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.)

November 8, 2018

Summary of Consolidated Second Quarter Financial Results for Fiscal 2018

(For the year ended March 31, 2019)

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

1. Consolidated Financial Results for 2Q of FY2018 (April 1, 2018 - September 30, 2018)

(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)	(%)
2Q FY2018	278,321	(19.3)	10,311	(23.7)	15,959	(11.1)	7,050	(43.2)
2Q FY2017	344,845	8.3	13,522	—	17,945	—	12,407	—

Note:
Comprehensive income (millions of yen): 2Q FY2018 term 8,655((43.7%)) 2Q FY2017 term 15,373(—%)

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
2Q FY2018	27.95	—
2Q FY2017	49.18	—

(2) Consolidated financial position

	Total assets	Total net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of September 30, 2018	681,058	401,051	58.7
As of March 31, 2018	684,921	395,779	57.6

Reference:
Shareholders' equity (millions of yen): Sep. 30, 2018: 400,046 Mar. 31, 2018: 394,701
Note: The Company applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Corporate Accounting Standard No. 28, February16, 2018),etc. from the beginning of the first three months of consolidated financial statements. The figure as of March 31, 2018 is based on retroactive application.

2. Dividends

	Annual dividends per share (Yen)				
	1Q term-end	2Q term-end	3Q term-end	Term-end	Annual
Mar. 2018 term	—	—	—	25.00	25.00
Mar. 2019 term	—	—			
Mar. 2019 term (Forecast)			—	12.00	12.00

3. Earnings forecasts for FY2018 (April 1, 2018 - March 31, 2019)

Note: 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)	(%)
Full Year	640,000	(11.5)	22,000	2.3	29,000	16.3	10,000	(39.7)

	Earnings per share
	(Yen)
Full Year	39.63

4. Others

(1) Changes in scope of 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):

Sep. 2018 term: 259,052,929 Mar. 2018 term: 259,052,929

② Number of treasury stock at term-end:

Sep. 2018 term: 6,745,810 Mar. 2018 term: 6,745,465

③ Average number of shares outstanding (second quarter term):

Sep. 2018 term: 252,307,311 Sep. 2017 term: 252,308,023

(1) This document is unaudited by certificated public accountants or audit firms.

(2) 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.

(3) Forecasts based on : 110.00 yen/US$ 1.00

Consolidated Balance Sheets

	2Q FY2018 (As of Sep. 30, 2018) (Millions of yen)	FY2017 (As of Mar. 31, 2018) (Millions of yen)
ASSETS		
Current assets		
Cash and deposits	139,109	195,394
Notes receivable, accounts receivable from completed construction contracts and other	203,822	186,672
Costs on uncompleted construction contracts	32,934	20,633
Merchandise and finished goods	4,318	3,958
Work in process	3,556	2,452
Raw materials and supplies	3,020	2,835
Short-term loans receivable	43,401	46,474
Accounts receivable	65,273	43,250
Other	19,912	19,937
Allowance for doubtful accounts	(237)	(290)
Total current assets	**515,111**	**521,320**
Non-current assets		
Property, plant and equipment		
Buildings and structures	58,942	56,056
Machinery, vehicles, tools, furniture and fixtures	63,517	62,995
Land	18,540	18,550
Leased assets	1,357	1,361
Construction in progress	982	2,385
Other	4,307	4,384
Accumulated depreciation	(92,190)	(90,512)
Total property, plant and equipment	**55,457**	**55,222**
Intangible assets		
Software	3,939	3,046
Other	6,102	6,719
Total intangible assets	**10,042**	**9,766**
Investments and other assets		
Investment securities	77,436	69,818
Long-term loans receivable	4,806	8,473
Net defined benefit asset	398	425
Deferred tax assets	15,791	16,648
Other	10,115	11,702
Allowance for doubtful accounts	(8,101)	(8,456)
Total investments and other assets	**100,446**	**98,612**
Total non-current assets	**165,946**	**163,600**
Total assets	**681,058**	**684,921**

	2Q FY2018 (As of Sep. 30, 2018) (Millions of yen)	FY2017 (As of Mar. 31, 2018) (Millions of yen)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	82,590	89,164
Short-term loans payable	5,940	13,362
Income taxes payable	2,651	4,815
Advances received on uncompleted construction contracts	66,446	47,428
Provision for warranties for completed construction contracts	1,371	1,444
Provision for loss on construction contracts	19,092	21,818
Provision for bonuses	4,539	6,725
Provision for directors' bonuses	37	175
Other	24,110	30,839
Total current liabilities	**206,780**	**215,773**
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	4,038	4,294
Net defined benefit liability	15,854	15,829
Provision for directors' retirement benefits	282	291
Deferred tax liabilities	386	240
Deferred tax liabilities for land revaluation	1,014	1,014
Other	1,649	1,697
Total non-current liabilities	**73,225**	**73,368**
Total liabilities	**280,006**	**289,142**
NET ASSETS		
Shareholders' equity:		
Capital stock	23,511	23,511
Capital surplus	25,609	25,609
Retained earnings	359,218	355,572
Treasury shares	(6,738)	(6,737)
Total shareholders' equity	**401,600**	**397,955**
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	13,263	11,168
Deferred gains or losses on hedges	(10)	(517)
Revaluation reserve for land	(10,919)	(10,919)
Foreign currency translation adjustment	(2,273)	(1,169)
Remeasurements of defined benefit plans	(1,614)	(1,815)
Total Accumulated other comprehensive income	**(1,554)**	**(3,253)**
Non-controlling interests	**1,005**	**1,077**
Total net assets	**401,051**	**395,779**
Total liabilities and net assets	**681,058**	**684,921**

Consolidated Statements of Income

	2Q FY2018 term (Apr. 1, 2018 - Sep. 30, 2018) (Millions of yen)	2Q FY2017 term (Apr. 1, 2017 - Sep. 30, 2017) (Millions of yen)
Net sales	**278,321**	**344,845**
Cost of sales	257,757	320,121
Gross profit	20,563	24,724
Selling, general and administrative expenses	10,252	11,201
Operating income	**10,311**	**13,522**
Non-operating income:		
Interest income	1,870	1,384
Dividend income	1,744	1,894
Foreign exchange gains	603	840
Share of profit of entities accounted for using equity method	1,465	425
Other	353	460
Total non-operating income	6,037	5,005
Non-operating expenses:		
Interest expenses	264	254
Other	124	328
Total non-operating expenses	389	582
Ordinary income	**15,959**	**17,945**
Extraordinary income:		
Gain on liquidation of subsidiaries and associates	248	—
State subsidy	—	87
Other	1	—
Total extraordinary Income	**250**	**87**
Extraordinary loss:		
Loss on retirement of non-current assets	61	321
Loss on sales of investment securities	150	—
Other	13	285
Total extraordinary loss	225	**607**
Profit before income taxes	**15,984**	**17,424**
Income taxes	**8,808**	**4,891**
Profit	**7,175**	**12,533**
Profit attributable to non-controlling interests	**124**	**125**
Profit attributable to owners of the parent	**7,050**	**12,407**

Statements of Consolidated Comprehensive Income

	2Q FY2018 term (Apr. 1, 2018 - Sep. 30, 2018) (Millions of yen)	2Q FY2017 term (Apr. 1, 2017 - Sep. 30, 2017) (Millions of yen)
Profit	**7,175**	**12,533**
Other comprehensive income:		
Valuation difference on available-for-sale securities	2,095	2,294
Deferred gains or losses on hedges	519	79
Foreign currency translation adjustment	(1,411)	190
Remeasurements of defined benefit plans	196	271
Share of other comprehensive income of entities accounted for using equity method	80	4
Total other comprehensive income	**1,479**	**2,840**
Comprehensive income	**8,655**	**15,373**
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	8,519	15,241
Comprehensive income attributable to non-controlling interests	136	131

Consolidated Statements of Cash Flows

	2Q FY2018 term (Apr. 1, 2018 - Sep. 30, 2018) (Millions of yen)	2Q FY2017 term (Apr. 1, 2017 - Sep. 30, 2017) (Millions of yen)
Cash flows from operating activities:		
Profit before income taxes	15,984	17,424
Depreciation	3,372	3,509
Increase (decrease) in allowance for doubtful accounts	(32)	51
Increase (decrease) in provision for loss on construction contracts	(2,666)	(8,605)
Increase (decrease) in net defined benefit liability	84	46
Interest and dividend income	(3,614)	(3,278)
Foreign exchange losses (gains)	(1,549)	(4,460)
Share of (profit) loss of entities accounted for using equity method	(1,465)	(425)
Decrease (increase) in notes and accounts receivable-trade	(17,736)	5,318
Decrease (increase) in inventories	(13,994)	(2,939)
Decrease (increase) in accounts receivable-other	(22,250)	(6,571)
Increase (decrease) in notes and accounts payable-trade	(6,327)	(7,297)
Increase (decrease) in advances received on uncompleted contstruction contracts	19,386	8,302
Other	(6,961)	(1,760)
Subtotal	(37,773)	(684)
Interest and dividend income received	3,796	3,039
Interest expenses paid	(318)	(259)
Income taxes paid	(11,095)	(3,450)
Cash flows from operating activities	(45,391)	(1,354)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(3,722)	(3,645)
Purchase of investment securities	(1,853)	(6,105)
Proceeds from sales of investment securities	1,997	35
Proceeds from liquidation of subsidiaries and associates	1,857	—
Other	(822)	81
Cash flows from investing activities	(2,543)	(9,633)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(1,408)	(554)
Cash dividends paid	(6,307)	(7,566)
Other	(656)	(941)
Cash flows from financing activities	(8,372)	(9,062)
Effect of exchange rate change on cash and cash equivalents	**21**	**1,057**
Net increase (decrease) in cash and cash equivalents	**(56,285)**	**(18,992)**
Cash and cash equivalents at beginning of period	**235,394**	**185,603**
Cash and cash equivalents at end of period	**179,109**	**166,610**

Segment Information

【 Information by business segment 】

Second quarter (6 months) for FY 2017 (April 1, 2017 - September 30, 2017) (Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Functional Materials Manufacturing	Sub total				
Net sales							
External customers	320,553	20,610	341,164	3,681	344,845	—	344,845
Inter-segment	112	5	118	805	923	(923)	—
Total	320,666	20,615	341,282	4,486	345,769	(923)	344,845
Segment profit	8,963	3,418	12,382	1,073	13,456	66	13,522

*1: "Others" includes Specialized Consulting Services, Office Support Services Business, Power and Water Business, and Oil and Gas Production Sales Business.
*2: Segment profit, Segment asset and Other item 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 2018 (April 1, 2018 - September 30, 2018) (Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Functional Materials Manufacturing	Sub total				
Net sales							
External customers	253,013	22,593	275,606	2,714	278,321	—	278,321
Inter-segment	31	—	31	854	886	(886)	—
Total	253,045	22,593	275,638	3,569	279,208	(886)	278,321
Segment profit	5,733	3,824	9,557	716	10,273	37	10,311

*1: "Others" includes Specialized Consulting Services, Office Support Services Business, Power and Water Business, and Oil and Gas Production Sales Business.
*2: Segment profit, Segment asset and Other item are adjusted to eliminate transactions between segments.
*3: Segment profits are adjusted with the operating income figure from the Consolidated Statements of Income.
*4: Coinciding the issuing of the Consolidated First Quarter Financial Results for FY2018, JGC changed the name of this segment from “Catalysts and Fine Products Business” to “Functional Materials Manufacturing Business”. As the change was only in the segment name, there is no change in any other information for this segment. In addition, the new segment name is also applicable in the second quarter for FY2017.

Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

	Business area	March 31, 2018	September 30, 2018		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	277	835	315	798
	Petroleum refining	8,427	11,198	10,289	9,337
	LNG	—	306	306	—
	Chemical	49,416	7,917	12,088	45,245
	Power generation, nuclear power and new energy	137,977	6,499	39,652	104,825
	Living and general production facility	18,283	18,346	4,995	31,635
	Environmental protection, social development and IT	24,689	9,593	5,552	28,730
	Others	1,241	3,848	1,218	3,871
	Subtotal	240,313	58,546	74,416	224,443
Overseas	Oil and gas development	256,428	6,441	61,315	201,554
	Petroleum refining	92,887	2,405	21,748	73,545
	LNG	265,915	39,679	85,512	220,082
	Chemical	8,048	61,341	4,160	65,230
	Power generation, nuclear power and new energy	15,152	3,148	4,599	13,701
	Living and general production facility	3	2,660	219	2,443
	Environmental protection, social development and IT	307	76	126	258
	Others	4,958	1,751	3,629	3,080
	Subtotal	643,702	117,505	181,311	579,896
Total Engineering Business		882,624	170,857	253,013	800,467
Others Business		1,391	5,195	2,714	3,872
Subtotal		884,015	176,052	255,728	804,340
Functional Materials Manufacturing Business		—	—	22,593	—
Grand Total		884,015	176,052	278,321	804,340

*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	3,289	(0)	3,288
Petroleum refining	3,849	(440)	3,409
LNG	(4,469)	(48)	(4,518)
Chemical	(470)	(3,121)	(3,592)
Power generation, nuclear power and new energy	(655)	—	(655)
Living and general production facility	1	(46)	(44)
Environmental protection, social development and IT	0	—	0
Others	(433)	(39)	(472)
Total	1,111	(3,697)	(2,585)
Total Engineering Business	1,142	(3,694)	(2,552)
Other Business	(30)	(2)	(33)

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