

## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japan GAAP]

May 11, 2023

Company: Hibiya Engineering, Ltd.  
 Stock exchange listing: Tokyo Stock Exchange (Prime Market)  
 Stock code: 1982  
 URL: <https://www.hibiya-eng.co.jp/English>  
 Representative Director: Nagahiro Kuroda, President and CEO  
 Contact: Akira Domon, Executive Officer, Manager of IR and PR Office, Administration Division  
 Tel: 03-3454-2720  
 Regular general meeting of shareholders: June 23, 2023  
 Date of commencement of dividend payment: June 26, 2023  
 Date of filing of securities report: June 23, 2023  
 Supplementary explanatory documents: No  
 Earnings presentation: Yes (For analysts and institutional investors)

(Yen in millions, rounded down, figures in parentheses indicate negative amounts or percentages)

### 1. Consolidated financial results for the fiscal year ended March 2023 (April 1, 2022 – March 31, 2023)

(1) Result of operations (Consolidated) (Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/23	83,978	11.2	5,953	5.1	6,617	7.4	4,644	6.2
FY3/22	75,497	3.3	5,662	41.7	6,163	34.1	4,372	42.2

Note: Comprehensive income: FY3/23: 4,644 million yen [30.3%]      FY3/22: 3,564 million yen [-41.7%]

	Earnings per share	Earnings per share fully diluted	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
FY3/23	200.48	199.62	7.4	7.3	7.1
FY3/22	184.02	183.25	7.1	7.1	7.5

Reference: Equity in earnings of equity method affiliates: FY3/23: - million yen      FY3/22: - million yen

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY3/23	94,687	64,714	67.2	2,771.49
FY3/22	87,466	63,409	70.7	2,635.31

Reference: Shareholders' equity: FY3/23: 63,598 million yen      FY3/22: 61,843 million yen

(3) Consolidated cash flow position

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY3/23	1,116	(2,554)	(3,598)	27,929
FY3/22	1,703	(269)	(2,867)	32,965

### 2. Dividends

	Dividend per share					Total dividends (Annual)	Payout ratio (Consolidated)	Dividend-to-equity ratio (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY3/22	-	40.00	-	42.00	82.00	1,951	44.6	3.2
FY3/23	-	42.00	-	43.00	85.00	1,959	42.4	3.1
FY3/24 (Estimate)	-	43.00	-	43.00	86.00		51.9	

### 3. Consolidated forecast for the fiscal year ending March 2024 (April 1, 2023 – March 31, 2024)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	85,000	1.2	5,000	(16.0)	5,500	(16.9)	3,800	(18.2)	165.60

#### Notes

(1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): No

(2) 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: No

(d) Retrospective restatement: No

(3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury shares)

As of March 31, 2023: 25,006,321 As of March 31, 2022: 25,006,321

(b) Treasury shares

As of March 31, 2023: 2,058,972 As of March 31, 2022: 1,539,127

(c) Average number of shares

Period ended March 31, 2023: 23,166,398 Period ended March 31, 2022: 23,761,376

(Reference) Summary of the Non-consolidated Financial Results

1. Non-consolidated financial results for the fiscal year ended March 2023 (April 1, 2022 – March 31, 2023)

(1) Result of operations (Non-consolidated) (Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/23	73,567	9.6	5,094	(1.2)	5,735	1.7	4,160	1.4
FY3/22	67,099	4.5	5,154	44.9	5,638	36.4	4,103	38.7

	Earnings per share	Earnings per share fully diluted
FY3/23	179.58	178.81
FY3/22	172.69	171.97

(2) Financial position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY3/23	83,965	57,238	68.0	2,487.64
FY3/22	78,137	56,186	71.7	2,388.11

Reference: Shareholders' equity: FY3/23: 57,084 million yen FY3/22: 56,042 million yen

2. Non-consolidated forecast for the fiscal year ending March 2024 (April 1, 2023 – March 31, 2024)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	75,000	1.9	4,100	(19.5)	4,600	(19.8)	3,200	(23.1)	139.45

\* This report is exempt from the audit review by certified public accountant or audit firm.

\* Forward-looking statements, important notes, etc.

The forward-looking statements such as the forecasts of financial results stated in this report are based on the information currently available to the Company and certain assumptions that the Company judges as rational. These statements are not guarantees of future performance. Actual results may be materially different from the above forecasts for a number of reasons. For more information about these assumptions and other conditions that form the basis of these forecasts, please see page 5 of the supplementary information, "1. Results of Operations, (4) Outlook."

(How to obtain supplementary explanatory documents and the content of the earnings presentation)

The Company plans to hold a results briefing for analysts and institutional investors on Wednesday, May 24, 2023. Explanatory documents distributed at the results briefing will be posted on the Company's website immediately after it is held.

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## 1. Results of Operations

### (1) Overview of consolidated business performance

During the consolidated fiscal year under review, the Japanese economy showed signs of a gradual recovery, mainly as a result of the government's economic policy, while the impact of the coronavirus infection and supply restrictions were mitigated. However, regard should be given to the risks of a slowdown in overseas economies associated with price rises and monetary tightening.

In the construction industry, although both government construction investment and private-sector construction investment were robust, an appropriate response to growing manpower demand and higher material prices is necessary.

Under these circumstances, the Hibiya Engineering Group focused on a range of initiatives under the 7th Medium-term Management Plan, such as bolstering earnings capacity of the core business, acquiring new customer bases through cooperation with alliance partners, expanding business areas with an eye on decarbonization and CO2 emissions reduction, improving systems for supporting field sites and maintaining efficient construction management through the promotion of digital transformation. The Group also worked to foster diversity by means such as encouraging male employees to take childcare leave, undertaking social contribution activities and ensuring sound management.

As a result of the initiatives above, orders increased by 10.7% year on year, to 87,354 million yen, mainly reflecting the favorable performance of orders for data centers and large redevelopment projects.

Net sales rose by 11.2%, to 83,978 million yen, primarily attributable to steady progress in construction projects that were carried over from the previous fiscal year and those for which orders were received in the fiscal year under review.

On the profit side, operating profit increased 5.1% year on year, to 5,953 million yen, ordinary profit rose 7.4%, to 6,617 million yen, and profit attributable to owners of parent grew 6.2%, to 4,644 million yen. Compared to the previous fiscal year, despite fewer large-scale projects with high profit margins, profits increased, because sales expanded and construction work was streamlined to a certain degree.

Results of operations for business segments are as follows.

1. Construction  
Segment sales increased 9.6% to 73,567 million yen and operating profit decreased 1.2% to 5,094 million yen.
2. Equipment sales  
Segment sales increased 20.4% to 7,308 million yen and operating profit increased 65.1% to 588 million yen.
3. Equipment manufacturing  
Segment sales increased 33.3% to 3,102 million yen and operating profit increased 89.5% to 256 million yen.

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for the Fiscal Year Ended March 2023 of Hibiya Engineering, Ltd. (1982)

Orders received by segment

	FY2022 (Apr. 1, 2021 - Mar. 31, 2022) (Million yen)	FY2023 (Apr. 1, 2022 - Mar. 31, 2023) (Million yen)	YoY change (%)
Construction	70,505	76,884	9.0
Equipment sales	6,070	7,308	20.4
Equipment manufacturing	2,348	3,161	34.6
Total	78,924	87,354	10.7

Net sales by segment

	FY2022 (Apr. 1, 2021 - Mar. 31, 2022) (Million yen)	FY2023 (Apr. 1, 2022 - Mar. 31, 2023) (Million yen)	YoY change (%)
Construction	67,099	73,567	9.6
Equipment sales	6,070	7,308	20.4
Equipment manufacturing	2,328	3,102	33.3
Total	75,497	83,978	11.2

Note: Inter-segment transactions are eliminated.

(2) Overview of financial condition

**Assets**

The Group's total assets at the end of the consolidated fiscal year under review stood at 94,687 million yen, an increase of 7,220 million yen from the end of the previous consolidated fiscal year.

The principal reason for increased assets was an increase of 9,337 million yen in notes receivable, accounts receivable from completed construction contracts and other, as a result of higher sales, which offset a decrease of 5,036 million yen in cash and deposits mainly used for increased purchase of securities and treasury shares.

**Liabilities**

At the end of the consolidated fiscal year under review, the Group's total liabilities amounted to 29,973 million yen, up 5,915 million yen from the end of the previous fiscal year.

The primary reason for increased liabilities was rises in notes payable, accounts payable for construction contracts and other.

**Net assets**

Net assets at the end of the consolidated fiscal year under review increased by 1,305 million yen compared to the end of the previous fiscal year, to 64,714 million yen, mainly reflecting profit attributable to owners of parent amounting to 4,644 million yen, despite decreases mainly resulting from distribution of surplus and acquisition of treasury shares.

Summary of Consolidated Financial Results  
for the Fiscal Year Ended March 2023 of Hibiya Engineering, Ltd. (1982)

(3) Overview of cash flows

At the end of the consolidated fiscal year under review, operating activities provided net cash of 1,116 million yen. It is a decrease of 586 million yen compared to the previous fiscal year, due to a decline in cash income mainly as a result of increases/ decreases in trade receivables, trade payables, etc.

Cash flow from investing activities resulted in cash outflow of 2,554 million yen. It is a rise of 2,285 million yen compared to the previous fiscal year, primarily due to purchases of noncurrent assets for the renewal of in-house systems and securities for the management of short-term funds.

Net cash used in financing activities was 3,598 million yen. It is a rise of 730 million yen compared to the previous fiscal year, mainly due to purchase of treasury shares and purchase of treasury shares of subsidiaries.

The result of these cash flows was a net decrease of 5,036 million yen in cash and cash equivalents, to 27,929 million yen at the end of the fiscal year.

(Reference) Cash flow index trends

Years ended March 31	2019	2020	2021	2022	2023
Equity ratio (%)	71.3	68.1	70.9	70.7	67.2
Equity ratio based on market cap (%)	55.1	55.2	53.8	49.2	52.4
Ratio of interest-bearing debt to cash flows (years)	-	-	-	-	-
Interest coverage ratio (times)	2,463.9	-	32,387.4	318.7	21,713.1

Equity ratio: Shareholders' equity/Total assets

Equity ratio based on market cap: Market capitalization/Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt/Operating cash flows

Interest coverage ratio: Operating cash flows/Interest expenses

\* All indicators are based on figures in the consolidated financial statements.

\* Market capitalization does not include treasury shares.

\* Operating cash flows are net cash provided by operating activities shown in the consolidated statements of cash flows. Interest-bearing debt is the sum of all short-term borrowings on the consolidated balance sheets. Interest expenses are the interest paid on the consolidated statements of cash flows.

\* Ratio of interest-bearing debt to cash flows is not shown for the fiscal year ended March 2019 because of no Interest-bearing debt posted.

\* Ratio of interest-bearing debt to cash flows and interest coverage ratio are not shown for the fiscal year ended March 2020 because of negative figure of operating cash flow.

\* Ratio of interest-bearing debt to cash flows is not shown for the fiscal year ended March 2021 because of no Interest-bearing debt posted.

\* Ratio of interest-bearing debt to cash flows is not shown for the fiscal year ended March 2022 because of no Interest-bearing debt posted.

\* Ratio of interest-bearing debt to cash flows is not shown for the fiscal year ended March 2023 because of no Interest-bearing debt posted.

(4) Outlook

Looking to the future, the Japanese economy is expected to continue to recover in the era of coexisting with coronavirus, partly attributable to various governmental measures. However, it is necessary to pay sufficient attention to downside risks caused mainly by slowdown in overseas economies and volatility in financial and capital markets.

In the construction industry, while robust construction investment can be expected in the foreseeable future, rises in material prices, etc. will need to be monitored.

The Hibiya Engineering Group has formulated 8th Medium-term Management Plan for business operations over three years from the 59th period (fiscal year ending March 31, 2024) to the 61st period (fiscal year ending March 31, 2026). The basic policy of the Plan is “strengthening and deepening sales and technical foundation, and increasing earnings capacity through optimum allocation of management resources,” “expanding growth areas through innovation,” “improving human capital value through enhanced human resources management” and “creating social value by promoting sustainability-driven management.”

(Reference) The financial goal for the final fiscal year (the 61st period (fiscal year ending March 31, 2026)) of the 8th Medium-term Management Plan is orders of 91.0 billion yen, net sales of 90.5 billion yen, operating profit of 6.5 billion yen, profit attributable to owners of parent of 4.8 billion yen and ROE of no less than 7%.

The Company positions the 59th period (fiscal year ending March 31, 2024) as the first year of the 8th Medium-term Management Plan and will carry out “deepening of core business” by promoting community-oriented marketing and sales efforts in priority areas, including data centers, production facilities and large-scale redevelopment projects, “expanding business areas” by promoting carbon neutrality business, etc. and “strengthening management foundation” by improving human resources management and risk management. Earnings forecasts are orders of 86.5 billion yen, net sales of 85.0 billion yen, operating profit of 5.0 billion yen, and profit attributable to owners of parent of 3.8 billion yen.

## 2. Basic Policy about the Selection of Accounting Standards

The policy of the Hibiya Engineering Group is to continue preparing consolidated financial statements based on Japanese accounting standards for the time being. Using these standards allows comparing consolidated financial data in different fiscal years as well as with the financial data of other companies in Japan.

For the application of international accounting standards, actions will be taken in an appropriate manner based on all relevant factors in Japan and other countries.

### 3. Consolidated Financial Statements and Important Notes

(1) Consolidated balance sheet

(Million yen)

	FY2022 (As of March 31, 2022)	FY2023 (As of March 31, 2023)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	27,965	22,929
Notes receivable, accounts receivable from completed construction contracts and other	29,779	39,117
Securities	5,999	6,999
Costs on construction contracts in progress	873	1,119
Other	417	391
Allowance for doubtful accounts	(4)	(4)
<b>Total current assets</b>	<b>65,031</b>	<b>70,552</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	1,394	1,451
Land	93	93
Leased assets	93	62
Other	859	970
Accumulated depreciation	(1,843)	(1,880)
<b>Total property, plant and equipment</b>	<b>598</b>	<b>697</b>
Intangible assets	118	280
<b>Investments and other assets</b>		
Investment securities	16,228	17,142
Investments in silent partnerships	1,226	1,514
Retirement benefit asset	524	512
Deferred tax assets	759	1,106
Insurance funds	1,849	1,861
Other	1,467	1,341
Allowance for doubtful accounts	(339)	(322)
<b>Total investments and other assets</b>	<b>21,717</b>	<b>23,156</b>
<b>Total noncurrent assets</b>	<b>22,434</b>	<b>24,134</b>
<b>Total assets</b>	<b>87,466</b>	<b>94,687</b>



Summary of Consolidated Financial Results  
for the Fiscal Year Ended March 2023 of Hibiya Engineering, Ltd. (1982)

(Million yen)

	FY2022 (As of March 31, 2022)	FY2023 (As of March 31, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	12,862	17,923
Lease liabilities	8	6
Income taxes payable	1,823	2,181
Advances received on construction contracts in progress	1,343	590
Provision for bonuses	2,974	3,149
Provision for warranties for completed construction	553	1,218
Provision for loss on construction contracts	166	240
Other	2,454	2,831
<b>Total current liabilities</b>	<b>22,186</b>	<b>28,141</b>
<b>Noncurrent liabilities</b>		
Lease liabilities	13	7
Deferred tax liabilities	791	831
Retirement benefit liability	1,052	979
Asset retirement obligations	12	12
Other	0	0
<b>Total noncurrent liabilities</b>	<b>1,871</b>	<b>1,831</b>
<b>Total liabilities</b>	<b>24,057</b>	<b>29,973</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	5,753	5,753
Capital surplus	6,028	6,140
Retained earnings	48,602	51,277
Treasury shares	(3,123)	(4,079)
<b>Total shareholders' equity</b>	<b>57,261</b>	<b>59,091</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,939	4,858
Remeasurements of defined benefit plans	(357)	(351)
<b>Total accumulated other comprehensive income</b>	<b>4,581</b>	<b>4,506</b>
Share acquisition rights	144	153
Non-controlling interests	1,421	962
<b>Total net assets</b>	<b>63,409</b>	<b>64,714</b>
<b>Total liabilities and net assets</b>	<b>87,466</b>	<b>94,687</b>

Summary of Consolidated Financial Results  
for the Fiscal Year Ended March 2023 of Hibiya Engineering, Ltd. (1982)

(2) Consolidated statement of income and consolidated statement of comprehensive income  
(Consolidated statement of income)

(Million yen)

	FY2022 (Apr. 1, 2021 - Mar. 31, 2022)	FY2023 (Apr. 1, 2022 - Mar. 31, 2023)
Net sales	75,497	83,978
Cost of sales	60,811	68,846
Gross profit	14,685	15,132
Selling, general and administrative expenses	9,023	9,179
Operating profit	5,662	5,953
Non-operating income		
Interest income	24	29
Dividend income	337	359
Gain on investments in silent partnerships	80	81
Insurance income	-	79
Other	76	120
Total non-operating income	519	671
Non-operating expenses		
Interest expenses	5	0
Other	12	6
Total non-operating expenses	18	6
Ordinary profit	6,163	6,617
Extraordinary income		
Gain on sales of investment securities	139	-
Reversal of allowance for doubtful accounts	102	-
Total extraordinary income	242	-
Profit before income taxes	6,405	6,617
Income taxes-current	2,404	2,206
Income taxes-deferred	(426)	(307)
Total income taxes	1,978	1,899
Profit	4,427	4,718
Profit attributable to non-controlling interests	55	73
Profit attributable to owners of parent	4,372	4,644

Summary of Consolidated Financial Results  
for the Fiscal Year Ended March 2023 of Hibiya Engineering, Ltd. (1982)  
(Consolidated statement of comprehensive income)

(Million yen)

	FY2022 (Apr. 1, 2021 - Mar. 31, 2022)	FY2023 (Apr. 1, 2022 - Mar. 31, 2023)
Profit	4,427	4,718
Other comprehensive income		
Valuation difference on available-for-sale securities	(968)	(79)
Remeasurements of defined benefit plans, net of tax	105	6
Total other comprehensive income	(862)	(73)
Comprehensive income	3,564	4,644
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,508	4,569
Comprehensive income attributable to non-controlling interests	56	75

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(3) Consolidated statement of changes in equity  
FY2022 (Apr. 1, 2021 –Mar. 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,753	6,028	46,181	(2,359)	55,603
Changes during period					
Dividends of surplus			(1,921)		(1,921)
Profit attributable to owners of parent			4,372		4,372
Purchase of treasury shares				(941)	(941)
Disposal of treasury shares			(29)	177	147
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,421	(763)	1,657
Balance at end of period	5,753	6,028	48,602	(3,123)	57,261

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	5,909	(463)	5,446	177	1,366	62,593
Changes during period						
Dividends of surplus						(1,921)
Profit attributable to owners of parent						4,372
Purchase of treasury shares						(941)
Disposal of treasury shares						147
Net changes in items other than shareholders' equity	(970)	105	(864)	(32)	55	(841)
Total changes during period	(970)	105	(864)	(32)	55	816
Balance at end of period	4,939	(357)	4,581	144	1,421	63,409

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FY2023 (Apr. 1, 2022 –Mar. 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,753	6,028	48,602	(3,123)	57,261
Changes during period					
Dividends of surplus			(1,960)		(1,960)
Profit attributable to owners of parent			4,644		4,644
Purchase of treasury shares				(1,206)	(1,206)
Disposal of treasury shares			(9)	250	241
Change in ownership interest of parent due to transactions with non-controlling interests		111			111
Net changes in items other than shareholders' equity					
Total changes during period	-	111	2,674	(956)	1,830
Balance at end of period	5,753	6,140	51,277	(4,079)	59,091

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	4,939	(357)	4,581	144	1,421	63,409
Changes during period						
Dividends of surplus						(1,960)
Profit attributable to owners of parent						4,644
Purchase of treasury shares						(1,206)
Disposal of treasury shares						241
Change in ownership interest of parent due to transactions with non-controlling interests						111
Net changes in items other than shareholders' equity	(81)	6	(75)	8	(458)	(525)
Total changes during period	(81)	6	(75)	8	(458)	1,305
Balance at end of period	4,858	(351)	4,506	153	962	64,714

Summary of Consolidated Financial Results  
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(4) Consolidated statement of cash flows

(Million yen)

	FY2022 (Apr. 1, 2021 - Mar. 31, 2022)	FY2023 (Apr. 1, 2022 - Mar. 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	6,405	6,617
Depreciation	161	191
Increase (decrease) in allowance for doubtful accounts	(101)	(16)
Decrease (increase) in net defined benefit asset	3	28
Increase (decrease) in net defined benefit liability	(48)	(80)
Increase (decrease) in provision for bonuses	968	175
Increase (decrease) in provision for warranties for completed construction	400	664
Increase (decrease) in provision for loss on construction contracts	(160)	74
Interest and dividend income	(362)	(388)
Interest expenses	5	0
Loss (gain) on sale of investment securities	(139)	(1)
Decrease (increase) in trade receivables	(3,439)	(9,337)
Decrease (increase) in inventories	(62)	(245)
Increase (decrease) in trade payables	(677)	5,132
Increase (decrease) in advances received on uncompleted construction contracts	810	(752)
Decrease/increase in consumption taxes receivable/payable	(1,264)	11
Other, net	987	459
Subtotal	3,485	2,532
Interest and dividends received	365	390
Interest paid	(5)	(0)
Proceeds from insurance income	-	79
Income taxes paid	(2,142)	(1,885)
Net cash provided by (used in) operating activities	1,703	1,116
<b>Cash flows from investing activities</b>		
Purchase of securities	-	(3,998)
Proceeds from redemption of securities	-	1,999
Purchase of property, plant and equipment	(106)	(205)
Purchase of intangible assets	(2)	(160)
Purchase of investment securities	(900)	(1,017)
Proceeds from sale of investment securities	178	17
Proceeds from redemption of investment securities	500	1,000
Purchase of insurance funds	(130)	(110)
Proceeds from maturity of insurance funds	67	99
Payments for investments in silent partnerships	-	(294)
Proceeds from withdrawal of investments in silent partnerships	87	89
Other, net	36	28
Net cash provided by (used in) investing activities	(269)	(2,554)

Summary of Consolidated Financial Results  
for the Fiscal Year Ended March 2023 of Hibiya Engineering, Ltd. (1982)

	FY2022 (Apr. 1, 2021 - Mar. 31, 2022)	FY2023 (Apr. 1, 2022 - Mar. 31, 2023)
Cash flows from financing activities		
Purchase of treasury shares	(941)	(1,206)
Proceeds from sale of treasury shares	0	0
Purchase of treasury shares of subsidiaries	-	(421)
Dividends paid	(1,921)	(1,960)
Dividends paid to non-controlling interests	(1)	(1)
Repayments of lease liabilities	(4)	(8)
Net cash provided by (used in) financing activities	<u>(2,867)</u>	<u>(3,598)</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,433)</u>	<u>(5,036)</u>
Cash and cash equivalents at beginning of period	<u>34,399</u>	<u>32,965</u>
Cash and cash equivalents at end of period	<u>32,965</u>	<u>27,929</u>

- (5) Notes to consolidated financial statements  
(Notes on going concern assumptions)

No

(Change in accounting principle)

(Adoption of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021) began to be applied from the beginning of the fiscal year under review. It was decided that the new accounting principle prescribed in the Implementation Guidance on Accounting Standard for Fair Value Measurement will be applied into the future in accordance with the transitional treatment provided for in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. This change has no impact on the consolidated financial statements.

(Segment information, etc.)

1. General information about reportable segments

Reportable segments are the constituent units of the Hibiya Engineering, Ltd. (the "Group") for each of which separate and discrete financial information is available and the board of directors perform a regular review for the purposes of determining the allocation of resources and evaluating the results of operations.

As a comprehensive engineering organization, the Group's business operations involve equipment used for air conditioning, plumbing and sanitation, electrical systems, data management, communications and other applications. The Company has been developing business activities, such as planning, design and installation of a broad range of equipment, and its subsidiaries have been operating the equipment sales agent and engaged in manufacture and sales of equipment. Each company is managed independently, establishes its own comprehensive strategies for its products and services, and conducts its own business activities.

Consequently, the Group's activities are divided into three reportable segments based on the products and services of each company in the Group: construction, equipment sales and equipment manufacturing.

2. Basis of measurement for net sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting policies of the reportable segments are generally consistent with the summary of significant accounting policies.

Segment profits are based on operating profit.

Inter-segment sales and transfers are based on the actual market prices.



Summary of Consolidated Financial Results  
for the Fiscal Year Ended March 2023 of Hibiya Engineering, Ltd. (1982)

3. Information about net sales, profit or loss, assets, liabilities and other items by reportable segment  
FY 2022 (April 1, 2021 – March 31, 2022)

(Million yen)

	Construction	Equipment sales	Equipment manufacturing	Annual	Adjustments (Note 1)	Amount on the consolidated statements (Note 2)
Net sales						
Goods or service transferred at a point in time (Note 3)	10,964	6,070	2,328	19,362	-	19,362
Product or service transferred over time	56,134	-	-	56,134	-	56,134
Revenue from contracts with customers	67,099	6,070	2,328	75,497	-	75,497
Outside customers	67,099	6,070	2,328	75,497	-	75,497
Intersegment internal sales/transfers	-	4,224	602	4,827	(4,827)	-
Total	67,099	10,294	2,930	80,324	(4,827)	75,497
Segment profit	5,154	356	135	5,645	16	5,662
Segment assets	32,255	9,705	2,723	44,684	42,782	87,466
Other items						
Depreciation	139	6	14	161	-	161
Increase in property, plant and equipment and intangible assets	78	1	29	109	-	109

Notes 1 Adjustment of segment profit of 16 million yen is mainly due to intersegment transactions eliminations. Adjustment of segment assets of 42,782 million yen includes negative 2,970 million yen of inter-segment transactions elimination and a 47,573 million yen for corporate assets that cannot be assigned to specific segments which is primarily cash and deposit, securities and investment securities.

2 Segment profit is reconciled to operating profit in the consolidated statements of income.

3 Contracts that revenue recognized upon completion of the obligation to the customers are included in product or service transferred at a point in time in accordance with the alternative measures stipulated in paragraph 95 of guideline of the revenue recognition accounting standard.

Summary of Consolidated Financial Results  
for the Fiscal Year Ended March 2023 of Hibiya Engineering, Ltd. (1982)  
FY2023 (April 1, 2022 – March 31, 2023)

(Million yen)

	Construction	Equipment sales	Equipment manufacturing	Annual	Adjustments (Note 1)	Amount on the consolidated statements (Note 2)
Net sales						
Goods or services transferred at a point in time (Note 3)	11,625	7,308	3,102	22,036	-	22,036
Product or service transferred over time	61,941	-	-	61,941	-	61,941
Revenue from contracts with customers	73,567	7,308	3,102	83,978	-	83,978
Outside customers	73,567	7,308	3,102	83,978	-	83,978
Intersegment internal sales/transfers	-	4,439	992	5,431	(5,431)	-
Total	73,567	11,747	4,095	89,410	(5,431)	83,978
Segment profit	5,094	588	256	5,939	13	5,953
Segment assets	41,067	10,536	3,402	55,006	39,681	94,687
Other items						
Depreciation	148	6	36	191	-	191
Increase in property, plant and equipment and intangible assets	285	0	166	453	-	453

- Notes 1 Adjustment of segment profit of 13 million yen is mainly due to intersegment transactions eliminations. Adjustment of segment assets of 39,681 million yen includes negative 3,102 million yen of inter-segment transactions elimination and a 42,783 million yen for corporate assets that cannot be assigned to specific segments which is primarily cash and deposit, securities and investment securities.
- 2 Segment profit is reconciled to operating profit in the consolidated statements of income.
- 3 Contracts that revenue recognized upon completion of the obligation to the customers are included in product or service transferred at a point in time in accordance with the alternative measures stipulated in paragraph 95 of guideline of the revenue recognition accounting standard.

Summary of Consolidated Financial Results  
for the Fiscal Year Ended March 2023 of Hibiya Engineering, Ltd. (1982)

(Per share information)

(Yen)

	FY2022 (Apr. 1, 2021 - Mar. 31, 2022)	FY2023 (Apr. 1, 2022 - Mar. 31, 2023)
Net assets per share	2,635.31	2,771.49
Earnings per share	184.02	200.48
Earnings per share fully diluted	183.25	199.62

Notes 1 The bases for calculating net assets per share are as follows.

(Million yen/Thousand shares)

	FY2022 (Apr. 1, 2021 - Mar. 31, 2022)	FY2023 (Apr. 1, 2022 - Mar. 31, 2023)
Total net assets	63,409	64,714
Deducted amount from total net assets	1,565	1,115
(of which share acquisition rights)	(144)	(153)
(of which non-controlling interests)	(1,421)	(962)
Net assets at the end of the period attributable to common shares	61,843	63,598
Number of common shares at end of period used for calculation of net assets per share	23,467	22,947

Shares held by the Executive Compensation Board Incentive Plan (BIP) Trust are included in treasury shares which are excluded from the calculation of the net assets per share (158 thousand shares in the FY2022 and 106 thousand shares in the FY2023).

2 The bases for calculating earnings per share and earnings per share fully diluted are as follows.

(Million yen/Thousand shares)

	FY2022 (Apr. 1, 2021 - Mar. 31, 2022)	FY2023 (Apr. 1, 2022 - Mar. 31, 2023)
Earnings per share		
Profit attributable to owners of parent	4,372	4,644
Amount that is not attributable to common shareholders	-	-
Profit attributable to owners of parent related to common shares	4,372	4,644
Average number of common shares during the period	23,761	23,166
Earnings per share fully diluted		
Adjustment of the profit attributable to owners of parent	-	-
Number of common shares increased	99	99
(of which share acquisition rights)	(99)	(99)
Descriptions of potentially dilutive common shares that were not included in the calculation of diluted earnings per share due to the absence of dilutive effect		-

Shares held by the Executive Compensation Board Incentive Plan (BIP) Trust are included in treasury shares which are excluded from the calculation of the average number of common shares during the period used in the calculation of earnings per share and earnings per share fully diluted (164 thousand shares in the FY2022 and 91 thousand shares in the FY2023).

(Significant subsequent events)

No

**4. Other Information**

Change in directors

Change in directors shall be announced separately.