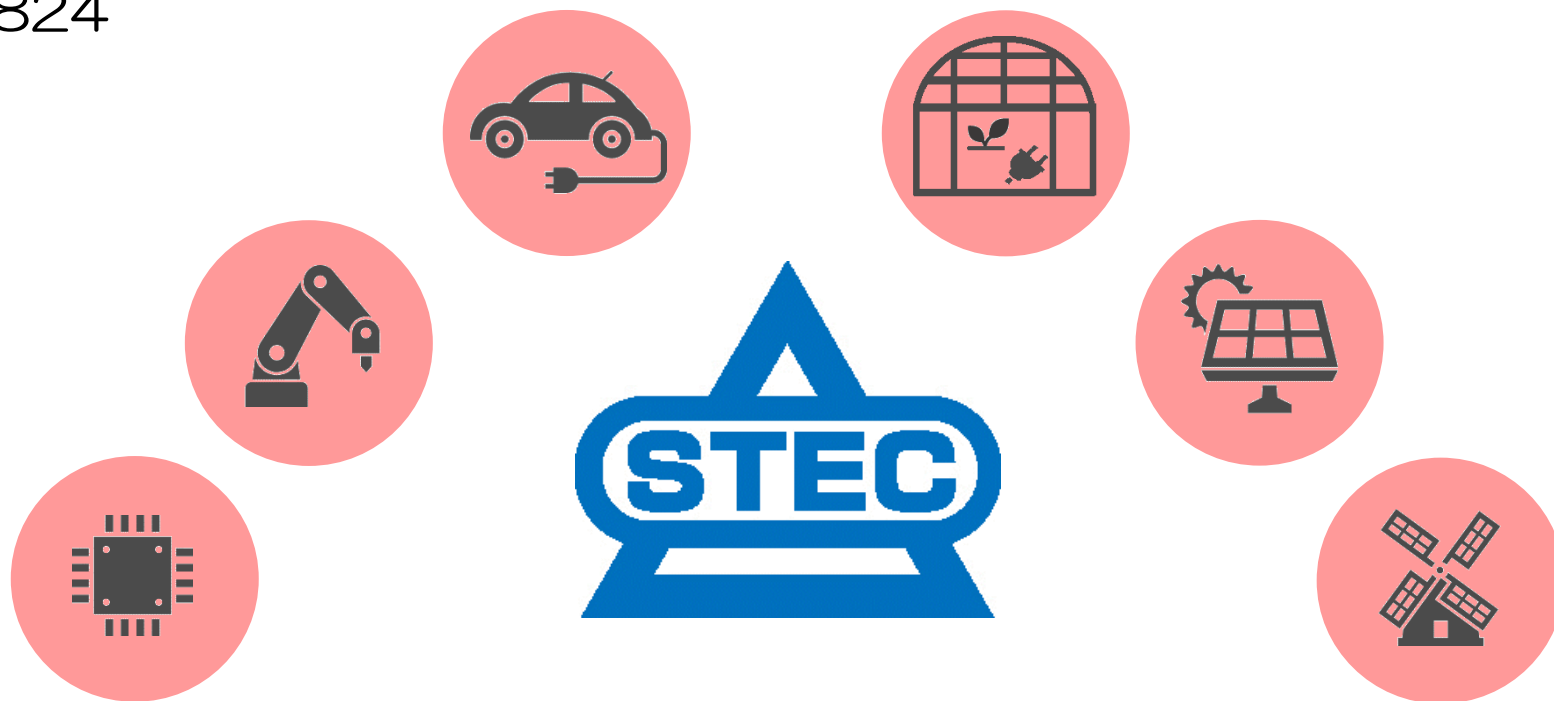


Stock code : 9824



Fiscal Year October 2021

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

SENSHU ELECTRIC CO., LTD.

Outline

- Group Overview
- October 2021 Summary of financial results
- Medium term management plan

- Group Overview
- October 2021 Summary of financial results
- Medium term management plan

Group Overview

Established

1949

Shares

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

Capital

2,575,200,000 yen [US \$ 23Mil.]

Type of industry

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

No. of employees

712 (Average age: 39.6)




No. of subsidiaries

5 in Japan and 6 in overseas
(China/Taiwan/Thailand/ Philippines/Vietnam/USA)

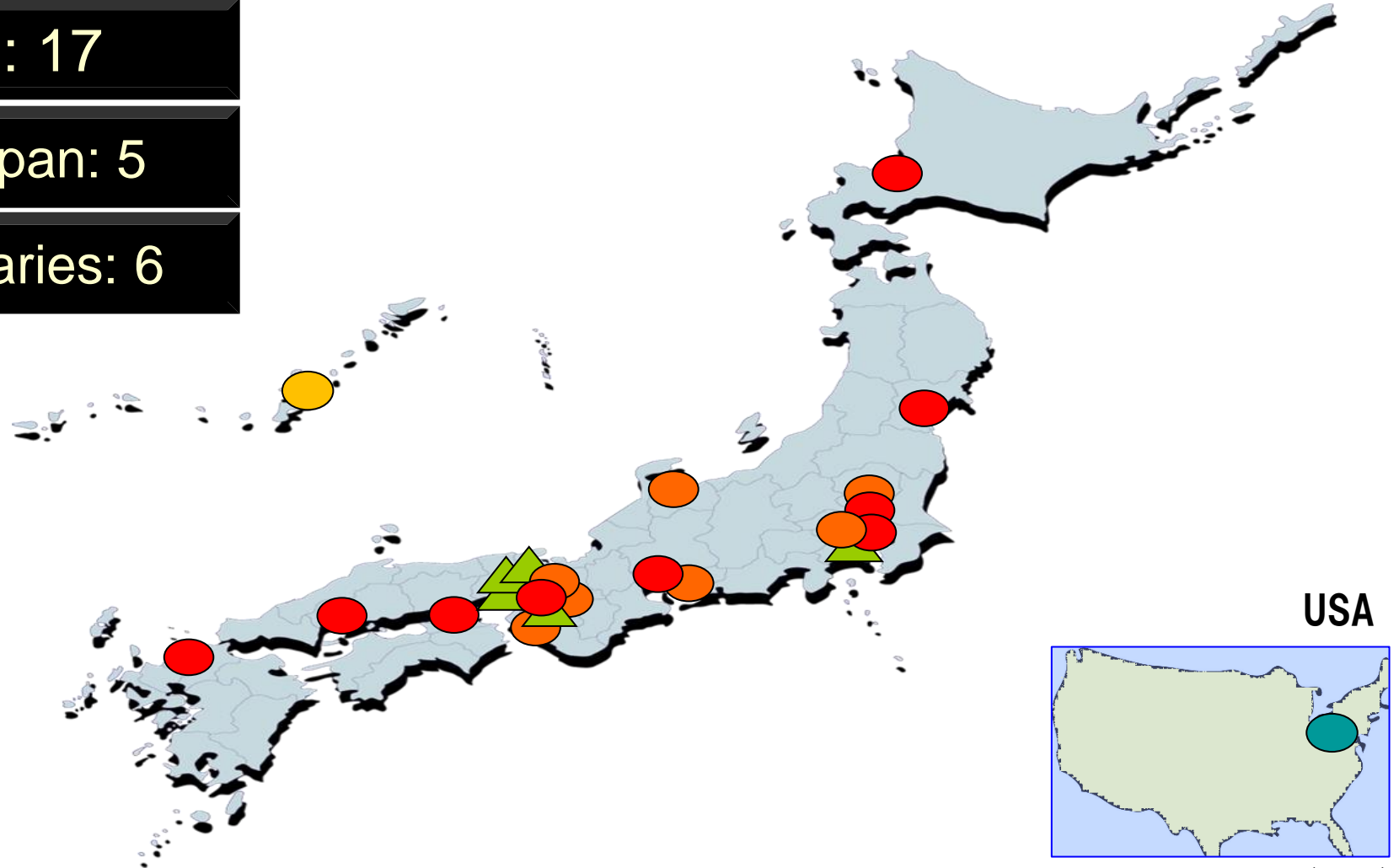
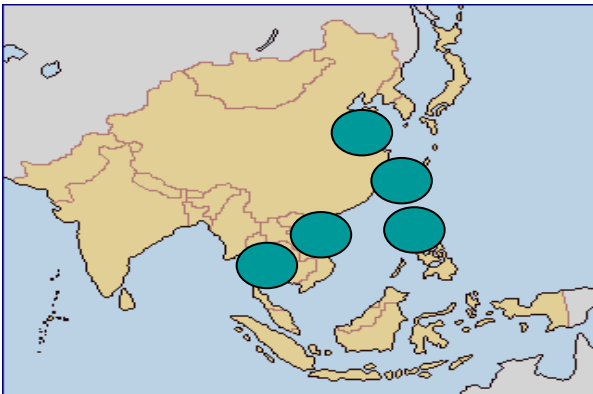
No. of offices

17 in Japan

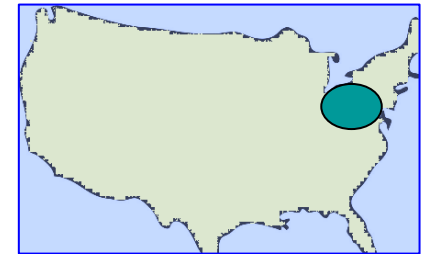
“General Trading Company of Electric Wires” Operating Nationwide

	Offices In Japan: 17
	Subsidiaries in Japan: 5
	Overseas subsidiaries: 6

Asia



USA



Aug.2021 Set up Senshu Electric America,Inc.(SEA)

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)



What is electric wire?

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

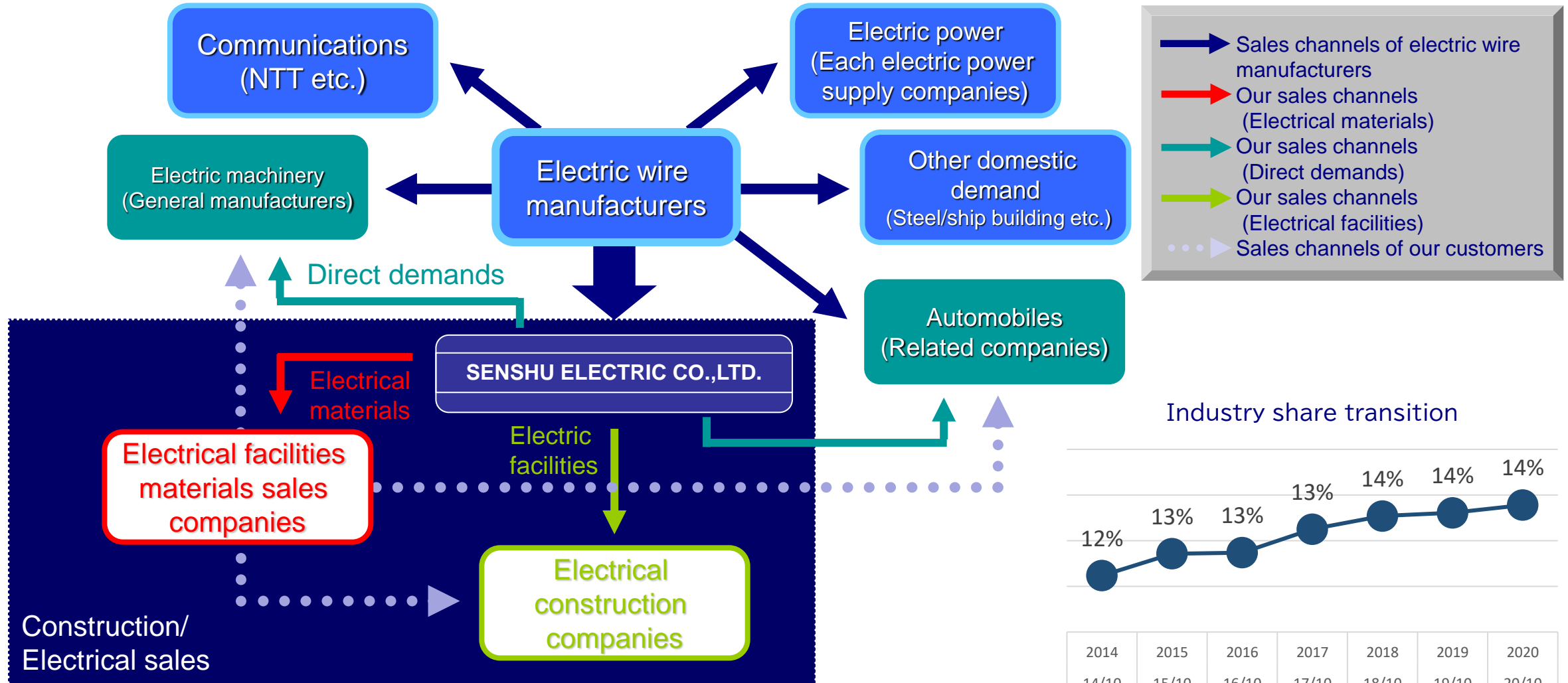


There is always **an electric** wire where there is electricity

An important product that supports modern society while being sober



Sales Channels of Electric Wires



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. 48%

* 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)

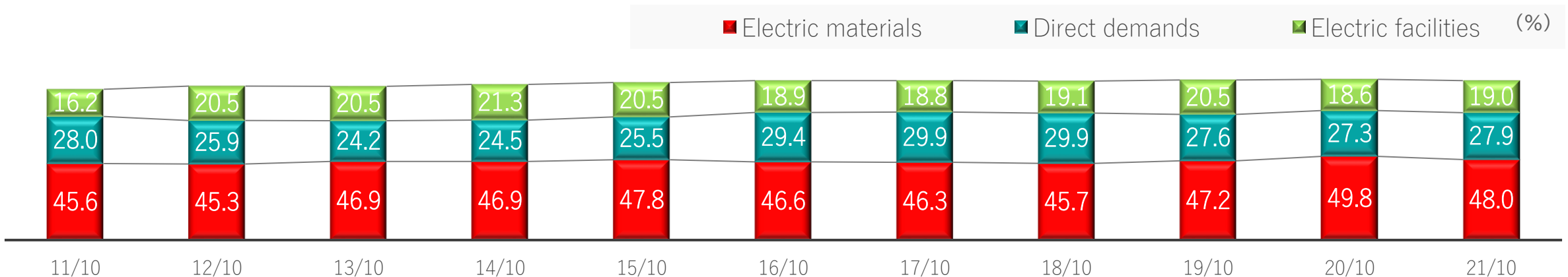
Sales ratio
Approx. 28%

* 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

JUST IN TIME SYSTEM

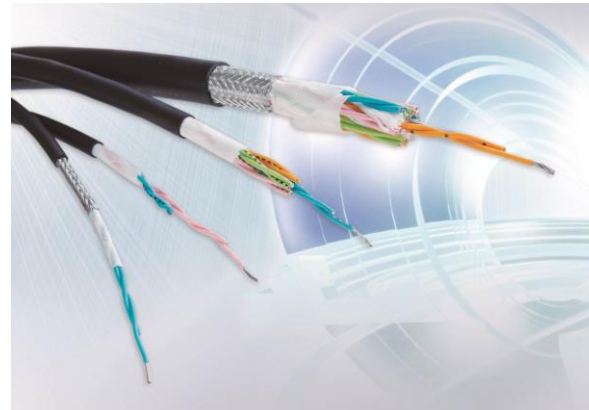
Warehouse floor area of approximately 60,000 m²
storing 50,000 or more kinds of products.
In-stock items 4.2 billion yen.

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.



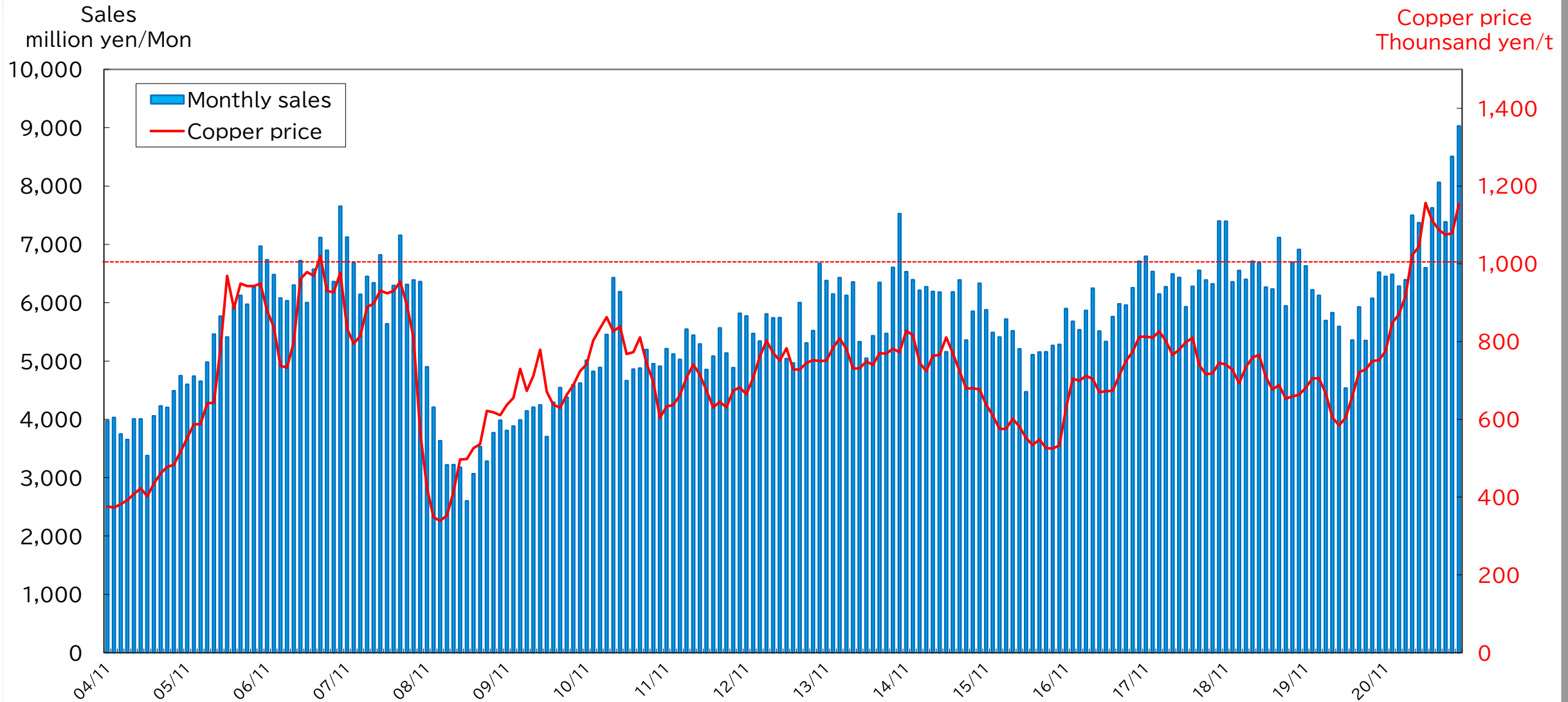
High
added value
(High
profitability
structure)

- Group Overview
- October 2021 Summary of financial results
- Medium term management plan

Consolidated income statements overview (Comparison with the Previous FY)

(Unit : million yen, %)	2020/10		2021/10		Increase or decrease	
Net sales	74,288	100.0	92,463	100.0	18,175	24.5
Cost of sales	62,210	83.7	78,542	84.9	16,332	26.3
Gross profit	12,078	16.3	13,921	15.1	1,843	15.3
Selling, general and administrative expenses	8,953	12.1	9,177	9.9	224	2.5
Operating profit	3,124	4.2	4,743	5.1	1,619	51.8
Non-operating income	359	0.5	353	0.4	△ 6	
Non-operating expenses	101	0.1	92	0.1	△ 8	
Recurring profit	3,382	4.6	5,004	5.4	1,621	47.9
Extraordinary income	47	0.1	104	0.1	57	
Extraordinary losses	7	0.0	0	0.0	△ 7	
Profit before income taxes	3,422	4.6	5,109	5.5	1,686	49.3
Income taxes - current	1,045	1.4	1,526	1.7	481	
Income taxes - deferred	20	0.0	△ 26	△ 0.0	△ 46	
Profit	2,356	3.2	3,608	3.9	1,252	53.2
Profit attributable to non-controlling interests	4	0.0	24	0.0	20	
Profit attributable to owners of parent	2,351	3.2	3,583	3.9	1,231	52.4
Average copper price (Thousand yen/t)	680		1,012		332	48.8

Copper Price Trend (Nov. 2004 to Oct. 2021 Non consolidated sales)



Consolidated Balance Sheet (Comparison with previous FY)

(Unit : million yen, %)	2020/10	2021/10	Increase or decrease		2020/10	2021/10	Increase or decrease
Cash and deposits	18,461	26,335	7,873	Notes and accounts payable - trade	21,858	35,628	13,770
Notes and accounts receivable - trade	16,273	21,291	5,017	Short - term borrowings	105	105	-
Electronically recorded monetary claims - operating	4,882	7,561	2,678	Income taxes payable	462	1,024	562
Securities	7	6	△ 1	Provision for bonuses	588	669	80
Merchandise	3,847	4,916	1,069	Other	1,247	997	△ 249
Other	192	222	30				
Total current assets	43,664	60,333	16,668	Total current liabilities	24,262	38,426	14,163
Property, plant and equipment	17,774	17,287	△ 486	Retirement benefit liability	2,103	2,212	109
Intangible assets	120	110	△ 9	Other	624	465	△ 158
Total investments and other assets	5,842	6,259	417				
Total non-current assets	23,737	23,657	△ 79	Total non-current liabilities	2,728	2,678	△ 50
				Total liabilities	26,991	41,104	14,112
				Share capital	2,575	2,575	-
				Capital surplus	3,397	3,412	15
				Retained earnings	37,146	40,032	2,885
				Treasury shares	△ 3,231	△ 4,201	△ 970
				Total shareholders' equity	39,887	41,818	1,930
				Total accumulated other comprehensive income	384	906	521
				Non-controlling interests	137	160	23
				Total net assets	40,409	42,886	2,476
Total assets	67,401	83,990	16,588	Total liabilities and net assets	67,401	83,990	16,588

Forecast of consolidated financial results (from Nov 1, 2021 to Oct 31, 2022)

(Unit : million yen)

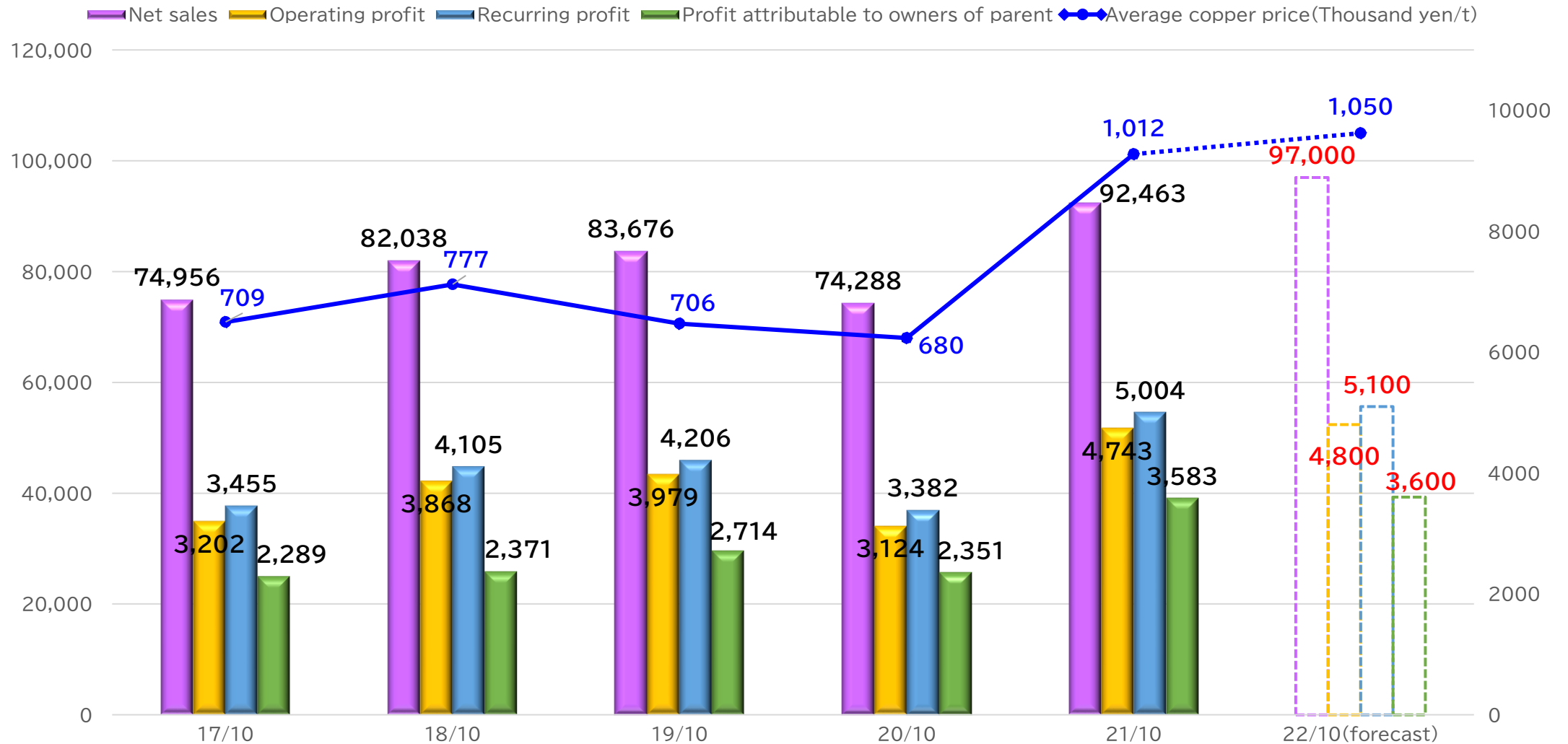
	21/10(2Q) Performance	22/10(2Q) Forecast	Increase or decrease	YoY (%)	21/10 Performance	22/10 Forecast	Increase or decrease	YoY (%)
Net sales	42,973	48,500	-	-	92,463	97,000	-	-
Operating profit	1,905	2,450	-	-	4,743	4,800	-	-
Recurring profit	2,090	2,600	-	-	5,004	5,100	-	-
Profit attributable to owners of parent	1,442	1,850	-	-	3,583	3,600	-	-
Average copper price (Thousand yen/t)	913	1,050	137	15.0	1,012	1,050	38	3.8

Since the "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29), etc. will be applied from the beginning of the fiscal year ending October 2022, the above consolidated earnings forecast is the amount after applying the accounting standard, etc. The rate of increase / decrease compared to the previous quarter and the same quarter of the previous year is not shown.

Forecast of Consolidated profit and loss

(Net sales : million yen)

(Profit : million yen)



Sales Composition by Product (Non-consolidated)

(Unit : million yen, %)

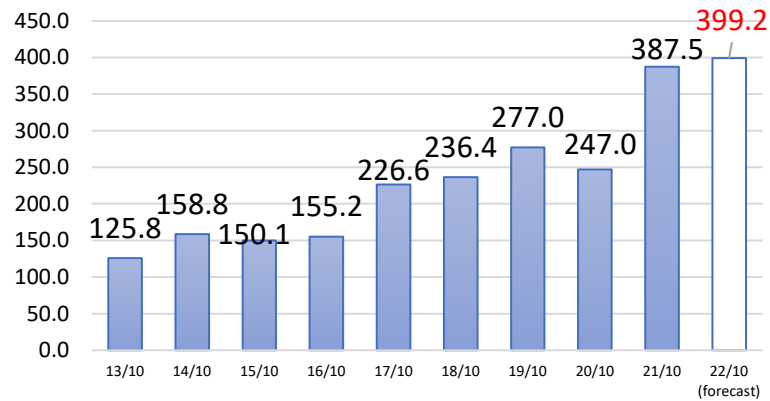
	2020/10	Composition ratio	2021/10	Composition ratio	Increase or decrease	Increase or decrease ratio
FA Cables	24,299	35.0	29,353	33.8	5,054	20.8
Power Cables	24,173	34.8	30,995	35.7	6,822	28.2
Covered Cables	6,906	9.9	8,872	10.2	1,966	28.5
Other Cables	2,987	4.3	4,552	5.2	1,565	52.4
Non-Cables	11,140	16.0	13,126	15.1	1,986	17.8
Total	69,507	100.0	86,900	100.0	17,393	25.0
Average copper price (Thousand yen/t)	680		1,012		332	48.8

	2021／10	Composition ratio	2022／10 Forecast	Composition ratio	Increase or decrease	Increase or decrease ratio
FA Cables	29,353	33.8	30,400	33.8	Since the "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29), etc. will be applied from the beginning of the fiscal year ending October 2022, the above consolidated earnings forecast is the amount after applying the accounting standard, etc. The rate of increase / decrease compared to the previous quarter and the same quarter of the previous year is not shown.	
Power Cables	30,995	35.7	32,500	36.1		
Covered Cables	8,872	10.2	9,000	10.0		
Other Cables	4,552	5.2	4,600	5.1		
Non-Cables	13,126	15.1	13,500	15.0		
Total	86,900	100.0	90,000	100.0		
Average copper price (Thousand yen/t)	1,012		1,050		38	3.8

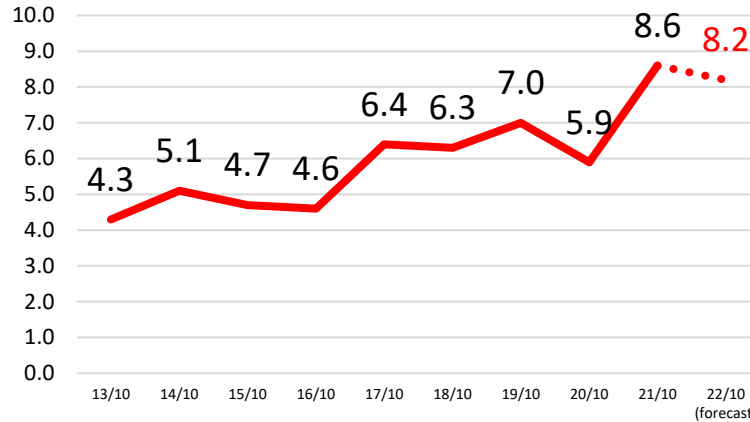
Major indicators

(Unit : yen / share)

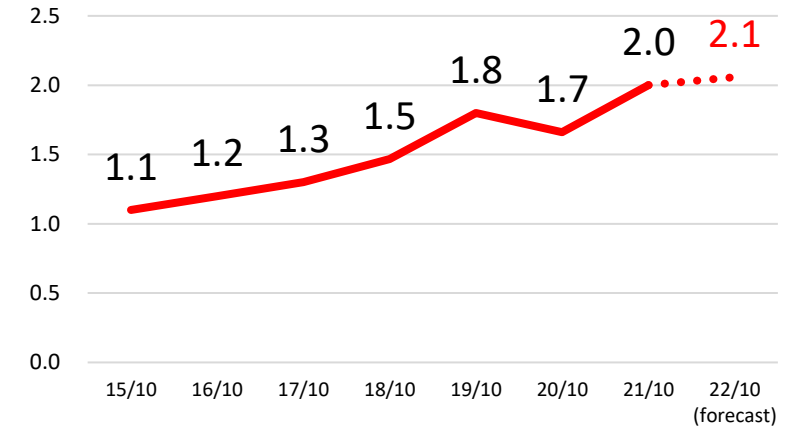
EPS



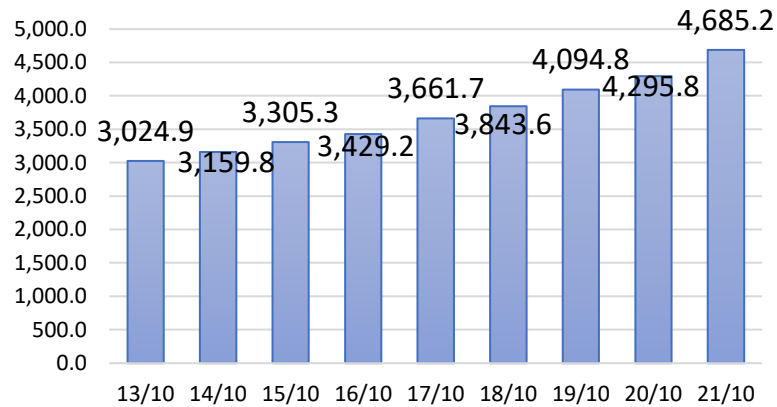
ROE



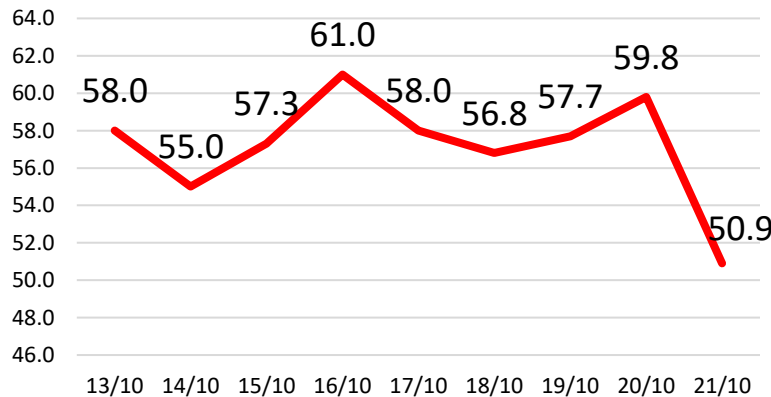
DOE



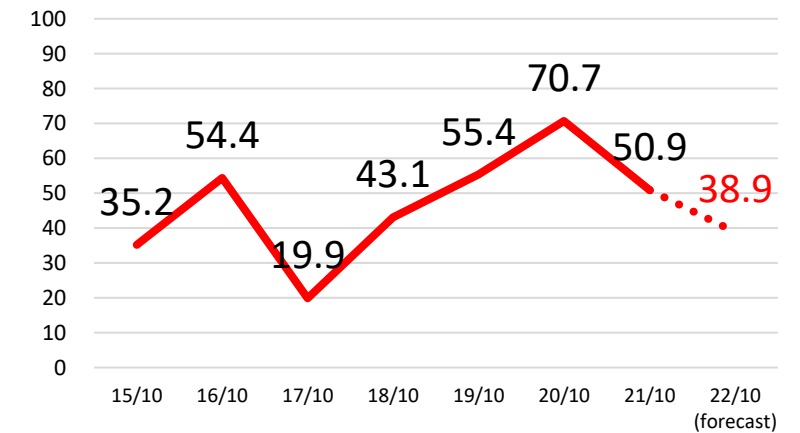
BPS



Equity ratio

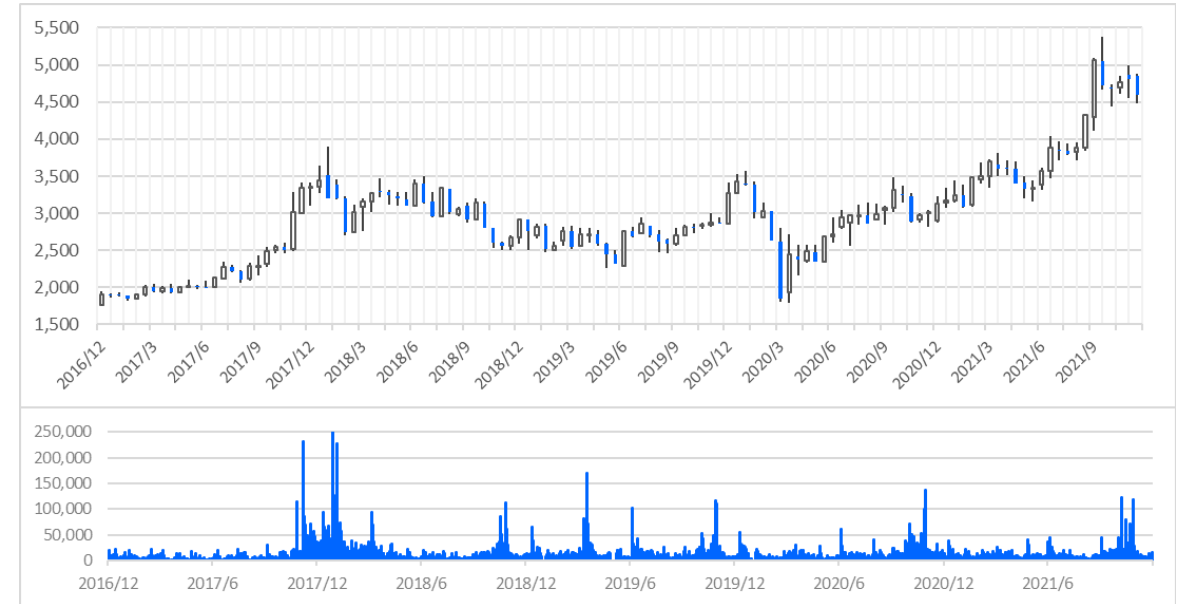
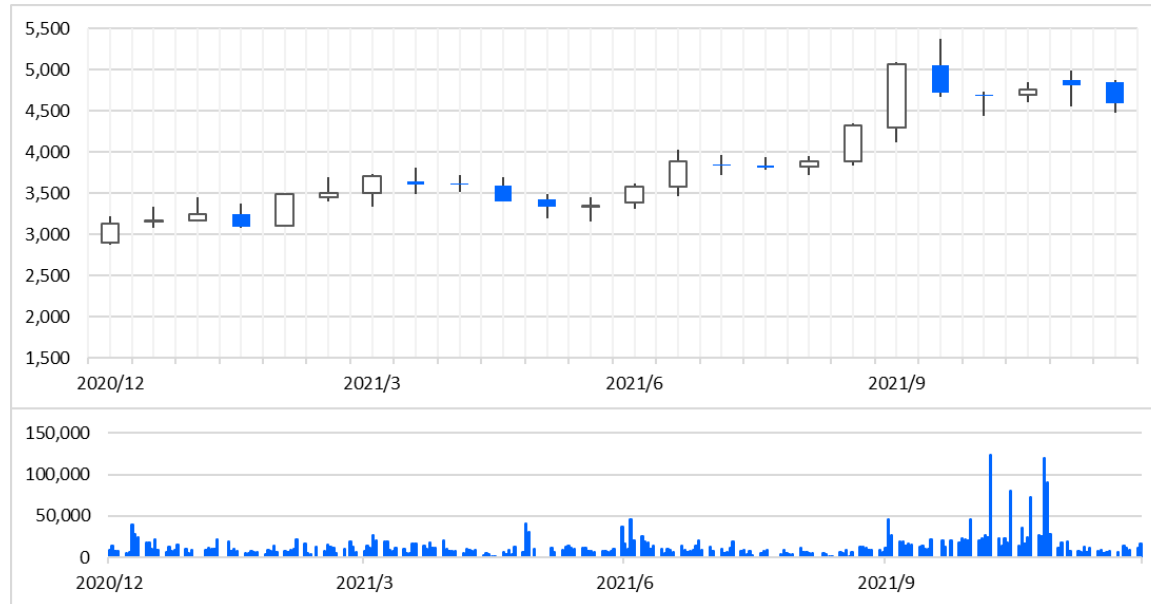


Shareholder return rate



Stock chart

(Unit : yen)



At the board of directors meeting held on August 26, 2021, we resolved to select and apply for the "prime market" in the new market category of the Tokyo Stock Exchange.

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 90 yen (annual rate per share) for the fiscal year ending October 2021.
(Interim dividend 40 yen, year-end dividend increased from 40 to 50 yen)
- (2) We intend to pay a dividend of 100 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 50 yen and Fiscal year-end ones of 50 yen)

Scheduled to increase dividends
for 9 consecutive years

(2) Treasury stock acquisition and cancellation

We will acquire and cancel treasury stock in order to improve shareholder returns, improve capital efficiency, and implement flexible capital policies in response to changes in the business environment.

- Total number of acquire shares 100,000 shares
- Total acquisition amount 500,000,000 yen
- Acquisition period 2021/12/9 to 2022/4/30
- Number of shares to be canceled 300,000 shares
- Number of issued shares after cancellation 10,500,000 shares
- Scheduled cancellation date 2021/12/15

(3) Stockholder benefit program

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

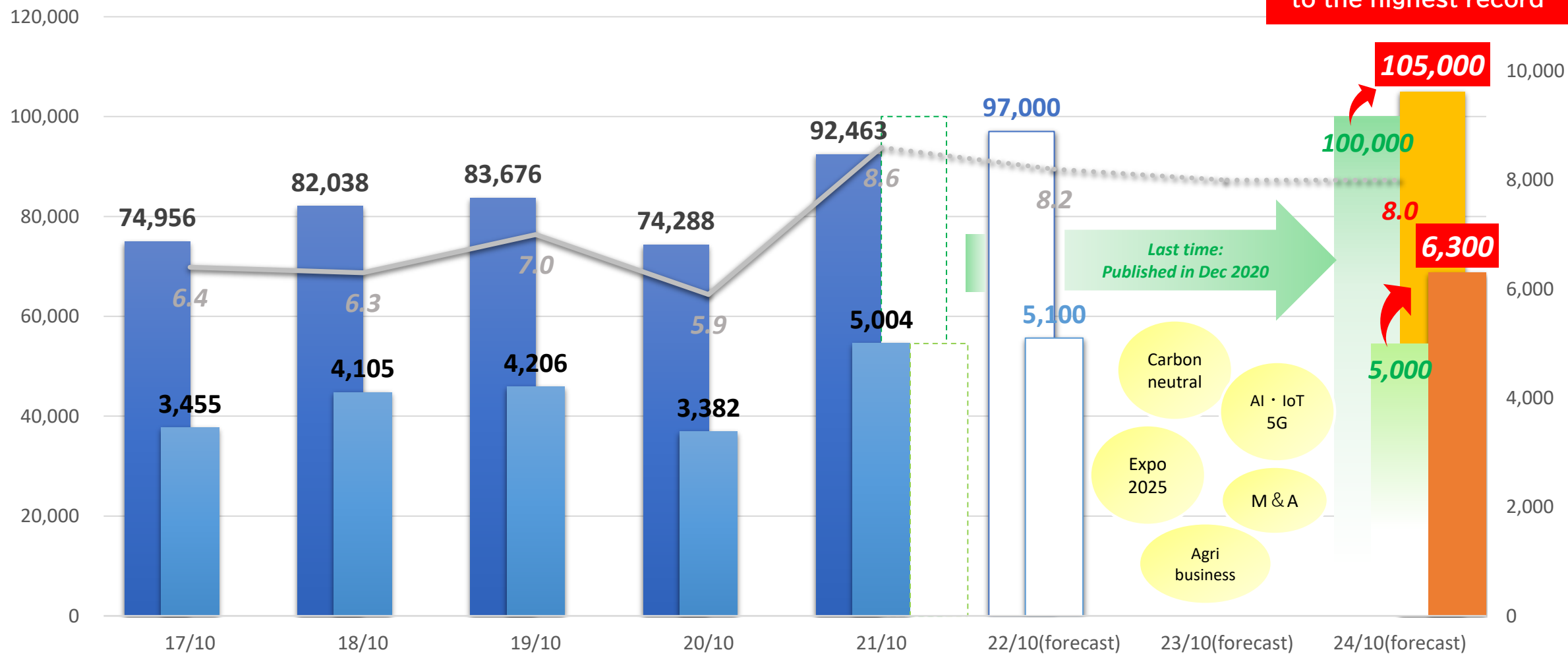
- Shareholders holding less than 1 year is allotted to Our original QUO card (1,000 yen)
- Shareholders holding for over 1 year is allotted to Our company's original QUO card (for 2,000 yen)

- Group Overview
- October 2021 Summary of financial results
- **Medium term management plan**

Medium Term Management Plan (1)

(Unit : million yen)

Net sales Recurring profit ROE(%)



Medium Term Management Plan(2) Toward SS2024

Sales of 105 billion yen, Recurring profit of 6.3 billion yen,
Achievement a return on equity (ROE) of 8.0% or more

Increase of sales of Direct Demand Division by the development of original products and strengthening of Processing Division

Improvement of the Just-in-Time system

Strengthening of sales in Tokyo and surrounding Kanto areas ,
and expansion of share for the other area.

Development/sales expansion of products other than electric wires including own brand ones
and development of new fields

Strengthening of global deployment (Improvement profitability of the Group)

Creating new businesses triggered by solving social problems,
Improving corporate value through contributing to a sustainable society including ESG and SDGs

Senshu Restructuring Project

Promotion of (purchase/logistics, personnel affairs, new products and cost reduction)

Medium Term Management Plan(3) Sustainable management

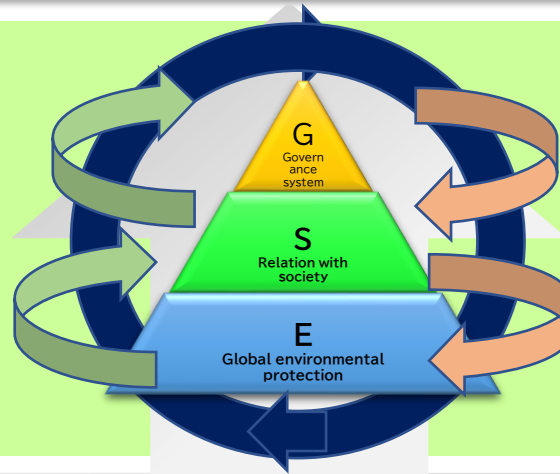
Increased corporate value

ESG management

G : Governance

S : Society

E : Environment



Sustainable management

Management goal

Medium-term management plan

Sustainability challenges
















SDGs

Climate change

CORPORATE PHILOSOPHY

We create new value,
demonstrate ability,
strive to develop our business,
contribute to society,
reward shareholders,
aim for welfare benefits of employees.

Medium Term Management Plan(4) ESG and SDGs

		Materiality	SDGs
E	◎Environmental conservation	CO2 emission reduction Response to climate change Compliance with environmental laws and regulations	    
S	◎Respect and consideration for human rights ◎A rewarding workplace ◎Stable product provision and service	Enhanced information security Strengthening quality control system Enhancing customer satisfaction Promotion of health management Enhancement of safety and health Promotion of diversity	       
G	◎Governance system	Legal compliance Thorough compliance Maintaining BCP system	 

◎Environmental report



It is published every year and is also posted on our website.

<https://www.senden.co.jp/act/>

Medium Term Management Plan(5) "Abil heater" business

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.

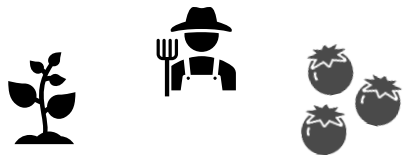
What is ABIL HEATER?

It is a heater wire for heating the soil for agricultural greenhouse.

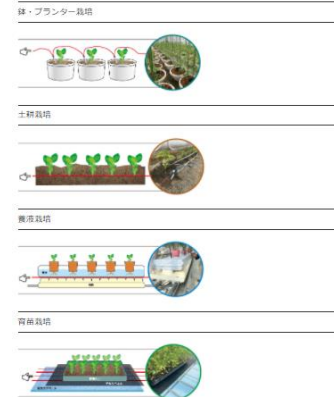
Using a new material heating element, it is possible to stably heat (warm) the inside of the soil in a very wide temperature range.



©Senshu Electric Nagakute House



©Abil heater Website



©Pamphlet



©Others

- Exhibit at Agricultural Exhibition
- Utilization of video posting sites,



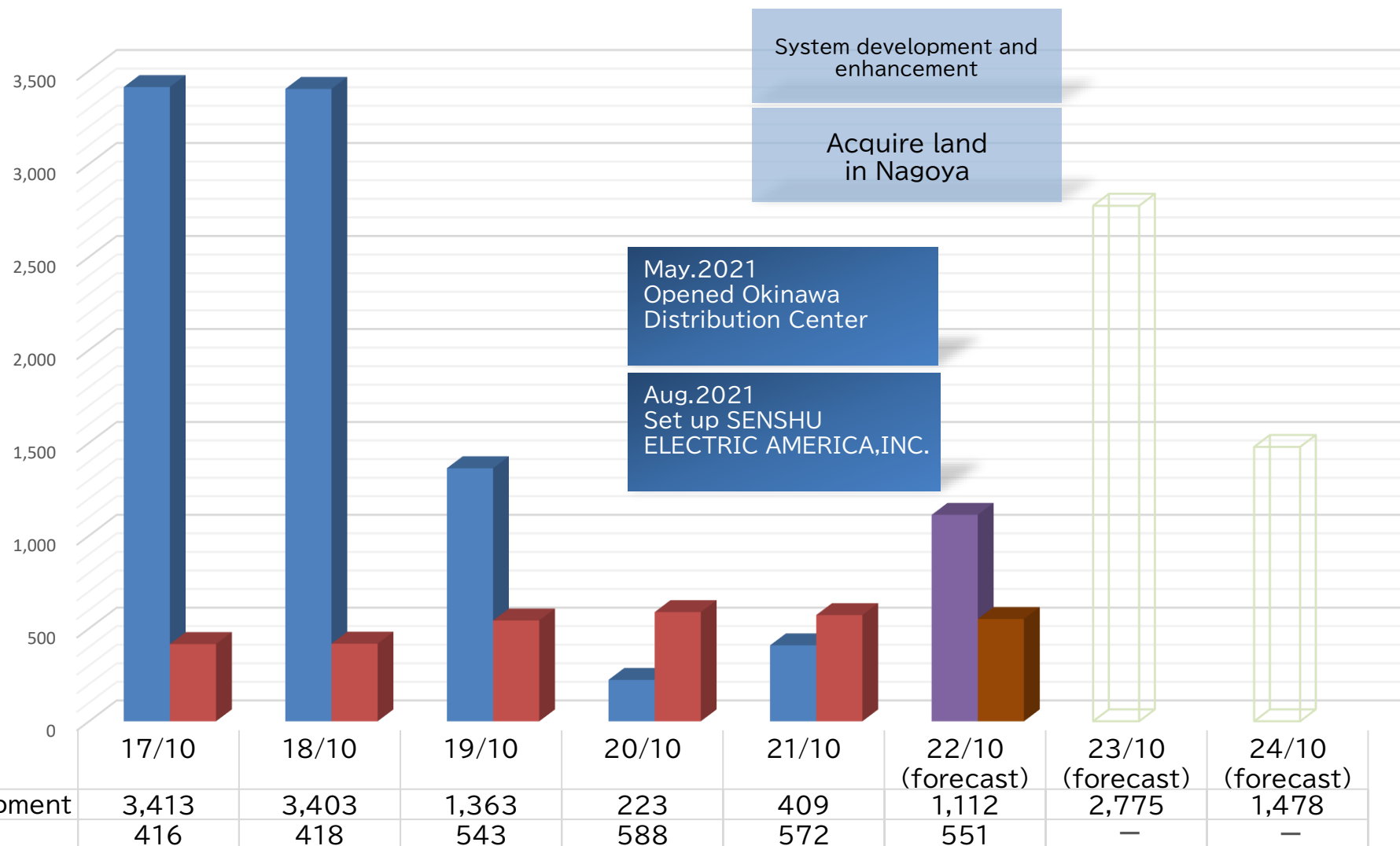
etc.

Abil heater is a product that can contribute to SDGs.



Medium Term Management Plan(6)Equipment Investment

(Unit : million yen)



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.
Our company and the information provider do not take any responsibility for any damage incurred based on this information. Please make your investment decisions at your own discretion.
Please note that the information does not always reflect the latest information.**



SENSHU ELECTRIC CO.,LTD.

Thank you for your attention



心と心をつなぐインフラへ。
"つなぐ" 11月18日は電線の日