

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

October 26, 2021
Tatsuta Electric Wire
and Cable Co.,Ltd.

Financial Summary for the Six Months Ended September 30, 2021

These documents are outside the scope of audit.

1. Business Segment Information (vs. FY2020)

(Millions of yen)

	FY2020 Actual (①)					FY2021 Newly announced forecast (②)					Amount of change (②-①)		
	1Q	2Q	1st half	2nd half	Full year	1Q	2Q	1st half	2nd half	Full year	1st half	2nd half	Full year
Electric Wire and Cable Business	8,338	8,060	16,399	16,608	33,007	9,550	9,781	19,331	21,268	40,600	○2,932	○4,660	○7,592
Electronic Materials Business	4,644	5,485	10,130	9,464	19,595	4,249	5,043	9,292	9,407	18,700	× 837	× 57	× 895
Other Businesses	390	483	873	1,073	1,946	485	509	994	1,405	2,400	○121	○331	○453
Adjustment (Note)	▲ 8	▲ 8	▲ 16	▲ 15	▲ 32	▲ 7	▲ 7	▲ 15	15	-	○1	○30	○32
Net Sales	13,365	14,020	27,386	27,130	54,516	14,276	15,327	29,604	32,095	61,700	○2,217	○4,965	○7,183
Electric Wire and Cable Business	51	214	266	143	409	191	215	407	642	1,050	○141	○499	○640
Electronic Materials Business	846	1,281	2,128	1,685	3,813	649	997	1,646	1,553	3,200	× 481	× 131	× 613
Other Businesses	▲ 44	1	▲ 43	82	39	▲ 10	17	6	93	100	○50	○10	○60
Adjustment (Note)	▲ 159	▲ 179	▲ 339	▲ 390	▲ 729	▲ 181	▲ 173	▲ 355	▲ 394	▲ 750	× 16	× 4	× 20
Operating Income	693	1,318	2,011	1,521	3,532	648	1,056	1,704	1,895	3,600	× 307	○374	○67
(Operating Profit Margin)	(5.2%)	(9.4%)	(7.3%)	(5.6%)	(6.5%)	(4.5%)	(6.9%)	(5.8%)	(5.9%)	(5.8%)			
Ordinary Income	703	1,328	2,032	1,597	3,629	716	1,114	1,830	1,869	3,700	× 201	○271	○70
(Ordinary Profit Margin)	(5.3%)	(9.5%)	(7.4%)	(5.9%)	(6.7%)	(5.0%)	(7.3%)	(6.2%)	(5.8%)	(6.0%)			
Extraordinary income	-	0	0	17	18	3	-	3	-	3	○2	× 17	× 15
Extraordinary losses	-	8	8	21	29	5	4	10	120	130	× 1	× 98	× 100
Net Income	517	943	1,460	1,185	2,645	526	807	1,334	1,315	2,650	× 126	○130	○4

2. Business Segment Information (vs. Previously announced forecast)

(Millions of yen)

	FY2021 Previously announced forecast (③) *			Amount of change (②-③)		
	1st half	2nd half	Full year	1st half	2nd half	Full year
Electric Wire and Cable Business	21,000	21,900	42,900	× 1,668	× 631	× 2,300
Electronic Materials Business	10,000	9,900	19,900	× 707	× 492	× 1,200
Other Businesses	1,100	1,300	2,400	× 105	○105	-
Adjustment (Note)	-	-	-	× 15	○15	-
Net Sales	32,100	33,100	65,200	× 2,495	× 1,004	× 3,500
Electric Wire and Cable Business	500	550	1,050	× 92	○92	-
Electronic Materials Business	1,600	1,600	3,200	○46	× 46	-
Other Businesses	-	100	100	○6	× 6	-
Adjustment (Note)	▲ 400	▲ 350	▲ 750	○44	× 44	-
Operating Income	1,700	1,900	3,600	○4	× 4	-
(Operating Profit Margin)	(5.3%)	(5.7%)	(5.5%)			
Ordinary Income	1,750	1,950	3,700	○80	× 80	-
(Ordinary Profit Margin)	(5.5%)	(5.9%)	(5.7%)			
Extraordinary income	3	-	3	-	-	-
Extraordinary losses	5	120	125	× 4	-	× 4
Net Income	1,300	1,350	2,650	○34	× 34	-

*Disclosed on July 27,2021

(Note)

The adjustment is inter-segment eliminations and corporate expenses, which consist of general and administrative expenses and research expenses not attributable to reportable segments.

3. Consolidated Financial Statements
 【Comparison of Quarterly Consolidated Statements of Income】
 Six months ended September 30

	(A)		(B)		(Millions of yen)	
	Six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)		Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)		Amount of change (B)-(A)	Percent change ((B)-(A))/(A)
Net sales	27,386	100.0%	29,604	100.0%	2,217	8.1%
Cost of sales	20,582	75.2%	23,104	78.0%	2,522	12.3%
Gross income	6,804	24.8%	6,499	22.0%	△304	-4.5%
Selling, general and administrative expenses	4,792	17.5%	4,795	16.2%	2	0.0%
Operating income	2,011	7.3%	1,704	5.8%	△307	-15.3%
Non-operating income						
Interest income	6		9		3	
Dividend income	10		10		0	
Foreign exchange gains	-		54		54	
Subsidy income	8		29		21	
Other	27		29		2	
Total non-operating income	52	0.2%	133	0.5%	81	156.6%
Non-operating expenses						
Interest expenses	3		2		△0	
Foreign exchange losses	21		-		△21	
Other	6		4		△2	
Total non-operating expenses	31	0.1%	7	0.0%	△24	-76.8%
Ordinary income	2,032	7.4%	1,830	6.2%	△201	-9.9%
Extraordinary income						
Gain on sale of investment securities	0		-		△0	
Gain on sale of non-current assets	-		3		3	
Total extraordinary income	0	0.0%	3	0.0%	2	306.5%
Extraordinary losses						
Loss on abandonment of non-current assets	8		10		1	
Total extraordinary losses	8	0.0%	10	0.0%	1	24.7%
Income before income taxes	2,024	7.4%	1,824	6.2%	△200	-9.9%
Income taxes - current	635		524		△110	
Income taxes - deferred	△70		△35		35	
Total income taxes	564	2.1%	489	1.7%	△74	-13.2%
Income	1,460		1,334		△126	
Income attributable to owners of parent	1,460	5.3%	1,334	4.5%	△126	-8.7%

【Comparison of Quarterly Consolidated Balance Sheets】

(A)					(B)					(Millions of yen)				
As of March 31, 2021					As of September 31, 2021					Amount of change(B)-(A)				
Assets														
Current assets														
Cash and deposits	1,444		1,293		△151									
Notes and accounts receivable - trade	14,457		17,671		3,213									
Inventories	9,040		10,366		1,326									
Short-term loans receivable	12,579		9,433		△3,146									
Other	1,271		456		△814									
Allowance for doubtful accounts	△13		△13		△0									
Total current assets	38,780	68.1%	39,207	67.8%	427									
Non-current assets														
Property, plant and equipment														
Buildings and structures, net	7,610		7,512		△97									
Machinery, equipment and vehicles, net	3,357		3,168		△188									
Tools, furniture and fixtures, net	355		409		54									
Land	3,799		3,799		-									
Construction in progress	606		1,074		468									
Total property, plant and equipment	15,728	27.6%	15,964	27.6%	235									
Intangible assets														
Software	138		134		△3									
Software in progress	9		6		△2									
Right to use facilities	5		5		△0									
Other	5		5		0									
Total intangible assets	158	0.3%	152	0.3%	△6									
Investments and other assets														
Investment securities	922		933		11									
Long-term prepaid expenses	11		6		△4									
Deferred tax assets	986		1,160		173									
Other	566		566		△0									
Allowance for doubtful accounts	△193		△187		6									
Total investments and other assets	2,293	4.0%	2,479	4.3%	186									
Total non-current assets	18,181	31.9%	18,596	32.2%	415									
Total assets	56,961	100.0%	57,804	100.0%	842									
Liabilities														
Current liabilities														
Notes and accounts payable - trade	3,757		4,070		313									
Accounts payable - other	928		800		△128									
Accrued expenses	1,469		1,334		△135									
Income taxes payable	541		560		18									
Other	979		1,208		228									
Total current liabilities	7,676	13.5%	7,975	13.8%	298									
Non-current liabilities														
Long-term borrowings	900		900		-									
Retirement benefit liability	1,301		1,407		106									
Asset retirement obligations	70		70		△0									
Deferred tax liabilities	1		1		0									
Other	109		91		△17									
Total non-current liabilities	2,383	4.2%	2,471	4.3%	88									
Total liabilities	10,060	17.7%	10,446	18.1%	386									
Net assets														
Shareholders' equity														
Share capital	6,676		6,676		-									
Capital surplus	4,516		4,516		-									
Retained earnings	37,717		38,495		778									
Treasury shares	△2,458		△2,458		△0									
Total shareholders' equity	46,452	81.6%	47,230	81.7%	777									
Accumulated other comprehensive income														
Valuation difference on available-for-sale securities	212		218		6									
Deferred gains or losses on hedges	414		57		△356									
Foreign currency translation adjustment	△62		△66		△3									
Remeasurements of defined benefit plans	△114		△82		32									
Total accumulated other comprehensive income	449	0.8%	127	0.2%	△321									
Total net assets	46,901	82.3%	47,357	81.9%	456									
Total liabilities and net assets	56,961	100.0%	57,804	100.0%	842									

4. Capital expenditure, Depreciation, and other

(Millions of yen)

	FY2020			FY2021		
	1st half	2nd half	Full year	1st half	2nd half	Full year
Electric Wire and Cable Business	371	555	926	419	641	1,060
Electronic Materials Business	146	333	479	616	454	1,070
Other Businesses	83	62	145	48	52	100
Corporate	151	245	396	77	773	850
Capital expenditure	752	1,195	1,947	1,161	1,919	3,080
Electric Wire and Cable Business	379	419	798	413	487	900
Electronic Materials Business	322	379	701	371	429	800
Other Businesses	41	60	101	56	104	160
Corporate	81	88	169	88	112	200
Depreciation	825	945	1,770	930	1,130	2,060
R&D						
R&D expenses	759	801	1,560	710	790	1,500
R&D expenses as a percentage of net sales	2.8%	3.0%	2.9%	2.4%	2.4%	2.4%

Major Items of capital investment

FY2020

- Investment to strengthen the business foundation and enhance the productive capacity of electric wire business
- R&D investment for functional film
- Investment in product development for sensor and medical products business (equipment systems·optical components·medical equipment materials)

FY2021 Plan

- Investment to strengthen the business foundation and rationalize production of electric wire business
- R&D investment for functional film
- Maintenance at each location of electronic materials business
- Investment to startups and related business development, etc.

5. Trends in the number of employees

	FY2019 (As of March 31, 2020)	FY2020 (As of September 30, 2020)	FY2020 (As of March 31, 2021)	FY2021 (As of September 30, 2021)	FY2021 Forecast (As of March 31, 2022)
Electric Wire and Cable Business	560	573	578	584	590
Electronic Materials Business	201	216	221	234	240
Other Businesses	96	97	97	104	110
Corporate	79	78	81	84	90
Number of employees	936	964	977	1,006	1,030

Note:

Figures indicate number of employees including those seconded from outside the group and excluding those seconded to outside the group. Part-time and temporary employees are also excluded.

Human Resource Plan

(Main change factors from March 31, 2021 to March 31, 2022)

- Electric Wire and Cable Business : enhancement of production capability, etc.
- Electronic Materials Business : enhancement of film business foundation, etc.
- Corporate: enhancement of management system, etc.