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Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

July 30, 2025

Company name: SUMITOMO DENSETSU CO.,LTD.

Listing: Tokyo Stock Exchange

Securities code: 1949

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

President

Executive Officer, General Manager, Finance & Accounting
Department

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results

(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	%
Three months ended June 30, 2025	42,226	6.1	2,157	16.8	2,569	17.7	1,645	21.7
June 30, 2024	39,814	12.6	1,846	215.6	2,182	140.8	1,352	271.3

(Note) Comprehensive income: Three months ended June 30, 2025: ¥ 2,484 million [87.6%]
Three months ended June 30, 2024: ¥ 1,324 million [(46.2)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	46.78	-
June 30, 2024	38.33	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	177,584	118,657	63.7
March 31, 2025	197,577	119,178	57.6

(Reference) Equity: As of June 30, 2025: ¥ 113,192 million
As of March 31, 2025: ¥ 113,714 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, 2025	-	60.00	-	86.00	146.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		78.00	-	78.00	156.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2026 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026(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
Six months ending September 30, 2025	96,000	6.0	6,200	0.6	6,600	0.5	4,500	1.9	127.91
Full year	210,000	3.1	18,000	0.6	19,000	0.5	13,000	1.6	369.53

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)
Excluded: - (Company name:)

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

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

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

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

June 30, 2025: 35,635,879 shares
March 31, 2025: 35,635,879 shares

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

June 30, 2025: 444,168 shares
March 31, 2025: 459,813 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2025: 35,179,847 shares
Three months ended June 30, 2024: 35,294,013 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

○ Accompanying Material – Contents

1. Qualitative Information on Financial Results for the Quarter under Review	2
(1) Explanation of Operating Results.....	2
(2) Explanation of Financial Position.....	2
(3) Explanation of Consolidated Results Forecasts and Other Forward-Looking Information	2
2. Quarterly Consolidated Financial Statements and Primary Notes.....	3
(1) Quarterly Consolidated Balance Sheet	3
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	5
(3) Notes to Quarterly Consolidated Financial Statements	7
(Notes on the Going-concern Assumption)	7
(Notes on Significant Changes in the Amount of Shareholders' Equity).....	7
(Note on Quarterly Consolidated Statements of Cash Flows)	7
(Notes to Segment Information, etc.)	7
3. Supplementary Information	8
(1) Consolidated Orders Received/Net Sales/Backlog of Orders by Works Type	8
(2) Forecast of Consolidated Orders Received & Net Sales.....	9

1. Qualitative Information on Financial Results for the Quarter under Review

(1) Explanation of Operating Results

Orders Received	44,224 million yen (Down 6.1% from the same period of the previous consolidated fiscal year)
Net Sales	42,226 million yen (Up 6.1% from the same period of the previous consolidated fiscal year)
Operating profit	2,157 million yen (Up 16.8% from the same period of the previous consolidated fiscal year)
Ordinary profit	2,569 million yen (Up 17.7% from the same period of the previous consolidated fiscal year)
Quarterly profit attributable to owners of parent	1,645 million yen (Up 21.7% 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 receiving orders for projects planned for the first quarter of the consolidated fiscal year under review, although the favorable environment for receiving orders continued. 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 was a result of group-wide efforts to improve construction profitability and reduce expenses in order to cover increased expenses for securing and developing human resources that support the core of our business, including improvements in the workplace environment and treatment, and work style reforms.

(2) Explanation of Financial Position

As of the end of the first quarter of the consolidated fiscal year under review, assets decreased by 19,992 million yen from the end of the previous consolidated fiscal year to 177,584 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 19,471 million yen from the end of the previous consolidated fiscal year to 58,927 million yen, mainly due to a decrease in notes payable, accounts payable for construction contracts, and other, largely resulting from the payment of construction accounts payables. Net assets fell by 520 million yen from the end of the previous consolidated fiscal year to 118,657 million yen mainly due to a decrease in retained earnings.

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

With regard to the full-year results forecasts of the Group, the results forecasts that were announced on May 9, 2025, remain unchanged as of the end of the first quarter of the consolidated fiscal year under review.

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. Quarterly Consolidated Financial Statements and Primary Notes
Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	64,919	56,657
Notes receivable, accounts receivable from completed construction contracts and other	79,829	62,028
Costs on construction contracts in progress	3,806	5,504
Other	1,642	1,727
Allowance for doubtful accounts	(12)	(10)
Total current assets	150,185	125,906
Non-current assets		
Property, plant and equipment		
Land	6,794	6,841
Other	18,725	18,811
Accumulated depreciation	(9,351)	(9,515)
Other, net	9,374	9,295
Total property, plant and equipment	16,169	16,136
Intangible assets		
Goodwill	0	0
Other	898	725
Total intangible assets	899	725
Investments and other assets		
Investment securities	23,712	28,160
Other	7,029	7,072
Allowance for doubtful accounts	(418)	(417)
Total investments and other assets	30,323	34,815
Total non-current assets	47,392	51,678
Total assets	197,577	177,584
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	41,054	26,442
Short-term borrowings	1,447	1,363
Income taxes payable	4,117	276
Provisions	185	72
Other	23,351	21,871
Total current liabilities	70,157	50,027
Non-current liabilities		
Long-term borrowings	852	699
Provision for retirement benefits for directors (and other officers)	15	16
Retirement benefit liability	1,327	1,294
Other	6,045	6,889
Total non-current liabilities	8,241	8,899
Total liabilities	78,398	58,927

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Net assets		
Shareholders' equity		
Share capital	6,440	6,440
Capital surplus	6,119	6,155
Retained earnings	89,060	87,680
Treasury shares	(1,331)	(1,286)
Total shareholders' equity	100,288	98,990
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,203	12,987
Deferred gains or losses on hedges	0	1
Foreign currency translation adjustment	1,147	1,126
Remeasurements of defined benefit plans	74	88
Total accumulated other comprehensive income	13,425	14,202
Non-controlling interests	5,464	5,465
Total net assets	119,178	118,657
Total liabilities and net assets	197,577	177,584

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	39,814	42,226
Cost of sales	35,074	36,796
Gross profit	4,739	5,429
Selling, general and administrative expenses		
Employees' salaries and allowances	1,122	1,204
Other	1,769	2,068
Total selling, general and administrative expenses	2,892	3,272
Operating profit	1,846	2,157
Non-operating income		
Interest income	38	56
Dividend income	221	275
Other	89	112
Total non-operating income	349	444
Non-operating expenses		
Interest expenses	8	10
Foreign exchange losses	-	16
Other	5	5
Total non-operating expenses	13	32
Ordinary profit	2,182	2,569
Profit before income taxes	2,182	2,569
Income taxes - current	268	139
Income taxes - deferred	514	714
Total income taxes	782	854
Profit	1,399	1,714
Profit attributable to non-controlling interests	47	69
Profit attributable to owners of parent	1,352	1,645

Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	1,399	1,714
Other comprehensive income		
Valuation difference on available-for-sale securities	(531)	783
Deferred gains or losses on hedges	(5)	1
Foreign currency translation adjustment	462	(30)
Remeasurements of defined benefit plans, net of tax	(1)	15
Total other comprehensive income	(75)	769
Comprehensive income	1,324	2,484
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,135	2,422
Comprehensive income attributable to non-controlling interests	189	61

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on the Going-concern Assumption)

Not applicable.

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

Not applicable.

(Note on Quarterly Consolidated Statements of Cash Flows)

No quarterly consolidated statements of cash flows for the three months ended June 30, 2025, have been prepared. Depreciation (including amortization for intangible assets excluding goodwill) and amortization of goodwill for the three months of consolidated fiscal years are as follows.

	The three months ended June 30, 2024 (April 1, 2024, to June 30, 2024)	The three months ended June 30, 2025 (April 1, 2025, to June 30, 2025)
Depreciation	332 million yen	351 million yen
Amortization of goodwill	0	0

(Notes to Segment Information, etc.)

[Segment information]

I. The three months ended June 30, 2024 (April 1, 2024, to June 30, 2024)

As stated in “(Matters concerning changes in reportable segments, etc.) for the three months ended June 30, 2025 under review.”

II. The three months ended June 30, 2025 (April 1, 2025, to June 30, 2025)

This information is omitted because the Group has only a single segment, “Utilities Engineering Service.”

(Matters concerning changes in reportable segments, etc.)

Although the Group's reportable segments were previously divided into “Utilities Engineering Service” and “Other,” the two segments have been consolidated to form the single segment of “Utilities Engineering Service” since the first quarter of the consolidated fiscal year under review.

The background to this change is that it was decided for the organization in charge of environment-related works and Facilities & HVAC Works to integrate the sales operations, etc. of air-conditioning equipment and solar power generation systems, which had been classified in “Other,” into their original operations. Accordingly, we have concluded that the shift to the single segment of “Utilities Engineering Service” will reflect the situation of the Group's business management more appropriately.

With this change, the description of segment information for the three months ended June 30, 2024 and the three months ended June 30, 2025 under review is omitted.

3. Supplementary Information

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

(Millions of yen)

1.Orders Received

Works Type	FY2024/1Q (From: Apr.1,2024 To: Jun.30,2024)		FY2025/1Q (From: Apr.1,2025 To: Jun.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	5,622	11.9	4,569	10.3	(1,053)	(18.7)	66,202	27.0
General Electrical Works	26,844	57.0	24,946	56.4	(1,898)	(7.1)	111,540	45.6
Information & Communications Works	7,094	15.1	8,128	18.4	1,033	14.6	33,043	13.5
Environmental Facility & Plant , Others	7,529	16.0	6,580	14.9	(948)	(12.6)	33,935	13.9
Utilities Engineering Service	47,090	100.0	44,224	100.0	(2,865)	(6.1)	244,720	100.0
Total	47,090	100.0	44,224	100.0	(2,865)	(6.1)	244,720	100.0

2.Net Sales

Works Type	FY2024/1Q (From: Apr.1,2024 To: Jun.30,2024)		FY2025/1Q (From: Apr.1,2025 To: Jun.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	4,964	12.4	6,406	15.2	1,441	29.0	27,633	13.6
General Electrical Works	22,048	55.4	23,377	55.3	1,329	6.0	109,617	53.8
Information & Communications Works	5,329	13.4	5,401	12.8	71	1.3	30,797	15.1
Environmental Facility & Plant , Others	7,471	18.8	7,041	16.7	(430)	(5.8)	35,590	17.5
Utilities Engineering Service	39,814	100.0	42,226	100.0	2,412	6.1	203,639	100.0
Total	39,814	100.0	42,226	100.0	2,412	6.1	203,639	100.0

3. Backlog of Orders

Works Type	FY2024/1Q (As of Jun.30,2024)		FY2025/1Q (As of Jun.30,2025)		Increase (Decrease)		FY2024(Full year) (As of Mar.31,2025)	
	Amount	Proportion	Amount	Proportion	Amount	Rate	Amount	Proportion
Power Transmission Works	30,588	18.0	66,662	32.4	36,074	117.9	68,499	33.6
General Electrical Works	99,500	58.5	98,195	47.7	(1,305)	(1.3)	96,626	47.4
Information & Communications Works	20,375	12.0	23,583	11.5	3,208	15.7	20,856	10.2
Environmental Facility & Plant , Others	19,576	11.5	17,403	8.4	(2,173)	(11.1)	17,863	8.8
Total	170,040	100.0	205,844	100.0	35,803	21.1	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)	32,000	[%] 15.8
	General Electrical Works	123,000	10.3	114,000	4.0
	Information & Communications Works	38,500	16.5	33,500	8.8
	Environmental Facility & Plant , Others s	33,500	(1.3)	30,500	(14.3)
	Utilities Engineering Service	220,000	(10.1)	210,000	3.1
	Total	220,000	(10.1)	210,000	3.1