

Summary of Consolidated Financial Results For the First 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://www.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: August 10, 2012 (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 2013 (April 1, 2012 – June 30, 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 quarter ended June 2012	14,168	34.6	129	-	276	-	132	-
First quarter ended June 2011	10,529	(1.8)	(408)	-	(171)	-	(88)	-

Note: Comprehensive income: First quarter of FY3/2013: -156 million yen (-%), First quarter of FY3/2012: -72 million yen (-%)

	Net income per share		Net income per share fully diluted	
	Yen		Yen	
First quarter ended June 2012	4.21		4.20	
First quarter ended June 2011	(2.76)		-	

(2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2012	74,345	52,610	68.5	1,625.93
As of March 31, 2012	76,442	53,368	67.6	1,642.92

Notes: Shareholders' equity

As of June 30, 2012: 50,952 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	-				
Fiscal year ending March 2013 (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 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

*** Notes**

- (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 detailed information, please see the “(1) Changes in accounting principles and estimates, and retrospective restatements” in the section 2. Other Information on page 2.
- (4) Number of shares outstanding (common stock)
- (a) Shares outstanding (including treasury stock)

As of June 30, 2012:	34,000,309	As of March 31, 2012:	34,000,309
----------------------	------------	-----------------------	------------
 - (b) Treasury stock

As of June 30, 2012:	2,662,654	As of March 31, 2012:	2,534,434
----------------------	-----------	-----------------------	-----------
 - (c) Average number of shares (quarterly consolidated cumulative period)

Period ended June 30, 2012:	31,424,540	Period ended June 30, 2011:	32,066,730
-----------------------------	------------	-----------------------------	------------

***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 on consolidated business performance.....	2
(2) Overview of financial condition	2
(3) Forecast for fiscal year ending in March 2013	2
2. Other Information.....	2
(1) Changes in accounting principles and estimates, and retrospective restatements (Revision in depreciation method)	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 on consolidated business performance

In the first quarter of the current fiscal year, there were signs of a slow recovery of the Japanese economy mainly because of demand associated with reconstruction activities following the Great East Japan Earthquake. However, the outlook for the economy is still uncertain because of growing global financial instability caused by renewed debt problems in Europe, worries about Japan's electricity supply and other factors.

In the construction industry, public-works expenditures and private-sector construction expenditures are recovering because of earthquake recovery projects and other reasons. Despite this recovery, the operating environment remained challenging because of lackluster consumer spending and intense price-based competition.

In this environment, the Hibiya Engineering Group concentrated on sales activities that take advantage of the group's strengths with the goal of capturing more orders. As a result, first quarter orders received totaled 13,982 million yen. Sales increased 34.6% from one year earlier to 14,168 million yen. Earnings improved because of ongoing cost-reduction measures and other initiatives. Operating income was 129 million yen compared with a 408 million yen loss one year earlier, ordinary income was 276 million yen compared with a 171 million yen loss one year earlier and net income was 132 million yen compared with an 88 million yen loss one year earlier.

(2) Overview of financial condition

Assets

Total assets were 74,345 million yen at the end of the first quarter, down 2,096 million yen from the end of the previous fiscal year. Current assets decreased 2,543 million yen to 39,890 million yen and noncurrent assets increased 447 million yen to 34,455 million yen. The decrease in total assets was primarily the net result of a 7,501 million yen increase in short-term investment securities and decreases of 954 million yen in cash and deposits and 8,749 million yen in notes receivable, accounts receivable from completed construction contracts and other.

Liabilities

Liabilities totaled 21,735 million yen, down 1,338 million yen from the end of the previous fiscal year. Liabilities decreased mainly because of decreases of 2,461 million yen in notes payable, accounts payable for construction contracts and other and 568 million yen in income taxes payable.

Net assets

Net assets were 52,610 million yen mainly because of an 345 million yen decrease in retained earnings from the end of the previous fiscal year.

(3) Forecast for fiscal year ending in March 2013

There are no revisions to the consolidated forecast that was announced on May 11, 2012.

2. Other Information

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

(Revision in depreciation method)

In conjunction with a revision in Japan's Corporation Tax Act, 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 Corporation Tax Act, is applied to property, plant 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)	First quarter ended June 2012 (As of June 30, 2012)
ASSETS		
Current assets		
Cash and deposits	8,774	7,820
Notes receivable, accounts receivable from completed construction contracts and other	25,388	16,638
Short-term investment securities	5,697	13,198
Costs on uncompleted construction contracts and other	1,146	1,177
Others	1,454	1,080
Allowance for doubtful receivables	(26)	(25)
Total current assets	42,434	39,890
Noncurrent assets		
Property, plant and equipment	618	595
Intangible assets	544	498
Investments and other assets		
Investment securities	27,521	28,067
Others	5,407	5,377
Allowance for doubtful accounts	(84)	(83)
Total investments and other assets	32,844	33,361
Total noncurrent assets	34,007	34,455
Total assets	76,442	74,345

(million yen)

	Fiscal year ended March 2012 (As of March 31, 2012)	First quarter ended June 2012 (As of June 30, 2012)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	18,493	16,031
Short-term loans payable	780	780
Income taxes payable	623	54
Advances received on uncompleted construction contracts	129	639
Provision for bonuses	870	340
Provision for warranties for completed construction	44	47
Provision for loss on construction contracts	605	501
Others	1,015	2,806
Total current liabilities	22,561	21,201
Noncurrent liabilities		
Provision for retirement benefits	390	417
Provision for directors' retirement benefits	38	34
Others	84	81
Total noncurrent liabilities	512	533
Total liabilities	23,073	21,735
NET ASSETS		
Shareholder's equity		
Paid-in capital	5,753	5,753
Capital surplus	5,931	5,931
Retained earnings	40,634	40,289
Treasury stock	(1,872)	(1,978)
Total shareholder's equity	50,446	49,995
Valuation and translation adjustments		
Valuation differences on available-for-sales securities	1,249	956
Total valuation and translation adjustments	1,249	956
Subscription rights to shares	76	64
Minority interests	1,596	1,592
Total net assets	53,368	52,610
Total liabilities and net assets	76,442	74,345

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income
Quarterly consolidated statements of income
For the first quarter (April 1, 2012 – June 30, 2012)

(million yen)

	First quarter ended June 2011 (April 1, 2011 – June 30, 2011)	First quarter ended June 2012 (April 1, 2012 – June 30, 2012)
Net sales	10,529	14,168
Cost of sales	9,342	12,400
Gross profit	1,187	1,768
Selling, general and administrative expenses	1,595	1,638
Operating income (loss)	(408)	129
Non-operating income		
Interest income	28	23
Dividend income	64	65
Equity in earnings of affiliates	135	-
Insurance premiums refunded cancellation	-	44
Others	16	22
Total non-operating income	243	156
Non-operating expenses		
Interest expense	3	3
Equity in losses of affiliates	-	5
Others	3	0
Total non-operating expenses	6	9
Ordinary income (loss)	(171)	276
Extraordinary income		
Gain on sales of investment securities	7	-
Total extraordinary income	7	-
Extraordinary losses		
Loss on valuation of investment securities	19	12
Loss on valuation of golf club membership	0	0
Total extraordinary losses	20	13
Income (loss) before income taxes	(183)	263
Income taxes-current	21	21
Income taxes-deferred	(125)	105
Total income taxes	(104)	127
Income (loss) before minority interests	(78)	136
Minority interests in income (loss)	9	3
Net income (loss)	(88)	132

Quarterly consolidated statements of comprehensive income
For the first quarter (April 1, 2012 – June 30, 2012)

	First quarter ended June 2011 (April 1, 2011 – June 30, 2011)	First quarter ended June 2012 (April 1, 2012 – June 30, 2012)
Income (loss) before minority interests	(78)	136
Other comprehensive income		
Valuation difference on available-for-sale securities	21	(256)
Share of other comprehensive income of associates accounted for using equity method	(14)	(36)
Total other comprehensive income	6	(292)
Comprehensive income	(72)	(156)
Comprehensive income attributable to owners of the parent	(89)	(159)
Comprehensive income attributable to minority interests	17	3

(3) Notes to ongoing concern assumptions
No

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