

SENSHU ELECTRIC (9824)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY10/2022		113,633	7,464	7,894	5,314	294.03	70.00	2,578.24
FY10/2023		124,967	8,366	8,770	5,920	333.10	110.00	2,843.95
FY10/2024CoE		131,000	8,700	8,900	6,150	352.06	120.00	-
FY10/2023	YoY	10.0%	12.1%	11.1%	11.4%	-	-	-
FY10/2024CoE	YoY	4.8%	4.0%	1.5%	3.9%	-	-	-
Consolidated Half Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q2 FY10/2023		61,851	4,304	4,482	2,994	-	-	-
Q3 to Q4 FY10/2023		63,116	4,062	4,288	2,926	-	-	-
Q1 to Q2 FY10/2024CoE		64,500	4,300	4,400	3,000	-	-	-
Q3 to Q4 FY10/2024CoE		66,500	4,400	4,500	3,150	-	-	-
Q1 to Q2 FY10/2024CoE	YoY	4.3%	(0.1%)	(1.9%)	0.2%	-	-	-
Q3 to Q4 FY10/2024CoE	YoY	5.4%	8.3%	4.9%	7.7%	-	-	-

Source: Company Data, WRJ Calculation (per share data: retroactively adjusted for one-for-two share split on 1 November 2022)

1.0 Executive Summary (22 January 2024)

Growth and Return


SENSHU ELECTRIC, technology-oriented trading house mainly of electric cables, plans to continue its steady growth from a long-term perspective, having renewed its record high earnings for the last two years in a row. At the same time, the Company has shown a willingness to return its abundant cash accumulated by its business activities to shareholders. The Company's midterm management plan (FY10/2024 to FY10/2026) suggests that it plans to achieve a CAGR of at least 6.3% for sales and 4.5% for recurring profit during the relevant period. With respect to risk factors for FY10/2024, the Company gives an example of uncertainty on the timing and degree of recovery for demand related to semiconductors and machine tools in addition to trends of copper prices. On top of this, the Company also presents another example of uncertainty on the future of supply-demand balance for power cables, which is currently so tight due to supply shortages. However, more importantly, the Company is trying to get at a steady outperformance relative to the market trends by leveraging its strengths on its framework of JUST IN TIME, "original products" and cable assembly. Meanwhile, the Company is now going for the 11th year to consecutively increase dividend with its plan to pay an annual dividend of ¥120 per share for FY10/2024, implying payout ratio of 34.1% and/or shareholder return rate of 48.1%, including the impact of planned share buyback during the relevant period. With the one for FY10/2024, the Company is to implement share buyback for 7 years in a row.

IR Representative: Isamu Fukuda, Director and Executive Officer, General Manager,

Corporate Planning Office (81-(0)6-6192-8588 / kikaku-ir1118@senden.co.jp)

2.0 Company Profile

Technology-Oriented Trading House Mainly of Electric Cables

Company Name	<p>SENSHU ELECTRIC CO.,LTD.</p> <p>Company Website</p> <p>IR Information</p> <p>Share Price (Japanese)</p>	 <p>SENSHU ELECTRIC CO.,LTD.</p>
Established	18 November 1949	
Listing	<p>4 April 2022: Tokyo Stock Exchange Prime Market (ticker: 9824)</p> <p>9 November 2017: Tokyo Stock Exchange 1st section</p> <p>8 November 2002: Tokyo Stock Exchange 2nd section</p> <p>24 June 1991: Osaka Stock Exchange 2nd section</p>	
Capital	¥2,575m (as of the end of October 2023)	
No. of Shares	21,000,000 shares, including 3,303,008 treasury shares (as of the end of Oct. 2023)	
Main Features	<ul style="list-style-type: none"> ● Stocking and selling electric cables more than 50,000 in the number of items ● FA cables or so-called private-sector-capex-related, the key earnings pillar ● Co-developing “original products” with smaller manufacturers of electric cables 	
Segment	I . Electric Cables Business	
Representative	Representative Director and President: Motohide Nishimura	
Shareholders	Motohide Nishimura 8.98%, BBH Fidelity Low-Priced Stock Fund 7.62%, Yoko Nishimura 5.41%, Master Trust Japan, T. 5.21%, SWCC 4.80% (as of the end of October 2023, but for treasury shares)	
Head Office	Suita-city, Osaka-prefecture, JAPAN	
No. of Personnel	Consolidated: 819, Parent: 550 (as of the end of October 2023)	

Source: Company Data

3.0 Corporate Philosophy and Business Model

Technology-Oriented Trading House Mainly of Electric Cables

On 4 April 2022, the Company, technology-oriented trading house mainly of electric cables, was listed on Tokyo Stock Exchange Prime Market with transition to a new segmentation in the market. Meanwhile, on 18 November 2023, the Company celebrated its 74th anniversary of establishment and it aims to become a 100-year company by further strengthening its corporate structure based on its philosophy to "create new values, demonstrate our abilities, strive for the development of our business, contribute to society, reward shareholders and encourage welfare of our employees", while paying the utmost respect to ESG (Environment, Social and Corporate Governance).

The Company also demonstrates a proactive stance towards sustainability management in light of the content of SDGs (Sustainable Development Goals). It is noteworthy in particular that it goes for "provision of products and services with a stability" as materiality for Social. According to the Company, the "electric cables" dealt in by itself correspond to "vascular and nervous system" in the human body and there are always "electric cables" wherever there is electricity and "electric cables" are indispensable products that support modern society, albeit rather quiet. Based on this belief, the above-mentioned materiality is presented, according to the Company.

The Three Business Models (Strengths)

The Company, running operations of sale at 18 locations nationwide to cover Hokkaido to Okinawa in Japan, deals in electric cables as many as more than 50,000 in the number of items, which is said to be the maximum in the marketplace. At the same time, the Company says that it always stocks sufficient inventory required, in its distribution warehouses with the floor space of no less than some 70,000 m², collectively. Meanwhile, the Company is also involved with operations through its subsidiaries based in Japan (7 in the number) and those of overseas (7 in the number) based in China, Taiwan, Thailand, Philippines, Vietnam and the United States. More importantly, the Company will create added value on a sustainable basis through its deep involvement with the three business models, i.e., JUST IN TIME SYSTEM, "original products" and cable assembly.

The Three Business Models (Strengths)

JUST IN TIME SYSTEM



"Original Products"



Cable Assembly



Source: Company Data

JUST IN TIME SYSTEM

The Company adopts the framework of JUST IN TIME SYSTEM in its mainstay operations of stocking and selling for electric cables, under which it "delivers the required merchandises as much as needed when needed" as a motto. Together with this, the Company runs the first-class integrated operations of order placement to delivery in the marketplace, fulfilling demand from customers as many as 3,700 or more in the number, belonging to extensive industry sectors.

"Original Products"

For FA cables or so-called private-sector-capex-related, the Company sees added value relatively higher than the rest of categories and thus gross profit margin in the first place, which creates an aspect that this category is the Company's key earnings pillar, while seeing added value high in particular with respect to "original products." The Company co-develops "original products" with smaller manufacturers of electric cables, which are suppliers for the Company, catering to unique needs (often associated with robots) of end users, represented by semiconductor production equipment manufacturers and automakers, generating extra added value as well as higher gross profit margin to a corresponding extent.

Cable Assembly

At the same time, the Company has facilities for cable assembly in 7 locations out of the above-mentioned 18 locations in Japan, meeting needs of small-batch processing on a quick delivery basis mainly for electric cables with terminals built-in and/or controlling boards, while running the same operations in some group companies as well, which enables itself to incrementally create added value to a corresponding extent.

Distribution of Electric Cables

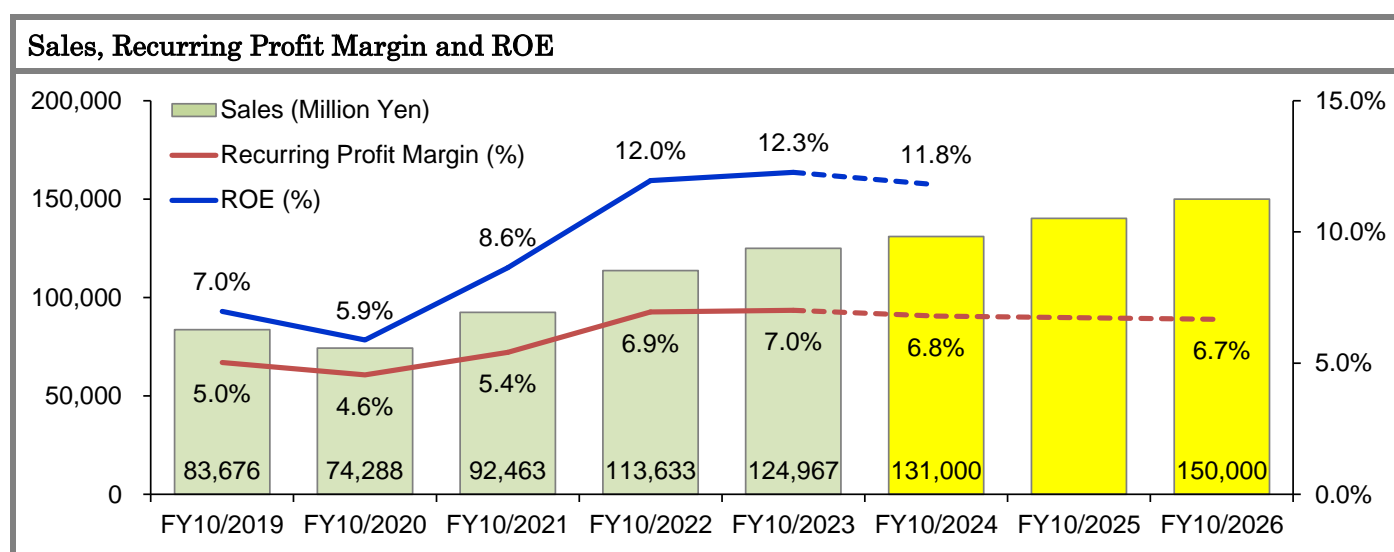
The Company's suppliers, i.e., manufacturers (mainly smaller and/or mid-sized) of electric cables as many as 250 or more in the number, directly deliver electric cables to major end users, represented by telecom carriers and electric power companies, while taking advantage of efficient distribution system of trading houses, including the Company, for delivery to ones other than the major end users to a large extent. For power cables, etc. or so-called construction-related, the mainstay distribution starts with manufacturers of electric cables to the Company, which is followed by the Company to electrical facilities materials sales companies (some 1,100 in the number for the large-scale ones in Japan), which is, then, followed by electrical facilities materials sales companies to end users, represented by electrical construction companies (60,000 or more in the number nationwide). Still, as far as the largest electrical construction companies (some 30 in the number) are concerned, the Company directly delivers to them.

Meanwhile, for FA cables or so-called private-sector-capex-related, it is often the case that the Company directly delivers to end users (direct demand), represented by manufacturers of machine tools, autos, semiconductor production equipment and robots. In terms of the actual results of FY10/2023, sales associated with electrical facilities materials sales companies accounted for 44.9% of total by sales channel, while 19.9% for electrical construction companies and 29.9% for direct demand.

4.0 Recent Trading and Prospects

FY10/2023

For FY10/2023, sales came in at ¥124,967m (up 10.0% YoY), operating profit ¥8,366m (up 12.1%), recurring profit ¥8,770m (up 11.1%) and profit attributable to owners of parent ¥5,920m (up 11.4%). Compared with initial Company forecasts, announced on 8 December 2022, the Company saw performance better, i.e., by ¥6,767m (5.7%) in sales and ¥670m (8.3%) in recurring profit. As a result, record highs for both sales and earnings have been renewed consecutively for two years. Meanwhile, FY10/2024 Company forecasts, announced on 7 December 2023, are going for prospective sales of ¥131,000m (up 4.8% YoY) and recurring profit of ¥8,900m (up 1.5%).



Source: Company Data, WRJ Calculation

Meanwhile, the SENSU ELECTRIC Group Midterm Management Plan (FY10/2024 to FY10/2026), announced on 7 December 2023, is calling for prospective sales of ¥150,000m and recurring profit of ¥10,000m by FY10/2026, i.e., the final year of the plan, as well as ROE of 10.0% or more. Assuming that all those targets are to be met for FY10/2026, the Company will see a CAGR of 6.3% in sales and 4.5% in recurring profit. Still, as above-mentioned, the Company plans to achieve the said performance targets “by” FY10/2026.

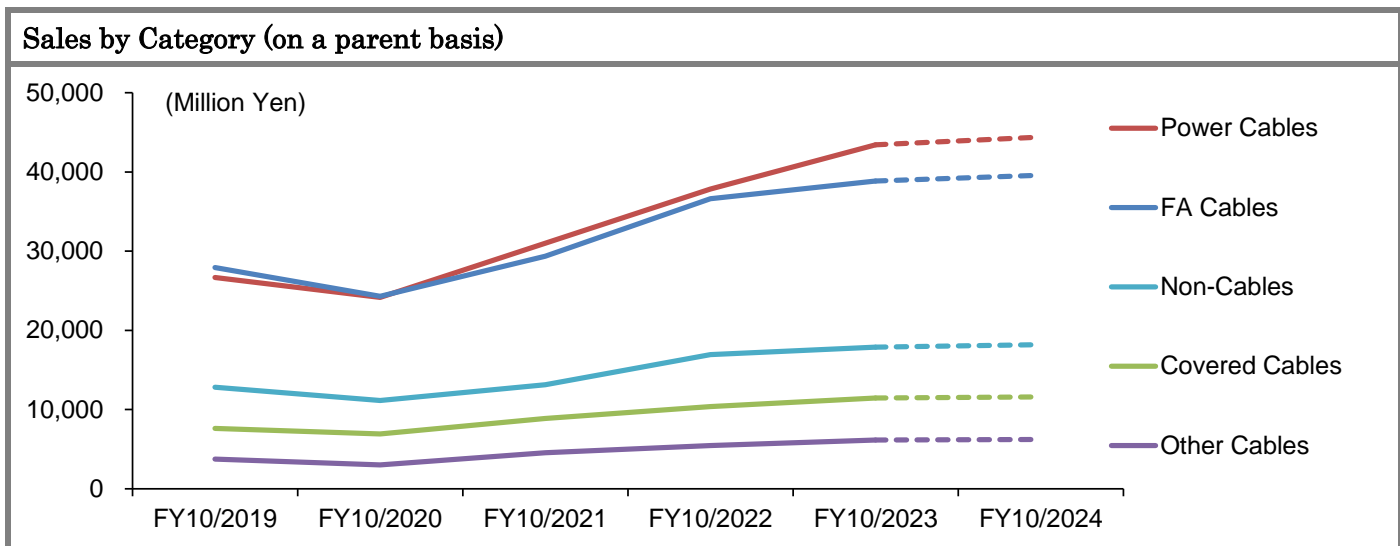
In light of this, it should be the case that the Company plans to actually achieve a CAGR, higher than the above-mentioned levels. As found in above-mentioned FY10/2023 initial Company forecasts, it appears that the Company has a policy to disclose any forecasts within a range that can be reliably achieved. On the other hand, one risk factor that could have a significant impact on the Company's performance is trends of copper prices. Setting the results of FY10/2023 as the point of origin, the midterm management plan assumes only a gradual rise in copper prices and thus the impact of changes in copper prices is supposed to be insignificant as far as we could gather.

By the way, the Company expects that increased demand for semiconductors in line with the development of generative AI (Artificial Intelligence) as well as progress made in carbon neutrality (decarbonizing) and GX (Green Transformation) will stimulate growth in the markets it faces. In particular, the Company is looking to a positive impact of EVs (Electric Vehicles), that of expansion in capital expenditure for EV-use batteries amongst others.

FY10/2023 Company Forecasts and Actual Results

Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY10/2023CoE	8-Dec-22	Q4 Results	118,200	7,800	8,100	5,500
FY10/2023CoE	2-Mar-23	Q1 Results	118,200	7,800	8,100	5,500
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
FY10/2023CoE	5-Jun-23	Q2 Results	123,000	8,100	8,500	5,700
		Amount of Gap	4,800	300	400	200
		Rate of Gap	4.1%	3.8%	4.9%	3.6%
FY10/2023CoE	5-Sep-23	Q3 Results	123,000	8,100	8,500	5,700
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
FY10/2023Act	7-Dec-23	Q4 Results	124,967	8,366	8,770	5,920
		Amount of Gap	1,967	266	270	220
		Rate of Gap	1.6%	3.3%	3.2%	3.9%
FY10/2023CoE	8-Dec-22	Q4 Results	118,200	7,800	8,100	5,500
FY10/2023Act	7-Dec-23	Q4 Results	124,967	8,366	8,770	5,920
		Amount of Gap	6,767	566	670	420
		Rate of Gap	5.7%	7.3%	8.3%	7.6%
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q1 to Q2 FY10/2023CoE	8-Dec-22	Q4 Results	56,600	3,650	3,800	2,580
Q1 to Q2 FY10/2023CoE	2-Mar-23	Q1 Results	56,600	3,650	3,800	2,580
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Q1 to Q2 FY10/2023Act	5-Jun-23	Q2 Results	61,851	4,304	4,482	2,994
		Amount of Gap	5,251	654	682	414
		Rate of Gap	9.3%	17.9%	18.0%	16.1%
Q1 to Q2 FY10/2023CoE	8-Dec-22	Q4 Results	56,600	3,650	3,800	2,580
Q1 to Q2 FY10/2023Act	5-Jun-23	Q2 Results	61,851	4,304	4,482	2,994
		Amount of Gap	5,251	654	682	414
		Rate of Gap	9.3%	17.9%	18.0%	16.1%
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q3 to Q4 FY10/2023CoE	8-Dec-22	Q4 Results	61,600	4,150	4,300	2,920
Q3 to Q4 FY10/2023CoE	2-Mar-23	Q1 Results	61,600	4,150	4,300	2,920
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Q3 to Q4 FY10/2023CoE	5-Jun-23	Q2 Results	61,149	3,796	4,018	2,706
		Amount of Gap	(451)	(354)	(282)	(214)
		Rate of Gap	(0.7%)	(8.5%)	(6.6%)	(7.3%)
Q3 to Q4 FY10/2023CoE	5-Sep-23	Q3 Results	61,149	3,796	4,018	2,706
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Q3 to Q4 FY10/2023Act	7-Dec-23	Q4 Results	63,116	4,062	4,288	2,926
		Amount of Gap	1,967	266	270	220
		Rate of Gap	3.2%	7.0%	6.7%	8.1%
Q3 to Q4 FY10/2023CoE	8-Dec-22	Q4 Results	61,600	4,150	4,300	2,920
Q3 to Q4 FY10/2023Act	7-Dec-23	Q4 Results	63,116	4,062	4,288	2,926
		Amount of Gap	1,516	(88)	(12)	6
		Rate of Gap	2.5%	(2.1%)	(0.3%)	0.2%

Source: Company Data, WRJ Calculation



Source: Company Data, WRJ Calculation

The solid performance for FY10/2023 is attributed to steady contribution of FA cables, which is the Company's largest source of earnings in terms of sales by category (on a parent basis) as well as significant growth in sales of power cables. For FA cables, there is an aspect of demand having stagnated with respect to semiconductor production equipment and machine tools, which was more than compensated for by a recovery in demand associated with auto production lines, driven by the impact of recent easing of semiconductor shortages. Meanwhile, for power cables, the Company has been steadily capturing demand associated with large-scale projects such as those of constructing semiconductor plants and data centers. With respect to copper prices, the average came in at ¥1,232,000 (up 3.1% YoY) per ton, having risen only modestly. For FY10/2024, Company forecasts assume ¥1,250,000 (up 1.5% YoY) per ton and the same throughout the period of the midterm management plan.

Meanwhile, for the actual results of FY10/2023, gross profit came in at ¥18,680m (up 9.3%) and SG&A expenses ¥10,313m (up 7.1%), implying gross profit margin of 14.9% (down 0.1% point) and SG&A ratio of 8.2% (down 0.2% points), having resulted in operating profit margin of 6.7% (up 0.1% point). In other words, while the levels of gross profit margin have been basically maintained, the Company has successfully controlled SG&A expenses, having realized a trend of edging up in operating profit margin. In fact, SG&A expenses were on the rise due to rises in sales promotion expenses as a result of normalization of sales activities after the Corona disaster, personnel costs due to pay rise and logistics costs. Still, the ratio to sales (SG&A ratio) was less than 9% all to nothing, which is a goal laid out by the Company. By the way, the Company's performance mentioned so far hinges basically on that of the parent company (accounting for 94.2% of the Company's sales), while the details of each category in sales by category (on a parent basis) are as follows:

FA Cables (33.0% of sales)

For FY10/2023, sales of FA cables came in at ¥38,859m (up 6.1%), while FY10/2024 Company forecasts are going for prospective sales of ¥39,600m (up 1.9%). FA cables or so-called private-sector-capex-related are adopted in domains of semiconductor/LCD production facilities, automotive facilities, machine tools and industrial machinery. Amongst others, FA cables are often used in areas surrounding factory automation (FA) such as robot-related within all those facilities and thus they are named after this feature. Meanwhile, FA cables have a high added value with the aforementioned backgrounds and thus being less exposed to cost of copper out of cost of sales to a corresponding extent, which leads to a fact that changes in copper prices have a fairly limited impact to performance in terms of relative comparison.

Power Cables (36.9% of sales)

For FY10/2023, sales of power cables came in at ¥43,438m (up 14.7%), while FY10/2024 Company forecasts are going for prospective sales of ¥44,000m (up 2.2%). Power cables or so-called construction-related are used to supply electric power for all types of architectures. The exposure to cost of copper out of cost of sales is said to be as high as some 80%, suggesting a low level of added value and thus that of gross profit margin, relatively speaking. The “cost of copper” here is principally determined by trends of “copper prices” and the Company has established a scheme whereby the “cost of copper” is reflected in its unit selling prices after a certain time lag. However, in the actual process of being reflected in unit selling prices, this scheme does not always work as expected, because the process is inevitably exposed also to a state of supply-demand balance all the time.

“Copper prices” represents standard value of three nines electrolyte copper after electrolyte refining, i.e., market prices of copper decided and quoted in terms of yen by JX Nippon Mining & Metals Corporation (wholly owned by ENEOS Holdings, Inc.), based on transaction prices of copper quoted by London Metal Exchange in terms of local currency (thereby changes in currency exchange fluctuation also being influential). The Company adopts moving average cost method in evaluating inventory (purchased merchandises) and thus increased purchase prices are immediately passed on to cost of sales, while the same applies to changes in copper prices to purchase prices as far as we could see. However, it takes a while to pass that on to the Company’s unit selling prices, implying that power cables see gross profit margin being under pressure when copper prices are rising at least theoretically. Meanwhile, the Company says that the converse is also true. By the way, copper prices have risen only modestly for the actual results of FY10/2023, as above-mentioned, but selling prices have risen sharply due to a tight supply-demand balance, which is driving the rate of sales growth to more than a certain extent, according to the Company.

Covered Cables (9.7% of sales)

For FY10/2023, sales of covered cables came in at ¥11,444m (up 10.4%), while FY10/2024 Company forecasts are going for prospective sales of ¥11,600m (up 1.4%). Covered cables are of so-called construction-related just like the above-mentioned power cables. The difference between the two is whether they are applied for trunk lines or branch lines (and/or for housings), respectively, power cables and covered cables. Meanwhile, a scheme basically the same as that of the above-mentioned power cables has been introduced to cope with changes of copper prices.

Other Cables (5.2% of sales)

For FY10/2023, sales of other cables came in at ¥6,145m (up 13.1%), while FY10/2024 Company forecasts are going for prospective sales of ¥6,200m (up 0.9%). Other cables are of stocking and selling for so-called bare electric cables, purchasing them from major manufacturers of electric cables to sell to smaller ones. Effectively, the Company simply trades copper itself in a sense, creating very low added value and thus gross profit margin.

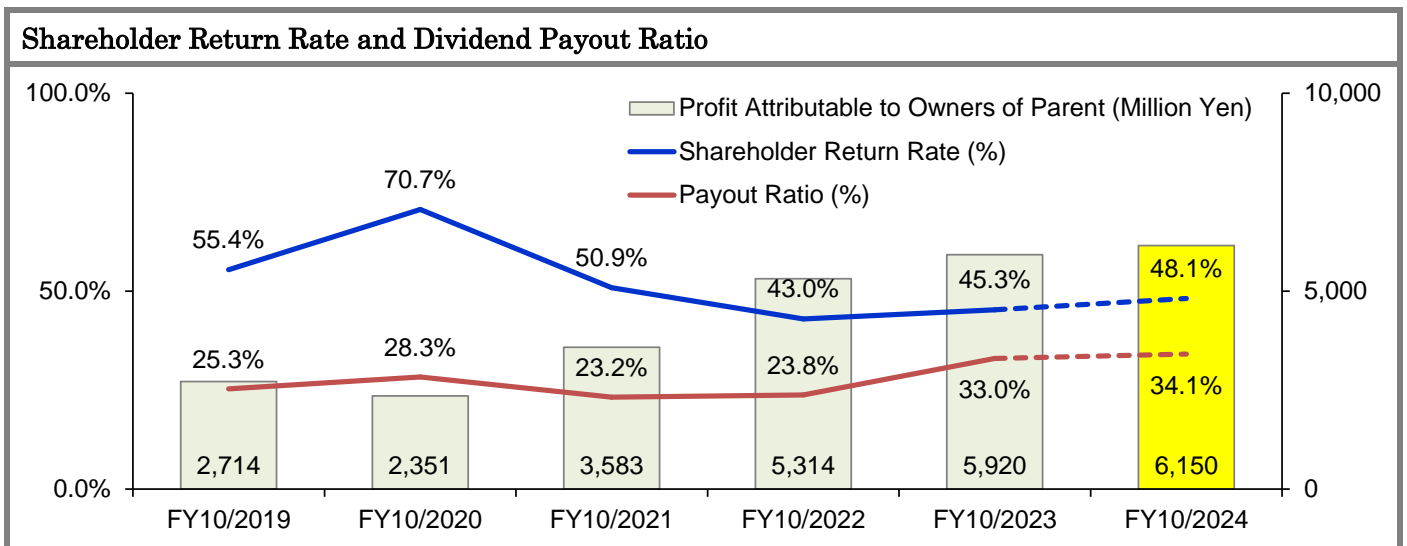
Non-Cables (15.2% of sales)

For FY10/2023, sales of non-cables came in at ¥17,883m (up 5.6%), while FY10/2024 Company forecasts are going for prospective sales of ¥18,200m (up 1.8%). For non-cables, the Company sees sales, not being included in the above-mentioned categories of sales by category (on a parent basis), i.e., those of stocking and selling for electric cables. According to the Company, sales of non-cables comprise those of diverse merchandises related to harness processing, natural energy (e.g., photovoltaics) and many other items. For example, the Company is deeply involved with cable assembly for the operations of harness processing, while being in charge of sales promotions of its proprietary products, represented by Abil Heater (subterranean heated vinyl lines for agricultural use). Thus non-cables carry the highest gross profit margin second only to FA cables, according to the Company.

Shareholder Return

For the actual results of FY10/2023, the Company has paid an annual dividend of ¥110 (¥50 as of the end of Q2 and ¥60 as of the end of Q4) per share, while planning to pay an annual dividend of ¥120 (¥60 as of the end of Q2 and ¥60 as of the end of Q4) per share in FY10/2024. Company forecasts or enacting an increase of ¥10 per share. As a result, the Company is to increase dividend for 11 years in a row, while an annual dividend of ¥120 per share implies payout ratio of 34.1% and 48.1% for shareholder return rate, including the impact of share buyback planned for the relevant period.

In light of a tendency that the Company is not to change the ratio and/or the rate from the levels in the previous year, it should be the case that it intends to increase dividend to an extent of corresponding to the levels of increase in earnings. Still, given the fact that net cash stood at ¥27,678m, the highest ever, as of the end of FY10/2023, it appears that there is a room for further share buyback in a short-term view and from a long-term perspective as well.



Source: Company Data, WRJ Calculation

Currently, the Company is in the process of acquiring its own shares (maximum total number of shares that can be acquired: 270,000 and/or maximum total acquisition cost: ¥1,000m) for the period from 10 October 2023 to 30 April 2024, while having had cancelled its own shares (1,500,000 in the number) on 14 December 2023 as planned, which results in 19,500,000 for the number of shares outstanding at present. The background to this is that the number of own shares held as treasury shares has increased up to 3,303,008 versus 21,000,000 for the number of shares outstanding as of the end of FY10/2023 due to share buyback implemented for 6 years in a row by then.

Meanwhile, during the period of FY10/2023, the largest shareholder changed from SWCC Corporation to Motohide Nishimura, the Company's representative director and president. After retroactive adjustments for the one-for-two share split that took effect at the beginning of the fiscal year, i.e., on 1 November 2022, the number of shares held by SWCC Corporation (formerly, SWCC SHOWA HOLDINGS CO., LTD.) stood at 2,000,000 as of the end of FY10/2022, equating 11.17% of the number of shares outstanding but for treasury shares versus 850,000 equating 4.80% as of the end of FY10/2023, due to sale of shares as many as 1,150,000 in the number during the relevant period. For Nishimura, the number of shares held and the holding ratio have generally remained unchanged from 1,584,000 and 8.86% to 1,589,000 and 8.98%.

Income Statement (Cumulative/Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1 to Q4	Net Chg.
	10/2022	10/2022	10/2022	10/2022	10/2023	10/2023	10/2023	10/2023	10/2023	
Sales	27,161	55,154	83,548	113,633	29,764	61,851	92,859	124,967		+11,334
Cost of Sales	23,168	46,962	71,189	96,539	25,119	52,447	78,798	106,287		+9,748
Gross Profit	3,993	8,191	12,358	17,093	4,645	9,404	14,061	18,680		+1,587
SG&A Expenses	2,334	4,655	7,092	9,629	2,497	5,099	7,718	10,313		+684
Operating Profit	1,658	3,536	5,266	7,464	2,147	4,304	6,342	8,366		+902
Non Operating Balance	108	177	333	430	117	178	297	404		(26)
Recurring Profit	1,766	3,713	5,598	7,894	2,263	4,482	6,640	8,770		+876
Extraordinary Balance	-	-	(15)	(15)	-	-	0	(3)		+12
Profit before Income Taxes	1,766	3,713	5,582	7,878	2,263	4,482	6,640	8,766		+888
Total Income Taxes	556	1,191	1,774	2,508	726	1,458	2,132	2,788		+280
NP Belonging to Non-Controlling SHs	15	29	43	55	16	29	45	57		+2
Profit Attributable to Owners of Parent	1,194	2,491	3,764	5,314	1,520	2,994	4,461	5,920		+606
Sales YoY	+33.5%	+28.3%	+25.5%	+22.9%	+9.6%	+12.1%	+11.1%	+10.0%		-
Operating Profit YoY	+130.2%	+85.6%	+62.3%	+57.4%	+29.4%	+21.7%	+20.4%	+12.1%		-
Recurring Profit YoY	+115.7%	+77.6%	+59.7%	+57.8%	+28.2%	+20.7%	+18.6%	+11.1%		-
Profit Attributable to Owners of Parent YoY	+117.3%	+72.7%	+50.4%	+48.3%	+27.3%	+20.2%	+18.5%	+11.4%		-
Gross Profit Margin	14.7%	14.9%	14.8%	15.0%	15.6%	15.2%	15.1%	14.9%		(0.1%)
SG&A Ratio	8.6%	8.5%	8.5%	8.4%	8.4%	8.2%	8.3%	8.2%		(0.3%)
Operating Profit Margin	6.1%	6.4%	6.3%	6.6%	7.2%	7.0%	6.8%	6.7%		+0.1%
Recurring Profit Margin	6.5%	6.7%	6.7%	6.9%	7.6%	7.2%	7.2%	7.0%		+0.1%
Profit Attributable to Owners of Parent Margin	4.4%	4.5%	4.5%	4.7%	5.1%	4.8%	4.8%	4.7%		+0.0%
Tax Charges etc. / Pretax Profit	31.5%	32.1%	31.8%	31.8%	32.1%	32.5%	32.1%	31.8%		+0.0%
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4	Net Chg.
	10/2022	10/2022	10/2022	10/2022	10/2023	10/2023	10/2023	10/2023	10/2023	
Sales	27,161	27,993	28,394	30,085	29,764	32,087	31,008	32,108		+2,023
Cost of Sales	23,168	23,794	24,227	25,350	25,119	27,328	26,351	27,489		+2,139
Gross Profit	3,993	4,198	4,167	4,735	4,645	4,759	4,657	4,619		(116)
SG&A Expenses	2,334	2,321	2,437	2,537	2,497	2,602	2,619	2,595		+58
Operating Profit	1,658	1,878	1,730	2,198	2,147	2,157	2,038	2,024		(174)
Non Operating Balance	108	69	156	97	117	61	119	107		+10
Recurring Profit	1,766	1,947	1,885	2,296	2,263	2,219	2,158	2,130		(166)
Extraordinary Balance	-	-	(15)	0	-	-	0	(3)		(3)
Profit before Income Taxes	1,766	1,947	1,869	2,296	2,263	2,219	2,158	2,126		(170)
Total Income Taxes	556	635	583	734	726	732	674	656		(78)
NP Belonging to Non-Controlling SHs	15	14	14	12	16	13	16	12		-
Profit Attributable to Owners of Parent	1,194	1,297	1,273	1,550	1,520	1,474	1,467	1,459		(91)
Sales YoY	+33.5%	+23.8%	+20.3%	+16.2%	+9.6%	+14.6%	+9.2%	+6.7%		-
Operating Profit YoY	+130.2%	+58.5%	+29.3%	+46.5%	+29.4%	+14.9%	+17.8%	(7.9%)		-
Recurring Profit YoY	+115.7%	+53.2%	+33.1%	+53.3%	+28.2%	+14.0%	+14.5%	(7.2%)		-
Profit Attributable to Owners of Parent YoY	+117.3%	+45.2%	+20.0%	+43.5%	+27.3%	+13.6%	+15.2%	(5.9%)		-
Gross Profit Margin	14.7%	15.0%	14.7%	15.7%	15.6%	14.8%	15.0%	14.4%		(1.3%)
SG&A Ratio	8.6%	8.3%	8.6%	8.4%	8.4%	8.1%	8.4%	8.1%		(0.3%)
Operating Profit Margin	6.1%	6.7%	6.1%	7.3%	7.2%	6.7%	6.6%	6.3%		(1.0%)
Recurring Profit Margin	6.5%	7.0%	6.6%	7.6%	7.6%	6.9%	7.0%	6.6%		(1.0%)
Profit Attributable to Owners of Parent Margin	4.4%	4.6%	4.5%	5.2%	5.1%	4.6%	4.7%	4.5%		(0.7%)
Tax Charges etc. / Pretax Profit	31.5%	32.6%	31.2%	32.0%	32.1%	33.0%	31.2%	30.9%		(1.1%)

Source: Company Data, WRJ Calculation

Sales by Category (Cumulative/Quarterly)

Sales by Category	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1 to Q4	Net Chg.
	10/2022	10/2022	10/2022	10/2022	10/2023	10/2023	10/2023	10/2023	10/2023	
FA Cables	8,575	17,632	26,877	36,618	9,585	19,641	29,356	38,859	38,859	+2,241
Power Cables	9,256	18,746	27,767	37,865	9,838	20,886	31,344	43,438	43,438	+5,573
Covered Cables	2,601	5,138	7,699	10,371	2,734	5,641	8,510	11,444	11,444	+1,073
Other Cables	1,322	2,714	4,110	5,436	1,473	3,138	4,789	6,145	6,145	+709
Non-Cables	4,038	8,048	12,374	16,929	4,464	9,063	13,541	17,883	17,883	+954
Sales (on a Parent basis)	25,794	52,280	78,827	107,221	28,095	58,371	87,542	117,772	117,772	+10,551
Consolidated Add-ons	1,367	2,874	4,721	6,412	1,669	3,480	5,317	7,195	7,195	+783
Sales	27,161	55,154	83,548	113,633	29,764	61,851	92,859	124,967	124,967	+11,334
FA Cables	+37.0%	+31.4%	+27.9%	+24.8%	+11.8%	+11.4%	+9.2%	+6.1%	+6.1%	-
Power Cables	+33.7%	+30.0%	+25.4%	+22.2%	+6.3%	+11.4%	+12.9%	+14.7%	+14.7%	-
Covered Cables	+33.0%	+23.9%	+20.5%	+16.9%	+5.1%	+9.8%	+10.5%	+10.4%	+10.4%	-
Other Cables	+42.0%	+33.7%	+23.5%	+19.4%	+11.4%	+15.6%	+16.5%	+13.1%	+13.1%	-
Non-Cables	+32.3%	+29.6%	+31.3%	+29.0%	+10.5%	+12.6%	+9.4%	+5.6%	+5.6%	-
Sales (on a Parent basis)	+34.9%	+30.0%	+26.6%	+23.4%	+8.9%	+11.7%	+11.1%	+9.8%	+9.8%	-
Consolidated Add-ons	+11.0%	+4.8%	+10.3%	+15.3%	+22.1%	+21.1%	+12.6%	+12.2%	+12.2%	-
Sales (YoY)	+33.4%	+28.3%	+25.5%	+22.9%	+9.6%	+12.1%	+11.1%	+10.0%	+10.0%	-
FA Cables	33.2%	33.7%	34.1%	34.2%	34.1%	33.6%	33.5%	33.0%	33.0%	-
Power Cables	35.9%	35.9%	35.2%	35.3%	35.0%	35.8%	35.8%	36.9%	36.9%	-
Covered Cables	10.1%	9.8%	9.8%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	-
Other Cables	5.1%	5.2%	5.2%	5.1%	5.2%	5.4%	5.5%	5.2%	5.2%	-
Non-Cables	15.7%	15.4%	15.7%	15.7%	15.9%	15.5%	15.5%	15.2%	15.2%	-
Sales (on a Parent basis)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-
Sales (on a Parent basis)	95.0%	94.8%	94.3%	94.4%	94.4%	94.4%	94.3%	94.2%	94.2%	-
Consolidated Add-ons	5.0%	5.2%	5.7%	5.6%	5.6%	5.6%	5.7%	5.8%	5.8%	-
Sales (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-
Sales by Category	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4	Net Chg.
	10/2022	10/2022	10/2022	10/2022	10/2023	10/2023	10/2023	10/2023	10/2023	
FA Cables	8,575	9,057	9,245	9,741	9,585	10,056	9,715	9,503	9,503	(238)
Power Cables	9,256	9,490	9,021	10,098	9,838	11,048	10,458	12,094	12,094	+1,996
Covered Cables	2,601	2,537	2,561	2,672	2,734	2,907	2,869	2,934	2,934	+262
Other Cables	1,322	1,392	1,396	1,326	1,473	1,665	1,651	1,356	1,356	+30
Non-Cables	4,038	4,010	4,326	4,555	4,464	4,599	4,478	4,342	4,342	(213)
Sales (on a Parent basis)	25,794	26,486	26,547	28,394	28,095	30,276	29,171	30,230	30,230	+1,836
Consolidated Add-ons	1,367	1,507	1,847	1,691	1,669	1,811	1,837	1,878	1,878	+187
Sales	27,161	27,993	28,394	30,085	29,764	32,087	31,008	32,108	32,108	+2,023
FA Cables	+37.0%	+26.4%	+21.8%	+16.8%	+11.8%	+11.0%	+5.1%	(2.4%)	(2.4%)	-
Power Cables	+33.7%	+26.5%	+16.9%	+14.0%	+6.3%	+16.4%	+15.9%	+19.8%	+19.8%	-
Covered Cables	+33.0%	+15.8%	+14.3%	+7.5%	+5.1%	+14.6%	+12.0%	+9.8%	+9.8%	-
Other Cables	+42.0%	+26.7%	+7.6%	+8.3%	+11.4%	+19.6%	+18.3%	+2.3%	+2.3%	-
Non-Cables	+32.3%	+27.1%	+34.4%	+23.1%	+10.5%	+14.7%	+3.5%	(4.7%)	(4.7%)	-
Sales (on a Parent basis)	+34.9%	+25.5%	+20.4%	+15.4%	+8.9%	+14.3%	+9.9%	+6.5%	+6.5%	-
Consolidated Add-ons	+11.0%	(0.3%)	+20.3%	+31.6%	+22.1%	+20.2%	(0.5%)	+11.1%	+11.1%	-
Sales (YoY)	+33.4%	+23.8%	+20.3%	+16.2%	+9.6%	+14.6%	+9.2%	+6.7%	+6.7%	-
FA Cables	33.2%	34.2%	34.8%	34.3%	34.1%	33.2%	33.3%	31.4%	31.4%	-
Power Cables	35.9%	35.8%	34.0%	35.6%	35.0%	36.5%	35.9%	40.0%	40.0%	-
Covered Cables	10.1%	9.6%	9.6%	9.4%	9.7%	9.6%	9.8%	9.7%	9.7%	-
Other Cables	5.1%	5.3%	5.3%	4.7%	5.2%	5.5%	5.7%	4.5%	4.5%	-
Non-Cables	15.7%	15.1%	16.3%	16.0%	15.9%	15.2%	15.4%	14.4%	14.4%	-
Sales (on a Parent basis)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-
Sales (on a Parent basis)	95.0%	94.6%	93.5%	94.4%	94.4%	94.4%	94.1%	94.2%	94.2%	-
Consolidated Add-ons	5.0%	5.4%	6.5%	5.6%	5.6%	5.6%	5.9%	5.8%	5.8%	-
Sales (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 10/2022	Q2 10/2022	Q3 10/2022	Q4 10/2022	Q1 10/2023	Q2 10/2023	Q3 10/2023	Q4 10/2023		
Cash and Deposit	27,588	27,806	27,004	27,165	26,601	26,966	27,094	28,534	+1,368	
Accounts Receivables	29,251	31,750	32,422	33,403	32,777	34,494	34,222	34,615	+1,212	
Inventory	5,643	6,827	7,189	7,063	7,795	8,370	8,420	7,418	+355	
Other	151	267	348	279	256	298	278	263	(16)	
Current Assets	62,633	66,650	66,963	67,910	67,429	70,128	70,014	70,830	+2,920	
Tangible Assets	17,183	17,580	17,831	17,779	18,022	18,685	18,681	20,355	+2,576	
Intangible Assets	127	290	314	339	344	330	317	303	(36)	
Investments and Other Assets	6,081	6,189	6,238	9,352	9,326	9,738	9,884	9,878	+526	
Fixed Assets	23,391	24,060	24,384	27,471	27,693	28,753	28,883	30,537	+3,065	
Total Assets	86,025	90,710	91,347	95,381	95,123	98,881	98,897	101,367	+5,986	
Accounts Payables	38,136	39,373	39,685	41,214	41,909	42,928	42,959	43,050	+1,836	
Short-Term Debt	105	430	497	651	642	635	694	696	+45	
Corporate Bond (less than one year)	-	-	14	114	114	114	114	64	(50)	
Other	1,894	3,177	2,687	3,943	2,318	3,666	2,728	3,903	(40)	
Current Liabilities	40,135	42,980	42,883	45,922	44,983	47,343	46,495	47,713	+1,791	
Corporate Bond	-	214	214	107	107	99	99	42	(64)	
Long-Term Debt	-	238	228	60	60	58	56	54	(5)	
Other	2,686	2,894	2,906	2,892	2,975	3,021	3,056	2,843	(49)	
Fixed Liabilities	2,686	3,346	3,348	3,059	3,142	3,178	3,211	2,939	(120)	
Total Liabilities	42,821	46,327	46,231	48,982	48,126	50,521	49,707	50,652	+1,670	
Shareholders' Equity	42,193	43,314	43,789	45,066	45,589	46,845	47,440	48,764	+3,697	
Other	1,010	1,069	1,326	1,333	1,407	1,514	1,750	1,950	+617	
Net Assets	43,203	44,383	45,115	46,399	46,996	48,359	49,190	50,714	+4,315	
Total Liabilities and Net Assets	86,025	90,710	91,347	95,381	95,123	98,881	98,897	101,367	+5,985	
Equity Capital	43,022	44,186	44,886	46,123	46,679	48,023	48,837	50,329	+4,206	
Interest Bearing Debt	105	882	953	711	923	906	963	856	+145	
Net Debt	(27,483)	(26,924)	(26,051)	(26,454)	(25,678)	(26,060)	(26,131)	(27,678)	(1,224)	
Capital Ratio	50.0%	48.7%	49.1%	48.4%	49.1%	48.6%	49.4%	49.7%	-	
Net Debt Equity Ratio	(63.9%)	(60.9%)	(58.0%)	(57.4%)	(55.0%)	(54.3%)	(53.5%)	(55.0%)	-	
ROE (12 months)	10.1%	10.9%	11.2%	12.0%	12.6%	12.6%	12.8%	12.3%	-	
ROA (12 months)	7.7%	7.9%	8.3%	8.8%	9.3%	9.1%	9.4%	8.9%	-	
Months for Inventory Turnover	0.62	0.73	0.76	0.70	0.79	0.78	0.81	0.69	-	
Quick Ratio	142%	139%	139%	132%	132%	130%	132%	132%	-	
Current Ratio	156%	155%	156%	148%	150%	148%	151%	148%	-	

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 10/2022	Q1 to Q2 10/2022	Q1 to Q3 10/2022	Q1 to Q4 10/2022	Q1 10/2023	Q1 to Q2 10/2023	Q1 to Q3 10/2023	Q1 to Q4 10/2023		
Operating Cash Flow	-	2,536	-	6,335	-	2,331	-	6,940	+605	
Investing Cash Flow	-	(187)	-	(3,727)	-	(1,213)	-	(3,116)	+611	
Operating Cash Flow and Investing Cash Flow	-	2,349	-	2,608	-	1,118	-	3,824	+1,216	
Financing Cash Flow	-	(972)	-	(2,091)	-	(1,322)	-	(2,400)	(309)	

Source: Company Data, WRJ Calculation

Disclaimer

Information here is a summary of “IR Information” of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. “IR Information” of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage, etc.

Company name: Walden Research Japan Incorporated

Head office: Level 4 Ginza Ishii Building, 6-14-8 Ginza Chuo-ku Tokyo 104-0061, JAPAN

URL: <https://walden.co.jp/>

E-mail: info@walden.co.jp

Tel: 81-(0)3-3553-3769
