

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended July 31, 2020 (Based on Japanese GAAP)

September 3, 2020

Company name: SENSU ELECTRIC CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 9824 URL <https://www.senden.co.jp/>
 Representative: Representative Director, President Motohide Nishimura
 Senior Managing Director & Executive
 Inquiries: Officer & General Manager of Kazuto Narita TEL 06-6384-1101
 Administration Division
 Scheduled date to file Quarterly Securities Report: September 10, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended July 31, 2020 (from November 1, 2019 to July 31, 2020)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended July 31, 2020	55,389	(12.2)	2,401	(19.3)	2,600	(17.6)	1,787	(15.2)
Nine months ended July 31, 2019	63,085	3.9	2,976	8.4	3,156	7.4	2,107	4.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended July 31, 2020	187.04		–	
Nine months ended July 31, 2019	214.30		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2020	64,241	40,135	62.3
As of October 31, 2019	68,589	39,749	57.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended October 31, 2019	–	35.00	–	35.00	70.00
Year ending October 31, 2020	–	35.00	–		
Year ending October 31, 2020 (Forecast)				35.00	70.00

3. Forecast of consolidated financial results for the year ending October 31, 2020 (from November 1, 2019 to October 31, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	76,100	(9.1)	3,510	(11.8)	3,700	(12.0)	2,460	(9.4)	262.43

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended July 31, 2020
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of July 31, 2020	10,800,000 shares	As of October 31, 2019	10,800,000 shares
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Number of treasury shares at the end of the period

As of July 31, 2020	1,333,468 shares	As of October 31, 2019	1,127,181 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended July 31, 2020	9,557,890 shares	Nine months ended July 31, 2019	9,834,957 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of October 31, 2019	As of July 31, 2020
Assets		
Current assets		
Cash and deposits	15,972	15,938
Notes and accounts receivable - trade	18,070	15,323
Electronically recorded monetary claims - operating	6,137	4,828
Securities	-	7
Merchandise	4,128	4,173
Other	226	274
Allowance for doubtful accounts	(22)	(13)
Total current assets	44,512	40,532
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,825	6,636
Machinery, equipment and vehicles, net	500	435
Land	10,550	10,605
Leased assets, net	87	94
Other, net	89	76
Total property, plant and equipment	18,052	17,847
Intangible assets		
Goodwill	4	-
Other	170	132
Total intangible assets	175	132
Investments and other assets		
Investment securities	1,326	1,317
Long-term loans receivable	46	36
Deferred tax assets	882	718
Other, net	4,016	4,030
Allowance for doubtful accounts	(421)	(375)
Total investments and other assets	5,849	5,728
Total non-current assets	24,077	23,708
Total assets	68,589	64,241

(Millions of yen)

	As of October 31, 2019	As of July 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,537	19,653
Short-term borrowings	105	105
Lease obligations	45	34
Income taxes payable	736	47
Provision for bonuses	628	324
Other	996	1,197
Total current liabilities	26,049	21,362
Non-current liabilities		
Lease obligations	63	44
Deferred tax liabilities	98	99
Retirement benefit liability	1,946	2,015
Asset retirement obligations	6	6
Other	675	577
Total non-current liabilities	2,790	2,743
Total liabilities	28,840	24,105
Net assets		
Shareholders' equity		
Share capital	2,575	2,575
Capital surplus	3,386	3,397
Retained earnings	35,467	36,582
Treasury shares	(2,270)	(2,953)
Total shareholders' equity	39,158	39,602
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	431	409
Foreign currency translation adjustment	60	3
Remeasurements of defined benefit plans	(42)	(19)
Total accumulated other comprehensive income	449	394
Non-controlling interests	140	138
Total net assets	39,749	40,135
Total liabilities and net assets	68,589	64,241

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended July 31, 2019	Nine months ended July 31, 2020
Net sales	63,085	55,389
Cost of sales	53,212	46,182
Gross profit	9,872	9,206
Selling, general and administrative expenses		
Freight and packing costs	946	914
Provision of allowance for doubtful accounts	(42)	(8)
Salaries and bonuses	2,740	2,702
Welfare expenses	645	643
Provision for bonuses	348	322
Provision for retirement benefits for directors (and other officers)	8	-
Retirement benefit expenses	213	220
Travel, transportation and communication expenses	240	187
Depreciation	335	398
Amortization of goodwill	4	4
Other	1,453	1,420
Total selling, general and administrative expenses	6,895	6,804
Operating profit	2,976	2,401
Non-operating income		
Interest income	6	5
Dividend income	38	35
Rental income from buildings	90	87
Purchase discounts	37	35
Foreign exchange gains	4	-
Other	93	113
Total non-operating income	269	278
Non-operating expenses		
Interest expenses	0	1
Depreciation	41	39
Guarantee commission	5	5
Foreign exchange losses	-	4
Other	42	28
Total non-operating expenses	90	79
Ordinary profit	3,156	2,600
Extraordinary income		
Gain on sales of non-current assets	6	-
Gain on reversal of foreign currency translation adjustment	-	47
Total extraordinary income	6	47
Extraordinary losses		
Loss on retirement of non-current assets	58	-
Loss on valuation of investment securities	-	7
Total extraordinary losses	58	7

(Millions of yen)

	Nine months ended July 31, 2019	Nine months ended July 31, 2020
Profit before income taxes	3,104	2,640
Income taxes - current	880	647
Income taxes - deferred	88	196
Total income taxes	968	844
Profit	2,135	1,795
Profit attributable to non-controlling interests	28	8
Profit attributable to owners of parent	2,107	1,787

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended July 31, 2019	Nine months ended July 31, 2020
Profit	2,135	1,795
Other comprehensive income		
Valuation difference on available-for-sale securities	(60)	(22)
Foreign currency translation adjustment	2	(66)
Remeasurements of defined benefit plans, net of tax	25	23
Total other comprehensive income	(31)	(65)
Comprehensive income	2,104	1,730
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,070	1,732
Comprehensive income attributable to non-controlling interests	33	(1)