August 6, 2026

For Immediate Release

Company name: Hibiya Engineering, Ltd.
Representative: Hidetaka Nakagita, President and CEO
(Tokyo Stock Exchange, Prime Market Stock code: 1982)
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Notice Regarding Disposal of Treasury Shares as Stock Compensation

Hibiya Engineering, Ltd. (the "Company") hereby announces that, at a meeting of the Board of Directors held on August 6, 2026, the Company resolved to dispose of treasury shares as stock compensation (the "Disposal of Treasury Shares").

1. Outline of disposal

(1) Date of disposal:	August 25, 2026
(2) Class and number of shares for disposal:	192,700 common shares of the Company
(3) Disposal price:	2,905 yen per share
(4) Total disposal amount:	559,793,500 yen
(5) Recipients of disposed shares:	The Master Trust Bank of Japan, Ltd. (Officer compensation BIP trust account)
(6) Other:	The Company has submitted an extraordinary report pursuant to the Financial Instruments and Exchange Act in connection with the Disposal of Treasury Shares.

2. Purpose and reasons for disposal

At the 61st Annual General Meeting of Shareholders held on June 25, 2026, the Company obtained approval for the renewal and partial amendment of its performance-linked stock compensation plan for directors and executive officers (excluding outside directors and non-residents of Japan) ("Directors etc."). The Company introduced the plan, which utilizes the Board Incentive Plan Trust (the "BIP Trust"), in FY3/2018 to further clarify the link between compensation for Directors etc. and the Company's share value and to motivate Directors etc. to contribute to the achievement of the performance targets under the Medium-term Management Plan and the medium-to-long-term enhancement of corporate value.

For an overview of the BIP Trust, please see the "Notice of Renewal and Partial Amendment of Performance-linked Stock Compensation Plan for Officers" announced on May 13, 2026.

In conjunction with the extension of the BIP Trust period, the Company will dispose of treasury shares by way of an allotment to The Master Trust Bank of Japan, Ltd. (Officer compensation BIP trust account), the joint trustee under the officer compensation BIP trust agreement to be entered into between the Company and Mitsubishi UFJ Trust and Banking Corporation (the "Trust Agreement"). The trust to be established pursuant to the Trust Agreement is referred to as the "Trust."

The number of shares to be disposed of represents the number of shares expected to be delivered to Directors etc. during the trust period in accordance with the Share Delivery Rules. The scale of dilution will be 0.44% of the total number of issued shares after giving effect to the stock split effective April 1, 2026 (44,000,000 shares; 22,000,000 shares as of March 31, 2026) and 0.45% of the total number of voting rights after giving effect to the stock split (431,684 voting rights; 215,669 voting rights as of March 31, 2026), in each case rounded to two decimal places.

The Company considers the impact of the Disposal of Treasury Shares on the secondary market to be minimal and the number of shares to be disposed of and the scale of dilution to be reasonable. This is because the Company's shares allotted through the Disposal of Treasury Shares will be delivered to Directors etc. in accordance with the Share Delivery Rules and are not expected to enter the stock market all at once.

3. Basis of calculation of disposal price and its details

To eliminate arbitrariness in light of recent share price trends, the disposal price has been set at 2,905 yen, equal to the closing price of the Company's shares on the Tokyo Stock Exchange, Inc. on August 5, 2026, the trading day immediately preceding the date of the Board of Directors' resolution on the Disposal of Treasury Shares. The Company selected this closing price because it represents the market price immediately preceding the Board of Directors' resolution and therefore provides a highly objective and reasonable basis for calculating the disposal price.