

## Summary of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2024 [Japan GAAP]

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: Hidetaka Nakagita, President and CEO

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Date of filing of quarterly securities report: August 9, 2023

Date of commencement of dividend payment: –

Supplementary explanatory documents: No

Earnings presentation: No

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

### 1. Financial results for the first quarter of the fiscal year ending March 2024 (April 1, 2023 – June 30, 2023)

(1) Result of operations (Consolidated, year-to-date)

(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	%
First quarter ended								
June 2023	16,165	29.6	406	–	796	357.9	540	399.2
June 2022	12,473	(19.6)	(128)	–	173	(88.7)	108	(89.9)

Note: Comprehensive income: First quarter of FY3/24: 2,051 million yen [860.7%], First quarter of FY3/23: 213 million yen [-78.1%]

	Earnings per share		Earnings per share fully diluted	
	Yen		Yen	
First quarter ended				
June 2023		23.64		23.54
June 2022		4.61		4.59

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
June 30, 2023	86,500	65,441	74.3	2,815.51
March 31, 2023	94,687	64,714	67.2	2,771.49

Reference: Shareholders' equity: As of June 30, 2023: 64,304 million yen, As of March 31, 2023: 63,598 million yen

### 2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
FY3/23	–	42.00	–	43.00	85.00
FY3/24	–				
FY3/24 (Estimate)		43.00	–	43.00	86.00

Note: Change in the estimation of dividend from the latest announcement: No

### 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

Note: Change in the forecast from the latest announcement: No

**\* Notes**

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

(2) Use of accounting methods specifically for the preparation of the quarterly consolidated financial statements: No

(3) Changes in accounting principles and estimates, and retrospective restatement

(a) Changes due to revision of accounting standards: No

(b) Changes other than in (a): No

(c) Changes in accounting estimates: No

(d) Retrospective restatement: No

(4) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury shares)

As of June 30, 2023:	23,756,321	As of March 31, 2023:	25,006,321
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(b) Treasury shares

As of June 30, 2023:	916,865	As of March 31, 2023:	2,058,972
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(c) Average number of shares (quarterly consolidated cumulative period)

Period ended June 30, 2023:	22,868,340	Period ended June 30, 2022:	23,483,972
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**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 2 of the supplementary information, "1. Results of Operations, (3) Forecast for the fiscal year ending March 2024."

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## 1. Results of Operations

### (1) Overview of consolidated business performance

During the first quarter of the consolidated fiscal year under review, the Japanese economy continued to recover moderately as expected, reflecting economic measures implemented by the government against a backdrop of improving employment and income environments. However, careful attention should be paid to the impact of price increases and fluctuations in the financial and capital markets.

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, according to the basic strategy and priority measures set out in the 8th Medium-term Management Plan, the Group worked on a range of initiatives, including the promotion of community-oriented sales, strengthening of sales in data center-related projects, improvement of construction efficiency through the optimal deployment of construction staff mainly for large-scale development projects, and enhancement of the Group's earnings capacity by securing profitability.

As a result of such measures, orders rose by 11.7% year on year, to 21,303 million yen, reflecting a strong performance including new orders for data centers and large redevelopment projects.

Net sales rose by 29.6%, to 16,165 million yen, primarily attributable to steady progress in construction projects that were carried over from the previous fiscal year.

On the profit front, gross profit increased 32.7% year on year, to 2,322 million yen, and operating profit came to 406 million yen (compared to an operating loss of 128 million yen in the same period of the previous fiscal year). Ordinary profit increased 357.9% year on year, to 796 million yen and profit attributable to owners of parent increased 399.2% year on year, to 540 million yen.

### (2) Overview of financial condition

#### Assets

The Group's total assets at the end of the first quarter of the consolidated fiscal year under review stood at 86,500 million yen, a decrease of 8,186 million yen from the end of the previous consolidated fiscal year.

The decrease in assets is primarily attributable to a decrease of 15,943 million yen in notes receivable, accounts receivable from completed construction contracts and other due to construction fees collected, offsetting a 4,888 million yen increase in cash and deposits and a rise of 2,179 million yen in investment securities due to listed share prices.

#### Liabilities

At the end of the first quarter of the consolidated fiscal year under review, the Group's total liabilities amounted to 21,059 million yen, down 8,913 million yen from the end of the previous fiscal year.

The decline in liabilities is primarily due to a decrease of 5,681 million yen in notes payable, accounts payable for construction contracts and other, in particular due to payments to suppliers, and a decline of 2,112 million yen in income taxes payable due to tax payments made after the filing of tax returns.

#### Net assets

The Group's net assets totaled 65,441 million yen at the end of the first quarter of the consolidated fiscal year under review, mainly due to the posting of profit attributable to owners of parent of 540 million yen, despite decreases of 564 million yen and 991 million yen attributable respectively to the acquisition of treasury shares and payment of dividends. In addition, retained earnings and treasury shares each decreased 2,506 million yen, reflecting the cancellation of 1,250 thousand treasury shares on June 30, 2023 based on a resolution by the Board of Directors.

### (3) Forecast for the fiscal year ending March 2024

There is no change in the forecast for consolidated results of operations that was announced on May 11, 2023.

## 2. Quarterly Consolidated Financial Statements and Important Notes

### (1) Quarterly consolidated balance sheet

(Million yen)

	Fiscal year ended March 2023 (As of March 31, 2023)	First quarter ended June 2023 (As of June 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	22,929	27,818
Notes receivable, accounts receivable from completed construction contracts and other	39,117	23,174
Securities	6,999	6,999
Costs on construction contracts in progress	1,119	1,483
Other	391	1,590
Allowance for doubtful accounts	(4)	(1)
Total current assets	70,552	61,063
Noncurrent assets		
Property, plant and equipment	697	694
Intangible assets	280	277
Investments and other assets		
Investment securities	17,142	19,321
Other	6,336	5,461
Allowance for doubtful accounts	(322)	(318)
Total investments and other assets	23,156	24,464
Total noncurrent assets	24,134	25,437
Total assets	94,687	86,500

Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 2024  
of Hibiya Engineering, Ltd. (1982)

(Million yen)

	Fiscal year ended March 2023 (As of March 31, 2023)	First quarter ended June 2023 (As of June 30, 2023)
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	17,923	12,242
Income taxes payable	2,181	68
Advances received on construction contracts in progress	590	810
Provision for bonuses	3,149	387
Provision for warranties for completed construction	1,218	105
Provision for loss on construction contracts	240	161
Other	2,838	5,234
Total current liabilities	28,141	19,010
Noncurrent liabilities		
Retirement benefit liability	979	951
Other	851	1,096
Total noncurrent liabilities	1,831	2,048
Total liabilities	29,973	21,059
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,753	5,753
Capital surplus	6,140	6,140
Retained earnings	51,277	48,302
Treasury shares	(4,079)	(1,839)
Total shareholders' equity	59,091	58,356
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,858	6,275
Remeasurements of defined benefit plans	(351)	(327)
Total accumulated other comprehensive income	4,506	5,947
Share acquisition rights	153	105
Non-controlling interests	962	1,031
Total net assets	64,714	65,441
Total liabilities and net assets	94,687	86,500

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income  
(Quarterly consolidated statement of income)  
(For the first quarter)

(Million yen)

	First quarter ended June 2022 (April 1, 2022 – June 30, 2022)	First quarter ended June 2023 (April 1, 2023 – June 30, 2023)
Net sales	12,473	16,165
Cost of sales	10,722	13,843
Gross profit	1,750	2,322
Selling, general and administrative expenses	1,878	1,916
Operating profit	(128)	406
Non-operating income		
Interest income	5	9
Dividend income	169	191
Gain on investments in silent partnerships	40	173
Insurance income	72	1
Other	16	15
Total non-operating income	304	391
Non-operating expenses		
Interest expenses	0	0
Other	2	2
Total non-operating expenses	2	2
Ordinary profit	173	796
Profit before income taxes	173	796
Income taxes - current	12	11
Income taxes - deferred	48	243
Total income taxes	61	254
Profit	111	541
Profit attributable to non-controlling interests	3	1
Profit attributable to owners of parent	108	540

(Quarterly consolidated statement of comprehensive income)  
(For the first quarter)

(Million yen)

	First quarter ended June 2022 (April 1, 2022 – June 30, 2022)	First quarter ended June 2023 (April 1, 2023 – June 30, 2023)
Profit	111	541
Other comprehensive income		
Valuation difference on available-for-sale securities	80	1,486
Remeasurements of defined benefit plans, net of tax	21	23
Total other comprehensive income	101	1,509
Comprehensive income	213	2,051
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	221	1,981
Comprehensive income attributable to non-controlling interests	(8)	69



(3) Notes to quarterly consolidated financial statements  
(Notes on going concern assumptions)  
No

(Notes on significant change in shareholders' equity)  
No