and IT	12,316	2,049	2,882	11,482
	Others	585	4,666	2,088	3,163
	Subtotal	134,573	40,267	32,634	142,206
Overseas	Oil and gas development	153,842	12,617	33,523	132,936
	Petroleum refining	232,463	1,733	46,427	187,769
	LNG	561,632	68,135	171,065	458,702
	Chemical	59,191	3,545	12,311	50,425
	Power generation, nuclear power and new energy	432	18,469	630	18,271
	Living and general production facility	—	112	34	78
	Environmental protection, social development and IT	314	63	155	223
	Others	332	9,905	1,915	8,322
	Subtotal	1,008,210	114,582	266,063	856,728
Total Engineering Business		1,142,215	149,449	295,796	995,868
Others Business		568	5,400	2,902	3,066
Subtotal		1,142,783	154,850	298,698	998,935
Catalysts and Fine Products Business		—	—	19,668	—
Grand Total		1,142,783	154,850	318,367	998,935

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	(10,446)	(27)	(10,473)
Petroleum refining	(6,548)	6,047	(501)
LNG	(56,034)	(22,629)	(78,664)
Chemical	(8,106)	(9,199)	(17,305)
Power generation, nuclear power and new energy	(56)	—	(56)
Living and general production facility	—	(3)	(3)
Environmental protection, social development and IT	—	(643)	(643)
Others	126	(29)	97
Total	(81,066)	(26,486)	(107,552)
Total Engineering Business	(81,133)	(26,478)	(107,611)
Others Business	66	(8)	58

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