

Translation

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Summary of Consolidated Financial Results for the Three Months Ended January 31, 2020 (Based on Japanese GAAP)

March 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 Administration Division Kazuto Narita TEL 06-6384-1101
 Scheduled date to file Quarterly Securities Report: March 11, 2020
 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 three months ended January 31, 2020 (from November 1, 2019 to January 31, 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	%
Three months ended January 31, 2020	20,091	(6.0)	818	(24.0)	880	(22.4)	616	(19.7)
Three months ended January 31, 2019	21,367	4.4	1,077	34.8	1,134	29.5	767	28.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended January 31, 2020	64.17		–	
Three months ended January 31, 2019	77.44		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of January 31, 2020	67,914	39,615	58.1
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				
Year ended October 31, 2019	–	35.00	–	35.00	70.00
Year ending October 31, 2020	–	–	–	–	–
Year ending October 31, 2020 (Forecast)	–	35.00	–	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
Six months ending April 30, 2020	42,500	0.2	1,890	(12.1)	2,000	(11.6)	1,300	(14.5)	136.47
Full year	88,800	6.1	4,210	5.8	4,420	5.1	2,920	7.6	306.52

4. Notes

- (1) Changes in significant subsidiaries during the three months ended January 31, 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 January 31, 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 January 31, 2020	1,273,828 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)

Three months ended January 31, 2020	9,611,977 shares	Three months ended January 31, 2019	9,912,944 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of October 31, 2019	As of January 31, 2020
Assets		
Current assets		
Cash and deposits	15,972	16,187
Notes and accounts receivable - trade	18,070	16,943
Electronically recorded monetary claims - operating	6,137	6,349
Merchandise	4,128	4,354
Other	226	198
Allowance for doubtful accounts	(22)	(95)
Total current assets	44,512	43,937
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,825	6,752
Machinery, equipment and vehicles, net	500	480
Land	10,550	10,550
Leased assets, net	87	79
Other, net	89	123
Total property, plant and equipment	18,052	17,986
Intangible assets		
Goodwill	4	2
Other	170	157
Total intangible assets	175	160
Investments and other assets		
Investment securities	1,326	1,454
Long-term loans receivable	46	43
Deferred tax assets	882	706
Other, net	4,016	4,047
Allowance for doubtful accounts	(421)	(422)
Total investments and other assets	5,849	5,829
Total non-current assets	24,077	23,976
Total assets	68,589	67,914

(Millions of yen)

	As of October 31, 2019	As of January 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,537	23,925
Short-term borrowings	105	105
Lease obligations	45	41
Income taxes payable	736	152
Provision for bonuses	628	319
Other	996	1,033
Total current liabilities	26,049	25,577
Non-current liabilities		
Lease obligations	63	54
Deferred tax liabilities	98	100
Retirement benefit liability	1,946	1,980
Asset retirement obligations	6	6
Other	675	579
Total non-current liabilities	2,790	2,721
Total liabilities	28,840	28,298
Net assets		
Shareholders' equity		
Share capital	2,575	2,575
Capital surplus	3,386	3,386
Retained earnings	35,467	35,745
Treasury shares	(2,270)	(2,770)
Total shareholders' equity	39,158	38,937
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	431	522
Foreign currency translation adjustment	60	39
Remeasurements of defined benefit plans	(42)	(34)
Total accumulated other comprehensive income	449	528
Non-controlling interests	140	150
Total net assets	39,749	39,615
Total liabilities and net assets	68,589	67,914

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended January 31, 2019	Three months ended January 31, 2020
Net sales	21,367	20,091
Cost of sales	17,972	16,850
Gross profit	3,394	3,240
Selling, general and administrative expenses		
Freight and packing costs	313	318
Provision of allowance for doubtful accounts	32	72
Salaries and bonuses	714	706
Welfare expenses	213	218
Provision for bonuses	307	316
Provision for retirement benefits for directors (and other officers)	8	–
Retirement benefit expenses	70	69
Travel, transportation and communication expenses	81	78
Depreciation	100	132
Amortization of goodwill	1	1
Other	471	507
Total selling, general and administrative expenses	2,316	2,421
Operating profit	1,077	818
Non-operating income		
Interest income	2	1
Dividend income	13	11
Rental income from buildings	30	30
Purchase discounts	11	12
Foreign exchange gains	2	4
Other	41	27
Total non-operating income	102	87
Non-operating expenses		
Interest expenses	0	0
Depreciation	14	13
Guarantee commission	1	1
Other	29	11
Total non-operating expenses	45	25
Ordinary profit	1,134	880
Extraordinary income		
Gain on sales of non-current assets	6	–
Gain on reversal of foreign currency translation adjustment	–	47
Total extraordinary income	6	47
Profit before income taxes	1,140	928
Income taxes - current	240	123
Income taxes - deferred	120	181
Total income taxes	360	304
Profit	780	623
Profit attributable to non-controlling interests	12	6
Profit attributable to owners of parent	767	616

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended January 31, 2019	Three months ended January 31, 2020
Profit	780	623
Other comprehensive income		
Valuation difference on available-for-sale securities	(70)	91
Foreign currency translation adjustment	7	(17)
Remeasurements of defined benefit plans, net of tax	8	7
Total other comprehensive income	(54)	81
Comprehensive income	725	704
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	710	695
Comprehensive income attributable to non-controlling interests	14	9