

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japan GAAP]

May 14, 2024

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
 Contact: Akira Domon, Executive Officer, Manager of IR and PR Office, Administration Division
 Tel: 03-3454-2720
 Regular general meeting of shareholders: June 25, 2024
 Date of commencement of dividend payment: June 26, 2024
 Date of filing of securities report: June 25, 2024
 Supplementary explanatory documents: No
 Earnings presentation: Yes (For institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 2024 (April 1, 2023 – March 31, 2024)

(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	%
FY3/24	83,762	(0.3)	5,737	(3.6)	6,446	(2.6)	4,800	3.4
FY3/23	83,978	11.2	5,953	5.1	6,617	7.4	4,644	6.2

Note: Comprehensive income: FY3/24: 8,304 million yen [78.8%] FY3/23: 4,644 million yen [30.3%]

	Earnings per share	Earnings per share fully diluted	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
FY3/24	211.06	210.20	7.3	6.7	6.9
FY3/23	200.48	199.62	7.4	7.3	7.1

Reference: Equity in earnings of equity method affiliates: FY3/24: - million yen FY3/23: - million yen

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY3/24	98,226	69,914	70.0	3,056.74
FY3/23	94,687	64,714	67.2	2,771.49

Reference: Shareholders' equity: FY3/24: 68,771 million yen FY3/23: 63,598 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
FY3/24	4,167	244	(3,385)	28,956
FY3/23	1,116	(2,554)	(3,598)	27,929

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	%	%
FY3/23	-	42.00	-	43.00	85.00	1,959	42.4	3.1
FY3/24	-	43.00	-	43.00	86.00	1,960	40.7	3.0
FY3/25 (Estimate)	-	44.00	-	44.00	88.00		43.0	

3. Consolidated forecast for the fiscal year ending March 2025 (April 1, 2024 – March 31, 2025)

(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	91,000	8.6	5,900	2.8	6,600	2.4	4,600	(4.2)	204.46

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: No
- (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, 2024: | 23,756,321 | As of March 31, 2023: 25,006,321 |
|--|-----------------------|------------|----------------------------------|
- (b) Treasury shares
- | | | | |
|--|-----------------------|-----------|---------------------------------|
| | As of March 31, 2024: | 1,258,110 | As of March 31, 2023: 2,058,972 |
|--|-----------------------|-----------|---------------------------------|
- (c) Average number of shares
- | | | | |
|--|------------------------------|------------|---|
| | Period ended March 31, 2024: | 22,746,134 | Period ended March 31, 2023: 23,166,398 |
|--|------------------------------|------------|---|

(Reference) Summary of the Non-consolidated Financial Results

1. Non-consolidated financial results for the fiscal year ended March 2024 (April 1, 2023 – March 31, 2024)

(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	%
FY3/24	72,110	(2.0)	4,418	(13.3)	5,094	(11.2)	3,952	(5.0)
FY3/23	73,567	9.6	5,094	(1.2)	5,735	1.7	4,160	1.4

	Earnings per share		Earnings per share fully diluted	
	Yen		Yen	
FY3/24	173.76		173.05	
FY3/23	179.58		178.81	

(2) Financial position (Non-consolidated)

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
FY3/24	87,244		61,726		70.6		2,737.11	
FY3/23	83,965		57,238		68.0		2,487.64	

Reference: Shareholders' equity: FY3/24: 61,580 million yen FY3/23: 57,084 million yen

2. Non-consolidated forecast for the fiscal year ending March 2025 (April 1, 2024 – March 31, 2025)

(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	81,000	12.3	4,900	10.9	5,600	9.9	3,900	(1.3)	173.35

* 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 22, 2024. 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 experienced a moderate recovery, partly due to the effect of various measures amid the progress in the normalization of social and economic activity following the reclassification of COVID-19 as a category 5 infectious disease.

In the construction industry, while investment in both government construction and private-sector construction was robust, attention should be paid to constraints on new construction attributable to surging construction costs.

In these circumstances, the Hibiya Engineering Group worked to move forward with a range of initiatives in its 8th Medium-term Management Plan, such as the promotion of data center solutions and the enhancement of sales activities to acquire orders in line with the characteristics of areas, as well as the development of businesses with an eye on decarbonization and energy-saving.

In addition, the Company sought to establish an internal environment for increasing employee engagement, improve communication with partner companies to maintain important partnerships, identify and assess business risks, and strengthen risk countermeasures, among other initiatives.

As a result of the initiatives above, orders increased by 20.8% year on year, to 105,560 million yen, mainly reflecting the favorable performance of orders for large data centers and large redevelopment projects.

Net sales came to 83,762 million yen, down 0.3% year on year, primarily reflecting the carry-over of some projects to the next fiscal year due to delays in the delivery of materials and equipment and in construction processes, despite the progress in construction work carried over from the previous fiscal year, and construction work for which orders were received in the fiscal year under review.

On the profit front, operating profit and ordinary profit stood at 5,737 million yen, down 3.6% year on year, and 6,446 million yen, down 2.6% year on year respectively, with improved construction efficiency and other measures partly offsetting the increased costs due mainly to the surging prices of materials and equipment, despite a smaller number of profitable projects compared to the previous fiscal year. Although these profits were slightly lower than the previous year, the Group exceeded its earnings forecasts (operating profit of 5,000 million yen and ordinary profit of 5,500 million yen). Profit attributable to owners of parent increased 3.4% year on year, to 4,800 million yen, mainly reflecting the posting of extraordinary income due to the sale of cross-shareholdings.

Results of operations for business segments are as follows.

1. Construction

Segment sales decreased 2.0% to 72,110 million yen and operating profit decreased 13.3% to 4,418 million yen.

2. Equipment sales

Segment sales increased 4.5% to 7,640 million yen and operating profit increased 11.7% to 657 million yen.

3. Equipment manufacturing

Segment sales increased 29.3% to 4,011 million yen and operating profit increased 152.7% to 647 million yen.

Orders received by segment

	FY2023 (Apr. 1, 2022 - Mar. 31, 2023) (Million yen)	FY2024 (Apr. 1, 2023 - Mar. 31, 2024) (Million yen)	YoY change (%)
Construction	76,884	94,032	22.3
Equipment sales	7,308	7,640	4.5
Equipment manufacturing	3,161	3,887	23.0
Total	87,354	105,560	20.8

Net sales by segment

	FY2023 (Apr. 1, 2022 - Mar. 31, 2023) (Million yen)	FY2024 (Apr. 1, 2023 - Mar. 31, 2024) (Million yen)	YoY change (%)
Construction	73,567	72,110	(2.0)
Equipment sales	7,308	7,640	4.5
Equipment manufacturing	3,102	4,011	29.3
Total	83,978	83,762	(0.3)

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 98,226 million yen, an increase of 3,538 million yen from the end of the previous consolidated fiscal year.

Main factors for the increased assets were increases of 1,027 million yen in cash and deposits and 4,775 million yen in securities including investment securities due to a rise in the market value of listed stocks, more than offsetting decreases of 1,849 million yen in notes receivable-trade and accounts receivable from completed construction contracts attributable to a decrease in sales of completed construction contracts, compared with the previous fiscal year.

Liabilities

At the end of the consolidated fiscal year under review, the Group's total liabilities amounted to 28,311 million yen, down 1,661 million yen from the end of the previous fiscal year.

The decrease in liabilities largely reflected decreases in notes payable-trade and accounts payable for construction contracts and other due to decreased trade payables and earlier payment deadlines compared to the previous period.

Net assets

The Group's net assets at the end of the consolidated fiscal year under review stood at 69,914 million yen, an increase of 5,200 million yen from the end of the previous consolidated fiscal year.

This primarily reflected an increase of 239 million yen due to the posting of profit attributable to owners of parent of 4,800 million yen and an increase of 3,491 million yen in valuation difference on available-for-sale securities due to a rise in the market price of listed stocks, despite decreases in retained earnings mainly due to payments for and the cancellation of treasury shares.

(3) Overview of cash flows

At the end of the consolidated fiscal year under review, operating activities provided net cash of 4,167 million yen. It increased 3,051 million yen compared to the previous fiscal year, mainly due to the inflow of cash attributable to decreased trade receivables surpassing the outflow of cash linked to decreased trade payables and earlier payment deadlines.

Cash flow from investing activities resulted in cash inflow of 244 million yen. It increased 2,798 million yen compared to the previous fiscal year, primarily due to the inflow of cash attributable to the redemption of securities and investment securities surpassing the outflow of cash linked mainly to the purchase of noncurrent assets for the renewal of offices and the acquisition of securities and investment securities.

Net cash used in financing activities was 3,385 million yen. It decreased 213 million yen compared to the previous fiscal year as a result of the decreased outflow of cash due to the absence of the acquisition of treasury shares by subsidiaries that occurred in the previous year.

The result of these cash flows was a net increase of 1,027 million yen in cash and cash equivalents, to 28,956 million yen at the end of the fiscal year.

(Reference) Cash flow index trends

Years ended March 31	2020	2021	2022	2023	2024
Equity ratio (%)	68.1	70.9	70.7	67.2	70.0
Equity ratio based on market cap (%)	55.2	53.8	49.2	52.4	68.1
Ratio of interest-bearing debt to cash flows (years)	-	-	-	-	-
Interest coverage ratio (times)	-	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 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.

* Ratio of interest-bearing debt to cash flows is not shown for the fiscal year ended March 2024 because of no interest-bearing debt posted.

The interest coverage ratio is not shown because there was no payment of interest.

(4) Outlook

Looking to the future, the moderate recovery is expected to continue due to various measures and the improvement of the employment and income environment. However, careful attention should be paid to the impact of increasing geopolitical risk and the fluctuations of the financial and capital markets, etc.

In the construction industry, while it can be expected that the construction investment will be strong for the foreseeable future, measures should be taken to handle the upper limits on overtime work hours which came into force in April 2024 and the shortage of human resources.

Based on the 8th Medium-term Management Plan, the Company will continue to work to cultivate its core businesses deeply by addressing data center-related demand, among other means, and expand the scope of its operations by, for example, promoting carbon neutrality-related businesses, while also strengthening management foundations by advancing a range of initiatives such as the reduction of work hours by improving productivity and measures aimed at addressing the human resources shortage.

In addition, it will move forward with other efforts such as the advancement of initiatives to respond to climate change, the creation of an environment in which people from diverse backgrounds can work actively and the improvement of corporate governance.

In terms of financial goals for the 60th period (the fiscal year ending March 31, 2025), the goals for orders, net sales and operating profit are 88.5 billion yen, 91.0 billion yen and 5.9 billion yen respectively, and profit attributable to owners of parent is expected to be 4.6 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)

	FY2023 (As of March 31, 2023)	FY2024 (As of March 31, 2024)
Assets		
Current assets		
Cash and deposits	22,929	23,956
Notes receivable, accounts receivable from completed construction contracts and other	39,117	37,267
Securities	6,999	7,999
Costs on construction contracts in progress	1,119	1,525
Other	391	357
Allowance for doubtful accounts	(4)	(1)
Total current assets	70,552	71,105
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	1,451	1,515
Land	93	93
Leased assets	62	54
Other	970	1,031
Accumulated depreciation	(1,880)	(1,880)
Total property, plant and equipment	697	814
Intangible assets	280	259
Investments and other assets		
Investment securities	17,142	20,917
Investments in silent partnerships	1,514	1,643
Retirement benefit asset	512	456
Deferred tax assets	1,106	96
Insurance funds	1,861	1,933
Other	1,341	1,056
Allowance for doubtful accounts	(322)	(58)
Total investments and other assets	23,156	26,045
Total noncurrent assets	24,134	27,120
Total assets	94,687	98,226

(Million yen)

	FY2023 (As of March 31, 2023)	FY2024 (As of March 31, 2024)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	17,923	16,269
Lease liabilities	6	4
Income taxes payable	2,181	1,466
Advances received on construction contracts in progress	590	1,401
Provision for bonuses	3,149	2,878
Provision for warranties for completed construction	1,218	147
Provision for loss on construction contracts	240	280
Other	2,831	3,186
Total current liabilities	28,141	25,634
Noncurrent liabilities		
Lease liabilities	7	3
Deferred tax liabilities	831	1,699
Retirement benefit liability	979	960
Asset retirement obligations	12	12
Other	0	0
Total noncurrent liabilities	1,831	2,677
Total liabilities	29,973	28,311
Net assets		
Shareholders' equity		
Share capital	5,753	5,753
Capital surplus	6,140	6,140
Retained earnings	51,277	51,516
Treasury shares	(4,079)	(2,614)
Total shareholders' equity	59,091	60,795
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,858	8,350
Remeasurements of defined benefit plans	(351)	(374)
Total accumulated other comprehensive income	4,506	7,975
Share acquisition rights	153	146
Non-controlling interests	962	996
Total net assets	64,714	69,914
Total liabilities and net assets	94,687	98,226

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

(Million yen)

	FY2023 (Apr. 1, 2022 - Mar. 31, 2023)	FY2024 (Apr. 1, 2023 - Mar. 31, 2024)
Net sales	83,978	83,762
Cost of sales	68,846	68,858
Gross profit	15,132	14,903
Selling, general and administrative expenses	9,179	9,165
Operating profit	5,953	5,737
Non-operating income		
Interest income	29	37
Dividend income	359	400
Gain on investments in silent partnerships	81	209
Insurance income	79	-
Other	120	67
Total non-operating income	671	714
Non-operating expenses		
Interest expenses	0	-
Other	6	6
Total non-operating expenses	6	6
Ordinary profit	6,617	6,446
Extraordinary income		
Gain on sale of investment securities	-	354
Reversal of allowance for doubtful accounts	-	36
Total extraordinary income	-	390
Profit before income taxes	6,617	6,836
Income taxes - current	2,206	1,567
Income taxes - deferred	(307)	395
Total income taxes	1,899	1,963
Profit	4,718	4,872
Profit attributable to non-controlling interests	73	71
Profit attributable to owners of parent	4,644	4,800

(Consolidated statement of comprehensive income)

(Million yen)

	FY2023 (Apr. 1, 2022 - Mar. 31, 2023)	FY2024 (Apr. 1, 2023 - Mar. 31, 2024)
Profit	4,718	4,872
Other comprehensive income		
Valuation difference on available-for-sale securities	(79)	3,454
Remeasurements of defined benefit plans, net of tax	6	(22)
Total other comprehensive income	(73)	3,432
Comprehensive income	4,644	8,304
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,569	8,270
Comprehensive income attributable to non-controlling interests	75	34

(3) Consolidated statement of changes in equity
 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

FY2024 (Apr. 1, 2023 –Mar. 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,753	6,140	51,277	(4,079)	59,091
Changes during period					
Dividends of surplus			(1,978)		(1,978)
Profit attributable to owners of parent			4,800		4,800
Purchase of treasury shares				(1,683)	(1,683)
Disposal of treasury shares			(3)	568	565
Cancellation of treasury shares			(2,580)	2,580	-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	239	1,464	1,703
Balance at end of period	5,753	6,140	51,516	(2,614)	60,795

	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	4,858	(351)	4,506	153	962	64,714
Changes during period						
Dividends of surplus						(1,978)
Profit attributable to owners of parent						4,800
Purchase of treasury shares						(1,683)
Disposal of treasury shares						565
Cancellation of treasury shares						-
Net changes in items other than shareholders' equity	3,491	(22)	3,469	(6)	33	3,496
Total changes during period	3,491	(22)	3,469	(6)	33	5,200
Balance at end of period	8,350	(374)	7,975	146	996	69,914

(4) Consolidated statement of cash flows

(Million yen)

	FY2023 (Apr. 1, 2022 - Mar. 31, 2023)	FY2024 (Apr. 1, 2023 - Mar. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	6,617	6,836
Depreciation	191	209
Increase (decrease) in allowance for doubtful accounts	(16)	(267)
Decrease (increase) in net defined benefit asset	28	88
Increase (decrease) in net defined benefit liability	(80)	(83)
Increase (decrease) in provision for bonuses	175	(270)
Increase (decrease) in provision for warranties for completed construction	664	(1,071)
Increase (decrease) in provision for loss on construction contracts	74	40
Interest and dividend income	(388)	(437)
Interest expenses	0	-
Loss (gain) on sale of investment securities	(1)	(354)
Decrease (increase) in trade receivables	(9,337)	1,849
Decrease (increase) in inventories	(245)	(406)
Increase (decrease) in trade payables	5,132	(1,654)
Increase (decrease) in advances received on uncompleted construction contracts	(752)	811
Decrease/increase in consumption taxes receivable/payable	11	(52)
Other, net	459	749
Subtotal	2,532	5,987
Interest and dividends received	390	442
Interest paid	(0)	-
Proceeds from insurance income	79	11
Income taxes paid	(1,885)	(2,273)
Net cash provided by (used in) operating activities	1,116	4,167
Cash flows from investing activities		
Purchase of securities	(3,998)	(3,998)
Proceeds from redemption of securities	1,999	3,998
Purchase of property, plant and equipment	(205)	(243)
Purchase of intangible assets	(160)	(63)
Purchase of investment securities	(1,017)	(19)
Proceeds from sale of investment securities	17	541
Proceeds from redemption of investment securities	1,000	-
Purchase of insurance funds	(110)	(96)
Proceeds from maturity of insurance funds	99	24
Payments for investments in silent partnerships	(294)	(301)
Proceeds from withdrawal of investments in silent partnerships	89	381
Other, net	28	21
Net cash provided by (used in) investing activities	(2,554)	244
Cash flows from financing activities		
Purchase of treasury shares	(1,206)	(1,683)
Proceeds from sale of treasury shares	0	284
Purchase of treasury shares of subsidiaries	(421)	-
Dividends paid	(1,960)	(1,978)
Dividends paid to non-controlling interests	(1)	(0)
Repayments of lease liabilities	(8)	(6)
Net cash provided by (used in) financing activities	(3,598)	(3,385)
Net increase (decrease) in cash and cash equivalents	(5,036)	1,027
Cash and cash equivalents at beginning of period	32,965	27,929
Cash and cash equivalents at end of period	27,929	28,956

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

No

(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.

3. Information about net sales, profit or loss, assets, liabilities and other items by reportable segment

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 service 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.

FY2024 (April 1, 2023 – March 31, 2024)

(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)	9,498	7,640	4,011	21,150	-	21,150
Product or service transferred over time	62,612	-	-	62,612	-	62,612
Revenue from contracts with customers	72,110	7,640	4,011	83,762	-	83,762
Outside customers	72,110	7,640	4,011	83,762	-	83,762
Intersegment internal sales/transfers	0	3,699	857	4,556	(4,556)	-
Total	72,110	11,339	4,869	88,319	(4,556)	83,762
Segment profit	4,418	657	647	5,723	14	5,737
Segment assets	38,457	10,319	4,183	52,959	45,266	98,226
Other items						
Depreciation	149	5	54	209	-	209
Increase in property, plant and equipment and intangible assets	223	11	72	306	-	306

- Notes 1 Adjustment of segment profit of 14 million yen is mainly due to intersegment transactions eliminations. Adjustment of segment assets of 45,266 million yen includes negative 3,283 million yen of inter-segment transactions elimination and a 48,550 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.

(Per share information)

(Yen)

	FY2023 (Apr. 1, 2022 - Mar. 31, 2023)	FY2024 (Apr. 1, 2023 - Mar. 31, 2024)
Net assets per share	2,771.49	3,056.74
Earnings per share	200.48	211.06
Earnings per share fully diluted	199.62	210.20

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

(Million yen/Thousand shares)

	FY2023 (Apr. 1, 2022 - Mar. 31, 2023)	FY2024 (Apr. 1, 2023 - Mar. 31, 2024)
Total net assets	64,714	69,914
Deducted amount from total net assets	1,115	1,142
(of which share acquisition rights)	(153)	(146)
(of which non-controlling interests)	(962)	(996)
Net assets at the end of the period attributable to common shares	63,598	68,771
Number of common shares at end of period used for calculation of net assets per share	22,947	22,498

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 (106 thousand shares in the FY2023 and 135 thousand shares in the FY2024).

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

(Million yen/Thousand shares)

	FY2023 (Apr. 1, 2022 - Mar. 31, 2023)	FY2024 (Apr. 1, 2023 - Mar. 31, 2024)
Earnings per share		
Profit attributable to owners of parent	4,644	4,800
Amount that is not attributable to common shareholders	-	-
Profit attributable to owners of parent related to common shares	4,644	4,800
Average number of common shares during the period	23,166	22,746
Earnings per share fully diluted		
Adjustment of the profit attributable to owners of parent	-	-
Number of common shares increased	99	93
(of which share acquisition rights)	(99)	(93)
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 (91 thousand shares in the FY2023 and 102 thousand shares in the FY2024).

(Significant subsequent events)

No

4. Other Information

Change in directors

Change in directors shall be announced separately.