

INTEGRATED REPORT

2024



SENSHU ELECTRIC GROUP



The background of the entire slide is a blue-tinted photograph of a factory floor. In the foreground, several large, light-colored wooden spools of thread are arranged in rows, receding into the distance. In the background, industrial machinery and factory structures are visible, creating a sense of depth and industry.

CORPORATE PHILOSOPHY

*We create new value,
demonstrate ability,
strive to develop our business,
contribute to society,
reward shareholders,
provide benefits for our employees*

CORPORATE STATEMENT

Affinity, Integrity, Progress

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Applicable period

October Term 2023
November 1, 2022 to October 31, 2023
Note : For some parts, the data as at end of March 2023 is indicated.

Referenced Guidelines

International Integrated Reporting Council (IIRC)
「International Integrated Reporting Framework」
Ministry of Economy, Trade and Industry
「Integrated Disclosure and Dialogue Guidance 2.0 for Value Creation」

Concerning the outlook

This document describes the future outlook, plans, and strategies of our group, but please be aware that various factors may cause results to differ from these information, or plans may be changed.

This publication is also available on our website.

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



11.18 is Electric Wire & Cable Day

November 18, the anniversary of our company's founding, has been designated as "Electric Wire & Cable Day" by the Japan Electric Wire & Cable Makers' Association. (2018)
We feel a "connection" with electric wire & Cable.





I would like to express my deepest condolences for the many precious lives lost in the Noto Peninsula Earthquake of 1st January 2024.

I would also like to express my heartfelt sympathy to those affected by the disaster. We sincerely hope for the earliest possible recovery.

This time, we have published our first Integrated Report.

This report has been produced by our staff with the warmest wishes so that all stakeholders can see the past, present and future of the Group.

We look forward to receiving your comments and opinions.

Top Message of Mr. Motohide Nishimura,
Representative Director and President
of SENSU ELECTRIC CO., LTD., JAPAN

About Myself

It has been 24 years since I took over from the previous President, who is also my father, in January 2000. I was 45 years old when I became the president, and now I am 68 years old. I joined the company in 1995, when I left my previous job at Okasan Securities Co., Ltd. During the term at the securities company, I worked mainly in the International Department and was stationed in four countries for a total period of 13 years, where I sold Japanese stocks and bonds to local investors. The period from 1982 to 1995, when I was overseas, was the "Japan as number one" era, when investment in Japan was at its peak. Then the bubble burst and we entered into the lost 20 years. I still remember being told by one of my clients in Switzerland, my last place of the work, that "Japanese people don't know the fear of deflation". I also learnt that "it is important to manage the company in a way that is acceptable to all stakeholders". I joined the company in the hope that I could make use of this experience in the development of the company.

Senshu Electric Co., Ltd. To Date

Our company was founded in November 1949 by my father, Tadao Nishimura, with his three brothers, and from an early stage we concentrated on the sale of electric wire and cable and expanded our business nationwide with a 'just-in-time' approach. Around 30 years after its founding, the company aimed to go public in order to move away from being a traditional private trader, and in June 1991 it was listed on the New 2nd Section of the then Osaka Securities Exchange. Since then, the company has been steadily promoted to the OSE 2nd Section, TSE 2nd Section and TSE 1st Section, and on 4th April 2022 it moved to the TSE Prime Market. The driving force behind this is our original product, FA cables. Since the late 1980s, the Company has been developing the market for FA cables in anticipation of the increasing efficiency improvement and automation of manufacturing facilities. We have also strengthened our cable assembly operations to meet customer's demand and requirements. In the process, we have introduced and nurtured new products in the market with medium-sized cable manufacturers having high technological capabilities. These efforts have been successful and have enabled us to continue to generate higher profits than other trading companies of wire and cable in the same industry. In addition, as our main customers were manufacturers of automobiles, machine tools and semiconductor manufacturing equipment, we became involved in the overseas business development of our customers, and we also started to expand the operation to the overseas. At present, we have operations in six countries - Thailand, PR China, the Philippines, Taiwan, Vietnam and the USA - and we plan to expand into India within the next five years. Through mergers and acquisitions, the number of domestic subsidiaries has also increased to six, making us a corporate group capable of a wide variety of activities, including semiconductor manufacturing equipment, automobile production lines, communication and control materials, information and communication related products, and control cabinet design and production.

Medium-Term Management Plan - SS2026

We started preparing our medium-term management plan in the 1985s, when we became aware that we were about to go public. We mainly prepared three-year or five-year plan for internal use on an annual rolling basis, which were explained by the president at the nation wide company managers' meeting held in November each year. Basically, we are still doing the same style. However, since eight years ago (December 2016), we have started disclosing our medium-term management plan to the public. It seems to me that there exists now a sense of tension throughout the Group to achieve this more. The five-year plan before the outbreak of the COVID-19 was not achieved once, but in the last two years it was achieved two years ahead of the schedule. Continued high copper price and the recovery of the semiconductor and machine tool sectors are the reasons behind this. A new three-year plan was launched last December 2023. In this new plan "SS2026", our target of consolidated sales is J.Yen150,000Million and then our target of consolidated ordinary profit is J.Yen10,000Million. Our strategy is to ride firmly on the strong flow of domestic capital investment following the convergence of COVID-19. With power cables for construction in shortage, the true value of our just-in-time service is being tested. We will make full use of our 18 business bases nationwide to achieve sales and profits. In terms of global development, we are also planning to expand into the market of India. Expanding overseas sales is also an important medium and long term issue. And then there is the development of new products. The agricultural electrical wire "Abil Heater" is gradually penetrating greenhouse farmers, and we expect to expand sales in the future. At the same time, we expect this product to contribute to the SDGs. After the convergence of the COVID-19, the DX and GX are said to be in the pipeline. We believe that digital transformation and green transformation will change the world significantly. We will firmly incorporate these into our medium-term management strategy and aim for sustainable growth.

Towards a 100-year Company - Sustainability

There are 75,000 "100-year companies" in the world. Japan, in particular, is the world's longest-lived corporate nation, with more than 43,000 companies. The long-lived companies do not seek the stability only, but also have strategies that meet the time and era, which is said to be a characteristic of long-lived companies. This year we will celebrate our 75th anniversary, and we will prepare for our 100th anniversary after 25 years from now on. We will implement our strategy from a long-term perspective, with the three and five years of this medium-term management plan as a passing point. To this end, we think it is important to clearly clarify what we must not change and what we will change. For us, what we must not change is our founding spirit and corporate philosophy. In some respects, we believe that this is our global standard ; "create new value, demonstrate our ability, strive to develop our business, contribute to society, reward our shareholders and ensure the welfare of our employees". And what we are changing is to create our differentiation in line with the market, and we want to remain the leader in the industry at any time. To achieve this, the support of our employees, customers, suppliers and shareholders is of the utmost importance. In particular, we think that employee satisfaction is quite important in terms of human resources. We believe that by satisfying all stakeholders and striving to continuously increase our corporate value, we will find the path to becoming a '100-year company'. It is difficult to predict what society will be like in 2050, our centenary year. However, if we continue to operate the company with the current trend towards ESG and SDGs, we sincerely hope that a wonderful world awaits us.

We will continue to aim for further development without being satisfied with the current status and will strive to further enhance our corporate value to satisfy all our stakeholders.

We sincerely wish that your continuous support will be given for the future.



1947	Jan. Founded Nishimura Electric Trading Firm at 15 Doyama-cho, Kitaku, Osaka City
1949	Nov. Senshu Electric Co.,Ltd.established with capital of J.Yen300,000
1954	Feb. Hiroshima Liaison Office (now Hiroshima Branch) opened at Teppo-cho, Hiroshima City
1960	Nov. Opened Tokyo Office (now Tokyo Branch) at Taito-ku,Tokyo
1962	June Built Senshu Bldg and made it Head Office at Togano-cho,Kitaku, Osaka city
1965	June Opened Osaka-Minami Office at Sumiyoshiku,Osaka city
1969	Sep. Opened Sapporo Office (now Sapporo Branch) at Kita 1-Jyo Higashi, Sapporo City.
1970	June Newly built and opened Osaka Office-cum-Distribution Center at Suita City,Osaka Pref. and consolidated Senri Office
1973	June Opened Takaoka Liaison Office (now Takaoka Office) at Takaoka City, Toyama Pref.
1974	Apr. Newly built and opened Fukuoka Office (now Fukuoka Branch) at Hakata-ku, Fukuoka City.and opened Takamatsu Office (now Takamatsu Branch) at Takamatsu City, Kagawa Pref.
1977	May Opened Sendai Office (now Sendai Branch) at Sendai City, Miyagi Pref.
1983	Sep. Opened Toyohashi Office at Toyohashi City, Aichi Pref.
1987	May Opened Saitama Office (now Saitama Branch) at Omiya City, Saitama Pref.
1989	Apr. Newly built and opened Data Processing Center (now Head Office) at Suita City,Osaka Pref.
1991	June Listed on the new second section of the Osaka Securities Exchange and increased capital to J.Yen2,104million Nov. Obtained permit from the Governor of Osaka Prefecture as a registered contractor (Electrical Engineering & Piping Work)
1992	Nov. Set up STEC CO.,LTD.
1993	Nov. Newly built and opened Nagoya Branch at Nishiku,Nagoya City Dec. Osaka Office(now Osaka Main Office) newly built and opened at Suita City Osaka Pref.
1996	Jan. Listed on the second section of the Osaka Securities Exchange (code: 9824)
1998	Apr. Opened Thai Representative Office (now SENSHU ELECTRIC INTERNATIONAL CO.,LTD.)
1999	June Commemorated 50th Anniversary (at Imperial Hotel,Osaka)



At the time of establishment



Newly built and opened Data Processing Center (now Head Office)(1989)



Listed on the new second section of the Osaka Securities Exchange(1991)



Osaka Office(now Osaka Main Office) newly built and opened at Suita City Osaka Pref.(1993)



Commemorated 50th Anniversary(1999)

2001

Nov. Set up SENSU ELECTRIC(THAILAND) CO., LTD.

2002

Nov. Listed on the Second Section of the Tokyo Stock Exchange
Tokyo Branch acquired ISO9001 certification

2004

Jan. Set up SHANGHAI SENSU ELECTRIC INTERNATIONAL CO.,LTD.
July ISO 14001 certification acquired

2006

Oct. Opened Keiji Office and Kyoto distribution Center at Yawata City,
Kyoto Pref.

2008

May Opened Tokyo-nishi Office at Hachioji City, Tokyo

2009

Mar. Opened Kusatsu Factory Autanation Center at Kusatsu City,
Shiga
June Opened Kitakantou Distribution Center at Utsunomiya City,
Tochigi Pref.

2010

Nov. Sankoshoji Co.,Ltd. became a wholly owned subsidiary
of SENSU ELECTRIC CO.,LTD.

2011

May Opened SHANGHAI SENSU ELECTRIC INTERNATIONAL
CO.,LTD. TIANJIN BRANCH

2013

May NBS CO.,LTD became a wholly owned subsidiary
of SENSU ELECTRIC CO.,LTD.
Newly built and moved Osaka-Minami Office to Matsubara City

2014

Oct. Set up SENSU ELECTRIC PHILIPPINES CORPORATION
Nov. Installed solar power generating system at KUSATSU
FA Center and started electric power selling business

2015

Mar. ASSY ELECTRIC CO.,LTD. became a wholly owned subsidiary
of SENSU ELECTRIC CO.,LTD.
June Taiyo Tsushin Kogyo Co.,Ltd. became a wholly owned subsidiary
of SENSU ELECTRIC CO., LTD.

2016

Jan. Set up SENSU ELECTRIC TAIWAN CO.,LTD.
Mar. Head office moved to Suita City,Osaka Pref. Renamed Osaka
Branch to Osaka Main Office

2017

Nov. Listed on the first section of the Tokyo Stock Exchange

2018

May Opened Kita-Kanto Special Corporate Sales Office and Higashi-
Nihon Fabrication Center at Utsunomiya City Tochigi Pref.
Oct. Newly built and moved Saitama Office (now Saitama Branch)
to Ageo City, Saitama Pref.

2019

May Relocated and renamed Suita Distribution Center and opened
Osaka Distribution Center in Toyonaka City,Osaka Pref.
Set up SENSU ELECTRIC VIETNAM CO.,LTD,

2021

May Opened Okinawa Distribution Center at Naha City,Okinawa Pref.
Aug. Set up SENSU ELECTRIC AMERICA,INC.

2022

May Hokuetsu denken Co.,Ltd. became a wholly owned subsidiary
of SENSU ELECTRIC CO.,LTD.
Apr. Transition to Prime Market of the Tokyo Stock Exchange

2023

May Opened Hokuriku Branch at Kanazawa City,Ishikawa Pref.



Listed on the Second Section of the Tokyo
Stock Exchange(2002)



Installed solar power
at Osaka-Minami office(2013)



Installed solar power
at KUSATSU FA Center(2014)



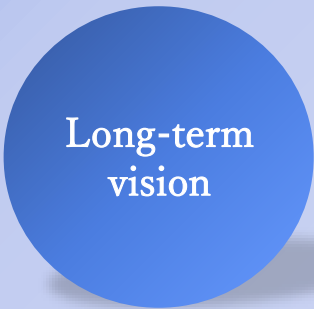
Listed on the first section of the Tokyo
Stock Exchange(2017)



Opened Osaka Distribution Center(2019)



Opened Hokuriku Branch(2023)



**From all stakeholders
Highly engaged
Becoming a 100-year company**

~ Go To 100 years enterprise ~

Year ending Oct 2049

90919293949596979899 **100**

747576777879 **80** 818283848586878889

Year ending Oct 2023

Business
Model (1)

JUST IN TIME SYSTEM



▲ Osaka Distribution Center (Toyonaka City, Osaka Pref.)

Here is Logistics Base in Osaka relocated from the original location and built in May 2019. The site area is approximately 9,000 m², making it one of the largest electric wire and cable stock yard in Japan.

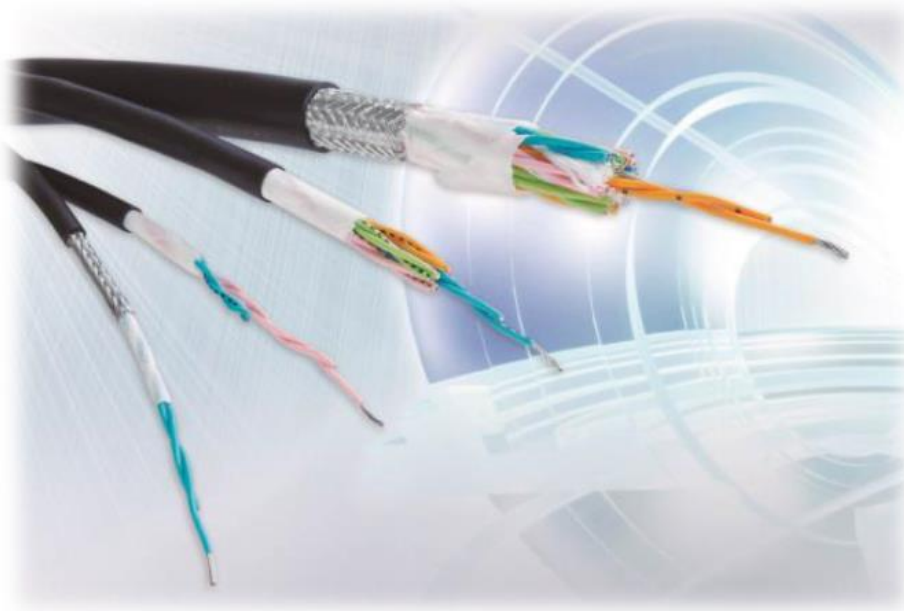


"The necessary Quantities at the Necessary Timing"

Electric wire and cable are said to be a difficult commodity to stock due to their heavy weight, storage space and risk of theft. We have distribution bases in Japan (from Sapporo to Okinawa) with a warehouse floor area of total 70,000m² approximately and a product of more than 50,000 types of wire and cable, and we have a system for "JUST IN TIME" that can respond to the customer's requirement with policy for "The necessary Quantities at the Necessary Timing".

**Business
Model (2)**

Original Products



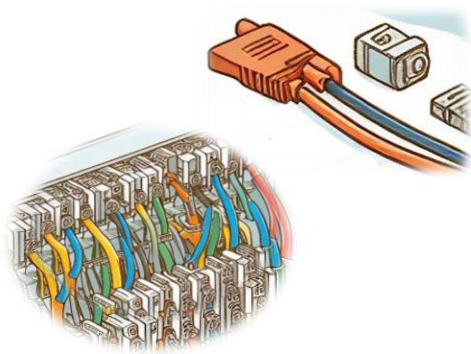
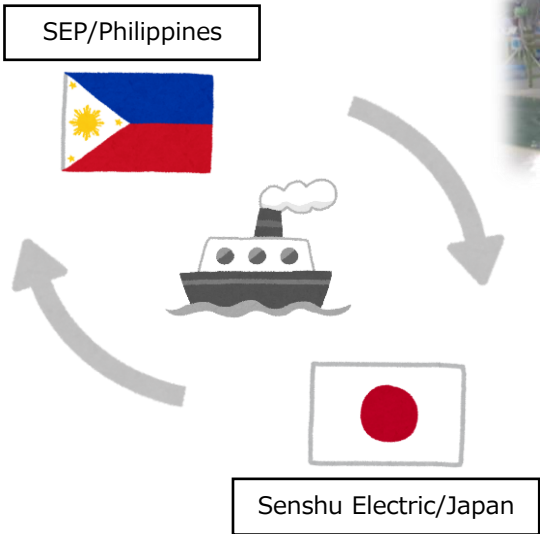
Products proprietary developed, sold and to be being sold by our Company

We have developed FA cable (Factory Automation Cable), which are used for robot, etc., with cable manufacturer and are selling them as our original products.

We accurately grasp a wide variety of customer's needs and play a role as a trading company with certain technology. FA cable are used for a variety of purposes, such as motion resistance, flexibility, oil resistance, chemical resistance, etc., and are also used for the customers in overseas. We have a system in order to respond to such needs "JUST IN TIME", and we are building a business model that is win-win-win for the manufacturer, us, and the customer.

Business Model (3)

Cable Assembly

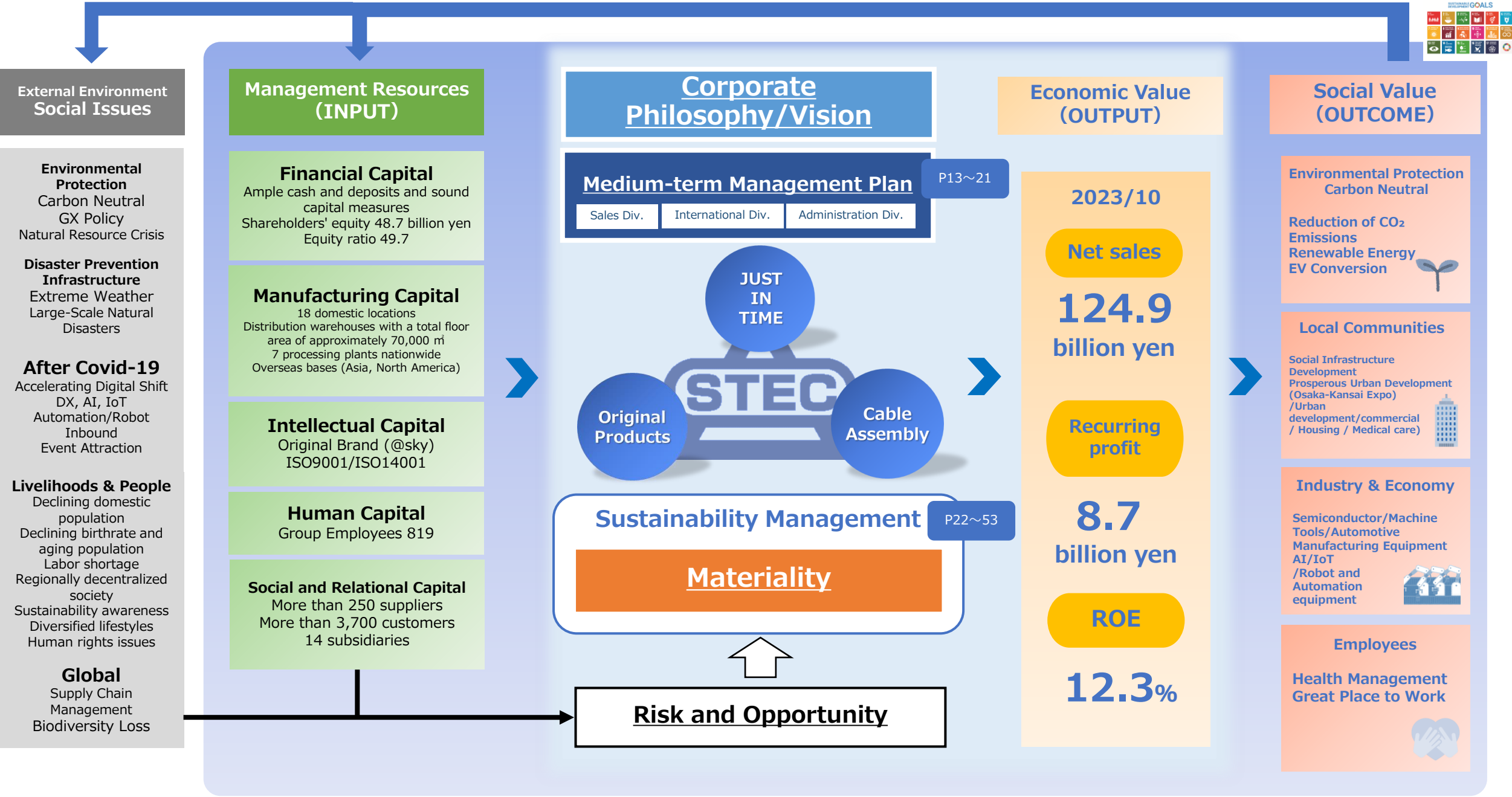


Small lot, Multi Variety, and Short Lead Time

In addition to wire and cable business, we are able to meet the needs for small lot, multi variety, short lead time of wire and cable assembly with termination, control panel, etc. at seven plants in our total 18 sales branch offices nationwide in Japan. We have also a close relation with our overseas subsidiary of SENSHU ELECTRIC PHILIPPINES CORPORATION(SEP)/Philippines which has also established assembling line to meet the customer’s requirement.

Senshu Electric Group Value Creation Process

Based on our corporate philosophy of "We create new value, demonstrate ability, strive to develop our business, contribute to society, reward shareholders, provide benefits for our employees." we identify key ESG issues from "risks and opportunities" in the external environment, social issues, and management resources, and conduct sustainability management. We will develop our business based on our three business models, which are our strengths, and create economic and social value to realize a sustainable society with our long-term vision "From all stakeholders Highly engaged Becoming a 100-year company" under our medium-term management plan.



Medium-Term Management Plan (FY10/2024 - FY10/2026)

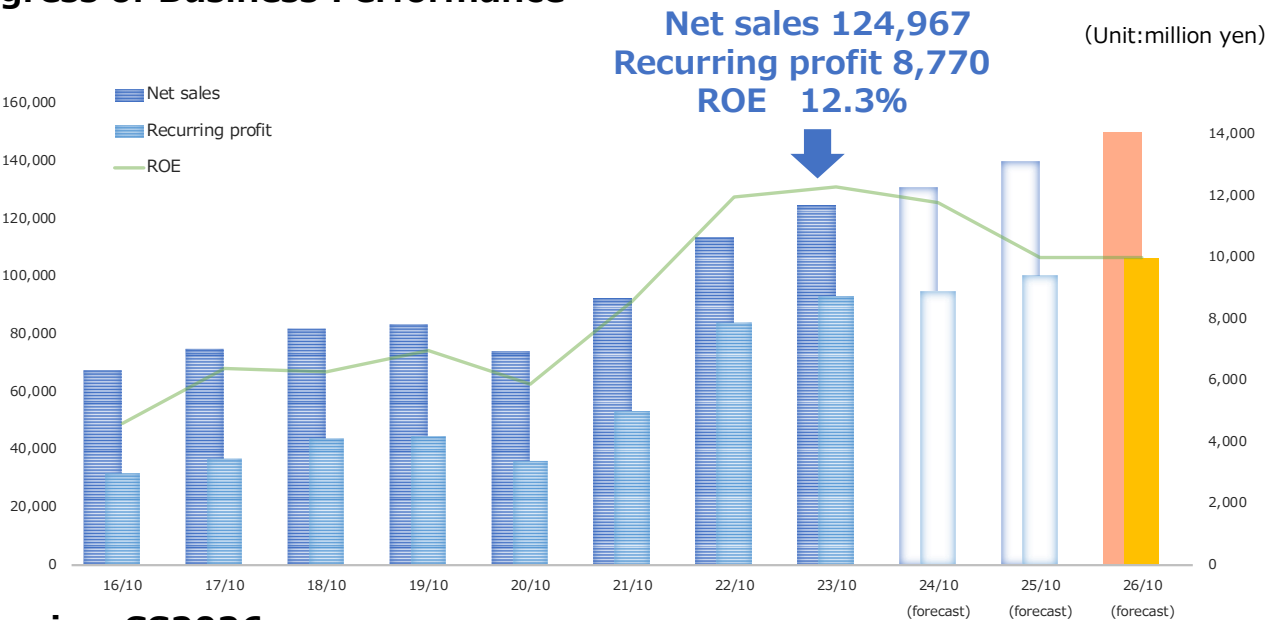
On December 7, 2023, the Senshu Electric Group announced the formulation of a new Senshu Electric Group Medium-Term Management Plan, which will end in October 2026, as the Group achieved the goals of the Senshu Electric Group Medium-Term Management Plan announced on December 8, 2022, two years ahead of schedule for the fiscal year ending in October 2025.

Net sales
150 billion

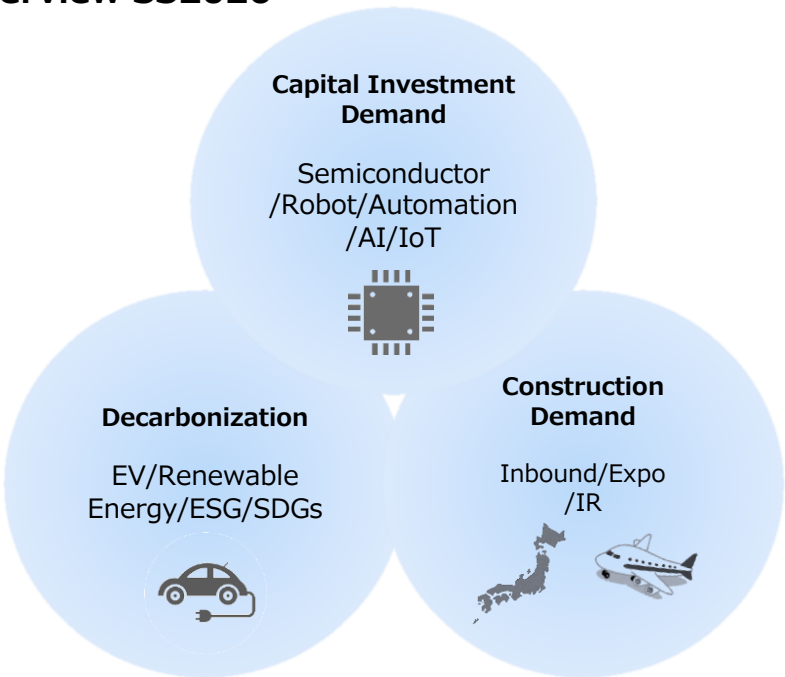
Recurring profit
10 billion

ROE
**10.0%
or more**

Progress of Business Performance



Overview 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

SS: Abbreviation for Senshu Strategy



Senior Managing Director
Executive Officer and General Manager of Sales Division
Toyo Usho

Sales Division Strategy

Aiming to be a 100 years enterprise

Since its establishment in Osaka in 1949, the Company has opened offices throughout Japan, including the Hiroshima Sub-Branch (now the Hiroshima Branch) in 1954, the Tokyo Sales Office (now the Tokyo Branch, 1960) and the Sapporo Sales Office (now the Sapporo Branch, 1969), and has established 18 offices, including the Hokuriku Branch in 2023. The company has been building and expanding its domestic network by opening 18 branches so far, including the Hokuriku Branch in 2023. Through these activities, we have been able to develop and expand our domestic network through community-based sales and marketing activities.

In order to promote our business model 'JUST IN TIME' through community-based sales activities, we have been working to improve customer satisfaction by having logistics warehouses at each location, stocking a wide variety of inventories and making full use of our procurement and inventory capabilities to meet customer needs. In this context, the company aims to be a technical trading company that not only sell electric wire and cable but also provide various technologies and information related to electric wire and cable by utilizing its seven wire harness assembly plants in Japan to meet the needs for small-lot and multi-variety of wire harness assembly. In addition, our six domestic subsidiaries comprise various industries, including IT-related, telecommunications, PLC control design and high-current connector manufacturing, and we are expanding the scope of our activities by strengthening the cooperation with each subsidiary.

The Company's customers can be broadly divided into three categories: (1) (Electrical Materials Division) electrical materials dealers (2) (Electrical Facilities Division) electrical contractors (3) (Direct Demands Division) end-users such as manufacturing plants. We have contributed to the development of society and industry by providing products and services through various customers in the (1) mobility-related business, (2) semiconductor-related business, (3) electronics-related business and (4) infrastructure and energy-related business. Each of these customers is related to electricity, which is indispensable to our daily lives, although they are in different industries.

We have been maintaining the good relation with many customers since our establishment, and have defined the policy of our Sales Division based on the importance of accurately grasping the needs of each customer and responding to their requests.

Market Share Expansion Strategy	
1. Strengthen community-based sales by further expanding domestic bases 2. Promote a 'just in time' system by strengthening the logistics network 3. Develop and expand sales of the original products 4. Strengthen cooperation with domestic and overseas subsidiaries	Topics-1
Strengthening the Direct Demands Division	
1. Human resource development to realise a technical trading company 2. Capital investment and M&A to meet the needs of wire harness assembly 3. Business expansion into the agricultural sector with Abil heaters	Topics-2
Compliance and Internal Controls adhered to and enforced	
1. Compliance as a company listed on the TSE Prime Market 2. Compliance with domestic and international laws and regulations 3. Improving engagement with employees and business partners	

International Division Strategy

Delivering the Value for the next 100 Years



Executive Vice President
Executive Officer and General Manager of International Division
Takao Tahara

(*) As of 31 October 2023.

Since establishing a representative office in Bangkok, Thailand in April 1998 (locally incorporated in 2003), the Company has actively pursued overseas development, particularly in Asia. Currently, in Asia, we have established local subsidiaries (i.e., sales subsidiaries) in Bangkok, Thailand; Shanghai, China; Taipei, Taiwan; and Hanoi, Vietnam to develop sales activities. In the Philippines we established a manufacturing subsidiary specializing in the wire harness assembly of electric wire and cable in October 2014. The Company has expanded to a scale where it can employ up to approximately 200 peoples. Another manufacturing subsidiary in Shanghai, China, manufactures and sells high-quality control panels and other products, mainly to Japanese companies in China. In August 2021, we also established a local subsidiary in Michigan, USA, the world's largest market with state-of-the-art technology.

In order to expand sales channels in overseas markets based on the business model established in Japan, the Company has been working to strengthen its global quality assurance system with a supply chain centered in Japan. The Group's collective efforts have been made to build relationships of trust with customers and business partners by thoroughly promoting the idea of 'quality first'. Skilled sales staff are dispatched to each local subsidiary to ensure that customer needs are met and transactions are realized.

Just like in Japan, our overseas focus is on (i) mobility-related businesses, (ii) semiconductor-related businesses and (iii) electronics-related businesses. These businesses support global industry and are essential for the development of each country from an ESG perspective. We are working to strengthen our system for the timely delivery of electric wire, cable and their assembled products, which are indispensable for the manufacturing processes and intra-plant transport in these businesses, in accordance with customer requirements. As a trading company specializing in electric wire and cable, we believe that one of the important mission of our overseas business is to develop high-quality Japanese FA cables for the global market.

In this way, since the 1990s we have been promoting global development, but with the economic and social system undergoing a period of major change, including de-carbonization, carbon neutrality, COVID-19, the Ukrainian crisis and the spread of inflation, we have redefined our overseas business policy from an ESG perspective in order to foresee sustainability of our business (i.e., permanent development of our business in response to change).

Environment

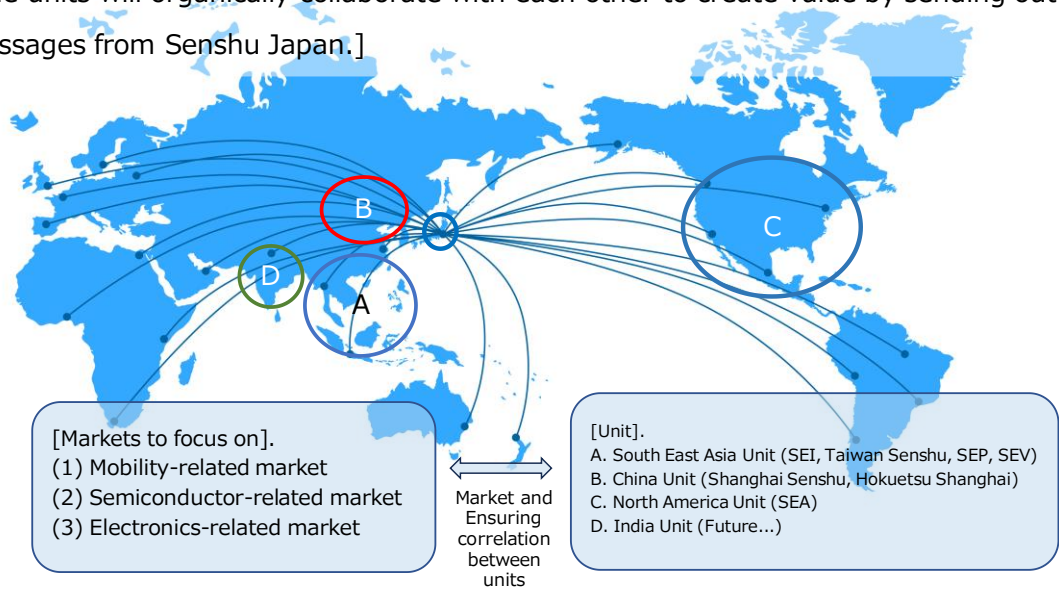
- 1.Strengthen semiconductors and mobility-related businesses that support EVs and automated driving
- 2.Actively promotion of environmentally friendly products
- 3.Reduction of environmental impact through more efficient packaging and logistics
- 4.Effective utilization of resources and thorough implementation of the 3Rs (Reduce, Reuse, Recycle) + Renewable

Society
1.Promotion of the employment of local employees 2.Promotion of the transfer of assembling technology to local employees at manufacturing site 3.Promotion of the local products for local consumption, from procurement and assembling to the delivery
Governance
1.Strict Compliance through Internal Control Systems 2.Information sharing through a virtual space connecting each other via the web site 3.Creation of an environment where local employees can provide information to the head office in Japan.

In a complex and changing social climate, the management decisions regarding overseas operations are becoming increasingly difficult, but we will fulfil our corporate social responsibility to ensure that our overseas operation help the industries in each country to emerge stronger after the COVID-19.

Senshu Electric Global Map

[The units will organically collaborate with each other to create value by sending out messages from Senshu Japan.]



SEI : SENSU ELECTRIC INTERNATIONAL CO., LTD., THAILAND
SEP : SENSU ELECTRIC PHILIPPINES CORPORATION
SEV : SENSU ELECTRIC VIETNAM CO., LTD.
SEA : SENSU ELECTRIC AMERICA., INC.



Senior Managing Director
Executive Officer and General Manager of Administration Division
Kazuto Narita

Administration Division Strategy

Aiming to enhance corporate value

In order for the Company to develop further, it is important to "increase corporate value", and the mission of the Administration Division is to study, plan and implement various measures for that purpose. The Company was established in 1949 and has been engaged in business activities since then. In 1991, the Company was listed on the Second Section of the Osaka Securities Exchange (i.e., specially designated brand) in order to further expand its business activities and change into a company in which many investors can invest. In the administrative department, the system was strengthened to ensure accurate and prompt disclosure of financial results.

Subsequently, the company was listed on the Second Section of the Osaka Securities Exchange in 1996, on the Second Section of the Tokyo Stock Exchange in 2002, on the First Section of the Tokyo Stock Exchange in 2017, and moved to the Tokyo Stock Exchange Prime Market in 2022. The Company strengthened the function of the administration division in line with the change for list of the Securities Exchange. The Company's management philosophy is to strive for the development of the company's business, to contribute to the society, to return profits to shareholders and to ensure the welfare of employees.

The Administration Division, which is a support department for the company's operations, is committed to leading the company in the following matters in order to achieve the company's medium-term management plan and to further increase the corporate value.

Compliance with laws and regulations.
1. Compliance with the Group Code of Conduct 2. Thoroughness of the Compliance 3. Risk Management (Enhancement of BCP system) 4. Establishment of a Group helpline
Compliance with the Corporate Governance Code.
1. Enhancement of the Internal Control System 2. Enhancement of the disclosure of Corporate Information 3. Study of the Measures to return profit to shareholders 4. Establishment and Operation of Nomination and Remuneration Committees 5. Conduct an evaluation of the effectiveness of the Board of Directors
Implementation of the Sustainability Management (ESG Management).
1. Environmental Initiatives 2. Human Resource Development (improving the Engagement) 3. Promotion of women's activities 4. Health Management Promotion

Promotion of Global Corporate Activities

1.Securing a diverse workforce

The above will be implemented to further increase the corporate value,
We aim to become the No. 1 company to work for, the No. 1 company to do business with and the No. 1 company to invest in.

Senshu Electric Group

Corporate
Philosophy

Medium-Term
Management Plan

Administration Division

Legal Compliance
Corporate Governance Code
Sustainability Management
(ESG Management)
Global Corporate Activities

Increase in Corporate Value

No.1 Company to work for
No.1 Company to do business with
No 1 Company to invest in

Topics-1

Hokuriku Branch



Hokuriku Branch

1176-3, Uchiki-cho Higashi,
Kanazawa, Ishikawa, Japan

Site area: 6,685㎡

Total floor space: 4,645㎡

(1F office and 2F warehouse)

Opened on May 1, 2023

The new branch is conveniently located 2 km from the Hakusan Interchange on the Hokuriku Expressway, approximately 8 minutes by car.

The new branch will cover the three Hokuriku prefectures (Ishikawa, Fukui, and Toyama),

We will realize one of our business models, "JUST IN TIME" system.

In addition, It can be said that it is an environment where synergy effects can be created in cooperation with the neighboring Takaoka Office (Takaoka City, Toyama Pref.) and our domestic subsidiary Hokuetsu denken Co.,Ltd. (Nagaoka City, Niigata Pref.).



Expectations for the Hokuriku Region

Tourism

Historical tourist attractions
Beautiful natural environment

Industry

Thriving Manufacturing Industry
Traditional Crafts

Agriculture

Rich natural environment
Local brand products

Research & Technology

Research Institutes
Universities



**Infrastructure development
and Capital investment**

New field

Topics-2

New Product : Abil Heater

(Agricultural Underground PVC Insulated Heater)

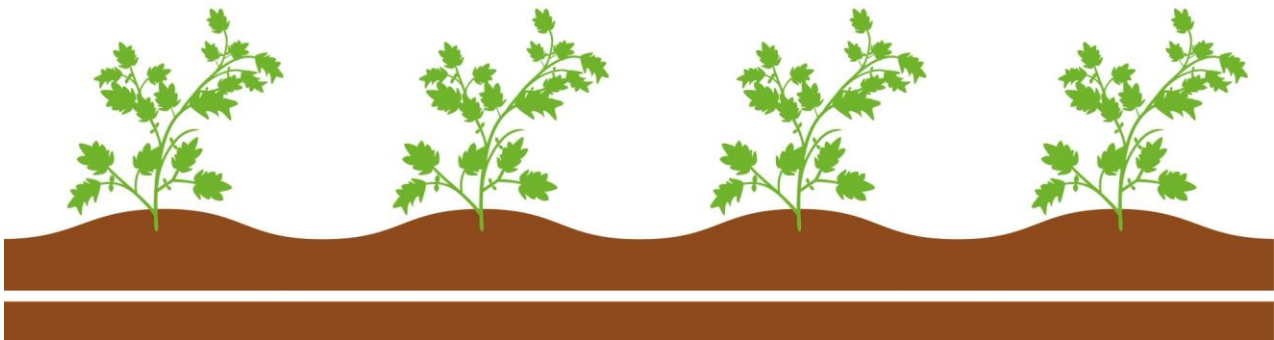
Abil Heater

A new material for heaters made of 40 micron stainless steel foil impregnated and coated with a special element. (Patent Pending)

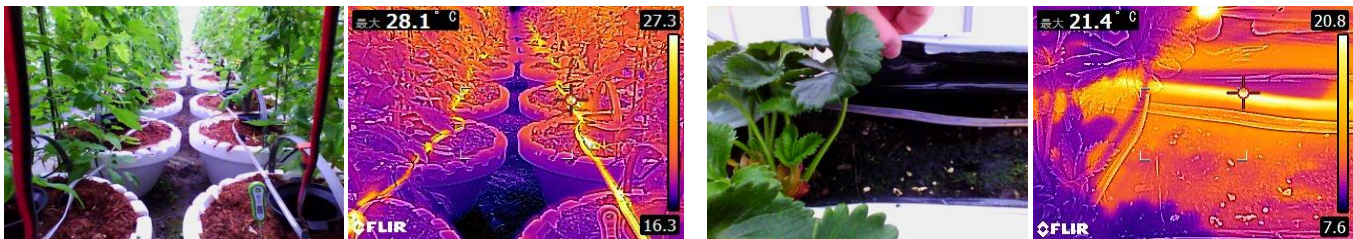


What is an Abil Heater?

This is a product that locally heats the root zone during the winter time to control the temperature environment and raise soil temperature to promote plant growth, **resulting in high yields and high profits.**



Thermal imaging picture of soil heating

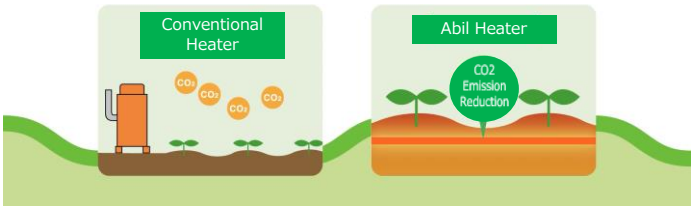


Features and Benefits

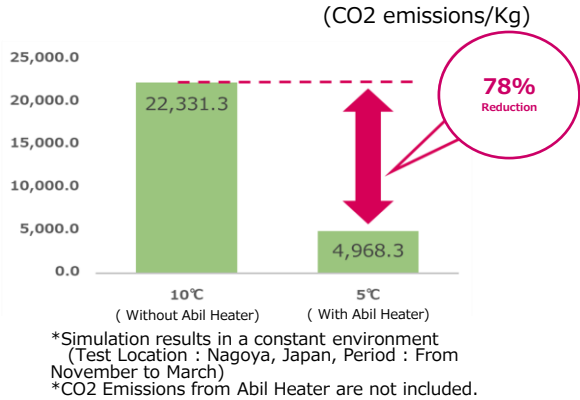
(1)Contribution to reduction of CO2 Emissions

Structure of Abil Heater Wire and Energy Saving Capability

Originally, plastic greenhouses were heated using fuel oil, but the Abil heater uses electricity, so it does not use fossil fuels and does not pollute the air.



Comparison for CO2 Emissions of Boiler by Temperature of 5°C and 10°C



(2)Improvement of Harvest Yield and Harvest Turnover

Graph comparing yield per plant (Period : December to early April)



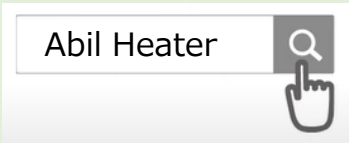
Yield is an example only and may increase or decrease depending on installation conditions and environment.

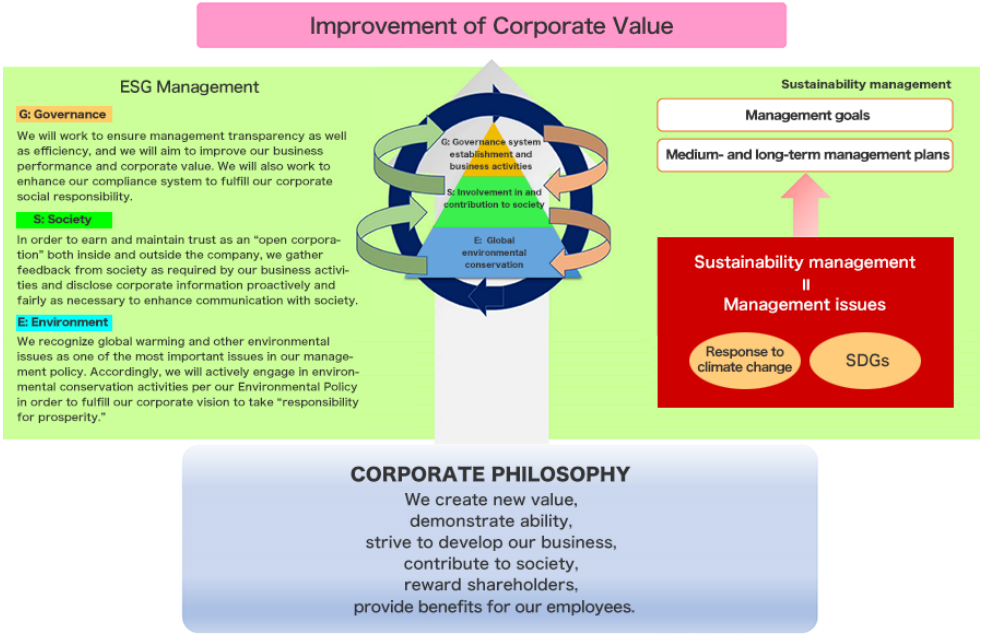
Abil Heater contributes to the SDGs



The Abil Heater website contains many exhibits at exhibition, seedling videos, and case studies.

<https://abilheater.com/>





Corporate Policy

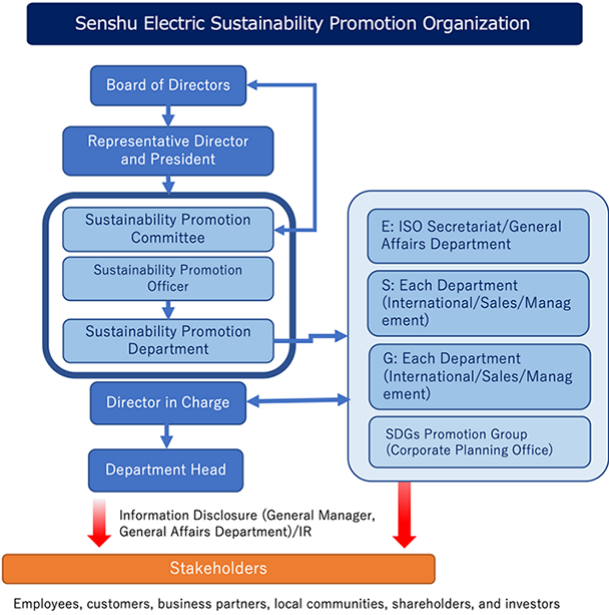
Based on our corporate philosophy, which states that “We create new value, demonstrate ability, strive to develop our business, contribute to society, reward shareholders, provide benefits for our employees.” our group has adopted a basic policy of sustainable management in which we continue to be a company with value to society by providing products and services that meet constantly changing market needs through new ideas and proactive actions based on the experience, knowledge, and technology we have cultivated.

In addition, while developing our business based on our corporate philosophy, we are strengthening our ESG initiatives, which include reducing our environmental footprint (E: Environment), fulfilling our responsibility to supply electric cables to society (S: Society), and ensuring fairness and transparency in management (G: Governance). Furthermore, we regard these efforts as consistent with the Sustainable Development Goals (SDGs) advocated by the United Nations.

Our group recognizes that ensuring the sustainability of the global environment, which is the foundation of our business activities, is our top priority in order to continuously make contributions to society. We also recognize that the resolution of climate change, which is an issue shared by all humankind, is a demand of the international community. Therefore, we will steadily promote the realization of carbon neutrality through the use of renewable energy and the active introduction of new technologies. Additionally, we will actively work to solve climate change issues through the realization of a decarbonized society.

Governance

In order to promote sustainability management across the entire Group, the Board of Directors, the highest decision-making body for business execution, discusses and resolves specific measures to address environmental issues. At the Sustainability Promotion Community, which is held semiannually, the Board of Directors discusses and resolves on policies to address environmental issues, formulates action plans for the Group's environmental issues, and monitors the progress of these plans. The Board of Directors receives reports on the content of discussions and resolutions made by the Sustainability Promotion Community, and discusses and supervises the Group's policies and action plans for addressing environmental issues. The President & CEO chairs the Sustainability Promotion Community as well as the Board of Directors, and is ultimately responsible for management decisions related to environmental issues. The content of the discussions and resolutions made by the Sustainability Promotion Community is reported to the Board of Directors.



Risk Management

As the environment surrounding the company becomes increasingly complex and uncertain, it is essential to accurately address risks that could have a significant impact on corporate activities in order to carry out management strategies and business objectives.

The Risk Management Committee has been established as a risk management body for the entire Group, and regularly identifies, examines, addresses, and discusses the Group's risks, and reports its findings to the Board of Directors. In addition, the Group positions climate-related issues as a risk with significant management impact, and based on the investigation and identification of risks and opportunities by the Secretariat in charge of the Sustainability Promotion Community, the Group will evaluate scenario analysis through the Sustainability Promotion Community and the Board of Directors, and manage them appropriately.

Materiality Identification

We have identified key ESG issues (materiality) for sustainability management, and have also linked them to the Sustainable Development Goals (SDGs) adopted by the United Nations, creating an ESG/SDGs comparison table.

ESG/SDGs Comparison Table

Key Issues (Materiality)☒			Major Initiatives	SDGs Item																	Corporate Philosophy	Code of Conduct	Security and Disaster Resilience					
E	Environmental conservation activities	Reduction of CO ₂ emissions Response to climate change Compliance with environmental laws and regulations	Support for the TCFD recommendations														●	●	●	●				○	○			
			Effective use of resources																●	●	●	●				○	○	
			Promotion of neighborhood cleaning activities																	●	●	●	●				○	○
			Promoting sales of eco-friendly products																●	●	●	●				○	○	
			Acquisition of ISO 14001 certification																●	●	●	●				○	○	
			Promote the introduction of solar power generation and LED lighting																●	●	●	●				○	○	
S	Respect and Consideration for human rights Creating a rewarding work environment Stable supply of goods and services	Strengthening information security Strengthening quality control system Improving engagement with employees and business partners Promotion of health management and enhancement of health and safety Promote diversity Enhancement of welfare benefits	Promoting women's empowerment														●							○				
			Various training and qualification recommendations															●							○			
			Supporting the development of the next generation																									
			Supporting the employment of persons with disabilities																●							○		
			Supporting workplace learning experiences																									
			Disaster relief																●					○				
G	Establishment of a governance system	Enhancement of Corporate Governance Through compliance Risk management	Acquisition of Health and Productivity Management Organization certification (Safety and Health Committee)☒														●							○				
			GLTD (group long-term disability income compensation insurance) coverage															●							○			
			IR/SR activities																●	●			○			○		
			Further Enhancement of Board Deliberations																●	●				○	○			
			Legal Compliance /Compliance education and training																									
			Maintain BCP system, Business and other risks and countermeasures														●							○	○			



Environment

We have established a "Quality and Environmental Policy" in conjunction with our ISO 14001:2015 and ISO 9001:2015 certifications.(excluding subsidiaries in the group)

Quality and Environmental Policy of SENSHU ELECTRIC CO., LTD.

We, SENSHU ELECTRIC CO., LTD. as the responsibility of nation's top general trading company of electric wire and cable, will strive in the improvement of quality and global environmental conservation under the following policies in the business activities for sales of various wire and cable, sale of wire harness for machinery and equipment and manufacture and sale of control panel.

- 1. In order to enhance the effectiveness of our quality and environmental management system, we will emphasize a process approach in all of our business activities and strive for continuous improvement. At the same time, we will strive to improve customer satisfaction.
- 2. In accordance with our management philosophy, we will establish the necessary operation manual and then evaluate it periodically in order to comply with internal control systems, domestic and foreign laws and regulations, including the J-SOX Act, and environmental laws, regulations, and ordinances, as well as with all other requirements to which we agree.
- 3. We will strive to develop the global operation.
- 4. In order to protect the global environment, we will make the effective use of resources and energy and work to prevent the pollution. We will also contribute to the society through the SDGs (Sustainable Development Goals).
- 5. All employees shall understand and practice this Quality and Environmental Policy.

This quality and environmental policy will be disclosed to external parties including customers, suppliers, and local communities.

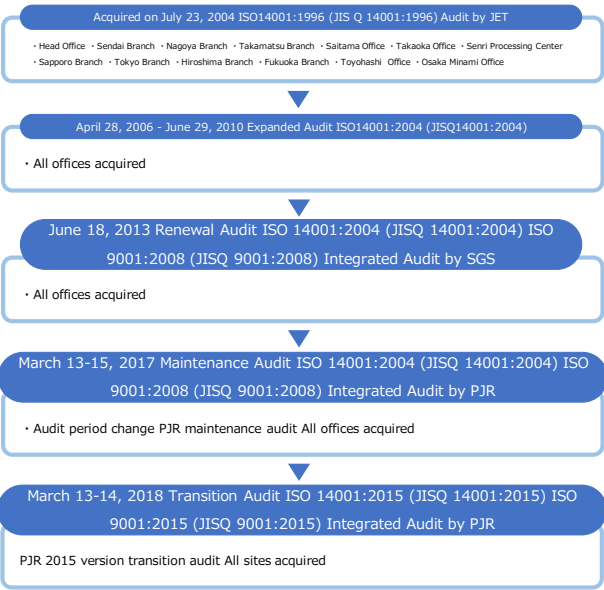
Motohide Nishimura
Representative Director and President
November 1st, 2023
SENSHU ELECTRIC CO., LTD.

ISO Certification Status

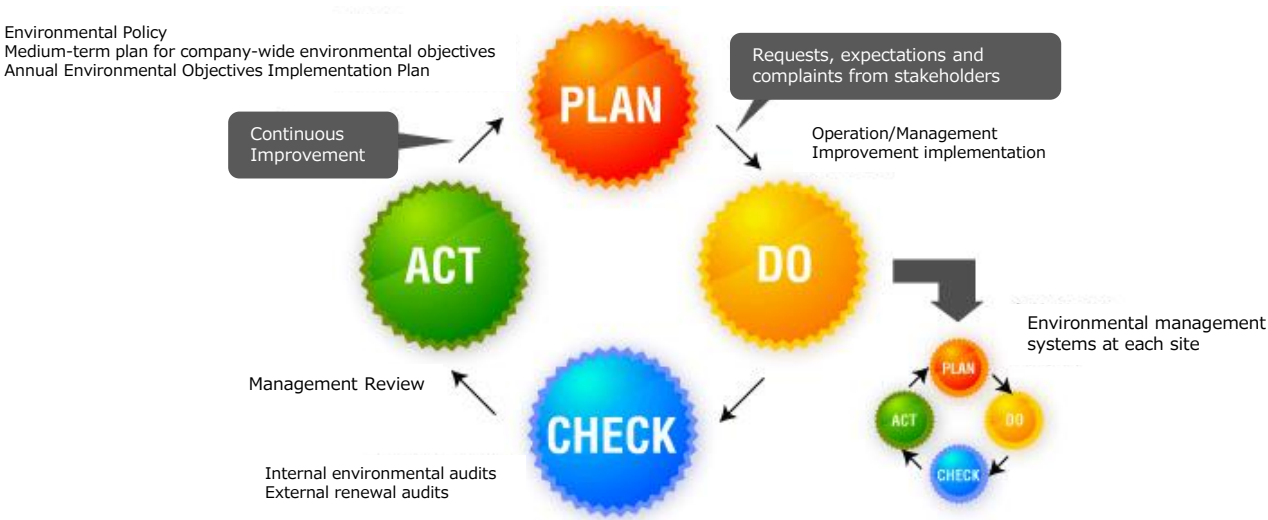
In a maintenance audit conducted in March 2023, ISO 14001:2015 and ISO 9001:2015 was certified by the company.



Registration Summary	Remarks Standard	ISO14001:2015 (JIS Q 14001:2015) ISO9001:2015 (JIS Q 9001:2015)
	Examination and Registration organization	Perry Johnson Registrars, Inc. (Perry Johnson Holding, Inc.)
	Certificate Number	C2022-01881-R1 (Environment) C2022-01880-R1 (Quality)
	Registration Scope	Sales, storage management, and shipping and receiving of electric wires, cables, materials for electrical work, and processed electric wire products; manufacture of processed electric wire products; and assembly and processing of control panels.



Quality and Environmental Management System





Status of Effort

Operation of ISO14001

In order to operate ISO14001 (and ISO9001), we have prepared various standard documents including quality and environmental manuals, and promote environmental conservation activities based on our environmental management system.

In particular, at the review meetings held twice a year, the manager of each department evaluate the status of their activities and promote continuous improvement for the future.



Implementation of Internal Environmental Audit

Internal audit are conducted once a year to confirm that the activities of each division are in compliance with the quality and environmental management system and that legal compliance is being maintained, as well as periodic self-check of the quality and environmental management system by each division. During internal audit, internally certified internal auditor visit each division to confirm that the quality and environmental management systems are being properly operated. Once a year, we undergo an audit by a registered certification body to ensure that our quality and environmental management systems are being properly implemented and then the ISO 14001 and ISO 9001 certifications are renewed once a year. Issues discovered in these internal audit are reviewed at review meetings and other occasions.

We are continuously making improvement to further enhance our management system to reduce quality issues and environmental burdens.



Status of Compliance with Environmental Laws and Regulations, etc.

We have established a system to comply with environmental laws, regulations, ordinances, etc., and we keep track of revision to environmental laws and regulations that must be complied with, and confirm the status of compliance. In the fiscal year ending October 31, 2023, we hereby confirm that we do not have any record for violation of laws and regulations. We will continue to ensure thorough compliance with laws and regulations.

Emergency Preparedness

Each division conducts annual training to prepare for emergencies such as natural disasters and accidents. These trainings are conducted in accordance with the procedures to be followed in the event of an emergency, and the results are used to review the procedures and strengthen the system for emergency preparedness. Although the COVID-19 made it difficult to conduct training for a while, the situation has gradually eased and trainings are now being conducted under the conditions close to normal.





Global Environmental Conservation Activities

(as of December 1st, 2023)

As part of our global environmental preservation activities, we collect eco caps and return them to a NPO organization to contribute to reduce CO2 emissions.

Number of Ecocap collected	533,658 (cumulative total)
CO2 emission reduction	3,909 kg

*Eco Caps = Caps for Plastic Bottle

*CO2 emissions reduction = CO2 emissions when incinerated as waste

*The number of Ecocap received by the Company is posted on the website of the Ecocap Promotion Association, a non-profit organization.

<https://ecocap.or.jp/>



Environmental Education and Awareness Activities

In order to improve the competence of our employees, the ISO secretary and environmental promotion committee members in each department play a central role in providing general environmental education and training for workers engaged in the specific works. In addition, each division discloses and shares information related to the environment both internally and externally for the purpose of horizontal sharing of the information.

Amenity Activities

As part of our environmental preservation activities, we actively participate in the implementation of cleaning activities around each of our business sites and environmental activities in local communities.

Results for the fiscal year ended October 31, 2023

May 2023 : Participated in volunteer activities for

"Kanto Region Environmental Beautification Day" (Saitama Branch)

June 2023 : Participated in Clean Campaign Nagoya 2023 (Nagoya Branch)

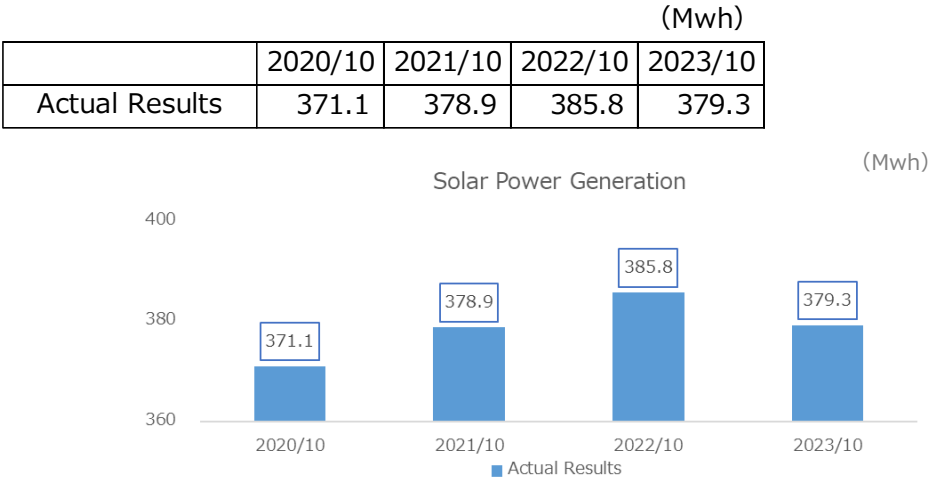


Environmental Data

1. Introduction of Renewable Energy

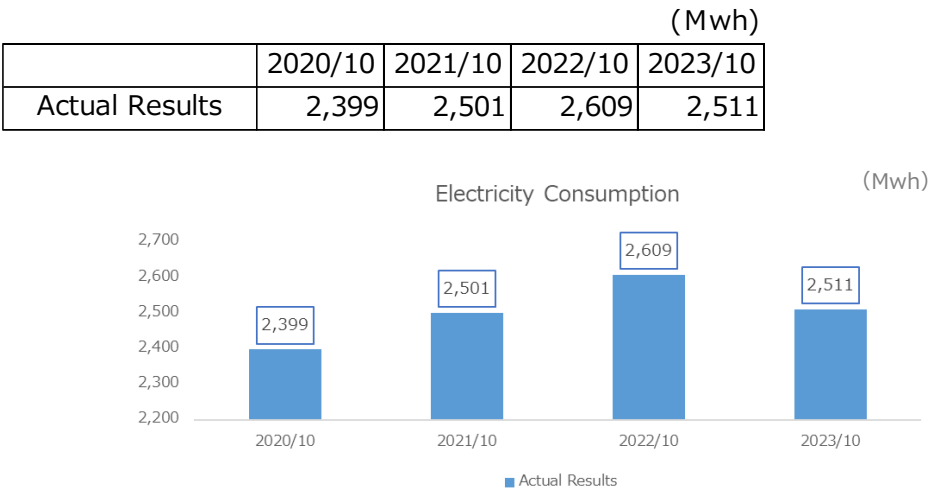
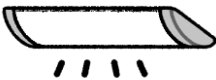
We have been promoting the introduction of solar power generation facilities, which was installed at seven locations(*) in the fiscal year ending October 31, 2023, and are in the process of installing them at newly established locations with the aim of becoming carbon neutral.

(*) Osaka Distribution Center, Kusatsu FA Center, Saitama Branch, Toyohashi Sales Office, Osaka Minami Office, Tokyo Nishi Office
Hokuriku Branch started in May 2023 or later and thus is not included in the following calculation.



2. Reduction of Electricity Consumption

Although we have been making efforts to reduce electricity consumption by installing solar power generation equipment, the electricity consumption continued to exceed that of the previous year due to an increase in the operating hours of air conditioners to prevent heat stroke during the high temperature summer season, an increase in delivery along with sales growth, and an increase in the number of employees. However, we have continued energy-saving activities, such as switching from fluorescent lighting to LED as needed, and were able to reduce power consumption in the fiscal year ended October 31, 2023. We will continue to promote activities to reduce power consumption.



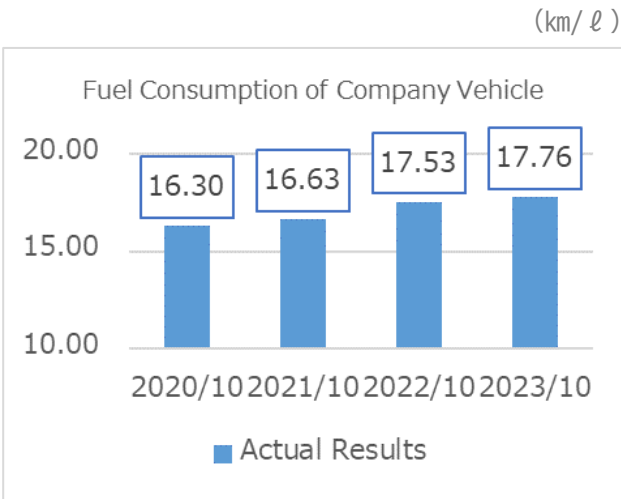
3. Improvement for Fuel Cosumption of Company Vehicles

We have continuously achieved the target by introducing hybrid and compact cars and promoting eco-driving. We will continue our efforts to improve fuel efficiency.



(km/ ℓ)

	2020/10	2021/10	2022/10	2023/10
Actual Results	16.30	16.63	17.53	17.76



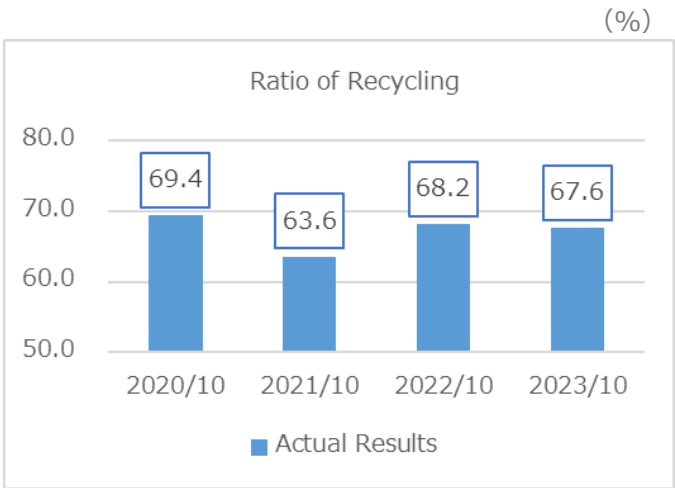
4. Effective Use of Resources

We are working to reduce waste from our business activities and improve the recycling ratio. We will continue to thoroughly implement the 3Rs (Reduce, Reuse, Recycle) + Renewable (Recyclable).



(%)

	2020/10	2021/10	2022/10	2023/10
Actual Results	69.4	63.6	68.2	67.6

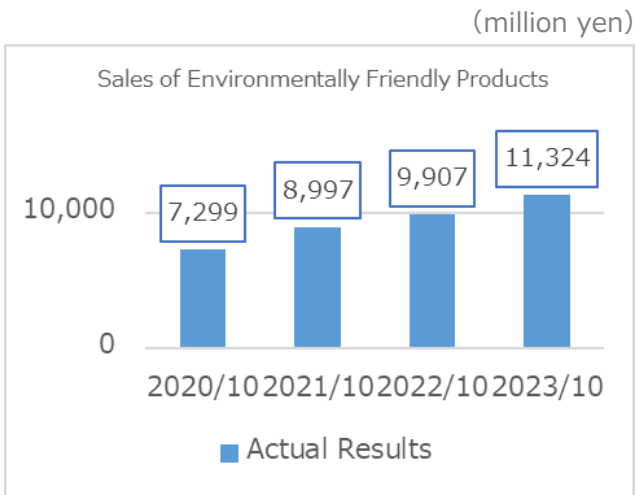


5. Sales of Environmentally Friendly Products

We strive to promote sales of environmentally friendly products which will be highly considered to the environment. These are mainly eco-cable, solar cable, and LED-related product. Demand for environmentally friendly products is expected to increase in the future, and we will continue to aggressively market these products.

(million yen)

	2020/10	2021/10	2022/10	2023/10
Actual Results	7,299	8,997	9,907	11,324

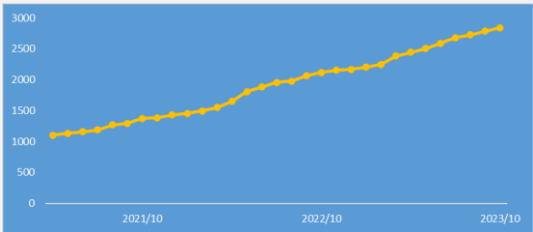




SDGs Promotion Group Activity Report ①

SDGs Promotion Group was established in November 2021 to promote business efficiency by linking operations and business activities to the SDGs. The group is working to achieve the SDGs. Since the outbreak of COVID-19, we are reiterating Web distribution service that background on the increase in telecommuting among business partners and their efforts to decarbonize and improving operational efficiency due to labor shortages, can respond to change in laws and regulations, etc. as a matter of commitment. The system that allows documents that were previously issued and mailed on paper to be viewed and downloaded on the web is an improvement and a means of reducing costs and improving efficiency. As of October 31, 2023, approximately 30% of our clients are using this service.

Web Distribution Number of Accounts (Number of Accounts)



Information Disclosure Based on TCFD Recommendations **TCFD** TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

In December 2021, Senshu Electric Co., Ltd. expressed its support for the TCFD (*) recommendations established by the Financial Stability Board (FSB).

In June 2004, we acquired ISO 14001 certification, established an environmental management system, and actively promoted environmental conservation activities as well as sales of environmentally conscious products in accordance with our president's quality and environmental policy.

Since 2004, we have reported on and disclosed our environmental activities and efforts to reduce CO2 emissions in our environmental report. However, we recognize that ensuring the sustainability of the global environment, which is the foundation of our business activities, is a top priority. We also recognize that the resolution of climate change, which is an issue shared by all humankind, is a demand of the international community. Therefore, we will continue to further enhance these efforts and disclose related information based on the TCFD recommendations.

(*) TCFD
An abbreviation for the Task Force on Climate-related Financial Disclosures. In June 2017, the Task Force released its final report (TCFD recommendations), which summarizes its recommendations on the disclosure of information on companies' efforts against climate change. The Task Force encourages companies to disclose information on climate-related risks and opportunities.

Governance and risk management disclosures based on TCFD recommendations are described in Sustainability Management (p. 22.23).

Strategy

We have conducted a scenario analysis to assess the resilience of our strategy to climate change risks and opportunities and the impact of our business and financial impact under different scenarios (1.5°C and 4°C). In assessing the significance of climate change risks and opportunities, the Sustainability Promotion Division identified items of business and financial impact in the categories of "transition risk," "physical risk," and "opportunity," and selected scenario identification and 7 assessment items for evaluation. In the evaluation, we considered the "1.5°C Scenario" and "4°C Scenario" published by the Intergovernmental Panel on Climate Change (IPCC), and examined the degree of business and financial impact. These assessments are as follows.

Overview of climate change risks and opportunities and impact assessment of business and financial impact

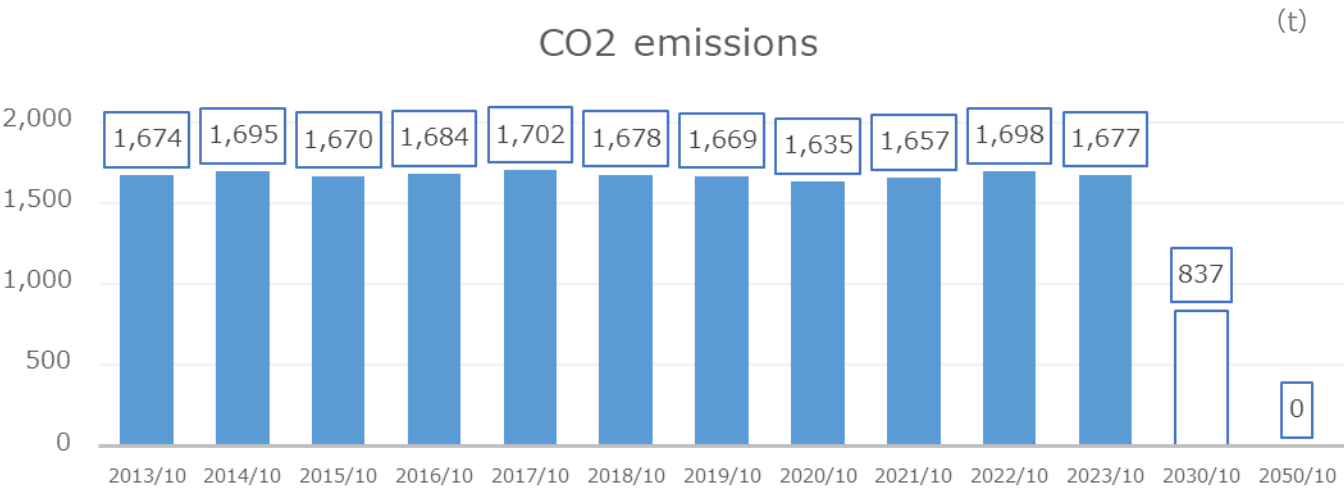
Type of risk			Risk Overview			Impact on time, business, and financial impact		
			Changes in the world	Our Risks	Risk Description	Time * 2	1.5℃ * 3	4℃ * 4
Risk	Transition risk	Policy regulation	Tighter government environmental regulations	Introduction of carbon tax	Tax increases due to carbon tax	Medium-term	Insignificant	Insignificant
		Market	Tighter government environmental regulations	Rising renewable energy prices	Energy Procurement. Increased energy costs	Medium-term	Insignificant	Insignificant
	Physical risk	Acute	Flood damage due to typhoons, torrential rains, etc.	Base Closure Data center shutdown	Restriction of business activities due to suspension of shipments Damage to company buildings and other fixed assets Suspension of company-wide sales activities	Medium-term	Large	Very large
		Chronic	Rising temperatures and precipitation, changing weather patterns	Rising prices and declining quality	Preventive costs incurred for equipment upgrades, etc. Product durability issues due to global warming	Long term	Large	Very large
Opportunity Type			Opportunity Overview			Impact on time, business, and financial impact		
			Changes in the world	Our Opportunitie	Opportunity Description	Time * 2	1.5℃ * 3	4℃ * 4
Opp ortu nity	Energy source		Diversification of Electricity Procuremen	Entering the Electricity Retail Business Increasing Profitability through the Use of Renewable Electricity	Direct procurement of electricity to Reduction of intermediate costs	Short- to medium-term	Insignificant	Large
	Market, Products and Services		Increased environmental awareness and Changing lifestyles Increasing number of sustainability-oriented companies	Responding to the demand for renewable energy in general households Proposing sustainable lifestyles	Sales to environmentally conscious companies	Medium-term	Large	Very large
	Policy regulation		Tighter government environmental regulations	Introduction of carbon tax	Zero greenhouse gas emissions. Carbon Tax Exemption by Achieving Zero Greenhouse Gas Emissions	Medium-term	Insignificant	Large

*1 Scope of coverage: Non-consolidated basis
*2 Time horizon: Short-term: FY2025, Medium-term: FY2030, Long-term: FY2050
*3 1.5°C scenario: A scenario in which a fundamental system transition is achieved and the increase in global average temperature at the end of the 21st century is limited to less than 1.5°C above pre-industrial levels.
*4 4°C scenario: Scenario in which global average temperature rises around 4°C above pre-industrial levels without taking any measures to prevent global warming beyond the current level.

Indicators and Goals

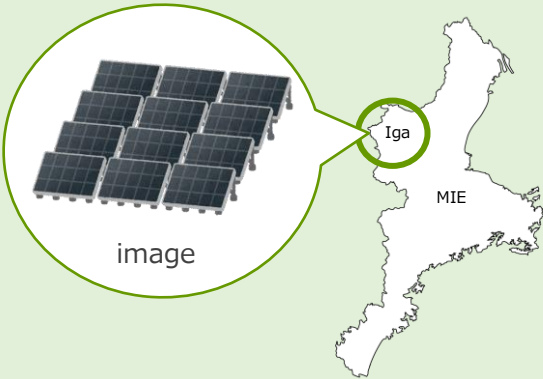
Under the slogan “Carbon neutrality by fiscal 2050,” we have set short- and medium-term targets to realize our long-term vision for 2050. Specifically, the target we hope to achieve by 2030 (Scope 1 + Scope 2) is a 50% reduction in CO2 emissions compared to fiscal 2013 levels.

Long-term Goals 2050 Carbon neutral
Medium-term Goals 2030 50% reduction from 2013 level



Topics-1 Acquisition of land for solar power generation

With the aim of becoming carbon neutral,
we have acquired a solar power generation site in Mie Prefecture.



In October 2023, we acquired a solar power generation site (199,939㎡) in Iga City, Mie Prefecture. Details are currently being planned, but it is expected to be able to supply most of the electricity used at our business sites in the Kansai and Chubu regions, and will make a significant contribution to our medium- to long-term goal for reducing CO2 emissions.

Topics-2 Green Bond Investment

The Company invests in green bonds (bonds issued to raise funds exclusively for projects with environmental improvement effects, etc.) issued by the City of Osaka and Fukuoka Prefecture.

Topics-3 Sankoshoji 60th Anniversary

Sankoshoji, a member of our group, celebrated the 60th anniversary of its establishment on April 1, 2023, and produced commemorative gifts of environmentally friendly products for distribution to its customers.



Toothbrush made from Non-edible or discarded rice
(Reduces CO2 emissions by 20%)/Made by LAPIS



Made from marine plastic waste
Ballpoint pen / made by Pilot



Social

Business Partners/Customers

Security Reinforcement

We have established the Group Basic Policy for Information Security in the course of its business activities.

The Group Basic Policy for Information Security

The Group of SENSU ELECTRIC CO., LTD. (hereinafter referred to as the "Group") believes that the ensuring information security is one of the most important issues for the normal and smooth conduct of its business activities.

We have established the Basic Policy for Information Security as a guideline for protecting the Group's information assets, for which we implement and promote as follows.

1. Protection of Information Assets :

The Group shall take appropriate organizational and technical measures to ensure the protection of the confidentiality, integrity, and availability of the information assets.

2. Compliance with Laws and Regulations :

The Group shall comply with all laws, regulations, and rules related to the information security.

3. Education and Training :

The Group shall provide necessary education and training to ensure that management and employees are fully aware of the importance of the information assets.

4. Continuous Improvement :

The Group shall evaluate and review this "Basic Policy for Information Security" and related rules and management systems on a regular basis to continuously improve the information security.

Motohide Nishimura
Chief Information Security Officer
Representative Director and President
October 27, 2016
SENSHU ELECTRIC CO., LTD.

Quality

We have obtained ISO 9001 certification and operate a quality management system. In cable assemblies (wire terminal processing), the Quality Assurance Department play a central role in working closely with subcontractors (outsourcing companies, etc.), including domestic and overseas subsidiaries, to improve the quality of the product.

Engagement with Business Partners

From the fiscal year ended October 2022, we have been listed “improving engagement with business partners and employees” as an important issue for sustainability management. In May 2023, the General Manager of the Sales Division sent a message to all employees regarding how to interact with suppliers and sales partners to improve the engagement between business partners. We will continue to make efforts to improve engagement with suppliers through product study sessions on the web site, which have become mainstream since the outbreak of COVID-19, and through joint participation in exhibitions and events after the outbreak has subsided.

Employee

Basic Policy for Securing Diverse Human Resources

Our Corporate philosophy states, "We strive to create new value, demonstrate our capabilities, develop our business, contribute to society, reward our shareholders, and provide for the welfare of our employees," and we recognize the importance of developing employees who are not afraid of failure and have a spirit of challenge, and creating a willingness to take on challenges for new categories.

To this end, we believe that further improving individual performance by hiring a diverse workforce without regard to gender, nationality, career, etc., incorporating a variety of ideas, experiences, and values, raising employee satisfaction, and promoting the creation of an environment in which each employee can work with a sense of fulfillment will lead to the sustainable growth of the Group as a whole, as well as to the medium- to long-term growth of the Group. It is our policy to develop an internal environment where employee can demonstrate their abilities and work flexibly with work-life balance.

In terms of human resource development, the Company's basic human resource management principles are to "encourage each employee to work vigorously, demonstrating individuality, initiative, and creativity," "create human resources who are not satisfied with the current status, who are always aware of problems and find challenges, and who take on the challenge for change," "treat employees fairly according to their job functions, roles, and performance, and maximize their motivation and abilities," and "create an energetic workplace". Our basic policy is to develop human resources to achieve these goals.

As specific action, the Company has launched a personnel reform project and is promoting the following measures.

- Promotion of women's activities
- Reinforcement of the education system
- Review of the job classification and grading system and the evaluation system
- Promotion of mid-career hiring
- Improvement of employee engagement
- Health management



Promotion of Women's Activities

We recognize that the promotion of women's activities is an important issue in our medium- to long-term human resource policies, and we are focusing our efforts on this issue.

In order to increase the ratio of female managers, it is essential first of all to increase the ratio of women in career-track positions, which are the source of such positions, and we have set targets to create an environment in which female employees can easily demonstrate their abilities.

Specifically, we have revised the system by lowering the number of years of tenure required for promotion and advancement, so that female employees can work enthusiastically toward promotion and advancement.

In addition, we have relaxed the conditions for changing job titles to make it easier for female employees in general positions to change to career-track positions, and revised the system to enable female employees with ability to actively change their job titles.

Thus, by reviewing the job classification and grading system, creating an environment that facilitates job title changes, and expanding the shorter hours system for childcare, we have created a system that makes it easier for employees to balance the work and the childcare.

We plan to continue to promote the development of personnel systems that allow female employees to demonstrate their abilities, as well as to further strengthen education and information release, such as career advancement training, to promote the active participation of women in the workforce.

Current and target ratios of female career-track and management positions

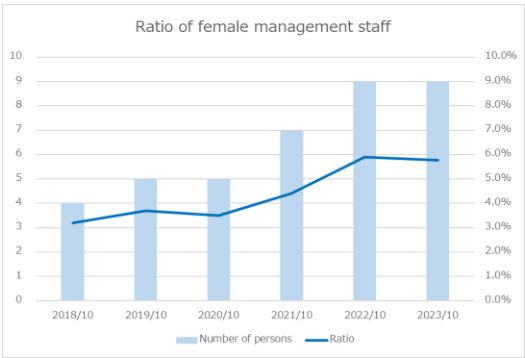
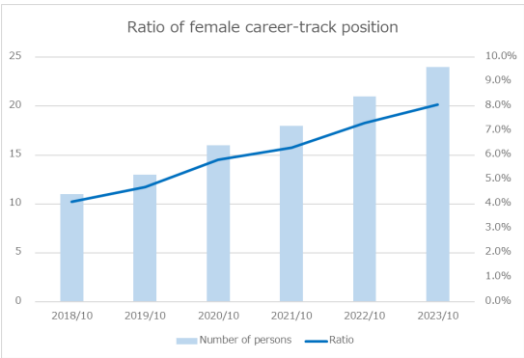
Target item	Current Status (2023/10)	Target (2026/3)
Increase the ratio of female career-track employees	8.1%	9.8%
Increase the ratio of female managers	5.8%	6.1%

2023 Difference of salary between male and female

	Male	Female
All workers	100.0%	60.6%
Regular workers	100.0%	69.0%
Non-regular workers	100.0%	85.0%

Note 1: Regular workers are calculated as the sum of regular employees (total of career-track, technical, and general positions).

Note 2: Non-regular workers are calculated as contract employees (total of part-time and full-time workers).



Recruitment of Foreigner

The Company has traditionally hired foreign students, mainly in the International Division. In order to promote globalization and increase the ratio of overseas sales, we intend to continue to hire foreign students on a regular basis and strengthen our recruitment of foreigner.



Employment ratio of foreigner (Employees)

	The Number of people	Employment Ratio
Male	4	1.0%
Female	3	1.8%
Total	7	1.3%

* As of October 31, 2023

Ratio of foreign employees in management positions

	The Number of people	Employment Ratio
Management of foreign hires	2	29%

* As of October 31, 2023

Target value: Target to maintain current ratio

Mid-career recruitment

Our hiring policy is based on the hiring of new graduates. We have also combined mid-career hiring to promote the activation and diversification of our company by utilizing the skills and careers acquired at other companies. In addition, we have a personnel system in place that regularly promotes part-time and temporary employees to full-time positions every year, allowing motivated and capable employees to further demonstrate their abilities and increase their motivation.

We will continue this policy in the future, and aim to establish a system that allows each employee to feel fulfilled and easily demonstrate his or her abilities.

Ratio of mid-career hires

	2020/10	2021/10	2022/10	2023/10
Male	33%	25%	56%	52%
Female	29%	27%	38%	33%
Total	31%	26%	50%	45%

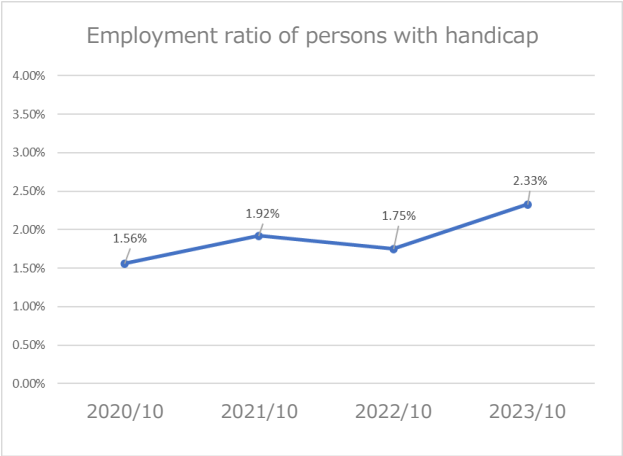
*Publication of mid-career hiring ratios based on the Comprehensive Labor Policy Promotion Act

Number of full-time employees appointed from part-time and temporary employees

	2020/10	2021/10	2022/10	2023/10
The number of people	6	5	4	4

Employment of the Handicapped

The Company promotes the employment of persons with handicap and is working to achieve the legally mandated employment ratio of persons with handicap. We also aim to create a fair and nondiscriminatory work environment where all peoples are treated as employees in the same manner.





— — — Examples of activities for hiring people with handicap — — —

- ◇ We participate in company information sessions for people with handicap held regularly by Hello Work and other organizations to solicit job offers.
- ◇ We are reviewing the facilities at each location, renovating them as needed, starting with those that are barrier-free, and preparing facilities to accommodate the handicapped, we are building a system that takes into consideration the safety and health of handicapped employees.
- ◇ In order to deepen employees' understanding and awareness of people with handicap, we inform employees of our basic policy on employment of people with handicap through internal newsletters and other means.
- ◇ The Human Resources Department provides support for the employment of people with handicap at each of our business locations, and we have established a system that allows for easy consultation even after hiring.
- ◇ In order to develop job opportunities for people with handicap, we are identifying the work of people with handicap in the sales, administrative, logistics, and assembling work divisions, and are working to improve overall work efficiency.
- ◇ In order to promote employment of persons with handicap, we have introduced a farm-style employment system for persons with handicap.

Introducing farm-based employment for people with handicap at
“WAKU HAPPINES Farm PLUS OSAKA”

We have been promoting employment of people with handicap mainly at our distribution and assembling centers, and in November 2022, we introduced a new system of employment of people with handicap at a farm called "WAKU HAPPINES Farm PLUS OSAKA," where freshly harvested vegetables are distributed to employees and others. As a future prospect, we are considering expanding the scope of our social contribution activities to achieve the goals of the SDGs by donating harvested vegetables to disaster-stricken areas and children's cafeterias, in addition to increasing the employment ratio of people with handicap.



Retirement Reemployment

We have introduced a retirement reemployment system with the aim of utilizing the skills, wealth of experience, and knowledge that our employees have developed over the years to help maintain corporate productivity, and to pass on training and expertise to younger employees. We have also established a system whereby capable personnel can maintain their motivation and demonstrate their abilities even after retirement. For employees who are highly motivated, capable, and have management skills, we have introduced a system whereby they continue to hold their positions after rehiring and their compensation is commensurate with their performance without reducing their compensation. The Company has also introduced a system that reflects the evaluation and results of employees who have been demoted at retirement age. We have also established a flexible work system that allows employees to choose to work shorter hours or to work every other day.

	2020/10	2021/10	2022/10	2023/10
Retirement Reemployment Ratio	100.0%	66.7%	100.0%	85.7%

Support for the Development of the Next Generation

In accordance with the Law for Measures to Support the Development of the Next Generation, we have established and will promote a general business owner action plan to improve the employment environment and diverse working conditions so that employees can balance work and childcare.

SENSHU ELECTRIC CO.,LTD. Action Plan
(Based on the Next Generation Nurturing Support Promotion Act)

In order to create an employment environment in which employees can exercise their abilities and work comfortably in harmony with their work and private lives, the action plan is as follows.

1. Plan period: Five years from November 1, 2022 to October 31, 2027

2. Details

Agenda 1: To enable employees to secure time for childcare, reduce overtime hours and establish an internal system that facilitates leave-taking.

<Measure>

- *Alert employees who work long hours every month
- *Establishment of days to promote use of paid leave
- *Disclose the status of paid leave utilization

Agenda 2: Promote the use of male childcare leave

<Measure>

- *Disclose the status of male employees taking childcare leave
- *Provide training for managers

Agenda 3: Regularly inform employees on childcare leave of internal information to allay their concerns about returning to work.

<Measure>

- *Sending of in-house newsletters, handbooks, etc.
- *Periodic notification of changes in internal systems, internal rules, internal systems, personnel changes, etc.

Childcare Leave Program Initiatives

In addition to the childcare leave system, we have a special leave system for births and a shortened working hour system for childcare after returning to work. The statutory shortened working hour system for childcare is available until the child enters elementary school, but the company allows employees to use the system even after the child enters elementary school. Specifically, the hours can be shortened by up to two hours until the child advances to the fourth grade of elementary school. Because of this system, it is possible for employees to work up to two hours less after taking childcare leave. As a result of this system, the return-to-work ratio after taking childcare leave is 100%. The ratio of male employees taking childcare leave is also high. The Company is committed to improving the ratio of male employees taking childcare leave, and the latest acquisition ratio has been increasing as a result of internal educational activities. We will continue to make further efforts to raise awareness of the importance of childcare leave, with the goal of achieving a 100% take-up ratio by March 2026.

Ratio of female taking maternity leave

	2020/10	2021/10	2022/10	2023/10
Number of women who took leave/childbirths	9 / 9	5 / 5	8 / 8	5 / 5
Ratio of women who took maternity leave (%)	100.0%	100.0%	100.0%	100.0%

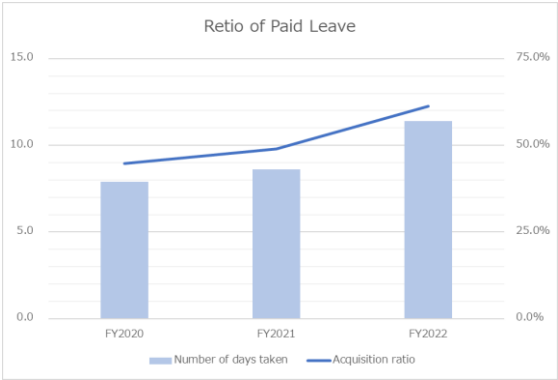
Ratio of male taking maternity leave

	FY2020	FY2021	FY2022	2023/10
Number of women who took leave/childbirths	0 / 21	2 / 9	9 / 22	8 / 11
Ratio of women who took maternity leave (men)	0.0%	22.2%	40.9%	72.7%



Work-Life Balance

In addition to promoting the advancement of women, we are committed to health management and aim to create a system that allows flexible work styles to achieve work-life balance, including the promotion of paid leave and childcare/nursing care leave systems.



Improving Employee Engagement

In an effort to improve employee engagement, we conducted our first Employee Engagement Survey in 2023. The survey results showed that the overall employee engagement survey score was 4.28 points, and while the overall score for vitality was high, and the degree of penetration of philosophy and strategy and understanding of company policies were generally high, some issues were identified, such as low scores for younger employees by age group. We will therefore implement the following measures to improve employee engagement.

Human Resources Policy Items	Specific measures
Policies and Strategies In Division and Management	Creating opportunities for younger employees to interact with management
Personnel grading system	Improvement of management skills through implementation of promotion examinations (All candidates for promotion to management positions and all existing managers)
Education and Training	Implement new education and training programs for department heads and section managers to acquire and improve management strategies, 1-on-1 meeting skills, etc. (In 2024, all department heads will receive 2 days of training totaling approximately 8 million yen)
Personnel rating system	Internal disclosure of evaluation items and promotion system to improve acceptance of personnel evaluation

Employee Skill Development

In order to develop a business model that generates high added value as a trading company with technology centered on electric wire and cable, we are actively working to improve the skills of our employees, and we support our employees in obtaining national and public qualifications.

Major Qualifications

First-Class Electrician: 6

Second-Class Electrician: 56

.ComMaster ADVANCE: 2

.ComMaster BASIC: 51



Basic Safety and Health Policy

To create a work environment where employees can work safely and healthily both mentally and physically, we aim to improve the quality of our work, and to become a disaster-resistant company.

Health and Safety Priority Targets

- Reduce the number of occupational accidents to 6 or less for the entire company.
- Reduce the number of traffic accidents to 10 or less for the entire company.
- Implement initiatives to maintain and promote the health of employees based on our health management policy.
- Build a crisis management system based on our BCP to prepare for emergencies such as disasters.



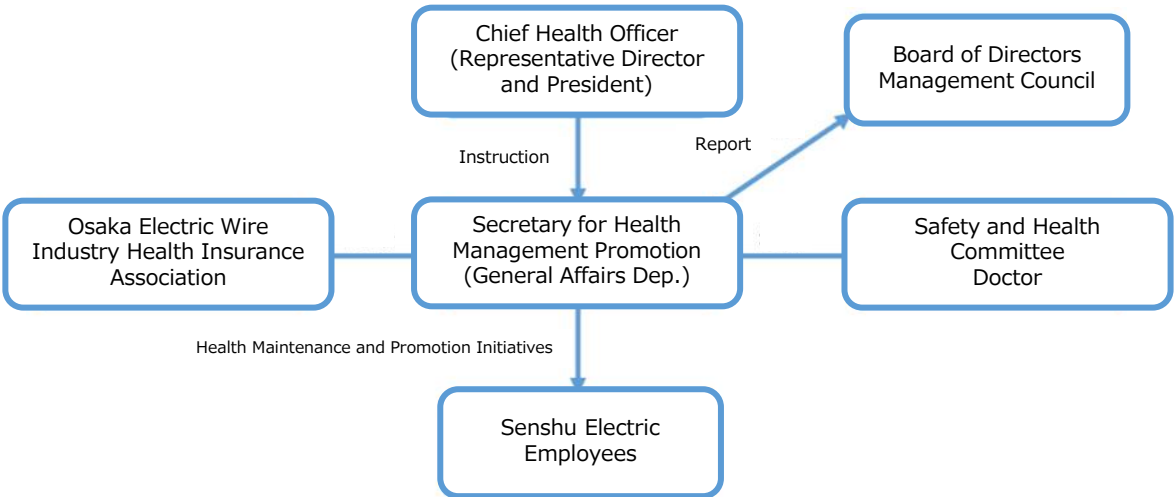
Health Management Policy

We will actively promote initiatives to maintain and promote the health of our employees and create an environment in which employees can work in a state of physical and mental health and vitality, leading to higher employee engagement.

Purpose of Promoting Health Management

To create an environment in which employees can work in a state of physical and mental health and vitality, thereby improving individual performance, leading to higher productivity and business results, and achieving the medium-term management plan.

Health Management Promotion System





Targets and Contents of Health Management Initiatives

<Targets>

- Ensure that employees undergo health checkups, and strive to maintain and promote employee health through in-house training and educational activities.
- Continue to implement annual stress checks and other measures to ensure mental health care for employees.
- Promote reforms in work styles and strive to improve employees' quality of life.
- Ensure implementation of measures to prevent infectious diseases, and strive to create a safe working environment for employees.
- Establish and operate safety and health committees at each branch and sales office to improve the level of internal safety and health.

<Contents>

In order to promote the health of our employees, we conduct medical checkups for all employees. The medical checkups for employees aged 30, 35, and 40 to 59 years old are "complete medical checkups" with a full range of examination items.

In addition, from fiscal year 2023, the scope of coverage has been expanded to include employees aged 60 and above.

Furthermore, in July 2023, the President and Representative Director sent a message to the Company's employees to promote efforts to reduce the smoking ratio, and as a specific initiative, the Company introduced a smoking cessation allowance system. In the future, the Company plans to prohibit smoking during working hours. The Company's health management initiatives are published as part of its ESG activities in investor relations materials for investors and in shareholder newsletters sent to shareholders.

Indicators related to health management

Each Indicator	Actual results for FY2022
Regular Health Examination Visit Ratio	100.0%
Stress Check Inspection Ratio	93.5%
Average overtime hours	12.8 hours per month
Ratio of paid leave	11.4 days per year
Ratio of persons maintaining an appropriate weight (40 years and older)	62.7%
Smoking ratio (40 years and older)	38.0%
Average years of service	15.6years

Targets for improvement of employee health issues

In FY2022, the ratios of employees aged 40 and over who were recommended to receive medical examinations for "blood pressure," "lipids," "liver function," and "blood glucose" were as follows.

In FY 2023, we will promote health promotion activities to employees by setting a target value to improve from the results of the current fiscal year.



Item	FY2021	FY2022		FY2023
	Actual results	Actual results	(YoY)	Target
① Blood pressure	16.10%	15.90%	Improvement 0.20pt	Improved to less than 15.90
② Lipids	4.02%	3.67%	Improvement 0.35pt	Improved to less than 3.67
③ Liver function	13.31%	13.46%	Deterioration 0.15pt	Improved to less than 13.46
④ Blood glucose	8.98%	9.48%	Deterioration 0.50pt	Improved to less than 9.48

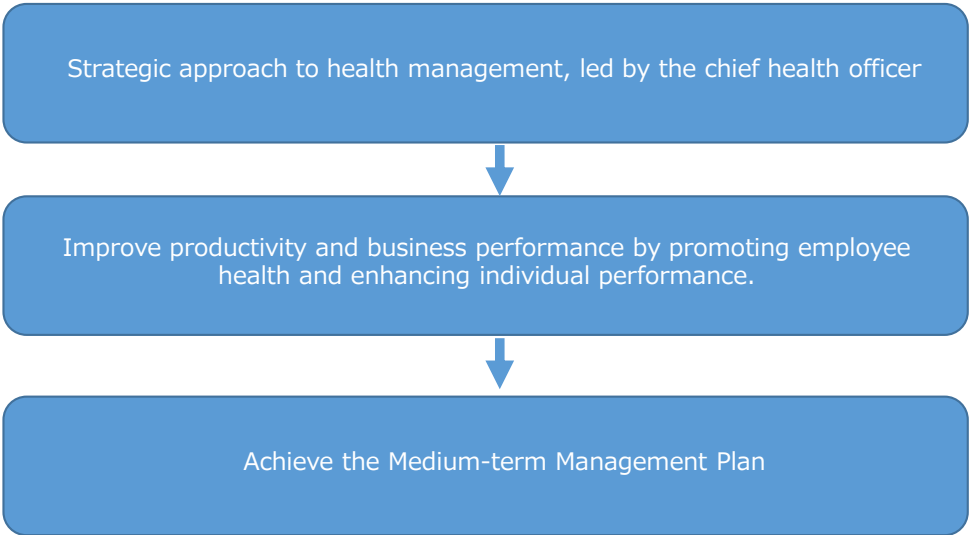
We also measure presenteeism (*) through an annual employee survey, which serves as an indicator to measure the current performance status of all employees.

*A measure of loss of performance due to health problems.
We use the SPQ (Single-Item Presenteeism Question, University of Tokyo, 1-item version) to evaluate our own work for the past 4 weeks, with 100% of the work performance that can be demonstrated in the absence of illness or injury.
The calculation method is "Presenteeism = 100% - response value."
~Described in the "Kenkatsu Analysis Report" prepared by Meiji Yasuda Life Insurance Company

Item	FY2022	FY2023		FY2024
	Actual results	Actual results	(YoY)	Target
Presenteeism	15.8%	16.6%	Deterioration 0.8pt	Improved to less than 16.6

In FY2023, the figure worsened by 0.8 pt. We will strive to improve the figure through various health management initiatives.

Connection between health management and business goals



Motohide Nishimura
Representative Director and President
(Chief Health Management Officer)
October 1, 2023
SENSHU ELECTRIC CO.,LTD.

Shareholders and Investors

IR Activities

The President actively participate in IR activities and The Corporate Planning Office play a central role in IR activities.

Record of IR Activities in 74th Fiscal Year

- Financial Results Briefings (Osaka/Tokyo) : 2 times (December/June)
- Company Briefings for individual investors : 2 times
(Web/ December and June)
- IR Meetings with Institutional Investors : 40 time
(1-on-1, small meetings)

Expansion of the website (English version)

In order to enhance the disclosure materials and sustainability management information in English, we have launched the English page of our corporate website in December 2022. We will continue to enhance the information disclosure to overseas institutional and individual investors.

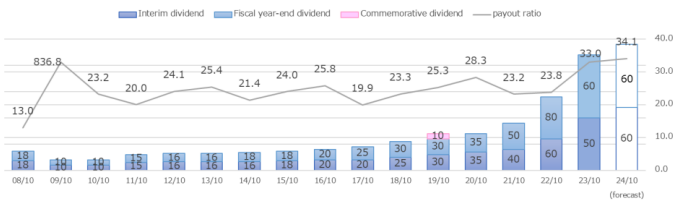
Website (English)  <https://www.senden.co.jp/en/>

Shareholder Return Policy

(1) Dividend

Setting stable dividend payment as our basic policy, we are paying dividends considering and examining business results and retained earnings, etc. comprehensively. The annual dividend for the fiscal year ending October 31, 2023 was 110 yen per share (*). The annual dividend for the fiscal year ending October 31, 2024 is expected to be 120 yen per share (interim 60 yen, year-end 60 yen), an increase of 10 yen per share. As such, the payout ratio will be 34.1%.

(*) The stock split (1share → 2shares) with a record date of October 31, 2022 has been reflected.



(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.

(3) Stockholder benefit program

Once a year, we send an original QUO card to shareholders who hold 100 shares or more. In addition, as from 2019, we have added a long-term holding privilege.

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

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



Community

Installation of AED

Our BCP (Business Continuity Plan) has a basic policy of "placing the highest priority on securing the lives of our employees." In November 2022, we installed AED (Automated External Defibrillator) at 22 locations throughout the Company so that we can respond immediately in the event something should happen to an employee, and for the peace of mind of our customers and local residents. In Osaka, a training session on the use of AED was held and attended by employees. In the future, we will continue to train our employees to be able to act in an emergency to use the AED by attending classes at the fire department using videos and other means.



Donation to Osaka-Kansai Expo 2025

In response to a request from the Japan Association for the International Exposition, Osaka, Japan, which will host the 2025 Osaka-Kansai Expo, the donation was made to cover the construction costs of the venue. The donation to the Expo will contribute to the achievement of the Sustainable Development Goals (SDGs), which is one of the objectives of the Expo.



SDGs Promotion Group Activity Report②

Sapporo Branch

As an initiative to reduce food loss, the Sapporo Branch donated foods (two cases of dried bread) within three months of expiration to an organization participating in a food drive, out of the "disaster stockpiles" stockpiled at the branch.

Sendai Branch

Used pen, correction tape, ballpoint pen refills, and other plastic writing implements were collected from collection boxes in the branch over a four-month period, and one paper bag (30 cm long x 25 cm wide) was collected and donated.

Sendai Branch

The Sendai Branch participated in the "Secondhand Clothes for Vaccine" initiative, sending secondhand clothes collected at the branch.





Corporate governance

Basic approach to corporate governance

The Company believes that the essence of corporate governance is to ensure transparency and fairness in decision-making, to make full effective use of its management resources, and to increase the vitality of its management through prompt and decisive decision-making, from the viewpoint of achieving sustainable growth of the Company and enhancing its corporate value over the medium to long term and the company is striving to improve corporate governance based on the following basic ideas

- 1. Respect the rights of shareholders and ensure equality.
- 2. Consider the interests of stakeholders, including shareholders, and work appropriately with them.
- 3. Disclose company information appropriately and ensure transparency.
- 4. Endeavor to ensure the effectiveness of the supervisory function of the execution of business by the Board of Directors.
- 5. Engage in constructive dialogue with shareholders.

Outline of the corporate governance system

In accordance with the resolution of the 71st annual general meeting of shareholders held on January 28, 2021, the Company has shifted from a company with an Audit and Supervisory Board to a company with an Audit and Supervisory Committee, with a view to further strengthening its corporate governance.

The purpose of the transition to a company with an Audit and Supervisory Committee is to strengthen the supervisory function of the Board of Directors by appointing Audit and Supervisory Committee Members who are in charge of auditing the execution of duties by Directors as members of the Board of Directors, and to further enhance corporate governance through strengthening the monitoring system.

The Board of Directors of the Company consists of 15 members. The Board of Directors meets once a month and holds extraordinary meetings as necessary to supervise decisions on matters stipulated by laws and regulations as well as important management matters and the status of business execution, chaired by President, Motohide Nishimura.

The Management Council, which consists of all of the executives Directors, meets once a month to deliberate and make decisions on important matters related to the execution of corporate business and to conduct preliminary examinations of the Board of Directors.

The Audit and Supervisory Committee of the Company consists of three members: outside Director Hiromichi Yamajo, who is a full-time Audit and Supervisory Committee Member, and outside Directors Masaki Hirata and Akira Moriwaki, who are Audit and Supervisory Committee Members. All of them are outside Directors. The Audit and Supervisory Committee has a system to monitor the execution of legal and appropriate management in cooperation with the Internal Audit Division and the Financial Auditor.

The Company has established a Nominating Committee, which is a voluntary advisory body. The Committee deliberates on the proposal for the election or dismissal of Directors to be submitted to the general meeting of shareholders, and the proposal for the selection, removal, and division of duties of the Representative Director and executive Directors, the proposal for candidates for Executive Officers, and matters related to formulation and supervision, etc. of the President's succession plan to be submitted to the Board of Directors in response to the Board of Directors' advisory, and provides recommendations to the Board of Directors. The Board of Directors makes decisions on matters to be deliberated on with the utmost respect for the recommendations of the Committee.

The Company has established a Remuneration Committee, which is a voluntary advisory body. The Committee deliberates on proposals for remuneration for Directors to be submitted to the general meeting of shareholders and matters related to the remuneration for Directors in response to the Board of Directors' advisory and provides recommendations to the Board of Directors. The Board of Directors makes decisions on matters to be deliberated on with the utmost respect for the recommendations of the Committee.



Corporate Body	Name of Director
The Board of Directors	Director : Motohide Nishimura(chaired),Takao Tahara, Atsuhiko Yoshida, Kazuto Narita,Toyo Usho, Motokazu Nishimura, Kiyoto Fukada, Nobuko Shimaoka, Masanori Hanayama, Isamu Fukuda Outside Director : Toru Muneoka, Tsuyoshi Kondo, Hiromichi Yamajo, Masaki Hirata, Akira Moriwaki
Audit and Supervisory Committee	Outside Director : Hiromichi Yamajo, Masaki Hirata, Akira Moriwaki
Nominating Committee	Director : Motohide Nishimura Outside Director : Toru Muneoka(chaired), Tsuyoshi Kondo, Hiromichi Yamajo, Masaki Hirata, Akira Moriwaki
Remuneration committee	Director : Motohide Nishimura, Kazuto Narita Outside Director : Toru Muneoka(chaired), Tsuyoshi Kondo, Hiromichi Yamajo, Masaki Hirata, Akira Moriwaki

Skill Matrix of Each Director

Name	Corporate Management	Knowledge of Industry	Sales & Marketing	International Business	ESG & Sustainability	Compliance	Finance & Accounting
Motohide Nishimura	●	●	●	●	●	●	●
Takao Tahara	●	●	●	●	●		
Atsuhiko Yoshida	●	●	●		●		
Kazuto Narita	●				●	●	●
Toyo Usho	●	●	●		●		●
Motokazu Nishimura	●	●	●	●	●		
Kiyoto Fukada	●	●	●	●	●		
Nobuko Shimaoka	●				●	●	●
Masanori Hanayama	●	●	●		●		
Isamu Fukuda	●	●			●	●	●
Toru Muneoka				●	●	●	●
Tsuyoshi Kondo					●	●	
Hiromichi Yamajo	●				●	●	●
Masaki Hirata	●				●	●	●
Akira Moriwaki	●			●	●	●	●

Status of Internal Control System

The status of the Company's internal control system is posted on the Company's website.

 <https://www.senden.co.jp/act/governance/internal/>

Status of Audit

① Status of Audit & Supervisory Committee Member Audits

Audit and Supervisory Committee of the Company consists of three Directors (including three Outside Directors) who are Audit and Supervisory Committee Members. In accordance with laws and ordinances, the Articles of Incorporation, the Rules of the Audit and Supervisory Committee, and the Standards for Audit, etc. of the Audit and supervisory Committee, and in accordance with the basic policies established by the Audit and Supervisory Committee, the Directors as Audit and Supervisory Committee members audit the execution of duties by the Directors through inspection of important approval documents, investigation of business and property conditions, etc., and attend meetings of the Board of Directors and other important meetings. Directors who are Audit and Supervisory Committee Members attend meetings of the Board of Directors and other important meetings and have voting rights at Board of Directors meetings as members of the Board of Directors, thereby enhancing the effectiveness of the supervisory function of the Board of Directors in the execution of business operations while fulfilling its auditing function. In addition, they deepen mutual recognition with representative director, exchange information and opinions with the Internal Audit Office and accounting auditors, and work closely with the General Manager of the Administration Division, who is in charge of risk management and accounting department, to enhance the effectiveness and efficiency of audit and supervision of the effectiveness of the internal control system.

The main matters considered by the Audit and Supervisory Committee and the attendance of individual Audit and Supervisory Committee Members are as follows.

- Formulation of audit policy and audit plan
- Preparation of audit report
- Evaluation of accounting auditor and determination of their suitability for reappointment
- Sharing of quarterly review report by the accounting auditor

Attendance at Audit and Supervisory Committee

Job Title	Name	Attendance at the Audit and Supervisory Committee
Full-time Audit and Supervisory Committee Member (Outside Director)	Hiromichi Yamajo	13 of 13 attended
Audit and Supervisory Committee Member (Outside Director)	Masaki Hirata	13 of 13 attended
Audit and Supervisory Committee Member (Outside Director)	Akira Moriwaki	10 of 10 attended

② Status of Internal Audit

The Company's internal audit organization consists of a permanent Internal Audit Office (2 members), which report directly to the President, and conduct internal audit such as accounting audit, operational audit, and audit of internal control system from the viewpoint of effectiveness and efficiency of business execution in accordance with internal audit regulation. In addition, the Internal Audit Office works closely with the Audit and Supervisory Committee member and the accounting auditor to exchange opinions, etc., to enhance the effectiveness and efficiency of the audit.

③ Status of Accounting Audit

Name of Audit Firm : Grant Thornton Taiyo LLC

Continuous Audit Period : 36 years

The above period may be exceeded due to significant difficulties in research.

Certified Public Accountants who performed the audit

Designated and limited liability partner Executive Employee : Hideyasu Kodama, Kazuhiko Doi

• Composition of Assistant for Auditing Operation

The Company's assistants for accounting audit services are 7 certified public accountants and 14 other assistants, the Company has entered into an audit contract with Grant Thornton Taiyo LLC for accounting audit, and is subject to audit under the Companies Act and the Financial Instrument and Exchange Act. Taiyo LLC conducts audits of financial statements from the standpoint of an independent third party, and the Company receive the report on the audit results.

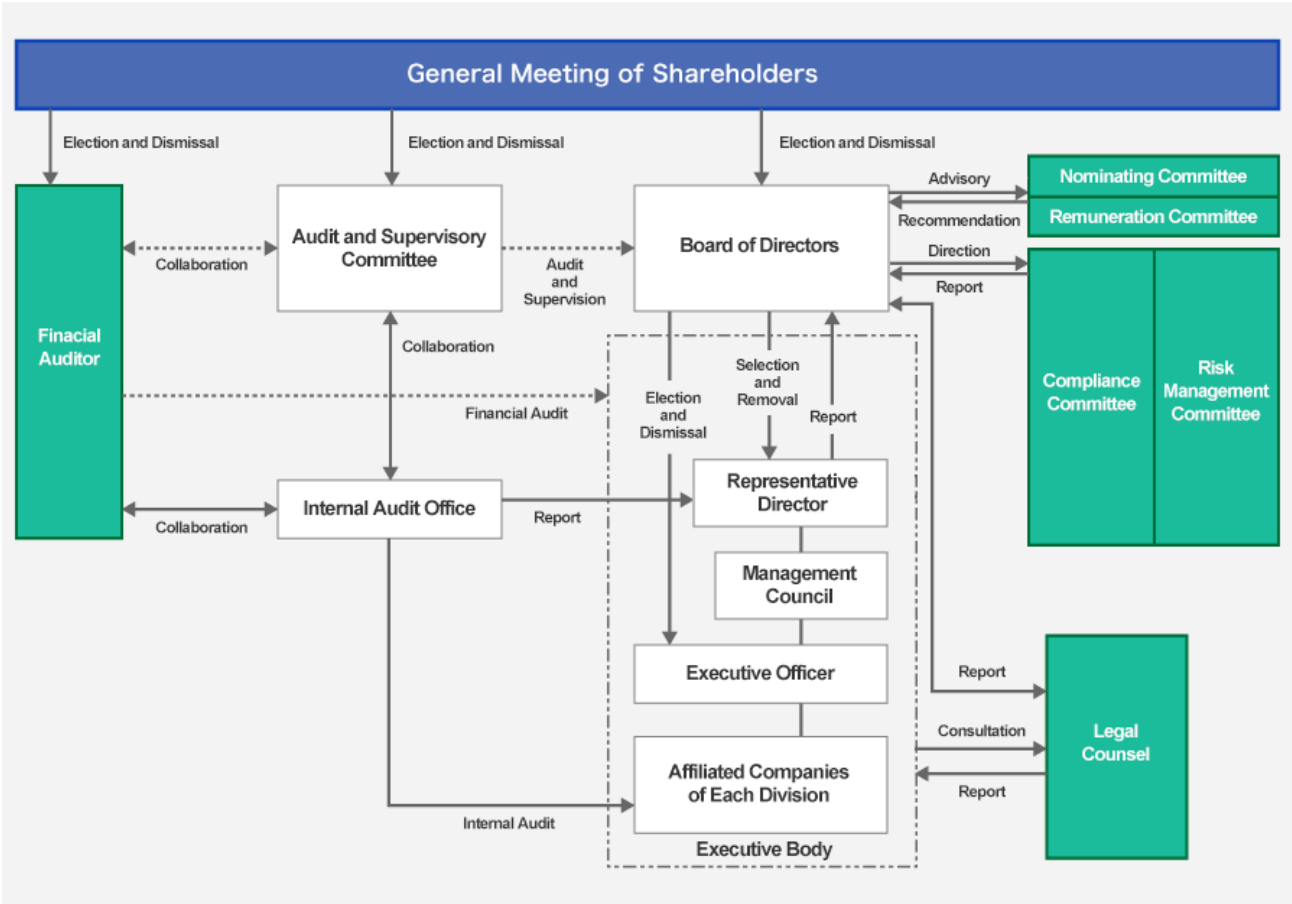
• Selection Policy and Reasons for Selection of Audit Firm

In selecting an audit firm, the Company consider it essential that the audit quality, quality control, and overall competence of the audit firm be sufficient to properly conduct the audit of the Company. If the accounting auditor is found to fall under any of the items of Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee will dismiss the accounting auditor based on the unanimous consent of the Audit and Supervisory Committee member. In addition, if it is deemed difficult for the accounting auditor to properly perform its duties based on the above conditions for selection, the Audit and Supervisory Committee will determine the content of the proposal at the General Meeting of Shareholders regarding the dismissal or non-reappointment of the accounting auditor.

• Evaluation of the Audit Firm by the Audit and Supervisory Committee

The Company's Audit and Supervisory Committee conduct evaluation through interviews with the audit firm, confirmation of the status of audit implementation and audit content, and interview with the Internal Audit Office and related department that work with the audit firm, to confirm that the audit by the audit firm is being conducted appropriately in accordance with the audit plan and that the audit quality is appropriate.

Our Corporate Governance Structure



Risk that may have a significant impact on investors' decisions and measures taken against risk are described below.

Risk Assumed	Content	Counter Measure
(1)Economic Condition, Demand Fluctuation, etc.	As electric wire and cable, the main products handled, are intended to use for capital investment, trends in construction demand and the extent of corporate capital investment trends may affect business performance of the Company.	By targeting a wide range of industries for sales, rather than focusing on specific ones, such as construction, machinery and equipment, automotive, LCD and semiconductor manufacturing equipment and so on, we are striving to minimize the impact on our business performance by developing businesses that can be covered by other industries even when construction demand declines.
(2)Fluctuation of Copper Price	As copper is the main material used for electric wire and cable, which are the main products handled, purchase price can fluctuate significantly due to change in the international market price of copper. Selling price also customarily slide in line with the price of copper, but if the purchase price cannot be immediately passed on to the selling price, this may have an impact on profit and loss of the Company.	As a risk hedge against a fall in copper price, the Company focuses on selling inventory at a fast turnover ratio and expanding sales of commercial products that are not affected by copper price.
(3) Decline in the market value of Securities held	To maintain and strengthen business-to-business transactions, we hold shares in our business partners and a certain amount of securities for fund management, and a sudden deterioration in the stock market could worsen our profit and loss and reduce our net asset of the Company.	With respect to securities and investment securities, the Company regularly monitor the market value and financial condition of the issuing entity (the company of the business partner), and continuously review its holdings in consideration of market conditions and its relationship with the company of the business partner to reduce the risk of a decline in market value.
(4)Impairment due to deteriorating Business Conditions	The Group holds the tangible fixed asset such as property, plant and equipment related to each of its operating location, which may be impaired due to a continuous deterioration in operating profit and loss and a significant decline in the market value of the land, which is a major asset.	When acquiring asset for business premise, the Group endeavors to acquire them at an appropriate price in the light of third-party valuation and business plan, and in accordance with accounting standards for owned land, when an impairment loss is recognized, it is recorded in the financial statement.
(5) Quality of Products handled.	The products handled by the Group are broadly divided into the sale of electric wire/cable and various components (trading company function) and the supply of assembled product (manufacturing function). In principle, if a quality defect occurs in a product sold, the manufacturer is supposed to investigate the cause of the defect in the product and take measures to prevent recurrence. However, even in such case, the Group may be subject to claim for a quality defect for product sold to customer through lawsuits or other means. On the other hand, the Group is required to investigate the cause of the defect and take measure to prevent recurrence of quality defect that occur in assembled products provided by the Group, and in either case, risk related to the quality defect handled may have a negative impact on business performance of the Company.	To minimize the risk of these quality defects, based on the concept of source control, the emphasis is placed on creating a system to prevent defects from the product at planning stage, and the quality assurance systems of suppliers are audited at the pre-order stage to confirm the conformity. In the event of a defect in a supplier's product, we investigate the cause of the defect, check whether the measures taken to prevent recurrence are appropriate and, if necessary, provide support for the improvement of the quality assurance system. For assembled products, the Quality Assurance Department takes the lead and participates as much as possible from the order stage in order to build a complete quality assurance system, and in view of the importance of ensuring the global quality of assembled products, the quality assurance systems at overseas bases are being continuously checked and improved.



Risk Assumed	Content	Counter Measure
(6)Overseas Business	Overseas subsidiaries have been established in China, Southeast Asia and North America, and changes in economic trends, political and social conditions, and changes in laws and regulations in the area may adversely affect our business performance and financial position of the Company.	Overseas operations, where political, social and economic systems differ from country to country, are conducted mainly by the International Division and the Affiliated Companies Management Department, which work with legal and accounting experts to ensure that the company can respond quickly to changes. In addition, the close information exchange is carried out with each business partner and supplier in order to mitigate the risk. Besides, the Export Control Office has been established to manage exports in Japan from an objective standpoint.
(7)Management of the Information	Under the Basic Policy on Information Security (indicated in p33), the efforts are made to prevent information leaks and to deal with intrusions to internal system from outside, but if an information system shutdown or information leakage were to occur due to unforeseen circumstances, this could have a negative impact on business performance and financial position of the Company.	To strengthen the system for unexpected events, the risk reduction initiatives will be implemented and the regular internal training will be provided.
(8) Natural Disasters, etc.	In the event of a major earthquake or other natural disaster or infectious disease, which causes human or material damage to the Group's operating bases, the business performance of the Company may be adversely affected due to suspension or delay of sales activities or supply of products to customers.	A Business Continuity Plan (BCP) was formulated in October 2020 and is reviewed and updated as necessary by the Risk Management Committee every July. In addition to acting in accordance with the basic policy "The highest priority is to secure the lives of employees", the entire company is committed to taking systematic measures to "reduce material damage" and "restore business operations as earlier as possible". As an overview, the Company is able to quickly and flexibly respond to emergencies such as natural disasters and the spread of infectious diseases, which require a case-by-case response, including the early identification of the actual damage, the establishment of task forces and support systems between bases as necessary.

Risk Management

The Group has clarified the Group's risk management in accordance with the Risk Management Regulations and the Crisis Management Regulations, and has established a risk management promotion system in the Risk Management Committee. The status of the Group's risk management is audited by the Internal Audit Office and the results are regularly reported to the Board of Directors and Audit and Supervisory Committee.

Compliance

The Group has established the Senshu Electric Group Code of Conduct to ensure the action in compliance with laws, regulations, the Articles of Association and social norms, and has established a compliance promotion system in the Compliance Committee in accordance with the Compliance Regulations. The status of the Group's compliance is audited by the Internal Audit Office in cooperation with the Compliance Committee, and the results are regularly reported to the Board of Directors and Audit and Supervisory Committee. Besides, a hotline (internal reporting system) has been established and is operated in accordance with the Corporate Ethics Helpline Regulations as a means for employees to directly provide information on legally questionable conduct, etc. The Company has no relationship with antisocial forces or groups that threaten the order and safety of society, and is thoroughly committed to a resolute attitude towards antisocial forces and groups.



Messages from Outside Directors



Outside Director
Toru Muneoka

As shown in our 'Corporate Philosophy', the activities of E (Environment: reducing the burden on the global environment), S (Society: responsibility for supplying electric wire and cable) and G (Governance: ensuring fairness and transparency in management) have long been unconsciously fundamental to the way we manage our company. Furthermore, in November 2006, we created a 10-point code of conduct as the Senshu Electric Group Code of Conduct. This anticipates the 'SDGs: Sustainable Development Goals' proposed by the UN in 2015 and the 'Sustainability Management' indicated in the 2021 revision of the 'Corporate Governance Code' formulated in 2015. In addition, our Board of Directors ensures an environment in which all directors can speak frankly and freely, regardless of whether they are inside or outside the company, and have sufficient discussion when making decisions, including sometimes intensive discussions on various issues.

As an independent outside director, I am involved in the Company's decision-making process at the entrustment of shareholders and have a responsibility to contribute to the long-term enhancement of the Company's corporate value while giving due consideration to the interests of shareholders. To this end, we need to implement 'Sustainability Management' based on 'ESG', as set out in the Corporate Governance Code throughout the entire company. In an external environment undergoing significant change, we must formulate long-term strategies with a view to the future, practice governance that enables appropriate decision-making on issues, develop the human resources for the next generation, pay an appropriate attention not only to shareholders but also to other stakeholders, including employees, customers, business partners and local communities.

As the highest decision-making body, the Board of Directors is required to make difficult management decisions. Fortunately, we have a Corporate Philosophy and Code of Conduct left to us by our predecessors, and acting in accordance with them will lead to 'Sustainability Management', so I believe it is important to go back to the basics.

While respecting the good things that have been passed down in our Company, I will continue to express what I consider to be correct opinions at the Board Directors and other Management Councils, with pride and dignity as an outsider.



Outside Director
Takeshi Kondo

In recent years, companies have been required not only to comply with Compliance Management (law-abiding management) but also to adhere to the Corporate Governance Code ('Corporate Governance Guidelines'), solve environmental and social problems on a global scale, and achieve ESG management ('Environment', 'Social' and 'Governance') and SDGs ('Sustainable Development Goals') to achieve 'sustainable social growth', which require new ways of thinking and doing business. And as said in 'Matthew No. 9 of New Testament', "Put new wine in new leather bags", it is essential for companies to create new systems, organizations and rules.

As an independent outside director, I constantly monitor, with the perspective of a legal expert, whether decision-making by the Board of Directors is legal and appropriate and whether risk management is properly implemented in the execution of business operations. I will also give my honest opinion on the creation of a system that will enable the Company to successfully meet new social demands and needs, and I will make every effort to ensure that the

Company can continue to develop and expand its business in the new era.



Outside Director (Full-time Audit and Supervisory Committee Member)
Hiromichi Yamajo

I was appointed as a full-time auditor of the Company as an independent outside director since January 2019 and have been a full-time Audit and Supervisory Committee Member, also as an independent outside director, since January 2021, when the Company transitioned to a company with an Audit and Supervisory Committee.

An overview of the Company's Corporate Governance is provided in details on the Company's website, and the Board of Directors has conducted a questionnaire to all directors every year for the past seven years in order to make the Board of Directors more effective, and has made efforts to make improvements as necessary in matters that require improvement as an issue. The Board of Directors has received better evaluations from outside directors, including myself, and we believe that this has led to stronger governance of the company. In addition, the agenda of the Board of Directors used to consist mainly of reports other than statutory resolutions, but based on the above questionnaire, we believe that the effectiveness of the Board of Directors has been further enhanced by ensuring time for discussion of the company's management issues and allowing outside directors with various backgrounds to freely express their opinions. However, the speed of change in the environment surrounding companies is increasing in high, and soft law is updated and new perspectives emerge every year. We are fully aware of these perspectives and will continue to contribute to the company's growth through improved governance.



Outside Director (Audit and Supervisory Committee Member)
Masaki Hirata

I have been a non-resident auditor for two years from 2019 and a non-resident Audit and Supervisory Committee Member (Director) from 2021. As a non-resident member, I am involved in the governance of the Company with information from the Audit and Supervisory Committee and the Board of Directors, which I attend, but at Audit and Supervisory Committee, the resident Audit and Supervisory Committee Member explains the discussions at the Management Council, the General Manager of the Internal Audit Office, who attends as an observer, explains the audits of the sales offices, and I also have the opportunity to visit branches with the resident Audit and Supervisory Committee Member. The Audit and Supervisory Committee also has the opportunity to visit branches together with the resident Audit and Supervisory Committee Members, and we believe that we have gained a fairly detailed understanding of the company's situation. In addition, independent outside directors who are not members of the Audit and Supervisory Committee also participate in Audit and Supervisory Committee as observers, and through the exchange of opinions, we are able to share their perceptions.

The chairperson of the Board of Directors also make efforts to operate the Board in such a way that participants can frankly express their opinions, and thus each outside director actively participates in discussions to improve the Company's corporate value by making use of their respective backgrounds. We will continue to make every effort to help the Board of Directors make management decisions, which are becoming increasingly difficult amid changing social conditions.



Outside Director
(Audit and Supervisory
Committee Member)
Akira Moriwaki

I was appointed as an independent outside director (of the Audit and Supervisory Committee member) in January 2023, as I believe I can make use of my diverse experience in banking and railway operations. I feel that the Company is a trading company specializing in wire and cable with group sales of well over J.Yen100billion and stable performance based on the 'JUST IN TIME' strategy, and that the company might not be so big but is always operating dynamically. Electricity is an energy indispensable to society, and the electric wire and cable that mediate this electricity are positioned as 'lifelines that support organic activities as basic materials for industry and daily life'. We must build a corporate governance system appropriate to these roles and responsibilities and meet the expectations of our stakeholders.

When I was appointed as a board member at the previous company, I learnt an important code of conduct from one of outside directors. In general, Japanese companies are more or less highly homogeneous, with groups of people who are close in their thinking and values. While this has the advantage of good relations and a strong sense of unity among members and achievement of the efficient performance, it also creates a sense of synchrony, where members 'take in the background and intentions and act accordingly'. It is well known that this is the soil for maintaining the status with no desire for change and for the occurrence of fraud and delays in its detection.

As an independent outside director, I place importance on not being beaten by peer pressure and frankly expressing reasonable and rational opinions based on my own knowledge. At the decision-making stage, I will ensure that the principles of management decision-making are complied with, such as (i) whether sufficient information and analysis necessary for decision-making have been provided, and (ii) whether active questioning and exchange of opinions have

taken place based on such information, in order to ensure the appropriateness and reasonableness of business management.

In-house tour
on April 27, 2023.

Osaka Distribution Center
(Toyonaka City, Osaka Pref.)



Osaka Main Office (Suita City, Osaka Pref.)



Directors and Audit Committee Members (as of January 26, 2024)



President and Representative Director

Motohide Nishimura

Brief Personal History

Apr. 1978 Joined Okasan Securities CO.,LTD.
Aug. 1995 Advisor of Senshu Electric Co.,Ltd.
Jan. 1996 Director of the Company
Jan. 2000 President and Representative Director of the Company (to present)
May 2018 President of Kansai Electric Wire Sales Cooperative Association (to present)
June 2018 Outside Director (Audit and Supervisory Committee Member)) of Kurabo Industries Ltd.(to present)
Mar. 2022 Chairman and Representative Director of Hokuetsu denken Co.,Ltd. (to present)
May 2022 Chairman, All Japan Electric Wire Distributors Association (to present)



Executive Vice President

Takao Tahara

Brief Personal History

Mar. 1969 Joined the Company
Jan. 2012 Chairman and Representative Director of SENSHU ELECTRIC INTERNATIONAL CO. LTD. (to present)
Jan. 2016 Executive Vice President and Executive Officer of Senshu Electric Co.,Ltd.(to present)
Nov. 2017 Chairman and Representative Director of SENSHU ELECTRIC PHILIPPINES CORPORATION(to present)
Oct. 2019 Chairman and Representative Director SENSHU ELECTRIC VIETNAM CO.,LTD. (to present)
Aug. 2021 Chairman of the Board, SENSHU ELECTRIC AMERICA, INC. (to present)



Senior Managing Director

Atsuhiko Yoshida

Brief Personal History

Mar. 1974 Joined the Company
July 2006 General Manager of Saitama Sales Office
Oct. 2010 General Manager of Sendai Branch
Jan. 2012 Director, Executive Officer, Deputy General Manager of Sales Div.
Jan. 2016 Managing Director, Executive Officer, Deputy General Manager of Sales Div. and General Manager of Tokyo Branch
Jan. 2020 Senior Managing Director, Executive Officer, Deputy General Manager of Sales Div. and General Manager of Tokyo Branch
Nov. 2023 Senior Managing Director, Executive Officer and Deputy General Manager of Sales Div.(to present)



Senior Managing Director

Kazuto Narita

Brief Personal History

Mar. 1982 Joined the Company
Jan. 2009 General Manager of General Affairs Dept.
Jan. 2012 Executive Officer, General Manager of General Affairs Dept.
Jan. 2016 Director, Executive Officer, Deputy General Manager of Administration Div. and General Manager of General Affairs Dept.
Jan. 2018 Managing Director, Executive Officer, Deputy General Manager of Administration Div. and General Manager of General Affairs Dept.
Jan. 2020 Senior Managing Director, Executive Officer, General Manager of Administration Div. and General Manager of General Affairs Dept. (to present)



Senior Managing Director

Toyo Usho

Brief Personal History

Mar. 1988 Joined the Company
June 2010 General manager of Sapporo Branch
Jan. 2014 Executive Officer and General Manager of Sapporo Branch
Jan. 2016 Director, Executive Officer, Deputy General Manager of Sales Div. and General Manager of Sapporo Branch
Jan. 2020 Managing Director, Executive Officer, and General Manager of Sapporo Branch
Jan. 2021 Senior Managing Director, Executive Officer and General Manager of Sales Div.(to present)



Senior Managing Director

Motokazu Nishimura

Brief Personal History

Sep. 2009 Joined the Company
July 2014 President and Representative Director of SENSHU ELECTRIC INTERNATIONAL CO.,LTD.
Apr. 2019 General Manager of International Dept.
Jan. 2021 Director, Executive Officer, General Manager of International Dept.
Aug. 2021 Director and President of SENSHU ELECTRIC AMERICA, INC.
Jan. 2024 Senior Managing Director, Executive Officer, General Manager of International Div. and General Manager of International Dept. (to present)



Managing Director

Kiyoto Fukada

Brief Personal History

Mar. 1974 Joined the Company
Apr. 2004 General Manager of SHANGHAI SENSHU ELECTRIC INTERNATIONAL CO.,LTD.
Nov. 2010 General Manager of Fukuoka Branch
Jan. 2012 Executive Officer and General Manager of Fukuoka Branch
Jan. 2016 Director, Executive Officer, Deputy General Manager of Sales Div. and General Manager of Fukuoka Branch
Jan. 2020 Managing Director, Executive Officer and General Manager Fukuoka Branch (to present)



Director

Nobuko Shimaoka

Brief Personal History

Mar. 1979 Joined the Company
May 2013 General Manager of Accounting Dept.
Jan. 2016 Executive Officer, General Manager of Accounting Dept.
Jan. 2020 Director, Executive Officer, Deputy General Manager of Administration Div. and General Manager of General Accounting Dept. and Export Control Office (to present)



Director

Masanori Hanayama

Brief Personal History

Mar. 1975 Joined the Company
Jan. 2009 General Manager of Head Office Sales Dept.
May 2015 General Manager of Hiroshima Branch
Jan. 2016 Executive Officer and General Manager of Hiroshima Branch
Jan. 2020 Director, Executive Officer, General Manager of Osaka Head Office and General Manager of 3rd Sales Dept.
Mar. 2023 Director, Executive Officer, General Manager of Osaka Head Office, General Manager of Special Sales Dept.and General Manager of Special Machinery Dept. of Sales Div. (to present)



Director

Isamu Fukuda

Brief Personal History

Feb. 1991 Joined the Company
Oct. 2010 General Manager of Corporate Planning Office.
Jan. 2016 Executive Officer, General Manager of Corporate Planning Office.
Jan. 2022 Director, Executive Officer and General Manager of Corporate Planning Office.
Nov. 2023 Director, Executive Officer, General Manager of Corporate Planning Office and General Manager of Information System Office (to present)



Independent Outside Director

Toru Muneoka

Brief Personal History

Sep. 1984 Joined Tohmatsu & Aoki Audit Corporation (now Deloitte Touche Tohmatsu LLC) Osaka Office
Feb. 1988 Registered as a Certified Public Accountant
Apr. 2006 Professor, Graduate School of Accounting, Kansai University (to present)
Mar. 2011 Outside Corporate Auditor of DDS Inc.
Jan. 2016 Outside Director of Senshu Electric Co.,Ltd. (to present)
June 2019 Outside Corporate Auditor of Kyoei Steel Ltd.(to present)



Independent Outside Director

Tsuyoshi Kondo

Brief Personal History

Apr. 1991 Admitted to the Legal Training and Research Institute of the Supreme Court.
Apr. 1993 Registered as an attorney-at-law
Apr. 1993 Joined Kondo Chiaki & Takeshi Law Office
Apr. 2001 President of Kondo Law Office (to present)
Apr. 2003 Registered as patent attorney.
Apr. 2012 Specially Appointed Professor, Kansai University Graduate School of Law (to present)
June 2016 Outside Corporate Auditor of Nippon Shinyaku Co.,Ltd.(to present)
Jan. 2018 Outside Director of Senshu Electric Co.,Ltd. (to present)



Independent Outside Director
(Full-time Audit and Supervisory Committee Member)

Hiromichi Yamajo

Brief Personal History

Apr. 1979 Joined The Daiwa Bank, Ltd. (now Resona Bank, Ltd.)
June 2004 Director of Japan Investor Solution & Technology Co.,Ltd.
June 2007 Director and Managing Executive Officer of Resona Trust & Banking Co.,Ltd.
Apr. 2009 Managing Executive Officer, Resona Bank, Ltd.
June 2013 Executive Vice President and Director of D&I Information Systems Co.,Ltd.
Jan. 2019 Full-time Outside Corporate Auditor of Senshu Electric Co.,Ltd.
June 2020 Outside Director (Member of the Audit and Supervisory Committee) of Shikibo Co.,Ltd.
Jan. 2021 Outside Director(Full-time Audit and Supervisory Committee Member) of Senshu Electric Co.,Ltd. (to present)



Independent Outside Director
(Audit and Supervisory Committee Member)

Masaki Hirata

Brief Personal History

Apr. 1978 Joined The Daiwa Bank, Ltd.(now Resona Bank, Ltd.)
Mar. 2002 General Manager of Head Office Sales Dept. No.4 of Daiwa Bank, Ltd.
Apr. 2004 Regional CEO of Osaka Nishi Region and Branch Manager of Osaka Nishi Branch Manager of Resona Bank, Ltd.
June 2007 Executive Officer of Resona Trust & Banking Co.,Ltd. (now Resona Bank, Ltd.)
Nov. 2011 Director of Youthland Co.,Ltd.
Jan. 2019 Outside Corporate Auditor of Senshu Electirc Co.,Ltd.
Jan. 2021 Outside Director(Audit and Supervisory Committee Member) of the Company (to present)
Nov. 2021 Chairman and Representative Director of Hachibuse Kaihatsu Kanko K.K. (to present)
June 2022 Representative Director and Chairman of Hachibuse Real Estate Co.,Ltd. (to present)



Independent Outside Director
(Audit and Supervisory Committee Member)

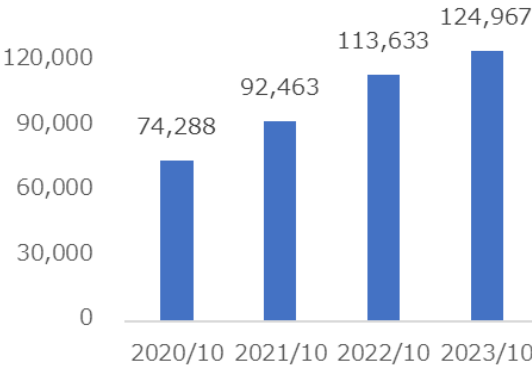
Akira Moriwaki

Brief Personal History

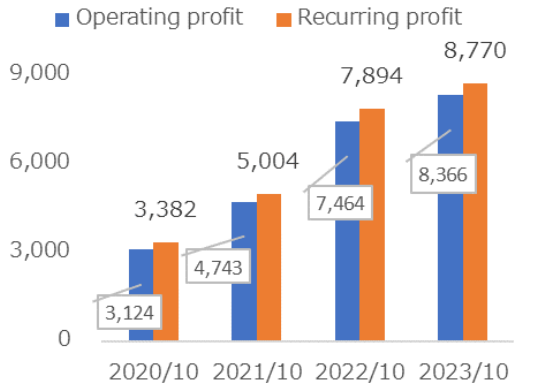
Apr. 1980 Joined The Fuji Bank,Ltd.(now Mizuho Bank, Ltd.)
Apr. 1997 Seconded to the International Management Dept. of the same bank as a Director of Hwang An Bank, Ltd.(now The Star Ten Bank (Hong Kong) Limited)
Apr. 2009 Managing Executive Officer of Mizuho Trust & Banking Co.,Ltd.
June 2013 Representative Director and President,Trust & Custody Services Bank, Ltd.(now Custody Bank of Japan, Ltd.)
June 2018 Full-time Outside Corporate Auditor of Keikyu Corporation
Jan. 2023 Outside Director(Audit and Supervisory Committee Member) of Senshu Electric Co.,Ltd.(to present)

Financial Data Highlights

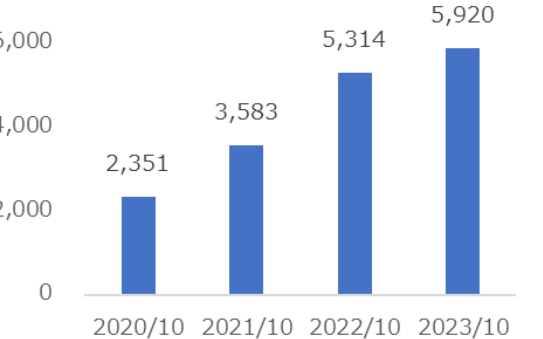
Net Sales (million)



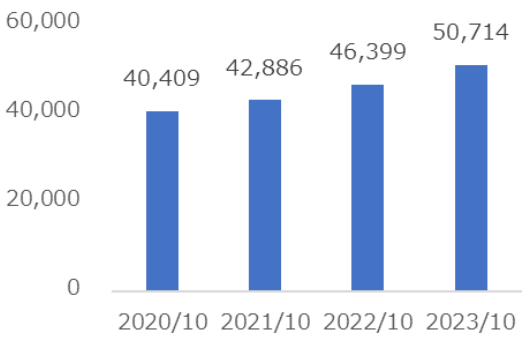
Operating profit
Recurring profit (million)



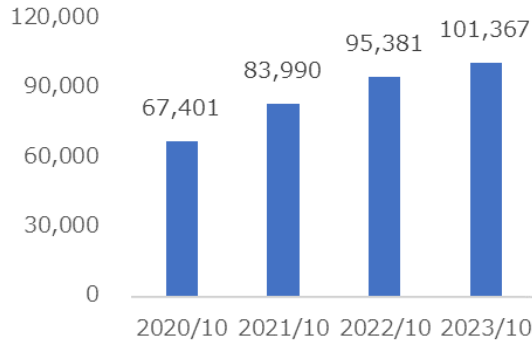
Profit attributable to owners of parent (million)



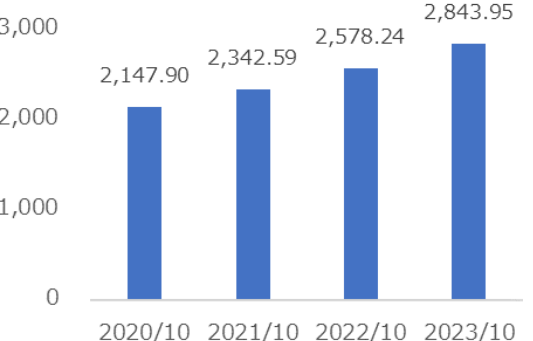
Total net assets (million)



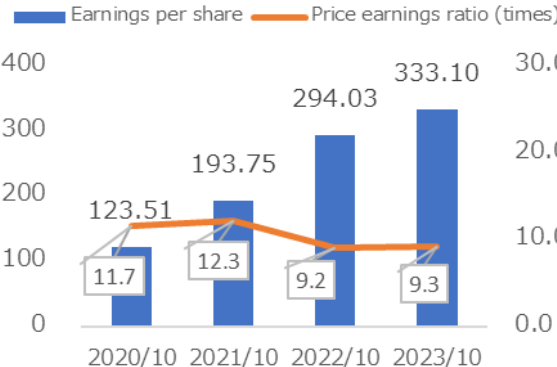
Total assets (million)



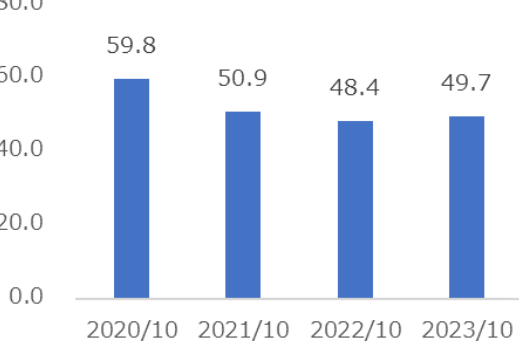
Net assets per share (yen)



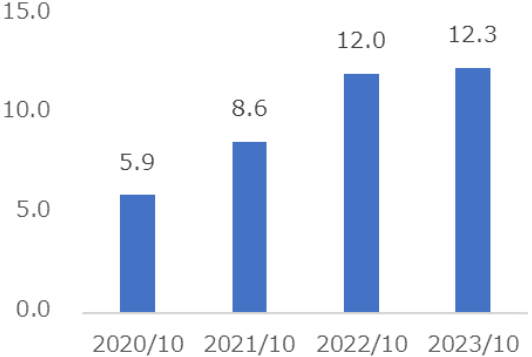
Earnings per share
Price earnings ratio (yen/time)



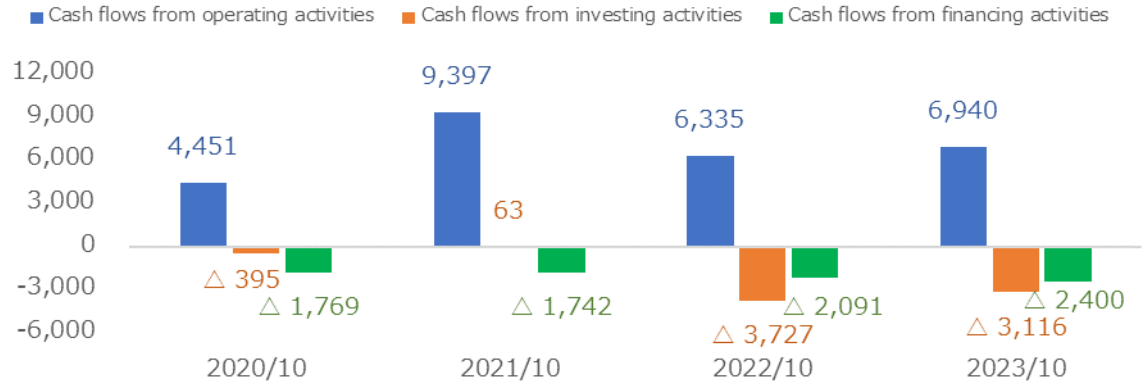
Equity ratio (%)



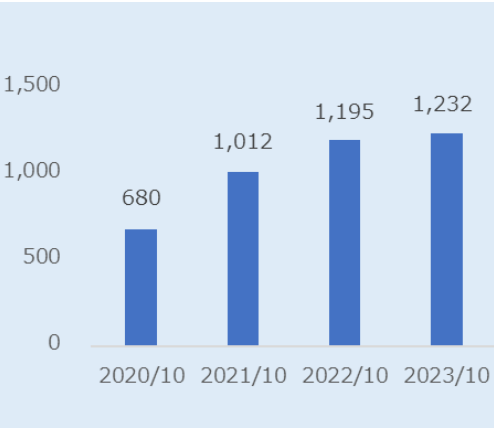
Return on equity (ROE) (%)



Cash flow (million)



Annual Average copper price (Thousand yen/t)





Consolidated financial Data for the past 10 years

(Million)

Fiscal year month	2014/10	2015/10	2016/10	2017/10	2018/10	2019/10	2020/10	2021/10	2022/10	2023/10
Net sales	75,931	76,132	67,666	74,956	82,038	83,676	74,288	92,463	113,633	124,967
Gross profit	10,372	10,776	11,510	12,014	12,831	13,222	12,078	13,921	17,093	18,680
Selling, general and administrative expenses	7,886	8,430	8,708	8,812	8,963	9,243	8,953	9,177	9,629	10,313
Operating profit	2,485	2,345	2,802	3,202	3,868	3,979	3,124	4,743	7,464	8,366
Recurring profit	2,835	2,740	2,978	3,455	4,105	4,206	3,382	5,004	7,894	8,770
Extraordinary income	28	119	97	30	120	8	47	104	—	—
Extraordinary loss	—	138	279	16	501	195	7	—	15	3
Profit before income taxes	2,864	2,721	2,796	3,468	3,724	4,019	3,422	5,109	7,878	8,766
Profit	1,685	1,569	1,581	2,291	2,391	2,742	2,356	3,608	5,370	5,978
Profit attributable to owners of parent	1,663	1,570	1,585	2,289	2,371	2,714	2,351	3,583	5,314	5,920
Total net assets	33,184	34,391	34,727	37,086	38,368	39,749	40,409	42,886	46,399	50,714
Total assets	60,169	59,839	56,837	63,750	67,311	68,589	67,401	83,990	95,381	101,367
Net assets per share (yen)	1,579.88	1,652.64	1,714.61	1,830.83	1,921.82	2,047.40	2,147.90	2,342.59	2,578.24	2,843.95
Earnings per share (yen)	79.41	75.06	77.61	113.30	118.18	138.52	123.51	193.75	294.03	333.10
Equity ratio (%)	55.0	57.3	61.0	58.0	56.8	57.7	59.8	50.9	48.4	49.7
Price earnings ratio (PER) (time)	10.5	11.6	10.5	11.1	11.0	10.3	11.7	12.3	9.2	9.3
Cash flows from operating activities	2,064	2,403	3,232	3,035	3,660	3,349	4,451	9,397	6,335	6,940
Cash flows from investing activities	△ 373	△ 895	9	△ 3,248	△ 2,648	△ 1,199	△ 395	63	△ 3,727	△ 3,116
Cash flows from financing activities	△ 387	△ 711	△ 983	△ 407	△ 1,032	△ 1,525	△ 1,769	△ 1,742	△ 2,091	△ 2,400
Annual Average copper price (Thousand yen/t)	764	748	567	709	777	706	680	1,012	1,195	1,232

※ Our Company conducted a 2-for-1 stock split of shares of common stock on November 1, 2022, and calculated net assets per share and net income per share on the assumption that the stock split was conducted at the beginning of the fiscal year ended October 31, 2014.

※ The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and others are applied from the beginning of the fiscal year ending October 31, 2022, and key management indicators for the fiscal year ending October 31, 2022 and thereafter are those after the application of the said accounting standard and others.

Consolidated Balance Sheet

(Million)

	As of October 31, 2022	As of October 31, 2023
Assets		
Current assets		
Cash and deposits	27,165	28,534
Notes and accounts receivable - trade	22,572	23,313
Electronically recorded monetary claims - operating	10,831	11,302
Securities	23	9
Merchandise	6,575	6,914
Work in process	250	247
Raw materials and supplies	238	257
Other	267	271
Allowance for doubtful accounts	△ 14	△ 18
Total current assets	67,910	70,830
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,895	12,028
Accumulated depreciation	△ 4,604	△ 4,944
Buildings and structures, net	6,290	7,083
Machinery, equipment and vehicles	1,414	1,534
Accumulated depreciation	△ 1,098	△ 1,172
Machinery, equipment and vehicles, net	316	361
Land	10,381	12,282
Leased assets	221	199
Accumulated depreciation	△ 127	△ 96
Leased assets, net	93	103
Construction in progress	632	463
Other	368	391
Accumulated depreciation	△ 305	△ 331
Other, net	63	60
Total property, plant and equipment	17,779	20,355
Intangible assets		
Goodwill	156	122
Other	182	180
Total intangible assets	339	303
Investments and other assets		
Investment securities	1,695	2,310
Long-term loans receivable	5	—
Long-term time deposits	3,000	3,000
Deferred tax assets	896	715
Other	4,523	4,681
Accumulated depreciation	△ 381	△ 428
Other, net	4,142	4,253
Allowance for doubtful accounts	△ 387	△ 400
Total investments and other assets	9,352	9,878
Total non-current assets	27,471	30,537
Total assets	95,381	101,367

(Million)

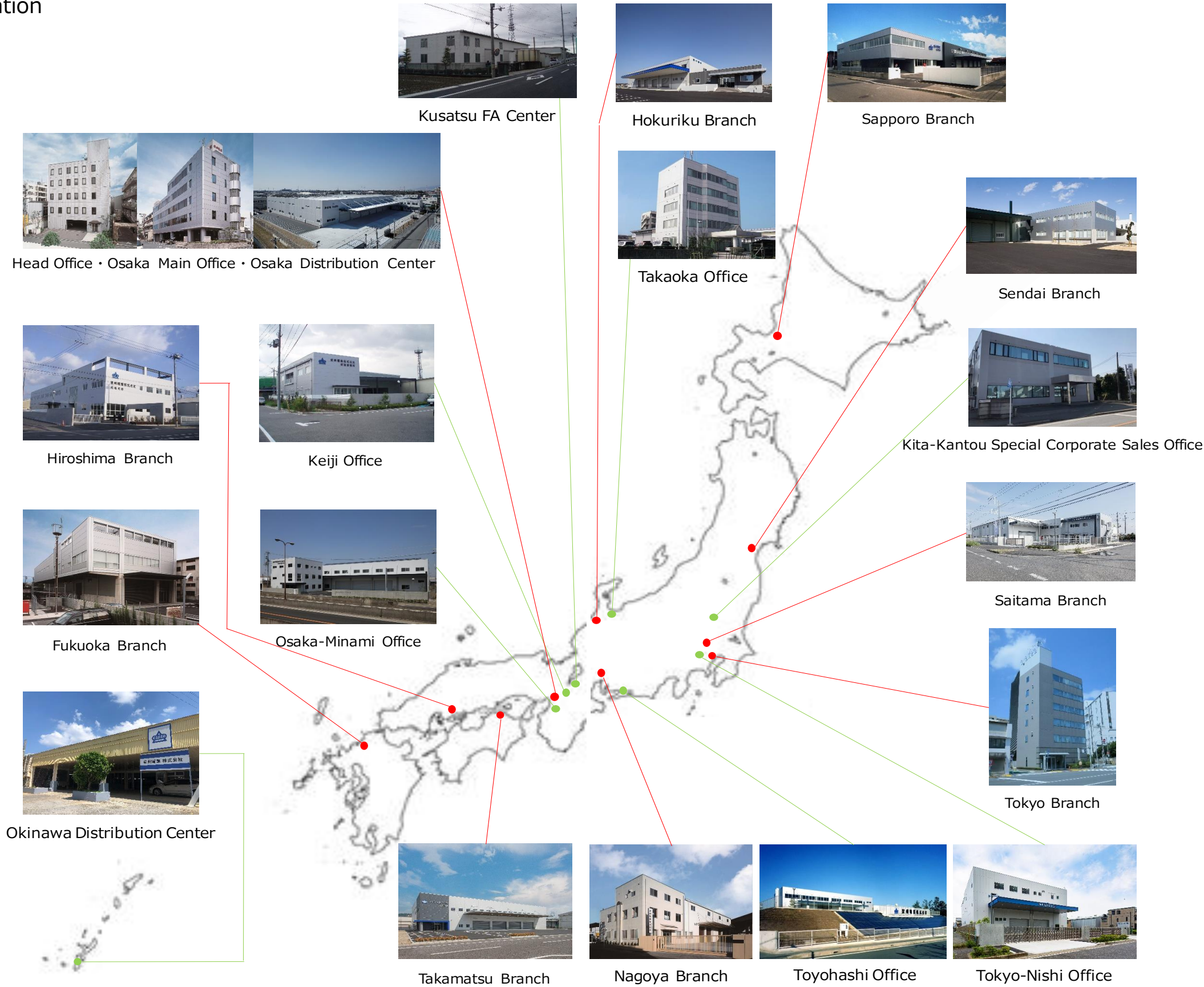
	As of October 31, 2022	As of October 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,214	43,050
Short-term borrowings	631	691
Current portion of bonds payable	114	64
Current portion of long-term borrowings	20	5
Lease liabilities	24	22
Accrued expenses	438	493
Income taxes payable	1,840	1,561
Provision for bonuses	767	773
Other	870	1,051
Total current liabilities	45,922	47,713
Non-current liabilities		
Bonds payable	107	42
Long-term borrowings	60	54
Lease liabilities	29	49
Deferred tax liabilities	1	8
Provision for retirement benefits for directors (and other officers)	178	—
Retirement benefit liability	2,249	2,120
Asset retirement obligations	6	7
Guarantee deposits received	148	202
Other	278	453
Total non-current liabilities	3,059	2,939
Total liabilities	48,982	50,652
Net assets		
Shareholders' equity		
Share capital	2,575	2,575
Capital surplus	2,690	2,757
Retained earnings	44,255	48,574
Treasury shares	△ 4,454	△ 5,142
Total shareholders' equity	45,066	48,764
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	660	961
Foreign currency translation adjustment	390	446
Remeasurements of defined benefit plans	6	156
Total accumulated other comprehensive income	1,056	1,565
Share acquisition rights	38	59
Non-controlling interests	237	326
Total net assets	46,399	50,714
Total liabilities and net assets	95,381	101,367

Consolidated Statements of Cash Flow

(Million)

	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023
Cash flows from operating activities		
Profit before income taxes	7,878	8,766
Depreciation	547	598
Amortization of goodwill	17	34
Increase (decrease) in retirement benefit liability	59	86
Increase (decrease) in provision for bonuses	86	5
Increase (decrease) in allowance for doubtful accounts	4	16
Interest and dividend income	△ 72	△ 89
Interest expenses	2	3
Loss (gain) on cancellation of insurance policies	△ 99	△ 26
Rental income	△ 129	△ 135
Impairment losses	15	—
Decrease (increase) in trade receivables	△ 4,110	△ 1,211
Decrease (increase) in inventories	△ 1,635	△ 310
Increase (decrease) in trade payables	5,331	1,793
Increase (decrease) in accrued consumption taxes	133	89
Other, net	15	298
Subtotal	8,046	9,922
Interest and dividends received	72	89
Interest paid	△ 2	△ 3
Income taxes paid	△ 1,779	△ 3,068
Net cash provided by (used in) operating activities	6,335	6,940
Cash flows from investing activities		
Payments into time deposits	△ 3,966	△ 1,156
Proceeds from withdrawal of time deposits	845	1,270
Purchase of short-term and long-term investment securities	△ 87	△ 262
Proceeds from sale of investment securities	70	80
Purchase of property, plant and equipment	△ 413	△ 3,057
Proceeds from sale of property, plant and equipment	2	16
Proceeds from collection of loans receivable	13	18
Purchase of insurance funds	△ 266	△ 275
Proceeds from cancellation of insurance funds	307	140
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△ 208	—
Other, net	△ 25	108
Net cash provided by (used in) investing activities	△ 3,727	△ 3,116
Cash flows from financing activities		
Purchase of treasury shares	△ 1,028	△ 736
Dividends paid	△ 988	△ 1,610
Other, net	△ 74	△ 54
Net cash provided by (used in) financing activities	△ 2,091	△ 2,400
Effect of exchange rate change on cash and cash equivalents	168	49
Net increase (decrease) in cash and cash equivalents	685	1,472
Cash and cash equivalents at beginning of period	25,496	26,181
Cash and cash equivalents at end of period	26,181	27,654



Business Location



Subsidiary

Name of organization	STEC CO.,LTD.	Name of organization	Sankoshoji Co.,Ltd.
Location	STEC Building, 3-10-12 Tarumi-cho, Suita City, Osaka, Japan	Location	4-24, Minami-Kaneda 1-chome, Suita-shi, Osaka, Japan
Month and year of establishment	November 1992	Month and year of establishment	April 1963
Description of Business	Proposal and construction of various platform and server solutions, etc.	Description of Business	Sales of electrical machinery and equipment and construction materials
<p>As an "ICT general trading company," STEC's strength is its ability to provide a wide range of products and solutions, from computer networks to smart devices such as the iPad.</p> <p>We can also provide "total support" including maintenance and upkeep after installation.</p> <p>We wish to be the "best assistant" for all our customers through ICT.</p> <div>      </div> <p>Server Business Cloud Business Network Business Equipment Sales Maintenance Support</p>		 <p>60 years of experience and trust</p> <p>Sankoshoji Co.,Ltd.</p> <p>Trading company of control equipment, FA parts and electric materials</p>	
Name of organization	NBS CO.,LTD.	Name of organization	ASSY ELECTRIC CO.,LTD.
Location	NBS Daiichi Building, 113-1 Shirane, Isehara, Kanagawa, Japan	Location	1-11-20 Harada-Minami, Toyonaka City, Osaka, Japan
Month and year of establishment	October 1997	Month and year of establishment	May 1986
Description of Business	Design and manufacture of connectors and other electrical products; import, design, and manufacture of components for electronic equipment	Description of Business	Design and manufacture of electrical control panels and electrical wiring work
<p>One-Stop Solutions From meeting to design and production</p> <p>We, NBS tailor our services to meet the needs of our customers. We offer a variety of special connectors from high current connectors to high voltage connectors and heat resistant connectors. If you have any queries on special connectors, please contact us at any time.</p> <p>We will do our best to support you from one piece to mass production to meet the customer's requirements.</p>		 <p>ASSY ELECTRIC when it comes to control.</p> <p>Electric control design Please leave it to us for production and electrical wiring.</p>	
Name of organization	Taiyo Tsushin Kogyo Co., Ltd.	Name of organization	Hokuestu Denken Co., Ltd. (including subsidiary of Banya)
Location	1-3-15 Nishihonmachi, Nishi-ku, Osaka City, Osaka Pref.	Location	3-1 Aoyama Shinmachi, Nagaoka City, Niigata Pref. (1-1268-4 Nanyo, Nagaoka City)
Month and year of establishment	February 1971	Month and year of establishment	March 1977 (Banya: September 2009)
Description of Business	Sales of telecommunication construction materials Sales and repair of telecommunication construction tools and equipment Electrical and telecommunication construction related works	Description of Business	Development of electronic devices, design and manufacture of control panels, etc.
 <p>Telecommunications materials are Please leave everything to us!</p> <p>Taiyo Tsushin Kogyo Co., Ltd.</p>		 <p>Commitment to Electronic Device Development</p> <p>Analog and digital circuit design and fabrication is our strongest area of expertise. We are committed to achieving high performance, high quality, and low cost for each and every component, and our products, which are the result of our many years of experience and achievements, are sure to satisfy our customers in terms of quality and cost.</p> <p>Here we introduce our commitment to development.</p>  <p>Attention to control panel</p> <p>We also accept bulk orders for systems that include the design of everything from control panels for individual devices to control panels for large lines. We consistently construct systems that meet the customer's application and environment requirements.</p>	

Overseas Subsidiaries

Name of organization		SENSHU ELECTRIC INTERNATIONAL CO., LTD.		Name of organization		SHANGHAI SENSHU ELECTRIC INTERNATIONAL CO.,LTD.	
Location		90 CW Tower 17th Floor , Room 1704B Ratchadapisek Rd., Huay Kwang, Huay Kwang, Bangkok 10310.THAILAND		Location		Room 1002-1003A,Xin Da Building,No.322,Xian Xia Road, Chang Ning District,Shanghai,China	
Month and year of establishment		April 1998		Month and year of establishment		January 2004	
Description of Business		Sales of electric wires and other materials for electrical work, manufacture and sales of equipment, etc.□		Description of Business		Sales of various wires and cables, sales of electronic components, manufacture and sales of processed cable products	
<div> Connect Human with Robots SENSHU ELECTRIC INTERNATIONAL CO., LTD.</div> <div></div>				<div> 上海泉秀国际贸易有限公司 SHANGHAI SENSHU ELECTRIC INTERNATIONAL CO.,LTD.</div> <div></div>			
SEI Strengths <p>The company has a warehouse near Swanep International Airport, which is the mid-point between city to factory area. We have a wide variety of wire types and sizes in stock, including imports from Japan and local Thai manufacturers. We are also equipped with cutting machines and can cut and sell wires. We can handle a wide variety of harness processing. (From automotive harnesses to machine tools, semiconductor equipment, etc.) We have a network with various suppliers for control panel manufacturing and installation work, etc., and can provide a wide range of services.</p>				SHANGHAI SENSHU Strengths <p>Handling a large number of Japanese wires, large inventory in Shanghai, quick delivery, and high quality products. Import and sales of processed cable products, conveyors, seals, terminals, etc. We offer the best solutions to meet various needs. We provide prompt and reliable supply of products and global product procurement capabilities. In China, there are many Japanese-affiliated automobile plants, and Japanese-affiliated electric wires are in high demand.</p>			
Name of organization		SENSHU ELECTRIC PHILIPPINES CORPORATION		Name of organization		SESHU ELECTRIC TAIWAN CO.,LTD.	
Location		Lot 3-E, American Road, Bgy. Don Jose,Green field Automotive Park,ECOZONE, Sta. Rosa, Laguna, Philippines		Location		8F.-1, No. 26, Sec. 3, Nanjing E. Rd., Zhongshan Dist., Taipei City 104703 , Taiwan (R.O.C.)	
Month and year of establishment		October 2014		Month and year of establishment		January, 2016	
Description of Business		Processing and sales of wire and cable harnesses		Description of Business		Sales and export of wires, cables and electronic components, sales of other products, etc.	
<div> SENSHU ELECTRIC PHILIPPINES CORPORATION</div> <div></div>				<div> 台灣泉秀有限公司 SENSHU ELECTRIC TAIWAN CO., LTD.</div> <div></div>			
SEP, a wholly owned subsidiary of Senshu Dengyo, the top electric wire distribution company in the industry, quickly responds to various user needs for wire harness processing, mainly FA cables. <p>For factory production lines such as automobile, liquid crystal, and semiconductor manufacturing facilities, wire harnesses. Wire harnesses are indispensable for connecting various types of equipment and opportunities. SEP provides wire harnesses that meet the requirements. SEP has established an integrated production system from procurement of wires and parts to wire processing, assembly, and inspection. We also have a complete quality control system to quickly respond to user needs.</p> 				SESHU ELECTRIC TAIWAN Strengths <p>Able to provide processed harness products using competitive local electric wires. The Taiwanese market is developing telecommunication-related products quickly, and new products are widely available in the market. Many Taiwanese wire manufacturers are active OEMs of Japanese manufacturers, and many of them have JIS and PSE certifications, making it relatively easy to introduce foreign-made products. Transportation from Taiwan to Japan is geographically advantageous, taking approximately 3 weeks by sea and 1 week by air. The supply chain is stable due to the highly effective relationship between Japan and Taiwan.</p>			
Name of organization		SENSHU ELECTRIC VIETNAM CO., LTD.		Name of organization		SENSHU ELECTRIC AMERICA, INC.	
Location		24 floor of Block B, Song Da building, Pham Hung Street, My Dinh 1, Nam Tu Liem, Hanoi, Vietnam		Location		35799 Industrial Road, Livonia, MI 48150,U.S.A	
Month and year of establishment		October 2019		Month and year of establishment		August 2021	
Description of Business		Sales and purchase of various cables, wires, and materials related to electrical construction, etc.		Description of Business		Sales and purchase of various cables, wires, and materials related to electrical construction, etc.	
<div> CÔNG TY TNHH SENSHU ELECTRIC VIỆT NAM SENSHU ELECTRIC VIETNAM CO., LTD.</div> <div></div>				<div> SENSHU ELECTRIC AMERICA, INC.</div> <div></div>			
SEV Strengths <p>SEV has obtained certification from the Vietnamese government (for Kuramo Denko products), so quality inspections can be omitted when importing through SEV. SEV will start stocking Kuramo Denko products from October 2020.</p>				SEA Strengths <p>We handle a wide variety of electric wires, including those imported from Japan and local US manufacturers. We can handle a wide variety of harness processing. We have a network with control panel manufacturers. Flexible response to various needs. Global deployment of UL standards.</p>			
Name of organization		HOKUETSU DENKEN (SHANGHAI) CO., LTD.					
Location		No.1, Lane 333 Zhujian Road, MinHang District, Shanghai, P.R.China					
Month and year of establishment		July 2002					
Description of Business		Development, production and sales of controllers for looms, design and production of control panels, etc.					
Leave it to us for control panels and control equipment <p>We provide high quality, low cost production of a wide variety of products in small quantities. We can also provide consultation on the design and assembly of various machines and machinery.</p> Duties <p>Design and manufacture of control panels and control devices for industrial machinery, NC machine tools, semiconductor manufacturing equipment, etc., and machine body wiring Design and manufacture of electronic devices, measuring instruments, etc. Consulting services related to the above Import, export and sales of electronic and electrical products for machinery</p> 							



About Us

Company name	SENSHU ELECTRIC CO.,LTD.
Established	November 18, 1949
Capital	2,575.2 million yen
Number of employees	550
Business Description	Sales of electrical wires and related materials such as equipment wires, communication wires, power cables, and general-purpose coated wires, as well as sales of various information equipment, etc.

Stock Status

(As of October 31, 2023)

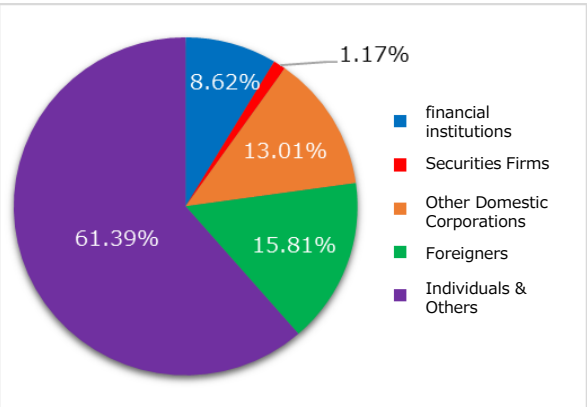
Total number of authorized shares	840,000,000 shares
Total number of shares issued and outstanding	21,000,000 shares
Number of shareholders	15,013
Trading unit price	100 shares
Stock exchange listing	Tokyo Stock Exchange Prime Market
Stock code	9824

- *1. The Company holds 3,303,008 shares of treasury stock but is excluded from the above major shareholders.
- *2. Shareholding ratio is calculated excluding treasury stock.

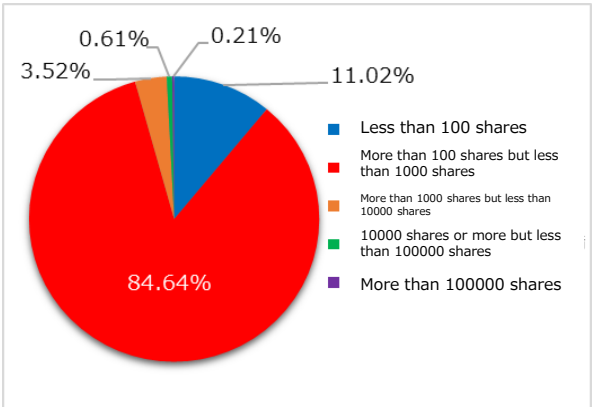
Major shareholder

Shareholder Name	Investment in the Company	
	Number of shares held (thousand shares)	Shareholding ratio (%)
Motohide Nishimura	1,589	8.98
BBH for Fidelity Low Priced Stock Fund (Principal All Sector Sub-portfolio)	1,349	7.62
Yoko Nishimura	958	5.41
The Master Trust Bank of Japan, Ltd.	923	5.21
SWCC Corporation	850	4.80
(Trust Account) The Custody Bank of Japan, Ltd.	528	2.98
Kyoko Takahashi	451	2.55
Senshu Electric Employee Shareholding Association	437	2.47
Senshu Sangyo Co.,Ltd.	414	2.34
Akiko Ueshima	315	1.78

Distribution of Shares by Shareholder



Shareholder Distribution by Number of Shares Held





SENSHU ELECTRIC CO.,LTD.