

4. Others

(1) Changes in scope of important consolidated subsidiary
(increase) None (decrease) None

(2) Adoption of simplified accounting methods or special accounting methods for preparing quarterly consolidated financial statements: Yes

(3) Changes of accounting principles, procedures and presentation when preparing quarterly consolidated financial statement.

① Changes due to revisions of accounting standards: Yes

② Changes other than the above ①: None

③ Changes in accounting estimates: Yes

④ Restatement: None

(4) Number of shares outstanding

① Number of shares outstanding at term-end (including treasury stock):

Sep. 2012 term: 259,052,929 Mar. 2012 term: 259,052,929

② Number of treasury stock at term-end:

Sep. 2012 term: 6,588,383 Mar. 2012 term: 6,572,203

③ Average Number of shares outstanding (1st Half term):

Sep. 2012 term: 252,473,647 Sep. 2011 term: 252,505,963

(1) The forecasts given above are based on information available at the time of compilation and are inherently subject to a variety of risks and uncertainties. Actual results may vary significantly from forecasts due to factors including, but not limited to, changes in the economic or business environment and exchange rate fluctuations.

(2) Forecast based on : 78.00 yen/US\$ 1.00

Consolidated Balance Sheets

	2Q FY2012 (As of Sep. 30, 2012) (Millions of yen)	FY2011 (As of Mar. 31, 2012) (Millions of yen)
ASSETS		
Current assets		
Cash and deposits	198,058	195,056
Notes receivable, accounts receivable from completed construction contracts and other	78,080	87,247
Short-term investment securities	36,500	27,500
Costs on uncompleted construction contracts	38,792	25,704
Merchandise and finished goods	5,617	5,630
Work in process	2,773	1,991
Raw materials and supplies	2,904	3,535
Accounts receivable-other	9,341	13,744
Deferred tax assets	11,837	11,516
Other current assets	10,358	4,351
Allowance for doubtful accounts	(76)	(106)
Total current assets	394,186	376,172
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	58,593	58,515
Machinery, vehicles, tools, furniture and fixtures	50,926	50,182
Land	25,998	25,998
Lease assets	798	869
Construction in progress	4,933	2,429
Other	1,976	1,655
Accumulated depreciation	(77,221)	(74,763)
Total Property, plant and equipment	66,007	64,887
Intangible assets		
Goodwill	0	0
Software	2,701	2,670
Other	8,785	7,721
Total intangible assets	11,486	10,391
Investments and other assets		
Investment securities	72,201	66,871
Long-term loans receivable	16,131	17,133
Deferred tax assets	5,450	4,486
Other	2,485	2,406
Allowance for doubtful accounts	(15,316)	(16,181)
Total investments and other assets	80,953	74,717
Total noncurrent assets	158,447	149,996
Total assets	552,634	526,169

	2Q FY2012 (As of Sep. 30, 2012) (Millions of yen)	FY2011 (As of Mar. 31, 2012) (Millions of yen)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	80,725	82,375
Short-term loans payable	5,505	1,497
Income taxes payable	12,925	14,661
Advances received on uncompleted construction contracts	83,807	66,035
Provision for warranties for completed construction	1,609	2,175
Provision for loss on construction contracts	16,818	5,089
Provision for bonuses	4,397	6,934
Provision for directors' bonuses	90	190
Other current liabilities	20,135	26,812
Total current liabilities	226,014	205,771
Noncurrent liabilities		
Long-term loans payable	2,599	7,591
Provision for retirement benefits	12,952	13,360
Provision for directors' retirement benefits	237	334
Deferred tax liabilities	150	203
Deferred tax liabilities for land revaluation	3,691	3,691
Other noncurrent liabilities	3,966	4,173
Total noncurrent liabilities	23,597	29,355
Total liabilities	249,612	235,127
NET ASSETS		
Shareholders' equity		
Capital stock	23,511	23,511
Capital surplus	25,603	25,603
Retained earnings	268,661	255,322
Treasury stock	(6,296)	(6,256)
Total shareholders' equity	311,480	298,180
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	630	2,319
Deferred gains or losses on hedges	(445)	38
Revaluation reserve for land	(6,542)	(6,542)
Foreign currency translation adjustment	(2,669)	(3,581)
Total valuation and translation adjustments	(9,027)	(7,765)
Minority interests	569	626
Total net assets	303,022	291,042
Total liabilities and net assets	552,634	526,169

Consolidated Statements of Income

Years ended	2Q FY2012 term (Apr. 1, 2012 - Sep. 30, 2012) (Millions of yen)	2Q FY2011 term (Apr. 1, 2011 - Sep. 30, 2011) (Millions of yen)
Net sales	287,083	255,485
Cost of sales	245,221	215,600
Gross profit	41,861	39,884
Selling, general and administrative expenses	9,735	9,226
Operating income	32,126	30,658
Non-operating income:	2,493	3,660
Interest income	675	494
Dividends income	1,110	1,708
Rent income on noncurrent assets	325	332
Equity in earnings of affiliates	205	631
Other	175	493
Non-operating expenses:	3,784	2,912
Interest expense	116	308
Foreign exchange losses	3,418	2,375
Rent expenses on noncurrent assets	149	164
Other	100	63
Ordinary income	30,834	31,406
Extraordinary gain:	5	121
Gain on sales of noncurrent assets	3	109
Gain on sales of golf memberships	1	—
Other	0	12
Extraordinary loss:	41	39
Loss on sales of noncurrent assets	0	2
Loss on retirement of noncurrent assets	20	21
Other	20	14
Income before income taxes	30,798	31,488
Income taxes	7,672	12,096
Income before minority interests	23,126	19,391
Minority interests in income	67	311
Net income	23,059	19,080

Statements of Consolidated Comprehensive Income

	2Q FY2012 term (Apr. 1, 2012 - Sep. 30, 2012) (Millions of yen)	2Q FY2011 term (Apr. 1, 2011 - Sep. 30, 2011) (Millions of yen)
Income before minority interests	23,126	19,391
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,689)	(2,273)
Deferred gains or losses on hedges	(484)	(2,882)
Foreign currency translation adjustment	911	801
Share of other comprehensive income of associates accounted for using equity method	(0)	(0)
Total other comprehensive income	(1,261)	(4,355)
Comprehensive income	21,864	15,036
Comprehensive income attributable to owners of the parent	21,797	14,724
Comprehensive income attributable to minority interests	67	311

Consolidated Statements of Cash Flows

Years ended	2Q FY2012 term	2Q FY2011 term
	(Apr. 1, 2012 - Sep. 30, 2012) (Millions of yen)	(Apr. 1, 2011 - Sep. 30, 2011) (Millions of yen)
Net cash provided by (used in) operating activities:		
Income before income taxes	30,798	31,488
Depreciation and amortization	3,744	3,525
Increase (decrease) in allowance for doubtful accounts	(895)	(1,258)
Increase (decrease) in provision for loss on construction contracts	11,722	947
Increase (decrease) in provision for retirement benefits	(421)	(573)
Interest and dividends income	(1,786)	(2,202)
Equity in (earnings) losses of affiliates	(205)	(631)
Foreign exchange losses (gains)	3,065	3,455
Decrease (increase) in notes and accounts receivable-trade	9,260	8,312
Decrease (increase) in inventories	(13,202)	(10,277)
Decrease (increase) in accounts receivable-other	4,431	(433)
Increase (decrease) in notes and accounts payable-trade	(1,532)	(856)
Increase (decrease) in advances received on uncompleted construction contracts	17,967	44,911
Other	(8,644)	(22,066)
Subtotal	54,302	54,340
Interest and dividends income received	2,027	2,676
Interest expenses paid	(122)	(359)
Income taxes paid	(9,408)	(21,922)
Net cash provided by (used in) operating activities	46,799	34,735
Net cash provided by (used in) investment activities:		
Purchase of property, plant and equipment	(4,724)	(3,167)
Purchase of investment securities	(8,032)	(1,019)
Other	(9,267)	(7,056)
Net cash provided by (used in) investment activities	(22,025)	(11,242)
Net cash provided by (used in) financing activities:		
Cash dividends paid	(9,717)	(7,567)
Other	(1,232)	(727)
Net cash provided by (used in) financing activities	(10,949)	(8,294)
Effect of exchange rate change on cash and cash equivalents	(1,822)	(1,610)
Net increase (decrease) in cash and cash equivalents	12,002	13,596
Cash and cash equivalents at beginning of year	222,556	161,894
Increase in cash and cash equivalents from newly consolidated subsidiary	-	3,537
Cash and cash equivalents at end of the quarter	234,558	179,028

Segment Information

【 Information by business segment 】

Second quarter (6 months) for FY 2011 (April 1, 2011 - September 30, 2011)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Catalysts and fine products	Sub total				
Net sales							
External customers	228,418	23,986	252,405	3,080	255,485	—	255,485
Inter-segment	27	231	258	2,235	2,494	(2,494)	—
Total	228,446	24,218	252,664	5,316	257,980	(2,494)	255,485
Segment profit or loss	25,612	5,049	30,661	(57)	30,604	53	30,658

*1 : "Others" includes System Solution Services, Specialized Consulting Services, Office Support Services Business and Oil and Gas Production Sales Business.

*2 : Segment profits are adjusted to eliminate transactions between segments

*3: Segment profits are adjusted with the operation income figure from the Consolidated Statements of Income

Second quarter (6 months) for FY 2012 (April 1, 2012 - September 30, 2012)

(Millions of yen)

	Segment			Others	Grand total	Adjustment	Consolidated
	Total engineering	Catalysts and fine products	Sub total				
Net sales							
External customers	264,674	18,907	283,582	3,500	287,083	—	287,083
Inter-segment	9	17	27	2,364	2,391	(2,391)	—
Total	264,684	18,925	283,609	5,864	289,474	(2,391)	287,083
Segment profit or loss	29,626	2,117	31,744	348	32,092	33	32,126

*1 : "Others" includes System Solution Services, Specialized Consulting Services, Office Support Services Business and Oil and Gas Production Sales Business.

*2 : Segment profits are adjusted to eliminate transactions between segments

*3: Segment profits are adjusted with the operation income figure from the Consolidated Statements of Income

Sales, Orders Received and Backlog (Consolidated)

(Millions of yen)

Business area		March 31, 2012	September 30, 2012		
		Outstanding Contracts	New Contracts	Sales	Outstanding Contracts
Domestic	Oil and gas development	214	170	342	42
	Petroleum refining	19,333	9,785	10,726	18,391
	LNG	23,353	7,589	2,524	28,418
	Chemical	9,869	5,940	9,812	5,997
	Power generation, nuclear power and new energy	12,822	32,693	8,380	37,135
	Living and general production facility	29,164	4,720	14,595	19,289
	Environmental protection, social development and IT	17,498	3,813	6,313	14,998
	Others	1,112	2,543	715	2,941
	Subtotal	113,370	67,257	53,411	127,216
Overseas	Oil and gas development	412,780	2,726	104,191	311,315
	Petroleum refining	64,467	1,381	11,849	53,999
	LNG	753,109	28,167	83,728	697,548
	Chemical	13,544	31,666	5,060	40,150
	Power generation, nuclear power and new energy	2,711	143	340	2,514
	Living and general production facility	22,916	388	7,831	15,473
	Environmental protection, social development and IT	67	35	0	102
	Others	1,533	1,983	1,761	1,755
	Subtotal	1,271,130	66,493	214,763	1,122,859
Total Engineering Business		1,382,662	128,462	264,674	1,246,450
Others Business		1,837	5,287	3,500	3,625
Subtotal		1,384,500	133,750	268,175	1,250,076
Catalysts and Fine Products Business		—	—	18,907	—
Grand Total		1,384,500	133,750	287,083	1,250,076

Notes:

*1 Figures for each business area are exclusive of consumption and other taxes.

*2 The balances as of the end of the previous fiscal year for new contracts for the "Total Engineering Business" and "Others Business" areas have been revised to reflect foreign currency translation adjustments and changes contract amounts for the period under review as follows:

(Millions of yen)

Business area	Foreign currency translation adjustment	Revision for changes in contract amounts	Total
Oil and gas development	(19,950)	(660)	(20,610)
Petroleum refining	(501)	(8)	(510)
LNG	(34,913)	—	(34,913)
Chemical	(81)	—	(81)
Power generation, nuclear power and new energy	58	(869)	(811)
Living and general production facility	(431)	5,961	5,530
Environmental protection, social development and IT	(0)	(6)	(6)
Others	321	(6,029)	(5,707)
Total	(55,499)	(1,612)	(57,111)
Total Engineering Business	(55,505)	(1,620)	(57,126)
Others Business	5	8	14

*3 As the order received system is not applied to the Catalysts and Fine Products Business area, no figures are given.

*4 All amounts are rounded down to the nearest million yen.