

(All financial information herein has been prepared in accordance with accounting principles generally accepted in Japan. This document is an English translation from the original Japanese-language document. This translation is not subject to auditing standards in the U.S.)

Listed company name: Original Engineering Consultants Co., Ltd. Stock listing: Tokyo Stock Exchange, Second Section
Code number: 4642 (URL <http://www.oec-solution.co.jp>)

Representative: Title President & Representative Director Name: Nobuhiko Suga
Contact person: Title Director & General Manager of Financial Affairs Division Name: Kaoru Kira Tel: (03) 6757-8800

Planned Annual General Meeting of Shareholders: March 28, 2014

Planned filing of a financial report: March 31, 2014

Date of scheduled payment of dividends: –

Earnings supplementary explanatory documents: None

Earnings presentation: None

(Amounts less than ¥1 million are truncated)

1. CONSOLIDATED FINANCIAL RESULTS FOR FY 2013 (January 1, 2013 to December 31, 2013)

(1) Consolidated Operating Results

(Percentages represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2013 ended December 31, 2013	4,634	6.1	201	–	208	–	173	–
FY 2012 ended December 31, 2012	4,366	0.5	-126	–	-118	–	-158	–

(Note) Comprehensive income: FY 2013: ¥213 million FY 2012: ¥-130 million

	Net income per share-basic	Net income per share-diluted	Return on equity	Ordinary income to total assets	Operating margin
	Yen	Yen	%	%	%
FY 2013 ended December 31, 2013	23.25	–	4.8	4.4	4.4
FY 2012 ended December 31, 2012	-21.19	–	-4.5	-2.6	-2.9

(Reference) Gain (loss) on investment by equity method: FY 2013: ¥- million FY 2012: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2013	4,927	3,756	76.2	503.04
As of December 31, 2012	4,617	3,542	76.7	474.39

(Reference) Shareholders' equity: As of December 31, 2013: ¥3,756 million As of December 31, 2012: ¥3,542 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	Million yen	Million yen	Million yen	Million yen
FY 2013 ended December 31, 2013	269	264	-11	1,063
FY 2012 ended December 31, 2012	-251	-43	-10	539

2. DIVIDENDS

(Record date)	Dividends per share					Total dividend amount (Full year)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	End of first quarter	Interim	End of third quarter	Fiscal year-end	Full year			
FY 2012 ended December 31, 2012	Yen –	Yen 0.00	Yen –	Yen 0.00	Yen 0.00	Million yen –	% –	% –
FY 2013 ended December 31, 2013	–	0.00	–	0.00	0.00	–	–	–
FY 2014 ending December 31, 2014(Forecast)	–	0.00	–	4.00	4.00		24.9	

3. FORECAST OF CONSOLIDATED RESULTS FOR FY 2014 (January 1, 2014 to December 31, 2014)

(Percentages represent changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	4,800	3.6	180	-10.7	187	-10.1	120	-30.9	16.07

*NOTES

(1) Changes in the scope of consolidation for significant subsidiaries during FY 2013 ended December 31, 2013: None

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatements:

(i) Changes in accounting policies in accordance with revision of accounting standards: None

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Retrospective restatements: None

(3) Number of outstanding shares (Common stock)

(i) Number of shares outstanding at end of period, including treasury stock

As of December 31, 2013: 7,796,800 shares As of December 31, 2012: 7,796,800 shares

(ii) Number of shares of treasury stock at end of period

As of December 31, 2013: 329,605 shares As of December 31, 2012: 328,871 shares

(iii) Average number of shares outstanding for each period

As of December 31, 2013: 7,467,458 shares As of December 31, 2012: 7,468,545 shares

(Reference) Summary of Non-consolidated Financial Results

NON-CONSOLIDATED FINANCIAL RESULTS FOR FY 2013 (January 1, 2013 to December 31, 2013)

(1) Non-consolidated Operating Results

(Percentages represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2013 ended December 31, 2013	4,587	6.7	194	-	200	-	167	-
FY 2012 ended December 31, 2012	4,301	-0.1	-140	-	-132	-	-172	-

	Net income per share-basic	Net income per share-diluted
	Yen	Yen
FY 2013 ended December 31, 2013	22.44	-
FY 2012 ended December 31, 2012	-23.03	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2013	4,908	3,745	76.3	501.61
As of December 31, 2012	4,611	3,538	76.7	473.76

(Reference) Shareholders' equity: As of December 31, 2013: ¥3,745 million

As of December 31, 2012: ¥3,538 million

* Disclosure regarding the status of implementation of audit procedures

At the time of disclosure of this financial results report, the audit procedures for the consolidated financial statements pursuant to the Financial Instruments and Exchange Act were being carried out.

Note regarding forecasts and forward-looking statements

The business results forecasts presented are based on information available to the Company at the present time and are subject to potential risks and uncertainty. Accordingly, actual results may differ significantly from any expressed future performance herein due to various factors.

For matters relating to results forecasts, please refer to "1. ANALYSIS OF BUSINESS RESULTS AND FINANCIAL POSITION," "(1) Analysis of Business Results" on page 2 of the Attachment.

Index of the Attachment

1. ANALYSIS OF BUSINESS RESULTS AND FINANCIAL POSITION	2
(1) Analysis of Business Results.....	2
(2) Analysis of Financial Position.....	3
(3) Basic Policy on Distribution of Profits and Dividends for FY 2013 and FY 2014	3
(4) Business Risks.....	4
2. OVERVIEW OF THE OEC GROUP'S ORGANIZATION	5
3. MANAGEMENT POLICIES	5
(1) Basic Management Policies	5
(2) Target Management Index	5
(3) Medium- and Long-Term Management Strategies	6
(4) Company Issues	8
4. CONSOLIDATED FINANCIAL STATEMENTS	9
(1) Consolidated Balance Sheets	9
(2) Consolidated Statements of Operations and Comprehensive Income.....	11
Consolidated Statements of Operations	11
Consolidated Statements of Comprehensive Income	12
(3) Consolidated Statements of Changes in Net Assets	13
(4) Consolidated Statements of Cash Flows	15
(5) Notes regarding the Consolidated Financial Statements	17
(Matters Affecting the Assumption of a Going Concern).....	17
(Significant Basic Items for Consolidated Financial Statements).....	17
(Change in Presentation).....	17
(Consolidated Statements of Operations)	18
(Segment Information).....	18
(Per Share Information).....	19
(Significant Subsequent Events).....	19
5. OTHER	19
(1) Changes in Directors	19
(2) Orders Received/Sales.....	20

1. ANALYSIS OF BUSINESS RESULTS AND FINANCIAL POSITION

(1) Analysis of Business Results

During the fiscal year ended December 31, 2013, the Japanese economy maintained its recovery momentum. This was because the government's drastic fiscal policies aimed at pulling the economy out of deflation had pushed the yen further down against the US dollar; in addition, the Tankan survey in December revealed that corporate earnings, mainly of major manufacturers, had continued to rise, while their diffusion index, as well as that of major non-manufacturers, had improved for the fourth quarter running. Meanwhile, the business outlook of small and medium-sized enterprises returned to positive territory for the first time since 2007 for manufacturers and in about 21 years for non-manufacturers, indicating that the improvement in business sentiment owing to the effects of 'Abenomics,' had spread to small and medium-sized enterprises.

In the engineering consultancy industry, we see the prospect that the second-largest "15-month budget," combining the supplementary budget for fiscal 2013 with the budget for fiscal 2014, will be implemented with the policy objectives of "promoting reconstruction and disaster prevention," "making citizens' lives safer and stimulating local communities," and "creating wealth through growth."

In this operating environment, the OEC Group worked aggressively to win orders in the water supply field, particularly for services related to asset management in line with the Water Supply Division, Ministry of Health, Labour and Welfare's (MHLW) new water supply vision that focuses on the key words of safety, strength, sustainability, collaboration and challenge. In the sewerage field, the OEC Group pursued orders in line with the seven major themes set by the Ministry of Land, Infrastructure, Transport and Tourism's (MLIT) Sewerage and Wastewater Management Department: strengthening of earthquake recovery and reconstruction support and implementation of national measures for safety and peace of mind; early reduction of areas lacking sewerage infrastructure; promotion of water environmental management; improvement of facilities management and operation; strengthening of sewerage management; promotion of measures to realize a low-carbon, recycling-oriented society; and promotion of international water business through globalization and private-public initiatives.

With regard to the OEC Group's internal organization, the Group strove to improve revenue and expenditure by taking measures such as organizational streamlining, rejuvenation of management and reaffirmation of responsibilities, Group-wide real-time grasp of income and expenditure and rapid course correction based on monthly internal management indicators for each department, ongoing activities to improve operational flow; and reduction of fixed expenses through such measures as moderation of personnel expenses based on job content and responsibilities.

As a result, consolidated orders received during the fiscal year under review amounted to ¥5,277 million, an increase of 10.8% compared with the previous fiscal year, and net sales increased 6.1%, to ¥4,634 million. Operating income amounted to ¥201 million, compared with operating loss of ¥126 million in the previous fiscal year, and ordinary income amounted to ¥208 million, compared with ordinary loss of ¥118 million in the previous fiscal year. Net income for the fiscal year under review amounted to ¥173 million, compared with net loss of ¥158 million in the previous fiscal year.

Results by operating division were as follows.

[Engineering Consultant Department]

The Engineering Consultant Department received orders totaling ¥4,758 million during the fiscal year under review, an increase of 6.9% compared with the previous fiscal year. Sales by the department increased 8.8%, to ¥4,289 million.

[Information Processing Department]

In the Information Processing Department, orders received increased 66.1% compared with the previous fiscal year, to ¥519 million. Sales by the department decreased 18.3%, to ¥344 million.

Regarding the outlook for the fiscal year ending December 31, 2014, although the Group anticipates a continuing harsh environment for orders—owing to such factors as price competition among firms—water supply and sewerage budgets are expected to place emphasis on such areas as earthquake- and disaster prevention-related measures, programs to address aging infrastructure, and support services to reinforce operating foundations. Hence, the Group will aggressively carry out sales programs to meet such needs while also actively seeking opportunities in the water-related business field overseas. The Group is also committed to securing profitability by implementing such measures as reductions in fixed operating expenses through organizational streamlining and overhauling the relative share of resources allocated to labor costs.

In the fiscal year ending December 31, 2014, the Group forecasts consolidated orders to decrease 5.3%, to ¥5,000 million, and net sales to increase 3.6%, to ¥4,800 million. Operating income is forecast to decrease 10.7%, to ¥180 million, and ordinary income to decrease 10.1%, to ¥187 million. Net income is forecast to decrease 30.9%, to ¥120 million.

(2) Analysis of Financial Position

Cash and cash equivalents increased ¥523 million compared with the end of the previous fiscal year to stand at ¥1,063 million at the end of the fiscal year under review. Significant factors contributing to this change included the posting of income before income taxes and changes in time deposits.

Main factors contributing to changes in cash flows during the fiscal year under review were as follows.

(Cash flows from operating activities)

Net cash provided in operating activities amounted to ¥269 million, compared with net cash used by operating activities totaling ¥251 million in the previous fiscal year. Significant items within this figure included income before income taxes of ¥183 million, depreciation of ¥59 million and an increase in advances received on uncompleted services of ¥52 million.

(Cash flows from investing activities)

Net cash provided in investing activities totaled ¥264 million, compared with net cash used by investing activities of ¥43 million in the previous fiscal year. Significant factors contributing to this change included changes in time deposits of ¥315 million.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥11 million, compared with ¥10 million in the previous fiscal year. The main item was repayment of lease obligations amounting to ¥11 million.

(Reference) Cash Flow Indicator Trends

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Shareholders' equity ratio (%)	75.2	78.7	75.4	76.7	76.2
Shareholders' equity ratio on a market value basis (%)	16.6	16.2	18.6	23.5	37.7
Interest-bearing debt to cash flow ratio (years)	–	–	2.3	–	0.05
Interest coverage ratio (times)	–	–	9.4	–	174.3

Ratio formula:

Shareholders' equity ratio: Shareholders' equity / total assets

Shareholders' equity ratio on a market value basis: Market capitalization / total assets

Interest-bearing debts to cash flow ratio (years): Interest-bearing liabilities / cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities / interest payments

Notes:

1. All figures are calculated based on consolidated financial data.
2. Market capitalization is calculated by multiplying the share price at end of period by the number of shares outstanding at end of period (excluding treasury stock).
3. Cash flows in these indicators refer to net cash from operating activities as stated in the Consolidated Statements of Cash Flows. Interest-bearing liabilities are all liabilities presented on the Consolidated Balance Sheets that are subject to interest expenses. Interest payments are those stated in the Consolidated Statements of Cash Flows.
4. In the fiscal year ended December 31, 2009 or earlier and 2010 owing to negative cash flow from operating activities, interest coverage ratio for each of these periods is not presented.

(3) Basic Policy on Distribution of Profits and Dividends for FY 2013 and FY 2014

With regard to profit distribution, the Company's basic policy is to maintain stable dividend payments to shareholders over the long term. Under the harsh operating environment, however, the Company has not been able to generate stable profits. Consequently, the Company has decided to forgo payment of dividends applicable to fiscal 2013. For the fiscal year ending December 31, 2014, the Company forecasts a year-end dividend of ¥4 per share, when taking its earnings estimates and other factors into account. Meanwhile, the Company will utilize internal reserves for human resources development and improving the quality of its design system, which will lead to intensification of business, and reinforcing its financial base.

(4) Business Risks

Any forward-looking statements contained in this report are based on judgments made by management as of the end of the fiscal year under review.

(i) Dependence on public works projects

Although the Group is making progress in developing businesses in new fields—including those catering to the private sector—and overseas water-related business, an extremely high proportion of the Group's business comprises public works projects for government agencies, public corporations and local public agencies. Owing to such factors as central government reforms in the area of public works budget allocation and the financial situation of local government agencies, budgets for public sewerage projects—the Group's main business—are expected to continue to shrink. There is the possibility that such factors may lead to a negative impact on net sales and operating income.

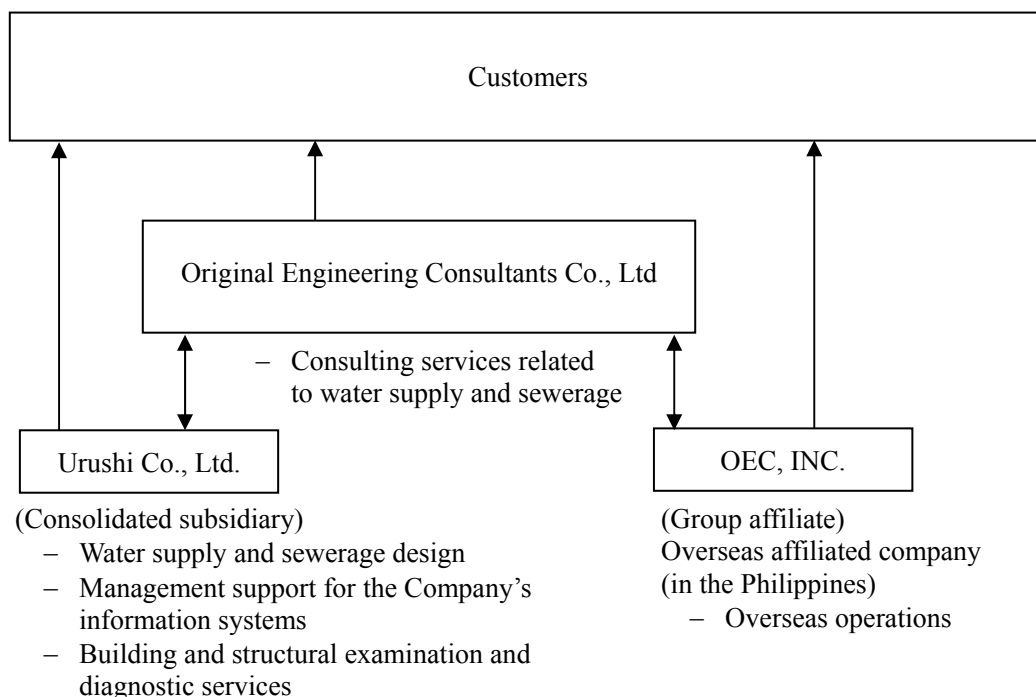
(ii) Responsibility for defects in finished products

The Group is strongly focused on maintaining and improving the quality of its products. Although the Group has adopted the ISO9001 quality management system, if a defect in one of the Group's products were to cause a major disruption to its customers, this may have a negative impact on the Group's operating performance.

2. OVERVIEW OF THE OEC GROUP'S ORGANIZATION

The OEC Group comprises the Company, one consolidated subsidiary, and one group affiliate. The Group's principal business activities are in the field of engineering consulting services related to public works, particularly in the area of water supply and sewerage. The Group's core services include the provision of feasibility studies, master plans, detailed project design, construction supervision and surveillance, and urban facilities information management.

The outline of the Group and its interrelations is as follows.



3. MANAGEMENT POLICIES

(1) Basic Management Policies

The OEC Group's core management philosophy is to: (1) contribute to the maintenance of people's living environment; (2) provide superior technologies through ceaseless efforts and the development of leading-edge technology; and (3) pursue business growth and the enhancement of employee welfare, underpinned by community trust.

Based on this philosophy, the Group develops technologies to conserve water resources and protect natural ecosystems, and develops new services derived from such technologies. The Group's basic policy is to broaden its business domain, expand the markets in which it operates and increase sales. In doing so, the Group works to improve its operating performance and increase shareholder value through the realization of sustained business growth and expansion.

(2) Target Management Index

The business projections prepared by the Group to maximize its corporate value as well as to emphasize its shareholders' return are as follows.

Management target	Medium-term management plan target	FY 2013 (Result)	FY 2014 (Forecast)
1. Amount of orders	Over ¥5.5 billion	¥5.2 billion	¥5.0 billion
2. Operating margin	Over 5%	4.4%	3.8%
3. Net income per share	Over ¥25	¥23.25	¥16.07

(3) Medium- and Long-Term Management Strategies

The water supply and sewerage systems market—in which the Group provides its consulting services—is undergoing a rapid shift away from the dominance of conventional design services toward orders for such services as system lifetime extension, stock and asset management, natural-disaster risk reduction, and resource conservation and energy efficiency enhancement. As its management strategy, the Group is utilizing information technology (IT)—developed and built up over many years—as a solid foundation for the provision of a diverse range of consulting services in the Group’s principal field of water supply and sewerage as well as in such fields as river management, waste and environmental management, construction, disaster prevention, overseas business, the provision of a variety of software, and diagnostic business covering buildings, civil engineering structures, machinery and facilities. In doing so, the Group aims to achieve differentiation from competitors and establish a sound medium-to long-term business base.

The Group’s Main Consulting Services

Water Supply Systems

- (1) Restoration of sound management: review of plans for restoration of management soundness in small-scale water supply operations and support services for transition to local public enterprise-based accounting; support services for formulation of reform plans for water charges; formulation of local area water supply vision; formulation of wide-area water supply plans; support for the development of asset management systems; review services for public agencies adopting private finance initiatives (PFI)
- (2) Promotion of systematic renewal programs: formulation of plans to increase facility earthquake resistance and formulation of renewal programs; degradation diagnostic services for pipes, structures and facilities; planning for the introduction of advanced water treatment facilities
- (3) Review of energy efficiency and energy source utilization: measures to address appropriate electricity consumption and reduction of environmental burden; plans for the utilization of water-operations-based energy sources (utilization of small-scale hydro-electric generation systems, etc.)

Sewerage Systems

- (1) Comprehensive medium- to long-term plans: formulation of sewerage system vision; formulation of sewage treatment plans
- (2) Strengthening of management foundations: investigation and evaluation services for sewerage system assets; support services for transition to local public enterprise-based accounting; review services for public agencies adopting comprehensive private consignment; review services for public agencies adopting PFI
- (3) Systematic renewal programs: formulation of sewerage system lifetime extension plans (pipes, pump stations, treatment plants); support services for the development of sewerage asset management systems
- (4) Earthquake preparedness programs: services for the formulation of sewerage system comprehensive earthquake preparedness plans; seismic capacity evaluation and planning services for sewerage facilities (pipes, pump stations, treatment plants); services for the preparation of sewerage system business continuity plans (BCP; earthquake preparedness) ; services for the preparation of tsunami countermeasure plans
- (5) Flood damage abatement: services for the preparation of sewerage system comprehensive flood damage abatement plans; development of flood hazard maps
- (6) Development of resource and energy cycles: services for the preparation of biomass (biosolids) utilization plans; review services for recovery of phosphorus from sewage and sewage sludge; review services for the adoption of energy efficiency and energy generation technologies; services for the preparation of biogas utilization plans; services for the preparation of global warming mitigation plans; design services for such renewable energy facilities as solar power, wind power and small-scale hydro-electric generation systems
- (7) Improvement of combined sewerage systems: services for the preparation of combined sewerage system improvement plans
- (8) Water quality improvement in public bodies of water: services for the preparation of advanced treatment plans at sewage treatment plant; review services for operational support utilizing an activated sludge model (ASM); activated sludge model simulation (BIO-SOLUTION); services for the preparation of treated sewage reuse plans

River Management

- (1) Promotion of flood abatement measures: formulation of joint urban flood control plans; development of flood hazard maps; planning of rainwater storage and infiltration facilities
- (2) Promotion of systematic renewal: planning of long-life facilities (flood gates, drainage pump stations, etc.); degradation diagnostic services for facilities and equipment
- (3) Development of a healthy water cycle: flow regime improvement plans; water quality protection plans

Waste and Environmental Management

- (1) Proposal-based services: formulation of plans for water quality improvement (protection)
- (2) Promotion of systematic renewal: planning of long-life facilities (incineration facilities, sewage treatment plant, final disposal sites, etc.); degradation diagnostic services for facilities and equipment; investigations on the potential for adopting PFI, etc.
- (3) Review of energy source utilization: biomass energy utilization plans; incinerator waste heat utilization plans; mixed incineration plans for sewage sludge and urban garbage
- (4) Environmental surveys: living environment impact surveys; soil and groundwater contamination surveys

Overseas Business

- (1) Advance preparations: preliminary investigations and identification of potential projects for improvement of water, sanitation and living environments in developing countries
- (2) Planning and design: preparation of master plans and feasibility studies for improvement of water, sanitation and living environments in developing countries
- (3) Detailed design: detailed design of facility structural components for projects
- (4) Construction management: construction management of built facility structural components for projects
- (5) Evaluation: Project post-completion evaluation and monitoring
- (6) Public-private partnership (PPP) water infrastructure business support: business development support for companies pursuing the formation of PPP water infrastructure projects
- (7) Base of pyramid (BOP) business support: business development support for companies pursuing the formation of BOP-related environmental projects
- (8) Overseas business development support for small- and medium-sized enterprise (SMEs): business development support for SMEs pursuing the formation of overseas environmental projects

Guard IT Series (Software Provision)

● Water Supply Systems

- (1) Construction works and asset information: works register system; asset management system; business accounting system
- (2) Facilities information: plant register information system; water supply register information system; pipe network calculation system; water supply register touch panel viewing system; water supply register Web-based publishing service
- (3) Operations management information: water supply application information system; water supply disruption information system; property possession information system
- (4) Related information: ground information system; provisional benchmark information system

● Sewerage Systems

- (1) Construction works and asset information: works register system; asset management system; business accounting system
- (2) Treatment station and pump station facilities information: plant register information system; maintenance and inspection information system; water quality test information system; treatment station and pump station facilities lifetime extension support system; treatment station and pump station facilities stock management support system
- (3) Pipeline infrastructure information system: sewer register information system; sewer planning support information system; manhole information system; pipeline infrastructure lifetime extension support system; pipeline infrastructure stock management support system; information system for pipeline infrastructure earthquake disaster preparedness; sewer register touch panel viewing system; sewer register Web-based publishing service
- (4) Operations management information: drainage facility information system; flush lavatory conversion program information system; property possession information system; designated business site information system; user fee management system; user fee levy information system; sewage treatment investigation information system
- (5) Related information: ground information system; provisional benchmark information system; septic tank information system

● Urban Facilities (other urban infrastructure, etc.)

- (1) Construction works and asset information: works register system; asset management system; business accounting system
- (2) Facilities information: plant register information system
- (3) Operations management information: property possession information system; touch panel register viewing system; Web-based register publishing service
- (4) Related information: ground information system

Diagnostic Business covering Buildings, Civil Engineering Structures, Machinery and Facilities

- (1) Non-destructive inspection system for concrete structure soundness diagnosis (elastic wave radar system: i-TECS)
- (2) Non-destructive inspection system for simplified surveys of concrete structures (concrete tester: CTS-02)
- (3) Acoustic diagnostic system for simplified structural soundness diagnosis of facilities and equipment (sound checker: SIDS-01)

(4) Company Issues

The OEC Group's main business operations are in the area of public sewerage works projects. Ongoing cuts to public works budgets driven by fiscal pressures at both the central government and local government level have led to conventional design services becoming very price-driven. However, there is demand for sophisticated, diverse services, such as: infrastructure improvement; renewal, rebuilding and management of existing facilities; and services related to operational management.

Under these circumstances, the Group will address the following key issues as it continually implements business strategies designed to respond to changes in market conditions and strives to restore its business to a sound management footing in a sustainable way.

1. Reduce the overall cost structure to achieve ongoing management stability.
2. Introduce advanced technology to meet market needs and enhance the quality of services provided.
3. Rapidly identify customer needs, and provide the best possible solutions.
4. Utilize the Group's domestic and overseas business network to develop sales programs targeting overseas water business opportunities.

4. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	FY 2012 (as of December 31, 2012)	FY 2013 (as of December 31, 2013)
Category	Amount (thousand yen)	Amount (thousand yen)
Assets		
Current assets		
Cash and deposits	1,569,616	1,778,432
Accounts receivable—completed operation	1,417,124	1,428,386
Costs on uncompleted services	7,174	684
Deferred tax assets	–	56,409
Other	49,345	42,433
Total current assets	3,043,260	3,306,346
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	467,176	476,065
Accumulated depreciation	-340,081	-348,570
Buildings and structures, net	127,095	127,495
Land	150,015	150,015
Lease assets	20,844	20,844
Accumulated depreciation	-7,732	-11,901
Lease assets, net	13,112	8,943
Other	123,539	126,140
Accumulated depreciation	-110,835	-114,398
Other, net	12,703	11,742
Total property, plant and equipment	302,926	298,196
Intangible assets		
Software	84,788	83,093
Lease assets	10,914	4,347
Other	7,178	7,178
Total intangible assets	102,881	94,619
Investments and other assets		
Investment securities	123,043	184,180
Long-term loans receivable	16,625	15,914
Long-term deposits	800,000	800,000
Other	237,772	237,545
Allowance for doubtful accounts	-9,036	-9,036
Total investments and other assets	1,168,405	1,228,603
Total noncurrent assets	1,574,213	1,621,419
Total assets	4,617,473	4,927,766

	FY 2012 (as of December 31, 2012)	FY 2013 (as of December 31, 2013)
Category	Amount (thousand yen)	Amount (thousand yen)
Liabilities		
Current liabilities		
Accounts payable—operating	201,945	169,818
Lease obligations	11,075	5,666
Income taxes payable	58,244	75,865
Advances received on uncompleted contracts	64,969	117,301
Provision for bonuses	19,070	17,543
Provision for loss on order received	29,567	34,878
Provision for loss on litigation	—	24,200
Other	160,492	219,153
Total current liabilities	545,365	664,427
Noncurrent liabilities		
Lease obligations	14,227	8,560
Deferred tax liabilities	10,562	30,662
Provision for retirement benefits	451,033	414,595
Asset retirement obligations	45,141	44,785
Other	8,400	8,400
Total noncurrent liabilities	529,365	507,005
Total liabilities	1,074,730	1,171,432
Net assets		
Shareholders' equity		
Capital stock	1,093,000	1,093,000
Capital surplus	3,109,291	3,109,291
Retained earnings	-372,383	-198,765
Treasury stock	-285,052	-285,181
Total shareholders' equity	3,544,855	3,718,345
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-2,112	37,988
Total valuation and translation adjustments	-2,112	37,988
Total net assets	3,542,743	3,756,333
Total liabilities and net assets	4,617,473	4,927,766

(2) Consolidated Statements of Operations

	FY 2012 (from January 1, 2012 to December 31, 2012)	FY 2013 (from January 1, 2013 to December 31, 2013)
Category	Amount (thousand yen)	Amount (thousand yen)
Contracts completed	4,366,163	4,634,461
Cost of completed work	3,284,617	3,318,673
Gross profit	1,081,546	1,315,787
Selling, general and administrative expenses	1,208,049	1,114,170
Operating income/loss	-126,502	201,616
Non-operating income		
Interest income	2,840	3,188
Dividend income	3,744	3,954
Contribution received for operations performed by dispatched employees	2,724	2,744
Gain on cancellation of insurance contract	2,458	—
Foreign exchange gains	846	1,995
Other	9,457	7,276
Total non-operating income	22,072	19,159
Non-operating expenses		
Interest expenses	1,301	1,544
Expenses for securities transactions	12,294	10,970
Other	18	175
Total non-operating expenses	13,614	12,689
Ordinary income/loss	-118,044	208,086
Extraordinary income		
Compensation for transfer	*10,475	*2,744
Reversal of asset retirement obligations	2,038	—
Total extraordinary income	12,513	2,744
Extraordinary loss		
Impairment loss	1,260	—
Loss on retirement of noncurrent assets	225	2,746
Provision for loss on litigation	—	24,200
Total extraordinary loss	1,486	26,946
Income/loss before income taxes	-107,018	183,884
Income taxes—current	50,964	67,611
Income taxes-deferred	293	-57,345
Total income taxes	51,257	10,266
Income/loss before minority interests	-158,275	173,618
Net income/loss	-158,275	173,618

Consolidated Statements of Comprehensive Income

	FY 2012 (from January 1, 2012 to December 31, 2012)	FY 2013 (from January 1, 2013 to December 31, 2013)
Category	Amount (thousand yen)	Amount (thousand yen)
Income/loss before minority interests	-158,275	173,618
Other comprehensive income		
Valuation difference on available-for-sale securities	27,777	40,100
Total other comprehensive income	27,777	40,100
Comprehensive income	-130,497	213,719
Comprehensive income attributable to:		
Comprehensive income attributable to owner of the parent	-130,497	213,719
Comprehensive income attributable to minority interests	—	—

(3) Consolidated Statements of Changes in Net Assets
FY 2012 (from January 1, 2012 to December 31, 2012)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	1,093,000	3,109,291	-214,108	-284,896	3,703,286
Changes of items during the period					
Net loss			-158,275		-158,275
Purchase of treasury stock				-155	-155
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	-158,275	-155	158,430
Balance at the end of current period	1,093,000	3,109,291	-372,383	-285,052	3,544,855

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	-29,889	-29,889	3,673,396
Changes of items during the period			
Net loss			-158,275
Purchase of treasury stock			-155
Net changes of items other than shareholders' equity	27,777	27,777	27,777
Total changes of items during the period	27,777	27,777	-130,653
Balance at the end of current period	-2,112	-2,112	3,542,743

FY 2013 (from January 1, 2013 to December 31, 2012)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	1,093,000	3,109,291	-372,383	-285,052	3,544,855
Changes of items during the period					
Net income			173,618		173,618
Purchase of treasury stock				-128	-128
Net changes of items other than shareholders' equity					
Total changes of items during the period			173,618	-128	173,489
Balance at the end of current period	1,093,000	3,109,291	-198,765	-285,181	3,718,345

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	-2,112	-2,112	3,542,743
Changes of items during the period			
Net income			173,618
Purchase of treasury stock			-128
Net changes of items other than shareholders' equity	40,100	40,100	40,100
Total changes of items during the period	40,100	40,100	213,590
Balance at the end of current period	37,988	37,988	3,756,333

(4) Consolidated Statements of Cash Flows

	FY 2012 (from January 1, 2012 to December 31, 2012)	FY 2013 (from January 1, 2013 to December 31, 2013)
Category	Amount (thousand yen)	Amount (thousand yen)
Cash flows from operating activities		
Income/loss before income taxes	-107,018	183,884
Depreciation and amortization	62,994	59,484
Impairment loss	1,260	–
Increase/decrease in provision for bonuses	1,020	-1,527
Increase/decrease in provision for loss on order received	-2,382	5,310
Increase/decrease in provision for retirement benefits	-16,861	-36,438
Increase/decrease in provision for loss on litigation	–	24,200
Interest and dividends income	-6,584	-7,143
Interest expenses	1,301	1,544
Loss/gain on sales and retirement of noncurrent assets	225	2,746
Reversal of asset retirement obligations	-2,038	–
Increase/decrease in notes and accounts receivable—trade	-102,401	-11,262
Increase/decrease in costs on uncompleted services	79,963	6,490
Increase/decrease in notes and accounts payable—trade	-21,241	-32,126
Increase/decrease in advances received on uncompleted services	-42,577	52,331
Other	-55,879	66,147
Subtotal	-210,217	313,641
Interest and dividends income received	6,605	7,204
Interest expenses paid	-1,301	-1,544
Income taxes paid	-47,659	-50,964
Income taxes refund	932	755
Net cash provided by (used in) operating activities	-251,641	269,093

	FY 2012 (from January 1, 2012 to December 31, 2012)	FY 2013 (from January 1, 2013 to December 31, 2013)
Category	Amount (thousand yen)	Amount (thousand yen)
Cash flows from investing activities		
Increase/decrease in time deposits	-20,439	315,113
Purchase of property, plant and equipment	-9,258	-14,797
Purchase of intangible assets	-30,760	-26,933
Proceeds from collection of insurance funds	21,571	12,564
Payments for lease and guarantee deposits	-10,865	-16,885
Proceeds from collection of lease and guarantee deposits	11,658	5,608
Proceeds from cancellation of money held in trust	–	600,000
Purchase of money held in trust	–	-600,000
Other payments	-10,370	-11,333
Other proceeds	4,780	711
Net cash provided by (used in) investing activities	-43,683	264,047
Cash flows from financing activities		
Purchase of treasury stock	-155	-128
Repayments of lease obligations	-10,300	-11,075
Cash dividends paid	-18	-2
Net cash used in financing activities	-10,474	-11,206
Effect of exchange rate change on cash and cash equivalents	666	1,995
Net increase/decrease in cash and cash equivalents	-305,132	523,929
Balance of cash and cash equivalents at beginning of the year	844,211	539,078
Balance of cash and cash equivalents at end of the year	539,078	1,063,008

(5) Notes regarding the Consolidated Financial Statements

(Matters Affecting the Assumption of a Going Concern)

No applicable items.

(Significant Basic Items for Consolidated Financial Statements)

Items relating to the application of the equity method

(1) Number of non-consolidated subsidiaries and affiliated companies to which the equity method is applied

There are no non-consolidated subsidiaries or affiliated companies to which the equity method is applied.

(2) Significant non-consolidated subsidiaries and affiliated companies to which the equity method is not applied

Significant non-consolidated subsidiaries

There are no significant non-consolidated subsidiaries.

Significant affiliated companies

OEC, INC.

(Reason for not applying the equity method)

The non-consolidated subsidiaries and affiliated companies to which the equity method is not applied are of small scale and from the perspective of such items as net income and loss (in proportion to the equity held) and retained earnings (in proportion to the equity held) even if such companies are excluded from the application of the equity method, the impact on the Company's consolidated financial statements is minimal and the importance of such companies is small in relation to the overall Group. For these reasons such companies are excluded from the application of the equity method.

(Change in Presentation)

(Consolidated Statements of Operations)

In the previous fiscal year, foreign exchange gain was presented within other under non-operating income. In the fiscal year under review, since foreign exchange gain exceeded 10% of total non-operating income, it is presented as a separate item. Further, in the previous fiscal year, insurance refund was presented as a separate item. In the fiscal year under review, since the materiality of insurance refund declined, it is presented within other under non-operating income. To reflect these changes in presentation, the previous fiscal year's financial statements have been adjusted.

As a result, in the Consolidated Statements of Operations for the previous fiscal year, other amounting to ¥846 thousand and insurance refund amounting to ¥2,840 thousand presented under non-operating income have been adjusted as foreign exchange gain amounting to ¥846 thousand and other amounting to ¥9,457 thousand.

(Consolidated Statements of Cash Flows)

In the previous fiscal year, proceeds from collection of insurance funds were presented within other proceeds under cash flows from investing activities. In the fiscal year under review, however, it is presented as a separate item because of its increased importance. To reflect such change in presentation, the previous fiscal year's financial statements have been adjusted.

As a result, in the Consolidated Statements of Cash Flows for the previous fiscal year, other proceeds amounting to ¥26,351 thousand under cash flows from investing activities has been adjusted as proceeds from collection of insurance funds amounting to ¥21,571 thousand and other proceeds amounting to ¥4,780 thousand.

(Consolidated Statements of Operations)

* The breakdown of compensation for transfer is as follows.

FY 2012 (from January 1, 2012 to December 31, 2012)		FY 2013 (from January 1, 2013 to December 31, 2013)	
Compensation for transfer	¥17,710 thousand	Compensation for transfer	¥3,208 thousand
Transfer expense	¥-7,234 thousand	Transfer expense	¥-463 thousand
Total	¥10,475 thousand	Total	¥2,744 thousand

(Segment Information)

a. Segment Information

Previous fiscal year (January 1 to December 31, 2012) and fiscal year under review (January 1 to December 31, 2013)

Since the OEC Group's business operations comprising engineering consulting and related services are conducted within a single business segment, segment information is omitted.

(Per Share Information)

FY 2012 (from January 1, 2012 to December 31, 2012)		FY 2013 (from January 1, 2013 to December 31, 2013)	
Net assets per share	¥474.39	Net assets per share	¥503.04
Net loss per share	¥-21.19	Net income per share	¥23.25
Since net loss is presented for the fiscal year under review and also because there are no residual securities, no figures are shown for net income per share—diluted.		Since there are no residual securities, no figures are shown for net income per share—diluted.	

Notes: 1. The basis for calculation of net assets per share is as follows.

	FY 2012 (from January 1, 2012 to December 31, 2012)	FY 2013 (from January 1, 2013 to December 31, 2013)
Net assets for the period (thousand yen)	3,542,743	3,756,333
Deduction amount from total net assets (thousand yen)	—	—
Net assets attributed to common stock (thousand yen)	3,542,743	3,756,333
Number of common stock outstanding at end of the period (shares)	7,467,929	7,467,195

2. The basis for calculation of net income/loss per share is as follows.

	FY 2012 (from January 1, 2012 to December 31, 2012)	FY 2013 (from January 1, 2013 to December 31, 2013)
Net income/loss for the period (thousand yen)	-158,275	173,618
Amount not attributed to common shareholders (thousand yen)	—	—
Net income/loss attributed to common stock (thousand yen)	-158,275	173,618
Average number of common stock outstanding (shares) during the period	7,468,545	7,467,458

(Significant Subsequent Events)

No applicable items.

5. OTHER

(1) Changes in Directors

1. Changes in Representative Directors

No applicable items.

2. Other Changes in Directors

No applicable items.

(2) Orders Received/Sales

1. Consolidated Orders Received

Consolidated orders received are as follows.

(Thousand yen)

Department	FY 2012 (from January 1, 2012 to December 31, 2012)		FY 2013 (from January 1, 2013 to December 31, 2013)	
	Orders received	Order backlog	Orders received	Order backlog
Engineering Consultant: Water supply and sewerage system (feasibility studies, master plans, detailed design and construction supervision surveillance)	4,232,522	2,379,324	4,585,711	2,843,116
Others	220,119	110,354	172,840	115,138
Subtotal	4,452,642	2,489,679	4,758,551	2,958,255
Information Processing: Data management of urban facilities and software development	312,718	226,997	519,303	401,814
Subtotal	312,718	226,997	519,303	401,814
Total	4,765,360	2,716,676	5,277,855	3,360,070

Notes: 1. The amounts shown are the selling price. Consumption tax is not included.

2. The quantity is not included due to the difficulty in recording.

2. Consolidated Sales

Consolidated sales are as follows.

(Thousand yen)

Department	FY 2012 (from January 1, 2012 to December 31, 2012)		FY 2013 (from January 1, 2013 to December 31, 2013)	
	Amount	Ratio	Amount	Ratio
Engineering Consultant: Water supply and sewerage system (feasibility studies, master plans, detailed design and construction supervision surveillance)	3,780,263	86.6	4,121,920	89.0
Others	164,074	3.7	168,055	3.6
Subtotal	3,944,338	90.3	4,289,975	92.6
Information Processing: Data management of urban facilities and software development	421,825	9.7	344,486	7.4
Subtotal	421,825	9.7	344,486	7.4
Total	4,366,163	100.0	4,634,461	100.0

Notes: 1. The amounts shown are the selling price. Consumption tax is not included.

2. The quantity is not included due to the difficulty in recording.