

Translation

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Summary of Consolidated Financial Results for the Six Months Ended April 30, 2023 (Based on Japanese GAAP)

June 5, 2023

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 to file Quarterly Securities Report: June 12, 2023
 Scheduled date to commence dividend payments: July 4, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended April 30, 2023 (from November 1, 2022 to April 30, 2023)

(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	%
Six months ended April 30, 2023	61,851	12.1	4,304	21.7	4,482	20.7	2,994	20.2
Six months ended April 30, 2022	55,154	28.3	3,536	85.6	3,713	77.6	2,491	72.7

(Note) Comprehensive income Six months ended April 30, 2023 ¥3,164 million [27.6%]
 Six months ended April 30, 2022 ¥2,479 million [44.8%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended April 30, 2023	168.11		168.09	
Six months ended April 30, 2022	137.24		-	

(Notes) 1. The Company conducted a 2-for-1 stock split of common shares on November 1, 2022. "Earnings per share" is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

2. Diluted earnings per share for the six months ended April 30, 2022 is not stated because there are no residual shares having the dilutive effect.

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of April 30, 2023	98,881		48,359		48.6	
As of October 31, 2022	95,381		46,399		48.4	

Reference: Equity As of April 30, 2023 ¥48,023 million
 As of October 31, 2022 ¥46,123 million

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, 2022	-	60.00	-	80.00	140.00
Year ending October 31, 2023	-	50.00	-	-	-
Year ending October 31, 2023 (Forecast)	-	-	-	50.00	100.00

(Notes) 1. Revision of cash dividend forecast most recently announced: Yes

2. The Company conducted a 2-for-1 stock split of common shares on November 1, 2022, and the dividends for the fiscal year ended October 31, 2022 represent the actual amounts of dividends before the stock split.

3. Forecast of consolidated financial results for the year ending October 31, 2023 (from November 1, 2022 to October 31, 2023)

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	123,000	8.2	8,100	8.5	8,500	7.7	5,700	7.3	321.41

(Notes) 1. Revision of consolidated financial results forecast most recently announced: Yes

2. Pursuant to a resolution at a meeting of the Board of Directors held on December 8, 2022, the Company repurchased 182,700 treasury shares. The earnings per share in the consolidated financial results forecast is calculated taking into account the effect of the purchase of these treasury shares.

4. Notes

(1) Changes in significant subsidiaries during the six months ended April 30, 2023
(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: Yes
 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 April 30, 2023	21,000,000 shares	As of October 31, 2022	21,000,000 shares
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Number of treasury shares at the end of the period

As of April 30, 2023	3,265,479 shares	As of October 31, 2022	3,110,570 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended April 30, 2023	17,811,392 shares	Six months ended April 30, 2022	18,157,960 shares
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(Note) The Company conducted a 2-for-1 stock split of common shares on November 1, 2022. "Total number of issued shares at the end of the period," "number of treasury shares at the end of the period," and "average number of shares during the period" are calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

* Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially due to various factors.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of October 31, 2022	As of April 30, 2023
Assets		
Current assets		
Cash and deposits	27,165	26,966
Notes and accounts receivable - trade	22,572	24,158
Electronically recorded monetary claims - operating	10,831	10,336
Securities	23	24
Merchandise	6,575	7,841
Work in process	250	263
Raw materials and supplies	238	266
Other	267	288
Allowance for doubtful accounts	(14)	(18)
Total current assets	67,910	70,128
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,290	6,195
Machinery, equipment and vehicles, net	316	291
Land	10,381	10,363
Leased assets, net	93	89
Other, net	696	1,746
Total property, plant and equipment	17,779	18,685
Intangible assets		
Goodwill	156	139
Other	182	190
Total intangible assets	339	330
Investments and other assets		
Investment securities	1,695	2,053
Long-term loans receivable	5	–
Long-term time deposits	3,000	3,000
Deferred tax assets	896	802
Other, net	4,142	4,294
Allowance for doubtful accounts	(387)	(412)
Total investments and other assets	9,352	9,738
Total non-current assets	27,471	28,753
Total assets	95,381	98,881

(Millions of yen)

	As of October 31, 2022	As of April 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,214	42,928
Short-term borrowings	631	631
Current portion of bonds payable	114	114
Current portion of long-term borrowings	20	4
Lease liabilities	24	18
Income taxes payable	1,840	1,504
Provision for bonuses	767	752
Other	1,309	1,388
Total current liabilities	45,922	47,343
Non-current liabilities		
Bonds payable	107	99
Long-term borrowings	60	58
Lease liabilities	29	32
Deferred tax liabilities	1	4
Provision for retirement benefits for directors (and other officers)	178	178
Retirement benefit liability	2,249	2,319
Asset retirement obligations	6	7
Other	427	478
Total non-current liabilities	3,059	3,178
Total liabilities	48,982	50,521
Net assets		
Shareholders' equity		
Share capital	2,575	2,575
Capital surplus	2,690	2,748
Retained earnings	44,255	46,534
Treasury shares	(4,454)	(5,012)
Total shareholders' equity	45,066	46,845
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	660	864
Foreign currency translation adjustment	390	306
Remeasurements of defined benefit plans	6	6
Total accumulated other comprehensive income	1,056	1,177
Share acquisition rights	38	49
Non-controlling interests	237	286
Total net assets	46,399	48,359
Total liabilities and net assets	95,381	98,881

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended April 30, 2022	Six months ended April 30, 2023
Net sales	55,154	61,851
Cost of sales	46,962	52,447
Gross profit	8,191	9,404
Selling, general and administrative expenses		
Freight and packing costs	659	674
Provision of allowance for doubtful accounts	0	22
Salaries and bonuses	1,386	1,428
Welfare expenses	441	507
Provision for bonuses	658	728
Retirement benefit expenses	134	131
Travel, transportation and communication expenses	120	142
Depreciation	234	241
Amortization of goodwill	–	17
Other	1,017	1,203
Total selling, general and administrative expenses	4,655	5,099
Operating profit	3,536	4,304
Non-operating income		
Interest income	4	7
Dividend income	17	25
Rental income from buildings	64	66
Foreign exchange gains	16	–
Other	123	148
Total non-operating income	226	247
Non-operating expenses		
Interest expenses	0	1
Depreciation	25	25
Guarantee commission	5	6
Foreign exchange losses	–	6
Other	18	29
Total non-operating expenses	49	69
Ordinary profit	3,713	4,482
Profit before income taxes	3,713	4,482
Income taxes - current	1,156	1,450
Income taxes - deferred	35	8
Total income taxes	1,191	1,458
Profit	2,521	3,024
Profit attributable to non-controlling interests	29	29
Profit attributable to owners of parent	2,491	2,994

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended April 30, 2022	Six months ended April 30, 2023
Profit	2,521	3,024
Other comprehensive income		
Valuation difference on available-for-sale securities	(168)	204
Foreign currency translation adjustment	124	(64)
Remeasurements of defined benefit plans, net of tax	1	0
Total other comprehensive income	(42)	140
Comprehensive income	2,479	3,164
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,443	3,115
Comprehensive income attributable to non-controlling interests	36	49