

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended July 31, 2023 (Based on Japanese GAAP)

September 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: September 11, 2023
 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, 2023 (from November 1, 2022 to July 31, 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	%
Nine months ended July 31, 2023	92,859	11.1	6,342	20.4	6,640	18.6	4,461	18.5
Nine months ended July 31, 2022	83,548	25.5	5,266	62.3	5,598	59.7	3,764	50.4

(Note) Comprehensive income Nine months ended July 31, 2023 ¥4,863 million [21.7%]
 Nine months ended July 31, 2022 ¥3,996 million [36.2%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended July 31, 2023	250.81		250.69	
Nine months ended July 31, 2022	207.76		–	

(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 nine months ended July 31, 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 July 31, 2023	98,897		49,190		49.4	
As of October 31, 2022	95,381		46,399		48.4	

Reference: Equity As of July 31, 2023 ¥48,837 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		Yen		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: No

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	321.34

(Note) Revision of consolidated financial results forecast most recently announced: No

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 nine months ended July 31, 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 July 31, 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 July 31, 2023	3,261,508 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)

Nine months ended July 31, 2023	17,789,528 shares	Nine months ended July 31, 2022	18,120,974 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 July 31, 2023
Assets		
Current assets		
Cash and deposits	27,165	27,094
Notes and accounts receivable - trade	22,572	22,644
Electronically recorded monetary claims - operating	10,831	11,578
Securities	23	–
Merchandise	6,575	7,845
Work in process	250	307
Raw materials and supplies	238	268
Other	267	293
Allowance for doubtful accounts	(14)	(17)
Total current assets	67,910	70,014
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,290	7,166
Machinery, equipment and vehicles, net	316	382
Land	10,381	10,614
Leased assets, net	93	83
Other, net	696	433
Total property, plant and equipment	17,779	18,681
Intangible assets		
Goodwill	156	130
Other	182	186
Total intangible assets	339	317
Investments and other assets		
Investment securities	1,695	2,362
Long-term loans receivable	5	–
Long-term time deposits	3,000	3,000
Deferred tax assets	896	618
Other, net	4,142	4,304
Allowance for doubtful accounts	(387)	(400)
Total investments and other assets	9,352	9,884
Total non-current assets	27,471	28,883
Total assets	95,381	98,897

(Millions of yen)

	As of October 31, 2022	As of July 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,214	42,959
Short-term borrowings	631	691
Current portion of bonds payable	114	114
Current portion of long-term borrowings	20	3
Lease liabilities	24	14
Income taxes payable	1,840	761
Provision for bonuses	767	405
Other	1,309	1,545
Total current liabilities	45,922	46,495
Non-current liabilities		
Bonds payable	107	99
Long-term borrowings	60	56
Lease liabilities	29	32
Deferred tax liabilities	1	11
Provision for retirement benefits for directors (and other officers)	178	178
Retirement benefit liability	2,249	2,348
Asset retirement obligations	6	7
Other	427	478
Total non-current liabilities	3,059	3,211
Total liabilities	48,982	49,707
Net assets		
Shareholders' equity		
Share capital	2,575	2,575
Capital surplus	2,690	2,757
Retained earnings	44,255	47,115
Treasury shares	(4,454)	(5,006)
Total shareholders' equity	45,066	47,440
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	660	1,034
Foreign currency translation adjustment	390	355
Remeasurements of defined benefit plans	6	7
Total accumulated other comprehensive income	1,056	1,396
Share acquisition rights	38	53
Non-controlling interests	237	299
Total net assets	46,399	49,190
Total liabilities and net assets	95,381	98,897

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, 2022	Nine months ended July 31, 2023
Net sales	83,548	92,859
Cost of sales	71,189	78,798
Gross profit	12,358	14,061
Selling, general and administrative expenses		
Freight and packing costs	985	1,024
Provision of allowance for doubtful accounts	4	22
Salaries and bonuses	2,730	2,875
Welfare expenses	698	781
Provision for bonuses	346	390
Retirement benefit expenses	206	195
Travel, transportation and communication expenses	180	214
Depreciation	356	378
Amortization of goodwill	8	26
Other	1,573	1,808
Total selling, general and administrative expenses	7,092	7,718
Operating profit	5,266	6,342
Non-operating income		
Interest income	8	11
Dividend income	49	62
Rental income from buildings	97	100
Foreign exchange gains	52	5
Other	204	208
Total non-operating income	412	388
Non-operating expenses		
Interest expenses	1	2
Depreciation	38	37
Guarantee commission	7	9
Other	31	42
Total non-operating expenses	79	91
Ordinary profit	5,598	6,640
Extraordinary losses		
Impairment losses	15	-
Total extraordinary losses	15	-
Profit before income taxes	5,582	6,640
Income taxes - current	1,664	2,001
Income taxes - deferred	110	131
Total income taxes	1,774	2,132
Profit	3,808	4,507
Profit attributable to non-controlling interests	43	45
Profit attributable to owners of parent	3,764	4,461

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended July 31, 2022	Nine months ended July 31, 2023
Profit	3,808	4,507
Other comprehensive income		
Valuation difference on available-for-sale securities	(51)	374
Foreign currency translation adjustment	237	(18)
Remeasurements of defined benefit plans, net of tax	2	0
Total other comprehensive income	188	356
Comprehensive income	3,996	4,863
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,928	4,801
Comprehensive income attributable to non-controlling interests	67	61