



May 13, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese 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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 Scheduled date of annual general meeting of shareholders: June 25, 2026
 Scheduled date to commence dividend payments: June 26, 2026
 Scheduled date to file annual securities report: June 24, 2026
 Preparation of supplementary explanatory documents: Yes
 Holding of 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 31, 2026 (April 1, 2025–March 31, 2026)

(1) Consolidated results of operations

(Percentage figures represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	94,080	4.8	10,670	43.1	11,466	40.9	8,681	47.0
March 31, 2025	89,786	7.2	7,456	30.0	8,138	26.2	5,906	23.0

Note: Comprehensive income: For the fiscal year ended March 31, 2026: 13,229 million yen [145.0%]
 For the fiscal year ended March 31, 2025: 5,400 million yen [(35.0)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	200.27	199.50	11.6	10.9	11.3
March 31, 2025	132.53	131.95	8.5	8.2	8.3

Reference: Share of profit (loss) of entities accounted for using equity method:

For the fiscal year ended March 31, 2026: – million yen
 For the fiscal year ended March 31, 2025: – million yen

Note: The Company carried out a 2-for-1 stock split of the Company's common shares on April 1, 2026. Basic earnings per share and diluted earnings per share are calculated assuming that the stock split has been carried out at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2026	110,935	80,669	71.6	1,843.99
March 31, 2025	99,915	71,684	70.6	1,601.01

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income):

As of March 31, 2026: 79,418 million yen
 As of March 31, 2025: 70,500 million yen

Note: The Company carried out a 2-for-1 stock split of the Company's common shares on April 1, 2026. Net assets per share is calculated assuming that the stock split has been carried out at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	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
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2026	11,645	1,399	(4,435)	31,388
March 31, 2025	(616)	(1,795)	(3,765)	22,778

2. Dividends

	Annual dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2025	—	44.00	—	50.00	94.00	2,090	35.5	3.0
Fiscal year ended March 31, 2026	—	50.00	—	100.00	150.00	3,247	37.4	4.4
Fiscal year ending March 31, 2027 (Forecast)	—	55.00	—	55.00	110.00		54.5	

Notes: 1. Breakdown of the forecast annual dividend for the fiscal year ending March 31, 2027:

Common share: 100.00 yen; commemorative dividend: 10.00 yen

2. The Company carried out a 2-for-1 stock split of the Company's common shares on April 1, 2026. For the fiscal years ended March 31, 2025 and 2026, the actual dividend amounts before the stock split are presented. For the fiscal year ending March 31, 2027 (forecast), the amounts after the stock split are presented. Without considering the impact of the stock split, the forecast annual dividend for the fiscal year ending March 31, 2027 would be 220.00 yen.

3. Consolidated forecast for the fiscal year ending March 31, 2027 (April 1, 2026–March 31, 2027)

(Percentage figures represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	105,000	11.6	11,000	3.1	11,800	2.9	8,700	(0.2)	202.00

Note: The Company carried out a 2-for-1 stock split of the Company's common shares on April 1, 2026. Basic earnings per share for the consolidated forecast for the fiscal year ending March 31, 2027 takes in account the impact of the stock split.

* Notes

(1) Significant changes in the scope of consolidation during the period: No

(2) Changes in accounting policies, accounting estimates, and restatement

(a) Changes in accounting policies due to revisions of accounting standards and other regulations: No

(b) Changes in accounting policies due to reasons other than (a): No

(c) Changes in accounting estimates: No

(d) Restatement: No

(3) Number of shares issued (common shares)

(a) Total number of shares issued at the end of the period (including treasury shares)

As of March 31, 2026: 44,000,000

As of March 31, 2025: 47,512,642

(b) Number of treasury shares at the end of the period

As of March 31, 2026: 930,962

As of March 31, 2025: 3,477,548

(c) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026: 43,348,963

Fiscal year ended March 31, 2025: 44,571,244

Note: The Company carried out a 2-for-1 stock split of the Company's common shares on April 1, 2026. Total number of shares issued at the end of the period, number of treasury shares at the end of the period, and average number of shares outstanding during the period are calculated assuming that the stock split has been carried out at the beginning of the previous fiscal year.

(Reference) Summary of the Non-consolidated Financial Results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	86,288	7.4	10,110	50.7	10,853	41.1	8,342	43.7
March 31, 2025	80,316	11.4	6,707	51.8	7,694	51.0	5,806	46.9

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	192.46	191.72
March 31, 2025	130.27	129.70

Note: The Company carried out a 2-for-1 stock split of the Company's common shares on April 1, 2026. Basic earnings per share and diluted earnings per share are calculated assuming that the stock split has been carried out at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2026	102,085	71,780	70.2	1,662.78
March 31, 2025	91,152	63,222	69.2	1,431.70

Reference: Equity (Shareholders' equity + Valuation and translation adjustments)

As of March 31, 2026: 71,614 million yen

As of March 31, 2025: 63,045 million yen

Note: The Company carried out a 2-for-1 stock split of the Company's common shares on April 1, 2026. Net assets per share is calculated assuming that the stock split has been carried out at the beginning of the previous fiscal year.

2. Non-consolidated forecast for the fiscal year ending March 31, 2027 (April 1, 2026–March 31, 2027)

(Percentage figures represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	98,000	13.6	10,500	3.8	11,300	4.1	8,400	(0.7)	195.04

Note: The Company carried out a 2-for-1 stock split of the Company's common shares on April 1, 2026. Basic earnings per share for the non-consolidated forecast for the fiscal year ending March 31, 2027 takes in account the impact of the stock split.

This report is exempt from audit by certified public accountants or an 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 etc. (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 Tuesday, May 19, 2026. 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 etc.

(1) Overview of consolidated business performance

During the fiscal year ended March 31, 2026 (the “fiscal year under review”), although the outlook for the Japanese economy became increasingly uncertain against the backdrop of continued price increases, geopolitical risks, the impact of U.S. trade policy, and fluctuations in the financial and capital markets, the economy as a whole continued on a moderate recovery trend, supported by improvements in the employment and income environment and the effects of various government policies. Meanwhile, close attention continues to be required regarding the impact of the situation in the Middle East and the resulting trends in crude oil prices, as well as fluctuations in financial and foreign exchange markets, and economic and price trends overseas.

In the construction industry, demand remained generally firm, supported by investments in data centers and semiconductors, efforts to strengthen supply chains, infrastructure renewal, and urban redevelopment. On the other hand, issues such as persistently high prices of construction materials and equipment, delivery delays, rising labor costs, and difficulties in securing human resources were also observed, and these trends need to be continuously monitored.

Under these circumstances, the Hibiya Engineering Group (the “Group”), based on its 8th Medium-term Management Plan, marketed data center construction and urban redevelopment, among other offerings; drove the carbon neutrality business including ZEB renovations and energy-saving solutions; sought enhancement of construction efficiency through BIM, front-loading, and off-site construction; sought to enhance communication with partner companies, which are important collaborators; worked to improve human capital value by enhancing recruiting activities, improving engagement, and promoting women’s participation; and also promoted group-wide digital transformation (DX) by utilizing generative AI. In addition, the Group is promoting initiatives to respect human rights through human rights due diligence.

As a result of these initiatives, orders received came to 111,583 million yen (up 19.1% year on year) supported by solid demand trends, exceeding the earnings forecast (102,000 million yen).

Net sales amounted to 94,080 million yen (up 4.8% year on year), and were generally in line with the earnings forecast (94,300 million yen). The result was primarily attributable to steady progress in many construction projects carried over from the previous fiscal year and the steady execution of projects received during the fiscal year under review.

On the profit front, operating profit came to 10,670 million yen (up 43.1% year on year) and ordinary profit amounted to 11,466 million yen (up 40.9% year on year), reflecting an increase in net sales, initiatives to improve productivity, and improved profitability of certain construction projects completed. Both of these results exceeded the earnings forecast (9,400 million yen for operating profit and 10,200 million yen for ordinary profit).

Profit attributable to owners of parent amounted to 8,681 million yen (up 47.0% year on year), reflecting the extraordinary income due to the sale of cross-shareholdings and the application of tax incentives for wage increases, and exceeded the earnings forecast (7,300 million yen).

Results of operations for business segments are as follows.

1. Construction
Segment sales increased 7.4% to 86,288 million yen and operating profit increased 50.7% to 10,110 million yen.
2. Equipment Sales
Segment sales decreased 25.4% to 5,281 million yen and operating profit decreased 32.4% to 415 million yen.
3. Equipment Manufacturing
Segment sales increased 5.2% to 2,510 million yen and operating profit increased 10% to 128 million yen.

Orders received by segment

Segment name	FY3/25 (April 1, 2024–March 31, 2025) (Million yen)	FY3/26 (April 1, 2025–March 31, 2026) (Million yen)	YoY change (%)
Construction	84,066	103,906	23.6
Equipment Sales	7,082	5,281	(25.4)
Equipment Manufacturing	2,506	2,395	(4.4)
Total	93,655	111,583	19.1

Net sales by segment

Segment name	FY3/25 (April 1, 2024–March 31, 2025) (Million yen)	FY3/26 (April 1, 2025–March 31, 2026) (Million yen)	YoY change (%)
Construction	80,316	86,288	7.4
Equipment Sales	7,082	5,281	(25.4)
Equipment Manufacturing	2,386	2,510	5.2
Total	89,786	94,080	4.8

Note: Inter-segment transactions were eliminated.

(2) Overview of financial position

Assets

The Group's total assets at the end of the fiscal year under review stood at 110,935 million yen, an increase of 11,020 million yen from the end of the previous fiscal year.

The increase in total assets was mainly attributable to year-on-year increases of 7,612 million yen in cash and deposits due to the collection of construction fees and 6,873 million yen in investment securities resulting from the rise in the market value of listed shares and others, partially offset by year-on-year decreases of 2,266 million yen in notes receivable, accounts receivable from completed construction contracts and other, and 1,546 million yen in electronically recorded monetary claims – operating.

Liabilities

The Group's total liabilities at the end of the fiscal year under review stood at 30,265 million yen, an increase of 2,034 million yen from the end of the previous fiscal year.

The increase in liabilities was mainly attributable to year-on-year increases of 377 million yen in income taxes payable, 2,719 million yen in advances received on construction contracts in progress, and 1,804 million yen in deferred tax liability resulting from the rise in the market value of listed shares and others, partially offset by a year-on-year decrease of 4,570 million yen in notes payable, accounts payable for construction contracts and other due to factors including the shortening of payment terms compared with the previous fiscal year.

Net assets

The Group's net assets at the end of the fiscal year under review stood at 80,669 million yen, an increase of 8,985 million yen from the end of the previous fiscal year.

The increase in net assets was mainly attributable to year-on-year increases of 1,464 million yen in retained earnings arising from the posting of 8,681 million yen as profit attributable to owners of parent, and 4,716 million yen in valuation difference on available-for-sale securities resulting from the rise in the market value of listed shares and others, partially offset by a year-on-year decrease in retained earnings after the payment of dividends and the repurchase of treasury shares.

(3) Overview of cash flows

At the end of the fiscal year under review, cash flows from operating activities resulted in cash inflow of 11,645 million yen. This was mainly due to an increase in cash inflow resulting from an increase in profit before income taxes and a decrease in trade receivables.

Cash flows from investing activities resulted in cash inflow of 1,399 million yen. This was primarily due to an increase in cash inflows as a result of shifting the focus of short-term investment management from marketable securities and investment securities to cash equivalents in anticipation of an increase in working capital associated with the expansion of net sales.

Cash flows from financing activities resulted in cash outflow of 4,435 million yen. The amount of cash outflow increased 669 million yen year on year primarily due to an increase in cash outflow associated with the repurchase of treasury shares and payment of dividends.

The result of these cash flows was a net increase of 8,609 million yen in cash and cash equivalents, to 31,388 million yen at the end of the fiscal year under review.

(Reference) Cash flow index trends

	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26
Equity ratio (%)	70.7	67.2	70.0	70.6	71.6
Equity ratio based on market value (%)	49.2	52.4	68.1	68.9	104.8
Ratio of interest-bearing debt to cash flows (years)	—	—	—	—	—
Interest coverage ratio (times)	318.7	21,713.1	—	—	429,546.7

Equity ratio:

Equity/Total assets

Equity ratio based on market value:

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

Notes 1. All indicators are based on figures in the consolidated financial statements.

2. Market capitalization was calculated based on the number of shares issued excluding the number of treasury shares.

3. 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 is the amount of interest paid on the consolidated statements of cash flows

4. Ratio of interest-bearing debt to cash flows is not shown for the fiscal year ended March,31 2022 because of the absence of interest-bearing debt.

5. Ratio of interest-bearing debt to cash flows is not shown for the fiscal year ended March,31 2023 because of the absence of interest-bearing debt.

6. Ratio of interest-bearing debt to cash flows is not shown for the fiscal year ended March,31 2024 because of the absence of interest-bearing debt. The interest coverage ratio is not shown either because of the absence of interest payment.

7. Ratio of interest-bearing debt to cash flows is not shown for the fiscal year ended March,31 2025 because of the absence of interest-bearing debt. The interest coverage ratio is not shown either because of the absence of interest payment.

8. Ratio of interest-bearing debt to cash flows is not shown for the fiscal year ended March,31 2026 because of the absence of interest-bearing debt.

(4) Outlook

Looking to the future, the Japanese economy is expected to continue a moderate recovery, supported by improvements in the employment and income environment and the effects of various government policies.

However, attention should continue to be directed to the impact on the domestic economy of developments in the Middle East and trends in crude oil prices, as well as overseas economic and price trends, including U.S. trade policy, and fluctuations in financial and foreign exchange markets.

In the construction industry, overall investment in construction is expected to remain strong, but it is important to keep a close watch on rising labor costs, difficulties in securing human resources, as well as factors such as further increases in the prices of construction materials and equipment and delivery delays.

The Group has established a new corporate philosophy as it approaches the milestone of its 60th anniversary in July 2026.

Based on the corporate philosophy, the Group formulated its 9th Medium-term Management Plan covering the three-year period from the 62nd period (the fiscal year ending March 31, 2027) to the 64th period (the fiscal year ending March 31, 2029).

This Medium-term Management Plan positions as its basic strategies a “Business Growth Strategy,” which aims to expand business through the execution of regional strategies leveraging existing assets and the creation of new businesses by capturing growth in the data center market. It also includes a “Management Foundation Strategy,” which aims to enhance corporate value through enhancement of human capital to support sustainable growth, promotion of data management, improvement of capital efficiency, and the strengthening of governance.

(Reference) The financial goals for the final year (the 64th period (the fiscal year ending March 31, 2029) of the 9th Medium-term Management Plan are as follows: orders received of 120.0 billion yen, net sales of 113.0 billion yen, operating profit of 12.5 billion yen, profit attributable to owners of parent of 9.5 billion yen, and ROE in the 12% range.

The 62nd period (the fiscal year ending March 31, 2027) is positioned as the launch year of the 9th Medium-term Management Plan, during which the Group will work to deepen its renewal business, respond to data center demand, and develop new growth areas, while also strengthening its management foundation to enhance organizational capabilities and productivity, improving capital efficiency, and strengthening governance. The goals for orders received, net sales and operating profit are 130.0 billion yen, 105.0 billion yen, and 11.0 billion yen, respectively, and profit attributable to owners of parent is expected to be 8.7 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 IFRS 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)

	Fiscal year ended March 31, 2025 (As of March 31, 2025)	Fiscal year ended March 31, 2026 (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	19,781	27,393
Notes receivable, accounts receivable from completed construction contracts and other	41,560	39,293
Electronically recorded monetary claims – operating	2,494	947
Securities	6,992	6,984
Costs on construction contracts in progress	1,663	1,975
Other	395	469
Allowance for doubtful accounts	(1)	(1)
Total current assets	72,886	77,062
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	1,626	1,537
Land	93	93
Leased assets	58	55
Other	1,049	1,116
Accumulated depreciation	(1,952)	(1,930)
Total property, plant and equipment	876	873
Intangible assets	260	306
Investments and other assets		
Investment securities	20,379	27,252
Investments in silent partnerships	1,891	1,889
Retirement benefit asset	567	567
Deferred tax assets	55	–
Insurance funds	2,002	1,941
Other	1,037	1,069
Allowance for doubtful accounts	(43)	(28)
Total investments and other assets	25,891	32,693
Total noncurrent assets	27,028	33,872
Total assets	99,915	110,935

(Million yen)

	Fiscal year ended March 31, 2025 (As of March 31, 2025)	Fiscal year ended March 31, 2026 (As of March 31, 2026)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	15,841	11,270
Lease liabilities	5	4
Income taxes payable	2,613	2,991
Advances received on construction contracts in progress	433	3,152
Provision for bonuses	3,624	4,297
Provision for warranties for completed construction	104	98
Provision for loss on construction contracts	73	104
Other	3,841	4,567
Total current liabilities	26,536	26,487
Noncurrent liabilities		
Lease liabilities	12	10
Deferred tax liability	1,252	3,056
Retirement benefit liability	416	699
Asset retirement obligations	12	12
Other	0	—
Total noncurrent liabilities	1,694	3,778
Total liabilities	28,230	30,265
Net assets		
Shareholders' equity		
Share capital	5,753	5,753
Capital surplus	6,140	6,140
Retained earnings	55,458	56,922
Treasury shares	(4,309)	(1,324)
Total shareholders' equity	63,041	67,491
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,354	12,071
Remeasurements of defined benefit plans	104	(144)
Total accumulated other comprehensive income	7,458	11,927
Share acquisition rights	177	166
Non-controlling interests	1,005	1,084
Total net assets	71,684	80,669
Total liabilities and net assets	99,915	110,935

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

(Million yen)

	Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)
Net sales	89,786	94,080
Cost of sales	72,519	73,021
Gross profit	17,266	21,058
Selling, general and administrative expenses	9,809	10,387
Operating profit	7,456	10,670
Non-operating income		
Interest income	67	120
Dividend income	412	432
Gain on investments in silent partnerships	74	86
Other	134	177
Total non-operating income	688	816
Non-operating expenses		
Other	7	20
Total non-operating expenses	7	20
Ordinary profit	8,138	11,466
Extraordinary income		
Gain on sale of investment securities	596	410
Total extraordinary income	596	410
Profit before income taxes	8,734	11,877
Income taxes - current	3,007	3,406
Income taxes - deferred	(244)	(262)
Total income taxes	2,762	3,143
Profit	5,971	8,733
Profit attributable to non-controlling interests	64	51
Profit attributable to owners of parent	5,906	8,681

(Consolidated statement of comprehensive income)

(Million yen)

	Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)
Profit	5,971	8,733
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,049)	4,744
Remeasurements of defined benefit plans, net of tax	478	(248)
Total other comprehensive income	(571)	4,495
Comprehensive income	5,400	13,229
Comprehensive income attributable to:		
Owners of parent	5,389	13,149
Non-controlling interests	10	79

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,753	6,140	51,516	(2,614)	60,795
Changes during period					
Dividends of surplus			(1,958)		(1,958)
Profit attributable to owners of parent			5,906		5,906
Purchase of treasury shares				(1,801)	(1,801)
Disposal of treasury shares			(7)	106	99
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,941	(1,695)	2,246
Balance at end of period	5,753	6,140	55,458	(4,309)	63,041

	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	8,350	(374)	7,975	146	996	69,914
Changes during period						
Dividends of surplus						(1,958)
Profit attributable to owners of parent						5,906
Purchase of treasury shares						(1,801)
Disposal of treasury shares						99
Net changes in items other than shareholders' equity	(995)	478	(517)	31	9	(476)
Total changes during period	(995)	478	(517)	31	9	1,769
Balance at end of period	7,354	104	7,458	177	1,005	71,684

Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,753	6,140	55,458	(4,309)	63,041
Changes during period					
Dividends of surplus			(2,192)		(2,192)
Profit attributable to owners of parent			8,681		8,681
Purchase of treasury shares				(2,236)	(2,236)
Disposal of treasury shares			(38)	235	197
Cancellation of treasury shares			(4,986)	4,986	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,464	2,985	4,449
Balance at end of period	5,753	6,140	56,922	(1,324)	67,491

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available for sale securities	Remeasurements of defined benefit plants	Total accumulated other comprehensive income			
Balance at beginning of period	7,354	104	7,458	177	1,005	71,684
Changes during period						
Dividends of surplus						(2,192)
Profit attributable to owners of parent						8,681
Purchase of treasury shares						(2,236)
Disposal of treasury shares						197
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	4,716	(248)	4,468	(11)	78	4,535
Total changes during period	4,716	(248)	4,468	(11)	78	8,985
Balance at end of period	12,071	(144)	11,927	166	1,084	80,669

(4) Consolidated statement of cash flows

(Million yen)

	Fiscal year ended March 31, 2025 (Apr. 1, 2024–Mar. 31, 2025)	Fiscal year ended March 31, 2026 (Apr. 1, 2025–Mar. 31, 2026)
Cash flows from operating activities		
Profit before income taxes	8,734	11,877
Depreciation	250	224
Increase (decrease) in allowance for doubtful accounts	(15)	(15)
Decrease (increase) in net defined benefit asset	122	11
Increase (decrease) in net defined benefit liability	(87)	(91)
Increase (decrease) in provision for bonuses	745	673
Increase (decrease) in provision for warranties for completed construction	(43)	(6)
Increase (decrease) in provision for loss on construction contracts	(207)	31
Interest and dividend income	(479)	(552)
Loss (gain) on sale of investment securities	(596)	(410)
Decrease (increase) in trade receivables	(6,786)	3,813
Decrease (increase) in inventories	(138)	(312)
Increase (decrease) in trade payables	(428)	(4,570)
Increase (decrease) in advances received on uncompleted construction contracts	(968)	2,719
Decrease/increase in consumption taxes receivable/payable	385	(700)
Other, net	292	1,458
Subtotal	779	14,150
Interest and dividend received	474	551
Proceeds from insurance income	1	–
Net cash provided by (used in) operating activities	(616)	11,645
Cash flow from investing activities		
Purchase of securities	(7,991)	(4,983)
Proceeds from redemption of securities	5,993	5,990
Purchase of property, plant and equipment	(231)	(123)
Purchase of intangible assets	(82)	(143)
Purchase of investment securities	(1,021)	(22)
Proceeds from sale of investment securities	733	537
Proceeds from redemption of investment securities	1,000	–
Purchase of insurance funds	(69)	(46)
Proceeds from maturity of insurance funds	–	107
Payments for investments in silent partnerships	(248)	–
Proceeds from withdrawal of investments in silent partnership	74	88
Other, net	47	(4)
Net cash provided (used in) investing activities	(1,795)	1,399
Cash flow from financing activities		
Purchase of treasury shares	(1,801)	(2,236)
Proceeds from sale of treasury shares	0	0
Dividends paid	(1,958)	(2,192)
Dividends paid to non-controlling interests	(0)	(0)
Repayments of lease liabilities	(4)	(5)
Net cash provided by (used in) financing activities	(3,765)	(4,435)
Net increase (decrease) in cash and cash equivalents	(6,177)	8,609
Cash and cash equivalents at beginning of period	28,956	22,778
Cash and cash equivalents at end of period	22,778	31,388

(Million yen)

	Fiscal year ended March 31, 2025 (Apr. 1, 2024–Mar. 31, 2025)	Fiscal year ended March 31, 2026 (Apr. 1, 2025–Mar. 31, 2026)
(5) Notes to consolidated financial statements (Going concern assumptions)		
No		

(Segment information etc.)

[Segment information]

1. General information about reportable segments

Reportable segments are the components of the Hibiya Engineering Group (the “Group”) for each of which 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

Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)

	Construction	Equipment Sales	Equipment Manufacturing	Total	Adjustments (Note 1)	(Million yen) Amount on the consolidated statements (Note 2)
Net sales						
Goods or service transferred at a point in time (Note 3)	9,744	7,082	2,386	19,213	–	19,213
Product or service transferred over time	70,572	–	–	70,572	–	70,572
Revenue from contracts with customers	80,316	7,082	2,386	89,786	–	89,786
Outside customers	80,316	7,082	2,386	89,786	–	89,786
Intersegment sales or transfers	–	4,616	635	5,252	(5,252)	–
Total	80,316	11,698	3,022	95,038	(5,252)	89,786
Segment profit	6,707	615	116	7,440	16	7,456
Segment assets	46,911	10,060	3,068	60,040	39,875	99,915
Other items						
Depreciation	174	4	71	250	–	250
Increase in property, plant and equipment and intangible assets	284	15	13	313	–	313

Notes 1. Adjustment of segment profit of 16 million yen is mainly due to the elimination of intersegment transactions. Adjustment of segment assets of 39,875 million yen includes negative 4,361 million yen of intersegment transactions elimination and 44,236 million yen for corporate assets that cannot be allocated to any reportable segments, which primarily comprise cash and deposit, securities and investment securities.

2. Segment profit is adjusted with operating profit in the consolidated statement of income.

3. Construction contracts for which revenue is recognized upon complete fulfilment 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 *Implementation Guidance on Accounting Standard for Revenue Recognition* (ASBJ Guidance No. 30).

Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)

(Million yen)

	Construction	Equipment Sales	Equipment Manufacturing	Total	Adjustments (Note 1)	Amount on the consolidated statements (Note 2)
Net sales						
Goods or service transferred at a point in time (Note 3)	8,448	5,281	2,510	16,241	–	16,241
Product or service transferred over time	77,839	–	–	77,839	–	77,839
Revenue from contracts with customers	86,288	5,281	2,510	94,080	–	94,080
Outside customers	86,288	5,281	2,510	94,080	–	94,080
Intersegment sales or transfers	–	4,409	434	4,844	(4,844)	–
Total	86,288	9,691	2,945	98,925	(4,844)	94,080
Segment profit	10,110	415	128	10,655	15	10,670
Segment assets	44,361	9,799	3,295	57,456	53,478	110,935
Other items						
Depreciation	183	9	31	224	–	224
Increase in property, plant and equipment and intangible assets	218	38	10	267	–	267

Notes 1. Adjustment of segment profit of 15 million yen is mainly due to the elimination of intersegment transactions. Adjustment of segment assets of 53,478 million yen includes negative 4,253 million yen of intersegment transactions elimination and 57,732 million yen for corporate assets that cannot be allocated to any reportable segments, which primarily comprise cash and deposit, securities and investment securities.

2. Segment profit is adjusted with operating profit in the consolidated statement of income.

3. Construction contracts for which revenue is recognized upon complete fulfilment 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 *Implementation Guidance on Accounting Standard for Revenue Recognition* (ASBJ Guidance No. 30).

(Per share information)

(Yen)

	Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)
Net assets per share	1,601.01	1,843.99
Basic earnings per share	132.53	200.27
Diluted earnings per share	131.95	199.50

Notes 1. The Company carried out a 2-for-1 stock split of the Company's common shares on April 1, 2026. Net assets per share, basic earnings per share, and diluted earnings per share are calculated assuming that the stock split has been carried out at the beginning of the previous fiscal year.

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

(Million yen/Thousands shares)

	Fiscal year ended March 31, 2025 (As of March 31, 2025)	Fiscal year ended March 31, 2026 (As of March 31, 2026)
Total net assets	71,684	80,669
Amount deducted from total net assets	1,183	1,250
[of which shares acquisition rights]	[177]	[166]
[of which non-controlling interests]	[1,005]	[1,084]
Net assets at the end of the period attributable to common shares	70,500	79,418
Number of common shares at the end of period used for calculation of net assets per share	44,035	43,069

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 (190 thousand shares in FY3/25 and 138 thousand shares in FY3/26).

3. The bases for calculating basic earnings per share and diluted earnings per share are as follows.

(Million yen/Thousands shares)

	Fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)	Fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)
Basic earnings per share		
Profit attributable to owners of parent	5,906	8,681
Amount that is not attributable to common shareholders	–	–
Profit attributable to owners of parent related to common shares	5,906	8,681
Average number of common shares during the period	44,571	43,348
Diluted earnings per share		
Adjustment of profit attributable to owners of parent	–	–
Number of common shares increased	195	168
[of which share acquisition rights]	[195]	[168]
Descriptions of potential 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 (206 thousand shares in FY3/25 and 151 thousand shares in FY3/26).

(Significant subsequent events)

1. Stock split

The Company conducted a stock split on April 1, 2026, based on the resolution at the meeting of the Board of Directors held on February 10, 2026.

(1) Purpose of the stock split

The stock split aims to lower the price of the Company's shares per investment unit, thereby improving market liquidity of the Company's shares and further expand the investor base.

(2) Overview of the stock split

(i) Method of the split

With the record date of Tuesday, March 31, 2026, the Company split the common shares held by shareholders recorded in the final shareholder registry on that date at a 2-for-1 ratio.

(ii) Number of shares increased by the split

Total number of issued shares before the stock split	22,000,000 shares
Number of shares increased by the stock split	22,000,000 shares
Total number of issued shares after the stock split	44,000,000 shares
Total number of authorized shares after the stock split	96,500,000 shares (no change)

(Note) There is no change to the total number of authorized shares after the stock split.

(iii) Schedule of the split

Date of announcement of the record date	Friday, March 13, 2026
Record date	Tuesday, March 31, 2026
Effective date	Wednesday, April 1, 2026

(iv) Effect on per share information

The effect due to the stock split is as described in (Per share information).

(3) Other

(i) Changes in the amount of share capital

There is no change to the amount of share capital of the Company due to the stock split.

(ii) Dividends

As the effective date of the stock split is April 1, 2026, the year-end dividend for the fiscal year ended March 31, 2026, with a record date of March 31, 2026, will be paid based on the number of shares prior to the stock split.

2. Acquisition of own shares

At the meeting of the Board of Directors held on May 13, 2026, the Company resolved matters concerning the acquisition of own shares pursuant to the provisions of Article 156 of the Companies Act of Japan that are applied by replacing terms pursuant to the provisions of Article 165, Paragraph 3 of the Act.

(1) Reason for the acquisition of own shares

To enhance shareholder value and capital efficiency, while promoting the optimization of the capital structure, including the review of cross-shareholdings.

(2) Details of matters concerning the acquisition

- | | |
|---|---|
| (i) Class of shares to be acquired: | Common shares of the Company |
| (ii) Total number of shares to be acquired: | Up to 2,100,000 shares
(Ratio to the total number of issued shares (excluding treasury shares): 4.86%) |
| (iii) Total amount of share acquisition cost: | Up to 8,400,000,000 yen |
| (iv) Acquisition period: | From May 14, 2026 to March 31, 2027 |
| (v) Acquisition method: | Market purchases including those through the Tokyo Stock Exchange Trading Network Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) |

4. Other Information

Change of Directors

The change of Directors will be disclosed separately.