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## Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]

January 31, 2023

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: February 03, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

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

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 01, 2022 to December 31, 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	%
Nine months ended December 31, 2022	121,922	7.6	7,790	0.9	8,584	1.4	5,259	(3.8)
December 31, 2021	113,329	5.2	7,720	4.4	8,466	7.0	5,467	6.6

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥ 4,301 million [ (21.4)%]  
Nine months ended December 31, 2021: ¥ 5,471 million [ (35.8)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	148.56	-
December 31, 2021	153.85	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of December 31, 2022	146,823	94,392	61.2
March 31, 2022	161,036	93,385	55.5

(Reference) Equity: As of December 31, 2022: ¥ 89,912 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	259.86

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

### \* Notes:

#### (1) Changes in significant subsidiaries during the nine months ended December 31, 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):

December 31, 2022: 35,635,879 shares

March 31, 2022: 35,635,879 shares

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

December 31, 2022: 229,767 shares

March 31, 2022: 238,573 shares

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

Nine months ended December 31, 2022: 35,403,734 shares

Nine months ended December 31, 2021: 35,540,836 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 December 31,2022
<b>Assets</b>		
Current assets		
Cash and deposits	55,266	51,104
Notes receivable, accounts receivable from completed construction contracts and other	62,338	52,484
Costs on construction contracts in progress	3,212	4,868
Other	2,122	1,236
Allowance for doubtful accounts	(9)	(11)
Total current assets	122,930	109,681
Non-current assets		
Property, plant and equipment		
Land	7,009	7,018
Other	14,315	15,985
Accumulated depreciation	(8,131)	(8,671)
Other, net	6,184	7,314
Total property, plant and equipment	13,193	14,333
Intangible assets		
Goodwill	234	147
Other	720	943
Total intangible assets	954	1,090
Investments and other assets		
Investment securities	19,632	17,118
Other	4,851	4,918
Allowance for doubtful accounts	(526)	(318)
Total investments and other assets	23,957	21,718
Total non-current assets	38,106	37,141
Total assets	161,036	146,823
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	38,494	28,605
Short-term borrowings	1,609	1,547
Income taxes payable	3,169	512
Provisions	163	94
Other	17,506	15,065
Total current liabilities	60,944	45,825
Non-current liabilities		
Long-term borrowings	1,001	790
Provision for retirement benefits for directors (and other officers)	16	17
Retirement benefit liability	1,211	1,168
Other	4,477	4,629
Total non-current liabilities	6,706	6,605
Total liabilities	67,651	52,431

(Million yen)

	As of March 31,2022	As of December 31,2022
Net assets		
Shareholders' equity		
Share capital	6,440	6,440
Capital surplus	6,102	6,107
Retained earnings	67,742	69,744
Treasury shares	(437)	(421)
Total shareholders' equity	79,847	81,870
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,688	8,090
Deferred gains or losses on hedges	1	(0)
Foreign currency translation adjustment	286	397
Remeasurements of defined benefit plans	(375)	(447)
Total accumulated other comprehensive income	9,601	8,041
Non-controlling interests	3,936	4,480
Total net assets	93,385	94,392
Total liabilities and net assets	161,036	146,823

Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Net sales	113,329	121,922
Cost of sales	98,597	106,295
Gross profit	14,731	15,627
Selling, general and administrative expenses		
Employees' salaries and allowances	2,686	3,025
Other	4,324	4,811
Total selling, general and administrative expenses	7,011	7,836
Operating profit	7,720	7,790
Non-operating income		
Interest income	53	55
Dividend income	374	433
Other	368	346
Total non-operating income	796	834
Non-operating expenses		
Interest expenses	25	17
Other	24	23
Total non-operating expenses	50	40
Ordinary profit	8,466	8,584
Extraordinary income		
Gain on sale of investment securities	-	236
Total extraordinary income	-	236
Extraordinary losses		
Loss on sale of non-current assets	8	-
Impairment losses	25	-
Total extraordinary losses	33	-
Profit before income taxes	8,432	8,821
Income taxes - current	1,838	1,791
Income taxes - deferred	829	1,228
Total income taxes	2,667	3,020
Profit	5,764	5,800
Profit attributable to non-controlling interests	296	540
Profit attributable to owners of parent	5,467	5,259

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

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Profit	5,764	5,800
Other comprehensive income		
Valuation difference on available-for-sale securities	(379)	(1,597)
Deferred gains or losses on hedges	(0)	(1)
Foreign currency translation adjustment	(34)	172
Remeasurements of defined benefit plans, net of tax	121	(71)
Total other comprehensive income	(293)	(1,498)
Comprehensive income	5,471	4,301
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,211	3,699
Comprehensive income attributable to non-controlling interests	260	601

Supplementary Information

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

(Unit : Millions of yen)

1.Orders Received

Works Type	FY2021/3Q (From: Apr.1,2021 To: Dec.31,2021)		FY2022/3Q (From: Apr.1,2022 To: Dec.31,2022)		Increase (Decrease)		FY2021(Full year) (From: Apr.1,2021 To: Mar.31,2022)	
	Amount	Proportion	Amount	Proportion	Amount	Rate	Amount	Proportion
Power Transmission Works	15,359	11.3	16,736	12.3	1,376	9.0	19,768	11.0
General Electrical Works	82,161	60.6	83,142	60.9	981	1.2	108,775	60.8
Information & Communications Works	22,317	16.5	20,274	14.9	(2,042)	(9.2)	28,804	16.1
Facility & HVAC Works	9,324	6.9	9,396	6.9	71	0.8	13,092	7.3
Utilities Engineering Service	129,162	95.3	129,549	95.0	386	0.3	170,440	95.2
Others	6,320	4.7	6,908	5.0	588	9.3	8,579	4.8
Total	135,483	100.0	136,458	100.0	975	0.7	179,019	100.0

2.Net Sales

Works Type	FY2021/3Q (From: Apr.1,2021 To: Dec.31,2021)		FY2022/3Q (From: Apr.1,2022 To: Dec.31,2022)		Increase (Decrease)		FY2021(Full year) (From: Apr.1,2021 To: Mar.31,2022)	
	Amount	Proportion	Amount	Proportion	Amount	Rate	Amount	Proportion
Power Transmission Works	13,286	11.7	12,428	10.2	(858)	(6.5)	20,280	12.1
General Electrical Works	68,947	60.8	75,927	62.3	6,980	10.1	100,653	60.1
Information & Communications Works	17,561	15.5	18,306	15.0	745	4.2	27,482	16.4
Facility & HVAC Works	7,213	6.4	8,350	6.8	1,137	15.8	10,598	6.3
Utilities Engineering Service	107,009	94.4	115,013	94.3	8,004	7.5	159,015	94.9
Others	6,320	5.6	6,908	5.7	588	9.3	8,579	5.1
Total	113,329	100.0	121,922	100.0	8,593	7.6	167,594	100.0

3. Backlog of Orders

Works Type	FY2021/3Q (As of Dec.31,2021)		FY2022/3Q (As of Dec.31,2022)		Increase (Decrease)		FY2021(Full year) (As of Mar.31,2022)	
	Amount	Proportion	Amount	Proportion	Amount	Rate	Amount	Proportion
Power Transmission Works	17,734	14.8	19,456	15.8	1,721	9.7	15,149	13.9
General Electrical Works	74,307	62.2	76,430	62.0	2,123	2.9	69,215	63.6
Information & Communications Works	20,037	16.8	18,571	15.0	(1,466)	(7.3)	16,604	15.3
Facility & HVAC Works	7,404	6.2	8,832	7.2	1,428	19.3	7,787	7.2
Total	119,484	100.0	123,292	100.0	3,807	3.2	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	<sup>%</sup> 1.2	20,000	<sup>%</sup> (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