

Translation

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## Summary of Consolidated Financial Results for the Year Ended October 31, 2020 (Based on Japanese GAAP)

December 9, 2020

Company name: SENSHU 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 Administration Division Kazuto Narita TEL 06-6384-1101  
 Scheduled date of ordinary general meeting of shareholders: January 28, 2021  
 Scheduled date to file Securities Report: January 29, 2021  
 Scheduled date to commence dividend payments: January 29, 2021  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended October 31, 2020 (from November 1, 2019 to October 31, 2020)

#### (1) Consolidated operating results

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	%
Year ended October 31, 2020	74,288	(11.2)	3,124	(21.5)	3,382	(19.6)	2,351	(13.4)
Year ended October 31, 2019	83,676	2.0	3,979	2.9	4,206	2.5	2,714	14.5

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended October 31, 2020	247.02	–	5.9	5.0	4.2
Year ended October 31, 2019	277.04	–	7.0	6.2	4.8

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of October 31, 2020	67,401	40,409	59.8	4,295.79
As of October 31, 2019	68,589	39,749	57.7	4,094.81

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended October 31, 2020	4,451	(395)	(1,769)	17,721
Year ended October 31, 2019	3,349	(1,199)	(1,525)	15,430

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended October 31, 2019	–	35.00	–	35.00	70.00	682	25.3	1.8
Year ended October 31, 2020	–	35.00	–	35.00	70.00	662	28.3	1.7
Year ending October 31, 2021 (Forecast)	–	40.00	–	40.00	80.00		30.7	

3. Forecast of consolidated financial results for the year ending October 31, 2021 (from November 1, 2020 to October 31, 2021)

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
Six months ending April 30, 2021	39,600	3.1	1,480	(18.0)	1,580	(17.4)	1,060	(19.7)	115.16
Full year	82,100	10.5	3,300	5.6	3,550	5.0	2,400	2.1	260.73

4. Notes

(1) Changes in significant subsidiaries during the year ended October 31, 2020

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of October 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 October 31, 2020	1,425,068 shares	As of October 31, 2019	1,127,181 shares
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Average number of shares during the period

Year ended October 31, 2020	9,519,669 shares	Year ended October 31, 2019	9,797,541 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of October 31, 2019	As of October 31, 2020
Assets		
Current assets		
Cash and deposits	15,972	18,461
Notes and accounts receivable - trade	18,070	16,273
Electronically recorded monetary claims - operating	6,137	4,882
Securities	-	7
Merchandise	4,128	3,847
Other	226	205
Allowance for doubtful accounts	(22)	(13)
Total current assets	44,512	43,664
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,474	10,523
Accumulated depreciation	(3,649)	(3,962)
Buildings and structures, net	6,825	6,560
Machinery, equipment and vehicles	1,347	1,340
Accumulated depreciation	(847)	(923)
Machinery, equipment and vehicles, net	500	416
Land	10,550	10,605
Leased assets	176	207
Accumulated depreciation	(88)	(95)
Leased assets, net	87	112
Construction in progress	0	4
Other	333	344
Accumulated depreciation	(245)	(269)
Other, net	88	74
Total property, plant and equipment	18,052	17,774
Intangible assets		
Goodwill	4	-
Other	170	120
Total intangible assets	175	120
Investments and other assets		
Investment securities	1,326	1,308
Long-term loans receivable	46	33
Deferred tax assets	882	807
Other	4,398	4,351
Accumulated depreciation	(382)	(283)
Other, net	4,016	4,067
Allowance for doubtful accounts	(421)	(375)
Total investments and other assets	5,849	5,842
Total non-current assets	24,077	23,737
Total assets	68,589	67,401

(Millions of yen)

	As of October 31, 2019	As of October 31, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	23,537	21,858
Short-term borrowings	105	105
Lease obligations	45	36
Accrued expenses	325	271
Income taxes payable	736	462
Provision for bonuses	628	588
Other	671	940
<b>Total current liabilities</b>	<b>26,049</b>	<b>24,262</b>
<b>Non-current liabilities</b>		
Lease obligations	63	37
Deferred tax liabilities	98	3
Retirement benefit liability	1,946	2,103
Asset retirement obligations	6	6
Guarantee deposited	155	159
Other	519	419
<b>Total non-current liabilities</b>	<b>2,790</b>	<b>2,728</b>
<b>Total liabilities</b>	<b>28,840</b>	<b>26,991</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,575	2,575
Capital surplus	3,386	3,397
Retained earnings	35,467	37,146
Treasury shares	(2,270)	(3,231)
<b>Total shareholders' equity</b>	<b>39,158</b>	<b>39,887</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	431	408
Foreign currency translation adjustment	60	25
Remeasurements of defined benefit plans	(42)	(48)
<b>Total accumulated other comprehensive income</b>	<b>449</b>	<b>384</b>
<b>Non-controlling interests</b>	<b>140</b>	<b>137</b>
<b>Total net assets</b>	<b>39,749</b>	<b>40,409</b>
<b>Total liabilities and net assets</b>	<b>68,589</b>	<b>67,401</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended October 31, 2019	Fiscal year ended October 31, 2020
Net sales	83,676	74,288
Cost of sales	70,453	62,210
Gross profit	13,222	12,078
Selling, general and administrative expenses		
Freight and packing costs	1,265	1,210
Provision of allowance for doubtful accounts	(48)	(7)
Salaries and bonuses	3,484	3,396
Welfare expenses	864	853
Provision for bonuses	621	583
Provision for retirement benefits for directors (and other officers)	8	–
Retirement benefit expenses	282	296
Travel, transportation and communication expenses	318	241
Depreciation	477	533
Amortization of goodwill	5	4
Other	1,962	1,841
Total selling, general and administrative expenses	9,243	8,953
Operating profit	3,979	3,124
Non-operating income		
Interest income	8	7
Dividend income	40	39
Rental income from buildings	121	121
Purchase discounts	49	44
Foreign exchange gains	1	–
Subsidies for employment adjustment	–	36
Other	119	110
Total non-operating income	341	359
Non-operating expenses		
Interest expenses	0	0
Depreciation	55	53
Guarantee commission	6	7
Foreign exchange losses	–	5
Loss on redemption of investment securities	13	–
Other	37	34
Total non-operating expenses	113	101
Ordinary profit	4,206	3,382
Extraordinary income		
Gain on sales of non-current assets	8	–
Gain on reversal of foreign currency translation adjustment	–	47
Total extraordinary income	8	47
Extraordinary losses		
Loss on retirement of non-current assets	120	–
Impairment loss	74	–
Loss on valuation of investment securities	–	7
Total extraordinary losses	195	7

(Millions of yen)

	Fiscal year ended October 31, 2019	Fiscal year ended October 31, 2020
Profit before income taxes	4,019	3,422
Income taxes - current	1,354	1,045
Income taxes - deferred	(77)	20
Total income taxes	1,277	1,065
Profit	2,742	2,356
Profit attributable to non-controlling interests	28	4
Profit attributable to owners of parent	2,714	2,351

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended October 31, 2019	Fiscal year ended October 31, 2020
Profit	2,742	2,356
Other comprehensive income		
Valuation difference on available-for-sale securities	6	(23)
Foreign currency translation adjustment	(0)	(43)
Remeasurements of defined benefit plans, net of tax	48	(5)
Total other comprehensive income	54	(72)
Comprehensive income	2,796	2,283
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,760	2,286
Comprehensive income attributable to non-controlling interests	35	(3)

## Consolidated statements of changes in equity

Fiscal year ended October 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,575	3,372	33,395	(1,482)	37,860
Changes during period					
Dividends of surplus			(298)		(298)
Dividends from surplus, interim dividend			(343)		(343)
Profit attributable to owners of parent			2,714		2,714
Purchase of treasury shares				(821)	(821)
Disposal of treasury shares		14		33	47
Net changes in items other than shareholders' equity					
Total changes during period	–	14	2,071	(788)	1,298
Balance at end of period	2,575	3,386	35,467	(2,270)	39,158

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	425	68	(90)	403	105	38,368
Changes during period						
Dividends of surplus						(298)
Dividends from surplus, interim dividend						(343)
Profit attributable to owners of parent						2,714
Purchase of treasury shares						(821)
Disposal of treasury shares						47
Net changes in items other than shareholders' equity	6	(7)	48	46	35	82
Total changes during period	6	(7)	48	46	35	1,380
Balance at end of period	431	60	(42)	449	140	39,749



Fiscal year ended October 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,575	3,386	35,467	(2,270)	39,158
Changes during period					
Dividends of surplus			(338)		(338)
Dividends from surplus, interim dividend			(334)		(334)
Profit attributable to owners of parent			2,351		2,351
Purchase of treasury shares				(999)	(999)
Disposal of treasury shares		10		38	49
Net changes in items other than shareholders' equity					
Total changes during period	-	10	1,679	(960)	729
Balance at end of period	2,575	3,397	37,146	(3,231)	39,887

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	431	60	(42)	449	140	39,749
Changes during period						
Dividends of surplus						(338)
Dividends from surplus, interim dividend						(334)
Profit attributable to owners of parent						2,351
Purchase of treasury shares						(999)
Disposal of treasury shares						49
Net changes in items other than shareholders' equity	(23)	(35)	(5)	(64)	(3)	(68)
Total changes during period	(23)	(35)	(5)	(64)	(3)	660
Balance at end of period	408	25	(48)	384	137	40,409

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended October 31, 2019	Fiscal year ended October 31, 2020
Cash flows from operating activities		
Profit before income taxes	4,019	3,422
Depreciation	543	588
Amortization of goodwill	5	4
Increase (decrease) in retirement benefit liability	168	148
Increase (decrease) in provision for bonuses	16	(39)
Increase (decrease) in allowance for doubtful accounts	(101)	(55)
Interest and dividend income	(49)	(46)
Interest expenses	0	0
Loss (gain) on valuation of investment securities	–	7
Reversal of foreign currency translation adjustment	–	(47)
Rental income	(121)	(121)
Decrease (increase) in trade receivables	(144)	3,091
Decrease (increase) in Merchandise	(61)	274
Increase (decrease) in trade payables	(158)	(1,674)
Increase (decrease) in accrued consumption taxes	223	200
Other, net	391	(44)
Subtotal	4,732	5,707
Interest and dividends received	49	46
Interest paid	(0)	(0)
Income taxes paid	(1,432)	(1,301)
Net cash provided by (used in) operating activities	3,349	4,451
Cash flows from investing activities		
Payments into time deposits	(541)	(771)
Proceeds from withdrawal of time deposits	634	572
Purchase of short-term and long-term investment securities	(119)	(144)
Proceeds from sales of investment securities	188	100
Purchase of property, plant and equipment	(1,651)	(152)
Proceeds from sales of property, plant and equipment	75	2
Collection of loans receivable	257	12
Purchase of insurance funds	(147)	(145)
Proceeds from cancellation of insurance funds	61	48
Other, net	43	83
Net cash provided by (used in) investing activities	(1,199)	(395)
Cash flows from financing activities		
Purchase of treasury shares	(821)	(999)
Dividends paid	(642)	(672)
Other, net	(61)	(97)
Net cash provided by (used in) financing activities	(1,525)	(1,769)
Effect of exchange rate change on cash and cash equivalents	7	3
Net increase (decrease) in cash and cash equivalents	631	2,290
Cash and cash equivalents at beginning of period	14,798	15,430
Cash and cash equivalents at end of period	15,430	17,721