Hibiya Engineering, Ltd.

ANNUAL REPORT 2009



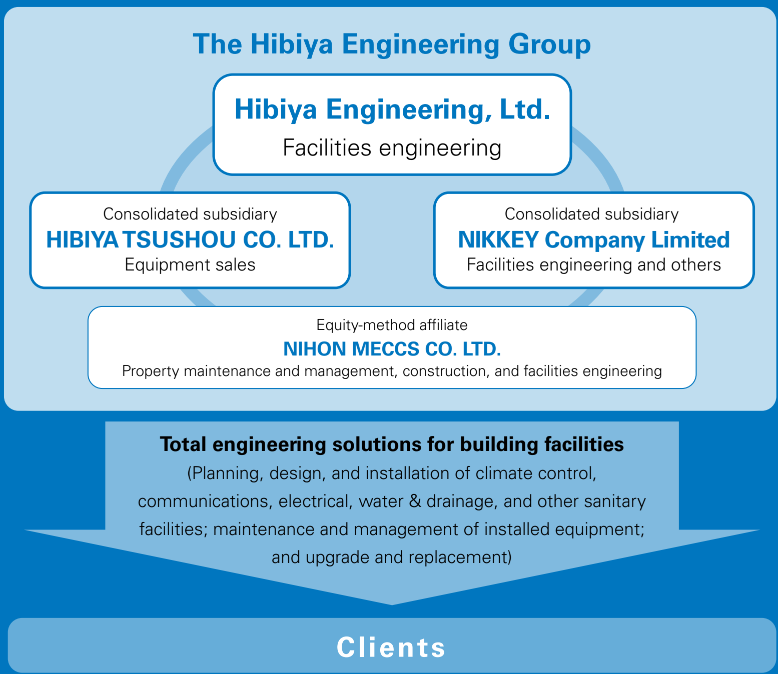


PROFILE

The Hibiya Engineering Group provides a comprehensive range of facilities engineering products and services, through business activities grounded in respect for the environment and the comfort of users.

Our services range from the planning, design and installation of air conditioning, sanitary, electrical and communications facilities, through to their maintenance, management, and eventual upgrading. A particular strength is the ability to meet today's social needs by applying advanced energy-saving technologies to implement sophisticated open-network IT environments and workplaces.

Our role as integrated facilities engineers is to create future possibilities and environments that enhance customer satisfaction. We will continue to contribute to society through innovative technologies and a passion to perform.



CONTENTS

Projections and Perspectives:

This Annual Report includes projections and descriptions of prospects regarding future plans, strategies and the operating performance of the Company.

Such descriptions are not based on past facts, but rather on perspectives judged to be appropriate in view of assumptions and management convictions on the strength of information available to the Company as of March 31, 2009. Such projections of operating performance may vary from management's initial anticipation as result of general economic trends, changes in the business environment, possible revisions to the tax code and to other factors.

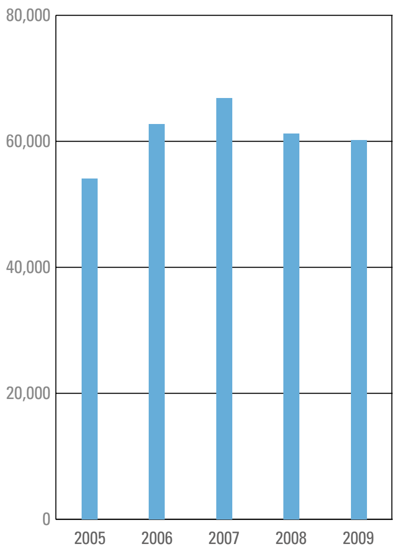
Consolidated Financial Highlights

Hibiya Engineering, Ltd. and Consolidated Subsidiaries
Years ended March 31

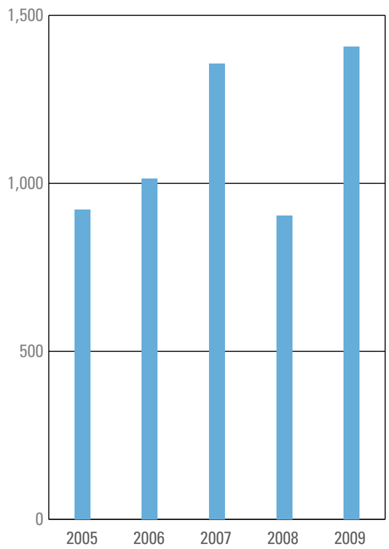
	2005	2006	2007	2008	**2009**	**2009**
	Millions of yen					Thousands of U.S. dollars
Net Sales	¥54,065	¥62,771	¥66,898	¥61,222	**¥60,159**	**$612,430**
Net Income	922	1,014	1,356	904	**1,407**	**14,324**
Total Assets	74,212	84,128	81,034	75,086	**71,771**	**730,642**
Net Assets	49,888	52,838	54,465	52,290	**49,267**	**501,547**
	Yen					U.S. dollars
Per share:						
Net Assets	¥1,388.28	¥1,452.01	¥1,462.94	¥1,412.46	**¥1,435.82**	**$14.62**
Net Income	24.55	26.25	37.27	24.86	**39.77**	**0.40**
Cash Dividends (non-consolidated basis)	15.00	25.00	15.00	25.00	**18.50**	**0.19**

Note: The expression of Japanese yen amounts in U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate of March 31, 2009, which was ¥98.23 to US$1.00.

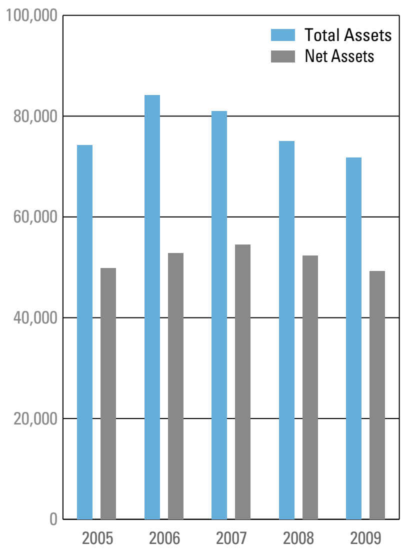
■ Net Sales (¥ million)



■ Net Income (¥ million)



■ Total Assets & Net Assets (¥ million)



A Message from the President

Shinya Kimura
President and Representative Director

By focusing on improving profitability in established businesses, the Hibiya Engineering Group succeeded in remaining profitable in the past fiscal year.
~Review of the Fiscal Year Ended March 31, 2009~

I would like to begin this year's message by thanking our shareholders and other investors for your continued support and understanding.

The Hibiya Engineering Group recorded a sound performance during the fiscal year that ended in March 2009 even though the operating environment was extremely challenging. This accomplishment was made possible by the success of the strategies in our medium-term management plan to increase earnings in established businesses. We established a Monitoring Committee for the purpose of reinforcing the oversight of projects. This more effective framework for ensuring the profitability of new orders made a big contribution to our earnings. In addition, we retained our commitment to accurately identifying our customers' needs. Last year's performance is a strong reflection of our ability to excel in the basics: performing quality, on-schedule construction work at prices that our customers can appreciate.

Consolidated orders received decreased 8.6% to ¥52,687 million and net sales were down 1.7% to ¥60,159 million. Operating income increased 205.5% to ¥2,037 million and net income improved 55.6% to ¥1,407 million.

On a non-consolidated basis, orders received were down 8.1% to ¥50,258 million and net sales decreased 1.8% to ¥49,434 million. Operating income was up 792.9% to ¥1,840 million and net income increased 153.8% to ¥1,020 million.

A comprehensive facilities engineering organization that serves as a one-stop source of solutions for customers
~Business Segments~

Our operations are divided into three business segments: construction, equipment sales and others. The construction segment accounts for well over half of total sales. In this business, we provide services for air conditioning systems, plumbing and sanitation systems, and electrical equipment. Normally, these services are provided by separate companies that specialize in only one of these three market sectors. For instance, electric utilities have their own companies to install electrical equipment. Under the ordinary market conditions of recent years, orders were relatively balanced among these three sectors. But last year's economic downturn has redefined our markets. The electric construction companies of utilities are seeking to become comprehensive engineering firms by capturing orders for air conditioning, plumbing and sanitation systems.

At Hibiya Engineering, though, nothing has changed. We have been a comprehensive facilities engineering firm since our inception, accumulating expertise in all three fields of construction involving facilities. This is one of our greatest strengths. With this expertise, we can supply customers with "one-stop construction solutions." Our work for NTT is an excellent example of how we take advantage of our broad-based construction skills for air conditioning, plumbing and sanitation, and electrical equipment. Performing all construction services for our customers yields benefits for our group as well by improving our skills associated with technologies, construction and project management. These skills are vital to our ability to earn the trust of our customers that leads directly to capturing more orders.

In the March 2009 fiscal year, sales decreased 1.8% to ¥49,849 million in the construction segment, increased 5.2% to ¥8,305 million in the equipment sales segment and decreased 21.4% to ¥2,005 million in the others segment.

Responding in a multitude of ways to challenges posed by today's extremely volatile business climate
~Accurately serving the needs of each customer~

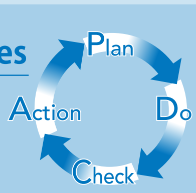
Market conditions for the Hibiya Engineering Group are closely linked to trends in Japan's construction industry. The failure of Lehman Brothers in the fall of 2008 had a severe impact on the operating environment overall. In 2007, the outbreak of the subprime loan problem caused stock prices in Japan to drop. But the Lehman Brothers shock had a much greater effect on Japan's construction industry. Following this incident, Japanese companies quickly slashed capital expenditures. As a result, it has been extremely difficult to capture new orders since the fall of 2008.

Changes in capital expenditures at NTT and its group companies, which are the primary source of orders for our group, have a major effect on our performance. This reliance on NTT sets us apart from competitors. But in the past fiscal year, we benefited from this reliance by receiving a substantial volume of orders from NTT as this company made next-generation network investments ahead of its original schedule. Consequently, even as other categories of private-sector demand weakened, we were able to use our strong relationship with NTT to win new orders and generate sales. NTT plans to continue investing in next-generation networks in the current fiscal year. We are increasing sales activities to target this market sector while also seeking to capitalize on opportunities created by rising investments in data centers.

There was a noticeable change in the volume of capital expenditures by private-sector companies in Japan during the past fiscal year. Orders that we receive for work at newly constructed private-sector buildings come mainly from general contractors. Projects handled by general contractors include condominiums, office buildings, factories, hospitals, schools and many other types of structures. During the past year, there was a particularly dramatic change in the condominium market. When this market began a steep drop, many companies that were very profitable just one year ago became insolvent. The financial crisis had a severe effect on the office building market. Vacancy rates climbed rapidly as foreign companies and other tenants shut down their operations.

As the economic recession reduced demand for products worldwide, automobile, electrical machinery and other companies canceled plans to build factories. Construction companies faced unprecedented challenges as a result. There were calls for government spending to stimulate the economy. But the Japanese government is unlikely to invest in construction projects to boost the economy as in the past. Instead, new investments will most likely be channeled to new business fields, such as the "green new deal" environmental energy investments in the United States.

Environmental Initiatives



Hibiya Engineering is a source of concrete measures that can help create a low-carbon society, a goal the entire world is working on.

Plan

Energy conservation plan (establish targets and action plan)

Consulting for energy conservation strategies, preparation of manuals for achieving the goals of energy conservation plans

Provision of documents explaining procedures for conserving energy, provision of tools for supervising these procedures

Do

Improve operation of energy conservation programs (energy conservation activities and fine tuning)

Perform fine tuning of equipment and systems to achieve the optimum level of energy conservation

Fine tuning of equipment used to support energy conservation activities

Renovation and updating of equipment (updates, ESCO)

Hibiya Engineering proposes a method that matches the requirements of each building in order to maximize energy conservation benefits

Minimize life-cycle carbon (LCC) and life-cycle CO_2 ($LCCO_2$)

Check

Monitor current status of operations/ Verify effectiveness (establish targets and action plan)

Use technologies for the "visualization" of energy consumption at existing buildings to check how building equipment and systems are functioning

Visualization service

Action

Proposals for improvements (comprehensive diagnosis, commissioning)

Optimize environmental performance by performing commissioning tests. This method leads to the best possible operation and maintenance of equipment.

Comprehensive building diagnosis (energy conservation diagnosis, diagnosis of aging equipment and diagnosis of internal environment (POE)) / Commissioning / Proposals for improvements

We are concentrating our resources on new market sectors with the best growth prospects ~New Businesses~

The successful launch of business activities in new markets will be essential to our ability to achieve future strategic objectives. Our basic policy is to establish business operations in market sectors associated with our current activities. We are focusing on the following three sectors.

1. Building system integration

The building system integration business involves the supply of systems to control data handling equipment used at building surveillance centers. This includes the NASCA room access management system that we developed ourselves.

2. Building maintenance

In this business, we established a base for meeting even more advanced and diverse customer needs for facility management by establishing a capital and business alliance with O-ence Co., Ltd.

3. Environmental services

This is a completely new business field for Hibiya Engineering. Due to the breadth of the environmental services market, we are first targeting sectors that are closely linked to our current businesses. We use the knowledge gained from our experience in air conditioning, plumbing and sanitation, and electrical equipment to analyze a customer's energy consumption. We then offer consulting services for conserving energy and reducing CO_2 emissions. To facilitate actions to carry through with these proposals, we supply an "energy visualization" system. A capital and business alliance with VEGLIA Laboratories Inc. forms the basis for our environmental services business. With this partner, we create proposals for methods to use systems at existing office buildings more efficiently. Offering these proposals is expected to produce orders for the installation of energy conservation equipment, thereby making a contribution to our sales.

Energy is a field in which the public's interest is steady growing. This is also a sector that is closely linked to our construction business. By utilizing this link, we will constantly pursue synergies between energy-related activities and our established businesses.

Many initiatives now under way to achieve the targets of the Third Medium-Term Management Plan
~Third Medium-Term Management Plan Progress Report~

Our current management plan has the goals of starting new businesses and making our current businesses more profitable. Bolstering sales activities is one way we plan to accomplish these goals. Our sales activities target three customer segments: the NTT Group, the public sector, and private-sector companies. But we realize that growth potential for our markets in Japan is limited. In fact, the current level of construction expenditures in Japan is about 40% less than at the peak in 1992.

Improving our profit margins is vital to remaining profitable in this challenging environment. We must take decisive actions that include cutting costs and making our business processes more efficient.

We cut our costs in several ways during the past fiscal year. One step was the June 2008 establishment of the Construction Supervision Department to enable our construction workers to move more easily among different projects. This mobility allows us to use our finite pool of human resources in the most productive manner. In the construction industry, there will inevitably be changes in profit margins as preparations are made to start a project. At Hibiya Engineering, we formed a Monitoring Committee to prevent declines in profitability after an order has been accepted. This gave us an effective project management system that contributed to our operating income in the past fiscal year. Overall, we are making progress as planned toward the goals of the medium-term management plan.

Outlook for the Year Ending in March 2010

The operating climate is expected to remain challenging in the current fiscal year, which is the 45th year since Hibiya Engineering started operations. Despite this negative outlook, ongoing NGN investments by NTT and its group companies, which is our largest source of business, will probably contribute to our orders. In addition, even as the financial crisis continues to hold down the economy, we believe that expenditures for data center operations will remain strong as companies' make ICT (information and communication technology) investments. These

The Third Medium-term Management Plan, April 2007 to March 2011

■ Basic strategy under the Plan

1. Business domain expansion strategy

In existing businesses, we are reinforcing our business model based on building life cycles. We will strive to extend a business model based on our customers' diverse needs in adjacent business areas and to expand business into different categories.

2. Profit-raising strategy for existing businesses

We aim to achieve stable orders received for high profitability projects through the enhanced conversion of the sales method in the sales divisions. In the construction divisions, we intend to improve productivity by raising the efficiency of the safety- and quality-based construction system, and strive to control costs.

3. Growth strategy for new businesses

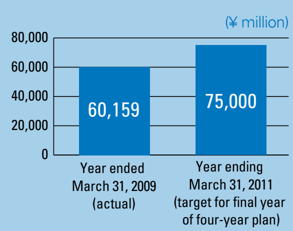
Toward achieving sales of ¥5 billion by fiscal 2010, the Company intends to utilize external resources to promote measures to accelerate growth in the "Building automation security" and "Environment & energy" fields.

■ Financial targets and major business indices (consolidated)

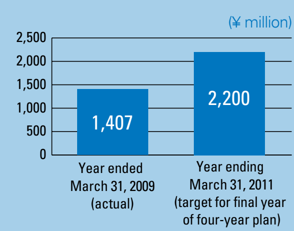
(Millions of yen)

	Year ended March 31, 2009 (actual)	Year ending March 31, 2011 (target)
Net Sales	¥60,159	¥75,000
Operating Income	2,037	2,700
Net Income	1,407	2,200
Operating Profit Margin	3.4%	3.6%
Return on Equity	2.8%	4.2%

Net sales (consolidated)



Net income (consolidated)



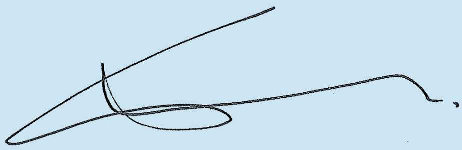
investments are producing strong demand for updating equipment and installing new equipment. We are conducting aggressive marketing activities to win new orders associated with data centers.

The outlook for private-sector demand in Japan is extremely negative. That means the most urgent issue in the current fiscal year is winning as many private-sector orders as possible. But we will refuse to accept unprofitable orders. Our group will continue to use the Construction Supervision Department and Monitoring Committee to perform strict project management in order to hold down costs and preserve profits. Holding down costs is a never-ending theme at the Hibiya Engineering Group. I believe that we can constantly lower costs by using a horizontal rather than vertical organizational approach in order to optimize activities across the entire group.

Working Even Harder at Meeting Shareholders' Expectations

We are determined to become an even more attractive company from the standpoint of our shareholders. For the dividend, our policy is to maintain a non-consolidated payout ratio of 60% and to pay an annual dividend of at least ¥15 every year. The dividend applicable to the past fiscal year is ¥18.5 per share. Moreover, we retired 3 million shares of treasury stock on March 31, 2009. In another step to benefit shareholders, the Board of Directors approved the repurchase of up to one million shares.

There can be no doubt that the Hibiya Engineering Group will continue to face many challenges in the current fiscal year, as we did in the previous fiscal year, but we are determined to finish this year with sound business results.



Shinya Kimura
President and Representative Director

Topics

TOPIC 1 Capital and business alliance with VEGLIA Laboratories

Hibiya Engineering signed an agreement on February 17, 2009 to form a capital and business alliance with VEGLIA Laboratories Inc. Partnering with this company, which has expertise in the field of environmental consulting, will better allow Hibiya Engineering to assist customers in taking steps involved with the transition to a low-carbon society.

1. Objectives of the alliance
This alliance will enable Hibiya Engineering and VEGLIA Laboratories to establish a mutually complementary relationship in the field of energy conservation, a market sector where demand is climbing. Hibiya Engineering supplies its comprehensive engineering skills gained over many years in the fields of air conditioning, plumbing and sanitation, and electrical equipment. VEGLIA Laboratories, which is an expert in the field of energy, brings to the alliance its highly advanced business model and knowledge. Combining these resources is expected to create a base for faster growth in the environmental services and energy markets.

2. Major components of the business alliance
(1) Hibiya Engineering will share its expertise in energy conservation equipment installation technology with VEGLIA Laboratories
(2) VEGLIA Laboratories will share its environmental consulting expertise with Hibiya Engineering. This includes the EIA (Energy Information Analysis) service, energy conservation diagnosis services and consulting for energy conservation and CO_2 emission reductions, and the energy visualization system.
(3) Hibiya Engineering will provide executives to serve as VEGLIA Laboratories directors and the two companies will share their personnel.

Profile of VEGLIA Laboratories

1	Name:	VEGLIA Laboratories Inc.
2	Activities:	EIA (Energy Information Analysis) service / Energy conservation diagnosis service and consulting for energy conservation and CO_2 emission reductions / Design and installation of energy visualization systems
3	Established:	September 4, 2007
4	Head office:	1-13 Kanda-Jimbocho, Chiyoda-ku, Tokyo
5	President:	Kenzo Tsutsumi
6	Capital:	¥45 million (March 31, 2009)
7	Employees:	7

Please visit the VEGLIA Laboratories website (http://www.veglia.co.jp/) for more information about this company.

TOPIC 2 Showroom opened at Hibiya Engineering head office

Hibiya Engineering opened its head office showroom on June 1, 2009. This provides a place where customers can see for themselves the NASCA room access management and many other Hibiya Engineering technologies, such as H-BAS, H-BEMS and 3E.SUPPORT.

The new showroom allows customers to gain hands-on experience with the operations of the NASCA room access management system. This includes a finger vein identification system, a system for detecting people accompanying others into a room, an Edy Card (a smart card for electronic payments) system, and other devices. Visitors to the showroom can view surveillance pictures, room access records, records of the operation of equipment within the secured room, and other information provided by NASCA.

The showroom also features several other exclusive Hibiya Engineering Technologies. One is H-BAS (HIBIYA Building Automation System), which is comprehensive software for building surveillance. A second featured technology is H-BEMS (HIBIYA Building and Energy Management System), which is energy management software that analyzes data from many sources by using many perspectives. Visits can also view the operations of 3E.SUPPORT (3E Energy・Environment・Economy), which allows client companies to conserve energy and lower CO_2 emissions.

Products on display

- **NASCA finger vein identification system, multi-format contactless card reader, automatic door opening/closing system, and detection system for people accompanying others** (control center equipment, software demonstration) – **Gate controller for 4 doors and 8 readers**
- **FaceGate face identification system using an IP camera**
- **High-reliability digital video recorder**
- **3E.SUPPORT** (control center equipment, software demonstration)
- **H-BAS and H-BEMS** (control center equipment, software demonstration)
- **Environmental monitoring systems** (control center equipment, software demonstration)
- **Air Conditioning system with floor outlets** (climate control equipment, floor units)

Review of Operations (Consolidated Basis)

Operations by segment

Construction

Sales in the construction segment totaled ¥49,849 million, 1.8% less than in the previous year. Operating income in the segment was ¥1,870 million, an increase of 546.4%.

Orders for air conditioning systems totaled ¥27,709, an increase of 2.6% over the previous year, while the sales increased by 5.3%, to ¥26,817 million. Orders for plumbing and sanitation decreased by 31.6%, to ¥10,281 million, while the sales decreased by 18.5%, to ¥11,359 million. Electrical equipment orders decreased by 2.8%, to ¥12,691 million, while the sales increased by 2.6%, to ¥11,671 million.

Equipment

Sales in the equipment segment totaled ¥8,305 million, an increase of 5.2% over the previous year. Operating income increased by 24.1%, to ¥278 million.

Other (manufacture and sale of construction-use equipment)

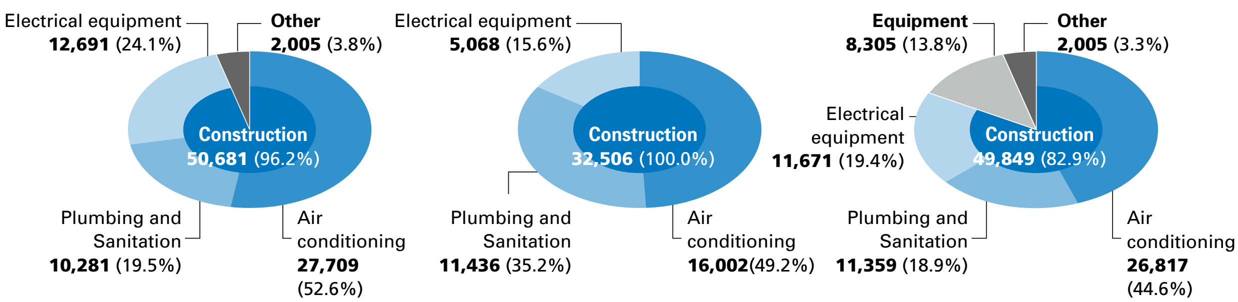
Sales in the other segment decreased 21.4% to ¥2,005 million and there was an operating loss of ¥35 million compared with operating income of ¥129 million in the previous year.

Orders, order backlog, and sales by business segment, year ended March 31, 2009

(¥ million)

The facilities sales and maintenance segment shows an order balance of zero, since the Hibiya Engineering group does not manufacture equipment on a made-to-order basis. Similarly, the other operations segment has an order balance of zero.

Orders received | Order backlog | Sales



Sales and operating income by segment, year ended March 31, 2009

(¥ million)

	Construction	Equipment	Other	Total	Eliminations or corporate	Consolidated
Sales						
1) Sales to customers	¥49,849	¥8,305	¥2,005	¥60,159	¥ —	¥60,159
2) Internal sales and transfers	—	3,659	369	4,028	(4,028)	—
Total	49,849	11,964	2,374	64,187	(4,028)	60,159
Reference: Year ended March 31, 2008 Sales	*50,775*	*11,659*	*3,065*	*65,499*	*(4,277)*	*61,222*
Operating expenses	47,979	11,686	2,409	62,074	(3,952)	58,122
Reference: Year ended March 31, 2008 Operating expenses	*50,486*	*11,435*	*2,936*	*64,857*	*(4,302)*	*60,555*
Operating income	1,870	278	(35)	2,113	(76)	2,037
Reference: Year ended March 31, 2008 Operating income	*289*	*224*	*129*	*642*	*25*	*667*

Corporate Governance

The Company has adopted the corporate auditor system, and three of the four corporate auditors as of June 26, 2009 were external auditors. The Company has also appointed two external directors, who are allowed to take part in deliberations on important management matters at meetings of the Board of Directors and who serve to reinforce oversight of directors in the execution of their duties.

The Internal Audit Office was established with the express purpose of reinforcing the internal operational audit function. The Office has five staff who audit the operations of business divisions in respect of precision and efficiency, and in accordance with the audit plan for the business year. Audit results are reported to the Management Council and the Board of Corporate Auditors. The Internal Audit Office also evaluates the effectiveness of internal controls, a requirement under the Financial Products and Exchange Act. Audits by the corporate auditors are conducted in an appropriate manner, based on the audit plan, including the attendance of the auditors at important corporate meetings, such as the meeting of the Board of Directors, and the examination of important documents for approval. The Company's corporate auditors work in collaboration with the Internal Audit Office and exchange opinions with the Independent Auditors and corporate auditors of the subsidiaries, as necessary, to carry out effective auditing. The Company has entered into an agreement with KPMG AZSA & Co. to entrust audits of the Company's accounts to this auditing firm.

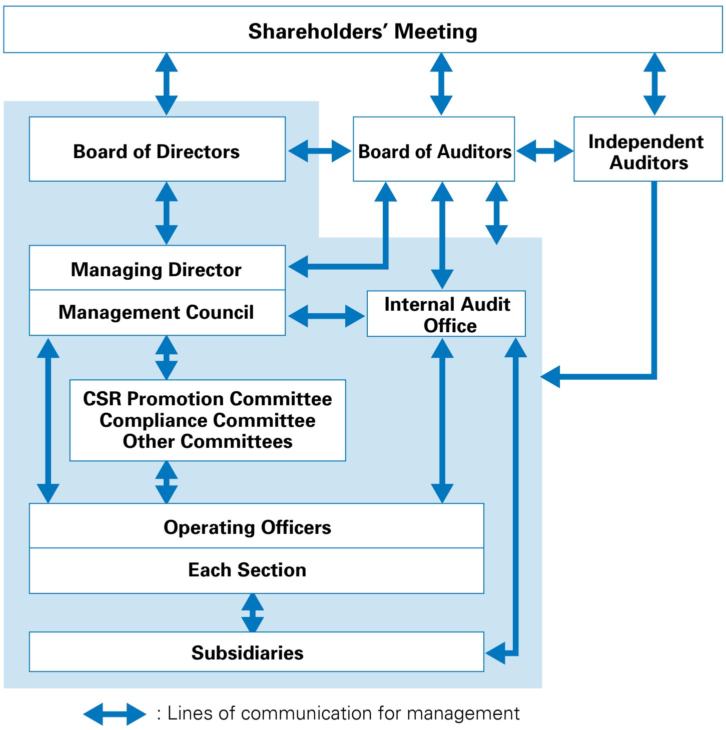
The Board of Directors meets once a month, in principle, to discuss, resolve and report on important management matters. The number of directors has been set at a maximum of 11, and their term of office is fixed at one year under the Company's articles of incorporation, for the express purpose of strengthening and revitalizing the functions of the Board of Directors in respect of improving corporate governance. To reinforce oversight of the directors in the performance of their duties, the Company has implemented an operating officer system.

Meetings of the Management Council are held twice per month with the attendance of the corporate auditors. The Management Council strives to conduct swifter, more appropriate decision-making on important matters related to the performance of business operations, the determination of business strategies and reviews of business operating systems.

Compliance

Under the concept of "a corporation should be a good citizen of society," the Company endeavors to achieve thorough compliance in its CSR-based business operations and be a sound, highly transparent company by ensuring that all its executives and employees act with a high sense of ethics, in compliance with laws and regulations, the articles of incorporation and the Action Guidelines.

The Company established the Compliance Committee, with the President as the chairperson, as the controlling body for the company-wide compliance-promotion system. Its activities include the formulation of basic compliance policy and action programs, holding training sessions for all employees, deciding on important matters, and operation of the Hibiya Hot Line, an internal whistle-blowing system.



Management's Discussion and Analysis

■ Overview

The operating environment for Hibiya Engineering was extremely difficult during the fiscal year that ended on March 31, 2009. As global turmoil in financial markets originating with the U.S. subprime loan problem continued, corporate earnings fell sharply and consumer spending weakened because of rising unemployment.

In the construction industry, the negative effect of the amended Building Standards Law is mostly over. However, market conditions became even more challenging as public-works investments continued to decline and companies cut back on capital expenditures due to the economic recession.

Orders and Sales

In response to these challenges, the Hibiya Engineering Group worked on improving earnings by maintaining proper expenses and strengthening its construction operations. The Group also reinforced safety and quality management systems and took actions aimed at expanding new businesses. Despite these activities, orders received decreased 8.6% to ¥52,687 million and net sales decreased 1.7% to ¥60,159 million.

Earnings

Operating income increased 205.5% to ¥2,037 million mainly because of a policy of placing priority on profitability when accepting new orders and measures to improve the break-even point by lowering the cost of sales. Net income increased 55.6% to ¥1,407 million despite an increase in income taxes from ¥865 million to ¥921 million. Net income per share before and after dilution increased to ¥39.77 from ¥24.86 (non-diluted) and ¥24.83 (diluted) in the previous fiscal year.

■ Balance sheet and Cash flow

Balance sheet

Assets

Total assets decreased ¥3,314 million from one year earlier to ¥71,771 million as current assets decreased ¥1,108 million to ¥38,811 million and noncurrent assets decreased ¥2,206 to ¥32,960 million. In current assets, there were increases of ¥1,625 million in cash and deposits and ¥1,215 million in cost of uncompleted contracts, but decreases of ¥2,382 million in notes receivable, accounts receivable from completed construction contracts and other and ¥1,006 million in marketable securities. The decline in noncurrent assets was primarily the result of a ¥4,993 million decrease in unrealized gains on investment securities.

Liabilities

Liabilities decreased ¥292 million to ¥22,504 million. The primary cause was a ¥1,374 million decline in notes payable, accounts payable for construction contracts and other.

Equity

Shareholders' equity decreased ¥1,640 million, but most of this decline was the result of stock repurchases. There were 601,429 shares of treasury stock as of March 31, 2009. The equity ratio was 66.8% compared with 67.9% one year earlier.

Return on equity

The return on equity increased to 2.8% from 1.7% in the previous fiscal year.

Cash flows

Net cash provided by operating activities increased ¥310 million to ¥2,250 million. Cash was used by an increase in inventories and a decrease in notes and accounts payable-trade, but cash was provided by income before income taxes and minority interests of ¥2,394 million and a decrease in notes and accounts receivable-trade.

Cash used in investing activities decreased ¥886 million to ¥566 million. The main reason was that proceeds from the withdrawal of investments in silent partnerships exceeded payments for investments in silent partnerships.

Cash used in financing activities decreased ¥2,250 million to ¥3,058 million. Cash was used mainly for the purchase of treasury stock and payment of dividends.

These cash flows resulted in a net decrease of ¥1,374 million in cash and cash equivalents to ¥10,958 million from ¥12,332 million at the end of the previous fiscal year.

■ Segment information

In the core construction segment, which accounted for 82.9% of consolidated sales, sales decreased 1.8% from ¥50,775 million to ¥49,849 million. Operating income increased 546.4% from ¥289 million to ¥1,870 million.

In the equipment segment, sales increased 5.2% and operating income increased 24.1% from ¥224 million to ¥278 million.

Business risks

The following section is a list of items contained in the discussion of results of operations and financial condition in the Annual Report that may have a significant effect on the decisions of investors. These items are based on the judgments of the Hibiya Engineering Group as of March 31, 2009.

1. Risk of dependence on a specific customer

The Group's sales are heavily dependent on Nippon Telegraph and Telephone Corporation (NTT) and its affiliates ("NTT Group"). Should the NTT Group significantly reduce its investments in construction for any reason, the Group's operating performance and financial position may be adversely affected.

2. Risk related to business partners

The operating environment in the Japanese construction market is extremely difficult because of continuing restrictions on construction expenditures, particularly with regard to public-works projects. Due to this situation, there is intense competition for orders and price competition. In this environment, if the creditworthiness of any business partner worsens, the Group's operating performance and financial position may be affected by bad debt associated with trade receivables.

3. Risk related to prices of materials

If there is an increase in prices of equipment and materials used by the Group due to a shortage of raw materials such as iron and copper and/or market fluctuations, the Group's operating performance and financial position may be affected.

4. Risk related to unprofitable work

If a project at the Group becomes unprofitable because of additional construction costs or other items caused by factors that were unforeseen before the project was started, the provision for an allowance for losses on construction contracts may become necessary and the Group's operating performance and financial position may be affected.

5. Risk involving safety

The Group conducts a large volume of renovation work at buildings owned by the NTT Group. If an accident resulting in injury or property damage occurs during a renovation and causes a serious failure at NTT's advanced public communications network, the Group may be obligated to make a large, lump-sum compensation payment and the Group's operating performance and financial position may be affected.

6. Risk involving retirement benefit systems

The Company and one of its consolidated subsidiaries participate in the employee pension fund of the Tokyo Air-Conditioning and Plumbing Contractors Association. An affiliate accounted for by the equity method participates in the Tokyo Metropolis Construction Industry Employees' Pension Fund. If a decline in the financial condition of either of these funds results in a revision in benefits, depending on the nature of the revision, the Group's operating performance and financial position may be affected by an increase in retirement benefit expenses.

7. Risk involving securities

The Group may have to write down the value of stock that it holds because of stock market movements, changes in the performance of individual companies and other factors. In addition, the Group may not be able to receive dividends from this stock as initially expected.

For bonds, the Group may be unable to receive interest or principal payments due to a default by an issuer. In addition, for bonds where interest is linked to foreign exchange rates, market interest rates and other market-based indicators, the Group may be unable to receive the interest that was expected when the bond was purchased or at the beginning of the fiscal period due to changes in market conditions.

8. Risk related to recovering deferred tax assets

Deferred tax assets in the consolidated financial statements of the Group are recorded as a result of the scheduling of the expected year for the future resolution of temporary subtraction differences.

If the operating performance of the Company and/or its consolidated subsidiaries worsens, deferred tax assets would have to be reduced on the basis of judgments concerning the ability to recover deferred tax assets, and the Group's operating performance and financial position may be affected.

9. Seasonal variations in operating performance

For ordinary business operations, a larger percentage of construction work is completed in the second half than in the first half of each fiscal year. This produces a significant difference between first half and second half sales, which results in a seasonal variation in operating performance for these two six-month periods.

Consolidated Balance Sheets

Hibiya Engineering, Ltd. and Consolidated Subsidiaries
Years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Assets			
Current assets:			
Cash and cash equivalents *(Note 3)*	**¥10,958**	¥12,332	**$111,555**
Notes receivable, accounts receivable from completed construction contracts and other	**20,676**	23,057	**210,486**
Short-term investment securities *(Note 4)*	**1,602**	109	**16,308**
Costs on uncompleted construction contracts and other	**3,666**	2,451	**37,320**
Deferred tax assets *(Note 7)*	**826**	475	**8,409**
Other	**1,135**	1,523	**11,554**
Allowance for doubtful accounts	**(52)**	(27)	**(529)**
Total current assets	**38,811**	39,920	**395,103**
Noncurrent assets:			
Property, plant and equipment:			
Buildings and structures	**1,403**	1,394	**14,283**
Land	**175**	175	**1,781**
Lease assets	**13**	—	**132**
Other	**838**	728	**8,531**
Total	**2,429**	2,297	**24,727**
Accumulated depreciation	**(1,717)**	(1,630)	**(17,479)**
Total property, plant and equipment	**712**	667	**7,248**
Intangible assets:			
Lease assets	**11**	—	**112**
Other	**594**	146	**6,047**
Total intangible assets	**605**	146	**6,159**
Investments and other assets:			
Investment securities *(Note 4)*	**23,355**	28,349	**237,758**
Long-term loans receivable	**37**	37	**377**
Insurance funds	**2,843**	2,837	**28,942**
Investments in silent partnership	**3,000**	1,154	**30,541**
Deferred tax assets *(Note 7)*	**1,098**	278	**11,178**
Other	**1,551**	1,813	**15,789**
Allowance for doubtful accounts	**(241)**	(115)	**(2,453)**
Total investments and other assets	**31,643**	34,353	**322,132**
Total noncurrent assets	**32,960**	35,166	**335,539**
Total assets	**¥71,771**	¥75,086	**$730,642**

See accompanying notes to consolidated financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Liabilities			
Current liabilities:			
Notes payable, accounts payable for construction contracts and other	**¥17,150**	¥18,524	**$174,590**
Short-term loans payable *(Note 6)*	**780**	780	**7,941**
Lease obligations	**6**	—	**61**
Income taxes payable *(Note 7)*	**1,032**	573	**10,506**
Advances received on uncompleted construction contracts	**1,272**	993	**12,949**
Provision for bonuses	**1,132**	622	**11,524**
Provision for warranties for completed construction	**35**	39	**356**
Provision for loss on construction contracts	**72**	15	**733**
Other	**372**	530	**3,787**
Total current liabilities	**21,851**	22,076	**222,447**
Noncurrent liabilities:			
Lease obligations	**19**	—	**193**
Deferred tax liabilities	**25**	126	**255**
Provision for retirement benefits *(Note 9)*	**472**	460	**4,805**
Provision for directors' retirement benefits	**125**	119	**1,273**
Other	**12**	15	**122**
Total noncurrent liabilities	**653**	720	**6,648**
Contingent liabilities *(Note 11)*	—	—	—
Net Assets			
Shareholders' equity *(Note 12)*:			
Capital stock: Authorized – 96,500,000 shares in 2009 and 2008 Issued – 34,000,309 shares in 2009 and 37,000,309 shares in 2008	**5,753**	5,753	**58,567**
Capital surplus	**5,932**	5,932	**60,388**
Retained earnings	**36,202**	38,076	**368,543**
Treasury stock: 601 thousand shares in 2009 and 892 thousand shares in 2008	**(368)**	(602)	**(3,746)**
Total shareholders' equity	**47,519**	49,159	**483,752**
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	**436**	1,842	**4,439**
Total valuation and translation adjustments	**436**	1,842	**4,439**
Minority interests	**1,312**	1,289	**13,356**
Total net assets	**49,267**	52,290	**501,547**
Total liabilities and net assets	**¥71,771**	¥75,086	**$730,642**

Consolidated Statements of Income

Hibiya Engineering, Ltd. and Consolidated Subsidiaries
Years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Net sales *(Note 14)*	**¥60,159**	¥61,222	**$612,430**
Cost of sales	**51,854**	54,853	**527,884**
Gross profit	**8,305**	6,369	**84,546**
Selling, general and administrative expenses *(Note 8)*	**6,268**	5,702	**63,809**
Operating income	**2,037**	667	**20,737**
Non-operating income (expenses):			
Interest and dividend income	**438**	470	**4,459**
Interest expenses	**(15)**	(18)	**(153)**
Equity in earnings of affiliates	**381**	1,117	**3,878**
Loss on valuation of investment securities	**(751)**	(694)	**(7,645)**
Other, net	**304**	338	**3,095**
Total selling, general and administrative expenses	**357**	1,213	**3,634**
Income before income taxes	**2,394**	1,880	**24,371**
Income taxes *(Note 7)*:			
Income taxes-current	**1,273**	634	**12,959**
Income taxes-deferred	**(352)**	231	**(3,583)**
Total income taxes	**921**	865	**9,376**
Minority interests in income	**66**	111	**671**
Net income	**¥ 1,407**	¥ 904	**$ 14,324**

	Yen		U.S. dollars (Note 1)
Per share of common stock:	**2009**	2008	**2009**
Net assets per share	**¥1,435.82**	¥1,412.46	**$14.62**
Net income per share			
Basic	**39.77**	24.86	**0.40**
Diluted	**39.77**	24.83	**0.40**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

Hibiya Engineering, Ltd. and Consolidated Subsidiaries
Years ended March 31, 2009 and 2008

	Number of shares of common stock	Capital stock (Note 13)	Legal Capital surplus (Note 13)	Retained earnings (Note 13)	Treasury stock	Valuation difference on available-for-sale securities	Minority interests	Total net assets
	(shares)	Millions of yen						
Balance at March 31, 2007	38,000,309	¥5,753	¥5,932	¥38,523	¥(1,153)	¥4,218	¥1,192	¥54,465
Net income	—	—	—	904	—	—	—	904
Dividends from surplus	—	—	—	(548)	—	—	—	(548)
Purchase of treasury stock	—	—	—	—	(279)	—	—	(279)
Disposal of treasury stock	—	—	—	(3)	30	—	—	27
Retirement of treasury stock	(1,000,000)	—	—	(800)	800	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—	—	(2,376)	97	(2,279)
Balance at March 31, 2008	37,000,309	¥5,753	¥5,932	¥38,076	¥ (602)	¥1,842	¥1,289	¥52,290
Net income	—	—	—	1,407	—	—	—	1,407
Dividends from surplus	—	—	—	(902)	—	—	—	(902)
Purchase of treasury stock	—	—	—	—	(2,184)	—	—	(2,184)
Disposal of treasury stock	—	—	0	—	39	—	—	39
Retirement of treasury stock	(3,000,000)	—	(0)	(2,379)	2,379	—	—	(0)
Net changes of items other than shareholders' equity	—	—	—	—	—	(1,406)	23	(1,383)
Balance at March 31, 2009	**34,000,309**	**¥5,753**	**¥5,932**	**¥36,202**	**¥ (368)**	**¥ 436**	**¥1,312**	**¥49,267**

	Capital stock (Note 13)	Legal Capital surplus (Note 13)	Retained earnings (Note 13)	Treasury stock	Valuation difference on available-for-sale securities	Minority interests	Total net assets
	Thousands of U.S. dollars (Note 1)						
Balance at March 31, 2008	$58,567	$60,388	$387,621	$ (6,128)	$ 18,752	$ 13,122	$532,322
Net income	—	—	14,324	—	—	—	14,324
Dividends from surplus	—	—	(9,183)	—	—	—	(9,183)
Purchase of treasury stock	—	—	—	(22,234)			(22,234)
Disposal of treasury stock	—	0	—	397	—	—	397
Retirement of treasury stock	—	(0)	(24,219)	24,219	—	—	(0)
Net changes of items other than shareholders' equity	—	—	—	—	(14,313)	234	(14,079)
Balance at March 31, 2009	**$58,567**	**$60,388**	**$368,543**	**$(3,746)**	**$ 4,439**	**$ 13,356**	**$501,547**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Hibiya Engineering, Ltd. and Consolidated Subsidiaries
Years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
Net cash provided by (used in) operating activities			
Income before income taxes	**¥ 2,394**	¥ 1,880	**$ 24,371**
Depreciation and amortization	**151**	141	**1,537**
Increase (decrease) in allowance for doubtful accounts	**150**	46	**1,527**
Increase (decrease) in provision for retirement benefits	**11**	(160)	**112**
Increase (decrease) in provision for directors' retirement benefits	**6**	(44)	**61**
Increase (decrease) in provision for bonuses	**511**	(29)	**5,202**
Increase (decrease) in provision for warranties for completed construction	**(4)**	(12)	**(40)**
Increase (decrease) in provision for loss on construction contracts	**57**	(51)	**580**
Interest and dividends income	**(438)**	(470)	**(4,459)**
Interest expenses	**15**	18	**153**
Loss (gain) on sales of securities	**(33)**	6	**(336)**
Loss (gain) on sales of investment securities	**(5)**	(139)	**(51)**
Loss (gain) on valuation of investment securities	**751**	694	**7,645**
Equity in (earnings) losses of affiliates	**(381)**	(1,117)	**(3,879)**
Decrease (increase) in notes and accounts receivable-trade	**2,382**	3,471	**24,249**
Decrease (increase) in costs on uncompleted construction contracts	**(1,215)**	23	**(12,369)**
Increase (decrease) in notes and accounts payable-trade	**(1,374)**	(1,826)	**(13,987)**
Increase (decrease) in advances received on uncompleted construction contracts	**279**	(204)	**2,840**
Decrease (increase) in consumption taxes receivable (payable)	**(248)**	216	**(2,524)**
Other, net	**(358)**	(88)	**(3,644)**
Subtotal	**2,651**	2,355	**26,988**
Interest and dividends income received	**468**	497	**4,764**
Interest expenses paid	**(15)**	(18)	**(153)**
Income taxes paid	**(854)**	(894)	**(8,694)**
Net cash provided by (used in) operating activities	**2,250**	1,940	**22,905**
Net cash provided by (used in) investing activities			
Proceeds from sales of short-term investment securities	**321**	—	**3,268**
Purchase of property, plant and equipment	**(136)**	(47)	**(1,384)**
Proceeds from sales of property, plant and equipment	**—**	4	**—**
Purchase of intangible assets	**(493)**	(64)	**(5,019)**
Purchase of investment securities	**(53)**	(2,001)	**(540)**
Proceeds from sales of investment securities	**8**	285	**81**
Proceeds from redemption of investment securities	**500**	2,000	**5,090**
Decrease (increase) in time deposits	**—**	(300)	**—**
Purchase of insurance funds	**(202)**	(275)	**(2,056)**
Proceeds from maturity of insurance funds	**340**	344	**3,461**
Payments for investments in silent partnership	**(3,000)**	—	**(30,540)**
Proceeds from withdrawal of investments in silent partnership	**2,190**	500	**22,295**
Other, net	**(41)**	(126)	**(417)**
Net cash provided by (used in) investing activities	**(566)**	320	**(5,761)**
Net cash provided by (used in) financing activities			
Purchase of treasury stock	**(2,185)**	(279)	**(22,244)**
Proceeds from sales of treasury stock	**39**	27	**397**
Cash dividends paid	**(902)**	(548)	**(9,182)**
Cash dividends paid to minority shareholders	**(6)**	(6)	**(61)**
Other, net	**(4)**	—	**(41)**
Net cash provided by (used in) financing activities	**(3,058)**	(806)	**(31,131)**
Net increase (decrease) in cash and cash equivalents	**(1,374)**	1,454	**(13,987)**
Cash and cash equivalents at beginning of period	**12,332**	10,878	**125,542**
Cash and cash equivalents at end of period *(Note 3)*	**¥10,958**	¥12,332	**$111,555**

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

1. Basis of presenting consolidated financial statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accompanying consolidated financial statements have been reformatted and translated into English from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Some supplementary information included in the statutory Japanese language consolidated financial statements is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2009, which was ¥98.23 to U.S. $1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

In addition, certain reclassifications have been made in the 2008 financial statements to conform to the classification used in 2009.

2. Summary of significant accounting policies

(a) Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, "Hibiya Tsushou Co., Ltd." and "NIKKEY Company Limited". All significant inter-company balances and transactions are eliminated in consolidation.

Investments in affiliates (two in 2009 and one in 2008) are accounted for by the equity method. Investments in the other affiliates, whose income or losses are not significant for the Company's equity, are carried at cost.

(b) Marketable securities and investment securities

The Company and its consolidated subsidiaries (the "Companies") assessed the intent of holding each security and classified those securities as (a) securities held for trading purposes (hereafter, "trading securities"), (b) debt securities intended to be held to maturity (hereafter, "held-to-maturity debt securities"), (c) equity securities issued by subsidiaries and affiliated companies, and (d) all other securities that are not classified in any of the above categories (hereafter, "available-for-sale securities").

No trading securities and held-to-maturity debt securities have been owned by the Companies. Equity securities issued by subsidiaries have been eliminated upon consolidation. Equity securities issued by affiliated companies which are not accounted for using the equity method are stated at average cost. Available-for-sale securities with fair market value are stated at fair market value. Unrealized gains and losses on these securities are reported, net of applicable income taxes, as a separate component of net assets. Non-marketable available-for-sale securities are stated at cost determined by the weighted-average method. Realized gain or loss on sale of such securities is computed using the average cost.

(c) Allowance for doubtful accounts

Allowance for doubtful accounts is provided in amounts sufficient to cover probable losses on collections. It consists of the estimated uncollectible amount with respect to certain identified doubtful accounts and an amount calculated using the rate of actual collection losses in the past with respect to the remaining receivables.

(d) Provision for bonuses

Provision for bonuses is stated at the estimated amount of the bonuses to be paid to employees based on their services provided for the fiscal year.

(e) Provision for warranties for completed construction

Provision for warranties for completed contracts is provided for estimated compensation costs for claims on completed contracts at an amount calculated based on past experience with adjustments for future forecast.

(f) Provision for loss on construction contracts

Provision for loss on construction contracts is provided in amounts sufficient to cover probable losses on construction. The provision amount is estimated by taking into account the expected loss from uncompleted construction contracts at year-end whose amount can be estimated.

(g) Construction contracts

Long-term construction contracts, whose contract amount is ¥100 million or more, construction schedule is more than 12 months and percentage of completion is 30% or more, are accounted for by the percentage of completion method.

The construction revenues accounted for by the percentage of completion method are ¥7,166 million

($72,951 thousands) and ¥5,372 million for the years ended March 31, 2009 and 2008, respectively.

(h) Cost of uncompleted construction contracts

Costs on uncompleted contraction contracts are stated at cost using the specific identification cost method. Inventories for the consolidated subsidiaries are stated at cost using the specific identification method, (amounts shown on Balance Sheets are lower than book value due to decline in profitability).

Effective from the year ended March 31, 2009, the Companies adopted the new accounting standard, "Accounting Standard for Measurement of Inventories," (ASBJ Statement No. 9 issued on July 5, 2006). This change had only minor impact on the consolidated statement of income for 2009.

(i) Property, plant and equipment, Intangible assets, and depreciation

Depreciation of property, plant and equipment (not including lease assets) is computed using the declining-balance method at rates based on their useful lives prescribed in the Japanese tax regulations.

In line with the amendment of the Corporation Tax Law [Law for Partial Amendment of the Income Tax Law, etc. (March 30, 2007, Law No. 6) and Cabinet Order for Partial Amendment of the Corporation Tax Law Enforcement Ordinance (March 30, 2007, Cabinet Order No. 83) which became effective from 2008], the Companies compute depreciation expenses for property, plant and equipment acquired on or after April 1, 2007 by the method specified in the amended Corporation Tax Law. This change had only minor impact on the consolidated statement of income for 2008.

Effective April 1, 2007, due to the amendment of the Corporation Tax Code of Japan, amounts of depreciation limit (5% of acquisition costs) of tangible fixed assets acquired by the Company and consolidated domestic subsidiaries before April 1, 2007 are recognized as depreciation equally over five years commencing from the later of the year ended March 31, 2008 or the year immediately following the year in which depreciation has been recognized up to the depreciation limit. The change had only minor impact on the consolidated statement of income for the year ended March 31, 2008.

Lease assets are depreciated using the straight-line method over the period of the lease, with zero residual value.

Effective April 1, 2008, the Company and its subsidiaries adopted ASBJ Statement No. 13, "Accounting Standard for Lease Transactions" and ASBJ Guidance No. 16, "Guidance on Accounting Standard for Lease Transactions" for finance leases commenced after March 31, 2008 and capitalized assets used under such leases, except for certain immaterial or short-term finance leases, which are accounted for as operating leases. As permitted, finance leases which commenced prior to April 1, 2008 and have been accounted for as operating leases, continue to be accounted for as operating leases with disclosure of certain "as if capitalized" information.

The adoption of the new accounting standards had only minor impact on the consolidated statement of income for 2009.

(j) Provision for retirement benefits

The Companies provide provision for employees' severance and retirement benefits based on the estimated amounts of projected benefit obligation and the fair value of the plan assets at the year-end. Actuarial gains and losses are recognized in income or expense using the straight-line method over the average of the estimated remaining service lives of 10 years commencing from the year in which they arise.

In addition, directors and corporate auditors of the Companies are customarily entitled to lump-sum payments under their respective unfunded retirement benefits plans.

(k) Provision for directors' retirement benefits

Provision for directors' and corporate auditors' retirement benefits is provided at an amount required to be paid in accordance with the internal rules had all directors and corporate auditors retire as of the balance sheet date.

(l) Cash flow statement and cash and cash equivalents

In preparing the consolidated statements of cash flows, cash on hand, readily-available deposits and short-term highly liquid investments with maturities within three months from the time of purchase and with insignificant risk of change in value are considered to be cash and cash equivalents.

(m) Income taxes

The Companies compute the provision for income taxes based on the pretax income included in the consolidated statement of income and recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement basis and the tax basis of assets and liabilities.

(n) Amounts per share

Net income per share is calculated by dividing net income available to common shares by the weighted average number of common shares outstanding during the year.

(o) Derivatives

The Companies state derivative financial instruments at fair value and recognize changes in the fair value as gains or losses. At March 31, 2009 and 2008, the Companies did not hold derivative financial instruments.

3. Cash and cash equivalents

The reconciliation of cash and cash equivalents in the cash flow statements and cash and deposits in the balance sheets as of March 31, 2009 and 2008 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Cash and bank deposits	**¥11,458**	¥ 9,833	**$116,645**
Marketable securities	**1,602**	2,608	**16,309**
Total	**13,060**	12,441	**132,953**
Marketable securities other than open bond investment trust	**(1,602)**	(109)	**(16,309)**
Time deposits(due over 3months)	**(500)**	—	**(5,090)**
Cash and cash equivalents	**¥10,958**	¥12,332	**$111,555**

4. Marketable securities and investment securities

(1) At March 31, 2009 and 2008, acquisition costs, book values and fair values of securities with available fair values were as follows:

(a) Available-for-sale securities

	Millions of yen		
	2009		
	Acquisition cost	Book value	Difference
Securities with book value (fair value) exceeding acquisition cost:			
Equity securities	**¥1,273**	**¥2,087**	**¥ 814**
Debt securities			
Government bonds	—	—	—
Corporate bonds	—	—	—
Other bonds	**4,242**	**4,737**	**495**
Other	**51**	**51**	**0**
Total	**¥5,566**	**¥6,875**	**¥1,309**
Securities with book value (fair value) not exceeding acquisition cost:			
Equity securities	**¥3,289**	**¥2,923**	**¥ (366)**
Debt securities			
Government bonds	—	—	—
Corporate bonds	**300**	**296**	**(4)**
Other bonds	**801**	**717**	**(84)**
Other	**329**	**272**	**(57)**
Total	**¥4,719**	**¥4,208**	**¥ (511)**

	Millions of yen		
	2008		
	Acquisition cost	Book value	Difference
Securities with book value (fair value) exceeding acquisition cost:			
Equity securities	¥3,712	¥ 6,253	¥2,541
Debt securities			
Government bonds	—	—	—
Corporate bonds	83	102	19
Other bonds	4,042	4,764	722
Other	83	88	5
Total	¥7,920	¥11,207	¥3,287
Securities with book value (fair value) not exceeding acquisition cost:			
Equity securities	¥1,443	¥ 1,369	¥ (74)
Debt securities			
Government bonds	—	—	—
Corporate bonds	499	498	(1)
Other bonds	1,002	999	(3)
Other	409	367	(42)
Total	¥3,353	¥ 3,233	¥ (120)

	Thousands of U.S. dollars		
	2009		
	Acquisition cost	Book value	Difference
Securities with book value (fair value) exceeding acquisition cost:			
Equity securities	**$12,959**	**$21,246**	**$ 8,287**
Debt securities			
Government bonds	—	—	—
Corporate bonds	—	—	—
Other bonds	**43,185**	**48,224**	**5,039**
Other	**519**	**519**	**0**
Total	**$56,663**	**$69,989**	**$13,326**

Securities with book value (fair value) not exceeding acquisition cost:			
Equity securities	**$33,483**	**$29,757**	**$ (3,726)**
Debt securities			
Government bonds	—	—	—
Corporate bonds	**3,054**	**3,013**	**(41)**
Other bonds	**8,154**	**7,299**	**(855)**
Other	**3,349**	**2,769**	**(580)**
Total	**$48,040**	**$42,838**	**$ (5,202)**

(2) At March 31, 2009 and 2008, book values of securities with no available fair values were as follows:

(a) Securities in subsidiaries and affiliates

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Investments in affiliates	**¥12,494**	¥12,123	**$127,192**
Total	**¥12,494**	¥12,123	**$127,192**

(b) Available-for-sale securities

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Unlisted equity securities	**¥1,330**	¥1,345	**$13,540**
Commercial paper	—	2,499	—
Other	**50**	550	**509**
Total	**¥1,380**	¥4,394	**$14,049**

(3) At March 31, 2009 and 2008, maturities of available-for-sale securities with maturity were as follows:

	Millions of yen				
	2009				
	Within one year	Over one year but within five years	Over five years but within ten years	Over ten years	Total
Debt securities:					
Government bonds	**¥ —**	**¥ —**	**¥—**	**¥ —**	**¥ —**
Corporate bonds	**296**	—	—	—	**296**
Other bonds	**1,306**	**3,389**	—	**809**	**5,504**
Other	—	**13**	**26**	**283**	**322**
Total	**¥1,602**	**¥3,402**	**¥26**	**¥1,092**	**¥6,122**

	Millions of yen				
	2008				
	Within one year	Over one year but within five years	Over five years but within ten years	Over ten years	Total
Debt securities:					
Government bonds	¥ —	¥ —	¥ —	¥ —	¥ —
Corporate bonds	102	498	—	—	600
Other bonds	—	3,947	1,061	805	5,813
Other	7	20	46	382	455
Total	¥109	¥4,465	¥1,107	¥1,187	¥6,868

	Thousands of U.S. dollars				
	2009				
	Within one year	Over one year but within five years	Over five years but within ten years	Over ten years	Total
Debt securities:					
Government bonds	$ —	$ —	$ —	$ —	$ —
Corporate bonds	3,013	—	—	—	3,013
Other bonds	13,295	34,501	—	8,236	56,032
Other	—	132	265	2,881	3,278
Total	$16,308	$34,633	$265	$11,117	$62,323

Sale of securities classified as available-for-sale securities for the years ended March 31, 2009 and 2008 amounted to ¥329 million ($3,349 thousand) and ¥285 million, respectively, and net realized gains amounted to ¥38 million ($387 thousand) and ¥139 million, respectively.

5. Derivative financial instruments

At March 31, 2009 and 2008, the Companies did not hold any derivative financial instruments.

Types, purpose and policy related to derivative financial instruments

The Company does not hold derivative transactions or balances. The Company has no intention to use derivatives for dealing or speculative purposes.

Risks related to derivative financial instruments

Derivative instruments are subject to credit risk and market risk. Credit risk is the possibility that a loss may results from a counter party's failure to perform according to the terms and conditions of the contract. As the derivative transactions are made solely with major financial institutions that have high creditworthiness, the Company believes that the overall credit risk related to its financial instruments is insignificant.

Market risk is the exposure created by potential fluctuations in market condition.

Controls over derivative financial transactions

Derivative transactions are executed, upon approval by the director who is responsible for finance, through control by each appropriate department for transaction purpose, maximum limitation, selection of partners, and risk content. Transactions with large fluctuations are constantly monitored for market price, analyzed, and reported to the director. Other transactions are monitored and reported periodically.

Additional note

The face value of bonds containing derivatives does not represent the amount of risk. The fair value used for revaluation is based on the information in the guidelines of the Japan Securities Dealers Association provided by the financial institution from which the Company acquired the bonds.

6. Short-term loans payable

Short-term loans payable from banks, at March 31, 2009 and 2008 were represented by overdraft and short-term notes, bearing weighted average interest rate of 1.538% and 1.887% for the years ended March 31, 2009 and 2008, respectively.

The Companies had no long-term debt at March 31, 2009 and 2008.

For efficient procurement of working capital, the consolidated subsidiaries have entered into overdraft contracts with 4 financial institutions in the aggregate amount of ¥1,680 million ($17,103 thousand) as of March 31, 2009 and 2008. The unused facilities maintained by the consolidated subsidiaries as of March 31, 2009 and 2008 amounted to ¥1,050 million ($10,689 thousand).

7. Income taxes

Taxes on income consist of corporation, enterprise and inhabitants taxes. The aggregate statutory tax rate on income before income taxes was approximately 40.7 % for the years ended March 31, 2009 and 2008.

The actual effective tax rate in the accompanying statements of income differed from the statutory tax rate primarily as a result of expenses not deductible for tax purposes.

The following table summarizes the significant differences between the statutory tax rate and the Companies' effective tax rate for financial statement purposes for the years ended March 31, 2009 and 2008:

	2009	2008
Statutory tax rate	**40.7%**	40.7%
Non-deductible expenses	**3.3**	3.6
Non-taxable dividend income	**(1.4)**	(1.5)
Per capita inhabitant tax	**2.0**	2.9
Valuation allowance	**(1.4)**	9.5
Equity in earnings of affiliates	**(6.5)**	(7.7)
Other	**1.8**	(1.5)
Effective tax rate	**38.5%**	46.0%

Significant components of the Companies' deferred tax assets and liabilities as of March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Deferred tax assets:			
Loss on devaluation of securities	**¥ 540**	¥ 559	**$ 5,497**
Enterprise taxes payable	**110**	63	**1,120**
Provision for bonuses	**462**	254	**4,703**
Provision for retirement benefits	**978**	1,005	**9,956**
Provision for directors' retirement benefits	**54**	53	**550**
Loss from devaluation of guaranty deposits	**30**	30	**306**
Valuation difference on available-for-sale securities	**208**	331	**2,117**
Other	**467**	340	**4,754**
Valuation allowance	**(330)**	(364)	**(3,359)**
Total deferred tax assets	**2,519**	2,271	**25,644**
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	**(528)**	(1,571)	**(5,375)**
Other	**(92)**	(73)	**(937)**
Total deferred tax liabilities	**(620)**	(1,644)	**(6,312)**
Net deferred tax assets (liabilities)	**¥1,899**	¥ 627	**$19,332**

8. Selling, general and administrative expenses

Major components of selling, general and administrative expenses are as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Employee's salaries and allowances	**¥2,029**	¥2,062	**$20,656**
Provision for bonuses	**398**	246	**4,052**
Retirement benefit expenses	**278**	160	**2,830**
Provision for directors' retirement benefits	**33**	36	**336**
Provision of allowance for doubtful accounts	**160**	54	**1,629**
Depreciation	**102**	91	**1,038**
Rents	**907**	876	**9,233**

The aggregate amounts of research and development expenses included in selling, general and administrative expenses for the years ended March 31, 2009 and 2008 were ¥186 million ($1,894 thousand) and ¥194 million, respectively.

9. Provision for retirement benefits

The Company has established defined benefit plans: the Employees' Pension Funds Program, Tax qualified pension plan and lump-sum retirement plan. The consolidated subsidiaries established corporate pension plan and lump-sum retirement plan. A certain consolidated subsidiaries participate the Employees' Pension Funds Program.

Provision for retirement benefits included in the liability section of the consolidated balance sheets as of March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Projected benefit obligation	**¥(4,844)**	¥(4,745)	**$(49,313)**
Fair value of plan assets	**4,017**	4,271	**40,894**
Unrecognized actuarial differences	**355**	14	**3,614**
Provision for retirement benefits	**472**	460	**4,805**

The consolidated subsidiaries adopt the simplified method of calculating the projected benefits obligation.

Included in the consolidated statements of income for the years ended March 31, 2009 and 2008 are employees' severance and retirement benefit expenses consisting of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Retirement benefit expenses	**¥633**	¥442	**$6,444**
Service costs – benefits earned during the year	**412**	261	**4,194**
Interest cost on projected benefit obligation	**109**	113	**1,110**
Amortization of actuarial differences	**48**	9	**489**
Expected return on plan assets	**(83)**	(83)	**(845)**
Contribution to the Employees' Pension Funds Program	**147**	142	**1,496**

Service cost includes pension expenses of the consolidated subsidiaries calculated by the simplified method.

The discount rates on benefits obligation used by the Companies are 1.5% and 2.5% for the years ended March 31, 2009 and 2008, respectively. The rates of expected return on plan assets by tax qualified pension plan used by the Companies are 1.58% for the years ended March 31, 2009 and 2008. The rate of expected return on plan assets by retirement benefit trust used by the Companies are 2.50% for the years ended March 31, 2009 and 2008. The estimated amount of all retirement benefits to be paid at the future retirement date is allocated equally to each service year using the estimated number of total service years. Actuarial gains and losses are recognized as income or expense in equal amounts over 10 years commencing from the year in which they arise.

The Company and a certain consolidated subsidiary participate in several contributory funded multi-employer pension plans. The required contributions to them are recognized as a net pension cost for the year. Of these pension plans are as follows:

	Millions of yen	Thousands of U.S. dollars
	2008	2008
Funded status of the entire plan as March 31, 2008		
Fair value of plan assets	¥40,442	$411,707
Benefit obligations	42,177	429,370
Deficit (*1)	(¥1,735)	($17,663)
Ratio of total salaries of the Companies to total funds of the plan (*2)		12.7%

The net balance above deficit (*1) is mainly due to the prior service liabilities of ¥364 million ($3,706 thousand) and ¥413 million for 2009 and 2008 respectively, under-funding in the current fiscal year of ¥2,591 million ($26,377 thousand) for 2009 and general reserves of ¥1,219 million ($12,410 thousand) for 2009 and 2008 respectively. The prior service liabilities are being amortized over 6 years and 2 months. The above proportion (*2) does not conform to the actual charge ratio applied to the Companies.

10. Leases

As discussed in Note 2 (h), finance leases commenced prior to April 1, 2008 which do not transfer ownership of leased assets to lessees are accounted for as operating leases.

Assumed amounts of acquisition cost and accumulated depreciation at March 31, 2009 and 2008 are as follows:

	Millions of yen		
	2009		
	Acquisition costs	Accumulated depreciation	Net book value
Vehicle	**¥ 16**	**¥11**	**¥ 5**
Equipment	**108**	**65**	**43**
Total	**¥124**	**¥76**	**¥48**

	Thousands of U.S. dollars		
	2009		
Vehicle	**$ 163**	**$112**	**$ 51**
Equipment	**1,099**	**661**	**438**
Total	**$1,262**	**$773**	**$489**

	Millions of yen		
	2008		
	Acquisition costs	Accumulated depreciation	Net book value
Vehicle	¥ 19	¥10	¥ 9
Equipment	143	74	69
Total	¥162	¥84	¥78

Lease payments relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements and the related pro forma depreciation expense and interest expense for the years ended March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Lease payments	**¥32**	¥45	**$326**
Depreciation expense	**28**	37	**285**
Interest expense	**4**	6	**41**

Pro forma depreciation expense is computed by the straight-line method over the respective lease terms assuming a nil residual value.

Future minimum lease payments subsequent to March 31, 2009 and 2008, for finance leases currently accounted for as operating lease are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Due within one year	**¥24**	¥33	**$244**
Due after one year	**27**	57	**275**
Total	**¥51**	¥90	**$519**

11. Contingent liabilities

The Company went to arbitration of the "Central Dispute Committee of Construction Works" for resolution of a dispute over a construction completed in 2006. The customer has withheld payment of a part of the contract amount of ¥162 million (US$1,649 thousand) due to a defect. At present, the result of arbitration is not predictable.

12. Net assets

Under the Japanese Companies Act, the entire amount of payment for new shares is required to be designated as common stock, although, generally, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Even when the total amount of additional paid-in-capital and legal earnings reserve is less than 25% of common stock, additional paid-in-capital and legal earnings reserve may be available for dividends if there are sufficient distributable surplus. Both of those appropriations require a resolution of the shareholders' meeting. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with the Japanese Companies Act.

At the annual shareholders' meeting held on June 26, 2009, the shareholders resolved cash dividends amounting to ¥369 million (US$3,757 thousand) as described in Note 16. Such appropriations have not been accrued in the consolidated financial statements as of March 31, 2009. Such appropriations will be recognized in the period when they are resolved.

13. Stock option plan

Summarized information on the stock options outstanding as of March 31, 2009 is as follows:

(1) Stock option plan approved by the shareholders on June 27, 2003

	Stock options granted on September 25, 2003	Total
Number of shares for options granted	700,000 share	700,000 share
Number of shares for options outstanding	0 share	0 share
Exercise price	¥796	
Option term	July 1, 2005 – June 30, 2008	

The stock options activity is as follows:

Approved day	Stock option on June 27, 2003
For the year ended March 31, 2008	
Non-Vested	(Share)
March 31, 2008 – Outstanding	—
Granted	—
Canceled	—
Vested	—
March 31, 2009 – Outstanding	—
Vested	
March 31, 2008 – Outstanding	302,000
Vested	—
Exercised	44,000
Canceled	258,000
March 31, 2009 – Outstanding	—
Exercise price	¥ 796 ($8.10)
Average stock price at exercise	¥ 858 ($8.73)

14. Segment information

The Companies are mainly engaged in construction business and sale and production of equipment.

Summaries of net sales, operating income and assets by industry segment for the years ended March 31, 2009 and 2008 were as follows:

2009	Millions of yen					
	Construction	Equipment	Other	Total	Eliminations or Corporate	Consolidated
Net sales:						
Outside customers	**¥49,849**	**¥ 8,305**	**¥2,005**	**¥60,159**	**—**	**¥60,159**
Inter-segment	**—**	**3,659**	**369**	**4,028**	**(4,028)**	**—**
Total	**49,849**	**11,964**	**2,374**	**64,187**	**(4,028)**	**60,159**
Operating expenses	**47,979**	**11,686**	**2,409**	**62,074**	**(3,952)**	**58,122**
Operating income	**¥ 1,870**	**¥ 278**	**¥ (35)**	**¥ 2,113**	**¥ (76)**	**¥ 2,037**
Assets and others:						
Assets	**¥31,566**	**¥ 7,005**	**¥2,265**	**¥40,836**	**¥30,935**	**¥71,771**
Depreciation	**125**	**1**	**26**	**152**	**—**	**152**
Capital Expenditures	**668**	**1**	**14**	**683**	**—**	**683**

2008	Millions of yen					
	Construction	Equipment	Other	Total	Eliminations or Corporate	Consolidated
Net sales:						
Outside customers	¥50,775	¥7,894	¥2,553	¥61,222	—	¥61,222
Inter-segment	—	3,765	512	4,277	(4,277)	—
Total	50,775	11,659	3,065	65,499	(4,277)	61,222
Operating expenses	50,486	11,435	2,936	64,857	(4,302)	60,555
Operating income	¥ 289	¥ 224	¥ 129	¥ 642	¥ 25	¥ 667
Assets and others:						
Assets	¥29,526	¥7,858	¥2,625	¥40,009	¥35,077	¥75,086
Depreciation	113	1	29	143	—	143
Capital Expenditures	104	8	27	139	—	139

2009	Thousands of U.S. dollars					
	Construction	Equipment	Other	Total	Eliminations or Corporate	Consolidated
Net sales:						
Outside customers	**$507,472**	**$ 84,547**	**$20,411**	**$612,430**	**$ —**	**$612,430**
Inter-segment	**—**	**37,249**	**3,757**	**41,006**	**(41,006)**	**—**
Total	**507,472**	**121,796**	**24,168**	**653,436**	**(41,006)**	**612,430**
Operating expenses	**488,435**	**118,966**	**24,524**	**631,925**	**(40,232)**	**591,693**
Operating income	**$ 19,037**	**$ 2,830**	**$ (356)**	**$ 21,511**	**$ (774)**	**$ 20,737**
Assets and others:						
Assets	**$321,348**	**$ 71,312**	**$23,058**	**$415,718**	**$314,924**	**$730,642**
Depreciation	**1,272**	**10**	**265**	**1,547**	**—**	**1,547**
Capital Expenditures	**6,800**	**10**	**143**	**6,953**	**—**	**6,953**

Common assets included in "Eliminations or Corporate" column under "Assets" amounted to ¥32,701 million ($332,902 thousand) and ¥36,831 million as of March 31, 2009 and 2008, respectively. The significant assets included in the amount were surplus operating funds (cash and short-term investment securities) and long-term investment fund (investment securities) of the Company.

Depreciation and capital expenditure includes long-term prepaid expenses and amortization of them.

None of segment information by geographic segments or overseas sales is shown as the Companies have no foreign operations or oversea sales.

15. Related party transaction and balances

Nihon Meccs Co., Ltd.'s summarized financial information as of and for the year ended March 31, 2009.

	Millions of yen	Thousands of U.S. dollars
	2009	**2009**
Total current assets	**¥27,187**	**$276,769**
Total noncurrent assets	**14,910**	**151,786**
Total current liabilities	**10,323**	**105,090**
Total noncurrent liabilities	**2,855**	**29,064**
Total net assets	**28,919**	**294,401**
Net sales	**52,260**	**532,017**
Income before income taxes	**1,866**	**18,996**
Net income	**985**	**10,027**

16. Subsequent event

(1) Cash dividends

The following appropriation of retained earnings at March 31, 2009, was approved at the annual shareholders meeting of the Company held on June 26, 2009.

	Millions of yen	Thousands of U.S. dollars
Cash dividends - ¥11.0 ($0.11) per share	¥369	$3,757

(2) Discontinuance of directors' retirement benefits plan and introduction of stock-based compensation in the form of stock

At the Shareholders meeting held on June 26, 2009, it was resolved to discontinue the retirement benefits plan for directors and corporate auditors, pay out accrued benefits to the directors and corporate auditors serving at that time, and grant stock-based compensation in the form of stock options to directors (excluding outside directors).

The Board of the Company's Directors is going to be resolve to discontinue the retirement benefits plan for corporate officers (excluding those serving concurrently as directors) and to introduce stock-based compensation in the form of stock options.

Independent Auditors' Report

To the Board of Directors of Hibiya Engineering, Ltd.:

We have audited the accompanying consolidated balance sheets of Hibiya Engeineering, Ltd. and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in net assets and cash flows for the years then ended expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hibiya Engineering, Ltd. and subsidiaries as of March 31, 2009 and 2008, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Tokyo, Japan
June 26, 2009

KPMG AZSA & Co.

Corporate Data

Investor Information

As of March 31, 2009

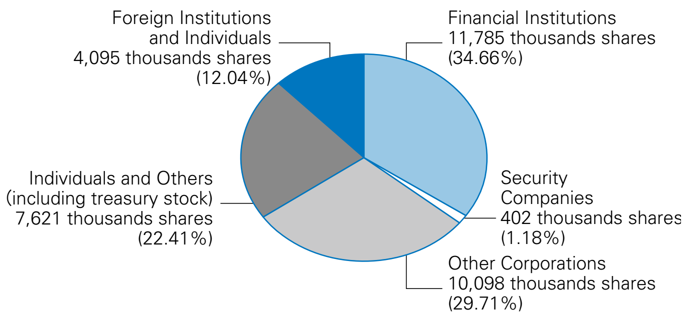
Total number of shares authorized	96,500,000 shares
Total number of shares issued	34,000,309 shares
Number of shareholders	3,049

Major Shareholders

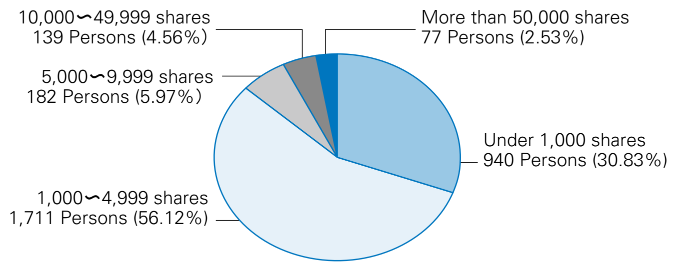
Name of shareholders	Number of held thousands shares	Percentage of shares in issue(%)
1 Japan Trustee Services Bank, Ltd. (Trust account)	2,552	7.61
2 Japan Trustee Services Bank, Ltd. (Trust account 4G)	1,380	4.11
3 NTT Urban Development Co.	1,371	4.09
4 Hibiya Engineering Customer Stock Ownership Plan	1,170	3.49
5 The Master Trust Bank of Japan, Ltd. (Retirement benefit trust account, Hyakujushi Bank account)	900	2.68
6 BBH for Fidelity Low Price Stock Fund	868	2.59
7 Sumitomo Mitsui Banking Corporation	853	2.55
8 Mizuho Corporate Bank, Ltd.	853	2.54
9 The Japan Telecommunications Welfare Associations	838	2.50
10 The Master Trust Bank of Japan, Ltd. (Trust account)	832	2.48

Notes
1) Although Blandes Investment Partners L.P. submitted a revision report regarding the mass shareholding report as of December 15, 2008, to the competent Local Finance Bureau, Ministry of Finance, Japan, the company name is not included in the above list of Major Shareholders because the nominees of the relevant shares and several other items could not be confirmed.
Important points in the revision report regarding the mass shareholding report were as follows:
Mass shareholder: Blandes Investment Partners L.P.
Number of shares held: 2,288,000 (representing 6.18% of the total number of shares issued)
2) The Company holds 449,667 shares of treasury stock.

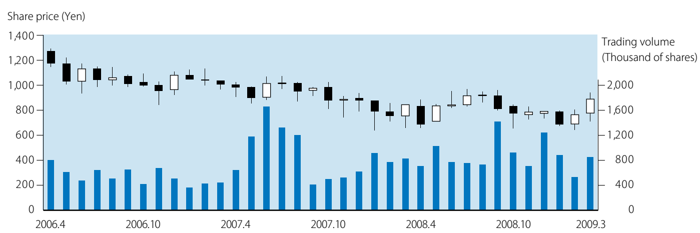
Share distribution by owner



Share distribution by size of holding



Monthly share prices and trading volume



Board of Directors

As of June 26, 2009

President and Representative Director	Shinya Kimura
Vice President and Representative Director	Yoshiaki Ugaki
Director	Haruki Nomura
Director	Toshiya Kubota
Director	Yasuo Shinoda
Director	Morio Fukuki
Director	Satoshi Katou
Director	Yasuji Uemura
Director	Hideo Noro
Director	Toshikazu Chinzei
Director	Kensho Kusumi
Standing Corporate Auditor	Ken Yasuda
Auditor	Michihiro Matsumoto
Auditor	Makoto Satou
Auditor	Nobutoshi Kozuka

Notes
1) Toshikazu Chinzei and Kensho Kusumi are external directors under the terms of the Corporate Law Article 2 Section 15.
2) Ken Yasuda, Makoto Satou and Nobutoshi Kozuka are external auditors under the terms of the Corporate Law Article 2 Section 16.

Offices

As of March 31, 2009

Head Office
Sumitomo Fudosan Mita Twin Building East, 4-2-8, Shibaura, Minato-ku, Tokyo

Tokyo Main Office
3-4-1, Shibaura, Minato-ku, Tokyo

Branches
Yokohama, Osaka, Shikoku, Nagoya, Hokuriku, Tohoku, Hiroshima, Kyushu, Sapporo

Offices
Kita-Kanto, Nagano, Niigata, Chiba, Ibaraki, Tama, Kawasaki, Kobe, Kyoto, Takamatsu, Shizuoka, Toyama, Morioka, Akita, Okayama, Kumamoto, Okinawa, Kagoshima, Hakodate

Research Facilities
Noda in Chiba Prefecture

HIBIYA
Hibiya Engineering, Ltd.

Hibiya Engineering, Ltd.

4-2-8 Shibaura, Minato-ku, Tokyo 108-0023, Japan
TEL +81-3-3454-1385　FAX +81-3-3452-4260
URL http://www.hibiya-eng.co.jp/

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