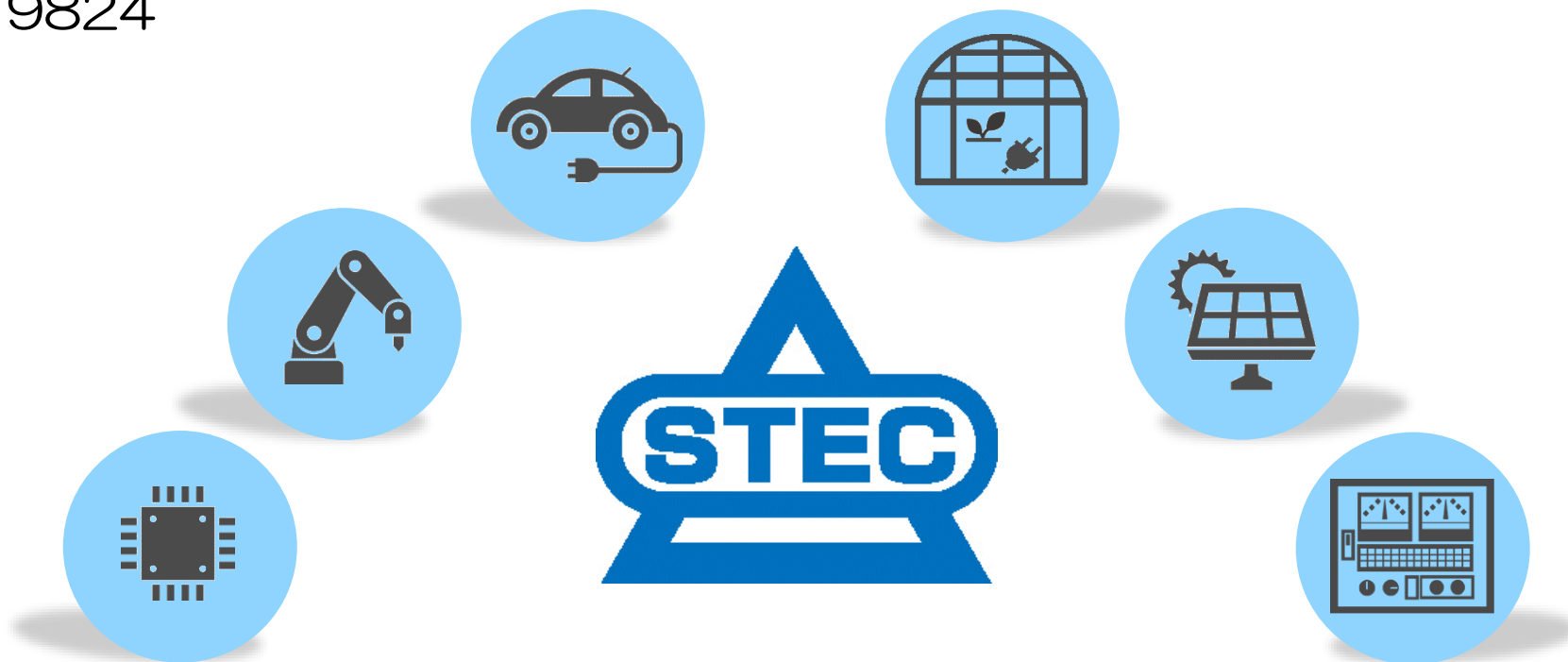


Stock code : 9824



**2nd 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 2nd Quarter financial results
- 3 . Medium term management plan
- 4 . Reference data

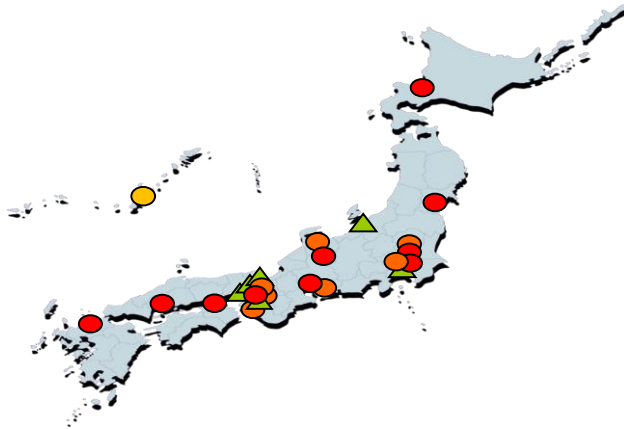
# 1 . Group Overview

# Group Overview

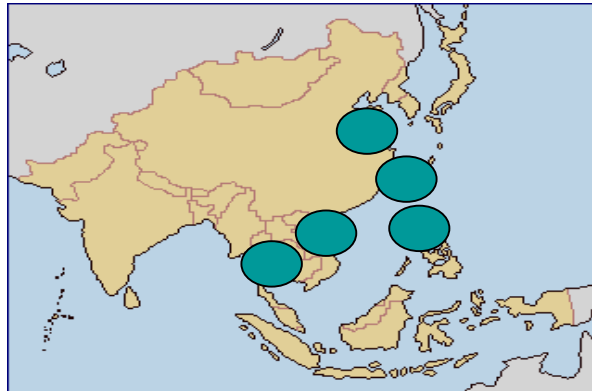


Established	November 18, 1949
Shares	Tokyo Stock Exchange Prime
Capital	2,575,200,000yen [US\$19Mil.]
Type of industry	Wholesale distributor (Industry leader of electric wires general trading company)
No. of employees	819 (Average age:39.8)
No. of subsidiaries	7 in Japan and 7 in overseas (China/Taiwan/Thailand/Philippines/Vietnam/USA)
No. of offices	18 in Japan

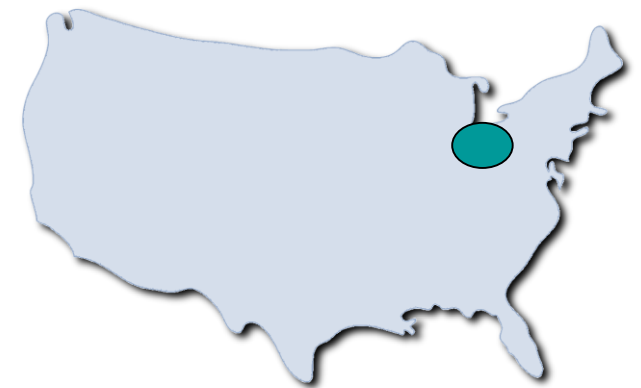
Japan



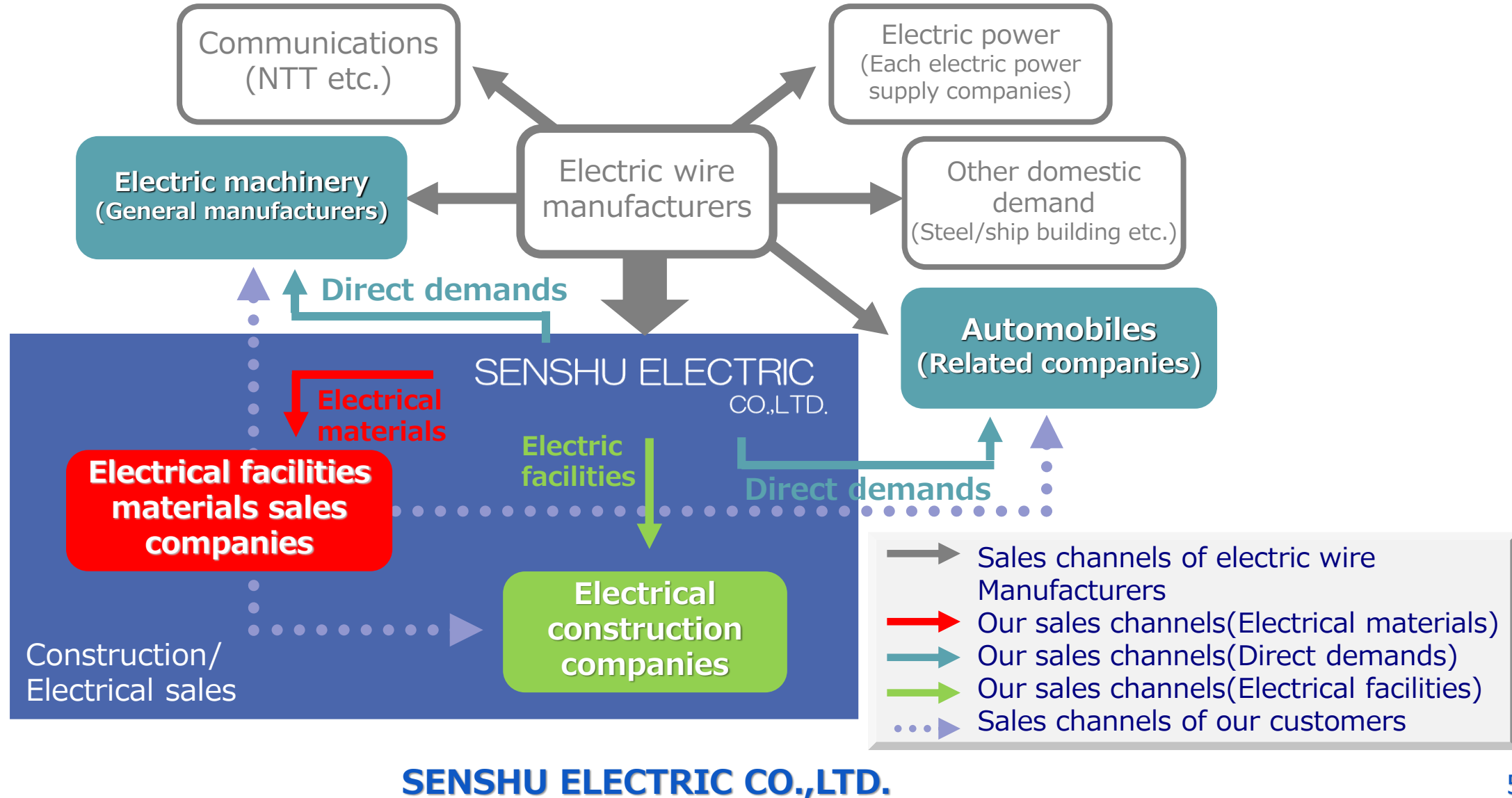
Asia



USA

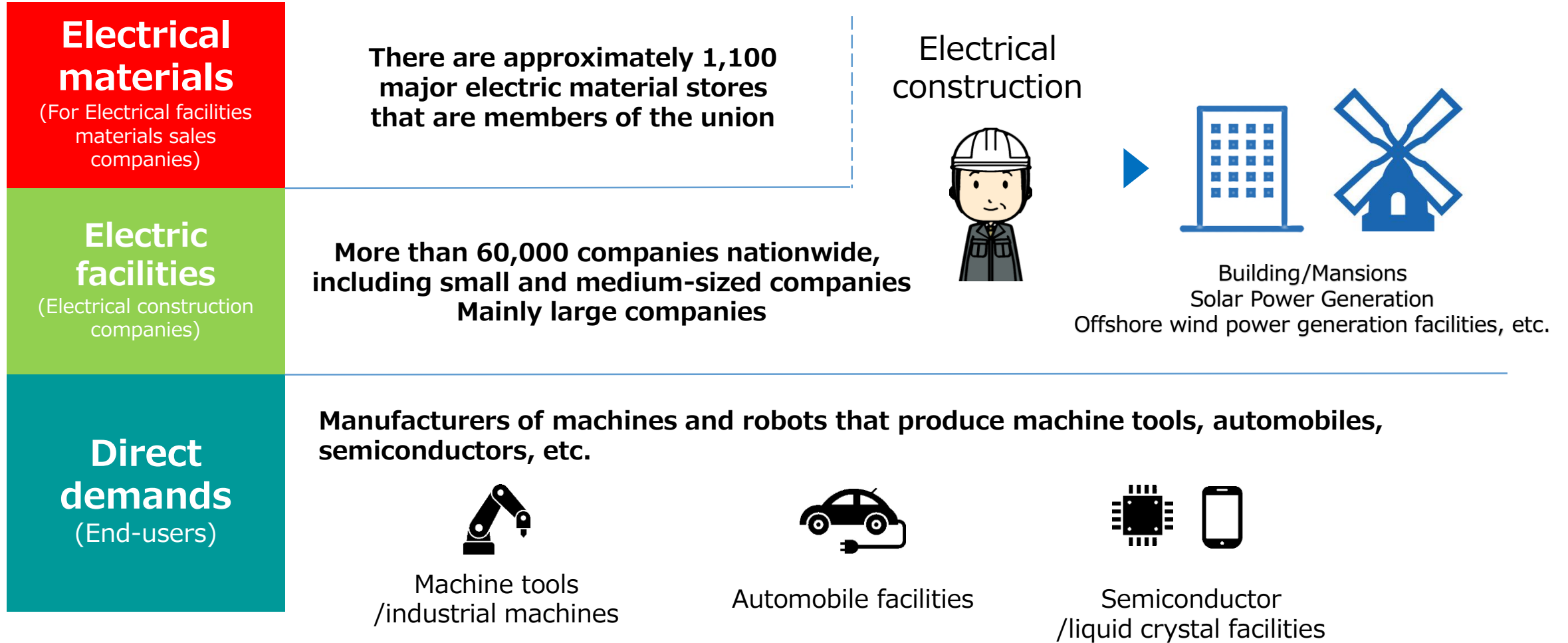


# Sales Channels of Electric Wires

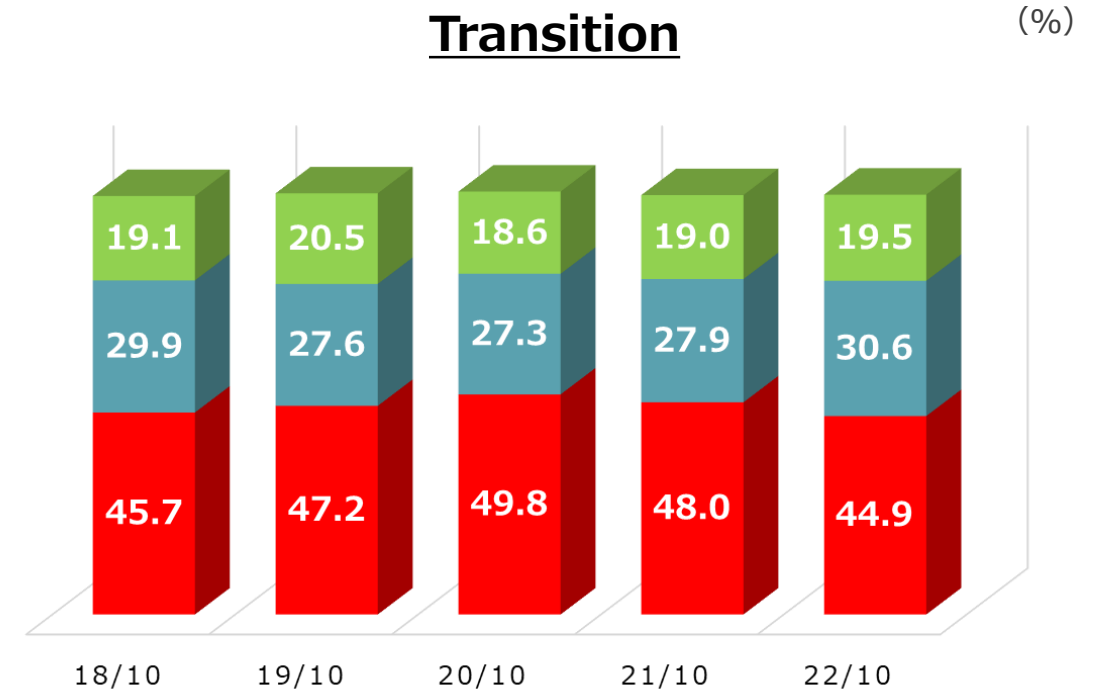
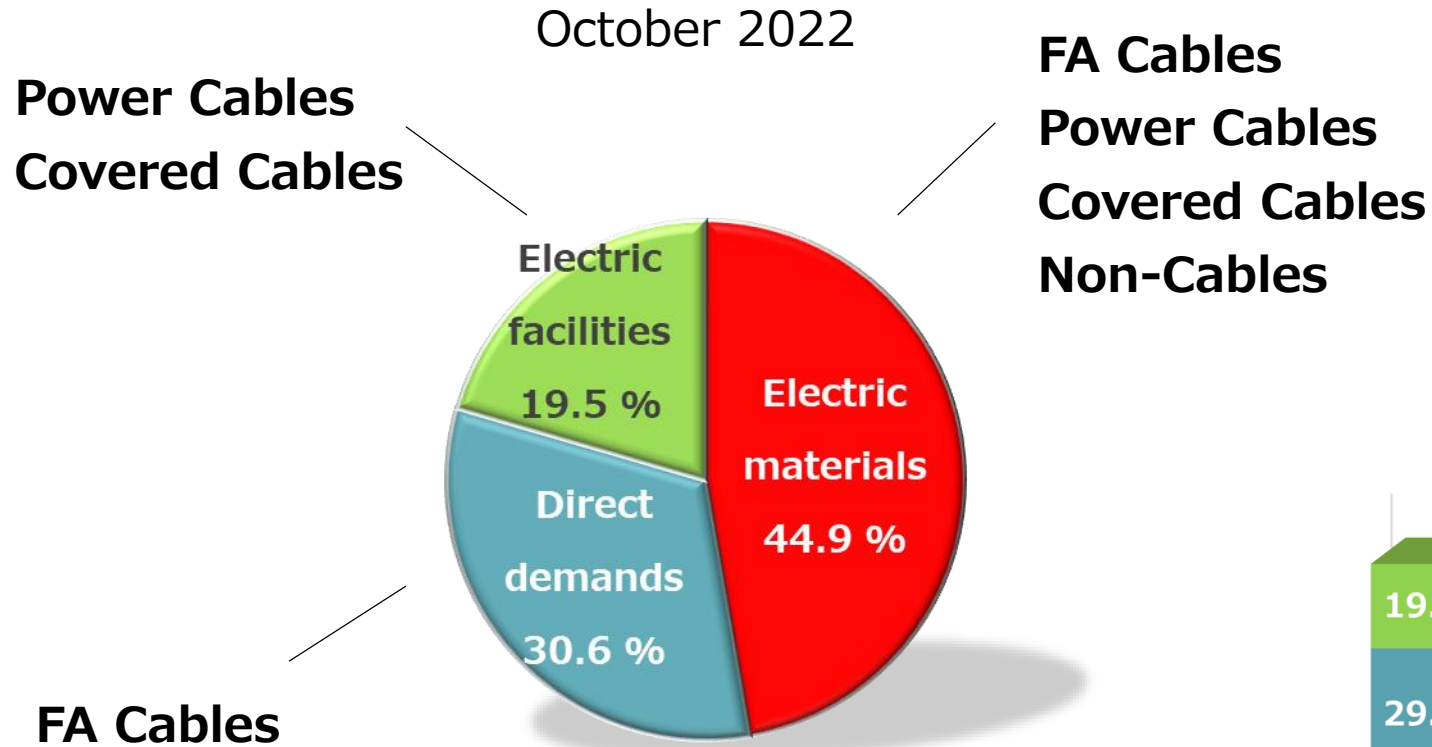


# Major Customers (image)

〈More than 3,500 Customers〉



# Customers Composition (Non-consolidated)



# Three Business Models

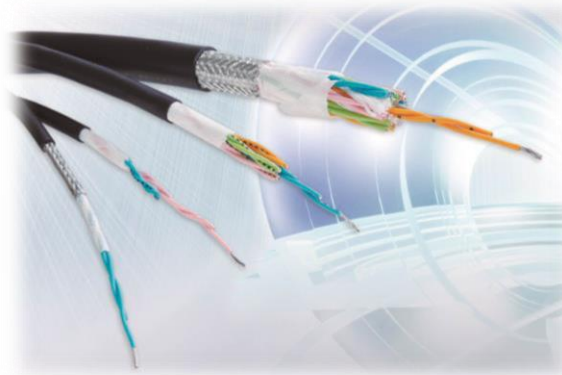


## 1 JUST IN TIME system

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 m<sup>2</sup> 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 2nd Quarter financial results

# Consolidated Financial Highlights



## 2Q achievements

- Both sales and profits hit record highs in the 2<sup>nd</sup> quarter
- Maintaining strong demand for semiconductor manufacturing equipment and recovering demand for automobiles facilities and machine tools
- Sales for construction and electronic sales increased due to the rise in copper prices
- Average copper prices increased 1.0% year on year to 1,223,000 yen/t

## Shareholder Returns

- Fiscal Year Ended October 2023

Initial forecast: 80 yen per year→Dividend increased to 100 yen

(Interim dividend 50 yen/share Year-end dividend forecast of 50 yen/share)

# Consolidated income statements overview



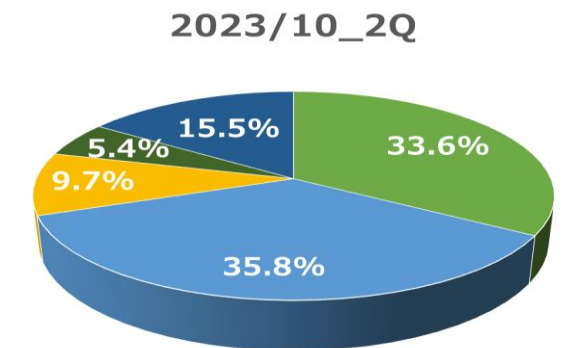
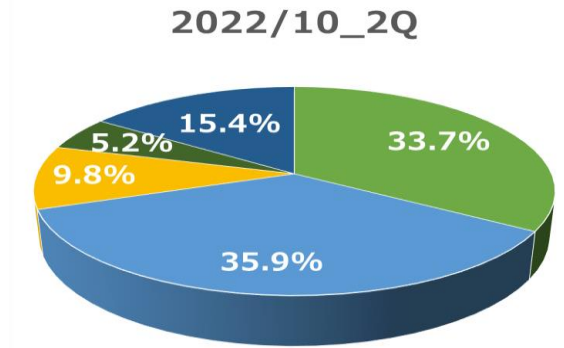
(Unit : million yen, %)

	2022/10_2Q	Composition ratio	2023/10_2Q	Composition ratio	Increase or decrease	YoY
<b>Net sales</b>	55,154	100.0	<b>61,851</b>	100.0	6,697	12.1
<b>Gross profit</b>	8,191	14.9	<b>9,404</b>	15.2	1,212	14.8
<b>Selling, general and administrative expenses</b>	4,655	8.5	<b>5,099</b>	8.2	443	9.5
<b>Operating profit</b>	3,536	6.4	<b>4,304</b>	7.0	768	21.7
<b>Recurring profit</b>	3,713	6.7	<b>4,482</b>	7.2	769	20.7
<b>Profit attributable to owners of parent</b>	2,491	4.5	<b>2,994</b>	4.8	502	20.2
<b>Average copper price (Thousand yen/t)</b>	1,211		<b>1,223</b>		12	1.0

# Sales by Product (Non-consolidated)

(Unit : million yen)

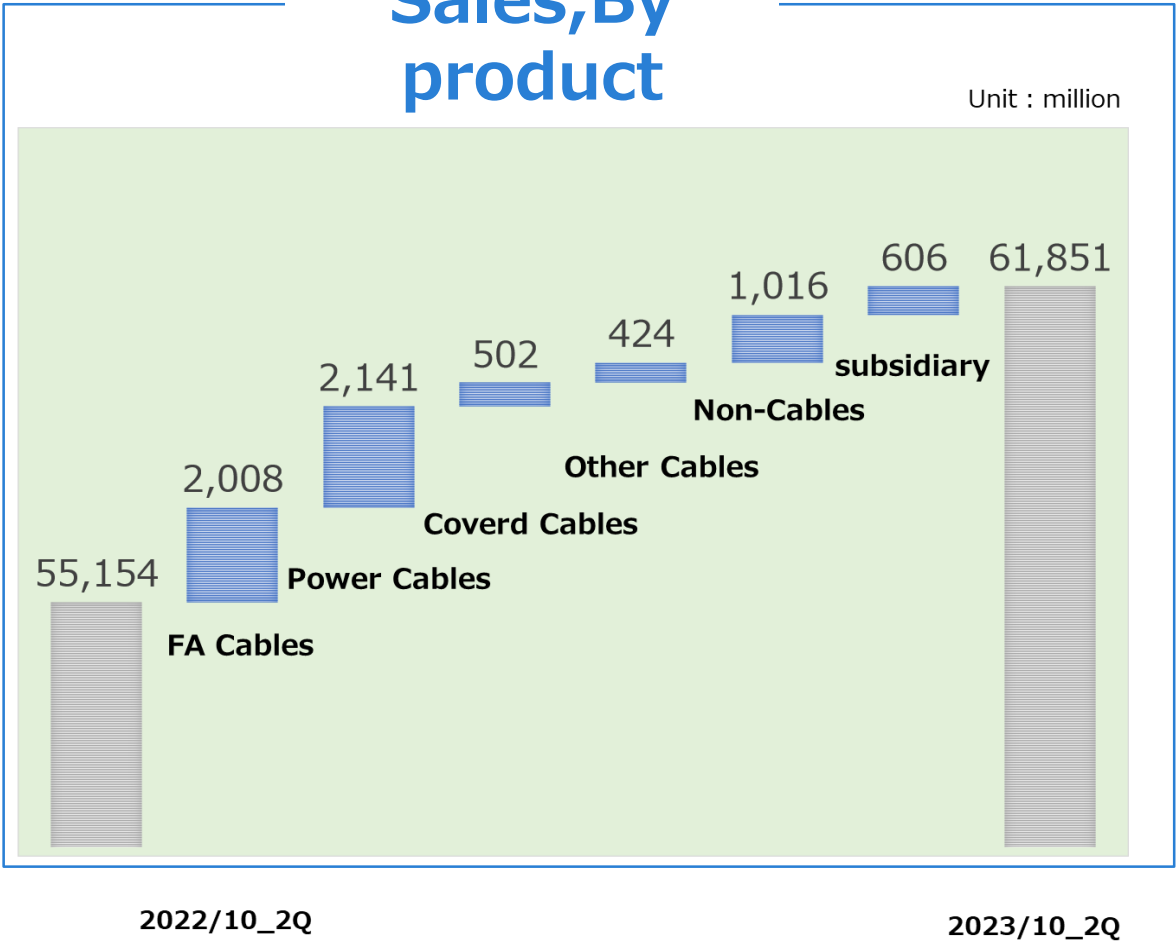
	2022/10_2Q	Composition ratio	2023/10_2Q	Composition ratio	Increase or decrease	
● FA Cables	17,632	33.7%	<b>19,641</b>	33.6%	2,008	11.4%
● Power Cables	18,746	35.9%	<b>20,886</b>	35.8%	2,141	11.4%
● Covered Cables	5,138	9.8%	<b>5,641</b>	9.7%	502	9.8%
● Other Cables	2,714	5.2%	<b>3,138</b>	5.4%	424	15.6%
● Non-Cables	8,048	15.4%	<b>9,063</b>	15.5%	1,016	12.6%
Total	52,280	100.0%	<b>58,371</b>	100.0%	6,090	11.7%
Average copper price (Thousand yen/t)	1,211		<b>1,223</b>		12	1.0%



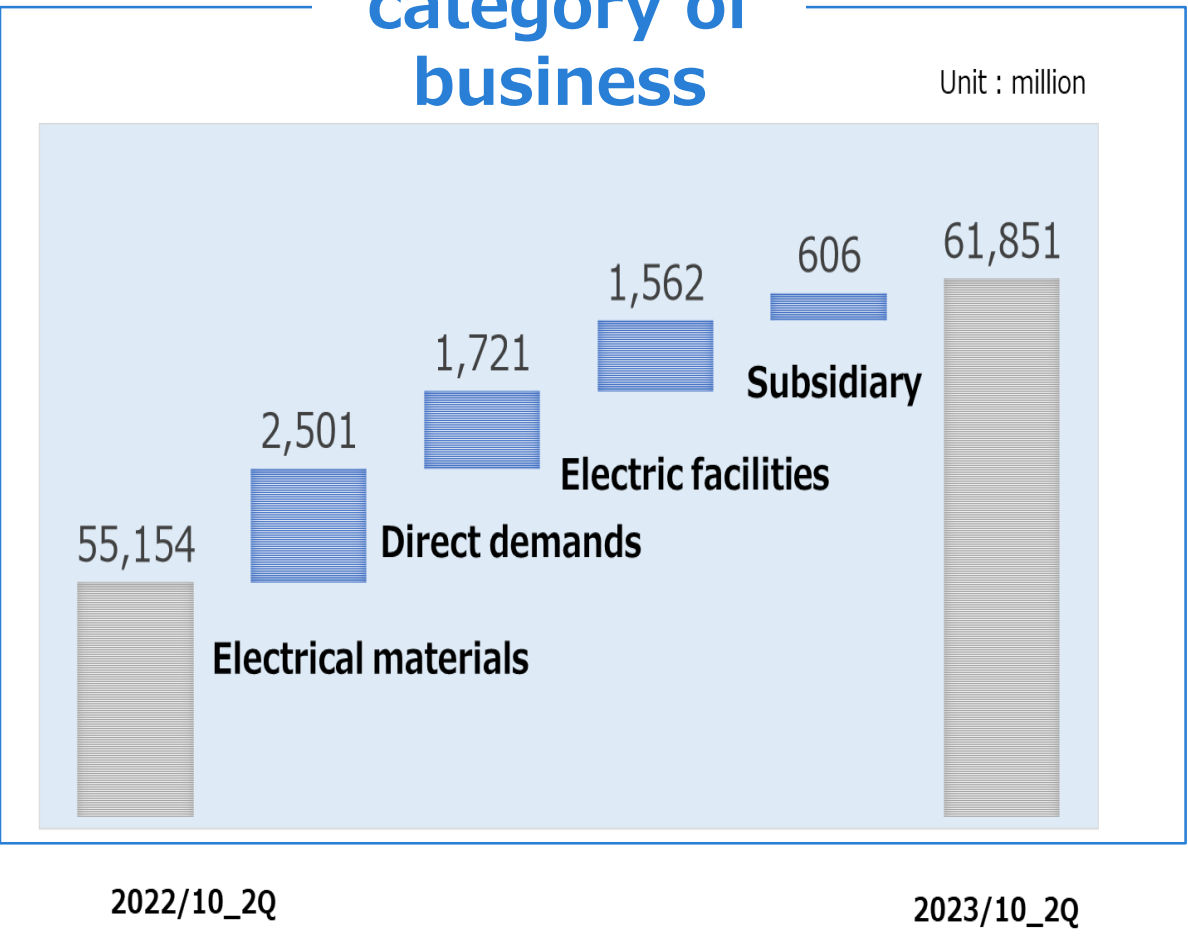
# Sales Analysis(By category of business · By product)



Sales,By product



Sales,By category of business



# Consolidated Balance Sheet overview



(Unit: million yen)

	2022/10	2023/10_2Q	Increase or decrease
Total current assets	67,910	<b>70,128</b>	2,218
Total non-current assets	27,471	<b>28,753</b>	1,281
<b>Total assets</b>	95,381	<b>98,881</b>	3,500
Total current liabilities	45,922	<b>47,343</b>	1,421
Total non-current liabilities	3,059	<b>3,178</b>	118
<b>Total liabilities</b>	48,982	<b>50,521</b>	1,539
Total shareholders' equity	45,066	<b>46,845</b>	1,779
Total net assets	46,399	<b>48,359</b>	1,960
<b>Total liabilities and net assets</b>	95,381	<b>98,881</b>	3,500

# Forecast of consolidated financial results (2023/06/05 announcement)



(Unit : million yen,%)

	2022/10		2023/10			2023/10				
		Composition ratio	Initial forecast	Composition ratio	YoY	Revised forecast	Composition ratio	YoY	Increase or decrease	
Net sales	113,633	100.0	118,200	100.0	4.0	<b>123,000</b>	<b>100.0</b>	<b>8.2</b>	4,800	4.1
Operating profit	7,464	6.6	7,800	6.6	4.5	<b>8,100</b>	<b>6.6</b>	<b>8.5</b>	300	3.8
Recurring profit	7,894	6.9	8,100	6.9	2.6	<b>8,500</b>	<b>6.9</b>	<b>7.7</b>	400	4.9
Profit attributable to owners of parent	5,314	4.7	5,500	4.7	3.5	<b>5,700</b>	<b>4.6</b>	<b>7.3</b>	200	3.6
Average copper price (Thousand yen/t)	1,195		1,200		0.4	<b>1,200</b>		<b>0.4</b>		

# Forecast of Sales by Product (Non – consolidated) (2023/06/05 announcement)



(Unit : million yen)

	2022/10	Composition ratio	2023/10 Initial forecast	Composition ratio	Composition ratio	2023/10 Revised forecast	Composition ratio	Composition ratio	Increase or decrease	
● FA Cables	36,618	34.2%	37,300	33.6%	1.9%	39,700	34.2%	8.4%	2,400	6.4%
● Power Cables	37,865	35.3%	38,500	35.8%	1.7%	40,900	35.3%	8.0%	2,400	6.2%
● Covered Cables	10,371	9.7%	10,500	9.7%	1.2%	11,100	9.6%	7.0%	600	5.7%
● Other Cables	5,436	5.1%	5,500	5.4%	1.2%	5,800	5.0%	6.7%	300	5.5%
● Non-Cables	16,929	15.7%	17,200	15.6%	1.6%	18,500	15.9%	9.3%	1,300	7.6%
Total	107,221	100.0%	109,000	100.0%	1.7%	116,000	100.0%	8.2%	7,000	6.4%
Average copper price (Thousand yen/t)	1,195		1,200		0.4%	1,200		0.4%		



# Shareholder Return Policies

1

## Dividend (Dividend increase from 80 yen to 100 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 30 yen forecast for the FY10/2023 (**interim dividend: 50 yen, year-end dividend: 50 yen**)

2

## Treasury stock acquisition

We acquired 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  
**182,700 shares**
- Total acquisition amount  
**599,899,000 yen**

(Acquisition period  
2022/12/9 to 2023/4/10)

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)

※ 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

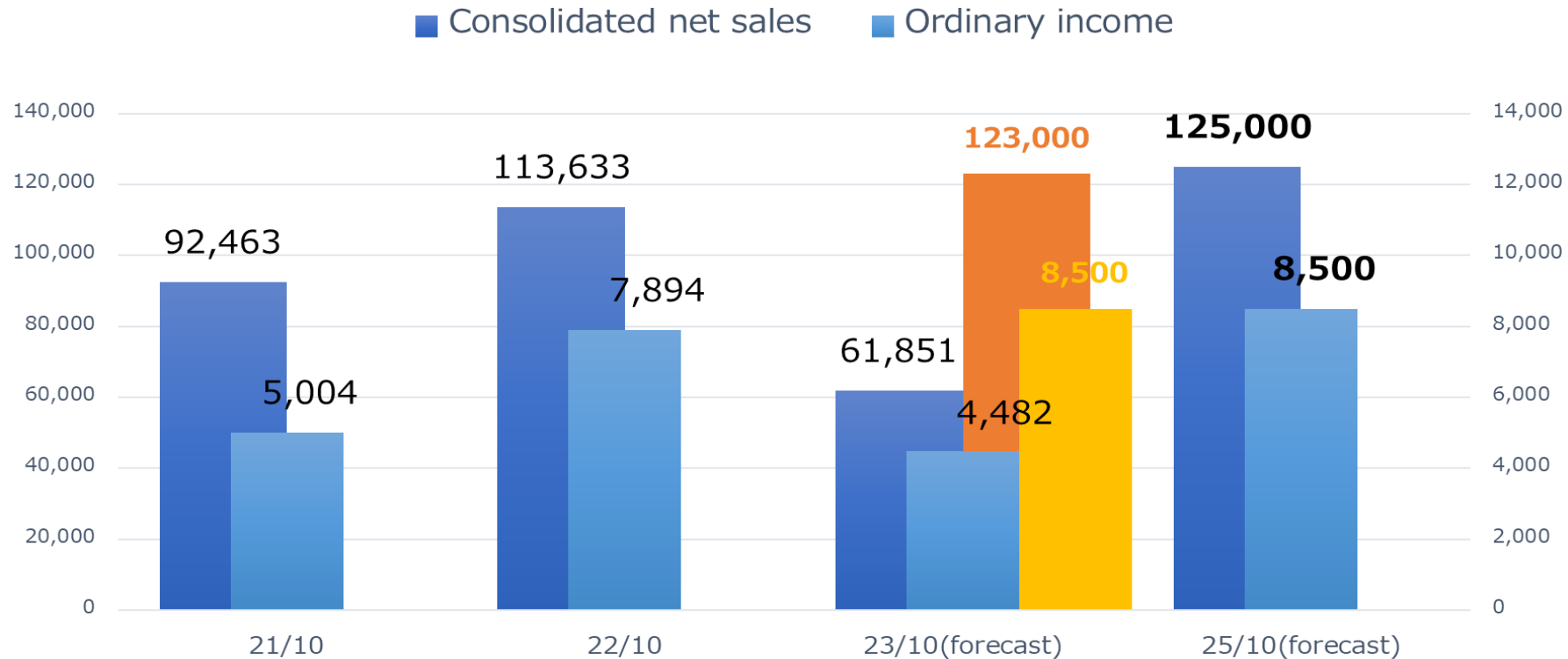
# Medium-Term Management Plan (2022/12/08announcement)



## *Final Year October 2025*

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

(Unit : million)



# 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

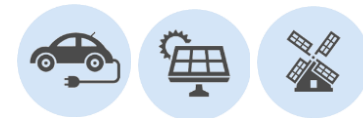
Strengthening of global deployment  
(Improvement profitability of the Group)

## Sustainability Management

Promotion of the Senshu Transformation Project

**SENSHU ELECTRIC CO.,LTD.**

### New construction Review of production lines



**EV/Renewable  
energy**



Semiconductor/Auto  
mated  
**AI · IoT**

### ESG/SDGs

**SUSTAINABLE  
DEVELOPMENT  
GOALS**

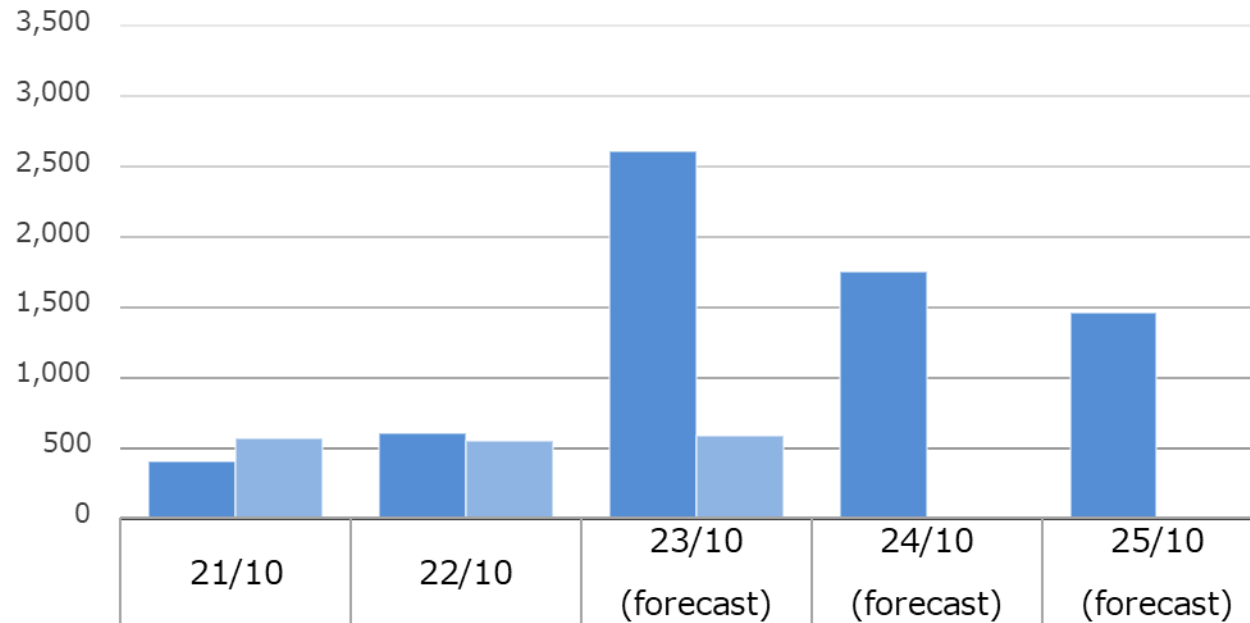
### Inbound Expo IR Construction demand



# Medium-Term Management Plan : Capital Expenditures and Depreciation



(unit : million yen)



■ Capital Expenditures	409	605	2,603	1,751	1,463
■ Depreciation	572	547	591	—	—

## ● Hokuriku Branch

Open in May 2023

Ishikawa-ken Kanazawa-shi Kimachi  
Higashi 1176-3



## ○ Solar power land

Will be acquired in 2023

## ● Nagoya FA Center

Will open in 2024

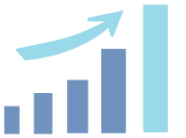
Abil heater



**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.

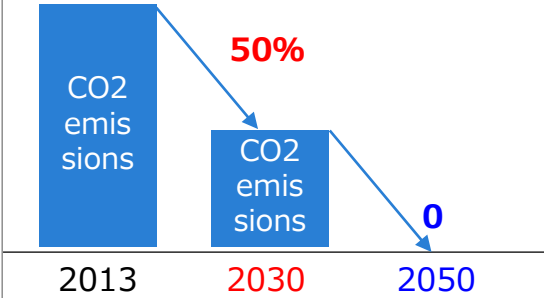
# Medium-Term Management Plan : Sustainability Management



Materiality		SDGs	TOPICS
E	Environmental conservation activities	<div><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>	<div><div>●Dec.2022 Disclosure under TCFD(Governance , metrics and goals</div><div>●Apr. 2023 Published Environmental Report</div></div>
S	Respect and consideration for human rights Creating a rewarding work environment Stable supply of goods and services	<div><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>	<div><div>●Sep. 2023 Invest in Green Bonds(Osaka city,etc)</div><div>●Certification of "Excellent Health Management Corporation 20</div></div> <div><div></div><div>2023 健康経営優良法人 Health and productivity</div></div>
G	Establishment of a governance system	<div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div>	<div><div>●Jan. 27, 2023 Corporate Governance Report</div></div>

**Long-Term Goal**  
**Carbon neutrality by 2050**

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



**Investing in Green Bonds**  
Invest in Green bonds issued by Osaka City, etc (receivables issued to raise funds limited to businesses that have environment improvement effects,etc. [Details are posted on the homepage]  
<https://www.senden.co.jp/news/>

## 4. Reference data



# Consolidated income statements overview

## (Comparison with previous FY)



(Unit : million yen, %)

	2022/10_2Q		2023/10_2Q		Increase or decrease	
Net sales	55,154	100.0	<b>61,851</b>	<b>100.0</b>	6,697	12.1
Cost of sales	46,962	85.1	<b>52,447</b>	<b>84.8</b>	5,485	11.7
Gross profit	8,191	14.9	<b>9,404</b>	<b>15.2</b>	1,212	14.8
Selling, general and administrative expenses	4,655	8.5	<b>5,099</b>	<b>8.2</b>	443	9.5
Operating profit	3,536	6.4	<b>4,304</b>	<b>7.0</b>	768	21.7
Non-operating income	226	0.4	<b>247</b>	<b>0.4</b>	20	
Non-operating expenses	49	0.1	<b>69</b>	<b>0.1</b>	19	
Recurring profit	3,713	6.7	<b>4,482</b>	<b>7.2</b>	769	20.7
Extraordinary income	0	0.0	<b>0</b>	<b>0.0</b>	0	
Extraordinary losses	0	0.0	<b>0</b>	<b>0.0</b>	0	
Profit before income taxes	3,713	6.7	<b>4,482</b>	<b>7.2</b>	769	20.7
Income taxes - current	1,156	2.1	<b>1,450</b>	<b>2.3</b>	294	
Income taxes - deferred	35	0.1	<b>8</b>	<b>0.0</b>	△ 27	
Profit	2,521	4.6	<b>3,024</b>	<b>4.9</b>	502	19.9
Profit attributable to non-controlling interests	29	0.1	<b>29</b>	<b>0.0</b>	0	
Profit attributable to owners of parent	2,491	4.5	<b>2,994</b>	<b>4.8</b>	502	20.2
Average copper price (Thousand yen/t)	1,211		<b>1,223</b>		12	1.0

# Consolidated Balance Sheet overview

(Unit: million yen)

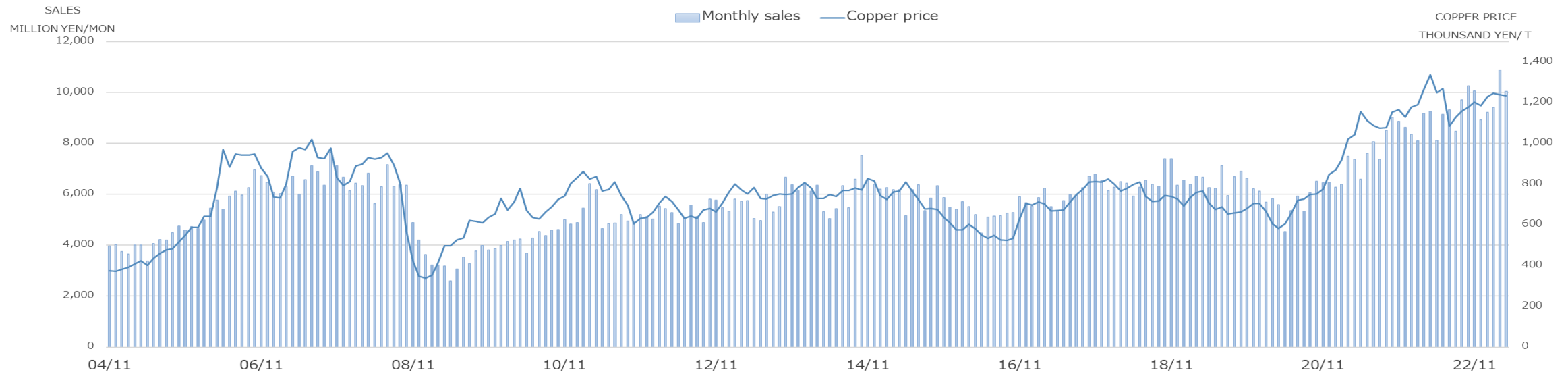
	2022/10	2023/10_2Q	Increase or decrease		2022/10	2023/10_2Q	Increase or decrease
Cash and deposits	27,165	<b>26,966</b>	△ 198	Notes and accounts payable - trade	41,214	<b>42,928</b>	1,714
Notes and accounts receivable - trade	22,572	<b>24,158</b>	1,586	Short - term borrowings	631	<b>631</b>	0
Electronically recorded monetary claims - operating	10,831	<b>10,336</b>	△ 494	Current portion of bonds payable	114	<b>114</b>	—
Securities	23	<b>24</b>	1	Current portion of long-term borrowings	20	<b>4</b>	△ 16
Merchandise	6,575	<b>7,841</b>	1,266	Income taxes payable	1,840	<b>1,504</b>	△ 335
Work in process	250	<b>263</b>	12	Provision for bonuses	767	<b>752</b>	△ 14
Raw materials and supplies	238	<b>266</b>	27	Other Current liabilities	1,333	<b>1,406</b>	74
Other current assets	253	<b>270</b>	17				
<b>Total current assets</b>	<b>67,910</b>	<b>70,128</b>	<b>2,218</b>	<b>Total current liabilities</b>	<b>45,922</b>	<b>47,343</b>	<b>1,421</b>
Property, plant and equipment	17,779	<b>18,685</b>	906	Bonds payable	107	<b>99</b>	△ 7
Intangible assets	339	<b>330</b>	△ 9	Long-term borrowings	60	<b>58</b>	△ 1
Investments and other assets	9,352	<b>9,738</b>	385	Retirement benefit liability	2,249	<b>2,319</b>	69
				Other non-current liabilities	641	<b>699</b>	57
<b>Total non-current assets</b>	<b>27,471</b>	<b>28,753</b>	<b>1,281</b>	<b>Total non-current liabilities</b>	<b>3,059</b>	<b>3,178</b>	<b>118</b>
				<b>Total liabilities</b>	<b>48,982</b>	<b>50,521</b>	<b>1,539</b>
				Share capital	2,575	<b>2,575</b>	—
				Capital surplus	2,690	<b>2,748</b>	58
				Retained earnings	44,255	<b>46,534</b>	2,278
				Treasury shares	△ 4,454	△ <b>5,012</b>	△ 558
				<b>Total shareholders' equity</b>	<b>45,066</b>	<b>46,845</b>	<b>1,779</b>
				Total accumulated other comprehensive income	1,056	<b>1,177</b>	120
				Share acquisition rights	38	<b>49</b>	11
				Non-controlling interests	237	<b>286</b>	49
				<b>Total net assets</b>	<b>46,399</b>	<b>48,359</b>	<b>1,960</b>
<b>Total assets</b>	<b>95,381</b>	<b>98,881</b>	<b>3,500</b>	<b>Total liabilities and net assets</b>	<b>95,381</b>	<b>98,881</b>	<b>3,500</b>

# 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.

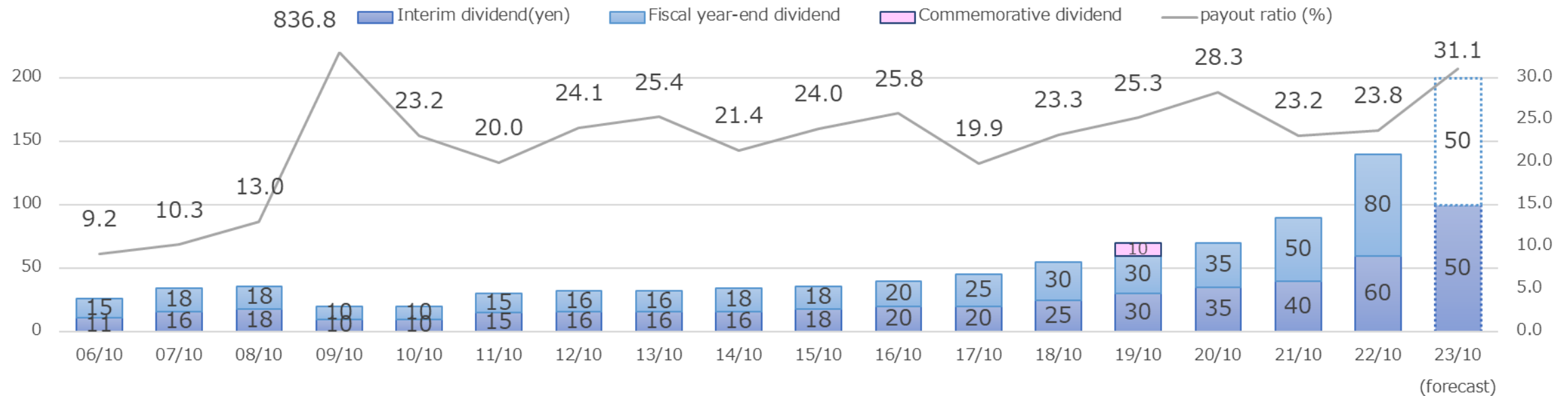
〈Copper price and monthly sales (non-consolidated)〉



# Dividends and Dividend Payout Ratio

Plans to increase dividends  
for 10 consecutive years in real terms

(Unit : yen,%)

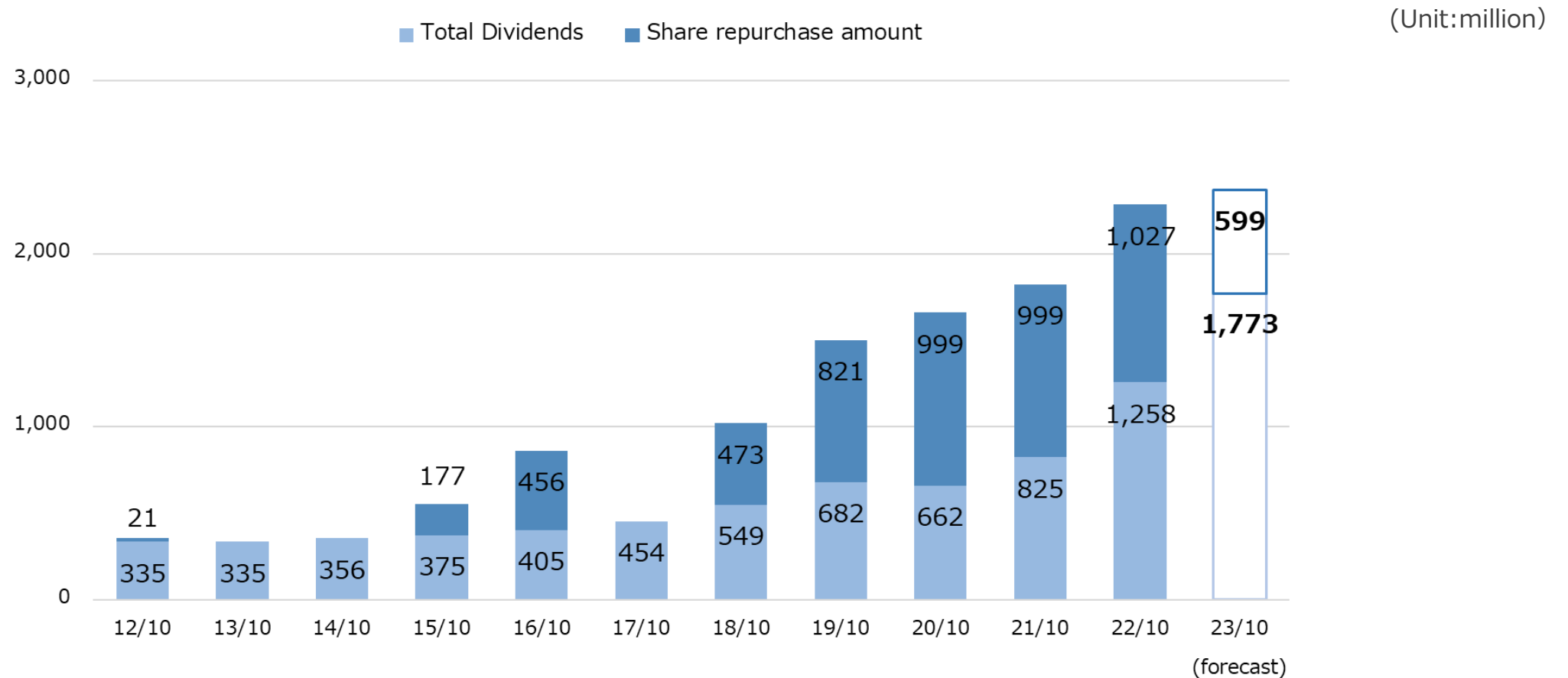


(Note) The Company conducted a 2-for-1 stock split of shares of common stock on November 1, 2022, and the dividend payout ratio is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

# Trends in shareholder return(Dividend+treasury stock)



Implementation of continuous  
shareholder returns through dividends  
+ treasury stock



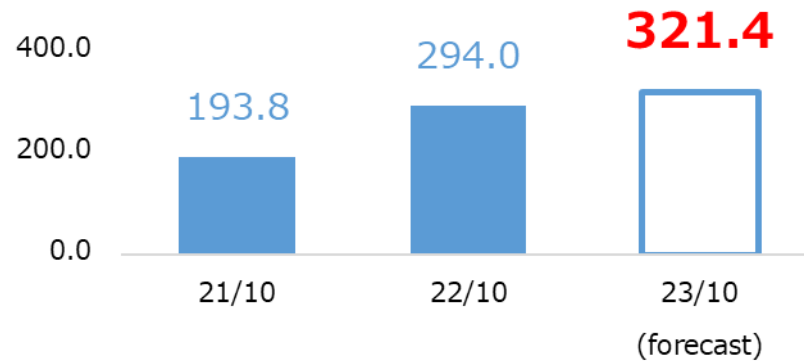
# Trends in Main Indicators

Red = FY10/2023 forecast

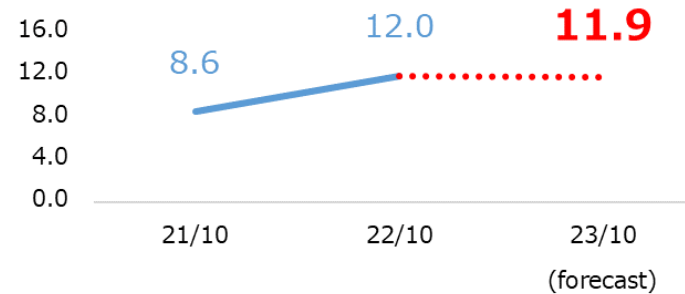
Blue = Results



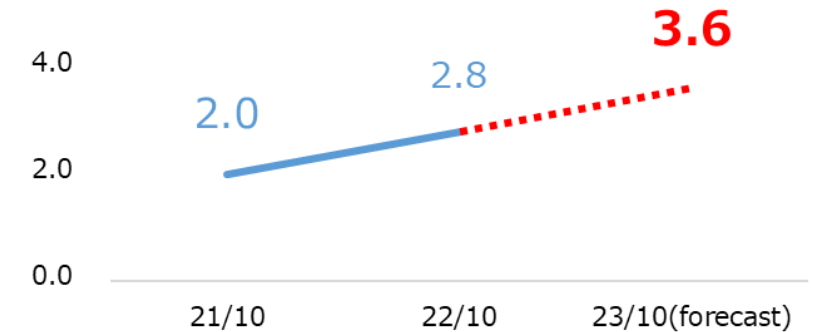
## EPS (yen)



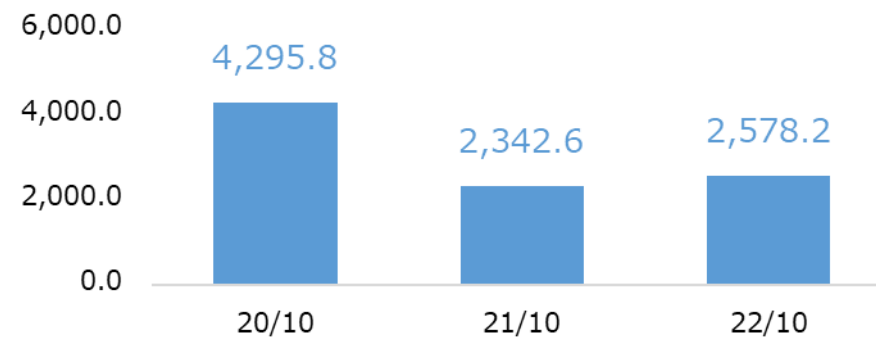
## ROE(%)



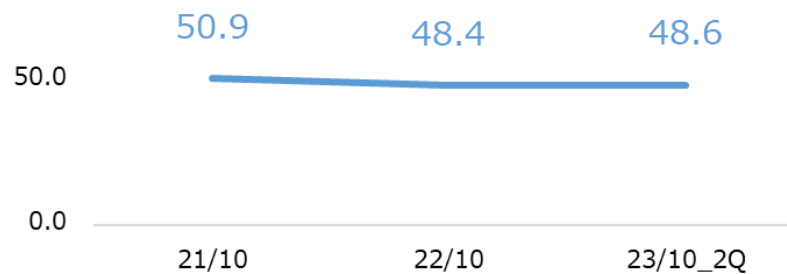
## DOE(%)



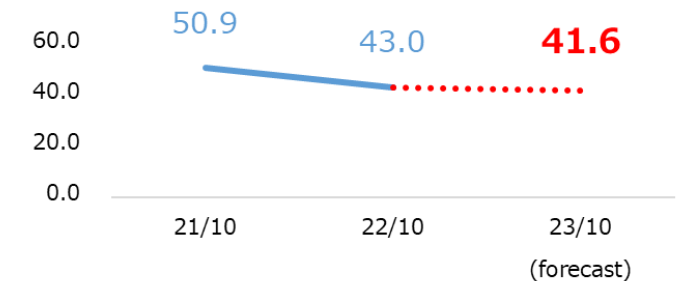
## BPS(yen)



## Equity ratio(%)



## Shareholder return rate(%)



(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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