

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended July 31, 2021 (Based on Japanese GAAP)

September 2, 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 to file Quarterly Securities Report: September 9, 2021
 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, 2021 (from November 1, 2020 to July 31, 2021)

(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, 2021	66,568	20.2	3,243	35.1	3,506	34.8	2,503	40.1
Nine months ended July 31, 2020	55,389	(12.2)	2,401	(19.3)	2,600	(17.6)	1,787	(15.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended July 31, 2021	269.78		–	
Nine months ended July 31, 2020	187.04		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2021	78,874	41,975	53.0
As of October 31, 2020	67,401	40,409	59.8

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, 2020	–	35.00	–	35.00	70.00
Year ending October 31, 2021	–	40.00	–	–	–
Year ending October 31, 2021 (Forecast)	–	–	–	40.00	80.00

3. Forecast of consolidated financial results for the year ending October 31, 2021 (from November 1, 2020 to October 31, 2021)

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	89,000	19.8	4,200	34.4	4,500	33.0	3,200	36.1	351.96

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended July 31, 2021
 (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: No
- 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, 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 July 31, 2021	1,617,020 shares	As of October 31, 2020	1,425,068 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, 2021	9,281,371 shares	Nine months ended July 31, 2020	9,557,890 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of October 31, 2020	As of July 31, 2021
Assets		
Current assets		
Cash and deposits	18,461	23,805
Notes and accounts receivable - trade	16,273	19,572
Electronically recorded monetary claims - operating	4,882	6,691
Securities	7	5
Merchandise	3,847	4,956
Other	205	256
Allowance for doubtful accounts	(13)	(18)
Total current assets	43,664	55,269
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,560	6,353
Machinery, equipment and vehicles, net	416	386
Land	10,605	10,558
Leased assets, net	112	89
Other, net	79	69
Total property, plant and equipment	17,774	17,457
Intangible assets	120	103
Investments and other assets		
Investment securities	1,308	1,741
Long-term loans receivable	33	23
Deferred tax assets	807	688
Other, net	4,067	3,959
Allowance for doubtful accounts	(375)	(368)
Total investments and other assets	5,842	6,044
Total non-current assets	23,737	23,605
Total assets	67,401	78,874

(Millions of yen)

	As of October 31, 2020	As of July 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,858	32,317
Short-term borrowings	105	105
Lease obligations	36	21
Income taxes payable	462	439
Provision for bonuses	588	318
Other	1,211	1,005
Total current liabilities	24,262	34,208
Non-current liabilities		
Lease obligations	37	23
Deferred tax liabilities	3	6
Retirement benefit liability	2,103	2,204
Asset retirement obligations	6	6
Other	578	449
Total non-current liabilities	2,728	2,691
Total liabilities	26,991	36,899
Net assets		
Shareholders' equity		
Share capital	2,575	2,575
Capital surplus	3,397	3,412
Retained earnings	37,146	38,952
Treasury shares	(3,231)	(3,917)
Total shareholders' equity	39,887	41,022
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	408	715
Foreign currency translation adjustment	25	99
Remeasurements of defined benefit plans	(48)	(23)
Total accumulated other comprehensive income	384	791
Non-controlling interests	137	161
Total net assets	40,409	41,975
Total liabilities and net assets	67,401	78,874

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, 2020	Nine months ended July 31, 2021
Net sales	55,389	66,568
Cost of sales	46,182	56,522
Gross profit	9,206	10,045
Selling, general and administrative expenses		
Freight and packing costs	914	952
Provision of allowance for doubtful accounts	(8)	3
Salaries and bonuses	2,702	2,697
Welfare expenses	643	651
Provision for bonuses	322	315
Retirement benefit expenses	220	222
Travel, transportation and communication expenses	187	161
Depreciation	398	388
Amortization of goodwill	4	–
Other	1,420	1,408
Total selling, general and administrative expenses	6,804	6,801
Operating profit	2,401	3,243
Non-operating income		
Interest income	5	5
Dividend income	35	42
Rental income from buildings	87	90
Purchase discounts	35	13
Foreign exchange gains	–	8
Other	113	170
Total non-operating income	278	331
Non-operating expenses		
Interest expenses	1	0
Depreciation	39	39
Guarantee commission	5	6
Foreign exchange losses	4	–
Other	28	20
Total non-operating expenses	79	68
Ordinary profit	2,600	3,506
Extraordinary income		
Gain on reversal of foreign currency translation adjustment	47	–
Total extraordinary income	47	–
Extraordinary losses		
Loss on valuation of investment securities	7	–
Total extraordinary losses	7	–
Profit before income taxes	2,640	3,506
Income taxes - current	647	958
Income taxes - deferred	196	26
Total income taxes	844	984
Profit	1,795	2,521
Profit attributable to non-controlling interests	8	17
Profit attributable to owners of parent	1,787	2,503

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended July 31, 2020	Nine months ended July 31, 2021
Profit	1,795	2,521
Other comprehensive income		
Valuation difference on available-for-sale securities	(22)	307
Foreign currency translation adjustment	(66)	80
Remeasurements of defined benefit plans, net of tax	23	24
Total other comprehensive income	(65)	412
Comprehensive income	1,730	2,934
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,732	2,910
Comprehensive income attributable to non-controlling interests	(1)	24