

## Summary of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2025 [Japan 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

Contact: Akira Domon, Executive Officer, Manager of IR and PR Office, Administration Division

Tel: 03-3454-2720

Date of commencement of dividend payment: –

Supplementary explanatory documents: Yes

Earnings presentation: No

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

### 1. Financial results for the first quarter of the fiscal year ending March 2025 (April 1, 2024 – June 30, 2024)

(1) Result of operations (Consolidated, year-to-date)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
First quarter ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 2025	17,543	8.5	973	139.6	1,229	54.4	828	53.2
June 2024	16,165	29.6	406	–	796	357.9	540	399.2

Note: Comprehensive income: First quarter of FY3/25: -231 million yen [–%], First quarter of FY3/24: 2,051 million yen [860.7%]

	Earnings per share		Earnings per share fully diluted	
First quarter ended	Yen		Yen	
June 2025	36.80		36.65	
June 2024	23.64		23.54	

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
June 30, 2025	88,493	68,796	76.4	2,999.98
March 31, 2024	98,226	69,914	70.0	3,056.74

Reference: Shareholders' equity: As of June 30, 2025: 67,637 million yen, As of March 31, 2024: 68,771 million yen

### 2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
FY3/24	–	43.00	–	43.00	86.00
FY3/25	–				
FY3/25 (Estimate)		44.00	–	44.00	88.00

Note: Change in the estimation of dividend from the latest announcement: No

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

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	91,000	8.6	5,900	2.8	6,600	2.4	4,600	(4.2)	204.46

Note: Change in the forecast from the latest announcement: No

**\* Notes**

- (1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): No
- (2) Use of accounting methods specifically for the preparation of the quarterly consolidated financial statements: No
- (3) Changes in accounting principles and estimates, and retrospective restatement
- (a) Changes due to revision of accounting standards: Yes
  - (b) Changes other than in (a): No
  - (c) Changes in accounting estimates: No
  - (d) Retrospective restatement: No
- (4) Number of shares outstanding (common stock)
- (a) Shares outstanding (including treasury shares)

As of June 30, 2025:	23,756,321	As of March 31, 2024:	23,756,321
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  - (b) Treasury shares

As of June 30, 2025:	1,210,520	As of March 31, 2024:	1,258,110
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  - (c) Average number of shares (quarterly consolidated cumulative period)

Period ended June 30, 2025:	22,506,077	Period ended June 30, 2024:	22,868,340
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**This report is exempt from the audit review by certified public accountant or audit firm.**

**Forward-looking statements, important notes, etc.**

The forward-looking statements such as the forecasts of financial results stated in this report are based on the information currently available to the Company and certain assumptions that the Company judges as rational. These statements are not guarantees of future performance. Actual results may be materially different from the above forecasts for a number of reasons. For more information about these assumptions and other conditions that form the basis of these forecasts, please see page 2 of the supplementary information, "1. Results of Operations, (3) Forecast for the fiscal year ending March 2024."

## Index for Supplementary Information

1. Results of Operations .....	2
(1) Overview of quarterly consolidated business performance .....	2
(2) Overview of quarterly financial condition .....	2
(3) Forecast for the fiscal year ending March 2025 .....	2
2. Quarterly Consolidated Financial Statements and Important Notes .....	3
(1) Quarterly consolidated balance sheet .....	3
(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income .....	5
(Quarterly consolidated statement of income) .....	5
(Quarterly consolidated statement of comprehensive income) .....	6
(3) Notes to quarterly consolidated financial statements .....	7
(Notes on changes in accounting policies) .....	7
(Notes on segment information, etc.) .....	7
(Notes on significant change in shareholders' equity) .....	8
(Notes on going concern assumptions) .....	8
(Notes on quarterly consolidated statement of cash flows) .....	8

## 1. Results of Operations

### (1) Overview of quarterly consolidated business performance

During the first quarter of the consolidated fiscal year under review, the Japanese economy generally staged a gradual recovery, partly due to the effects of government policies amid improvements in the employment and income environment and in corporate earnings.

In the construction industry, government construction investment remained steady, while private-sector construction investment is expected to trend higher against the backdrop of solid corporate earnings, among other factors.

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

In addition, it sought to build an internal environment to increase employee engagement and raise wages and starting salaries, while simultaneously instituting structural reforms to promote the initiatives set out based on the basic policy of the 8th Medium-term Management Plan.

As a result of these initiatives, orders for renewal projects remained steady. However, given a decrease in orders for new large-scale construction projects, the result of a strategic approach adopted by the Company in which it assessed when construction would start and how it would be organized, overall orders decreased by 22.1% year on year, to 16,596 million yen.

Net sales rose by 8.5% year on year to 17,543 million yen, primarily attributable to steady progress in a number of construction projects, particularly new private-sector construction projects, which were carried over from the previous fiscal year.

On the profit side, gross profit and operating profit came to 2,978 million yen, up 28.2% year on year, and 973 million yen, up 139.6% year on year respectively, reflecting an improvement in profitability mainly due to enhanced profit management implemented since the receipt of orders, and cost reductions achieved chiefly through improved efficient constructions. Ordinary profit increased 54.4% year on year, to 1,229 million yen and profit attributable to owners of parent increased 53.2% year on year, to 828 million yen.

### (2) Overview of quarterly financial condition

#### Assets

The Group's total assets at the end of the first quarter of the consolidated fiscal year under review stood at 88,493 million yen, a decrease of 9,732 million yen from the end of the previous consolidated fiscal year.

The main factors for the decreased assets were decreases of 10,926 million yen in notes receivable, accounts receivable from completed construction contracts and other due to construction fees collected, and 1,568 million yen in securities and investment securities linked to a decline in the market value of listed stocks, despite an increase of 2,209 million yen in cash and deposits.

#### Liabilities

At the end of the first quarter of the consolidated fiscal year under review, the Group's total liabilities amounted to 19,697 million yen, down 8,614 million yen from the end of the previous fiscal year.

The decrease in liabilities chiefly reflected decreases of 6,008 million yen in notes payable, accounts payable for construction contracts and other due mainly to payments to suppliers and earlier payment deadlines, and 1,402 million yen in income taxes payable due to tax payments made after the filing of tax returns.

#### Net assets

The Group's total assets at the end of the first quarter of the consolidated fiscal year under review stood at 68,796 million yen, a decrease of 1,118 million yen from the end of the previous consolidated fiscal year.

The decrease in net assets largely reflected decreases of 973 million yen due to dividend payments, and 1,118 million yen in the valuation difference on available-for-sale securities due to a decline in the market value of listed stocks, despite the posting of profit attributable to owners of parent of 828 million yen.

### (3) Forecast for the fiscal year ending March 2025

There is no change in the forecast for consolidated results of operations that was announced on May 14, 2024.

## 2. Quarterly Consolidated Financial Statements and Important Notes

### (1) Quarterly consolidated balance sheet

(Million yen)

	Fiscal year ended March 2024 (As of March 31, 2024)	First quarter ended June 2024 (As of June 30, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	23,956	26,166
Notes receivable, accounts receivable from completed construction contracts and other	37,267	26,341
Securities	7,999	7,997
Costs on construction contracts in progress	1,525	1,821
Other	357	559
Allowance for doubtful accounts	(1)	(1)
Total current assets	71,105	62,884
Noncurrent assets		
Property, plant and equipment	814	815
Intangible assets	259	259
Investments and other assets		
Investment securities	20,917	19,350
Other	5,186	5,237
Allowance for doubtful accounts	(58)	(54)
Total investments and other assets	26,045	24,534
Total noncurrent assets	27,120	25,609
Total assets	98,226	88,493

(Million yen)

	Fiscal year ended March 2024 (As of March 31, 2024)	First quarter ended June 2024 (As of June 30, 2024)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	16,269	10,261
Income taxes payable	1,466	63
Advances received on construction contracts in progress	1,401	1,771
Provision for bonuses	2,878	401
Provision for warranties for completed construction	147	180
Provision for loss on construction contracts	280	214
Other	3,190	4,200
Total current liabilities	25,634	17,092
Noncurrent liabilities		
Retirement benefit liability	960	938
Other	1,716	1,666
Total noncurrent liabilities	2,677	2,604
Total liabilities	28,311	19,697
Net assets		
Shareholders' equity		
Share capital	5,753	5,753
Capital surplus	6,140	6,140
Retained earnings	51,516	51,367
Treasury shares	(2,614)	(2,511)
Total shareholders' equity	60,795	60,749
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,350	7,231
Remeasurements of defined benefit plans	(374)	(343)
Total accumulated other comprehensive income	7,975	6,887
Share acquisition rights	146	134
Non-controlling interests	996	1,024
Total net assets	69,914	68,796
Total liabilities and net assets	98,226	88,493

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income  
(Quarterly consolidated statement of income)  
(For the first quarter)

(Million yen)

	First quarter ended June 2023 (April 1, 2023 – June 30, 2023)	First quarter ended June 2024 (April 1, 2024 – June 30, 2024)
Net sales	16,165	17,543
Cost of sales	13,843	14,565
Gross profit	2,322	2,978
Selling, general and administrative expenses	1,916	2,004
Operating profit	406	973
Non-operating income		
Interest income	9	4
Dividend income	191	199
Gain on investments in silent partnerships	173	34
Insurance income	1	–
Other	15	18
Total non-operating income	391	257
Non-operating expenses		
Interest expenses	0	–
Other	2	1
Total non-operating expenses	2	1
Ordinary profit	796	1,229
Profit before income taxes	796	1,229
Income taxes - current	11	10
Income taxes - deferred	243	383
Total income taxes	254	393
Profit	541	835
Profit attributable to non-controlling interests	1	7
Profit attributable to owners of parent	540	828

(Quarterly consolidated statement of comprehensive income)  
(For the first quarter)

(Million yen)

	First quarter ended June 2023 (April 1, 2023 – June 30, 2023)	First quarter ended June 2024 (April 1, 2024 – June 30, 2024)
Profit	541	835
Other comprehensive income		
Valuation difference on available-for-sale securities	1,486	(1,097)
Remeasurements of defined benefit plans, net of tax	23	30
Total other comprehensive income	1,509	(1,067)
Comprehensive income	2,051	(231)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,981	(260)
Comprehensive income attributable to non-controlling interests	69	28



(3) Notes to quarterly consolidated financial statements

(Notes on changes in accounting policies)

Application of Accounting Standard for Current Income Taxes, etc.

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") effective from beginning of the first quarter of the fiscal year under review.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first quarter of the fiscal year under review. This change in accounting policies is applied retrospectively, and quarterly consolidated financial statements and consolidated financial statements for the previous year are after retrospective application. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Notes on segment information, etc.)

First quarter ended June 2023 (April 1, 2023 – June 30, 2023)

Information about net sales and profit or loss by reportable segment

(Million yen)

	Construction	Equipment sales	Equipment manufacturing	Annual	Adjustments (Note 1)	Amount on the quarterly consolidated statement of income (Note 2)
Net sales						
Goods or service transferred at a point in time (Note 3)	1,419	1,336	696	3,452	–	3,452
Product or service transferred over time	12,713	–	–	12,713	–	12,713
Revenue from contracts with customers	14,133	1,336	696	16,165	–	16,165
Outside customers	14,133	1,336	696	16,165	–	16,165
Intersegment internal sales/transfers	0	675	128	804	(804)	–
Total	14,133	2,011	825	16,969	(804)	16,165
Segment profit (loss)	374	(2)	30	402	3	406

Notes 1. Adjustment of segment profit (loss) of 3 million yen is mainly due to intersegment transactions eliminations.

2. Segment profit (loss) is reconciled to operating profit in the quarterly consolidated statement of income.

3. Contracts that revenue recognized upon completion of the obligation to the customers are included in product or service transferred at a point in time in accordance with the alternative measures stipulated in paragraph 95 of guideline of the revenue recognition accounting standard.

First quarter ended June 2024 (April 1, 2024 – June 30, 2024)

Information about net sales and profit or loss by reportable segment

(Million yen)

	Construction	Equipment sales	Equipment manufacturing	Annual	Adjustments (Note 1)	Amount on the quarterly consolidated statement of income (Note 2)
Net sales						
Goods or service transferred at a point in time (Note 3)	1,538	1,593	399	3,531	–	3,531
Product or service transferred over time	14,011	–	–	14,011	–	14,011
Revenue from contracts with customers	15,550	1,593	399	17,543	–	17,543
Outside customers	15,550	1,593	399	17,543	–	17,543
Intersegment internal sales/transfers	–	866	132	999	(999)	–
Total	15,550	2,460	532	18,542	(999)	17,543
Segment profit (loss)	994	57	(82)	969	3	973

Notes 1. Adjustment of segment profit (loss) of 3 million yen is mainly due to intersegment transactions eliminations.

2. Segment profit (loss) is reconciled to operating profit in the quarterly consolidated statement of income.

3. Contracts that revenue recognized upon completion of the obligation to the customers are included in product or service transferred at a point in time in accordance with the alternative measures stipulated in paragraph 95 of guideline of the revenue recognition accounting standard.

(Notes on significant change in shareholders' equity)

No

(Notes on going concern assumptions)

No

(Notes on quarterly consolidated statement of cash flows)

The Company did not prepare quarterly consolidated statements of cash flows for the first quarter of the consolidated fiscal year under review. Depreciation (including amortization of intangible assets) for the first quarter of the consolidated fiscal year under review is as follows.

	First quarter ended June 2023 (April 1, 2023 – June 30, 2023)	First quarter ended June 2024 (April 1, 2024 – June 30, 2024)
Depreciation	46 million yen	60 million yen