

**Hibiya Engineering, Ltd.**

(Stock code: 1982)

**Earnings Presentation for Full Year FY3/26**

**May 13, 2026**

# Financial Highlights (Consolidated)



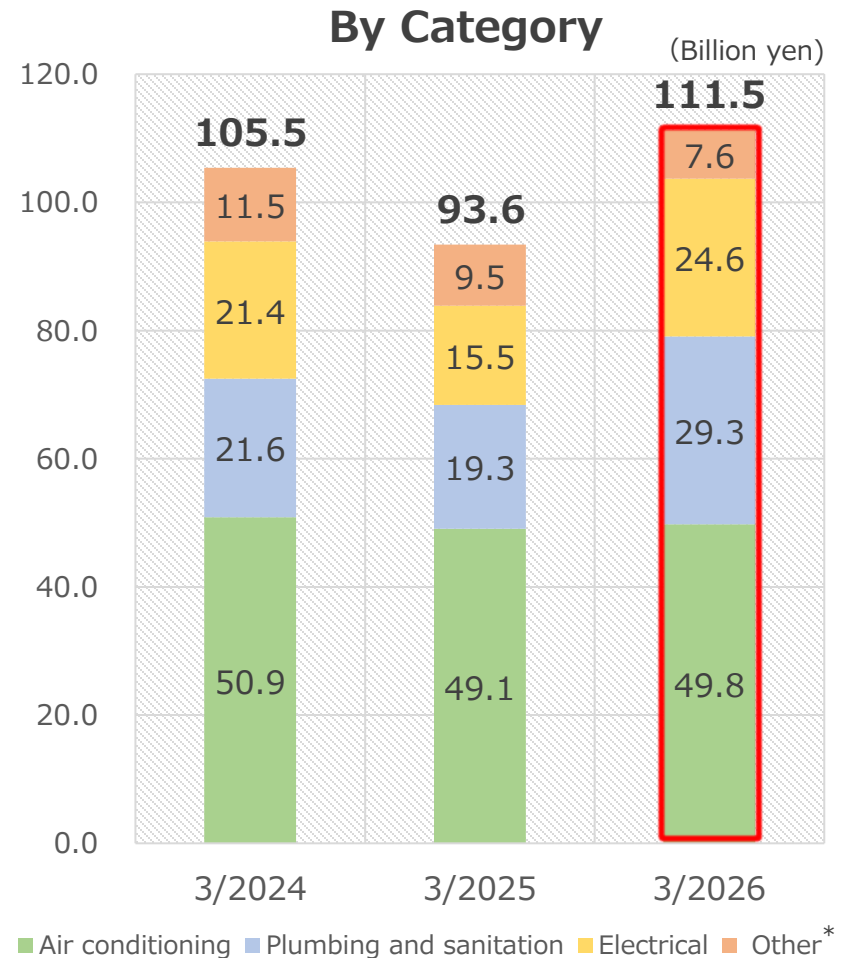
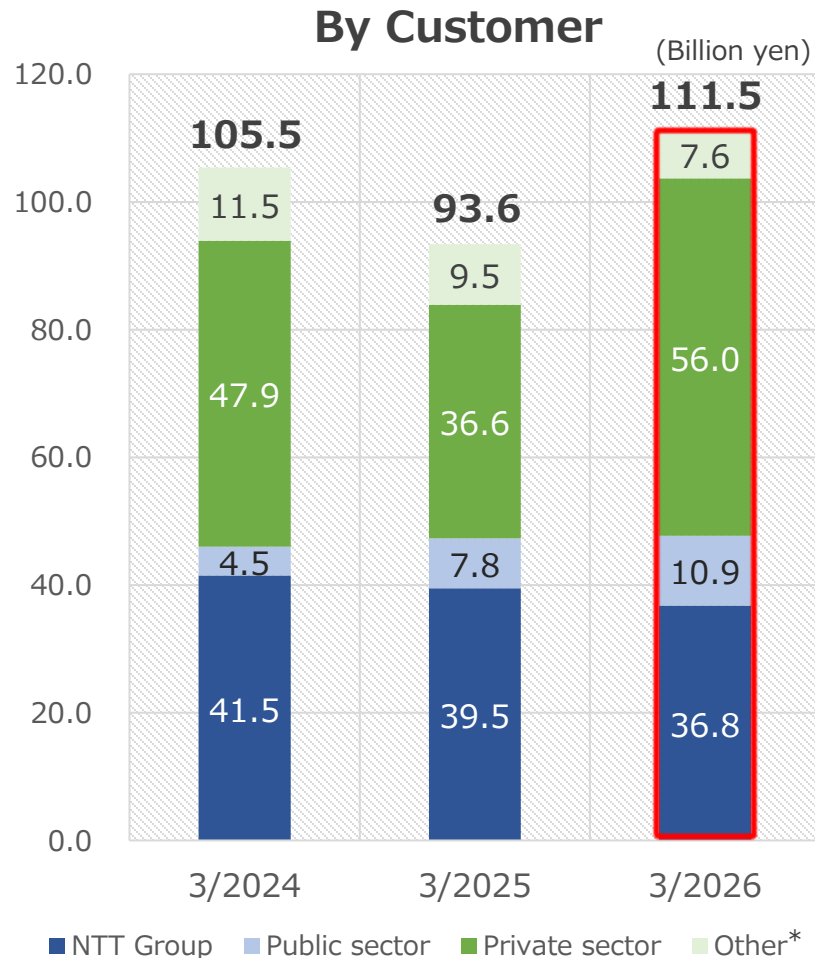
- Orders received exceeded the forecast and reached a record high, driven by ongoing strategic sales activities.
- Net sales increased steadily YoY due to progress of an ample number of projects carried over from FY3/25 and those for orders received in FY3/26.
- Profit margin expanded, driven by higher net sales, productivity improvement initiatives, and improved profitability on certain completed projects. As a result, performance exceeded the forecast, delivering a significant YoY increase in profit, and record highs across all line-item profits.

(Billion yen)

	3/2024 Results	3/2025 Results (1)	3/2026			3/2026		
			Results (2)	YoY change (2)-(1)		Initial forecast Announced on May 13, 2025	Revised forecast Announced on February 10, 2026 (3)	vs. revised forecast (2)-(3)
Orders received	105.5	93.6	111.5	+17.9	(+19.1%)	95.5	102.0	+9.5
Net sales	83.7	89.7	94.0	+4.2	(+4.8%)	93.5	94.3	-0.2
Gross profit	14.9	17.2	21.0	+3.7	(+22.0%)	17.6	19.8	+1.2
Gross profit margin	17.8%	19.2%	22.4%	+3.2%		18.9%	21.0%	+1.4%
Operating profit	5.7	7.4	10.6	+3.2	(+43.1%)	7.8	9.4	+1.2
Ordinary profit	6.4	8.1	11.4	+3.3	(+40.9%)	8.4	10.2	+1.2
Profit attributable to owners of parent	4.8	5.9	8.6	+2.7	(+47.0%)	6.0	7.3	+1.3
ROE	7.3%	8.5%	11.6%					

# Orders Received (1): By Customer/Category (Consolidated)

- In terms of orders by customer, orders rose YoY, supported by ongoing strong orders from the public and private sectors.
- In terms of orders by category, orders rose steadily YoY, with large projects secured in a balanced manner across air conditioning, plumbing and sanitation, and electrical categories.
  - Affected by the decline in orders due to the order cancellation pertaining to past fiscal year. (Private sector, Air conditioning/Plumbing and sanitation)

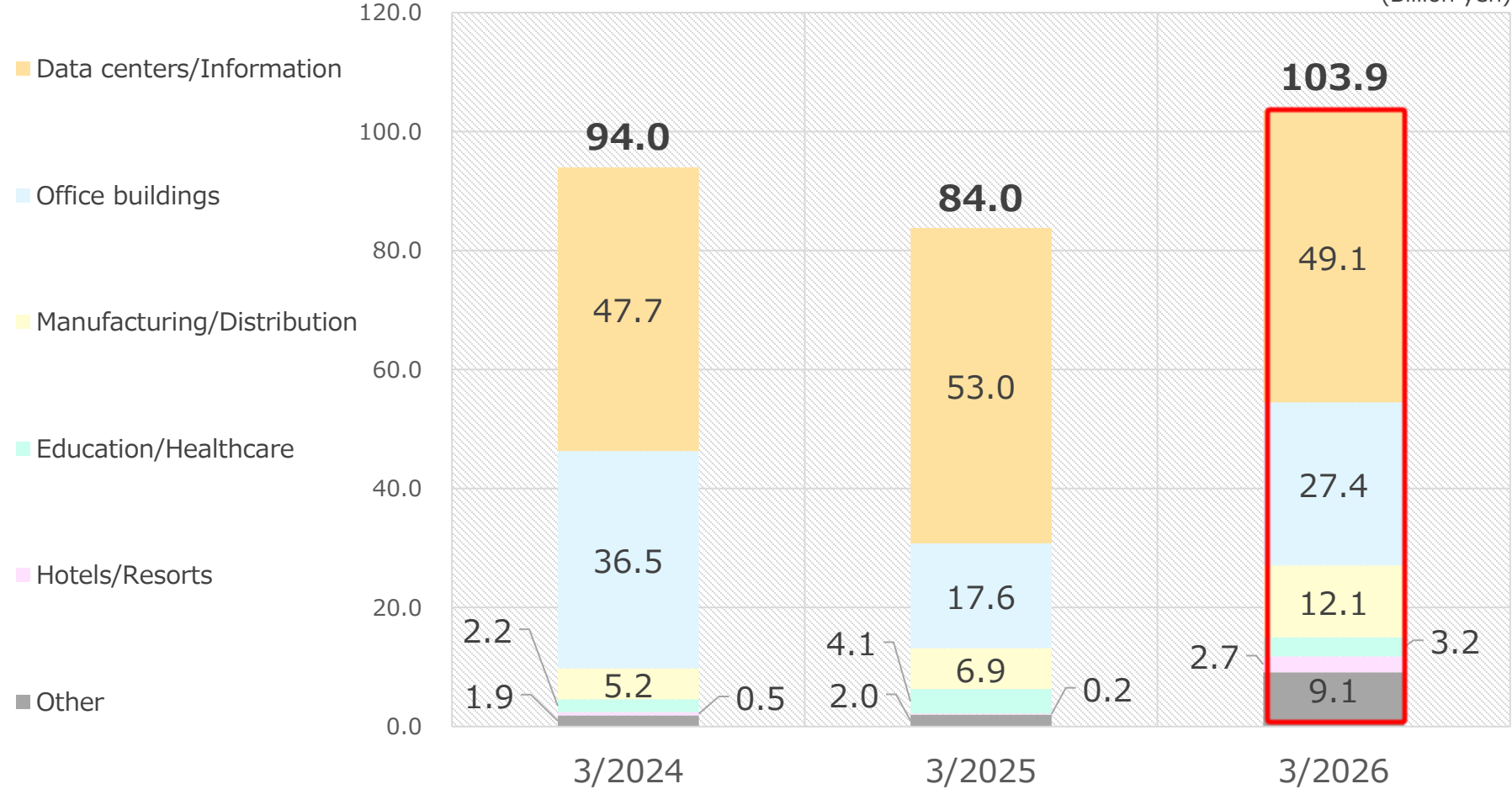


\* Orders received by consolidated subsidiaries

# Orders Received (2): By Facility Category (Non-consolidated)

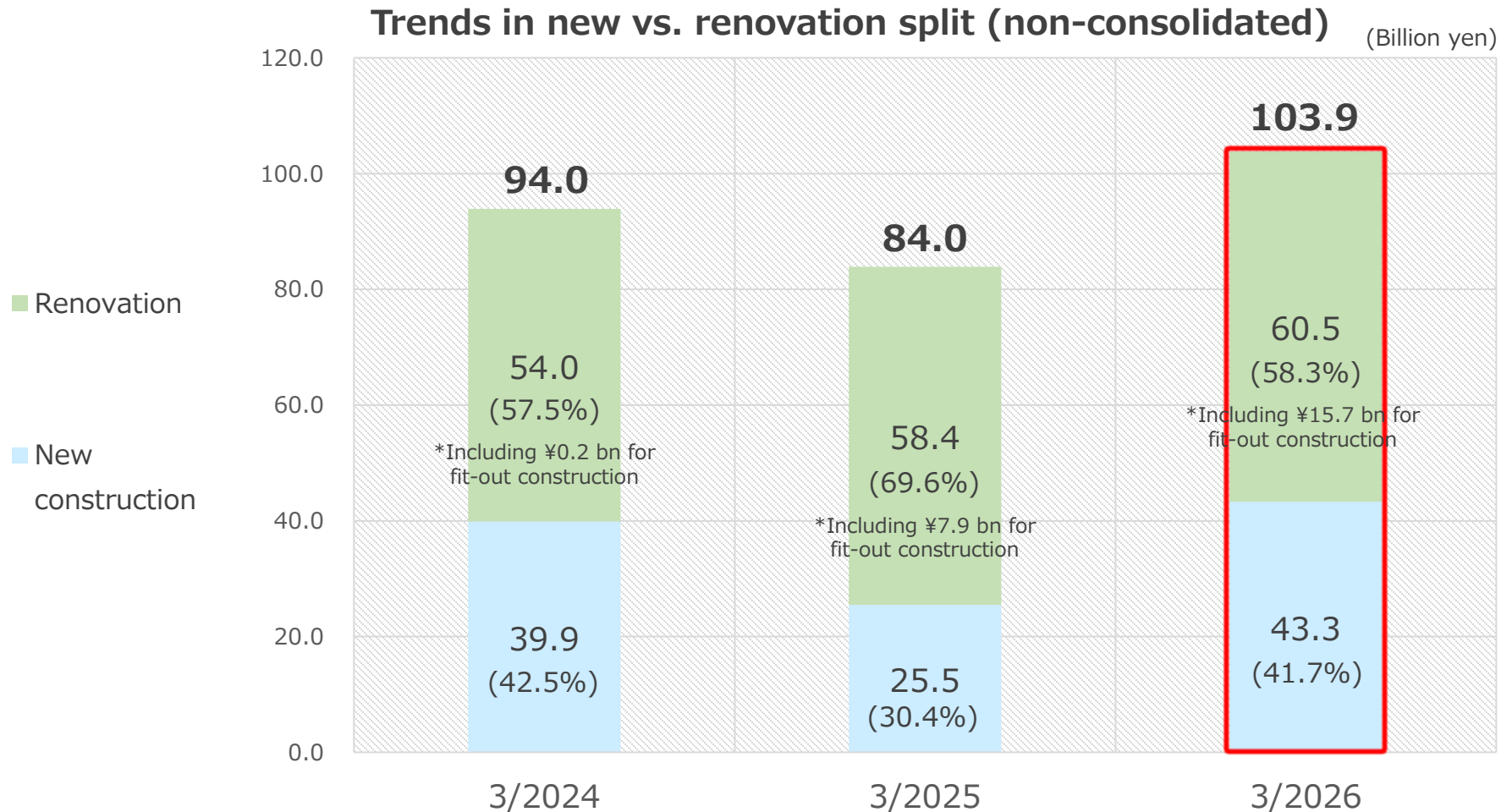
- Data centers/Information continued to expand steadily, driven by large projects secured amid strong demand.
- Orders received increased YoY, with large projects also secured in facilities other than data centers.
  - Affected by the decline in orders due to the order cancellation pertaining to past fiscal year. (Data centers/Information)

Trends in orders received (non-consolidated) (Billion yen)



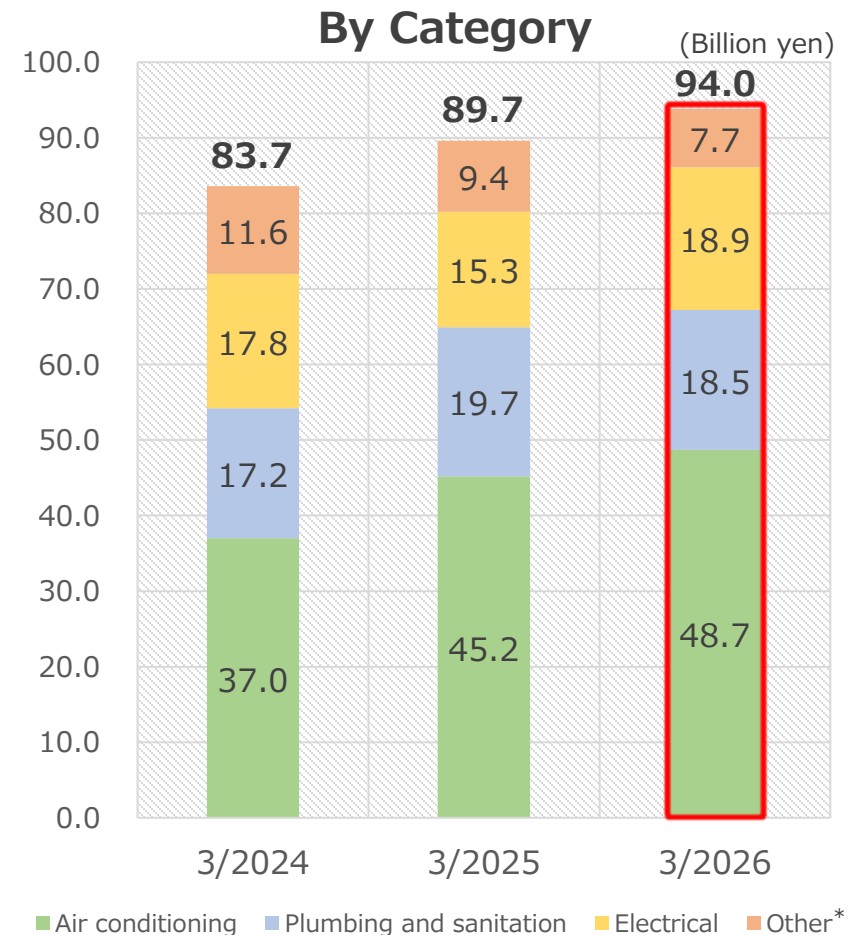
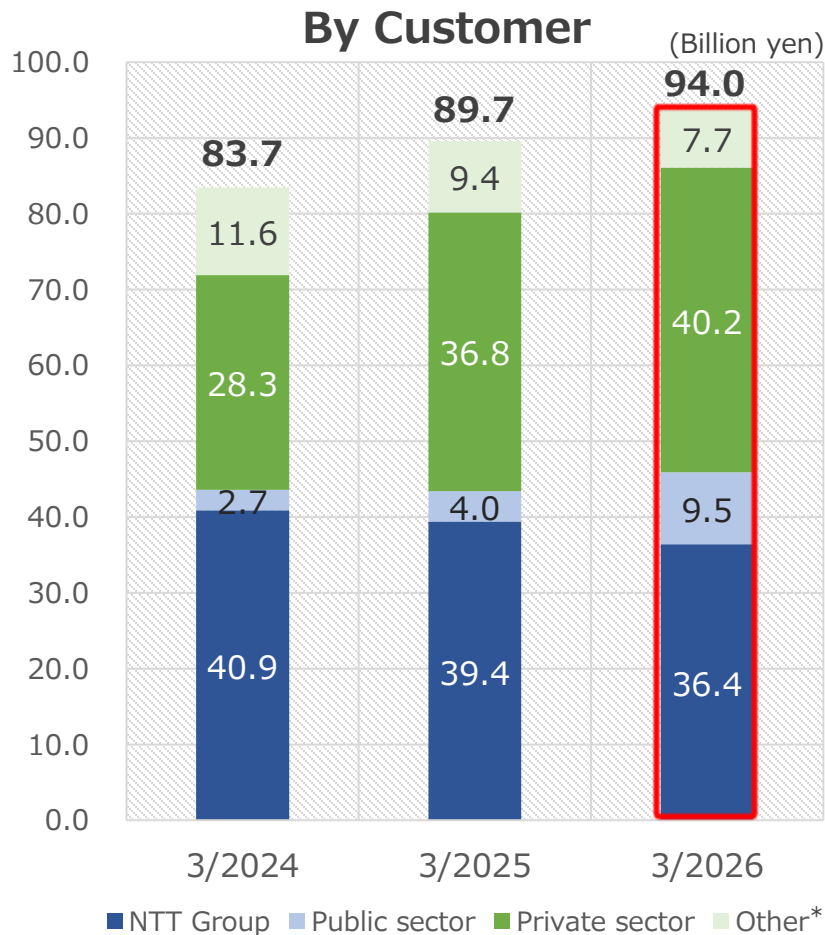
## Orders Received (3): New vs. Renovation Split (Non-consolidated)

- Orders for new construction increased significantly due to a higher volume of orders for large projects from the private sector.
- As a result, the new construction ratio increased YoY.



# Net Sales (1): By Customer/Category (Consolidated)

- Net sales by customers increased YoY, driven by solid progress on construction projects in the private and public sectors.
- Net sales were maintained in a balanced manner across air conditioning, plumbing and sanitation, and electrical categories.



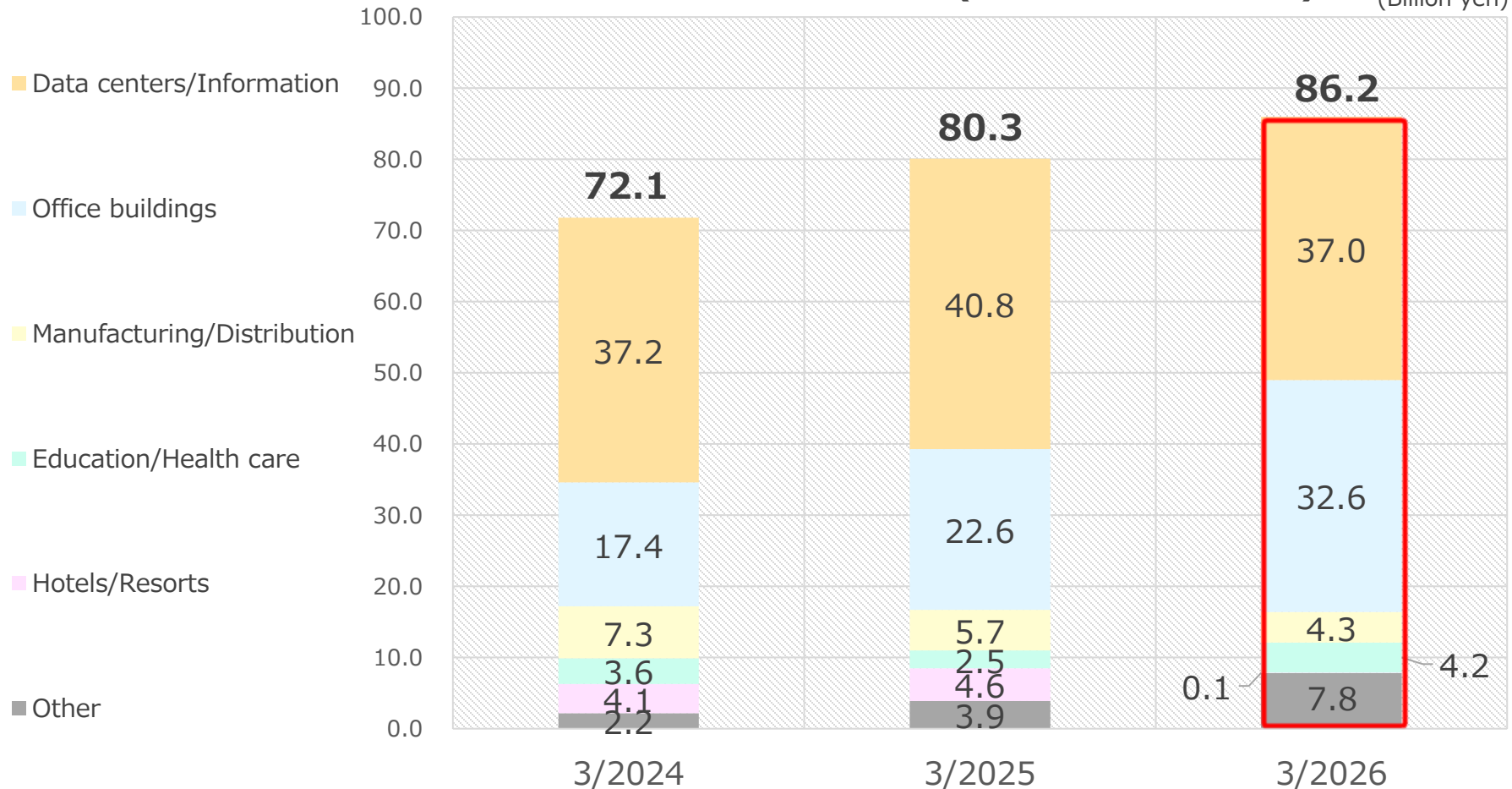
\* Sales earned by consolidated subsidiaries

## Net Sales (2): By Facility Category (Non-consolidated)

- Data centers/Information increased steadily and Office buildings recorded significant YoY growth.
- Other increased YoY due to construction progress on apartment buildings under large-scale redevelopment projects.

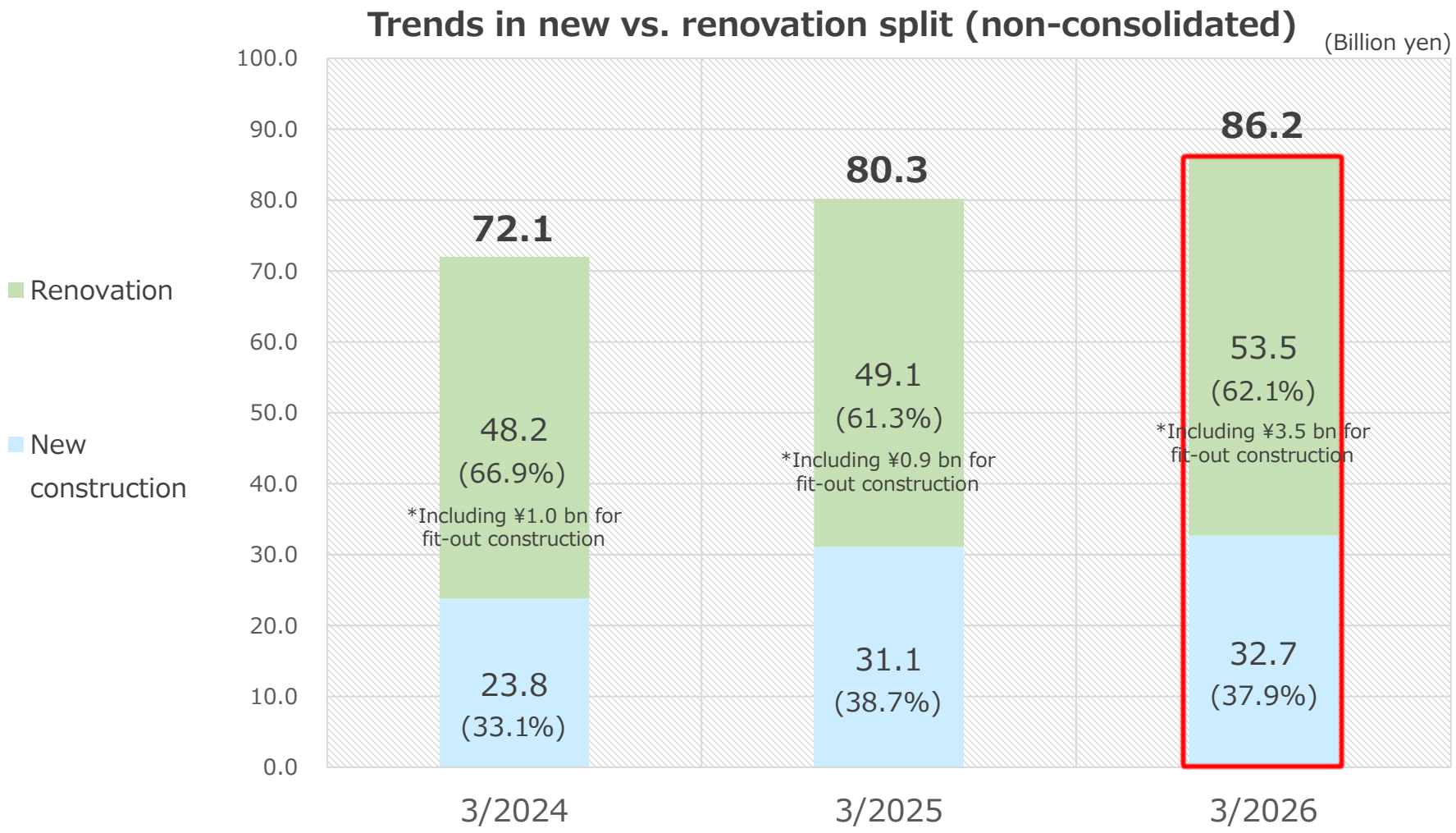
Trends in net sales (non-consolidated)

(Billion yen)



# Net Sales (3): New vs. Renovation Split (Non-consolidated)

- Net sales increased at a similar rate to the same period of the previous year.

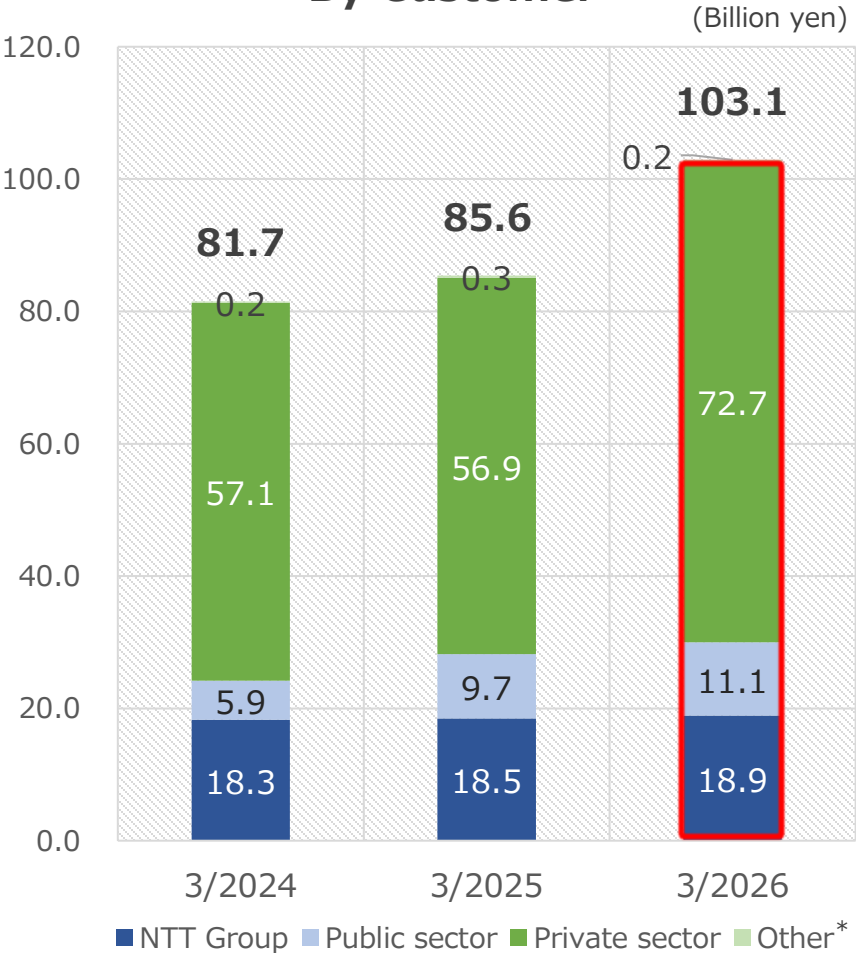




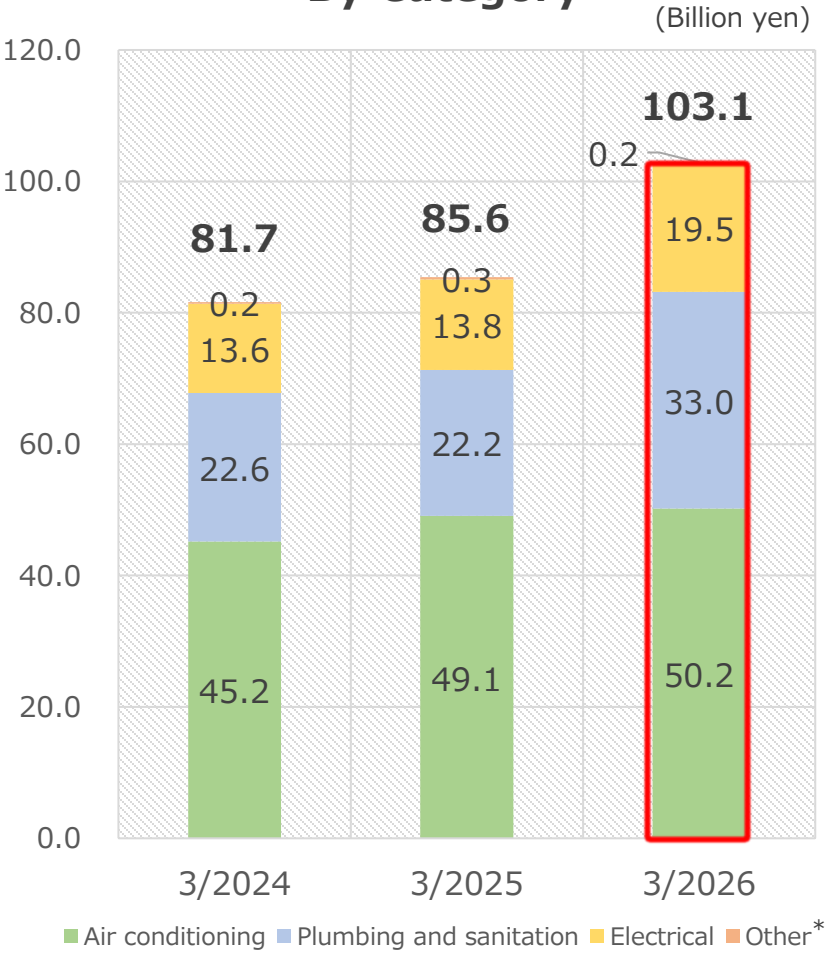
# Projects Carried Over by Customer/Category (Consolidated)

- Projects carried over increased significantly, driven by solid progress in securing large projects in the private sector.

By Customer



By Category



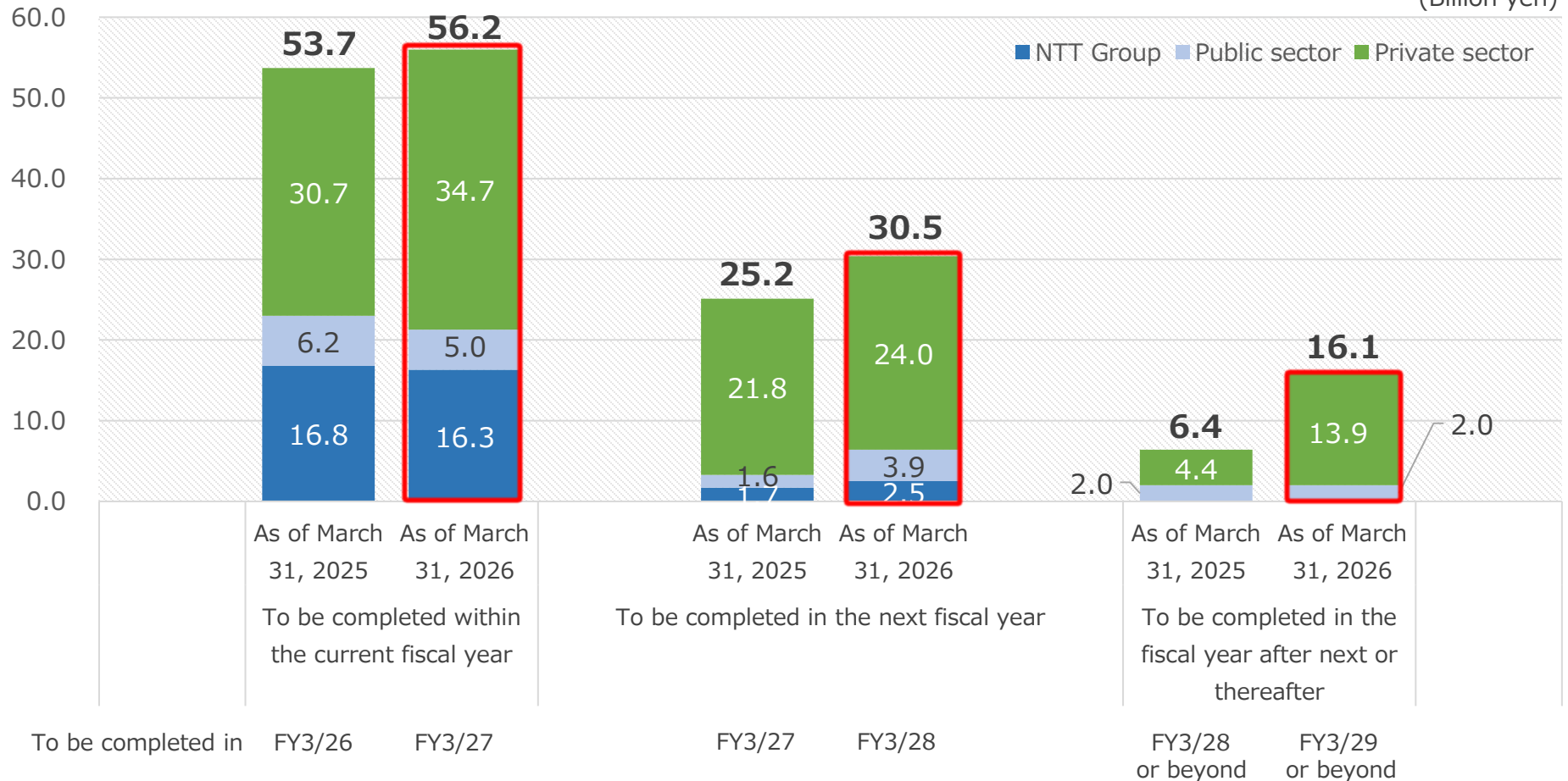
\* Projects carried over by consolidated subsidiaries

# Projects Carried Over by Completion Period (Non-consolidated)

- Construction projects scheduled for completion in the next fiscal year rose steadily, while longer-term projects expanded significantly YoY, driven by higher orders for large private-sector projects.

## By completion period

(Billion yen)



# FY3/2026 Year-End Dividend



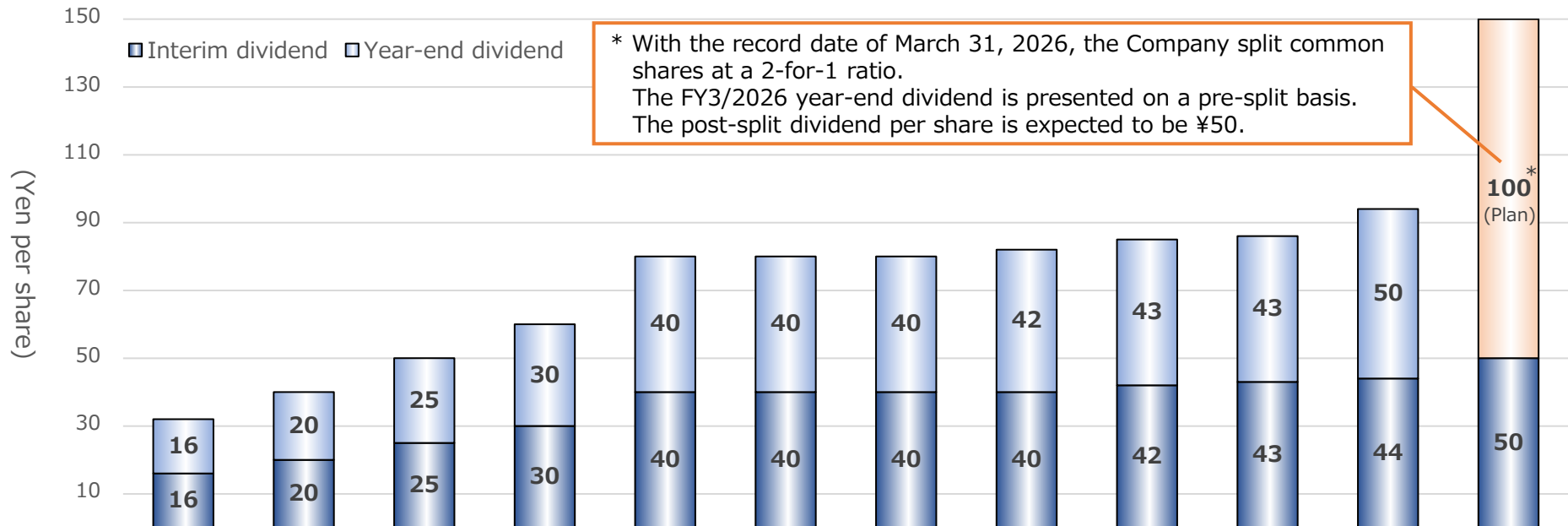
- FY3/2026 profits significantly exceeded the initial forecast, leading to an upward revision to the financial results forecast and a dividend increase announced on February 10, 2026.
- As profit exceeded the upwardly revised forecast, the year-end dividend will be increased by ¥10, from ¥40 to **¥50 per share**.
- The FY3/2026 year-end dividend will be submitted for approval at the 61st Annual General Meeting of Shareholders scheduled for June 25, 2026.

## 【Dividend per share】

	FY3/2025	FY3/2026 Plan (announced on May 13, 2026)		(Yen)
		Before stock split	After stock split	(Reference) Plan announced on February 10, 2026
Interim	44	50	—	—
Year-end	50	(100)*	50	(80)*
Total	94	(150)	—	—
Payout ratio	35.5%	37.4%		

\* With the record date of March 31, 2026, the Company split common shares at a 2-for-1 ratio.  
Figures in parentheses represent twice the planned dividend per share, adjusted for the stock split.

# Trends in Dividends per Share (Before Stock Split)

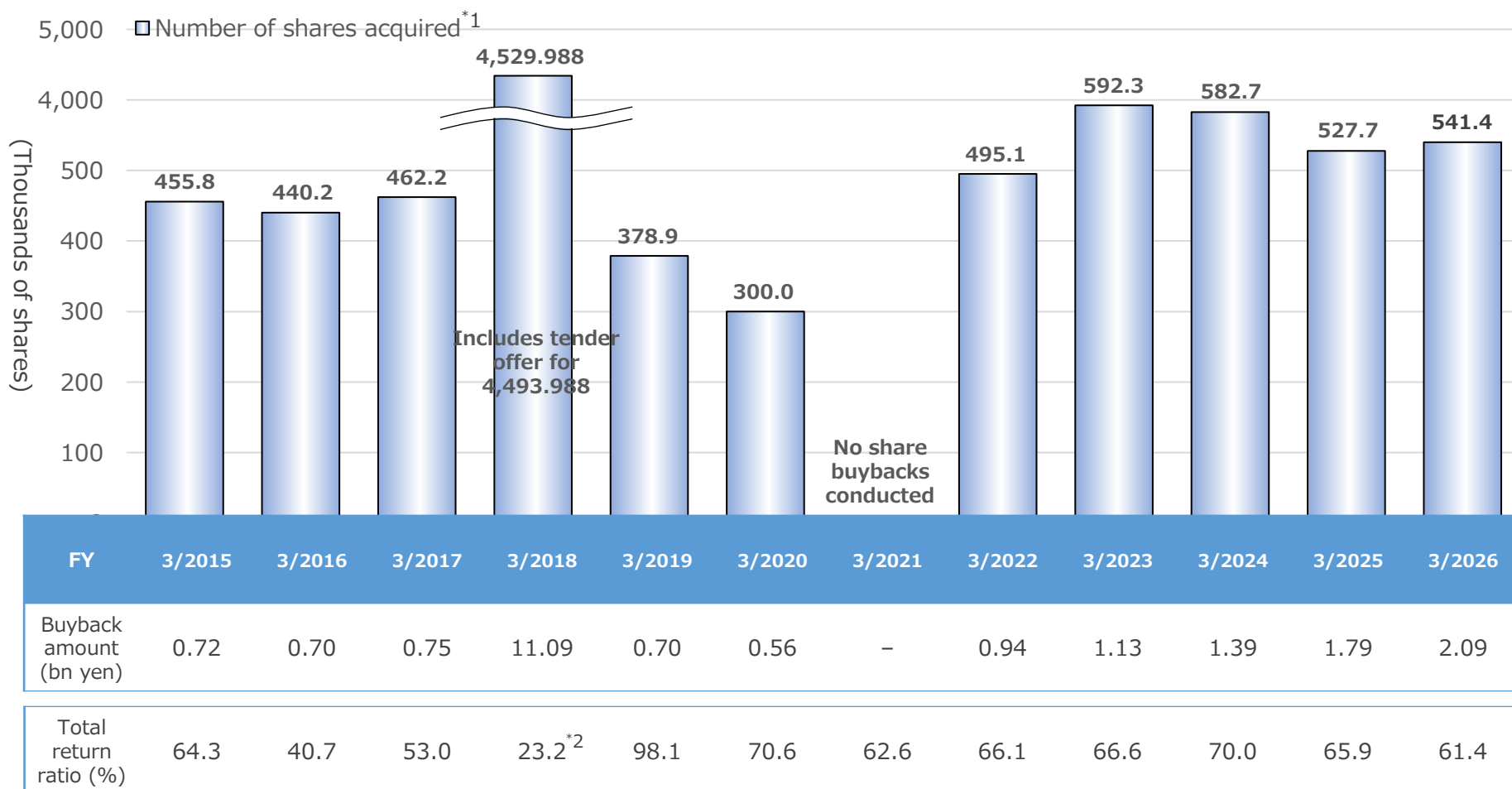


FY	3/2015	3/2016	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024	3/2025	3/2026
Interim	16	20	25	30	40	40	40	40	42	43	44	50
Year-end	16	20	25	30	40	40	40	42	43	43	50	100* (Plan)
Full-year	32	40	50	60	80	80	80	82	85	86	94	150* (Plan)
Payout ratio (consolidated)	36.5%	25.5%	28.0%	22.9%	71.9%	54.3%	62.1%	44.6%	42.4%	40.7%	35.5%	37.4% (Plan)
DOE	1.7%	2.1%	2.5%	2.7%	3.3%	3.3%	3.2%	3.2%	3.1%	3.0%	3.0%	4.4% (Plan)

# Trends in Share Buyback (Before Stock Split)



- Regarding the share buyback as a means of capital allocation, we conduct share buybacks in a flexible and timely manner in view of investment opportunities, share price, and investment efficiency.
- In FY2025, we repurchased 541,400 shares for ¥2.09 bn.



\*1 With the record date of March 31, 2026, the Company split common shares at a 2-for-1 ratio. The number of shares acquired shown in the graph is presented on a pre-split basis.

\*2 Not reflecting the amount of ¥11,023,752,564 worth of the share buyback through a tender offer.

# Major Completed Projects in FY3/2026

# Major Completed Projects in FY3/2026



## OIMACHI TRACKS BUSINESS TOWER

Multi-use development



## TAKANAWA GATEWAY CITY RESIDENCE

Multi-use development



© Prise Co., Ltd. / Photo by Koji Yamazaki

Location	Shinagawa-ku, Tokyo
Floor area	248,264.53 m <sup>2</sup>
Scale	23 stories above ground, 3 story below ground, 2 penthouse
Our work	Air conditioning

Location	Minato-ku, Tokyo
Floor area	148,266.34 m <sup>2</sup>
Scale	44 stories above ground, 2 stories below ground, 2 penthouse
Our work	Air conditioning



# Major Completed Projects in FY3/2026



## AP L-tage Kokutaiji Building

Office



Location      Hiroshima-city, Hiroshima

Floor area      10,426 m<sup>2</sup>

Scale      10 stories above ground

Our work      Air conditioning and sanitation

## Patina Osaka

Hotel



\* Completed in March 2025; opened in May 2025

Location      Osaka-city, Osaka

Floor area      38,940 m<sup>2</sup>

Scale      20 stories above ground, three stories below ground, 2 penthouse

Our work      Air conditioning and sanitation



# Major Completed Projects in FY3/2026

## Tono Chubu Medical Center

Education/Healthcare



Location	Toki-city, Gifu
Floor area	39,348 m <sup>2</sup>
Scale	7 stories above ground
Our work	Air conditioning

## Dassai Sake Rice Warehouse in the Suo-Takamori Station Area

Manufacturing/Distribution



Location	Iwakuni-city, Yamaguchi
Floor area	4,319.40 m <sup>2</sup>
Scale	2 stories above ground
Our work	Air conditioning and sanitation

# Major Completed Projects in FY3/2026

Mahoroba Zero Carbon Promotion Project  
ZEB renovations (Nara General Prefectural  
Government Building)

Office (ZEB)



Location	Nara-city, Nara
Floor area	3,123.45 m <sup>2</sup>
Scale	4 stories above ground

Our work Building, air conditioning, and electrical

Koriyama Fire Department building  
ZEB renovation project

Office (ZEB)



Location	Koriyama-city, Fukushima
Floor area	6,325.78 m <sup>2</sup>
Scale	6 stories above ground, 1 story below ground

Our work Air conditioning and sanitation

# References

# Income Statements (Consolidated)

(Million yen)

	FY3/2025	FY3/2026	YoY change
<b>Net sales</b>	<b>89,786</b>	<b>94,080</b>	+4,294
Cost of sales	72,519	73,021	+502
<b>Gross profit</b>	<b>17,266</b>	<b>21,058</b>	+3,792
SG&A expenses	9,809	10,387	+578
<b>Operating profit</b>	<b>7,456</b>	<b>10,670</b>	+3,214
Non-operating income	681	796	+114
<b>Ordinary profit</b>	<b>8,138</b>	<b>11,466</b>	+3,328
Extraordinary income	596	410	-185
<b>Profit before income taxes</b>	<b>8,734</b>	<b>11,877</b>	+3,142
Total income taxes	2,762	3,143	+381
<b>Profit</b>	<b>5,906</b>	<b>8,733</b>	+2,761
ROE	8.5%	11.6%	+3.1%

# Balance Sheet (Consolidated)

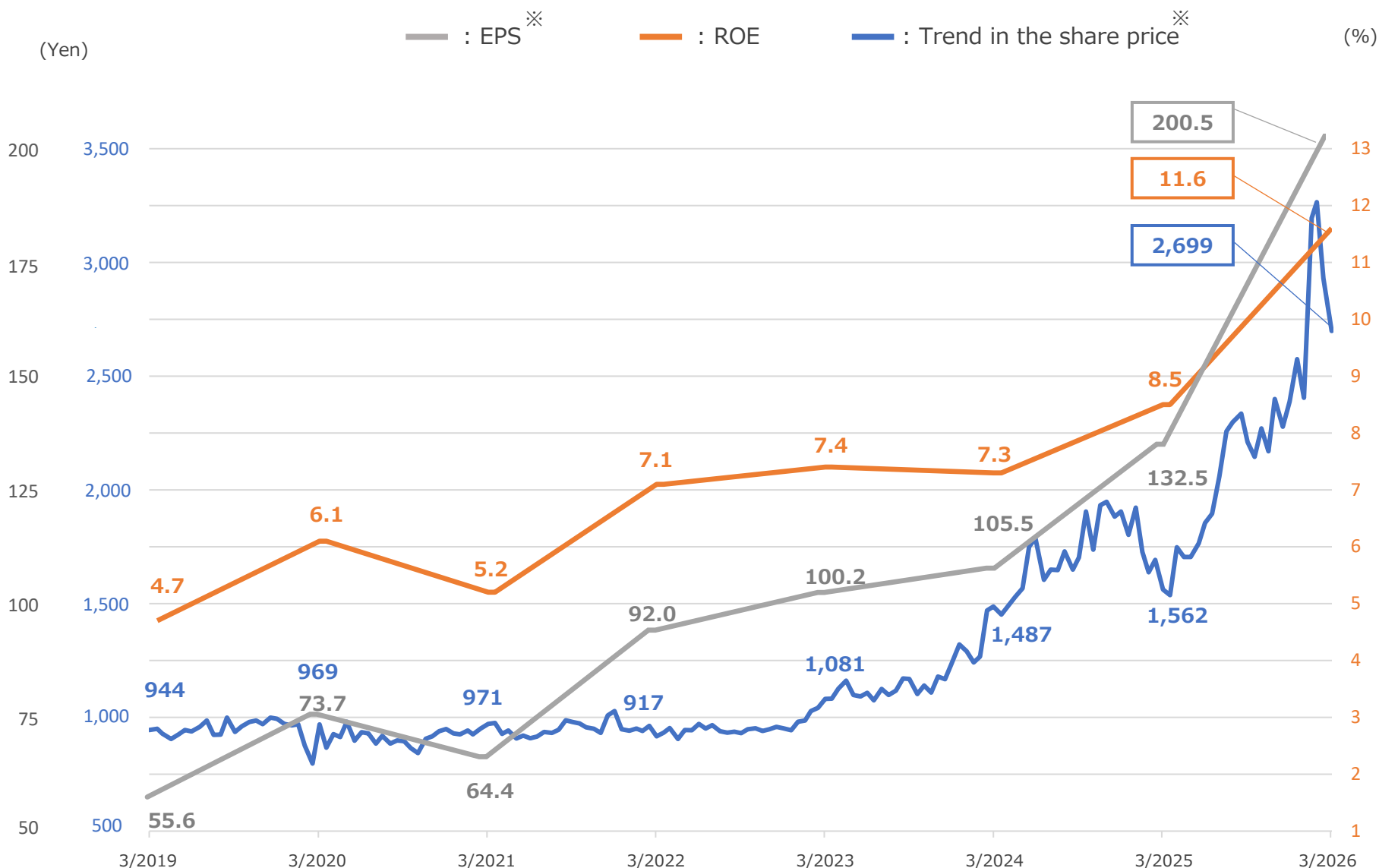


(Million yen)

	As of March 31, 2025	As of March 31, 2026	YoY change
<b>Current assets</b>	<b>72,886</b>	<b>77,062</b>	<b>+4,176</b>
Cash and deposits	19,781	27,393	+7,612
Notes receivable, accounts receivable from completed construction contracts and other	41,560	39,293	-2,266
Electronically Recorded Monetary Claims	2,494	947	-1,546
Securities	6,992	6,984	-8
Costs on construction contracts in progress	1,663	1,975	+312
Other	395	469	+73
<b>Noncurrent assets</b>	<b>27,028</b>	<b>33,872</b>	<b>+6,844</b>
Property, plant and equipment	876	873	-3
Intangible assets	260	306	+45
Investment securities	20,379	27,252	+6,873
Other	5,554	5,468	-86
<b>Total assets</b>	<b>99,915</b>	<b>110,935</b>	<b>+11,020</b>

	As of March 31, 2025	As of March 31, 2026	YoY change
<b>Current liabilities</b>	<b>26,536</b>	<b>26,485</b>	<b>-51</b>
Notes payable, accounts payable for construction contracts and other	15,841	11,270	-4,570
Advances received on construction contracts in progress	433	3,152	+2,719
Provision for loss on construction contracts	73	104	+31
<b>Noncurrent liabilities</b>	<b>1,694</b>	<b>3,919</b>	<b>+2,224</b>
<b>Total liabilities</b>	<b>28,230</b>	<b>30,404</b>	<b>+2,173</b>
<b>Total net assets</b>	<b>71,684</b>	<b>80,531</b>	<b>+8,847</b>
Share capital	5,753	5,753	-
Capital surplus	6,140	6,140	-
Retained earnings	55,458	56,922	+1,464
Treasury shares	-4,309	-1,324	+2,985
Accumulated other comprehensive income	7,458	11,788	+4,330
Share acquisition rights	177	166	-11
Non-controlling interests	1,005	1,084	+78
<b>Total liabilities and net assets</b>	<b>99,915</b>	<b>110,935</b>	<b>+11,020</b>

# Trends in the EPS, ROE and Share Price



※A stock split at a ratio of two shares per common share was implemented with March 31, 2026 as the record date. EPS and stock prices are calculated as if the stock split had been conducted at the beginning of the fiscal year ended March 2019.



(Cautionary Statement Concerning Forward-Looking Statements)

Forward-looking statements such as forecasts of financial results stated in these materials are based on 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.

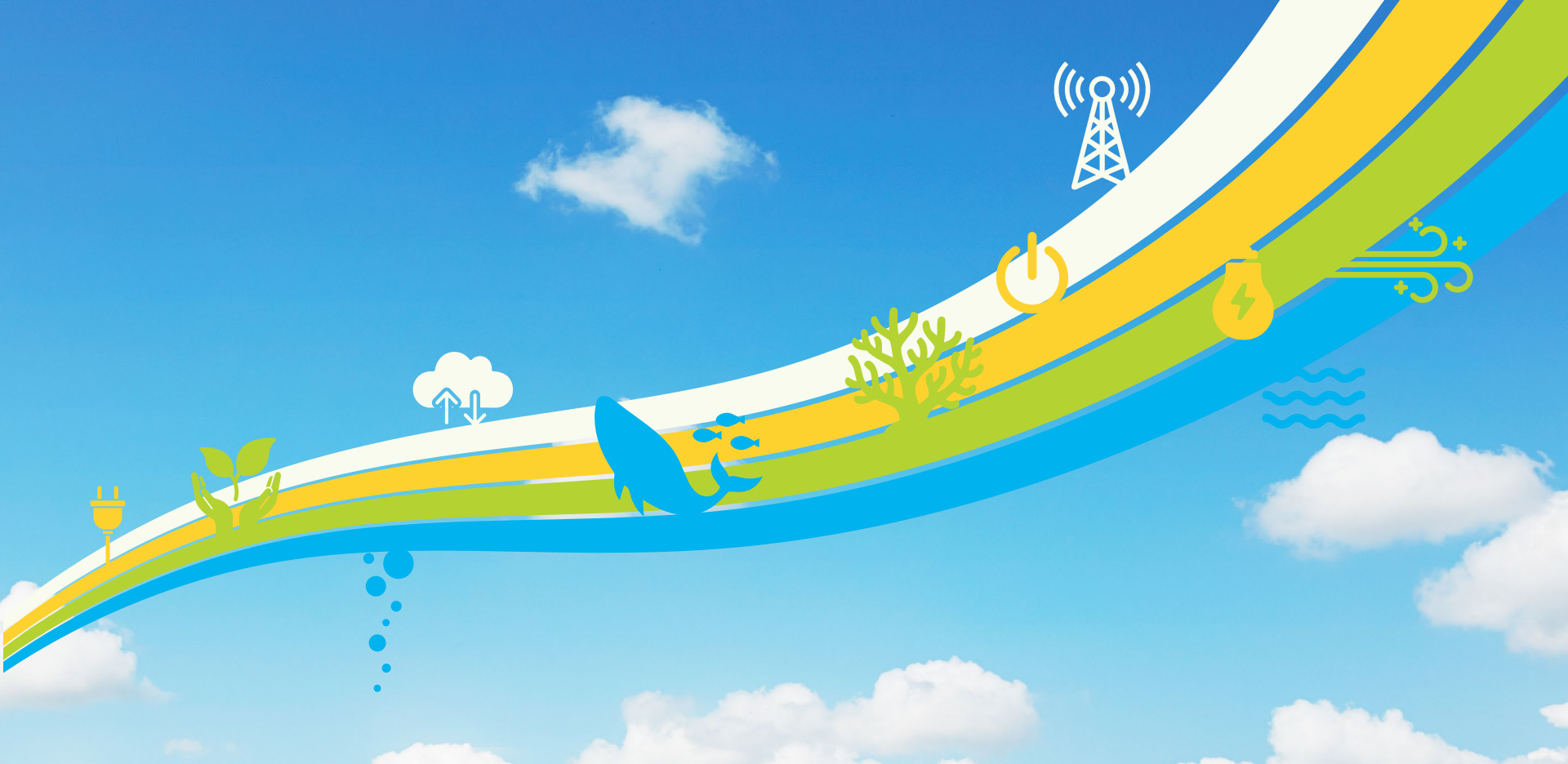
[Inquiries about these materials]

Hibiya Engineering, Ltd.

IR and Public Relations Department, Management Headquarters

13F Sumitomo Fudosan Tokyo Mita South Tower, 3-5-27, Mita, Minato-ku, Tokyo, 108-6312

TEL: 03-3454-2720 FAX: 03-3454-3410



**Hibiya Engineering, Ltd.**

(Stock code: 1982)

## Review of the Eighth Medium-term Management Plan and Major Initiatives

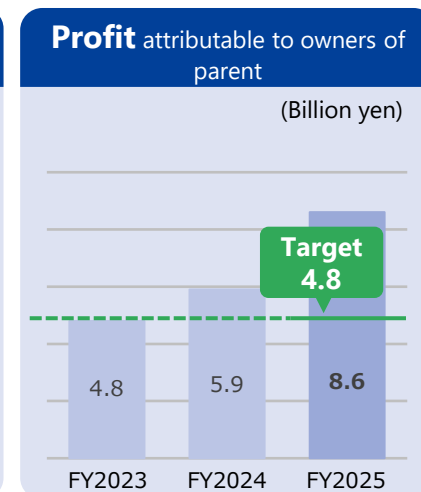
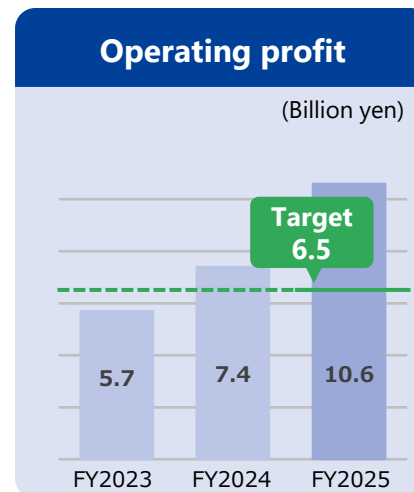
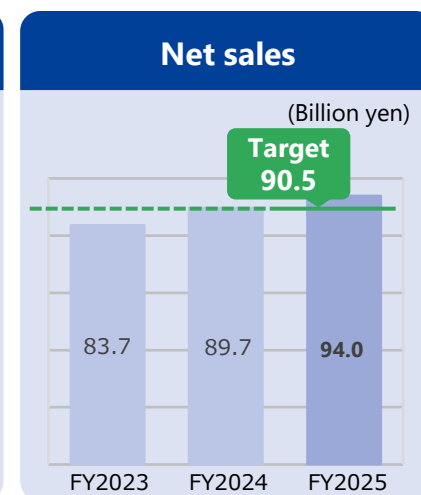
May 13, 2026



# Review of the Eighth Medium-term Management Plan

The results of the Eighth Medium-term Management Plan show that the key indicators (orders received, net sales, operating profit, and profit attributable to owners of parent) reached the targets and that ROE constantly grew.

	7th Medium-term Mgt Plan targets	8th Medium-term Management Plan			
		Final fiscal year target*	FY2023 results	FY2024 results	FY2025 results
Orders received	80.0	91.0	105.5	93.6	111.5
Net sales	80.0	90.5	83.7	89.7	94.0
Operating profit	4.5	6.5	5.7	7.4	10.6
Profit attributable to owners of parent	3.5	4.8	4.8	5.9	8.6
ROE	At least 6.0%	At least 7.0%	7.3%	8.5%	11.6%



\* As of the announcement of the Eighth Medium-term Management Plan on May 11, 2023

Under the three pillars set in the Eighth Medium-term Management Plan (Deepening Core Business, Expanding Business Areas, and Strengthening Management Foundation/ESG Management), the Group produced steady results and steadily implemented capital and dividend policies.

## Review of the 8th Medium-term Management Plan

### Deepening Core Business

- Expanded orders for data centers (DCs) and large-scale redevelopment projects by enhancing proposal and response capabilities
- Improved operational efficiency and visualized on-site workforce utilization through the promotion of on-site DX

### Expanding Business Areas

- Rolled out environmental businesses nationwide (e.g., ZEB-oriented renovations and renewable energy)
- Established the Data Center Trial Field (DCTF) and started verification/demonstration of new technologies for next-generation DCs

### Strengthening Management Foundation/ESG Management

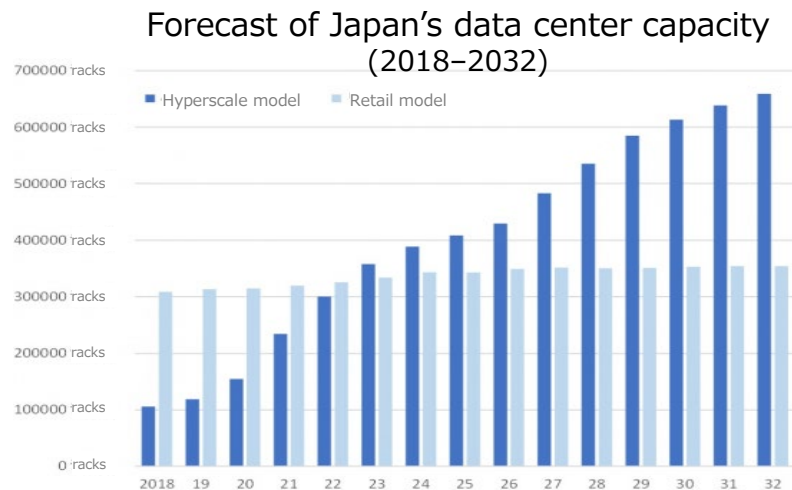
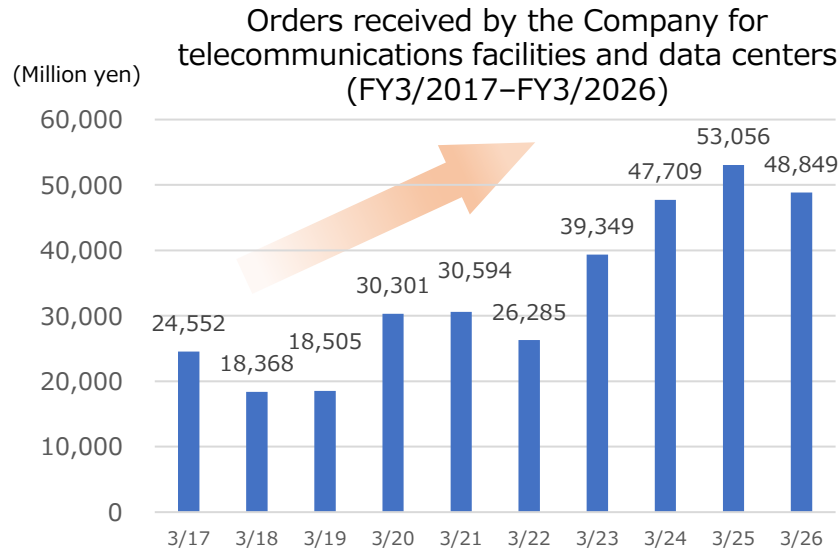
- Created employee-friendly work environments by redesigning personnel/salary systems and empowering female employees
- Enhanced management soundness and transparency by disseminating compliance awareness and strengthening information disclosure

### Capital and dividend policies

- Maintained and increased shareholder dividends steadily and constantly
- Implemented a stock split and share cancellation by flexibly and timely conducting share buybacks

# Review of the Eighth Medium-term Management Plan (Deepening Core Business)

- Received increasing orders for telecommunications facilities and data center (DC) projects amid data center market expansion
- Advanced technology by leveraging extensive experience and expertise



[Cited from *Data Center Investigation Report 2026* published by Impress General Research Institute]

## Our data center initiatives

[Expertise cultivated in NTT Group facility projects and proven performance in hyperscale DCs]

**Build-  
ing life  
cycle**

Services provided for each stage of a building's life cycle

**High  
quality**

High-quality construction services developed through telecommunications facility projects

**Techno-  
logical  
innova-  
tion**

Cooling technologies for high-heat-generating servers

Building on our long history of high reliability in the area of telecommunications, we have developed cooling technologies to handle the high heat generation of hyperscale DCs.

**Increase in orders for data center projects**

# Review of the Eighth Medium-term Management Plan (Deepening Core Business)



- Accelerated robotics and AI development under site operations DX, leveraging nationwide deployment of applications and BIM to optimize construction processes and enhance productivity

## Nationwide deployment

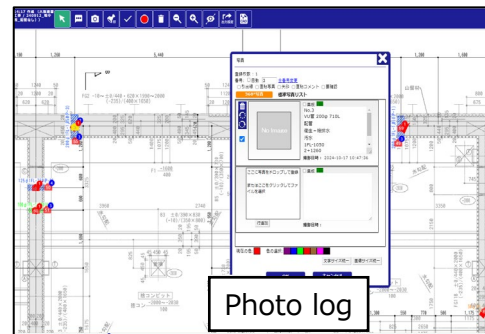
### [App-enabled information sharing]



#### <Use cases and effects>

- Digitization of on-site information through annotated drawings and photos
- Real-time sharing of construction progress and corrective actions
- Reduction of rework and improvement of construction management efficiency

### [BIM-based drawings]



#### <Use cases and effects>

- Synchronization of BIM model sleeve information with applications
- Automated updates to location and construction information board data
- Streamlined inspection recording and improved drawing-site consistency

## Initiatives to further improve installation efficiency

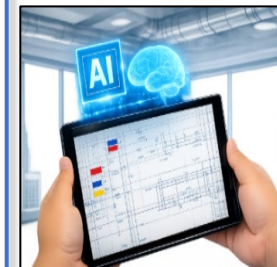
### [Robotic automation]



#### <Use cases and effects>

- Automated marking with inking robots
- Labor savings, quality standardization, and reduced labor hours

### [AI-driven decision support]



#### <Use cases and effects>

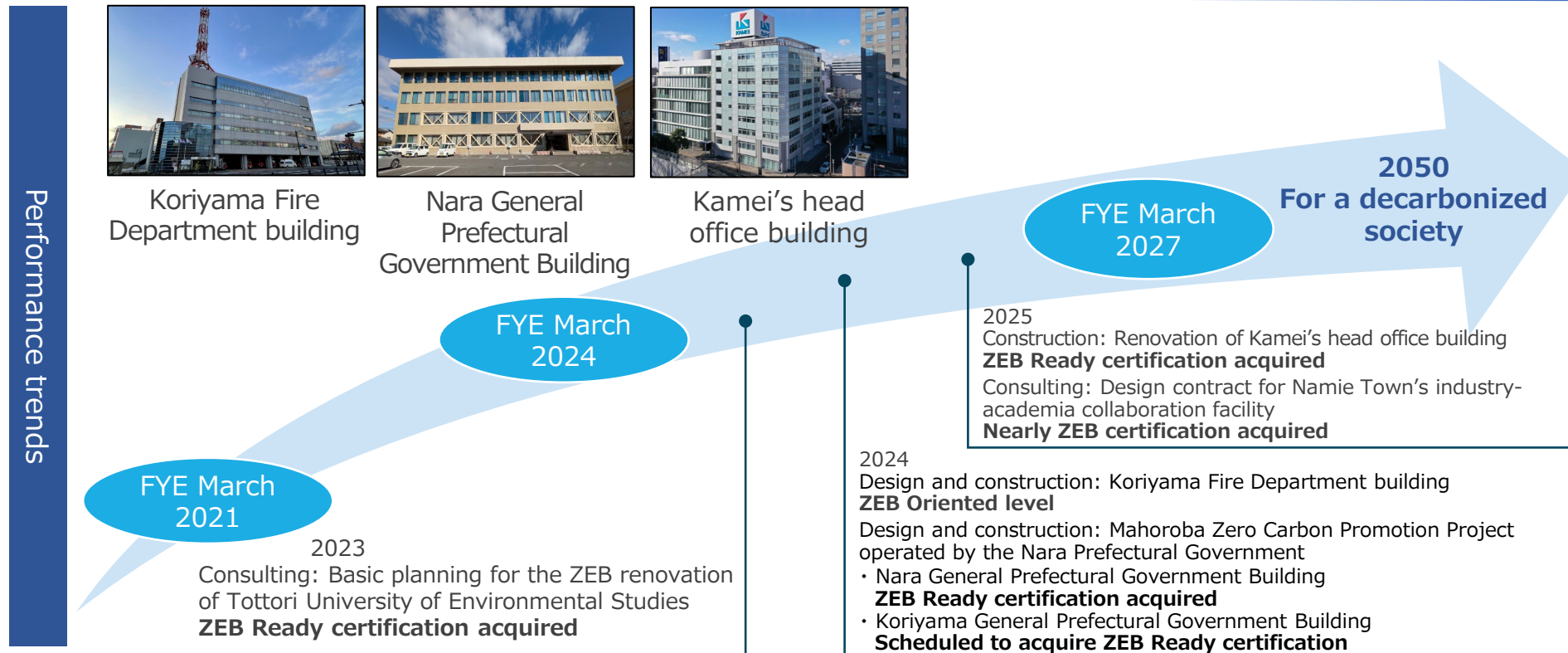
- AI analysis of construction details and site conditions
- Productivity improvement while maintaining both safety and efficiency

From siloed digital improvements to construction process optimization

# Review of the Eighth Medium-term Management Plan (Expanding Business Areas)

- Established and expanded local government ZEBs in the ZEB business by developing an integrated consulting-to-construction framework and building closer relationships with partners

Business development	7th MTMP	8th MTMP	9th MTMP and beyond
	<b>Conduct analyses by a dedicated organization and establish methods</b> <ul style="list-style-type: none"> <li>- Accumulate ZEB renovation methods</li> <li>- Establish optimal ZEB design methods</li> </ul>	<b>Establish and expand local government ZEBs</b> <ul style="list-style-type: none"> <li>- Strengthen structures at individual bases</li> <li>- Strengthen actions for local government ZEBs</li> <li>- Build closer relationships with alliance partners</li> </ul>	<b>Establish a firm position as a ZEB planner</b> <ul style="list-style-type: none"> <li>- Establish and expand private sector ZEB projects</li> <li>- Enrich ZEB options</li> </ul>



# Review of the Eighth Medium-term Management Plan (Expanding Business Areas)

- Strengthened our business foundation in the data center field through verification, co-creation, and outreach activities at the Data Center Trial Field (DCTF).

## Data Center Trial Field

- Opened a base with NTT Data to verify and co-create next-generation cooling technologies for DCs (November 2024)
- Hosted approximately [1,026 representatives from 226 companies](#) across DC-related areas, with site tours [generating greater interest in and recognition of liquid cooling technology](#)
- Expanded participation from [seven to eleven companies](#), accelerating joint efforts to deploy next-generation cooling solutions in DCs



Verifying immersion cooling



Site tour at DCTF

## Outreach on DC cooling technologies

[Joint presentation with NTT Data]

- Disseminated information on cooling technologies for hyperscale DCs
- Confirmed [growing industry interest in DCTF](#), reflected in numerous detailed questions about implementing liquid-cooled DC systems



Presentation at the Conference on Building Mechanical and Electrical Engineering (November 7, 2025)

[Seminar held at Data Center Japan 2026\*1]

- Presented our globally compatible verification facility and conducted a seminar on the latest DC liquid cooling technologies
- Exhibited at an on-site booth, drawing [strong interest in next-generation DC technologies](#)



Exhibition booth

\*1 Held on March 24–25, 2026



# Review of the Eighth Medium-term Management Plan (Strengthening Management Foundation/ESG Management)

- Reinforced recruitment initiatives and advanced workstyle reforms, positioning securing and retaining human resources essential to business growth as a material issue

## Diverse work styles and active participation of human resources

[Ratio of women to new graduate hires]

7th MTMP 22.0%  8th MTMP 31.3%


+9.3 percentage points vs. 7th MTMP

[Ratio of female managers]

7th MTMP 5.4%  8th MTMP 7.1%

+1.7 percentage points vs. 7th MTMP

[Ratio of male employees taking childcare leave]

7th MTMP 65.1%  8th MTMP 100%

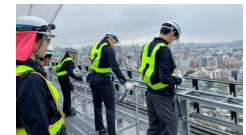
+34.9 percentage points vs. 7th MTMP

## Enhancement of recruitment

- Expanded and revamped recruitment content to [better communicate our distinctive strengths and improve market recognition](#)
- Strengthened and expanded recruitment events to [increase student touchpoints](#)



New recruitment video



Internship in action

## Women's participation

- Held dialogue sessions for young women in technical roles to [encourage the next-generation of women to take on challenges and develop new ways of working](#)
- Implemented flexible work arrangements and support systems to [enable diverse work styles](#)
- Acquired [three-star Eruboshi certification](#) (Hibiya Engineering in 2023; Nikkey in 2024)



Dialogue session



Working on-site



# Review of the Eighth Medium-term Management Plan (Strengthening Management Foundation/ESG Management)



- Implemented management improvements based on comments from major stakeholders
- Strengthened governance effectiveness to enhance the management foundation supporting business growth

## Communication with stakeholders

### [Shareholders]

- Conducted shareholder surveys since 2020 to [use the results in information disclosure and IR activities](#)

### [Customers]

- Conducted ISO 9001-based customer satisfaction surveys since 2001, using the results to [improve sales activities and construction quality](#)

### [Partner companies]

- Conducted surveys of partner companies—important collaborators—since FYE March 2024 to drive [improvement initiatives](#)

### [Employees]

- Conducted surveys of all Group employees since FYE March 2023 to [use the findings to improve employee engagement and carry out reforms to increase job satisfaction](#)

## Governance strengthening

### [Establishment of Risk Management Committee]

- [Identified and managed](#) corporate business risks [across the organization](#), supported by regular monitoring

### [Formulation of human rights policy]

- Formulated a human rights policy and initiated human rights due diligence. [Identified and assessed human rights risks](#) through surveys of employees and partner companies, promoting [corrective actions and improvements](#)

### [Enhancement of Board effectiveness]

- Provided outside Directors and Audit & Supervisory Board Members with opportunities to observe on-site operations, supporting [improvements in the quality of the Board's decision-making and its effectiveness](#)



# Review of the Eighth Medium-term Management Plan (Strengthening Management Foundation/ESG Management)



- Secured capital efficiency that exceeds the cost of capital (cost of equity)

## Improve ROE

- Implement the Eighth Medium-term Management Plan steadily to consistently increase ROE

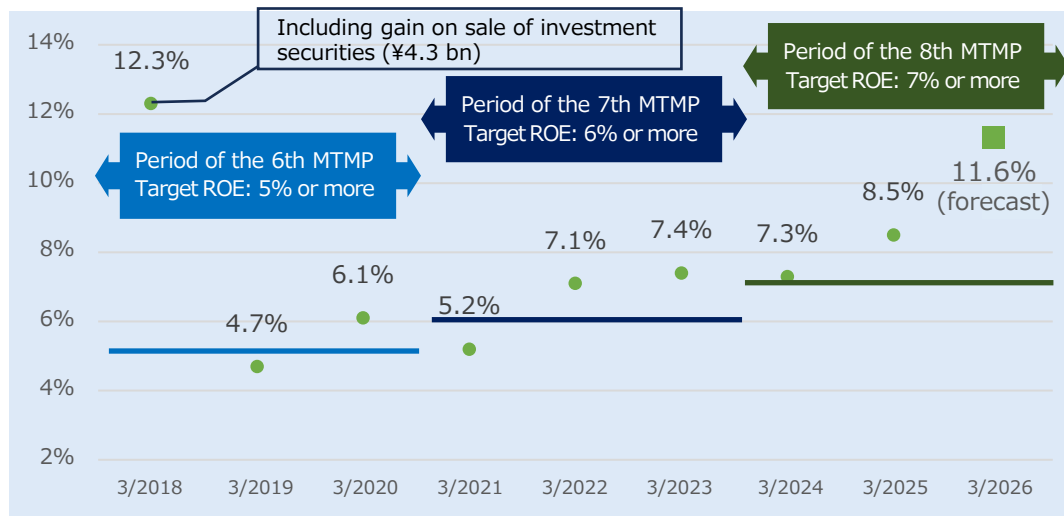
## Effectively utilize capital

- Invest in growth and formed alliances (Return exceeding cost of capital)
- Invest in human capital, technologies and DX
- Acquire treasury shares in a timely and flexible manner (improve capital efficiency)

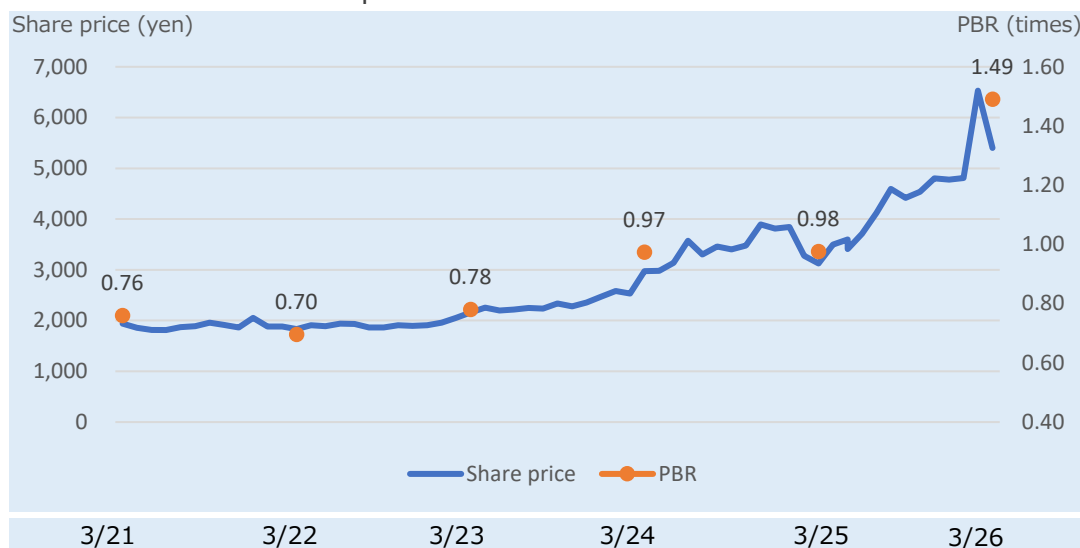
## Strengthen IR activities

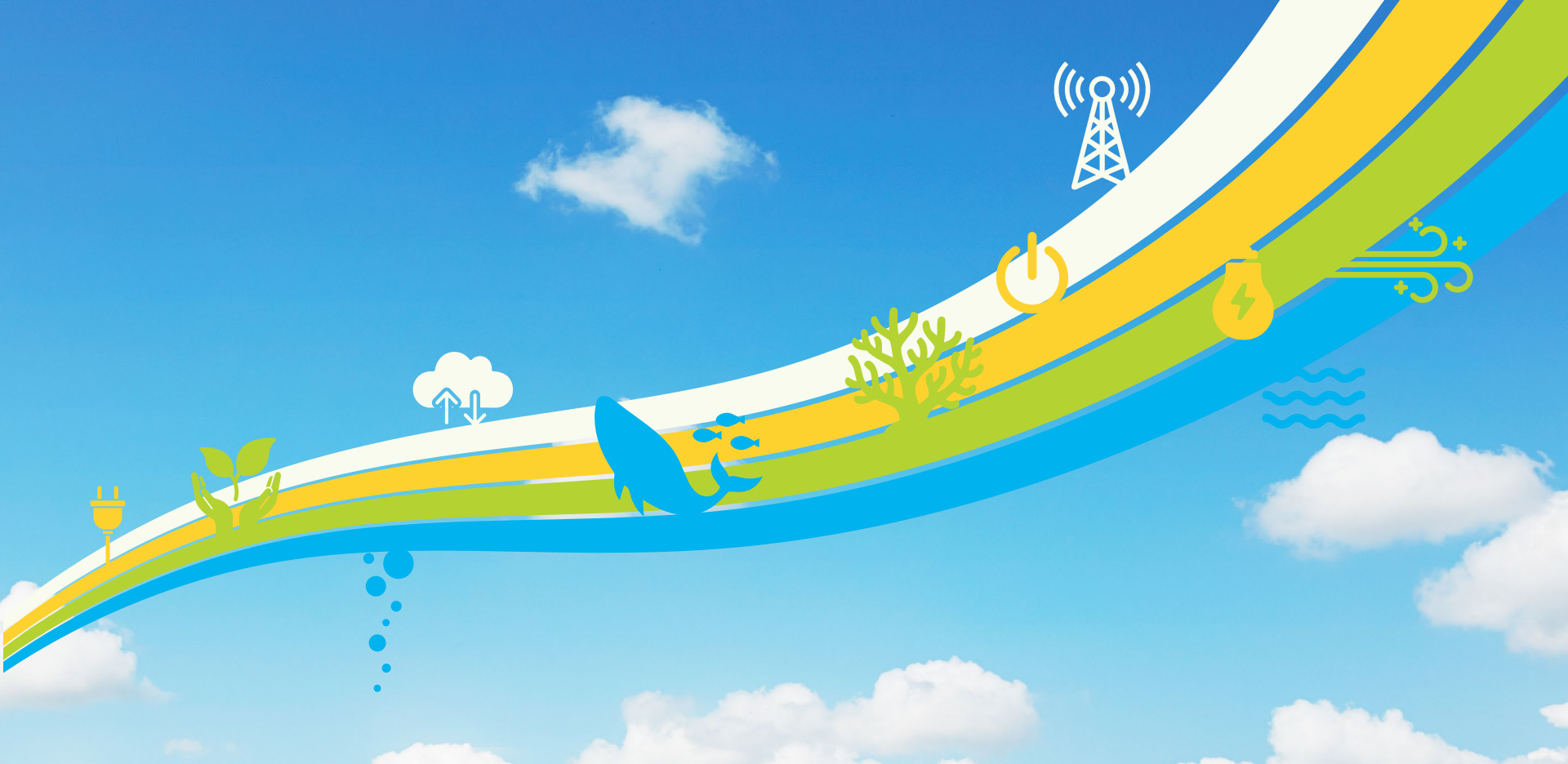
- Improve information disclosure
- Enhance dialogue with institutional investors

Recent trend in ROE



Recent trends in share price and PBR





**Hibiya Engineering, Ltd.**

(Stock code: 1982)

## **Ninth Medium-term Management Plan**

**May 13, 2026**

## 1. Corporate Philosophy

(1) Corporate Philosophy	p. 4
(2) Purpose	p. 5
(3) Value	p. 6

## 2. Ninth Medium-term Management Plan (FY2026-FY2028)

(1) Financial Targets	p. 8
(2) Priority Issues Reflecting the Current Business Environment	p. 9
(3) Management Vision	p. 10
(4) Overview of the Ninth Medium-term Management Plan	p. 11
(5) Basic Strategies of the Ninth Medium-term Management Plan	p. 12
(6) Business Growth Strategy: Marketing Strategy	p. 13
: Alliance Strategy	p. 14
: Smart Operation Strategy	p. 15
(7) Management Foundation Strategy: Human Resources Strategy	p. 16
: Data-driven Management Strategy	p. 17
: Financial Capital Strategy	p. 18
(8) Forecast for FY3/2027	p. 19
(9) Shareholder returns for FY3/2027	p. 20

# 1. Corporate Philosophy

# (1) Corporate Philosophy

Ahead of the 60th anniversary of its foundation in July 2026, the Hibiya Group has reflected on its history and established a new Corporate Philosophy aimed at achieving sustainable growth into the future.

## Corporate Philosophy

### PURPOSE

The reason we exist

Together, for "Uruoi※" in the society beyond today

### VALUE

Our values and guiding principles

#### Challenge and co-creation

We embrace change, take on challenges, and create new value together with our colleagues and customers.



#### Integrity and responsibility

We act with integrity and fulfill our responsibilities to all stakeholders.



#### Inheritance and evolution

We value the technologies and pride we have built over the years and carry them into the next era as we continue to grow.



※ "Uruoi" is a Japanese concept describing a holistic enrichment of life – encompassing comfort, security, and emotional well-being – beyond material abundance.

## (2) Purpose

Our purpose, which embodies the values that our group has inherited since its founding and the intention for the future that we want to connect to the next era, is the universal reason for our group's existence

### PURPOSE

The reason we exist

Together, for "Uruoi" in the society beyond today

We have responded to each change with integrity and, together with our colleagues,  
helped build a safe and secure society.

That steady accumulation of effort is the very reason we exist.

Going forward, we will carry "Uruoi" into the future in many forms—enrichment that  
spreads comfortable spaces and brings richer, more fulfilling lives.

As the future continues to evolve, we will keep walking forward  
together with our customers and partners.

### (3) Value

## Our values and guiding principles to realize our purpose

### VALUE

Our values and guiding principles

#### Challenge and co-creation

We embrace change, take on challenges, and create new value together with our colleagues and customers.



#### Integrity and responsibility

We act with integrity and fulfill our responsibilities to all stakeholders.



#### Inheritance and evolution

We value the technologies and pride we have built over the years and carry them into the next era as we continue to grow.



Our Values are built on three pillars: Challenge and co-creation, which drive us to take on the future together; Integrity and responsibility, which form the foundation of trusted behavior; and Inheritance and evolution, which connect value from the past to the future through continued growth. Together, these three Values complement one another and serve as guiding principles that enable us to keep walking alongside society, even in times of change.

Challenge and co-creation generate new value. Integrity and responsibility give that value trust and credibility. Inheritance and evolution carry it forward into the future in a sustainable way.

These three Values are the starting point for our actions in realizing our Purpose: "Walking together for the enrichment of society."



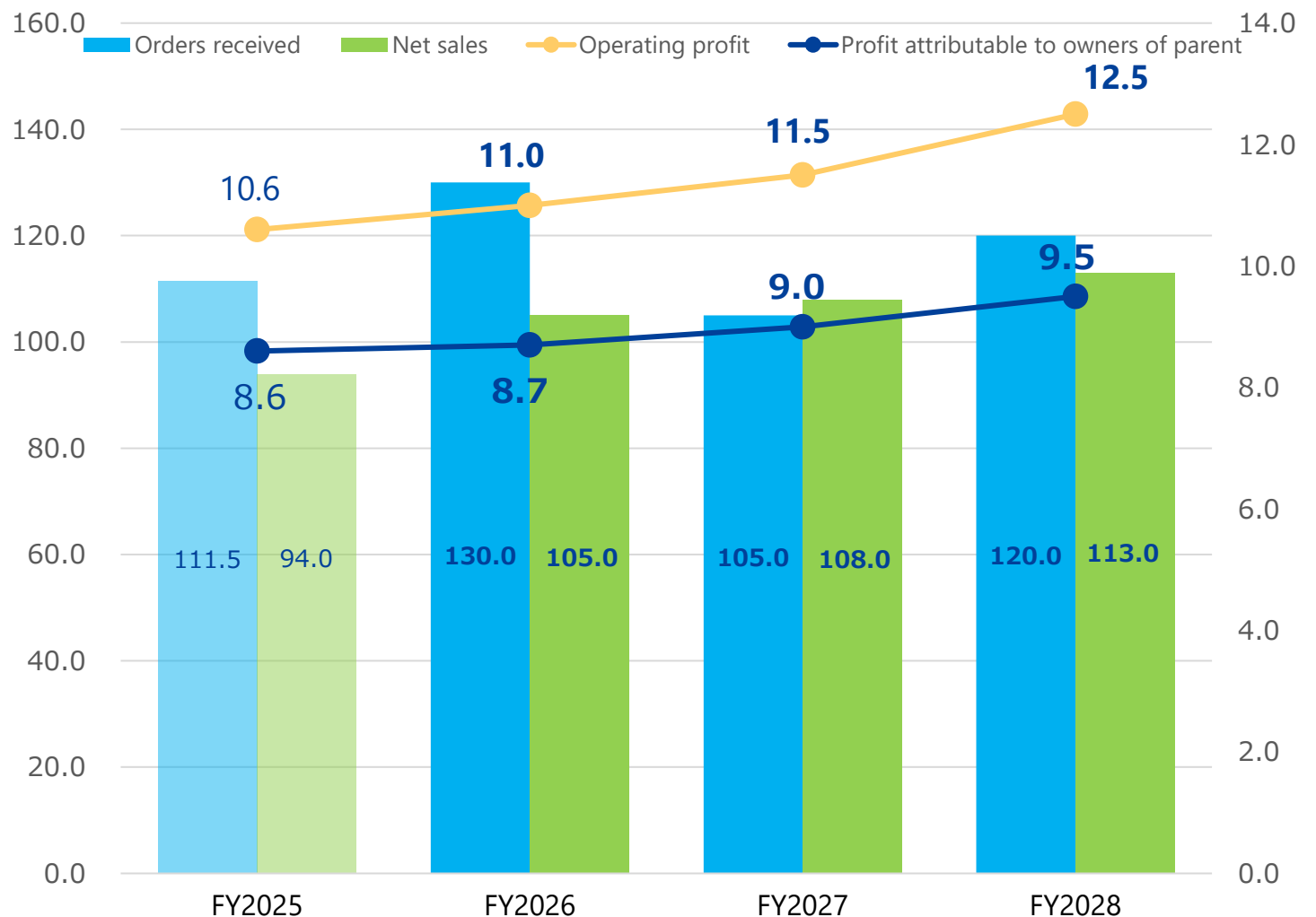
## **2. Ninth Medium-term Management Plan FY2026-FY2028**

# (1) Financial Targets

8th Medium-term  
Management Plan  
final fiscal year

9th Medium-term Management Plan

(Billion yen)



Final fiscal year  
(FY2028)

Orders received

¥120.0 bn

Net sales

¥113.0 bn

Operating  
profit

¥12.5 bn

Profit attributable to  
owners of parent

¥9.5 bn

ROE

In the 12%  
range

## (2) Priority Issues Reflecting the Current Business Environment

To achieve future business growth and enhance our corporate value, we have accurately recognized rapid changes in the business environment and strategically incorporated them into the Ninth Medium-term Management Plan.

### Current business environment

#### Construction industry

- Expanding market scale and increasing capital investment
- Shortage of construction resources and workforce, and aging workers
- Promotion of technology innovation, DX, and data utilization
- Regional dispersion and disaster preparedness
- Promotion of ESG/sustainability-driven management

#### Social trends

- Acceleration of decarbonization and environmental actions
- Shrinking population, regional revitalization, decentralization
- Technology innovation and digitalization
- Stricter corporate ethics and governance
- Diversification and changing values

### Priority issues to be addressed

- Identification of priority areas to leverage regional characteristics
- Capability-oriented business area expansion
- Higher productivity based on DX/generative AI
- Acquisition and development of human resources as a source of growth
- Operational efficiency and optimization through data visualization
- Profitability improvement with awareness of capital costs, shareholder returns and growth investment

### (3) Management Vision

We have established a Management Vision that defines the goal and directions we pursue under the Corporate Philosophy over the medium to long term and that serves as guidelines for the fulfillment of the Ninth Medium-term Management Plan.

## Management Vision

### **“Deeper, Greater, and Beyond”**

We deepen our business foundation by honing technologies that enhance the life-cycle value of buildings, based on our technologies supporting safe and secure lives and our sincere attitude.

Leveraging the honed capabilities, we will contribute to the evolving digital society and create new value with our customers and partners to expand our business areas.

We also transform ourselves repeatedly to make ourselves ready to play a key role in shaping the future of facilities. To build a growth foundation that enhances environmental and social value, we persistently work toward what is beyond.

## (4) Overview of the Ninth Medium-term Management Plan

In light of the current business environment, we have formulated the Ninth Medium-term Management Plan to achieve financial targets and basic strategies to be focused for the next three years for the realization of the Management Vision under the Corporate Philosophy.



### Financial targets for the final year of the 9th Medium-term Management Plan

**Orders received**  
¥120.0 bn

**Ordinary profit**  
¥13.2 bn

**Net sales**  
¥113.0 bn

**Profit** attributable to  
owners of parent  
¥9.5 bn

**Operating profit**  
¥12.5 bn

**ROE**  
In the 12% range

### Basic strategies of the 9th Medium-term Management Plan

#### Business growth strategy

Marketing strategy

Alliance strategy

Smart operation strategy

#### Management foundation strategy

Human resources strategy

Data-driven management strategy

Financial capital strategy

## (5) Basic Strategies of the Ninth Medium-term Management Plan

The Ninth Medium-term Management Plan sets two basic strategies: business growth strategy, which aims for sustainable growth; and management foundation strategy, which forms for the foundation of growth.

### Basic strategies of the 9th Medium-term Management Plan

#### Business growth strategy

Marketing strategy  
Alliance strategy  
Smart operation strategy

- Further deepen the renovation business mainly through stock-based solutions and expand business to capture robust growth of the DC market
- Create new growth businesses and establish business models by leveraging the technology and knowledge base built through existing businesses
- Pursue both enhancing construction productivity and profit growth by advancement of construction operations

#### Management foundation strategy

Human resources strategy  
Data-driven management strategy  
Financial capital strategy

- Enhance the human resource foundation through strategic human capital investment
- Enhance decision-making by promoting data-driven management
- Increase capital efficiency, growth investments and shareholder returns through balance sheet management
- Strengthen corporate governance to increase in corporate value

## (6) Business Growth Strategy: Marketing Strategy

Achieve sustainable growth and enhance profitability by concentrating business resources on areas of competitive advantage and markets with high growth potential

### Deepening of the renovation business




- Create value based on life cycle data on customers' buildings
- Focus on value-added renovations centered on Re-ZEB
- Enable business continuity through unique construction methods that keep the building functions available

### Responsiveness to the growing DC market



- Enhance construction and proposal capabilities based on demonstrations/verifications at DCTF
- Ensure optimal DC construction capabilities to offer air conditioning, plumbing and sanitation, and electrical work in an integrated manner
- Provide cutting-edge technologies to support global-class DC performance

### Selection and concentration of business segments according to regional characteristics



- Select priority segments in light of regional characteristics and market environment
- Enhance proposal capabilities to increase the likelihood of receiving orders in priority segments
- Strengthen and expand the order intake foundation for electrical construction work



## (6) Business Growth Strategy: Alliance Strategy

Accelerate operations in growth areas by expanding business areas through capability-oriented collaboration with external partners

### **Enhanced partnership with the NTT Group**

- Provide value in line with the NTT Group's growth strategy
- Roll out solutions in line with the NTT Group's environmental targets
- Further strengthen ties as a value creation partner

### **Capability-oriented business area expansion**

- Roll out solutions that capitalize on our strengths
- Expand business areas by enhancing the value chain
- Create high value-added businesses through R&D etc.

### **Establishment of business models based on alliance**

- Build alliance-based business models
- Develop business models for continuous revenue generation
- Maximize Group-wide synergies capitalizing on each Group company's strengths

## (6) Business Growth Strategy: Smart Operation Strategy

Pursue both business scale expansion and sustainable profit growth by enhancing construction productivity based on BIM, DX and AI and optimizing construction operations, including human resources and partner companies

### Enhanced construction productivity for higher on-site capabilities



- Modernize construction processes based on BIM, DX and AI
- Improve construction quality/efficiency through constant front-loading
- Improve productivity by introducing off-site construction and eco-logistics

### Optimized construction operations, including human resources



- Optimize resource management according to area-specific strategy
- Improve productivity by seamlessly integrating construction-support and back-office operations
- Develop systems to reduce on-site workload

### Coexistence and mutual prosperity with partner companies



- Enhance safety, quality and construction capabilities in cooperation with partner companies
- Enhance on-site capabilities by providing partner companies with training support
- Improve operational efficiency and work environment together with partner companies

## (7) Management Foundation Strategy: Human Resources Strategy

Ensure the implementation of the business growth strategy and achieve sustainable growth by acquiring and developing human resources as a source of growth and creating an organization where they can provide their greatest value

### **Acquisition of human resources for future challenges and business growth**

- Expand recruitment channels and strengthen information dissemination
- Modernize recruitment by combining digital and physical measures
- Strategically hire professionals with readily available skills and relevant expertise for business growth

### **Business-oriented human resource development and improved career development**

- Visualize career paths for diverse talent and advance career development
- Provide career support programs to foster self-directed growth and let employees operate at their full capacity
- Pass skills and know-how to next generations and strategically develop future leaders

### **Sophisticated organizations and systems that offer higher job satisfaction**

- Enhance personnel systems to improve employee engagement
- Make the work environment more wellness-oriented to promote employees' mental and physical health
- Establish a motivating appraisal system based on the role and performance

## (7) Management Foundation Strategy: Data-driven Management Strategy

Enhance the capacity to implement the business growth strategy by building a management foundation that ensures integration of data-driven decision-making into management and business operations

### **Promotion of data-driven management**

- More effectively use data to enhance the speed and quality of business decision-making
- Modernize the way of information sharing between management and the frontline
- Improve the way data-driven decision-making processes are implemented

### **Higher productivity and profitability through visualization of on-site/operational processes**

- Visualize the revenue-generating structure by segment at such as project/customer level
- Evaluate workload and productivity based on construction/operational data
- Enhance operational improvement/reproducibility based on past performance data

### **Development of talent proficient in the use of data and AI and a platform to effectively use them**

- Strategically develop talent capable of leveraging data and AI
- Promote the adoption of AI-driven operations and further enhance them
- Establish a common platform and operational rules to support data and AI utilization

## (7) Management Foundation Strategy: Financial Capital Strategy

Maximize corporate value by pursuing both growth initiatives for securing future profit and appropriate and flexible shareholder returns, thereby increasing ROE and improving capital efficiency

### Financial capital strategy

#### Capital efficiency

- Seek to enhance corporate value by aiming for an ROE in the 12% range
- Reduce cross-shareholdings as early as possible

#### Growth investment

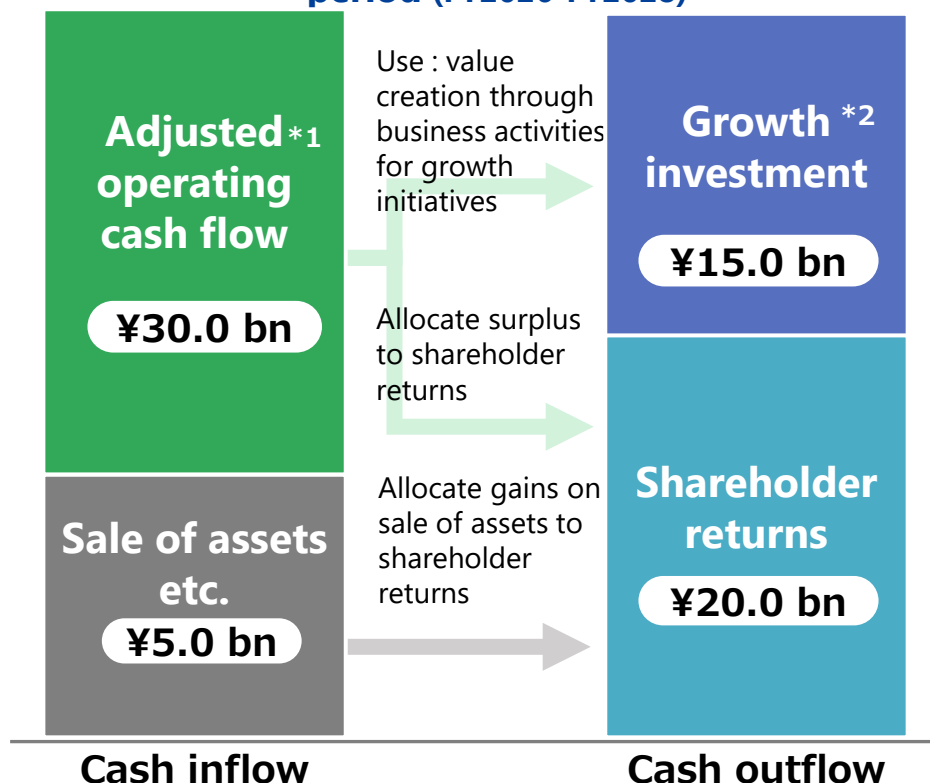
- Strategically make human capital investment
  - Enhance talent recruitment/development and employee engagement
  - Build a brand that enhances the corporate image
- Enhance growth areas and technology foundation through innovation investment
  - Expand DCTF and Technical Research Center
  - Promote new businesses through alliance etc.
- Improve productivity/profitability through digital reform investment
  - Promote data-driven management
  - Transform construction processes

#### Shareholder returns

- Pay dividends generally at a payout ratio of 50%
- Stably and consistently pay dividends in line with sustained profit growth
- Flexibly conduct share buybacks to enhance capital efficiency

### Capital allocation

#### Total during 9th Medium-term Management Plan period (FY2026-FY2028)



\*1: Value creation through business activities = Profit attributable to owners of parent + Human capital investment and other measures costs + Depreciation – Gains on sale of cross-shareholdings and other assets

\*2: Including increase in working capital due to the receipt of large-scale projects

## (8) Forecast for FY3/2027

(Unit: ¥100 million)

	8th Medium-term Management Plan		9th Medium-term Management Plan
	FY3/2026		FY3/2027
	Forecast at announcement of the Plan	Results	Full year forecast
<b>Orders received</b>	91.0	<b>111.5</b>	<b>130.0</b>
<b>Net sales</b>	90.5	<b>94.0</b>	<b>105.0</b>
<b>Gross profit</b>	15.8	<b>21.0</b>	<b>23.1</b>
<b>Gross profit margin</b>	17.5%	<b>22.4%</b>	<b>22.0%</b>
<b>Operating profit</b>	6.5	<b>10.6</b>	<b>11.0</b>
<b>Profit attributable to owners of parent</b>	4.8	<b>8.6</b>	<b>8.7</b>

## (9) Shareholder returns for FY3/2027

### Dividends

- The Company plans to pay both interim and year-end dividends of **¥50 per share**. Combined with the **commemorative dividend of ¥10**, the annual dividend is expected to **total ¥110 per share**. This reflects the prospect for securing profits at a level equal to or higher than the previous fiscal year and the upcoming 60th anniversary of the Company's foundation, among other factors.

	Results for FY3/2026	Planned for FY3/2027
Interim	¥25*1	¥50
Yea-end	¥50	¥50
Commemorative	-	¥10*2
<b>Total</b>	<b>¥75*1</b>	<b>¥110</b>

\*1: An interim dividend of ¥50 per share was paid before the stock split. On a post-stock-split basis, this corresponds to ¥25 per share.

\*2: The commemorative dividend is scheduled to be paid as ¥5 per share for the interim dividend and ¥5 per share for the year-end dividend.

### Share buyback

- Our policy is to flexibly conduct share buybacks to enhance capital efficiency.
- The upper limit for share buybacks will be higher than before for purposes of enhancing capital efficiency and aligning with initiatives to reduce cross-shareholdings.

	Results for FY3/2026	Planned for FY3/2027
Number of shares acquired	1,082,800 shares*3	2,100,000 shares
Buyback amount	¥2.09 bn	¥8.40 bn

\*3: The number of shares on a post-stock-split basis is presented.



