Hibiya Engineering, Ltd.

(Stock code: 1982)

Earnings Presentation for the First Half of the Fiscal Year Ending March 31, 2026

November 11, 2025

Financial Highlights (Consolidated)

- Net sales and profit increased YoY.
- Orders received remained steady, with large projects secured in every category, including data centers/information, driven by ongoing strategic sales activities.
- Net sales increased YoY, due partly to steady progress of projects carried over from the previous fiscal year.
- Profit margin increased due to improvements in projected profit at the time of receiving orders, as well as in the profitability of construction projects completed, resulting in a YoY increase in each line-item profit.

(Billion yen)

	9/2023	9/2024	**9/2025**	YoY change	**YoY change (%)**	3/2024 Result (full year)	3/2025 Result (full year)	**3/2026 Forecast (full year)** Announced on May 13, 2025
Orders received	50.7	30.5	**46.3**	**+15.7**	**+51.5%**	105.5	93.6	**95.5**
Net sales	33.0	37.6	**40.5**	**+2.8**	**+7.7%**	83.7	89.7	**93.5**
Gross profit	4.9	7.3	**8.1**	**+0.8**	**+11.3%**	14.9	17.2	**17.6**
Gross profit margin	14.9%	19.4%	**20.1%**	**+0.7**	**–**	17.8%	19.2%	**18.9%**
Operating profit	0.9	3.2	**3.6**	**+0.3**	**+11.7%**	5.7	7.4	**7.8**
Ordinary profit	1.4	3.5	**3.9**	**+0.4**	**+11.8%**	6.4	8.1	**8.4**
Profit attributable to owners of parent	0.9	2.5	**2.8**	**+0.2**	**+10.1%**	4.8	5.9	**6.0**

Forecast for FY3/2026

■ To date, no change has been made to the forecast announced on May 13.

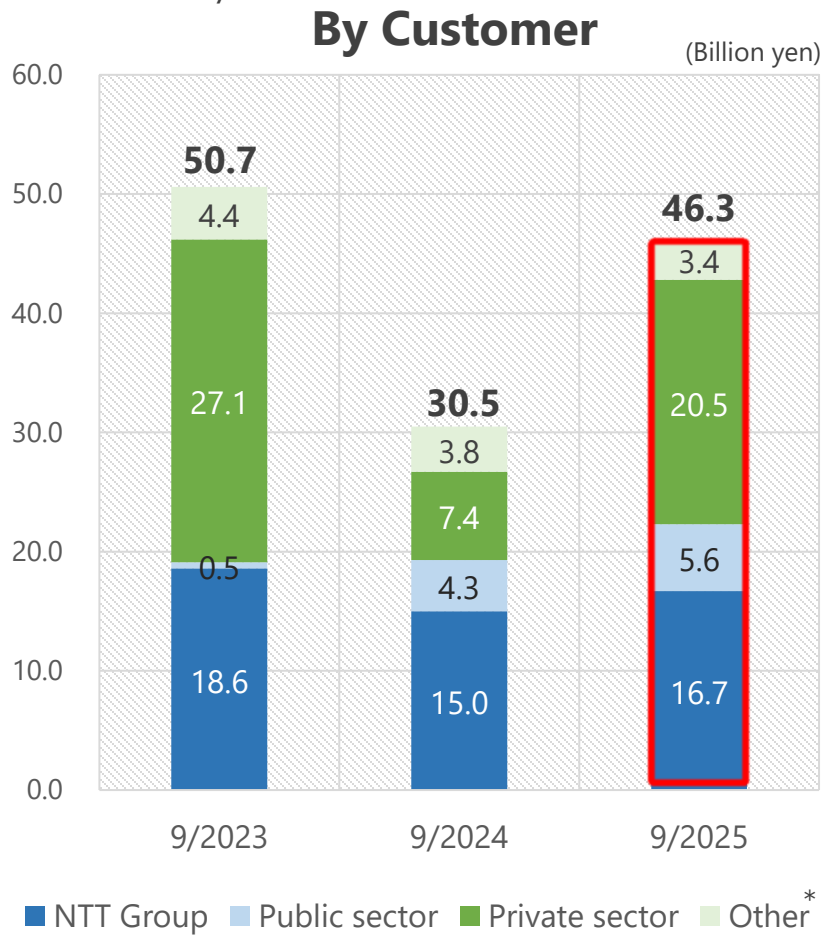
- Strategic sales activities will continue to be implemented to ensure steady progress toward achieving the full-year forecast for orders received.
- Sales performed well in the first half, but no revision is made to the net sales forecast. This is mainly due to the pull-forward impact of net sales recognized in the first half, and the risk of potential extensions of construction periods.
- Profits were healthy in the first half, but forecasts are kept unrevised in consideration of risks in the second half.

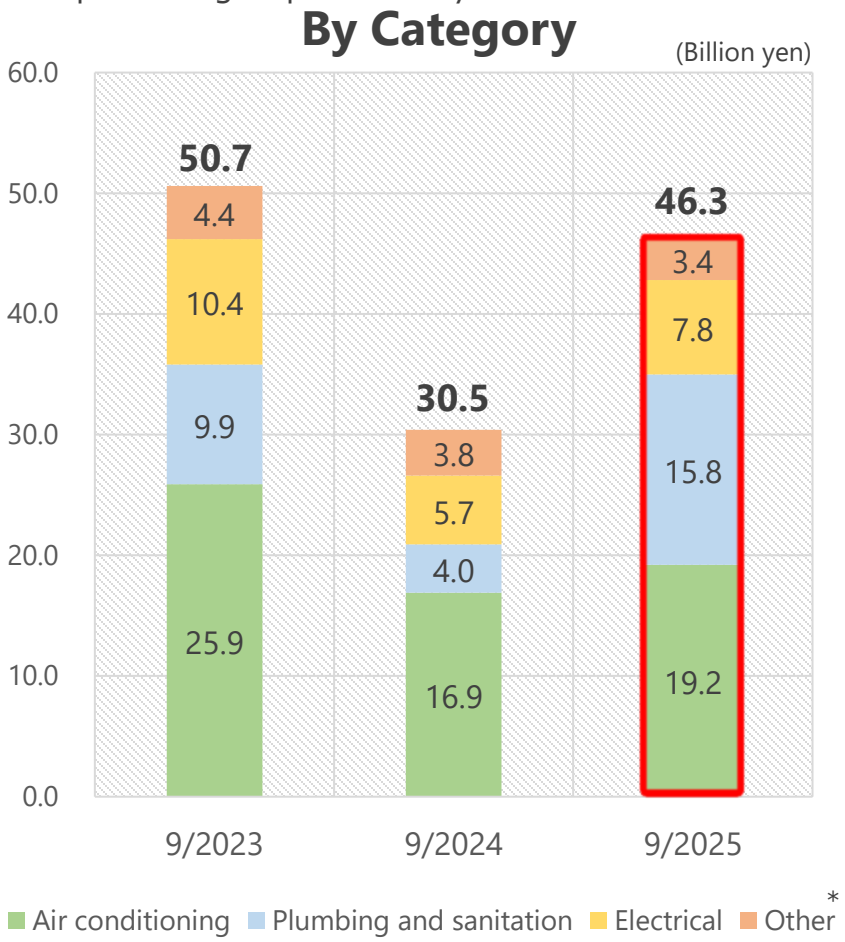
(Billion yen)

	8th Medium-term Management Plan					
	FY3/2024		FY3/2025		FY3/2026	
	Forecast at announcement of the Plan on May 11, 2023	Results	Forecast at announcement of the Plan on May 11, 2023	Results	Forecast at announcement of the Plan on May 11, 2023	Full year Forecast announced on May 13, 2025
Orders received	86.5	105.5	88.5	93.6	91.0	**95.5**
Net sales	85.0	83.7	88.5	89.7	90.5	**93.5**
Gross profit	14.0	14.9	14.7	17.2	15.8	**17.6**
Gross profit margin	16.5%	17.8%	16.6%	19.2%	17.5%	**18.9%**
Operating profit	5.0	5.7	5.5	7.4	6.5	**7.8**
Profit attributable to owners of parent	3.8	4.8	4.1	5.9	4.8	**6.0**
ROE	7.0% excluding the gain on sale of cross-shareholdings (¥0.35 bn)	7.3%	8.0% excluding the gain on sale of cross-shareholdings (¥0.59 bn)	8.5%	8.1% excluding the estimated gain on sale of cross-shareholdings (¥0.39 bn)	**8.4%**

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

- In terms of orders by customer, orders rose YoY, driven by strong demand for large projects across the private and public sectors.
- By category, orders increased YoY for large air conditioning as well as plumbing and sanitation projects.
  - Affected by the decline in orders due to the order cancellation pertaining to past fiscal year.

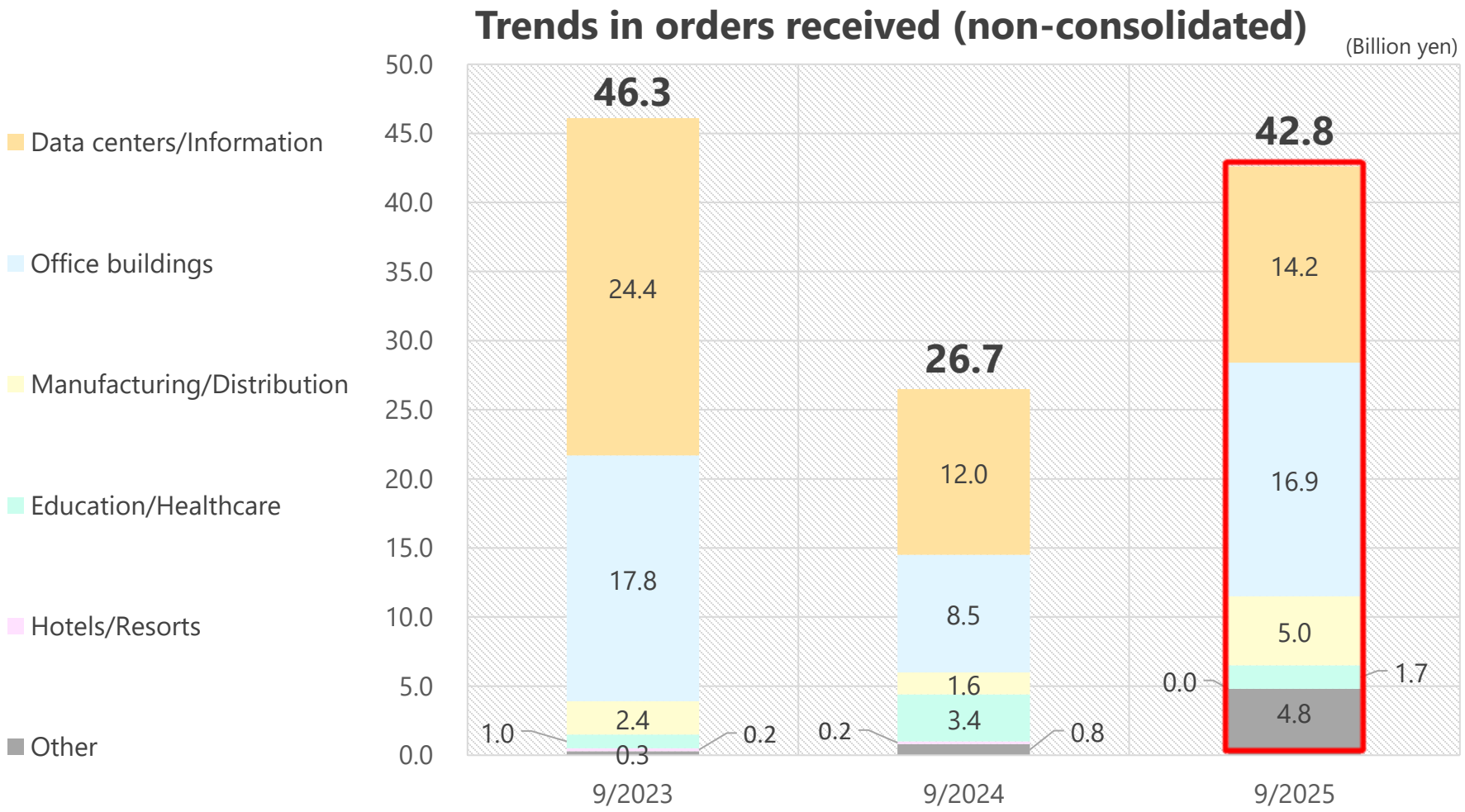




*Orders received by consolidated subsidiaries

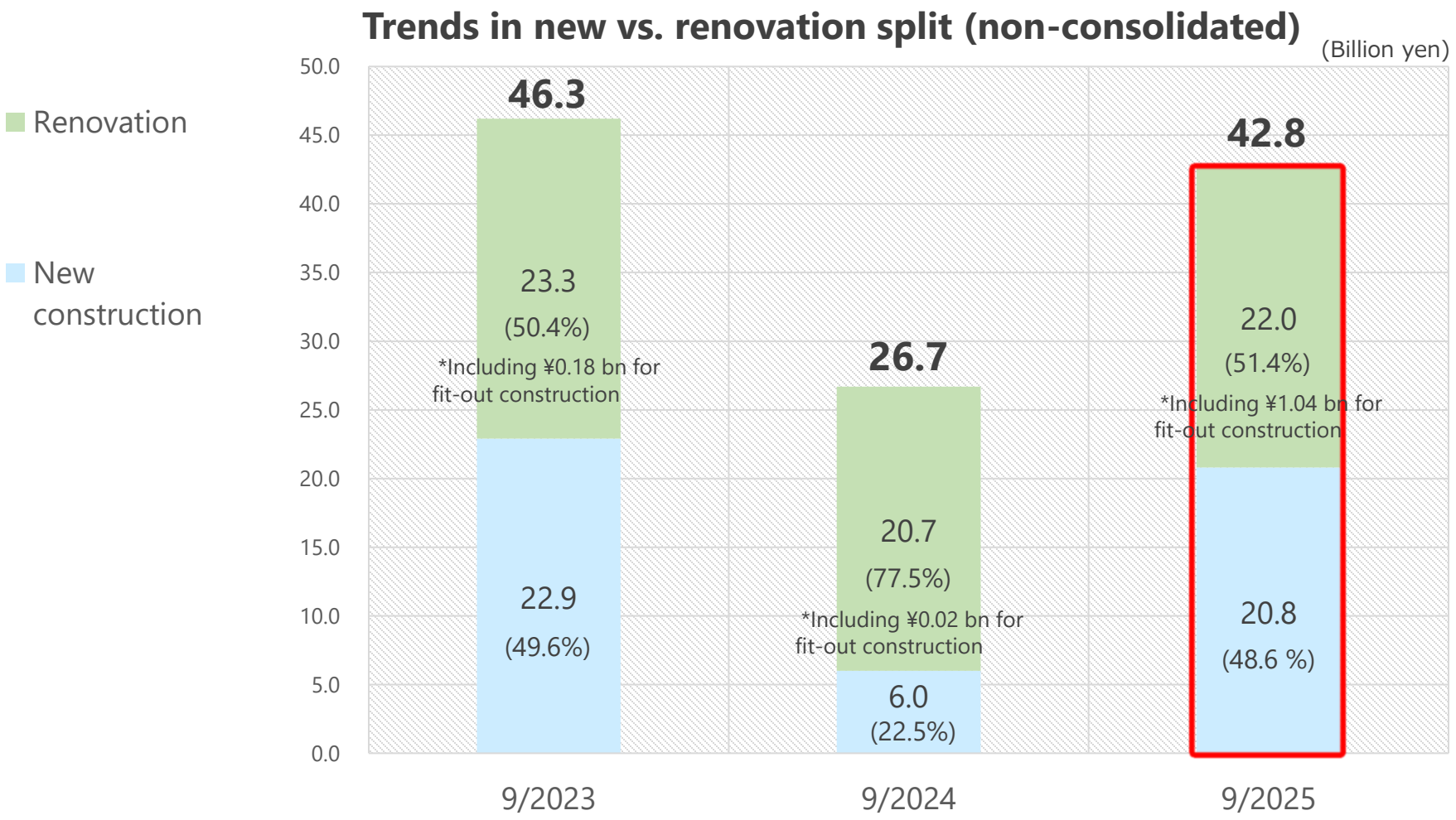
Orders Received (2): By Facility Category (Non-consolidated)

- Orders received increased YoY, driven by large projects in office buildings, manufacturing/ distribution, and other categories.
- Further sales activities will focus primarily on data centers/information.



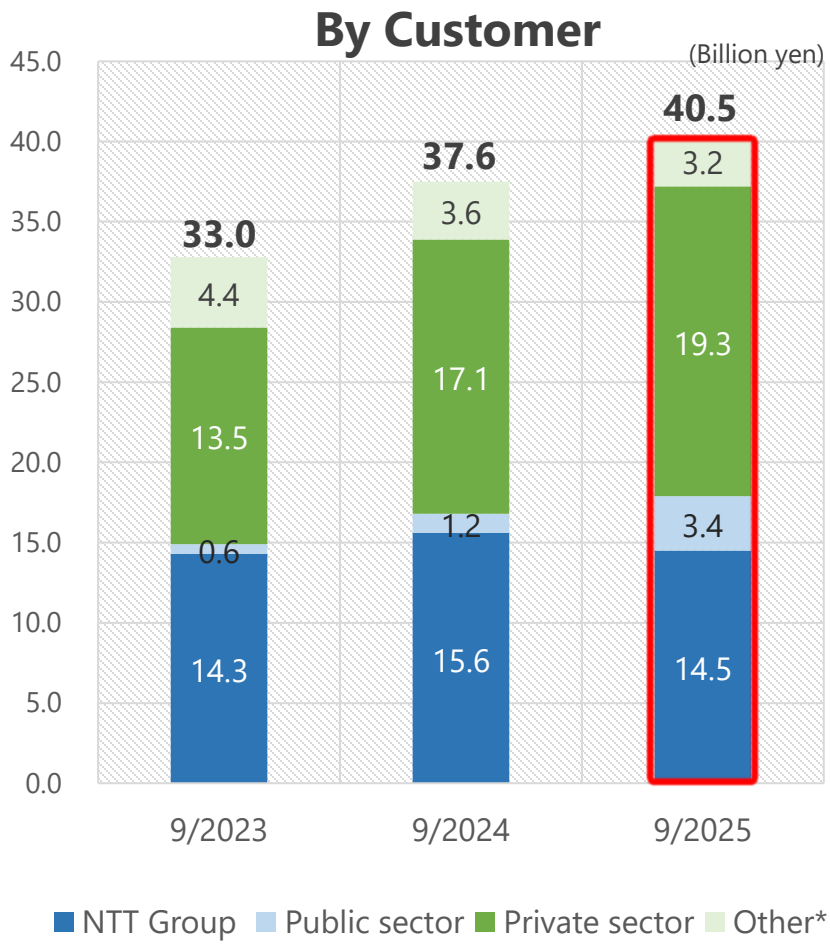
Orders Received (3): New vs. Renovation Split (Non-consolidated)

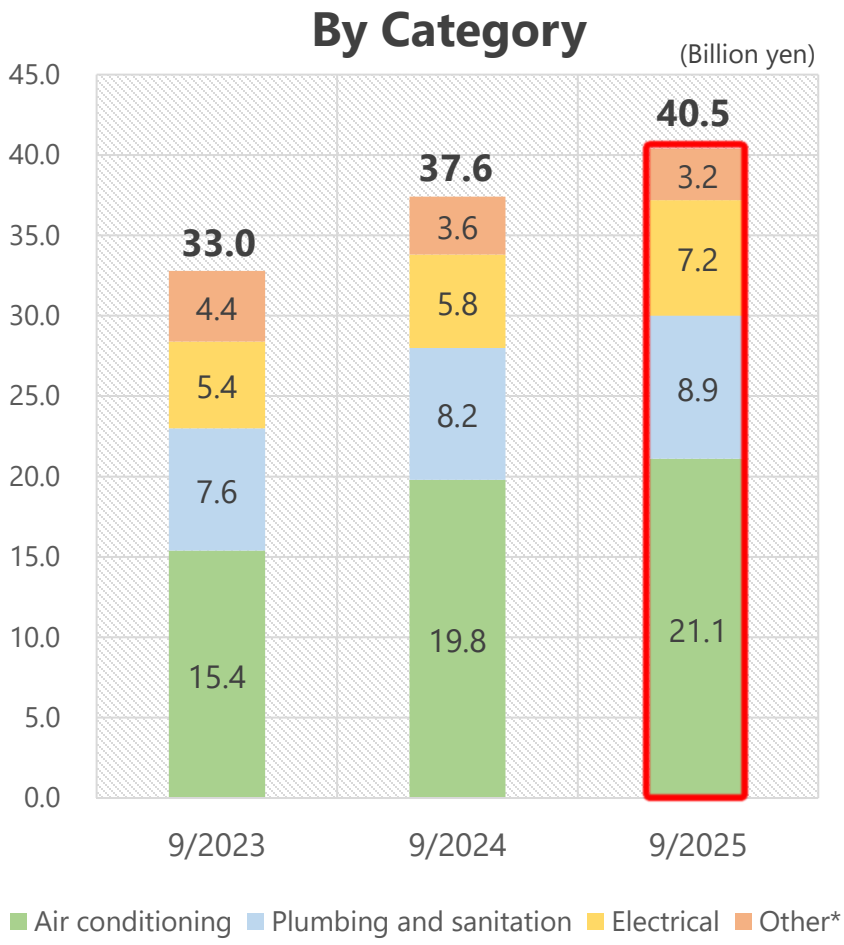
- Orders for new construction increased significantly YoY due to a higher volume of orders for large projects from the private sector.
- Orders for renovation were solid.



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

- Net sales by customer increased, driven by solid progress on construction projects carried over from the previous fiscal year in the private and public sectors.
- Net sales increased in a balanced manner across air conditioning, plumbing and sanitation, and electrical categories.

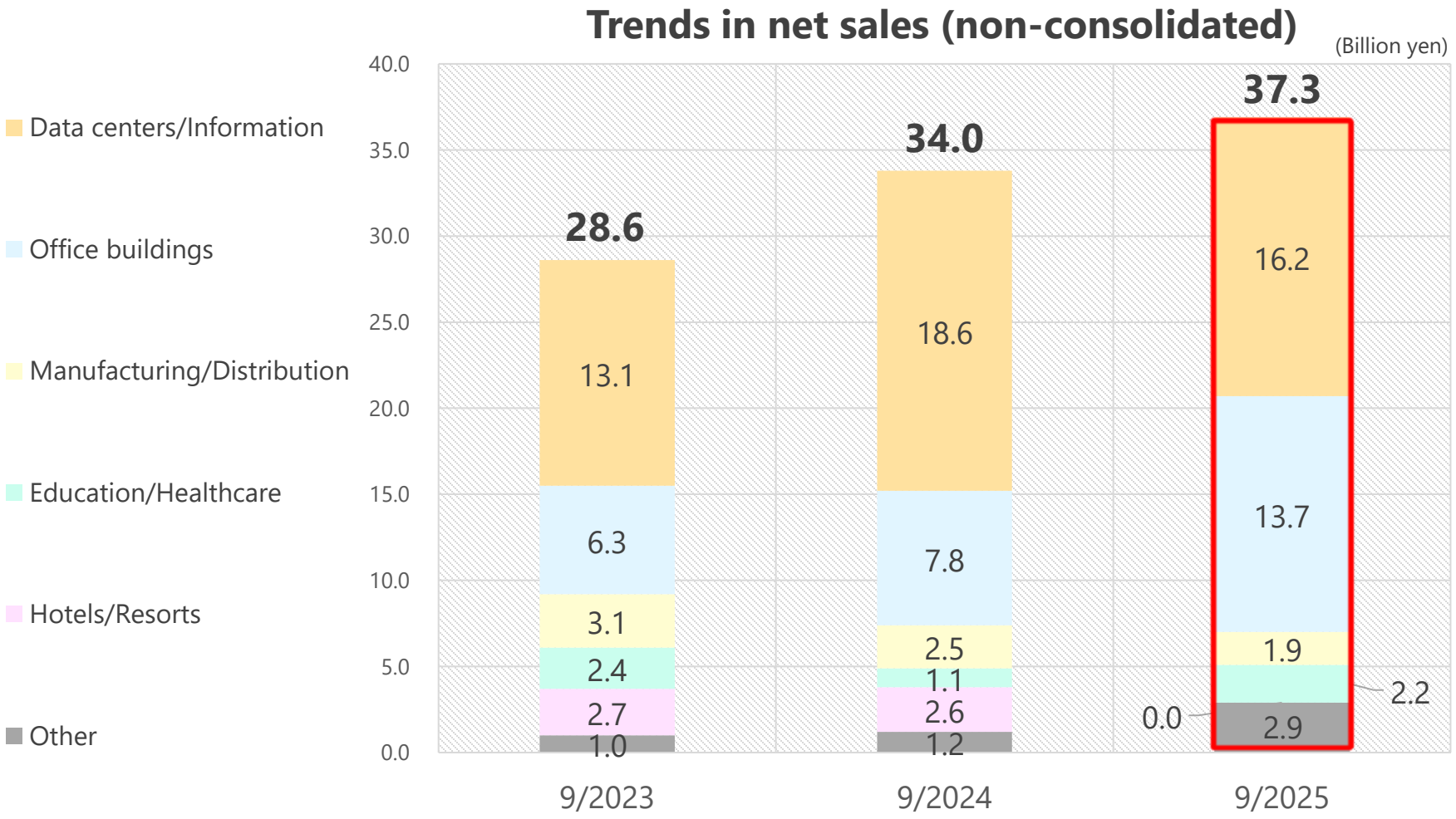




* Sales earned by consolidated subsidiaries

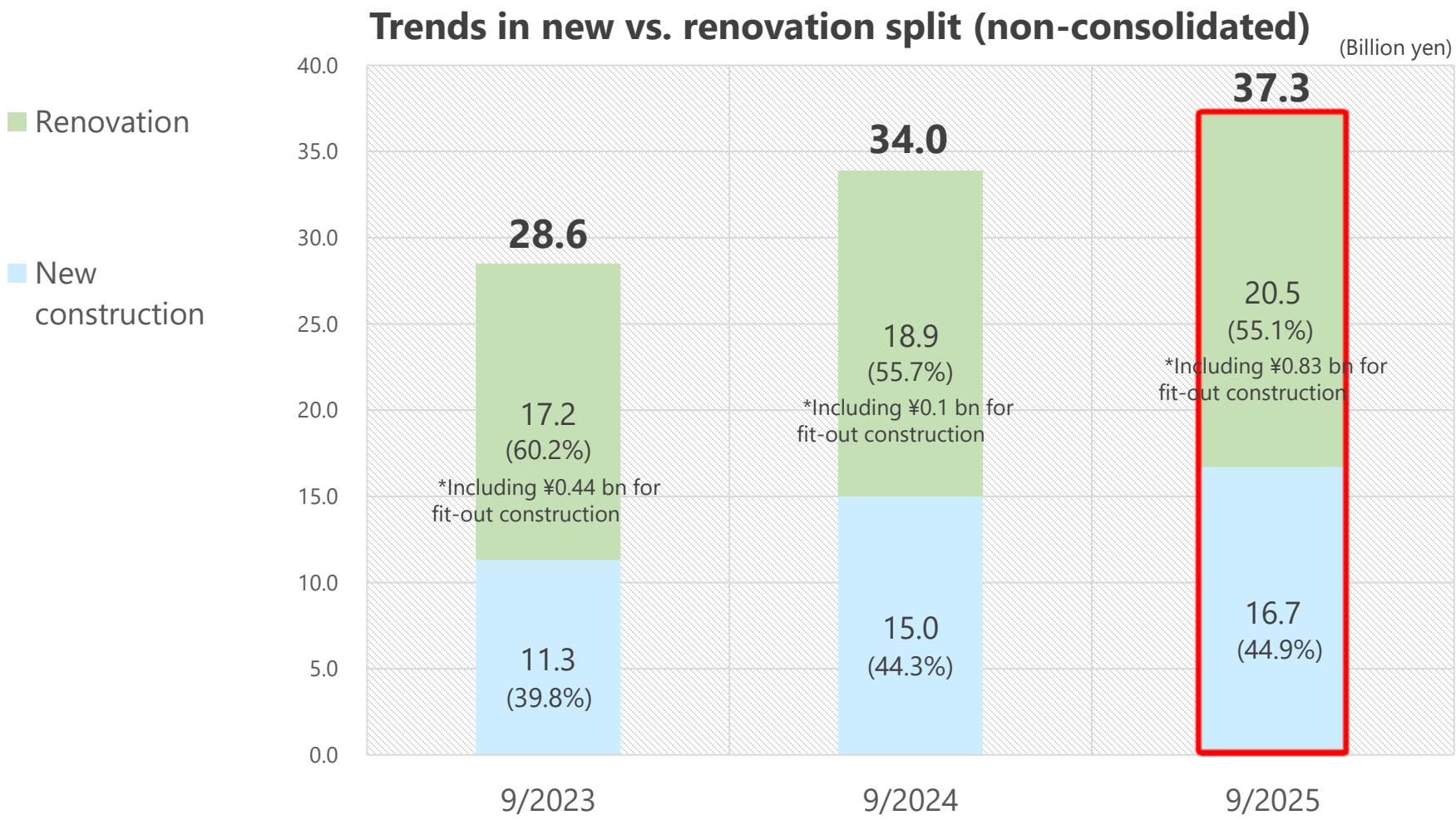
Net Sales (2): By Facility Category (Non-consolidated)

- Office buildings recorded significant YoY growth due to construction progress on multiple large projects.
- Education/Healthcare increased YoY due to construction progress on a large-scale hospital project.
- Other increased YoY due to construction progress on apartment buildings under large-scale redevelopment projects.



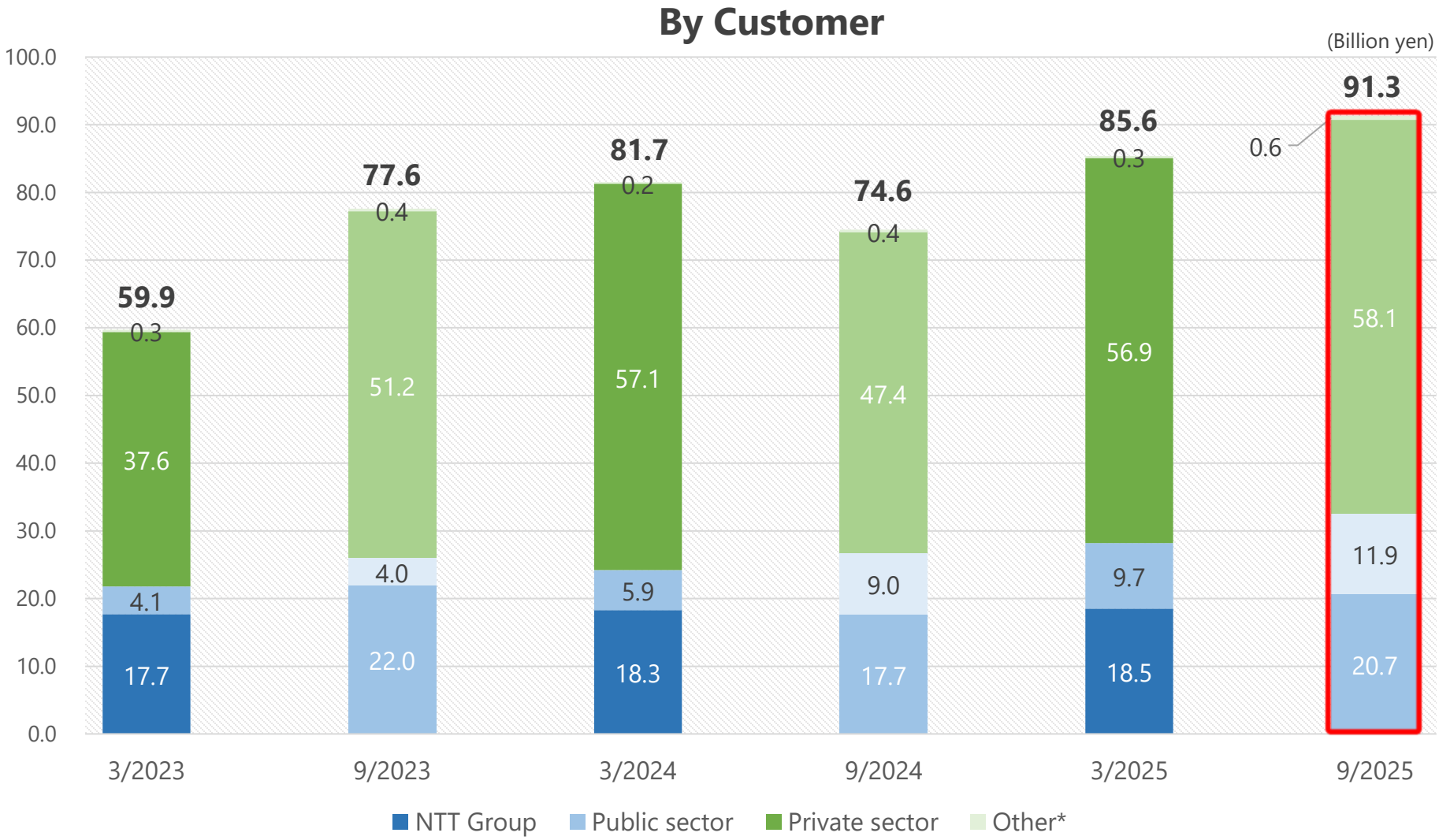
Net Sales (3): New vs. Renovation Split (Non-consolidated)

- Both new construction and renovation expanded.
- The new construction ratio increased due to growth in new construction projects in the private sector.



Projects Carried Over by Customer (Consolidated)

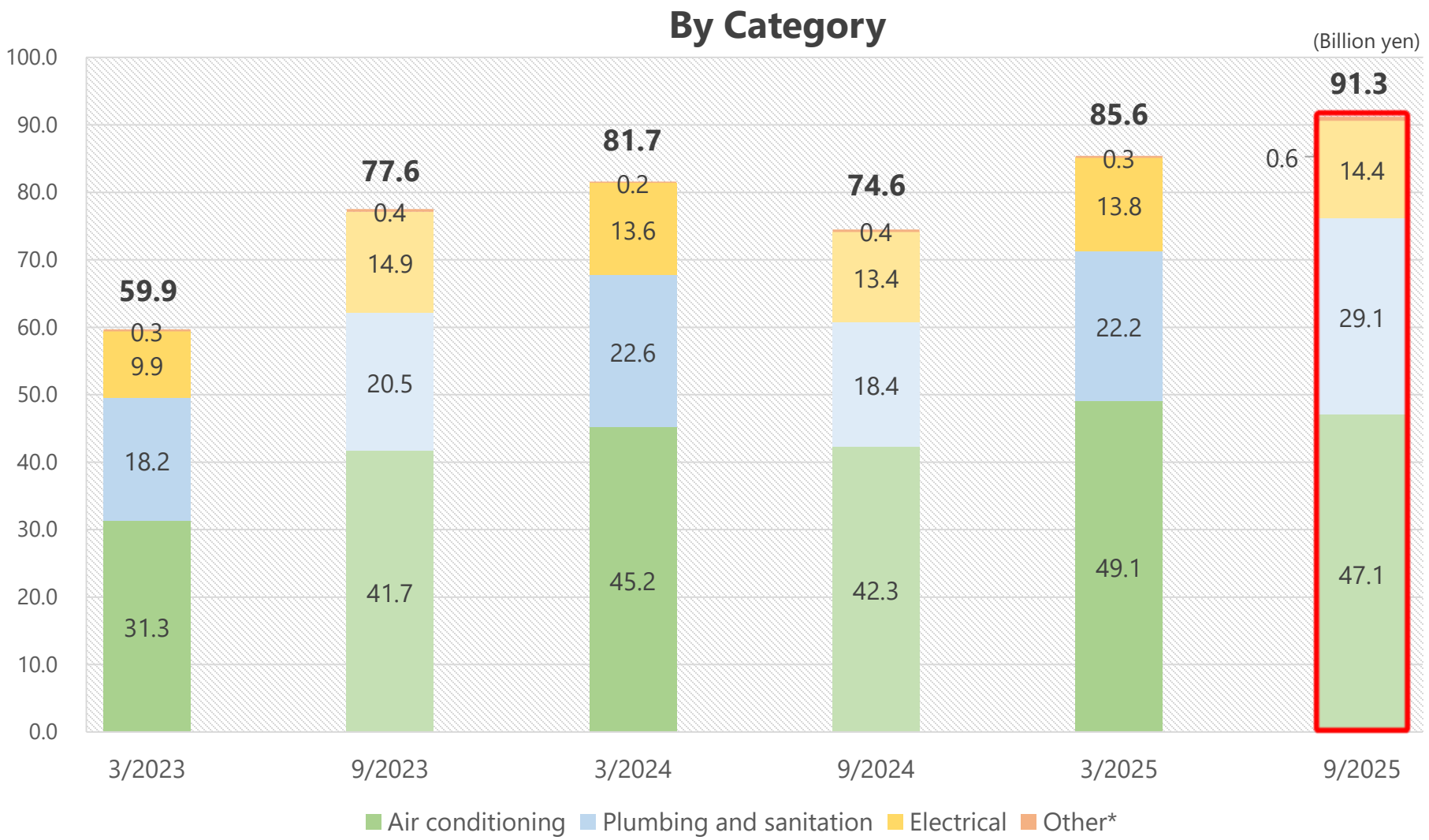
■ Projects carried over remained at a high level.



* Projects carried over by consolidated subsidiaries

Projects Carried Over by Category (Consolidated)

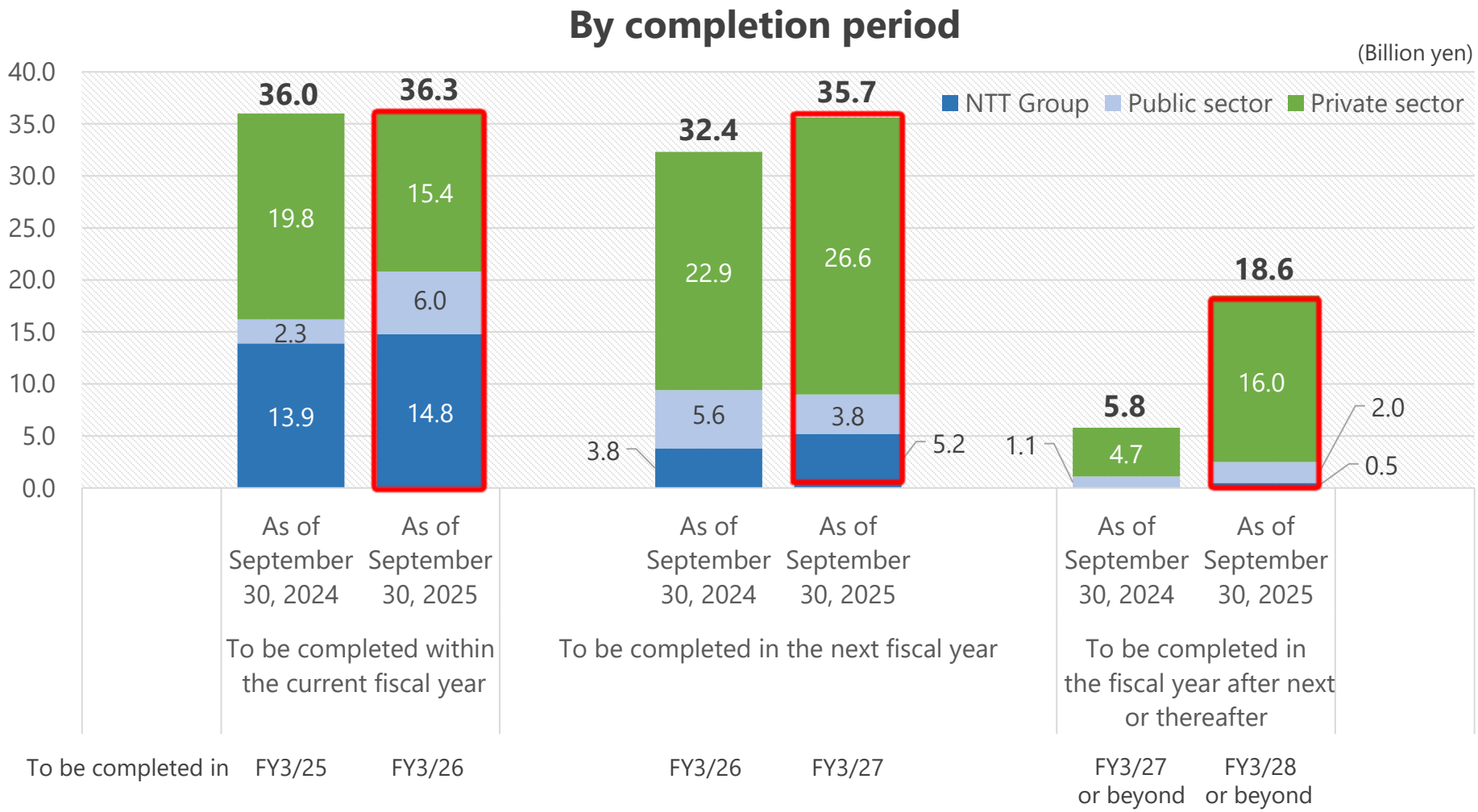
■ Projects carried over remained at a high level, with well-balanced mix across air conditioning, plumbing and sanitation, and electrical categories.



* Projects carried over by consolidated subsidiaries

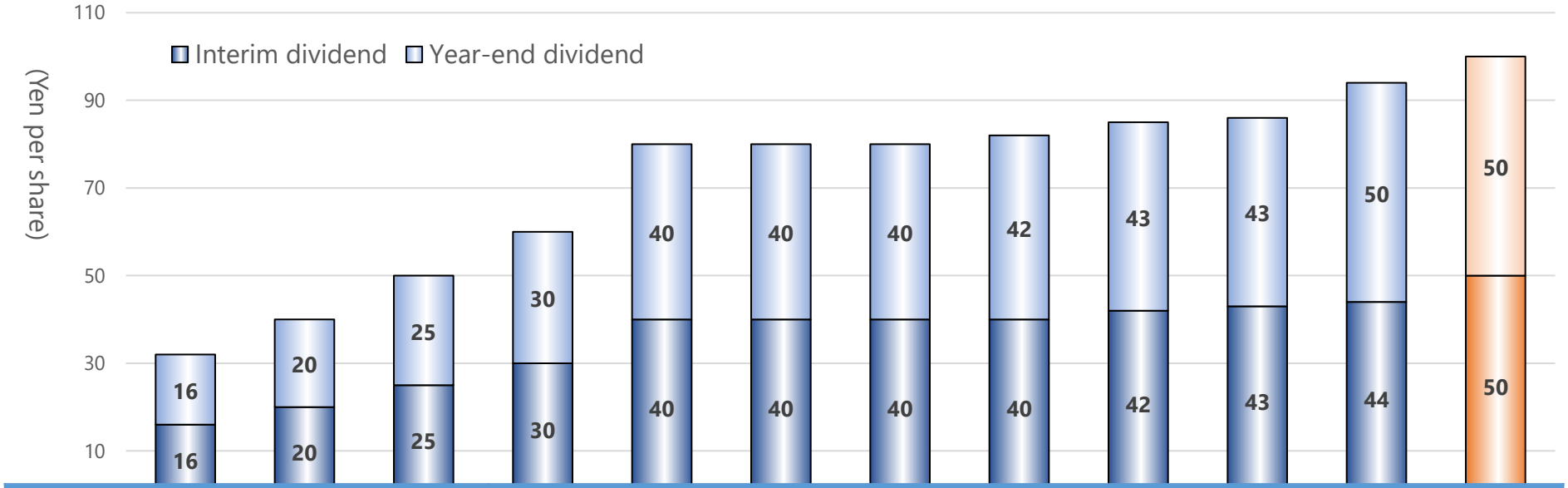
Projects Carried Over by Completion Period (Non-consolidated)

■ Construction projects scheduled for completion beyond the fiscal year after next rose significantly YoY, driven by higher orders for large private-sector projects.



Trends in Dividends per Share

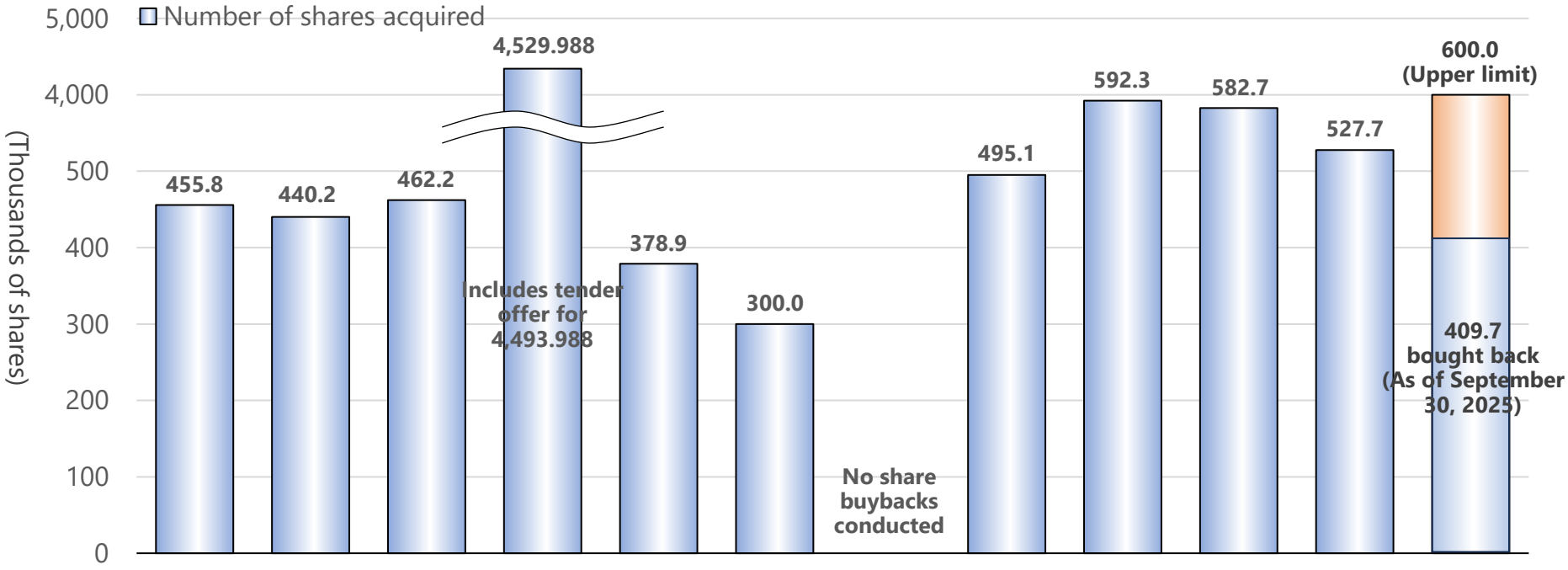
- Dividends are maintained or increased in a stable and consistent manner in line with medium- to long-term profit growth.
  - The interim dividend stayed unchanged from the forecast at **¥50** per share, up ¥6 per share YoY.
  - Previous fiscal year: ¥44 for interim and ¥50 for year-end dividends, for an annual dividend of ¥94 --> Forecast for the current fiscal year: ¥50 for interim and year-end dividends each, for an annual dividend of ¥100



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	**50** (Forecast)
Full-year	32	40	50	60	80	80	80	82	85	86	94	**100** (Forecast)
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%	(36.7%)
DOE	1.7%	2.1%	2.5%	2.7%	3.3%	3.3%	3.2%	3.2%	3.1%	3.0%	3.0%	–

Trends in Share Buyback

- 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.
  - Share buybacks will be conducted *flexibly and timely*, up to an upper limit of 600,000 shares for ¥2.10 bn.
  - Result at the end of September: 409,700 shares for ¥1.49 bn purchased (with achievement rates of 68.28% in terms of the number of shares and 71.29% in terms of the buyback amount)



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
Buyback amount (bn yen)	0.72	0.70	0.75	11.09	0.70	0.56	–	0.94	1.13	1.39	1.79	**2.10** (Upper limit)
Total return ratio (%)	64.3	40.7	53.0	23.2*	98.1	70.6	62.6	66.1	66.6	70.0	65.9	–

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

8th Medium-term Management Plan Initiatives

Data Center Cooling Technologies and the Company's Initiatives

■ **The importance of cooling technologies and energy-saving measures in response to hyperscale data center expansion**

- The expansion of hyperscale data centers is driving higher power consumption, which in turn increases exhaust heat.
- Traditional air cooling has reached its technical limits, and energy-saving measures require reconsideration.

Power consumption and cooling technologies for data-center servers by application

DC application	General IT systems	Cloud & web services	Generative AI	Ultra-high-density rack
Power consumption per rack	2–4 kVA	6–8 kVA	20–150 kVA	max. 200 kVA
DC facility receiving capacity	2 –5 MW	20–50 MW	50–100+ MW	min. 100 MW
Cooling technology	Air-feed/ air-discharge routing separation	Secured routing for huge-volume air feed and discharge	Rear door coolers and liquid cooling	New technologies such as immersion cooling

Increased per-rack heat generation due to ultra-high density

* Source: Prepared by Hibiya Engineering based on publicly available press materials

Future issues

- Efficient cooling technologies
- Increase in power consumption

[Next-generation cooling technologies]

Rear door coolers (a liquid cooling method)

Technology that captures exhaust heat and cools with the cooling system installed on the rear of a server rack

Liquid-cooled servers (Cold Plate)

Technology that directly cools chips in servers

Immersion cooling (a liquid cooling method)

Technology in which a server is immersed in special liquid to cool chips and peripherals

[Our initiatives]

➢ **Acquire next-generation cooling technologies**
Verify next-generation cooling technologies at the Data Center Trial Field (DCTF)

➢ **Integrate knowledge and business capabilities with alliance partners**
Drive open innovation and further business development through the DCTF

➢ **Build a data-center construction track record and acquire expertise**
Implement strategic sales activities designated as priority initiatives and enhance productivity through DX

Verifying immersion cooling at DCTF

ZEB Renovations That Support Sustainable Social Infrastructure

■ **Expanding our expertise in construction without interrupting business operations—developed delivering NTT telecommunications facilities—into public infrastructure projects**

Value added provided by the Group

- **Delivering construction technologies that enable 24/7 facility operations without interruption**
- **Conducting construction that balances safety and efficiency**
- **Contributing to the decarbonization of aging facilities**

Case study ZEB renovation project at the Koriyama Fire Department building

Construction that preserves continuous operation of critical social infrastructure facilities

- To maintain 24/7 operations, construction is phased, and work hours and sequencing are flexibly adjusted to operational conditions.

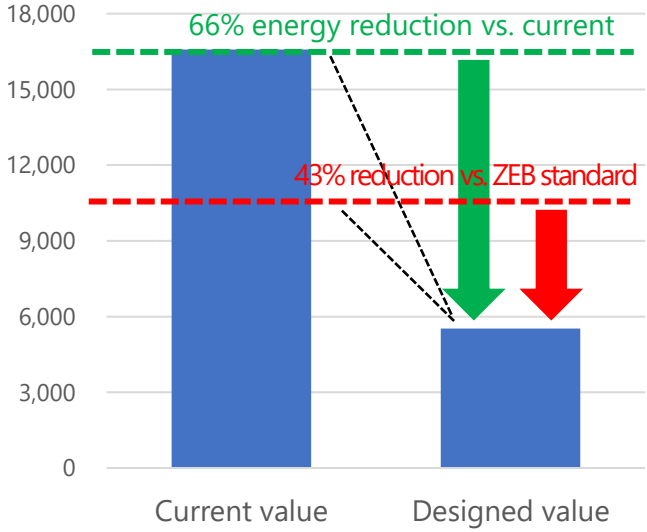
Comprehensive safety measures and emergency risk management

- Systems are established to prevent the spread of dust and particulate matter, and to enable rapid emergency response.

Environmental impact reduction and sustainable society advancement

- The latest energy-saving technologies and ZEB renovations are applied to aging facilities, contributing to significant reductions in energy consumption and decarbonization.

[Energy efficiency comparison]



This project achieves a 66% reduction vs current energy use. The design delivers a further 43% reduction below the ZEB standard (ZEB Oriented) contributing to decarbonization and lower operating costs.

Strategic Initiatives for DX Advancement

■ Accelerating DX across the Company with generative AI adoption

- **Embedding generative AI awareness of both potential and applications through employee-participation internal events**
- **Enhancing operational efficiency and productivity by equipping every employee to use generative AI**

Hibimaru
Generative AI Adoption Mascot

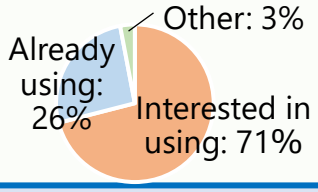
Generative AI event for employees

- Conducted an internal contest leveraging AI image-generation tools
- Conducted sessions with generative AI evangelists presenting business use cases and expertise, and sharing insights in panel discussions

Accelerating operational efficiency and productivity

Post-event Company-wide employee survey results

Q: Did the event encourage you to try using generative AI?



Use cases and practical developments enabled by improved operational efficiency

AI-enabled advanced hazard prediction and safety measures

- Enter construction details and site conditions into the AI tool to automatically identify hazardous areas and recommend suitable safety measures

Expected effects

✓ Achieve greater operational efficiency and productivity with enhanced safety standards

<Specific use cases>

Attach site photo(s) and enter the planned on-site work into the AI tool.

Using hazard prediction parameters, the AI instantly evaluates work environment risks and work procedure risks, and automatically generates worker checklists.

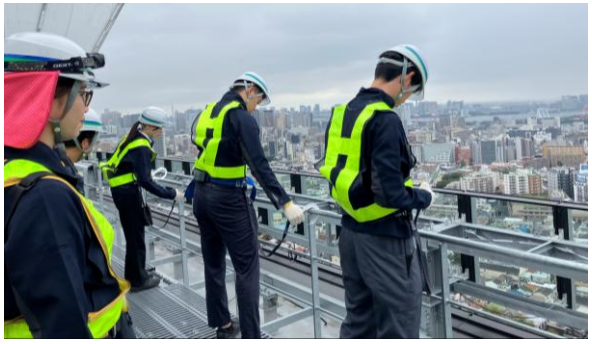
- Slips and falls on wet surfaces during rain
- Heatstroke due to high temperature and humidity
- Collapse and falls of scaffolding and temporary structures

Strengthening of Management Foundations and ESG Management

- **Improving the value of human capital, strengthening the management foundations and sustainable growth**
- **Strengthening efforts to maintain and improve safety and quality**

Enhancement of recruitment with a focus on student touchpoints

- Expanded capacity for the 5-day internship program, providing more opportunities to directly experience our business and work style
- Increased Career Open House events to give more students opportunities to deepen their understanding of the industry through hands-on experience



Internship in action

Initiatives for the Career Design Project for Women

- Fostered a workplace where employees can continue their careers with confidence, proven by our 100% return-to-work rate after childcare leave
- Improved flexible work and support systems that enable female employees raising children to return to the job-site, supporting both childcare and career development

Female employee working on-site

Distinctive initiatives to foster a safety culture

- Introduced live reenactments performed by professional actors at safety events to more realistically convey the importance of preventing potential accidents and improving on-site communication
- Provided hands-on learning opportunities to identify hazardous points and practice safety measures through on-stage simulations

Snapshot from safety event

Improvement of Capital Efficiency and Corporate Value

■ Secure capital efficiency that exceeds the cost of capital (cost of equity)

Improve ROE

- Implement the 8th Medium-term Management Plan steadily to consistently increase ROE

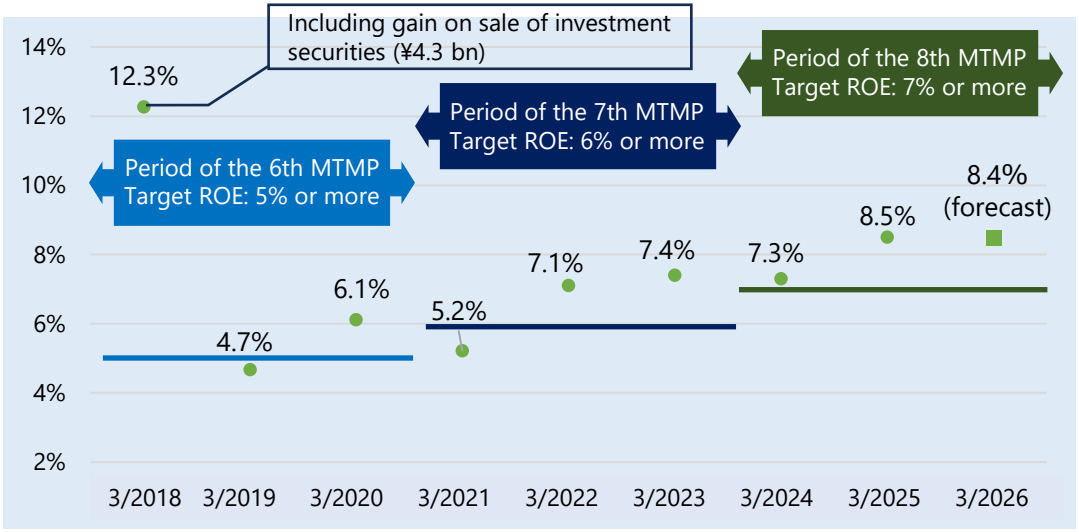
Effectively utilize capital

- 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)

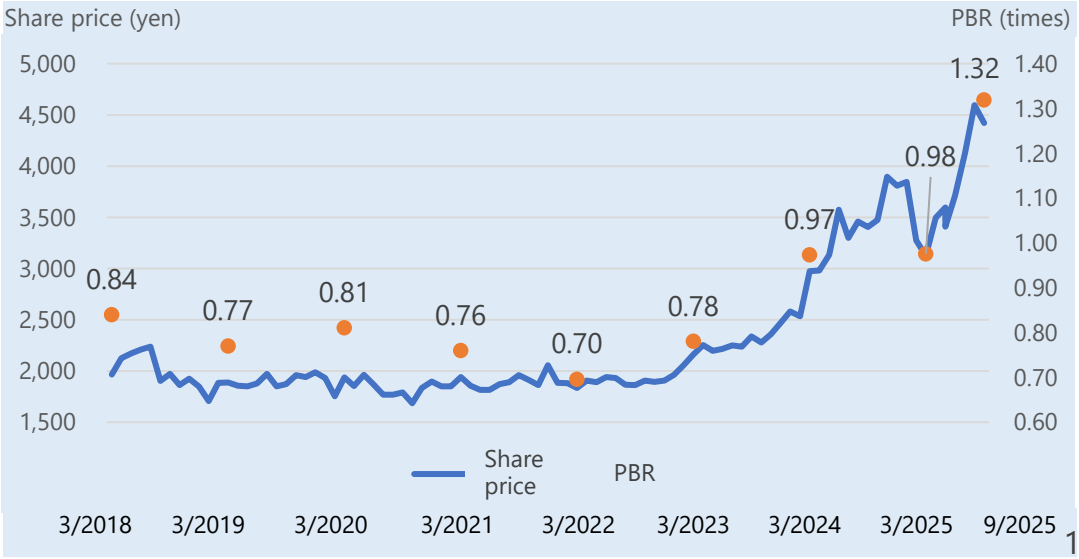
Strengthen IR activities

- Improve information disclosure
- Enhance dialogue with institutional investors

Recent trend in ROE



Recent trends in share price and PBR



References

Corporate Overview

Company:	Hibiya Engineering, Ltd.
Representative Director:	Hidetaka Nakagita, President and CEO
Head Office:	13F Sumitomo Fudosan Tokyo Mita South Tower, 3-5-27, Mita, Minato-ku, Tokyo
Established:	1966
Stock Listing:	On the Prime Market of the Tokyo Stock Exchange (Stock code: 1982)
Share Capital:	¥5,753 million as of March 31, 2025
Net Sales:	¥89.7 billion (Consolidated) as of March 31, 2025
Number of Employees:	975 (Consolidated) as of March 31, 2025
Business Activities:	Design and construction of air conditioning, plumbing and sanitation, electrical, telecommunications, and various other equipment and systems
Consolidated Subsidiaries:	Hibiya Tsushou Co., Ltd. (Sales of facility equipment, maintenance of of equipment, etc.)
	Nikkey Co., Ltd. (Manufacture of disaster prevention equipment, security maintenance, etc.)

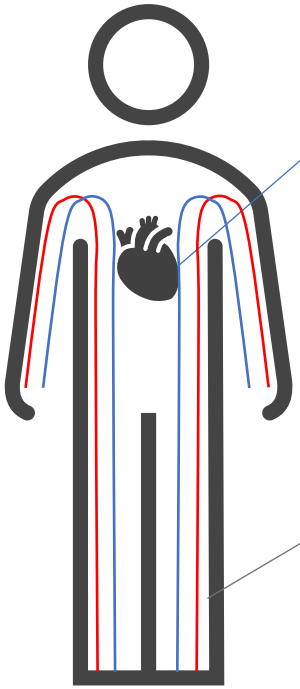
Story behind the Company name

- ▷ We were originally located in Hibiya.
- ▷ Next to Hibiya Park stood the head office of Nippon Telegraph and Telephone Corporation, which played a pivotal role in our founding.

Business Activities

■ **Design and construction of air conditioning, plumbing and sanitation, electrical, telecommunications, and various other equipment and systems**

If we think of a building as a human body:



Facilities company
Handles systems equivalent to the building's "blood vessels" and "nerves"

Construction company
Handles the structural framework and exterior walls, equivalent to the "skeleton" and "muscles"

Air conditioning equipment

- Installation for offices, hotels, and other facilities, controlling indoor temperature and humidity to maintain a comfortable environment
- Installation for data centers, factories, and other facilities, ensuring equipment and server functionality

Plumbing and sanitation facilities

- Installation of water supply and drainage systems in wet areas (bathrooms, toilets, etc.), ensuring comfortable water use
- Installation of fire protection systems, including sprinklers, fire pumps, and fire extinguishers

Electrical equipment

- Installation for communications, control, and information networks, including lighting and power outlets in telecommunications buildings, offices, and other facilities

Telecommunications equipment

- Establishment of security systems integrating access control, IP camera surveillance, and biometric authentication

We design, construct, and maintain various building facilities to give life to buildings and support safe, secure, and comfortable social environments.

Company Highlights

- **Deliver high-quality construction backed by extensive experience and expertise gained from various facility projects at NTT's telecommunications buildings**
- **Provide one-stop solutions that address customer needs at every phase of the building lifecycle, from new construction to renovations**
- **Serve as a comprehensive engineering company capable of executing facility construction projects across air conditioning, plumbing and sanitation, electrical, and telecommunications**
- **Operate a nationwide network to undertake equipment system installation for NTT Group's telecommunications buildings**

Advantages

(1) Transactions with the NTT Group

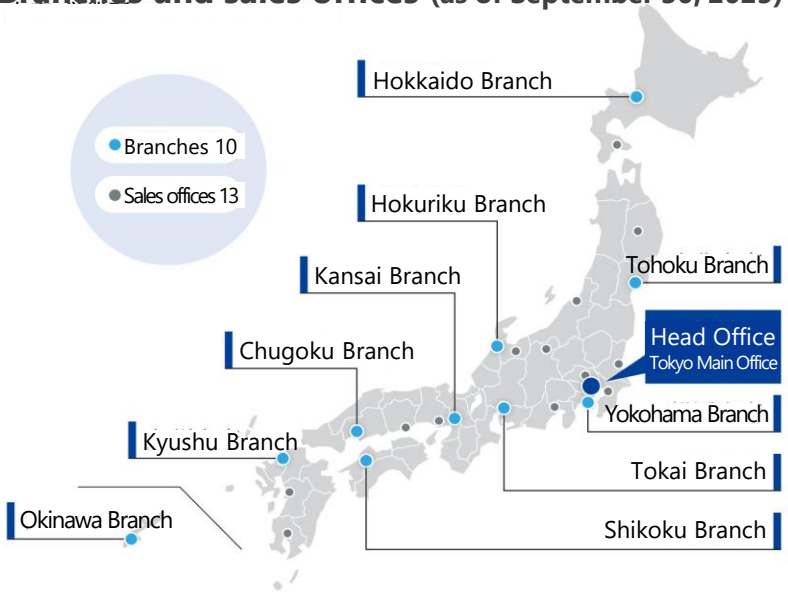
(2) Data centers/Information

(3) Renovation (construction without interrupting business operations)

(4) Comprehensive engineering

Locations

Branches and sales offices (as of September 30, 2025)



Consolidated Subsidiaries

- Hibiya Tsushou Co., Ltd. (Sales of facility equipment, maintenance of equipment, etc.)
- Nikkey Co., Ltd. (Manufacture of disaster prevention equipment, security maintenance, etc.)

Initiatives for Data Center (DC) Construction (1)

■ **Continuing to focus on the DC field in line with the expansion of hyperscale DC construction**

Trends in DC

- Driven by digitalization and generative AI, hyperscale DC construction is expanding in the Tokyo metropolitan area and the Kansai region, with strong construction demand expected to continue for the foreseeable future.
- Regional data center construction is underway.

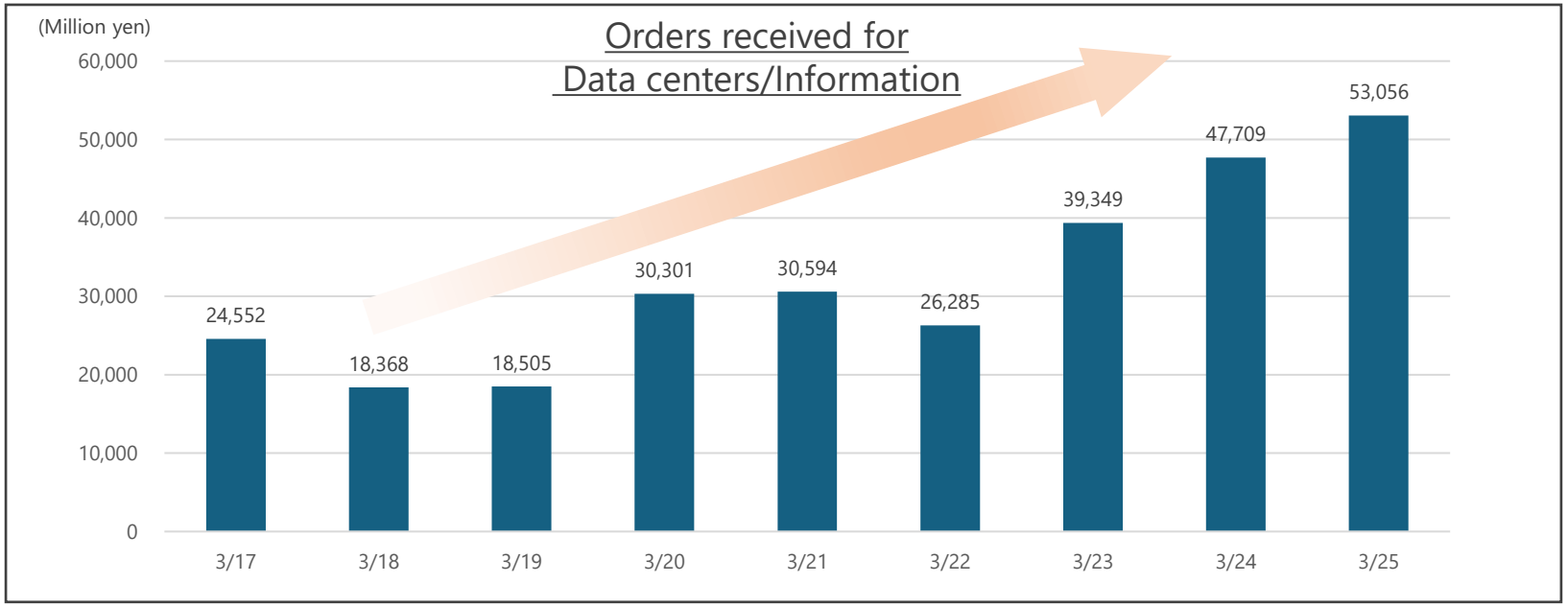
The Group's advantage

- Leveraging expertise and experience gained through the construction of telecommunications buildings.

Features of DC construction

- Compared to other property types such as offices and hotels, the share of facility work is higher, and the specifications are more clearly defined.
- Construction can be completed in a short period of time especially for the fitting out* process as specifications are mostly set at the outset.
- DX (use of BIM etc.) can improve installation efficiency (unit construction method or front-loading approach).

* "Fitting out" refers to construction that makes the interior of a building usable, while "core and shell" refers to the basic structural construction.



Initiatives for Data Center (DC) Construction (2)

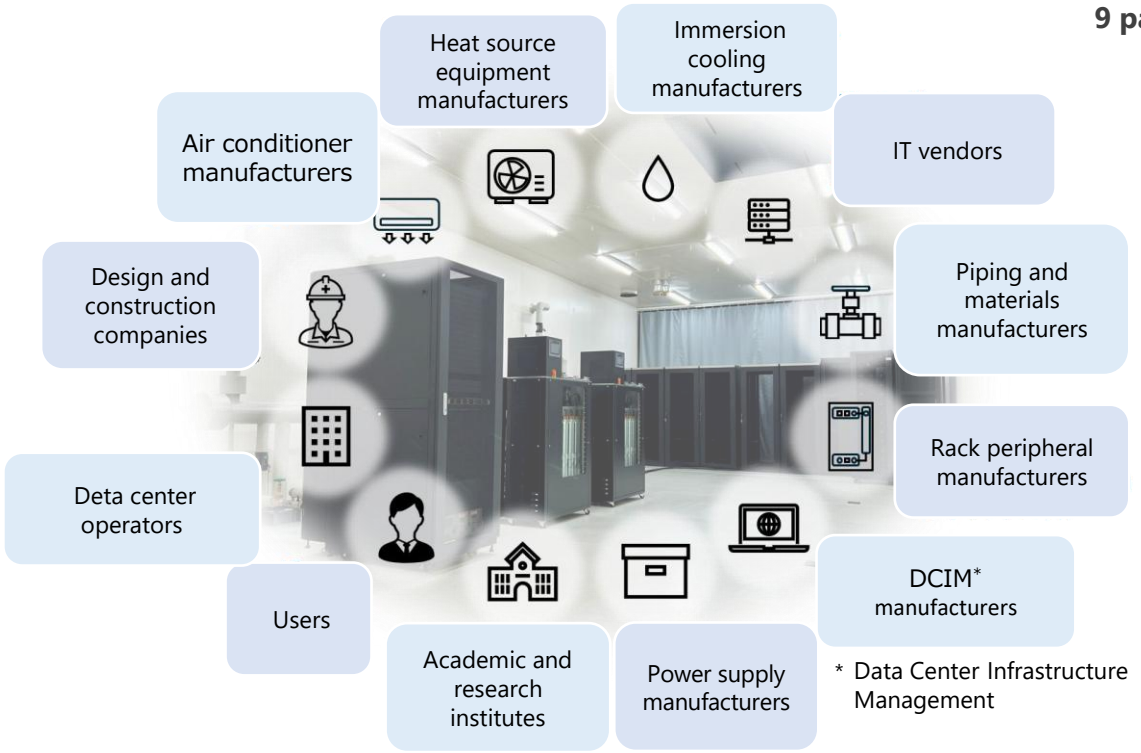
■ Promoting open innovation through the Data Center Trial Field

In November 2024, the Data Center Trial Field was established within the Noda Technical Research Center in partnership with NTT Data as a facility to verify next-generation cooling technologies for data centers and promote open innovation and collaboration.

Challenges faced by hyperscale DCs

- **Improve cooling efficiency**
- **Reduce energy**
- **Improve reliability and maintainability**

- ◆ **Verifying efficient cooling technologies (water and liquid cooling) and energy-saving technologies to respond to the high heat generation and increased power consumption.**
- ◆ **Understanding the characteristics of heat sources and server cooling systems, and validating facility/equipment construction**
- ◆ **Promoting collaboration with diverse participants**



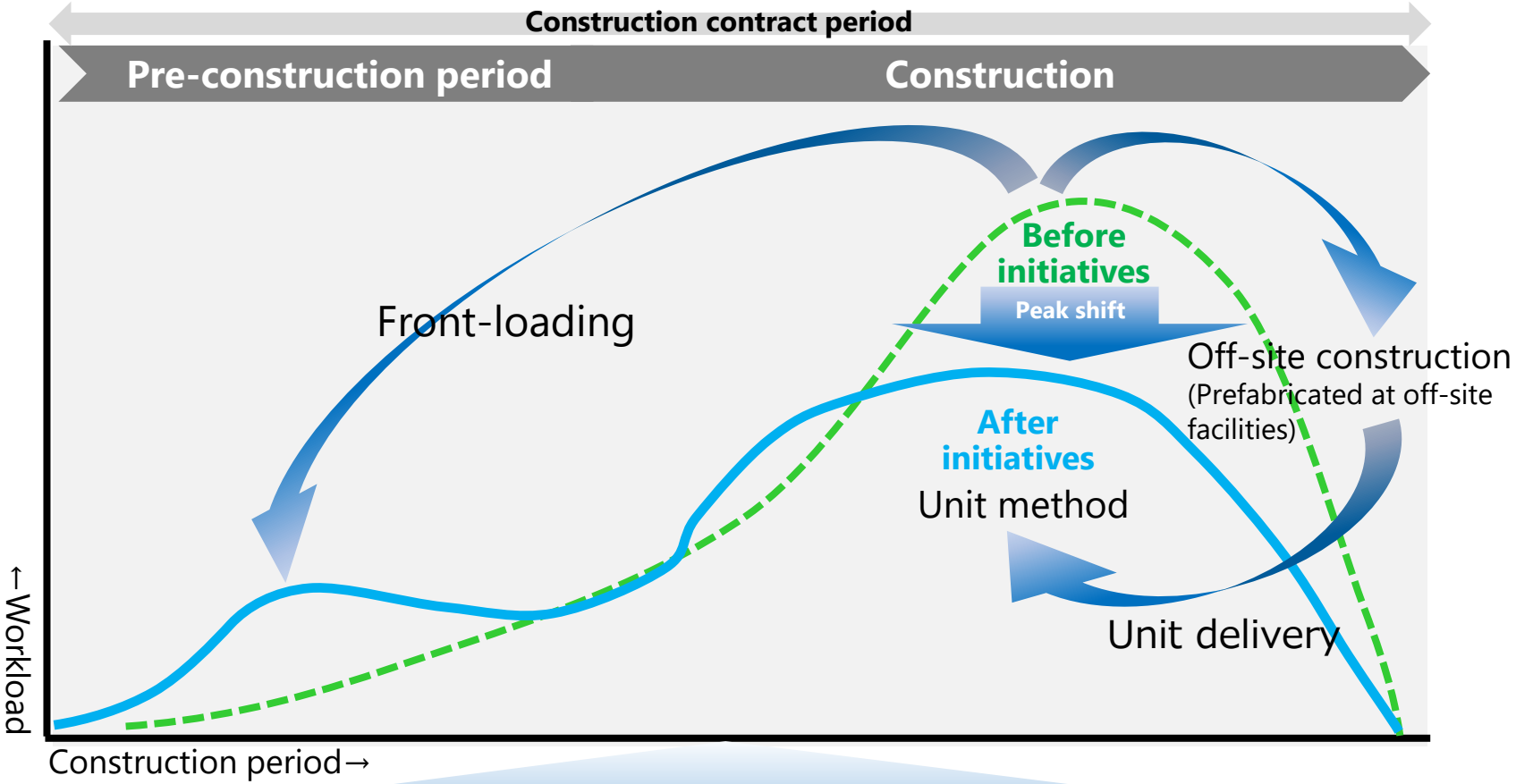
* Data Center Infrastructure Management

9 participating companies (as of September 2025)

HIBIYA / NTT DATA / 桑名金属工業 / 日比谷通商株式会社 / SANOH / artron 東亜電気工業株式会社 / Chemours / Getworks Container Data Center Provider / ASTEC'S

Initiatives to Improve Construction Efficiency

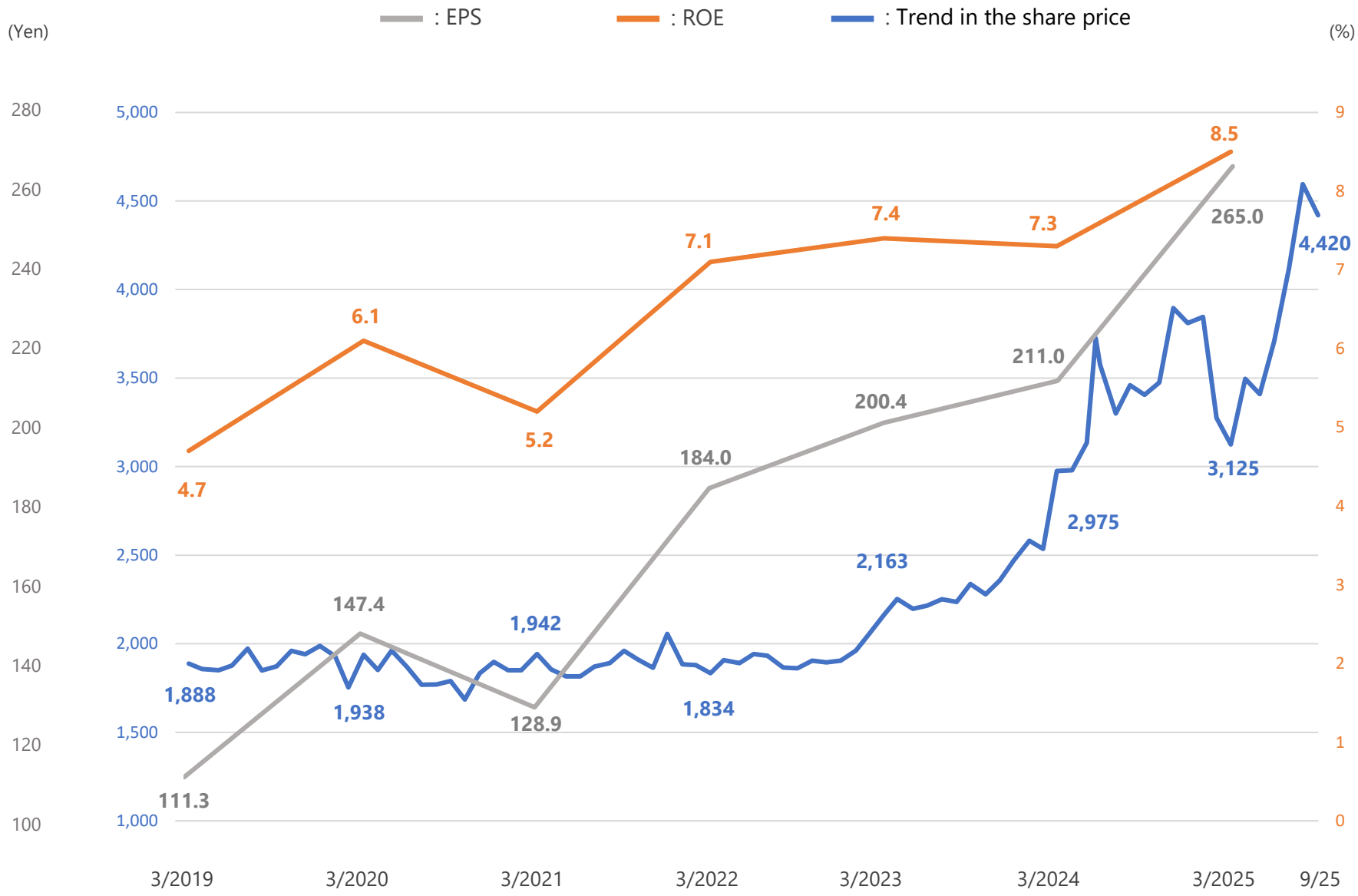
- **Promoting front-loading to level workloads**
- **Realizing off-site construction by utilizing unit methods and DX measures tailored to the characteristics of each project**
- **Unifying data using BIM as a key tool to share information with stakeholders and reduce rework**



Efficient operation through DX (BIM utilization)

- Smooth information sharing with customers and other stakeholders, and early confirmation of specifications
- Streamlining of various specification reviews and flexible response to design changes
- Smooth project management through centralization of information related to construction
- Information sharing through construction management ICT tools

Trends in the EPS, ROE and Share Price



(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.

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