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## Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

July 31, 2023

Company name: SUMITOMO DENSETSU CO.,LTD.

Stock exchange listing: Tokyo

Code number: 1949

URL: <https://www.sem.co.jp>

Representative: Makoto Tani President

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Scheduled date of filing quarterly securities report: August 3, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 01, 2023 to June 30, 2023)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

|                                  | Net sales   |       | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |        |
|----------------------------------|-------------|-------|------------------|--------|-----------------|--------|---|--------|
|                                  | Million yen | %     | Million yen      | %      | Million yen     | %      | Million yen                             | %      |
| Three months ended June 30, 2023 | 35,349      | (4.7) | 585              | (71.7) | 906             | (62.5) | 364                                     | (75.2) |
| June 30, 2022                    | 37,091      | 16.7  | 2,066            | 20.9   | 2,420           | 23.7   | 1,470                                   | 16.6   |

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 2,463 million [ 88.0%]  
Three months ended June 30, 2022: ¥ 1,310 million [ (25.7)%]

|                    | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| Three months ended | Yen                      | Yen                        |
| June 30, 2023      | 10.29                    | -                          |
| June 30, 2022      | 41.54                    | -                          |

#### (2) Consolidated Financial Position

|                | Total assets | Net assets  | Capital adequacy ratio |
|----------------|--------------|-------------|------------------------|
| As of          | Million yen  | Million yen | %                      |
| June 30, 2023  | 155,636      | 100,197     | 61.3                   |
| March 31, 2023 | 162,587      | 99,618      | 58.4                   |

(Reference) Equity: As of June 30, 2023: ¥ 95,401 million  
As of March 31, 2023: ¥ 94,927 million

## 2. Dividends

|   | Annual dividends |                 |                 |          |       |
|---|------------------|-----------------|-----------------|----------|-------|
|   | 1st quarter-end  | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
|   | Yen              | Yen             | Yen             | Yen      | Yen   |
| Fiscal year ended March 31, 2023                | -                | 43.00           | -               | 51.00    | 94.00 |
| Fiscal year ending March 31, 2024               | -                |                 |                 |          |       |
| Fiscal year ending March 31, 2024<br>(Forecast) |                  | 47.00           | -               | 47.00    | 94.00 |

(Note) Revision to the forecast for dividends announced most recently: No

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 01, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

|                                      | Net sales   |     | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |        | Basic earnings per share |
|--------------------------------------|-------------|-----|------------------|--------|-----------------|--------|---|--------|--------------------------|
|                                      | Million yen | %   | Million yen      | %      | Million yen     | %      | Million yen                             | %      | Yen                      |
| Six months ending September 30, 2023 | 83,000      | 1.8 | 4,000            | (24.6) | 4,500           | (22.9) | 2,700                                   | (28.7) | 76.25                    |
| Full year                            | 185,000     | 5.6 | 13,500           | 0.3    | 14,500          | 0.7    | 9,500                                   | 1.2    | 268.30                   |

(Note) Revision to the financial results forecast announced most recently: No

### \* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2023: 35,635,879 shares

March 31, 2023: 35,635,879 shares

2) Number of treasury shares at the end of the period:

June 30, 2023: 218,575 shares

March 31, 2023: 230,084 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 35,408,668 shares

Three months ended June 30, 2022: 35,399,694 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

This presentation contains various forward-looking statements which are based on the current expectations and assumptions of future event.

Please be advised that there are possibilities actual performance could be different from those described in this material.

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Million yen)

|   | As of March 31, 2023 | As of June 30, 2023 |
|---|----------------------|---------------------|
| <b>Assets</b>   |                      |                     |
| Current assets  |                      |                     |
| Cash and deposits   | 54,770               | 53,628              |
| Notes receivable, accounts receivable from completed construction contracts and other | 64,375               | 54,916              |
| Costs on construction contracts in progress   | 3,108                | 3,742               |
| Other   | 1,409                | 1,880               |
| Allowance for doubtful accounts   | (12)                 | (8)                 |
| Total current assets  | 123,650              | 114,160             |
| Non-current assets  |                      |                     |
| Property, plant and equipment   |                      |                     |
| Land  | 7,028                | 7,150               |
| Other   | 16,528               | 16,686              |
| Accumulated depreciation  | (8,767)              | (8,751)             |
| Other, net  | 7,761                | 7,934               |
| Total property, plant and equipment   | 14,789               | 15,085              |
| Intangible assets   |                      |                     |
| Goodwill  | 118                  | 89                  |
| Other   | 965                  | 947                 |
| Total intangible assets   | 1,083                | 1,036               |
| Investments and other assets  |                      |                     |
| Investment securities   | 18,360               | 20,602              |
| Other   | 5,117                | 5,164               |
| Allowance for doubtful accounts   | (414)                | (413)               |
| Total investments and other assets  | 23,063               | 25,353              |
| Total non-current assets  | 38,936               | 41,475              |
| Total assets  | 162,587              | 155,636             |
| <b>Liabilities</b>  |                      |                     |
| Current liabilities   |                      |                     |
| Notes payable, accounts payable for construction contracts and other                  | 36,157               | 31,185              |
| Short-term borrowings   | 1,597                | 1,506               |
| Income taxes payable  | 2,577                | 224                 |
| Provisions  | 201                  | 86                  |
| Other   | 15,630               | 14,935              |
| Total current liabilities   | 56,163               | 47,936              |
| Non-current liabilities   |                      |                     |
| Long-term borrowings  | 921                  | 750                 |
| Provision for retirement benefits for directors (and other officers)                  | 17                   | 7                   |
| Retirement benefit liability  | 1,253                | 1,282               |
| Other   | 4,613                | 5,462               |
| Total non-current liabilities   | 6,805                | 7,501               |
| Total liabilities   | 62,968               | 55,438              |

(Millions of yen)

|   | As of March 31, 2023 | As of June 30, 2023 |
|---|----------------------|---------------------|
| Net assets  |                      |                     |
| Shareholders' equity                                  |                      |                     |
| Share capital   | 6,440                | 6,440               |
| Capital surplus                                       | 6,107                | 6,114               |
| Retained earnings                                     | 73,869               | 72,427              |
| Treasury shares                                       | (421)                | (400)               |
| Total shareholders' equity                            | 85,994               | 84,581              |
| Accumulated other comprehensive income                |                      |                     |
| Valuation difference on available-for-sale securities | 8,969                | 10,524              |
| Deferred gains or losses on hedges                    | -                    | (11)                |
| Foreign currency translation adjustment               | 581                  | 918                 |
| Remeasurements of defined benefit plans               | (618)                | (611)               |
| Total accumulated other comprehensive income          | 8,932                | 10,819              |
| Non-controlling interests                             | 4,690                | 4,795               |
| Total net assets                                      | 99,618               | 100,197             |
| Total liabilities and net assets                      | 162,587              | 155,636             |

Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

|  | For the three months<br>ended June 30, 2022 | For the three months<br>ended June 30, 2023 |
|--|---|---|
| Net sales  | 37,091                                      | 35,349                                      |
| Cost of sales                                      | 32,445                                      | 31,969                                      |
| Gross profit                                       | 4,645                                       | 3,380                                       |
| Selling, general and administrative expenses       |   |   |
| Employees' salaries and allowances                 | 983   | 1,074                                       |
| Other  | 1,595                                       | 1,721                                       |
| Total selling, general and administrative expenses | 2,579                                       | 2,795                                       |
| Operating profit                                   | 2,066                                       | 585   |
| Non-operating income                               |   |   |
| Interest income                                    | 16  | 33  |
| Dividend income                                    | 207   | 196   |
| Other  | 139   | 109   |
| Total non-operating income                         | 363   | 339   |
| Non-operating expenses                             |   |   |
| Interest expenses                                  | 5   | 8   |
| Other  | 3   | 10  |
| Total non-operating expenses                       | 9   | 18  |
| Ordinary profit                                    | 2,420                                       | 906   |
| Extraordinary losses                               |   |   |
| Loss on retirement of non-current assets           | -   | 43  |
| Total extraordinary losses                         | -   | 43  |
| Profit before income taxes                         | 2,420                                       | 863   |
| Income taxes - current                             | 157   | 206   |
| Income taxes - deferred                            | 650   | 258   |
| Total income taxes                                 | 808   | 464   |
| Profit   | 1,611                                       | 398   |
| Profit attributable to non-controlling interests   | 141   | 33  |
| Profit attributable to owners of parent            | 1,470                                       | 364   |

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Million yen)

|  | For the three months<br>ended June 30, 2022 | For the three months<br>ended June 30, 2023 |
|--|---|---|
| Profit   | 1,611                                       | 398   |
| Other comprehensive income                                     |   |   |
| Valuation difference on available-for-sale securities          | (750)                                       | 1,555                                       |
| Deferred gains or losses on hedges                             | 1   | (11)  |
| Foreign currency translation adjustment                        | 476   | 515   |
| Remeasurements of defined benefit plans, net of tax            | (28)  | 5   |
| Total other comprehensive income                               | (301)                                       | 2,065                                       |
| Comprehensive income   | 1,310                                       | 2,463                                       |
| Comprehensive income attributable to                           |   |   |
| Comprehensive income attributable to owners of parent          | 1,022                                       | 2,251                                       |
| Comprehensive income attributable to non-controlling interests | 287   | 212   |

## Supplementary Information

### (1) Consolidated Orders Received/Net Sales/Backlog of Orders by works type

(Unit : Million yen)

#### 1.Orders Received

| Works Type                         | FY2022/1Q<br>(From: Apr.1,2022<br>To: Jun.30,2022) |              | FY2023/1Q<br>(From: Apr.1,2023<br>To: Jun.30,2023) |              | Increase<br>(Decrease) |               | FY2022(Full year)<br>(From: Apr.1,2022<br>To: Mar.31,2023) |              |
|------------------------------------|--|--------------|--|--------------|------------------------|---------------|--|--------------|
|                                    | Amount   | Proportion   | Amount   | Proportion   | Amount                 | Rate          | Amount   | Proportion   |
| Power Transmission Works           | 5,353  | 11.0         | 5,709  | 13.0         | 355                    | 6.6           | 24,192   | 12.8         |
| General Electrical Works           | 30,881   | 63.4         | 26,977   | 61.7         | (3,904)                | (12.6)        | 112,211  | 59.4         |
| Information & Communications Works | 6,615  | 13.6         | 6,539  | 14.9         | (76)                   | (1.2)         | 29,597   | 15.7         |
| Facility & HVAC Works              | 3,822  | 7.8          | 2,427  | 5.6          | (1,395)                | (36.5)        | 13,334   | 7.1          |
| Utilities Engineering Service      | 46,674   | 95.8         | 41,653   | 95.2         | (5,021)                | (10.8)        | 179,335  | 95.0         |
| Others                             | 2,036  | 4.2          | 2,077  | 4.8          | 40                     | 2.0           | 9,451  | 5.0          |
| <b>Total</b>                       | <b>48,710</b>                                      | <b>100.0</b> | <b>43,730</b>                                      | <b>100.0</b> | <b>(4,980)</b>         | <b>(10.2)</b> | <b>188,787</b>   | <b>100.0</b> |

#### 2.Net Sales

| Works Type                         | FY2022/1Q<br>(From: Apr.1,2022<br>To: Jun.30,2022) |              | FY2023/1Q<br>(From: Apr.1,2023<br>To: Jun.30,2023) |              | Increase<br>(Decrease) |              | FY2022(Full year)<br>(From: Apr.1,2022<br>To: Mar.31,2023) |              |
|------------------------------------|--|--------------|--|--------------|------------------------|--------------|--|--------------|
|                                    | Amount   | Proportion   | Amount   | Proportion   | Amount                 | Rate         | Amount   | Proportion   |
| Power Transmission Works           | 3,360  | 9.1          | 4,538  | 12.8         | 1,178                  | 35.1         | 19,148   | 10.9         |
| General Electrical Works           | 23,935   | 64.5         | 21,219   | 60.0         | (2,716)                | (11.3)       | 105,950  | 60.5         |
| Information & Communications Works | 5,409  | 14.6         | 5,019  | 14.2         | (389)                  | (7.2)        | 28,517   | 16.3         |
| Facility & HVAC Works              | 2,349  | 6.3          | 2,494  | 7.1          | 145                    | 6.2          | 12,052   | 6.9          |
| Utilities Engineering Service      | 35,054   | 94.5         | 33,272   | 94.1         | (1,782)                | (5.1)        | 165,669  | 94.6         |
| Others                             | 2,036  | 5.5          | 2,077  | 5.9          | 40                     | 2.0          | 9,451  | 5.4          |
| <b>Total</b>                       | <b>37,091</b>                                      | <b>100.0</b> | <b>35,349</b>                                      | <b>100.0</b> | <b>(1,741)</b>         | <b>(4.7)</b> | <b>175,120</b>   | <b>100.0</b> |

#### 3. Backlog of Orders

| Works Type                         | FY2022/1Q<br>(As of Jun.30,2022) |              | FY2023/1Q<br>(As of Jun.30,2023) |              | Increase<br>(Decrease) |            | FY2022(Full year)<br>(As of Mar.31,2023) |              |
|------------------------------------|----------------------------------|--------------|----------------------------------|--------------|------------------------|------------|--|--------------|
|                                    | Amount                           | Proportion   | Amount                           | Proportion   | Amount                 | Rate       | Amount                                   | Proportion   |
| Power Transmission Works           | 17,142                           | 14.2         | 21,363                           | 16.3         | 4,220                  | 24.6       | 20,192                                   | 16.5         |
| General Electrical Works           | 76,161                           | 63.3         | 81,234                           | 62.1         | 5,072                  | 6.7        | 75,476                                   | 61.7         |
| Information & Communications Works | 17,810                           | 14.8         | 19,203                           | 14.7         | 1,392                  | 7.8        | 17,683                                   | 14.4         |
| Facility & HVAC Works              | 9,260                            | 7.7          | 9,002                            | 6.9          | (258)                  | (2.8)      | 9,069                                    | 7.4          |
| <b>Total</b>                       | <b>120,376</b>                   | <b>100.0</b> | <b>130,803</b>                   | <b>100.0</b> | <b>10,427</b>          | <b>8.7</b> | <b>122,423</b>                           | <b>100.0</b> |

## (2) Forecast of Consolidated Orders Received &amp; Net Sales

(Unit : Million yen)

| Works Type                         | Orders Received<br>(From: Apr.1,2023<br>To: Mar.31,2024) |                        | Net Sales<br>(From: Apr.1,2023<br>To: Mar.31,2024) |                        |
|------------------------------------|--|------------------------|--|------------------------|
|                                    | Amount   | Increase<br>(Decrease) | Amount   | Increase<br>(Decrease) |
| Power Transmission Works           | 24,500   | 1.3%                   | 22,500   | 17.5%                  |
| General Electrical Works           | 112,500  | 0.3                    | 111,000  | 4.8                    |
| Information & Communications Works | 31,000   | 4.7                    | 30,000   | 5.2                    |
| Facility & HVAC Works              | 13,500   | 1.2                    | 13,000   | 7.9                    |
| Utilities Engineering Service      | 181,500  | 1.2                    | 176,500  | 6.5                    |
| Others                             | 8,500  | (10.1)                 | 8,500  | (10.1)                 |
| Total                              | 190,000  | 0.6                    | 185,000  | 5.6                    |