

Stock code : 9824



2nd 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

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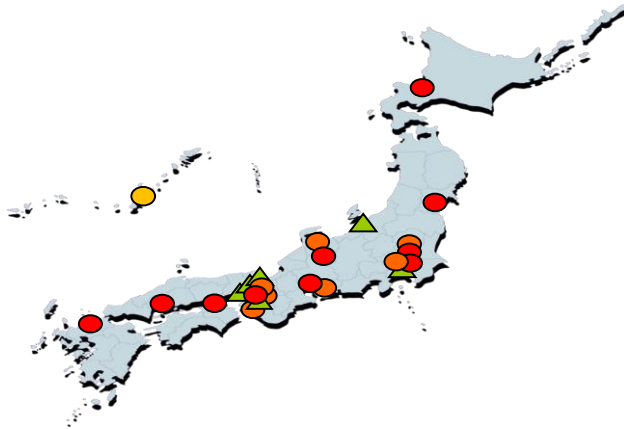
1 . Group Overview

Group Overview

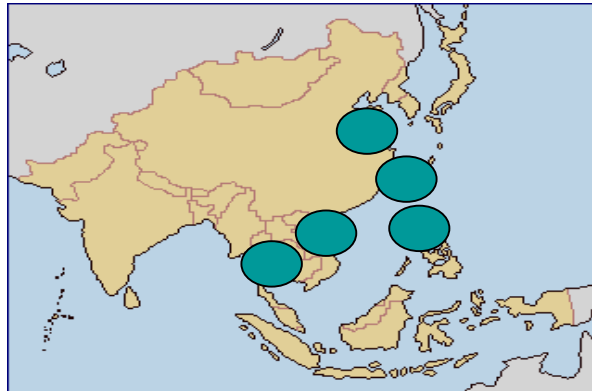


Established	November 18, 1949
Shares	Tokyo Stock Exchange Prime
Capital	2,575,200,000yen [US\$16Mil.]
Type of industry	Wholesale distributor (Industry leader of electric wires general trading company)
No. of employees	823 (Average age:40.0)
No. of subsidiaries	7 in Japan and 7 in overseas (China/Taiwan/Thailand/Philippines/Vietnam/USA)
No. of offices	18 in Japan

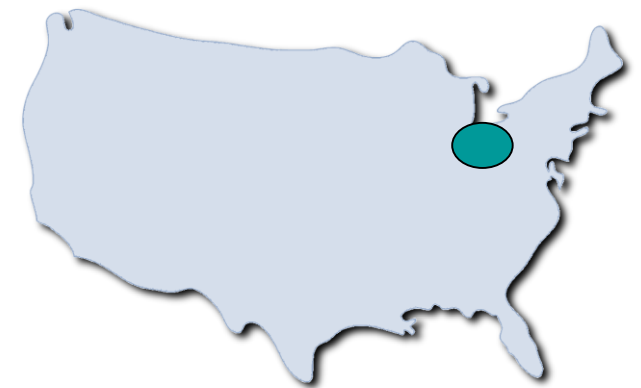
Japan



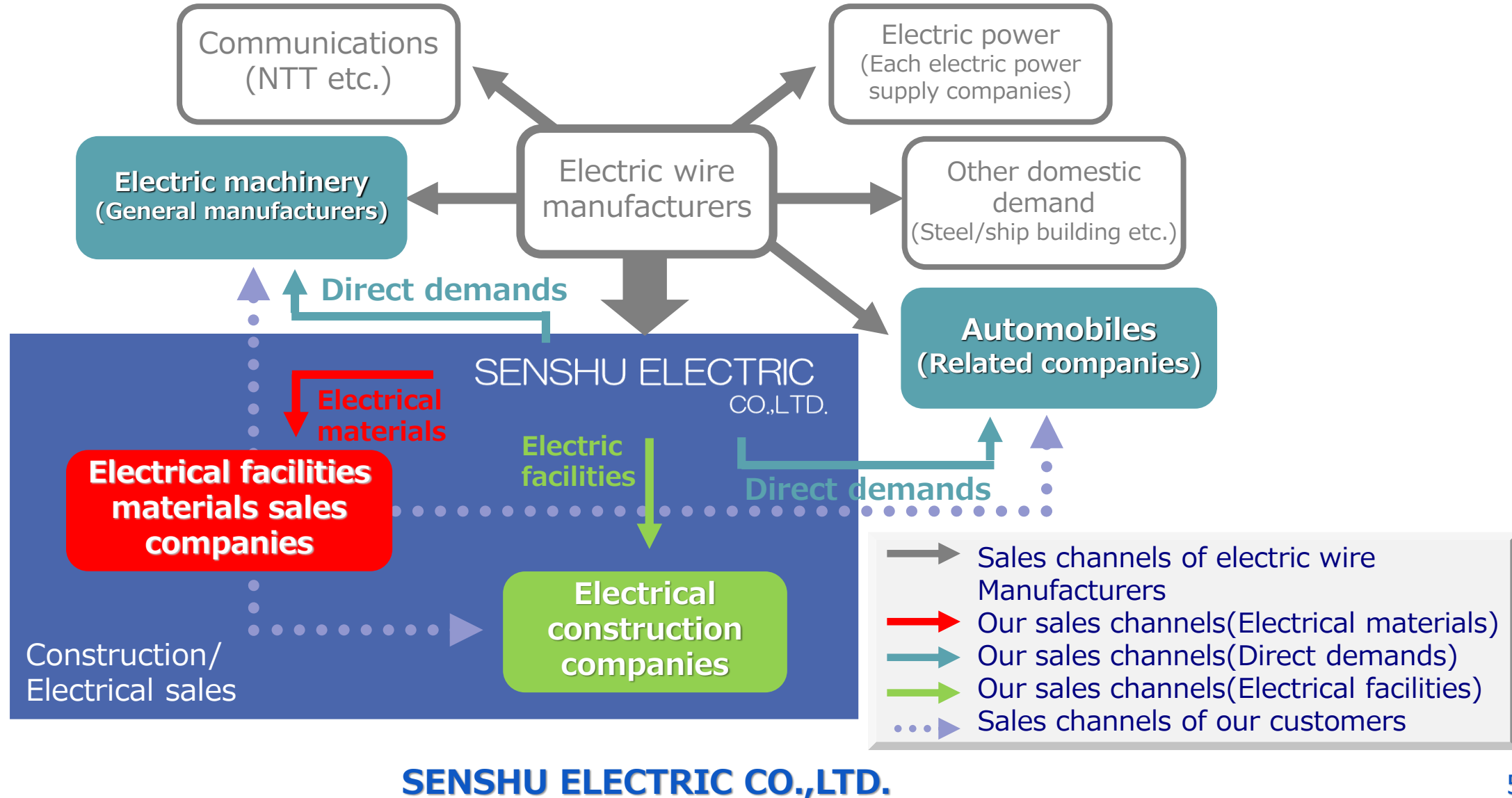
Asia



USA

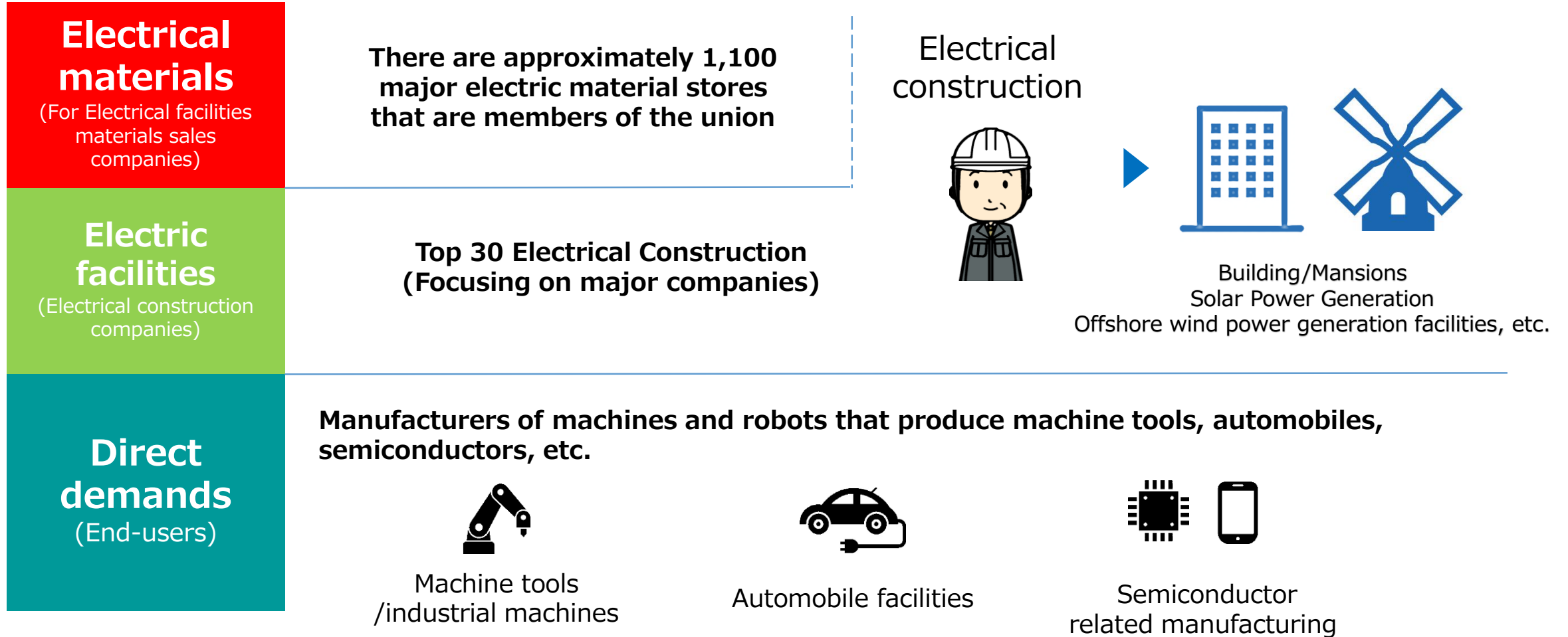


Sales Channels of Electric Wires



Major Customers (image)

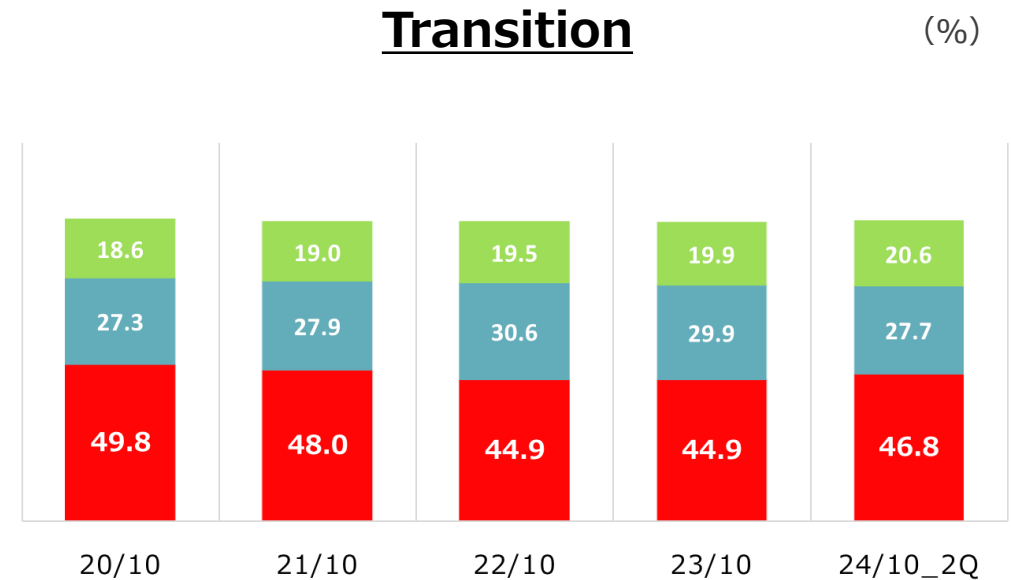
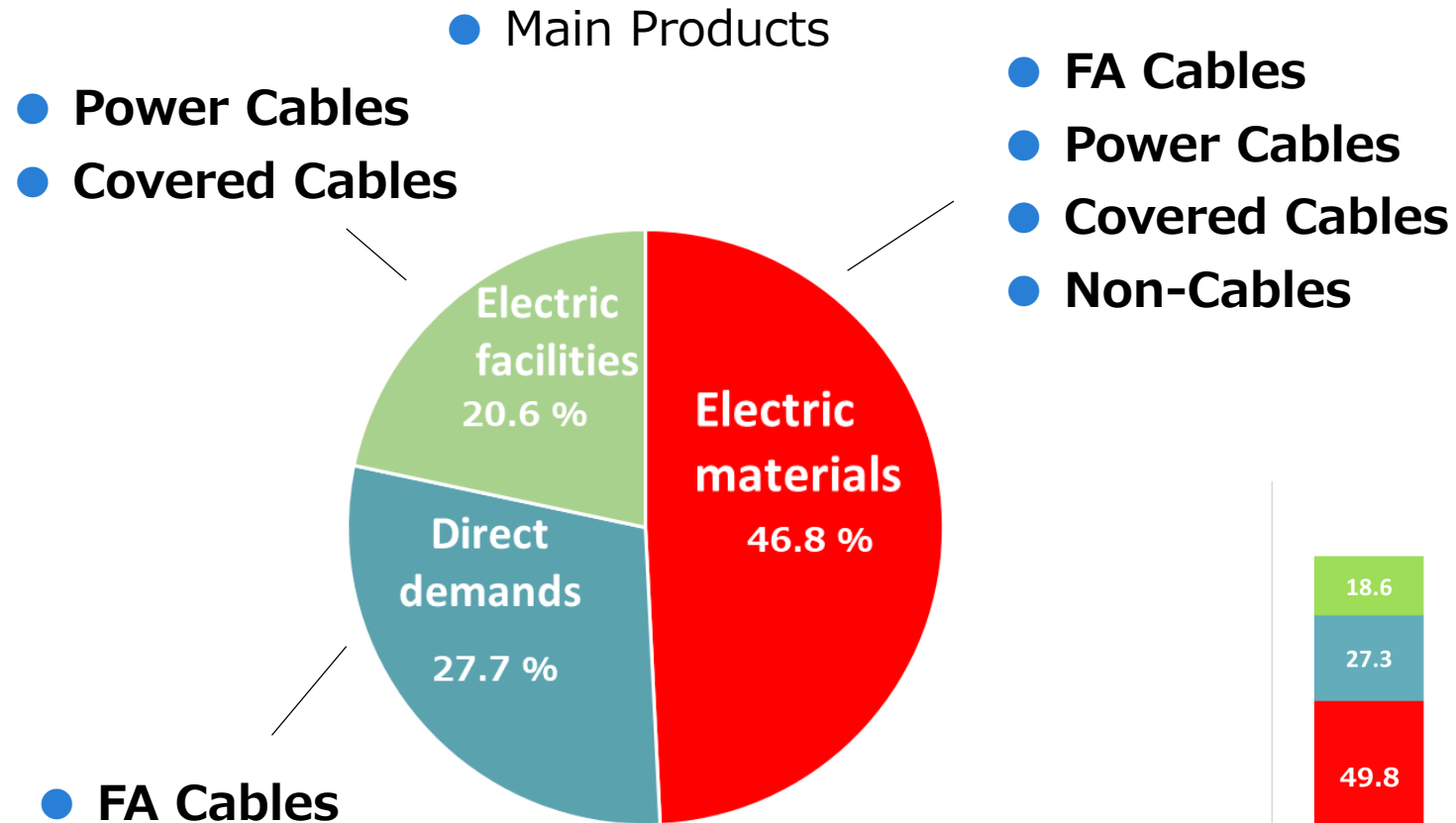
〈More than 3,700 Customers〉



Customers Composition (Non-consolidated)



2nd Quarter Fiscal Year October 2024



Three Business Models

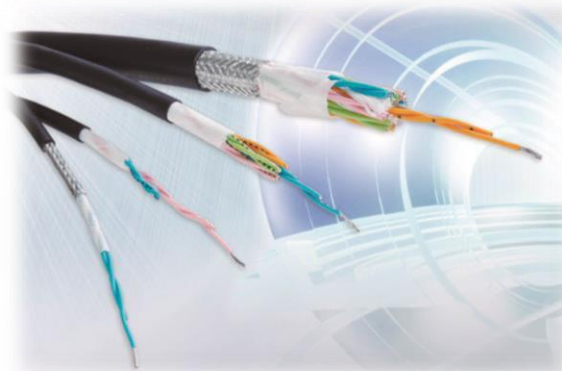


1 JUST IN TIME system

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 2nd 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 8.1% year on year to 1,322,000 yen/t
(Record high as of April 2024: 1.56 million yen/t)

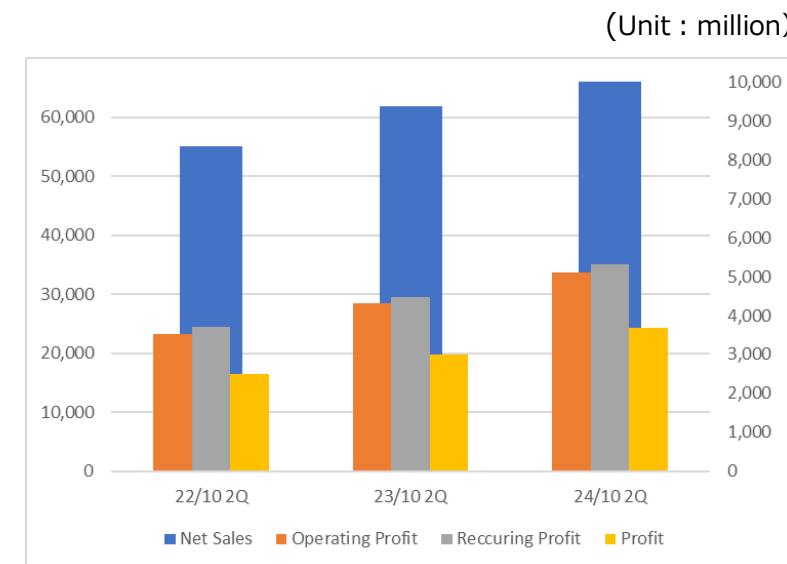
Earning forecast

- Upward revision of full-year forecasts (only profit)

Shareholder Returns

(Change in dividend and acquisition of treasury stock)

- Fiscal Year Ended October 2024 Forecast: 130 yen per year (Initial forecast: 120 yen)
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, %)

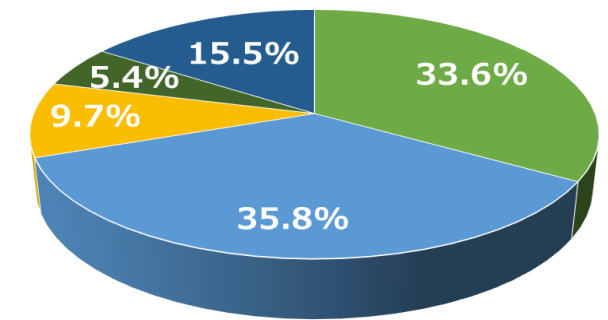
	2023/10_2Q		2024/10_2Q		Increase or decrease	
Net sales	61,851	100.0	66,125	100.0	4,273	6.9
Cost of sales	52,447	84.8	55,651	84.2	3,204	6.1
Gross profit	9,404	15.2	10,473	15.8	1,069	11.4
Selling, general and administrative expenses	5,099	8.2	5,368	8.1	269	5.3
Operating profit	4,304	7.0	5,104	7.7	800	18.6
Non-operating income	247	0.4	281	0.4	34	
Non-operating expenses	69	0.1	58	0.1	△ 10	
Recurring profit	4,482	7.2	5,327	8.1	844	18.8
Extraordinary income	—	—	112	0.1	112	
Extraordinary losses	—	—	—	—	—	
Profit before income taxes	4,482	7.2	5,440	8.2	957	21.4
Income taxes - current	1,450	2.3	1,721	2.6	271	
Income taxes - deferred	8	0.0	27	0.0	19	
Profit	3,024	4.9	3,690	5.6	666	22.1
Profit attributable to non-controlling interests	29	0.0	16	0.0	△ 13	
Profit attributable to owners of parent	2,994	4.8	3,674	5.6	679	22.7
Average copper price (Thousand yen/t)	1,223		1,322		99	8.1

Sales by Product (Non-consolidated)

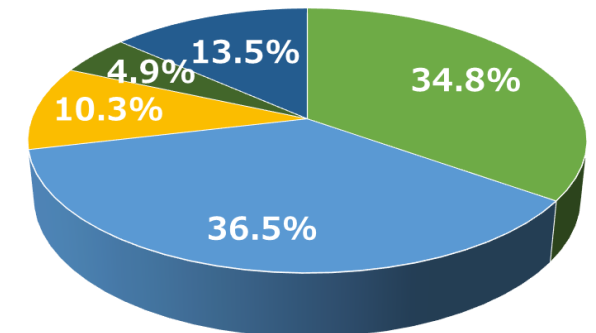
(Unit : million yen)

	2023/10_2Q	Composition ratio	2024/10_2Q	Composition ratio	Increase or decrease	
● FA Cables	19,641	33.6%	21,847	34.8%	2,206	11.2%
● Power Cables	20,886	35.8%	22,891	36.5%	2,005	9.6%
● Covered Cables	5,641	9.7%	6,439	10.3%	798	14.1%
● Other Cables	3,138	5.4%	3,140	4.9%	2	0.1%
● Non-Cables	9,063	15.5%	8,461	13.5%	△ 602	△ 6.6%
Total	58,371	100.0%	62,780	100.0%	4,409	7.6%
Average copper price (Thousand yen/t)	1,223		1,322		99	8.1%

2023/10_2Q



2024/10_2Q



Forecast of consolidated financial results

(Earning Amendment: announce on June 4 in 2024)

(Unit: million yen, %)

	2023/10		2024/10			2023/10		2024/10			2024/10			from forecast(announced in March)	
	2Q	Composition ratio	2Q	Composition ratio	YoY	2Q	Composition ratio	forecast(announced in March)	Composition ratio	YoY	forecast(announced in June)	Composition ratio	YoY	Increase or decrease	
Net sales	61,851	100.0	66,125	100.0	6.9	124,967	100.0	132,000	100.0	5.6	132,000	100.0	5.6	0	0.0
Operating profit	4,304	7.0	5,104	7.7	18.6	8,366	6.7	9,200	7.0	10.0	9,600	7.3	14.7	400	4.3
Recurring profit	4,482	7.2	5,327	8.1	18.8	8,770	7.0	9,500	7.2	8.3	10,000	7.6	14.0	500	5.3
Profit attributable to owners of parent	2,994	4.8	3,674	5.6	22.7	5,920	4.7	6,600	5.0	11.5	7,000	5.3	18.2	400	6.1
Average copper price (Thousand yen/t)	1,223		1,322		8.1	1,232		1,250		1.5	1,482		20.3		

Consolidated Balance Sheet overview

(Unit: million yen)

	2023/10	2024/10_2Q	Increase or decrease		2023/10	2024/10_2Q	Increase or decrease
Cash and deposits	28,534	28,828	294	Notes and accounts payable - trade	43,050	44,656	1,605
Notes and accounts receivable - trade	23,313	22,977	△ 335	Short - term borrowings	691	726	35
Electronically recorded monetary claims - operating	11,302	13,013	1,711	Current portion of bonds payable	64	14	△ 50
Securities	9	10	1	Current portion of long-term borrowings	5	—	△ 5
Merchandise	6,914	7,654	739	Income taxes payable	1,561	1,785	224
Work in process	247	225	△ 21	Provision for bonuses	773	809	36
Raw materials and supplies	257	290	33	Other Current liabilities	1,566	1,571	5
Other current assets	253	300	48				
Total current assets	70,830	73,301	2,470	Total current liabilities	47,713	49,563	1,850
Property, plant and equipment	20,355	21,498	1,143	Bonds payable	42	35	△ 7
Intangible assets	303	269	△ 33	Long-term borrowings	54	—	△ 54
Investments and other assets	9,878	10,754	875	Retirement benefit liability	2,120	2,183	63
				Other non-current liabilities	720	678	△ 42
Total non-current assets	30,537	32,522	1,985	Total non-current liabilities	2,939	2,899	△ 40
				Total liabilities	50,652	52,462	1,809
				Share capital	2,575	2,575	—
				Capital surplus	2,757	488	△ 2,268
				Retained earnings	48,574	51,186	2,612
				Treasury shares	△ 5,142	△ 3,518	1,623
				Total shareholders' equity	48,764	50,731	1,967
				Total accumulated other comprehensive income	1,565	2,251	685
				Share acquisition rights	59	30	△ 28
				Non-controlling interests	326	347	21
				Total net assets	50,714	53,361	2,646
Total assets	101,367	105,823	4,456	Total liabilities and net assets	101,367	105,823	4,456

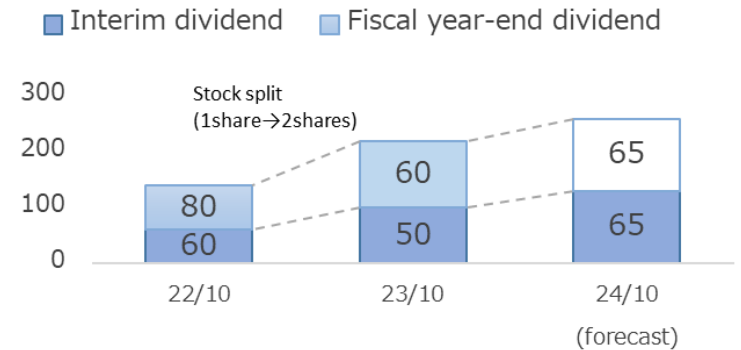
Shareholder Return Policies

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(Initial forecast:60 yen), year-end dividend: 65 yen(Initial forecast:60yen), the annual dividend to 130 yen(Initial forecast:120yen), 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

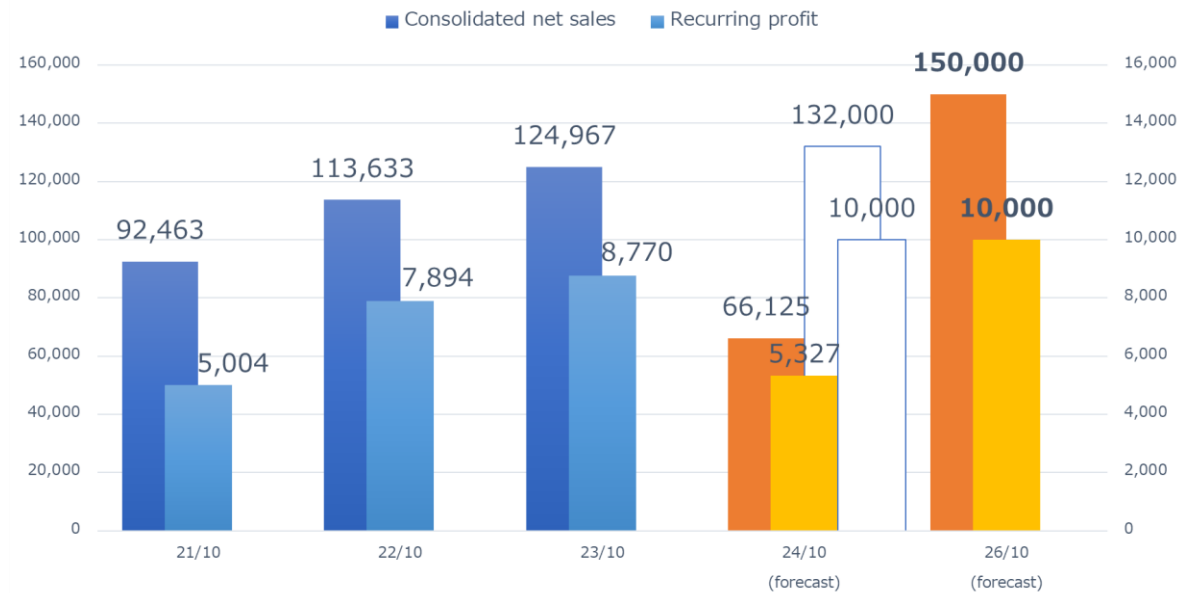
Recurring profit

10 billion yen

ROE

More than 10.0%

(Unit : million)



SENSHU ELECTRIC CO.,LTD.

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

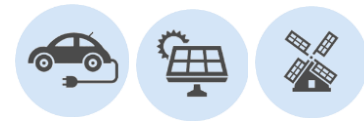
Sales products other than electric wires including own brand ones and development of new fields

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**

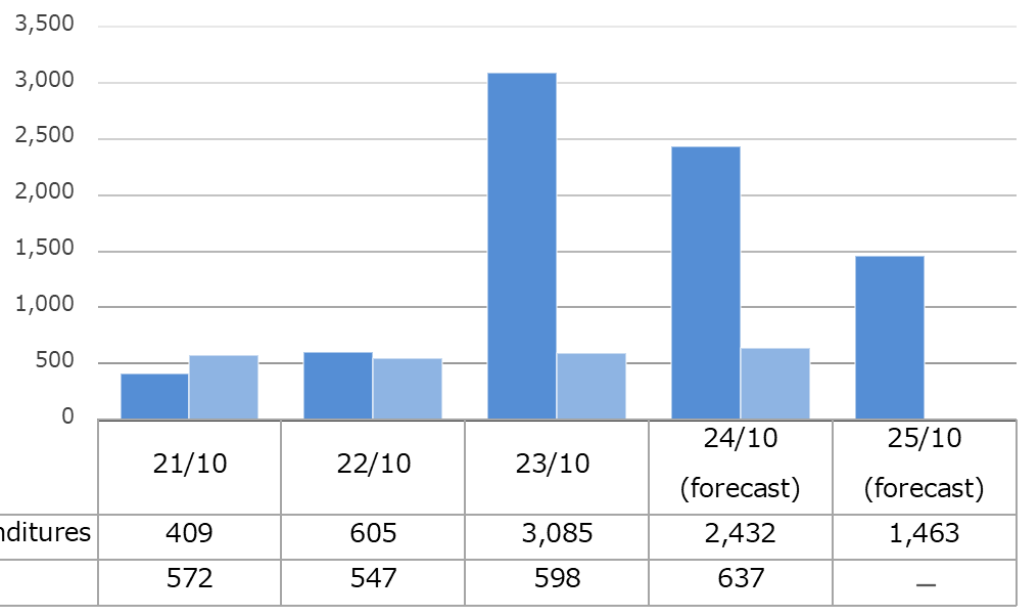
Inbound Expo IR Data Center Construction demand



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.

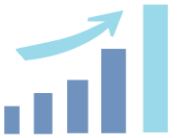
Abil heater



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	 	<ul style="list-style-type: none">● Mar. 2023 Certification of "Excellent Health Management Corporation 2023"● Apr. 2023 Published 2022 Environmental Report● Oct. 2023 Acquired Solar Power Generation Site (Mie prefecture)● Jan. 2024 Smoking ban during working hours started at all locationsNoto Peninsula Earthquake Disaster Relief DonationsDisclosure under the TCFD Corporate Governance Report
S	Respect and consideration for human rights Creating a rewarding work environment Stable supply of goods and services	 	<ul style="list-style-type: none">● Feb. 2024 Senshu Electric Group Integrated Report 2024 published● Mar. 2024 Certification of "Excellent Health Management Corporation 2024"● May. 2024 Published 2023 Environmental Report Corporate Governance Report
G	Establishment of a governance system	 	

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



<https://www.senden.co.jp/en/>

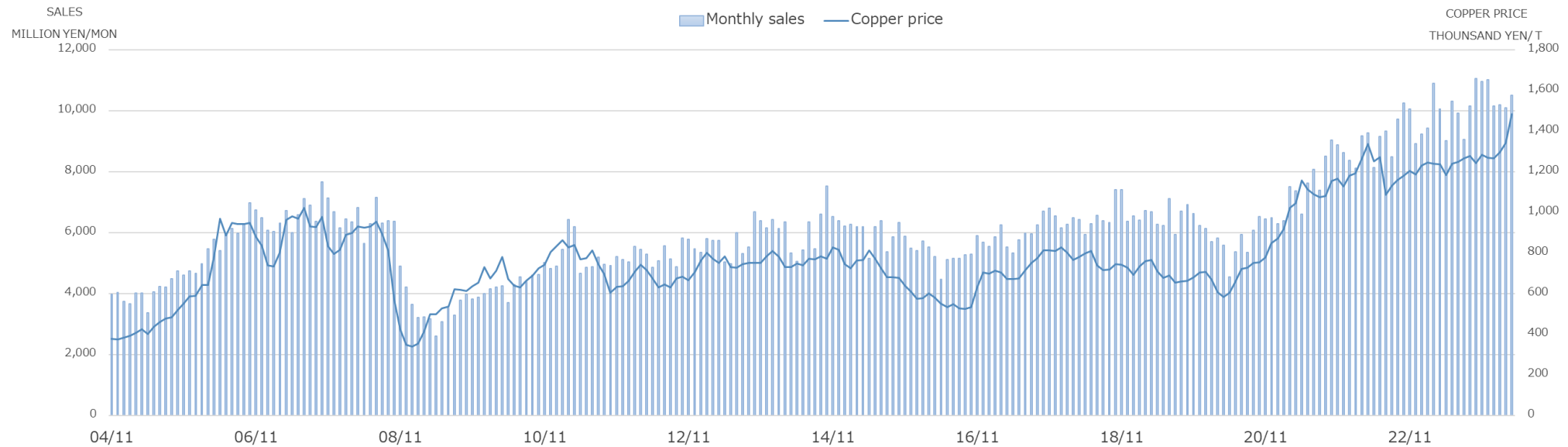
4. Reference data

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.

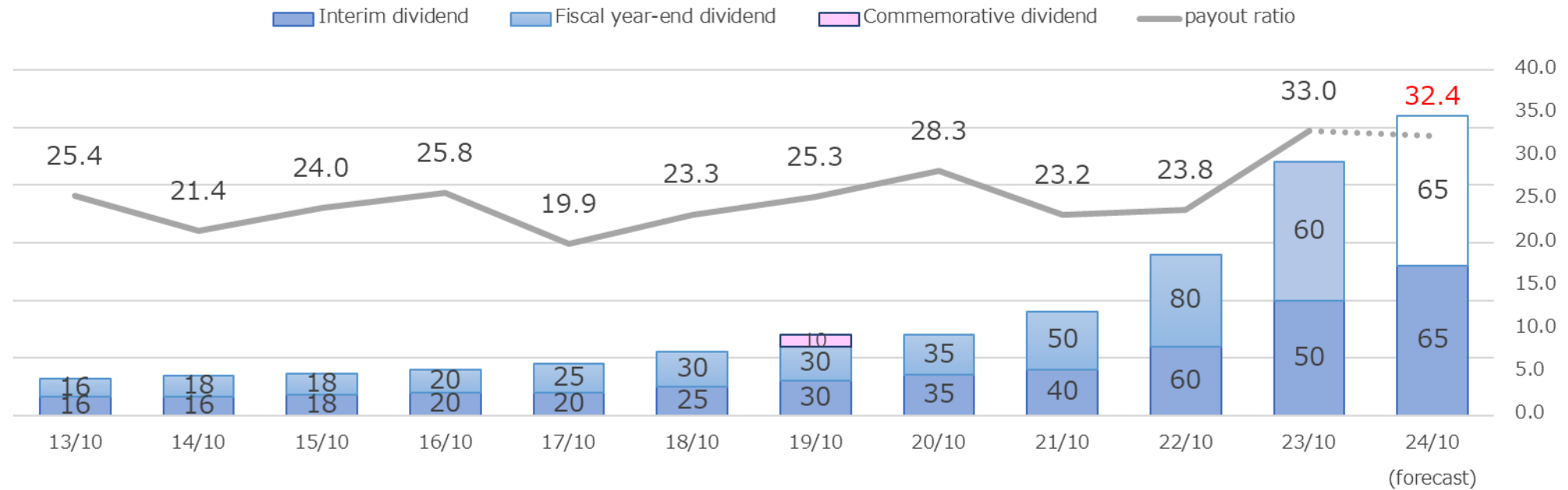
〈Copper price and monthly sales (non-consolidated)〉



Dividends and Dividend Payout Ratio

Dividend increase for 11 consecutive years

(Unit : yen,%)



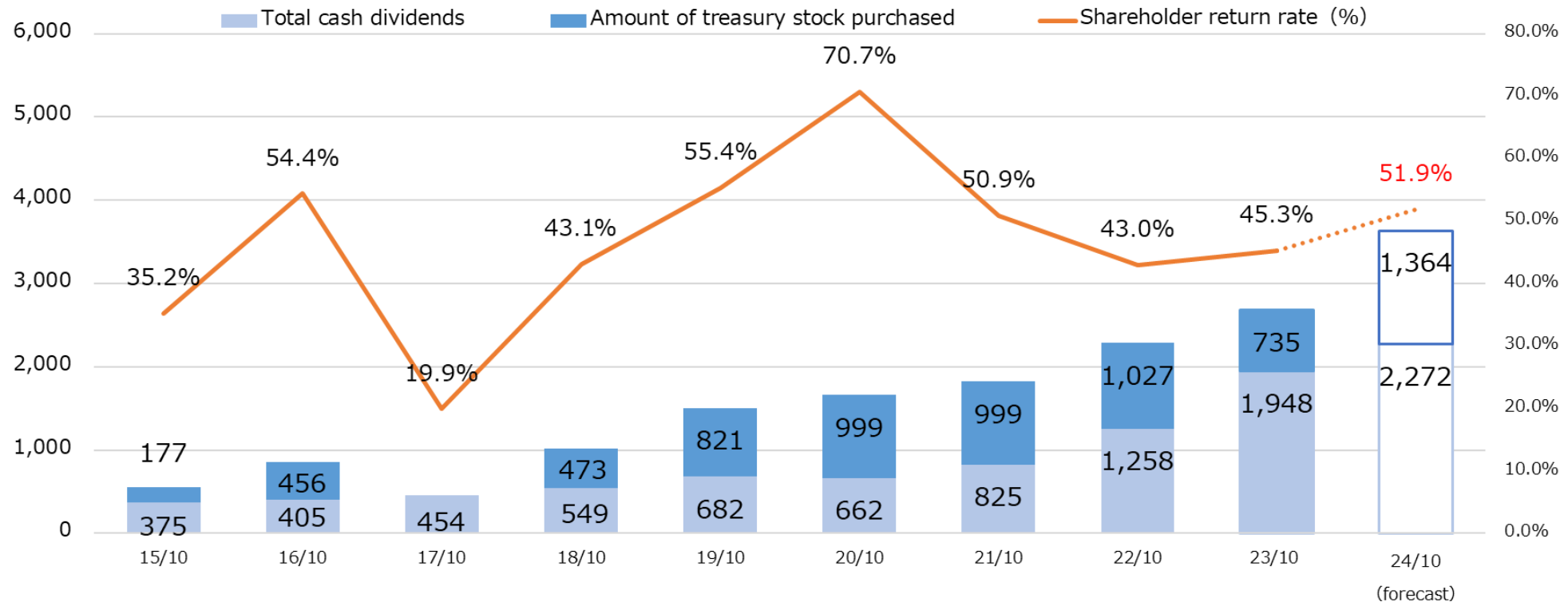
(Note) The Company conducted a 2-for-1 stock split of shares of common stock on November 1, 2022, and the dividend payout ratio is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

Trends in shareholder return(Dividend+treasury stock)



Implementation of continuous
shareholder returns through dividends
+ treasury stock

(Unit:million)



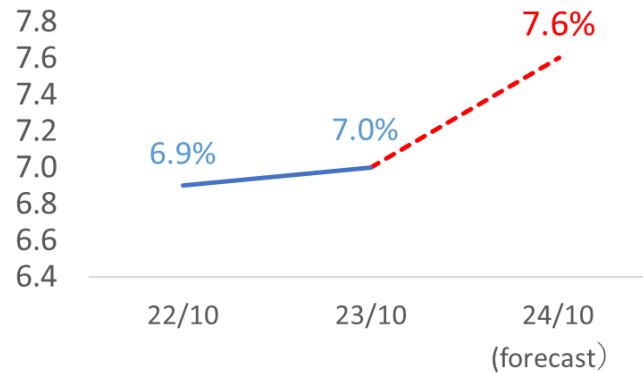
Trends in Main Indicators

Red = FY10/2024 forecast

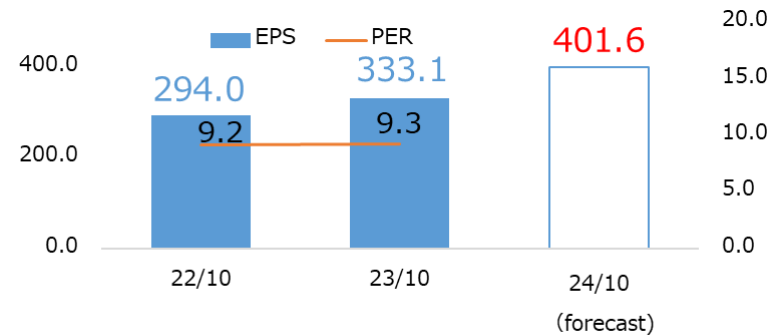
Blue = Results



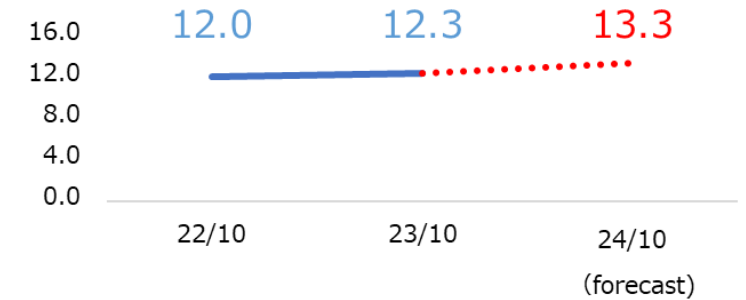
Recurring profit ratio(%)



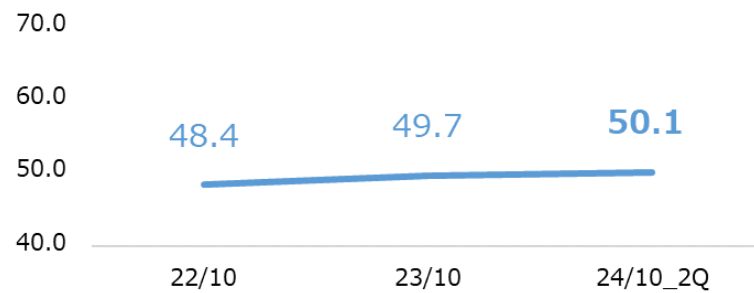
EPS/PER (yen, time)



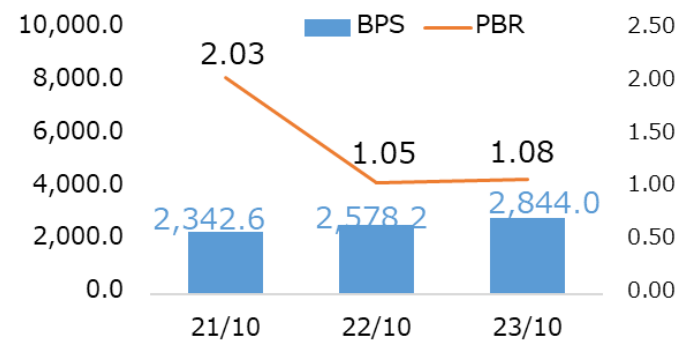
ROE(%)



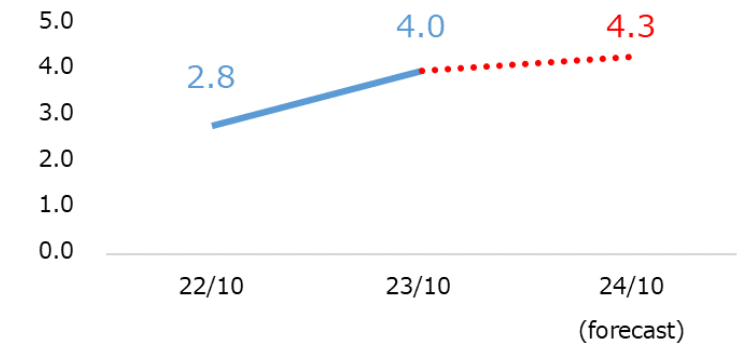
Equity ratio(%)



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.

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