時代にまっすぐ、技術にまじめです。

Earnings Announcement
FY3/17

日比谷総合設備株式会社

May 23, 2017

Financial Summary
FY3/17

Financial Summary of FY3/17

Financial Highlights (Consolidated)

■ Achieved all of the fiscal year and Medium-term Management Plan targets

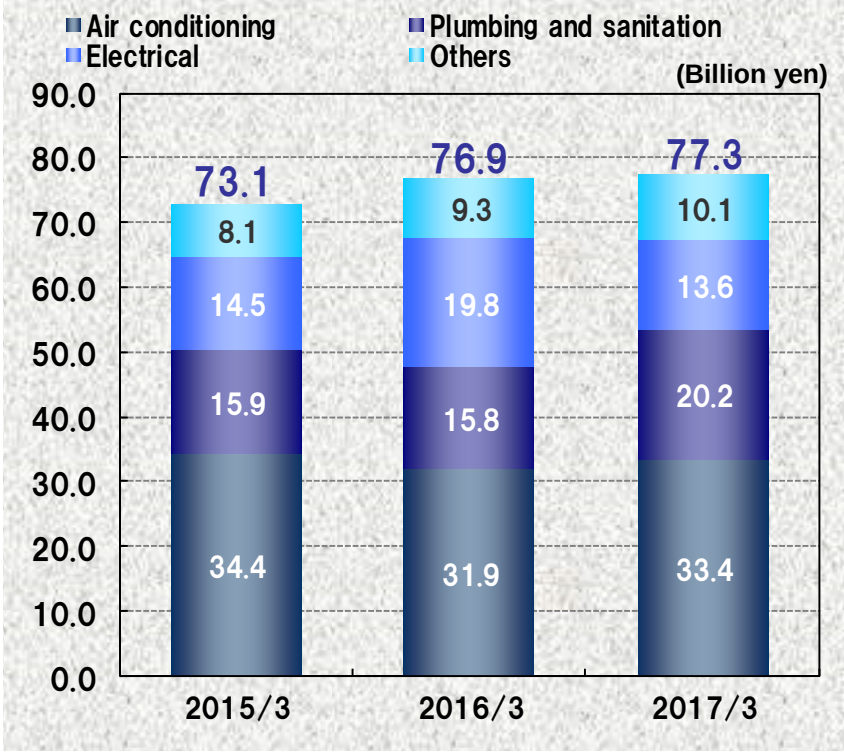
(Billion yen)

	2015/3 Actual	2016/3 Actual	2017/3 Actual	YoY (%)	2017/3 Plan	Targets of Fifth Medium-term Management Plan
Orders Received	73.1	76.9	77.3	0.6%	75.0	70.0~
Net sales	71.3	79.4	78.3	-1.3%	75.0	70.0~
Operating Profit	1.9	4.6	5.6	20.0%	4.0	2.5~
Ordinary Profit	3.0	6.3	6.9	10.0%	5.0	3.3~
Profit attributable to owners of parent	2.6	4.6	5.2	12.2%	3.0	2.0~

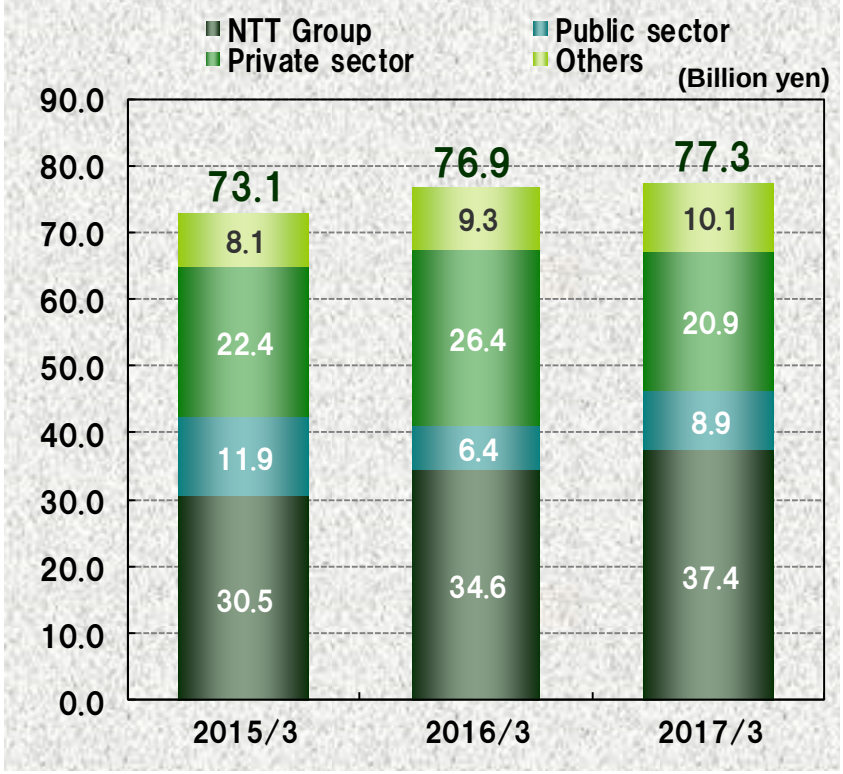
Orders Received by Category & by Customer (Consolidated)

■ Achieved the targets for orders received by focusing on life cycle total solutions

By category



By customer



*Other orders are orders received at group companies.

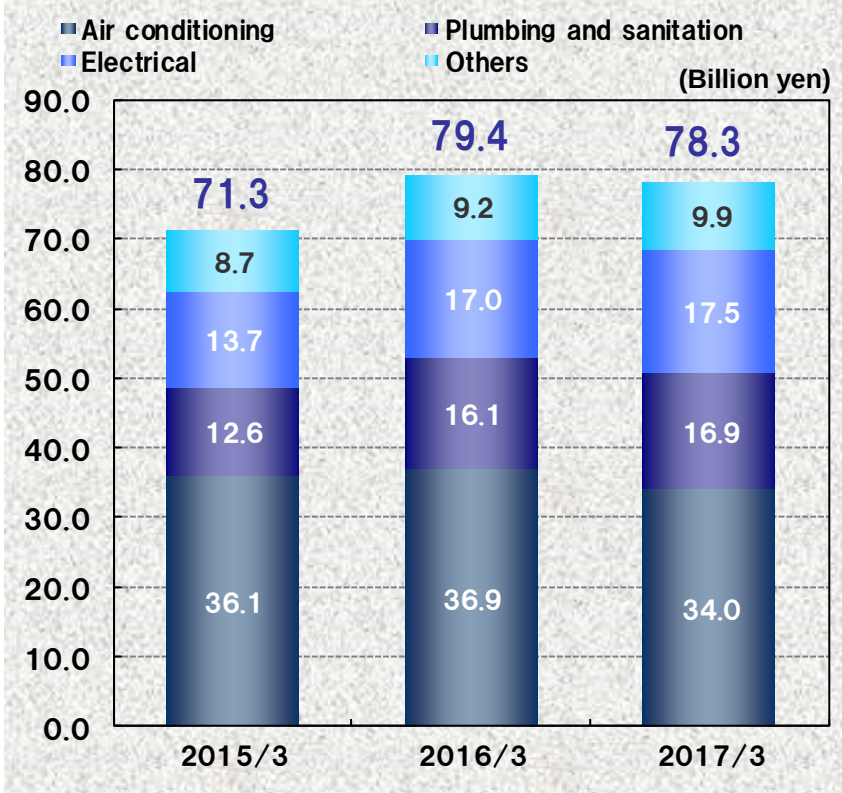
*1:Hibiya Engineering aims to build “best partner” relationships with customers by enlarging services across the entire life cycle of a building in order to meet their increasingly diverse, sophisticated and multi-faceted requirements.

Financial Summary of FY3/17

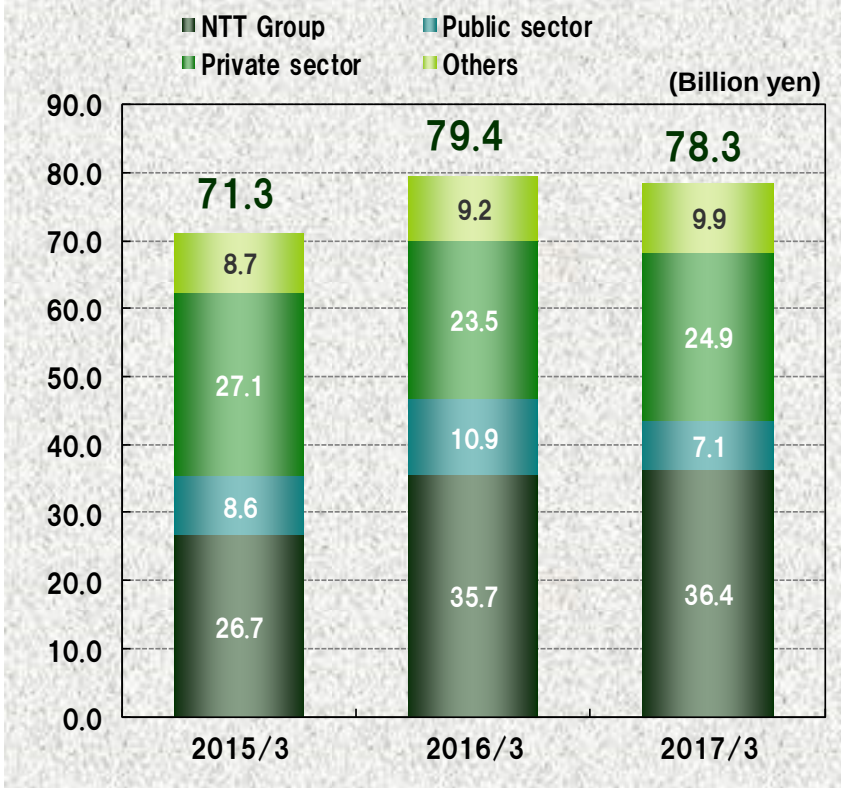
Sales by Category & by Customer (Consolidated)

■ Sales remained high mainly due to orders for NTT projects and the completion of large projects

By category



By customer



*Other orders are orders received at group companies.

Financial Summary of FY3/16

Summary Income Statements (Consolidated)

- Rigorous profit management when receiving orders and cost cutting measures raised earnings
- Earnings also benefited from the completion of high-margin projects and a decline in unprofitable projects

(Billion yen)

	2015/3 Actual	2016/3 Actual	2017/3 Actual	2017/3 Plan	Targets of Fifth Medium-term Management Plan
Net sales	71.3	79.4	78.3	75.0	70.0～
Cost of sales	62.6	67.1	64.3	-	-
Gross profit	8.6	12.2	14.0	-	-
Gross profit margin	12.2%	15.5%	17.9%	-	-
SG&A expenses	6.6	7.6	8.4	-	-
Operating profit	1.9	4.6	5.6	4.0	2.5～
Non-operating income	1.0	1.7	1.3	-	-
Ordinary profit	3.0	6.3	6.9	5.0	3.3～
Extraordinary income	1.0	0.4	0.2	-	-
Income taxes	1.3	2.1	1.8	-	-
Profit attributable to owners of parent	2.6	4.6	5.2	3.0	2.0～

Financial Summary of FY3/17

Distributions to Shareholders

Dividends

【Basic policy】

■ To provide even more stable earnings distributions for shareholders, the basic policy is to place emphasis on the consolidated dividends-on-equity (DOE) ratio.

【FY3/17】

■ Reflecting more progress toward goals of the Fifth Medium-term Management Plan and the group's 50th anniversary in July 2016, plan to pay a dividend of 50 yen, including a 10 yen commemorative dividend
(25 yen interim and year-end dividends, 10 yen higher than for FY3/16)

Stock purchases

【Basic policy】

■ Continue to purchase stock in a flexible manner as one way to distribute earnings to shareholders.

【FY3/17】

■ **Allowance of full year : 500,000 shares, 800million yen**

■ **Repurchased in FY3/17 : 460,000 shares, 750 million yen**
(Achievement) (92.4%) (92.9%)

Achievement in Fifth Medium-term Management Plan : 1.35 million shares, 2.19 billion yen

Fifth Medium-term Management Plan Achievement

The Fifth Medium-term Management Plan: April 2014 - March 2017

The Fifth Medium-term Management Plan

(April 2014 – March 2017)

Fundamental Goal

Become a comprehensive engineering services organization that is a one-stop source of services for all customer needs

Mega-trends

- Energy
- ICT/smart
- BCP/ disasters
- Global

< Core Strategy>

- Supply life cycle total solutions
- Build a stronger foundation
- Confidence and safety

Hibiya Engineering strengths

- Accumulate energy and “smart” technologies
- Improve solution proposal skills
- Reinforce the value chain from consulting to maintenance
- BCP, safety and quality

[Core Strategy] Life Cycle Total Solutions

▷ Reinforce solution-based sales activities

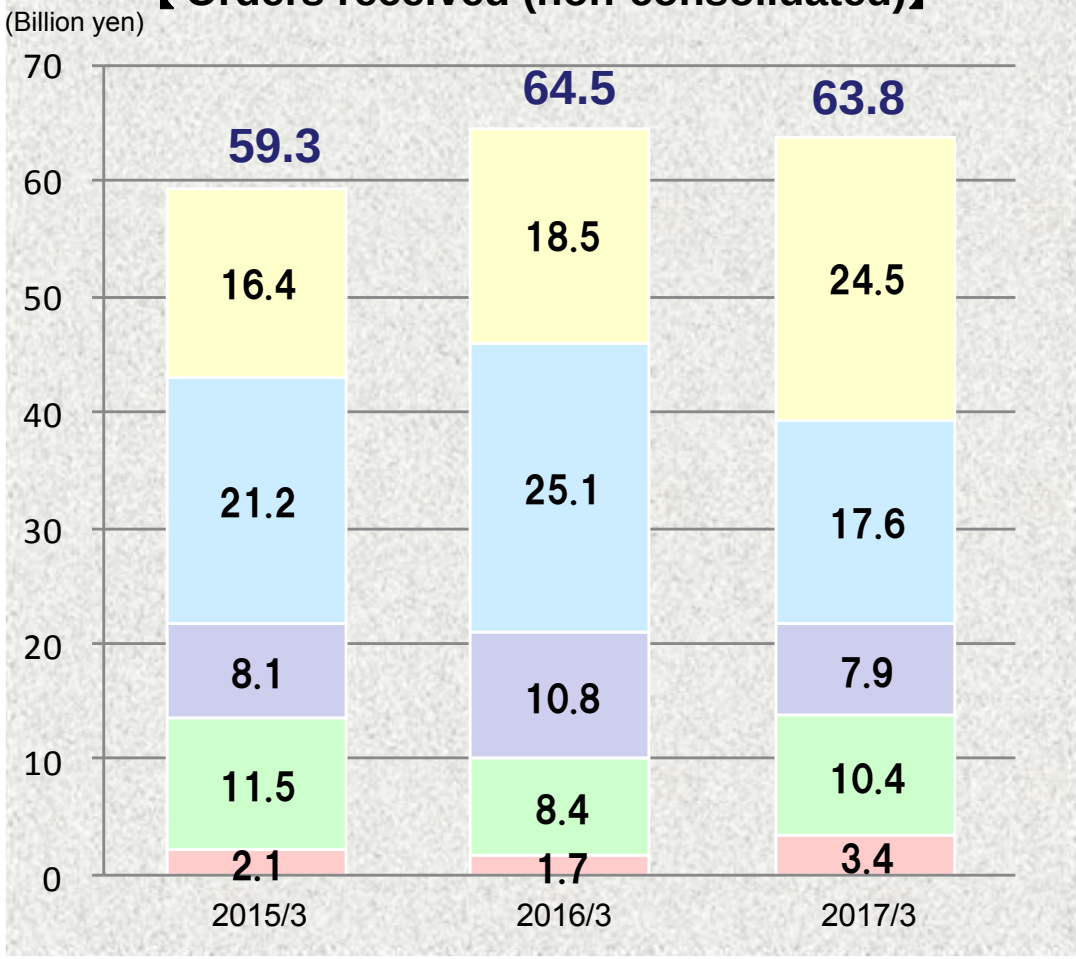
■ Steady growth in orders in priority domains, mainly data centers/information

■ Orders increased in the new priority domain of hotels/resorts

【Priority Domains】

- Data centers/Information
- Office buildings
- Manufacturing/Distribution
- Health care/ Medical Welfare
- Hotels/Resorts

【Orders received (non-consolidated)】



[Core Strategy] Life Cycle Total Solutions

Examples of life cycle total solution sales activities

■ Growth in the hotels/resorts sector, a new priority domain, to meet increasing demand that includes foreign tourists in Japan

(pages 9 and 10)

■ Local gov't used a Hibiya natural gas cogeneration system at a hot spring lodge

(page 11)

■ Steady-revenue proposal for an NTT Group company; NTT Group alliances and collaboration

- Used Hibiya experience for a medium/long-term maintenance proposal for key buildings
- Sharing and convergence of Hibiya and NTT Group company technologies

(page 24)

■ New air conditioning technology for data centers

- First use in Japan of an indirect outdoor air AC system at an urban data center
- Use of an AC system with wall outlets at a newly constructed urban data center and other locations

(pages 25, 26)

■ Use of alliances, energy conservation programs and other measures for growth of the energy conservation business

(page 27)

[Core Strategy] Life Cycle Total Solutions

(Example)

■ Growth of the new hotels/resorts priority domain as demand increases, partly due to foreign tourists

Hakone Kowakien Ten-yu	
Location	Hakone, Ashigarashimo-gun, Kanagawa
Floor area	16,115m^2
Structure	9 stories above ground/1 story below ground
Hibiya's work	Sanitation

Four Seasons Hotel Kyoto	
Location	Kyoto city, Kyoto
Floor area	34,632m^2
Structure	4 stories above ground/3 stories below ground
Hibiya's work	Air conditioning/sanitation

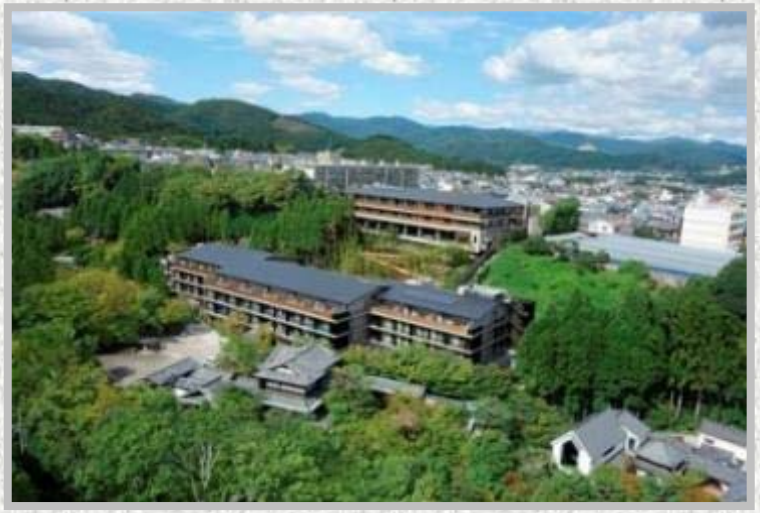
[Core Strategy] Life Cycle Total Solutions

(Example)

■ Growth of the new hotels/resorts priority domain as demand increases, partly due to foreign tourists

Conversion from electronics retail store to hotel

Karakusa Spring Hotel Kansai Air Gate	
Location	Tajiri-cho, Sennan-gun, Osaka
Floor area	6,198m^2
Structure	2 stories above ground
Hibiya's work	Air conditioning/sanitation



Tokyu Harvest Club Kyoto Takagamine & VIALA	
Location	Kyoto city, Kyoto
Floor area	18,352m^2
Structure	4 stories above ground/1 story below ground
Hibiya's work	Sanitation

※建物等の用途変更

[Core Strategy] Life Cycle Total Solutions

(Example)

A local gov't used a Hibiya natural gas cogeneration system at a hot spring lodge

Previously unused energy is utilized to cut the cost of electricity by 60%, which lower CO_2 emissions

City of Shimada

A place where people/industry/culture come together
A healthy city of water and greenery

+ Goal is also to be a leader in the field of reusable energy

Issue at city's hot spring facility

Natural gas produced by the hot spring, containing 86% methane, **was released to the atmosphere**

Methane's greenhouse effect is more than 20 times higher than for CO_2

Idea and execution

Hibiya technologies/expertise

Use natural gas cogeneration to produce electricity and use exhaust heat

Lowers CO_2 emissions

Kawane Hot Spring
Hotel and bathing facility

For the lodge (100kW)

For spa hot water (155kW)

Electricity

Heat

New equipment

Compressor

Natural flow hot spring well

Gas separator

Hot spring water

Gas storage

Cogeneration unit
Corresponding power failure

Hot spring water

[Core Strategy]
Stronger operations with priority on confidence and safety (1)

More competitive, more efficient construction, tighter profit management

■ More opportunities to capture orders

- Perform cost analysis for timely revisions to cost calculations
- Thoroughly examine targeted projects to create a competitive cost structure (hold cost study meetings)
- Use centralized procurement center supervision for centralized purchasing on a nationwide scale

A construction plan displayed on a tablet

■ More efficient construction and tighter profit management

- Use separate construction study groups for each priority domain for higher efficiency at similar projects and processes
- Improve efficiency of supervisory tasks by using tablets for on-site management
- Use budget overrun alert system to permit quick actions by the Budget Management Committee

Haneda Safety Training Center
Training using actual equipment (1)

■ Upgrade safety training, more communications among engineering service personnel

- Strengthened hands-on training by opening the Haneda Safety Training Center
- Nationwide safety patrols overseen by the head office (random sample patrols)
- Stronger lines of communication among engineering service personnel by converting the department meeting from announcements to a discussion format

Haneda Safety Training Center
Training using actual equipment (2)

[Core Strategy]
Stronger operations with priority on confidence and safety (2)

A new look for the group's 50th anniversary to increase group solidarity

Logo

Uniforms

Use unified group management to improve efficiency

- Reexamine business processes, such as by eliminating invoicing for transactions between group companies, to make operations more powerful
- Improve efficiency with cloud use for issuing invoices and managing receivables and other activities
- Use ICT to do upgrade work processes (group-wide sharing of life cycle library*, electronic approval system, etc.)

Strengthen training programs and employee skills

- Upgrade training programs (exchanges of people within the group, training to receive official certifications, technology seminars, etc.)
- Make greater use of female employees based on an action plan (career advancement training, discussion groups for time off for child birth, etc.)

Increased commitments to CSR and compliance

- Established Legal Affairs Office for improved oversight of contract and other risk factors; reinforced compliance by strengthening employee training
- Reinforce management of credit and receivables by improving functions of the core IT system

* A database containing construction information and other knowledge at the Hibiya Engineering Group that gives the entire group access to this know-how.

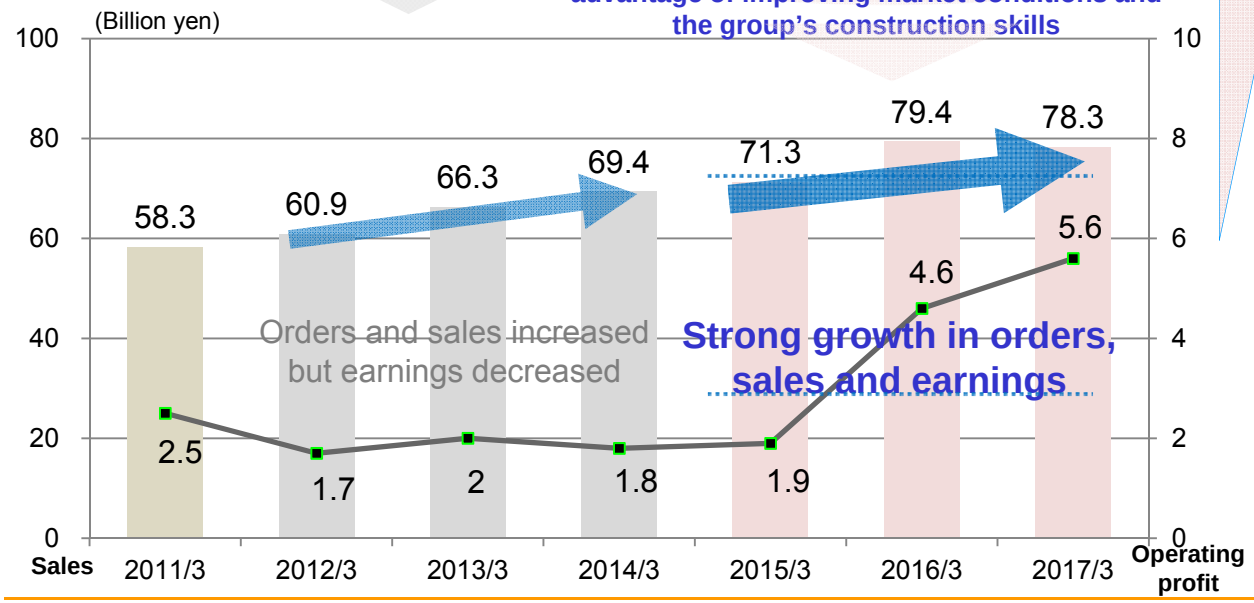
Overview of
Sixth Medium-term Management Plan

April 2017 - March 2020

1. Accomplishments of Previous Management Plans and Goals of the Sixth Plan

Fourth Plan	Fifth Plan
Policy Increase orders and sales while maintaining profitability **Initiatives** • Solution-based sales activities in priority domains • Packaged services	**Policy** Speed up corporate reforms to become a comprehensive engineering company **Initiatives** • Use total life cycle solution sales activities to provide value-added services across the entire life cycle of buildings • Strengthen business operations by training people, improving cost vs. performance and improving efficiency

Reinforce the profit structure and take full advantage of improving market conditions and the group's construction skills



Basic Stance for the Sixth Plan

Continue progress with corporate reforms made during the fifth plan

Maintain profitability with proper balance between social trends and stakeholders' demands

2. Fundamental Policy and Strategies of the Sixth Medium-term Management Plan

Japan's construction industry

Overview
- Demand is strong in private-sector and other construction categories
- Construction activity is supported by projects for the Tokyo Olympics, the need for disaster preparedness and resilience, and other factors

Medium/long-term outlook
- Working style reforms needed to recruit people as Japan's population ages
- Excluding Tokyo Olympics projects, construction demand is expected to decline slowly
- i-Construction concept of Japan's Ministry of Land, Infrastructure, Transport and Tourism

Fundamental Policy

Establish and reinforce corporate reforms
for
progress with stable and long-term business operations

Responding to demands from stakeholders

Shareholders
- Potential for demands for a big dividend hike and the reduction of surplus capital
- Maintain an ROE of at least 5%

Employees
- Reduce overtime and improve the working environment in other ways

Customers
- Supply value-added engineering services that contribute to safety and quality
- Business partners
- Work together to create more business opportunities

Fundamental Strategies

Invest in people and ICT to change how people work

Become a source of even more advanced life cycle total solutions

3. Invest in people and ICT to change how people work

3-1. Use substantial investments in human resources to make the Hibiya Engineering Group an appealing organization that can recruit talented people

Recruit people
Attract the people with the skills needed for sustained growth

Increase diversity
Offer many ways to work in order to incorporate many perspectives in management

Use a human resources project team to build a stronger framework

Training and advanced skills
Upgrade training programs for specific job categories

Balance between work and private lives
Support overall health of employees by reducing overtime, encouraging use of vacation days, providing mental health programs and other forms of assistance

Use involvement of management to oversee implementation of these initiatives

- Continue recruiting the same number of new graduates every year.
- Hire career-oriented people with a variety of skills and working styles (people who stay in one region, ICT professionals, etc.)
- Measures to respond to the shortage of engineers (expanded program to rehire older engineers)
- Expand all types of training programs
- Sales skill training, sales theme training, step-up training for specific engineering services, official certification training, female career advancement training, sales and general skill refinement training (legal affairs, finance, sales presentations, etc.)
- Job rotations among Hibiya Engineering departments and group companies
- Step-up for five-day work weeks at job sites (use “refreshment” days off), improve time management skills)

3. Invest in people and ICT to change how people work

3-2. Use ICT extensively to reform business processes and reinforce management

Competitive superiority
More efficient sales and construction and differentiation from competitors

Centralize and share group data

More efficient operations
Improve efficiency and productivity by greatly cutting lead times for business operations

Knowledge management by making the life cycle library easier to use	Use of digital data at a high level BIM*/3D scanners	Use internet conference tools for easier communications	Use IC cards for registration of technical personnel
More advanced sales methods by using tablets and building an integrated database	Use software for more efficient construction site supervision (Process table, process step management, etc.)	Implementation of tele-working to allow more ways to work	Use videos to enhance safety management and training

Rotate people among positions throughout the group	Enhance procurement center capabilities for a more competitive cost structure	Strengthen the safety and quality management framework (job site patrols/education)	Create a job site support center
Organize construction, technology and other information for use in sales activities and at job sites	**Strengthen risk management** Improved business process management Expanded compliance training		Establish and maintain partner company ties Stronger regional construction frameworks

* Building Information Modeling is a system for the more efficient production and management of buildings

4. Become a source of even more advanced life cycle total solutions

4-1. Upgrade and enlarge consistent-revenue businesses with initiatives centered on the life cycle library

Customers

Create an environment for receiving orders for many more years by creating medium/long-term proposals that span the entire life cycle of customers' equipment

Planning/design services | **Engineering** | **Operations and maintenance**

Combine sales and engineering service resources to create solutions
- More powerful teams for each priority domain
- Use BIM to create more sophisticated proposals
- Incorporate ICT in inspection services

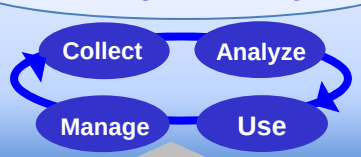
Fundamentally alter business operations to aim for improvements involving safety and cost vs. performance
- Use e-commerce and other methods for more efficient purchasing
- Use safe and efficient construction methods
- Analyze labor expenses, cost of materials and other elements of job site operations

Priority domains: Data centers/info | Office buildings | Manufacturing/distribution | Education | Health care | Hotels/resorts

Sales
- Equipment in use
- Superior technologies
- Construction experience
- Customer information

Use data cycle management

Life cycle library



Engineering services
- Job site labor-saving technologies
- Technologies for better quality
- Value engineering assessment/examples of improvements
- Energy-saving technologies
- Cost information

Core technologies

Job site survey technology	BIM technology 3D model	Forecast/assessment technology	ICT	IoT/AI
Energy conservation diagnosis, equipment diagnosis, 3D scanner, 3D measurements	Building data integration (Cost/equipment)	Simulations Data mining	Visualization (BEMS*) Energy-saving control system	Sensing and monitoring Building IoT compatibility

* Building energy management system that automatically controls electricity use

4. More advanced life cycle total solutions

4-2. Build many service models by using interaction among group companies and alliances with other companies

Group interaction

Combine group company functions to provide engineering services

- Combine group company functions to provide engineering services
- Use BIM and ICT at job sites
- Use maintenance data to create renovation proposals
- High-tech HVAC engineering and maintenance
- Unified group sales using a single customer database
- Use wastewater treatment and production facility engineering skills
- Expand use of ICT and “smart” products
- Develop products for the use of more advanced construction technologies

Joint sales with NTT Group

Enlarge the service menu by using collaboration with NTT Group companies

- Enlarge the service menu by using collaboration with NTT Group companies
- Joint sales to private-sector customers of the SmartDASH energy control system for data centers
- Proposals for the use of cloud BEMS
- Increase activities in the energy sector to capture orders for energy-conservation renovations

Alliances

Use cooperation with alliance partners to create proposals for customers in more business domains

- With financial institutions and leasing companies, offer ideas for carbon management and for leases, including leases with maintenance and support for bulk leases. Also create energy conservation and BCP proposals that use energy-conservation subsidies and leases.
- With property management companies, use solutions sales involving small/midsize tenant-occupied buildings and create and offer tenant services using ICT.
- With general contractors, manufacturers and others, use alliances to capture orders for data technology projects.
- With manufacturers and others, use alliances for the joint development of modular building materials.

5. Financial Goals and Distributions to Shareholders

Financial Goals

(Billion yen)

	Fifth Plan	Sixth Plan	Plan for 2018/3
Orders Received	70.0~	75.0~	75.0
Net sales	70.0~	75.0~	75.0
Operating profit	2.5~	4.0~	4.0
Ordinary profit	3.3~	5.0~	5.0
Profit attributable to owners of parent	2.0~	3.0~	3.0
ROE (%)	—	5.0~ Aim the stable achievement of 8.0%	5.0

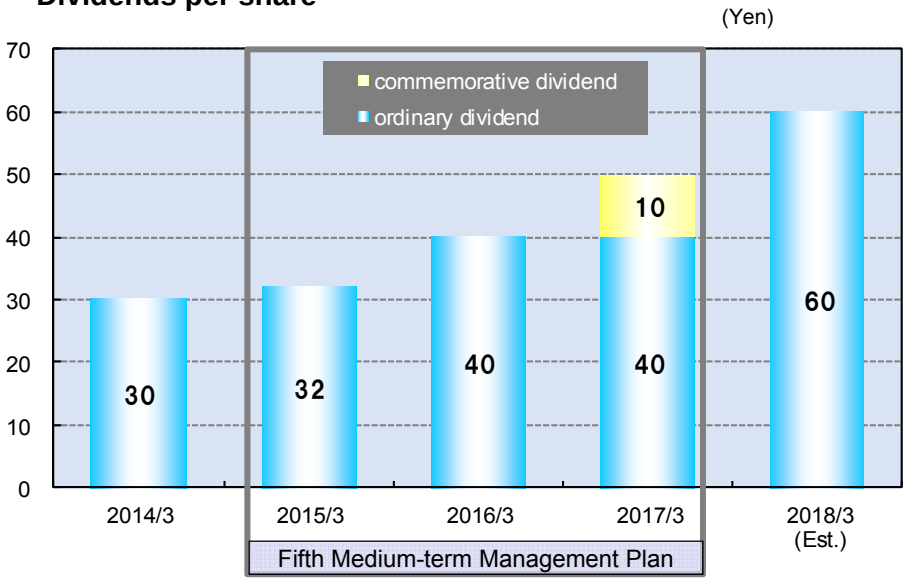
Distributions to Shareholders

Plan for 2018/3

Dividends Based on the earnings goals of the sixth plan, we plan to pay a dividend of 60 yen (30 yen for both interim and year-end) per share for the fiscal year ending in March 2018. This is 10 yen more than the 50 yen dividend, which includes a commemorative dividend, for the previous fiscal year.

Treasury Shares 500,000 shs; 850 million yen

Dividends per share



Major completed projects

【Completed Projects】

Office Buildings

Sumitomo Fudosan Azabu-juban Building	
Location	Minato-ku Tokyo
Floor area	41,261m^2
Structure	10 stories above ground/PHI, 2 stories
Hibiya's work	Air conditioning/sanitation

Kyobashi Edogrand	
Location	Chuo-ku Tokyo
Floor area	113,553m^2
Structure	32 stories above ground/3 story below ground/2 levels of roof
Hibiya's work	Sanitation

【Completed Projects】

Education/Health Care

Tokyo Denki University Tokyo Senju Campus #5	
Location	Adachi-ku Tokyo
Floor area	33,051m^2
Structure	12 stories above ground/1 story below ground
Hibiya's work	Sanitation

Medical school, Okayama Univ. Central Medical Wing	
Location	Okayama city, Okayama
Floor area	13,234m^2
Structure	7 stories above ground/1 story below ground
Hibiya's work	Air conditioning/sanitation

【Completed Projects】

Water treatment/Power facilities

Satake Corporation Magic Rice Factory	
Location	Higashi-Hiroshima city, Hiroshima
Hibiya's work	Air conditioning/sanitation/electrical

Alliance with the NTT Group

Togo Solar Power Plant	
Location	Tottori city, Tottori
Maximum output	2,349.9kW
Hibiya's work	Electrical

Reference

【 Reference】

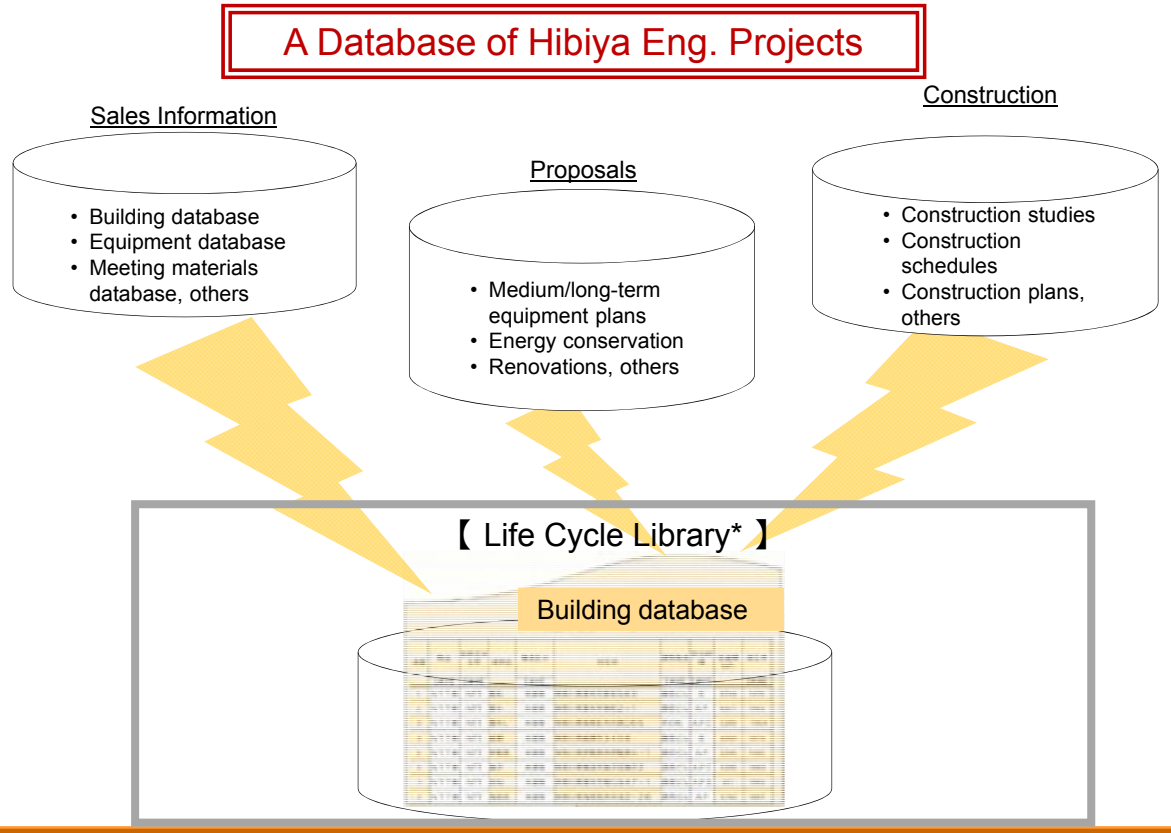
The Life Cycle Library

Life cycle total solution ideas for the NTT Group

Hibiya Engineering strengths

- Superior technologies, including for use of existing facilities
- Much experience with communication facilities
- Skill in determining a building's life cycle
- Fast follow-up sales after completion

To create the best possible solution proposals



Better proposals by sharing information and knowledge!

*A database containing intellectual property involving construction and other Hibiya Engineering Activities to enable this knowledge to be shared and used throughout the Hibiya Engineering Group.

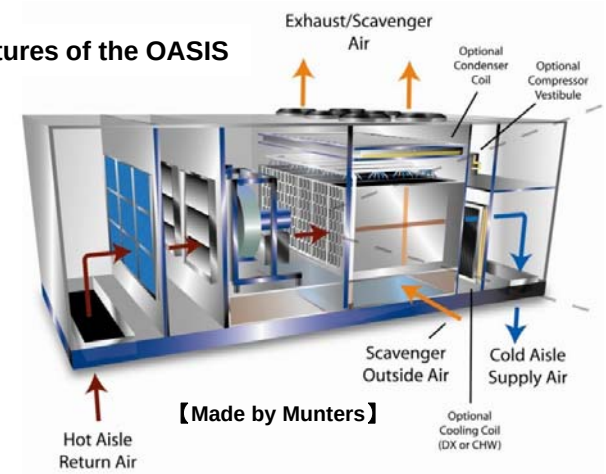
【 Reference】

New air conditioning technologies for data centers

Advanced energy-efficient air-conditioning system

Indirect Evaporative Cooling System

Features of the OASIS



【Made by Munters】

Energy saving

The first use in Japan at an urban data center.
Designed and fabricated by Hibiya Engineering

Technology linked to overseas products for high thermal loads

Air-conditioning unit for high thermal loads

Features of the CyberAir 3

【Made by Stulz】

Central surveillance unit

Conversion

Hibiya Eng's Smart-Save is used as the gateway

Compatible with many communication standards

14% less space and 50% cut of electricity by highly efficient fan

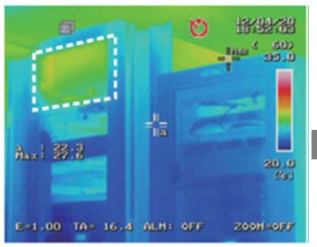
Advanced technology for data center air conditioning

◆ **Data center renovation technology**
- Extensive renovation experience including application conversions, upgrades at operating data centers and other projects

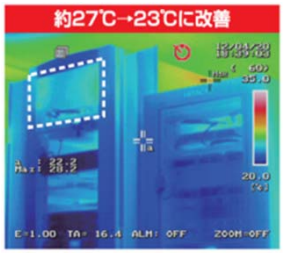
◆ **Data center operations optimization technology**
- Diagnosis technology using thermal flow simulations, thermal cameras and other techniques
- Operation improvement technology for the number of air-conditioning units, temperature setting and other items
- Air flow optimization using capping, rack blank panels and other techniques

◆ **Heat run tests and other commissioning technologies**
- After completion, the server room environment is evaluated by using a simulated heat source to create conditions similar to actual operations

(See page 20 of the reference materials for more information.)



Before



After

Benefit of inserting a blank panel

Hibiya Engineering's simulated heat source

Expertise gained from experience

【 Reference】

Heat run test for data centers

The heat run test – A preliminary load testing under actual conditions to improve reliability

Prior to completion, an environmental evaluation was performed by producing the environmental conditions of the server room where the system will be installed.

- Conditions similar to the actual environment were created by generating a thermal load equivalent to heat produced by servers.
- The mock heat source developed by Hibiya Engineering can produce the same amount of heat as actual servers do. The heat level can be adjusted easily.
- Capable of testing a 420kW thermal load, the highest level in Japan

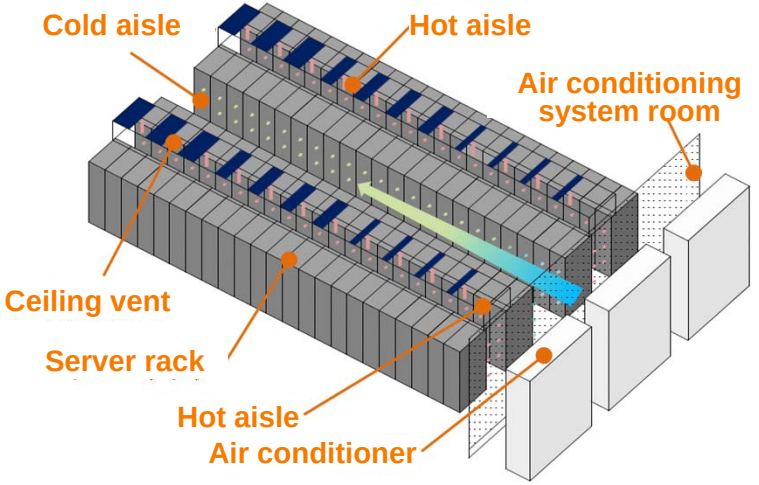
The heat run testing process

Plan
- Determine the verification method
- Create a plan and implementation outline

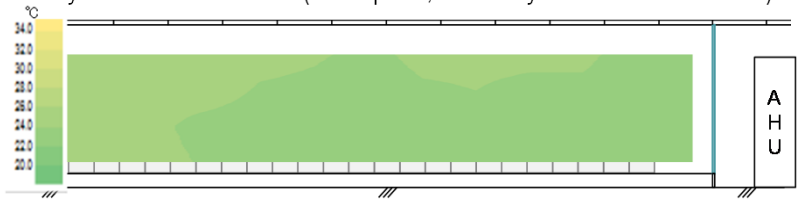
Test
- Perform confirmations using the designated procedure
- People can observe the test

Report
- Report of test results
- Proposals for how to operate the system

Mock heat generation unit in a server rack (made by Nikkei)



Layout of a server room (conceptual, for AC system with wall outlets)



Vertical temperature distribution at center of central cold aisle

【 Reference】

Energy Conservation Project for a Local Government

An energy-saving project made possible by an alliance and government programs

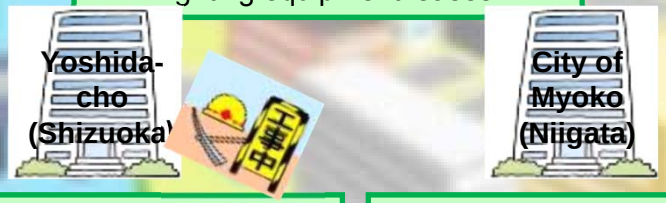
Summary and objective

The Global Warming Countermeasures Plan, which was approved by the Japanese Cabinet in May 2016, has the medium-term target of a 26% reduction in greenhouse gases by 2030. The others category, which includes local government facilities, is aiming for a reduction of about 40%. Both targets are reductions from the FY2013 GHG emission level.

Measures to reduce CO_2 emissions

Bulk lease* business

Renewal of HVAC system and lighting equipment leases

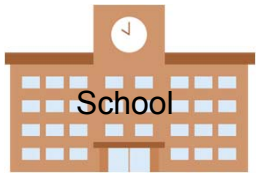


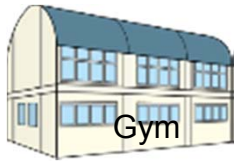
7 locations (survey to installation)
Elementary schools (3) Jr. high school (1)
Nursery school (2) Library (1)

9 locations (survey to proposal)
Elementary schools (6)
Jr. high schools (3)

Regional gov't carbon management upgrade business

16 of 59 locations (energy conservation diagnosis to proposal)
City hall/Schools/Gymnasium/Sewage facility/Water supply/Others





Approximate plan for lowering CO_2 emissions

* A lease of the same type of equipment at many locations

【Reference】

3D Scanners

Use state-of-the-art technology (3D scanners) for more technological advances

A Faro Focus3D high-speed 3D laser scanner

【Use 3D scanners】

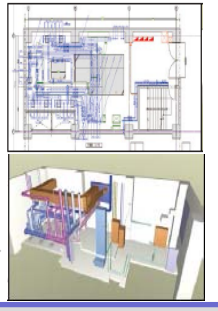
Acquire project site data

Transform image data to CAD

Step 1
■Scan the project site

Step 2
■Convert image data to point cloud data

Step 3
■ Use point cloud data for CAD and 3D models of diagrams



【Advantages】

- Reduces number of people and time needed to perform jobsite surveys
- Improves the safety of jobsite surveys
- Increases the accuracy of construction drawings
- Produces CAD and 3D models quickly

Started using this method as a support system for project site surveys

【Use of 3D scanners】 (2011 to 2015 1H)

Used mainly in the following locations

NTT Group	Educational institutions	Hotels	Factories

Number of projects

Construction support (about 40 projects)
[NTT Group buildings, historic structures, hotels, schools, gymnasiums, others]

Maintenance support (about 55 projects)
[NTT Group buildings, historic structures, hotels, schools, gymnasiums, others]

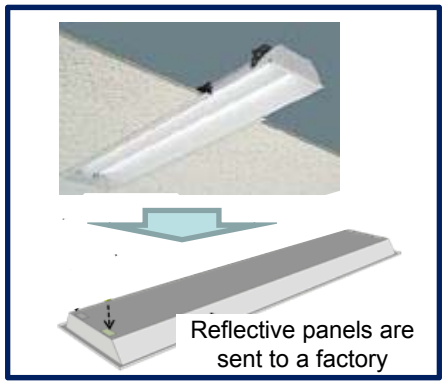
Utilizing this technique as much as possible as a renovation technology

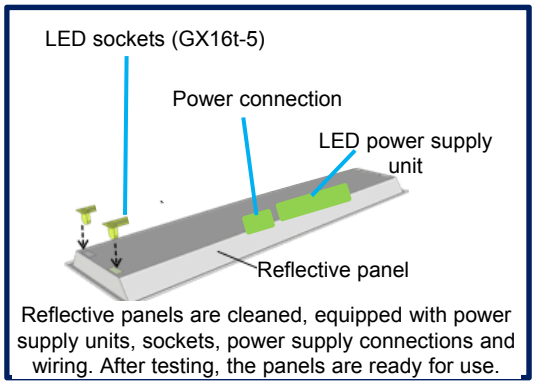
【Reference】

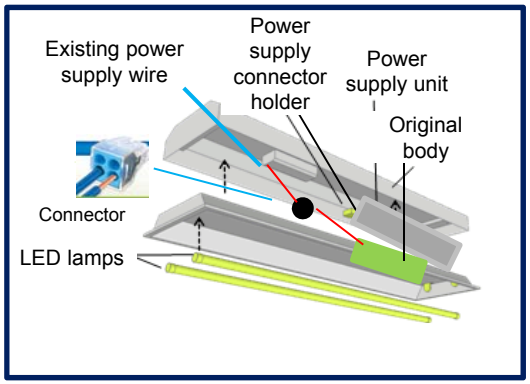
Technologies for Energy Conservation and Protecting the Environment

The new 5R (renew, replace, reuse, reduce, reduction) lighting system

R-Replace Direct Tube LED – Reuses fluorescent lighting fixtures (renewal + replace)







Designed and fabricated by Hibiya Engineering for use in large office buildings

Advantages

Ideal for the replacing fluorescent light fixtures

Renew

Replace

Replacing fluorescent lights with LEDs cuts electricity consumption by 50% to 60%

Reuse

Existing fixtures can be reused – No need for removal

The new 5R lighting system

About 80% less time needed for installation compared with the conventional method

Reduce

Reuse of existing fixtures reduces the amount of industrial waste

Reduction

Low-noise lighting with no effect on electronic equipment

*CISPR11 compliance allows use in hospitals and other locations with exacting requirements

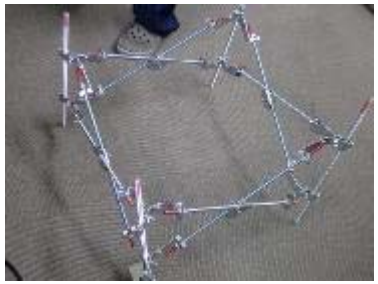
【Reference】

Technologies for Efficient Construction Processes

Many earthquake-resistant construction methods to meet various requirements

Lineup of earthquake-resistant fasteners

Labor-saving



Hanging bolts for labor-saving installation of earthquake-resistant equipment holder

- Equipment hanging metal fasteners fabricated at factory
- Folded for transportation to the job site
- Then simply tighten bolts to install

ECO support bracket

Labor-saving Light weight

Ceiling cassette to hold AC units in place

- Light weight due to use of thin plates
- Assembled to use less space
- Use of steel brackets reduces the cost

Low cost

Support for heavy equipment

- Holds equipment up to 125kg
- Suspension length up to 1,150mm
- Seismic tests have confirmed earthquake safety under these conditions

Seismic tests confirm performance

Seismic table tests have demonstrated that these technologies will meet customers' demands

Verifi-cation test

Test of heavy equipment holder

ECO support bracket seismic test

【Reference】

Services and Technologies of Hibiya Engineering Group

Hibiya Tsusho — Trading company

Reuse of recovered chlorofluorocarbons (CFCs)

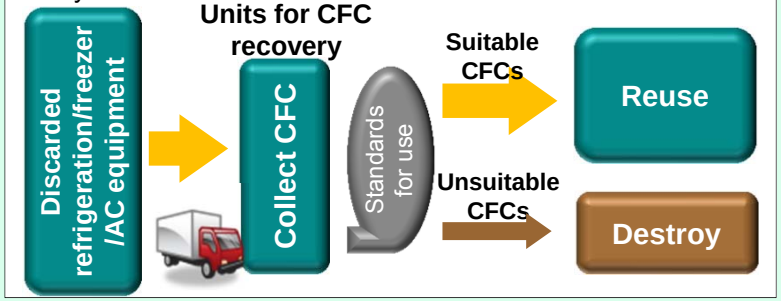
Highlights of processing CFCs for reuse

- ◆Little energy needed for reuse of CFCs
- ◆Minimal release of CO_2 during processing
- ◆Less expensive than destroying CFCs
- ◆Processing produces little industrial waste
- ◆Recovered CFCs can be used effectively

Processing of recovered CFCs and reuse

◎ CFCs collected from refrigeration/freezer/air conditioning equipment and converted to a CFC gas by a recovery system

◎ The gas is reused mainly by using it to refill air conditioning systems



CO_2 emissions from the reuse of CFCs are only 1/12 of emissions from CFC destruction

Source: Refrigerant Collection and Processing Technologies (published by Refrigerant Collection Promotion and Technology Center)

Nikkei — Manufacturer

Manufacture of equipment, disaster response units, etc.

Damper with high-pressure blower

- ► Unitized high-pressure blower, damper and connection duct
- ► Cuts amount of labor required at the jobsite

Environmentally responsible support brackets

- ► Used to suspend air conditioning systems
- ► Lighter than conventional brackets and less costly to transport

Mini-balcony unit

- ► Decorative duct cover for an apartment building balcony
- ► Combines air supply, refrigerant and drain pipes for compact placement

【Reference】

The NASCA Security System

■ An embedded contact-free IC card reader for simplicity with outstanding performance

Advantages of the contact-free IC card reader

- Compact size and ability to connect with two switch boxes
- Semi-transparent LCD panel with antenna on the back
- A multi-card reader compatible with ISO14443 type A and B cards and FeliCa cards
- Audio guidance and error detection
- Touch-panel display with three-color backlight for a variety of images
- Can be customized to display English and pictures
- Easy to operate and includes a sensor to conserve energy when not in use

Features of the NASCA security system

Flexible system construction to match the size of the application

Can create a room access security system with many functions

Also compatible with many authorization devices, elevator floor access and other functions

A variety of system settings to match many operating methods

New customers, alliances and other sources of opportunities (1)

The Hibiya Engineering Group participates in at least 10 exhibitions in Japan every year

Smart Building Expo (Tokyo Big Sight)

Summary

- Attendance was 23,000
- An event for next-generation buildings and building management
- Visitors to the booth completed questionnaires and were contacted afterward by salespeople

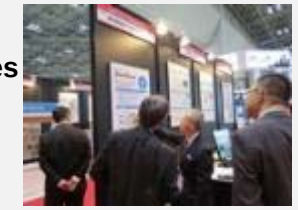
Featured Hibiya products and services

- 3D scanner technology
- Construction equipment report/diagnosis
- Demand control system (Hibiya Tsusho)
- Security solutions (Nikkei)

Energy Conservation Fair 2017 (Tokyo Big Sight)

Summary

- This exhibition covers both energy conservation and energy management
- The event included booths and seminars



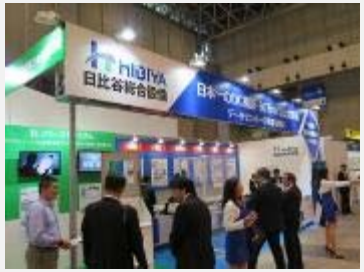
Featured Hibiya products and services

- Energy management
- Demand response

Hibiya presentation

Examples of energy conservation and management using collaboration with energy companies

Data Center Expo (Fall) Makuhari Messe

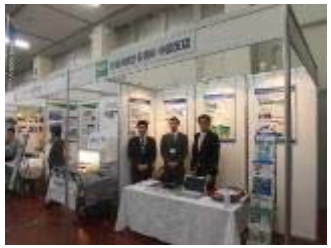


Food Factory 2016 (Tokyo Big Sight)

New customers, alliances and other sources of opportunities (2)

Regional exhibitions and events with specific themes

Business Fair Chu-Shikoku 2017



An event for companies in western Honshu and Shikoku

Products and technologies for data centers and food factories

Messe Nagoya 2016

Attendance at this large event was more than 60,000

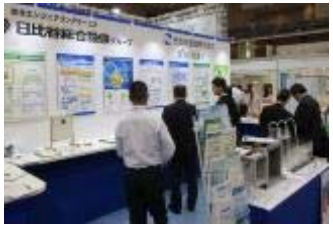
Hibiya Engineering promoted its building equipment report and diagnosis service

Smart Community + IoT World Tohoku

An event for replacement lighting fixtures

Hibiya gave visitors questionnaires and followed up with sales calls

Business Show & Eco Fair 2016



The largest business fair in Kyushu

Hibiya Engineering exhibited its business continuity planning and energy conservation projects, as this fair was held shortly after the Kumamoto Earthquake

Smart Energy Japan 2016

An event held jointly by three Hibiya Engineering Group companies

Visitors saw examples of life cycle total solution products and services at work

* The old Hibiya logo was used because this exhibition took place in July 2016.

Business Expo 2016 Hokkaido

The Hibiya Engineering booth featured a cogeneration system that is powered by hot spring natural gas

An article about the booth appeared in a local newspaper

In addition to these trade shows, Hibiya Engineering participated in the Facility Management Forum 2017, an event held by the Japan Facility Management Association.

時代にまっすぐ、技術にまじめです。

Earnings Announcement FY3/17

Hibiya Engineering, Ltd.

May 23, 2017

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Future performance may differ from forecasts in these materials due to changes in the operating environment and other reasons.