

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)
FY10/2023		124,967	8,366	8,770	5,920	333.10	110.00	2,843.95
FY10/2024		136,153	10,349	10,761	7,578	432.12	130.00	3,165.42
FY10/2025CoE		140,000	11,000	11,200	7,700	444.01	140.00	-
FY10/2024	YoY	9.0%	23.7%	22.7%	28.0%	-	-	-
FY10/2025CoE	YoY	2.8%	6.3%	4.1%	1.6%	-	-	-
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 FY10/2024		66,125	5,104	5,327	3,674	-	-	-
Q3 to Q4 FY10/2024		70,028	5,245	5,434	3,904	-	-	-
Q1 to Q2 FY10/2025CoE		68,000	5,300	5,400	3,700	-	-	-
Q3 to Q4 FY10/2025CoE		72,000	5,700	5,800	4,000	-	-	-
Q1 to Q2 FY10/2025CoE	YoY	2.8%	3.8%	1.4%	0.7%	-	-	-
Q3 to Q4 FY10/2025CoE	YoY	2.8%	8.7%	6.7%	2.5%	-	-	-

Source: Company Data, WRJ Calculation

1.0 Executive Summary (21 January 2025)

Decoupling


SENSHU ELECTRIC, which focuses on developments of its business as electric wires general trading company, is calling for sustainable increases in sales and earnings from a long-term perspective, immediately after four consecutive years of the increases. For FY10/2024, the Company saw a stagnation in demand from some part of semiconductor production equipment and machine tools, belonging to the private capex realm, but it was more than compensated for by an increase in demand from automotive production lines, also belonging to the private capex realm, in addition to that of power cables and so on, belonging to the construction realm. The Company is exposed to a wide range of applications related to both of the private capex realm and the construction realm with the highest level of competitiveness in the market, which appears to realize so-called decoupling for the Company's performance in a sense. That is to say, the Company's performance and stagnation in some part of the applications to which it is exposed are not necessarily coupled. Furthermore, the Company has benefited from higher selling prices of electric wires for FY10/2024, driven by an increase in the Copper Prices and tighten supply-demand situations, which realized a substantial renewal of record-high sales and earnings. Meanwhile, the Company's midterm management plan (FY10/2025 to FY10/2027) suggests CAGR of 5.5% for sales and 6.5% for recurring profit during the relevant period, which is based on conservative assumptions, including probabilities of any risk more than a certain extent, as far as we are concerned, while the Company reveals its intention to strive to achieve all the goals at an earlier stage than the last year of the plan.

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

Industry Leader of Electric Wires General Trading Company

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 2024)	
No. of Shares	19,500,000 shares, including 2,058,223 treasury shares (as of the end of Oct. 2024)	
Main Features	<ul style="list-style-type: none"> ● Product assortment of electric wires more than 50,000 in the number of items ● FA cables, belonging to the private capex realm, the key earnings pillar ● Co-developments of original products with manufacturers of electric wires, smaller in size but high capability in technology 	
Representative	Representative Director and President: Motohide Nishimura	
Shareholders	Motohide Nishimura 9.13%, Master Trust Japan, T. 7.34%, Yoko Nishimura 5.43%, SWCC 4.54%, Custody Bank of Japan, T. 3.95%, BBH Fidelity Low-Priced Stock Fund 3.65%, Kyoko Takahashi 2.58% (as of the end of October 2024, but for treasury shares)	
Head Office	Suita-city, Osaka-prefecture, JAPAN	
No. of Personnel	Consolidated: 825, Parent:556 (as of the end of October 2024)	

Source: Company Data

3.0 Corporate Philosophy

Creating New Values

On 4 April 2022, the Company, which focuses on developments of its business as electric wires general trading company, was listed on Tokyo Stock Exchange Prime Market with transition to a new segmentation in the market. The Company claims it leads the said industry sector, comprising some 100 industry sector peer companies. Meanwhile, on 18 November 2024, the Company celebrated its 75th anniversary of establishment and it aims to become a 100-year company by furthermore strengthening its corporate structure based on its philosophy or founding spirit, going “create new values, demonstrate our abilities, strive for the developments 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) at the same time.

The Company also demonstrates an initiative-taking stance toward 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 wires" dealt in by itself correspond to "vascular and nervous system" in the human body and there are always "electric wires" wherever there is electricity and "electric wires" are indispensable products that support modern society, albeit being rather quiet. Based on this belief, the above-mentioned materiality is presented, according to the Company. Further details of the Company’s sustainability management are available in its [INTEGRATED REPORT 2024](#).

Three Business Models

The Company will create added value on a sustainable basis through its deep involvements with the three business models, i.e., JUST IN TIME System, original products and cable assembly. The Company, running sales promotions via its distribution warehouses (with the floor space of no less than collective 70,000 m²), based in 18 locations nationwide to cover Hokkaido to Okinawa in Japan, always stocks sufficient inventory required in each of them.



Source: Company Data

JUST IN TIME System

The Company adopts the framework of JUST IN TIME System in its mainstay operations of wholesaling electric wires, 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.

Original Products

With respect to FA cables, belonging to the private capex realm, the Company sees the highest added value in terms of sales by category of products on a parent basis (comprising FA cables, power cables, covered cables, other cables and non-cables) and thus carry the highest gross profit margin, resulting in an aspect that this category is the Company's key earnings pillar. On top of the fact that they are high value added in the first place, the Company is deeply involved with original products, which makes gross profit margin even higher to more than a certain extent. The Company co-develops original products together with manufacturers of electric wires smaller but equipped with high technical capabilities, catering to specific needs from each of end users, i.e., manufacturers of machines and robots that produces machine tools, autos, semiconductors, etc. (for semiconductor production equipment, machine tools / industrial machines, automotive production lines, etc.), which creates added value even higher to a corresponding extent and thus further raises gross profit margin for the category of FA cables.

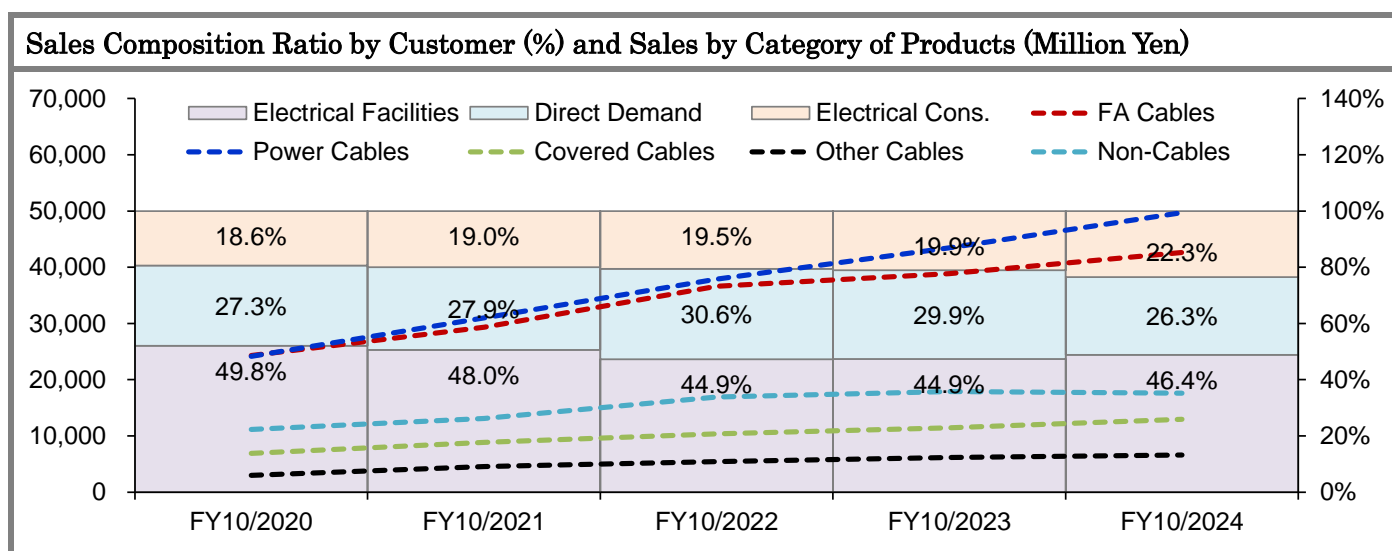
Cable Assembly (electric wire terminal processing)

The Company has facilities for cable assembly (electric wire terminal processing) in 7 locations out of the above-mentioned 18 distribution warehouses located across the board in Japan, developing its services of cable assembly (electric wire terminal processing) as well as control panel processing, etc. on a low-volume, high-mix and quick-delivery basis, in line with needs of end users, belonging to Direct Demand in terms of sales by customer, which brings in an addon value on top of wholesaling merchandises themselves to a corresponding extent for the Company.

Commercial Distribution of Electric Wires

The Company purchases electric wires more than 50,000 in the number of items, which is considered one of the largest in the industry sector, from more than 250 manufacturers of electric wires (mainly smaller ones), while selling them to a total of more than 3,700 customers in a wide range of business. The market for electric wires in Japan comprises that of direct sales from manufacturers of electric wires to end users, represented by telecom carriers, electric power companies, etc. and that of indirect sales via the Company and the other industry sector peer companies. In terms of shipment value, the former accounts for some 50% to 60% out of the market as a whole, while remaining 40% to 50% for the latter, according to the Company.

For FY10/2024, the Company saw sales of ¥136,153m (up 9.0% YoY) and recurring profit of ¥10,761m (up 22.7%), having achieved four consecutive years of increases in sales and earnings, while the parent company accounted for 95.1% of sales and 95.7% of recurring profit. It appears that consolidated add-ons have remained insignificant to date, stemming from 7 subsidiaries in Japan and 7 subsidiaries overseas in China, Taiwan, Thailand, Philippines, Vietnam and the United States. Meanwhile, the Company discloses details of commercial distribution in terms of sales by customer, i.e., Electrical Construction Companies, Direct Demand and Electrical Facilities Materials Sales Companies on a parent basis, which accounts for the majority of the Company's performance.



Source: Company Data, WRJ Calculation (on a parent basis)

Electrical Construction Companies (22.3% of sales)

Sales of Electrical Construction Companies are generated through commercial distribution to wholesale power cables and covered cables, belonging to the construction realm, to major electrical construction companies (generally, the largest 30 ones). All those so-called subcontractors (specialized construction companies that undertake electrical work and other work from general contractors) basically comprise KINDEN and the like affiliated with electric power companies, while they use power cables they purchase from the Company as trunk lines for electrical work on all types of building structures, including office buildings, condos, solar power facilities, factories and data centers. As for covered cables, they are used for branch lines and/or detached housing. In terms of sales composition ratio, the Company saw an ongoing increase from FY10/2020 to FY10/2024 for Electrical Construction Companies, having seen 22.3%, up 2.4% points on a year-on-year basis for FY10/2024.

Direct Demand (26.3% of sales)

It appears that not a little portion of sales of Direct Demand is generated through commercial distribution to directly sell FA cables, belonging to the private capex realm, to end users. In addition to this, it appears that a certain proportion of sales is generated from providing end users with a variety of products other than electric wires and services of cable assembly (electric wire terminal processing), belonging to non-cables in terms of sales by category of products. The said end users for Direct Demand are manufacturers of machines and robots that produces machine tools, autos, semiconductors, etc. (for semiconductor production equipment, machine tools / industrial machines, automotive production lines, etc.). In terms of sales composition ratio, the Company once saw an increase up to 30.6% for FY10/2022, which was followed by a decline for FY10/2023 and another one for FY10/2024, for Direct Demand, having seen 26.3%, down 3.6% points on a year-on-year basis for FY10/2024.

As above-mentioned, FA cables carry gross profit margin which is the highest in terms of sales by category of products, while non-cables being the highest second only to FA cables, according to the Company. In other words, it is suggested that Direct Demand carries gross profit margin which is the highest in terms of sales by customer. In light of this, the Company has set recovery and expansion of sales composition ratio of Direct Demand as one of its major management issues.

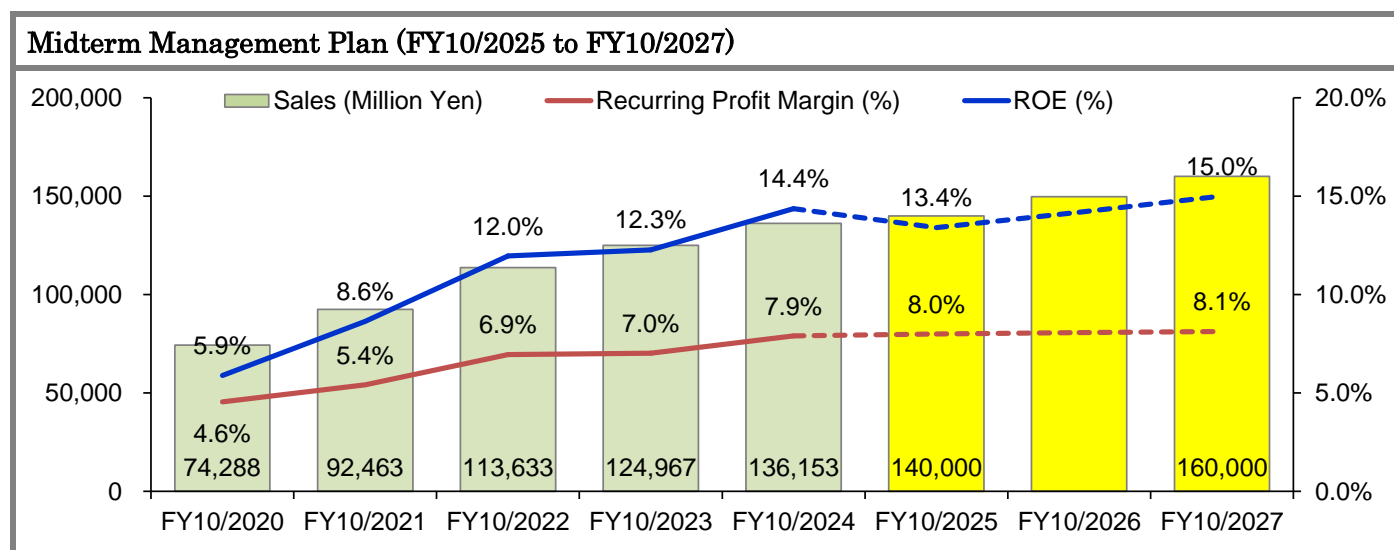
Electrical Facilities Materials Sales Companies (46.4% of sales)

It appears there is an aspect that sales of Electrical Facilities Materials Sales Companies are basically generated through commercial distribution to wholesale power cables and covered cables, belonging to the construction realm, to union-joined electrical facilities materials sales companies (some 1,100 in the number). In addition to this, sales are also generated from providing the said electrical facilities material sales companies with a wide range of products, belonging to FA cables and non-cables in terms of sales by category of products. Meanwhile, the said electrical facilities material sales companies sell the products they purchase from the Company to smaller electrical construction companies (some 60,000 in the number). That is to say, the Company wholesales electric wires, belonging to the construction realm, directly to major electrical construction companies (generally, the largest 30 ones), represented by the largest KINDEN, which is the commercial distribution from a perspective of the Company, while being exposed to commercial distribution via the union-joined electrical facilities materials sales companies (some 1,100 in the number) with respect to the smaller electrical construction companies (some 60,000 in the number). In terms of sales composition ratio, the Company saw a decline from a midterm perspective, i.e., when compared with the level of FY10/2020, for Electrical Facilities Materials Sales Companies, but a year-on-year recovery up to 46.4% for FY10/2024, up 1.5% points.

4.0 Recent Trading and Prospects

FY10/2024

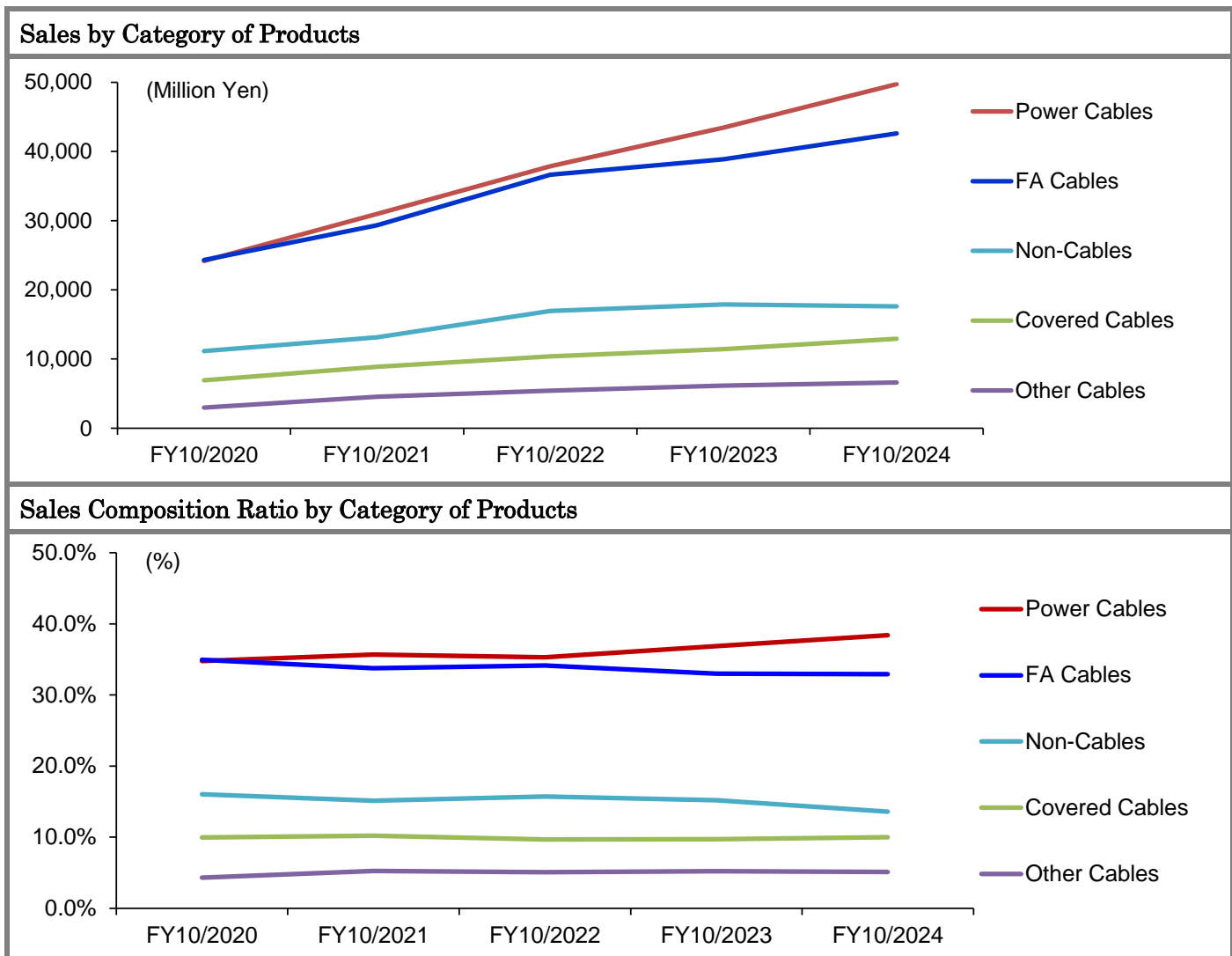
For FY10/2024, sales came in at ¥136,153m (up 9.0% YoY), operating profit ¥10,349m (up 23.7%), recurring profit ¥10,791m (up 22.7%) and profit attributable to owners of parent ¥7,578m (up 28.0%). Meanwhile, gross profit came in at ¥21,145m (up 13.2%) and SG&A expenses ¥10,795m (up 4.7%), implying gross profit margin of 15.5% (up 0.6% points) and SG&A ratio of 7.9% (down 0.3% points), having resulted in operating profit margin of 7.6% (up 0.9% points) versus recurring profit margin of 7.9% (up 0.9% points). Thus, the impact is rather limited at the non-operating level. In light to the fact that the range is not much for both income and expenses at the non-operating level to begin with, it is the case that the trend of underlying earnings are reflected not only in operating profit but also in recurring profit, as far as we could see.



Source: Company Data, WRJ Calculation

In the midterm management plan (FY10/2025 to FY10/2027), announced at the same time as the above results on 9 December 2024, the Company is calling for prospective sales of ¥160,000m, recurring profit of ¥13,000m and ROE of 15% or higher for FY10/2027, the final year of the plan. When setting the actual results of FY10/2024 as the point of origin, the plan suggests CAGR of 5.5% for sales and 6.5% for recurring profit. Meanwhile, the Company estimates its cost of capital being equated to 8% to 9%. If we simply compare this with the level of ROE for FY10/2024, the Company sees equity spread of no less than 5% points, while planning to further expand the equity spread from a long-term perspective.

The Company saw prices of copper, which is the main materials of electric wires for the Company to wholesale, at the average of ¥1,232,000 per ton in terms of the Copper Prices for FY10/2023, which was followed by ¥1,409,000 (up 14.4%) for FY10/2024, while FY10/2025 Company forecasts are going for ¥1,450,000 (up 2.9%). The 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 exchange rate also being influential). Meanwhile, the Company has established a scheme whereby changes in the Copper Prices are reflected in own selling prices of electric wires after a certain time lag.



Source: Company Data, WRJ Calculation (on a parent basis)

For FY10/2024, it was actually observed that the above-mentioned scheme being effectual and there were also some phases of short supply, having led to an increase in the Company's selling prices of electric wires to a corresponding extent to both of the factors. This is suggested to have made an improvement in gross profit margin. In terms of sales by category of products, the said impact is estimated to have been significant in particular for power cables and covered cables, belonging to the construction realm, each of whose cost of sales has a high exposure to cost of copper, the main materials of electric wires. The same is true for other cables, which represents wholesaling of bare electric wires. Sales of power cables came in at ¥49,724m (up 14.5%), sales of covered cables ¥12,944m (up 13.1%) and sales of other cables ¥6,604m (up 7.5%).

On the other hand, sales of FA cables, carrying gross profit margin which is the highest in terms of sales by category of products due mainly to high-value added (being not much exposed to cost of copper, the main materials of electric wires, out of the cost of sales) came in at ¥42,615m (up 9.7%), while sales of non-cables, carrying gross profit margin which is the highest second only to that, came in at ¥17,596m (down 1.6%). Consequently, the Company saw a decline in sales composition ratio by category of products for both of them, i.e., the constituents of sales for Direct Demand in terms of sales by customer and thus Direct Demand as well.

In light of the above-mentioned facts, the midterm management plan (FY10/2025 to FY10/2027) is coming out with business strategy to raise sales composition ratio of Direct Demand for FY10/2027, the final year of the plan, calling for 30% versus 26.3% for the actual results of FY10/2024.

With respect to FA cables, the Company is laying out a policy to strengthen developments of original products, while steadily capturing an expansion in demand associated with each of semiconductor production equipment, machine tools and automotive production lines. In particular, the Company looks to semiconductor production equipment to benefit from sustained strengths of AI-related demand. For FY10/2024, AI-related demand did expand, but this was rather offset by the impact of stock adjustments in some sale destinations, according to the Company. Regarding machine tools, the Company presumes the termination of inventory adjustments at sale destinations and the accompanying recovery in demand for the near future. Regarding automotive production lines, which have shown strengths for FY10/2024, the Company looks to a persistently increasing demand from batteries mounted in electric vehicles.

With respect to non-cables, the Company is laying out a policy to increase sales composition ratio from 13.6% to 17% during the period from FY10/2024 to FY10/2027. While strengthening provision of services such as cable assembly (electric wire terminal processing) and control panel processing, etc., the Company is to develop products, including those of own brand, and promote sales as well as cultivating new fields at the same time. The Company has introduced an example of its own brand products that are attributed to the cultivation of new fields, which are expected to reach sales of ¥1,000m from a midterm perspective, compared with sales of ¥17,596m regarding non-cables for FY10/2024. According to the Company, it has already developed and launched Soil Heater, a heated plastic line for agricultural use and this product is expected to see a steady increase in demand, as the said product contributes to reducing CO2 emissions by directly heating the soil in plastic greenhouses, etc., instead of using conventional fuel-burning boilers and also accelerates the growth of crops and thus increases the crop rotation rate (cycle) accordingly.

Income Statement (Cumulative/Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		YoY
(Million Yen)	10/2023	10/2023	10/2023	10/2023	10/2024	10/2024	10/2024	10/2024	10/2024	Net Chg.
Sales	29,764	61,851	92,859	124,967	33,744	66,125	99,151	136,153		+11,185
Cost of Sales	25,119	52,447	78,798	106,287	28,406	55,651	83,521	115,007		+8,720
Gross Profit	4,645	9,404	14,061	18,680	5,337	10,473	15,629	21,145		+2,465
SG&A Expenses	2,497	5,099	7,718	10,313	2,694	5,368	8,124	10,795		+481
Operating Profit	2,147	4,304	6,342	8,366	2,643	5,104	7,505	10,349		+1,983
Non Operating Balance	117	178	297	404	129	223	325	411		+7
Recurring Profit	2,263	4,482	6,640	8,770	2,772	5,327	7,829	10,761		+1,991
Extraordinary Balance	0	0	0	(3)	100	112	112	349		+352
Profit before Income Taxes	2,263	4,482	6,640	8,766	2,872	5,440	7,942	11,110		+2,343
Total Income Taxes	726	1,458	2,132	2,788	900	1,749	2,535	3,501		+713
NP Belonging to Non-Controlling SHs	16	29	45	57	12	16	22	31		(26)
Profit Attributable to Owners of Parent	1,520	2,994	4,461	5,920	1,958	3,674	5,384	7,578		+1,657
Sales YoY	+9.6%	+12.1%	+11.1%	+10.0%	+13.4%	+6.9%	+6.8%	+9.0%		-
Operating Profit YoY	+29.4%	+21.7%	+20.4%	+12.1%	+23.1%	+18.6%	+18.3%	+23.7%		-
Recurring Profit YoY	+28.2%	+20.7%	+18.6%	+11.1%	+22.5%	+18.8%	+17.9%	+22.7%		-
Profit Attributable to Owners of Parent YoY	+27.3%	+20.2%	+18.5%	+11.4%	+28.8%	+22.7%	+20.7%	+28.0%		-
Gross Profit Margin	15.6%	15.2%	15.1%	14.9%	15.8%	15.8%	15.8%	15.5%		+0.6%
SG&A Ratio	8.4%	8.2%	8.3%	8.2%	8.0%	8.1%	8.2%	7.9%		(0.3%)
Operating Profit Margin	7.2%	7.0%	6.8%	6.7%	7.8%	7.7%	7.6%	7.6%		+0.9%
Recurring Profit Margin	7.6%	7.2%	7.2%	7.0%	8.2%	8.1%	7.9%	7.9%		+0.9%
Profit Attributable to Owners of Parent Margin	5.1%	4.8%	4.8%	4.7%	5.8%	5.6%	5.4%	5.6%		+0.8%
Tax Charges etc. / Pretax Profit	32.1%	32.5%	32.1%	31.8%	31.3%	32.2%	31.9%	31.5%		(0.3%)
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		YoY
(Million Yen)	10/2023	10/2023	10/2023	10/2023	10/2024	10/2024	10/2024	10/2024	10/2024	Net Chg.
Sales	29,764	32,087	31,008	32,108	33,744	32,381	33,026	37,002		+4,894
Cost of Sales	25,119	27,328	26,351	27,489	28,406	27,245	27,870	31,486		+3,997
Gross Profit	4,645	4,759	4,657	4,619	5,337	5,136	5,156	5,516		+897
SG&A Expenses	2,497	2,602	2,619	2,595	2,694	2,674	2,756	2,671		+76
Operating Profit	2,147	2,157	2,038	2,024	2,643	2,461	2,401	2,844		+820
Non Operating Balance	117	61	119	107	129	94	102	86		(21)
Recurring Profit	2,263	2,219	2,158	2,130	2,772	2,555	2,502	2,932		+802
Extraordinary Balance	0	0	0	(3)	100	12	0	237		+240
Profit before Income Taxes	2,263	2,219	2,158	2,126	2,872	2,568	2,502	3,168		+1,042
Total Income Taxes	726	732	674	656	900	849	786	966		+310
NP Belonging to Non-Controlling SHs	16	13	16	12	12	4	6	9		(3)
Profit Attributable to Owners of Parent	1,520	1,474	1,467	1,459	1,958	1,716	1,710	2,194		+735
Sales YoY	+9.6%	+14.6%	+9.2%	+6.7%	+13.4%	+0.9%	+6.5%	+15.2%		-
Operating Profit YoY	+29.4%	+14.9%	+17.8%	(7.9%)	+23.1%	+14.1%	+17.8%	+40.5%		-
Recurring Profit YoY	+28.2%	+14.0%	+14.5%	(7.2%)	+22.5%	+15.1%	+15.9%	+37.7%		-
Profit Attributable to Owners of Parent YoY	+27.3%	+13.6%	+15.2%	(5.9%)	+28.8%	+16.4%	+16.6%	+50.4%		-
Gross Profit Margin	15.6%	14.8%	15.0%	14.4%	15.8%	15.9%	15.6%	14.9%		+0.5%
SG&A Ratio	8.4%	8.1%	8.4%	8.1%	8.0%	8.3%	8.3%	7.2%		(0.9%)
Operating Profit Margin	7.2%	6.7%	6.6%	6.3%	7.8%	7.6%	7.3%	7.7%		+1.4%
Recurring Profit Margin	7.6%	6.9%	7.0%	6.6%	8.2%	7.9%	7.6%	7.9%		+1.3%
Profit Attributable to Owners of Parent Margin	5.1%	4.6%	4.7%	4.5%	5.8%	5.3%	5.2%	5.9%		+1.4%
Tax Charges etc. / Pretax Profit	32.1%	33.0%	31.2%	30.9%	31.3%	33.1%	31.4%	30.5%		(0.4%)

Source: Company Data, WRJ Calculation

Sales by Category of Products (Cumulative/Quarterly)

Sales by Category of Products	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		Net Chg.
	10/2023	10/2023	10/2023	10/2023	10/2024	10/2024	10/2024	10/2024	10/2024	
FA Cables	9,585	19,641	29,356	38,859	11,540	21,847	32,098	42,615		+3,756
Power Cables	9,838	20,886	31,344	43,438	11,537	22,891	34,528	49,724		+6,286
Covered Cables	2,734	5,641	8,510	11,444	3,198	6,439	9,596	12,944		+1,500
Other Cables	1,473	3,138	4,789	6,145	1,410	3,140	5,096	6,604		+459
Non-Cables	4,464	9,063	13,541	17,883	4,354	8,461	12,874	17,596		(287)
Sales (on a parent basis)	28,095	58,371	87,542	117,772	32,042	62,780	94,194	129,485		+11,713
Consolidated Addons	1,669	3,480	5,317	7,195	1,702	3,345	4,957	6,668		(527)
Sales	29,764	61,851	92,859	124,967	33,744	66,125	99,151	136,153		+11,186
FA Cables	+11.8%	+11.4%	+9.2%	+6.1%	+20.4%	+11.2%	+9.3%	+9.7%		-
Power Cables	+6.3%	+11.4%	+12.9%	+14.7%	+17.3%	+9.6%	+10.2%	+14.5%		-
Covered Cables	+5.1%	+9.8%	+10.5%	+10.4%	+17.0%	+14.1%	+12.8%	+13.1%		-
Other Cables	+11.4%	+15.6%	+16.5%	+13.1%	(4.3%)	+0.1%	+6.4%	+7.5%		-
Non-Cables	+10.5%	+12.6%	+9.4%	+5.6%	(2.5%)	(6.6%)	(4.9%)	(1.6%)		-
Sales (on a parent basis)	+8.9%	+11.7%	+11.1%	+9.8%	+14.0%	+7.6%	+7.6%	+9.9%		-
Consolidated Addons	+22.1%	+21.1%	+12.6%	+12.2%	+2.0%	(3.9%)	(6.8%)	(7.3%)		-
Sales (YoY)	+9.6%	+12.1%	+11.1%	+10.0%	+13.4%	+6.9%	+6.8%	+9.0%		-
FA Cables	34.1%	33.6%	33.5%	33.0%	36.0%	34.8%	34.1%	32.9%		-
Power Cables	35.0%	35.8%	35.8%	36.9%	36.0%	36.5%	36.7%	38.4%		-
Covered Cables	9.7%	9.7%	9.7%	9.7%	10.0%	10.3%	10.2%	10.0%		-
Other Cables	5.2%	5.4%	5.5%	5.2%	4.4%	4.9%	5.4%	5.1%		-
Non-Cables	15.9%	15.5%	15.5%	15.2%	13.6%	13.5%	13.6%	13.6%		-
Sales (on a parent basis)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		-
Sales (on a parent basis)	94.4%	94.4%	94.3%	94.2%	95.0%	94.9%	95.0%	95.1%		-
Consolidated Addons	5.6%	5.6%	5.7%	5.8%	5.0%	5.1%	5.0%	4.9%		-
Sales (composition ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		-
Sales by Category of Products	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		Net Chg.
	10/2023	10/2023	10/2023	10/2023	10/2024	10/2024	10/2024	10/2024	10/2024	
FA Cables	9,585	10,056	9,715	9,503	11,540	10,307	10,251	10,517		+1,014
Power Cables	9,838	11,048	10,458	12,094	11,537	11,354	11,637	15,196		+3,102
Covered Cables	2,734	2,907	2,869	2,934	3,198	3,241	3,157	3,348		+414
Other Cables	1,473	1,665	1,651	1,356	1,410	1,730	1,956	1,508		+152
Non-Cables	4,464	4,599	4,478	4,342	4,354	4,107	4,413	4,722		+380
Sales (on a parent basis)	28,095	30,276	29,171	30,230	32,042	30,738	31,414	35,291		+5,061
Consolidated Addons	1,669	1,811	1,837	1,878	1,702	1,643	1,612	1,711		(167)
Sales	29,764	32,087	31,008	32,108	33,744	32,381	33,026	37,002		+4,894
FA Cables	+11.8%	+11.0%	+5.1%	(2.4%)	+20.4%	+2.5%	+5.5%	+10.7%		-
Power Cables	+6.3%	+16.4%	+15.9%	+19.8%	+17.3%	+2.8%	+11.3%	+25.6%		-
Covered Cables	+5.1%	+14.6%	+12.0%	+9.8%	+17.0%	+11.5%	+10.0%	+14.1%		-
Other Cables	+11.4%	+19.6%	+18.3%	+2.3%	(4.3%)	+3.9%	+18.5%	+11.2%		-
Non-Cables	+10.5%	+14.7%	+3.5%	(4.7%)	(2.5%)	(10.7%)	(1.5%)	+8.8%		-
Sales (on a parent basis)	+8.9%	+14.3%	+9.9%	+6.5%	+14.0%	+1.5%	+7.7%	+16.7%		-
Consolidated Addons	+22.1%	+20.2%	(0.5%)	+11.1%	+2.0%	(9.3%)	(12.2%)	(8.9%)		-
Sales (YoY)	+9.6%	+14.6%	+9.2%	+6.7%	+13.4%	+0.9%	+6.5%	+15.2%		-
FA Cables	34.1%	33.2%	33.3%	31.4%	36.0%	33.5%	32.6%	29.8%		-
Power Cables	35.0%	36.5%	35.9%	40.0%	36.0%	36.9%	37.0%	43.1%		-
Covered Cables	9.7%	9.6%	9.8%	9.7%	10.0%	10.5%	10.0%	9.5%		-
Other Cables	5.2%	5.5%	5.7%	4.5%	4.4%	5.6%	6.2%	4.3%		-
Non-Cables	15.9%	15.2%	15.4%	14.4%	13.6%	13.4%	14.0%	13.4%		-
Sales (on a parent basis)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		-
Sales (on a parent basis)	94.4%	94.4%	94.1%	94.2%	95.0%	94.9%	95.1%	95.4%		-
Consolidated Addons	5.6%	5.6%	5.9%	5.8%	5.0%	5.1%	4.9%	4.6%		-
Sales (composition ratio)	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 10/2023	Q2 10/2023	Q3 10/2023	Q4 10/2023	Q1 10/2024	Q2 10/2024	Q3 10/2024	Q4 10/2024		
Cash and Deposit	26,601	26,966	27,094	28,534	28,596	28,828	26,336	30,513	+1,979	
Accounts Receivables	32,777	34,494	34,222	34,615	35,627	35,990	36,366	39,600	+4,985	
Inventory	7,795	8,370	8,420	7,418	7,222	8,169	9,113	8,534	+1,116	
Other	256	298	278	263	209	314	310	795	+532	
Current Assets	67,429	70,128	70,014	70,830	71,654	73,301	72,126	79,442	+8,612	
Tangible Assets	18,022	18,685	18,681	20,355	20,702	21,498	21,963	21,887	+1,532	
Intangible Assets	344	330	317	303	290	269	256	245	(58)	
Investments and Other Assets	9,326	9,738	9,884	9,878	10,140	10,754	10,595	10,881	+1,002	
Fixed Assets	27,693	28,753	28,883	30,537	31,133	32,522	32,814	33,014	+2,477	
Total Assets	95,123	98,881	98,897	101,367	102,788	105,823	104,941	112,457	+11,089	
Accounts Payables	41,909	42,928	42,959	43,050	44,947	44,656	44,683	48,676	+5,626	
Short-Term Debt	642	635	694	696	733	726	426	381	(315)	
Corporate Bond (less than one year)	114	114	114	64	64	14	14	14	(50)	
Other	2,318	3,666	2,728	3,903	2,720	4,167	3,297	4,849	+946	
Current Liabilities	44,983	47,343	46,495	47,713	48,464	49,563	48,422	53,920	+6,207	
Corporate Bond	107	99	99	42	42	35	35	28	(14)	
Long-Term Debt	60	58	56	54	52	-	-	-	(54)	
Other	2,975	3,021	3,056	2,843	2,761	2,864	2,902	2,907	+64	
Fixed Liabilities	3,142	3,178	3,211	2,939	2,855	2,899	2,939	2,935	(3)	
Total Liabilities	48,126	50,521	49,707	50,652	51,320	52,462	51,361	56,856	+6,203	
Shareholders' Equity	45,589	46,845	47,440	48,764	49,216	50,731	51,014	53,038	+4,274	
Other	1,407	1,514	1,750	1,950	2,251	2,630	2,564	2,563	+613	
Net Assets	46,996	48,359	49,190	50,714	51,467	53,361	53,579	55,601	+4,886	
Total Liabilities and Net Assets	95,123	98,881	98,897	101,367	102,788	105,823	104,941	112,457	+11,089	
Equity Capital	46,679	48,023	48,837	50,329	51,065	52,982	53,195	55,210	+4,881	
Interest Bearing Debt	923	906	963	856	891	775	475	423	(433)	
Net Debt	(25,678)	(26,060)	(26,131)	(27,678)	(27,705)	(28,053)	(25,861)	(30,090)	(2,412)	
Capital Ratio	49.1%	48.6%	49.4%	49.7%	49.7%	50.1%	50.7%	49.1%	-	
Net Debt Equity Ratio	(55.0%)	(54.3%)	(53.5%)	(55.0%)	(54.3%)	(52.9%)	(48.6%)	(54.5%)	-	
ROE (12 months)	12.6%	12.6%	12.8%	12.3%	13.0%	13.1%	13.4%	14.4%	-	
ROA (12 months)	9.3%	9.1%	9.4%	8.9%	9.4%	9.4%	9.8%	10.1%	-	
Months for Inventory Turnover	0.79	0.78	0.81	0.69	0.64	0.76	0.83	0.69	-	
Quick Ratio	132%	130%	132%	132%	133%	131%	129%	130%	-	
Current Ratio	150%	148%	151%	148%	148%	148%	149%	147%	-	

Source: Company Data, WRJ Calculation

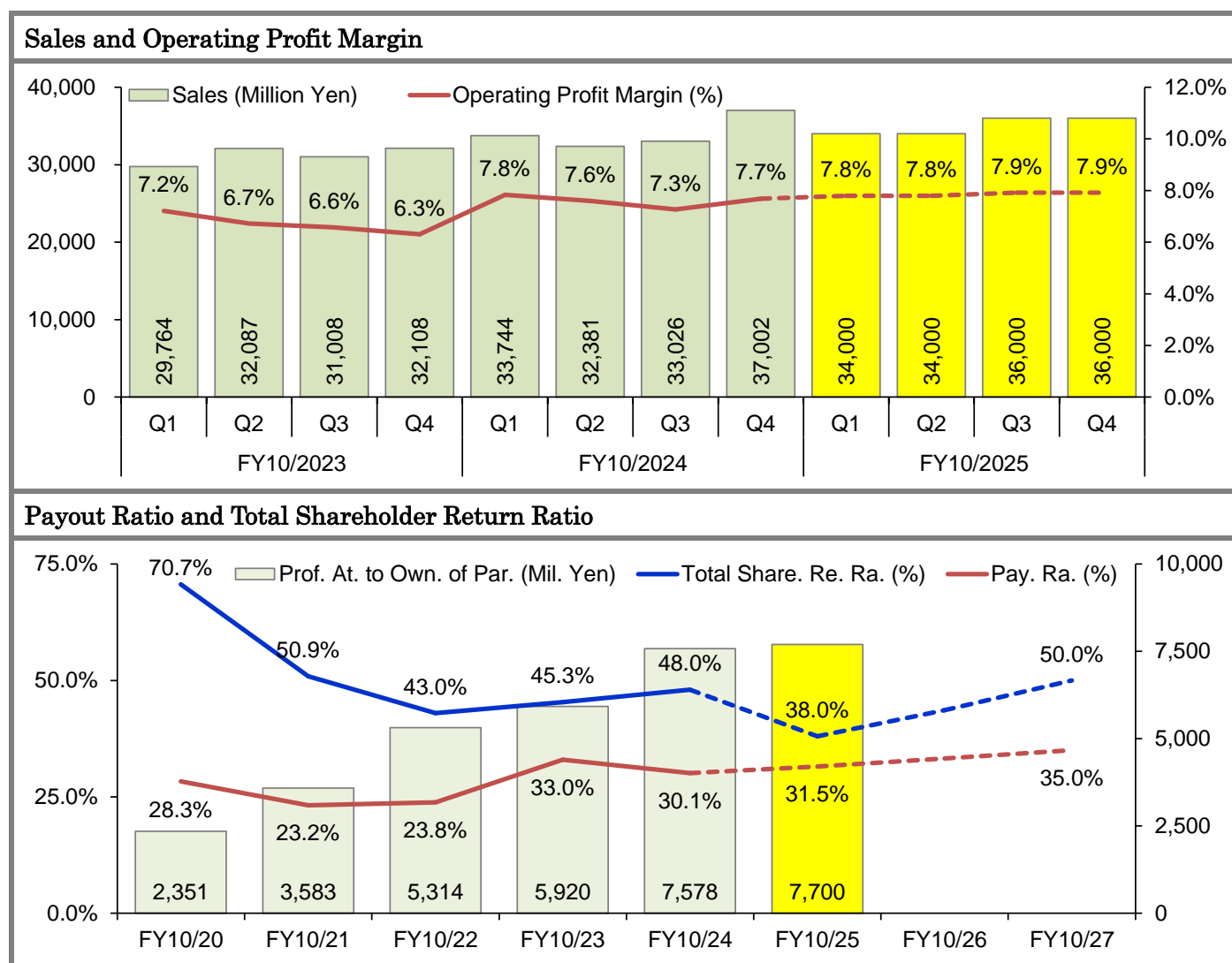
Cash Flow Statement (Cumulative)

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 10/2023	Q1 to Q2 10/2023	Q1 to Q3 10/2023	Q1 to Q4 10/2023	Q1 10/2024	Q1 to Q2 10/2024	Q1 to Q3 10/2024	Q1 to Q4 10/2024		
Operating Cash Flow	-	2,331	-	6,940	-	3,525	-	8,239	+1,299	
Investing Cash Flow	-	(1,213)	-	(3,116)	-	(1,405)	-	(2,542)	+574	
Operating CF and Investing CF	-	1,118	-	3,824	-	2,120	-	5,697	+1,873	
Financing Cash Flow	-	(1,322)	-	(2,400)	-	(1,911)	-	(3,882)	(1,482)	

Source: Company Data, WRJ Calculation

FY10/2025 Company Forecasts

FY10/2025 Company forecasts, announced on 9 December 2024, are going for prospective sales of ¥140,000m (up 2.8% YoY), operating profit of ¥11,000m (up 6.3%), recurring profit of ¥11,200m (up 4.1%) and profit attributable to owners of parent of ¥7,700m (up 1.6%), while operating profit margin of 7.9% (up 0.3% points). At the same time, Company forecasts are going for planned annual dividend of ¥140.00 per share (¥70.00 as of the end of Q2 and ¥70.00 as the end of year) for FY10/2025, which will be the 12th consecutive year of dividend increases. Compared with ¥130.00 per share for FY10/2024 (¥65.00 as of the end of Q2 and ¥65.00 as of the end of year), that is an increase of ¥10.00.



Source: Company Data, WRJ Calculation (quarters of FY10/2025: half-year Company forecasts, pro rata)

The planned annual dividend of ¥140.00 (¥70.00 as of the end of Q2 and ¥70.00 as the end of year) for FY10/2025 implies payout ratio of 31.5% and total shareholder return ratio of 38.0%. Meanwhile, the midterm management plan (FY10/2025 to FY10/2027) sets out the management target of achieving payout ratio of at least 35% and total shareholder return ratio of at least 50% for FY10/2027, the final year of the plan.

On the surface, it could be the case that the Company is to see shareholder return ratio temporarily declining for FY10/2025, but it appears that the Company is likely to eventually achieve the level of total shareholder return ratio as expected in the midterm management plan. At the moment, Company forecasts exclusively assume ongoing acquisitions of own shares, while the Company is likely to implement additional acquisitions of own shares by the end of year to do so. With the ongoing acquisitions of own shares, the Company plans to purchase common shares up to 100,000 in the number or ¥500m in the amount, equating to 0.57% of the shares outstanding (but for treasury shares), through 10 December 2024 to 30 April 2025. Furthermore, the Company has cancelled common shares of 1,000,000 in the number, equating to no less than 5.13% of the number of shares outstanding, on 16 December 2024, as planned.

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