Walden Research Japan

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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)
FY10/2024		136,153	10,349	10,761	7,578	432.12	130.00	3,165.42
FY10/2025		135,591	8,952	9,272	6,717	387.63	150.00	3,407.21
FY10/2026CoE		154,000	11,200	11,700	8,500	499.82	160.00	-
FY10/2025	YoY	(0.4%)	(13.5%)	(13.8%)	(11.4%)	-	-	-
FY10/2026CoE	YoY	13.6%	25.1%	26.2%	26.5%	-	-	-

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 FY10/2025		68,982	4,798	5,025	3,405	-	-	-
Q3 to Q4 FY10/2025		66,609	4,154	4,247	3,312	-	-	-
Q1 to Q2 FY10/2026		76,779	5,594	5,845	4,199	-	-	-
Q3 to Q4 FY10/2026CoE		77,221	5,606	5,855	4,301	-	-	-
Q1 to Q2 FY10/2026	YoY	11.3%	16.6%	16.3%	23.3%	-	-	-
Q3 to Q4 FY10/2026CoE	YoY	15.9%	35.0%	37.9%	29.9%	-	-	-

Source: Company data; calculations by WRJ

1.0 Executive Summary (6 July 2026)

A Turn to the Offensive Becoming Evident

At SENSHU ELECTRIC, one of Japan's leading general trading companies specializing in electric wires, the process of short-term earnings trends shifting from an adjustment phase to a recovery phase is becoming evident. The Company's sales are classified by client category into Electrical Materials, Electrical Facilities and Direct Demand, and by product category into FA Cables, Power Cables, Covered Cables, Other Cables and Non-Cables. In FY10/2025, demand recovery was delayed for semiconductor manufacturing equipment and machine tools, which fall under Direct Demand, while shipment volumes also remained sluggish in construction-related applications centered on Power Cables by product category, due to construction delays caused by soaring material costs and labor shortages. Meanwhile, in Q1 to Q2 (November-April) FY10/2026, in addition to demand recovery in Direct Demand, a sharp rise in the price of copper, the main raw material for electric wires, boosted sales of Power Cables and other products, resulting in increases in both sales and earnings. In addition, the Company has revised up its Company forecast for FY10/2026, and steady progress can be seen toward achieving the management targets set for FY10/2027, the final year of its medium-term management plan. Going forward, the Company plans to raise the sales composition ratios of Direct Demand, which has relatively high profitability, and Non-Cables, which are less susceptible to fluctuations in copper prices, while also strengthening shareholder returns, aiming to achieve sustainable growth and improve capital efficiency.

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2.0 Company Profile

One of Japan's Leading General Trading Companies Specializing in Electric Wires

Company Name	SENSHU ELECTRIC CO.,LTD. Company Information Investor Information Share Price (Japanese) SENSHU ELECTRIC CO.,LTD.
Established	18 November 1949
Listing	4 April 2022: Tokyo Stock Exchange Prime Market (ticker: 9824) 9 November 2017: Tokyo Stock Exchange 1st section 8 November 2002: Tokyo Stock Exchange 2nd section 24 June 1991: Osaka Stock Exchange 2nd section
Capital	¥2,575m (as of the end of April 2026)
No. of Shares	18,000,000 shares, including 893,983 treasury shares (as of the end of April 2026)
Main Features	● Product assortment of more than 50,000 electric wire items ● FA Cables, the mainstay earnings pillar by product category ● Co-development of "Original Products" with smaller electric wire manufacturers with advanced technical capabilities
Representative	Representative Director and President: Motohide Nishimura
Main Shareholders	Master Trust Bank of Japan, T. 9.45%, Motohide Nishimura 9.34%, Yoko Nishimura 5.35%, BBH Fidelity Low-Priced Stock Fund 3.72%, Kyoko Takahashi 2.63%, AVI Japan Opportunity Trust 2.59%, SENSHU ELECTRIC Employee Shareholding Association 2.56% (as of the end of April 2026, excluding treasury shares)
Head Office	Suita City, Osaka Prefecture, JAPAN
No. of Personnel	Consolidated: 859, Average age: 39.3 (as of the end of April 2026)

Source: Company data

3.0 Corporate Philosophy

Create New Value

The Company, whose mainstay business is the development of operations as a general trading company specializing in electric wires, has set out its corporate philosophy as “We create new value, demonstrate ability, strive to develop our business, contribute to society, reward shareholders and provide benefits for our employees.” With regard to “create new value,” this is reflected in its stance of providing products and services that address customer needs in the growth fields positioned by the Company, including semiconductor manufacturing equipment, robotics, automotive, greenhouses, renewable energy and control panels. In addition, the Company is promoting value creation through its involvement in “Original Products” jointly developed with smaller electric wire manufacturers with advanced technical capabilities, as well as Cable Assembly (electric wire terminal processing), which addresses needs for small lots, multiple varieties and short lead times. With regard to “contribute to society,” the Company is advancing initiatives across the Group, including environmental conservation, respect for human rights, development of the workplace environment, stable supply of products and services, and strengthening of governance. With regard to “reward shareholders,” this is reflected in the continuation of shareholder returns through dividend increases and share buybacks.

Three Business Models

The Company states that its strength lies in its deep involvement in three business models, i.e., JUST IN TIME System, “Original Products” and Cable Assembly (electric wire terminal processing), and that it aims to continue creating added value on a sustainable basis. In addition, through 18 logistics bases located across Japan, with a total floor area of approximately 70,000 square meters, the Company maintains a product assortment of electric wires comprising more than 50,000 items and has established a structure capable of supplying the necessary products in the necessary quantities at the necessary time. Meanwhile, the Company also develops operations through seven subsidiaries in Japan and seven overseas subsidiaries in China, Taiwan, Thailand, the Philippines, Vietnam and the United States. However, in Q1 to Q2 (November-April) FY10/2026, the sales composition ratio on a parent basis was approximately 95%, indicating that earnings trends are largely dependent on trends on a parent basis.

Three Business Models (Strengths)

Source: Company data

JUST IN TIME System

In its mainstay wholesale sales of electric wires, the Company develops operations under the JUST IN TIME System, based on the motto of "delivering the necessary products, in the necessary quantities, at the necessary time." Electric wires come in a wide variety of types and are heavy products, making it difficult for customers to keep them in inventory in terms of storage space and theft risk. Through logistics bases located across Japan, the Company has established a structure to swiftly supply the electric wires required by customers.

"Original Products"

By product category, FA Cables constitute the mainstay earnings pillar, and the Company is deeply involved in "Original Products" in this category. FA (Factory Automation) Cables are used in machine tools, robotics, automobile production lines, semiconductor manufacturing equipment and other applications. In order to address specific needs in these applications, the Company jointly develops "Original Products" with smaller electric wire manufacturers with advanced technical capabilities. By client category, these initiatives are mainly targeted at customers belonging to Direct Demand, and the products are said to have functions according to applications, including resistance to oil, heat and water, as well as compliance with overseas certifications. In other words, the Company is not merely engaged in procurement and sales, but creates additional added value by capturing customer needs as an engineering trading company. In addition, amid demand recovery for semiconductor manufacturing equipment and machine tools, expansion of sales of "Original Products" represents one of the important initiatives toward improving profitability.

Cable Assembly

The Company has installed facilities for Cable Assembly (electric wire terminal processing) at 8 of its 18 logistics bases located across Japan. This is intended to address customer needs mainly belonging to Direct Demand by client category, and the Company provides services such as connecting electric wires and components, as well as assembling control panel boards using electric wires. In addition, sales arising from these services are recorded in Non-Cables by product category. Non-Cables are said to have the second-highest gross profit margin after FA Cables, and Cable Assembly (electric wire terminal processing) is positioned as one of the initiatives toward value creation and profitability improvement.

Commercial Distribution of Electric Wires

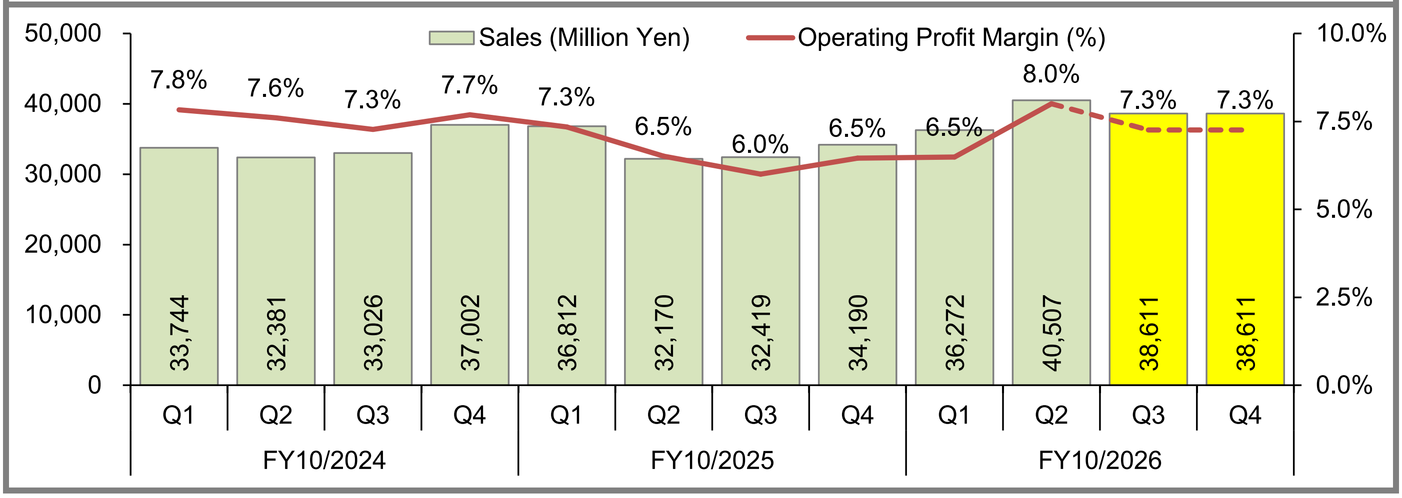
The Company's mainstay business is to purchase electric wires from electric wire manufacturers and sell them, or process and sell them. Of the electric wires manufactured by electric wire manufacturers, those for electric power companies, telecommunications applications such as NTT, and large-lot customers in steel, shipbuilding, automotive and electric machinery industries are mainly sold directly by electric wire manufacturers. Meanwhile, for electric wires used in general construction-related and housing-related applications, commercial distribution has been formed through trading companies such as the Company. The Company sells electric wires to major electrical material dealers belonging to associations and major electrical construction companies, while in Direct Demand, it sells "Original Products" unique to the Company in cooperation with smaller electric wire manufacturers.

4.0 Financial Results and Outlook

Q1 to Q2 (November-April) FY10/2026

In Q1 to Q2 (November-April) FY10/2026, sales came in at ¥76,779m (up 11.3% YoY), operating profit ¥5,594m (up 16.6%), recurring profit ¥5,845m (up 16.3%) and profit attributable to owners of parent ¥4,199m (up 23.3%). Gross profit came in at ¥11,462m (up 9.5%) and SG&A expenses ¥5,868m (up 3.5%), while the gross profit margin came in at 14.9% (down 0.3% points) and the SG&A ratio 7.6% (down 0.6% points). As a result, the operating profit margin came in at 7.3% (up 0.3% points).

Sales and Operating Profit Margin



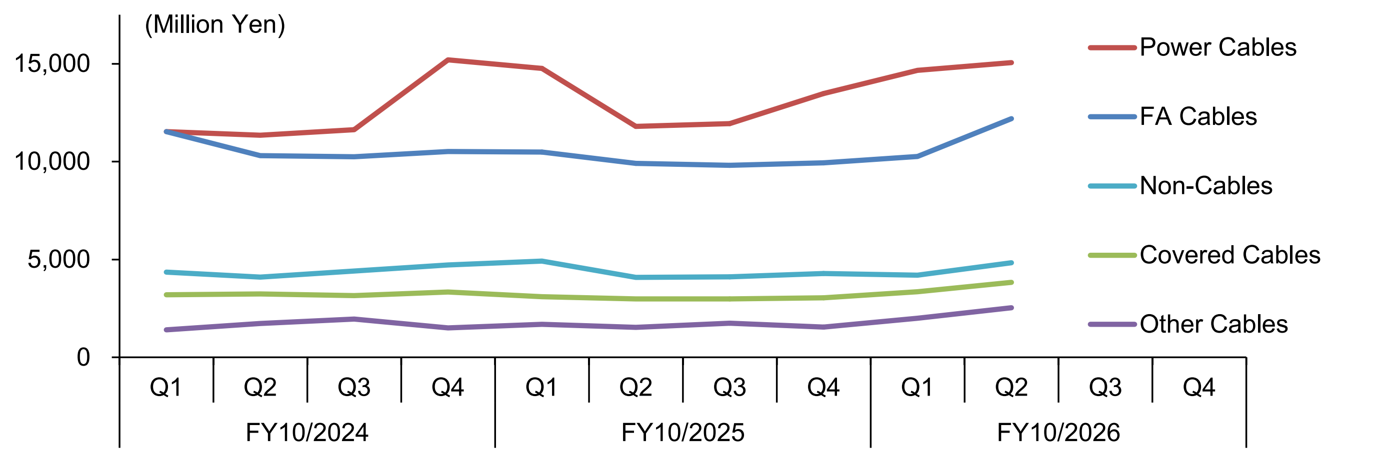
Source: Company data; calculations by WRJ (Q3 and Q4 for FY10/2026, evenly allocated based on the H2 Company forecast)

The average official copper price in Q1 to Q2 (November-April) was ¥2,009,000 per ton (up 39.2% YoY), and for the Company, which is deeply involved in wholesale sales of electric wires that use copper as the main raw material, this contributed to sales growth in line with the rise in copper prices. The “official copper price” refers to the benchmark price for electrolytic copper with a purity of 99.9%, and is defined as the copper market price in Japan, including the impact of foreign exchange fluctuations, determined and announced in yen by JX Advanced Metals based on local-currency copper transaction prices published by the London Metal Exchange.

The Company has established a scheme under which fluctuations in the “official copper price” are reflected, after a certain time lag, in the wholesale unit prices of Power Cables and Covered Cables for construction applications that the Company sells on a wholesale basis. In Other Cables, which consists of purchasing and selling so-called bare wires, the impact of higher official copper prices on sales is said to be the largest, as this category has a strong character of purchasing and selling copper itself. In Q1 to Q2 (November-April), Power Cables, Covered Cables and Other Cables were also affected by higher selling prices resulting from the rise in the official copper price.

Meanwhile, for FA Cables, which are a major component of sales alongside Power Cables by product category, the impact of higher official copper prices on sales is said to be limited, as copper costs account for a relatively small proportion of cost of sales. The Company sells FA Cables mainly to customers classified under Direct Demand by client category, including manufacturers of machinery and robots that produce machine tools, automobiles and semiconductors, and this product category is also said to have a relatively high gross profit margin. In addition, sales in Non-Cables consist largely of areas literally unrelated to electric wires, and the impact of fluctuations in the "official copper price" is said to be limited.

Sales by Product



Source: Company data; calculations by WRJ (on a parent basis)

Looking at quarterly trends in sales by product category, sales of FA Cables increased substantially in Q2 (February-April). In other words, demand classified under Direct Demand appears to be recovering, mainly for semiconductor manufacturing equipment and machine tools. Put differently, sales growth in Q1 to Q2 (November-April) cannot be explained solely by higher selling prices for Power Cables, Covered Cables and Other Cables resulting from the rise in the official copper price. In Q2 (February-April), FA Cables, which have a relatively high gross profit margin, also recovered, and this, together with the limited increase in SG&A expenses, is considered to have led to the rise in the operating profit margin. Meanwhile, trends by client category are as follows.

Electrical Materials (50.0% of Sales)

Sales in Electrical Materials, the Company's mainstay client category, appear to be generated largely through a distribution flow in which the Company sells Power Cables and Covered Cables for construction applications on a wholesale basis to major electrical material dealers, or distributors of electrical installation materials, that are members of trade associations. Electrical Materials accounted for 50.0% of sales by client category in Q1 to Q2 (November-April). Both product categories are electric wires used for power distribution inside buildings, with the former used for main lines and the latter for branch lines and power distribution in detached houses. Electrical material dealers that purchase these products then sell them to small and medium-sized electrical contractors, and these products are used as electric wires for power distribution in a wide range of construction-related areas, including office buildings, condominiums, data centers, solar power generation facilities and offshore wind power generation facilities.

Electrical Materials also includes sales generated from selling products and services classified under FA Cables and Non-Cables by product category to electrical material dealers. In Q1 to Q2 (November-April), delays in construction periods caused by higher material costs and labor shortages continued to affect construction and electrical distribution applications, while the rise in the official copper price was a factor pushing up sales of Power Cables and other products.

Electrical Facilities (17.8% of Sales)

Sales in Electrical Facilities are generated through a distribution flow in which the Company sells Power Cables and Covered Cables for construction applications on a wholesale basis to major electrical contractors. In other words, the main customers are so-called subcontractors, or specialist construction companies that undertake electrical work and other services from general contractors, including equity-method affiliates of electric power companies, as represented by KINDEN (1944). As with Electrical Materials, Power Cables and Covered Cables in this distribution flow are also used for power distribution in office buildings, condominiums, data centers, solar power generation facilities and offshore wind power generation facilities. On the other hand, while Electrical Materials is a distribution flow to small and medium-sized electrical contractors through electrical material dealers, Electrical Facilities is a distribution flow that arises directly from the Company to major electrical contractors. Electrical Facilities accounted for 17.8% of sales by client category in Q1 to Q2 (November-April).

Direct Demand (26.0% of Sales)

A significant portion of sales in Direct Demand appears to be generated through a distribution flow in which the Company sells FA Cables to manufacturers of machinery and robots that produce machine tools, automobiles and semiconductors. These products are used in machine tools, automobile production lines and semiconductor manufacturing equipment, and are said to be mainly classified under Direct Demand by client category. In addition, Direct Demand also includes sales generated from the sale of products other than electric wires, such as solar power-related products classified under Non-Cables by product category, as well as the provision of services such as Cable Assembly. Direct Demand accounted for 26.0% of sales by client category in Q1 to Q2 (November-April).

In Q2 (February-April), demand classified under Direct Demand has been recovering, and this is considered to have contributed to the Company's earnings through a recovery in sales of FA Cables, which have a relatively high gross profit margin. In the medium-term management plan (FY10/2025-FY10/2027), the Company has set out a policy of raising the sales mix of Direct Demand by client category. This mix was 26.0% in Q1 to Q2 (November-April), while the Company plans to achieve 30.0% in FY10/2027, the final year of the plan. By product category, FA Cables and Non-Cables form the core of sales in Direct Demand. In FA Cables, the Company is focusing on the development of "Original Products," while for Non-Cables, it plans to raise the sales mix by product category from 12.4% in Q1 to Q2 (November-April) to 17.0% in FY10/2027, the final year of the plan.

In Non-Cables, the Company intends to further strengthen Cable Assembly, including processing of control panel boards, as well as pursue the development and sales expansion of products under its own brand and cultivate new fields. For soil heaters, or underground agricultural heating vinyl wires, which the Company developed as its own-brand product and launched in September 2024, the Company plans to record sales of ¥1,000m in FY10/2027, the final year of the plan. In April 2025, it also newly relocated its test field, Inazawa House, near the Nagoya FA Center, and is carrying out various tests centered on strawberries. According to the Company, the product is characterized by its ability to contribute to reducing CO_2 emissions by directly warming soil in vinyl greenhouses and other facilities, as well as to accelerate crop growth and raise the harvest turnover rate.

Income Statement (Cumulative / Quarterly)

Income Statement (Million Yen)	Cons.Act Q1 10/2025	Cons.Act Q1 to Q2 10/2025	Cons.Act Q1 to Q3 10/2025	Cons.Act Q1 to Q4 10/2025	Cons.Act Q1 10/2026	Cons.Act Q1 to Q2 10/2026	Cons.Act Q1 to Q3 10/2026	Cons.Act Q1 to Q4 10/2026	YoY Net Chg.
Sales	**36,812**	**68,982**	**101,401**	**135,591**	**36,272**	**76,779**	**-**	**-**	**+7,797**
Cost of Sales	31,289	58,515	85,978	115,100	30,995	65,317	-	-	+6,802
Gross Profit	5,523	10,467	15,422	20,491	5,276	11,462	-	-	+995
SG&A Expenses	2,818	5,669	8,678	11,538	2,923	5,868	-	-	+198
Operating Profit	**2,704**	**4,798**	**6,744**	**8,952**	**2,353**	**5,594**	**-**	**-**	**+796**
Non Operating Balance	146	227	294	320	134	251	-	-	+24
Recurring Profit	**2,850**	**5,025**	**7,039**	**9,272**	**2,487**	**5,845**	**-**	**-**	**+819**
Extraordinary Balance	0	0	262	557	0	467	-	-	+467
Profit before Income Taxes	2,850	5,025	7,302	9,829	2,487	6,312	-	-	+1,287
Total Income Taxes	889	1,597	2,318	3,080	823	2,088	-	-	+490
NP Belonging to Non-Controlling SHs	14	22	29	31	7	24	-	-	+1
Profit Attributable to Owners of Parent	**1,946**	**3,405**	**4,954**	**6,717**	**1,656**	**4,199**	**-**	**-**	**+794**
Sales YoY	+9.1%	+4.3%	+2.3%	(0.4%)	(1.5%)	+11.3%	-	-	-
Operating Profit YoY	+2.3%	(6.0%)	(10.1%)	(13.5%)	(13.0%)	+16.6%	-	-	-
Recurring Profit YoY	+2.8%	(5.7%)	(10.1%)	(13.8%)	(12.8%)	+16.3%	-	-	-
Profit Attributable to Owners of Parent YoY	(0.6%)	(7.3%)	(8.0%)	(11.4%)	(14.9%)	+23.3%	-	-	-
Gross Profit Margin	15.0%	15.2%	15.2%	15.1%	14.5%	14.9%	-	-	(0.3%)
SG&A Ratio	7.7%	8.2%	8.6%	8.5%	8.1%	7.6%	-	-	(0.6%)
Operating Profit Margin	7.3%	7.0%	6.7%	6.6%	6.5%	7.3%	-	-	+0.3%
Recurring Profit Margin	7.7%	7.3%	6.9%	6.8%	6.9%	7.6%	-	-	+0.3%
Profit Attributable to Owners of Parent Margin	5.3%	4.9%	4.9%	5.0%	4.6%	5.5%	-	-	+0.6%
Corporate Tax Rate	31.2%	31.8%	31.7%	31.3%	33.1%	33.1%	-	-	+1.3%

Income Statement (Million Yen)	Cons.Act Q1 10/2025	Cons.Act Q2 10/2025	Cons.Act Q3 10/2025	Cons.Act Q4 10/2025	Cons.Act Q1 10/2026	Cons.Act Q2 10/2026	Cons.Act Q3 10/2026	Cons.Act Q4 10/2026	YoY Net Chg.
Sales	**36,812**	**32,170**	**32,419**	**34,190**	**36,272**	**40,507**	**-**	**-**	**+8,337**
Cost of Sales	31,289	27,226	27,463	29,122	30,995	34,322	-	-	+7,096
Gross Profit	5,523	4,944	4,955	5,069	5,276	6,186	-	-	+1,242
SG&A Expenses	2,818	2,851	3,009	2,860	2,923	2,945	-	-	+94
Operating Profit	**2,704**	**2,094**	**1,946**	**2,208**	**2,353**	**3,241**	**-**	**-**	**+1,147**
Non Operating Balance	146	81	67	26	134	117	-	-	+36
Recurring Profit	**2,850**	**2,175**	**2,014**	**2,233**	**2,487**	**3,358**	**-**	**-**	**+1,183**
Extraordinary Balance	0	0	262	295	0	467	-	-	+467
Profit before Income Taxes	2,850	2,175	2,277	2,527	2,487	3,825	-	-	+1,650
Total Income Taxes	889	708	721	762	823	1,265	-	-	+557
NP Belonging to Non-Controlling SHs	14	8	7	2	7	17	-	-	+9
Profit Attributable to Owners of Parent	**1,946**	**1,459**	**1,549**	**1,763**	**1,656**	**2,543**	**-**	**-**	**+1,084**
Sales YoY	+9.1%	(0.7%)	(1.8%)	(7.6%)	(1.5%)	+25.9%	-	-	-
Operating Profit YoY	+2.3%	(14.9%)	(19.0%)	(22.4%)	(13.0%)	+54.8%	-	-	-
Recurring Profit YoY	+2.8%	(14.9%)	(19.5%)	(23.8%)	(12.8%)	+54.4%	-	-	-
Profit Attributable to Owners of Parent YoY	(0.6%)	(15.0%)	(9.4%)	(19.6%)	(14.9%)	+74.3%	-	-	-
Gross Profit Margin	15.0%	15.4%	15.3%	14.8%	14.5%	15.3%	-	-	(0.1%)
SG&A Ratio	7.7%	8.9%	9.3%	8.4%	8.1%	7.3%	-	-	(1.6%)
Operating Profit Margin	7.3%	6.5%	6.0%	6.5%	6.5%	8.0%	-	-	+1.5%
Recurring Profit Margin	7.7%	6.8%	6.2%	6.5%	6.9%	8.3%	-	-	+1.5%
Profit Attributable to Owners of Parent Margin	5.3%	4.5%	4.8%	5.2%	4.6%	6.3%	-	-	+1.8%
Corporate Tax Rate	31.2%	32.6%	31.7%	30.2%	33.1%	33.1%	-	-	+0.5%

Source: Company data; calculations by WRJ

Sales by Product Category (Cumulative / Quarterly)

Sales by Product Category (Million Yen)	Cons.Act Q1 10/2025	Cons.Act Q1 to Q2 10/2025	Cons.Act Q1 to Q3 10/2025	Cons.Act Q1 to Q4 10/2025	Cons.Act Q1 10/2026	Cons.Act Q1 to Q2 10/2026	Cons.Act Q1 to Q3 10/2026	Cons.Act Q1 to Q4 10/2026	YoY Net Chg.
FA Cables	10,497	20,409	30,219	40,163	10,259	22,458	-	-	+2,049
Power Cables	14,762	26,560	38,501	51,985	14,669	29,728	-	-	+3,168
Covered Cables	3,103	6,086	9,068	12,120	3,353	7,192	-	-	+1,106
Other Cables	1,697	3,237	4,985	6,541	2,003	4,543	-	-	+1,306
Non-Cables	4,926	9,016	13,132	17,413	4,205	9,046	-	-	+30
Sales (on a parent basis)	**34,987**	**65,309**	**95,907**	**128,224**	**34,491**	**72,970**	**-**	**-**	**+7,660**
Consolidated Addons	1,825	3,673	5,494	7,367	1,781	3,809	-	-	+136
Sales	**36,812**	**68,982**	**101,401**	**135,591**	**36,272**	**76,779**	**-**	**-**	**+7,797**
FA Cables	(9.0%)	(6.6%)	(5.9%)	(5.8%)	(2.3%)	+10.0%	-	-	-
Power Cables	+28.0%	+16.0%	+11.5%	+4.5%	(0.6%)	+11.9%	-	-	-
Covered Cables	(3.0%)	(5.5%)	(5.5%)	(6.4%)	+8.1%	+18.2%	-	-	-
Other Cables	+20.4%	+3.1%	(2.2%)	(1.0%)	+18.0%	+40.3%	-	-	-
Non-Cables	+13.1%	+6.6%	+2.0%	(1.0%)	(14.6%)	+0.3%	-	-	-
Sales (on a parent basis)	**+9.2%**	**+4.0%**	**+1.8%**	**(1.0%)**	**(1.4%)**	**+11.7%**	**-**	**-**	**-**
Consolidated Addons	+7.2%	+9.8%	+10.8%	+10.5%	(2.4%)	+3.7%	-	-	-
Sales (YoY)	**+9.1%**	**+4.3%**	**+2.3%**	**(0.4%)**	**(1.5%)**	**+11.3%**	**-**	**-**	**-**
FA Cables	30.0%	31.2%	31.5%	31.3%	29.7%	30.8%	-	-	-
Power Cables	42.2%	40.7%	40.1%	40.5%	42.5%	40.7%	-	-	-
Covered Cables	8.9%	9.3%	9.5%	9.5%	9.7%	9.9%	-	-	-
Other Cables	4.9%	5.0%	5.2%	5.1%	5.8%	6.2%	-	-	-
Non-Cables	14.1%	13.8%	13.7%	13.6%	12.2%	12.4%	-	-	-
Sales (on a parent basis)	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**-**	**-**	**-**
Sales (on a parent basis)	95.0%	94.7%	94.6%	94.6%	95.1%	95.0%	-	-	-
Consolidated Addons	5.0%	5.3%	5.4%	5.4%	4.9%	5.0%	-	-	-
Sales (composition ratio)	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**-**	**-**	**-**

Sales by Product Category (Million Yen)	Cons.Act Q1 10/2025	Cons.Act Q2 10/2025	Cons.Act Q3 10/2025	Cons.Act Q4 10/2025	Cons.Act Q1 10/2026	Cons.Act Q2 10/2026	Cons.Act Q3 10/2026	Cons.Act Q4 10/2026	YoY Net Chg.
FA Cables	10,497	9,912	9,810	9,944	10,259	12,199	-	-	+2,287
Power Cables	14,762	11,798	11,941	13,484	14,669	15,059	-	-	+3,261
Covered Cables	3,103	2,983	2,982	3,052	3,353	3,839	-	-	+856
Other Cables	1,697	1,540	1,748	1,556	2,003	2,540	-	-	+1,000
Non-Cables	4,926	4,090	4,116	4,281	4,205	4,841	-	-	+751
Sales (on a parent basis)	**34,987**	**30,322**	**30,598**	**32,317**	**34,491**	**38,479**	**-**	**-**	**+8,157**
Consolidated Addons	1,825	1,848	1,821	1,873	1,781	2,028	-	-	+180
Sales	**36,812**	**32,170**	**32,419**	**34,190**	**36,272**	**40,507**	**-**	**-**	**+8,337**
FA Cables	(9.0%)	(3.8%)	(4.3%)	(5.4%)	(2.3%)	+23.1%	-	-	-
Power Cables	+28.0%	+3.9%	+2.6%	(11.3%)	(0.6%)	+27.6%	-	-	-
Covered Cables	(3.0%)	(8.0%)	(5.5%)	(8.8%)	+8.1%	+28.7%	-	-	-
Other Cables	+20.4%	(11.0%)	(10.6%)	+3.2%	+18.0%	+64.9%	-	-	-
Non-Cables	+13.1%	(0.4%)	(6.7%)	(9.3%)	(14.6%)	+18.4%	-	-	-
Sales (on a parent basis)	**+9.2%**	**(1.4%)**	**(2.6%)**	**(8.4%)**	**(1.4%)**	**+26.9%**	**-**	**-**	**-**
Consolidated Addons	+7.2%	+12.5%	+13.0%	+9.5%	(2.4%)	+9.7%	-	-	-
Sales (YoY)	**+9.1%**	**(0.7%)**	**(1.8%)**	**(7.6%)**	**(1.5%)**	**+25.9%**	**-**	**-**	**-**
FA Cables	30.0%	32.7%	32.1%	30.8%	29.7%	31.7%	-	-	-
Power Cables	42.2%	38.9%	39.0%	41.7%	42.5%	39.1%	-	-	-
Covered Cables	8.9%	9.8%	9.7%	9.4%	9.7%	10.0%	-	-	-
Other Cables	4.9%	5.1%	5.7%	4.8%	5.8%	6.6%	-	-	-
Non-Cables	14.1%	13.5%	13.5%	13.2%	12.2%	12.6%	-	-	-
Sales (on a parent basis)	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**-**	**-**	**-**
Sales (on a parent basis)	95.0%	94.3%	94.4%	94.5%	95.1%	95.0%	-	-	-
Consolidated Addons	5.0%	5.7%	5.6%	5.5%	4.9%	5.0%	-	-	-
Sales (composition ratio)	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**-**	**-**	**-**

Source: Company data; calculations by WRJ

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act Q1 10/2025	Cons.Act Q2 10/2025	Cons.Act Q3 10/2025	Cons.Act Q4 10/2025	Cons.Act Q1 10/2026	Cons.Act Q2 10/2026	Cons.Act Q3 10/2026	Cons.Act Q4 10/2026	YoY Net Chg.
Cash and Deposits	33,815	33,738	31,489	32,966	35,418	40,222	-	-	+6,484
Notes and Accounts Receivable - Trade	38,176	33,040	31,634	32,873	34,397	36,444	-	-	+3,404
Inventory	9,027	8,739	8,556	8,132	9,320	10,304	-	-	+1,565
Other	279	325	343	2,323	2,307	2,458	-	-	+2,133
Current Assets	**81,297**	**75,842**	**72,022**	**76,294**	**81,442**	**89,428**	**-**	**-**	**+13,586**
Tangible Assets	22,002	22,733	22,380	22,241	22,098	21,918	-	-	(815)
Intangible Assets	224	207	191	130	186	186	-	-	(21)
Investments and Other Assets	11,029	11,107	11,322	12,335	12,714	12,941	-	-	+1,834
Fixed Assets	**33,256**	**34,048**	**33,894**	**34,708**	**34,999**	**35,046**	**-**	**-**	**+998**
Total Assets	**114,554**	**109,891**	**105,916**	**111,002**	**116,442**	**124,475**	**-**	**-**	**+14,584**
Notes and Accounts Payable - Trade	51,910	45,180	42,464	45,261	50,254	54,322	-	-	+9,142
Short-Term Debt	381	381	461	461	461	461	-	-	+80
Corporate Bond (less than one year)	14	14	14	14	14	14	-	-	-
Other	2,740	3,935	2,538	3,587	3,250	4,637	-	-	+702
Current Liabilities	**55,045**	**49,510**	**45,477**	**49,323**	**53,979**	**59,434**	**-**	**-**	**+9,924**
Corporate Bond	28	21	21	14	14	7	-	-	(14)
Other	2,917	2,963	2,972	2,741	2,864	2,720	-	-	(243)
Fixed Liabilities	**2,945**	**2,984**	**2,993**	**2,755**	**2,878**	**2,727**	**-**	**-**	**(257)**
Total Liabilities	**57,991**	**52,494**	**48,470**	**52,079**	**56,857**	**62,162**	**-**	**-**	**+9,668**
Shareholders' Equity	**53,704**	**54,912**	**54,716**	**56,051**	**56,180**	**58,696**	**-**	**-**	**+3,784**
Other	2,858	2,484	2,729	2,872	3,404	3,616	-	-	+1,132
Net Assets	**56,562**	**57,396**	**57,445**	**58,923**	**59,584**	**62,312**	**-**	**-**	**+4,916**
Total Liabilities and Net Assets	**114,554**	**109,891**	**105,916**	**111,002**	**116,442**	**124,475**	**-**	**-**	**+14,584**
Equity Capital	56,127	56,945	57,014	58,456	59,085	61,780	-	-	+4,835
Interest Bearing Debt	423	416	496	489	489	482	-	-	+66
Net Debt	(33,392)	(33,322)	(30,993)	(32,477)	(34,929)	(39,740)	-	-	(6,418)
Capital Ratio	49.0%	51.8%	53.8%	52.7%	50.7%	49.6%	-	-	-
Net Debt Equity Ratio	(59.5%)	(58.5%)	(54.4%)	(55.6%)	(59.1%)	(64.3%)	-	-	-
ROE (12 months)	14.1%	13.3%	13.0%	11.8%	11.2%	12.7%	-	-	-
ROA (12 months)	10.0%	9.7%	9.5%	8.3%	7.7%	8.6%	-	-	-
Months for Inventory Turnover	0.74	0.81	0.79	0.71	0.77	0.76	-	-	-
Quick Ratio	131%	135%	139%	133%	129%	129%	-	-	-
Current Ratio	148%	153%	158%	155%	151%	150%	-	-	-

Source: Company data; calculations by WRJ

Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Cons.Act Q1 10/2025	Cons.Act Q1 to Q2 10/2025	Cons.Act Q1 to Q3 10/2025	Cons.Act Q1 to Q4 10/2025	Cons.Act Q1 10/2026	Cons.Act Q1 to Q2 10/2026	Cons.Act Q1 to Q3 10/2026	Cons.Act Q1 to Q4 10/2026	YoY Net Chg.
Operating Cash Flow	-	5,643	-	9,436	-	8,434	-	-	+2,791
Investing Cash Flow	-	(1,046)	-	(3,859)	-	67	-	-	+1,113
Operating CF and Investing CF	**-**	**4,597**	**-**	**5,577**	**-**	**8,501**	**-**	**-**	**+3,904**
Financing Cash Flow	-	(1,620)	-	(3,755)	-	(1,658)	-	-	(38)

Source: Company data; calculations by WRJ

Company Forecast for FY10/2026

In the Company forecast for FY10/2026, announced on 4 June 2026, the Company expects sales of ¥154,000m (up 13.6% YoY), operating profit of ¥11,200m (up 25.1%), recurring profit of ¥11,700m (up 26.2%) and profit attributable to owners of parent of ¥8,500m (up 26.5%). The Company also expects the operating profit margin to come in at 7.3% (up 0.7% points). Meanwhile, the planned annual dividend for FY10/2026 is ¥160.00, comprising ¥80.00 as of the end of Q2 and ¥80.00 as of the yearend, with a payout ratio of 32.0%.

At the same time as the announcement of Q1 to Q2 (November-April) FY10/2026 results on 4 June 2026, the Company announced an upward revision to its full-year Company forecast and a dividend increase. The upward revisions were ¥10,000m, or 6.9%, for sales, ¥500m, or 4.7%, for operating profit, ¥700m, or 6.4%, for recurring profit and ¥800m, or 10.4%, for profit attributable to owners of parent. The planned annual dividend has also been raised from the initial ¥150.00, comprising ¥75.00 as of the end of Q2 and ¥75.00 as of the yearend, with a payout ratio of 33.2%, to ¥160.00 as described above, representing a ¥5.00 increase in both the Q2-end and yearend dividends.

The assumption for the average official copper price in the FY10/2026 Company forecast is ¥2,000,000 per ton, up 35.5%. The actual figure in Q1 to Q2 (November-April) was ¥2,009,000, up 39.2%, indicating that the Company forecast incorporates copper prices remaining at high levels. On the other hand, for H2 (May-October), the Company appears to be taking a cautious view on profit due to uncertain factors such as the impact of the unstable situation in the Middle East on the supply and prices of naphtha-derived materials. Going forward, in addition to trends in the official copper price, the focus will be on the sustainability of demand recovery for semiconductor manufacturing equipment, machine tools and automotive-related applications.

In the medium-term management plan (FY10/2025-FY10/2027), the Company plans to achieve a payout ratio of 35% or higher and a total shareholder return ratio of 50% or higher in order to enhance shareholder returns. In the Company forecast for FY10/2026, the planned annual dividend has been raised to ¥160.00, and the Company plans to increase the dividend for the 13th consecutive year. The Company is also implementing share buybacks with an acquisition period from 1 May 2026 to 31 October 2026, up to a maximum of 100,000 shares and a total acquisition value of ¥600m. By combining dividends and share buybacks, the Company intends to enhance shareholder returns and improve capital efficiency.

Company Forecast for FY10/2026 and Results

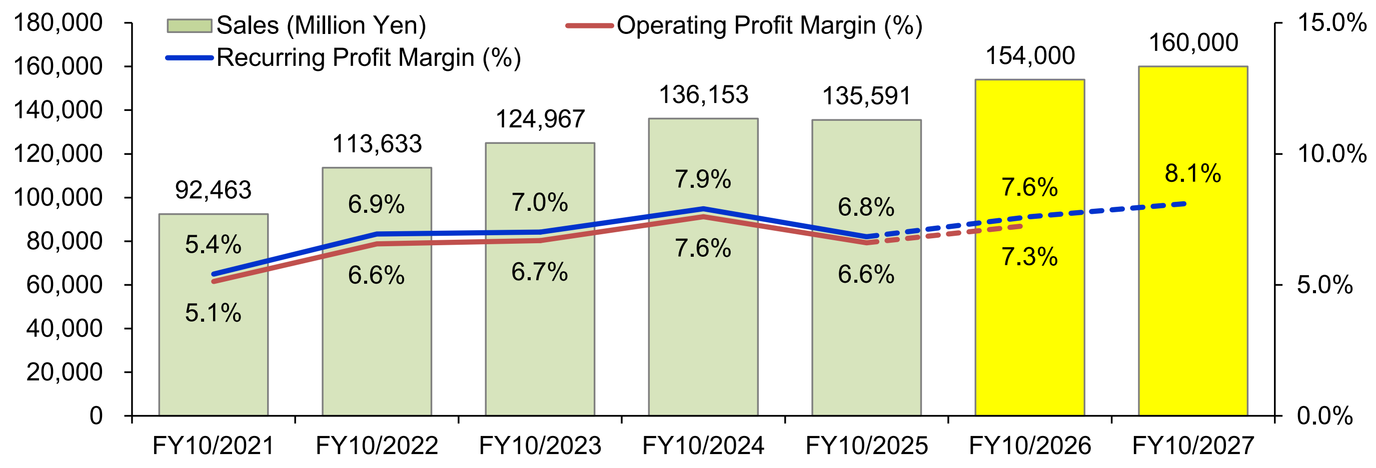
Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY10/2026CoE	9-Dec-25	Q4 Results	144,000	10,700	11,000	7,700
FY10/2026CoE	6-Mar-26	Q1 Results	144,000	10,700	11,000	7,700
FY10/2026CoE	4-Jun-26	Q2 Results	154,000	11,200	11,700	8,500
		Amount of Gap	10,000	500	700	800
		Rate of Gap	6.9%	4.7%	6.4%	10.4%
FY10/2026CoE	9-Dec-25	Q4 Results	144,000	10,700	11,000	7,700
FY10/2026CoE	4-Jun-26	Q2 Results	154,000	11,200	11,700	8,500
		Amount of Gap	10,000	500	700	800
		Rate of Gap	6.9%	4.7%	6.4%	10.4%
Consolidated Half Year (Million Yen)	**Date**	**Event**	**Sales**	**Operating Profit**	**Recurring Profit**	**Profit Attributable to Owners of Parent**
Q1 to Q2 FY10/2026CoE	9-Dec-25	Q4 Results	70,000	5,000	5,100	3,500
Q1 to Q2 FY10/2026CoE	6-Mar-26	Q1 Results	70,000	5,000	5,100	3,500
Q1 to Q2 FY10/2026Act	4-Jun-26	Q2 Results	76,779	5,594	5,845	4,199
		Amount of Gap	6,779	594	745	699
		Rate of Gap	9.7%	11.9%	14.6%	20.0%
Q1 to Q2 FY10/2026CoE	9-Dec-25	Q4 Results	70,000	5,000	5,100	3,500
Q1 to Q2 FY10/2026Act	4-Jun-26	Q2 Results	76,779	5,594	5,845	4,199
		Amount of Gap	6,779	594	745	699
		Rate of Gap	9.7%	11.9%	14.6%	20.0%
Consolidated Half Year (Million Yen)	**Date**	**Event**	**Sales**	**Operating Profit**	**Recurring Profit**	**Profit Attributable to Owners of Parent**
Q3 to Q4 FY10/2026CoE	9-Dec-25	Q4 Results	74,000	5,700	5,900	4,200
Q3 to Q4 FY10/2026CoE	6-Mar-26	Q1 Results	74,000	5,700	5,900	4,200
Q3 to Q4 FY10/2026CoE	4-Jun-26	Q2 Results	77,221	5,606	5,855	4,301
		Amount of Gap	3,221	(94)	(45)	101
		Rate of Gap	4.4%	(1.6%)	(0.8%)	2.4%
Q3 to Q4 FY10/2026CoE	9-Dec-25	Q4 Results	74,000	5,700	5,900	4,200
Q3 to Q4 FY10/2026CoE	4-Jun-26	Q2 Results	77,221	5,606	5,855	4,301
		Amount of Gap	3,221	(94)	(45)	101
		Rate of Gap	4.4%	(1.6%)	(0.8%)	2.4%

Source: Company data; calculations by WRJ

Medium- to Long-Term Outlook

In the medium-term management plan (FY10/2025-FY10/2027), announced on 9 December 2024, the Company has set management targets of achieving sales of ¥160,000m and recurring profit of ¥13,000m in FY10/2027, the final year of the plan. Assuming the Company achieves its Company forecast for FY10/2026, the progress rate would reach 96.3% for sales and 90.0% for recurring profit. In terms of the market environment, the Company expects a structure in which recovery in the semiconductor manufacturing-related market backed by AI-related demand, machine tool demand associated with automation and labor saving, and construction projects such as data centers and large-scale semiconductor plants will contribute to sales growth. In construction-related applications, the remaining impact of delays in construction periods is a concern.

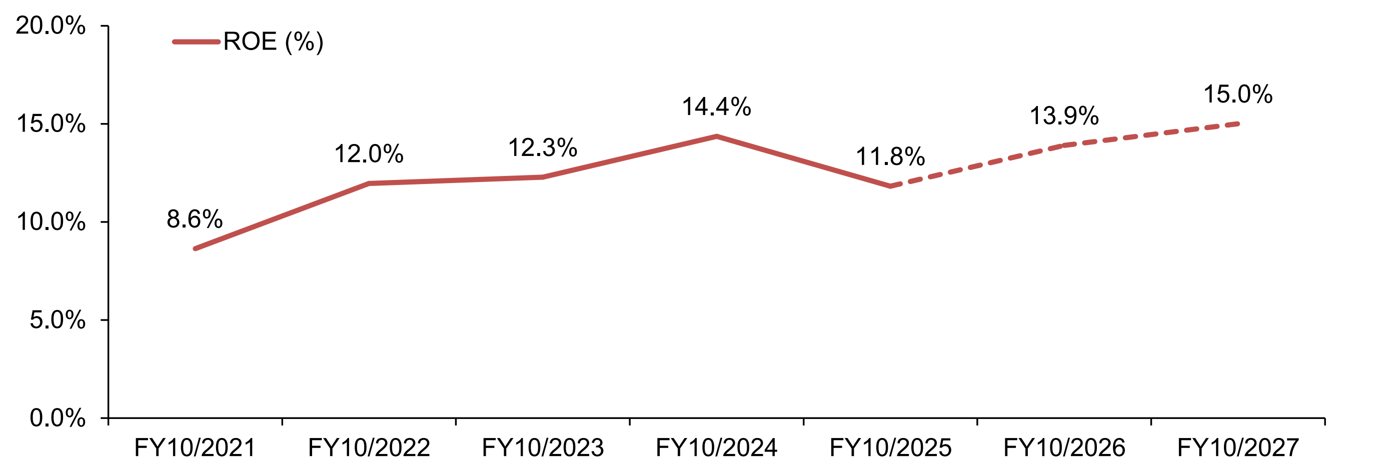
Medium-Term Management Plan (FY10/2025–FY10/2027)



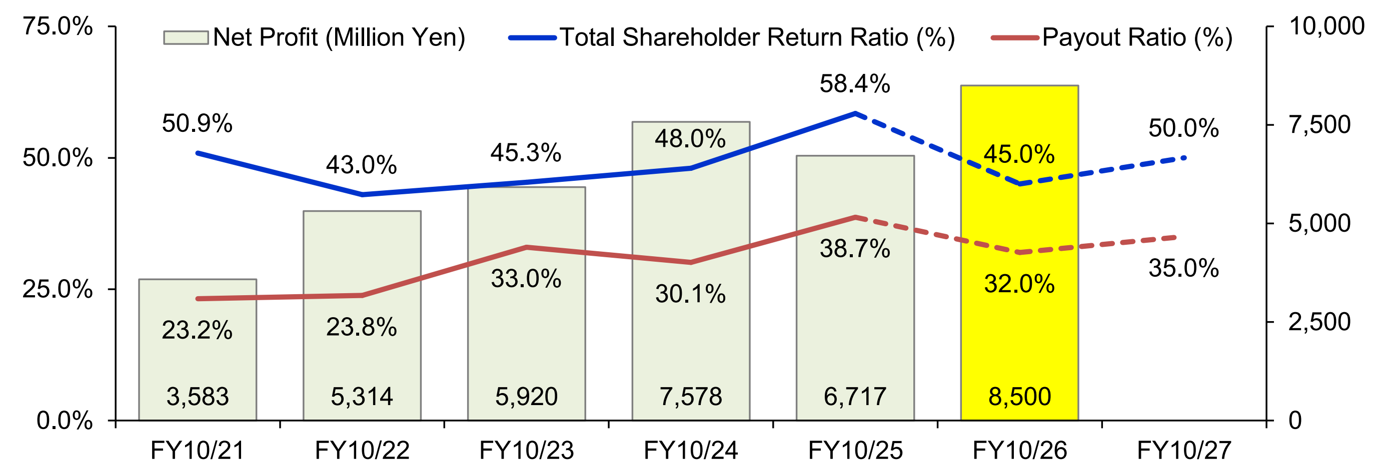
Source: Company data; calculations by WRJ

The Company, which is focusing on "management that is conscious of capital cost and share price," plans to achieve ROE of 15.0% or higher, a payout ratio of 35% or higher, a total shareholder return ratio of 50% or higher and PBR of 2.0 times or higher in FY10/2027, the final year of the plan. In the Company forecast for FY10/2026, ROE of 13.9% is expected, while toward the final year, the Company plans to raise the sales mix of Direct Demand by client category and Non-Cables by product category.

Medium-Term Management Plan (FY10/2025–FY10/2027)



Total Shareholder Return Ratio and Payout Ratio



Source: Company data

Disclaimer

The information presented herein has been compiled in report format by Walden Research Japan, which has summarized the "IR information" disclosed by the subject company from a neutral and professional standpoint. "IR information" refers specifically to: (1) the content of one-on-one interviews conducted with the Company by us, (2) briefings for institutional investors, (3) timely disclosure materials and (4) information published on the Company's website.

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