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October 30, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)



Company name: SUMITOMO DENSETSU CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 1949

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

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Scheduled date to file semi-annual securities report: November 4, 2025

Scheduled date to commence dividend payments: December 2, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for institutional investors and analysts)

President

Executive Officer, General Manager, Finance & Accounting
Department

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	99,011	9.3	8,562	38.9	9,226	40.4	6,067	37.4
September 30, 2024	90,572	13.4	6,162	98.1	6,569	81.1	4,417	79.6

Note: Comprehensive income For the six months ended September 30, 2025: ¥ 8,858 million [124.9%]
For the six months ended September 30, 2024: ¥ 3,938 million [(23.0)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	172.45	-
September 30, 2024	125.33	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	193,260	125,030	61.8
March 31, 2025	197,577	119,178	57.6

Reference: Equity

As of September 30, 2025: ¥ 119,373 million

As of March 31, 2025: ¥ 113,714 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	60.00	-	86.00	146.00
Fiscal year ending March 31, 2026	-	78.00			
Fiscal year ending March 31, 2026 (Forecast)			-	78.00	78.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	218,000	7.1	21,000	17.4	22,300	17.9	15,000	17.2	426.32

Note: Revisions to the financial result forecast most recently announced: Yes

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 2 companies (DY MNG SDN. BHD. DY MNG ENGINEERING SDN. BHD.)

Excluded: - companies ()

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2025	35,635,879 shares
As of March 31, 2025	35,635,879 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	445,048 shares
As of March 31, 2025	459,813 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	35,184,705 shares
Six months ended September 30, 2024	35,243,922 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

○ Accompanying Material – Contents

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1. Qualitative Information on Financial Results for the Semi-annual Period under Review

(1) Explanation of Operating Results

Orders Received	95,804 million yen (Down 0.7% from the same period of the previous consolidated fiscal year)
Net Sales	99,011 million yen (Up 9.3% from the same period of the previous consolidated fiscal year)
Operating profit	8,562 million yen (Up 38.9% from the same period of the previous consolidated fiscal year)
Ordinary profit	9,226 million yen (Up 40.4% from the same period of the previous consolidated fiscal year)
Profit attributable to owners of parent	6,067 million yen (Up 37.4% from the same period of the previous consolidated fiscal year)

Orders received decreased from the same period of the previous fiscal year due in part to a delay in the timing of orders for overseas general electrical works originally scheduled for the semi-annual period under review, although the order environment remained favorable. Net sales increased from the same period of the previous fiscal year as a result of progress toward completion of large-scale jobs on hand, centered on power transmission works and general electrical works. In terms of profits, operating profit, ordinary profit, and profit attributable to owners of parent increased from the same period of the previous fiscal year. This reflects improved construction profitability covering increased expenses for securing and developing human resources that support the core of our business, including improvements in the workplace environment and treatment, and workstyle reforms.

(2) Explanation of Financial Position

As of the end of the first half of the consolidated fiscal year under review, assets decreased by 4,317 million yen from the end of the previous consolidated fiscal year to 193,260 million yen, mainly due to a decrease in notes receivable, accounts receivable from completed construction contracts and other, largely resulting from progress made in collecting construction accounts receivables. Liabilities decreased by 10,169 million yen from the end of the previous consolidated fiscal year to 68,229 million yen, mainly due to a decrease in notes payable, accounts payable for construction contracts and other, resulting from payments of construction accounts payables as well as shortening payment terms for construction costs to promote cooperation and mutual prosperity with business partners. Net assets increased by 5,851 million yen from the end of the previous consolidated fiscal year to 125,030 million yen, mainly due to an increase in retained earnings.

(3) Explanation of Consolidated Results Forecasts and Other Forward-Looking Information

The Group's full-year results forecasts were revised from the previous forecasts, as the results are now expected to exceed the forecasts announced on May 9, 2025. For further details, please refer to the "Differences Between Consolidated Earnings Forecasts and Actual Results for the Six Months Ended September 30, 2025, and Revision of Full-Year Consolidated Earnings Forecasts" released today.

Furthermore, the Company revised its dividend forecasts for the fiscal year ending March 31, 2026 announced on May 9, 2025, subject to the successful completion of a tender offer for its common stock by Daiwa House Industry Co., Ltd. described in the "Notice Concerning Opinion in Favor of Tender Offer for the Company Shares, etc. by Daiwa House Industry Co., Ltd. and Recommendation to Tender" separately announced today. For details, please refer to "Notice Concerning Revision of Year-End Dividend Forecasts (No Dividend Payment) for the Fiscal Year Ending March 31, 2026" released today.

The forecast figures of orders received and net sales by works type are stated in "(2) Forecast of Consolidated Orders Received & Net Sales" under "3. Supplementary Information."

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	64,919	59,810
Notes receivable, accounts receivable from completed construction contracts and other	79,829	73,124
Costs on construction contracts in progress	3,806	4,868
Other	1,642	2,235
Allowance for doubtful accounts	(12)	(13)
Total current assets	150,185	140,025
Non-current assets		
Property, plant and equipment		
Land	6,794	6,874
Other	18,725	19,640
Accumulated depreciation	(9,351)	(9,966)
Other, net	9,374	9,673
Total property, plant and equipment	16,169	16,547
Intangible assets		
Goodwill	0	1,748
Other	898	679
Total intangible assets	899	2,427
Investments and other assets		
Investment securities	23,712	27,453
Other	7,029	7,267
Allowance for doubtful accounts	(418)	(462)
Total investments and other assets	30,323	34,259
Total non-current assets	47,392	53,234
Total assets	197,577	193,260
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	41,054	30,565
Short-term borrowings	1,447	1,437
Income taxes payable	4,117	2,699
Provisions	185	81
Other	23,351	23,775
Total current liabilities	70,157	58,559
Non-current liabilities		
Long-term borrowings	852	965
Provision for retirement benefits for directors (and other officers)	15	17
Retirement benefit liability	1,327	1,306
Other	6,045	7,381
Total non-current liabilities	8,241	9,670
Total liabilities	78,398	68,229

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Net assets		
Shareholders' equity		
Share capital	6,440	6,440
Capital surplus	6,119	6,155
Retained earnings	89,060	92,102
Treasury shares	(1,331)	(1,288)
Total shareholders' equity	100,288	103,409
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,203	14,597
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	1,147	1,263
Remeasurements of defined benefit plans	74	102
Total accumulated other comprehensive income	13,425	15,964
Non-controlling interests	5,464	5,656
Total net assets	119,178	125,030
Total liabilities and net assets	197,577	193,260

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	90,572	99,011
Cost of sales	78,622	83,912
Gross profit	11,949	15,099
Selling, general and administrative expenses		
Employees' salaries and allowances	2,227	2,381
Other	3,559	4,156
Total selling, general and administrative expenses	5,786	6,537
Operating profit	6,162	8,562
Non-operating income		
Interest income	73	115
Dividend income	279	376
Other	149	215
Total non-operating income	503	707
Non-operating expenses		
Interest expenses	16	21
Other	79	22
Total non-operating expenses	96	44
Ordinary profit	6,569	9,226
Profit before income taxes	6,569	9,226
Income taxes - current	1,944	2,640
Income taxes - deferred	111	343
Total income taxes	2,056	2,984
Profit	4,513	6,241
Profit attributable to non-controlling interests	96	174
Profit attributable to owners of parent	4,417	6,067

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	4,513	6,241
Other comprehensive income		
Valuation difference on available-for-sale securities	(723)	2,393
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	160	193
Remeasurements of defined benefit plans, net of tax	(11)	29
Total other comprehensive income	(575)	2,617
Comprehensive income	3,938	8,858
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,809	8,606
Comprehensive income attributable to non-controlling interests	128	252

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	6,569	9,226
Depreciation	642	709
Amortization of goodwill	0	0
Loss on disposal of property, plant and equipment	1	2
Increase (decrease) in allowance for doubtful accounts	(4)	45
Increase (decrease) in provision for loss on construction contracts	(8)	(20)
Increase (decrease) in provision for bonuses for directors (and other officers)	(64)	(84)
Increase (decrease) in retirement benefit liability	(33)	(25)
Interest and dividend income	(353)	(491)
Interest expenses	16	21
Foreign exchange losses (gains)	7	(0)
Decrease (increase) in trade receivables	7,982	8,631
Decrease (increase) in inventories	(942)	(1,044)
Increase (decrease) in trade payables	(6,250)	(11,598)
Increase (decrease) in advances received on construction contracts in progress	1,142	3,024
Increase (decrease) in other current liabilities	(1,480)	(2,803)
Other, net	(958)	(976)
Subtotal	6,265	4,617
Interest and dividends received	352	492
Interest paid	(17)	(22)
Income taxes and paid refund	(2,703)	(3,923)
Net cash provided by (used in) operating activities	3,896	1,164
Cash flows from investing activities		
Payments into time deposits	(232)	(252)
Proceeds from withdrawal of time deposits	290	261
Purchase of property, plant and equipment	(1,135)	(366)
Proceeds from sale of property, plant and equipment	0	5
Purchase of intangible assets	(90)	(67)
Purchase of investment securities	(306)	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(2,585)
Purchase of shares of subsidiaries	-	(250)
Net decrease (increase) in short-term loans receivable	-	50
Other, net	107	(71)
Net cash provided by (used in) investing activities	(1,366)	(3,277)
Cash flows from financing activities		
Proceeds from long-term borrowings	455	480
Repayments of long-term borrowings	(495)	(522)
Purchase of treasury shares	(958)	(3)
Dividends paid	(2,089)	(3,025)
Dividends paid to non-controlling interests	(21)	(108)
Other, net	(41)	(41)
Net cash provided by (used in) financing activities	(3,151)	(3,220)
Effect of exchange rate change on cash and cash equivalents	37	123
Net increase (decrease) in cash and cash equivalents	(583)	(5,210)
Cash and cash equivalents at beginning of period	59,085	64,658
Cash and cash equivalents at end of period	58,501	59,447

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on the Going-concern Assumption)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Significant Subsequent Events)

Tender Offer for the Company

At a meeting of the Board of Directors held on October 30, 2025, the Company has resolved as follows to express its opinion in favor of a tender offer (the "Tender Offer") for the Company's common shares (the "Company's Shares") by DAIWA HOUSE INDUSTRY CO., LTD. (the "Tender Offeror") and to recommend that the Company's shareholders tender their shares in the Tender Offer. The above resolution of the Board of Directors was made on the premise that the Tender Offeror intends to make the Company a wholly owned subsidiary of the Tender Offeror through the Tender Offer and subsequent procedures, and that the Company's Shares are planned to be delisted. For further details, please refer to the "Notice Regarding Expression of an Opinion in Favor of a Tender Offer for the Company's Shares by DAIWA HOUSE INDUSTRY CO., LTD., Recommendation for Tendering Shares, and Conclusion of the Business Partnership Agreement" released on October 30, 2025.

3. Supplementary Information

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

(Millions of yen)

1.Orders Received

Works Type	FY2024/2Q (From: Apr.1,2024 To: Sep.30,2024)		FY2025/2Q (From: Apr.1,2025 To: Sep.30,2025)		Increase (Decrease)		FY2024(Full year) (From: Apr.1,2024 To: Mar.31,2025)	
	Amount	Proportion	Amount	Proportion	Amount	Rate	Amount	Proportion
Power Transmission Works	11,842	12.3%	10,912	11.4%	(929)	(7.9)	66,202	27.0
General Electrical Works	52,775	54.7	51,805	54.1	(969)	(1.8)	111,540	45.6
Information & Communications Works	15,395	15.9	17,551	18.3	2,156	14.0	33,043	13.5
Environmental Facility & Plant, Others	16,472	17.1	15,533	16.2	(938)	(5.7)	33,935	13.9
Utilities Engineering Service	96,486	100.0	95,804	100.0	(682)	(0.7)	244,720	100.0
Total	96,486	100.0	95,804	100.0	(682)	(0.7)	244,720	100.0

2.Net Sales

Works Type	FY2024/2Q (From: Apr.1,2024 To: Sep.30,2024)		FY2025/2Q (From: Apr.1,2025 To: Sep.30,2025)		Increase (Decrease)		FY2024(Full year) (From: Apr.1,2024 To: Mar.31,2025)	
	Amount	Proportion	Amount	Proportion	Amount	Rate	Amount	Proportion
Power Transmission Works	11,385	12.6%	16,379	16.6%	4,994	43.9	27,633	13.6
General Electrical Works	49,150	54.3	53,512	54.0	4,361	8.9	109,617	53.8
Information & Communications Works	13,100	14.4	14,058	14.2	958	7.3	30,797	15.1
Environmental Facility & Plant, Others	16,936	18.7	15,061	15.2	(1,874)	(11.1)	35,590	17.5
Utilities Engineering Service	90,572	100.0	99,011	100.0	8,439	9.3	203,639	100.0
Total	90,572	100.0	99,011	100.0	8,439	9.3	203,639	100.0

3. Backlog of Orders

Works Type	FY2024/2Q (As of Sep.30,2024)		FY2025/2Q (As of Sep.30,2025)		Increase (Decrease)		FY2024(Full year) (As of Mar.31,2025)	
	Amount	Proportion	Amount	Proportion	Amount	Rate	Amount	Proportion
Power Transmission Works	30,389	18.0%	63,032	31.4%	32,643	107.4	68,499	33.6
General Electrical Works	98,328	58.3	94,920	47.3	(3,408)	(3.5)	96,626	47.4
Information & Communications Works	20,905	12.4	24,349	12.1	3,443	16.5	20,856	10.2
Environmental Facility & Plant, Others	19,054	11.3	18,335	9.2	(719)	(3.8)	17,863	8.8
Total	168,678	100.0	200,638	100.0	31,959	18.9	203,846	100.0

(2) Forecast of Consolidated Orders Received & Net Sales

(Millions of yen)

Works Type		Orders Received (From: Apr.1,2025 To: Mar.31,2026)		Net Sales (From: Apr.1,2025 To: Mar.31,2026)	
		Amount	Increase (Decrease)	Amount	Increase (Decrease)
	Power Transmission Works	25,000	[%] △62.2	34,000	[%] 23.0
	General Electrical Works	131,000	17.4	118,000	7.6
	Information & Communications Works	38,500	16.5	34,000	10.4
	Environmental Facility & Plant, Others	35,500	4.6	32,000	△10.1
	Utilities Engineering Service	230,000	△6.0	218,000	7.1
	Total	230,000	△6.0	218,000	7.1