

【Materials for Investor Briefing】

FY2024 Results and Annual Forecasts FY2025

VISION 2030 Mid-term Management PLAN 2028



The Sumitomo Spirit

<i>“Banji-nissei”</i>	“Be sincere in all things:” “Do your sincere best in not only business but also every aspect of your life”
<i>Shinyo-kakujitsu</i>	Integrity and sound management: Sumitomo shall achieve strength and prosperity by placing prime importance on integrity and sound management in the conduct of its business.
<i>Fusu-furi</i>	Avoidance of shortsighted conduct: Sumitomo shall manage its activities with foresight and flexibility in order to cope effectively with the changing times. Under no circumstances, however, shall it pursue easy gains or act imprudently.

Corporate Philosophy of the Sumitomo Densetsu Group

- Recognizing its social mission and responsibility, the Sumitomo Densetsu Group:
- Aims to develop a favorable environment to support a prosperous and secure society.
 - Values its technical prowess and the customer's confidence in it and provides high quality engineering service that gives a high level of customer satisfaction.
 - Practices fair and transparent management based on compliance in keeping with a high standard of corporate ethics.
 - Seeks to create a vibrant and pleasant business environment while fostering employees rich in creativity.

SEM VALUE

- | | | |
|------------------|------------|---|
| Sincerity | >>>>>>>>>> | Employees should devote themselves to satisfying society's needs in a spirit of sincerity |
| Teamwork | >>>>>>>>>> | Employees should recognize diversity and strive to leverage teamwork |
| Creation | >>>>>>>>>> | Employees should create a sustainable future through sophisticated technologies |

Employee Code of Conduct

(Excerpt) Respect for human rights, respect for privacy, prevention of various forms of harassment, ensuring a safe and healthy workplace, ensuring quality, etc.

1. FY2024 Results
2. Annual Forecasts FY2025
3. FY2025 Summary & Forecast by Works Type
4. VISION2030 Mid-term PLAN2028
5. Dividend Policy

1-1. FY2024 Results

■ Explanation of Business Results

Orders received, Net sales, Profit items and Backlog of Orders all reached a record high.

[Orders Received・Net Sales] increase year on year (YoY)

Large-scale projects, such as those related to renewable energy, data centers and plants, steady growth.

[Operating profit・Ordinary profit] increase year on year (YoY).

An increase in Net sales and improved profitability offset an increase in expenses due to investment in human capital and IT.

■ FY2024 Results

(¥bn)	2023	2024			Growth	
	Actual①	Plan ②	Actual③	Difference③－②	Growth③－①	Rate
Orders Received	225.9	220.0	244.7	24.7	18.9	8.3%
Net Sales	185.5	200.0	203.6	3.6	18.1	9.8%
Operating profit Margin	12.55	15.50	17.89	2.39	5.34	42.5%
	6.8%	7.8%	8.8%	1.0%	2.0%	
Ordinary profit Margin	13.50	16.00	18.91	2.91	5.41	40.1%
	7.3%	8.0%	9.3%	1.3%	2.0%	
Profit attributable to owners of parent Margin	10.06	10.60	12.80	2.20	2.74	27.2%
	5.4%	5.3%	6.3%	1.0%	0.9%	
Backlog of Orders	162.8		203.8		41.1	25.2%

■ Year-end dividend for FY2024 was **¥86 per share** (up ¥26 per share from the previous forecast) annual dividend of **¥146 per share ⇒ Dividend payout ratio: 40% (V24 Target)**

1-2. FY2024 Summary by Works Type (Net Sales)

FY2024 Summary by Works Type

Power Transmission	Increased YoY due to progress on large-scale projects for electricity companies and expansion of projects for steel manufacturers.
General Electrical	Japan : Increased YoY due to progress of large-scale projects, such as those for data centers, educational facilities and plants. Overseas: Significantly increased YoY due to progress on large-scale projects for data centers, others.
Info & Comms	Communication System: Decreased YoY due to a decrease in mobile base station projects. Information & Telecommunication: Increased YoY due to progress in Backlog of Orders including projects for medical and nursing care, and educational facility.
Facility & HVAC	Significant increase YoY due to Progress on backlog of orders large-scale projects for plant.

Net Sales for by Works Type(¥bn)	2020	2021	2022	2023	2024	FY23→24 Growth	2024 Proportion
Power Transmission	20.9	20.3	19.1	24.5	27.6	12.7%	13.6%
General Electrical	87.1	100.7	106.0	111.1	122.3	10.1%	60.1%
Japan	68.1	76.8	76.6	83.2	87.0	4.6%	42.7%
Overseas	19.0	23.8	29.3	27.9	35.4	26.3%	17.3%
Info & Comms	27.7	27.5	28.5	29.6	30.8	4.0%	15.1%
Facility & HVAC	10.1	10.6	12.1	12.4	15.8	27.2%	7.8%
Others※	8.3	8.6	9.5	7.8	7.1	△9.8%	3.5%
TOTAL	154.1	167.6	175.1	185.5	203.6	9.8%	100.0%

2-1. FY2025 Forecast

■ Business Environment Overall steady growth

Expected demand: Further expansion of the data center market, redevelopment projects in the metropolitan areas, investments related to inbound demands, expansion of renewable energy business-related investments, and information & communication-related investments for the realization of a digital society, etc.

Potential risks: Impact of the U.S. tariff increase, rising costs due to inflation, lack of engineers, and construction delays, etc.

■ Consolidated Forecast for FY2025:

Net sales is planned to increase YoY and Profit amount is planned to remain flat YoY

(¥bn)	2023	2024	2025 Forecast	Growth (%) YoY	
Orders Received	225.9	244.7	220.0	△ 24.7	△ 10.1%
Net Sales	185.5	203.6	210.0	6.4	3.1%
Operating profit	12.55	17.89	180.0	0.11	0.6%
Margin	6.8%	8.8%	8.6%	△ 0.2%	
Ordinary profit	13.50	18.91	19.00	0.09	0.5%
Margin	7.3%	9.3%	9.0%	△ 0.2%	
Profit attributable to owners of parent	10.06	12.80	13.00	0.20	1.6%
Margin	5.4%	6.3%	6.2%	△ 0.1%	

■ Dividends Forecast for FY2025

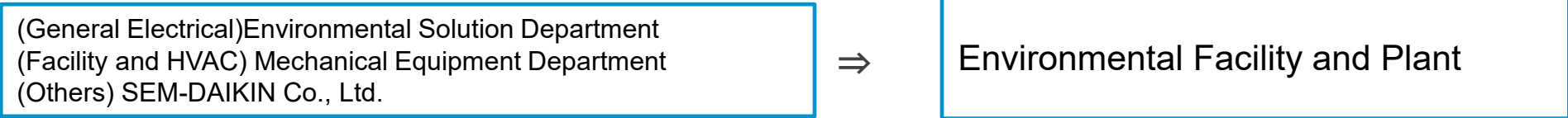
An annual dividend of **¥156 per share (interim ¥78) is planned**, up¥10 per share from FY2024

2-2. Net Sales for FY2025 by Works Type

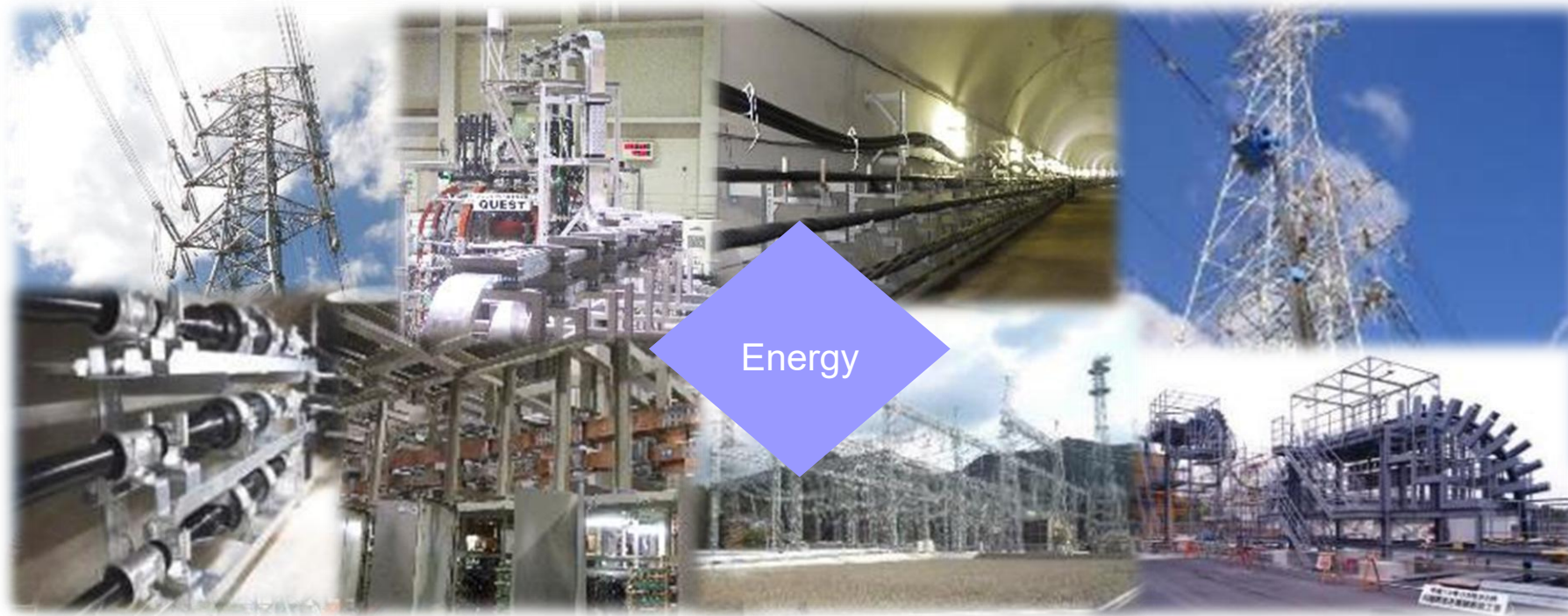
■ **FY2025 Forecast by Works Type** (Our forecast for FY2025 are explained on the following pages by Works Type)

Net Sales for by Works Type(¥bn)	2024	2025	FY24→25 Growth	2025 Proportion
Power Transmission	27.6	32.0	15.8%	15.2%
General Electrical	109.6	114.0	4.0%	54.3%
Japan	74.3	78.0	4.9%	37.1%
Overseas	35.3	36.0	2.0%	17.1%
Info & Comms	30.8	33.5	8.8%	16.0%
Environmental Facility & Plant , Others	35.6	30.5	△ 14.3%	14.5%
TOTAL	203.6	210.0	3.1%	100.0%

Reclassification of works type:



3-1. Power Transmission Works



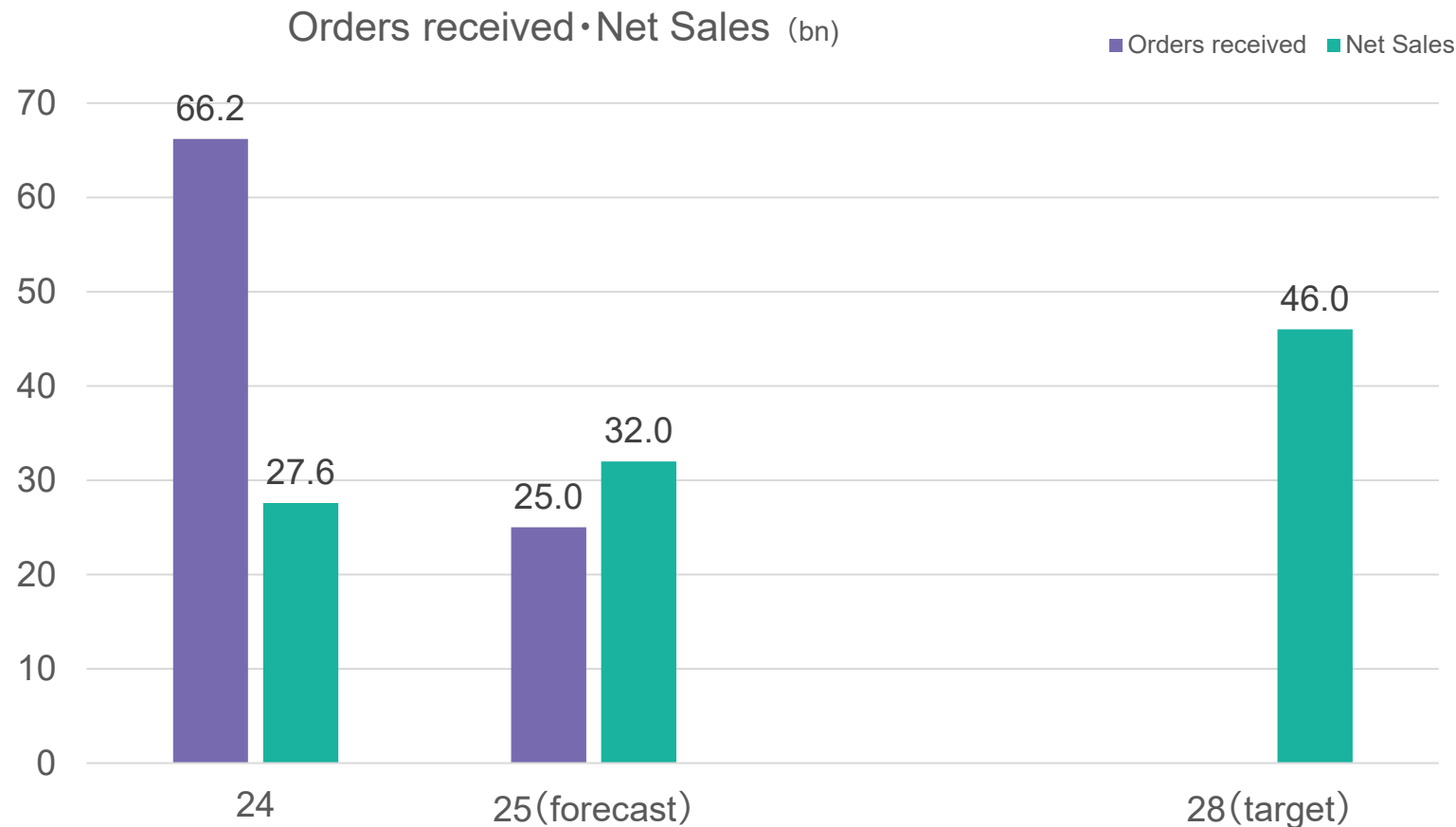
**Provide high-quality, reliable electric transmission technologies
to meet the needs of customers**

Electricity is vital to modern society. Sumitomo Densetsu has a range of experience in the construction of the facilities required for the transmission of “electricity,” including overhead and underground transmission, electrical substations, and electrical power distribution systems. We are also engaged in the construction of interconnected systems to supply electricity from new energy facilities, including photovoltaic power stations, wind power stations and hydroelectric power stations.

3-1. Power Transmission Works FY2025 Forecast

■ Summary of the FY2025

Orders received experienced a reactionary decline YoY and Net sales are planned to increase YoY



While steadily advancing large-scale projects on renewable energy and strengthening efforts on acquiring projects of focus, we will also continue to focus on acquiring projects for electricity companies and projects for private sector, such as those for electric furnace and extra high-voltage substations.

3-2. General Electrical Works



Electric : Provide **speedy and high-quality services** for electrical systems that are becoming increasingly important.

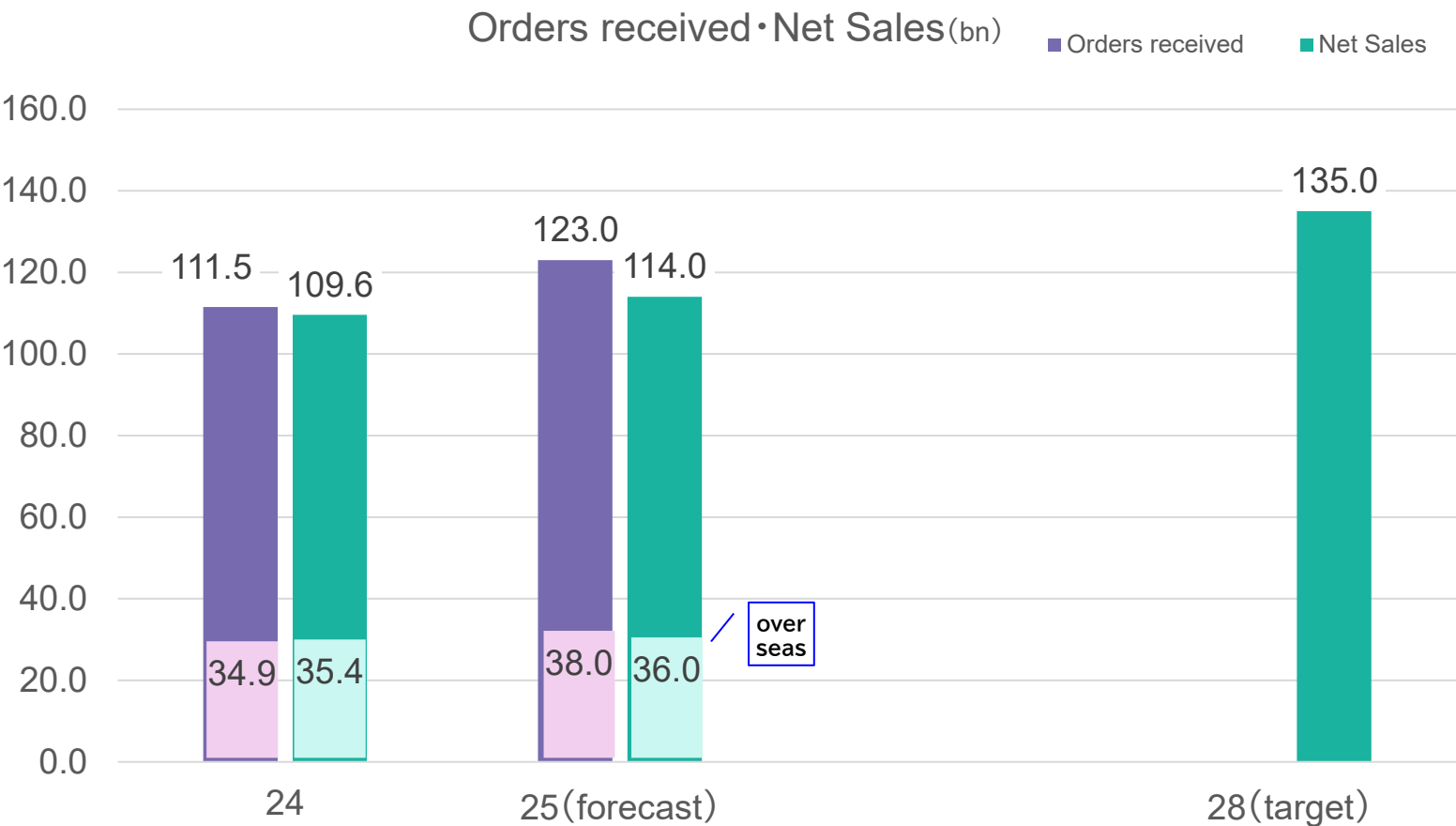
Overseas : **50 years of experience** in Southeast Asia. Contributing to the development of customers and regions.

Sumitomo Densetsu has been implementing speedy and high-quality planning, design, construction and maintenance, making use of our high technological capabilities for various electrical systems (high-voltage, low-voltage, disaster preventive and security). We will meet any kind of needs based on substantial experience both inside and outside Japan.

3-2. General Electrical Works FY2025 Forecast

■ Summary of the FY2025

Both Orders received and Net sales are planned to increase YoY



Japan : In addition to growth areas such as data centers, we will focus on acquiring projects expecting continued orders into the future such as plants, office building.

Overseas : We will focus on expanding orders from non-Japanese companies and acquiring projects for existing Japanese clients, semiconductor-related and data centers.

3-3. Information & Communications Works



Support the establishment of optimal networks using accumulated know-how

Sumitomo Densetsu provides total engineering services from consultation, system design, construction and operation to the maintenance of communication/broadcasting infrastructure. We will continue supporting the ICT society.

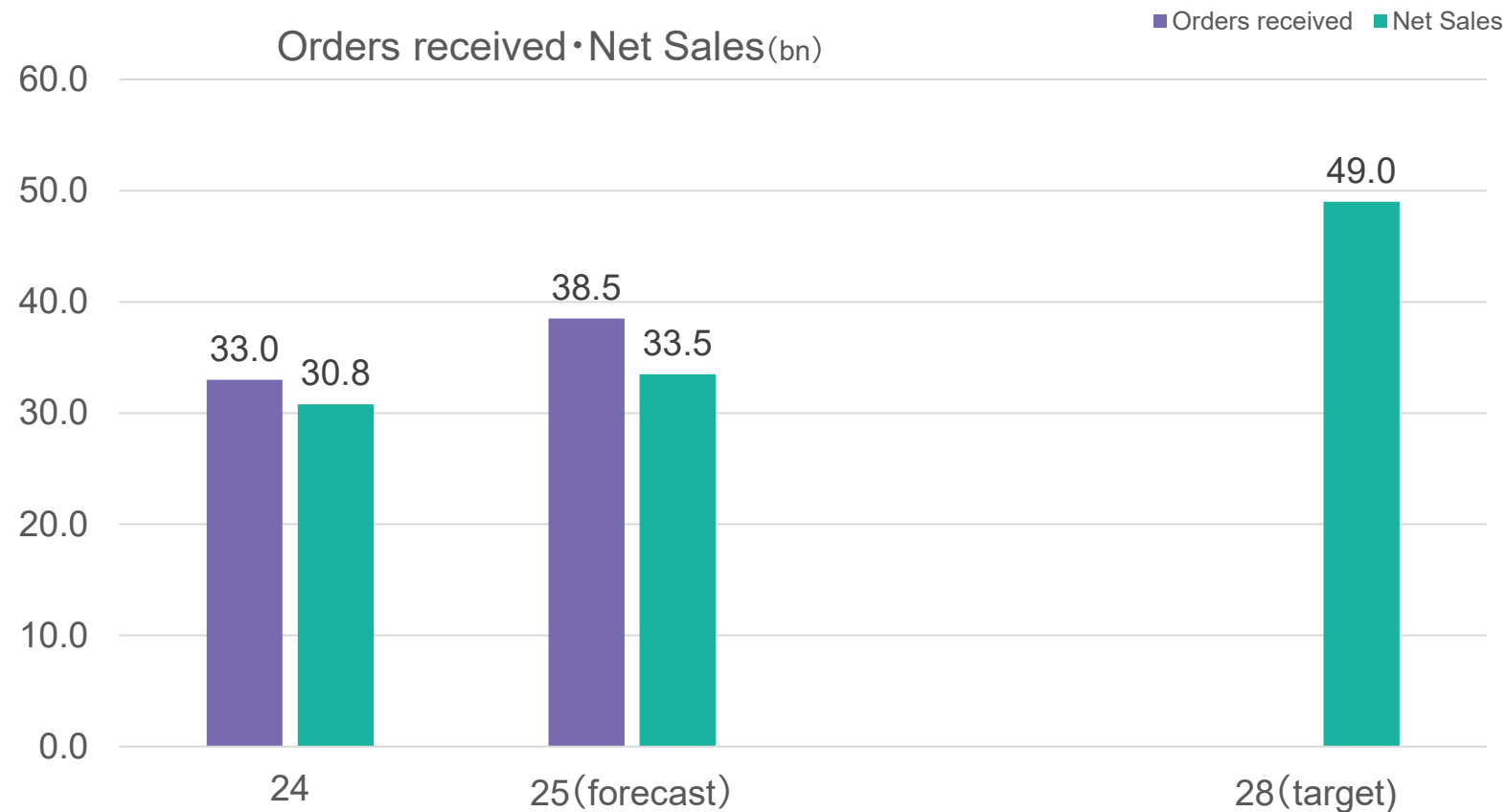
As the IT society develops, information networks, which are the infrastructure of the IT society, become more and more important. Sumitomo Densetsu was the first in our industry to make efforts to establish information networks, and has introduced them in many companies, universities, hospitals, data centers, etc. We provide optimal systems ranging from design, establishment, and operation to maintenance, taking advantage of our accumulated know-how.

For more details, please refer to the link below
<https://www.sem.co.jp/english/business/>

3-3. Information & Communications Works FY2025 Forecast

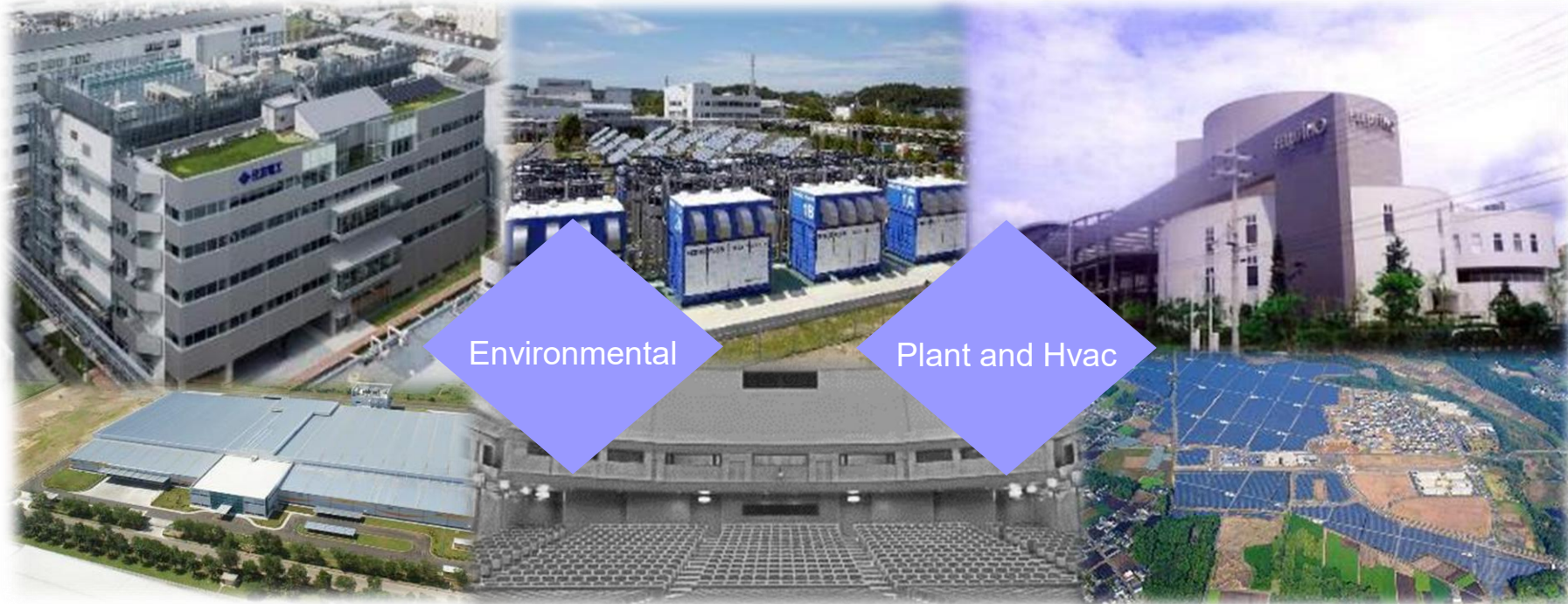
■ Summary of the FY2025

Both Orders received and Net sales are planned to increase YoY



We will focus on further expanding social infrastructure businesses, such as firefighting and disaster prevention projects, as well as railway and transportation projects, by strengthening efforts in Large-scale redevelopment projects in the metropolitan areas, medical, and educational facility-related project.

3-4. Environmental Facility and Plant



Environmental : Contributing to the utilization of new-era energy sources such as solar power, storage batteries, and biomass.

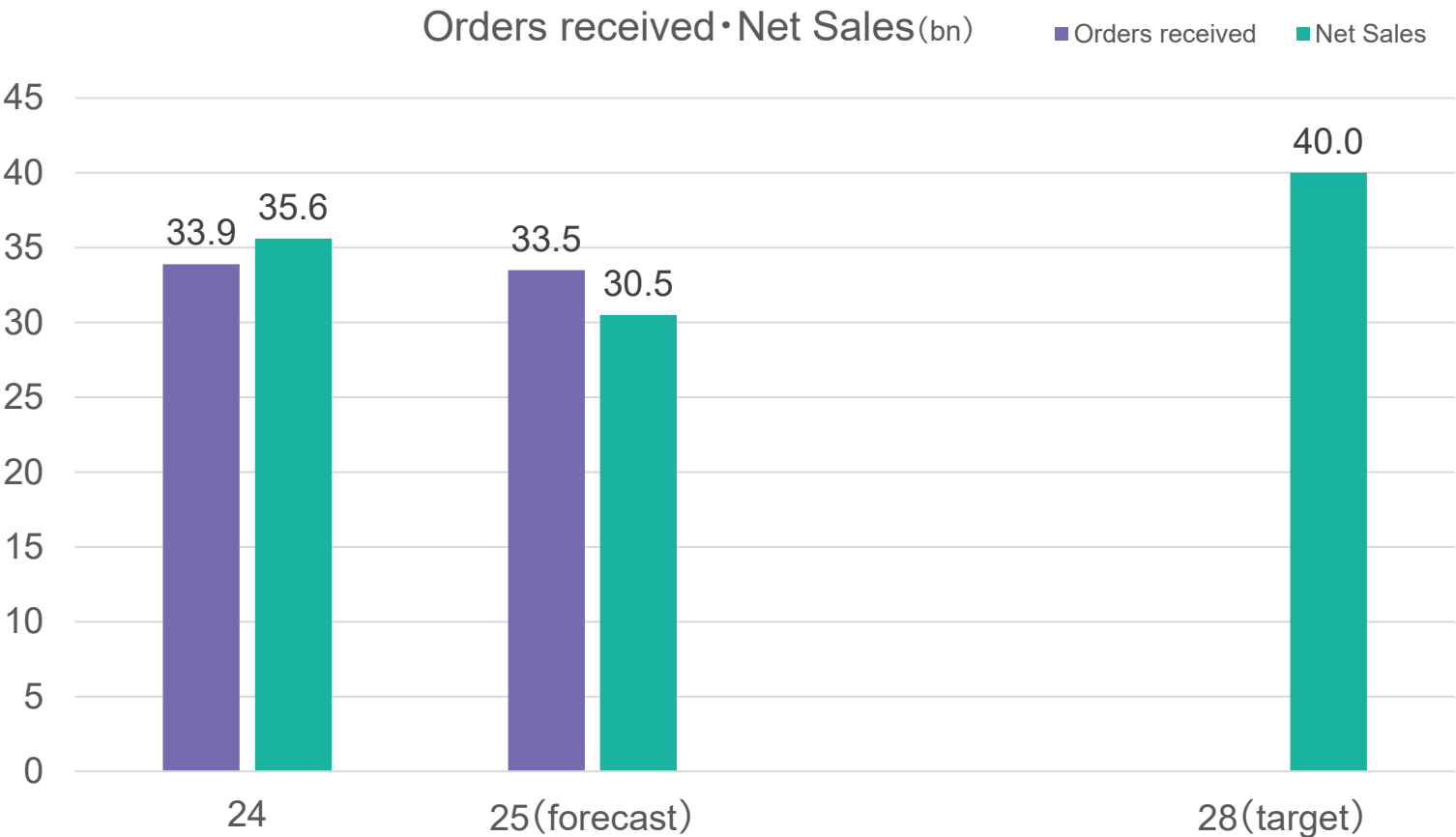
Plant and Hvac : Make the environment of buildings and factories more comfortable and convenient through air conditioning, plumbing and sanitary systems, and plant construction.

Sumitomo Densetsu is involved in construction of monitoring and control systems for plant production facilities, manufacturing plant facilities, electrical instrumentation and mechanical construction works, air-conditioning and sanitary system works for plants and office buildings, and design, construction and maintenance of central monitoring and air conditioning systems. Tackling environmental issues through our waste disposal, water treatment, photovoltaic power generation, power storage stations and displacement ventilation systems, we work to contribute to carbon neutrality and realization of an energy-efficient society.

3-4. Environmental Facility and Plant FY2025 Forecast

■ Summary of the FY2025

Orders received is planned to remain flat YoY and Net sales is planned to reactionary decline for large-scale projects



We strengthen efforts to win blanket orders of electrical and mechanical works, expand plant construction works by exploring new customers, and focus on investment in plant production facilities, such as those for the Sumitomo Electric Group.

4-1. VISION 2030

The ideal state
envisioned in

VISION 2030

- A rewarding company to work for; a company where you can take on new challenges; a company where you can take pride in what you do
- A company full of creative talent
- A company that puts its customers first; a company trusted and valued by its customers
- A company that solves social issues as a team of professionals supporting social infrastructure
- A company committed to sustainable development through co-creation with multiple stakeholders



What is necessary and important to realize VISION 2030

Customers

Providing quality
engineering services
Utilizing new technology,
increasing productivity
through DX at
construction sites

Employees

Developing human
resources and taking
engagement measures to
foster growth and satisfaction
Creating an inclusive
workplace by
promoting DEI

Suppliers

Business operations
and green procurement
that value cooperation
and coexistence by
building partnerships
with suppliers

Regional communities

Contributing to local
communities by building safe
and secure infrastructure for
green technology and the
realization of a
decarbonized
society

Shareholders/ Investors

increased corporate value
and shareholder returns
based on the premise of
sustainable corporate
management

“Goho Yoshi” (Five-Way Win) **Multistakeholder Capitalism**

4-2. Mid-term PLAN 2028: Overall Picture

Mid-term PLAN 2028 Theme

Advancing as a comprehensive engineering company by
accelerating investment in people and technology

I Basic policy

- 1

Pursuing Team Sumitomo Densetsu without compromise and implementing sustainable, company-wide sales efforts
- 2

Revitalizing the entire company by strengthening investment in human capital
- 3

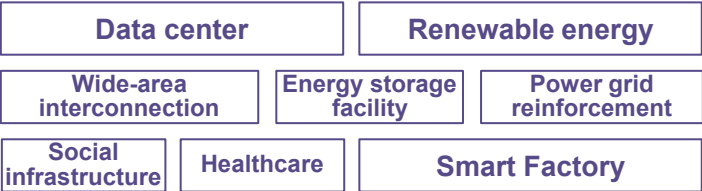
Evolving business models by strengthening technological capabilities



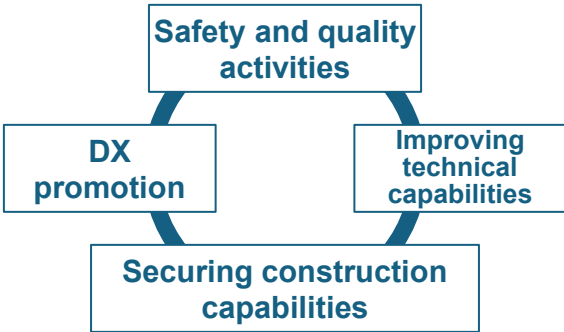
Growth Strategy

Sales measures

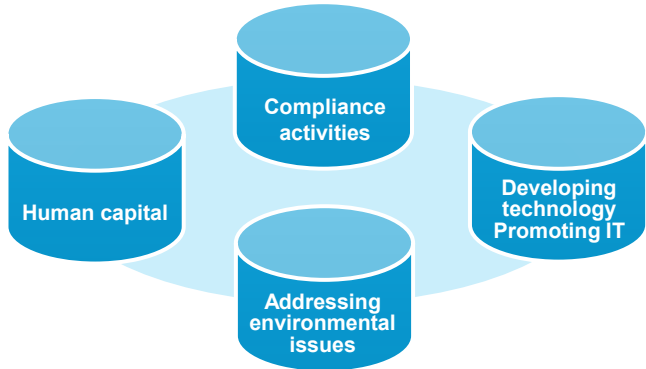
- Strengthen our ability to respond to growth areas in Japan and overseas
- Enhance sales capabilities through client-centric and proposal-driven approaches



Measures to strengthen on-site capabilities



Measures to strengthen the foundation



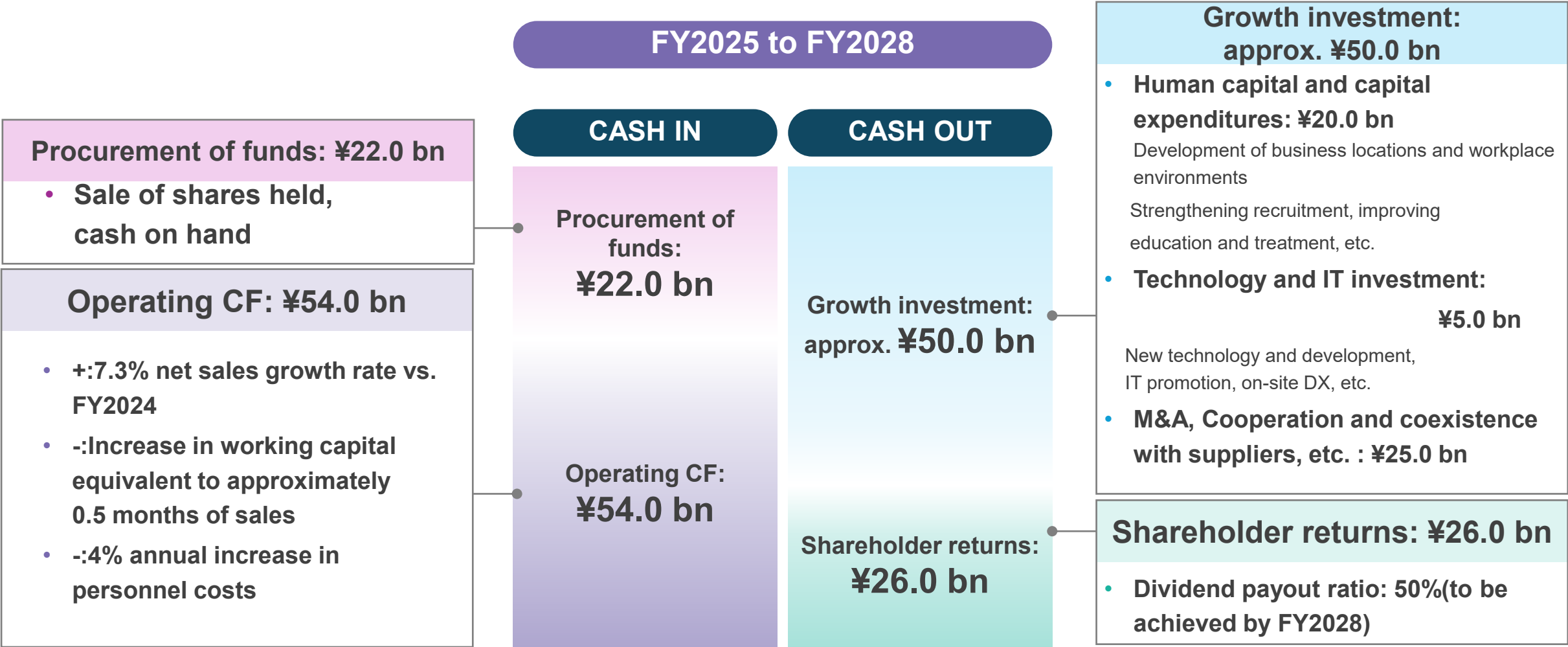
4-3. Mid-term PLAN2028 Targets

< Consolidated orders received, Net Sales, ordinary profit, and ordinary profit margin >

	Consolidated FY2028 Targets
Orders received	¥280.0 bn (CAGR3.4%)
Net sales	¥270.0 bn (CAGR7.3%)
Ordinary profit	¥23.0 bn (CAGR5.0%)
Ordinary profit margin	8.5%
R O E	12% or more
Dividend payout ratio	50%
Cross-shareholdings to net assets ratio	10.0% or less
Growth investment	¥50.0 bn FY2025-FY2028 (4 yrs.)

4-3. Cash Allocation

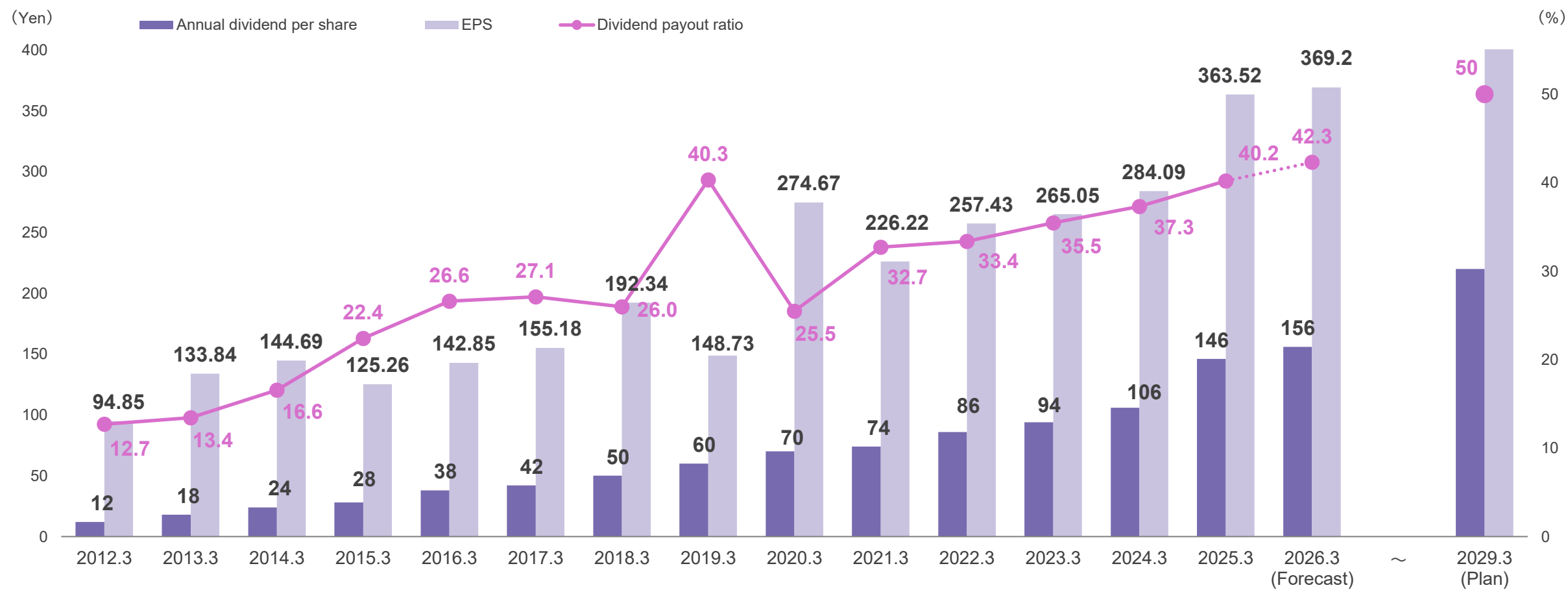
To achieve sustainable growth, we plan to proactively invest in growth areas, including human capital, and enhance shareholder returns



5. Dividend Policy

VISION 2030 Mid-term PLAN 2028 dividend policy: Target dividend payout ratio of 50% in FY2028

Changes in EPS, dividend per share, and dividend payout ratio



► Notes on Perspective Information

This presentation material is based on currently available information.
Actual results may differ from forecasts due to a variety of factors.

Inquiries
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