

Stock code : 9824



3rd Quarter Fiscal Year October 2024

SENSHU ELECTRIC CO.,LTD.



心と心をつなぐインフラへ。
"つなぐ" 11月18日は電線の日

- 1 . Group Overview
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- 3 . Medium term management plan
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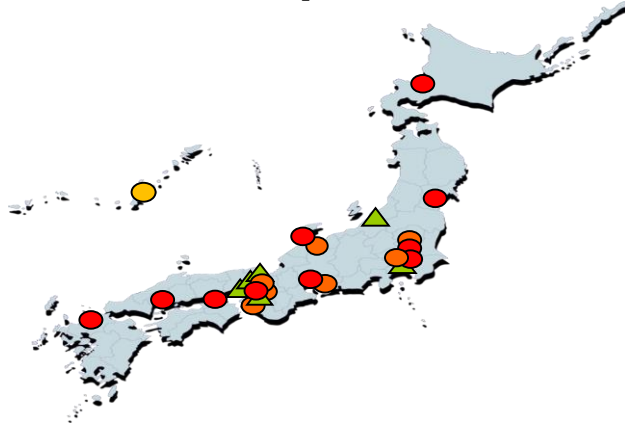
1 . Group Overview

Group Overview

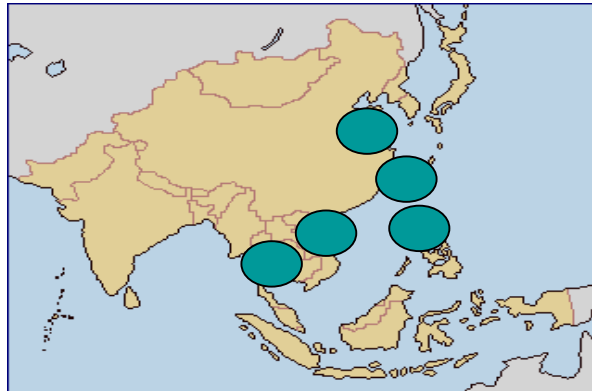


Established	November 18, 1949
Shares	Tokyo Stock Exchange Prime
Capital	2,575,200,000yen [US\$17Mil.]
Type of industry	Wholesale distributor (Industry leader of electric wires general trading company)
No. of employees	818 (Average age:40.2)
No. of subsidiaries	7 in Japan and 7 in overseas (China/Taiwan/Thailand/Philippines/Vietnam/USA)
No. of offices	18 in Japan

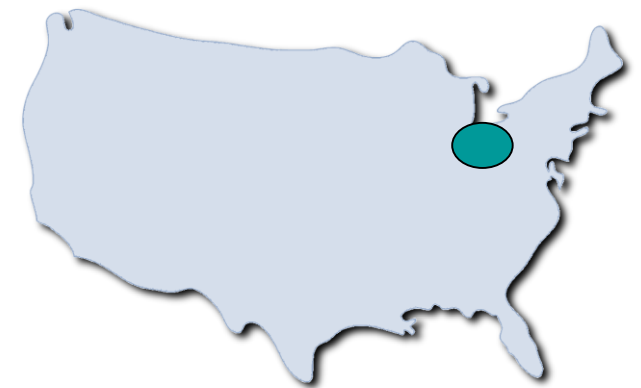
Japan



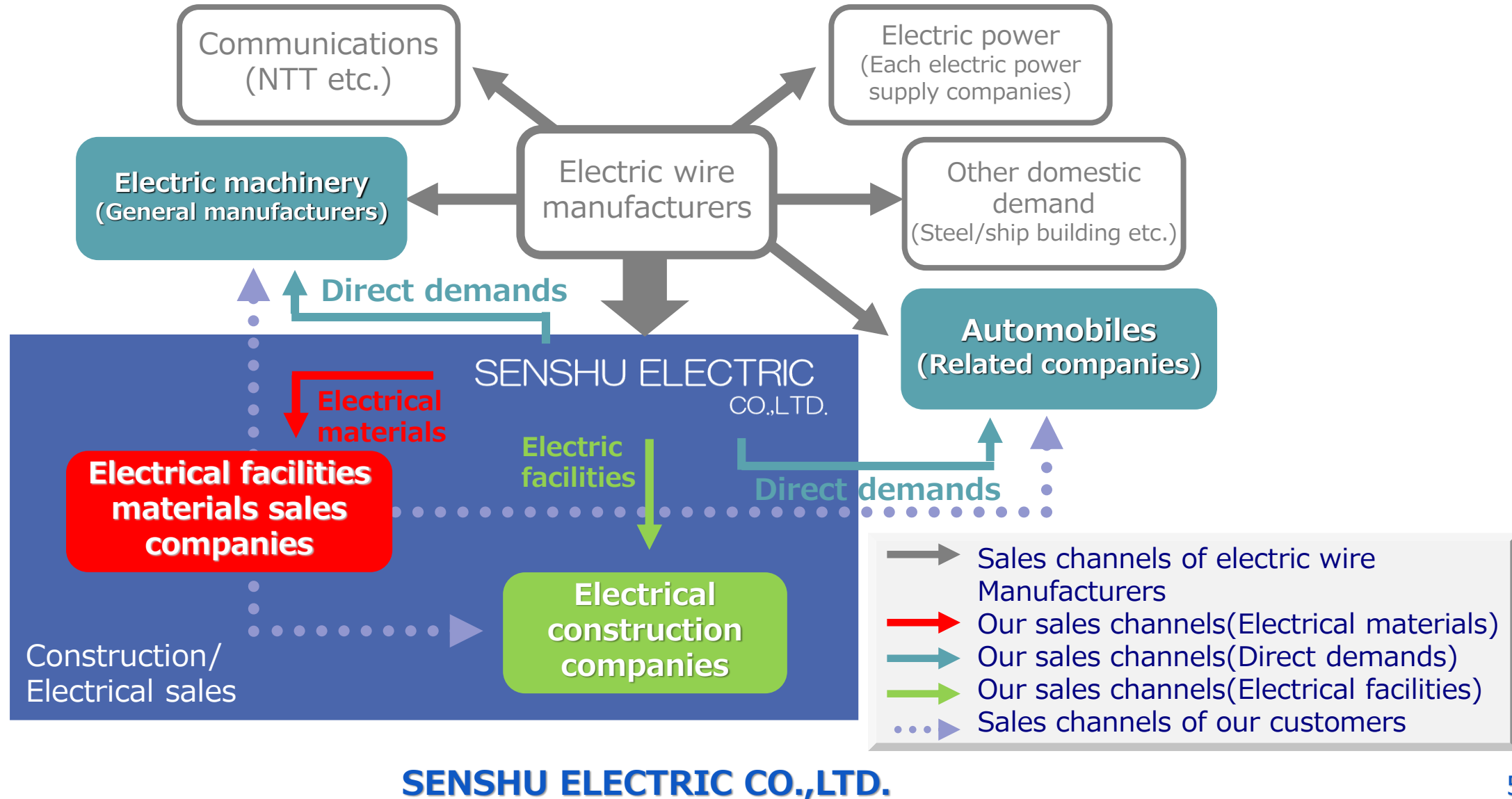
Asia



USA

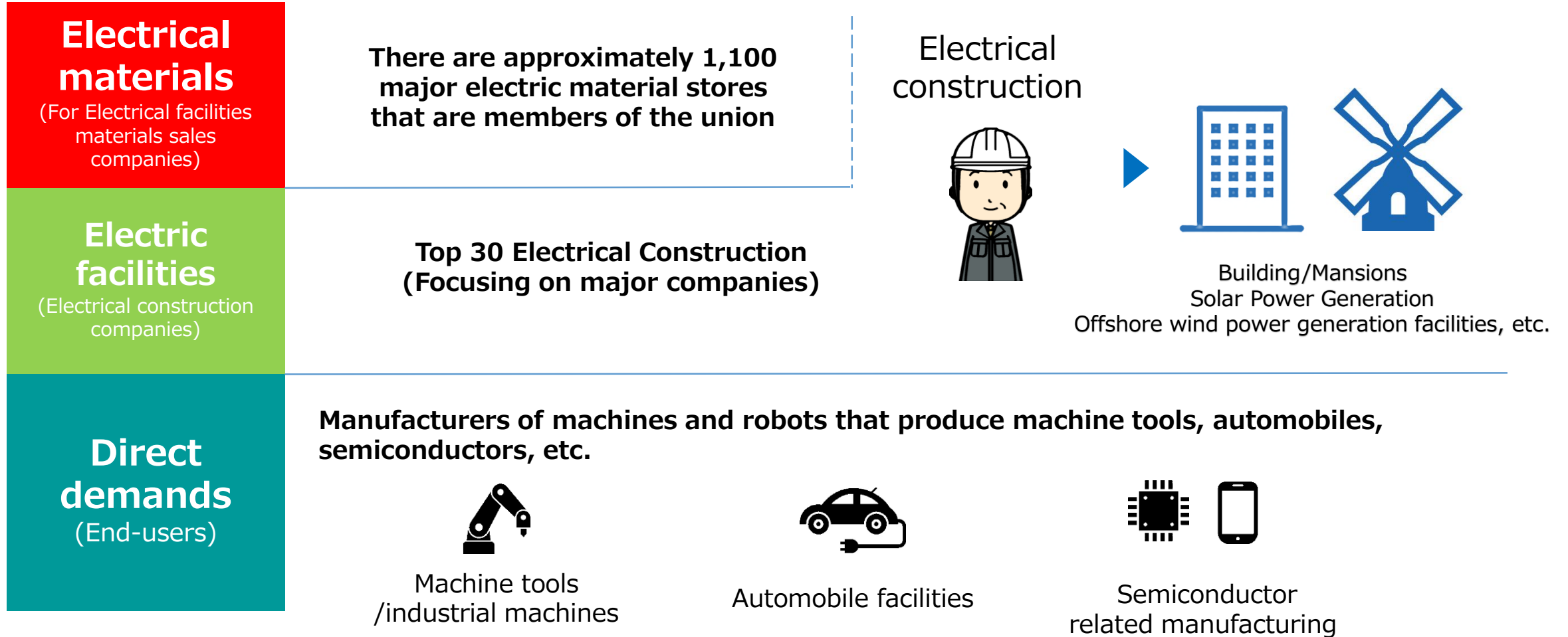


Sales Channels of Electric Wires



Major Customers (image)

〈More than 3,700 Customers〉



Customers Composition (Non-consolidated)

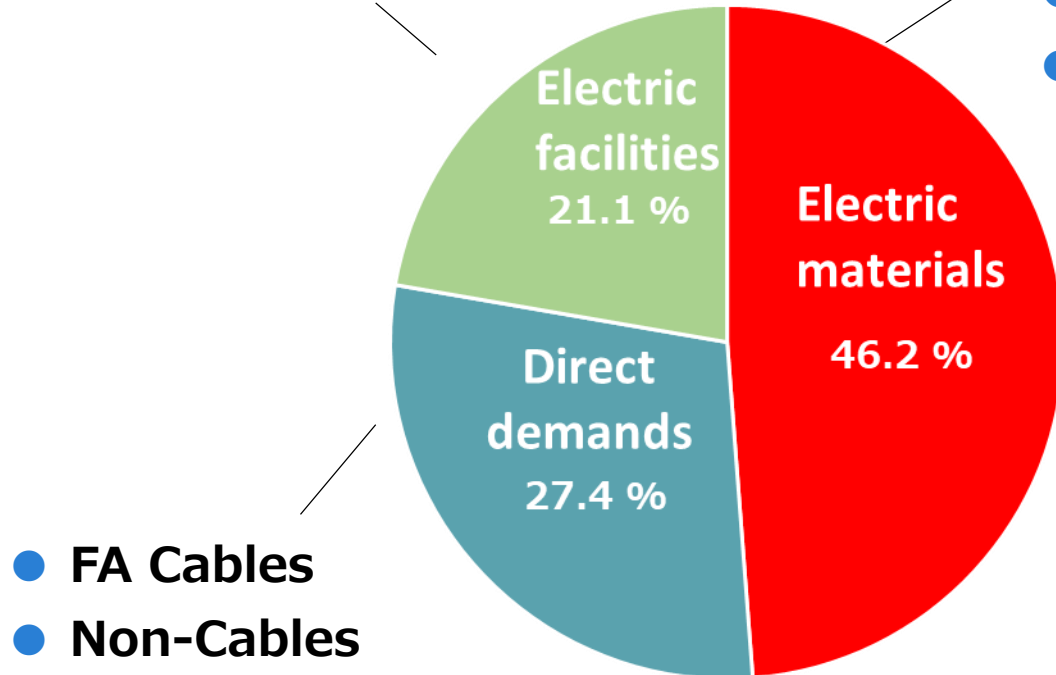


3rd Quarter Fiscal Year October 2024

● Main Products

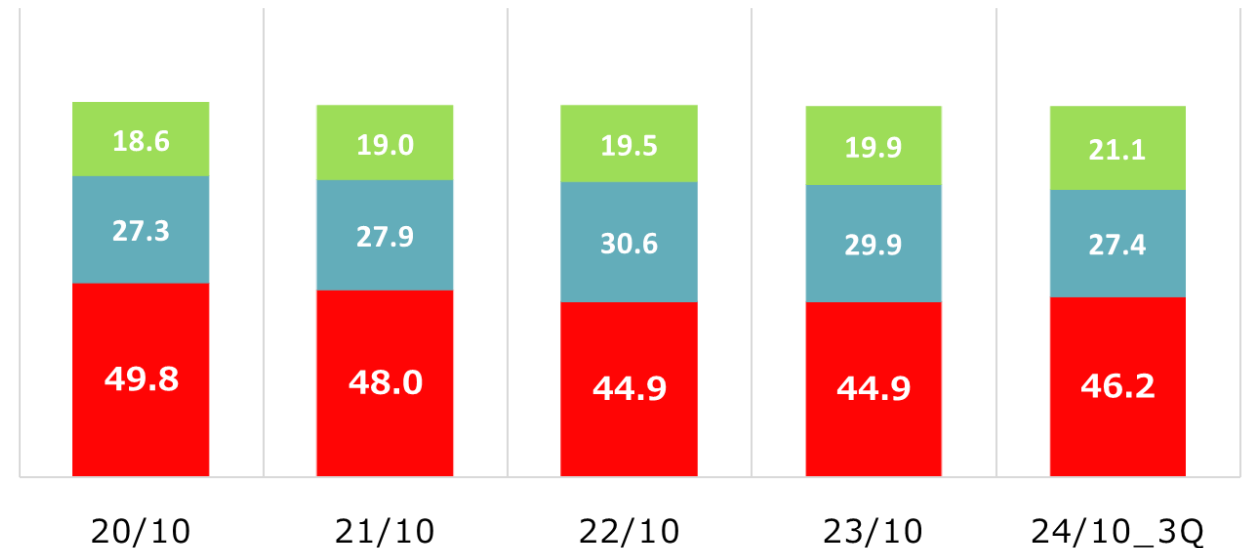
- Power Cables
- Covered Cables

- FA Cables
- Power Cables
- Covered Cables
- Non-Cables



Transition

(%)



Three Business Models

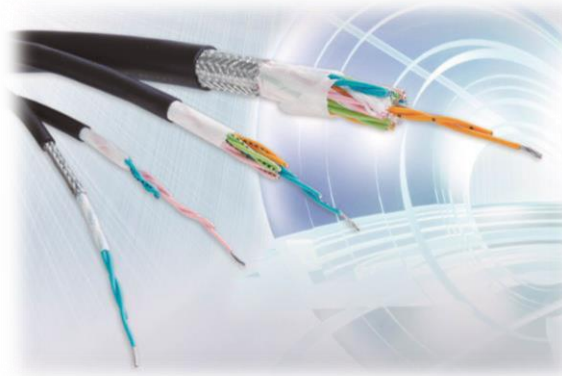


1 JUST IN TIME system

Electric wires of about 200,000 types & difficult to stock in terms of space and theft due to their heavy weight. We have a warehouse floor space of approximately 70,000 m² in Japan (Sapporo to Okinawa) with over **50,000** kinds of products, have established a **JUST IN TIME system**.



2 Original products



FA cables (**F**actory **A**utomation (FA) **cables** used for robots, etc.) with a wire manufacturer and sold them as **original products**. We accurately grasp a wide variety of needs and play a role as a technical trading company.

SENSHU ELECTRIC CO.,LTD.

3 Cable assembly (Electric wire terminal processing)

In addition to the sale of electric wires, we respond to the processing needs of small lots and a wide variety of products and short delivery times, such as electric wires and control panels with terminals, at 7 of our 18 bases nationwide. In addition, group companies will also develop a system and work together.



2 . October 2024 Summary of 3rd Quarter financial results

Consolidated Financial Highlights



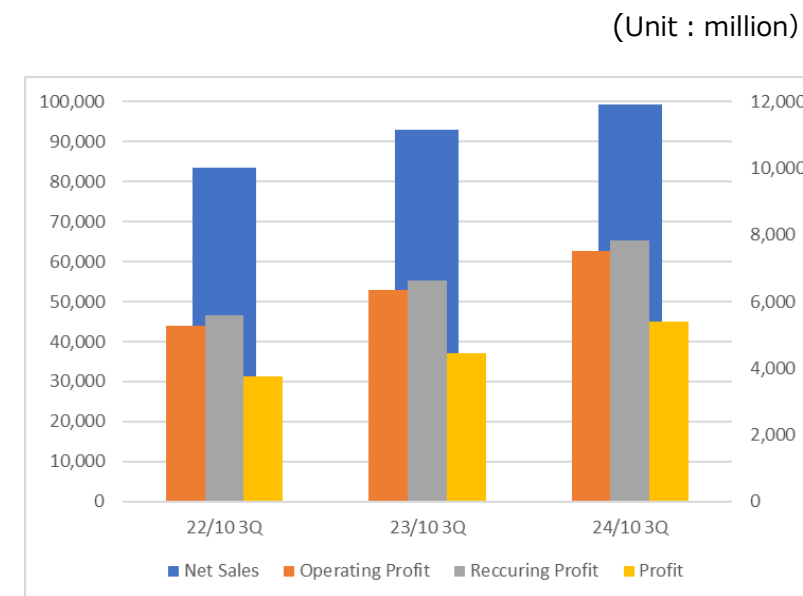
Achievements

- Both sales and profits hit record highs in the quarter
- Demand for semiconductor manufacturing equipment and machine tools partially stagnated but automobiles and construction and electronic sales increased.
- Average copper prices increased 15.4% year on year to 1.41 million yen/t
(Record high copper price: May 2024 1.75 million yen/t)

Shareholder Returns

(No change)

- Fiscal Year Ended October 2024 Forecast: 130 yen per year
Interim dividend: 65 yen, year-end dividend: 65 yen (forecast)
- Treasury stock acquisition 100,000 shares 500,000,000yen(limit) (Acquisition period 2024/6/5 to 2024/10/31)



Consolidated income statements overview



(Unit : million yen, %)

	2023/10_3Q		2024/10_3Q		Increase or decrease	
Net sales	92,859	100.0	99,151	100.0	6,291	6.8
Cost of sales	78,798	84.9	83,521	84.2	4,723	6.0
Gross profit	14,061	15.1	15,629	15.8	1,567	11.1
Selling, general and administrative expenses	7,718	8.3	8,124	8.2	405	5.3
Operating profit	6,342	6.8	7,505	7.6	1,162	18.3
Non-operating income	388	0.4	411	0.4	23	
Non-operating expenses	91	0.1	86	0.1	△ 4	
Recurring profit	6,640	7.2	7,829	7.9	1,189	17.9
Extraordinary income	—	—	112	0.1	112	
Extraordinary losses	—	—	—	—	—	
Profit before income taxes	6,640	7.2	7,942	8.0	1,301	19.6
Income taxes - current	2,001	2.2	2,392	2.4	391	
Income taxes - deferred	131	0.1	142	0.1	11	
Profit	4,507	4.9	5,406	5.5	899	19.9
Profit attributable to non-controlling interests	45	0.0	22	0.0	△ 23	
Profit attributable to owners of parent	4,461	4.8	5,384	5.4	922	20.7
Average copper price (Thousand yen/t)	1,223		1,411		188	15.4

Forecast of consolidated financial results

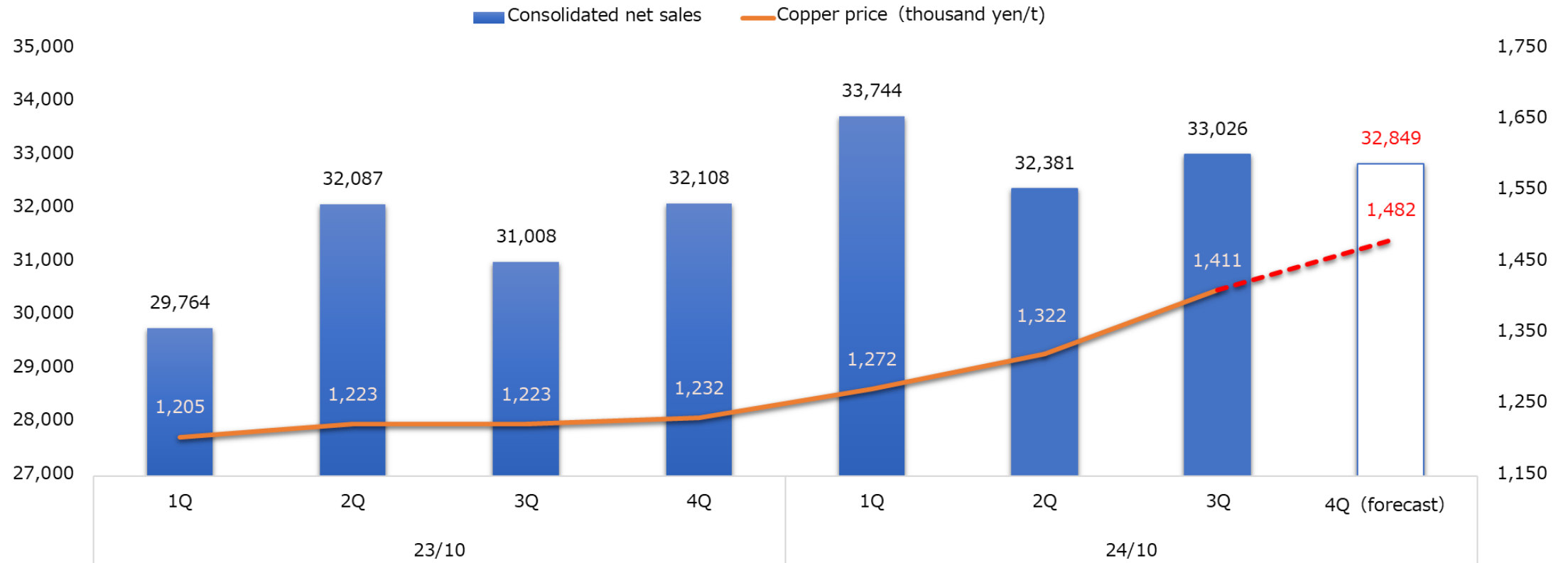
(Unit: million yen, %)

	2023/10		2024/10			2023/10		2024/10		
	3Q	Composition ratio	3Q	Composition ratio	YoY		Composition ratio	forecast(announced in June)	Composition ratio	YoY
Net sales	92,859	100.0	99,151	100.0	6.8	124,967	100.0	132,000	100.0	5.6
Operating profit	6,342	6.8	7,505	7.6	18.3	8,366	6.7	9,600	7.3	14.7
Recurring profit	6,640	7.2	7,829	7.9	17.9	8,770	7.0	10,000	7.6	14.0
Profit attributable to owners of parent	4,461	4.8	5,384	5.4	20.7	5,920	4.7	7,000	5.3	18.2
Average copper price (Thousand yen/t)	1,223		1,411		15.4	1,232		1,482		20.3

Consolidated net sales Quarterly trends

(unit : million yen)

Red = forecast



Consolidated Balance Sheet overview

(Unit: million yen)

	2023/10	2024/10_3Q	Increase or decrease		2023/10	2024/10_3Q	Increase or decrease
Cash and deposits	28,534	26,336	△ 2,198	Notes and accounts payable - trade	43,050	44,683	1,632
Notes and accounts receivable - trade	23,313	23,447	134	Short - term borrowings	691	426	△ 264
Electronically recorded monetary claims - operating	11,302	12,919	1,616	Current portion of bonds payable	64	14	△ 50
Securities	9	10	1	Current portion of long-term borrowings	5	—	△ 5
Merchandise	6,914	8,612	1,697	Income taxes payable	1,561	1,071	△ 489
Work in process	247	212	△ 35	Provision for bonuses	773	436	△ 337
Raw materials and supplies	257	289	31	Other Current liabilities	1,566	1,790	223
Other current assets	253	300	47				
Total current assets	70,830	72,126	1,296	Total current liabilities	47,713	48,422	708
Property, plant and equipment	20,355	21,963	1,608	Bonds payable	42	35	△ 7
Intangible assets	303	256	△ 46	Long-term borrowings	54	—	△ 54
Investments and other assets	9,878	10,595	716	Retirement benefit liability	2,120	2,222	102
				Other non-current liabilities	720	680	△ 40
Total non-current assets	30,537	32,814	2,277	Total non-current liabilities	2,939	2,939	0
				Total liabilities	50,652	51,361	709
				Share capital	2,575	2,575	-
				Capital surplus	2,757	501	△ 2,255
				Retained earnings	48,574	51,757	3,182
				Treasury shares	△ 5,142	△ 3,820	1,322
				Total shareholders' equity	48,764	51,014	2,250
				Total accumulated other comprehensive income	1,565	2,181	615
				Share acquisition rights	59	25	△ 33
				Non-controlling interests	326	358	32
				Total net assets	50,714	53,579	2,865
Total assets	101,367	104,941	3,574	Total liabilities and net assets	101,367	104,941	3,574

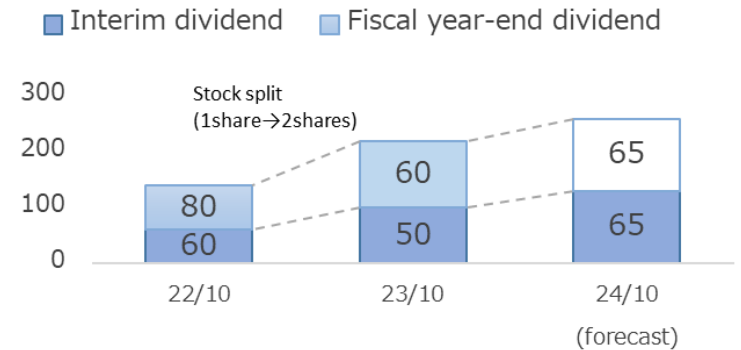
Shareholder Return Policies

1

Dividend (Forecast of 130 yen per year, an increase of 20 yen)

Setting stable dividend payment as our basic policy, we are paying dividends considering and examining business results and retained earnings, etc. comprehensively.

Fiscal Year Ending October 2024 is interim dividend: 65 yen, year-end dividend: 65 yen, the annual dividend to 130 yen, and a dividend increase of 20 yen is expected year on year.



2

Treasury stock acquisition

We acquire treasury stock in order to improve shareholder returns, improve capital efficiency, and implement flexible capital policies in response to changes in the business environment.

- Total number of acquire shares

100,000 shares (limit)

- Total acquisition amount

500,000,000yen (limit)

(Acquisition period
2024/6/5 to 2024/10/31)

3

Stockholder benefit program

(Once a year (at year end), 1 unit (100 shares) or more)

Less than 1 year : Our original QUO card (1,000 yen)

One year or more : Our original QUO card (2,000 yen)

3. Medium term management plan

Medium-Term Management Plan:SS2026

Final Year October 2026

**Consolidated net
sales**

150billion yen

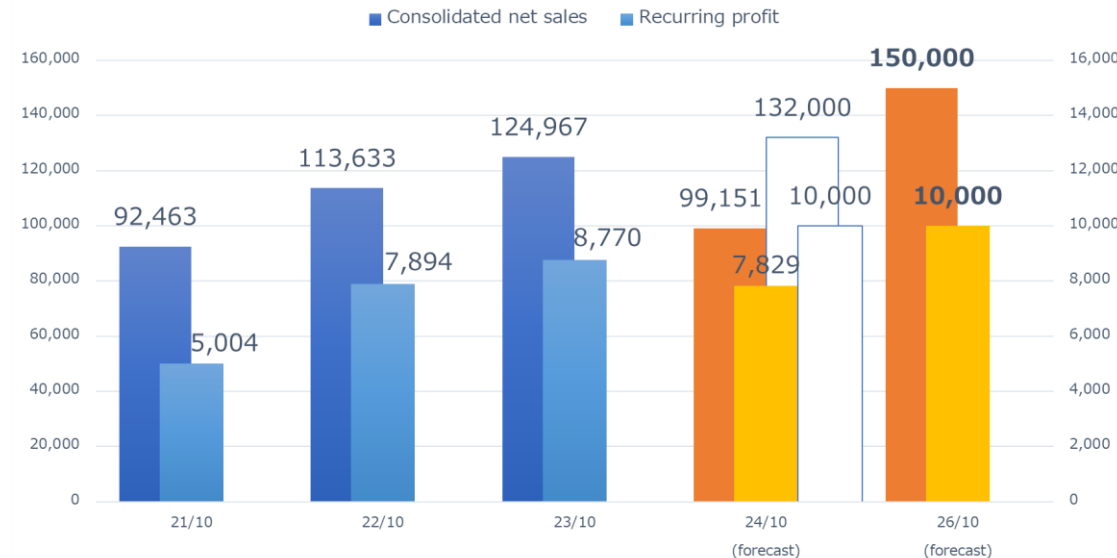
Recurring profit

10 billion yen

ROE

More than 10.0%

(Unit : million)



Medium-Term Management Plan : SS2026



Increase sales in the direct demand sector by developing original products and strengthening the processing sector

Improvement of the Just in Time system

Strengthening of sales in Tokyo and surrounding Kanto areas, and expansion of share for the other area

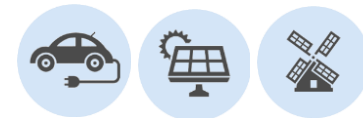
Sales products other than electric wires including own brand ones and development of new fields

Strengthening of global deployment
(Improvement profitability of the Group)

Sustainability Management

Promotion of the Senshu Transformation Project

New construction Review of production lines



**EV/Renewable
energy**



Semiconductor/Auto
mated
AI・IoT

ESG/SDGs

**SUSTAINABLE
DEVELOPMENT
GOALS**

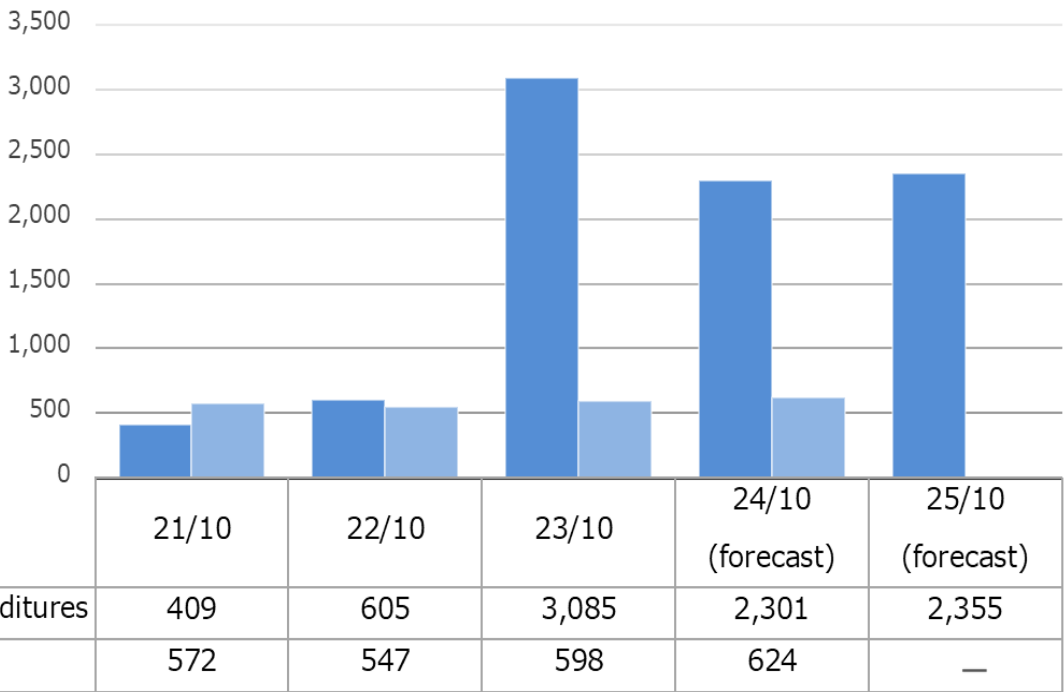
Inbound Expo IR Data Center Construction demand



Medium-Term Management Plan : Capital Expenditures and Depreciation



(unit : million yen)



Fiscal year ending Oct, 2024	Reason for capital investment
Toyohashi office extension (Completed in April 2024)	Facility Expansion Warehouse Expansion
Nagoya FA Center (Will complete in April 2025)	Cable assembly, Assembly of control panels, etc.

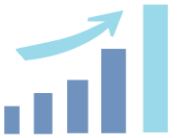
Abil heater



Annual sales of 1 billion yen
in agribusiness by 2027

Subterranean heated vinyl lines for agricultural use.

Contributes to CO2 emission reduction by directly heating soil in plastic greenhouses, etc., and **increases harvest turnover (cycle)** by accelerating the speed of growth.



Contribute to the SDGs

Decarbonization and energy savings compared to boilers that use fuel.



Senshu Electric Nagakute House

Growing tomatoes and strawberries in Nagakute City, Aichi Prefecture, using aviru heaters.



Other

Exhibit at agricultural trade shows.

Developing a hot air heater.

Medium-Term Management Plan : Sustainability Management



Materiality		SDGs	TOPICS
E	Environmental conservation activities	<div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div> <div>14 LIFE BELOW WATER</div> <div>15 LIFE ON LAND</div>	<div>● Jan. 2024</div>
S	Respect and consideration for human rights Creating a rewarding work environment Stable supply of goods and services	<div>1 NO POVERTY</div> <div>3 GOOD HEALTH AND WELL-BEING</div> <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>10 REDUCED INEQUALITIES</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div>17 PARTNERSHIPS FOR THE GOALS</div>	<div>Smoking ban during working hours started at all locations</div> <div>Noto Peninsula Earthquake Disaster Relief Donations</div> <div>Disclosure under the TCFD Corporate Governance Report</div> <div>● Feb. 2024</div> <div>Senshu Electric Group Integrated Report 2024 published</div> <div>● Mar. 2024</div> <div>Certification of "Excellent Health Management Corporation 2024"</div> <div>● May. 2024</div>
G	Establishment of a governance system	<div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div>	<div>Published 2023 Environmental Report</div> <div>Corporate Governance Report</div>

Feb.2024
Publication of the Company's first integrated report (Japanese, English)



<https://www.senden.co.jp/en/financer/integrated-report/>

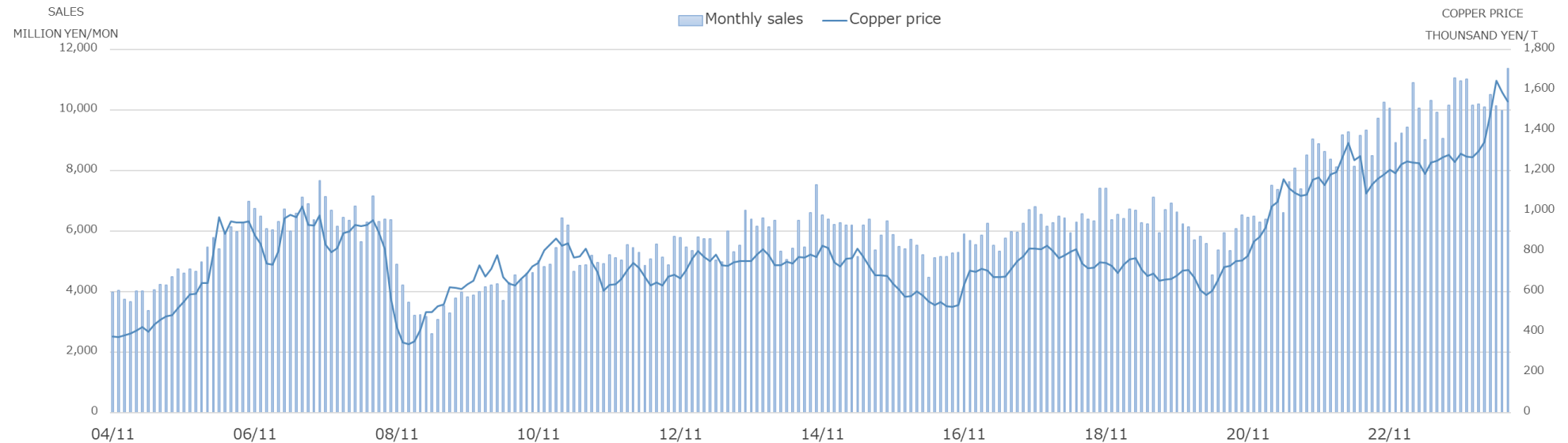
4. Reference data

Electric wire and copper price

There are two types of electric wires: copper and aluminum wires, and most of the wires we deal with are copper wires. Therefore, the market price of copper is important for the sale of electric wires. Copper price and sales trends are as follows.

The domestic copper quotation is determined by JX Nippon Mining & Metals based on the international copper quotation determined by the London Metal Exchange (LME) and the exchange rate.

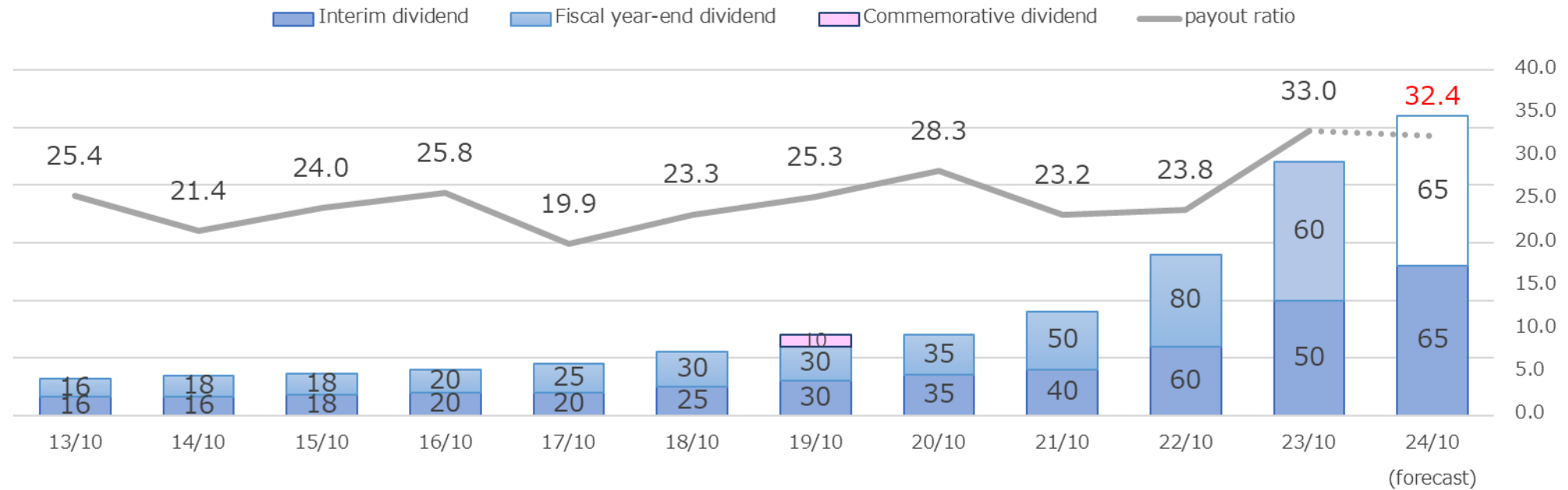
〈Copper price and monthly sales (non-consolidated)〉



Dividends and Dividend Payout Ratio

Dividend increase for 11 consecutive years

(Unit : yen,%)



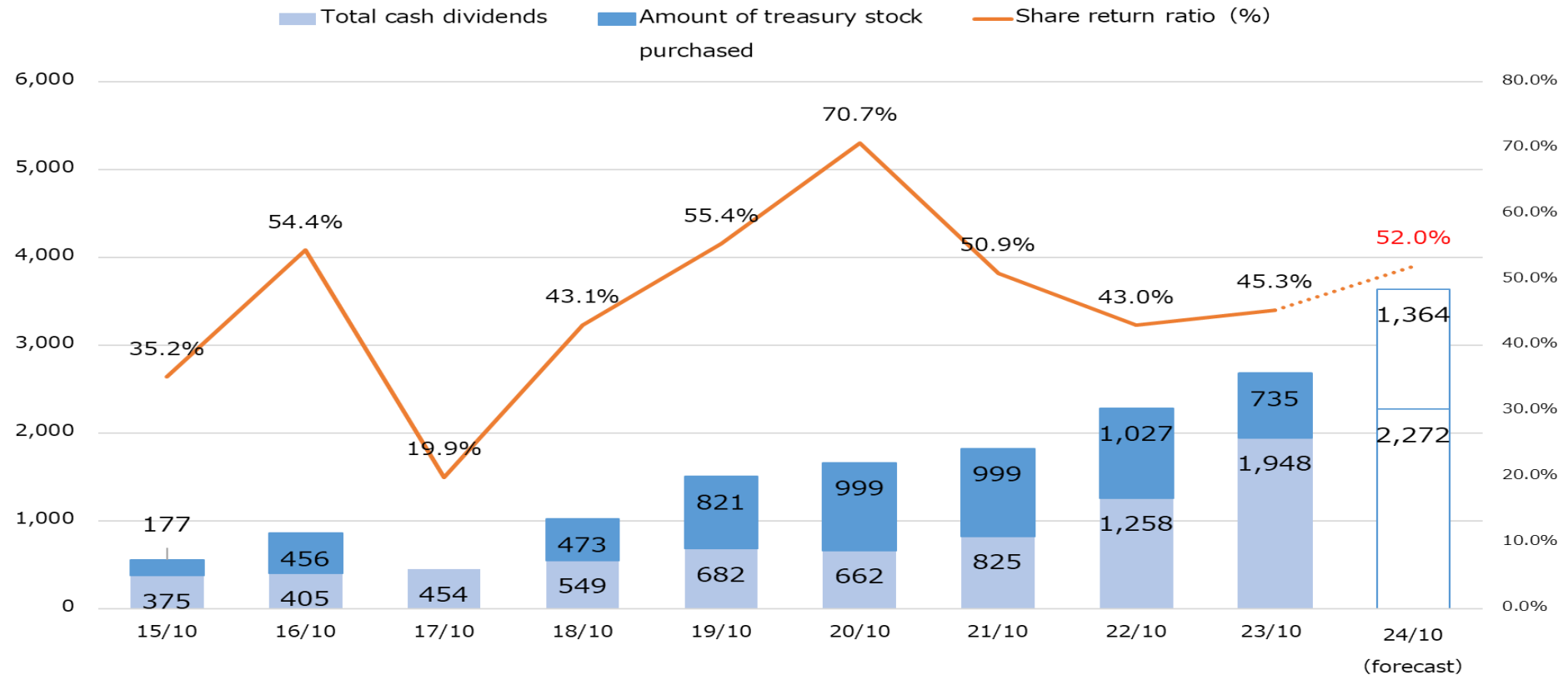
(Note) The Company conducted a 2-for-1 stock split of shares of common stock on November 1, 2022, and the dividend payout ratio is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

Trends in shareholder return(Dividend+treasury stock)



Implementation of continuous
shareholder returns through dividends
+ treasury stock

(Unit:million)



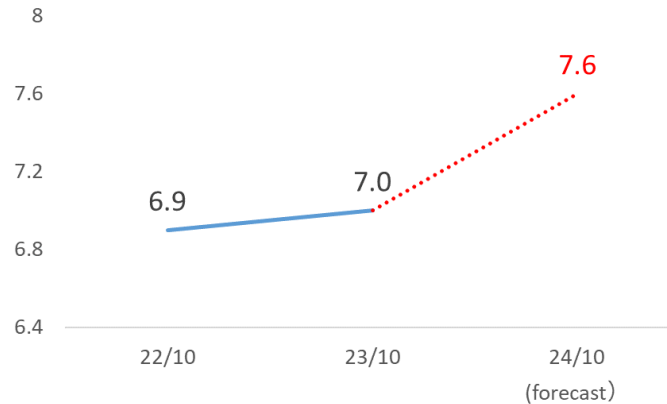
Trends in Main Indicators

Red = FY10/2024 forecast

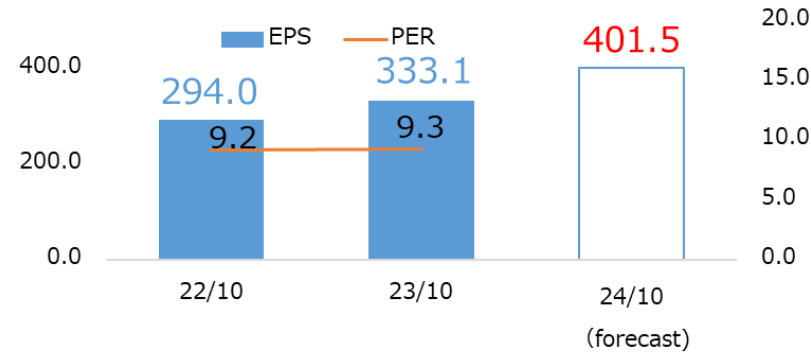
Blue = Results



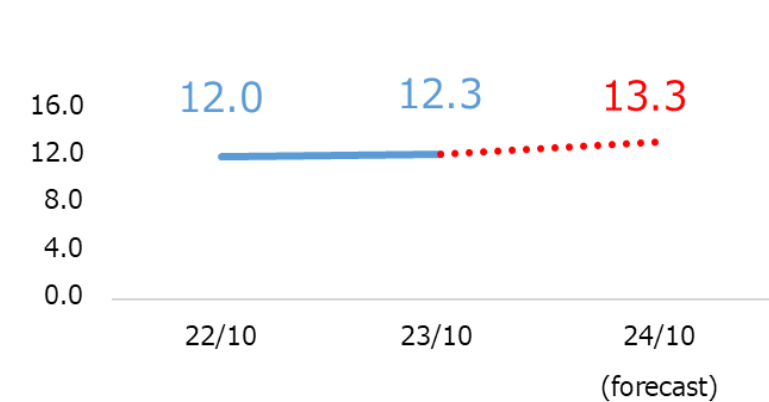
Recurring profit ratio(%)



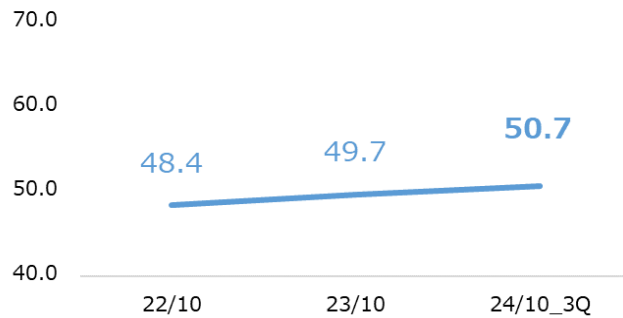
EPS/PER (yen, time)



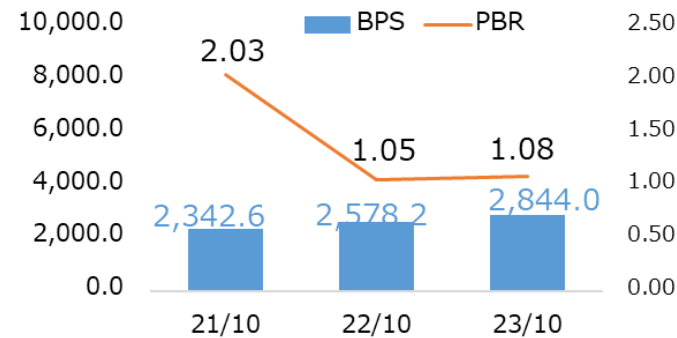
ROE(%)



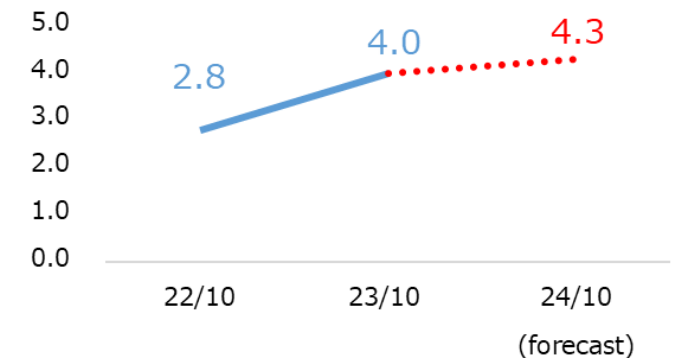
Equity ratio(%)



BPS/PBR (yen, time)



DOE(%)



(Note) The Company conducted a 2-for-1 stock split of shares of common stock on November 1, 2022, and calculated are based on the assumption that the stock split was conducted at the beginning of the previous fiscal year.



Thank you for your attention.



Stock code : 9824
SENSHU ELECTRIC CO.,LTD.

Notes on the content

None of the information on this document constitutes a solicitation to purchase or sell shares belonging to our company.

Please note that, due to various factors, future performance may differ from these forecasts. The information contained within this material should be checked against information obtained through other means and utilized at the user's discretion.

In no event shall our company or its suppliers be liable for any damages resulting from this information. We ask that users make investment decisions at their own discretion.

Furthermore, please be aware that the information presented here may not always reflect the latest information available.

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