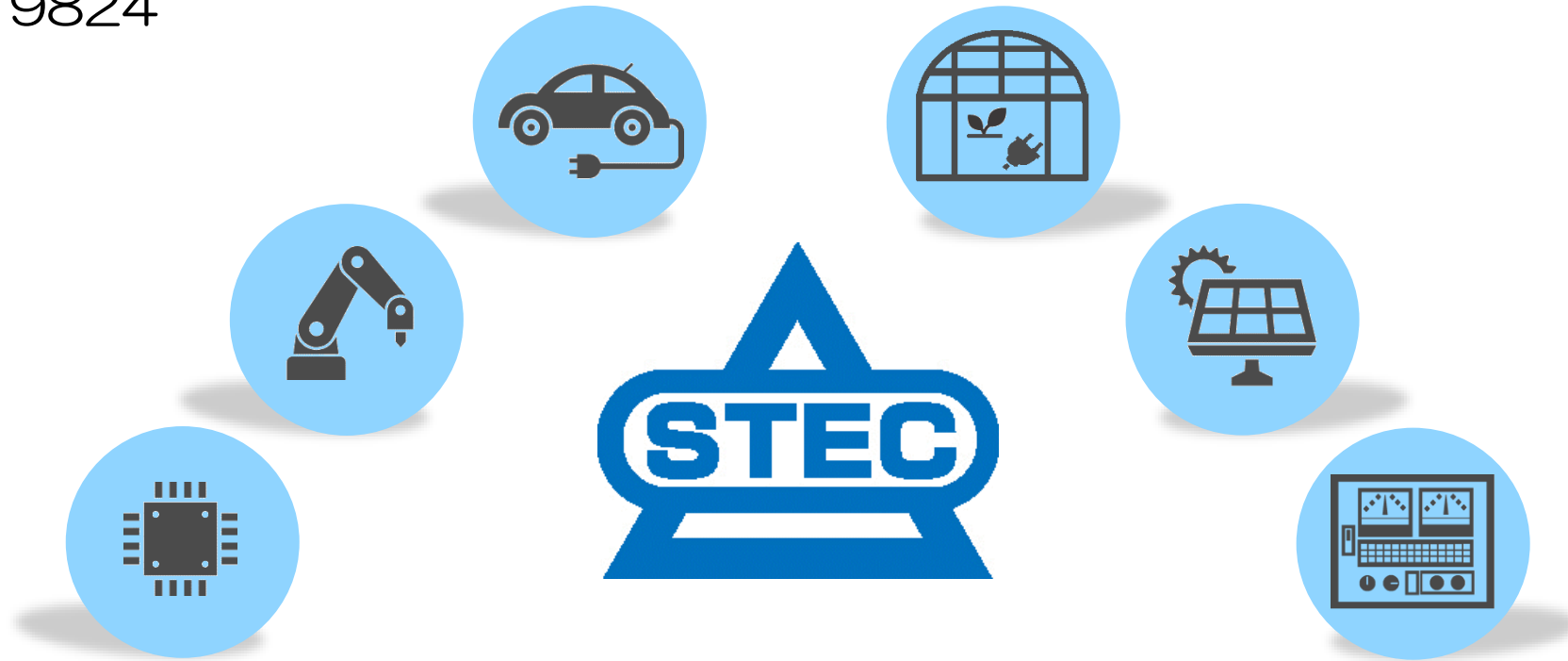


Stock code : 9824



1st Quarter Fiscal Year October 2023

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

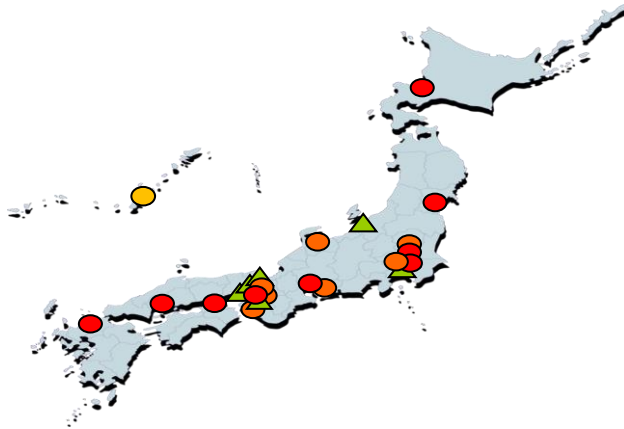
- 1 . Group Overview
- 2 . October 2023 Summary of 1st Quarter financial results
- 3 . Medium term management plan
- 4 . Reference data

1 . Group Overview

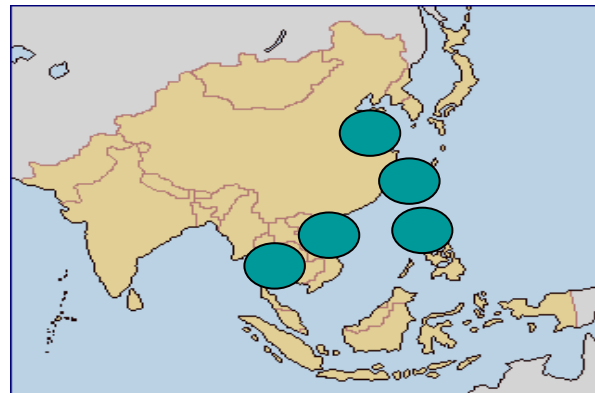
Group Overview

Established	November 18, 1949
Shares	Tokyo Stock Exchange Prime
Capital	2,575,200,000yen [US\$19Mil.]
Type of industry	Wholesale distributor (Industry leader of electric wires general trading company)
No. of employees	799 (Average age:40.2)
No. of subsidiaries	7 in Japan and 7 in overseas (China/Taiwan/Thailand/Philippines/Vietnam/USA)
No. of offices	17 in Japan

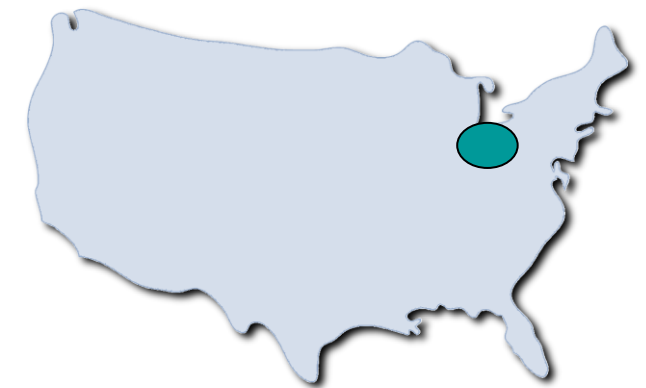
Japan



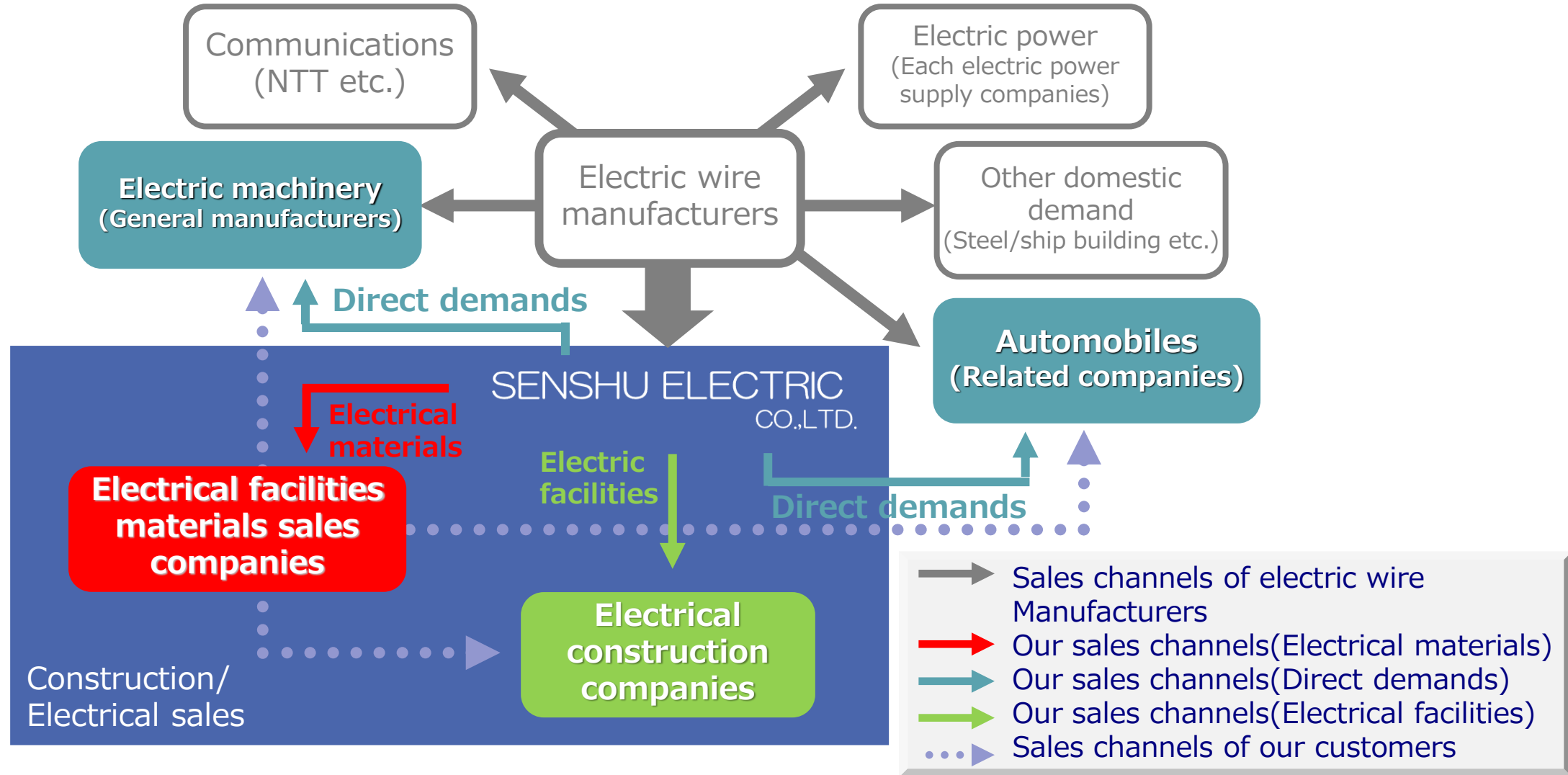
Asia



USA



Sales Channels of Electric Wires



Major Customers (image)

〈More than 3,500 Customers〉

Electrical materials
(For Electrical facilities materials sales companies)

There are approximately 1,100 major electric material stores that are members of the union

Electrical construction



Building/Mansions
Solar Power Generation
Offshore wind power generation facilities, etc.

Electric facilities
(Electrical construction companies)

More than 60,000 companies nationwide, including small and medium-sized companies
Mainly large companies

Direct demands
(End-users)

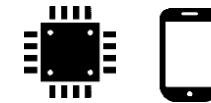
Manufacturers of machines and robots that produce machine tools, automobiles, semiconductors, etc.



Machine tools /industrial machines

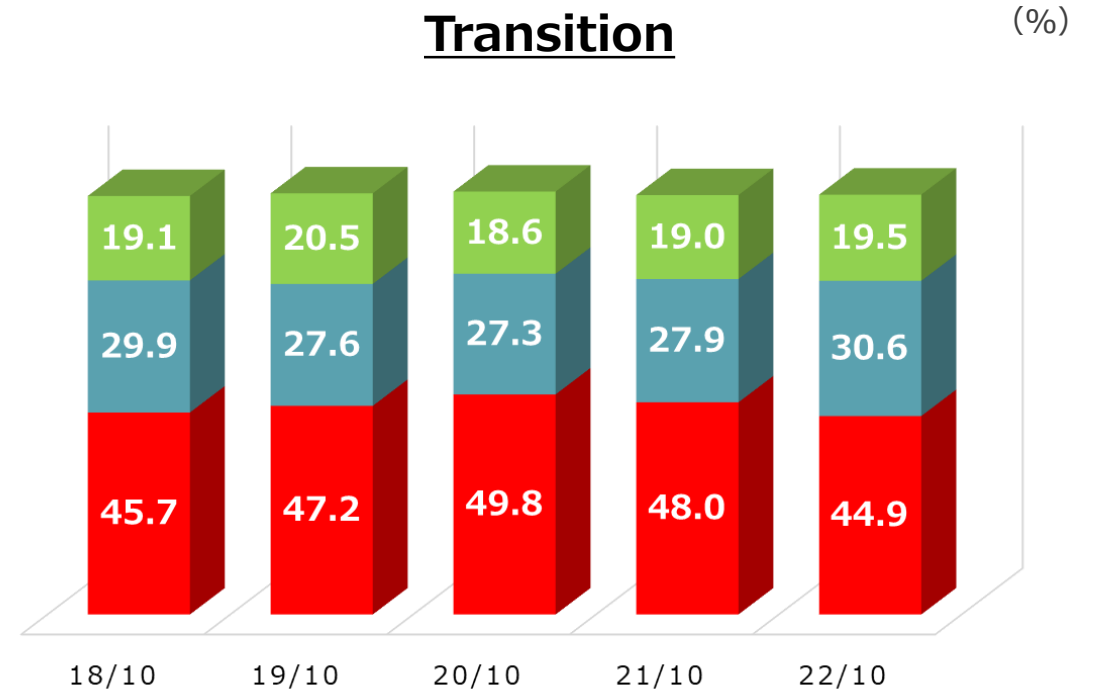
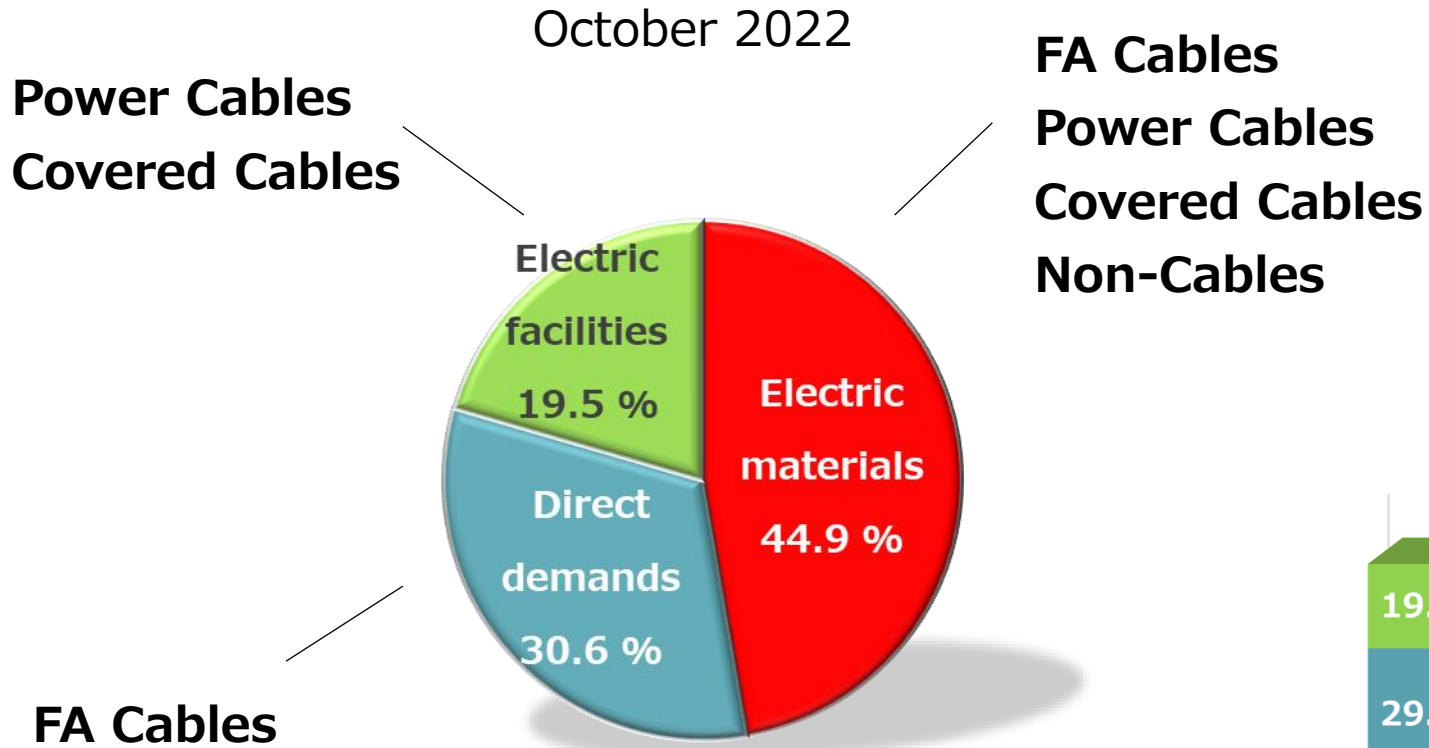


Automobile facilities



Semiconductor /liquid crystal facilities

Customers Composition (Non-consolidated)



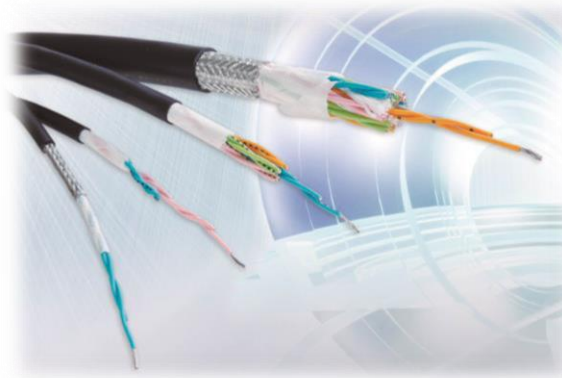
Three Business Models

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 60,000 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 assemblies (Electric wire terminal processing)

7 processing plants located nationwide meet the needs for small-lot, quick-delivery processing of wires with attached terminals, control panels, and other products. We have also established a system of collaboration among our group companies.



2 . October 2023 Summary of 1st Quarter financial results

Consolidated income statements overview



(Unit : million yen, %)

	2022/10_1Q	Composition ratio	2023/10_1Q	Composition ratio	Increase or decrease	YoY
Net sales	27,161	100.0	29,764	100.0	2,603	9.6
Gross profit	3,993	14.7	4,645	15.6	652	16.3
Selling, general and administrative expenses	2,334	8.6	2,497	8.4	163	7.0
Operating profit	1,658	6.1	2,147	7.2	488	29.4
Recurring profit	1,766	6.5	2,263	7.6	497	28.2
Profit attributable to owners of parent	1,194	4.4	1,520	5.1	326	27.3
Average copper price (Thousand yen/t)	1,158		1,205		47	4.1

Consolidated Balance Sheet overview



(Unit: million yen)

	2022/10	2023/10_1Q	Increase or decrease
Total current assets	67,910	67,429	△ 480
Total non-current assets	27,471	27,693	221
Total assets	95,381	95,123	△ 258
Total current liabilities	45,922	44,983	△ 938
Total non-current liabilities	3,059	3,142	83
Total liabilities	48,982	48,126	△ 855
Total shareholders' equity	45,066	45,589	523
Total net assets	46,399	46,996	597
Total liabilities and net assets	95,381	95,123	△ 258

Forecast of consolidated financial results



(Unit : million yen,%)

	2022/10_2Q		2023/10_2Q			2022/10		2023/10		
		Composition ratio	Forecast	Composition ratio	YoY		Composition ratio	Forecast	Composition ratio	YoY
Net sales	55,154	100.0	56,600	100.0	2.6	113,633	100.0	118,200	100.0	4.0
Operating profit	3,536	6.4	3,650	6.4	3.2	7,464	6.6	7,800	6.6	4.5
Recurring profit	3,713	6.7	3,800	6.7	2.3	7,894	6.9	8,100	6.9	2.6
Profit attributable to owners of parent	2,491	4.5	2,580	4.6	3.5	5,314	4.7	5,500	4.7	3.5
Average copper price (Thousand yen/t)	1,211		1,200		Δ 0.9	1,195		1,200		0.4

Shareholder Return Policies

1

Dividend (Dividend increase of 20 yen to 80 yen)

Setting stable dividend payment as our basic policy, we are paying dividends considering and examining business results and retained earnings, etc. comprehensively. Dividend increase by 20 yen to 80 yen forecast for the FY10/2023 (**interim dividend:40 yen, year-end dividend: 40 yen**)

2

Treasury stock acquisition

We will 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
200,000 shares
- Total acquisition amount
600,000,000 yen

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)

(Acquisition period
2022/12/9 to 2023/4/30)

※ Stock split (from 1 to 2 shares)

2-for-1 stock split of common stock with a record date of October 31, 2022

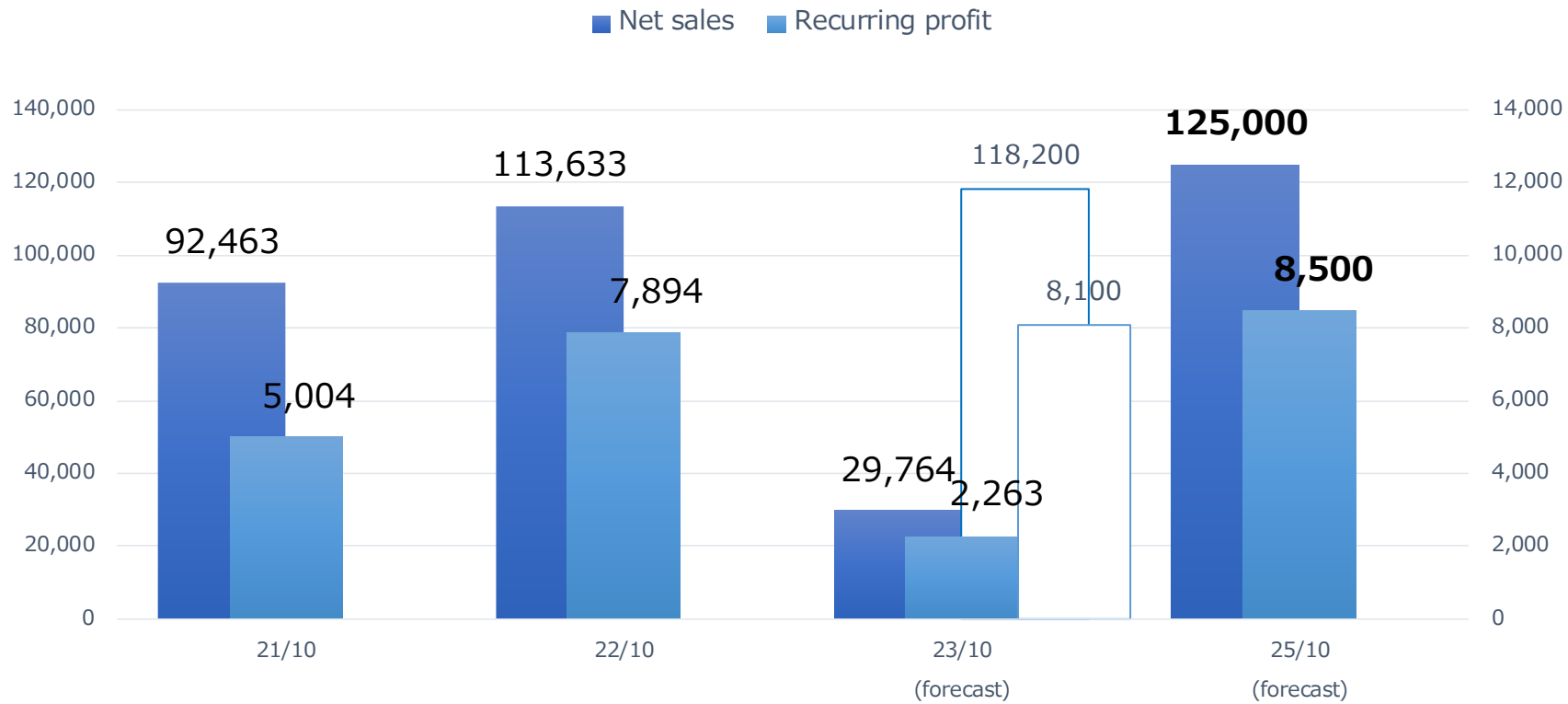
3. Medium term management plan

Medium-Term Management Plan

Final Year October 2025

Net sales **125 billion yen** Recurring profit **8.5 billion yen**
 ROE **More than 10.0%**

(Unit: million yen)



Medium-Term Management Plan : SS2025

Sales of 125 billion yen, Recurring profit of 8.5 billion yen,
Achievement a return on equity (ROE) of more than 10%

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

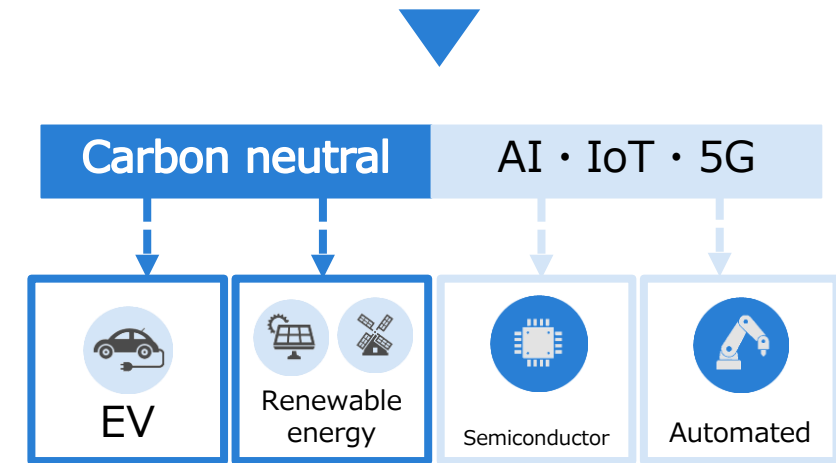
Sales products other than electric wires including own brand ones and
development of new fields

Strengthening of global deployment
(Improvement profitability of the Group)

Sustainability Management

Promotion of the Senshu Transformation Project

Carbon neutral , Automated



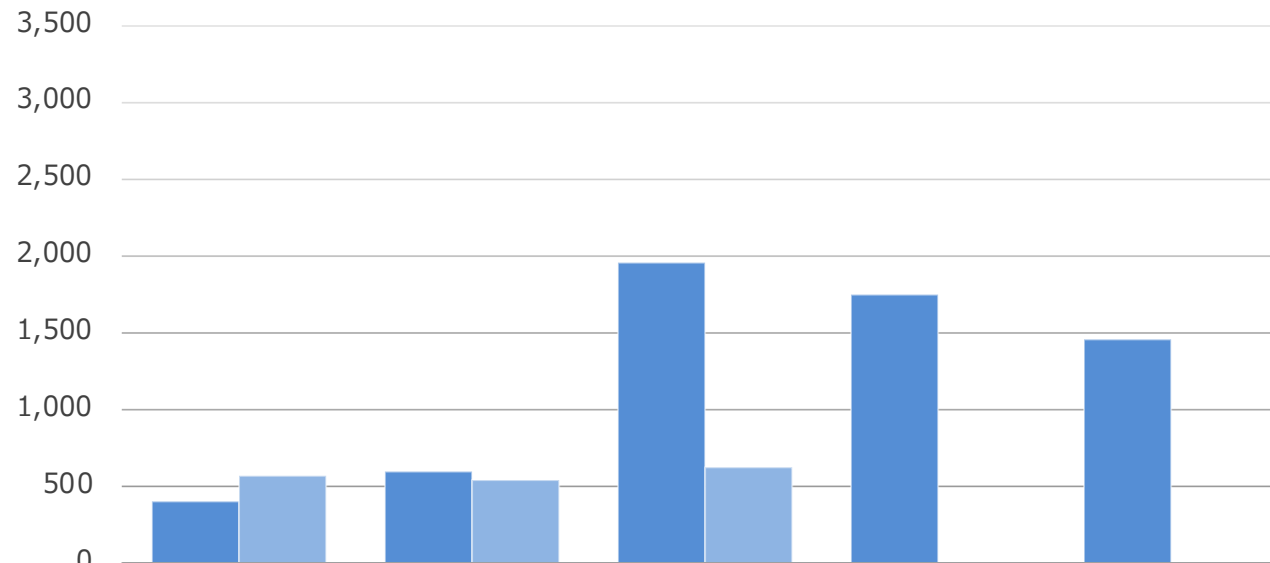
New construction,
Review of production lines

**Increased capital
investment will be our
business opportunity.**

Medium-Term Management Plan : Capital Expenditures and Depreciation



(unit : million yen)



	21/10	22/10	23/10 (forecast)	24/10 (forecast)	25/10 (forecast)
■ Capital Expenditures	409	605	1,962	1,751	1,463
■ Depreciation	572	547	627		

- **Hokuriku Branch**
Scheduled to open in May 2023
- **Nagoya FA Center**
After 2024

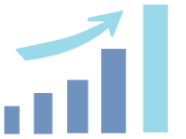
Abil heater



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.

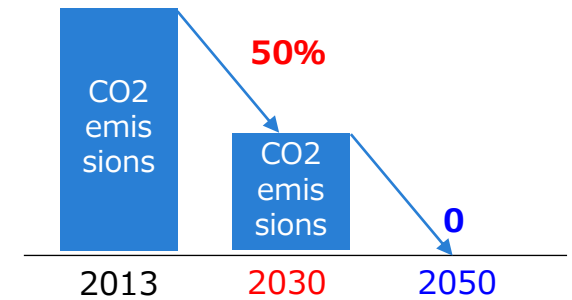
Medium-Term Management Plan : Sustainability Management



Materiality		SDGs	TOPICS
E	Environmental conservation activities	    	<ul style="list-style-type: none"> ● Apr. 2022 Published Environmental Report ● Dec. 2022 Disclosure under TCFD
S	Respect and consideration for human rights Creating a rewarding work environment Stable supply of goods and services	        	<ul style="list-style-type: none"> ● Certification of "Excellent Health Management Corporation 2022"  2022 健康経営優良法人 Health and productivity ● GLTD insurance coverage
G	Establishment of a governance system	 	<ul style="list-style-type: none"> ● Jan. 27, 2023 Corporate Governance Report

Long-Term Goal
Carbon neutrality by 2050

Medium-Term Goal
50% reduction compared to fiscal 2013 by 2030



4. Reference data

Consolidated income statements overview

(Comparison with previous FY)



(Unit : million yen, %)

	2022/10_1Q		2023/10_1Q		Increase or decrease	
	Value	%	Value	%	Value	%
Net sales	27,161	100.0	29,764	100.0	2,603	9.6
Cost of sales	23,168	85.3	25,119	84.4	1,950	8.4
Gross profit	3,993	14.7	4,645	15.6	652	16.3
Selling, general and administrative expenses	2,334	8.6	2,497	8.4	163	7.0
Operating profit	1,658	6.1	2,147	7.2	488	29.4
Non-operating income	131	0.5	140	0.5	8	
Non-operating expenses	23	0.1	23	0.1	0	
Recurring profit	1,766	6.5	2,263	7.6	497	28.2
Extraordinary income	0	0.0	0	0.0	0	
Extraordinary losses	0	0.0	0	0.0	0	
Profit before income taxes	1,766	6.5	2,263	7.6	497	28.2
Income taxes - current	400	1.5	540	1.8	140	
Income taxes - deferred	156	0.6	186	0.6	30	
Profit	1,209	4.5	1,537	5.2	327	27.0
Profit attributable to non-controlling interests	15	0.1	16	0.1	1	
Profit attributable to owners of parent	1,194	4.4	1,520	5.1	326	27.3
Average copper price (Thousand yen/t)	1,158		1,205		47	4.1

Consolidated Balance Sheet overview

(Unit: million yen)

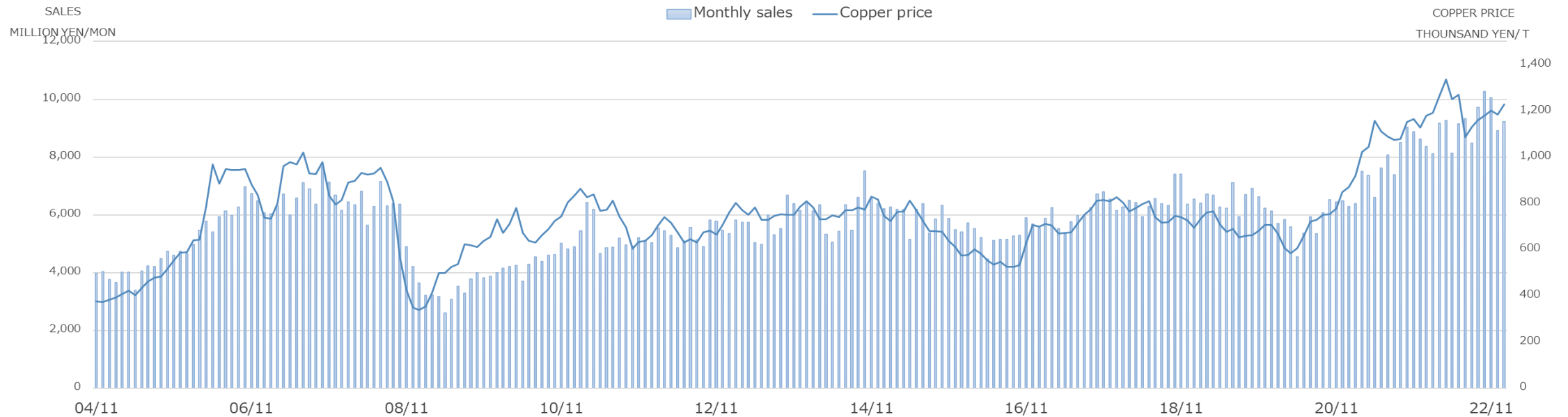
	2022/10	2023/10_1Q	Increase or decrease		2022/10	2023/10_1Q	Increase or decrease
Cash and deposits	27,165	26,601	△ 564	Notes and accounts payable - trade	41,214	41,909	694
Notes and accounts receivable - trade	22,572	21,523	△ 1,048	Short - term borrowings	631	631	0
Electronically recorded monetary claims - operating	10,831	11,254	423	Current portion of bonds payable	114	114	-
Securities	23	23	0	Current portion of long-term borrowings	20	11	△ 9
Merchandise	6,575	7,272	697	Income taxes payable	1,840	586	△ 1,253
Work in process	250	252	1	Provision for bonuses	767	357	△ 409
Raw materials and supplies	238	271	33	Other Current liabilities	1,333	1,372	39
Other current assets	253	230	△ 23				
Total current assets	67,910	67,429	△ 480	Total current liabilities	45,922	44,983	△ 938
Property, plant and equipment	17,779	18,022	243	Bonds payable	107	107	-
Intangible assets	339	344	5	Long-term borrowings	60	60	-
Investments and other assets	9,352	9,326	△ 26	Retirement benefit liability	2,249	2,279	29
				Other non-current liabilities	641	695	53
Total non-current assets	27,471	27,693	221	Total non-current liabilities	3,059	3,142	83
				Total liabilities	48,982	48,126	△ 855
				Share capital	2,575	2,575	-
				Capital surplus	2,690	2,690	-
				Retained earnings	44,255	45,060	804
				Treasury shares	△ 4,454	△ 4,736	△ 281
				Total shareholders' equity	45,066	45,589	523
				Total accumulated other comprehensive income	1,056	1,089	32
				Share acquisition rights	38	50	11
				Non-controlling interests	237	267	29
				Total net assets	46,399	46,996	597
Total assets	95,381	95,123	△ 258	Total liabilities and net assets	95,381	95,123	△ 258

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.

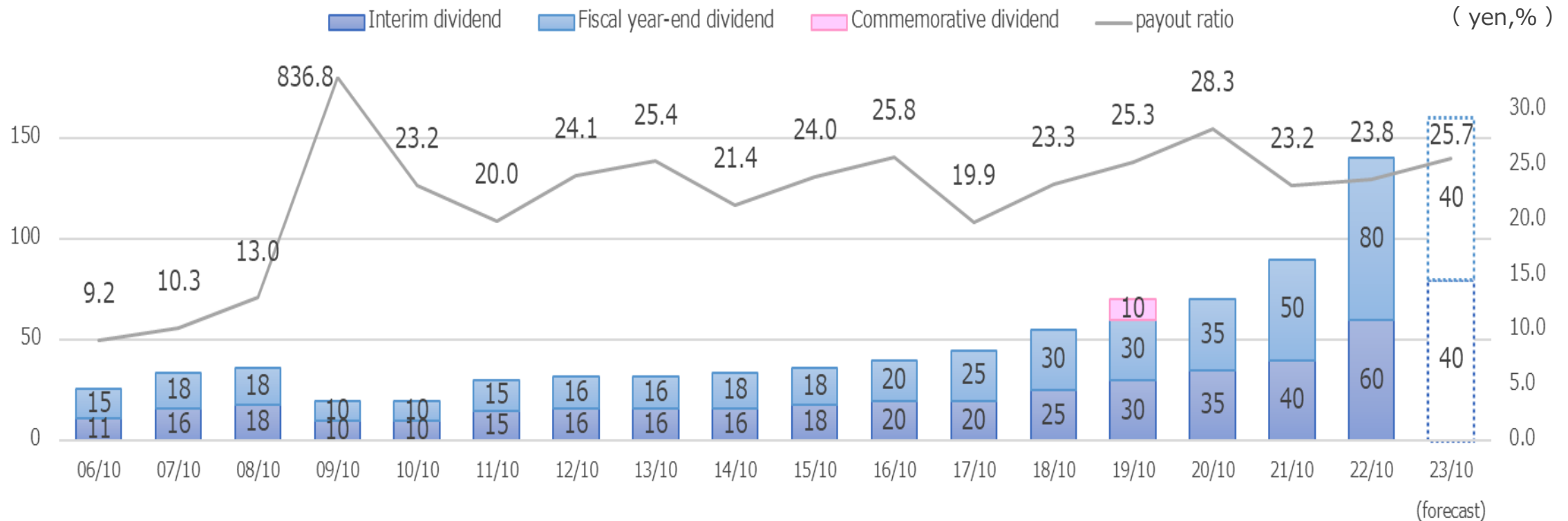
The domestic copper quotation is determined by JX Nippon Mining & Metals based on the international copper quotation determined by the London Metal Exchange (LME) and the exchange rate.

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



Dividends and Dividend Payout Ratio

Plans to increase dividends for 10 consecutive years in real terms



(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.

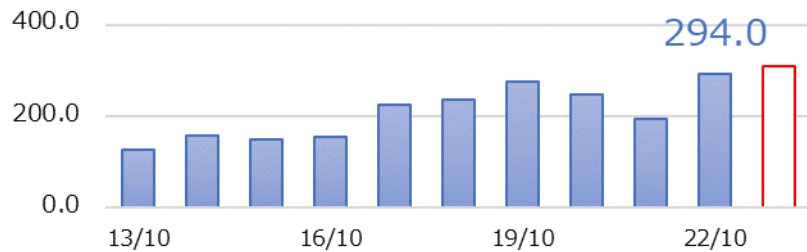
Trends in Main Indicators

Red = FY10/2023 forecast

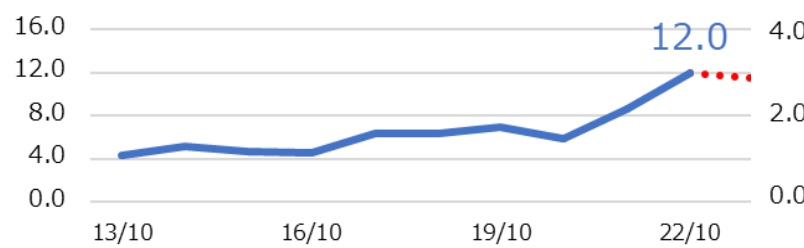
Blue = Results



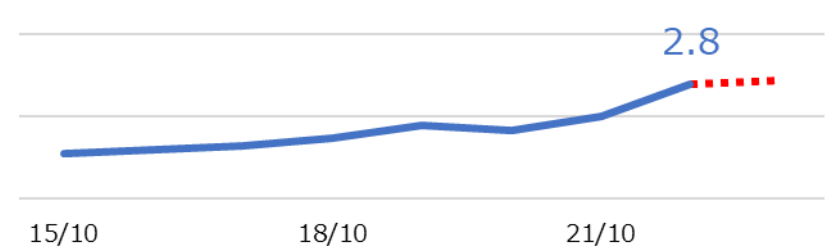
EPS
310.9yen



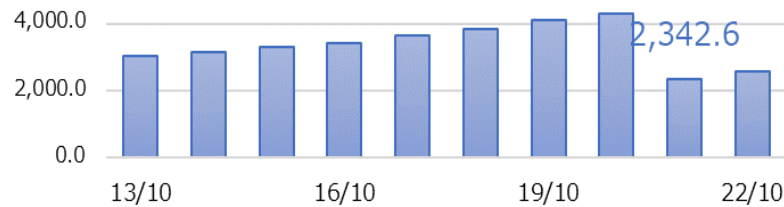
ROE
11.5%



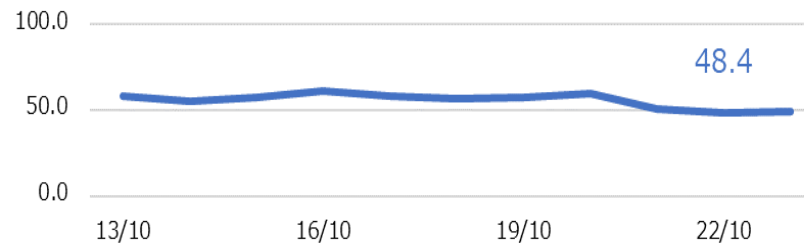
DOE
2.9%



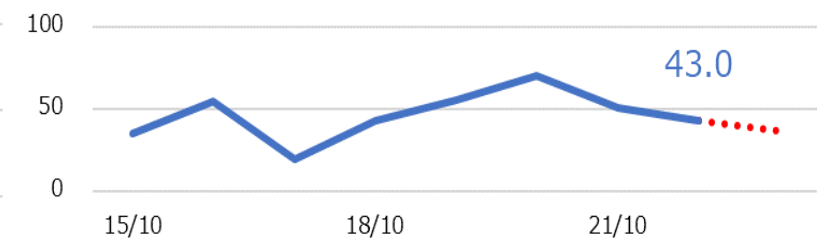
BPS
2,578.2yen



Equity ratio
49.1%



Shareholder return rate
36.6%



(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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