

**Summary of Financial and Operating Results
for the First six months of the Fiscal Year Ending March 2011 [Japan GAAP]**

November 9, 2010

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

(Rounded down to million yen)

**1. Consolidated results of operations for the first six months of the fiscal year ending March 2011
(April 1, 2010 – September 30, 2010)**

(1) Consolidated results of operations

(Percentages represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income (for the period)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2Q ended Sept. '10	23,123	(5.5)	568	-	1,111	317.6	639	115.2
2Q ended Sept. '09	24,467	5.6	(247)	-	266	-	297	-

	Earnings per share (for the period, basic)		Earnings per share (for the period, diluted)	
	Yen		Yen	
2Q ended Sept. '10	19.59		19.55	
2Q ended Sept. '09	8.92		-	

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sept. 30, 2010	64,360	51,129	77.2	1,537.27
As of March 31, 2010	74,631	51,998	67.8	1,544.43

(For reference) Shareholders' equity: 49,687 million yen as of Sept. 30, 2010 50,593 million yen as of March 31, 2010

2. Dividends

(Yen)

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total
FY 10	-	7.50	-	17.00	24.50
FY 11	-	7.50			
FY 11 (Estimate)			-	14.50	22.00

Note: Changes in the estimation of dividend in this period None

3. Consolidated business forecast for the fiscal year ending March 31, 2011 (April 1, 2010 – March 31, 2011)

(Percentages represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	62,000	(0.6)	2,000	(9.4)	3,200	(14.5)	2,000	(18.1)	61.05

Note: Changes in the forecast made in this period

None

Information concerning quarterly review procedure

This quarterly financial report is not subject to the quarterly review procedure prescribed by the Financial Instruments and Exchange Law. The review procedure prescribed by the Financial Instruments and Exchange Law for the quarterly consolidated financial statements had not been completed when this quarterly financial report was released.

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 the above forecasts for a number of reasons.

In addition, the forecast for the fiscal year dividend is calculated in accordance with the fundamental policy for earnings distributions that is explained on page 2 in "Forecast for the fiscal year ending March 2011".

Index for Supplementary Information

1. Business Results.....	2
(1) Overview on consolidated business performance.....	2
(2) Overview of financial condition.....	2
(3) Forecast for the fiscal year ending March 2011.....	2
2. Other Information.....	2
(1) Changes in significant subsidiaries.....	2
(2) Simplified accounting methods and special accounting methods.....	2
(3) Changes in accounting principles, procedures, presentation methods and other items.....	3
3. Quarterly Consolidated Financial Statements.....	4
(1) Quarterly consolidated balance sheets.....	4
(2) Quarterly consolidated statements of income.....	6
(3) Note on going concern assumption.....	7
(4) Notes on significant change in shareholders' equity.....	7

1. Business Results

(1) Overview on consolidated business performance

In the first half of the current fiscal year, Japan's economy rebounded at a moderate pace mainly because of an economic recovery in Asian countries and benefits of government economic stimulus measures. However, the outlook remains uncertain due to persistently weak corporate capital expenditures and high unemployment, declining exports caused by the yen's rapid appreciation, and other sources of concern.

In the construction industry, the operating environment is still challenging because there is no full-scale recovery in private-sector capital expenditures and public-works investments are declining.

Although the Hibiya Engineering Group focused on capturing orders in this difficult environment, orders received in the first half decreased 12.0% from one year earlier to 19,734 million yen. First half sales were down 5.5% to 23,123 million yen. The result was a 21.6% decrease to 26,088 million yen in the order backlog at the end of the first half.

Earnings benefited from an improvement in the break-even point due to cost reductions and to other actions. First half operating income was 568 million yen and ordinary income was up 317.6% to 1,111 million yen. First half net income increased 115.2% to 639 million yen.

(2) Overview of financial condition

[Assets]

Total assets were 64,360 million yen at the end of the first half, 10,271 million yen less than at the end of the previous fiscal year. Current assets decreased 9,725 million yen to 29,091 million yen and noncurrent assets decreased 545 million yen to 35,269 million yen. In current assets, major changes were increases of 1,268 million yen in cash and deposits and 749 million yen in short-term investment securities and an 11,591 million yen decrease in notes receivable, accounts receivable from completed construction contracts and other.

[Liabilities]

Total liabilities decreased 9,402 million yen to 13,230 million yen. This decrease was attributable mainly to decreases of 7,659 million yen in notes payable, accounts payable for construction contracts and other, 879 million yen in income taxes payable and 235 million yen in advances received on uncompleted construction contracts.

[Net Assets]

Net assets were 51,129 million yen at the end of the first half. There was a 327 million yen increase in treasury stock and a 656 million yen decrease in the valuation difference on available-for-sale securities.

(3) Forecast for the fiscal year ending March 2011

There is no change in the forecast for consolidated performance that was announced on May 14, 2010.

The Hibiya Engineering Group positions the distribution of earnings to shareholders as one of its highest priorities. The fundamental policy is to make substantial earnings distributions in line with results of operations while making a due consideration for securing internal reserves for the foreseeable future and other factors. In accordance with this policy, the forecast for the dividend per share is based on the target of maintaining a non-consolidated payout ratio of 60% with a minimum ordinary dividend of 15 yen per share.

2. Other Information

(1) Changes in significant subsidiaries: None

(2) Simplified accounting methods and special accounting methods :

a. Calculation of estimated losses for ordinary receivables

Since there was no significant difference between the loss ratio at the end of the first half and the loss ratio calculated at the end of the previous fiscal year, the loss ratio at the end of the previous fiscal year was used to estimate losses.

b. Depreciation of noncurrent assets

For noncurrent assets depreciated using the declining balance method, depreciation expenses are the percentage of fiscal year depreciation expenses corresponding to the length of the applicable fiscal period.

c. Income taxes and deferred tax assets and liabilities

Income tax payments are calculated by using only significant additions, deductions and tax deductions. To determine the likelihood of recovering deferred tax assets, since there have been no significant changes in the operating environment or the occurrence of one-time items since the end of the previous fiscal year, the sales and earnings forecast and tax planning used in the previous fiscal year have been used.

(3) Changes in accounting principles, procedures, presentation methods and other items:

a. Changes in accounting principles

(Application of "Accounting Standard for Asset Retirement Obligations")

Starting with the first quarter of the fiscal year ending March 31, 2011, "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008) have been applied. This change reduced income before income taxes by 12 million yen.

(Application of "Accounting Standard for Equity Method of Accounting for Investments" and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method")

Starting with the first quarter of the fiscal year ending on March 31, 2011, "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, March 10, 2008) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (ASBJ PITF No. 24, March 10, 2008) have been applied and the consolidated financial statements have been revised as necessary. This change increased ordinary income and income before income taxes by 2 million yen.

(Application of "Accounting Standard for Business Combinations" and other standards)

Starting with the first quarter of the fiscal year ending March 31, 2011, "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, December 26, 2008), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23, December 26, 2008), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, December 26, 2008), "Revised Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, December 26, 2008), and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008) have been applied.

In prior fiscal years, only part of the assets and liabilities of consolidated subsidiaries were valued at market prices. Due to the adoption of "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), as mentioned in the previous paragraph, starting with the first quarter of the fiscal year ending March 31, 2011, all assets and liabilities of consolidated subsidiaries are marked to market. This change had no effect on the quarterly consolidated financial statements.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Million yen)

	As of Sept. 30, 2010	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	12,919	11,650
Notes receivable, accounts receivable from completed construction contracts and other	12,349	23,941
Short-term investment securities	1,799	1,050
Costs on uncompleted construction contracts and other	1,221	1,213
Other	823	997
Allowance for doubtful accounts	(22)	(36)
Total current assets	29,091	38,817
Noncurrent assets		
Property, plant and equipment	638	658
Intangible assets	701	608
Investments and other assets		
Investment securities	25,972	26,625
Other	8,097	8,075
Allowance for doubtful accounts	(140)	(152)
Total investments and other assets	33,929	34,547
Total noncurrent assets	35,269	35,814
Total assets	64,360	74,631
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	9,336	16,995
Short-term loans payable	780	780
Income taxes payable	180	1,060
Advances received on uncompleted construction contracts	468	703
Provision for bonuses	659	1,042
Provision for warranties for completed construction	41	37
Provision for loss on construction contracts	358	350
Other	788	953
Total current liabilities	12,612	21,924
Noncurrent liabilities		
Provision for retirement benefits	446	438
Provision for directors' retirement benefits	29	39
Other	142	231
Total noncurrent liabilities	618	709
Total liabilities	13,230	22,633

	As of Sept. 30, 2010	As of March 31, 2010
Net assets		
Shareholders' equity		
Capital stock	5,753	5,753
Capital surplus	5,931	5,931
Retained earnings	38,101	38,022
Treasury stock	(1,181)	(854)
Total shareholders' equity	48,605	48,854
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,082	1,739
Total valuation and translation adjustments	1,082	1,739
Subscription rights to shares	56	40
Minority interests	1,385	1,364
Total net assets	51,129	51,998
Total liabilities and net assets	64,360	74,631

(2) Quarterly consolidated statements of income

(Million yen)

	Six months ended Sept. 30, 2009 (Apr. 1, 2009 – Sept. 30, 2009)	Six months ended Sept. 30, 2010 (Apr. 1, 2010 – Sept. 30, 2010)
Net sales	24,467	23,123
Cost of sales	21,482	19,262
Gross profit	2,985	3,861
Selling, general and administrative expenses	3,232	3,293
Operating income (loss)	(247)	568
Non-operating income		
Interest income	65	69
Dividends income	78	87
Equity in earnings of affiliates	255	275
Other	145	129
Total non-operating income	545	561
Non-operating expenses		
Interest expenses	7	6
Other	23	11
Total non-operating expenses	31	17
Ordinary income	266	1,111
Extraordinary income		
Reversal of allowance for doubtful accounts	49	16
Total extraordinary income	49	16
Extraordinary loss		
Loss on valuation of investment securities	-	67
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	12
Total extraordinary loss	-	79
Income before income taxes	315	1,049
Income taxes-current	47	97
Income taxes-deferred	22	270
Total income taxes	69	367
Income before minority interests	-	681
Minority interests in income (loss)	(51)	42
Net income	297	639

(3) Note on going concern assumption: None

(4) Note on significant change in shareholders' equity: None