

**Translation**

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## Summary of Consolidated Financial Results for the Year Ended October 31, 2022 (Based on Japanese GAAP)

December 8, 2022

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 Administration Division Kazuto Narita TEL 06-6384-1101  
 Scheduled date of ordinary general meeting of shareholders: January 26, 2023  
 Scheduled date to file Securities Report: January 27, 2023  
 Scheduled date to commence dividend payments: January 27, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the year ended October 31, 2022 (from November 1, 2021 to October 31, 2022)

## (1) Consolidated operating results

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	%
Year ended October 31, 2022	113,633	22.9	7,464	57.4	7,894	57.8	5,314	48.3
Year ended October 31, 2021	92,463	24.5	4,743	51.8	5,004	47.9	3,583	52.4

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended October 31, 2022	294.03	–	12.0	8.8	6.6
Year ended October 31, 2021	193.75	–	8.6	6.6	5.1

(Note)1. The Company conducted a 2-for-1 stock split of common shares on November 1, 2022. "Net income per share" is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

2. Diluted net income per share for the fiscal year ended October 31, 2021 is not shown in the above table, as there are no residual shares. Also, diluted net income per share for the fiscal year ended October 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	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of October 31, 2022	95,381	46,399	48.4	2,578.24
As of October 31, 2021	83,990	42,886	50.9	2,342.59

(Note) The Company conducted a 2-for-1 stock split of common shares on November 1, 2022. "Net assets per share" is calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended October 31, 2022	6,335	(3,727)	(2,091)	26,181
Year ended October 31, 2021	9,397	63	(1,742)	25,496

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended October 31, 2021	–	40.00	–	50.00	90.00	825	23.2	2.0
Year ended October 31, 2022	–	60.00	–	80.00	140.00	1,258	23.8	2.8
Year ending October 31, 2023 (Forecast)	–	40.00	–	40.00	80.00		25.7	

(Note) The Company conducted a 2-for-1 stock split of common shares on November 1, 2022, and the dividends before the end of 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
Six months ending April 30, 2023	56,600	2.6	3,650	3.2	3,800	2.3	2,580	3.5	145.85
Full year	118,200	4.0	7,800	4.5	8,100	2.6	5,500	3.5	310.92

(Note) On November 1, 2022, the Company conducted a 2-for-1 stock split of common shares, and "net income per share" in the consolidated earnings forecast for the fiscal year ending October 31, 2023 takes into account the effect of this stock split.

The Company's Board of Directors resolved at a meeting held on December 8, 2022 to repurchase treasury shares. The net income per share in the consolidated earnings forecast for the fiscal year ending October 31, 2023 takes into account the effect of this stock repurchases. For details, please refer to the "Notice of Decision on Matters Concerning Repurchase of Treasury Stock" released today (December 8, 2022).

## 4. Notes

### (1) Changes in significant subsidiaries during the year ended October 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Yes

### (2) 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

### (3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of October 31, 2022	21,000,000 shares	As of October 31, 2021	21,600,000 shares
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Number of treasury shares at the end of the period

As of October 31, 2022	3,110,570 shares	As of October 31, 2021	3,361,612 shares
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Average number of shares during the period

Year ended October 31, 2022	18,075,098 shares	Year ended October 31, 2021	18,495,560 shares
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(Note) The Company conducted a 2-for-1 stock split of common shares on November 1, 2022. The "number of shares issued and outstanding at the end of the period," "number of treasury stock 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.

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of October 31, 2021	As of October 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	26,335	27,165
Notes and accounts receivable - trade	21,291	22,572
Electronically recorded monetary claims - operating	7,561	10,831
Securities	6	23
Merchandise	4,916	6,575
Work in process	–	250
Raw materials and supplies	–	238
Other	235	267
Allowance for doubtful accounts	(13)	(14)
<b>Total current assets</b>	<b>60,333</b>	<b>67,910</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	10,524	10,895
Accumulated depreciation	(4,248)	(4,604)
Buildings and structures, net	6,275	6,290
Machinery, equipment and vehicles	1,375	1,414
Accumulated depreciation	(998)	(1,098)
Machinery, equipment and vehicles, net	377	316
Land	10,239	10,381
Leased assets	207	221
Accumulated depreciation	(126)	(127)
Leased assets, net	81	93
Construction in progress	251	632
Other	337	368
Accumulated depreciation	(274)	(305)
Other, net	62	63
<b>Total property, plant and equipment</b>	<b>17,287</b>	<b>17,779</b>
<b>Intangible assets</b>		
Goodwill	–	156
Other	110	182
<b>Total intangible assets</b>	<b>110</b>	<b>339</b>
<b>Investments and other assets</b>		
Investment securities	1,848	1,695
Long-term loans receivable	19	5
Long-term time deposits	–	3,000
Deferred tax assets	713	896
Other	4,378	4,523
Accumulated depreciation	(332)	(381)
Other, net	4,045	4,142
Allowance for doubtful accounts	(367)	(387)
<b>Total investments and other assets</b>	<b>6,259</b>	<b>9,352</b>
<b>Total non-current assets</b>	<b>23,657</b>	<b>27,471</b>
<b>Total assets</b>	<b>83,990</b>	<b>95,381</b>

(Millions of yen)

	As of October 31, 2021	As of October 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	35,628	41,214
Short-term borrowings	105	631
Current portion of bonds payable	–	114
Current portion of long-term borrowings	–	20
Lease liabilities	21	24
Accrued expenses	281	438
Income taxes payable	1,024	1,840
Provision for bonuses	669	767
Other	695	870
<b>Total current liabilities</b>	<b>38,426</b>	<b>45,922</b>
<b>Non-current liabilities</b>		
Bonds payable	–	107
Long-term borrowings	–	60
Lease liabilities	15	29
Deferred tax liabilities	2	1
Provision for retirement benefits for directors (and other officers)	–	178
Retirement benefit liability	2,212	2,249
Asset retirement obligations	6	6
Guarantee deposits received	147	148
Other	295	278
<b>Total non-current liabilities</b>	<b>2,678</b>	<b>3,059</b>
<b>Total liabilities</b>	<b>41,104</b>	<b>48,982</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,575	2,575
Capital surplus	3,412	2,690
Retained earnings	40,032	44,255
Treasury shares	(4,201)	(4,454)
<b>Total shareholders' equity</b>	<b>41,818</b>	<b>45,066</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	785	660
Foreign currency translation adjustment	131	390
Remeasurements of defined benefit plans	(10)	6
<b>Total accumulated other comprehensive income</b>	<b>906</b>	<b>1,056</b>
Share acquisition rights	–	38
Non-controlling interests	160	237
<b>Total net assets</b>	<b>42,886</b>	<b>46,399</b>
<b>Total liabilities and net assets</b>	<b>83,990</b>	<b>95,381</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022
Net sales	92,463	113,633
Cost of sales	78,542	96,539
Gross profit	13,921	17,093
Selling, general and administrative expenses		
Freight and packing costs	1,276	1,305
Provision of allowance for doubtful accounts	(1)	4
Salaries and bonuses	3,416	3,450
Welfare expenses	904	945
Provision for bonuses	659	740
Retirement benefit expenses	302	276
Travel, transportation and communication expenses	216	246
Depreciation	517	481
Amortization of goodwill	–	17
Other	1,885	2,160
Total selling, general and administrative expenses	9,177	9,629
Operating profit	4,743	7,464
Non-operating income		
Interest income	6	18
Dividend income	48	53
Rental income from buildings	121	129
Purchase discounts	13	–
Foreign exchange gains	1	64
Other	162	267
Total non-operating income	353	533
Non-operating expenses		
Interest expenses	1	2
Depreciation	53	51
Guarantee commission	9	10
Other	29	37
Total non-operating expenses	92	103
Ordinary profit	5,004	7,894
Extraordinary income		
Insurance claim income	104	–
Total extraordinary income	104	–
Extraordinary losses		
Impairment losses	–	15
Total extraordinary losses	–	15
Profit before income taxes	5,109	7,878
Income taxes - current	1,526	2,571
Income taxes - deferred	(26)	(63)
Total income taxes	1,500	2,508
Profit	3,608	5,370
Profit attributable to non-controlling interests	24	55
Profit attributable to owners of parent	3,583	5,314

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022
Profit	3,608	5,370
Other comprehensive income		
Valuation difference on available-for-sale securities	376	(124)
Foreign currency translation adjustment	105	279
Remeasurements of defined benefit plans, net of tax	38	16
Total other comprehensive income	520	170
Comprehensive income	4,128	5,541
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,105	5,464
Comprehensive income attributable to non-controlling interests	23	76

## Consolidated statements of changes in equity

Fiscal year ended October 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,575	3,397	37,146	(3,231)	39,887
Changes during period					
Dividends of surplus			(328)		(328)
Dividends from surplus, interim dividend			(369)		(369)
Profit attributable to owners of parent			3,583		3,583
Purchase of treasury shares				(1,000)	(1,000)
Disposal of treasury shares		15		30	45
Net changes in items other than shareholders' equity					
Total changes during period	-	15	2,885	(970)	1,930
Balance at end of period	2,575	3,412	40,032	(4,201)	41,818

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	408	25	(48)	384	137	40,409
Changes during period						
Dividends of surplus						(328)
Dividends from surplus, interim dividend						(369)
Profit attributable to owners of parent						3,583
Purchase of treasury shares						(1,000)
Disposal of treasury shares						45
Net changes in items other than shareholders' equity	376	106	38	521	23	545
Total changes during period	376	106	38	521	23	2,476
Balance at end of period	785	131	(10)	906	160	42,886

Fiscal year ended October 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,575	3,412	40,032	(4,201)	41,818
Cumulative effects of changes in accounting policies			(92)		(92)
Restated balance	2,575	3,412	39,939	(4,201)	41,725
Changes during period					
Dividends of surplus			(455)		(455)
Dividends from surplus, interim dividend			(542)		(542)
Profit attributable to owners of parent			5,314		5,314
Purchase of treasury shares				(1,028)	(1,028)
Disposal of treasury shares		29		23	53
Cancellation of treasury shares		(751)		751	-
Net changes in items other than shareholders' equity					
Total changes during period	-	(722)	4,316	(252)	3,340
Balance at end of period	2,575	2,690	44,255	(4,454)	45,066

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	785	131	(10)	906	-	160	42,886
Cumulative effects of changes in accounting policies							(92)
Restated balance	785	131	(10)	906	-	160	42,793
Changes during period							
Dividends of surplus							(455)
Dividends from surplus, interim dividend							(542)
Profit attributable to owners of parent							5,314
Purchase of treasury shares							(1,028)
Disposal of treasury shares							53
Cancellation of treasury shares							-
Net changes in items other than shareholders' equity	(124)	258	16	150	38	76	265
Total changes during period	(124)	258	16	150	38	76	3,606
Balance at end of period	660	390	6	1,056	38	237	46,399

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022
Cash flows from operating activities		
Profit before income taxes	5,109	7,878
Depreciation	572	547
Amortization of goodwill	–	17
Increase (decrease) in retirement benefit liability	164	59
Increase (decrease) in provision for bonuses	78	86
Increase (decrease) in allowance for doubtful accounts	(7)	4
Interest and dividend income	(55)	(72)
Interest expenses	1	2
Loss (gain) on cancellation of insurance policies	(104)	(99)
Rental income	(121)	(129)
Impairment losses	–	15
Decrease (increase) in trade receivables	(7,661)	(4,110)
Decrease (increase) in inventories	–	(1,635)
Decrease (increase) in Merchandise	(1,042)	–
Increase (decrease) in trade payables	13,756	5,331
Increase (decrease) in accrued consumption taxes	(273)	133
Other, net	(81)	15
Subtotal	10,333	8,046
Interest and dividends received	54	72
Interest paid	(1)	(2)
Income taxes paid	(990)	(1,779)
Net cash provided by (used in) operating activities	9,397	6,335
Cash flows from investing activities		
Payments into time deposits	(924)	(3,966)
Proceeds from withdrawal of time deposits	828	845
Purchase of short-term and long-term investment securities	(111)	(87)
Proceeds from sale of investment securities	62	70
Purchase of property, plant and equipment	(363)	(413)
Proceeds from sale of property, plant and equipment	386	2
Proceeds from collection of loans receivable	13	13
Purchase of insurance funds	(350)	(266)
Proceeds from cancellation of insurance funds	342	307
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(208)
Other, net	178	(25)
Net cash provided by (used in) investing activities	63	(3,727)
Cash flows from financing activities		
Purchase of treasury shares	(1,000)	(1,028)
Dividends paid	(697)	(988)
Other, net	(44)	(74)
Net cash provided by (used in) financing activities	(1,742)	(2,091)
Effect of exchange rate change on cash and cash equivalents	57	168
Net increase (decrease) in cash and cash equivalents	7,775	685
Cash and cash equivalents at beginning of period	17,721	25,496
Cash and cash equivalents at end of period	25,496	26,181