

Ninth Medium-term Management Plan

FY2026-FY2028



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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.

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.

□20

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

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いただいた経営理念のスライド最終版が「その先の社会のうるおいを、ともに歩む」

前頁までは

Together, for "Uruoi" in the society beyond today

と訳されていますが、本頁では

"Walking together for the enrichment of society"

と引用符付きで書かれています。

意図的に別の表現を使われているかもしれませんのでそのままとしましたが、念のためご確認の上、必要でしたら修正をお願いいたします。

□グミー作成者, 2026/05/09

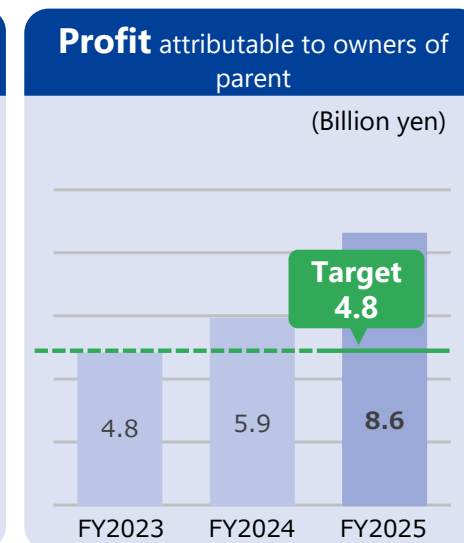
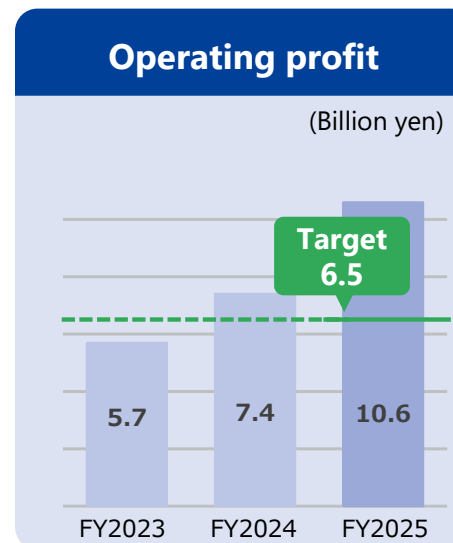
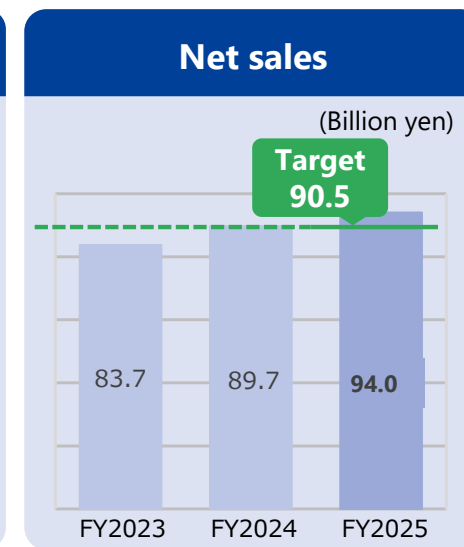
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2. Ninth Medium-term Management Plan FY2026-FY2028

(1) 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

(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

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.



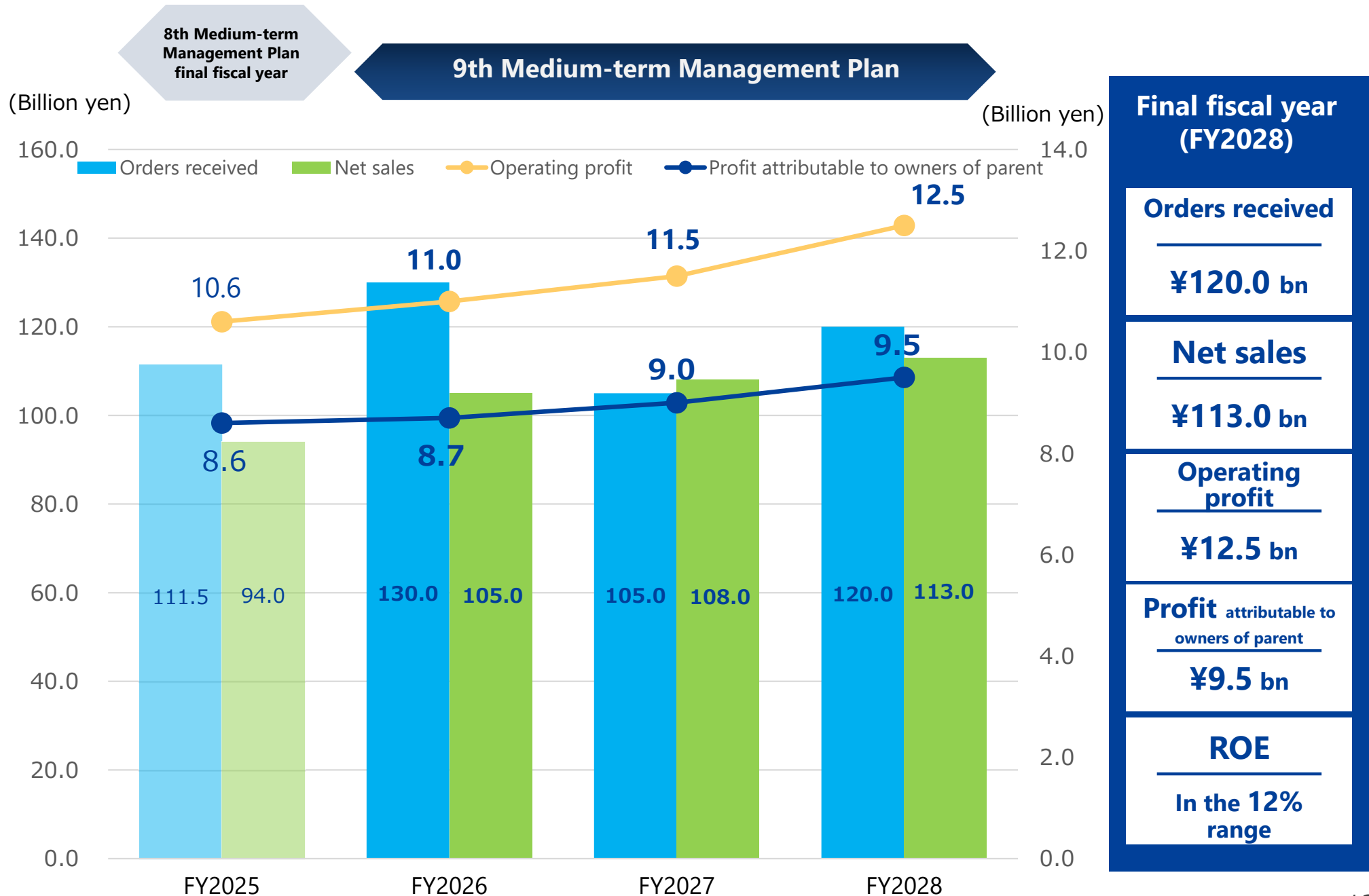
Financial targets for the final year of the 9th Medium-term Management Plan

Orders received ¥120.0 bn	Net sales ¥113.0 bn	Operating profit ¥12.5 bn
Ordinary profit ¥13.2 bn	Profit attributable to owners of parent ¥9.5 bn	ROE In the 12% range

Basic strategies of the 9th Medium-term Management Plan



(1) Financial Targets



(6) 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

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

(7) 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

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

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

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

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

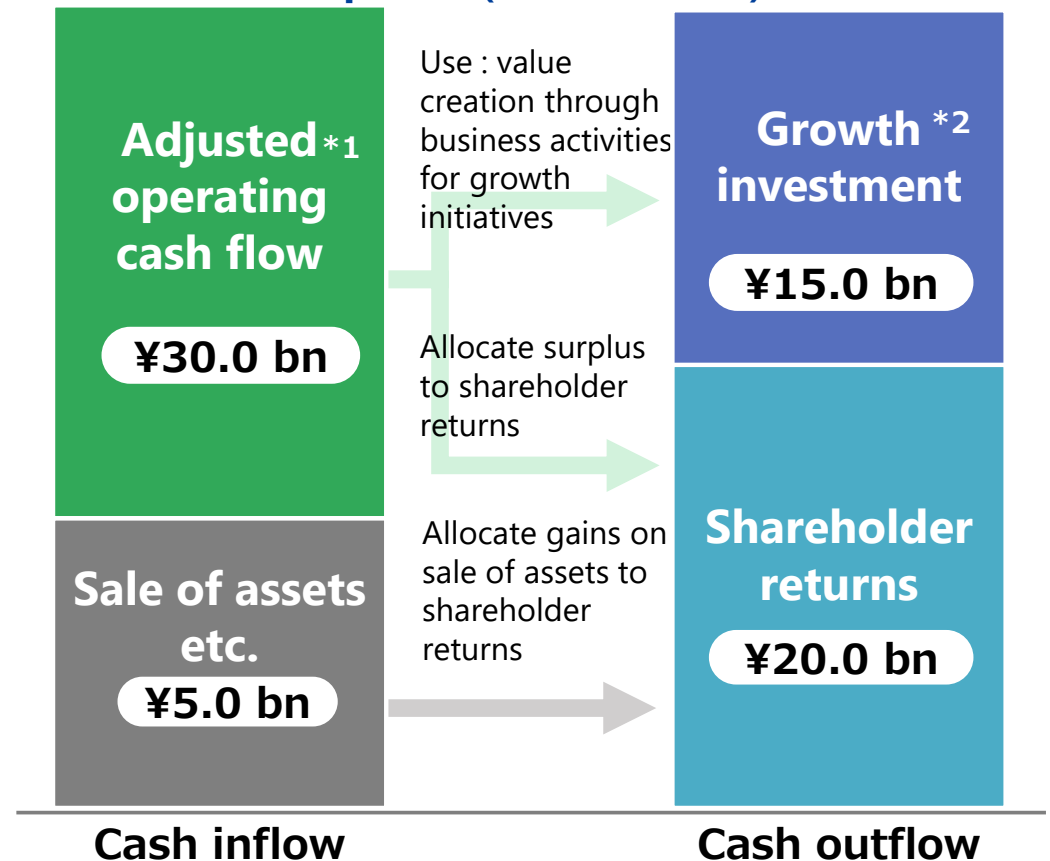
- Strategically make human capital investment
 - Enhance talent recruitment/development and employee engagement
 - Build a brand that enhances the corporate image
- Enhance growth areas and technology foundation through innovation investment
 - Expand DCTF and Technical Research Center
 - Promote new 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

