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## Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP] (Consolidated)



January 31, 2023

Company name: Tatsuta Electric Wire & Cable Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange  
 Stock Code: 5809  
 URL: <https://www.tatsuta.com>  
 Representative: Hiroya Yamada, President and Representative Director  
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 Scheduled date of filing Quarterly Report: February 13, 2023  
 Scheduled date of commencing dividend payments: —  
 Availability of supplementary briefing material on quarterly financial results: Available  
 Schedule of quarterly financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (From April 1, 2022 to December 31, 2022)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2022	46,591	3.2	1,356	(43.6)	1,543	(39.8)	1,115	(36.8)
Nine months ended December 31, 2021	45,139	9.6	2,405	(24.5)	2,562	(21.2)	1,766	(23.5)

(Note) Comprehensive income: Nine months ended December 31, 2022: 844 million yen [(44.9)%]

Nine months ended December 31, 2021: 1,532 million yen [(48.9)%]

	Income per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	18.06		-	
Nine months ended December 31, 2021	28.59		-	

### (2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of December 31, 2022	58,333		47,902		82.1		775.36	
As of March 31, 2022	58,654		48,169		82.1		779.68	

(Reference) Equity: As of December 31, 2022: 47,902 million yen  
 As of March 31, 2022: 48,169 million yen

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	9.00	-	9.00	18.00
Fiscal year ending March 31, 2023	-	9.00	-		
Fiscal year ending March 31, 2023 (Forecast)				0.00	9.00

(Note) Revisions from the most recently announced dividends forecast: No

For the dividend forecast for the fiscal year ending March 31, 2023, please refer to the “Notice Regarding Revision of Dividend Forecast (No Dividend) for the Fiscal Year Ending March 31, 2023” published on December 21, 2022.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (From April 1, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Income attributable to owners of parent		Income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	62,800	4.9	1,850	(35.9)	2,050	(34.2)	1,450	(37.8)	23.47

(Note) Revisions from the most recently announced financial results forecast: Yes

### Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No  
Newly added: NA Excluded: NA
- (2) Application of special accounting treatment in preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting principles, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting principles due to the revision of accounting standards: No
  - 2) Changes in accounting principles other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No

### (4) Total number of issued shares (common stock)

- 1) Total number of issued shares at the end of the period (including treasury shares):

As of December 31, 2022	70,156,394 shares
As of March 31, 2022	70,156,394 shares

- 2) Total number of treasury shares at the end of the period:

As of December 31, 2022	8,375,229 shares
As of March 31, 2022	8,375,147 shares

- 3) Average number of shares during the period (cumulative quarterly period):

Nine months ended December 31, 2022	61,781,214 shares
Nine months ended December 31, 2021	61,781,736 shares

\* These quarterly consolidated financial results are outside the scope of quarterly review by a certified public accountant or an audit corporation.

\* Overview of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable as at the date of publication of this document and should not be interpreted as any kind of guarantee or promise by the Company to achieve such forecasts. In addition, actual results may differ significantly from these forecasts due to a wide range of factors.

The supplemental financial information is scheduled to be disclosed on the TDnet on that same day as well as on the Company's website.

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## 1. Qualitative Information on Financial Results for the Quarterly Period Under Review

### (1) Overview of business results

During the nine months ended December 31, 2022, as the movement restrictions due to the COVID-19 pandemic were lifted, the Japanese economy saw signs of moderate recovery in corporate earnings, capital investment, production, personal consumption, etc. The world economy is also expected to continue improving moderately as the impact of COVID-19 decreases although the economy in some regions is at a standstill. However, downside risks are increasing due to volatility in the financial and capital markets and rising prices amid ongoing global monetary tightening, resource and raw material prices fluctuating at high levels, the prolonged Russia-Ukraine crisis, and the lingering effects of restraints on economic activity in China.

The average domestic quotation price for copper, the main raw material used for the Company's products, for the nine months ended December 31, 2022 was on levels higher than for the same period of the previous fiscal year.

In the meantime, demand for electric wires for infrastructure was on levels lower than for the same period of the previous fiscal year, while in the industrial equipment wire business, demand from some users continued recovering. Sales of smartphones, the main application of functional films, remained weak in terms of volumes due to a global price increase, a slowdown of the Chinese economy, and the effects of lockdowns, etc. in the country. Demand for materials was affected by sluggish product sales, shortages in supplies of semiconductors and other components and materials, users' inventory adjustments, etc.

In this environment, net sales for the nine months ended December 31, 2022 increased to 46,591 million yen (up 3.2% year on year), but income decreased, with operating income of 1,356 million yen (down 43.6% year on year), ordinary income of 1,543 million yen (down 39.8% year on year), and income attributable to owners of parent of 1,115 million yen (down 36.8% year on year).

An overview of the Group's business performance by segment is as follows:

#### [Electric Wire and Cable Business]

Sales volumes of electric wires for infrastructure were lower than for the same period of the previous fiscal year (down 11.0% year on year) as customers continued conservative buying due to higher copper prices and competition intensified, fueled by selling price revisions implemented in response to rising raw material prices. However, owing to higher copper prices as well as a continued recovery in demand from some customers for industrial equipment wires, etc., net sales for this segment increased to 32,415 million yen (up 8.5% year on year). Meanwhile, despite efforts to improve margins by selling price revisions, etc., operating income decreased to 168 million yen (down 68.8% year on year) due to lower sales volumes, higher raw material prices, slow progress on selling price revisions, fluctuations in copper prices, etc.

#### [Electronic Materials Business]

Demand for functional films, the Company's flagship products, decreased (down 10.1% year on year) due to lower sales volumes for smartphones, the major application of functional films, lockdowns in China, shortages in supplies of semiconductors, etc., users' inventory adjustment, etc., and as a result, net sales for this segment were 12,438 million yen (down 9.4% year on year). Operating income decreased to 1,650 million yen (down 29.9% year on year).

[Other Businesses]

In each of the sensor, medical equipment materials, and environmental analysis businesses, demand continued recovering, net sales for this segment increased to 1,756 million yen (up 13.3% year on year), and operating income was 82 million yen (up 104.2% year on year).

(2) Overview of financial position

Total assets at the end of the nine months ended December 31, 2022 decreased by 320 million yen from the end of the previous fiscal year to 58,333 million yen, due to decreases in inventories, short-term loans receivable, etc. despite an increase in notes and accounts receivable - trade.

Total liabilities decreased by 53 million yen from the end of the previous fiscal year to 10,430 million yen, due to decreases in accrued expenses, income taxes payable, etc.

Total net assets decreased by 267 million yen from the end of the previous fiscal year to 47,902 million yen, due to a decrease in deferred gains or losses on hedges, etc.

As a result, the equity ratio was 82.1%, which is the same as for the end of the previous fiscal year.

(3) Overview of forward-looking information such as consolidated financial results forecasts

Revision to Consolidated Financial Results Forecast for the Full Year of the Fiscal Year ending March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen, unless otherwise stated)

	Net sales	Operating income	Ordinary income	Income attributable to owners of parent	Income per share
Previously announced forecast (A)	64,000	2,400	2,600	2,000	32.37 yen
Newly announced forecast (B)	62,800	1,850	2,050	1,450	23.47 yen
Amount of change (B-A)	(1,200)	(550)	(550)	(550)	-
Percent change (%)	(1.9)%	(22.9)%	(21.2)%	(27.5)%	-
(Reference) Results for the fiscal year ended March 31, 2022	59,861	2,885	3,114	2,330	37.72 yen

(Reasons for revision)

For financial results forecasts for the full year of the fiscal year ending March 31, 2023, net sales are projected to be lower due to sales volume decline in the electric wire and cable business and the electronic materials business compared to the financial results forecast announced at the earnings announcement on October 28, 2022. Operating income is projected to decrease due to fluctuations in copper prices and worsened sales environment. In addition, income attributable to owners of parent is projected to decrease due to TOB related expenses.

\*The above forecasts are projections utilizing judgments based on information currently obtainable, and include various uncertain factors. Actual values for business results may differ from forecast figures due to various future factors.

The Company is listed on the Tokyo Stock Exchange as of the day of submission of the financial results for the third quarter period under review. As announced in the “Notice on Position Statement concerning Planned Commencement of a Tender Offer by a Wholly-owned Subsidiary of ENEOS Holdings, Inc. (JX Nippon Mining & Metals Corporation) for Shares of the Company” dated December 21, 2022, JX Nippon Mining & Metals Corporation plans to commence the tender offer for shares of the Company as soon as the prospect for clearance of competition laws of relevant countries becomes probable. The details of the schedule will be notified promptly after the determination. Through the tender offer and subsequent series of procedures, the Company will become a wholly-owned subsidiary of the tender offeror and the Company’s common stock is planned to be delisted.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	1,389	1,173
Notes and accounts receivable - trade	19,419	21,097
Finished goods	3,957	3,386
Work in process	6,127	5,970
Raw materials and supplies	1,869	2,033
Short-term loans receivable	5,686	5,208
Other	1,235	429
Allowance for doubtful accounts	(13)	(12)
Total current assets	39,671	39,286
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,305	8,629
Machinery, equipment and vehicles, net	3,259	2,869
Tools, furniture and fixtures, net	417	382
Land	3,721	3,721
Construction in progress	522	394
Total property, plant and equipment	16,225	15,997
Intangible assets		
Software	146	139
Software in progress	9	9
Right to use facilities	5	4
Other	4	2
Total intangible assets	165	155
Investments and other assets		
Investment securities	1,082	1,452
Long-term prepaid expenses	2	0
Deferred tax assets	1,030	1,212
Other	659	401
Allowance for doubtful accounts	(181)	(172)
Total investments and other assets	2,591	2,894
Total non-current assets	18,982	19,046
Total assets	58,654	58,333



(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,883	4,195
Accounts payable - other	815	1,338
Accrued expenses	1,518	1,109
Income taxes payable	456	64
Other	1,446	1,285
Total current liabilities	8,121	7,992
Non-current liabilities		
Long-term borrowings	900	900
Retirement benefit liability	1,302	1,365
Asset retirement obligations	68	42
Deferred tax liabilities	1	2
Other	91	127
Total non-current liabilities	2,363	2,437
Total liabilities	10,484	10,430
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,676	6,676
Capital surplus	4,516	4,516
Retained earnings	38,936	38,940
Treasury shares	(2,458)	(2,459)
Total shareholders' equity	47,670	47,674
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	216	230
Deferred gains or losses on hedges	232	(104)
Foreign currency translation adjustment	(63)	(25)
Remeasurements of defined benefit plans	113	128
Total accumulated other comprehensive income	499	228
Total net assets	48,169	47,902
Total liabilities and net assets	58,654	58,333

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income  
Quarterly Consolidated Statements of Income  
Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2021 (From April 1, 2021 to December 31, 2021)	Nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)
Net sales	45,139	46,591
Cost of sales	35,578	37,936
Gross income	9,561	8,655
Selling, general and administrative expenses	7,155	7,298
Operating income	2,405	1,356
Non-operating income		
Interest income	13	11
Dividend income	20	22
Foreign exchange gains	63	118
Subsidy income	31	5
Other	38	45
Total non-operating income	167	203
Non-operating expenses		
Interest expenses	4	6
Loss on disaster	-	5
Other	5	6
Total non-operating expenses	10	17
Ordinary income	2,562	1,543
Extraordinary income		
Compensation for forced relocation	-	101
Gain on sale of investment securities	-	0
Gain on sale of non-current assets	3	0
Total extraordinary income	3	102
Extraordinary losses		
Loss on sale of non-current assets	-	0
Loss on abandonment of non-current assets	149	38
TOB related expenses	-	149
Total extraordinary losses	149	187
Income before income taxes	2,416	1,457
Income taxes - current	678	386
Income taxes - deferred	(28)	(45)
Total income taxes	649	341
Income	1,766	1,115
Income attributable to owners of parent	1,766	1,115

Quarterly Consolidated Statements of Comprehensive Income

Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2021 (From April 1, 2021 to December 31, 2021)	Nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)
Income	1,766	1,115
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	13
Deferred gains or losses on hedges	(278)	(337)
Foreign currency translation adjustment	(1)	37
Remeasurements of defined benefit plans, net of tax	48	14
Total other comprehensive income	(234)	(271)
Comprehensive income	1,532	844
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,532	844