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## Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

October 31, 2022

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: November 04, 2022

Scheduled date of commencing dividend payments: December 02, 2022

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 30, 2022)

#### (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	%
Six months ended September 30, 2022	81,498	11.9	5,307	6.3	5,838	5.9	3,787	6.2
September 30, 2021	72,850	3.0	4,990	(6.4)	5,513	(2.6)	3,566	(4.2)

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 3,136 million [ (37.4) %]  
Six months ended September 30, 2021: ¥ 5,006 million [ (9.3) %]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	106.99		-	
September 30, 2021	100.24		-	

#### (2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	Million yen		Million yen		%	
As of September 30, 2022	150,575		94,751		60.0	
March 31, 2022	161,036		93,385		55.5	

(Reference) Equity: As of September 30, 2022: ¥ 90,393 million  
As of March 31, 2022: ¥ 89,448 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, 2022	-	37.00	-	49.00	86.00
Fiscal year ending March 31, 2023	-	43.00			
Fiscal year ending March 31, 2023 (Forecast)			-	43.00	86.00

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

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% 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
Full year	175,000	4.4	13,100	0.7	14,000	0.7	9,200	0.6	259.87

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

### \* Notes:

#### (1) Changes in significant subsidiaries during the six months ended September 30, 2022

(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):

September 30, 2022: 35,635,879 shares

March 31, 2022: 35,635,879 shares

##### 2) Total number of treasury shares at the end of the period:

September 30, 2022: 229,374 shares

March 31, 2022: 238,573 shares

##### 3) Average number of shares during the period:

Six months ended September 30, 2022: 35,402,675 shares

Six months ended September 30, 2021: 35,576,657 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 31,2022	As of September 30,2022
<b>Assets</b>		
Current assets		
Cash and deposits	55,266	53,145
Notes receivable, accounts receivable from completed construction contracts and other	62,338	54,467
Costs on construction contracts in progress	3,212	4,506
Other	2,122	1,801
Allowance for doubtful accounts	(9)	(10)
Total current assets	122,930	113,910
Non-current assets		
Property, plant and equipment		
Land	7,009	7,022
Other	14,315	15,220
Accumulated depreciation	(8,131)	(8,564)
Other, net	6,184	6,655
Total property, plant and equipment	13,193	13,678
Intangible assets		
Goodwill	234	176
Other	720	957
Total intangible assets	954	1,133
Investments and other assets		
Investment securities	19,632	17,399
Other	4,851	4,795
Allowance for doubtful accounts	(526)	(341)
Total investments and other assets	23,957	21,853
Total non-current assets	38,106	36,665
Total assets	161,036	150,575
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	38,494	31,665
Short-term borrowings	1,609	1,641
Income taxes payable	3,169	1,074
Provisions	163	69
Other	17,506	14,921
Total current liabilities	60,944	49,372
Non-current liabilities		
Long-term borrowings	1,001	965
Provision for retirement benefits for directors (and other officers)	16	16
Retirement benefit liability	1,211	1,256
Other	4,477	4,214
Total non-current liabilities	6,706	6,452
Total liabilities	67,651	55,824

(Million yen)

	As of March 31,2022	As of September 30,2022
Net assets		
Shareholders' equity		
Share capital	6,440	6,440
Capital surplus	6,102	6,107
Retained earnings	67,742	69,795
Treasury shares	(437)	(420)
Total shareholders' equity	79,847	81,922
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,688	8,283
Deferred gains or losses on hedges	1	(0)
Foreign currency translation adjustment	286	605
Remeasurements of defined benefit plans	(375)	(418)
Total accumulated other comprehensive income	9,601	8,470
Non-controlling interests	3,936	4,357
Total net assets	93,385	94,751
Total liabilities and net assets	161,036	150,575

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	72,850	81,498
Cost of sales	63,291	70,954
Gross profit	9,558	10,543
Selling, general and administrative expenses		
Employees' salaries and allowances	1,729	1,993
Other	2,838	3,242
Total selling, general and administrative expenses	4,568	5,235
Operating profit	4,990	5,307
Non-operating income		
Interest income	34	31
Dividend income	225	261
Foreign exchange gains	29	123
Other	270	143
Total non-operating income	559	560
Non-operating expenses		
Interest expenses	18	10
Other	18	19
Total non-operating expenses	36	30
Ordinary profit	5,513	5,838
Extraordinary income		
Gain on sale of investment securities	-	235
Total extraordinary income	-	235
Extraordinary losses		
Loss on sale of non-current assets	8	-
Impairment losses	25	-
Total extraordinary losses	33	-
Profit before income taxes	5,480	6,073
Income taxes - current	1,059	1,275
Income taxes - deferred	647	650
Total income taxes	1,706	1,925
Profit	3,773	4,147
Profit attributable to non-controlling interests	207	359
Profit attributable to owners of parent	3,566	3,787

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	3,773	4,147
Other comprehensive income		
Valuation difference on available-for-sale securities	1,437	(1,405)
Deferred gains or losses on hedges	(1)	(1)
Foreign currency translation adjustment	(289)	438
Remeasurements of defined benefit plans, net of tax	84	(43)
Total other comprehensive income	1,232	(1,011)
Comprehensive income	5,006	3,136
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,908	2,657
Comprehensive income attributable to non-controlling interests	98	479

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	5,480	6,073
Depreciation	517	527
Amortization of goodwill	57	57
Loss (gain) on sale of non-current assets	8	-
Loss (gain) on sale of investment securities	-	(235)
Impairment losses	25	-
Increase (decrease) in allowance for doubtful accounts	(3)	(185)
Increase (decrease) in provision for loss on construction contracts	(29)	(17)
Increase (decrease) in provision for bonuses for directors (and other officers)	(70)	(78)
Increase (decrease) in retirement benefit liability	(75)	(37)
Interest and dividend income	(259)	(293)
Interest expenses	18	10
Foreign exchange losses (gains)	(25)	(83)
Decrease (increase) in trade receivables	3,367	8,323
Decrease (increase) in inventories	(1,538)	(1,290)
Increase (decrease) in trade payables	(4,197)	(7,014)
Increase (decrease) in advances received on construction contracts in progress	2,433	(1,020)
Increase (decrease) in other current liabilities	(3,004)	(1,680)
Other, net	(680)	189
<b>Subtotal</b>	<b>2,023</b>	<b>3,246</b>
Interest and dividends received	260	293
Interest paid	(19)	(11)
Income taxes and paid refund	(2,384)	(3,251)
<b>Net cash provided by (used in) operating activities</b>	<b>(119)</b>	<b>276</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(333)	(366)
Proceeds from withdrawal of time deposits	334	390
Purchase of property, plant and equipment	(293)	(1,131)
Proceeds from sale of property, plant and equipment	38	0
Purchase of intangible assets	(84)	(327)
Purchase of investment securities	(5)	(5)
Proceeds from sale of investment securities	-	449
Other, net	(47)	10
<b>Net cash provided by (used in) investing activities</b>	<b>(390)</b>	<b>(979)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	148	-
Proceeds from long-term borrowings	622	550
Repayments of long-term borrowings	(610)	(554)
Dividends paid	(1,387)	(1,734)
Dividends paid to non-controlling interests	(32)	(57)
Other, net	(10)	(39)
<b>Net cash provided by (used in) financing activities</b>	<b>(1,269)</b>	<b>(1,836)</b>
Effect of exchange rate change on cash and cash equivalents	(61)	397
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,841)</b>	<b>(2,141)</b>
Cash and cash equivalents at beginning of period	39,589	54,921
<b>Cash and cash equivalents at end of period</b>	<b>37,748</b>	<b>52,779</b>

Supplementary Information

Consolidated Orders Received/Net Sales/Backlog of Orders by works type

(Unit : Millions of yen)

1.Orders Received

Works Type	FY2021/2Q (From: Apr.1,2021 To: Sep.30,2021)		FY2022/2Q (From: Apr.1,2022 To: Sep.30,2022)		Increase (Decrease)		FY2021(Full year) (From: Apr.1,2021 To: Mar.31,2022)	
	Amount	Proportion	Amount	Proportion	Amount	Rate	Amount	Proportion
Power Transmission Works	12,124	13.1	11,251	11.4	(872)	(7.2)	19,768	11.0
General Electrical Works	53,532	58.1	61,515	62.2	7,982	14.9	108,775	60.8
Information & Communications Works	15,671	17.0	14,438	14.6	(1,232)	(7.9)	28,804	16.1
Facility & HVAC Works	6,636	7.2	7,270	7.3	634	9.6	13,092	7.3
Utilities Engineering Service	87,964	95.4	94,476	95.5	6,511	7.4	170,440	95.2
Others	4,205	4.6	4,408	4.5	202	4.8	8,579	4.8
Total	92,170	100.0	98,884	100.0	6,714	7.3	179,019	100.0

2.Net Sales

Works Type	FY2021/2Q (From: Apr.1,2021 To: Sep.30,2021)		FY2022/2Q (From: Apr.1,2022 To: Sep.30,2022)		Increase (Decrease)		FY2021(Full year) (From: Apr.1,2021 To: Mar.31,2022)	
	Amount	Proportion	Amount	Proportion	Amount	Rate	Amount	Proportion
Power Transmission Works	8,933	12.3	8,182	10.0	(750)	(8.4)	20,280	12.1
General Electrical Works	43,302	59.4	50,906	62.5	7,604	17.6	100,653	60.1
Information & Communications Works	11,296	15.5	12,712	15.6	1,416	12.5	27,482	16.4
Facility & HVAC Works	5,112	7.0	5,287	6.5	175	3.4	10,598	6.3
Utilities Engineering Service	68,644	94.2	77,090	94.6	8,445	12.3	159,015	94.9
Others	4,205	5.8	4,408	5.4	202	4.8	8,579	5.1
Total	72,850	100.0	81,498	100.0	8,648	11.9	167,594	100.0

3. Backlog of Orders

Works Type	FY2021/2Q (From: Apr.1,2021 To: Sep.30,2021)		FY2022/2Q (From: Apr.1,2022 To: Sep.30,2022)		Increase (Decrease)		FY2021(Full year) (From: Apr.1,2021 To: Mar.31,2022)	
	Amount	Proportion	Amount	Proportion	Amount	Rate	Amount	Proportion
Power Transmission Works	18,853	16.2	18,217	14.5	(635)	(3.4)	15,149	13.9
General Electrical Works	71,324	61.1	79,824	63.3	8,500	11.9	69,215	63.6
Information & Communications Works	19,657	16.9	18,329	14.5	(1,327)	(6.8)	16,604	15.3
Facility & HVAC Works	6,816	5.8	9,769	7.7	2,953	43.3	7,787	7.2
Total	116,651	100.0	126,142	100.0	9,491	8.1	108,756	100.0



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

(Unit : Millions of yen)

Works Type	Orders Received (Apr.1, 2022~Mar.31, 2023)		Net Sales (Apr.1, 2022~Mar.31, 2023)	
	Amount	Increase (Decrease)	Amount	Increase (Decrease)
Power Transmission Works	20,000	1.2%	20,000	(1.4)%
General Electrical Works	107,000	(1.6)	106,000	5.3
Information & Communications Works	31,000	7.6	29,000	5.5
Facility & HVAC Works	14,000	6.9	12,000	13.2
Utilities Engineering Service	172,000	0.9	167,000	5.0
Others	8,000	(6.7)	8,000	(6.7)
Total	180,000	0.5	175,000	4.4