

Summary of Consolidated Financial Results For the First Quarter of Fiscal Year Ending March 31, 2012 [Japan GAAP]

Company: Hibiya Engineering, Ltd.

Stock exchange listing: Tokyo Stock Exchange (First Section)

Stock code: 1982

URL: <http://hibiya-eng.co.jp/>

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Date of filing of quarterly securities report: August 12, 2011 (tentative)

Date of commencement of dividend payment: -

Supplementary explanatory documents: No

Earnings presentation: No

(Yen in millions, rounded down, figures in parentheses indicate negative amounts or percentages)

1. Financial results for the first quarter of the fiscal year ending March 2012 (April 1, 2011 – June 30, 2011)

(1) Result of operations (Consolidated, year-to-date) (Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter ended June 2011	10,529	(1.8)	(408)	-	(171)	-	(88)	-
First quarter ended June 2010	10,727	(16.4)	318	-	607	-	352	176.1

Note: Comprehensive income: First quarter of FY3/2012: -72 million yen (-%), First quarter of FY3/2011: -288 million yen (-%)

	Net income per share		Net income per share fully diluted	
	Yen		Yen	
First quarter ended June 2011	(2.76)		-	
First quarter ended June 2010	10.77		10.75	

(2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2011	69,302	52,257	73.2
As of March 31, 2011	76,764	53,187	67.3

Notes: Shareholders' equity

As of June 30, 2011: 50,719 million yen

As of March 31, 2011 51,652 million yen

2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2011	-	7.50	-	24.00	31.50
Fiscal year ending March 2012	-				
Fiscal year ending March 2012 (estimate)		15.00	-	15.00	30.00

Note: Change in the estimation of dividend from the latest announcement: No

3. Forecast for the fiscal year ending March 2012 (Consolidated, April 1, 2011 to March 31, 2012)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First Half	-	-	-	-	-	-	-	-	-
Full year	64,000	9.8	2,500	(2.0)	3,800	(10.9)	2,400	(20.4)	74.79

Note: 1. Change in the forecast from the latest announcement: No

2. Since the Company utilizes full year basis operating management, the first half figures are not presented.

Others

- (1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): No
- (2) Use of of accounting methods specifically for the preparation of the quarterly consolidated financial statements: No
- (3) Changes in accounting principles and estimates, and retrospective restatement
 - (a) Changes due to revision of accounting standards: No
 - (b) Changes other than in (a): No
 - (c) Changes in accounting estimates: No
 - (d) Retrospective restatement: No

(4) Number of shares outstanding (common stock)**(a) Shares outstanding (including treasury stock)**

As of June 30, 2011:	34,000,309	As of March 31, 2011:	34,000,309
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(b) Treasury stock

As of June 30, 2011:	2,000,517	As of March 31, 2011:	1,912,241
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(c) Average number of shares (quarterly consolidated cumulative period)

Period ended June 30, 2011:	32,066,730	Period ended June 30, 2010:	32,735,402
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***Description of quarterly review procedure implementation status**

It is under the quarterly review procedure process based upon the Financial Instruments and Exchange Act at the time of disclosure of this report.

Forward-looking statements, important Notes, etc.

These materials contain forward-looking statements that are based on information available to management as of the date of this report. Actual results may be materially different from these forecasts for a number of reasons.

This is an English translation of the captioned report. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the report for complete information.

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1. Results of Operations

(1) Overview on consolidated business performance

In the first quarter of the current fiscal year, the Japanese economy started to recover from the impact of the Great East Japan Earthquake as the restoration of supply chains and other activities led to upturns in manufacturing and exports. However, uncertainty about the economic outlook is increasing because of worries about the electricity shortage, the yen's strength and other problems.

In the construction industry, although there were signs of an improvement in some categories of private-sector demand, the operating environment remained challenging because of the consistently low level of public-works expenditures.

In this environment, the Hibiya Engineering Group conducted aggressive business activities while concentrating on the goal of increasing the number of customers while maintaining profitability. The result was orders received of 10,751 million yen.

Sales totaled 10,529 million yen, down 1.8% from the first quarter of the previous fiscal year.

Despite continuous measures to reduce costs and other activities, there was an operating loss of 408 million yen, 727 million yen less than operating income one year earlier, and an ordinary loss of 171 million yen, 778 million yen less than ordinary income one year earlier. The first quarter net loss of 88 million yen was 441 million yen less than net income one year earlier.

(2) Overview of financial condition

Assets

Total assets were 69,302 million yen at the end of the first quarter, 7,462 million yen less than at the end of the previous fiscal year. Current assets decreased 8,387 million yen to 35,238 million yen and noncurrent assets increased 925 million yen to 34,063 million yen compared with the end of the previous fiscal year. Major changes in current assets were a 4,488 million yen increase in short-term investment securities and an 11,617 million yen decrease in notes receivable, accounts receivable from completed construction contracts and other.

Liabilities

Liabilities at the end of the first quarter were 17,044 million yen, 6,532 million yen less than at the end of the previous fiscal year. Major changes in liabilities were a 281 million yen increase in advances received on uncompleted construction contracts and decreases of 4,747 million yen in notes payable, accounts payable for construction contracts and other and 1,391 million yen in income taxes payable.

Net assets

Net assets were 52,257 million yen mainly because of an 864 million yen decrease in retained earnings from the end of the previous fiscal year.

(3) Forecast for fiscal year ending in March 2012

There are no revisions to the consolidated forecast that was announced on May 13, 2011.

2. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(million yen)

	Fiscal year ended March 2011 (As of March 31, 2011)	First quarter ended June 2011 (As of June 30, 2011)
ASSETS		
Current assets		
Cash and deposits	13,282	11,629
Notes receivable, accounts receivable from completed construction contracts and other	24,668	13,050
Short-term investment securities	3,134	7,622
Costs on uncompleted construction contracts and other	1,212	1,329
Others	1,386	1,648
Allowance for doubtful receivables	(56)	(41)
Total current assets	43,626	35,238
Noncurrent assets		
Property, plant and equipment	591	568
Intangible assets	631	586
Investments and other assets		
Investment securities	24,173	25,192
Others	7,823	7,804
Allowance for doubtful accounts	(83)	(88)
Total investments and other assets	31,914	32,908
Total noncurrent assets	33,138	34,063
Total assets	76,764	69,302
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	17,566	12,818
Short-term loans payable	780	780
Income taxes payable	1,411	20
Advances received on uncompleted construction contracts	206	488
Provision for bonuses	1,112	346
Provision for warranties for completed construction	38	38
Provision for loss on construction contracts	789	808
Others	1,078	1,188
Total current liabilities	22,984	16,489
Noncurrent liabilities		
Provision for retirement benefits	446	405
Provision for directors' retirement benefits	33	29
Others	112	119
Total noncurrent liabilities	592	555
Total liabilities	23,577	17,044

	Fiscal year ended March 2011 (As of March 31, 2011)	First quarter ended June 2011 (As of June 30, 2011)
NET ASSETS		
Shareholder's equity		
Paid-in capital	5,753	5,753
Capital surplus	5,931	5,931
Retained earnings	40,232	39,368
Treasury stock	(1,358)	(1,425)
Total shareholder's equity	50,559	49,627
Valuation and translation adjustments		
Valuation differences on available-for-sales securities	1,092	1,091
Total valuation and translation adjustments	1,092	1,091
Subscription rights to shares	56	48
Minority interests	1,478	1,489
Total net assets	53,187	52,257
Total liabilities and net assets	76,764	69,302

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income
Quarterly consolidated statements of income
For the first quarter (April 1, 2011 – June 30, 2011)

(million yen)

	First quarter ended June 2010 (April 1, 2010 – June 30, 2010)	First quarter ended June 2011 (April 1, 2011 – June 30, 2011)
Net sales	10,727	10,529
Cost of sales	8,761	9,342
Gross profit	1,966	1,187
Selling, general and administrative expenses	1,647	1,595
Operating income (loss)	318	(408)
Non-operating income		
Interest income	34	28
Dividend income	76	64
Equity in earnings of affiliates	125	135
Others	58	16
Total non-operating income	295	243
Non-operating expenses		
Interest expense	3	3
Others	3	3
Total non-operating expenses	6	6
Ordinary income (loss)	607	(171)
Extraordinary income		
Gain on sales of investment securities	-	7
Reversal of allowance for doubtful accounts	10	-
Total extraordinary income	10	7
Extraordinary losses		
Loss on valuation of investment securities	38	19
Loss on valuation of golf club membership	-	0
Loss on adjustment for changes of accounting standard for asset retirement obligations	12	-
Total extraordinary losses	51	20
Income (loss) before income taxes	567	(183)
Income, inhabitants and enterprise taxes	21	21
Income tax adjustment	190	(125)
Total taxes	211	(104)
Income (loss) before minority interests	356	(78)
Minority interests in income (loss)	3	9
Net income (loss)	352	(88)

Quarterly consolidated statements of comprehensive income
For the first quarter (April 1, 2011 – June 30, 2011)

	First quarter ended June 2010 (April 1, 2010 – June 30, 2010)	First quarter ended June 2011 (April 1, 2011 – June 30, 2011)
Income (loss) before minority interests	356	(78)
Other comprehensive income		
Valuation difference on available-for-sale securities	(570)	21
Share of other comprehensive income of associates accounted for using equity method	(74)	(14)
Total other comprehensive income	(644)	6
Comprehensive income	(288)	(72)
Comprehensive income attributable to owners of the parent	(268)	(89)
Comprehensive income attributable to minority interests	(19)	17

(3) Notes to ongoing concern assumptions
No

(4) Notes on significant change in shareholders' equity:
No