

## Summary of Consolidated Financial Results For the Third Quarter of Fiscal Year Ending March 31, 2013 [Japan GAAP]

Company: Hibiya Engineering, Ltd.

Stock exchange listing: Tokyo Stock Exchange (First Section)

Stock code: 1982

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

Representative Director: Haruki Nomura, President

Contact: Hiroshi Abe, Manager of Finance Division

Tel: 03-6803-5960

Date of filing of quarterly securities report: February 8, 2013 (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 three quarters of the fiscal year ending March 2013 (April 1, 2012 – December 31, 2012)

(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 three quarters ended Dec. 2012	42,095	12.2	(71)	-	219	(60.1)	125	80.3
First three quarters ended Dec. 2011	37,504	5.2	(211)	-	549	(63.6)	69	(93.0)

Note: Comprehensive income: First three quarters of FY3/2013: 685 million yen (-%)

First three quarters of FY3/2012: -405 million yen (-%)

	Net income per share		Net income per share fully diluted	
	Yen		Yen	
First three quarters ended Dec. 2012	4.03		4.01	
First three quarters ended Dec. 2011	2.18		2.18	

### (2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2012	67,688	52,385	75.0	1,648.09
As of March 31, 2012	76,442	53,368	67.6	1,642.92

Notes: Shareholders' equity

As of December 31, 2012: :50,771 million yen

As of March 31, 2012: 51,696 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 2012	-	15.00	-	15.00	30.00
Fiscal year ending March 2013	-	15.00	-		
Fiscal year ending March 2013 (estimate)				15.00	30.00

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

### 3. Forecast for the fiscal year ending March 2013 (Consolidated, April 1, 2012 to March 31, 2013)

(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
Full year	66,000	8.3	2,500	45.9	3,500	21.8	2,000	20.7	63.56

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

**\* Note**

- (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: Yes
  - (b) Changes other than in (a): No
  - (c) Changes in accounting estimates: Yes
  - (d) Retrospective restatement: No

Note: These are subject to Article 10-5 of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Financial Statements. For more information, please see "2. Other Information (3) Changes in accounting principles and estimates, and retrospective restatements."

(4) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury stock)

As of December 31, 2012:	34,000,309	As of March 31, 2012:	34,000,309
--------------------------	------------	-----------------------	------------

(b) Treasury stock

As of December 31, 2012:	3,194,018	As of March 31, 2012:	2,534,434
--------------------------	-----------	-----------------------	-----------

(c) Average number of shares (quarterly consolidated cumulative period)

Period ended December 31, 2012:	31,168,575	Period ended December 31, 2011:	31,860,302
---------------------------------	------------	---------------------------------	------------

\*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.

## Index for Supplementary Information

1. Results of Operations .....	2
(1) Overview of consolidated business performance.....	2
(2) Overview of financial condition .....	2
(3) Forecast for fiscal year ending in March 2012 .....	2
2. Other Information.....	2
(1) Changes in accounting principles and estimates, and retrospective restatements .....	2
3. Quarterly Consolidated Financial Statements.....	3
(1) Quarterly consolidated balance sheet.....	3
(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income .....	5
Quarterly consolidated statements of income.....	5
Quarterly consolidated statements of comprehensive income.....	6
(3) Notes to ongoing concern assumptions .....	7
(4) Notes on significant change in shareholders' equity: .....	7

## 1. Results of Operations

### (1) Overview of consolidated business performance

In the first three quarters of the current fiscal year, there was a slow recovery of the Japanese economy mainly because of demand associated with Great East Japan Earthquake recovery activities. However, the outlook for the Japanese economy is still uncertain due to slowing global economic growth caused by the debt crisis in Europe, the prolonged decline in the environment for jobs and personal income in Japan, and other factors.

In the construction industry, public-works investments and private-sector construction expenditures rebounded along with earthquake recovery activity and for other reasons. But the operating environment remained challenging because of lackluster consumer spending and intense price-based competition.

The Hibiya Engineering Group focused on sales activities that take advantage of the group's strengths in order to capture more orders. As a result, orders received increased 17.8% from one year earlier to 49,432 million yen. Sales increased 12.2% to 42,095 million yen.

Although earnings were negatively affected by continuing depreciation and amortization and other items, the operating loss decreased to 71 million yen from 211 million yen one year earlier. Ordinary income was down 60.1% from one year earlier to 219 million yen but net income increased 80.3% to 125 million yen.

### (2) Overview of financial condition

#### Assets

Total assets were 67,688 million yen at the end of the third quarter, down 8,753 million yen from the end of the previous fiscal year. Current assets decreased 9,182 million yen to 33,252 million yen and noncurrent assets increased 428 million yen to 34,436 million yen. The decrease in assets was primarily the net result of a 2,899 million yen increase in short-term investment securities and decreases of 3,677 million yen in cash and deposits and 8,235 million yen in accounts receivable from completed construction contracts and other.

#### Liabilities

Total liabilities decreased 7,771 million yen to 15,302 million yen. This was attributable mainly to decreases of 6,754 million yen in notes payable, accounts payable for construction contracts and other and 544 million yen in income taxes payable.

#### Net assets

Net assets totaled 52,385 million yen at the end of the third quarter mainly because of an 819 million yen decrease in retained earnings from the end of the previous fiscal year.

### (3) Forecast for fiscal year ending in March 2012

There is no change in the forecast for the consolidated results of operations that was announced on May 11, 2012.

## 2. Other Information

### (1) Changes in accounting principles and estimates, and retrospective restatements

#### Revision in accounting principles (Revision of depreciation method)

In conjunction with a revision in Japan's Corporate Income Tax Law, Hibiya Engineering and its consolidated subsidiaries in Japan have revised the method used for depreciation starting with the first quarter of the current fiscal year. The revised depreciation method, which is based on the amended Corporate Income Tax Law, is applied to property and equipment purchased on or after April 1, 2012. This revision had only a negligible effect on earnings.

### 3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(million yen)

	Fiscal year ended March 2012 (As of March 31, 2012)	Third quarter ended December 2012 (As of December 31, 2012)
<b>ASSETS</b>		
Current assets		
Cash and deposits	8,774	5,096
Notes receivable, accounts receivable from completed construction contracts and other	25,388	17,153
Short-term investment securities	5,697	8,596
Costs on uncompleted construction contracts and other	1,146	1,277
Others	1,454	1,151
Allowance for doubtful receivables	(26)	(24)
Total current assets	42,434	33,252
Noncurrent assets		
Property, plant and equipment	618	560
Intangible assets	544	401
Investments and other assets		
Investment securities	27,521	28,564
Others	5,407	4,969
Allowance for doubtful accounts	(84)	(58)
Total investments and other assets	32,844	33,474
Total noncurrent assets	34,007	34,436
Total assets	76,442	67,688

	Fiscal year ended March 2012 (As of March 31, 2012)	Third quarter ended December 2012 (As of December 31, 2012)
<b>LIABILITIES</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	18,493	11,739
Short-term loans payable	780	780
Income taxes payable	623	78
Advances received on uncompleted construction contracts	129	298
Provision for bonuses	870	381
Provision for warranties for completed construction	44	48
Provision for loss on construction contracts	605	395
Others	1,015	1,076
Total current liabilities	22,561	14,798
Noncurrent liabilities		
Provision for retirement benefits	390	372
Provision for directors' retirement benefits	38	41
Others	84	90
Total noncurrent liabilities	512	504
Total liabilities	23,073	15,302
<b>NET ASSETS</b>		
Shareholder's equity		
Paid-in capital	5,753	5,753
Capital surplus	5,931	5,931
Retained earnings	40,634	39,814
Treasury stock	(1,872)	(2,477)
Total shareholder's equity	50,446	49,022
Valuation and translation adjustments		
Valuation differences on available-for-sales securities	1,249	1,748
Total valuation and translation adjustments	1,249	1,748
Subscription rights to shares	76	97
Minority interests	1,596	1,516
Total net assets	53,368	52,385
Total liabilities and net assets	76,442	67,688

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income  
Quarterly consolidated statements of income  
For the first three quarters (April 1, 2012 – December 31, 2012)

(million yen)

	First three quarters ended December 2011 (April 1, 2011 – December 31, 2011)	First three quarters ended December 2012 (April 1, 2012 – December 31, 2012)
Net sales	37,504	42,095
Cost of sales	32,767	37,222
Gross profit	4,736	4,873
Selling, general and administrative expenses	4,947	4,944
Operating income (loss)	(211)	(71)
Non-operating income		
Interest income	92	77
Dividend income	207	117
Equity in earnings of affiliates	318	-
Insurance premiums refunded cancellation	-	59
Others	154	132
Total non-operating income	774	387
Non-operating expenses		
Interest expense	8	9
Equity in losses of affiliates	-	78
Others	4	8
Total non-operating expenses	13	96
Ordinary income (loss)	549	219
Extraordinary income		
Gain on sales of investment securities	24	-
Gain on redemption of investment securities	181	-
Gain on negative goodwill	-	129
Total extraordinary income	205	129
Extraordinary losses		
Loss on valuation of investment securities	262	3
Loss on valuation of golf club membership	0	0
Total extraordinary losses	263	4
Income (loss) before income taxes	492	344
Income taxes-current	93	72
Income taxes-deferred	254	100
Total taxes	348	173
Income (loss) before minority interests	143	171
Minority interests in income (loss)	74	45
Net income (loss)	69	125

Quarterly consolidated statements of comprehensive income  
For the first three quarters (April 1, 2012 – December 31, 2012)

	First three quarters ended December 2011 (April 1, 2011 – December 31, 2011)	First three quarters ended December 2012 (April 1, 2012 – December 31, 2012)
Income (loss) before minority interests	143	171
Other comprehensive income		
Valuation difference on available-for-sale securities	(485)	481
Share of other comprehensive income of associates accounted for using equity method	(63)	32
Total other comprehensive income	(548)	514
Comprehensive income	(405)	685
Comprehensive income attributable to owners of the parent	(477)	625
Comprehensive income attributable to minority interests	72	60

(3) Notes to going concern assumptions  
No

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