

**Financial Results Briefing for the Fiscal Year Ended  
March 31, 2026 (FY2025)**

June 3, 2026



**株式会社 中電工**

Presenter: Takafumi Shigeto  
Representative Director and President

## Briefing Topics

- 1 FY2025 Performance
- 2 FY2026 Earnings Forecasts
- 3 Revision of Numerical Targets under the Medium-Term Management Plan 2027 (FY2025–2027) and CHUDENKO Group 2030 Vision
- 4 Management Measures Considering Capital Costs and Share Price
- 5 Shareholder Returns
- 6 References (Company Profile, etc.)



# 1 . FY2025 Performance

## Business Environment

- Raw material prices remain persistently high, labor costs continue to rise, and labor shortages continue.
- Capital investment in the manufacturing industry, including automotive and semiconductor-related factories, and urban redevelopment are proceeding steadily.

## Our Group's Initiatives

- Based on the Medium-Term Management Plan 2027 (FY2025–2027), the CHUDENKO Group advanced various measures, including further strengthening of sales capabilities and construction capacity, and improvement of productivity.

# Performance (Consolidated)

- FY2025: "Higher revenue and profits (Operating Profit and Ordinary Profit)"
- Net sales increased for the third consecutive fiscal year, driven by steady progress on large-scale construction projects, including factory-related projects in the Chugoku Region, among other factors. (Record high)
- Operating profit increased for the third consecutive fiscal year, supported by higher net sales as well as thorough cost management, improved construction efficiency, and company-wide efforts to further reduce costs, among other factors. (Record high)
- Profit Attributable to Owners of Parent decreased for the first time in three fiscal years, due in part to a reactionary decline following the decrease in income taxes associated with the dissolution of an equity-method affiliate in the previous fiscal year.

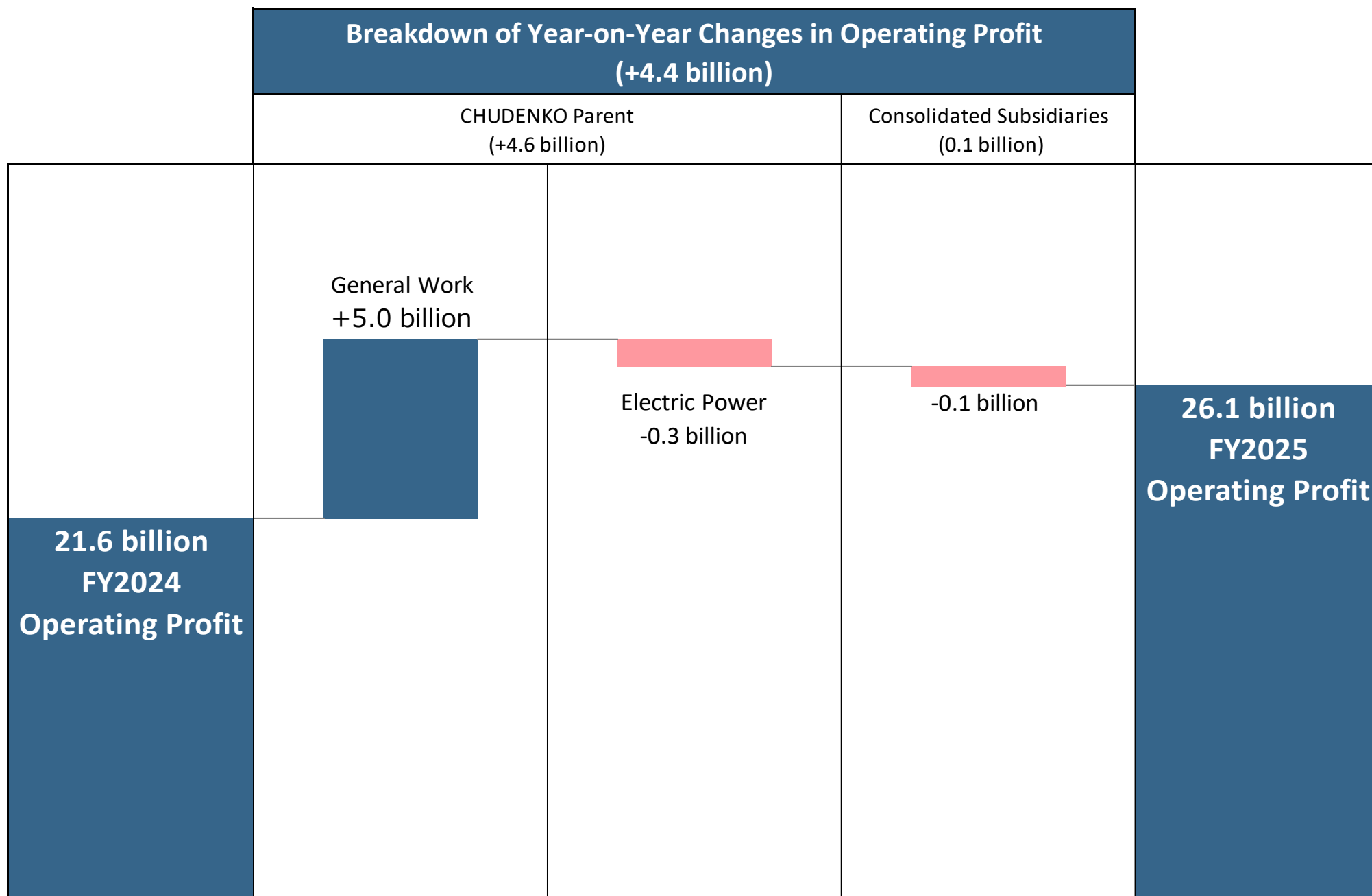
(Billions of yen)

Consolidated Performance	FY2024		FY2025		Change	YoY
Net Sales		221.8		227.8	5.9	103%
Gross profit	(17.5%)	38.9	(19.7%)	44.7	5.8	115%
Selling, general and administrative expenses		17.2		18.6	1.3	108%
Operating Profit	(9.8%)	21.6	(11.5%)	26.1	4.4	121%
Ordinary Profit	(10.6%)	23.4	(12.1%)	27.4	4.0	117%
Profit Attributable to Owners of Parent	(9.0%)	19.8	(8.1%)	18.4	-1.4	93%

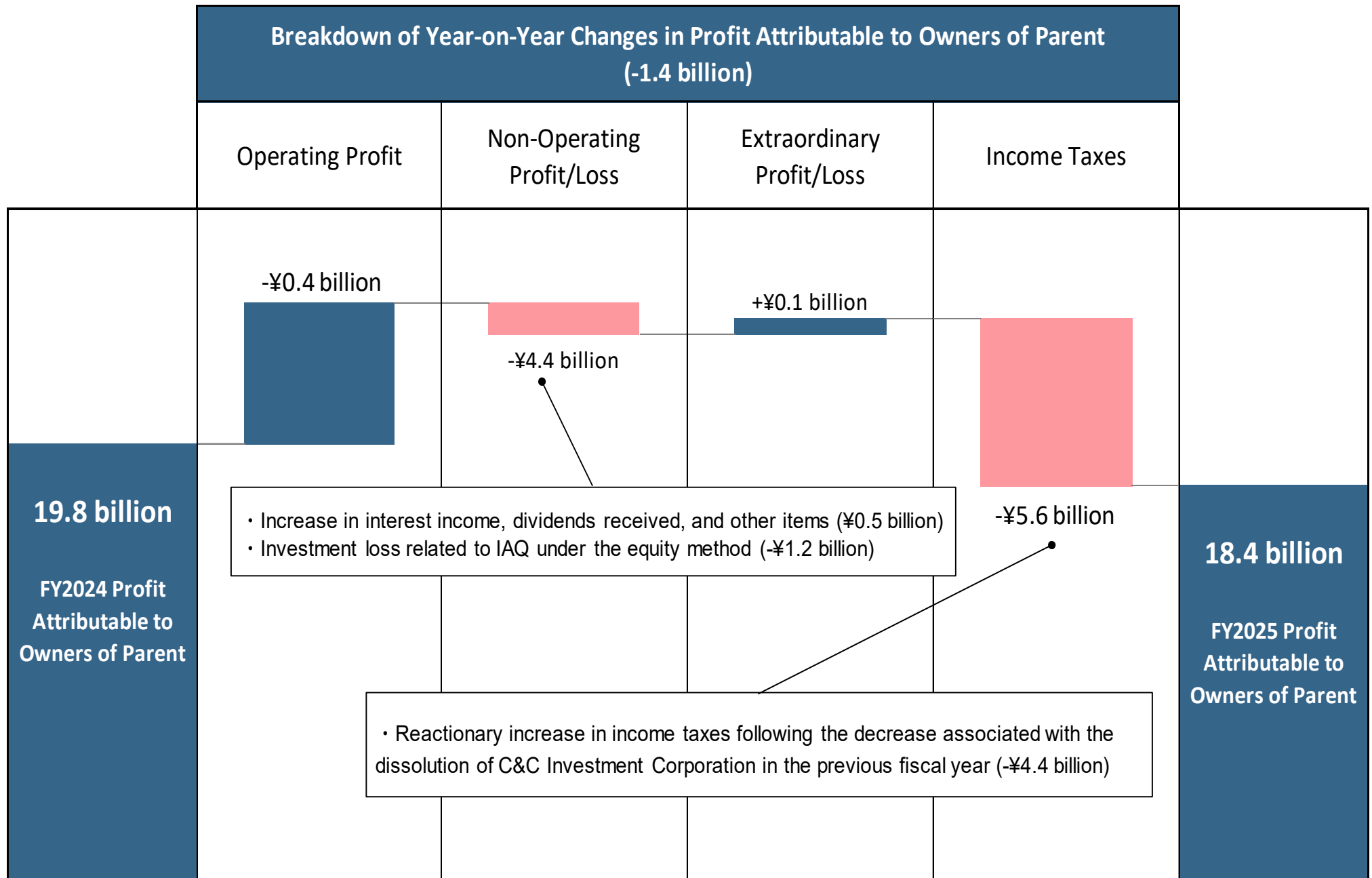
Note: Figures in ( ) are profit margins.



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



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



# Performance (Parent)

## ➤ FY2025: Higher revenue and profits (Operating Profit and Ordinary Profit)

(Billions of yen)

Parent Performance	FY2024		FY2025		Change	Ratio
Orders Received		186.5		223.7	37.2	120%
Net Sales		177.8		182.6	4.8	103%
Gross Profit	(16.0%)	28.4	(18.8%)	34.3	5.8	121%
Selling, General and Administrative Expenses		9.3		10.5	1.2	113%
Operating Profit	(10.8%)	19.1	(13.0%)	23.7	4.6	124%
Ordinary Profit	(12.1%)	21.5	(14.4%)	26.3	4.8	123%
Net Profit	(10.7%)	19.0	(10.2%)	18.5	-4.0	97%

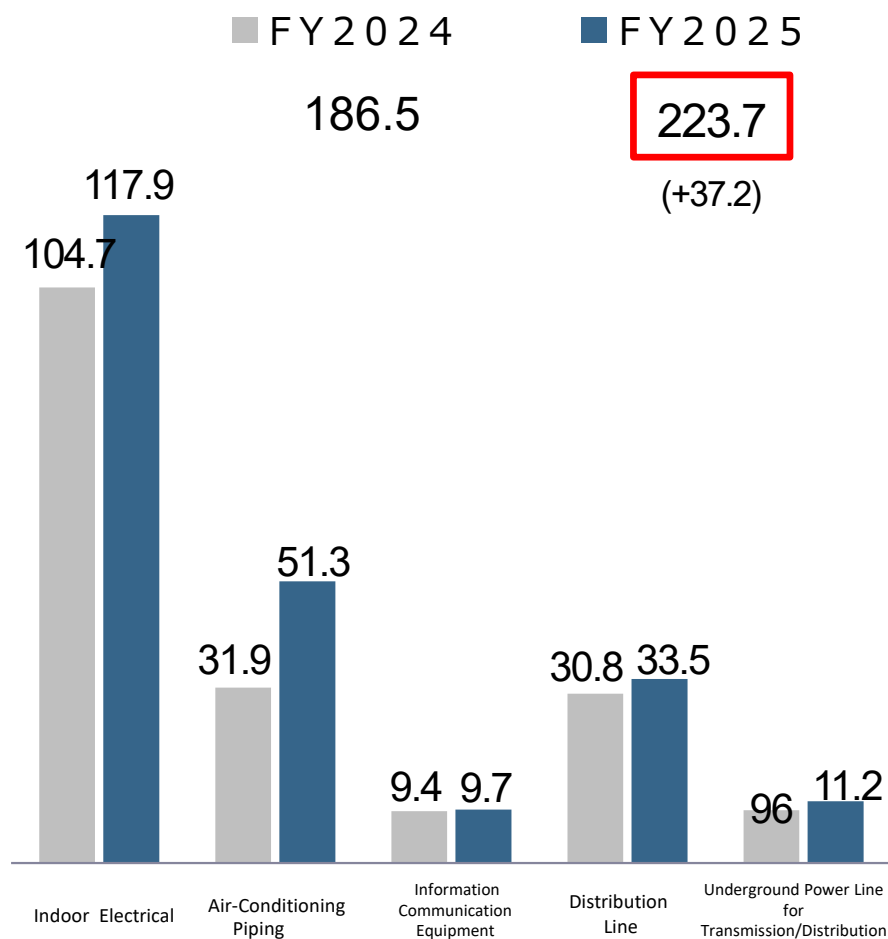
Note: Figures in ( ) are profit margins.

# Orders Received and Net Sales by Sector (Parent)

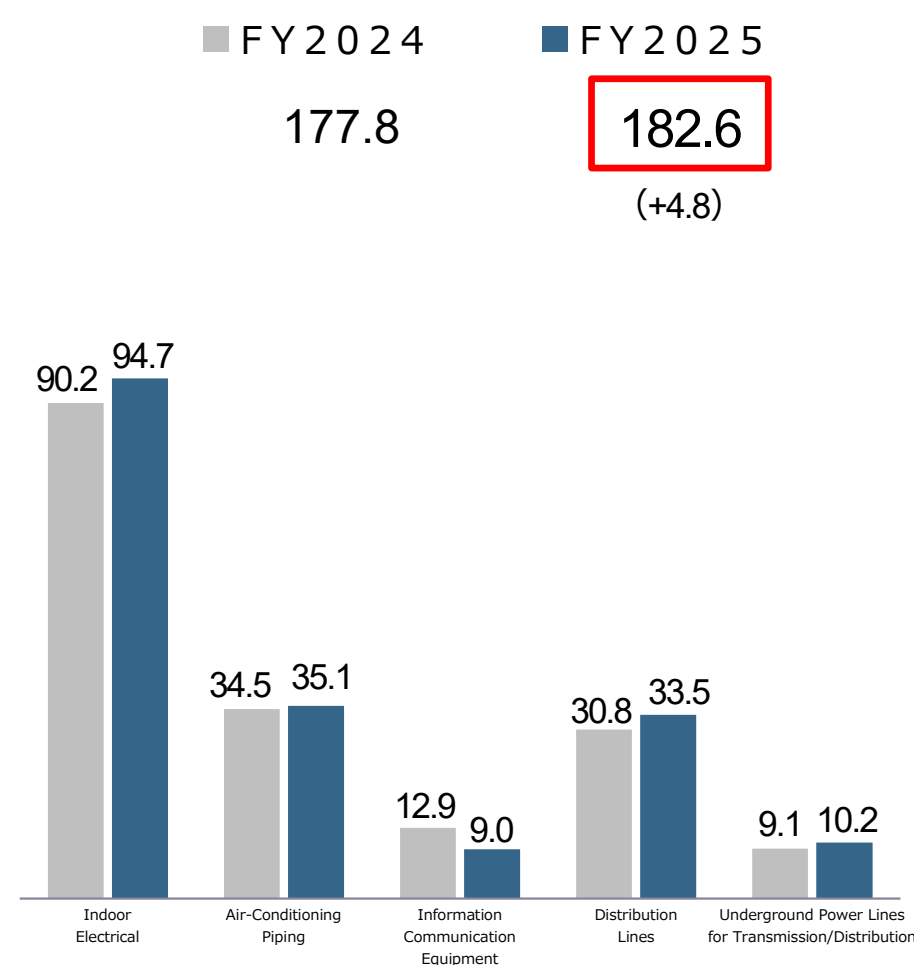
- Orders received increased by ¥37.2 billion year on year (factories, schools, hospitals, etc. increased)
- Net sales increased by ¥4.8 billion year on year (offices, factories, etc. increased)

(Billions of yen)

## Orders Received



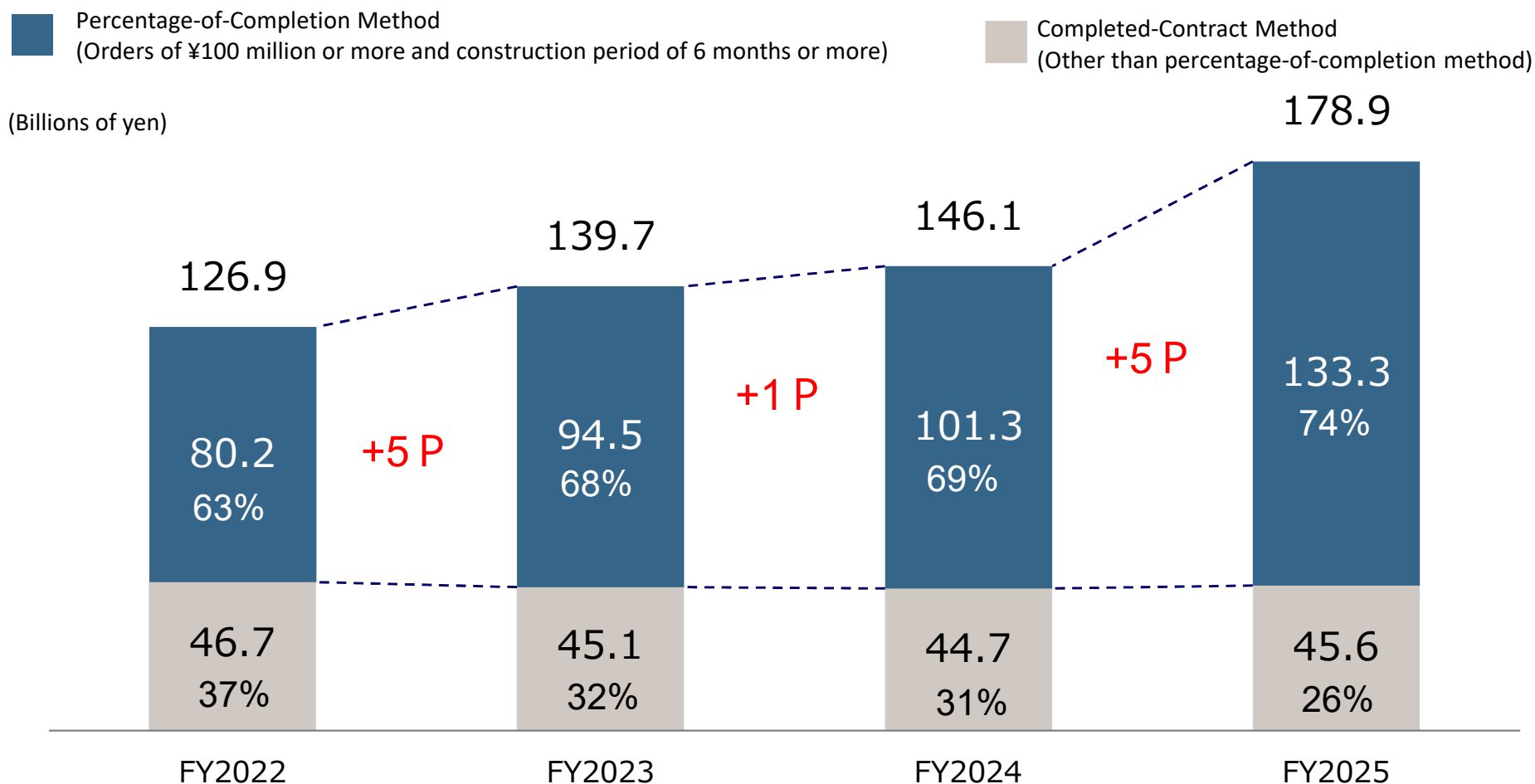
## Net Sales



# General Work Orders Received (Parent)

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

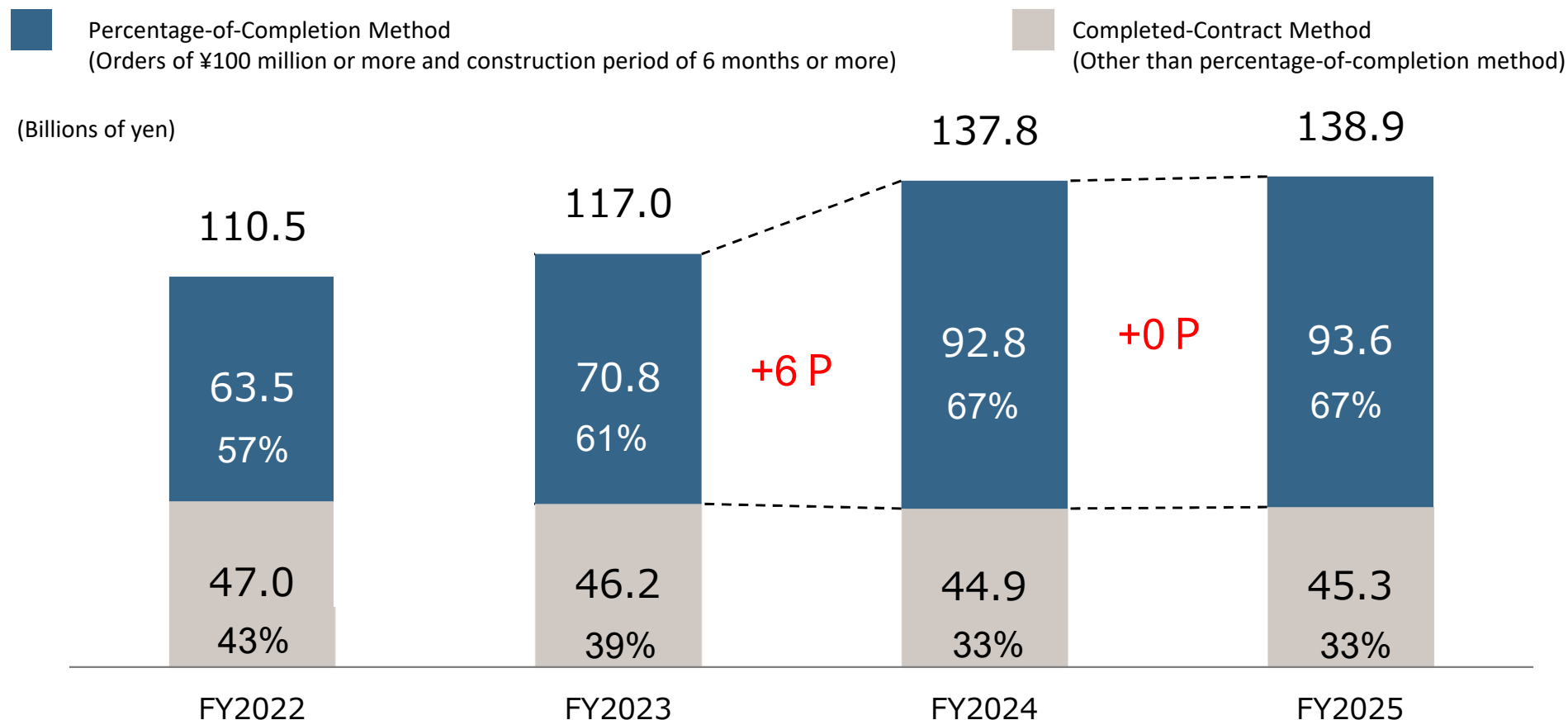
## 【Ratio of Percentage-of-Completion and Completed-Contract Methods】



# General Work Net Sales (Parent)

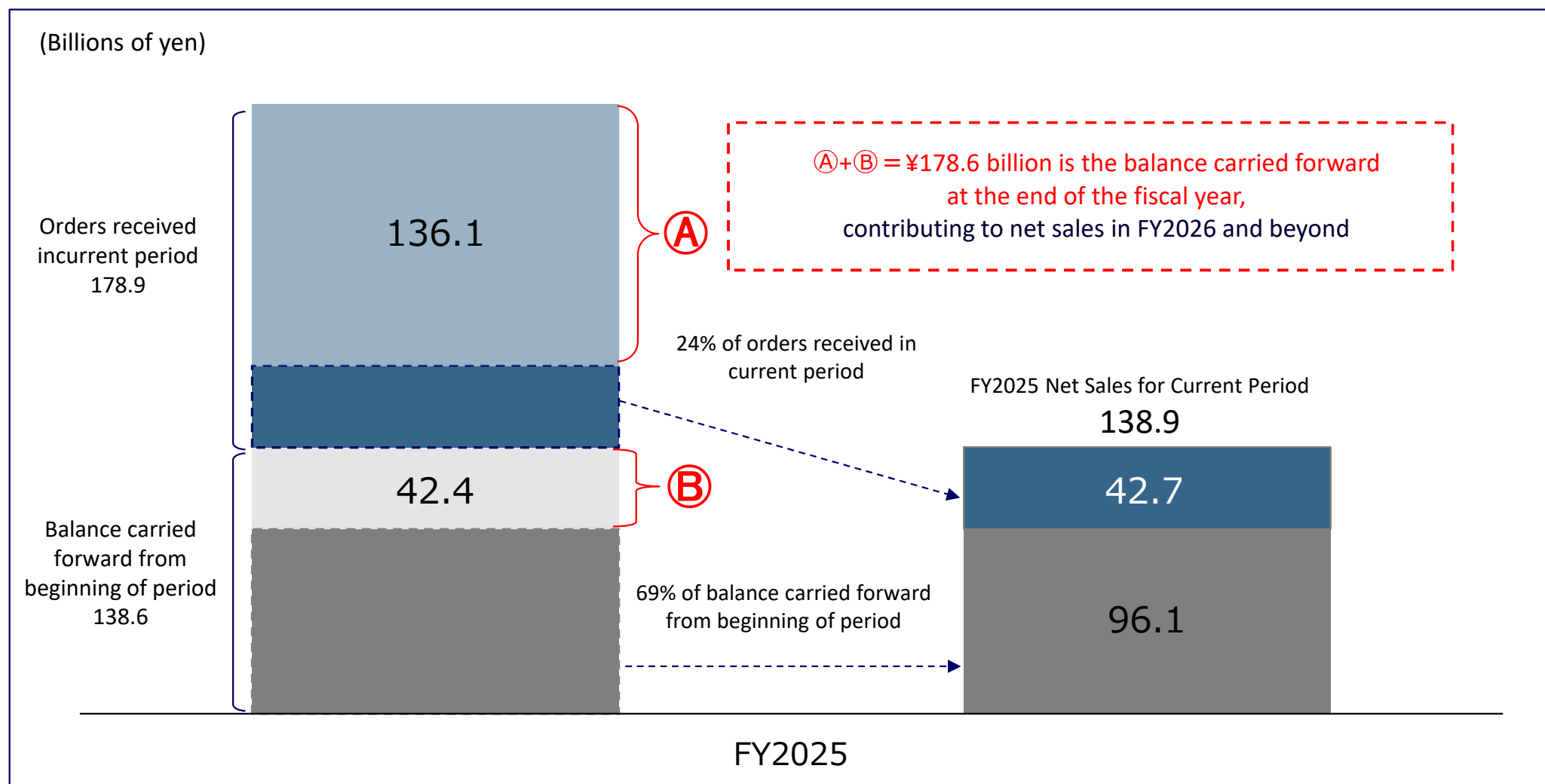
- As construction projects have become larger, the share of projects accounted for under the percentage-of-completion method has increased since FY2024
- Net sales under the completed-contract method have remained at nearly the same level

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



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

- Of the ¥178.9 billion in orders received during the current period, 24%, or ¥42.7 billion, was recorded as net sales
- Of the ¥138.6 billion balance carried forward from the beginning of the period, 69%, or ¥96.1 billion, was recorded as net sales
- The balance carried forward of ¥178.6 billion will contribute to net sales in FY2026 and beyond

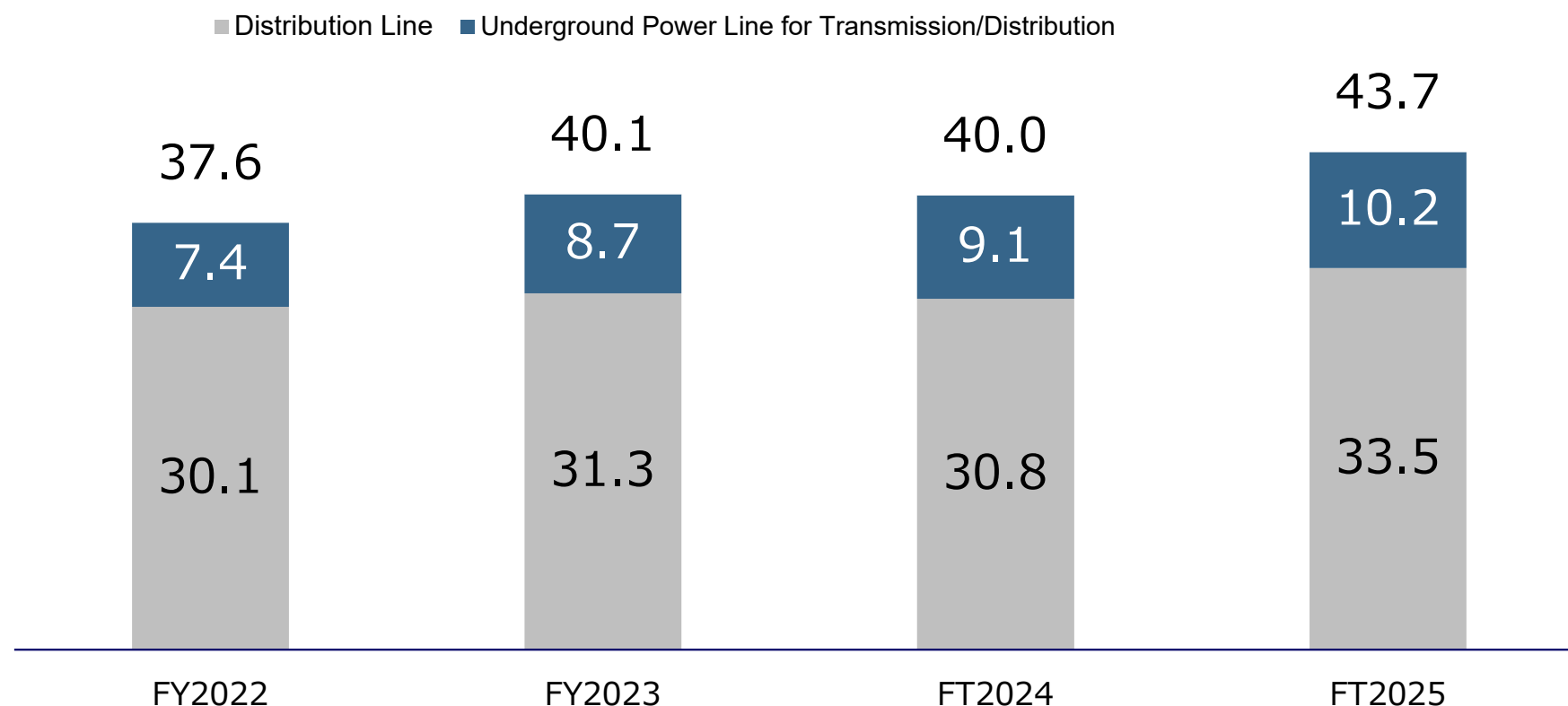


# Electric Power Net Sales (Parent)

- 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】

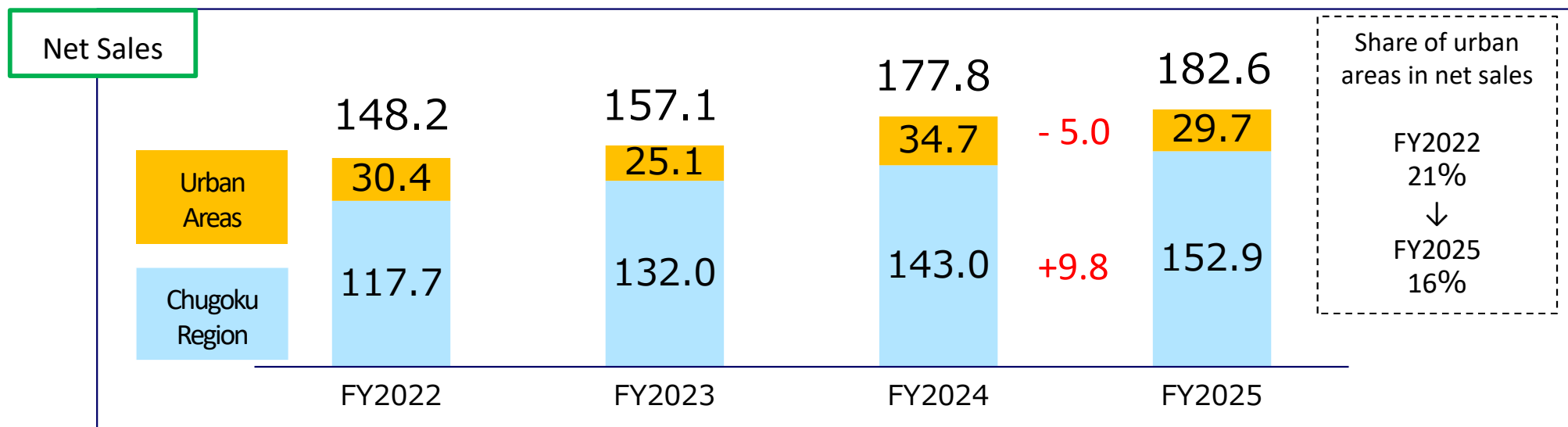
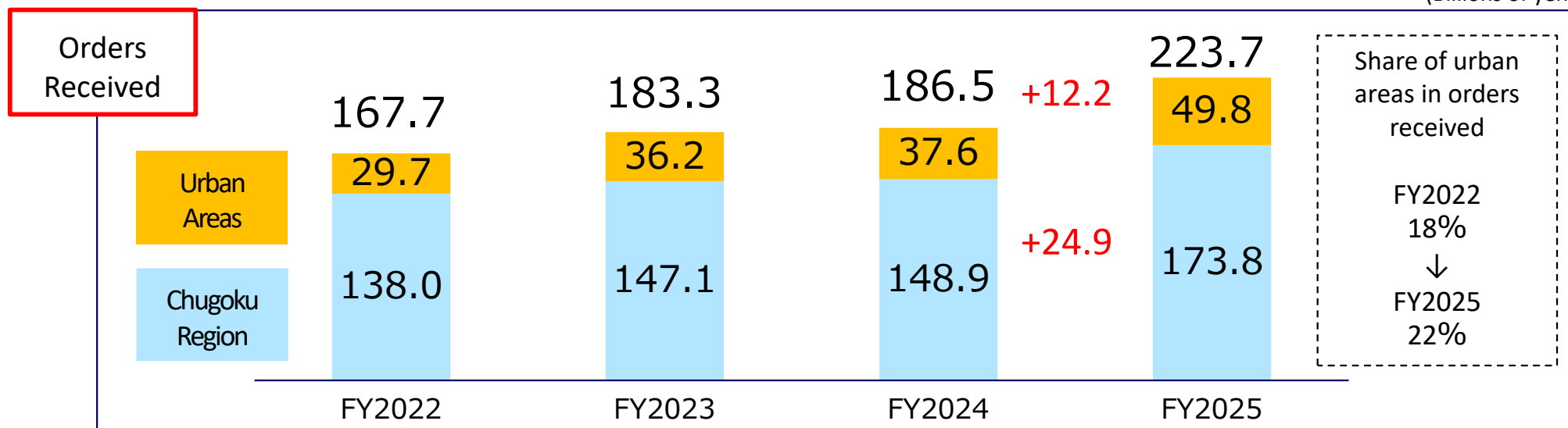
(Billions of yen)



# 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)
- Net sales in urban areas decreased temporarily, but are expected to expand steadily from the next fiscal year onward

(Billions of yen)

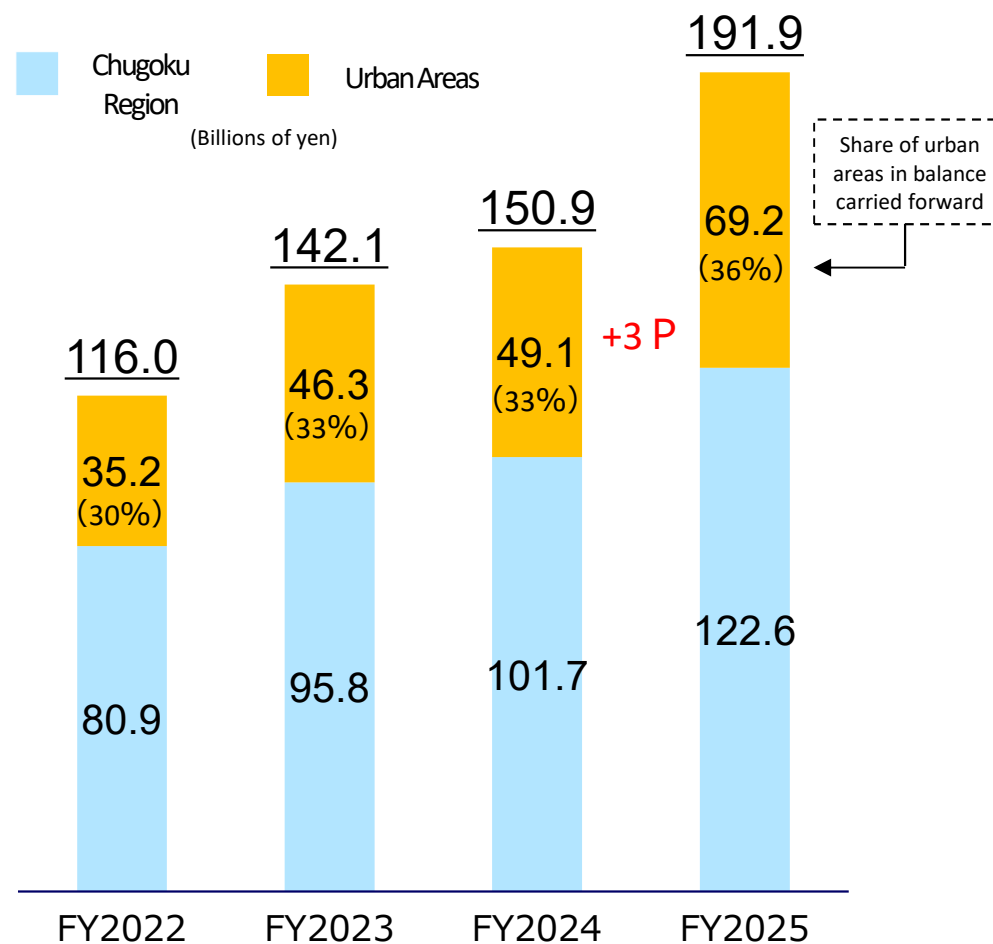
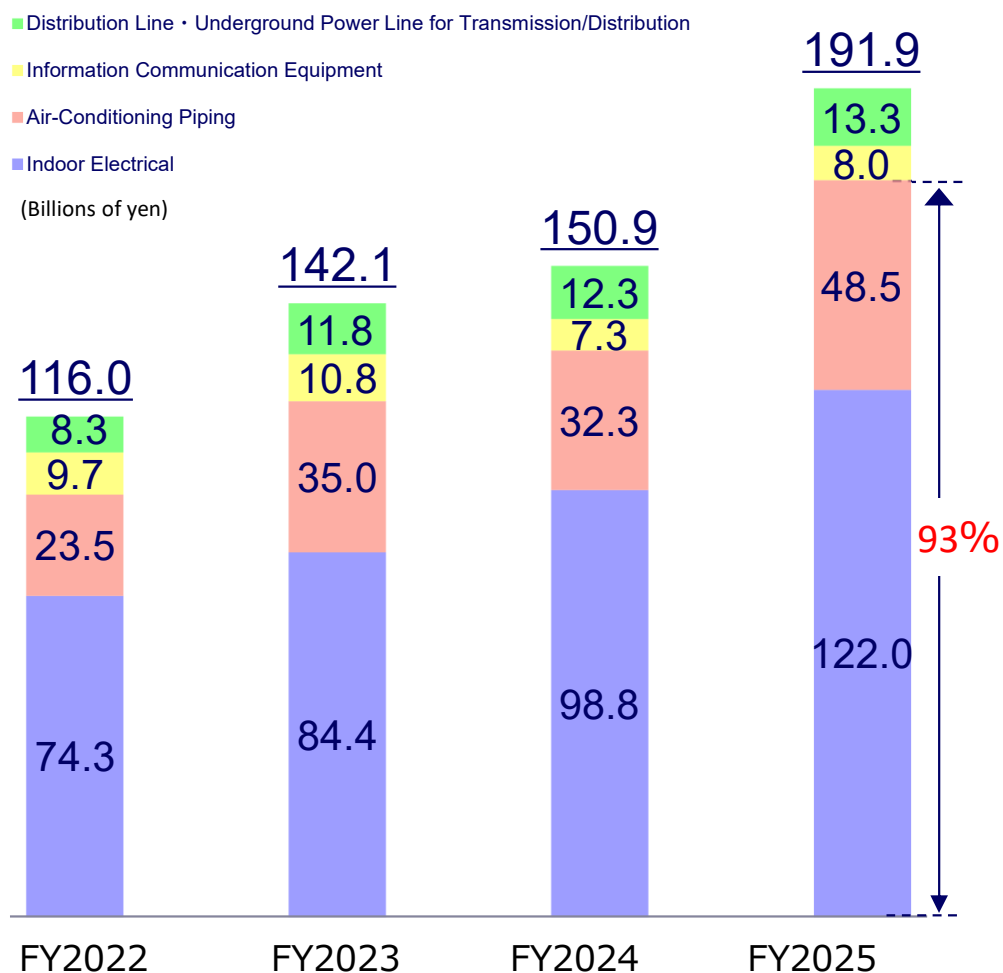


# Changes in Balance Carried Forward (Parent)

- Balance carried forward totaled ¥191.9 billion, up ¥41.0 billion year-on-year (Record high)
- Main balance carried forward by sector: Indoor Electrical ¥122.0 billion, Air-Conditioning Piping ¥48.5 billion
- Balance carried forward has increased steadily in both the Chugoku Region and urban areas

【Changes in Balance Carried Forward by Sector】

【Changes in Balance Carried Forward by Region】



# Balance Sheet (Consolidated)

(Billions of yen)

	As of March 31, 2025	As of March 31, 2026	Change	Main Factors for Change
Current Assets	129.7 billion	142.1	+12.3	Cash and Deposits 2.4 Marketable Securities 8.4
Non-Current Assets	164.1 billion	175.7	+11.5	Machinery, Vehicles and Tools, Equipment and Fixtures 2.4 Long-term Loans Receivable 7.9
<b>Total Assets</b>	<b>293.9 billion</b>	<b>317.8</b>	<b>+23.9</b>	
Current Liabilities	50.6 billion	57.9	+7.2	Accrued Income Taxes 7.6
Non-Current Liabilities	13.6 billion	12.0	-1.5	
<b>Total Liabilities</b>	<b>64.2 billion</b>	<b>69.9</b>	<b>+5.6</b>	
<b>Total Net Assets</b>	<b>229.6 billion</b>	<b>247.8</b>	<b>+18.2</b>	Retained Earnings 11.7 Treasury Stock -5.9 Valuation Difference on Available-for-Sale Securities 6.8 Remeasurements of Defined Benefit Plans 4.1
<b>Total Liabilities and Net Assets</b>	<b>293.9 billion</b>	<b>317.8</b>	<b>+23.9</b>	
<b>Equity Ratio</b>	<b>77.1%</b>	<b>76.9</b>	<b>-0.2</b>	

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## 2. FY2026 Earnings Forecasts

# Earnings Forecast (Consolidated)

- Expecting a year-on-year increase in sales and profits
- Net sales are expected to increase by ¥12.3 billion for CHUDENKO parent and ¥4.8 billion for consolidated subsidiaries
- Operating profit is expected to increase by ¥0.8 billion, driven by higher gross profit resulting from increased net sales, despite higher personnel expenses associated with human capital investment
- Ordinary profit and Profit Attributable to Owners of Parent are expected to increase by ¥1.2 billion due to increased operating profit and other factors

(Billions of yen)

Consolidated Results	FY2025 Results	FY2026 Forecast	YoY	
			Change	Ratio
Sales	227.8	245.0	17.1	108%
Operating Profit	(11.5%) 26.1	(11.0%) 27.0	0.8	103%
Ordinary Profit	(12.1%) 27.4	(12.0%) 29.5	2.0	107%
Profit Attributable to Owners of Parent	(8.1%) 18.4	(8.0%) 19.7	1.2	107%

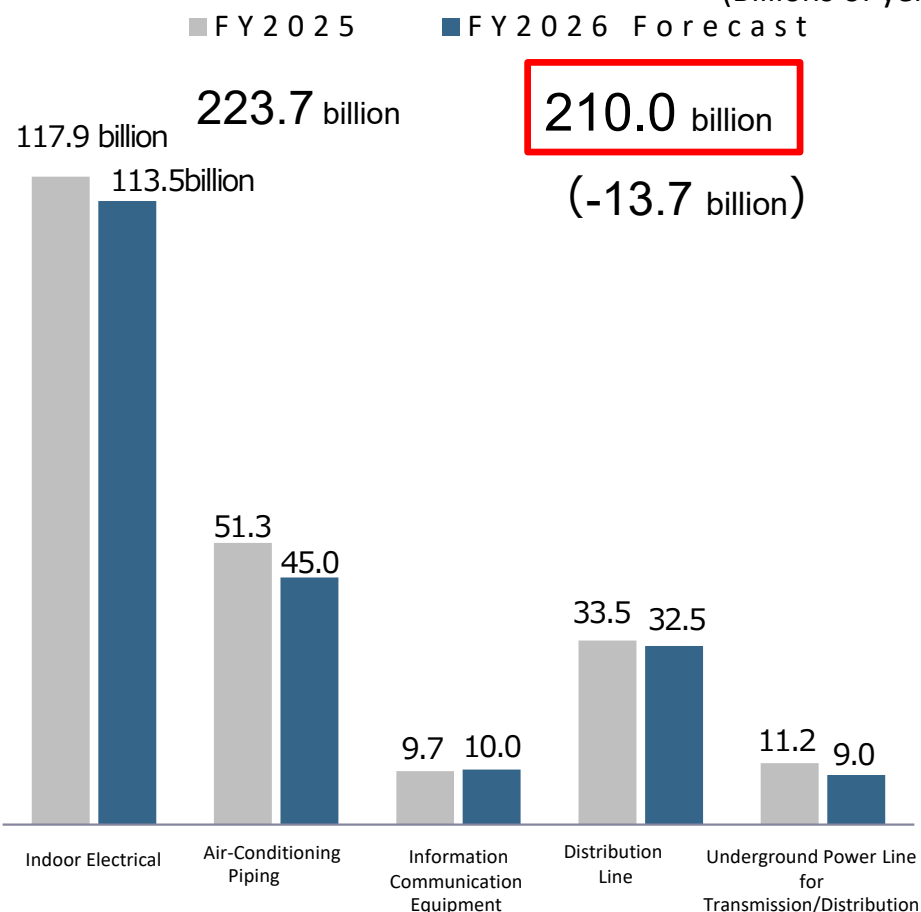
Note: Figures in ( ) are profit margins.

# Orders Received and Net Sales by Sector (Parent)

- Orders received are expected to decrease by ¥13.7 billion (mainly due to decreased Indoor Electrical work and Air-Conditioning Piping work)
- Net sales are expected to increase by ¥12.3 billion (mainly due to increased Indoor Electrical work and Air-Conditioning Piping work)

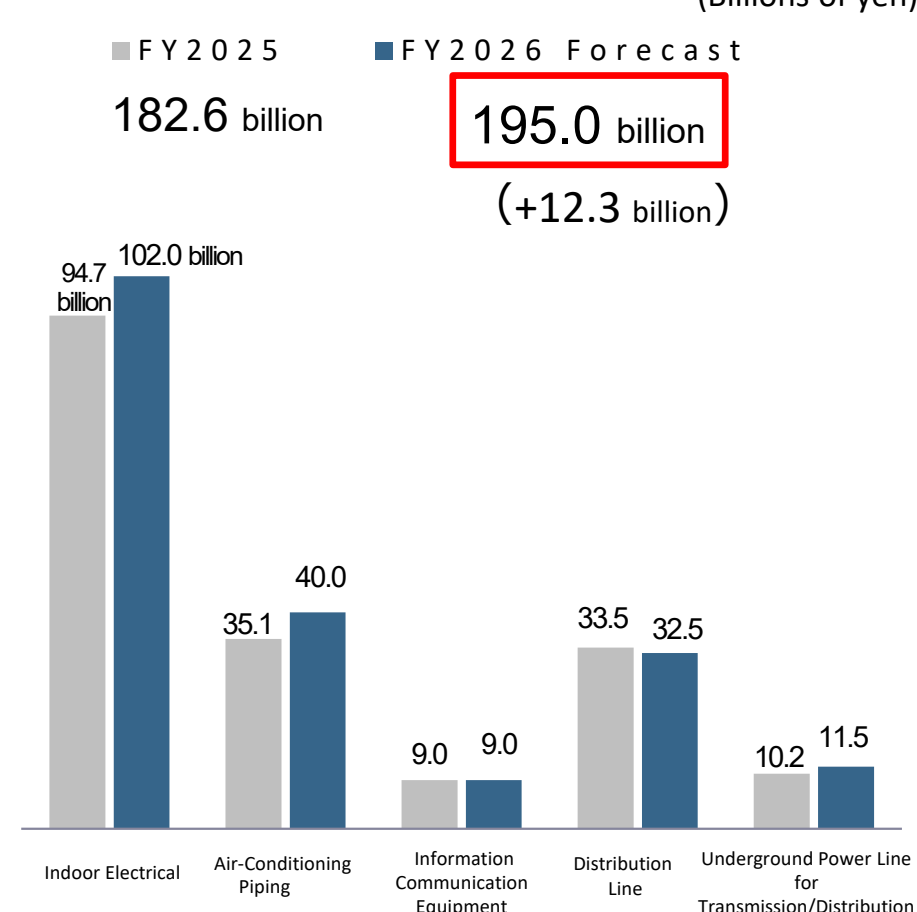
## Orders Received


(Billions of yen)



## Net Sales

(Billions of yen)





3. Revision of Numerical Targets under the  
Medium-Term Management Plan 2027  
(FY2025–2027) and CHUDENKO Group 2030 Vision

## Business Environment

- Manufacturing industry capital investment and urban redevelopment are continuing to proceed steadily
- Profitability at time of order receipt remains favorable
- Raw material prices remain persistently high, and labor shortages continue
- An uncertain outlook is anticipated, including the potential impact of developments in the Middle East situation on business operations

# Revision of Consolidated Numerical Targets

- Among the FY2025 results, Operating Profit and ROE exceeded the numerical targets set for FY2027, the final year of the Medium-Term Management Plan 2027. Furthermore, FY2026 performance is also expected to exceed FY2025 results, taking into account the business environment and current order backlogs.
- In light of this, we will revise the numerical targets set out in the Medium-Term Management Plan 2027 and CHUDENKO Group 2030 Vision, and work toward achieving the new targets.

(Billions of yen)

	FY2025 Results	FY2026 Forecast	Current		Revised			
			FY2027 Medium-Term Plan Target	FY2030 Vision Target	FY2027 Medium-Term Plan Target	vs. Current	FY2030 Vision Target	vs. Current
Net Sales (¥ billion)	227.8	245.0	240.0	260.0	260.0	20.0	300.0	40.0
Operating Profit (¥ billion)	26.1	27.0	23.0	24.0	28.0	5.0	30.0	6.0
R O E %	7.9	8.0	7.0% or higher	7.0% or higher	8.5% or higher	1.5	9.0% or higher	2.0

# 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

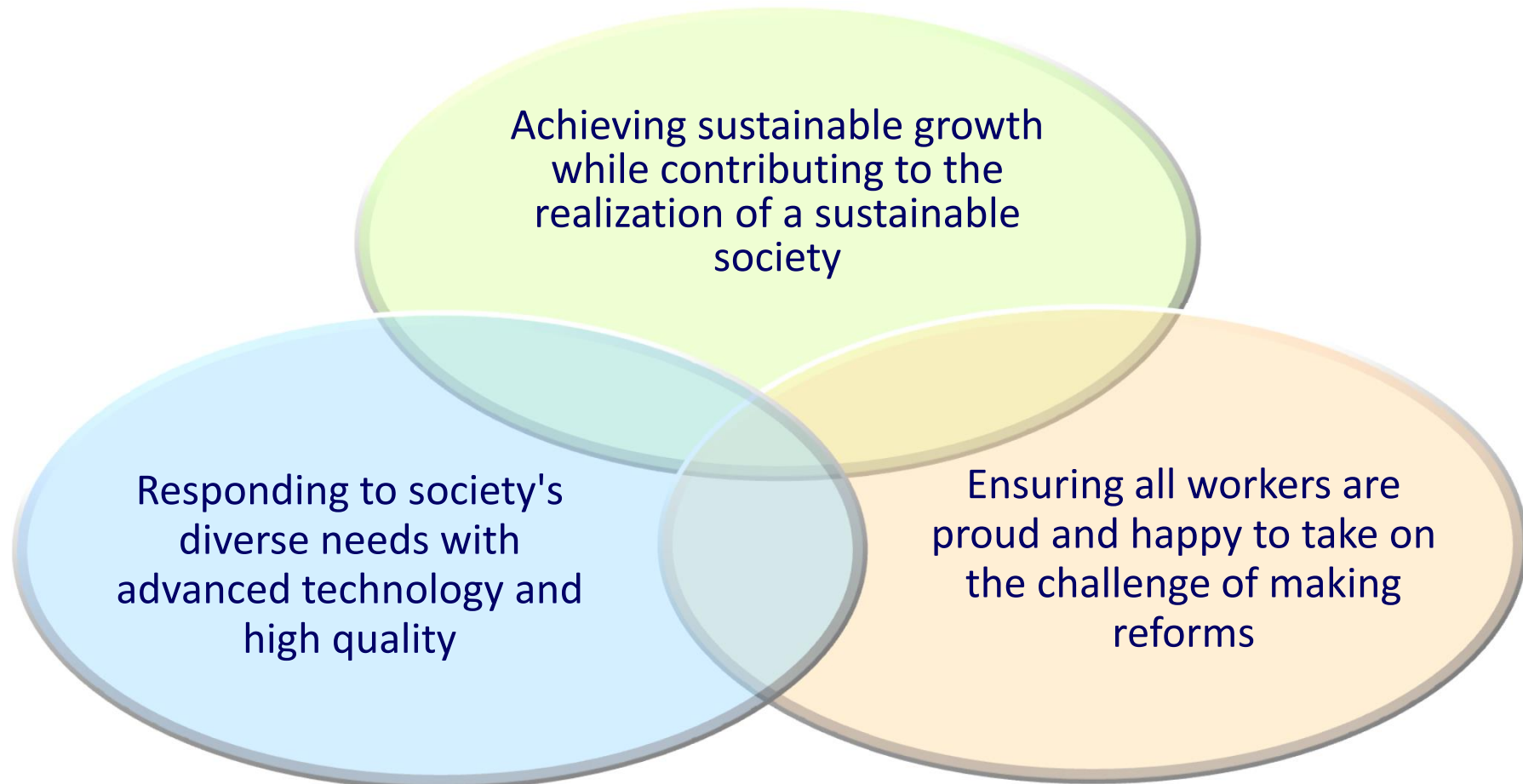
Toward the achievement of carbon neutrality, we will promote environmental businesses that contribute to decarbonization, while also pursuing M&A to drive business expansion.

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

## CHUDENKO Group 2030 Vision

"Change & Growth«  
~Toward Sustainable Growth~

Group image that we envision



# Strengthening Human Resource Development (Parent)

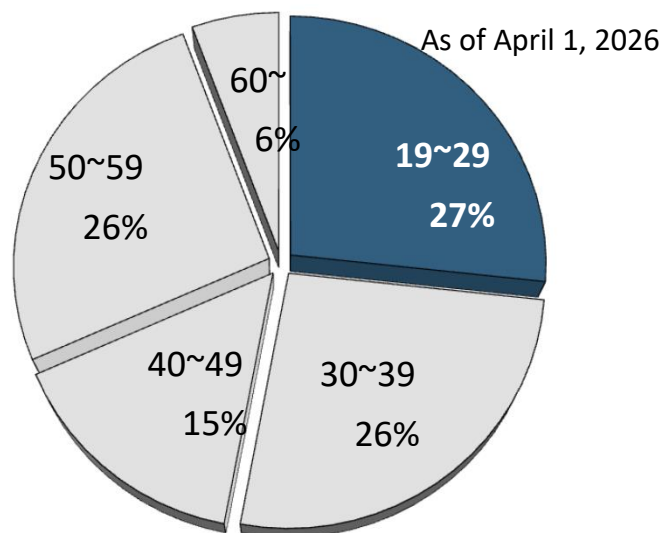
## Number of New Hires through Periodic Recruitment

FY2023	FY2024	FY2025	2026	FY2027 Plan
135	132	146	182	170

## Wage Revision, Revision to Starting Salaries

- Implemented wage increases exceeding 5% for the third consecutive year, combining base salary increases and periodic pay raises
- Starting salaries revised upward by ¥15,000 (university graduates: ¥275,000; high school graduates: ¥230,000)

## Employee Composition by Age Group



## Number of Persons with Qualifications

Qualification	Number of Qualified Personnel		
	April 2023	April 2026	Increase
Electrical Construction Management Engineers (1st and 2nd grade)	1,157	1,340	183
Plumbing Construction Management Engineers (1st and 2nd grade)	295	347	52
Telecommunications Construction Management Engineers (1st grade)	98	146	48
Professional Engineers	66	72	6

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

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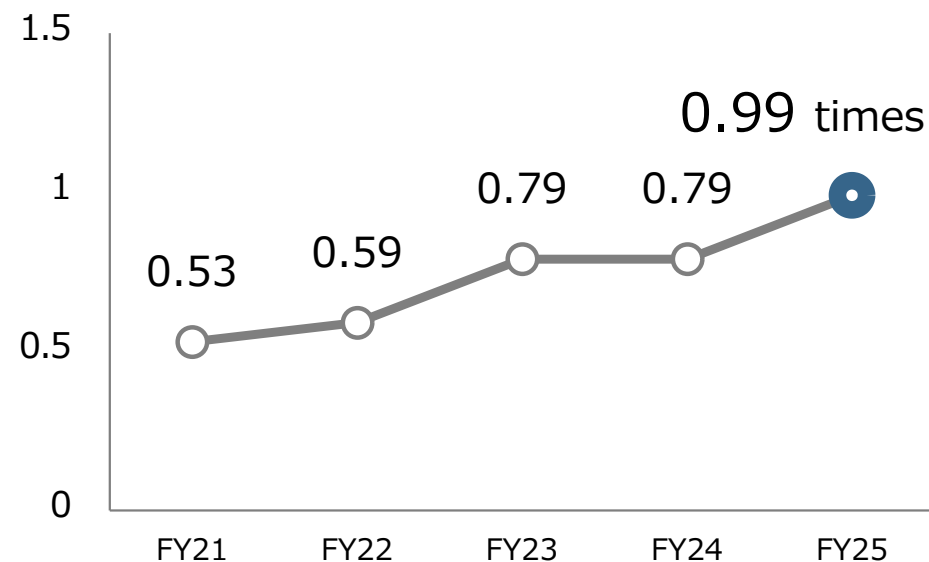
## 4. Management Measures Considering Capital Costs and Share Price

# Current Status Analysis and Initiatives for Improving PBR

## ROE Trend (%)



## PBR Trend (times)



(Note) 1. 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%.

2. Cost of capital for the most recent fiscal year is 5% (calculated based on CAPM).

(1) Improve profitability

(2) Strengthen and enhance capital policy

(3) Strengthen IR activities

Improve ROE

Improve stock  
market valuation

Improve  
PBR

# Improve Profitability Toward Achieving Targets

■ We will steadily implement the measures of the Medium-Term Management Plan 2027 (FY2025–FY2027) to achieve the performance targets for FY2027 and ultimately realize the “CHUDENKO Group 2030 Vision.”

[Core measures of Medium-Term Management Plan 2027]

- Thorough safety, compliance and quality improvement
- Further strengthening of sales capabilities and construction capacity, and expansion of orders received
- Profit creation through productivity improvement
- Strengthening human resource development and creating attractive workplaces
- Business expansion through growth investments



(Note): Figures in ( ) represent changes from the values announced on April 28, 2025.

# Strengthen and enhance capital policy

- Over the three years of the Medium-Term Management Plan 2027, we will allocate ¥100.0 billion from business activities and the sale of cross-shareholdings to growth investments and shareholder returns.
  - Expand growth investments: Approximately ¥60.0 billion
    - ¥30.0 billion for business foundation strengthening including DX promotion, ¥30.0 billion for business expansion including environmental-related businesses
  - Enhance shareholder returns: Approximately ¥40.0 billion
    - Targeting a DOE of 3.0% with approximately ¥22.0 billion in dividends over three years and a share buyback framework of approximately ¥18.0 billion

Expand growth investments  <b>Approximately ¥60 billion</b>	Investment in strengthening business foundations  Approximately <b>¥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  Approximately <b>¥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 businesses of group companies</li> <li>▪ New businesses, etc.</li> </ul>
Enhance Shareholder returns  <b>Approximately ¥40 billion</b> <small>(+¥5.0 billion)</small>	Sustainable and stable dividends  Approximately <b>¥22 billion</b> <small>(+¥2.0 billion)</small>	<ul style="list-style-type: none"> <li>• Targeting a DOE of 3.0%</li> <li>• FY2027 (March 2027) forecast: Annual dividend per share of ¥140 <small>(+¥10 from the FY2026 (March 2026) forecast)</small></li> </ul>
	Share buybacks  Approximately <b>¥18 billion</b> <small>(+¥2.0 billion)</small>	<ul style="list-style-type: none"> <li>▪ Setting share buyback framework</li> </ul>

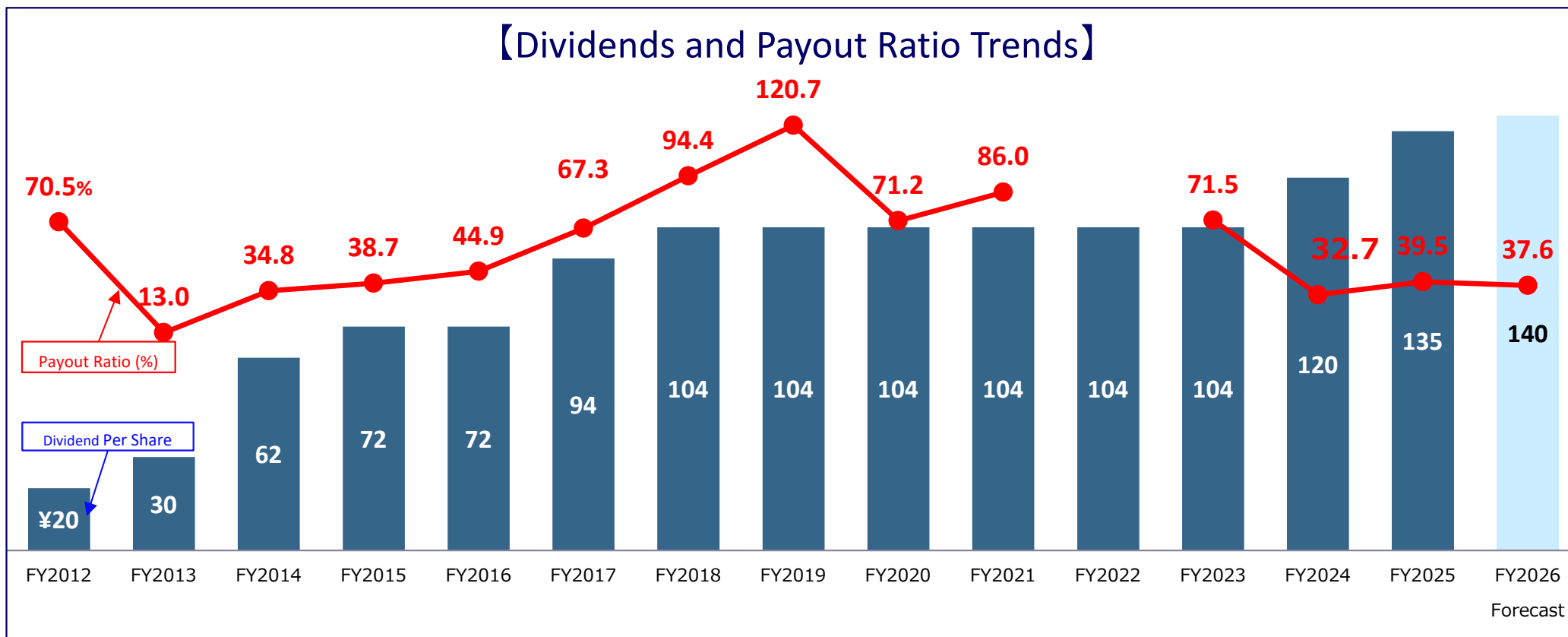
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# 5. Shareholder Returns

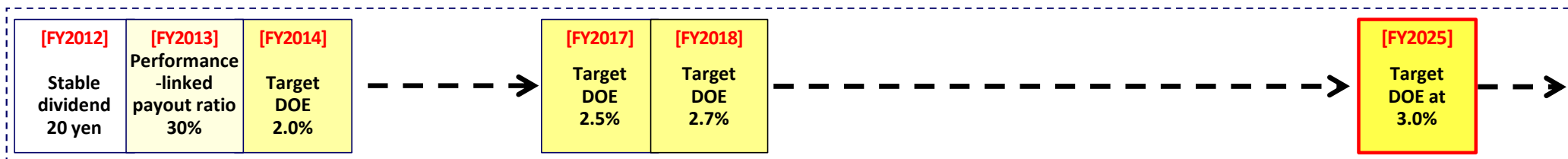
# Dividends and Payout Ratio Trends

- FY2025 planned: Annual dividend ¥135, DOE 3.3%, Payout ratio 39.5%
- FY2026 forecast: Annual dividend ¥140, DOE 3.2%, Payout ratio 37.6%



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

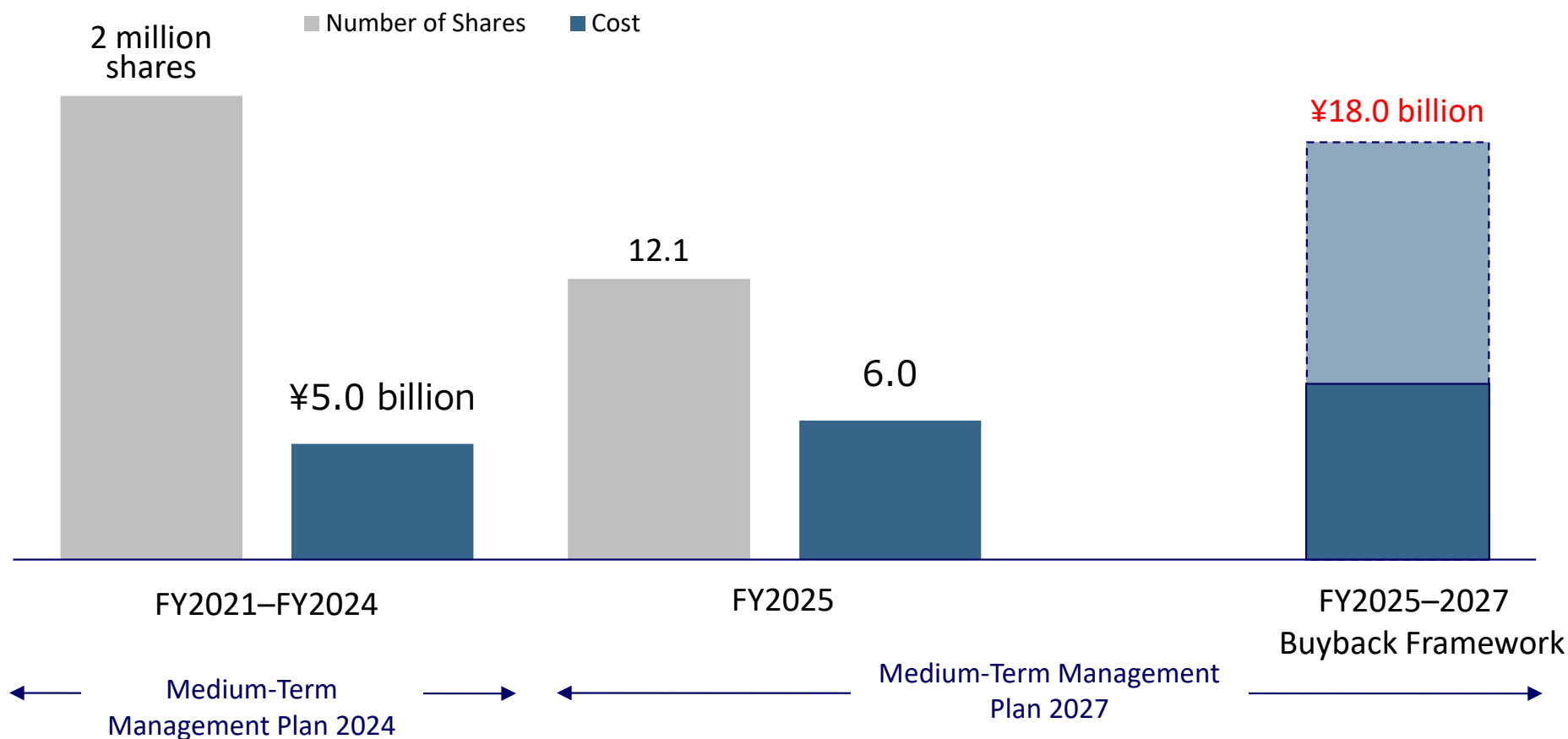
## 【Dividend policy】



# Share Buybacks

- A total of 2 million shares acquired for approximately ¥5 billion over the four years of the Medium-Term Management Plan 2024
- A share buyback framework of ¥18.0 billion has been established for the three years of the Medium-Term Management Plan 2027
- In FY2025, approximately 1.21 million shares were acquired for approximately ¥6.0 billion

## 【Share Buyback Trends】



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## 6. Reference information

# Outline of CHUDENKO Corporation

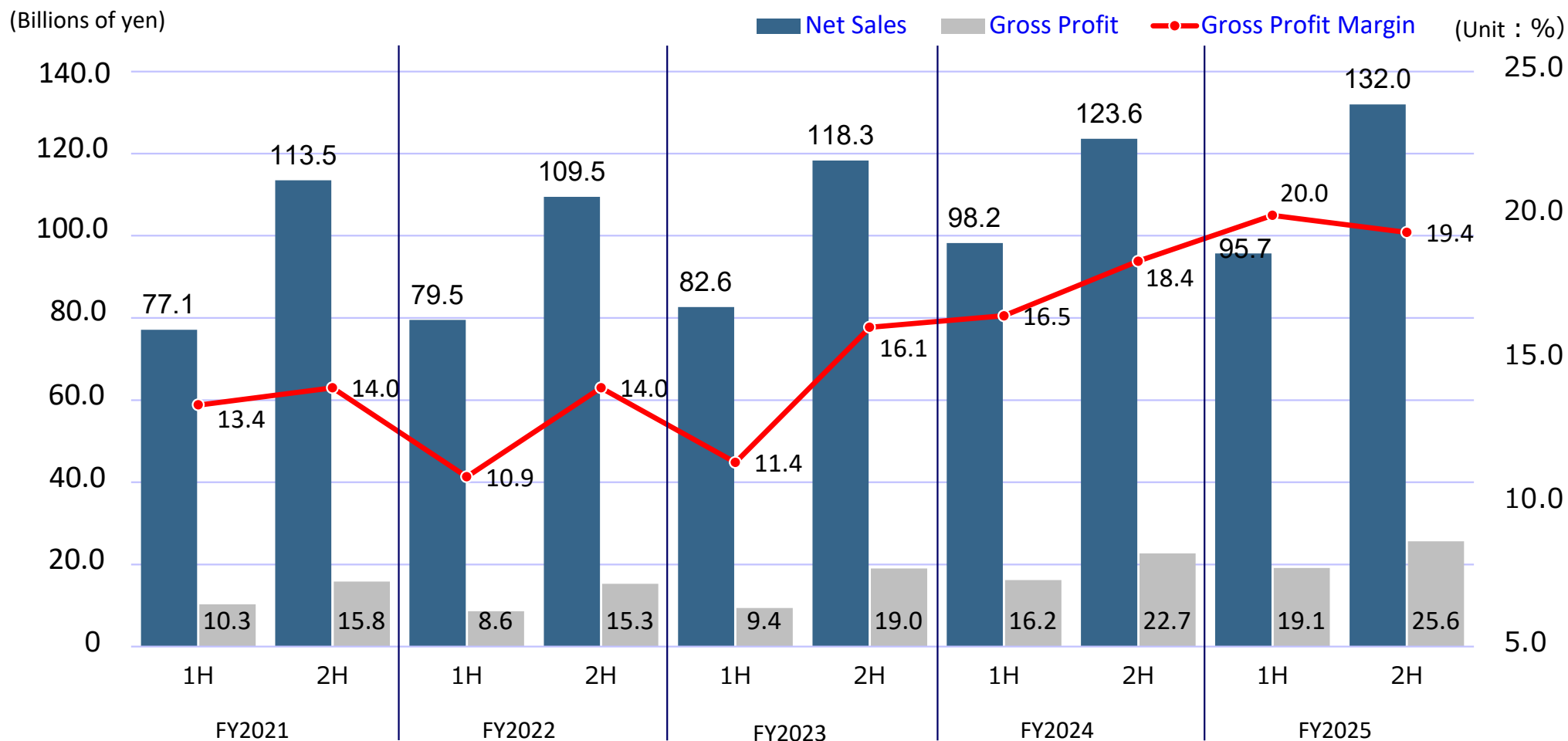
Company name	CHUDENKO CORPORATIO		
Representative	Takafumi Shigeto, Representative Director and President		
Established	September 1944 (as Chugoku Electrical Construction Co., Ltd.)		
Capital	¥3,481.9 million		
Stock exchange listing	Prime Market, Tokyo Stock Exchange		
Head Office location	Hiroshima City		
Consolidated subsidiaries	16		
Business activities	General equipment engineering services, sales of electrical materials, insurance agency, leasing		
Number of employees	4,697 (Consolidated)	3,465 (CHUDENKO Parent)	(End of FY2025)
Sales	¥227.8 billion (Consolidated)	¥182.6 billion (CHUDENKO Parent)	(FY2025)
Total assets	¥317.8 billion (Consolidated)	¥288.7 billion (CHUDENKO Parent)	(End of FY2025)



Head Office  
(CHUDENKO Peace Boulevard Bldg.)

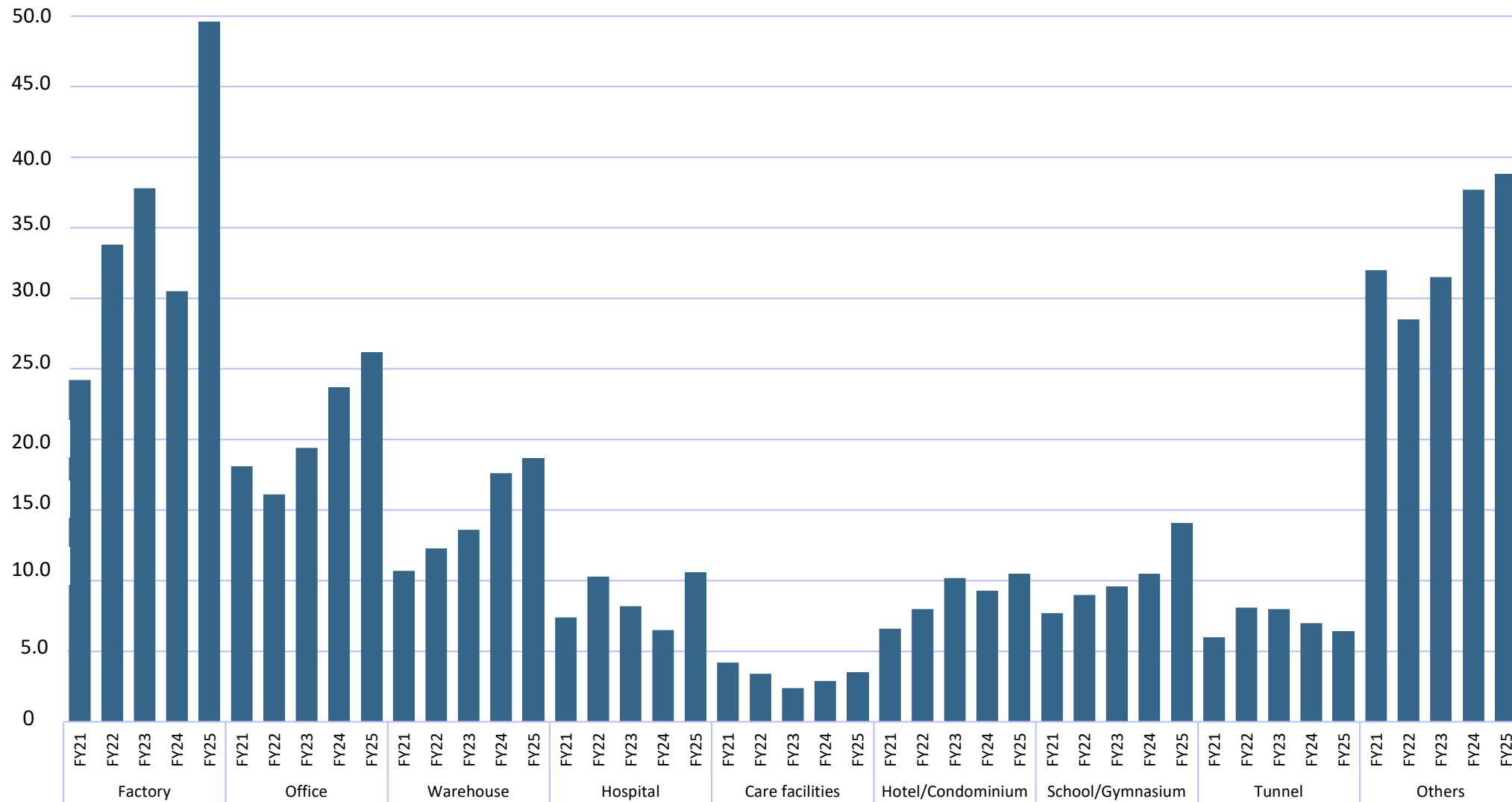
# Net Sales and Gross Profit Trends (Consolidated)

	FY2021 Annual Results	FY2022 Annual Results	FY2023 Annual Results	FY2024 Annual Results	FY2025 Annual Results
Net Sales	¥190.6 billion	189.0	201.0	221.8	227.8
Gross Profit	¥26.2 billion	23.9	28.5	38.9	44.7
Gross Profit Margin	13.8%	12.7	14.2	17.5	19.7



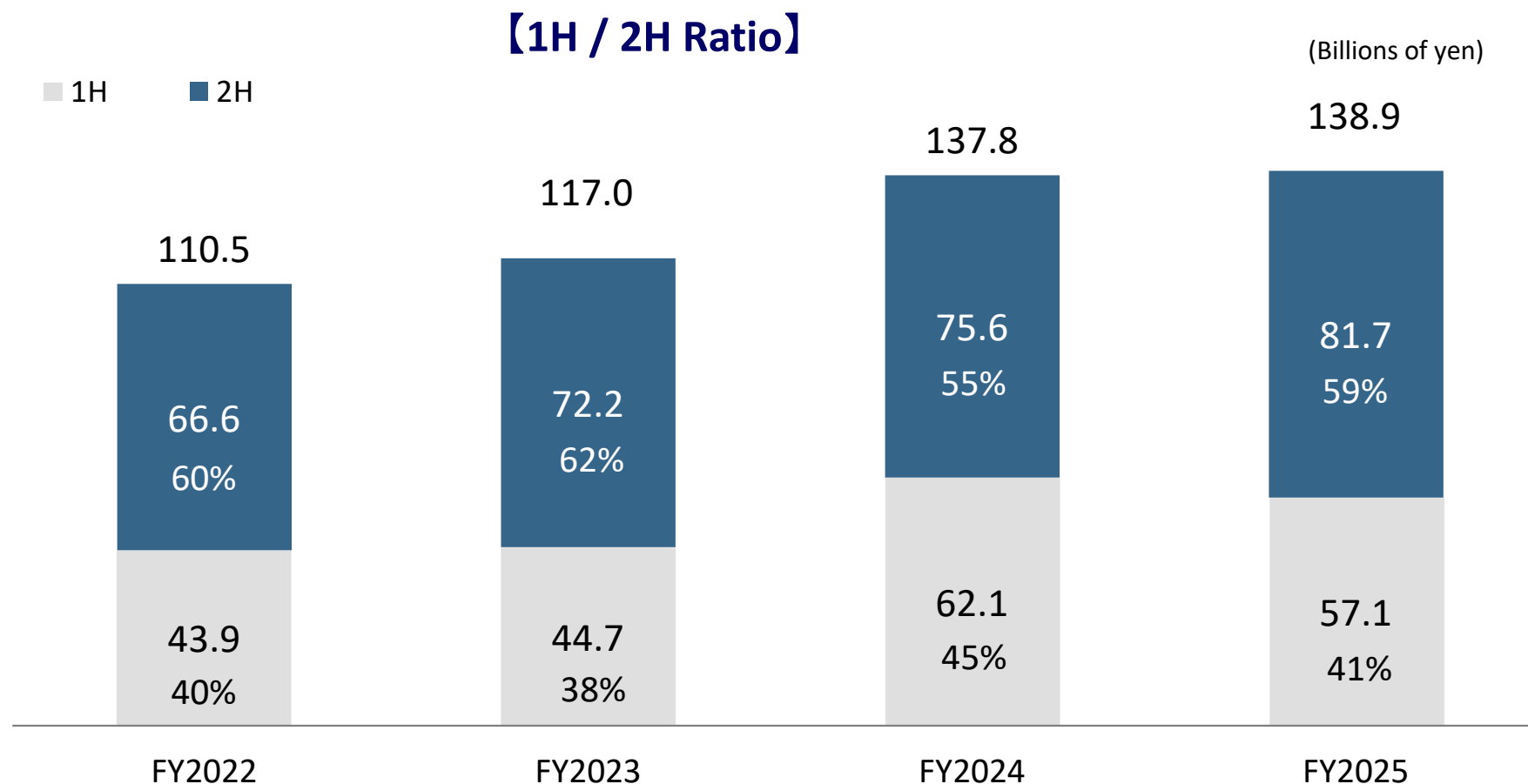
# Orders Received by Building Use in General Work Sector (Parent)

(Billions of yen)



# General Work Net Sales (Parent)

- The 1H/2H ratio in FY2024 was 45% to 55%, while in FY2025 the ratio returned to the traditional balance of 41% to 59%.
- Going forward, if the share of projects accounted for under the percentage-of-completion method increases due to a rise in large-scale construction projects, it is anticipated that the timing of net sales recognition will level off.

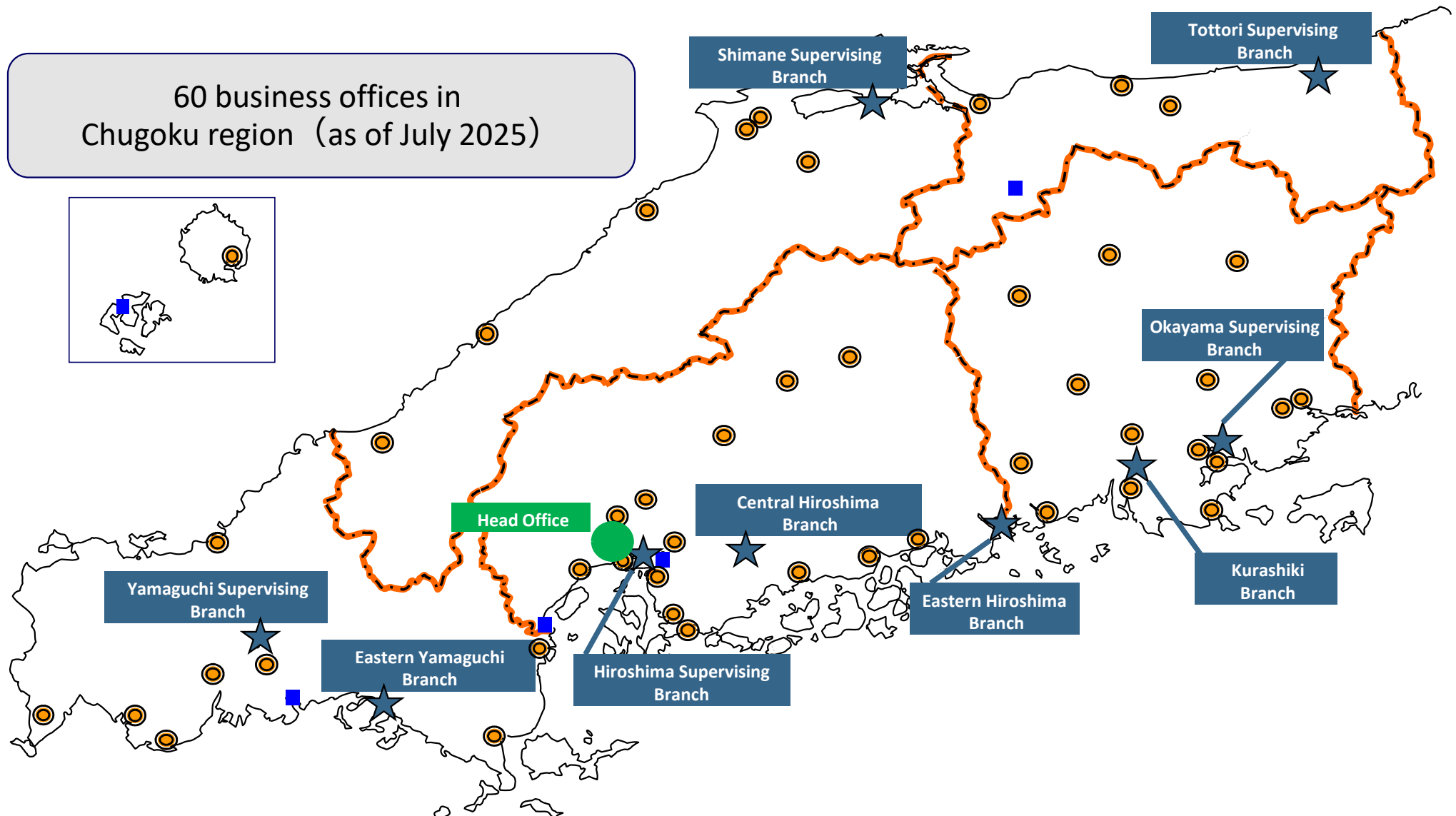


# Cash Flow Statement (Consolidated)

	FY2024	FY2025	Change	Main Factors for Change
Cash flows from operating activities (①)	22.7 billion	29.1	6.3	Before income taxes and other adjustments 4.2 Change in trade payables -1.4 (- indicates increase) Income taxes paid 3.7
Cash flows from investing activities (②)	-11.5 billion	-7.0	4.4	Payments for purchase of investment securities 5.2 Proceeds from sale and redemption of investment securities 6.6 Payments for loans -7.9
Free Cash Flow (①+②)	11.2 billion	22.0	10.8	
Cash flows from financing activities	-7.6 billion	-12.9	-5.3	Payments for purchase of treasury stock -4.6 Dividends paid -0.6
Net increase (decrease) in cash and cash equivalents	3.8 billion	9.1	5.3	
Cash and cash equivalents at beginning of period	29.8 billion	34.4	4.5	
Increase in cash and cash equivalents from newly consolidated subsidiaries	0.7 billion	—	-0.7	
Cash and cash equivalents at end of period	34.4 billion	43.6	9.1	

# Chugoku Region

- The company operates 60 offices, with a core structure of nine branch companies in the Chugoku region.



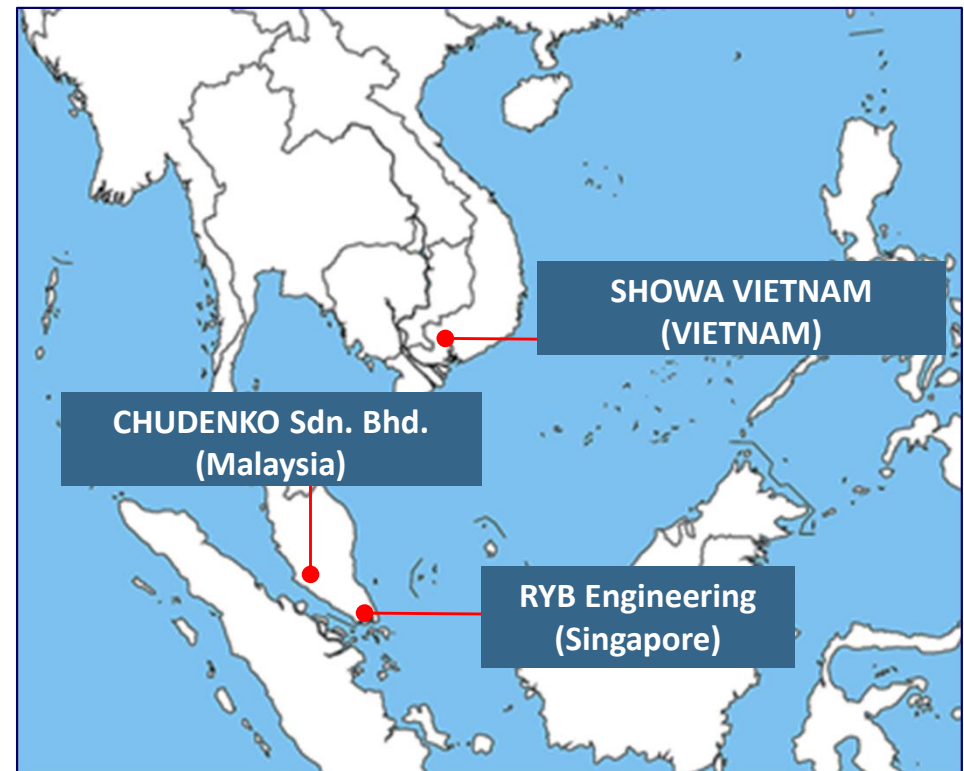
# Business Bases (Urban Areas and Overseas)

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

## 【 Urban Areas 】



## 【 Overseas 】



# 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.
Eapac 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.
Sugiyamakankousetubi 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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