

Stock code : 9824



2nd Quarter Fiscal Year October 2021

Presentation Materials

SENSHU ELECTRIC CO.,LTD.



心と心をつなぐインフラへ。
“つなぐ”11月18日は電線の日

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Overview of Senshu Electric Group

Established

1949

Shares

First Section of the Tokyo Stock Exchange
(Listed on the First Section of the Tokyo Stock Exchange
on November 9, 2017)

Capital

2,575,200,000 yen

Type of industry

Commerce (Industry-top-class general trading company of
electric wires)

No. of employees

732 (Average age: 39.0)

No. of subsidiaries

5 in Japan and 5 in overseas (China, Taiwan, Thailand,
Philippines and the Vietnam)

No. of offices

17 in Japan (Closed Tokyo-Higashi Office on April/2021.)

“General Trading Company of Electric Wires” Operating Nationwide



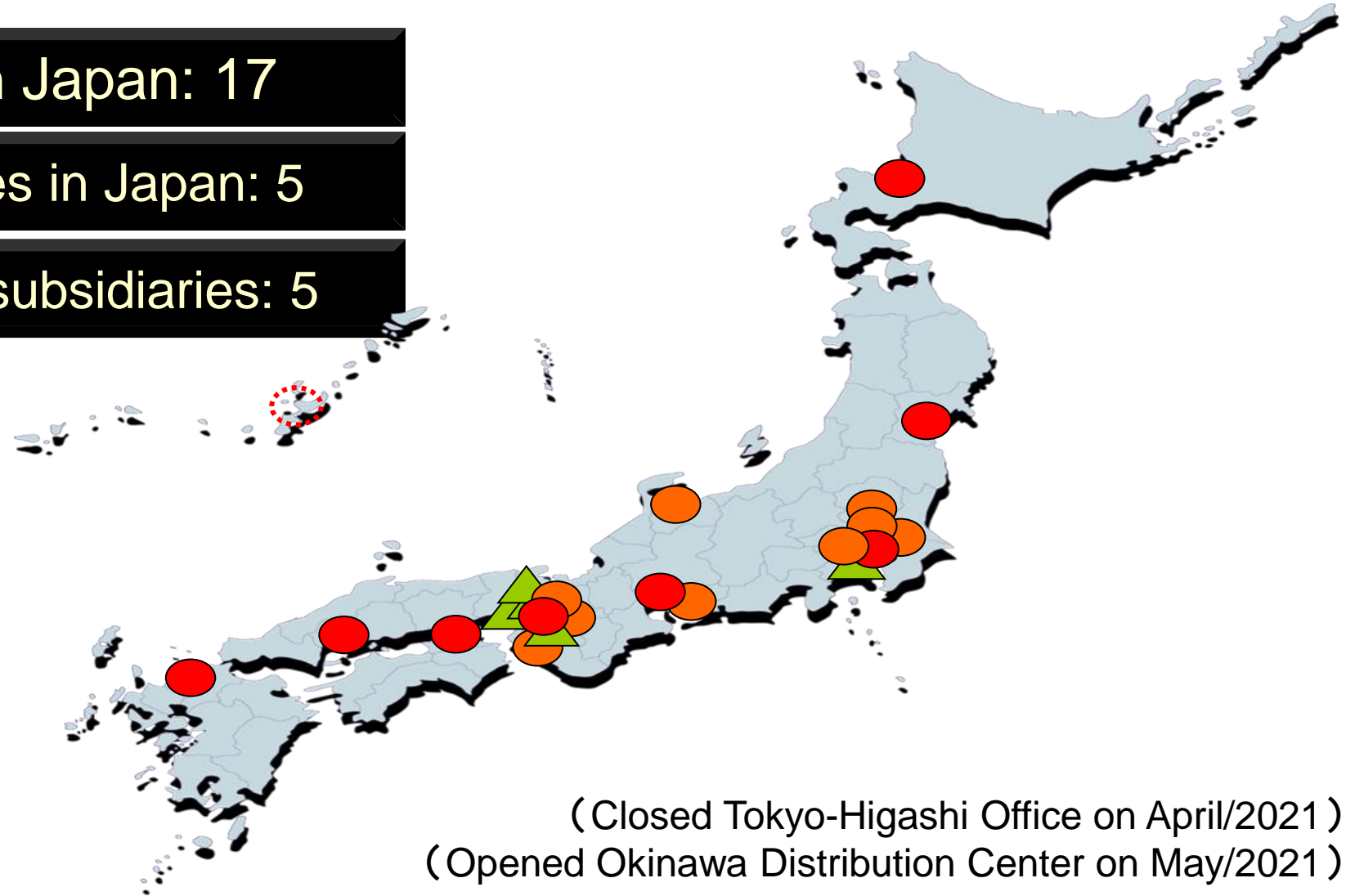
No. of offices In Japan: 17



No. of subsidiaries in Japan: 5



No. of overseas subsidiaries: 5



(Closed Tokyo-Higashi Office on April/2021)
(Opened Okinawa Distribution Center on May/2021)

History

特集

設立70周年のあゆみ



おかげさまで70周年。
 更なる飛躍を遂げ、100年企業へ



創業時



大阪証券取引所市場第二部(特別指定銘柄)に上場(1991)



東京証券取引所市場第二部に上場(2002)



東京証券取引所市場第一部に指定(2017)



大阪物流センター(大阪府豊中市)を開設(2019)

What is electric wire?

Electric wires are blood vessels and nerves when compared to the human body.

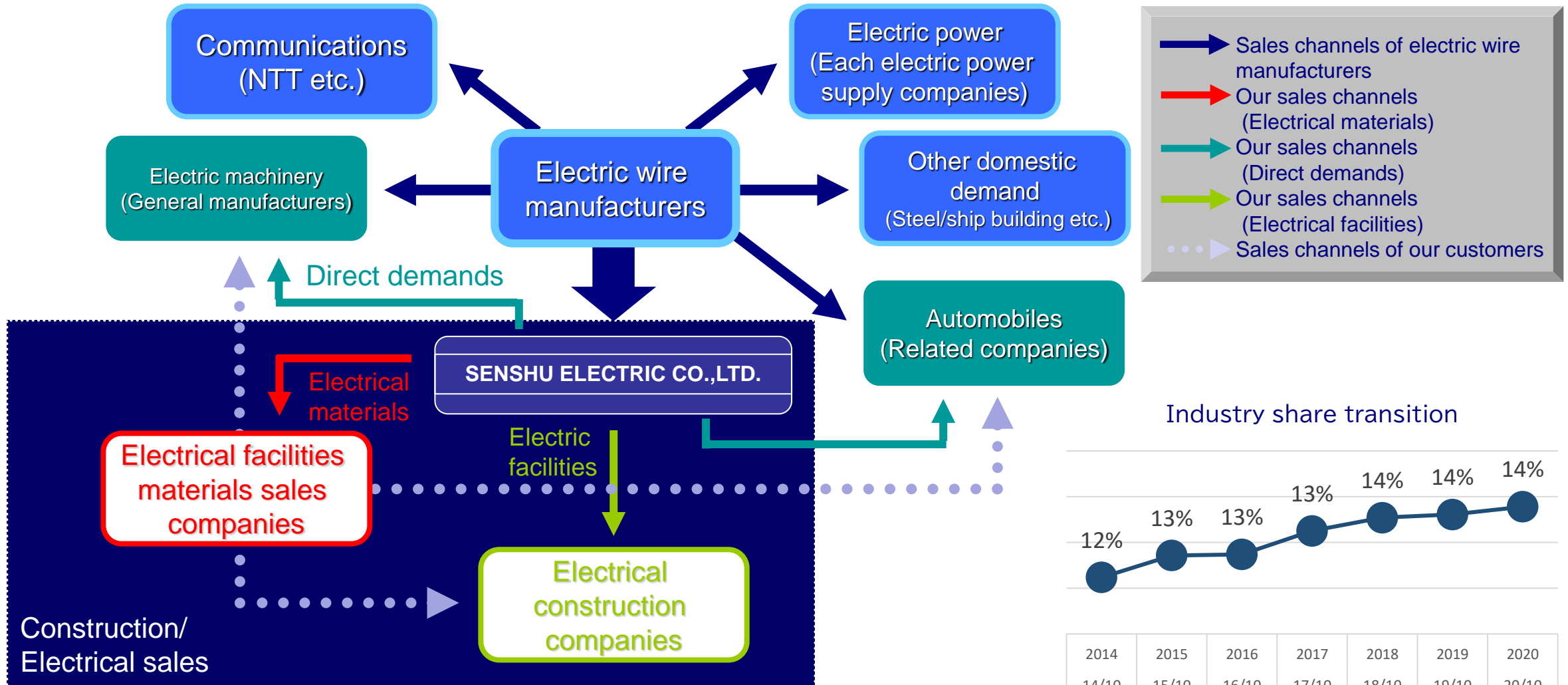


There is always **an electric** wire where there is electricity

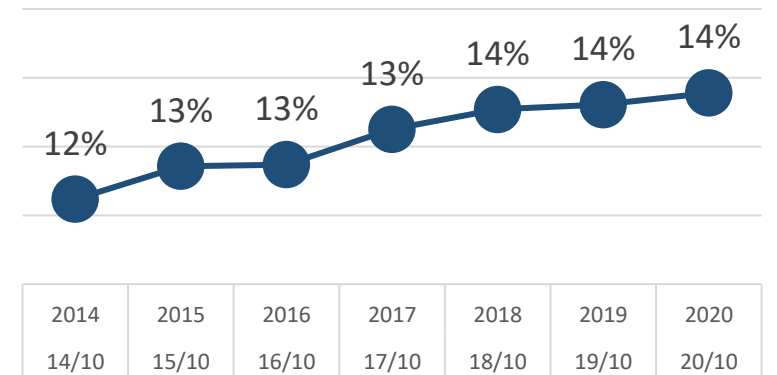
An important product that supports modern society while being sober



Sales Channels of Electric Wires



Industry share transition



Customers Composition

More than 3,500 customers. It consists of a wide range of industries.

Electrical materials (Electrical facilities materials sales companies)

Sales ratio
Approx. 49%

* The number of large-scaled electrical materials companies, who are the members of the association, is approximately 1,100 all over Japan.

Direct demands (End-users)

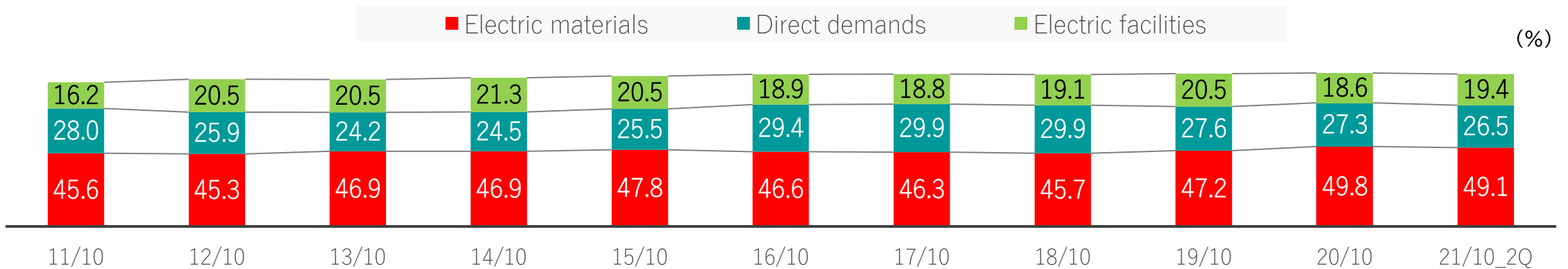
Sales ratio
Approx. 26%

* Machine tools/industrial machines, automobile facilities, and semiconductor/liquid crystal facilities manufacturing companies, etc.

Electric facilities
(Electrical construction companies)

Sales ratio
Approx. 19%

* The number of companies exceeds approximately 60,000 nationwide with medium- and small-scale companies combined and our sales are focused on the major customers.



Three business models of Senshu Electric

JUST IN TIME SYSTEM

Warehouse floor area of approximately 60,000 m²
storing 50,000 or more kinds of products.
In-stock items 3.9 billion yen.



Original products

Our original products including FA cables



Cable assemblies (Electric wire terminal processing)

The processing shop facilities are installed at
7 offices, of the 17 offices all over Japan.



High
added value
(High
profitability
structure)

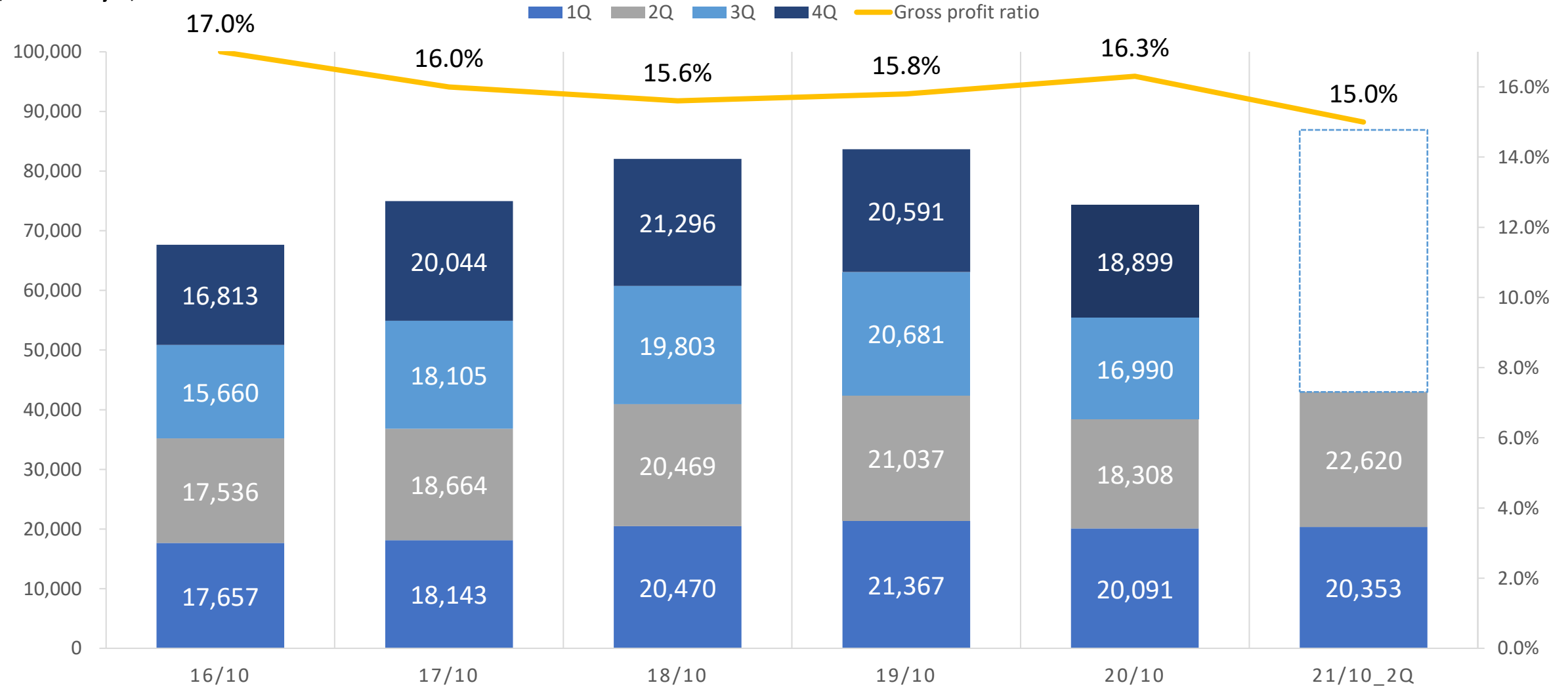
- Overview of Group
- **October 2021 Summary of 2nd Quarter financial results**
- About the medium-term management plan

Briefing of Consolidated statements of income (Comparison with the Previous FY)

	2020/10_2Q		2021/10_2Q		Increase or decrease (Unit : million yen, %)	
Net sales	38,399	100.0	42,973	100.0	4,573	11.9
Cost of sales	32,010	83.4	36,514	85.0	4,503	14.1
Gross profit	6,388	16.6	6,458	15.0	69	1.1
Selling, general and administrative expenses	4,584	11.9	4,553	10.6	△ 30	△ 0.7
Operating profit	1,804	4.7	1,905	4.4	100	5.6
Non-operating income	160	0.4	228	0.5	68	
Non-operating expenses	52	0.1	43	0.1	△ 9	
Recurring profit	1,911	5.0	2,090	4.9	178	9.3
Extraordinary income	47	0.1	0	0.0	△ 47	
Extraordinary losses	7	0.0	0	0.0	△ 7	
Profit before income taxes	1,951	5.1	2,090	4.9	138	7.1
Income taxes - current	516	1.3	595	1.4	78	
Income taxes - deferred	107	0.3	46	0.1	△ 61	
Profit	1,327	3.5	1,448	3.4	121	9.1
Profit(loss) attributable to non-controlling interests	6	0.0	6	0.0	0	
Profit attributable to owners of parent	1,320	3.4	1,442	3.4	121	9.2
Average copper price (Thousand yen/t)	658		913		255	38.8

Trend of Consolidated profit-and-loss (Quarterly Sales)

(Unit: million yen)

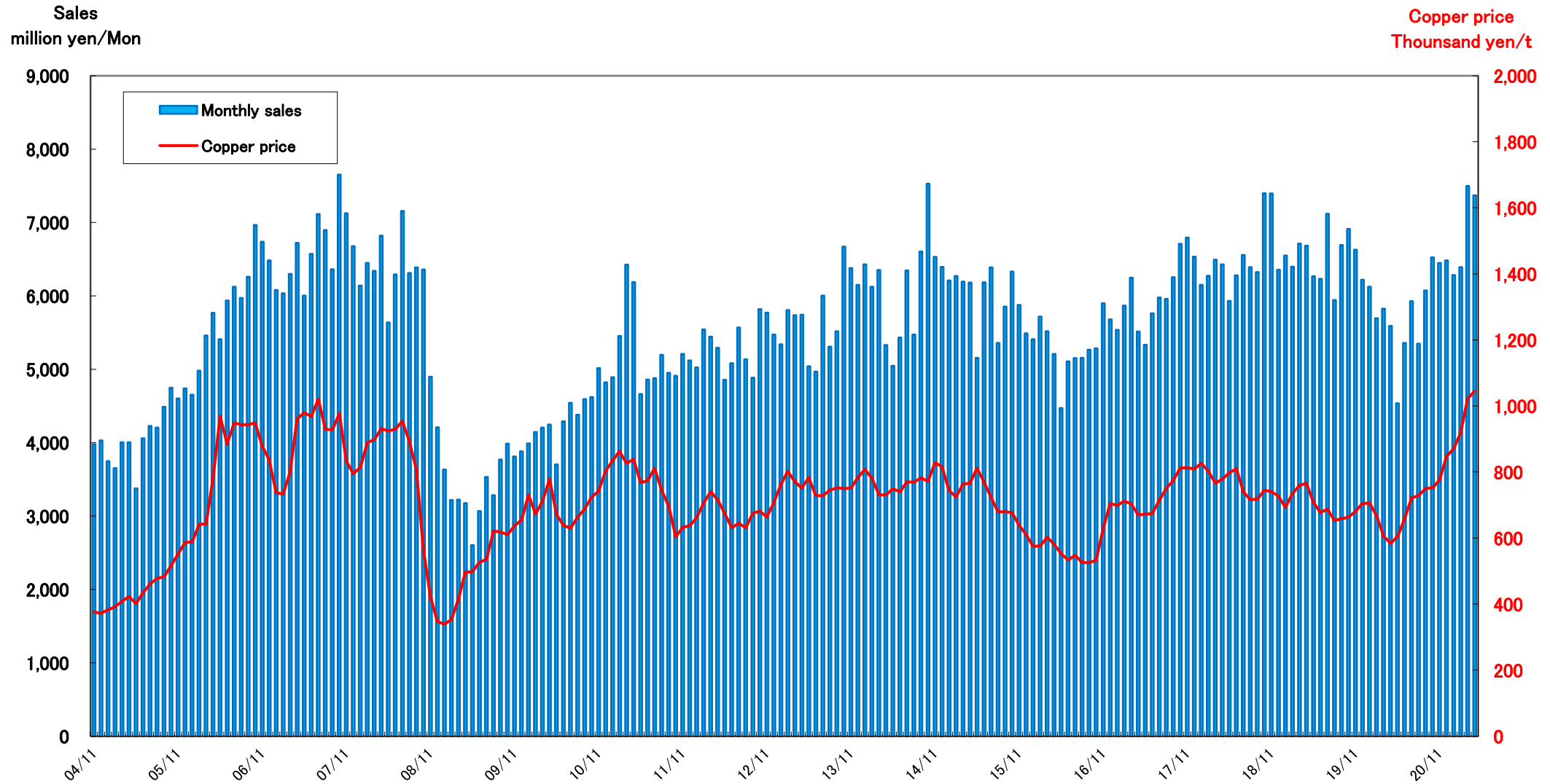


Briefing of Consolidated Balance Sheet (Comparison with previous FY)

(Unit : million yen, %)

	2020/10	2021/10_2Q	Increase or decrease		2020/10	2021/10_2Q	Increase or decrease
Cash and deposits	18,461	23,778	5,316	Notes and accounts payable - trade	21,858	30,206	8,348
Notes and accounts receivable - trade	16,273	18,661	2,387	Short - term borrowings	105	105	-
Electronically recorded monetary claims - operating	4,882	5,554	671	Income taxes payable	462	627	165
Securities	7	6	△ 1	Provision for bonuses	588	591	2
Merchandise	3,847	4,534	686	Other Current liabilities	1,247	914	△ 333
Other current assets	192	281	89				
Total current assets	43,664	52,815	9,151	Total current liabilities	24,262	32,444	8,181
Property, plant and equipment	17,774	17,568	△ 206	Retirement benefit liability	2,103	2,162	59
Intangible assets	120	105	△ 15	Other non-current liabilities	624	489	△ 135
Investments and other assets	5,842	5,948	105				
Total non-current assets	23,737	23,621	△ 115	Total non-current liabilities	2,728	2,653	△ 75
	0	0	0	Total liabilities	26,991	35,097	8,105
	0	0	0	Share capital	2,575	2,575	-
	0	0	0	Capital surplus	3,397	3,412	15
	0	0	0	Retained earnings	37,146	38,261	1,114
	0	0	0	Treasury shares	△ 3,231	△ 3,701	△ 469
	0	0	0	Total shareholders' equity	39,887	40,547	659
	0	0	0	Accumulated other comprehensive income	384	642	257
	0	0	0	Non-controlling interests	137	149	12
	0	0	0	Total net assets	40,409	41,339	929
Total assets	67,401	76,437	9,035	Total liabilities and net assets	67,401	76,437	9,035

Copper Price and Trend of Monthly Sales (Nov. 2004 to Apr. 2021 Non consolidated sales)



Forecast of consolidated financial results for the year ending October 2021 (from Nov 1, 2020 to Oct31, 2021)

(Unit : million yen)

	20/10(2Q) Performance	21/10(2Q) Performance	YoY (%)	20/10 Performance	21/10 Initial forecast	YoY (%)	21/10 Revised forecast	YoY (%)	Progress ratio (%)
Net sales	38,399	42,973	11.9	74,288	82,100	10.5	86,900	17.0	49.5
Operating profit	1,804	1,905	5.6	3,124	3,300	5.6	3,850	23.2	49.5
Recurring profit	1,911	2,090	9.3	3,382	3,550	5.0	4,200	24.2	49.8
Profit attributable to owners of parent	1,320	1,442	9.2	2,351	2,400	2.1	2,900	23.3	49.7
Average copper price (Thousand yen/t)	658	913	38.8	680	720	5.9	956	40.6	-

Sales Composition by Product (Non-consolidated)

(Unit : million yen, %)

	2020/10_2Q	Composition ratio	2021/10_2Q	Composition ratio	Increase or decrease	Increase or decrease ratio
FA Cables	12,709	35.4	13,422	33.4	713	5.6
Power Cables	12,583	35.1	14,421	35.8	1,838	14.6
Covered Cables	3,444	9.6	4,147	10.3	703	20.4
Other Cables	1,621	4.5	2,030	5.0	409	25.2
Non-Cables	5,538	15.4	6,208	15.5	670	12.1
Total	35,898	100.0	40,230	100.0	4,332	12.1

Average copper price (Thousand yen/t) 658 913 255 38.8

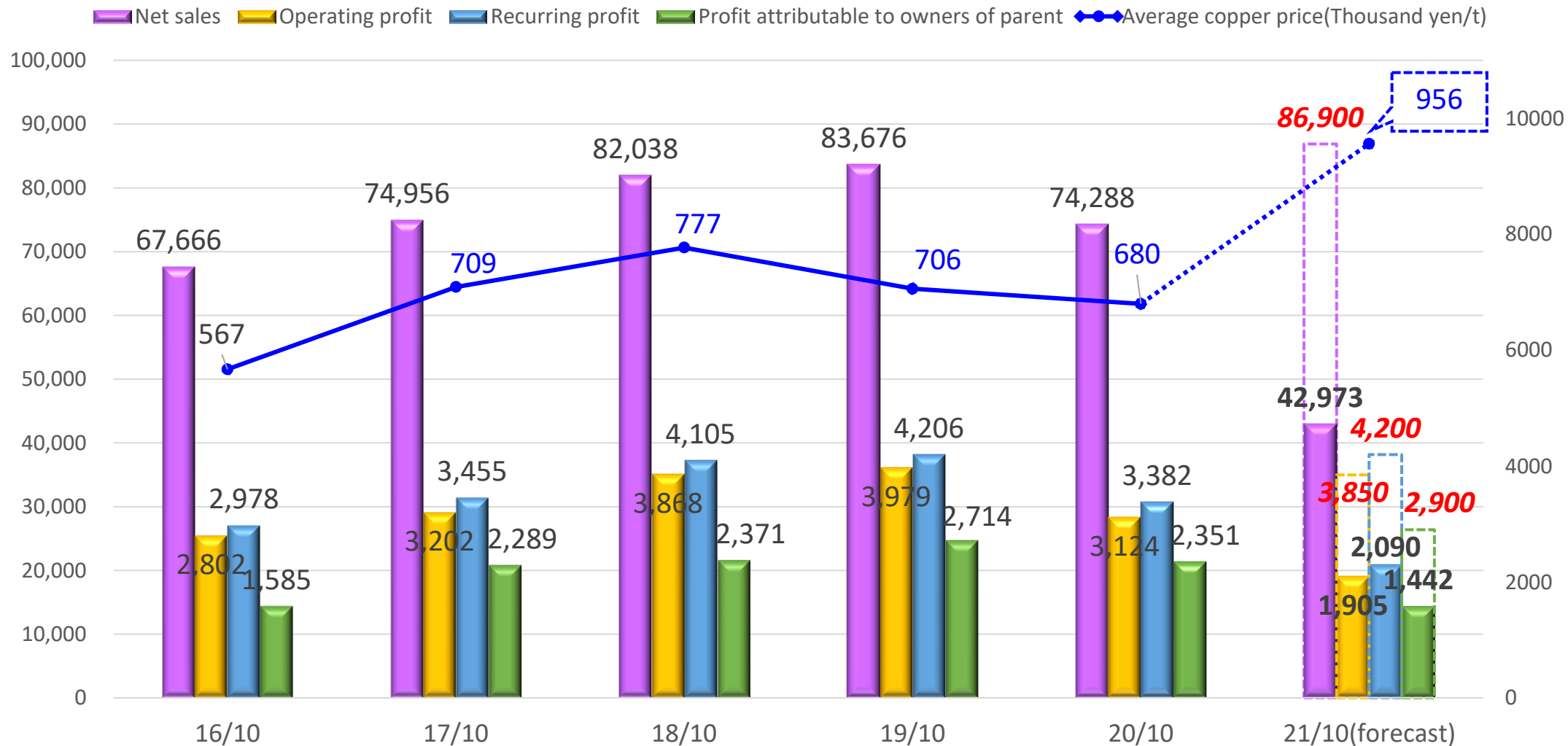
	2020/10	Composition ratio	2021/10 Forecast	Composition ratio	Increase or decrease	Increase or decrease ratio
FA Cables	24,299	35.0	26,500	32.7	2,201	9.1
Power Cables	24,173	34.8	29,400	36.3	5,227	21.6
Covered Cables	6,906	9.9	8,300	10.2	1,394	20.2
Other Cables	2,987	4.3	4,000	4.9	1,013	33.9
Non-Cables	11,140	16.0	12,800	15.9	1,660	14.9
Total	69,507	100.0	81,000	100.0	11,493	16.5

Average copper price (Thousand yen/t) 680 956 276 40.6

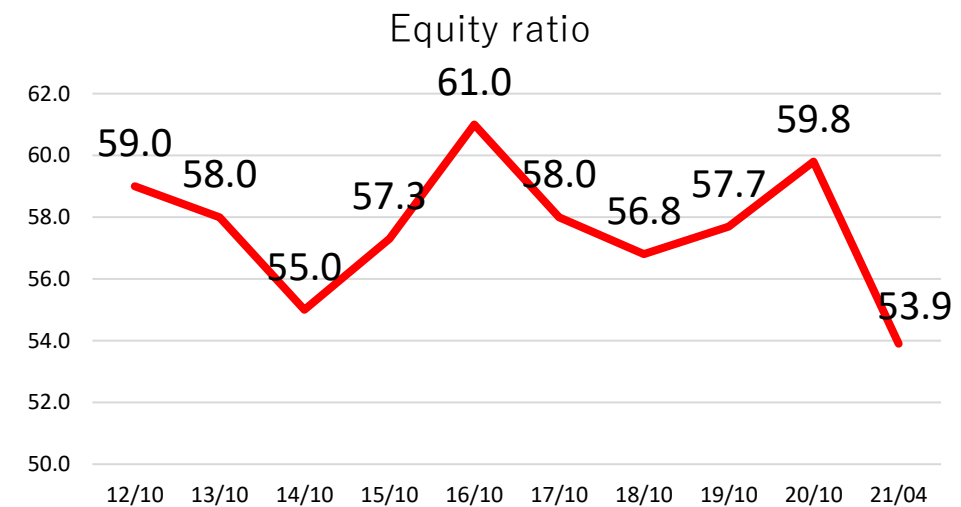
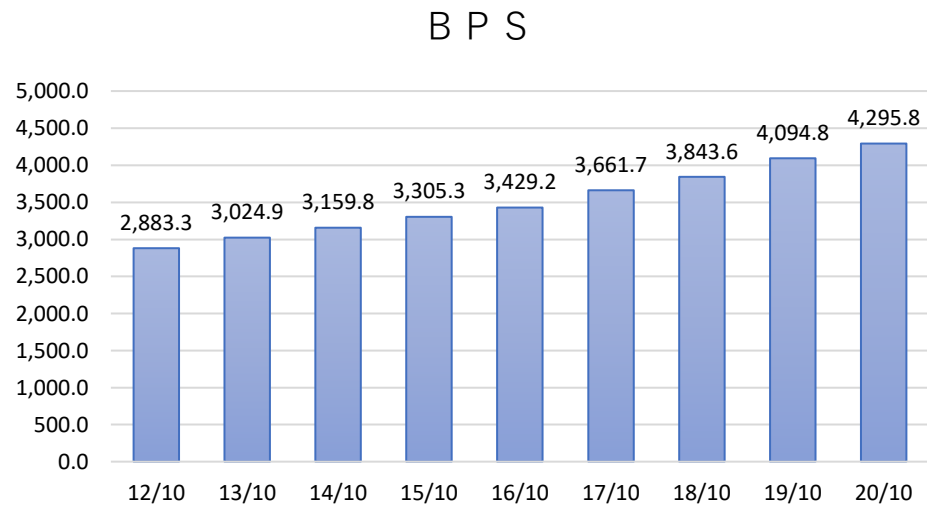
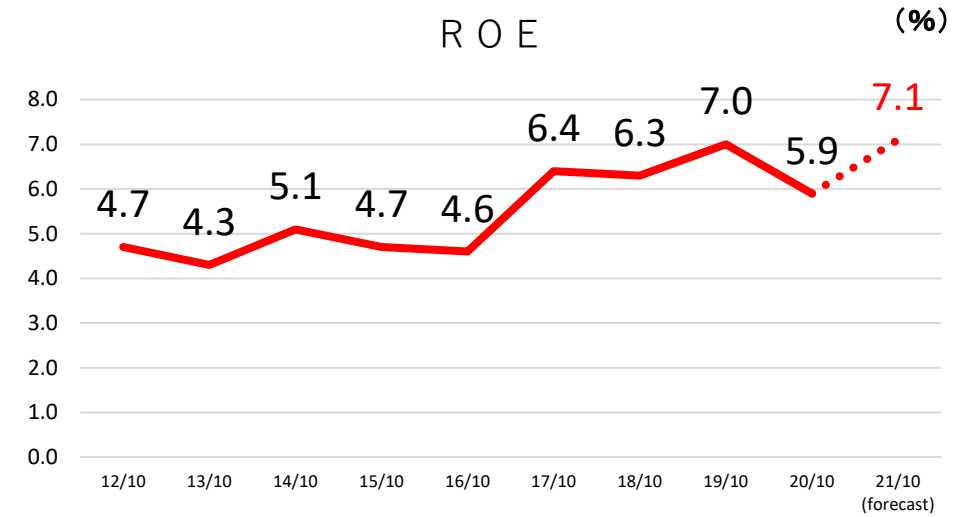
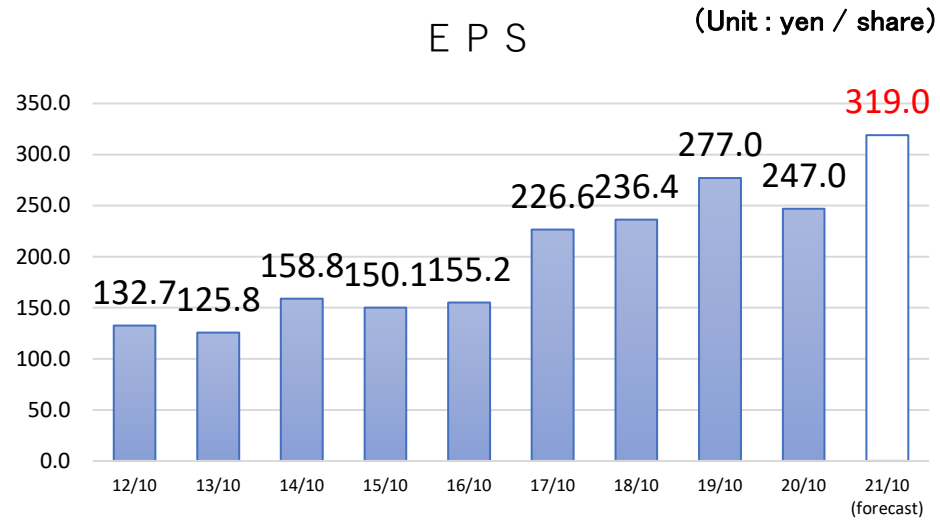
Forecast of Consolidated profit and loss

(Net sales : million yen)

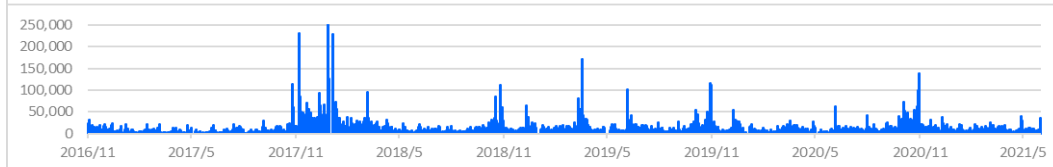
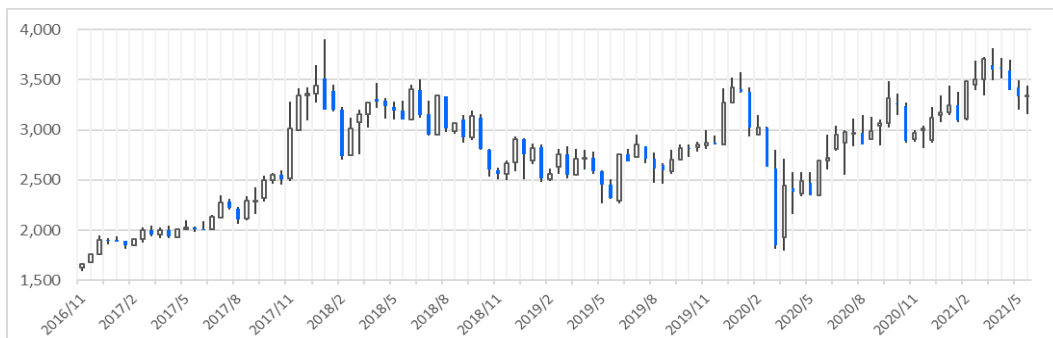
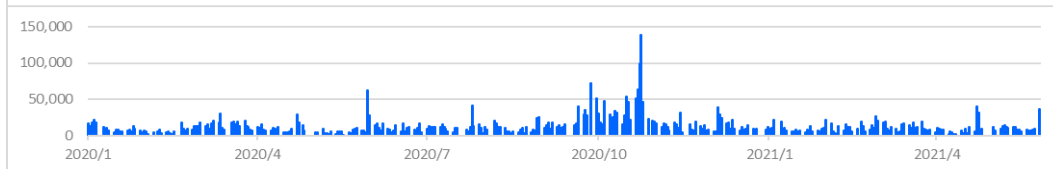
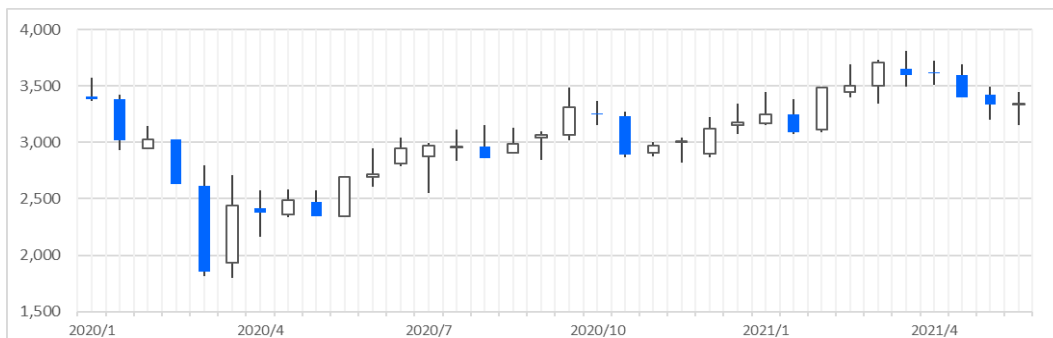
(Profit : million yen)



Trend of major indicators



Stock chart and Main indicators



EPS

(Forecast)

319.0yen

ROE

(Forecast)

7.1%

PER

(Forecast)

10.5time

Equity ratio

(21/4/30)

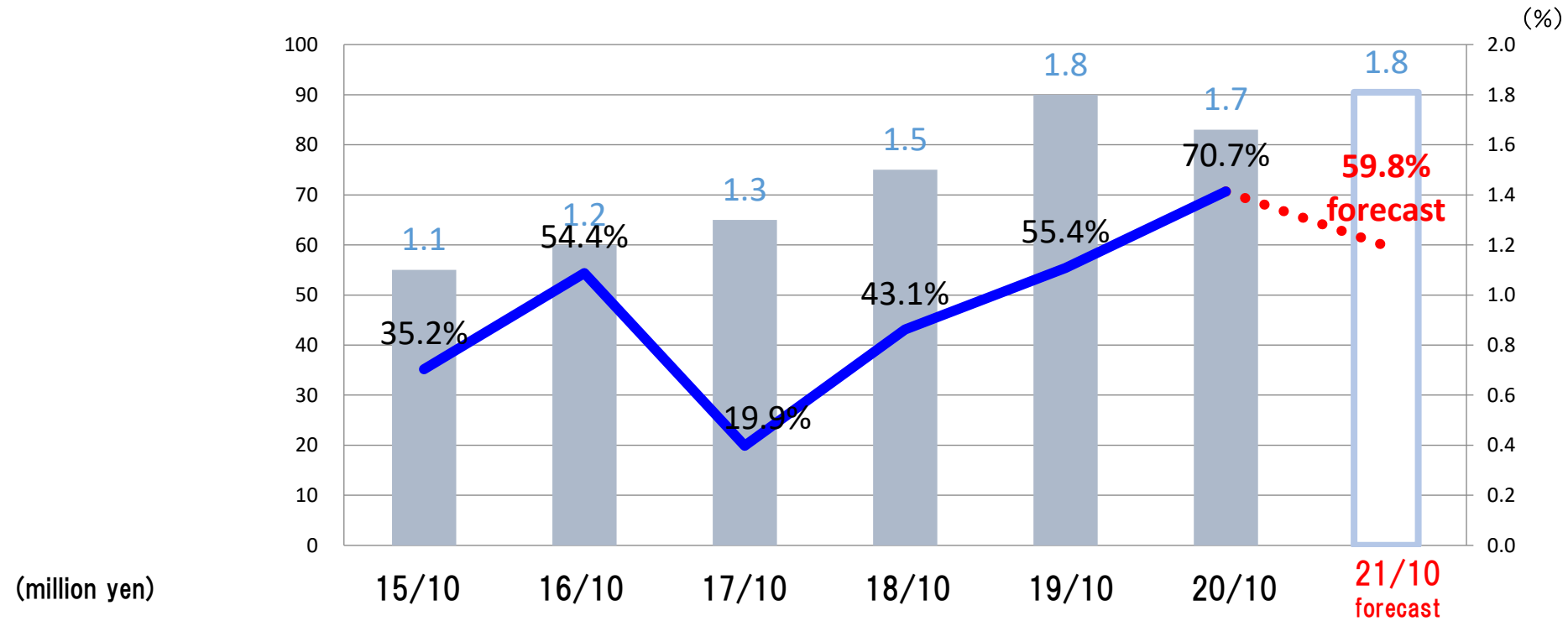
53.9%

Stock chart

(21/5/31)

3,345yen

Shareholder Return Rate and Dividend on equity ratio (DOE)



(million yen)

Total cash dividends	375	405	454	549	682	662	733
Amount of treasury stock purchased	177	456	0	473	821	999	999
Total return amount	552	861	454	1,022	1,503	1,661	1,732
Profit attributable to owners of parent	1,570	1,585	2,289	2,371	2,714	2,351	2,900
Shareholder return rate(%)	35.2	54.4	19.9	43.1	55.4	70.7	59.8
DOE(%)	1.1	1.2	1.3	1.5	1.8	1.7	1.8

Shareholder Return Policies

(1) Dividend

Setting stable dividend payment as our basic policy, we are paying dividends considering and examining business results and retained earnings, etc. comprehensively.

- (1) We plan to pay a dividend of 70 yen (annual rate per share) for the fiscal year ending October 2020.
(Interim dividends of 35 yen and Fiscal year-end ones of 35 yen)
- (2) We intend to pay a dividend of 80 yen (annual rate per share) for the fiscal year ending October 2021,
an increase of 10 yen from the previous fiscal year.
(Interim dividends of 40 yen and Fiscal year-end ones of 40 yen)

(2) Treasury stock acquisition

We acquire treasury stock in order to carry out flexible capital policy that responds to enhancement of shareholder return, improvement of capital efficiency and change of business environment.

- Total number of acquire shares 150,000 shares
- Total acquisition amount 500,000,000 yen
- Acquisition period 2021/6/4 to 2021/10/31

(3) Stockholder benefit program

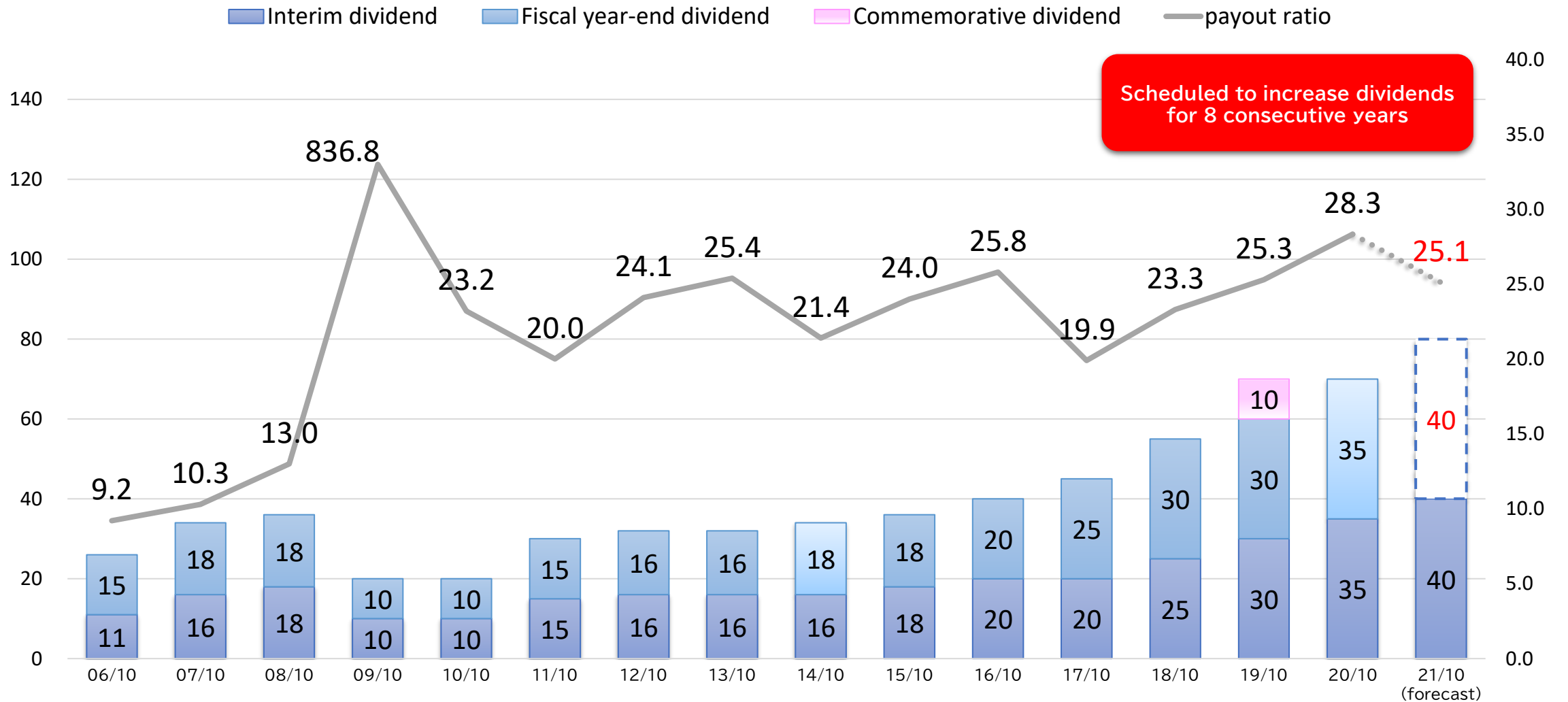
Once a year (at year end), 1 unit (100 shares) or more

- Shareholders holding less than 1 year is allotted to Our original QUO card (1,000 yen)
- Shareholders holding for over 1 year is allotted to Our company's original QUO card (for 2,000 yen)

Trend of Dividends per Share and Payout Ratios

(Unit: yen / share)

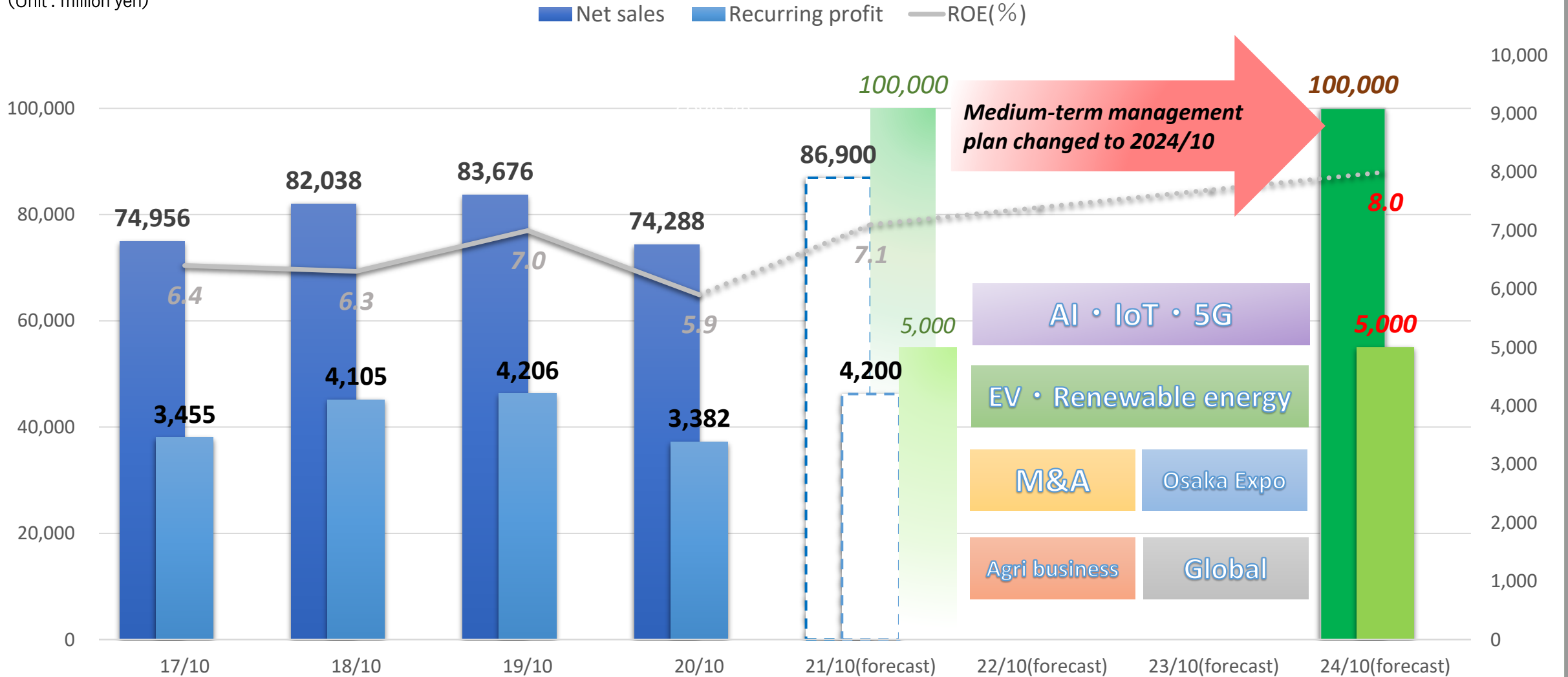
(%)



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- **About the medium-term management plan**

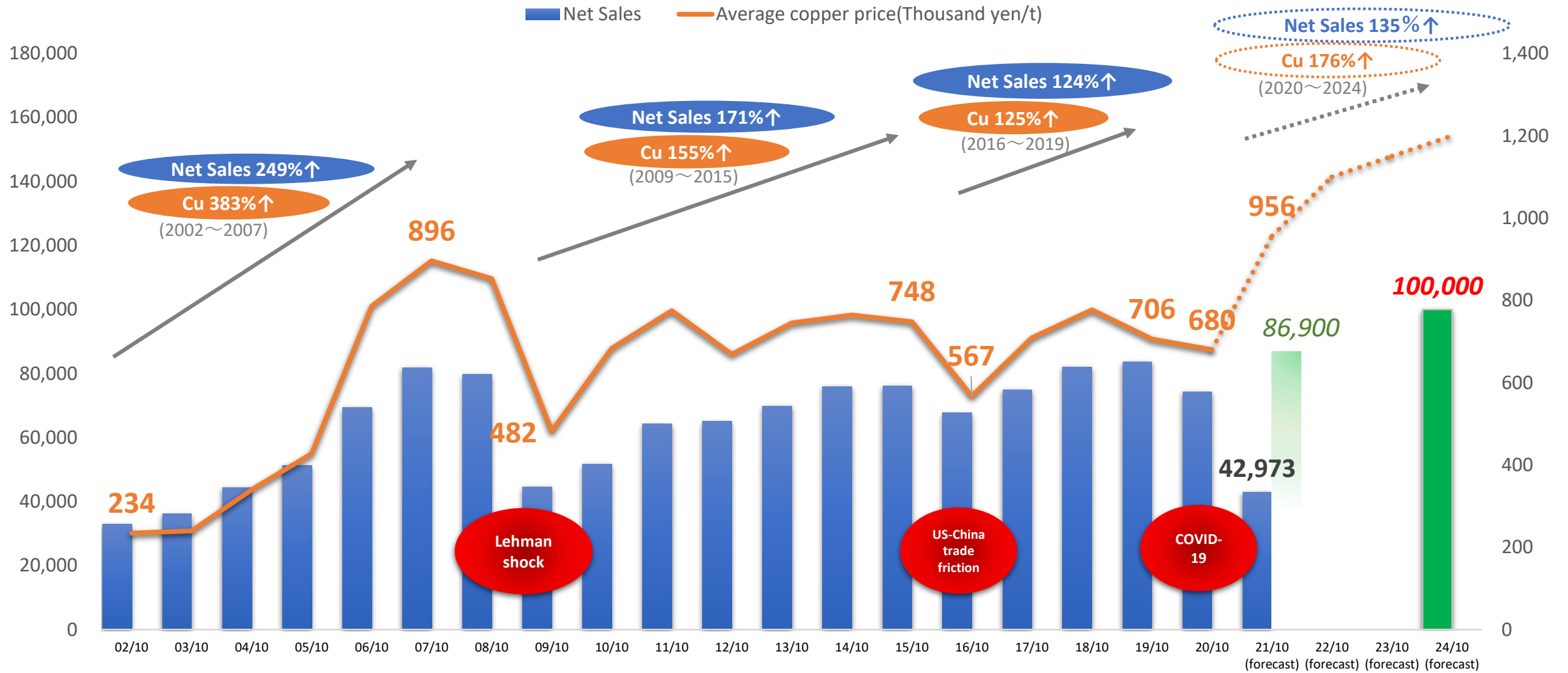
Medium Term Management Plan (1)

(Unit : million yen)



Medium Term Management Plan (2) Copper quotes Trend

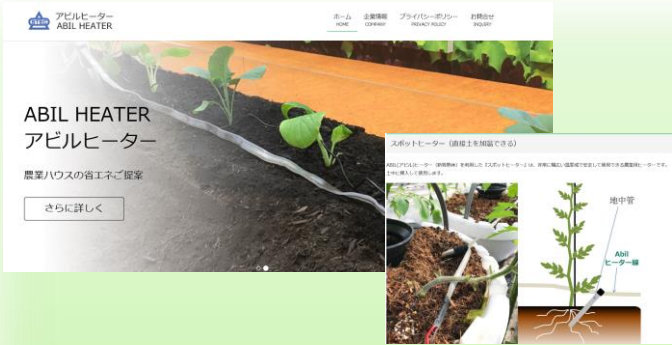
(Unit : million yen)



Medium Term Management Plan (3) Dedicated websites

In the agri-business, which is a new field, we opened a website dedicated to "Underground heating vinyl wire for agricultural greenhouse" Abil heater" in 2019, and introduce the test results and agri products at Nagakute house.

Launched @sky including its own brand in 2009, published a catalog, and opened "@sky catalog site" in 2018.



Demonstration experiment data is also posted



In 2016, we opened the "Senshu Electric FA Site" that contains information on products handled such as electric wires. Detailed information on various electric wires is posted and used to meet customer needs and develop new businesses.

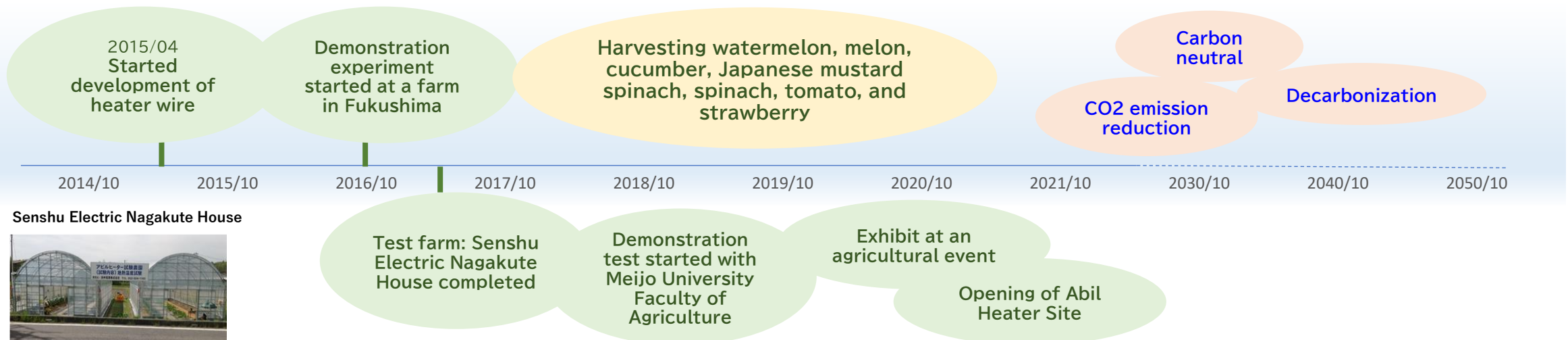


"Abil heater" business ① Activities

In one of the medium-term management plans, "Development and sales expansion of non-electric wire products including own brand and development of new fields"
Agri-business: We develop and sell "Abil Heater", an underground heating vinyl wire for agricultural greenhouse.

What is ABIL HEATER?

It is a heater wire for heating the soil for agricultural greenhouse.
Using a new material heating element, it is possible to stably heat (warm) the inside of the soil in a very wide temperature range.



"Abil heater" business ② Effect

Decarbonization

Since the abil heater warms the soil, the amount of air conditioner used in the greenhouse can be reduced.



Energy-saving

Abil heaters using special wires reduce power consumption and have excellent heat resistance, chemical resistance, durability, and weather resistance.



Cost control

It does not require large-scale construction and can be installed pinpointly. Control costs, including power usage.



Efficient cultivation

Since it is heated uniformly, there is no variation in growth. Temperature control is also possible with the controller.



Contribution to the local community

We will communicate by conducting demonstration experiments and reflecting requests from farmers in product improvement.



Innovation

We will grow by accumulating know-how as a technology trading company, not limited to the agricultural field.



Improved harvest turnover

It is expected that the use of abil heaters will accelerate the growth speed and increase the crop turnover rate (cycle).








We are releasing a video of germination observation by Abil Heater!!



Variety: cherry tomatoes
Period: 2021.3.7~4.1
Location: Nagakute City



Initiatives for ESG and SDGs

	Materiality	Main initiatives	SDGs	
Product supply and service provision	<ul style="list-style-type: none"> * compliance * Ensuring product safety and quality * Innovation * BCP 	<p>Corporate governance system ISO9001</p> <p>Crisis Management Committee</p>		<p>Our group is voluntarily working on ESG and SDGs to create a sustainable society.</p> <p>©Environmental report</p>
Environmental conservation activities	<ul style="list-style-type: none"> * Response to climate change * Construction of a recycling society * Environmental protection 	<p>Efforts to prevent global warming</p> <p>Effective use of resources</p> <p>Area cleaning activities</p> <p>Sales of environmentally friendly products</p> <p>Purchase of environmentally friendly stationery (ISO14001、Paperless committee)</p>		<p>It is published every year and is also posted on our website.</p> <p>https://www.senden.co.jp/act/</p>
Human resource creation and environment creation	<ul style="list-style-type: none"> * Diversity * Human resource development 	<p>Next-generation upbringing support,</p> <p>Support for people with disabilities,</p> <p>Acceptance of foreign trainees</p> <p>Health management, etc.</p>		
Communication with local communities	<ul style="list-style-type: none"> * Social contribution activities 	<p>Disaster support,</p> <p>Traffic safety,</p> <p>Blood donation, etc.</p>		

Thank you for your attention



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Notes on the content

**Nothing in this document is an invitation to buy or sell our stock.
Please note that future performance may differ from these forecasts due to various factors.
When using this material, check it against information obtained by other methods and make the decision at the user's discretion.
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Please note that the information does not always reflect the latest information.**



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