

Translation

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Summary of Consolidated Financial Results for the Year Ended October 31, 2021 (Based on Japanese GAAP)

December 8, 2021

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 27, 2022
 Scheduled date to file Securities Report: January 28, 2022
 Scheduled date to commence dividend payments: January 28, 2022
 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, 2021 (from November 1, 2020 to October 31, 2021)

(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, 2021	92,463	24.5	4,743	51.8	5,004	47.9	3,583	52.4
Year ended October 31, 2020	74,288	(11.2)	3,124	(21.5)	3,382	(19.6)	2,351	(13.4)

	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, 2021	387.50	–	8.6	6.6	5.1
Year ended October 31, 2020	247.02	–	5.9	5.0	4.2

(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, 2021	83,990	42,886	50.9	4,685.18
As of October 31, 2020	67,401	40,409	59.8	4,295.79

(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, 2021	9,397	63	(1,742)	25,496
Year ended October 31, 2020	4,451	(395)	(1,769)	17,721

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, 2020	–	35.00	–	35.00	70.00	662	28.3	1.7
Year ended October 31, 2021	–	40.00	–	50.00	90.00	825	23.2	2.0
Year ending October 31, 2022 (Forecast)	–	50.00	–	50.00	100.00		25.1	

3. Forecast of consolidated financial results for the year ending October 31, 2022 (from November 1, 2021 to October 31, 2022)

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, 2022	48,500	–	2,450	–	2,600	–	1,850	–	205.12
Full year	97,000	–	4,800	–	5,100	–	3,600	–	399.15

4. Notes

(1) Changes in significant subsidiaries during the year ended October 31, 2021

(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, 2021	10,800,000 shares	As of October 31, 2020	10,800,000 shares
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Number of treasury shares at the end of the period

As of October 31, 2021	1,680,806 shares	As of October 31, 2020	1,425,068 shares
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Average number of shares during the period

Year ended October 31, 2021	9,247,780 shares	Year ended October 31, 2020	9,519,669 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of October 31, 2020	As of October 31, 2021
Assets		
Current assets		
Cash and deposits	18,461	26,335
Notes and accounts receivable - trade	16,273	21,291
Electronically recorded monetary claims - operating	4,882	7,561
Securities	7	6
Merchandise	3,847	4,916
Other	205	235
Allowance for doubtful accounts	(13)	(13)
Total current assets	43,664	60,333
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,523	10,524
Accumulated depreciation	(3,962)	(4,248)
Buildings and structures, net	6,560	6,275
Machinery, equipment and vehicles	1,340	1,375
Accumulated depreciation	(923)	(998)
Machinery, equipment and vehicles, net	416	377
Land	10,605	10,239
Leased assets	207	207
Accumulated depreciation	(95)	(126)
Leased assets, net	112	81
Construction in progress	4	251
Other	344	337
Accumulated depreciation	(269)	(274)
Other, net	74	62
Total property, plant and equipment	17,774	17,287
Intangible assets	120	110
Investments and other assets		
Investment securities	1,308	1,848
Long-term loans receivable	33	19
Deferred tax assets	807	713
Other	4,351	4,378
Accumulated depreciation	(283)	(332)
Other, net	4,067	4,045
Allowance for doubtful accounts	(375)	(367)
Total investments and other assets	5,842	6,259
Total non-current assets	23,737	23,657
Total assets	67,401	83,990

(Millions of yen)

	As of October 31, 2020	As of October 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,858	35,628
Short-term borrowings	105	105
Lease obligations	36	21
Accrued expenses	271	281
Income taxes payable	462	1,024
Provision for bonuses	588	669
Other	940	695
Total current liabilities	24,262	38,426
Non-current liabilities		
Lease obligations	37	15
Deferred tax liabilities	3	2
Retirement benefit liability	2,103	2,212
Asset retirement obligations	6	6
Guarantee deposits received	159	147
Other	419	295
Total non-current liabilities	2,728	2,678
Total liabilities	26,991	41,104
Net assets		
Shareholders' equity		
Share capital	2,575	2,575
Capital surplus	3,397	3,412
Retained earnings	37,146	40,032
Treasury shares	(3,231)	(4,201)
Total shareholders' equity	39,887	41,818
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	408	785
Foreign currency translation adjustment	25	131
Remeasurements of defined benefit plans	(48)	(10)
Total accumulated other comprehensive income	384	906
Non-controlling interests	137	160
Total net assets	40,409	42,886
Total liabilities and net assets	67,401	83,990

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

(Millions of yen)

	Fiscal year ended October 31, 2020	Fiscal year ended October 31, 2021
Net sales	74,288	92,463
Cost of sales	62,210	78,542
Gross profit	12,078	13,921
Selling, general and administrative expenses		
Freight and packing costs	1,210	1,276
Provision of allowance for doubtful accounts	(7)	(1)
Salaries and bonuses	3,396	3,416
Welfare expenses	853	904
Provision for bonuses	583	659
Retirement benefit expenses	296	302
Travel, transportation and communication expenses	241	216
Depreciation	533	517
Amortization of goodwill	4	–
Other	1,841	1,885
Total selling, general and administrative expenses	8,953	9,177
Operating profit	3,124	4,743
Non-operating income		
Interest income	7	6
Dividend income	39	48
Rental income from buildings	121	121
Purchase discounts	44	13
Foreign exchange gains	–	1
Gain on sale of scraps	23	40
Other	123	121
Total non-operating income	359	353
Non-operating expenses		
Interest expenses	0	1
Depreciation	53	53
Guarantee commission	7	9
Foreign exchange losses	5	–
Other	34	29
Total non-operating expenses	101	92
Ordinary profit	3,382	5,004
Extraordinary income		
Insurance claim income	–	104
Gain on reversal of foreign currency translation adjustment	47	–
Total extraordinary income	47	104
Extraordinary losses		
Loss on valuation of investment securities	7	–
Total extraordinary losses	7	–
Profit before income taxes	3,422	5,109
Income taxes - current	1,045	1,526
Income taxes - deferred	20	(26)
Total income taxes	1,065	1,500
Profit	2,356	3,608
Profit attributable to non-controlling interests	4	24
Profit attributable to owners of parent	2,351	3,583

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

(Millions of yen)

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Extraordinary income		
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Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended October 31, 2020	Fiscal year ended October 31, 2021
Profit	2,356	3,608
Other comprehensive income		
Valuation difference on available-for-sale securities	(23)	376
Foreign currency translation adjustment	(43)	105
Remeasurements of defined benefit plans, net of tax	(5)	38
Total other comprehensive income	(72)	520
Comprehensive income	2,283	4,128
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,286	4,105
Comprehensive income attributable to non-controlling interests	(3)	23

Consolidated statements of changes in equity

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

Fiscal year ended October 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,575	3,397	37,146	(3,231)	39,887
Changes during period					
Dividends of surplus			(328)		(328)
Dividends from surplus, interim dividend			(369)		(369)
Profit attributable to owners of parent			3,583		3,583
Purchase of treasury shares				(1,000)	(1,000)
Disposal of treasury shares		15		30	45
Net changes in items other than shareholders' equity					
Total changes during period	-	15	2,885	(970)	1,930
Balance at end of period	2,575	3,412	40,032	(4,201)	41,818

	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	408	25	(48)	384	137	40,409
Changes during period						
Dividends of surplus						(328)
Dividends from surplus, interim dividend						(369)
Profit attributable to owners of parent						3,583
Purchase of treasury shares						(1,000)
Disposal of treasury shares						45
Net changes in items other than shareholders' equity	376	106	38	521	23	545
Total changes during period	376	106	38	521	23	2,476
Balance at end of period	785	131	(10)	906	160	42,886

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended October 31, 2020	Fiscal year ended October 31, 2021
Cash flows from operating activities		
Profit before income taxes	3,422	5,109
Depreciation	588	572
Amortization of goodwill	4	–
Increase (decrease) in retirement benefit liability	148	164
Increase (decrease) in provision for bonuses	(39)	78
Increase (decrease) in allowance for doubtful accounts	(55)	(7)
Interest and dividend income	(46)	(55)
Interest expenses	0	1
Loss (gain) on cancellation of insurance policies	(21)	(104)
Rental income	(121)	(121)
Decrease (increase) in trade receivables	3,091	(7,661)
Decrease (increase) in Merchandise	274	(1,042)
Increase (decrease) in trade payables	(1,674)	13,756
Increase (decrease) in accrued consumption taxes	200	(273)
Other, net	(63)	(81)
Subtotal	5,707	10,333
Interest and dividends received	46	54
Interest paid	(0)	(1)
Income taxes paid	(1,301)	(990)
Net cash provided by (used in) operating activities	4,451	9,397
Cash flows from investing activities		
Payments into time deposits	(771)	(924)
Proceeds from withdrawal of time deposits	572	828
Purchase of short-term and long-term investment securities	(144)	(111)
Proceeds from sale of investment securities	100	62
Purchase of property, plant and equipment	(152)	(363)
Proceeds from sale of property, plant and equipment	2	386
Proceeds from collection of loans receivable	12	13
Purchase of insurance funds	(145)	(350)
Proceeds from cancellation of insurance funds	48	342
Other, net	83	178
Net cash provided by (used in) investing activities	(395)	63
Cash flows from financing activities		
Purchase of treasury shares	(999)	(1,000)
Dividends paid	(672)	(697)
Other, net	(97)	(44)
Net cash provided by (used in) financing activities	(1,769)	(1,742)
Effect of exchange rate change on cash and cash equivalents	3	57
Net increase (decrease) in cash and cash equivalents	2,290	7,775
Cash and cash equivalents at beginning of period	15,430	17,721
Cash and cash equivalents at end of period	17,721	25,496