

# Financial Results Briefing for the Second Quarter (Q2) of the Fiscal Year Ending March 31, 2026 (FY2025)

December 3, 2025




株式会社 中電工

Presenter: Takafumi Shigeto  
Representative Director and President

## Briefing Topics

- 1 FY2025 Q2 Performance
- 2 FY2025 Earnings Forecasts
- 3 Overview of Medium-Term Management Plan 2027 (FY2025–2027)
- 4 Management Measures Considering Capital Costs and Share Price
- 5 Shareholder Returns
- 6 References (Company Profile, etc.)



# 1 . FY2025 Q2 Performance

# FY2025 Q2 Performance (Consolidated)

- Year-on-year decrease in sales and increase in profit
- Net sales decreased due to lower progress rates on large-scale construction projects compared to the same period last year, but still reached the second-highest interim figure on record
- Each profit line increased due to thorough cost management, improved construction efficiency, and company-wide efforts to further reduce costs
- Each profit line achieved record highs for an interim period

(Billions of yen)

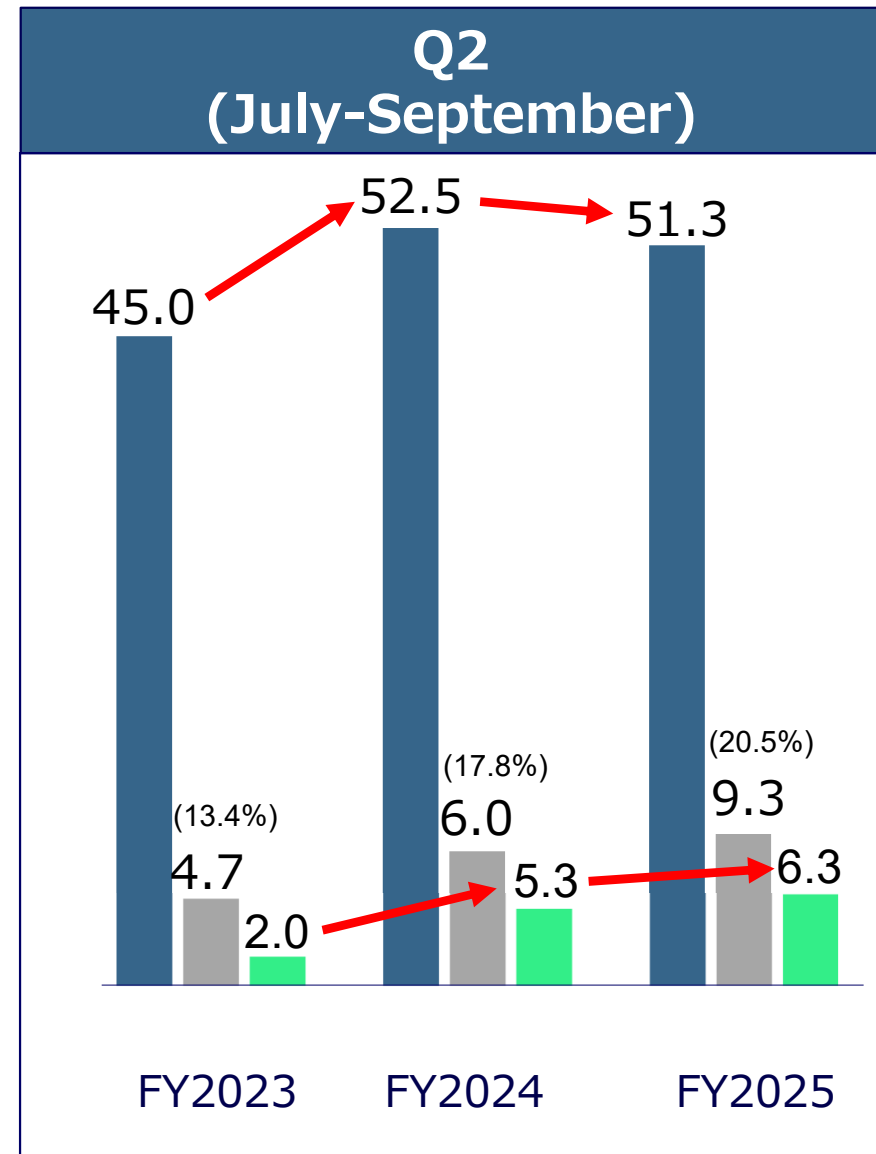
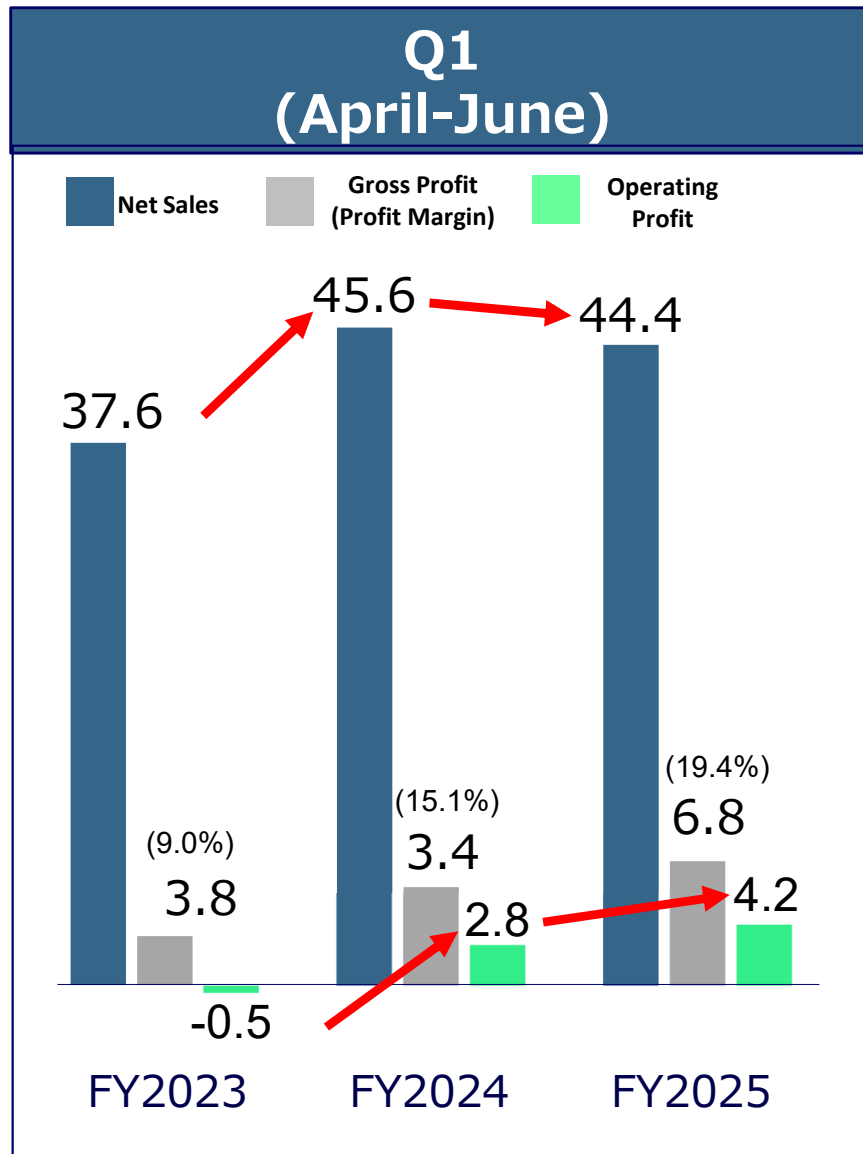
Consolidated Performance	FY2024 Q2		FY2025 Q2		YoY	
					Change	Ratio
Net sales		98.2		95.7	-2.4	97%
Cost of sales		82.0		76.6	-5.3	93%
Gross profit	(16.5%)	16.2	(20.0%)	19.1	2.9	118%
Selling, general and administrative expenses		8.0		8.5	0.5	106%
Operating profit	(8.3%)	8.1	(11.1%)	10.5	2.4	129%
Ordinary profit	(9.3%)	9.1	(11.4%)	10.9	1.8	120%
Profit attributable to owners of parent	(6.1%)	5.9	(7.6%)	7.2	1.3	122%

Note: Figures in ( ) are profit margins.

# Quarterly Performance Comparison (Consolidated)

- Net sales decreased but remained at high levels
- Profits steadily improved

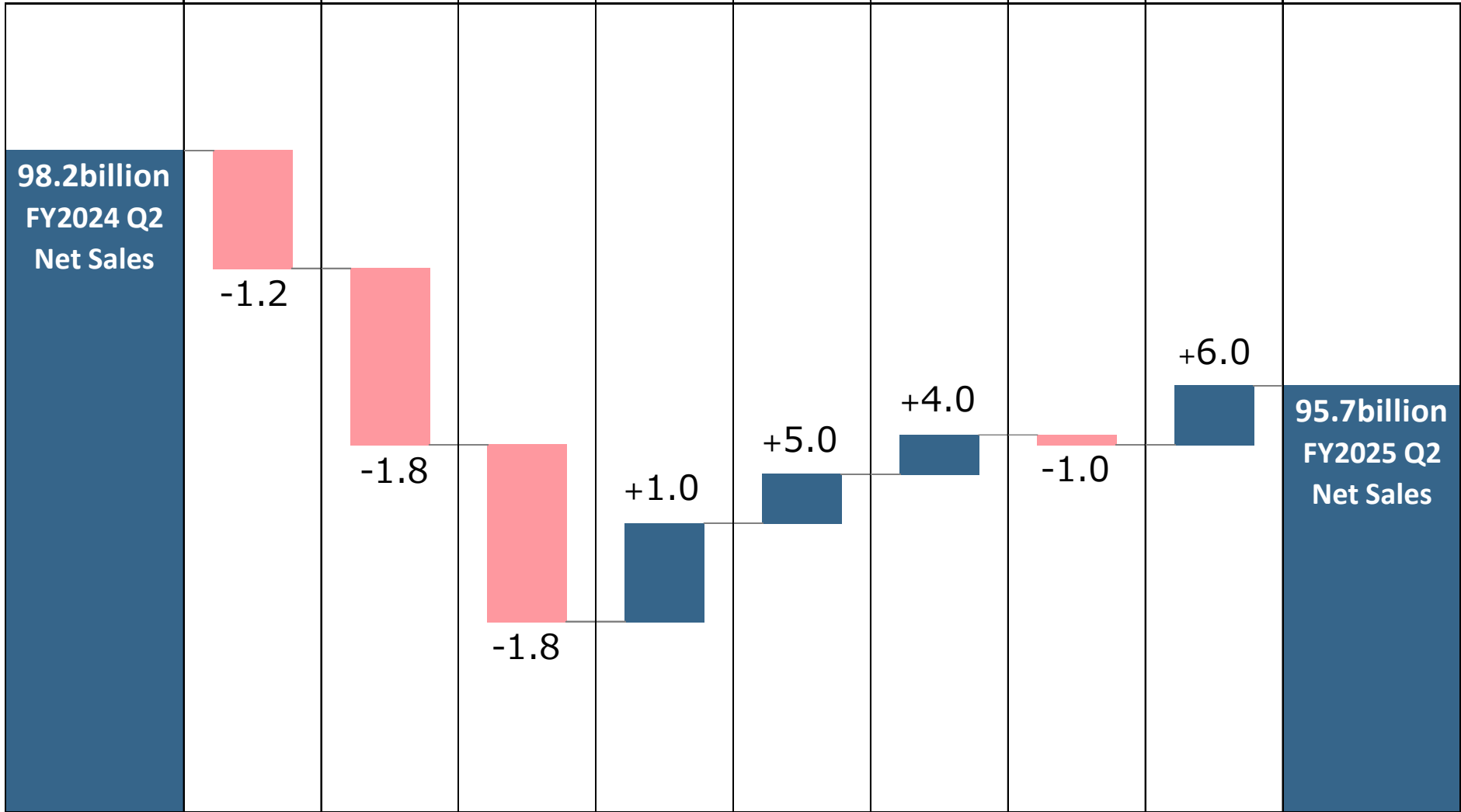
(Billions of yen)



# Breakdown of Year-on-Year Change in Operating Profit (Consolidated)

Breakdown of Year-on-Year Changes in Operating Profit (-¥2.4 billion)							
CHUDENKO Parent (-3.4 billion)					Consolidated Subsidiaries (+9.0 billion)		
General Work			Electric Power		Chugoku Region Subsidiaries (7)	Urban Area Subsidiaries (3)	Overseas Subsidiaries (6)
Indoor Electrical	Air-Conditioning Piping	Information Communication Equipment	Distribution Lines	Underground Power Lines for Transmission /Distribution			

(Billions of yen)

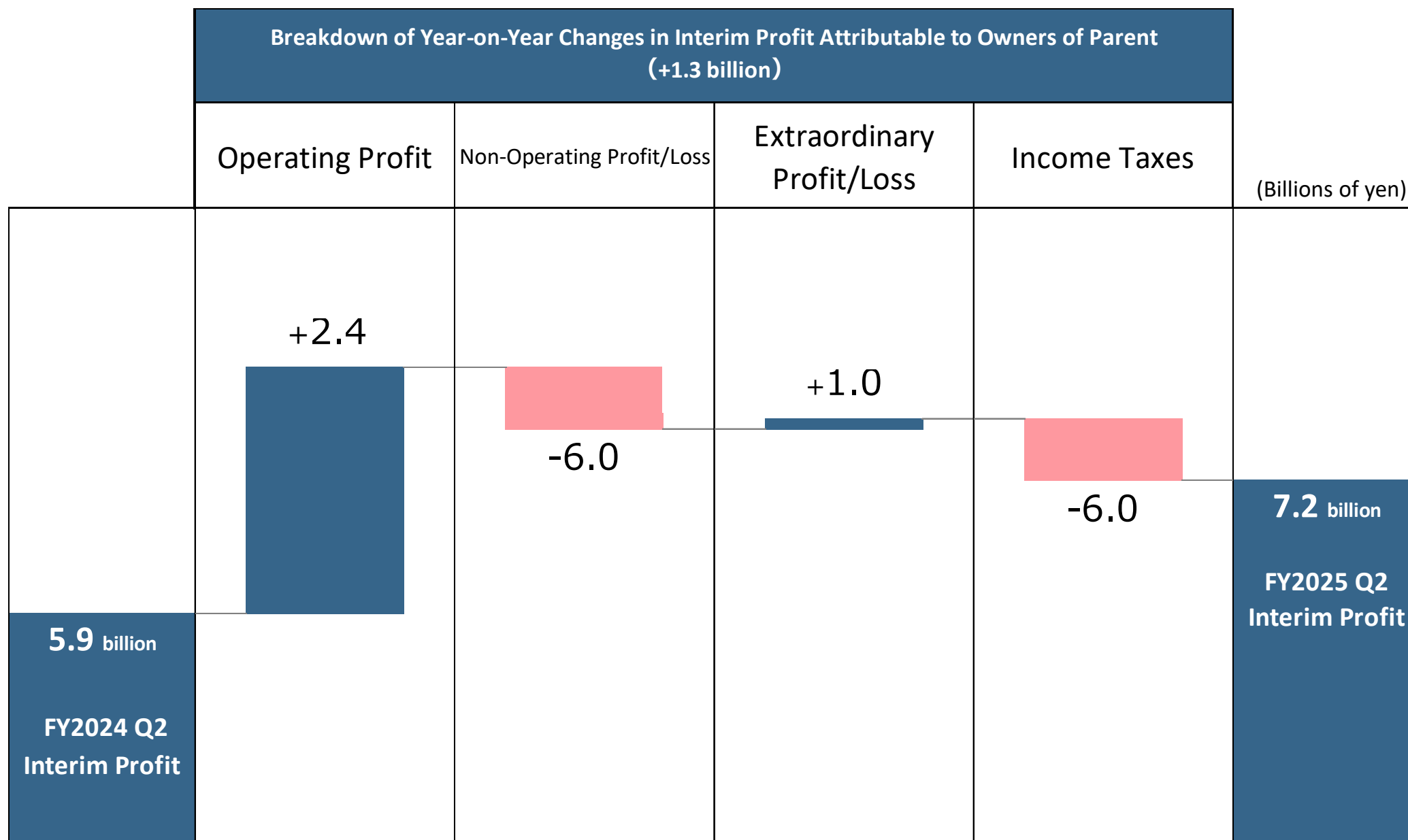


# Breakdown of Year-on-Year Change in Operating Profit (Consolidated)

(Billions of yen)

Breakdown of Year-on-Year Changes in Operating Profit (+2.4 billion)				
Chudenko Parent (+2.2 billion)			Consolidated Basis (+ 1.0 billion)	
Operating Profit by Sector			Operating Profit	
General Work		Electric Power		
	+ 2.1	+0.0	+ 1.0	
				10.5 billion
				FY2025 Q2 Operating Profit
8.1 billion				
FY2024 Q2 Operating Profit				

## Main Factors in Year-on-Year Change in Interim Profit Attributable to Owners of Parent (Consolidated)



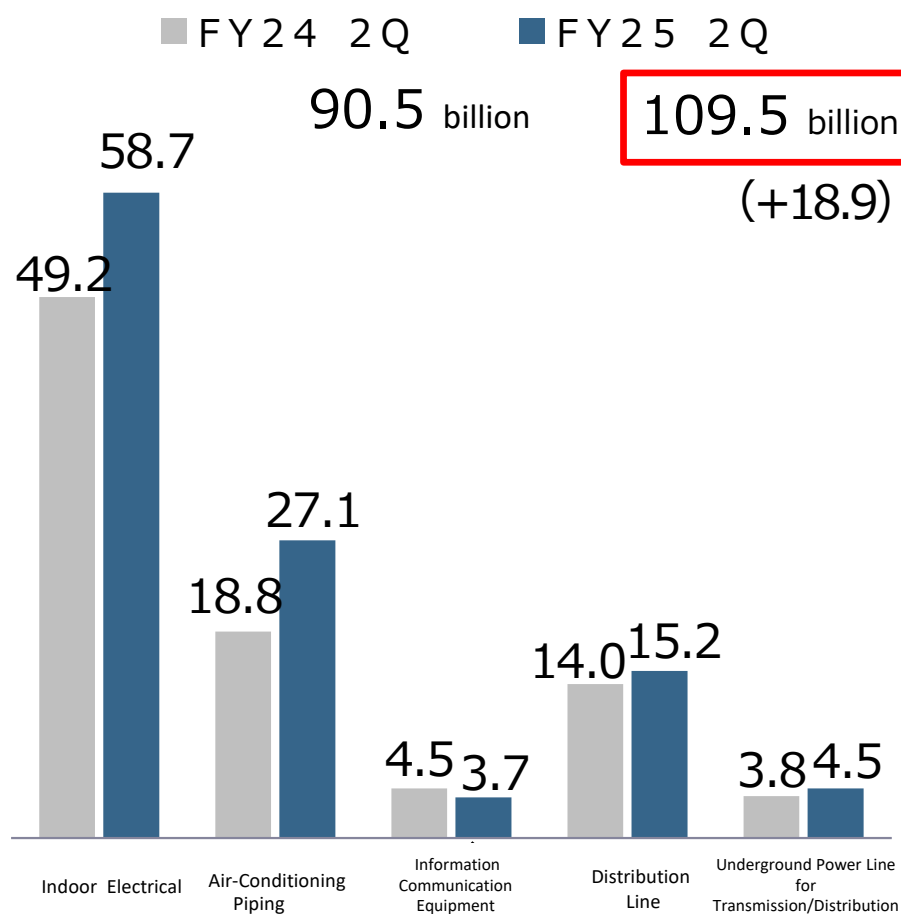


# Orders Received and Net Sales by Sector (Parent)

- Orders received increased year on year by ¥18.9 billion (warehouses, offices, hospitals, etc. increased)
- Net sales decreased year on year by ¥3.4 billion (warehouses, hospitals, highways, etc. decreased)

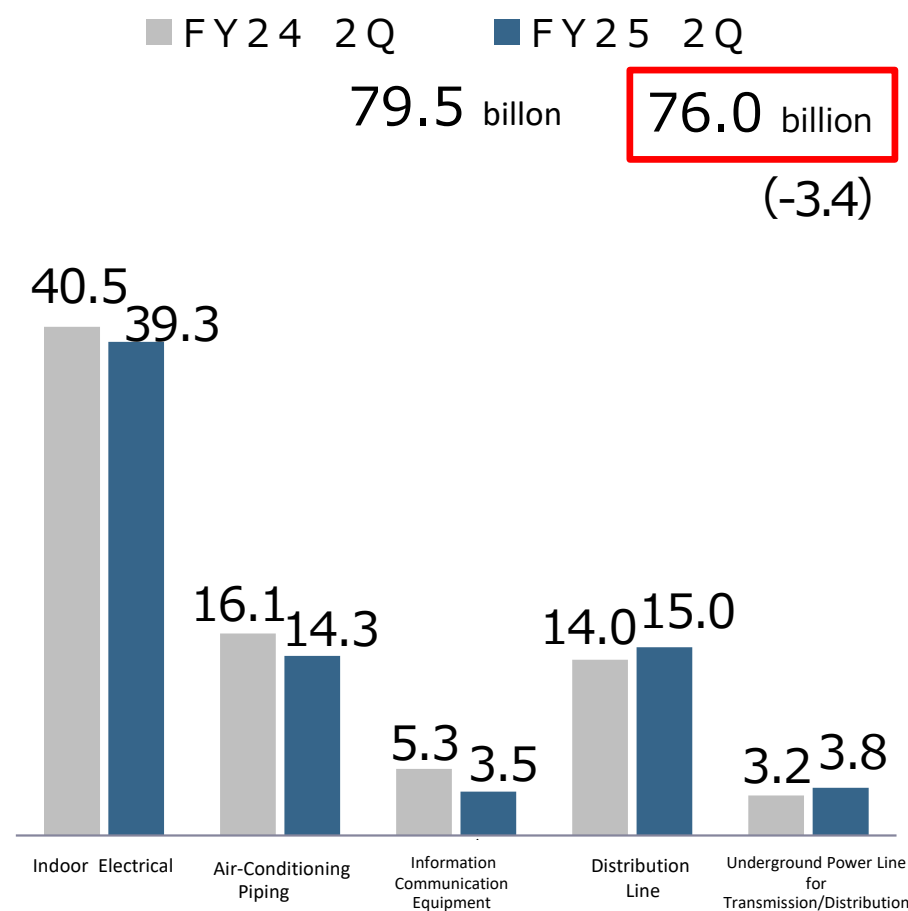
(Billions of yen)

## Orders Received



(Billions of yen)

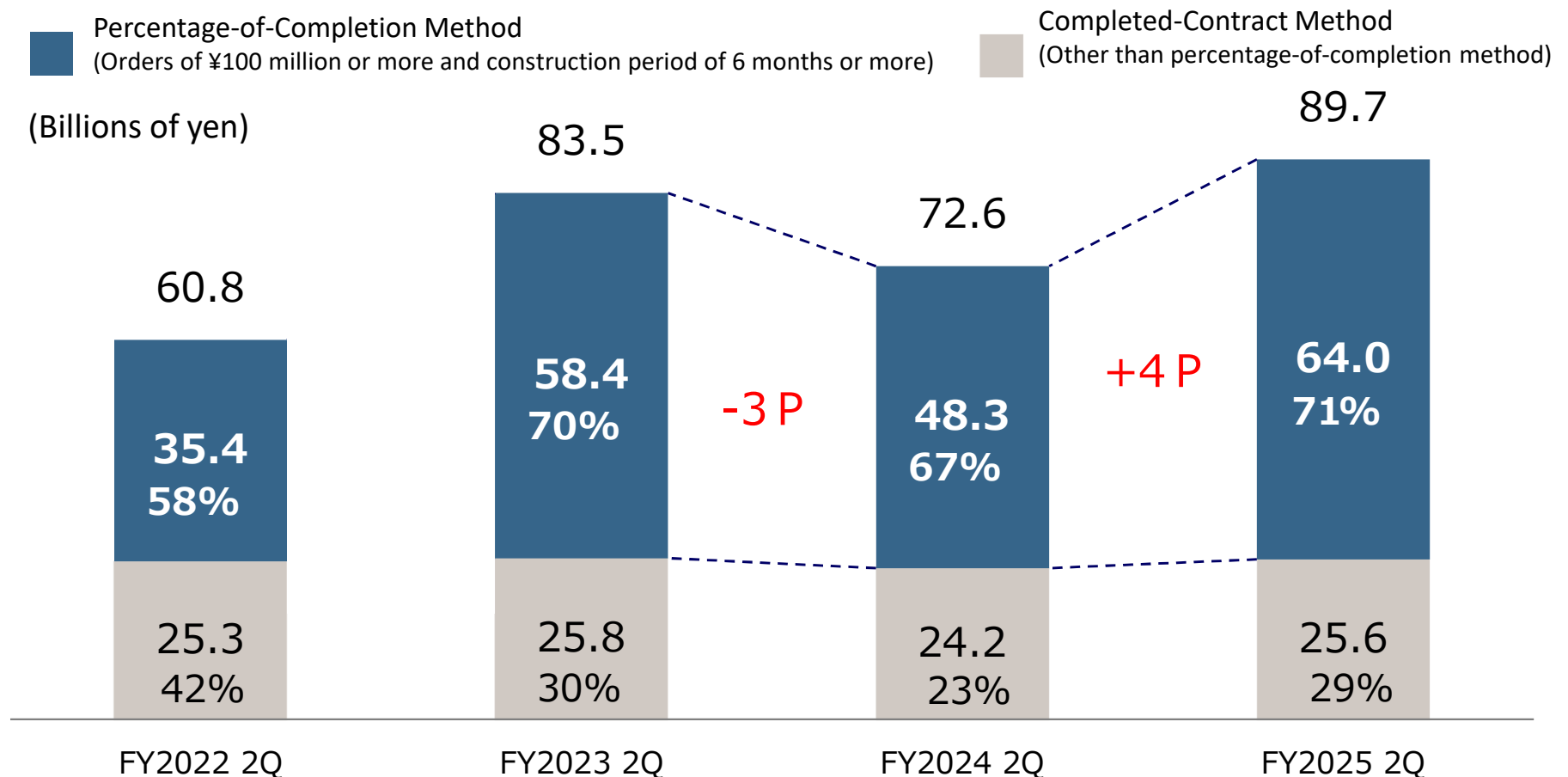
## Net Sales



# General Work Orders Received (Parent)

- Since FY2023, larger projects have increased the share of the percentage-of-completion method
- Orders received under the completed-contract method have remained at nearly the same level

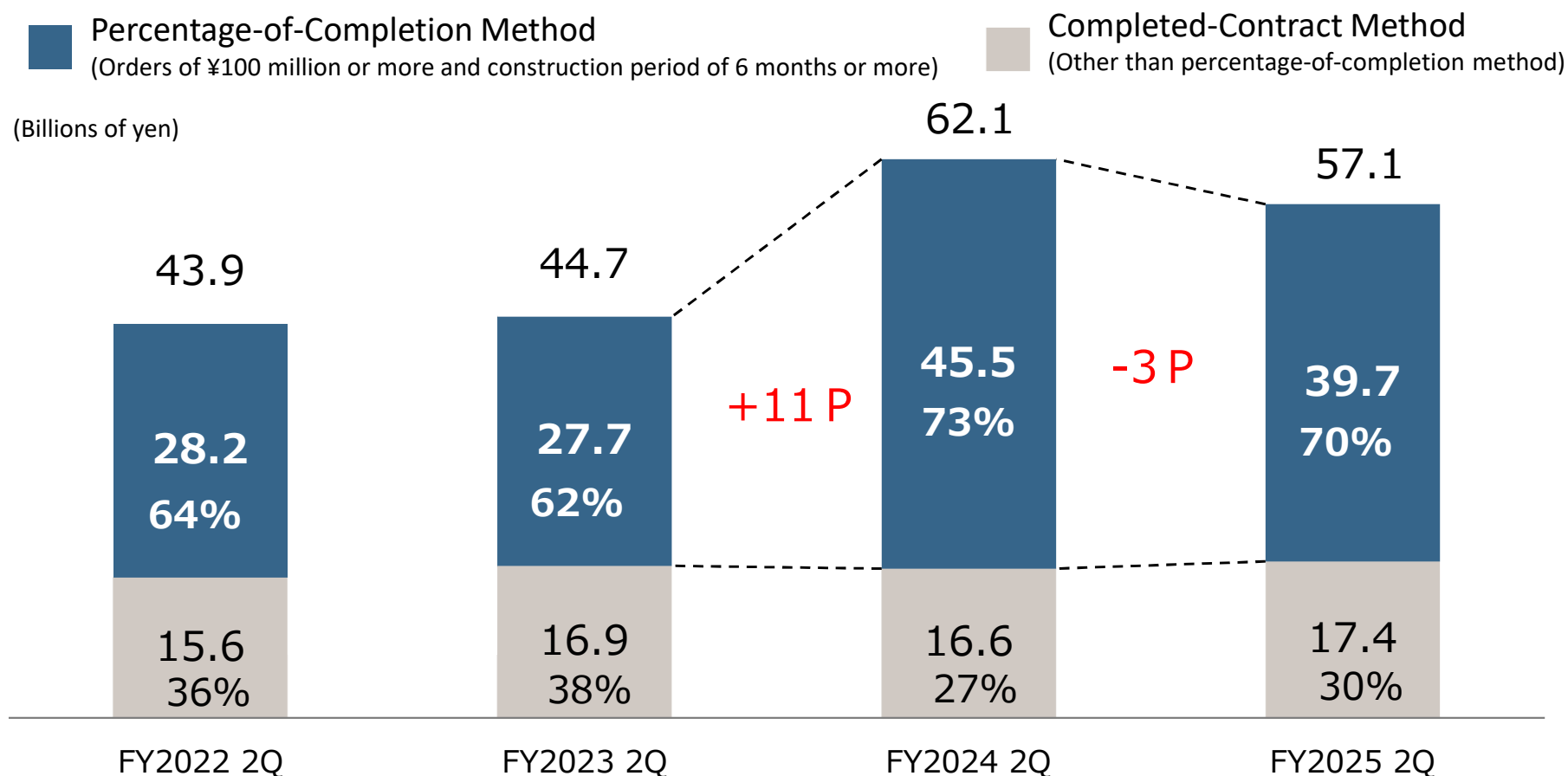
## 【Ratio of Percentage-of-Completion and Completed-Contract Methods】



# General Work Net Sales (Parent)

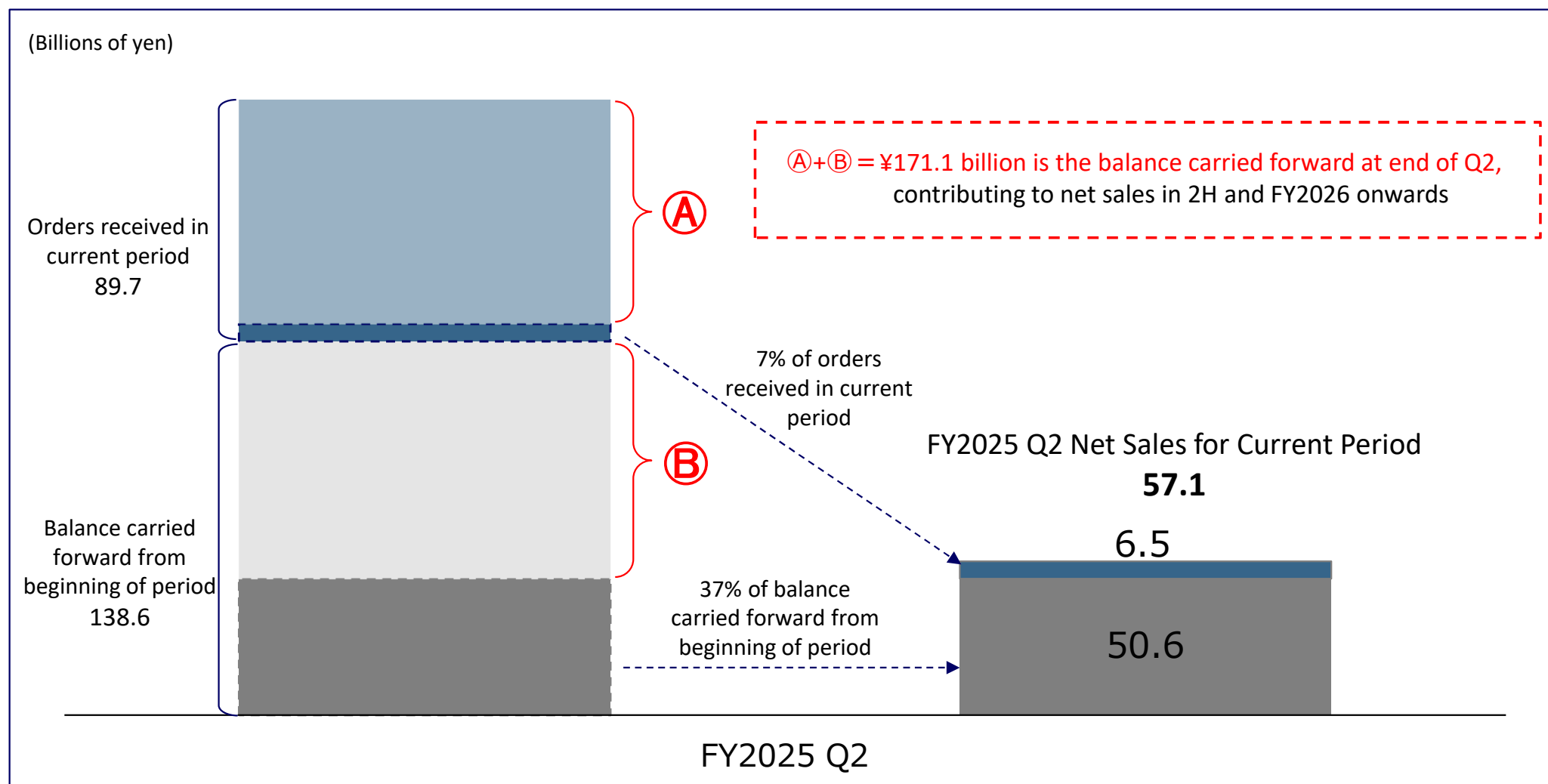
- As construction projects have become larger, the share of projects accounted for under the percentage-of-completion method has increased since FY2024
- Net sales under the completed-contract method have remained at nearly the same level

## 【Ratio of Percentage-of-Completion and Completed-Contract Methods】



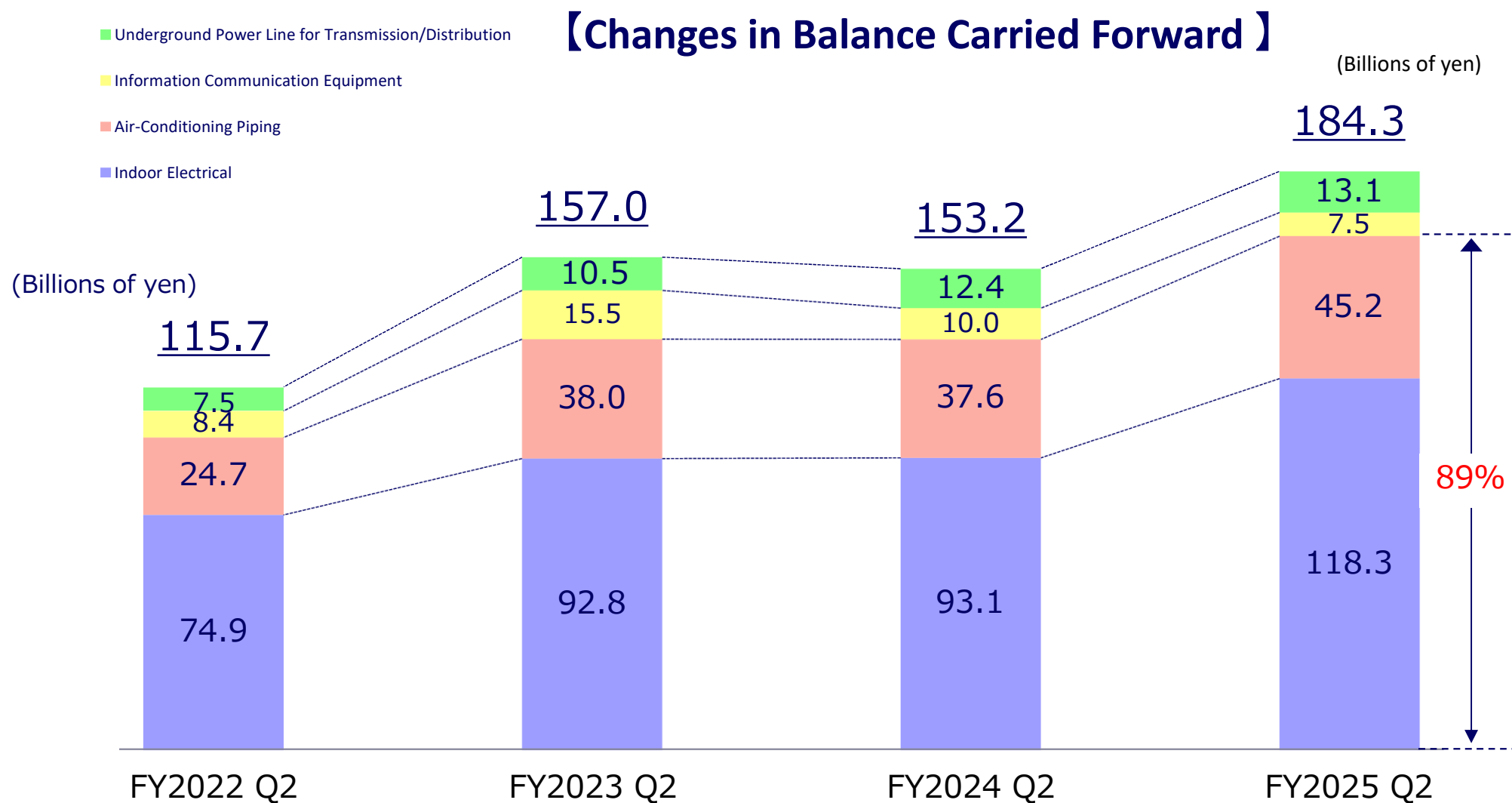
# General Work Net Sales (Parent: by Order Timing)

- Of the ¥89.7 billion in orders received during the current period, 7%, or ¥6.5 billion, was recorded as net sales
- Of the ¥138.6 billion balance carried forward from the beginning of the period, 37%, or ¥50.6 billion, was recorded as net sales
- Of the remaining carried-forward balance, approximately 40% is expected to be completed in the second half, with the remainder to be completed in FY2026 and beyond



# Changes in Balance Carried Forward at End of Q2 Parent)

- Balance carried forward totaled ¥184.3 billion, up ¥31.1 billion year on year
- Main balance carried forward: Indoor Electrical ¥118.3 billion, Air-Conditioning Piping ¥45.2 billion



# FY2025 Q2 Balance Sheet (Consolidated)

(Billions of yen)

	As of March 31, 2025	As of September 2025	Change	Main Factors for Change
Current Assets	129.7	123.6	-6.0	Notes and accounts receivable - trade, etc. -15.6 Costs on uncompleted construction contracts 3.3 Marketable securities 3.2
Non-Current Assets	164.1	170.0	5.8	Long-term loans receivable 7.9
Total Assets	293.9	293.6	-2.0	

Current Liabilities	50.6	42.9	-7.7	Notes and accounts payable - trade -10.0
Non-Current Liabilities	13.6	14.0	0.4	
Total Liabilities	64.2	56.9	-7.3	
Total Net Assets	229.6	236.6	7.0	Retained earnings 40 Valuation difference on available-for-sale securities 35
Total Liabilities and Net Assets	293.9	293.6	-2.0	

Equity Ratio	77.1%	79.5	2.4	
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## 2. FY2025 Earnings Forecasts

# FY2025 Earnings Forecast (Consolidated)

- Revised upward from previous announcement
- Expected to achieve higher revenue and profits (operating profit and ordinary profit) compared with the previous fiscal year.
- Net sales are expected to increase by ¥5.1 billion for CHUDENKO parent and ¥4.9 billion for consolidated subsidiaries
- Operating profit is expected to increase, driven by higher gross profit resulting from increased net sales, despite higher personnel expenses associated with human capital investment.
- Profit attributable to owners of parent is expected to decrease due to a reactionary decline following the decrease in income taxes in the previous fiscal year

(Billions of yen)

Consolidated Financial Results	FY2024	FY2025 Forecast	Vs. Previous Year		Vs. Previous Announcement
			Change	Ratio	
Sales	221.8	232.0	10.1	105%	2.0
Operating Profit	(9.8%) 21.6	(10.3%) 24.0	2.3	111%	2.0
Ordinary Profit	(10.6%) 23.4	(10.7%) 24.8	1.3	106%	1.0
Profit Attributable to Owners of Parent	(9.0%) 19.8	(6.9%) 16.1	-3.7	81%	0.3

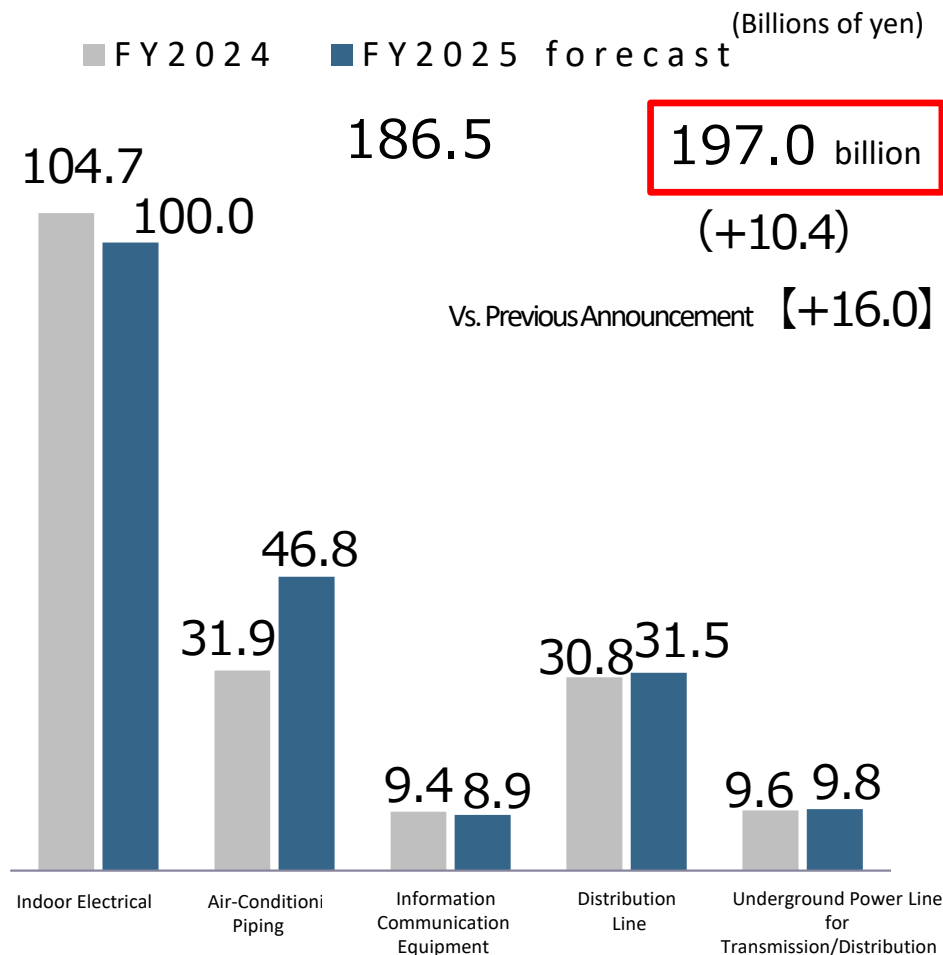
Note: Figures in ( ) are profit margins.



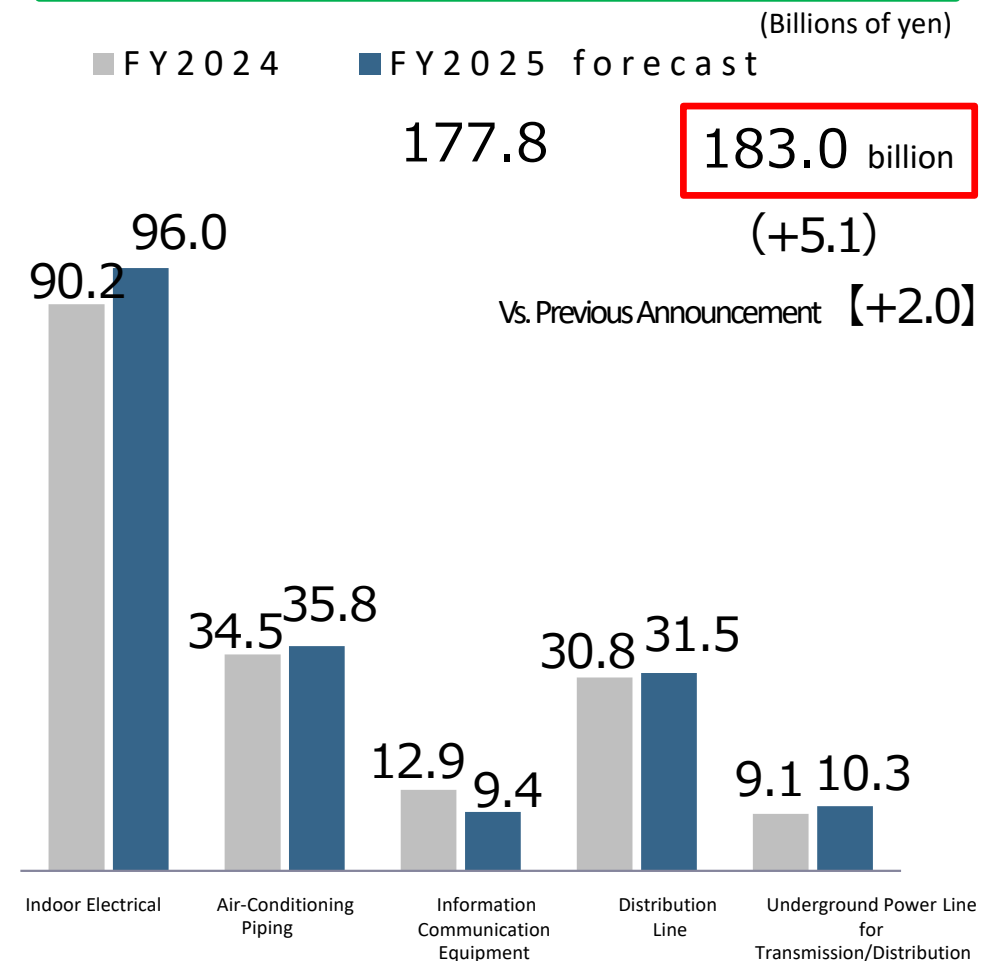
# Orders Received and Net Sales by Sector (Parent)

- Both orders received and net sales have been revised upward (orders received +¥16.0 billion)
- Orders received are expected to increase by ¥10.4 billion (mainly due to increased Air-Conditioning Piping work)
- Net sales are expected to increase by ¥5.1 billion (mainly due to increased Indoor Electrical work and Air-Conditioning Piping work)

## Orders Received



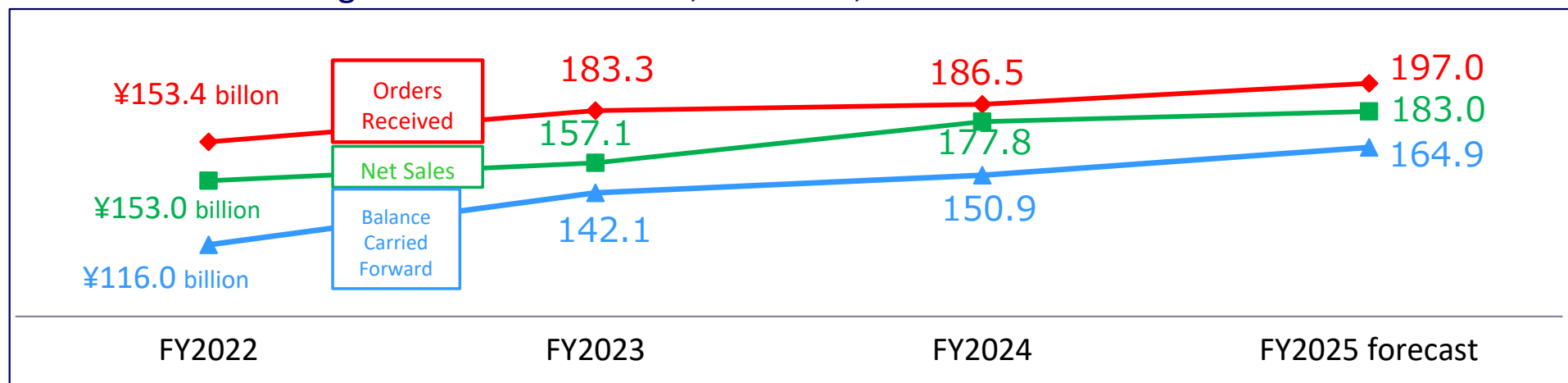
## Net Sales



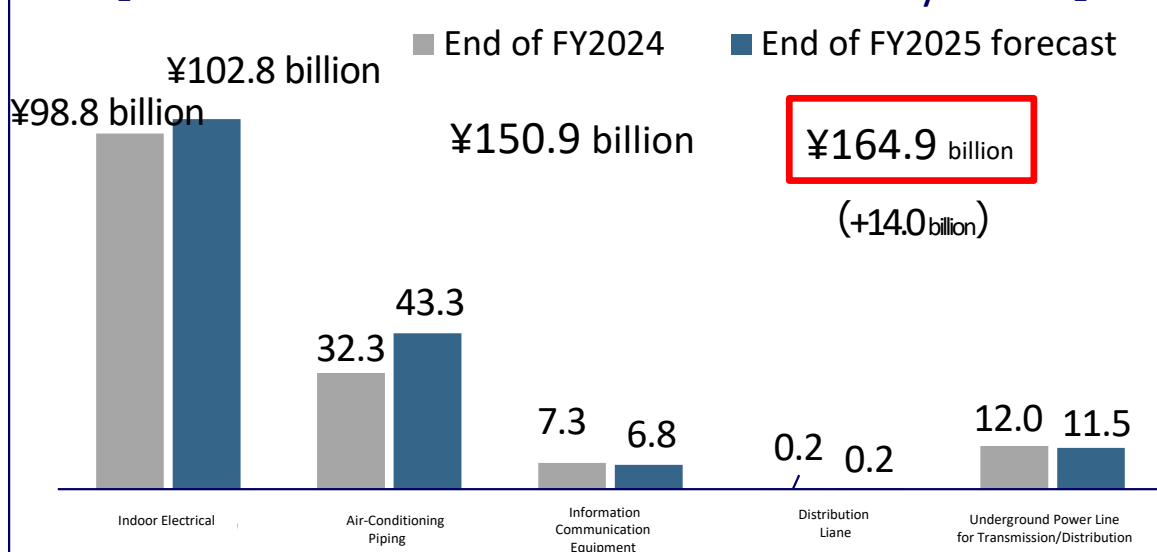
# Orders received, Net sales, and Balance Carried Forward (Parent)

- Orders received and net sales are on an upward trend
- Balance carried forward is at a record high

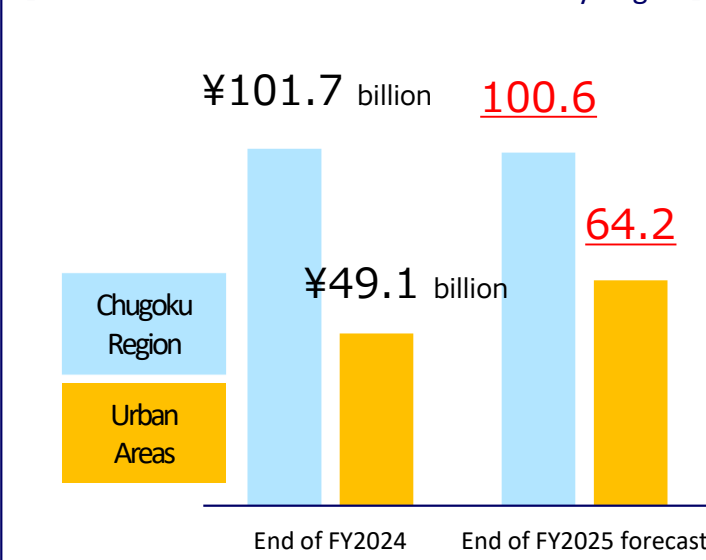
【Changes in Orders Received, Net Sales, and Balance Carried Forward】



【Balance Carried Forward to the Next FY by Sector】



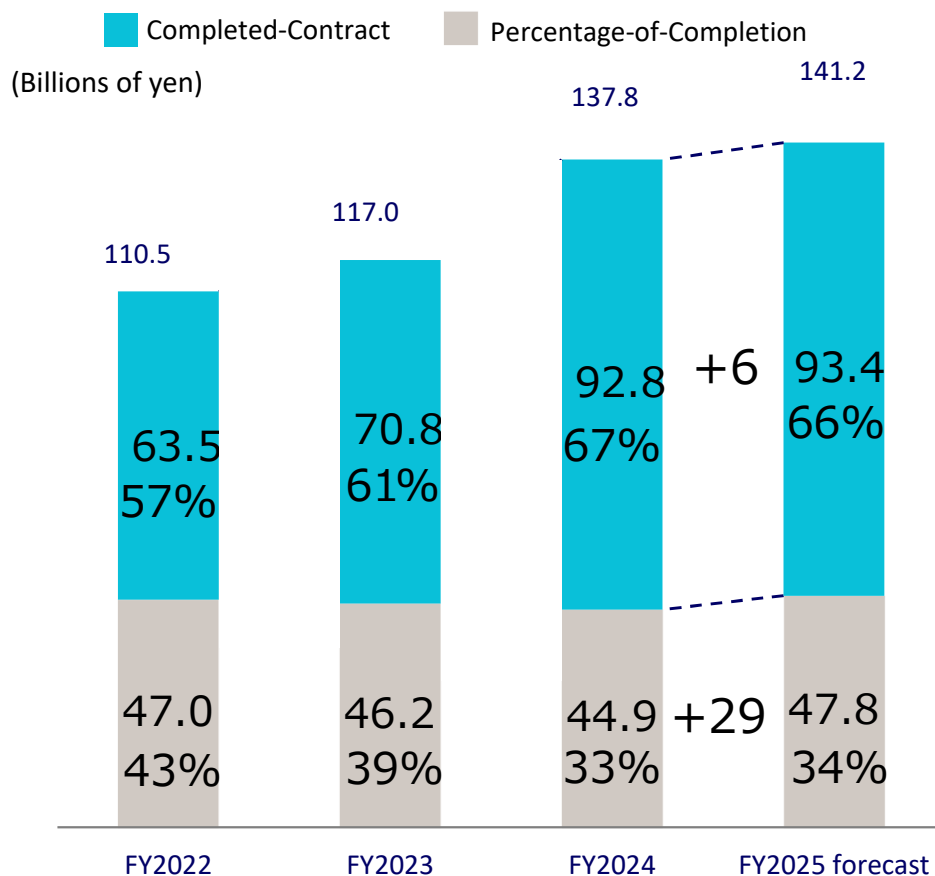
【Balance Carried Forward to the Next FY by Region】



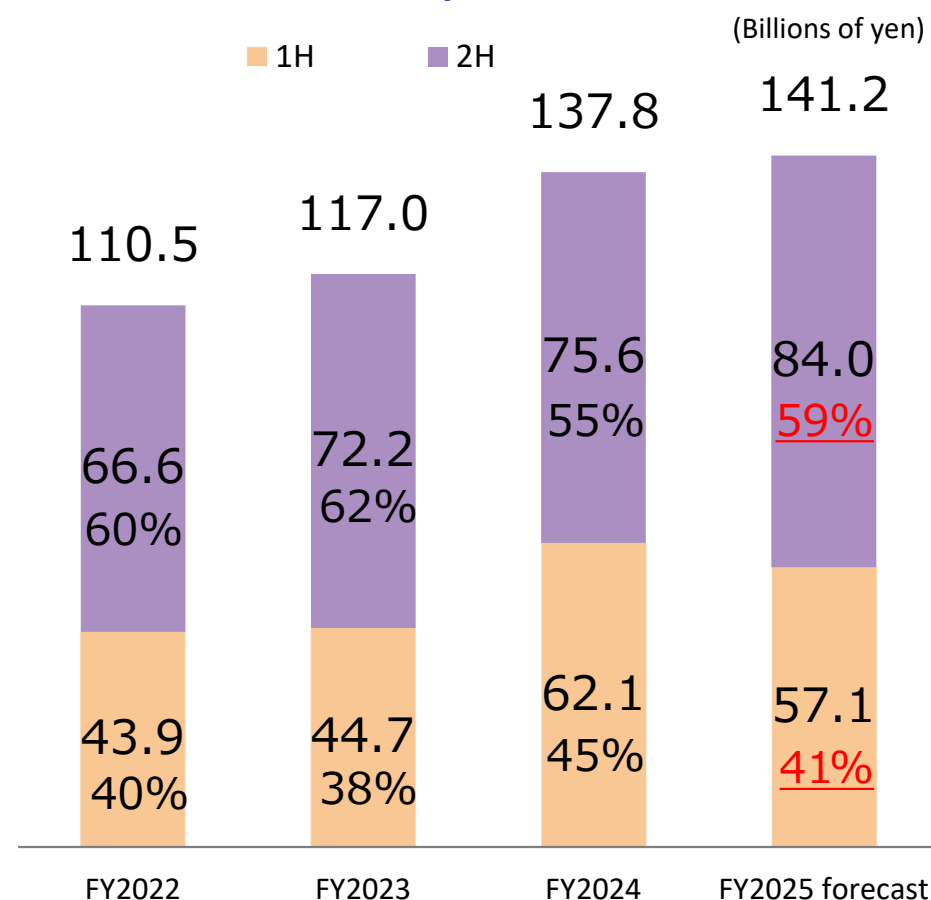
# General Work Net Sales (Parent)

- In FY2025, the share of projects accounted for under the percentage-of-completion method is expected to continue to increase due to larger project size
- The 1H/2H ratio in FY2025 is expected to return to the traditional 40:60 balance

【Percentage-of-Completion Method and Completed-Contract Method Ratio】



【1H / 2H Ratio】

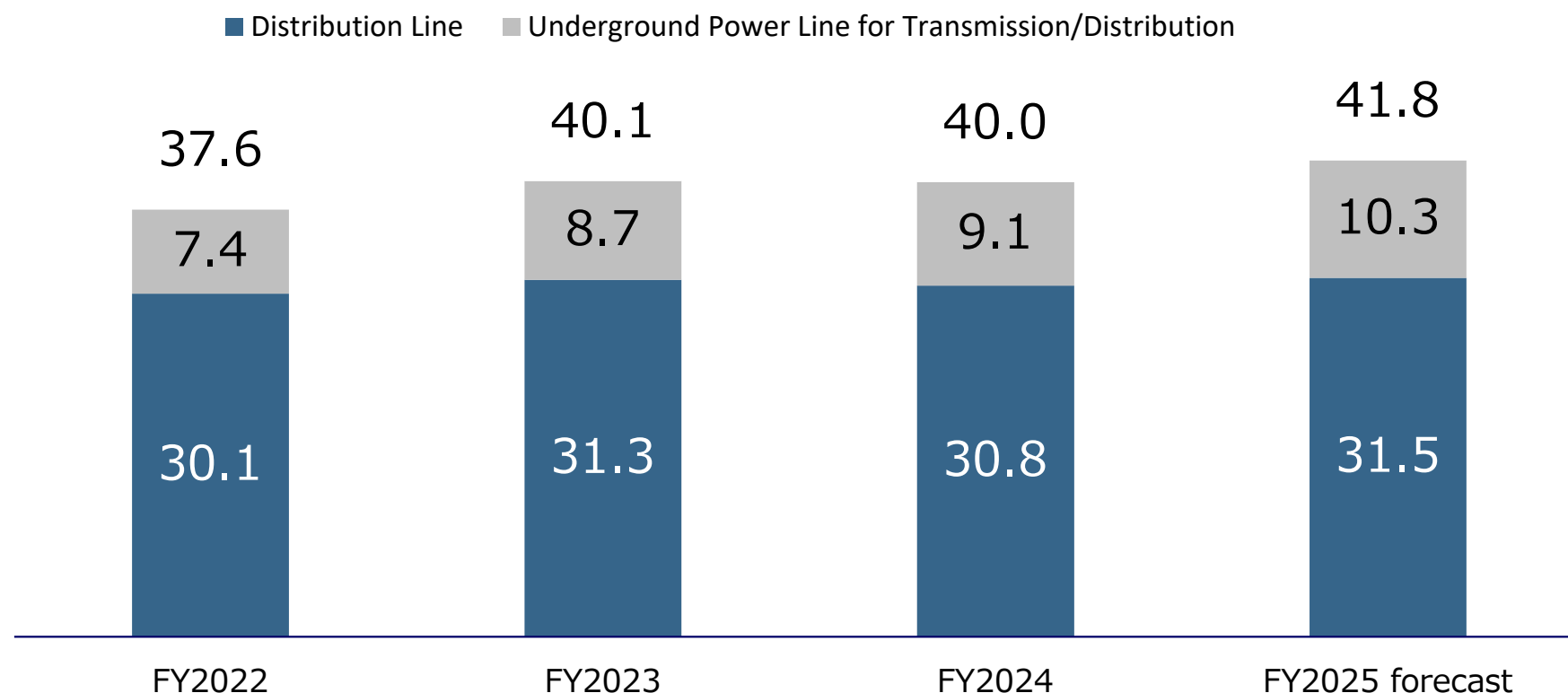


# Electric Power Net Sales (Parent)

- Orders are mainly received from Chugoku Electric Power Network and construction is carried out in the Chugoku region
- In recent years, net sales of over ¥40 billion have been recorded steadily

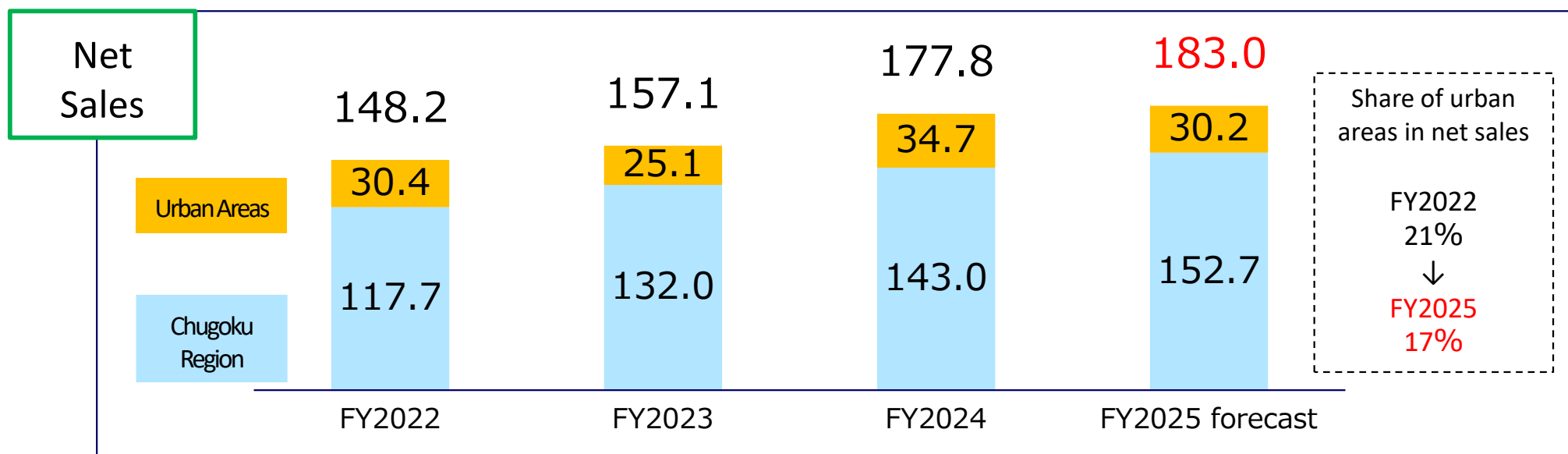
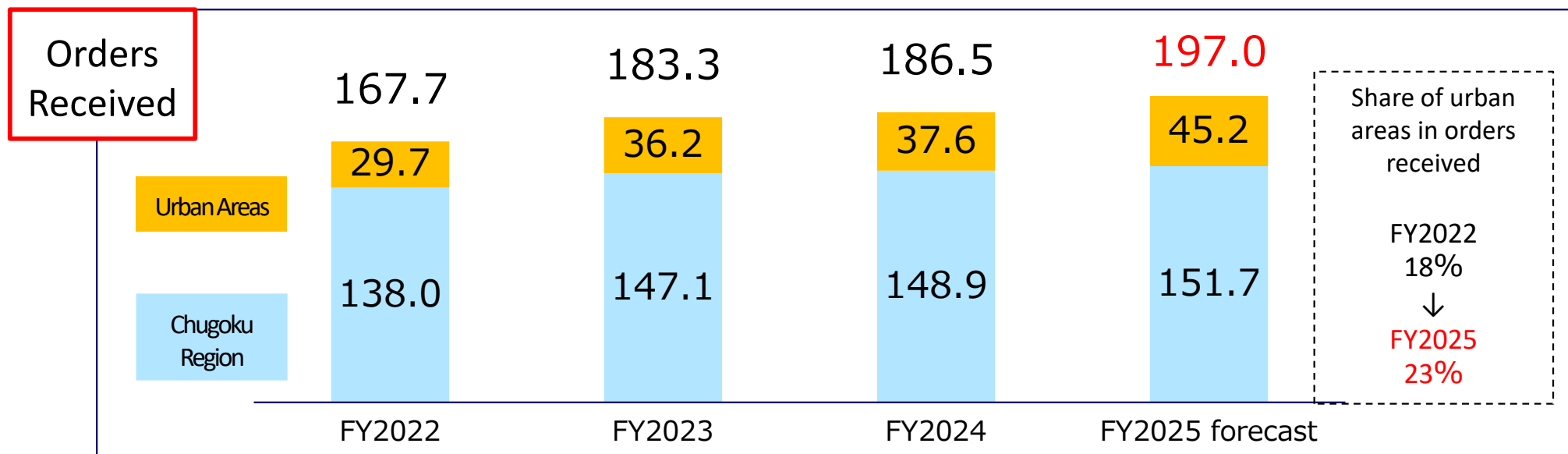
## 【Changes in Electric Power Net Sales】


(Billions of yen)



# Orders Received and Net Sales by Region (Parent)

- Working to strengthen our foundation in the Chugoku region while expanding in urban areas (Tokyo, Osaka, Nagoya) (Billions of yen)





### 3 . Overview of Medium-Term Management Plan 2027 (FY2025–2027)

# Overview of Medium-Term Management Plan 2027 (FY2025–2027)

Change & Growth For All to 2027

～Strengthening Sales Capabilities and Construction Capacity, Promoting Human Capital Management～

## 1 Thorough Safety, Compliance and Quality Improvement

Our business operations will prioritize safety and compliance as we strive to improve quality to enhance customer trust and satisfaction.

- Thorough implementation of safety-first culture and compliance with standard rules in partnership with cooperating companies
- Improvement of compliance awareness and full adherence to laws and regulations
- Ensuring quality across the entire construction process
- Reliable contributions to stable power supply including rapid recovery during disasters

## 2

## Further Strengthening of Sales Capabilities and Construction Capacity, and Expansion of Orders Received

We will further strengthen sales capabilities and construction capacity to expand market share in the Chugoku while growing our business in urban areas.

- Securing sales personnel and strengthening design and proposal capabilities
- Securing and developing technical personnel and optimizing the allocation of construction managers
- Strengthening partnerships with cooperating companies
- Strengthening orders in growth sectors such as semiconductors and data centers

## 3

## Profit Creation through Productivity Improvement

We will deepen productivity improvement initiatives across all operations, including DX and construction efficiency, to drive profit growth.

- Enhancing operational efficiency through digital transformation and the use of generative AI
- Company-wide use of front-loading to equalize and improve construction efficiency
- Early resolution of issues through rapid information sharing and strengthened communication
- Strengthening cost management and achieving further cost reduction

## 4

## Strengthening Human Resource Development and Creating Attractive Workplaces

We will promote the securing of human resources through diversified recruitment methods, strengthened development programs, and the creation of attractive workplaces, in order to enhance employee skills and engagement.

- Diversifying recruitment methods, including referral recruitment and location-limited initial assignments
- Providing continuous support for skill improvement through qualification education
- Promoting work-life balance
- Establishing comfortable workplace environments and promoting health management

## 5

## Business Expansion through Growth Investments

Toward the achievement of carbon neutrality, we will promote environmental businesses that contribute to decarbonization, while also pursuing M&A to drive business expansion.

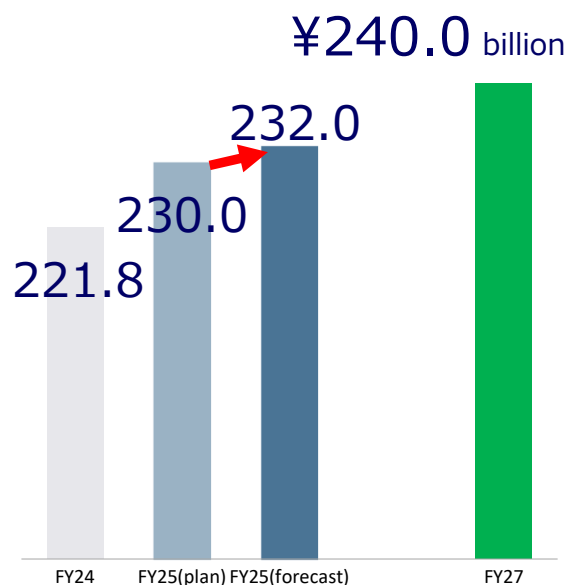
- Promoting environmental businesses, including PPA projects
- Promoting technical research and development
- Promoting M&A to strengthen construction systems

# Consolidated Numerical Targets

- Having gained visibility on achieving a portion of the numerical targets (operating profit and ROE) under the Medium-Term Management Plan 2027, we will consider revisions going forward.
- We will continue to steadily implement core measures and pursue further profit creation.

## Net Sales

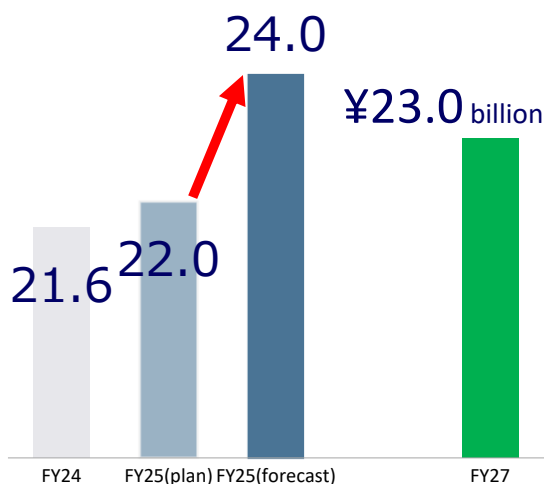
¥240.0 billion



## Net Sales

## Operating Profit

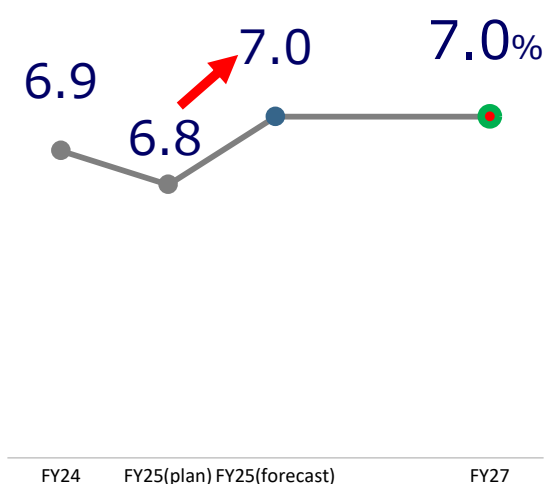
¥23.0 billion



## Operating Profit

## ROE

7.0% or higher



## ROE

(Note: FY2024 ROE excludes the impact of reduced income taxes (a special factor) arising from previously recorded investment losses treated as deductible expenses.

The reported ROE is 9.1%.)



# Strengthening Human Resource Development (Parent)

## Number of New Hires through Periodic Recruitment

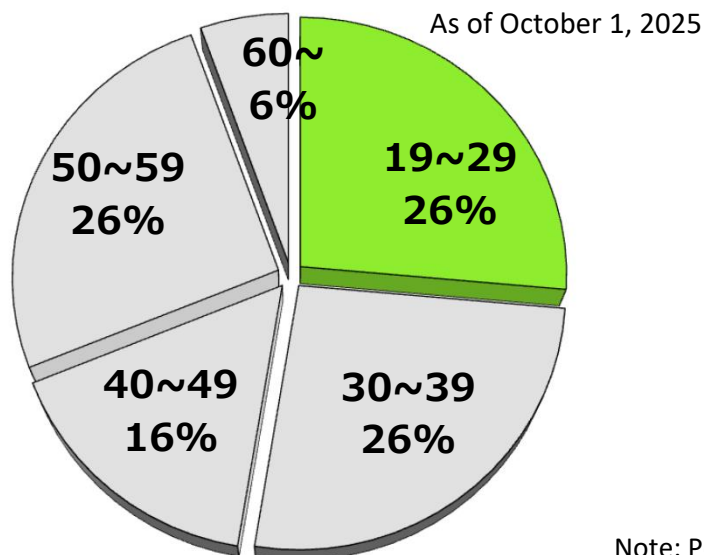
FY2022	FY2023	FY2024	FY2025	FY2026 Plan (Accepted Job Offers)
116	135	132	146	170 (171)

## Revision to Starting Salaries

(Unit : Yen)

	April 2024	April 2025	Increase
University Graduate	235,000	260,000	25,000

## Employee Composition by Age Group



## Number of Persons with Qualifications

Qualification	Number of Qualified Personnel		
	October 2022	October 2025	Increase
Electrical Construction Management Engineers (1st and 2nd grade)	1,157	1,292	135
Plumbing Construction Management Engineers (1st and 2nd grade)	295	338	43
Telecommunications Construction Management Engineers (1st grade)	98	144	46
Professional Engineers	66	71	5

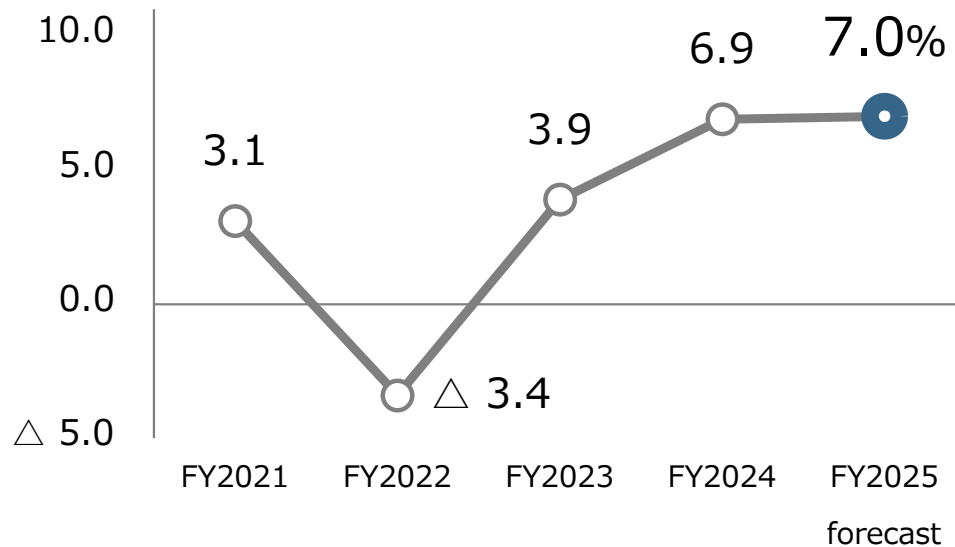
Note: Personnel with multiple qualifications as Construction Management Engineers (Electric Works, Piping Works): 73

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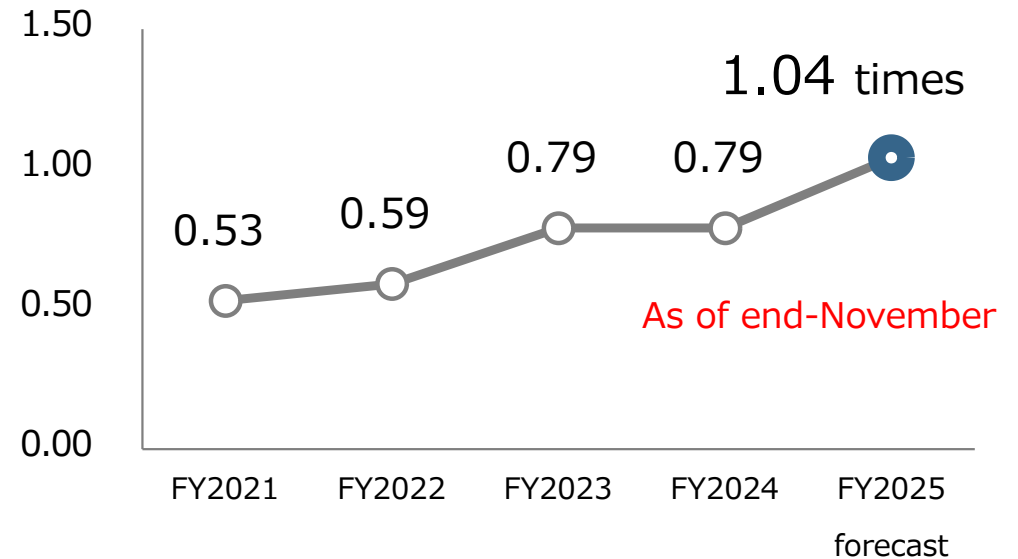
## **4. Management Measures Considering Capital Costs and Share Price**

# Current Status Analysis and Initiatives for Improving PBR

## ROE Trend (%)



## PBR Trend (times)



FY2024 ROE excludes the impact of reduced income taxes (a special factor) arising from previously recorded investment losses treated as deductible expenses. The reported ROE is 9.1%.)

(1) Improve profitability

(2) Strengthen and enhance capital policy

(3) Strengthen IR activities

Improve  
ROE

Improve stock  
market valuation

Improve  
ROE

# Strengthen and Enhance Capital Policy

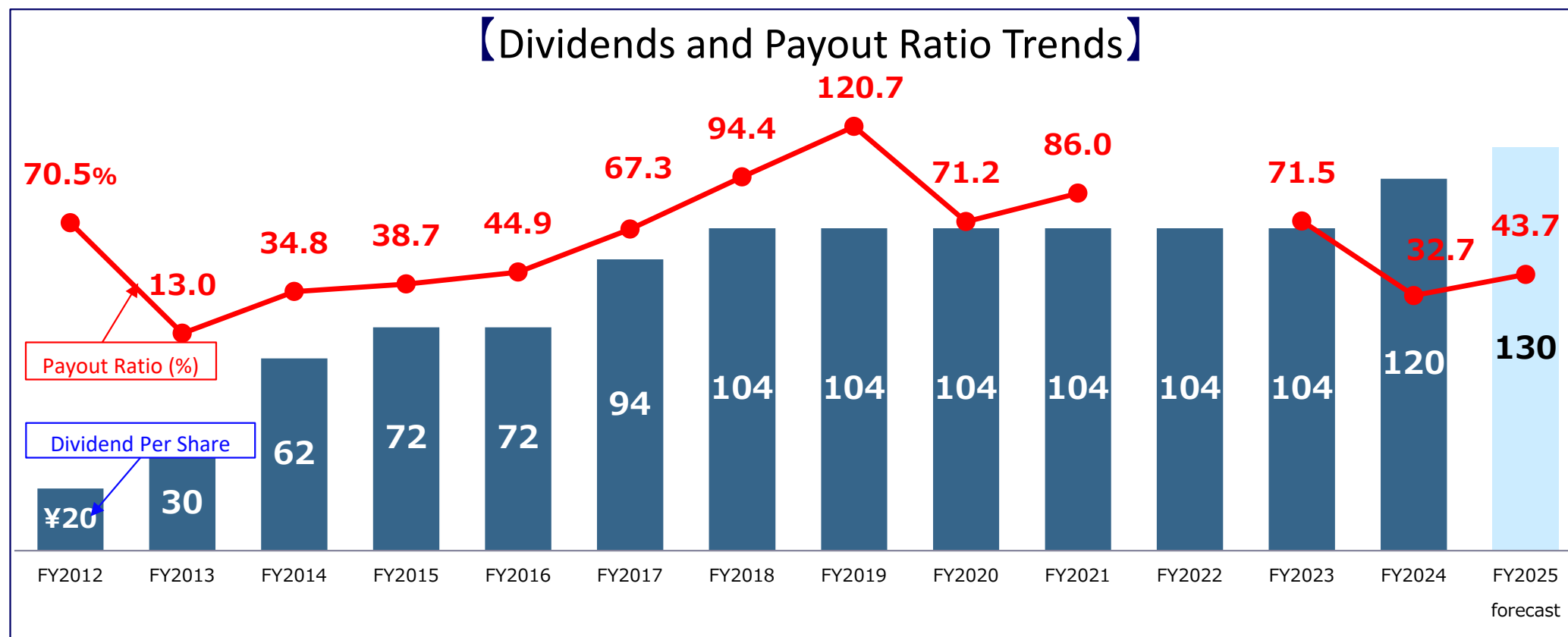
- Over the three years of Medium-Term Management Plan 2027, we will allocate ¥95 billion from business activities and the sale of cross-shareholdings to growth investments and shareholder returns.
  - Growth investments: Approximately ¥60 billion
    - ¥30 billion for strengthening the business foundation, including DX promotion, ¥30 billion for business expansion, including environmental-related businesses
  - Enhance shareholder returns: Approximately ¥35 billion
    - Change in the DOE target of 3.0% with approximately ¥20 billion in dividends over three years, and establishment of a share buyback framework of approximately ¥15 billion.

Expand Growth Investments  <b>Approximately ¥60 billion</b>	Investment in strengthening business foundations: <b>Approximately ¥30 billion</b>	<ul style="list-style-type: none"> <li>▪ DX promotion</li> <li>▪ Expansion of capital investment for workplace environment improvement, etc.</li> <li>▪ Human resource security and development</li> <li>▪ Technical research and development, etc.</li> </ul>
	Investment in business expansion: <b>Approximately ¥30 billion</b>	<ul style="list-style-type: none"> <li>▪ Environmental-related businesses</li> <li>▪ Strengthening and expansion of equipment construction business</li> <li>▪ Strengthening and expansion of various group company businesses</li> <li>▪ New businesses, etc.</li> </ul>
Enhance Shareholder Returns  <b>Approximately ¥35 billion</b>	Sustainable and stable dividends: <b>Approximately ¥20 billion</b>	<ul style="list-style-type: none"> <li>▪ Change dividend policy in the DOE target of 2.7% to 3.0%</li> <li>▪ FY2025 (March 2026) forecast: Annual dividend per share of ¥130</li> </ul>
	Share buybacks: <b>Approximately ¥15 billion</b>	<ul style="list-style-type: none"> <li>▪ Establish a share buyback framework</li> </ul>

## 5. Shareholder Returns

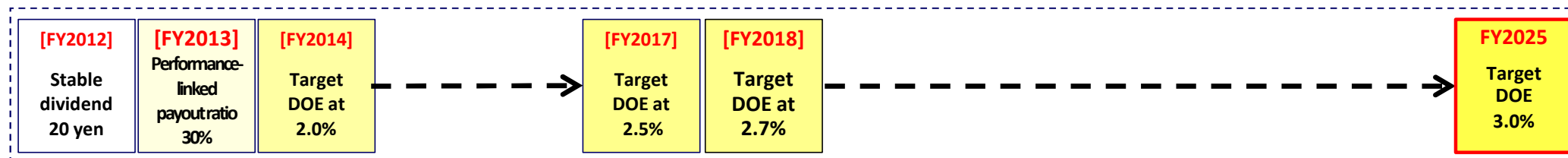
# Dividends and Payout Ratio Trends

➤ FY2025 forecast: Annual dividend ¥130, DOE 3.20%, Payout ratio 43.7%



(Note: Not reported for FY2022 due to a net loss.)

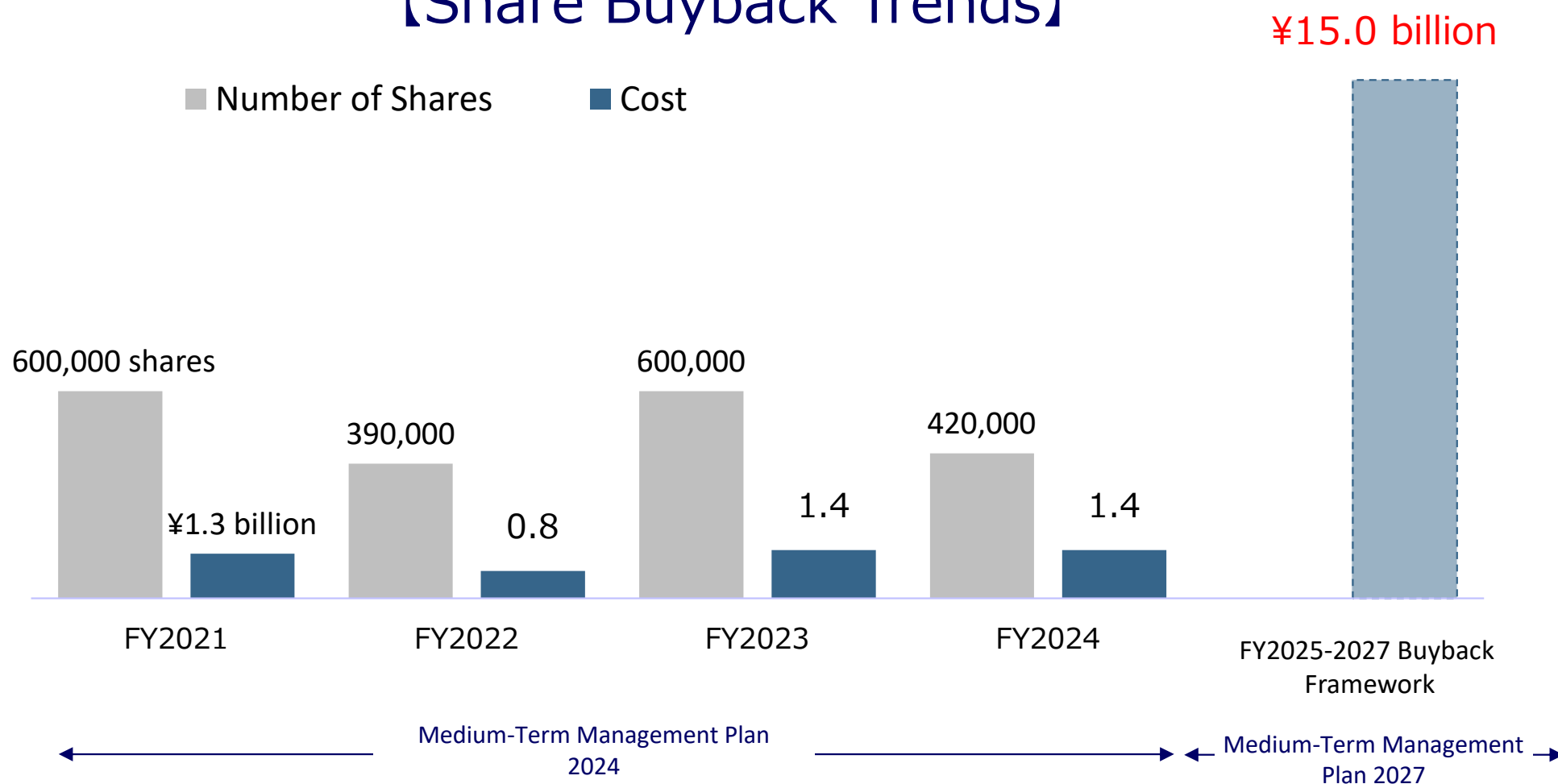
## 【Dividend policy】



# Share Buybacks

- A total of 2 million shares acquired for approximately ¥5 billion over the four years of Medium-Term Management Plan 2024
- A share buyback framework of ¥15 billion has been established for the three years of the Medium-Term Management Plan 2027

## 【Share Buyback Trends】





## 6 . Reference Information



# Reference (Outline of CHUDENKO CORPORATION)

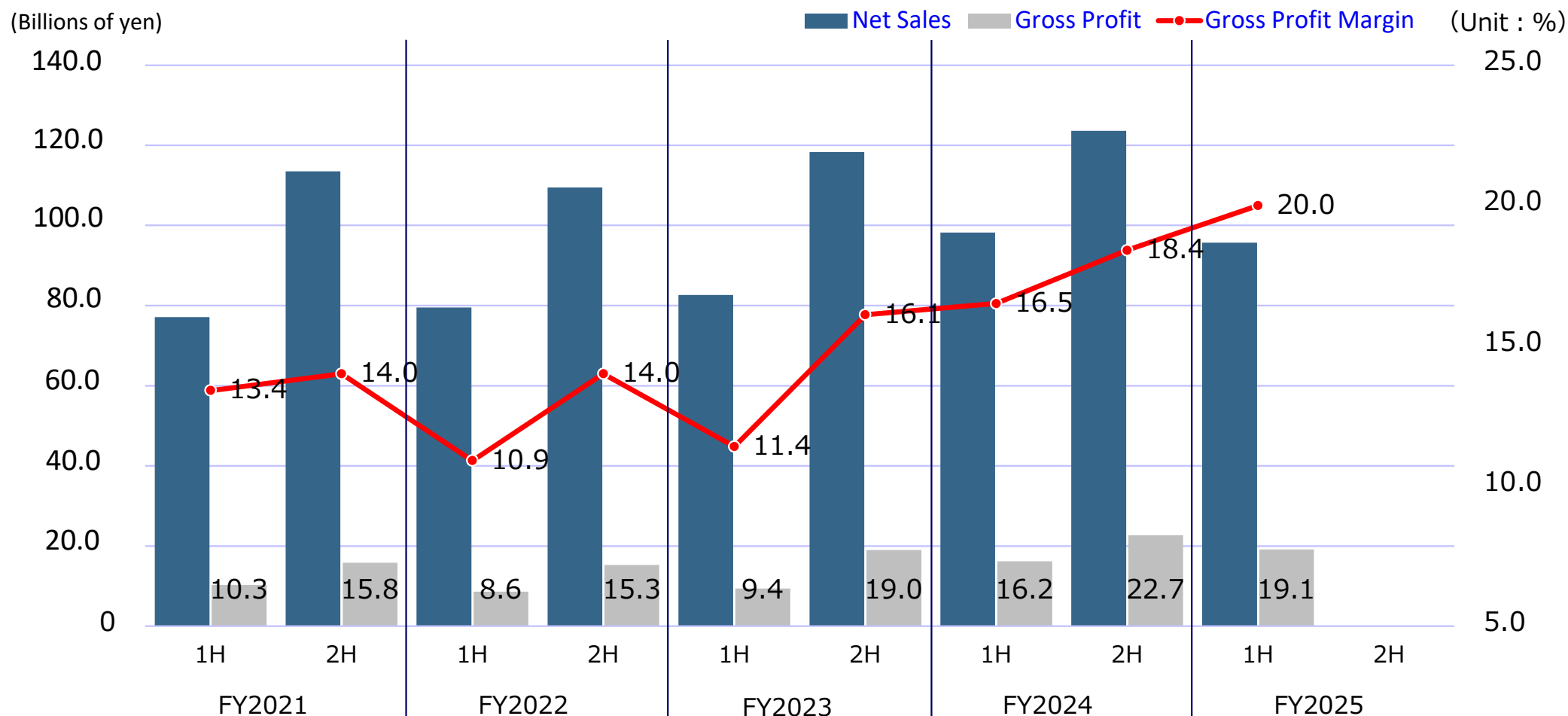
Company name	CHUDENKO CORPORATION		
Representative	Takafumi Shigeto Representative Director and President		
Established	September 1944 (as Chugoku Electrical Construction Co., Ltd.)		
Capital	¥3,481.9 million		
Stock exchange listing	Prime Market, Tokyo Stock Exchange		
Head Office location	Hiroshima City		
Consolidated subsidiaries	16		
Business activities	General equipment engineering services, sales of electrical materials, insurance agency, leasing		
Number of employees	4,612 (Consolidated)	3,400 (CHUDENKO Parent)	(End of FY2024)
Sales	¥221.8 billion (Consolidated)	¥177.8 billion (CHUDENKO Parent)	(FY2024)
Total assets	¥293.9 billion (Consolidated)	¥266.6 billion (CHUDENKO Parent)	(End of FY2024)



Head Office  
(CHUDENKO Peace Boulevard Bldg.)

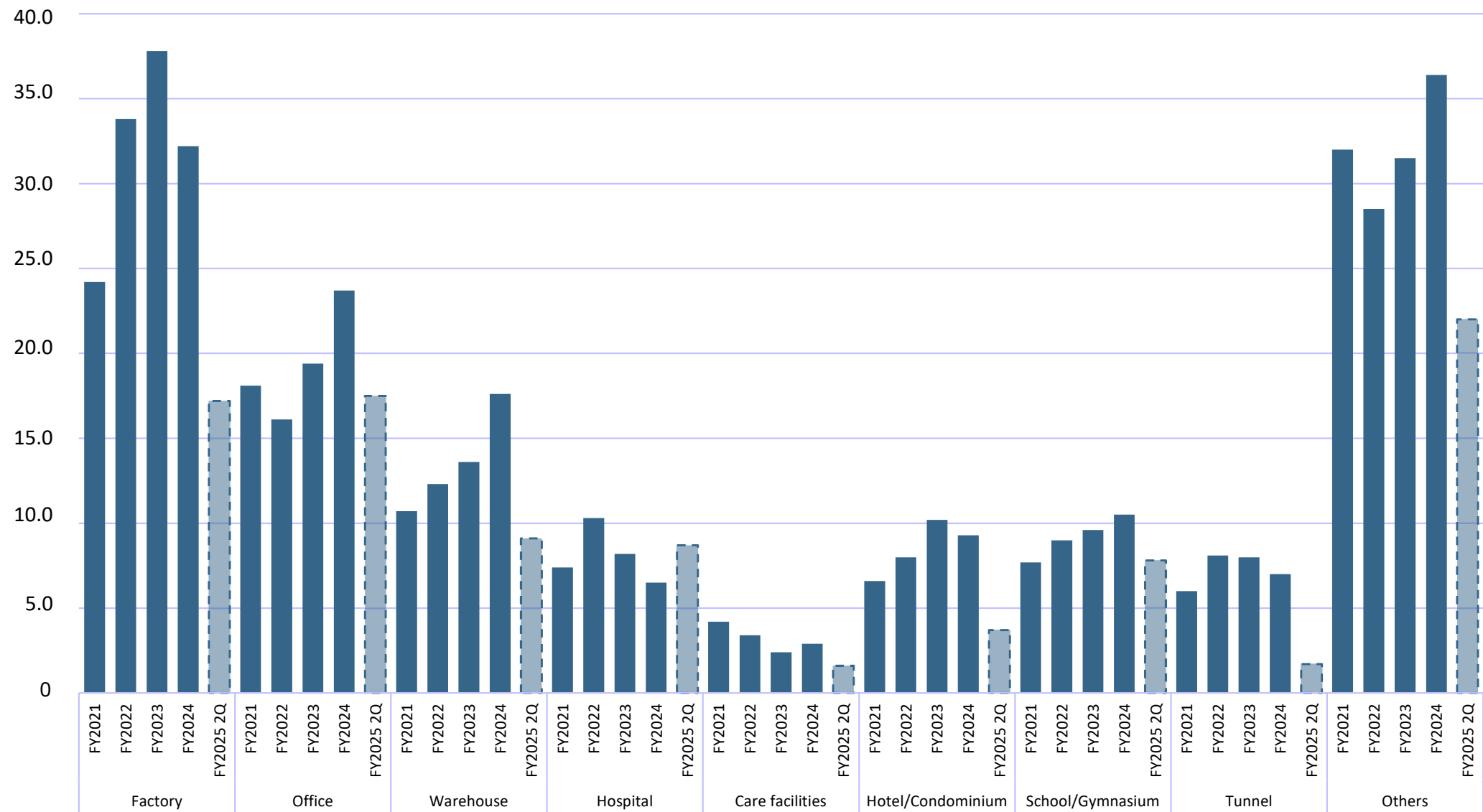
# Net Sales and Gross Profit Trends (Consolidated)

	FY2021 Annual Results	FY2022 Annual Results	FY2023 Annual Results	FY2024 Annual Results	FY2025 Interim Results
Net Sales	¥190.6 billion	189.0	201.0	221.8	95.7
Gross Profit	¥26.2 billion	23.9	28.5	38.9	19.1
Gross Profit Margin	13.8%	12.7	14.2	17.5	20.0



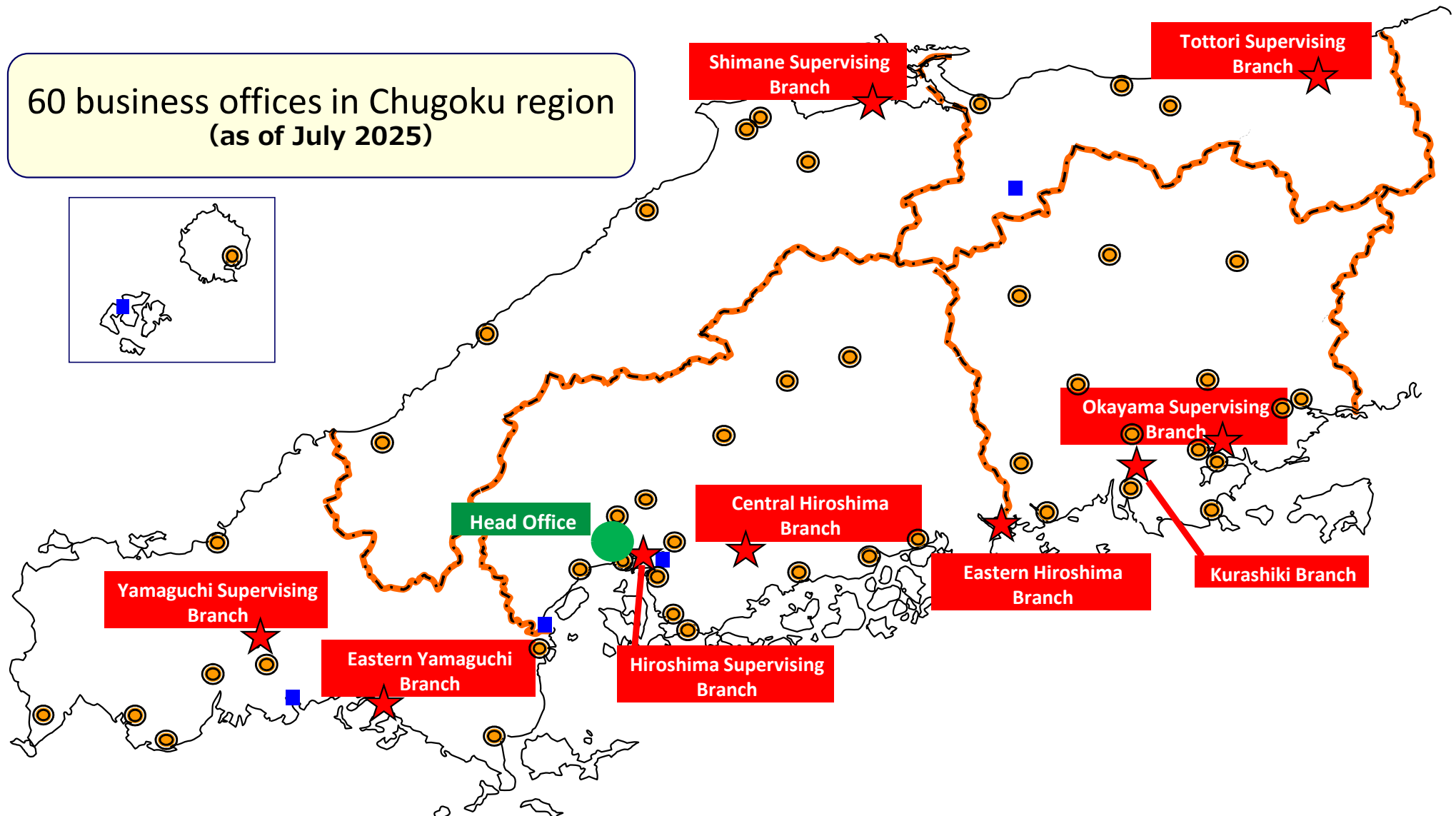
# Orders Received by Building Use in General Work Sector (Parent)

(Billions of yen)



# Network (Chugoku Region)

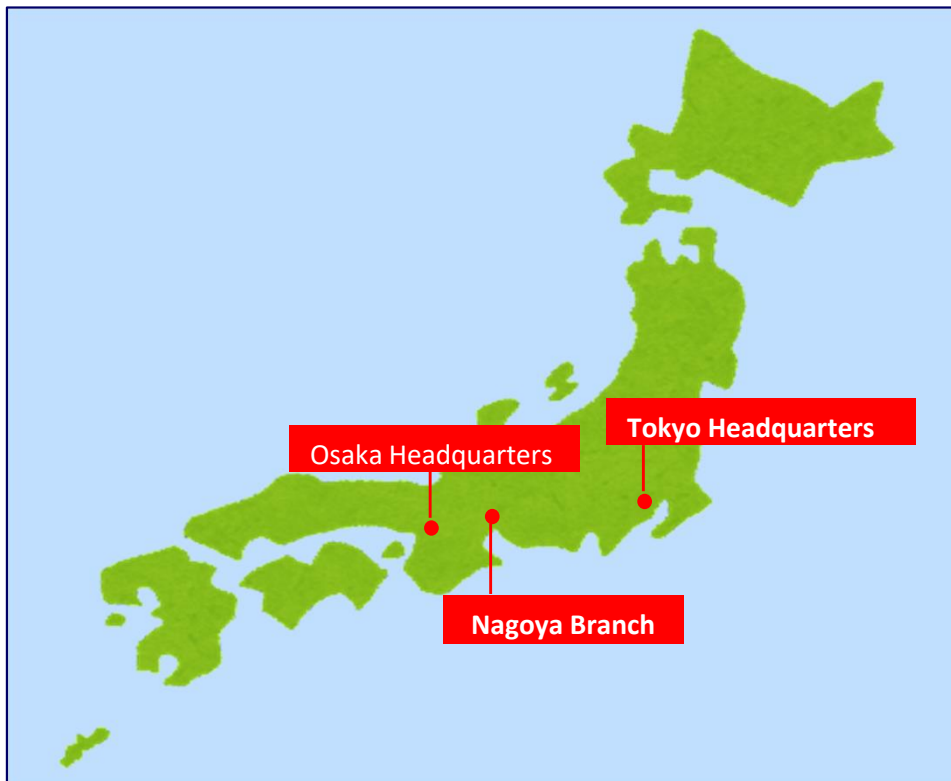
- The company operates 60 offices, with a core structure of nine branch companies in the Chugoku region.
- Building an efficient construction system and improving emergency readiness



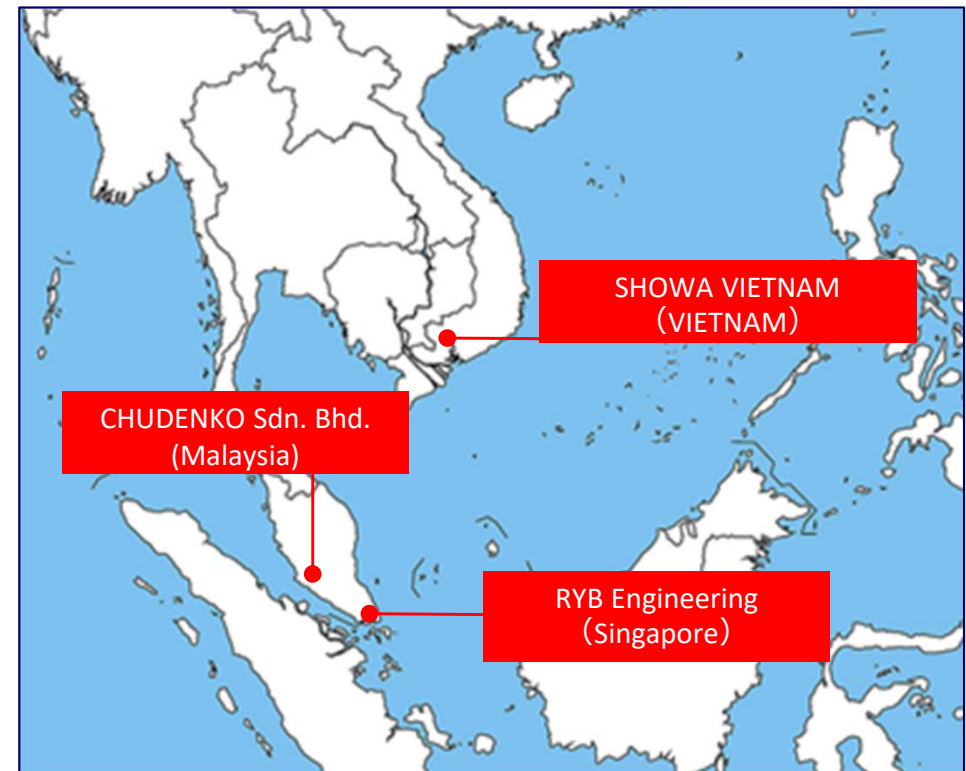
# Business Bases (Urban Areas and Overseas)

- Expand business by establishing headquarters and branches in urban areas
- Group companies in Malaysia, Singapore, and Vietnam

## 【 Urban Areas 】



## 【Overseas】



# Reference (Overview of CHUDENKO Group)

## <Consolidated Subsidiaries>

Company Name	Location	Voting Rights Held by Chudenko	Main Business
Sanshin Electric Materials Co., Ltd.	Hiroshima City	50.03%	Sales of electrical equipment and electrical works materials, telecommunications equipment work
CHUKO KAIHATU Corporation	Hiroshima City	100.0%	Insurance agency, leasing, etc.
Eaptec Hiroshima Co., Ltd.	Hiroshima City	100.0%	Design and estimation of electrical/air-conditioning piping works, etc.
Chudenko Techno Co., Ltd.	Hiroshima City	100.0%	Installation of distribution line work
Chudenko Eletech Hiroshima/Shimane Co., Ltd.	Hiroshima City	100.0%	Design and implementation of electrical works, etc.
Chudenko Eletech Okayama/Tottori Co., Ltd.	Okayama City	100.0%	Design and implementation of electrical works, etc.
Chudenko Eletech Yamaguchi Co., Ltd.	Yamaguchi City	100.0%	Design and implementation of electrical works, etc.
Sugiyamakankouseitube Co., Ltd.	Yokohama City	100.0%	Design and installation of air-conditioning piping works, etc.
Hayamizudenki Co., Ltd.	Kobe City	100.0%	Design and implementation of electrical works, etc.
Showa Corporation	Tokyo	100.0%	Design, installation and supervision of heat insulation works, manufacture and sales of heat insulated pipe supports
SHOWA VIETNAM CO., LTD	Vietnam	100.0%	Import/export, wholesale and retail sales of air conditioning piping materials, design, construction and supervision of heat insulation work
SHOWA TECH VIETNAM CO., LTD	Vietnam	100.0%	Manufacture and sale of pipe supports, import/export of parts
CHUDENKO(MALAYSIA)SDN. BHD.	Malaysia	100.0%	Design and implementation of electrical works, etc.
RYB ENGINEERING PTE LTD	Singapore	100.0%	Design and implementation of electrical works, etc.
ELEVATE ENGINEERING SOLUTION PTE. LTD.	Singapore	100.0%	Design and implementation of electrical works, etc.
RYBE ENGINEERING (M) SDN. BHD.	Malaysia	100.0%	Design and implementation of electrical works, etc.

# Cautionary Note on Forward-looking Statements

Various data, forward-looking statements pertaining to earnings forecasts and other matters in this report are based on information available to and certain assumptions judged reasonable by the Company. As such, actual earnings and other outcomes may differ materially from the content of this report due to a variety of factors.

【For inquiries on this material】

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