



August 6, 2025

Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending 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 to commence dividend payments: –

Preparation of supplementary explanatory documents: Yes

Holding of earnings presentation: No

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

1. Consolidated financial results for the first quarter of the fiscal year ending March 2026 (April 1, 2025–June 30, 2025)

(1) Consolidated result of operations

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter ended June 30, 2025	19,081	8.8	1,622	66.8	1,904	54.9	1,356	63.8
June 30, 2024	17,543	8.5	973	139.6	1,229	54.4	828	53.2

Note: Comprehensive income: First quarter of FY3/26: 1,782 million yen [–%]

First quarter of FY3/25: -231 million yen [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First quarter ended June 30, 2025	62.09	61.81
June 30, 2024	36.80	36.65

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2025	91,294	71,241	76.8	3,223.35
March 31, 2025	99,915	71,684	70.6	3,202.02

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

As of June 30, 2025 : 70,096 million yen

As of March 31, 2025: 70,500 million yen

2. Dividends

	Annual dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	–	44.00	–	50.00	94.00
Fiscal year ending March 31, 2026	–				
Fiscal year ending March 31, 2026 (forecast)		50.00	–	50.00	100.00

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

3. Consolidated forecast for the fiscal year ending March 2026 (April 1, 2025–March 31, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	93,500	4.1	7,800	4.6	8,400	3.2	6,000	1.6	272.51

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

* Notes

- (1) Significant changes in the scope of consolidation during the period: No
- (2) Use of accounting methods specifically for the preparation of the quarterly consolidated financial statements: No
- (3) 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
- (4) Number of shares issued (common shares)
 - (a) Total number of shares issued at the end of the period (including treasury shares)

As of June 30, 2025: 23,756,321	As of March 31, 2025: 23,756,321
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 - (b) Number of treasury shares at the end of the period

As of June 30, 2025: 2,009,814	As of March 31, 2025: 1,738,774
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 - (c) Average number of shares outstanding during the period

Period ended June 30, 2025: 21,845,541	Period ended June 30, 2024: 22,506,077
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Review of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

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 etc., (3) Forecast for the fiscal year ending March 31, 2026."

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1. Results of Operations etc.

(1) Overview of quarterly consolidated business performance

During the first quarter of the fiscal year ending March 31, 2026 ("the fiscal year under review"), the Japanese economy showed gradual recovery while uncertainties surrounding U.S. trade policy remained. Going forward, it is important to continue to closely monitor the potential impact on the domestic economy of U.S. trade policy, heightened downward risks to the economy caused by continued price increases, and volatility in financial markets.

In the construction industry, both government and private-sector construction investment remained firm while at the same time responses to rising material prices and labor costs were required.

Under these circumstances, the Hibiya Engineering Group, as set forth in its 8th Medium-term Management Plan, marketed data center construction among other offerings, drove the carbon neutrality business including ZEB renovations and energy-saving solutions, sought enhancement of construction efficiency through BIM and front-loading, and also carried out work style reform.

During the subject quarter, the Group assessed the level as well as the period and system for construction projects carried over from the previous fiscal year and strategically implemented them. As a result, orders the Group received during the subject quarter amounted to 16,704 million yen (up 0.6% year on year).

Net sales were 19,081 million yen (up 8.8% year on year) due to the steady progress of the carried-over construction projects.

On the profit front, gross profit was 3,668 million yen (up 23.2% year on year), operating profit came to 1,622 million yen (up 66.8% year on year), and ordinary profit amounted to 1,904 million yen (up 54.9% year on year), all reflecting a profit margin increase resulting from greater profitability upon receiving orders and improved construction efficiency, in addition to the net sales increase. Profit attributable to owners of parent increased to 1,356 million yen (up 63.8% year on year) due in part to the sale of cross-shareholdings.

(2) Overview of quarterly financial position

Assets

The Group's total assets at the end of the first quarter of the fiscal year under review stood at 91,294 million yen, a decrease of 8,620 million yen from the end of the previous fiscal year.

The assets decreased despite a 3,757 million yen increase in cash and deposits mainly due to the decrease in notes receivable, accounts receivable from completed construction contracts and other by 14,018 million yen due to collection of construction fees.

Liabilities

At the end of the quarter of the fiscal year under review, the Group's total liabilities amounted to 20,053 million yen, down 8,177 million yen from the end of the previous fiscal year.

The decline in liabilities is primarily due to decreases of 5,613 million yen in notes payable, accounts payable for construction contracts and other, in particular due to payments to suppliers, and 2,552 million yen in income taxes payable due to tax payments made after the filing of tax returns.

Net assets

The Group's net assets totaled 71,241 million yen at the end of the quarter of the fiscal year under review, a decrease of 442 million yen from the end of the previous fiscal year.

Net assets declined primarily due to a 1,105 million yen decrease in retained earnings after payment of dividends as well as a 1,283 million yen decrease resulting from repurchase of treasury shares, which are partially offset by the posting of 1,356 million yen as profit attributable to owners of parent.

(3) Forecast for the fiscal year ending March 2026

There is no change in the forecast for consolidated results of operations that was announced on May 13, 2025.

2. Quarterly Consolidated Financial Statements and Important Notes

(1) Quarterly consolidated balance sheet

(Million yen)

	Fiscal year ended March 31, 2025 (As of March 31, 2025)	First quarter ended June 30, 2025 (As of June 30, 2025)
Assets		
Current assets		
Cash and deposits	19,781	23,539
Notes receivable, accounts receivable from completed construction contracts and other	41,560	27,541
Electronically recorded monetary claims – operating	2,494	1,752
Securities	6,992	6,989
Costs on construction contracts in progress	1,663	1,762
Other	395	2,123
Allowance for doubtful accounts	(1)	(1)
Total current assets	72,886	63,706
Noncurrent assets		
Property, plant and equipment	876	856
Intangible assets	260	298
Investments and other assets		
Investment securities	20,379	20,999
Other	5,554	5,473
Allowance for doubtful accounts	(43)	(39)
Total investments and other assets	25,891	26,432
Total noncurrent assets	27,028	27,588
Total assets	99,915	91,294

(Million yen)

	Fiscal year ended March 31, 2025 (As of March 31, 2025)	First quarter ended June 30, 2025 (As of June 30, 2025)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	15,841	10,227
Income taxes payable	2,613	61
Advances received on construction contracts in progress	433	1,101
Provision for bonuses	3,624	413
Provision for warranties for completed construction	104	100
Provision for loss on construction contracts	73	55
Other	3,846	5,567
Total current liabilities	26,536	17,527
Noncurrent liabilities		
Retirement benefit liability	416	394
Other	1,277	2,131
Total noncurrent liabilities	1,694	2,525
Total liabilities	28,230	20,053
Net assets		
Shareholders' equity		
Share capital	5,753	5,753
Capital surplus	6,140	6,140
Retained earnings	55,458	55,676
Treasury shares	(4,309)	(5,340)
Total shareholders' equity	63,041	62,229
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,354	7,756
Remeasurements of defined benefit plans	104	110
Total accumulated other comprehensive income	7,458	7,866
Share acquisition rights	177	122
Non-controlling interests	1,005	1,022
Total net assets	71,684	71,241
Total liabilities and net assets	99,915	91,294

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

(Million yen)

	First quarter ended June 30, 2024 (April 1, 2024–June 30, 2024)	First quarter ended June 30, 2025 (April 1, 2025–June 30, 2025)
Net sales	17,543	19,081
Cost of sales	14,565	15,413
Gross profit	2,978	3,668
Selling, general and administrative expenses	2,004	2,045
Operating profit	973	1,622
Non-operating income		
Interest income	4	15
Dividend income	199	218
Gain on investments in silent partnerships	34	41
Other	18	15
Total non-operating income	257	291
Non-operating expenses		
Other	1	10
Total non-operating expenses	1	10
Ordinary profit	1,229	1,904
Extraordinary income		
Gain on sale of investment securities	–	91
Total extraordinary income	–	91
Profit before income taxes	1,229	1,996
Income taxes - current	10	18
Income taxes - deferred	383	611
Total income taxes	393	629
Profit	835	1,366
Profit attributable to non-controlling interests	7	10
Profit attributable to owners of parent	828	1,356

(Quarterly consolidated statement of comprehensive income)

(Million yen)

	First quarter ended June 30, 2024 (April 1, 2024–June 30, 2024)	First quarter ended June 30, 2025 (April 1, 2025–June 30, 2025)
Profit	835	1,366
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,097)	408
Remeasurements of defined benefit plans, net of tax	30	6
Total other comprehensive income	(1,067)	415
Comprehensive income	(231)	1,782
Comprehensive income attributable to:		
Owners of parent	(260)	1,764
Non-controlling interests	28	17

(3) Notes to quarterly consolidated financial statements

(Segment information etc.)

First quarter ended June 30, 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	Total	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 *Implementation Guidance on Accounting Standard for Revenue Recognition* (ASBJ Guidance No. 30).

First quarter ended June 30, 2025 (April 1, 2025–June 30, 2025)
Information about net sales and profit or loss by reportable segment

(Million yen)

	Construction	Equipment Sales	Equipment Manufacturing	Total	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)	1,496	1,172	479	3,148	–	3,148
Product or service transferred over time	15,932	–	–	15,932	–	15,932
Revenue from contracts with customers	17,429	1,172	479	19,081	–	19,081
Outside customers	17,429	1,172	479	19,081	–	19,081
Intersegment internal sales/transfers	–	1,107	102	1,209	(1,209)	–
Total	17,429	2,279	582	20,291	(1,209)	19,081
Segment profit (loss)	1,596	80	(57)	1,619	3	1,622

- 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 *Implementation Guidance on Accounting Standard for Revenue Recognition* (ASBJ Guidance No. 30).

(Significant change in shareholders' equity)

No

(Going concern assumptions)

No

(Quarterly consolidated statement of cash flows)

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

	First quarter ended June 30, 2024 (April 1, 2024–June 30, 2024)	First quarter ended June 30, 2025 (April 1, 2025–June 30, 2025)
Depreciation	60 million yen	51 million yen