

## **Presentation Overview**

{Company name} Senshu Electric CO.,LTD. (Stock Code: 9824)

{Fiscal Year End} Fiscal Year October 2024

{Day} December 10, 2024 (Tue.) 10: 30-11: 30

{Place} 2-2-1 Nihonbashi Muromachi, Chuo-ku, Tokyo 14th Floor Conference Room G, Muromachi Head Office, Okasan Securities Co., Ltd.

{Speaker} Motohide Nishimura, Representative Director and President Isamu Fukuda, Director and General Manager of Corporate Planning Office



I am Fukuda. Thank you for your attention. I would like to explain based on the financial results presentation materials that I have distributed, so I appreciate your cooperation.

On the cover of the presentation materials, we use this illustration every time for this briefing. It shows the fields and industries that the Senshu Electric Group is focusing on. Starting from the bottom left, we have semiconductors, which relate to manufacturing equipment.

Next, there are machine tools, robots, and automotive-related, particularly the equipment for automotive production lines. Moving to the upper right, we have a special heating wire for agricultural houses, indicating our focus on the agricultural sector, as well as our commitment to renewable energy and solar power. Finally, there is the control panel. There are companies within our subsidiary that focus on control precision, and we are also demonstrating the synergy effects of our group.

In the center, there is a company logo, and the lower section pertains to construction-related matters.

The number 1118 in the bottom right indicates that the Electric Wire & Cable Maker's Association has designated November 18 as Electric Wire & Cable Day. Coincidentally, November 18 is also the founding anniversary of Senshu Electric, which is why we are using it here.

## Outline



- 1. Group Overview
- 2. October 2024 Summary financial results
- 3. Medium term management plan
- 4. Reference data

SENSHU ELECTRIC CO.,LTD.

Now, regarding the Outline, I will explain the contents, including the Group overview, financial results overview, and finally, the Medium term management plan.



1. Group Overview

SENSHU ELECTRIC CO.,LTD.

## **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 825 (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







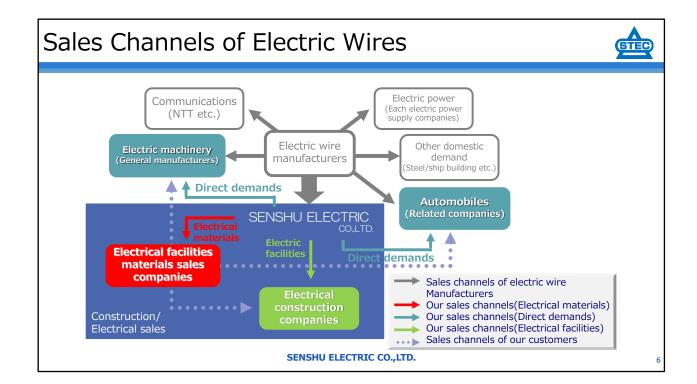
USA

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First, Group overview: we were established in 1949, and this year marks our 75th year. We are currently listed on the Tokyo stock Exchange Prime.

Our capital is 2,575.2 million yen, and since there are few companies publicly listed as comprehensive trading companies for electric wires, we are positioned among the top in the industry.

We have 825 employees and 7 subsidiaries domestically and overseas, with 18 domestic locations, expanding nationwide from Sapporo in the north to Okinawa in the south.



Next, I will show a diagram of the sales routes for electric wires.

We primarily operate as a trading company, purchasing electric wires manufactured by wire manufacturers for sale.

The area highlighted in blue is known as the Construction Electrical Sales.

We work in this field, mainly with electrical material sales companies and electrical construction contractors, commonly referred to as the Sub-conductors.

In addition to direct routes from manufacturers, our involvement enhances the convenience of delivery for electrical material sales companies, and we have established a flow of providing stocked products to electrical construction companies.

Notably, we also sell to manufacturers in other sectors, including electric wire manufacturers, communications, electric power, steel shipbuilding, and electrical machinery.

We are positioned similarly to electric wire manufacturers and have developed a business selling wires directly to automotive production lines.

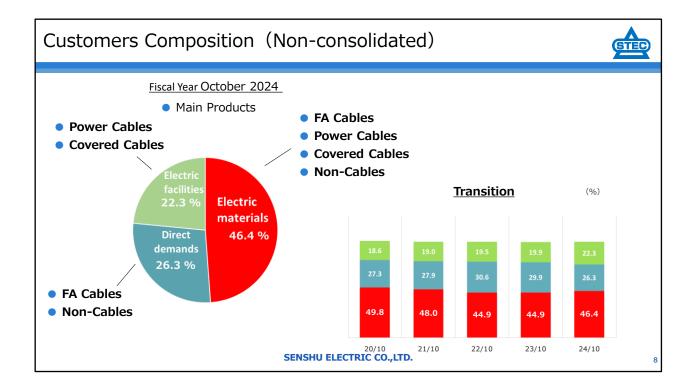
### Major Customers (image) (More than 3,700 Customers) **Electrical** Electrical There are approximately 1100 materials major electric material stores construction For Electrical facilities materials sales that are members of the union **Top 30 Electrical Constructors** facilities **Building/Mansions** (Focusing on major companies) Solar Power Generation manufacturing plant, Data center, etc. Manufacturers of machines and robots that produce machine tools, automobiles, semiconductors, etc. Direct demands (End-users) Machine tools Semiconductor Automobile facilities /industrial machines related manufacturing SENSHU ELECTRIC CO.,LTD.

This classification is referred to as electrical materials and direct demands on this page.

We have approximately 3,700 customers for Senshu Electric alone.

The electrical materials segment has about 1,100 clients, and the top 30 electrical construction contractors the Sub-conductors mainly being subsidiaries of power companies.

The direct demands consist of clients that use cables or related products directly in machine tool manufacturing, automotive production lines, and semiconductor manufacturing equipment.



The composition of these three divisions is shown on this page.

The largest division is electric materials at 46%, followed by direct demands at 26%, and electric facilities at 22%. In recent years, the construction business has been performing well, and due to rising copper price for electric wires, the share of electric facilities has been increasing. On the other hand, the semiconductor manufacturing equipment and machine tool industries are stagnating, leading to a decrease in the ratio of direct demands.

## Three Business Models



## 1

### **JUST IN TIME system**

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### **Original products**

Cable assembly (Electric wire terminal processing)

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 m in Japan (Sapporo to Okinawa) with over 50,000 kinds of products, have established a JUST IN TIME system.



FA cables (Factory Automation (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.

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.



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Next, we will discuss our business model.

As mentioned earlier in the movie, the first aspect is our Just-In-Time system. Electric wires come in a wide variety, and particularly power cables are heavy and difficult for users to handle.

We have established a system with logistics warehouses at our 18 locations nationwide to deliver what our customers want, when they want it, and in the quantities they need.

The second aspect is our original products. The direct demands division is particularly central to this, as we collaborate with small and medium-sized wire manufacturers to create cables that meet user needs, which we sell as Senshu Electric original products.

The third aspect is cable assembly, where we perform terminal processing on electric wires and attach connector components to the ends of cables, providing a one-stop service that allows customers to immediately incorporate them into their machinery.

This is our strong business model, which is different from that of typical trading companies.



2. October 2024 Summary financial results

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## 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 14.4% year on year to 1.40 million yen/t



### Shareholder Returns

(Dividend and acquisition of treasury stock and cancellation)

- · Fiscal Year Ended October 2024 130 yen per year (Interim dividend:65 yen, year-end dividend:65 yen)
- Fiscal Year Ended October 2025 Initial forecast: 140 yen per year (Dividend increase of 10 yen)
- Treasury stock acquisition 100,000 shares 500,000,000 yen(limit) (Acquisition period 2024/12/10 to 2025/4/30)
- Cancel treasury stock 1 million shares
   (Total number of shares outstanding after cancellation: 18.5 million shares to be cancelled on 16 December 2024)

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Next, I will explain the contents of the financial results.

On this page, the highlights of the financial results show that both sales and profits have reached record highs for 3 consecutive years. We have achieved increased revenue and profit for four consecutive years, and recurring profit has surpassed the highest record Before the Lehman Shock in 2007 is for 3 consecutive years.

In Fiscal Year October 2024, there was a period of inventory adjustment for semiconductor manufacturing equipment, and machine tools. However, the manufacturing lines for automobiles, particularly the equipment related to EV batteries and construction projects, contributed to the growth in sales.

The copper price, the main material for electric wires, averaged 1,409 thousand yen per ton during the period, which is a year-on-year increase of 14.4%, allowing us to achieve our sales target.

As a highlight, shareholder returns and dividends have been revised upward for the 2nd quarter of the fiscal year ending October 2024, setting the annual dividend at 130 yen.

For the fiscal year ending October 2025, we plan to increase the dividend by 10 yen, marking the 12th consecutive year of dividend increases, with an annual forecast of 140 yen.

Additionally, we announced the acquisition of treasury stock, with a maximum limit of 100,000 shares for a total amount of 500 million yen.

The cancellation of treasury stock is scheduled 1 million shares for December 16, with the total number of issued shares being 18.5 million.

## Consolidated income statements overview



(Unit	:	million	yen.	%)
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	2023/10 2024/10		Increase or decrease			
Net sales	124,967	100.0	136,153	100.0	11,185	9.0
Cost of sales	106,287	85.1	115,007	84.5	8,720	8.2
Gross profit	18,680	14.9	21,145	15.5	2,465	13.2
Selling, general and administrative expenses	10,313	8.2	10,795	7.9	481	4.7
Operating profit	8,366	6.7	10,349	7.6	1,983	23.7
Non-operating income	517	0.4	525	0.4	8	
Non-operating expenses	113	0.1	114	0.1	0	
Recurring profit	8,770	7.0	10,761	7.9	1,991	22.7
Extraordinary income	_	-	349	0.3	349	
Extraordinary losses	3	0.0	_	_	△ 3	
Profit before income taxes	8,766	7.0	11,110	8.2	2,343	26.7
Total income taxes	2,788	2.2	3,501	2.6	713	
Profit	5,978	4.8	7,609	5.6	1,630	27.3
Profit attributable to non-controlling interests	57	0.1	31	0.0	△ 26	
Profit attributable to owners of parent	5,920	4.7	7,578	5.6	1,657	28.0
Average copper price (Thousand yen/t)	1,232		1,409		177	14.4

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The consolidated net sales of 136,153 million yen represents an increase of 11,185 million yen, which is a 9% increase in revenue. Next, the gross profit stands at 21,145 million yen, an increase of 2,465 million yen, resulting in a profit increase ratio of 13.2%. The previous fiscal year ratio was 14.9%, and Fiscal Year October 2024 improved to 15.5%, showing an improvement of 0.6%.

Next, selling general and administrative expenses to 10,795 million yen, resulting in 481 million yen. The main reason for the increase is primarily due to labor costs.

The gross profit far exceeds this at 2,465 million yen, leading to an operating profit of 10,349 million yen, which translates to an amount of 1,983 million yen, reflecting a growth ratio of 23.7%. This marks the first time it has reached around 10 billion yen.

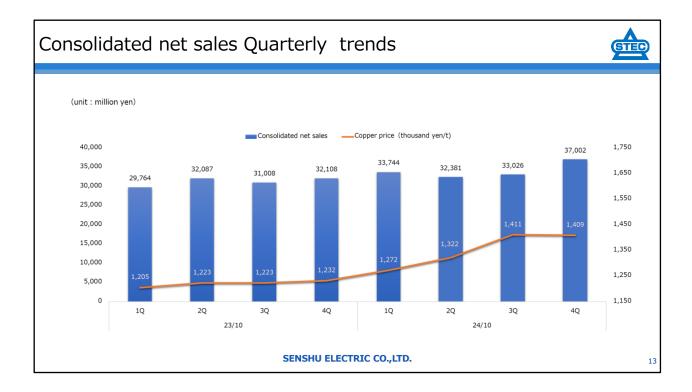
After adjusting for non-operating income and expenses, the recurring profit stands at 10,761 million yen, showing an increase of 1,991 million yen, or a growth ratio of 22.7%.

Additionally, this time, there was a extraordinary income from employee insurance refunds. 2023 year, we opened a new branch in Kanazawa, and we received a location incentive from Kanazawa City. This has been recorded as a extraordinary income of 349 million yen.

Consequently, the profit before income taxes is 11,110 million yen, which is an increase of 2,343 million yen, or a growth ratio of 26.7%.

From this, after deductions, profit is 7,609 million yen, with final profit at 7,578 million yen, an increase of 1,657 million yen, or a growth ratio of 28%.

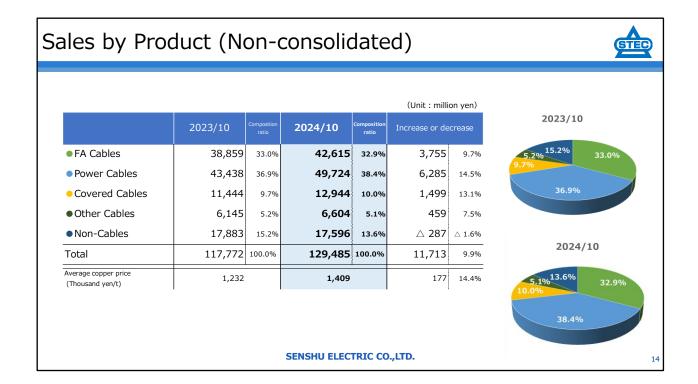
Sales increased by 9%, operating profit by 23.7%, recurring profit by 22.7%, and final profit by 28%, resulting in significant growth in both revenue and profit.



By the way, regarding the composition of sales revenue, I took a moment to reflect on this quarter separately.

The president explained the shortage of electric wires, which is a special demand situation that occurred in Q1, from November last year to January this year.

In addition, due to the earthquake recovery efforts, the demand for electric wires increased. This was a characteristic of Q1, and while there was a slight backlash in Q2, Q3 and the fourth quarter progressed smoothly. Particularly in construction, the semiconductor manufacturing plant in Hokkaido and data centers in the Kanto region significantly contributed to sales.



Next, I will show the product lineup by category.

Senshu Electric Group operates in a single segment of cable sales, with Senshu Electric accounting for 95% of the sales.

First, the equipment and communication wires, commonly known as FA cables, mainly related to direct demands and electric materials, saw an increase of 3,755 million yen, or 9.7%. The next category, Power Cables and Covered Cables, primarily relates to construction, including residential areas, with Power Cables increasing by 6,285 million yen and an increase of 14.5%. The demand for Covered Cables also increased, showing a growth ratio of 13.1%. Next, regarding Other-Cables, these are sold directly to small and medium-sized wire manufacturers. Therefore, fluctuations in copper price directly reflect in the amounts, resulting in an increase of 459 million yen, or 7.5%.

Lastly, Non-Cables refer to items other than wires, mainly including additional terminal processing mentioned in the previous business model. Unfortunately, for the fiscal year ending Non-Cables categories have slightly decreased compared to the previous term, resulting in a decrease of 287 million yen.

## Forecast of consolidated financial results



								(Unit	:million y	/en, %)	
	2024/10	Composition	2	2025/10		Composition		2025/10			
	2Q	ratio	2Q forecast	Composition ratio	YoY	2024/10	ratio	forecast	Composition ratio	" YoY	
Net sales	66,125	100.0	68,000	100.0	2.8	136,153	100.0	140,000	100.0	2.8	
Operating profit	5,104	7.7	5,300	7.8	3.8	10,349	7.6	11,000	7.9	6.3	
Recurring profit	5,327	8.1	5,400	7.9	1.4	10,761	7.9	11,200	8.0	4.1	
Profit attributable to owners of parent	3,674	5.6	3,700	5.4	0.7	7,578	5.6	7,700	5.5	1.6	
Average copper price (Thousand yen/t)	1,322	2	1,45	50	9.7	1,409		1,450		2.9	

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The sales revenue forecast for the current term, Fiscal Year October 2025, is 140 billion yen, reflecting a growth ratio of 2.8%. Additionally, the operating profit is projected to be 11 billion yen, with a growth ratio of 6.3%, and the recurring profit is expected to be 11.2 billion yen, showing a growth ratio of 4.1%. The final profit is estimated at 7.7 billion yen, with a growth

Next, I would like to present the earnings forecast, which was announced yesterday.

ratio of 1.6%.

of about 5%.

Although the final growth of 1.6% is low, considering extraordinary income mentioned earlier for Fiscal Year October 2024, which is not included, we are measuring an approximate growth

The copper price is predicting an increase of 2.9% compared to the previous year, with a total of 1,450 thousand yen.

## Consolidated Balance Sheet overview



							(Unit: million yen)
	2023/10	2024/10	Increase or decrease		2023/10	2024/10	Increase or decrease
Cash and deposits	28,534	30,513	1,979	Notes and accounts payable - trade	43,050	48,676	5,625
Notes and accounts receivable - trade	23,313	26,451	3,138	Short - term borrowings	691	381	△ 309
Electronically recorded monetary claims - operating	11,302	13,149	1,847	Current portion of bonds payable	64	14	△ 50
Securities	9	20	11	Current portion of long-term borrowings	5	_	△ 5
Merchandise	6,914	8,046	1,131	Income taxes payable	1,561	2,262	700
Work in process	247	194	△ 52	Provision for bonuses	773	852	79
Raw materials and supplies	257	294	37	Other Current liabilities	1,566	1,732	165
Other current assets	253	772	520				
Total current assets	70,830	79,442	8,612	Total current liabilities	47,713	53,920	6,207
Property, plant and equipment	20,355	21,887	1,532	Bonds payable	42	28	△ 14
Intangible assets	303	245	△ 57	Long-term borrowings	54	_	△ 54
Investments and other assets	9,878	10,881	1,002	Retirement benefit liability	2,120	2,224	104
				Other non-current liabilities	719	680	△ 39
Total non-current assets	30,537	33,014	2,477	Total non-current liabilities	2,939	2,935	△ 3
				Total liabilities	50,652	56,856	6,203
				Share capital	2,575	2,575	_
				Capital surplus	2,757	700	△ 2,057
				Retained earnings	48,574	53,760	5,186
				Treasury shares	△ 5,142	△ 3,997	1,145
				Total shareholders' equity	48,764	53,038	4,274
				Total accumulated other comprehensive income	1,565	2,172	606
				Share acquisition rights	59	22	△ 36
				Non-controlling interests	326	368	41
				Total net assets	50,714	55,601	4,886
Total assets	101,367	112,457	11,089	Total liabilities and net assets	101,367	112,457	11,089

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Next, I will explain the overview of the balance sheet.

The total assets and net liabilities amount to 112 billion yen, which is an increase of amount to 11 billion yen compared to the end of the same period last year.

The main reasons for the increase include a rise in sales, which has led to an increase in notes and accounts receivable-trade, and electronic records monetary claims-operating in the current assets section. Additionally, marchandise has increased by 1.1 billion yen. Property, plant and equipment have increased by 1,500 million yen due to capital expenditures made in the previous term. On the other hand, in the liabilities section, current liabilities have increased by 5.6 billion yen due to an increase in accounts payable corresponding to the rise in sales revenue.

In terms of net assets, particularly the capital surplus reserve has decreased from 2.7 billion yen to 700 million yen. This is due to the cancellation of 1.5 million shares of treasury stock last year, which has resulted in a decrease in surplus retained earnings. Meanwhile, retained earnings have increased by 5.1 billion yen. By retaining earnings, surplus has increased, and treasury stock has also risen by 1.1 billion yen. In the balance sheet, we believe that accounts receivable and accounts payable are balanced at around 5.0 billion yen.

We are retaining earnings as surplus, and I will explain later how we plan to use these funds in the major items of our medium term management plan.

## Shareholder Return Policies



## Dividend(Forecast 140 yen per year)

Setting stable dividend payment as our basic policy, we are paying dividends considering and examining business results and retained earnings, etc. comprehensively. Annual dividend increased by 20 yen in real terms

Fiscal Year Ending October 2024 is interim dividend:65 yen, year-end dividend: 65 yen,

Fiscal Year Ending October 2025 is interim dividend:70 yen, year-end dividend: 70 yen, Dividend increase of 10yen

## Treasury stock acquisition and cancellation

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. Also we will cancel treasury stock for the same reason.

### Stockholder benefit program

(Once a year (at year end), 1 unit (100 shares) or more) Less then 1 year: Our original QUO card (1,000 yen) One year or more: Our original QUO card (2,000 yen)

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Total number of acquire shares

100,000 shares (limit)

· Total acquisition amount

500,000,000 yen (limit)

(Acquisition period 2024/12/10 to 2025/4/30)

· Total number of cancelled shares

1,000,000 shares

· Total number of issued shares after cancellation 18,500,000 shares

(Scheduled cancellation date 2024/12/16)

Regarding shareholder returns, as I mentioned earlier, we are forecasting an increase in dividends by 10 yen for the October 2025 term, with an interim dividend of 70 yen, a year-end dividend of 70 yen, totaling 140 yen for the year.

100,000 treasury shares are also planned, with a maximum value of 500 million yen.

Shareholder benefits will continue, with an original card for the first year at 1,000 yen and for one year or more at 2,000 yen.



3. Medium term management plan

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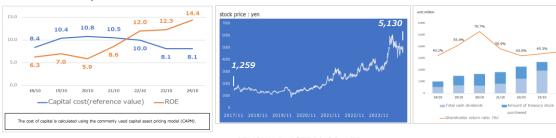
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# Medium term management plan SS2027: the management that Atakes capital costs and stock prices into consideration

### **Current Evaluation**

Since being listed on the First Section of the Tokyo Stock Exchange in November 2017, we have been striving to improve our corporate performance. As a result;

- 1. Efficient management (Fiscal Year of October 2024 : ROE 14.4%)
- We have achieved an ROE that exceeds the target ROE set in Medium term management plan by more than 10% and the internally calculated cost of capital (recognized at 8% to 9%).
- 2. Stock price (October 31, 2024 : 5,130 yen, PBR 1.62 times)
- The stock price has risen steadily due to active IR activities and the recognition of improved business performance, and then currently PBR is maintaining more than 1 times right now.
- 3. Shareholder returns (Fiscal Year of October 2024: Total shareholder return ratio 48.0%)
  Dividend increase for 11 consecutive years and Total treasury stock acquisition: actively repurchased 2.43 million shares for 7.4 billion yen.



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Finally, regarding the medium-term management plan, since we have achieved the goal by first year, we will restructure and aim to realize management that takes into account the cost of capital in response to requests from the Tokyo Stock Exchange.

The details are the same as what we announced in the press yesterday, but as a current analysis, we partially listed on the Tokyo Stock Exchange in January 2017 and transferred to the Prime Market, and we have been steadily increasing our performance, with ROE rising to 14.4%.

Currently, we recognize the cost of capital to be around 8 to 9%, Since the equity spread is around 5%, and we believe it is progressing smoothly. The stock price at the end of Fiscal year October 2024 is projected to be 5,130 yen, with a PBR of 1.62 times. Our performance is strong, and the stock price is steadily rising, allowing us to present good figures.

Regarding shareholder returns, the return ratio for Fiscal year October 2024 was 48%, with dividends increasing for 11th consecutive year, and we plan to increase dividends again this term, marking 12th consecutive year.

We have acquired a total of 2.43 million shares of treasury stock of 7.4 billion yen. Please take a look at the simple graph shown below.

## Medium term management plan SS2027: Target



Senshu Electric Group achieved the targets of the Senshu Electric Group Medium Term Management Plan (net sales: 150 billion yen, recurring profit: 10 billion yen, ROE: more then 10.0%) announced on December 7, 2023 for the fiscal year ending October 2026, two years ahead of schedule, we have formulated a new "Senshu Electric Group Medium Term Management Plan, which will end in Fiscal Year of October 2027.

	2024/10 Results	2027/10 Target		Future	Initiatives
Net sales	136.1 billion yen	160 billion yen	+17.6%		Further
Recurring profit	10.7 billion yen	13 billion yen	+21.5%	ROE ≥15%	improvement of profitability
ROE	14.4%	More than 15%	+0.6pt	Dividend payout ratio ≥35%	
Dividend payout ratio	30.1%	More than 35%	+4.9pt	Total return ratio ≥50%	Enrichment of shareholder returns
Total shareholder return ratio	48.0%	More than 50%	+2.0pt	PBR	Strengthening IR (investor) and SR (shareholder)
PBR	1.62 times	More than 2.0 times	+0.4times	≧ 2 times	activities
		SENSHU ELECT	RIC COLTD.		

The new Medium term management plan, aiming for consolidated net sales revenue of 160 billion yen by Fiscal year October 2027, which is an increase of 17.6% compared to Fiscal year October 2024. Recurring profit is projected to be 13 billion yen, at an increase of 21.5%, with ROE more than 15%, a dividend payout ratio of more than 35%, and shareholder returns more than 50%, aiming for a PBR of more than 2 times.

We will further enhance our revenue-generating capabilities and strengthen relationships by promoting PR activities through IR and SR, striving to achieve our targets within 3 years.

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## Medium term management plan SS2027: Market Environment and Forecasts



	2024/10			2025/10-2027/10	Industry
Semiconductor related	<b>&gt;</b>	Increased demand for AI     Manufacturer Inventory     Adjustments	1	· Continue demand for AI	Direct
Machine tools related	<b>&gt;</b>	Manufacturer Inventory     Adjustments	<b>\</b>	Manufacturer's inventory adjustment completed	demand Electric
Automobile related	<b>~</b>	Steady growth		Acceleration of EVs, storage batteries	material
Renewable energy- related	<b>~</b>	Solar power generation increase		Solar power,     Continued demand for     offshore wind power	Electric material
Construction related	1	Large semiconductor plant     Redevelopment,     Data center	1	Large manufacturing plant     Redevelopment,     Data center	Electric facilities
Copper price	1	• Rapid rise	· Slow rise		_

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As for market environment forecasts, we are focusing on semiconductor manufacturing equipment, machine tools, and automotive production lines. For Fiscal Year October 2024, while semiconductor machine tools faced a period of inventory adjustment and struggled, automotive equipment has been progressing smoothly.

We expect semiconductor machine tools to improve over the next 3 years, and particularly anticipate steady growth in equipment related to EV batteries in the automotive sector. We also predict steady growth in renewable energy-related sectors.

In construction, we steady progressed large semiconductor manufacturing plants, metropolitan area redevelopment, and data centers in Fiscal Year October 2024, and we foresee steady progress over the next 3 years.

The copper price rose to around 1,700 thousand yen in Fiscal Year October 2024, but we are forecasting a gradual increase moving forward. We are also considering the impact of the economic recovery in China, the largest consumer country, and exchange rates. The next page outlines our business strategy, presentation target indicators for 3 years from now.

## Medium term management plan SS2027 : Business Strategy

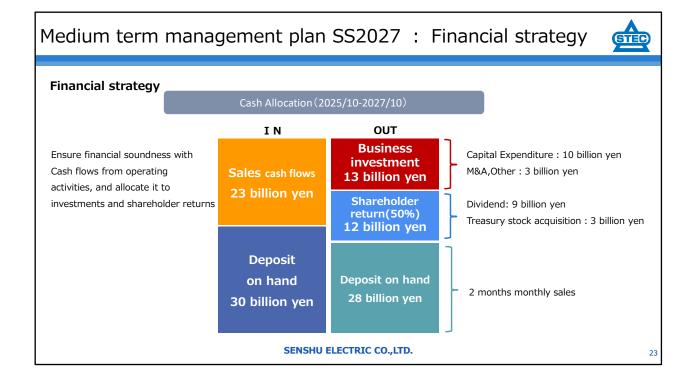


Increase sales in the direct demand sector by developing original products and strengthening the processing sector	2027/10			
Sales products other than electric wires including own brand ones and development of new fields	Direct demand of Non-cables of sales share sales share			
Strengthening of sales in Tokyo and surrounding Kanto areas, and expansion of share for the other area	26% <b>▶ 30%</b> 13% <b>▶ 17%</b>			
Improvement of the Just in Time system	Capital Expenditures(P23)			
Strengthening of global deployment (Improvement profitability of the Group)	Expansion into India Long-term target 30% of net sales			
Sustainability Management	Promote initiatives to address ESG			
Promotion of the Senshu Transformation Project	materiality issues(P25)			

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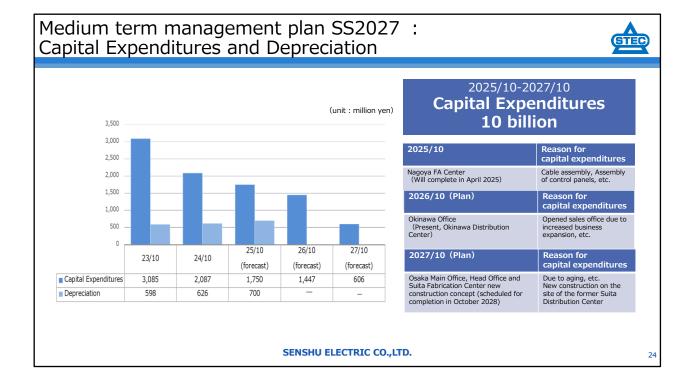
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We aim to restore the core of our profits, which is related to direct demands, to 30%. Additionally, Non-Cables apart from electric wires, need to increase internal share, and we have set a target of 17%. We will also work on capital expenditures for our JUST IN TIME system, advance the global deployment, Sustainability Management ex.



Finally, regarding our Cash Allocation, we expect approximately 23 billion yen in sales cash flow over 3 years, 30 billion yen as deposit on hand. Additionally, we have plans 25 billion yen in allocating for business investments and shareholder returns, while maintaining about 2 months' sales as deposit on hand.

There are the plan we are moving forward with.



As for capital expenditures, the graph shows the actual planned values.

The table on the right reflects the confirmed amount for the Nagoya FA Center for Fiscal Year October 2025.

We have plans for the Okinawa office in Fiscal Year October 2026 and Osaka Main office and Head Office in Fiscal Year October 2027, but specific amounts have not yet been determined, so those figures are not yet reflected in the graph.

Over the next 3 years, we are planning to restructure our domestic capital expenditures, including the JUST IN TIME system.

## Medium term management plan SS2027: Soil Heater





### Soil Heater



Annual sales of 1 billion yen

in agribusiness by 2027

- · Released in September 2024
- · (Abil Heater Update)

### 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.

### Other

Exhibiting at agriculture-related exhibitions and promoting in newspapers and other media. The test farm is being streamed on YouTube.



## Exhibited at the TEAM EXPO Pavilion at the 2025 Japan International Expo

Senshu Electric Agriculture Team, led by the company's agriculture business staff, has registered its efforts for "New Future Smart Agriculture, friendly to the global environment and people!" as a "TEAM EXPO 2025" programme/Co-Creation challenge As a participant of this programme, we will participate in the "TEAM EXPO Pavilion".

https://www.senden.co.jp/en/financer/news/en\_ns\_241204\_a.pdf

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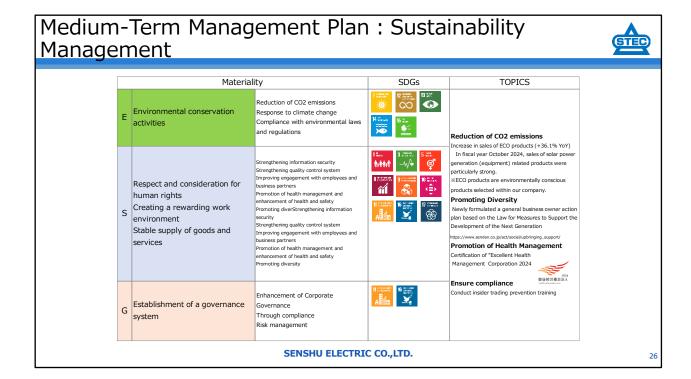
Additionally, we have a new product division focusing on the agricultural sector.

We have been promoting the Abil heater, and we are now selling a new lineup of Soil heater. While the performance is almost the same as the traditional Abil heater, we can offer it at a relatively lower price and apply it in various fields.

We are currently focusing our sales activities on these heaters.

As a topic, Soil heater is being utilized "In effort for future smart agriculture that is friendly to both the global environment and people" Senshu Electric Agriculture Team,.

We will be exhibited in the Osaka-Kansai Expo in 2025.



Lastly, we are aligning our important cumulative content with ESG management aspects, linking our SDGs target items, and establishing annual plans to execute these thorough measures.

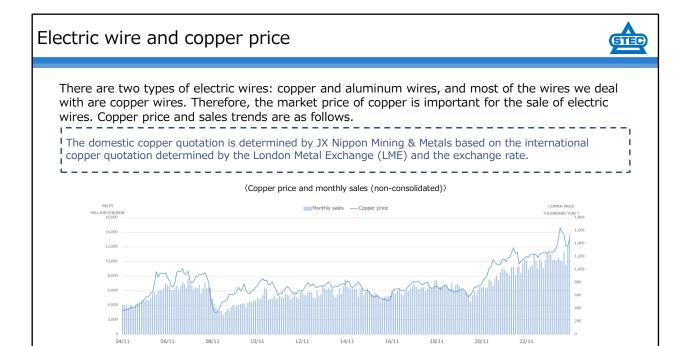
This concludes the explanation of our medium term management plan.



4. Reference data

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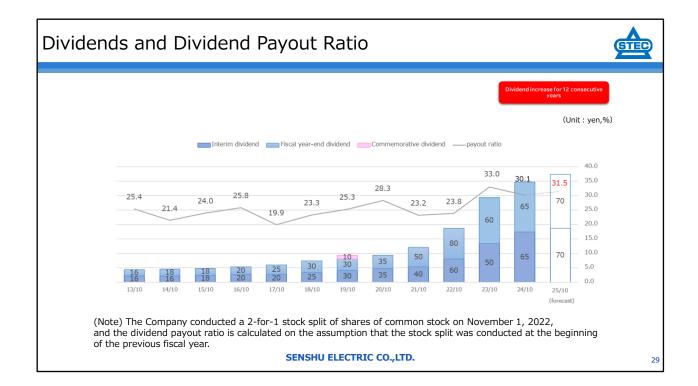
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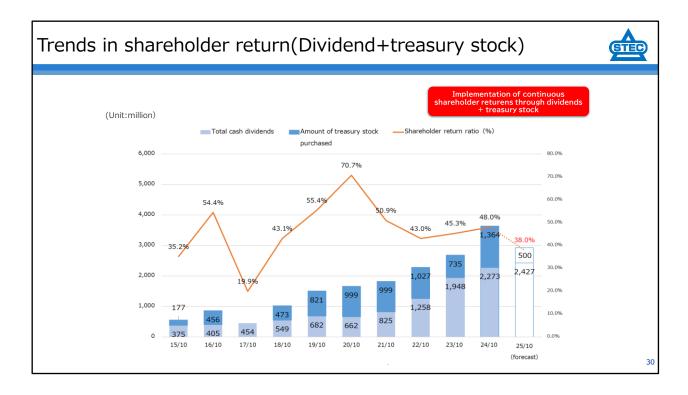
We have included the monthly sales revenue of Senshu Electric and copper price revenue.

The monthly sales revenue and copper price are closely linked, and we hope you recognize this.

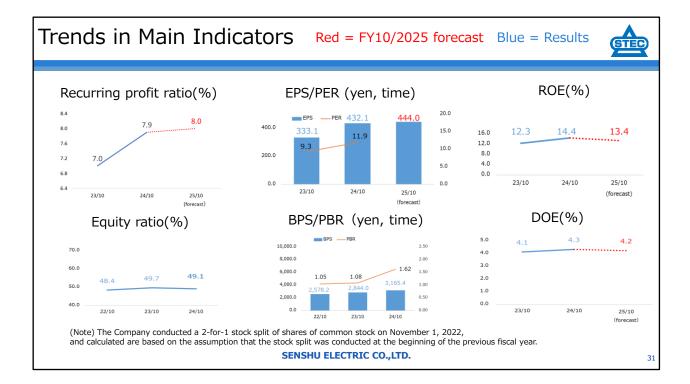
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Next, regarding the dividend payout ratio, for the fiscal year ending October 2025, we will have a 12th consecutive record, with a dividend payout ratio of 31.5%. Since our our medium term management term target is more than 35%, we still have work to do.



The shareholder return for Fiscal Year October 2024 is 48%, but if things remain as they are for Fiscal Year October 2025, the stock acquisition of announced this time would mathematically result in 38%. If there is another round of stock acquisition, we might achieve a similar return ratio.



We have also presented various indicators in this manner.

## Trends in Main Indicators



	2017/10	2018/10	2019/10	2020/10	2021/10	2022/10	2023/10	2024/10
Net Sales (million yen)	74,956	82,038	83,676	74,288	92,463	113,633	124,967	136,153
Operating profit (million yen)	3,202	3,868	3,979	3,124	4,743	7,464	8,366	10,349
Reccuring profit(million yen)	3,455	4,105	4,206	3,382	5,004	7,894	8,770	10,761
Profit attributable to owners of								
parent(million yen)	2,289	2,371	2,714	2,351	3,583	5,314	5,920	7,578
Operating Profit Margin	4.3%	4.7%	4.8%	4.2%	5.1%	6.6%	6.7%	7.6%
Equity ratio	58.0%	56.8%	57.7%	59.8%	50.9%	48.4%	49.7%	49.1%
ROE	6.4%	6.3%	7.0%	5.9%	8.6%	12.0%	12.3%	14.4%
End of period stock price *	1255 yen	1304 yen	1425 yen	1446 yen	2382 yen	2696 yen	3085 yen	5130 yen
Net assets per share *	1830.83 yen	1921.82 yen	2047.40 yen	2147.90 yen	2342.59 yen	2578.24 yen	2843.95 yen	3165.42 yen
PBR	0.69 time	0.68 time	0.70 time	0.67 time	1.02 time	1.05 time	1.08 time	1.62 time
Annual Dividend	45 yen	55 yen	70 yen	70 yen	90 yen	140 yen	110 yem	130 yen
Dividend payout ratio	19.9%	23.3%	25.3%	28.3%	23.2%	23.8%	33.0%	30.1%
Total shareholder return ratio	19.9%	43.1%	55.4%	70.7%	50.9%	43.0%	45.3%	48.0%

Listed on the First Section of the Tokyo Stock Exchange on November, 2017 Listed on the Tokyo Stock Exchange Prime Market on April, 2022

\*As a result of a stock split at a ratio of 2 for every common share conducted on November 1, 2022, the end of period stock price and net assets per share figures prior to the fiscal year ending October 2021 are shown at 1/2.

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It is stated the transition since our public listing on the Tokyo Stock Exchange.

This concludes my explanation. Thank you for your attention.

# Thank you for your attention.



Stock code: 9824

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### 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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