

【Materials for Investor Briefing】  
FY2019 Results

**June 23, 2020**

 **SUMITOMO DENSETSU CO.,LTD.**

1. FY2019 Results
2. Policy on the Distribution of Profits to Shareholders

# 1. FY2019 Results

# 1-1. Summary of FY2019 Results

## ◇ Explanation of Business Results

**[Orders received and Sales amount] Achieved the forecasts, with a significant increase in sales year on year (YoY).**

**Sales amount reached a record high.**

- Orders received in Japan increased mainly in Information & Communications Works that engage in the installation of mobile phone base stations for 5G, etc. and network-related works for buildings and education, among others. Sales in Japan increased YoY due to steady progress with the abundant works on hand.
- Orders received overseas increased YoY as a result of the Group's united efforts.

**[Operating profit and Ordinary income] Achieved the forecasts, with a significant increase YoY.**

- **Achieved record-high operating profit and ordinary income in terms of both amount and ratio** as a result of increased profit from completed projects and profitability improvement in works.

## ◇ FY2019 Results

(¥bn)

	FY2018	FY2019			Growth ③-①	
	Actual①	Plan②	Actual③	Difference ③-②		Percentage
Orders Received	160.2	165.0	167.3	2.3	7.1	4.4%
Sales Amount	157.0	165.0	172.9	7.9	15.9	10.1%
Operating Profit	10.95	11.90	13.58	1.68	2.63	24.0%
Margin	7.0%	7.2%	7.9%	0.7%	0.9%	-
Ordinary Income	11.56	12.50	14.20	1.70	2.64	22.8%
Margin	7.4%	7.6%	8.2%	0.6%	0.8%	-
Net Income	5.29	8.40	9.77	1.37	4.48	84.7%
Margin	3.4%	5.1%	5.7%	0.6%	2.3%	-

FY2019
V19
165.0
12.50
7.5% or more

**Numerical targets achieved for Medium-term Management Plan Vision 19**

## ◇ Dividends for FY2019

- **¥70 per share** (up ¥10 YoY), up ¥10 from the forecast at the start of the fiscal year.

# 1-2. Sales Amount for FY2019 Results by Works Type



**Power Transmission Works:** Increased YoY due to progress with projects for electricity companies and FIT-related projects.

**General Electrical Works:** In Japan, increased YoY due to progress of works on hand and an increase in the completion of large-scale works.  
Overseas, increased YoY in Thailand, Indonesia, Malaysia, and China.

**Information & Communication Works:** An increase in the number of mobile communication projects and an increase in the completion and progress of Information & Communications Works related to universities, hospitals and data centers contributed to an increase in sales.

**Facility & HVAC Works:** Strong performance, especially in the Tokyo metropolitan area.

## Sales amount

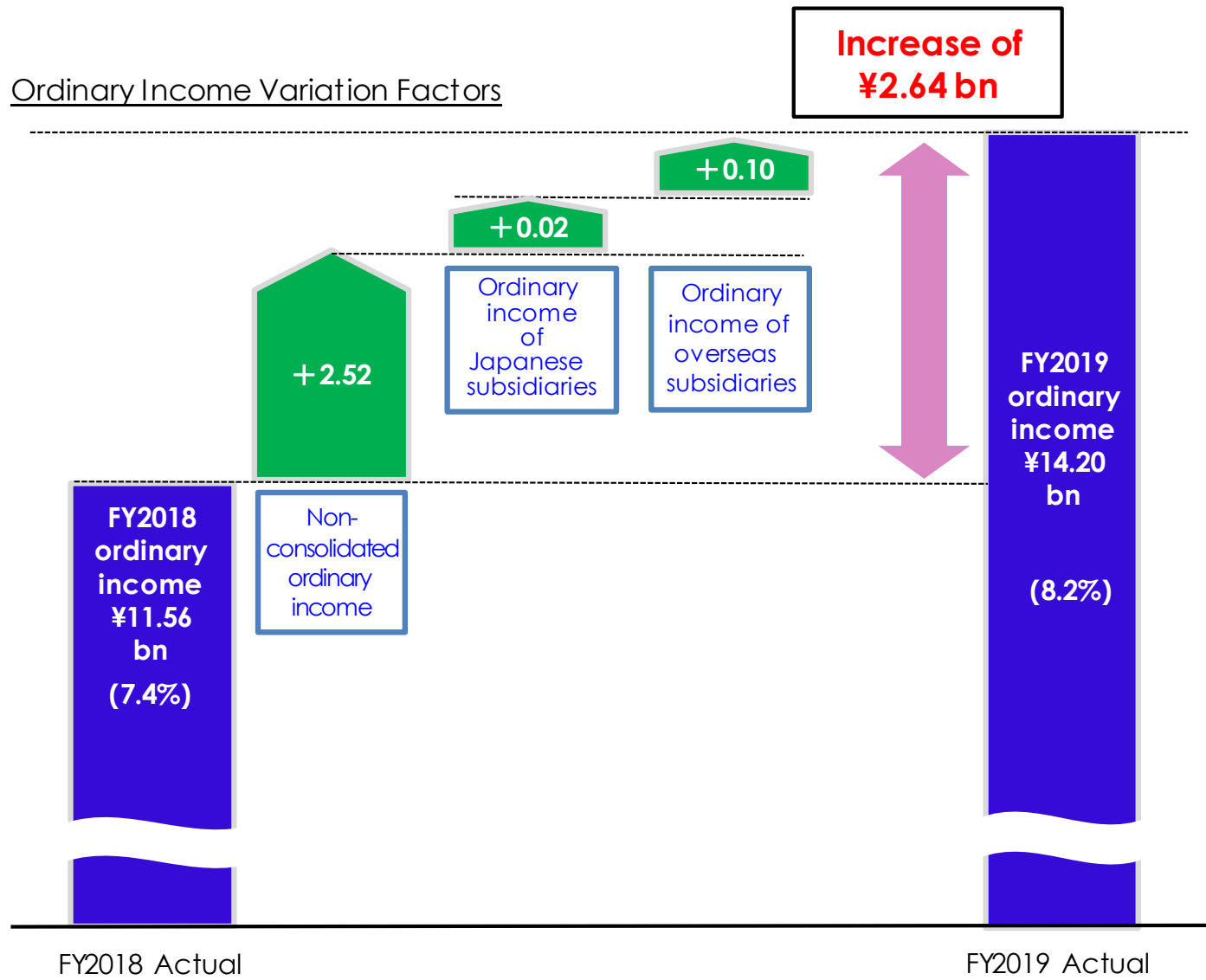
(¥bn)

Works Type	FY2017	FY2018	FY2019	FY18→19 Growth (%)	FY2019 Composition
Power Transmission Works	19.2	19.8	22.0	11.0%	12.7%
Non-consolidated + Japanese Subsidiaries	68.7	75.1	80.5	7.2%	46.6%
Overseas Subsidiaries	20.4	21.9	23.1	5.2%	13.3%
General Electrical Works	89.1	97.0	103.6	6.7%	59.9%
Information & Communications Works	19.9	20.7	26.4	27.6%	15.3%
Facility & HVAC Works	9.8	11.0	12.1	9.9%	7.0%
Others*	8.7	8.5	8.9	4.3%	5.1%
<b>TOTAL</b>	<b>146.8</b>	<b>157.0</b>	<b>172.9</b>	<b>10.1%</b>	<b>100.0%</b>

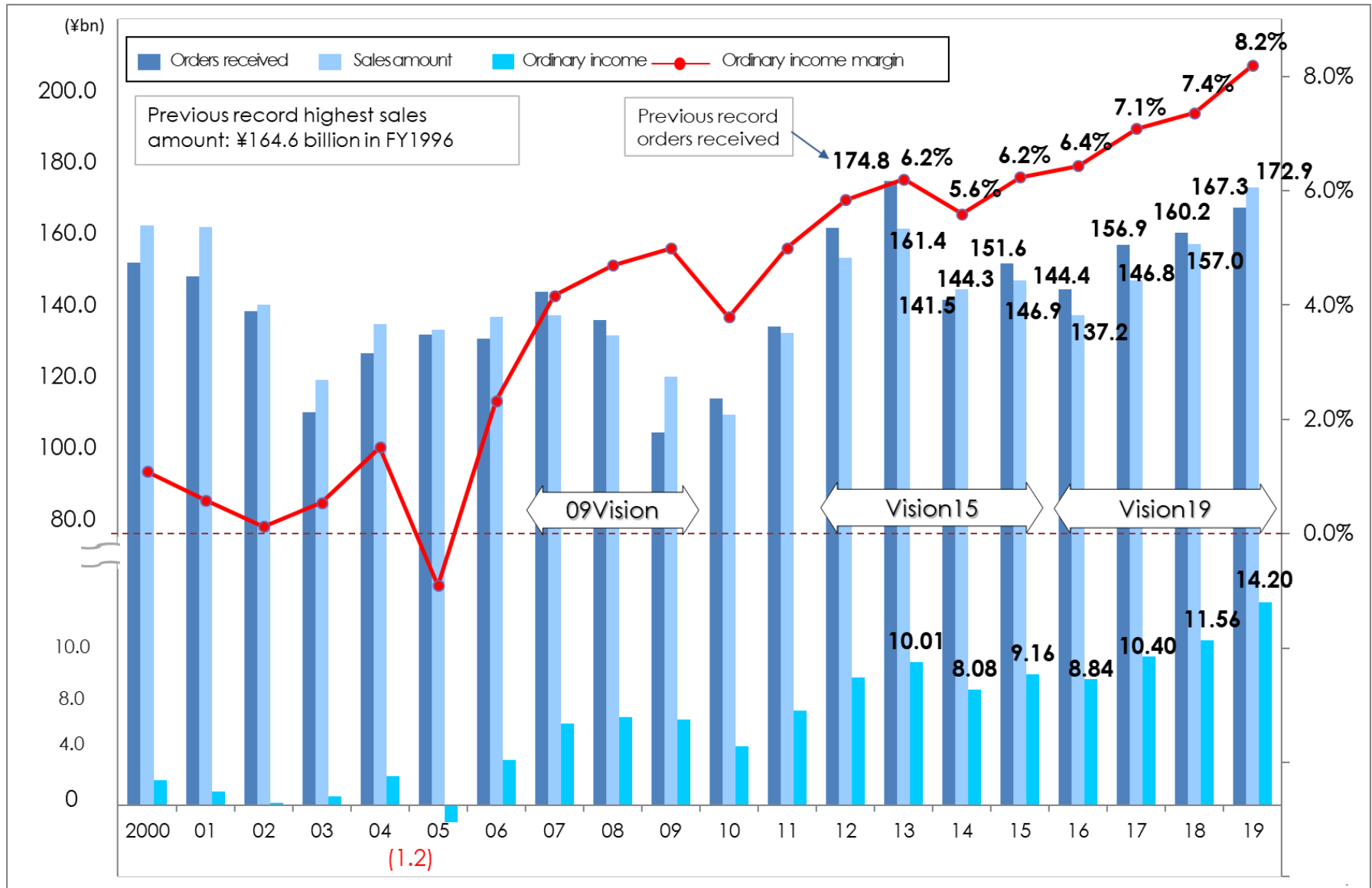
\*Others

Insurance agency business, HVAC equipment, solar power systems sales, equipment manufacturing and repairs, and manufacture and sales of hot water supply systems.

# 1-3. Ordinary Income Variation Factors from FY2018 to FY2019 SEM



# 1-4. Historical Data Since FY2000



Made a **loss** in FY05

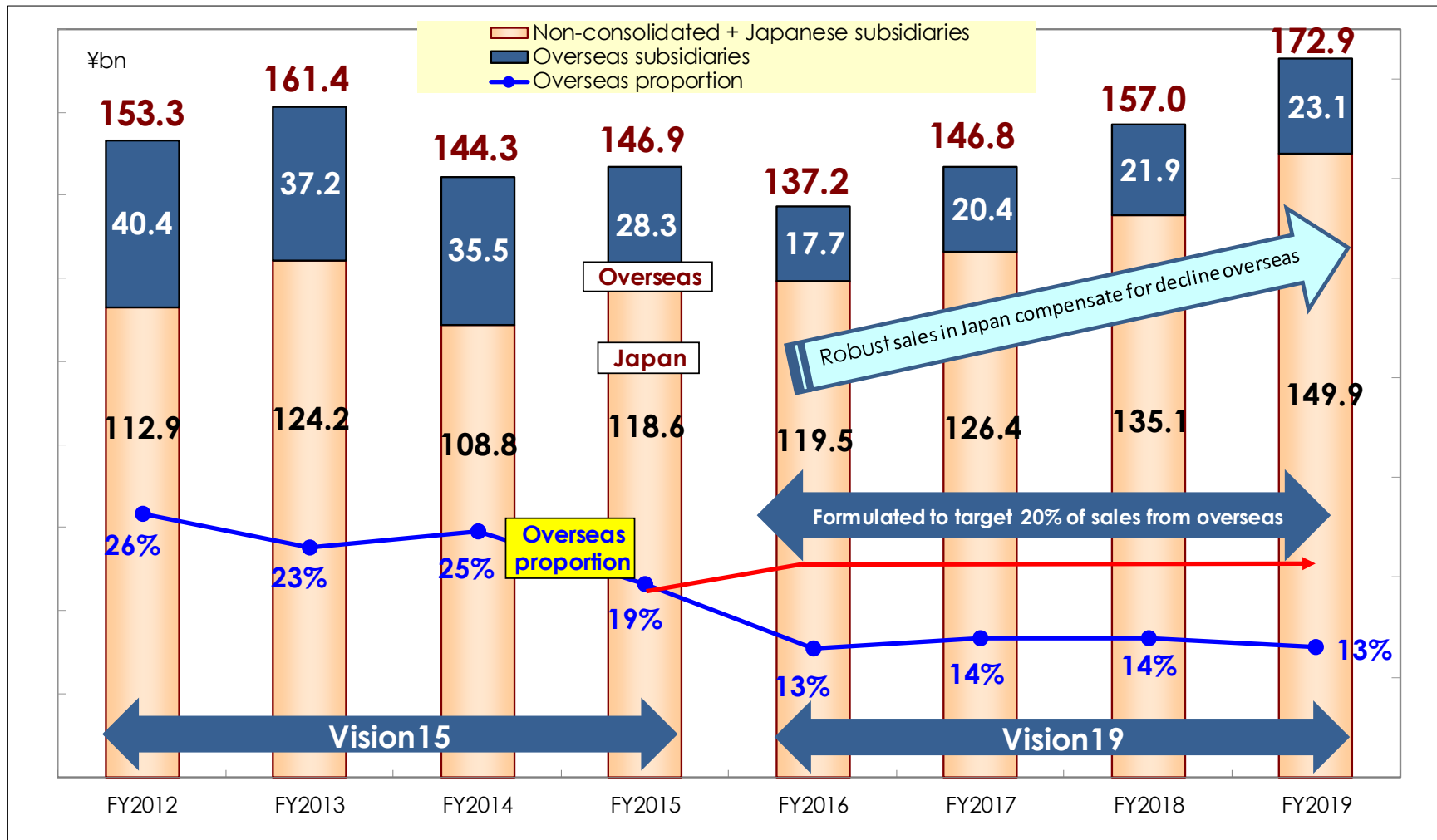


Shift in focus from *quantity* to *quality*

# 1-5. Proportion of Sales Amount from Overseas



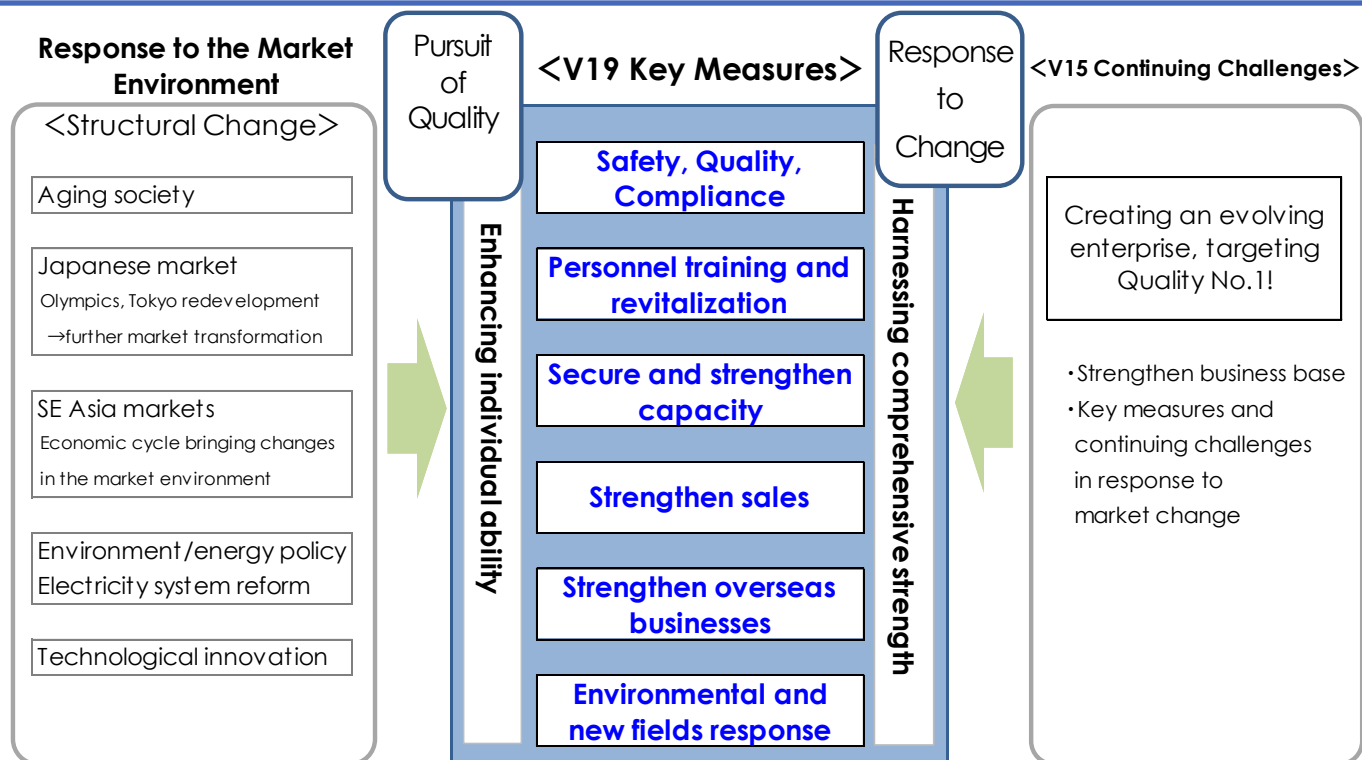
V19 was formulated to target 20% of sales from overseas. However, the current proportion is only around 15%, due to greatly reduced Japanese investment overseas. Robust sales in Japan have compensated for this drop in overseas sales.





# 1-6. Results of Vision 19 Initiatives

Based on the theme of “Evolving into a High-Quality Engineering Enterprise!,” steadily moved forward to become a high-quality engineering enterprise by improving proposal-based sales capabilities and on-site capacity, as well as interdivisional collaboration for joint on-site construction, through improved individual abilities and harnessing of comprehensive strength.



## 2. Policy on the Distribution of Profits to Shareholders

## 2-1. Policy on the Distribution of Profits to Shareholders



### Policy on the Distribution of Profits to Shareholders

- Distribute stable dividends well balanced with internal reserves taking into consideration business results and future business development.

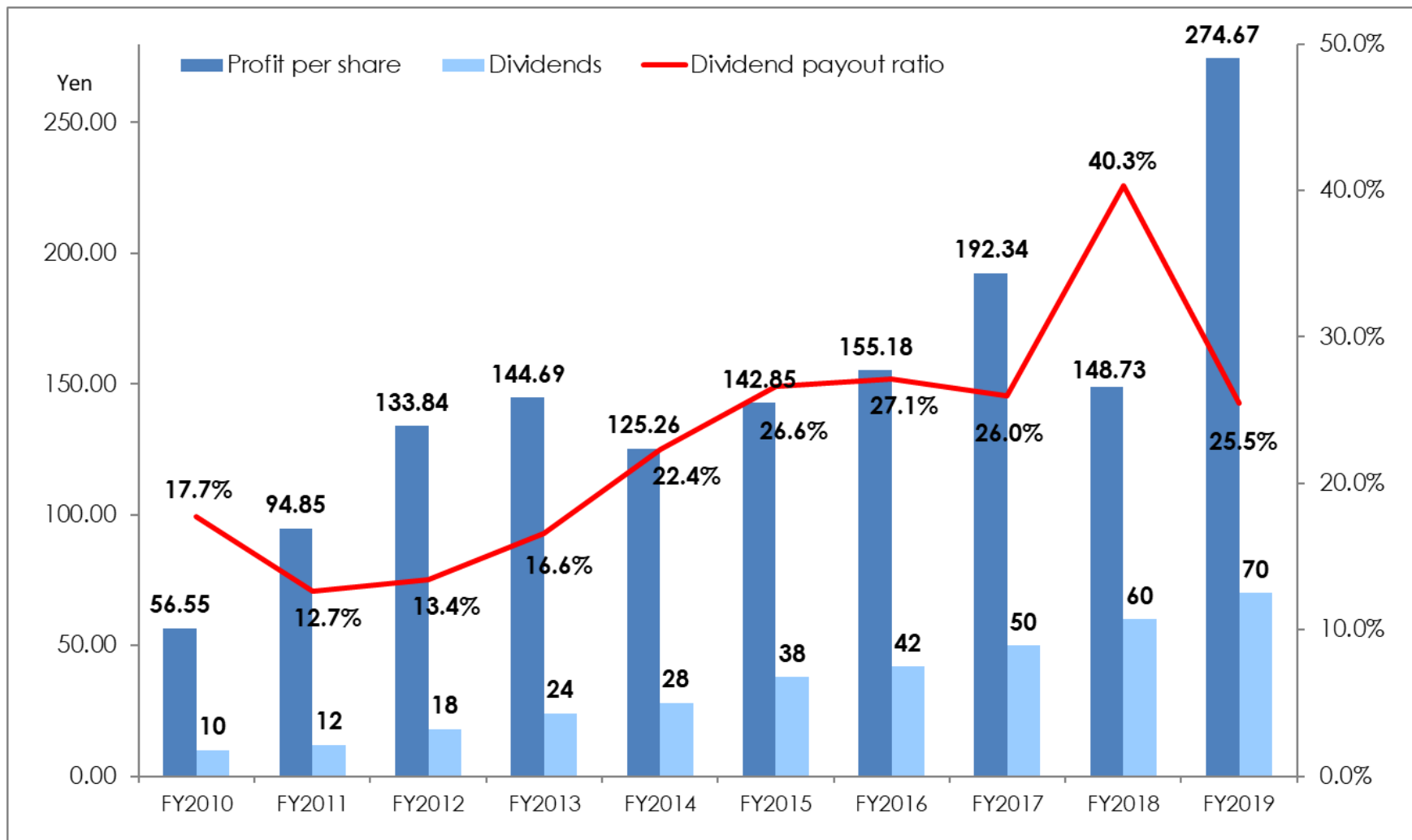
#### Trend in Net Income and Dividends

(¥bn)

	FY14	FY15	FY16	FY17	FY18	FY19
Net income	4.46	5.08	5.52	6.84	5.29	9.77
Income margin	3.1%	3.5%	4.0%	4.7%	3.4%	5.7%
Dividends per share (yen)	<b>28</b>	<b>38</b>	<b>42</b>	<b>50</b>	<b>60</b>	<b>70</b>
Interim dividend	12	14	20	22	25	30
Year-end dividend	16	24	22	28	35	40
(Increase)	(4)	(10)	(2)	(6)	(10)	(10)
Profit per share (yen)	125.26	142.85	155.18	192.34	148.73	274.67
Dividend payout ratio	<b>22.4%</b>	<b>26.6%</b>	<b>27.1%</b>	<b>26.0%</b>	<b>40.3%</b>	<b>25.5%</b>

## 2-2. Profit and Dividends per Share, and Dividend Payout Ratio

- Dividends have increased for 9 consecutive fiscal years since FY2011.



End

## Notes on Perspective Information

The forecast of consolidated financial results for the fiscal year ending March 31, 2021 has been undetermined as it is difficult to make a reasonable performance forecast calculation at this stage due to the impact of COVID-19. The Company will carefully assess the impact of the disease on its business in the future and disclose its forecasts as soon as they become available.

### Inquiries

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