

Translation

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Summary of Consolidated Financial Results for the Six Months Ended April 30, 2020 (Based on Japanese GAAP)

June 4, 2020

Company name: SENSU 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 Kazuto Narita TEL 06-6384-1101
 Administration Division
 Scheduled date to file Quarterly Securities Report: June 11, 2020
 Scheduled date to commence dividend payments: July 3, 2020
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended April 30, 2020 (from November 1, 2019 to April 30, 2020)

(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, 2020	38,399	(9.4)	1,804	(16.1)	1,911	(15.5)	1,320	(13.1)
Six months ended April 30, 2019	42,404	3.6	2,150	18.0	2,263	16.4	1,520	13.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended April 30, 2020	137.86	—
Six months ended April 30, 2019	153.93	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of April 30, 2020	66,856	40,190	59.9
As of October 31, 2019	68,589	39,749	57.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended October 31, 2019	—	35.00	—	35.00	70.00
Year ending October 31, 2020	—	35.00	—	—	—
Year ending October 31, 2020 (Forecast)	—	—	—	35.00	70.00

3. Forecast of consolidated financial results for the year ending October 31, 2020 (from November 1, 2019 to October 31, 2020)

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	76,100	(9.1)	3,510	(11.8)	3,700	(12.0)	2,460	(9.4)	262.43

4. Notes

- (1) Changes in significant subsidiaries during the six months ended April 30, 2020
(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 April 30, 2020	10,800,000 shares	As of October 31, 2019	10,800,000 shares
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Number of treasury shares at the end of the period

As of April 30, 2020	1,255,968 shares	As of October 31, 2019	1,127,181 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, 2020	9,580,301 shares	Six months ended April 30, 2019	9,878,731 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of October 31, 2019	As of April 30, 2020
Assets		
Current assets		
Cash and deposits	15,972	17,323
Notes and accounts receivable - trade	18,070	15,453
Electronically recorded monetary claims - operating	6,137	5,806
Merchandise	4,128	4,186
Other	226	260
Allowance for doubtful accounts	(22)	(14)
Total current assets	44,512	43,015
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,825	6,713
Machinery, equipment and vehicles, net	500	460
Land	10,550	10,605
Leased assets, net	87	72
Other, net	89	78
Total property, plant and equipment	18,052	17,929
Intangible assets		
Goodwill	4	1
Other	170	144
Total intangible assets	175	146
Investments and other assets		
Investment securities	1,326	1,231
Long-term loans receivable	46	39
Deferred tax assets	882	822
Other, net	4,016	4,095
Allowance for doubtful accounts	(421)	(424)
Total investments and other assets	5,849	5,765
Total non-current assets	24,077	23,841
Total assets	68,589	66,856

(Millions of yen)

	As of October 31, 2019	As of April 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,537	21,631
Short-term borrowings	105	105
Lease obligations	45	37
Income taxes payable	736	564
Provision for bonuses	628	580
Other	996	1,038
Total current liabilities	26,049	23,959
Non-current liabilities		
Lease obligations	63	46
Deferred tax liabilities	98	97
Retirement benefit liability	1,946	1,979
Asset retirement obligations	6	6
Other	675	577
Total non-current liabilities	2,790	2,707
Total liabilities	28,840	26,666
Net assets		
Shareholders' equity		
Share capital	2,575	2,575
Capital surplus	3,386	3,397
Retained earnings	35,467	36,449
Treasury shares	(2,270)	(2,731)
Total shareholders' equity	39,158	39,690
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	431	363
Foreign currency translation adjustment	60	16
Remeasurements of defined benefit plans	(42)	(26)
Total accumulated other comprehensive income	449	352
Non-controlling interests	140	146
Total net assets	39,749	40,190
Total liabilities and net assets	68,589	66,856

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, 2019	Six months ended April 30, 2020
Net sales	42,404	38,399
Cost of sales	35,735	32,010
Gross profit	6,668	6,388
Selling, general and administrative expenses		
Freight and packing costs	627	625
Provision of allowance for doubtful accounts	(32)	(5)
Salaries and bonuses	1,434	1,418
Welfare expenses	422	415
Provision for bonuses	604	573
Provision for retirement benefits for directors (and other officers)	8	—
Retirement benefit expenses	146	149
Travel, transportation and communication expenses	160	138
Depreciation	202	265
Amortization of goodwill	2	2
Other	940	999
Total selling, general and administrative expenses	4,518	4,584
Operating profit	2,150	1,804
Non-operating income		
Interest income	4	3
Dividend income	15	14
Rental income from buildings	60	60
Purchase discounts	24	24
Foreign exchange gains	2	2
Other	70	54
Total non-operating income	179	160
Non-operating expenses		
Interest expenses	0	1
Depreciation	27	26
Guarantee commission	3	3
Loss on redemption of investment securities	13	—
Other	20	22
Total non-operating expenses	66	52
Ordinary profit	2,263	1,911
Extraordinary income		
Gain on sales of non-current assets	6	—
Gain on reversal of foreign currency translation adjustment	—	47
Total extraordinary income	6	47

	(Millions of yen)	
	Six months ended April 30, 2019	Six months ended April 30, 2020
Extraordinary losses		
Loss on retirement of non-current assets	57	–
Loss on valuation of investment securities	–	7
Total extraordinary losses	57	7
Profit before income taxes	2,212	1,951
Income taxes - current	687	516
Income taxes - deferred	(13)	107
Total income taxes	673	623
Profit	1,539	1,327
Profit attributable to non-controlling interests	18	6
Profit attributable to owners of parent	1,520	1,320

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended April 30, 2019	Six months ended April 30, 2020
Profit	1,539	1,327
Other comprehensive income		
Valuation difference on available-for-sale securities	(21)	(68)
Foreign currency translation adjustment	24	(45)
Remeasurements of defined benefit plans, net of tax	16	15
Total other comprehensive income	20	(97)
Comprehensive income	1,559	1,229
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,535	1,223
Comprehensive income attributable to non-controlling interests	24	5