Hibiya Engineering, Ltd.

(Stock code: 1982)

Earnings Presentation for Full Year FY3/25

May 13, 2025

Financial Highlights (Consolidated)

- Our strategic sales activities resulted in receiving orders for large-scale data centers, mainly in 2H.
- Net sales increased YoY due to progress of projects carried over from FY3/24 and those for orders received in FY3/25.
- Profit margin increased significantly due to improvements in projected profit at the time of receiving orders and in the profitability of construction projects completed, resulting in a significant YoY improvement in each line-item profit. In addition, extraordinary income of 590 million yen was recorded in FY3/25 resulting from the sales of cross-shareholdings.
  - Compared with the initial forecast, orders received and net sales were mostly as expected (the former up slightly and the latter down slightly), but profits improved significantly due to improved profitability of construction projects completed.

(Billion yen)

	3/2023 Results	3/2024 Results	3/2025					
			Initial Forecast*	Results	YoY change		vs. forecast	
		(1)	(2)	(3)	(3) – (1)		(3) – (2)	
Orders received	87.3	105.5	88.5	**93.6**	**-11.9**	**(-11.3%)**	**+5.1**	**(+5.8%)**
Net sales	83.9	83.7	91.0	**89.7**	**+6.0**	**(+7.2%)**	**-1.3**	**(-1.4%)**
Gross profit	15.1	14.9	15.3	**17.2**	**+2.3**	**(+15.9%)**	–	–
Gross profit margin	18.0%	17.8%	16.8%	**19.2%**	**+1.4%**		–	
Operating profit	5.9	5.7	5.9	**7.4**	**+1.7**	**(+30.0%)**	**+1.5**	**(+25.4%)**
Ordinary profit	6.6	6.4	6.6	**8.1**	**+1.6**	**(+26.2%)**	**+1.5**	**(+22.7%)**
Profit attributable to owners of parent	4.6	4.8	4.6	**5.9**	**+1.1**	**(+23.0%)**	**+1.3**	**(+28.3%)**
ROE	7.4%	7.3%	6.7%	**8.5%**				

* Announced on May 15, 2024

Forecast for FY3/2026

- Given the solid performance for FY3/2025, targets for FY3/2026, the final year of the 8th Medium-term Management Plan (the “Plan”), have been revised upward. Specifically, we aim to:
  - Secure orders exceeding the FY3/2025 level by strategically addressing strong demand for data centers and redevelopment/renovation projects,
  - Achieve YoY revenue growth by steadily completing projects carried over from FY3/25 and striving to complete projects received during FY3/26 within the same period, and
  - Ensure YoY profit increases while continuously striving to improve projected profits at the time of order receipt and profitability of projects completed.

(Billion yen)

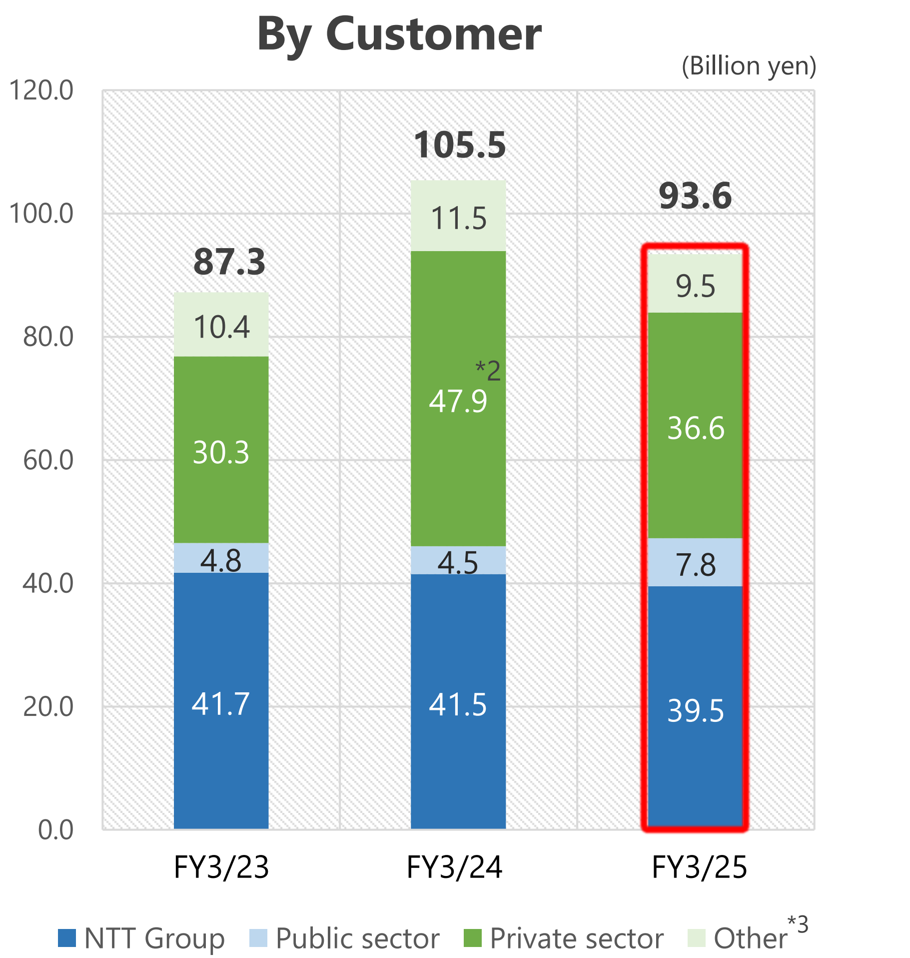
	8th Medium-term Management Plan					
	FY3/2024		FY3/2025		FY3/2026	
	Forecast at announcement of the Plan on May 11, 2023	Results	Forecast at announcement of the Plan on May 11, 2023	Results	Forecast at announcement of the Plan on May 11, 2023	Full year forecast
Orders received	86.5	105.5	88.5	93.6	91.0	**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	**6.1**

ROE	On a basis excluding the estimated stock sale profit (350 million yen), it is 7.0%.	7.3%	On a basis excluding the estimated stock sale profit (590 million yen), it is 7.9%.	8.5%	On a basis excluding the estimated stock sale profit (390 million yen), it is 8.1%.	**8.4%**

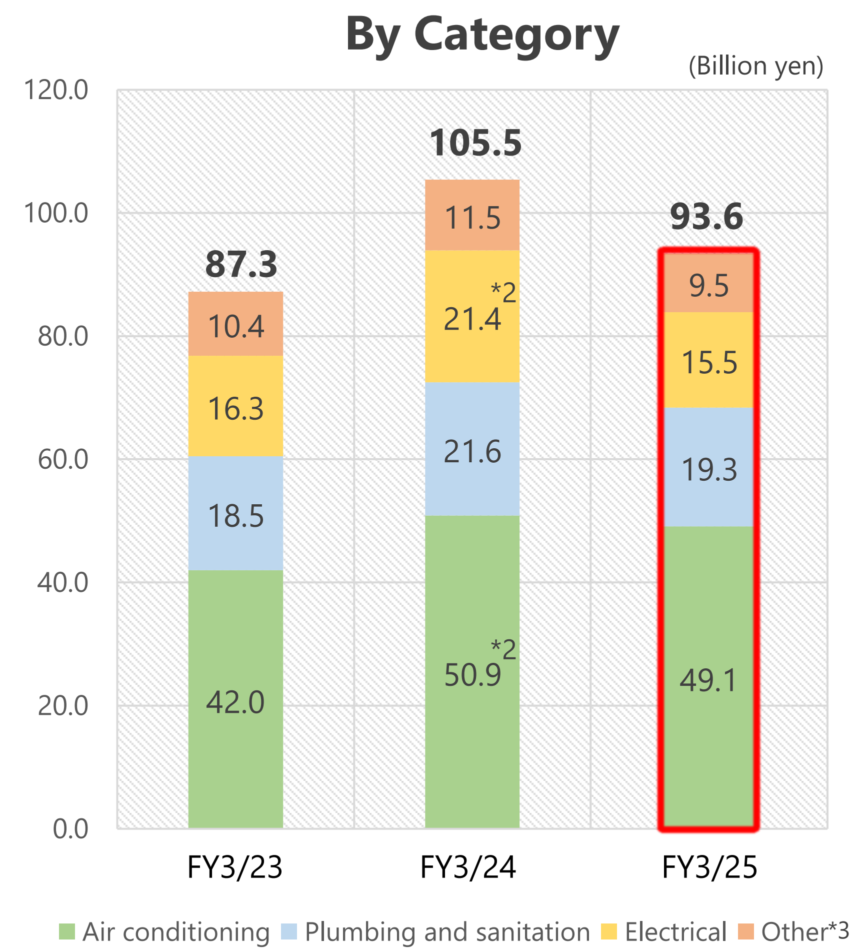
Orders Received (1): By Customer/Category (Consolidated)

- Although orders from the NTT Group decreased[*1], we maintained a high level of order intake through strategic efforts to secure orders from the private and public sectors.

  [*1] Nevertheless, steady orders were secured compared with orders received for prior fiscal years (¥35.1 bn for FY3/21 and ¥35.0 bn for FY3/22).



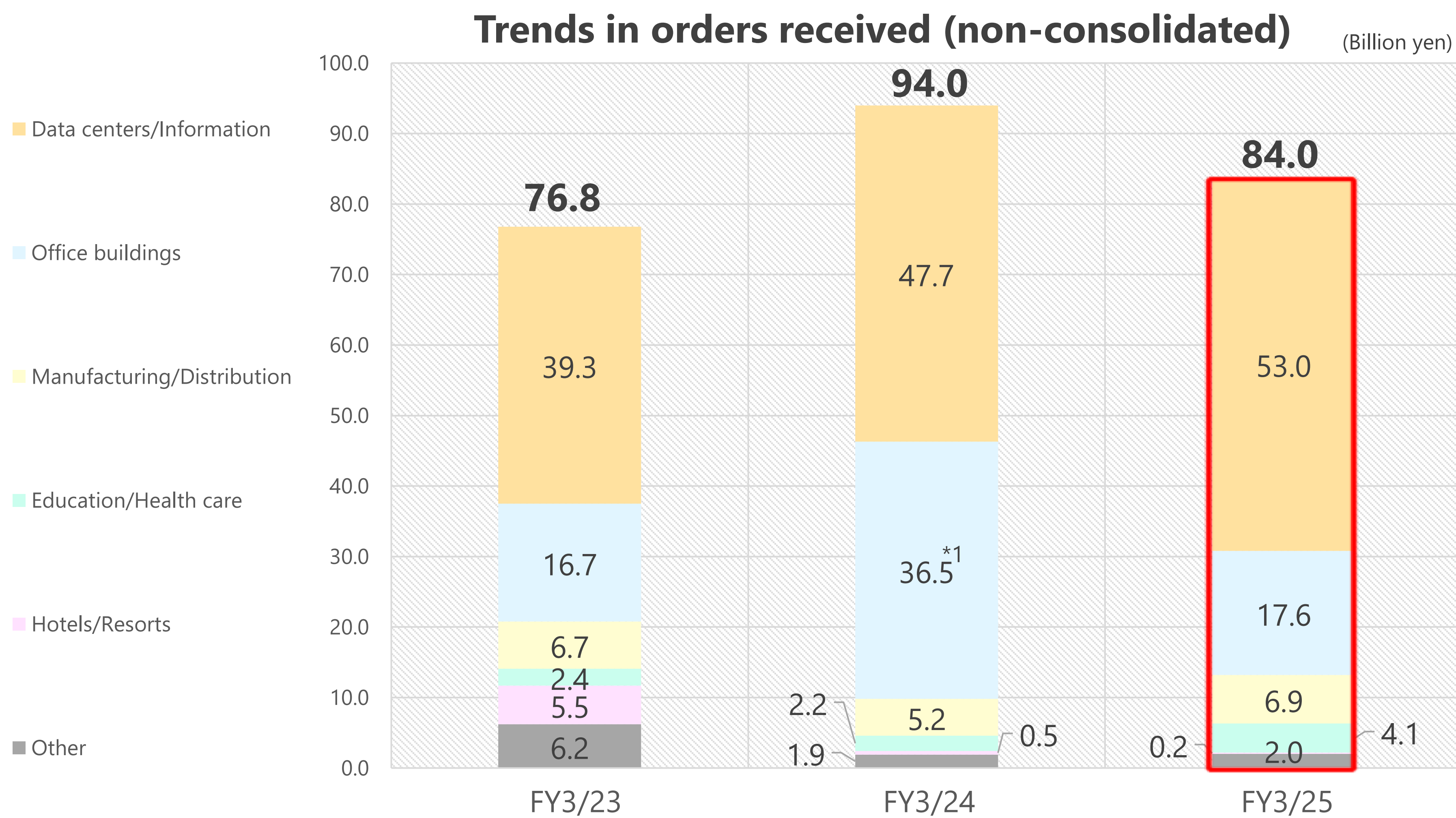
*2 Increased YoY due to the re-recognition of orders cancelled in prior fiscal years



*3: Orders received by consolidated subsidiaries

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

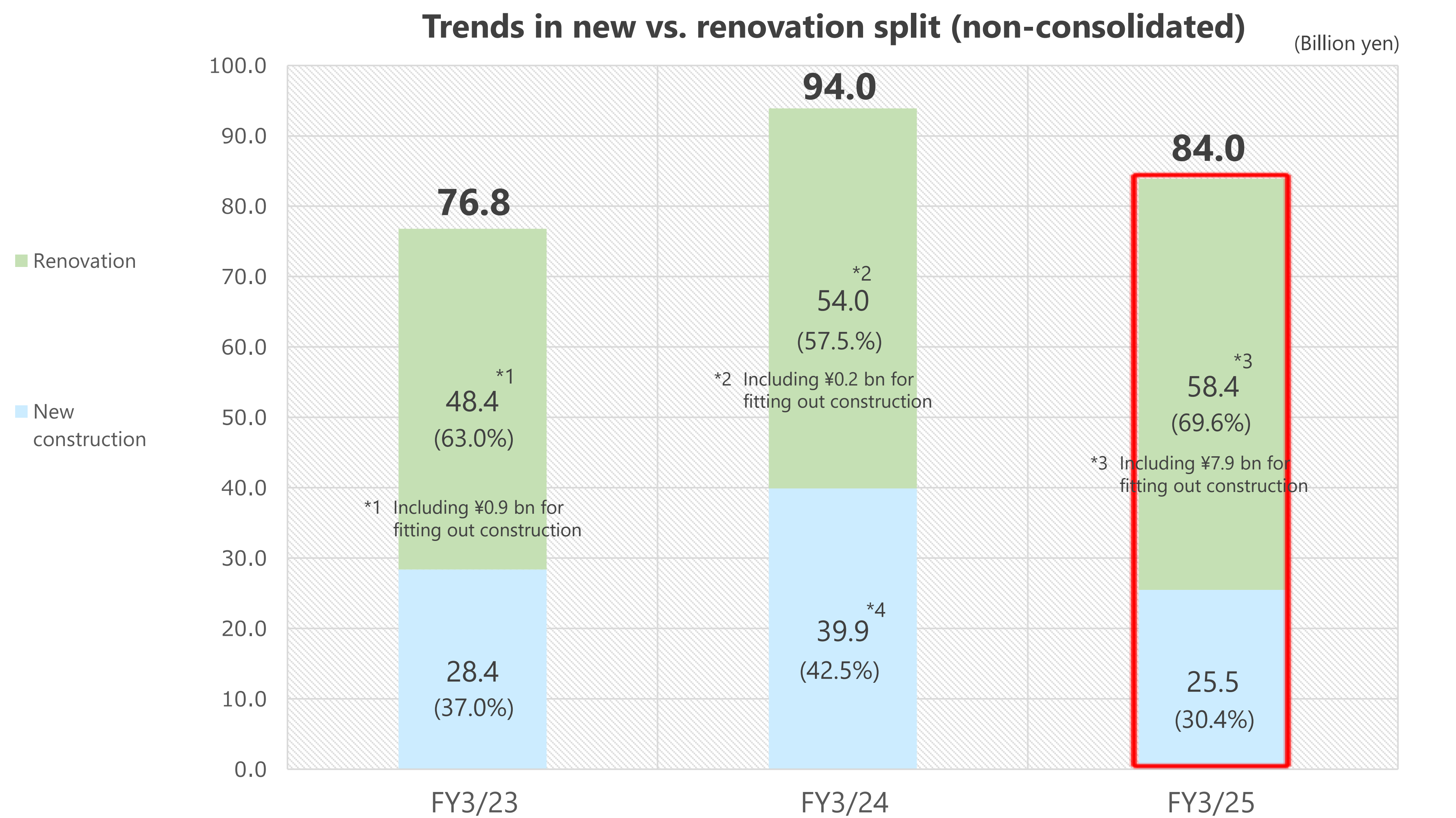
■ Strategic response to strong demand for data centers maintains a high level of order intake.



*1 Increased YoY due to the re-recognition of orders cancelled in prior fiscal years

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

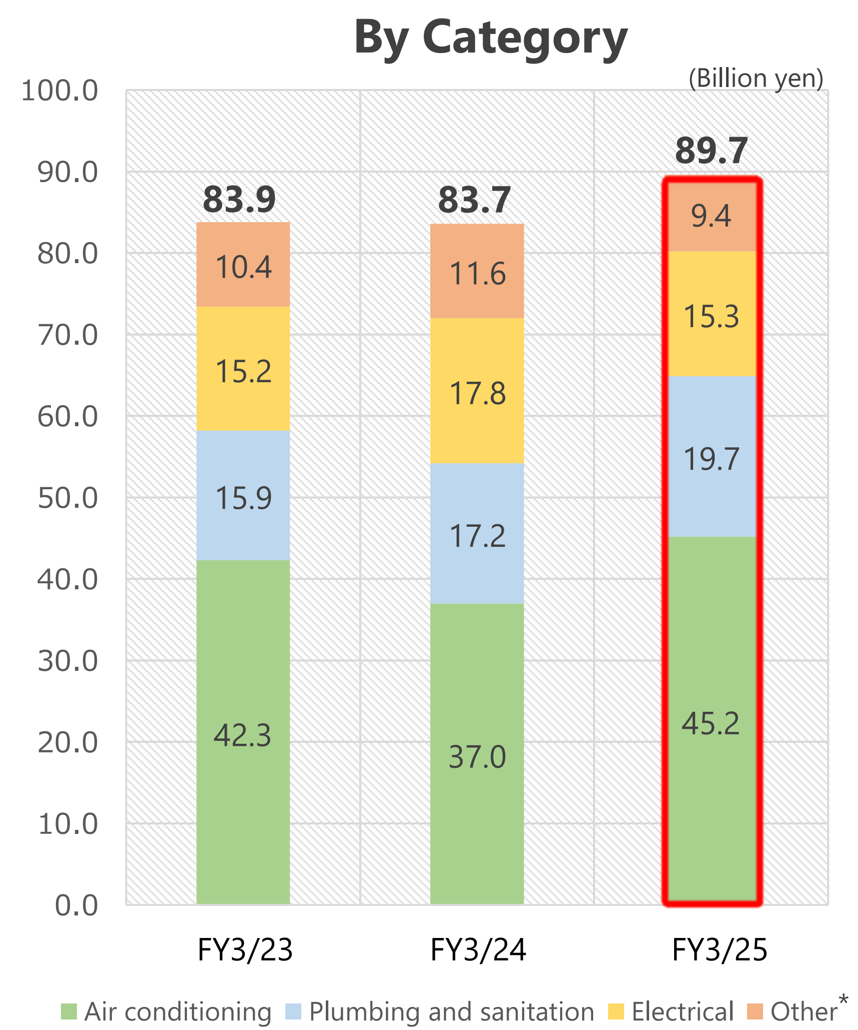
- Orders for new construction and fitting out construction for new data centers (recorded as "renovation") drove growth in orders received.
- Renovation remained steady.



*4 Increased YoY due to the re-recognition of orders cancelled in prior fiscal years

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

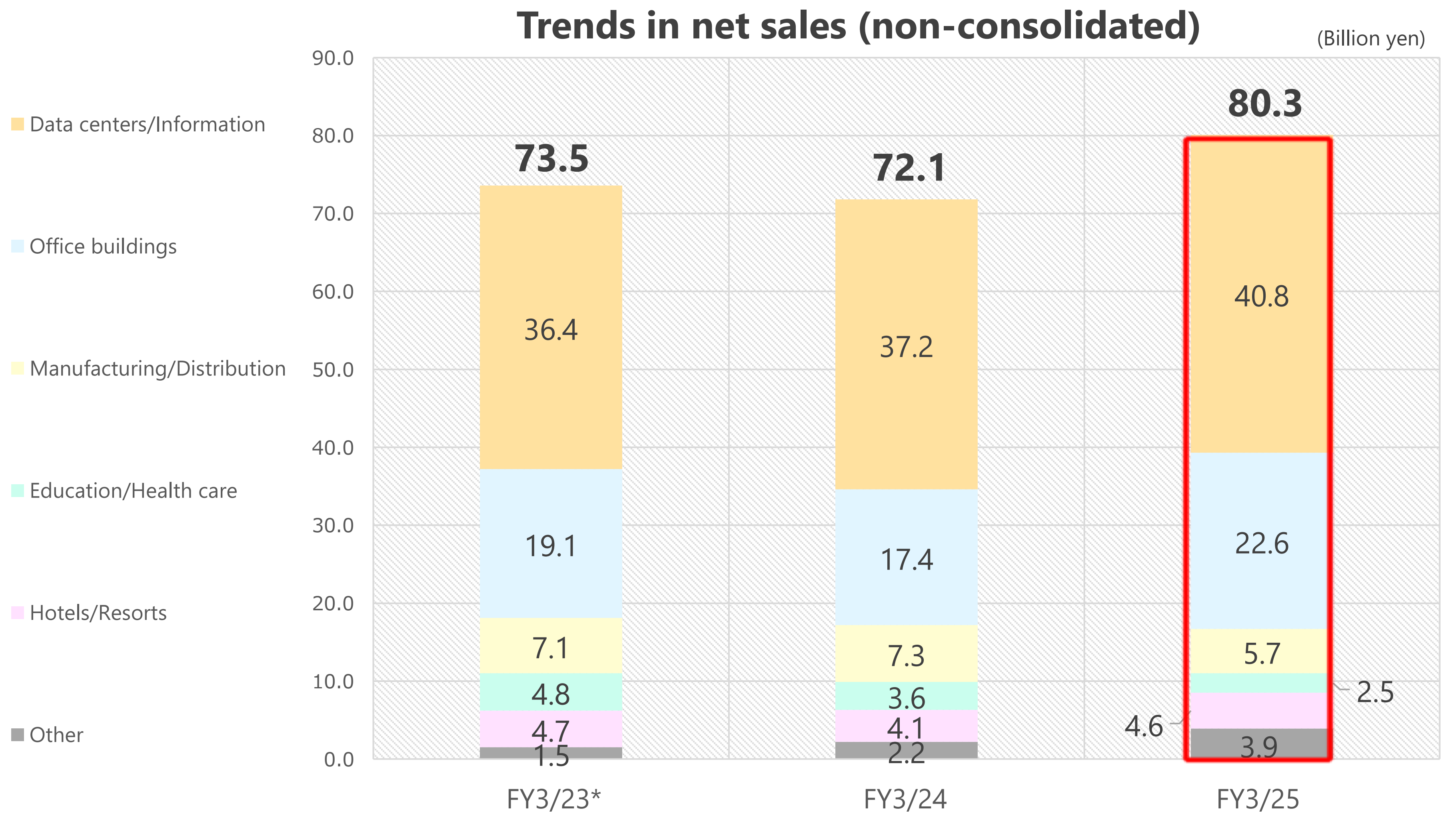
■ Progress made in private sector construction contributed to increased net sales.



*Sales earned by consolidated subsidiaries

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

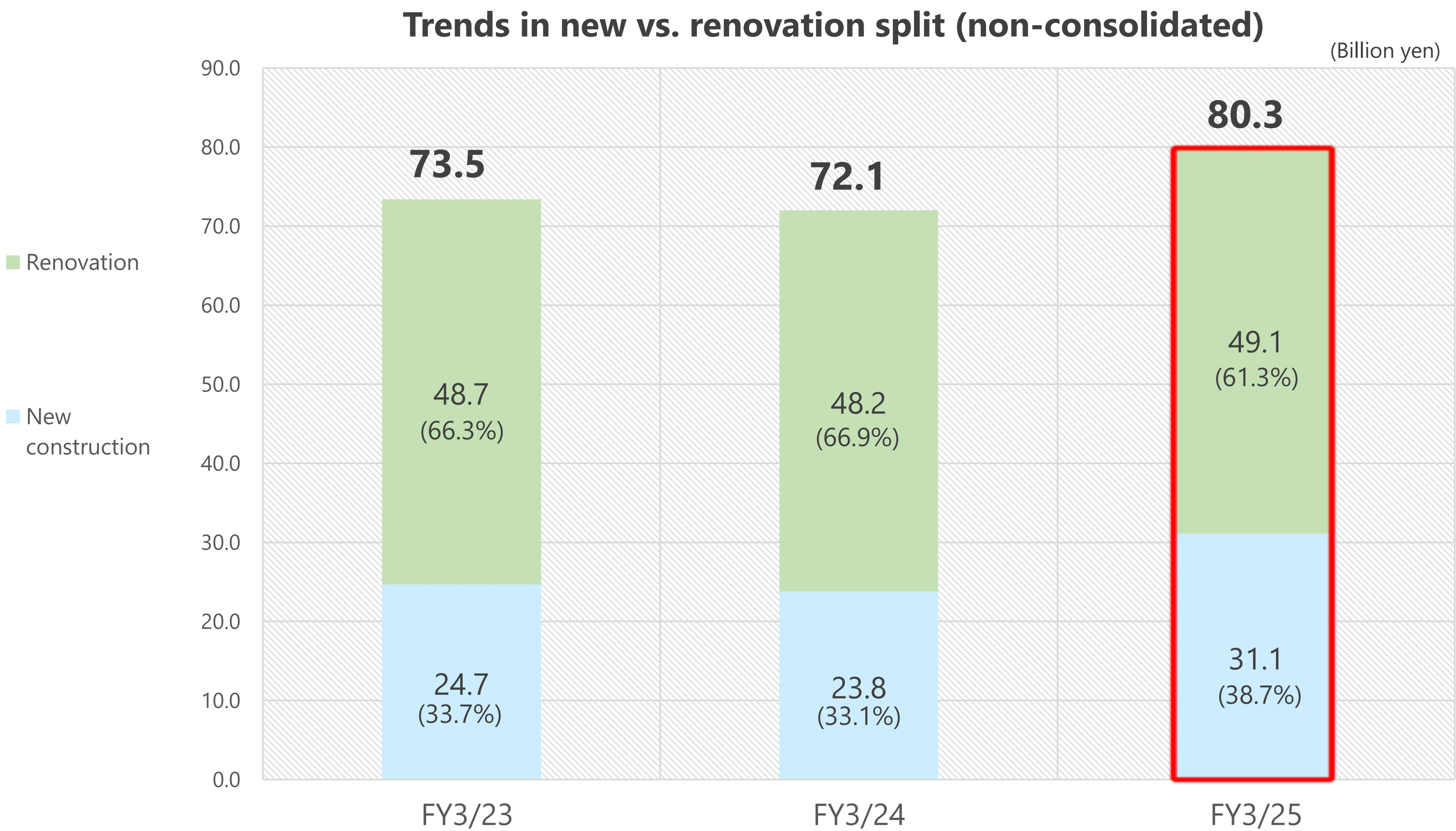
■ Growth in data center and office building construction contributed to increased net sales.



*The net sales amounts by facility category for FY3/23 are estimates.

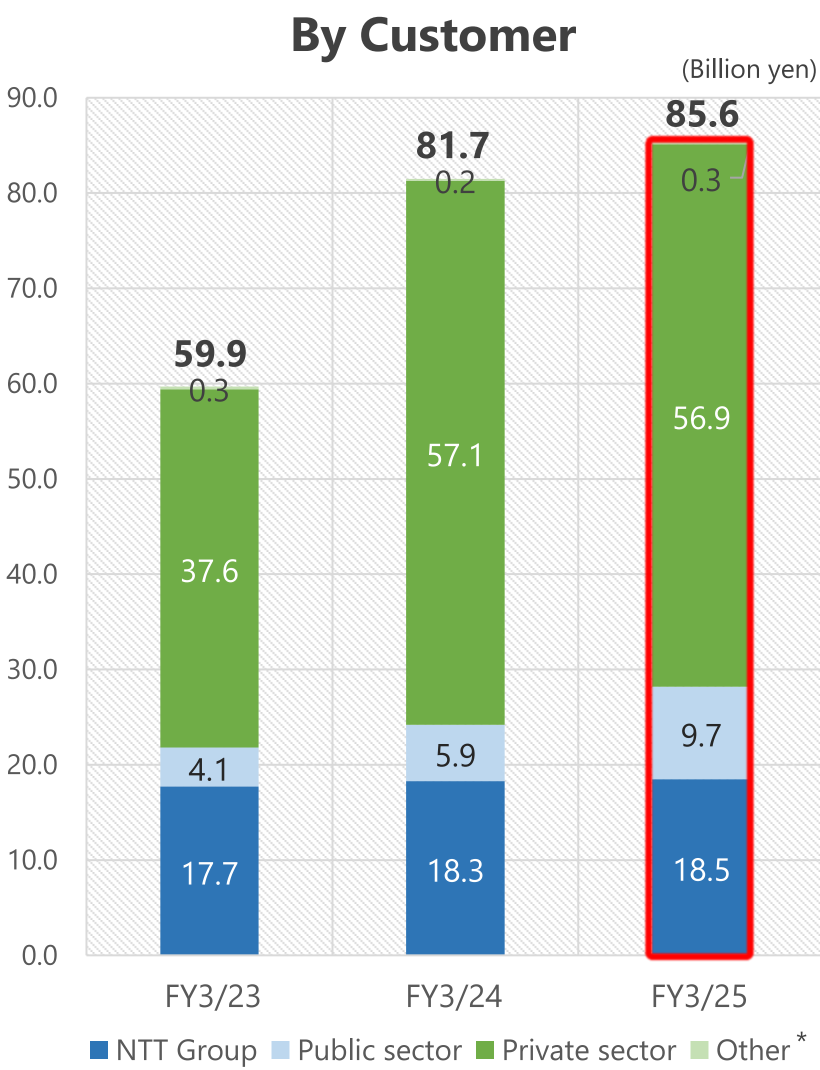
Net Sales (3): New vs. Renovation Split (Non-consolidated)

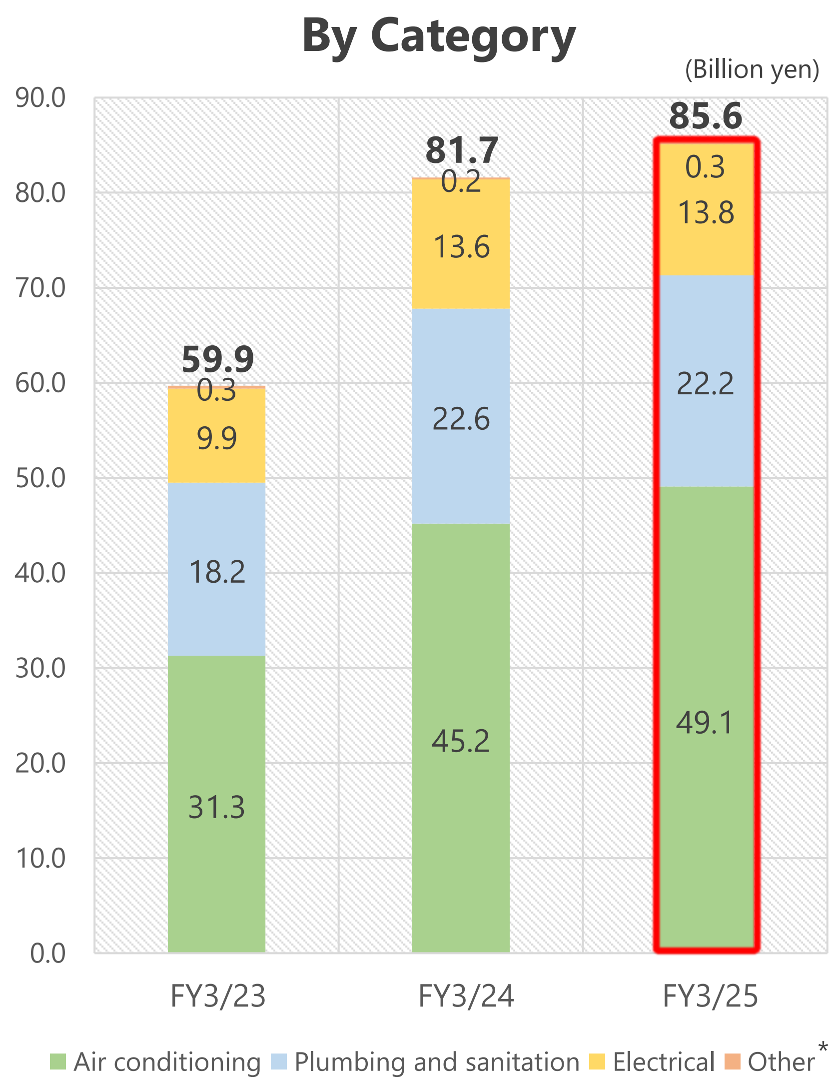
- Renovation is progressing steadily, but the renovation ratio has declined due to an increase in new construction projects in the private sector.



Projects Carried Over by Customer/Category (Consolidated)

- Projects carried over remained at a high level due to continued strong order counts for large-scale, long-duration projects.

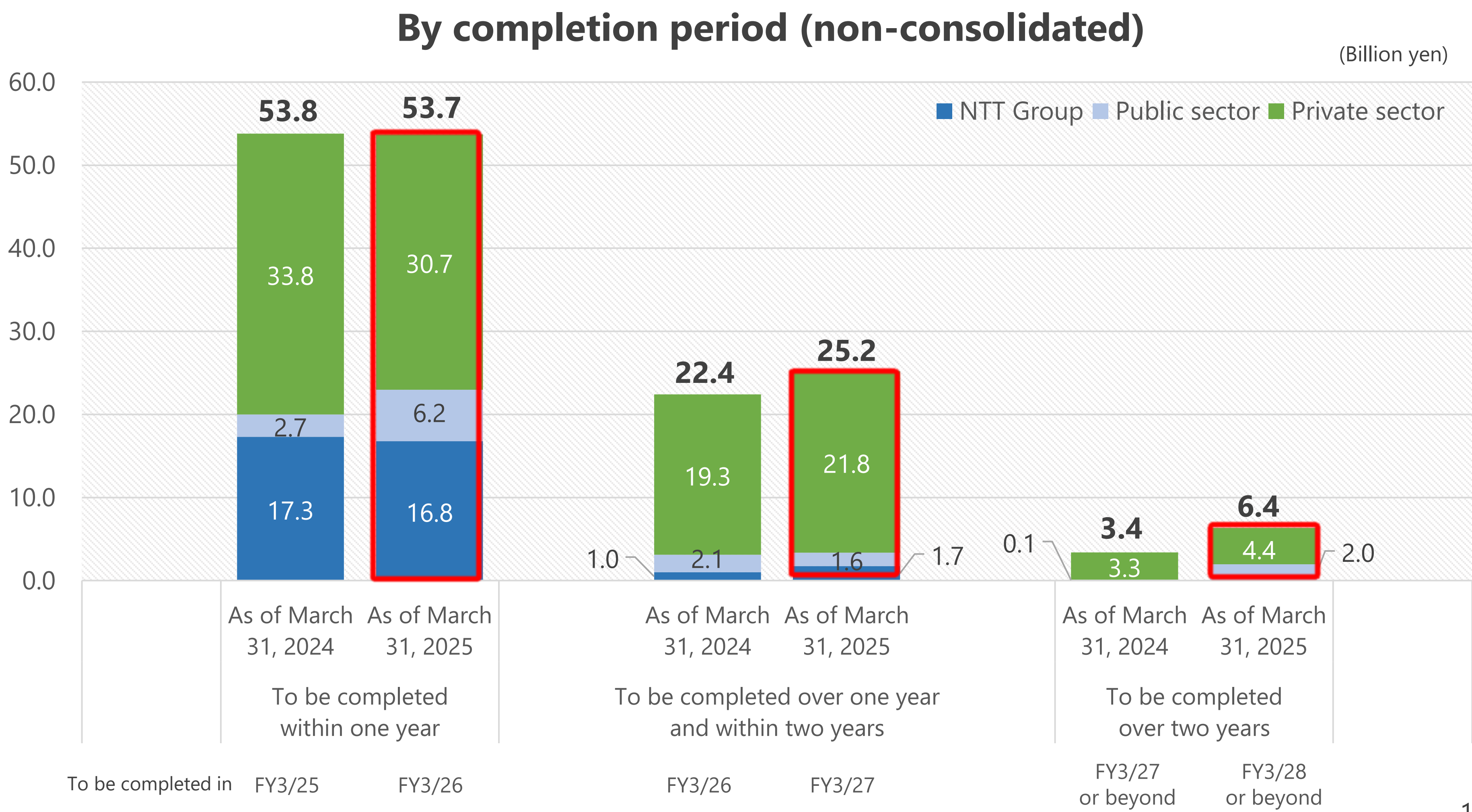




* Projects carried over by consolidated subsidiaries

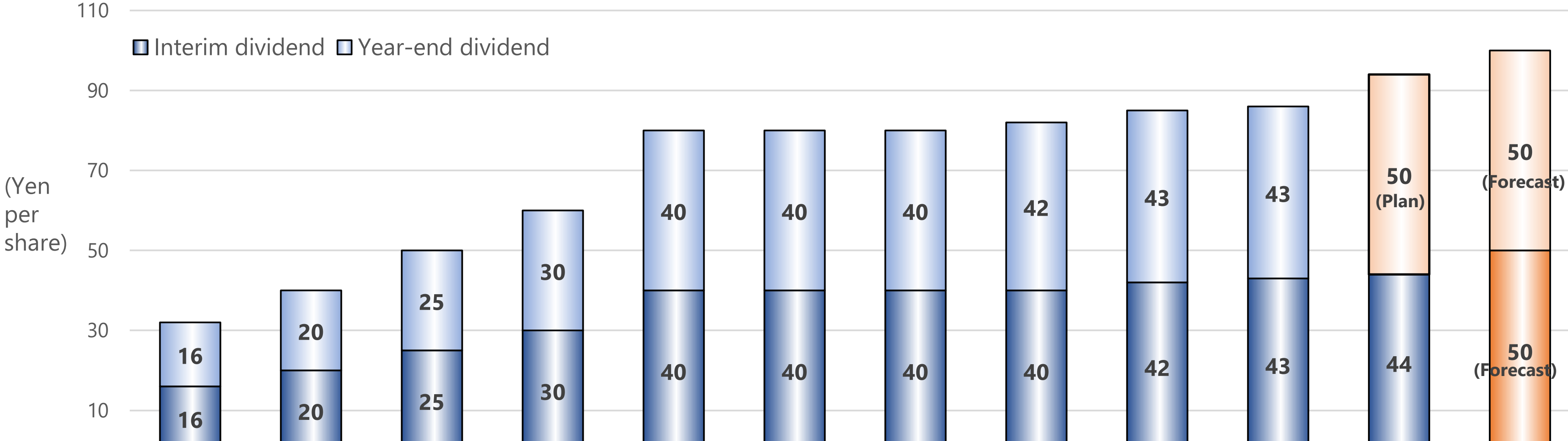
Projects Carried Over by Completion Period (Non-consolidated)

- Projects carried over completing within one year remained at the same high level as March 31, 2024.
- Projects with over one year to completion increased as the number of long-duration projects increased slightly.



Trends in Dividends

- Dividends are maintained or increased in a stable and consistent manner in line with medium- to long-term profit growth.
  - For FY3/25, the year-end dividend is planned to increase from the initial forecast of 44 yen to 50 yen per share in line with the increase in profit levels.
  - For FY3/26, a dividend of 50 yen per share is forecasted for both the interim and year-end dividends.

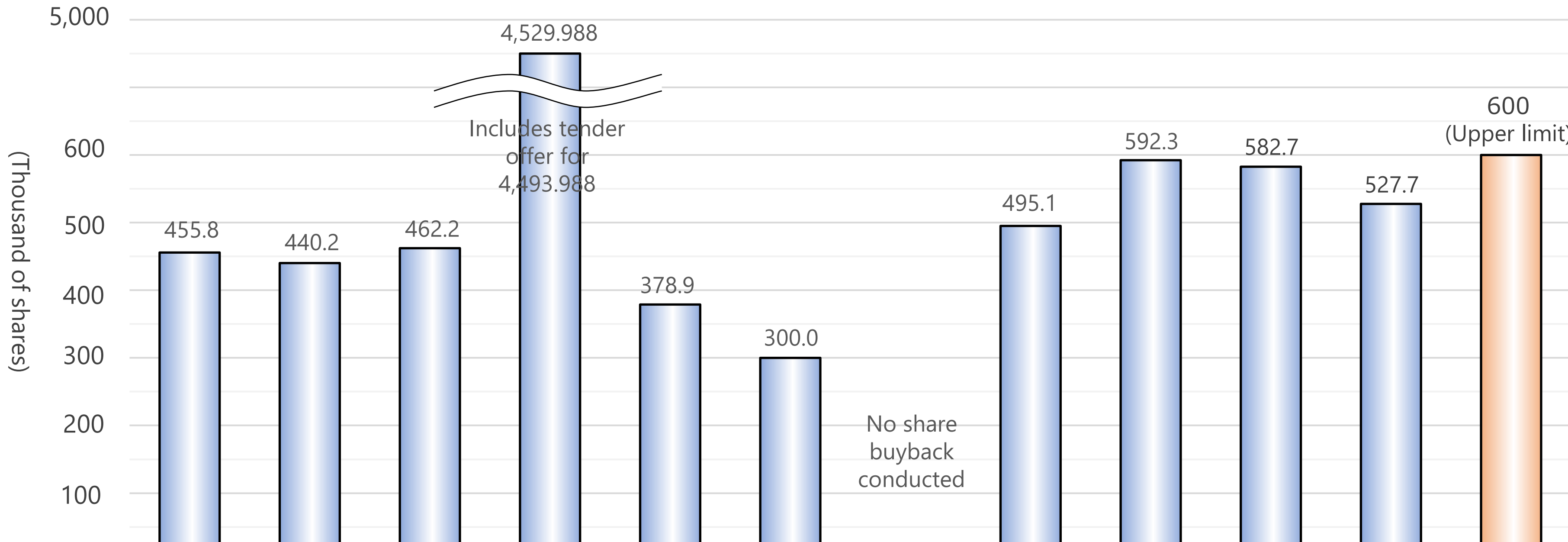


FY	3/2015	3/2016	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024	3/2025	3/2026 (Forecast)
Interim	16	20	25	30	40	40	40	40	42	43	44	50
Year-end	16	20	25	30	40	40	40	42	43	43	50 (Plan)	50
Full-year	32	40	50	60	80	80	80	82	85	86	94 (Plan)	100
Payout ratio (consolidated)	36.5%	25.5%	28.0%	22.9%	71.9%	54.3%	62.1%	44.6%	42.4%	40.7%	※1 35.5% (Plan)	※2 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% (Plan)	3.0%

※1 On a basis excluding stock sale profits, it is 37.8%.
※2 On a basis excluding stock sale profits, it is 37.1%.

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.
  - For FY3/2025, we conducted share buybacks up to the projected upper limit of 527,700 shares for ¥1.79 bn.
  - For FY3/2026, we have set the upper limit of 600,000 shares for ¥2.1 bn.



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 (Upper limit)
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)
Total return ratio (%)	64.3	40.7	53.0	23.2*	98.1	70.6	62.6	66.1	66.6	70.0	65.7	(70.9)

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

(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