

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.

Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP] (Consolidated)



October 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
 Contact: Masafumi Imai, Director, Senior Executive Officer
 Phone: +81-6-6721-3011
 Scheduled date of filing Quarterly Report: November 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 Six Months Ended September 30, 2023 (From April 1, 2023 to September 30, 2023)

(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	%
Six months ended September 30, 2023	31,281	2.9	1,179	32.1	1,290	20.1	967	10.9
Six months ended September 30, 2022	30,409	2.7	892	(47.6)	1,074	(41.3)	872	(34.6)

(Note) Comprehensive income: Six months ended September 30, 2023: 1,188 million yen [136.1%]
 Six months ended September 30, 2022: 503 million yen [(50.3)%]

	Income per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	15.66		—	
Six months ended September 30, 2022	14.12		—	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2023	59,597	49,070	82.3	794.28
As of March 31, 2023	58,457	47,882	81.9	775.04

(Reference) Equity: As of September 30, 2023: 49,070 million yen
 As of March 31, 2023: 47,882 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, 2023	–	9.00	–	0.00	9.00
Fiscal year ending March 31, 2024	–	0.00			
Fiscal year ending March 31, 2024 (Forecast)			–	–	–

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (From April 1, 2023 to March 31, 2024)

As announced in the Notice on Position Statement concerning Planned Commencement of a Tender Offer by JX Metals Corporation, a Wholly-owned Subsidiary of ENEOS Holdings, Inc., for Shares of the Company released on December 21, 2022, the Company's stock is planned to be delisted. A consolidated financial results forecast for the fiscal year ending March 31, 2024 is therefore not presented.

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: No
- (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 September 30, 2023	70,156,394 shares
As of March 31, 2023	70,156,394 shares

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

As of September 30, 2023	8,376,359 shares
As of March 31, 2023	8,376,022 shares

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

Six months ended September 30, 2023	61,780,255 shares
Six months ended September 30, 2022	61,781,235 shares

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

* Explanation of the proper use of financial results forecast and other notes

As announced in the Notice on Position Statement concerning Planned Commencement of a Tender Offer by JX Metals Corporation, a Wholly-owned Subsidiary of ENEOS Holdings, Inc., for Shares of the Company released on December 21, 2022, the Company's stock is planned to be delisted. A consolidated financial results forecast for the fiscal year ending March 31, 2024 is therefore not presented.

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

Table of Contents of Reference Materials

1. Qualitative Information on Financial Results for the Quarterly Period Under Review.....	1
(1) Overview of business results.....	1
(2) Overview of financial position.....	2
(3) Overview of cash flows.....	2
(4) Overview of forward-looking information such as consolidated financial results forecasts	3
2. Quarterly Consolidated Financial Statements.....	4
(1) Quarterly Consolidated Balance Sheets.....	4
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	6
(3) Quarterly Consolidated Statements of Cash Flows.....	8

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

(1) Overview of business results

During the six months ended September 30, 2023, the legal status of COVID-19 was downgraded to “Class 5,” economic activities moved toward normal, and the Japanese economy continued moderate recovery in corporate earnings, capital investment, production, personal consumption, etc. The world economy is also improving as the impact of COVID-19 decreases although the economy in some regions is weak. However, the outlook remains uncertain 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 effects of the prolonged Russia-Ukraine crisis, etc.

The average domestic quotation price for copper, the main raw material used for the Company’s products, for the six months ended September 30, 2023 was on levels a little higher than for the same period of the previous fiscal year.

In the meantime, domestic demand for copper electric wires was on levels a little higher than for the same period of the previous fiscal year, while in the industrial equipment wire business, a slowdown in demand from some users was seen. Sales of smartphones, the main application of functional films, remained weak in terms of volumes due to a global price increase, an economic downturn mainly in China, the prolonged replacement cycles of smartphones, etc. and demand for materials was also affected by that.

In this environment, net sales for the six months ended September 30, 2023 amounted to 31,281 million yen (up 2.9% year on year). Operating income was 1,179 million yen (up 32.1% year on year), ordinary income was 1,290 million yen (up 20.1% year on year), and income attributable to owners of parent was 967 million yen (up 10.9% year on year).

The Company is listed on the Tokyo Stock Exchange, Inc. as of the day of submission of the financial results for the second quarter period under review. As announced in the Notice on Position Statement concerning Planned Commencement of a Tender Offer by JX Metals Corporation, a Wholly-owned Subsidiary of ENEOS Holdings, Inc. for Shares of the Company released on December 21, 2022, JX Metals Corporation (changed the trade name from JX Nippon Mining & Metals Corporation on June 28, 2023) 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.

As announced in the (Progress of Disclosed Matters) Notice Regarding Progress of Implementation of Tender Offer for Shares of TATSUTA Electric Wire and Cable Co., Ltd. by JX Metals Corporation, a Wholly-owned Subsidiary of ENEOS Holdings, Inc. released on September 26, 2023, the procedures required under Chinese competition law and related measures are not yet complete. Therefore, JX Metals Corporation expects to commence the Tender Offer in or after December 2023.

Through the tender offer and subsequent series of procedures, the Company is planned to become a wholly-owned subsidiary of JX Metals Corporation, and the Company’s stock is planned to be delisted.

The Company will develop synergies, including efficient utilization of management resources of both companies; further enhancement of business competitiveness in the electronic materials area; and enhancement of business foundation in the electric wire and cable area, in an effort to increase corporate value.

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

[Electric Wire and Cable Business]

Customers continued conservative buying due to higher copper prices and a slowdown in demand for industrial equipment wires was seen. However, owing to increased sales of electric wires for infrastructure in electric wires for

use in construction, for electrical power companies, etc. (up 5.2% year on year) as well as selling price revisions implemented in response to rising raw material prices being progressing, etc., net sales for this segment increased to 22,496 million yen (up 7.1% year on year). In addition to the above, owing to efforts to improve product mix, reduce costs, etc. and the effect of copper price fluctuation, operating income was 755 million yen (as opposed to operating income of 20 million yen for the same period of the previous fiscal year).

[Electronic Materials Business]

Sales volume of functional films, the Company's flagship products, decreased (down 12.3% year on year) as the production volume of smartphones, the major application of functional films, was on low levels due to the prolonged replacement cycles of smartphones, etc. As a result, net sales for this segment were 7,592 million yen (down 8.1% year on year) and operating income was 791 million yen (down 33.6% year on year).

[Other Businesses]

Although sales of medical equipment materials increased owing to sales expansion of new products, etc., demand was stagnant and various costs increased in each of the sensor and environmental analysis businesses, and as a result, net sales for this segment was 1,207 million yen (up 5.4% year on year) and operating loss was 17 million yen (as opposed to operating income of 46 million yen for the same period of the previous fiscal year).

(2) Overview of financial position

Total assets at the end of the six months ended September 30, 2023 increased by 1,139 million yen from the end of the previous fiscal year to 59,597 million yen, due to an increase in short-term loans receivable, etc.

Total liabilities decreased by 49 million yen from the end of the previous fiscal year to 10,526 million yen, due to a decrease in accounts payable - other, etc.

Total net assets increased by 1,188 million yen from the end of the previous fiscal year to 49,070 million yen, due to the recording of income attributable to owners of parent, an increase in valuation difference on available-for-sale securities, etc.

As a result, the equity ratio increased by 0.4 percentage points from the end of the previous fiscal year to 82.3%.

(3) Overview of cash flows

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the six months ended September 30, 2023, amounted to 1,657 million yen, an increase of 410 million yen from the end of the previous fiscal year.

Overall cash flows and the reasons therefor are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 2,722 million yen, an increase in cash inflow of 584 million yen from a net cash inflow of 2,138 million yen in the same period of the previous fiscal year, with cash inflow factors such as income before income taxes of 1,293 million yen, the posting of depreciation of 882 million yen, and a decrease in trade receivables of 664 million yen, partially offset by cash outflow factors such as a decrease in accrued consumption taxes of 173 million yen.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 2,293 million yen, a decrease in cash inflow of 833 million yen from a net cash outflow of 1,459 million yen in the same period of the previous fiscal year, due primarily to purchase of property, plant and equipment of 1,175 million yen and a net increase in short-term loans receivable of 1,151 million yen.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 0 million yen due to purchase of treasury shares, an increase in net cash inflow of 555 million yen from the same period of the previous fiscal year.

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

As announced in the Notice on Position Statement concerning Planned Commencement of a Tender Offer by JX Metals Corporation, a Wholly-owned Subsidiary of ENEOS Holdings, Inc., for Shares of the Company released on December 21, 2022, the Company's stock is planned to be delisted. A consolidated financial results forecast for the fiscal year ending March 31, 2024 is therefore not presented.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	1,246	1,657
Notes and accounts receivable - trade	20,973	20,331
Finished goods	3,852	3,904
Work in process	6,653	6,594
Raw materials and supplies	1,822	1,641
Short-term loans receivable	4,611	5,762
Other	613	744
Allowance for doubtful accounts	(12)	(12)
Total current assets	39,761	40,625
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,508	8,320
Machinery, equipment and vehicles, net	3,032	2,816
Tools, furniture and fixtures, net	371	361
Land	3,721	3,721
Construction in progress	295	765
Total property, plant and equipment	15,929	15,985
Intangible assets		
Software	136	119
Software in progress	15	24
Right to use facilities	4	4
Other	1	1
Total intangible assets	157	149
Investments and other assets		
Investment securities	1,067	1,224
Long-term prepaid expenses	0	59
Deferred tax assets	1,190	1,202
Other	521	512
Allowance for doubtful accounts	(169)	(161)
Total investments and other assets	2,609	2,836
Total non-current assets	18,696	18,972
Total assets	58,457	59,597

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,279	4,195
Accounts payable - other	1,243	893
Accrued expenses	1,381	1,421
Income taxes payable	87	477
Other	939	820
Total current liabilities	7,931	7,807
Non-current liabilities		
Long-term borrowings	900	900
Retirement benefit liability	1,572	1,660
Asset retirement obligations	42	37
Deferred tax liabilities	1	11
Other	127	109
Total non-current liabilities	2,644	2,718
Total liabilities	10,575	10,526
Net assets		
Shareholders' equity		
Share capital	6,676	6,676
Capital surplus	4,516	4,516
Retained earnings	38,792	39,759
Treasury shares	(2,459)	(2,459)
Total shareholders' equity	47,525	48,493
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	249	366
Deferred gains or losses on hedges	131	218
Foreign currency translation adjustment	(55)	(41)
Remeasurements of defined benefit plans	31	34
Total accumulated other comprehensive income	356	577
Total net assets	47,882	49,070
Total liabilities and net assets	58,457	59,597

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive
Income

Quarterly Consolidated Statements of Income

Six months ended September 30

(Millions of yen)

	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
Net sales	30,409	31,281
Cost of sales	24,694	25,312
Gross income	5,714	5,968
Selling, general and administrative expenses	4,822	4,789
Operating income	892	1,179
Non-operating income		
Interest income	8	2
Dividend income	12	12
Foreign exchange gains	142	77
Other	26	25
Total non-operating income	191	117
Non-operating expenses		
Interest expenses	3	4
Other	5	1
Total non-operating expenses	9	6
Ordinary income	1,074	1,290
Extraordinary income		
Compensation for forced relocation	101	–
Gain on sale of investment securities	0	23
Gain on sale of golf club membership	–	0
Gain on sale of non-current assets	0	2
Total extraordinary income	102	26
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on abandonment of non-current assets	20	4
TOB related expenses	–	19
Total extraordinary losses	20	24
Income before income taxes	1,156	1,293
Income taxes - current	342	421
Income taxes - deferred	(58)	(95)
Total income taxes	284	326
Income	872	967
Income attributable to owners of parent	872	967

Quarterly Consolidated Statements of Comprehensive Income

Six months ended September 30

(Millions of yen)

	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
Income	872	967
Other comprehensive income		
Valuation difference on available-for-sale securities	16	116
Deferred gains or losses on hedges	(430)	87
Foreign currency translation adjustment	35	14
Remeasurements of defined benefit plans, net of tax	9	2
Total other comprehensive income	(368)	221
Comprehensive income	503	1,188
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	503	1,188

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
Cash flows from operating activities		
Income before income taxes	1,156	1,293
Depreciation	965	882
Increase (decrease) in retirement benefit liability	70	95
Decrease (increase) in retirement benefit asset	(7)	(7)
Increase (decrease) in allowance for doubtful accounts	(6)	(8)
Interest and dividend income	(21)	(14)
Loss (gain) on sale and valuation of investment securities	(0)	(23)
Subsidy income	(0)	–
Insurance claim income	(5)	(0)
Compensation for forced relocation	(101)	–
Interest expenses	3	4
Loss (gain) on sale of non-current assets	0	(2)
Loss on abandonment of non-current assets	20	4
Decrease (increase) in trade receivables	(195)	664
Decrease (increase) in inventories	(113)	202
Decrease (increase) in other assets	310	(116)
Increase (decrease) in trade payables	265	(80)
Increase (decrease) in accounts payable - other	272	69
Increase (decrease) in accrued expenses	12	39
Increase (decrease) in accrued consumption taxes	34	(173)
Increase (decrease) in other liabilities	(241)	(70)
Subtotal	2,418	2,757
Interest and dividends received	12	14
Interest paid	(3)	(4)
Proceeds from compensation for forced relocation	109	–
Income taxes paid	(404)	(45)
Subsidies received	0	–
Proceeds from insurance income	5	0
Net cash provided by (used in) operating activities	2,138	2,722
Cash flows from investing activities		
Purchase of investment securities	(51)	(1)
Proceeds from sale of investment securities	5	38
Purchase of property, plant and equipment	(1,217)	(1,175)
Proceeds from sale of property, plant and equipment	1	5
Purchase of intangible assets	(25)	(18)
Net decrease (increase) in short-term loans receivable	(180)	(1,151)
Other, net	8	8
Net cash provided by (used in) investing activities	(1,459)	(2,293)
Cash flows from financing activities		
Dividends paid	(556)	–
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	(556)	(0)
Effect of exchange rate change on cash and cash equivalents	(63)	(18)
Net increase (decrease) in cash and cash equivalents	59	410
Cash and cash equivalents at beginning of period	1,389	1,246
Cash and cash equivalents at end of period	1,448	1,657