

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 Year Ended March 31, 2024 [Japanese GAAP] (Consolidated)



May 14, 2024

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 General Meeting of Shareholders: June 21, 2024
Scheduled date of filing Annual Securities Report: June 21, 2024
Scheduled date of commencing dividend payments: —
Availability of supplementary briefing material on annual financial results: Available
Schedule of annual financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results (% 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	%
Fiscal year ended March 31, 2024	64,119	4.3	2,547	49.7	2,688	44.2	1,765	82.4
Fiscal year ended March 31, 2023	61,476	2.7	1,701	(41.0)	1,864	(40.1)	967	(58.5)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: 3,305 million yen [300.6 %]

Fiscal year ended March 31, 2023: 825 million yen [(65.3) %]

	Income per share	Diluted income per share	Rate of return on equity	Return on assets	Operating income ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	28.58	—	3.6	4.5	4.0
Fiscal year ended March 31, 2023	15.67	—	2.0	3.2	2.8

(Reference) Equity in earnings of affiliates: Fiscal year ended March 31, 2024: NA

Fiscal year ended March 31, 2023: NA

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	61,119	51,186	83.7	828.54
As of March 31, 2023	58,457	47,882	81.9	775.04

(Reference) Equity: As of March 31, 2024: 51,186 million yen

As of March 31, 2023: 47,882 million yen

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2024	3,279	(2,726)	(0)	1,780
Fiscal year ended March 31, 2023	1,877	(855)	(1,112)	1,246

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 ended March 31, 2024	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2025 (Forecast)	–	–	–	–	–

	Total dividend paid out	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	Million yen	%	%
Fiscal year ended March 31, 2023	556	57.4	1.2
Fiscal year ended March 31, 2024	0	0.0	0.0
Fiscal year ending March 31, 2025 (Forecast)		–	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

As announced in the Notice on Position Statement concerning Planned Commencement of a Tender Offer by JX Nippon Mining & 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, 2025 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) 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

(3) Total number of issued shares (common stock)

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

As of March 31, 2024	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 March 31, 2024	8,377,260 shares
As of March 31, 2023	8,376,022 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2024	61,779,971 shares
Fiscal year ended March 31, 2023	61,781,050 shares

* These consolidated financial results are outside the scope of audit 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 Nippon Mining & 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, 2025 is therefore not presented.

The supplementary briefing material on annual financial results 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. Overview of Business Results, etc.	1
(1) Overview of business results for the fiscal year under review	1
(2) Overview of financial position for the fiscal year under review	2
(3) Overview of cash flows for the fiscal year under review	3
(4) Basic policy on distribution of profits	3
2. Overview of Group Operations	4
3. Basic Approach to the Selection of Accounting Standards	6
4. Consolidated Financial Statements and Notes	7
(1) Consolidated Balance Sheets	7
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	9
Consolidated Statements of Income	9
Consolidated Statements of Comprehensive Income	10
(3) Consolidated Statements of Changes in Equity	11
(4) Consolidated Statements of Cash Flows	13
(5) Notes to the consolidated financial statements	15
(Notes on the going concern assumption)	15
(Notes on important matters for the preparation of consolidated financial statements)	15
(Segment information, etc.)	18
(Per share information)	23
(Important subsequent events)	23

1. Overview of Business Results, etc.

(1) Overview of business results for the fiscal year under review

(i) Operating results for the fiscal year under review

During the current fiscal year under review, 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 prolonged Russia-Ukraine crisis, the strained situation in the Middle East, etc.

The average domestic quotation price for copper, the main raw material used for the Company’s products, for the fiscal year under review was on levels higher than for the previous fiscal year.

In the meantime, domestic demand for copper electric wires was on levels a little higher than for the previous fiscal year on the whole although the supply and demand of some electric wires is currently tight, 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 fiscal year under review amounted to 64,119 million yen (up 4.3% year on year). Operating income was 2,547 million yen (up 49.7% year on year), ordinary income was 2,688 million yen (up 44.2% year on year), and income attributable to owners of parent was 1,765 million yen (up 82.4% 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 fiscal year under review. As announced in the Notice on Position Statement concerning Planned Commencement of a Tender Offer by JX Nippon Mining & Metals Corporation, a Wholly-owned Subsidiary of ENEOS Holdings, Inc. for Shares of the Company released on December 21, 2022, JX Advanced Metals Corporation (changed the trade name from JX Metals Corporation on May 14, 2024) 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 April 26, 2024, while JX Advanced Metals Corporation has been conducting procedures in response to the Chinese competition authority’s requests, including discussing the remedies to address competition concerns, examination is still ongoing, and although the issues under examination have been narrowed down, the procedures required under Chinese competition law and related measures are not yet complete. Therefore, JX Advanced Metals Corporation expects to commence the tender offer in or after May 2024.

Through the tender offer and subsequent series of procedures, the Company is planned to become a wholly-

owned subsidiary of JX Advanced 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]

A slowdown in demand in the industrial equipment wire business was seen. However, owing to increased sales of electric wires for infrastructure in electric wires for electrical power companies and power plants, for use in construction, etc. (up 8.0% year on year) as well as selling price revisions implemented in response to rising raw material prices, etc., net sales for this segment increased to 47,096 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 2,063 million yen (up 168.5% year on year).

[Electronic Materials Business]

Sales volume of functional films, the Company's flagship products, decreased (down 8.9% 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 14,548 million yen (down 3.4% year on year) and operating income was 1,147 million yen (down 21.6% year on year) in spite of efforts to reduce costs, etc.

[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 were 2,502 million yen (up 1.6% year on year) and operating income was 26 million yen (down 83.6% year on year).

(ii) Earnings forecasts for the next fiscal year

As announced in the Notice on Position Statement concerning Planned Commencement of a Tender Offer by JX Nippon Mining & 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, 2025 is therefore not presented.

(2) Overview of financial position for the fiscal year under review

Total assets at the end of the fiscal year under review increased by 2,661 million yen from the end of the previous fiscal year to 61,119 million yen mainly due to increases in construction in progress and short-term loans receivable.

Total liabilities decreased by 643 million yen from the end of the previous fiscal year to 9,932 million yen primarily as a result of a decrease in retirement benefit liability.

Total net assets increased by 3,304 million yen from the end of the previous fiscal year to 51,186 million yen

mainly due to the posting of income attributable to owners of parent and an increase in remeasurements of defined benefit plans.

As a result, the equity ratio increased by 1.8 percentage points from the end of the previous fiscal year to 83.7%.

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the fiscal year under review amounted to 1,780 million yen, an increase of 533 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 3,279 million yen, an increase in cash inflow of 1,402 million yen from the previous fiscal year, with cash inflow factors such as income before income taxes of 2,437 million yen and depreciation of 1,897 million yen, partially offset by cash outflow factors such as an increase in trade receivables of 429 million yen and a decrease in accrued consumption taxes of 290 million yen.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 2,726 million yen, an increase in cash outflow of 1,870 million yen from the previous fiscal year, with cash outflow factors such as purchase of property, plant and equipment of 1,980 million yen and a net increase in short-term loans receivable of 652 million yen.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 0 million yen due to purchase of treasury shares, a decrease in cash outflow of 1,111 million yen from the previous fiscal year.

(4) Basic policy on distribution of profits

The Company’s basic policy on dividends, etc., was to provide stable dividend payments on a continuing basis with a target of a dividend payout ratio of 30%. It made a determination by comprehensively taking trends of business performance and future capital expenditures into consideration.

However, as announced in the Notice on Position Statement concerning Planned Commencement of a Tender Offer by JX Nippon Mining & 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. The price of the offer, etc. in the tender offer was comprehensively judged and determined based on the assumption that the dividends with a record date of March 31, 2023, September 30, 2023, and March 31, 2024 would not be paid. The Company therefore resolved at the Company’s following Board of Directors meetings that it would not pay dividends.

Record date	Date of the Board of Directors meeting
March 31, 2023	December 21, 2022
September 30, 2023	September 26, 2023
March 31, 2024	March 26, 2024

2. Overview of Group Operations

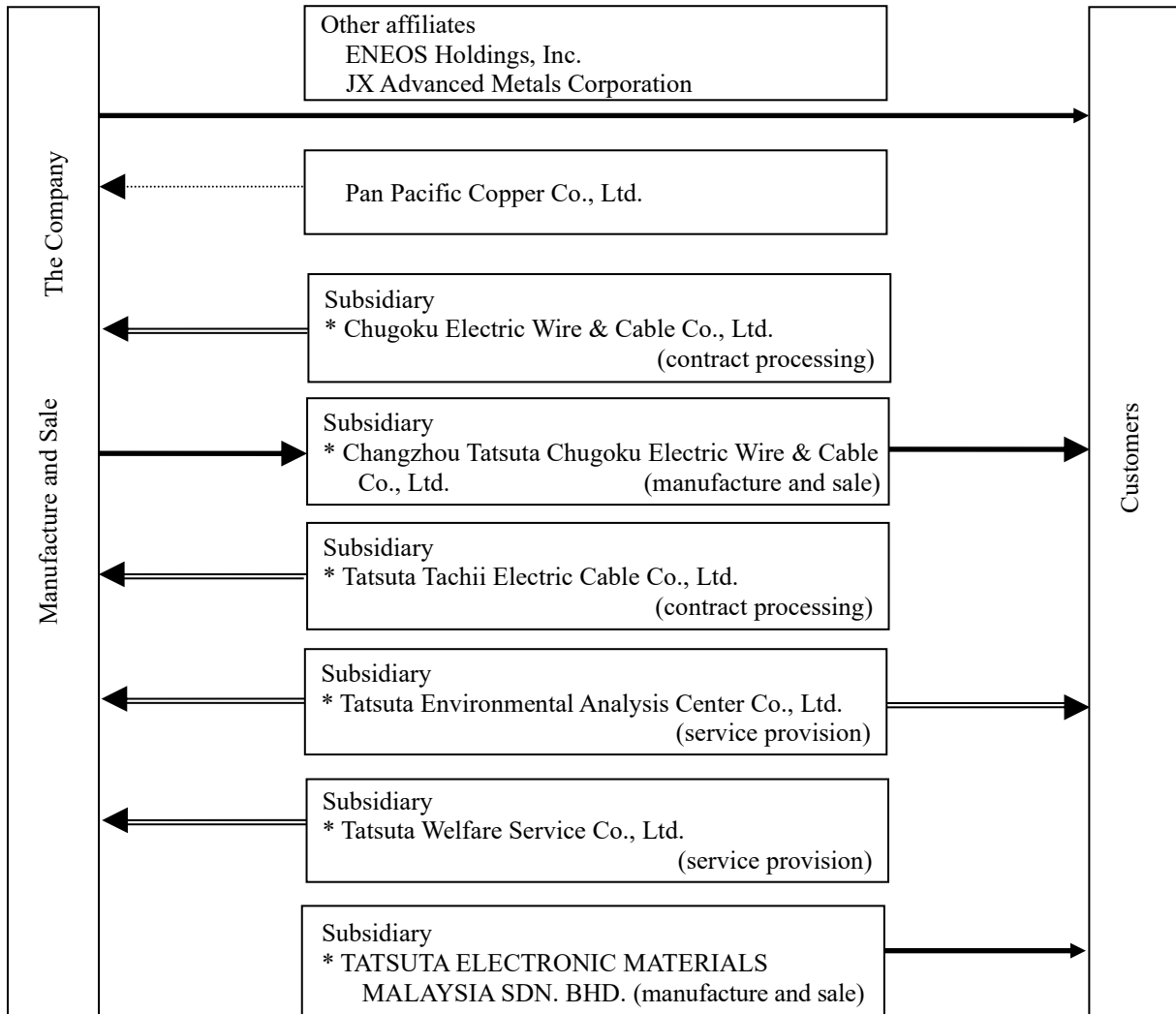
The Company's Group is comprised of the Company and six subsidiaries, and is engaged in the electric wire and cable business, the electronic materials business, as well as the sensor & medical products business, the environmental analysis business, etc.

The details of the businesses of the Company's Group and the positioning of subsidiaries in each business segment are as follows.

Reportable segment	Details of business	Primary company(s)
Electric Wire and Cable Business	Infrastructure wire business Manufacture and sale of electric wires for infrastructure, including construction, power plants, power distribution, etc.	The Company
	Industrial equipment wire business Manufacture and sale of electric wires for industrial machinery and FAs	The Company, Chugoku Electric Wire & Cable Co., Ltd., Tatsuta Tachii Electric Cable Co., Ltd., Changzhou Tatsuta Chugoku Electric Wire & Cable Co., Ltd.
Electronic Materials Business	Functional films business Manufacture and sale of EMI shielding film, etc. for electronic equipment	The Company
	Functional paste business Manufacture and sale of conductive paste, etc. for electronic equipment	The Company
	Bonding wire business Manufacture and sale of ultra-fine bonding wires for wiring of electronic parts	The Company, TATSUTA ELECTRONIC MATERIALS MALAYSIA SDN. BHD.
Other Businesses	Sensor & medical products business (Sensor business) Manufacture and sale of water leakage detection systems, intrusion monitoring systems, access control systems, and other equipment systems, as well as visible wavelengths fiber devices, optical fiber couplers, and other photo-electronics products (Medical equipment materials business) Manufacture and sale of equipment, components, and materials for medical use, including sensors, tubes, and wires for medical use.	The Company

	Environmental analysis business Measurement and analysis of water quality, air, noise, vibration, and odor; research and analysis of toxic substance, soil pollution, and asbestos	Tatsuta Environmental Analysis Center Co., Ltd.
--	---	---

The Group's business organization chart is as follows:



Note 1 * Consolidated subsidiaries

Note 2 Products
 Services and contract processing
 Materials

Note 3 As of the end of the fiscal year under review, part of shares of Pan Pacific Copper Co., Ltd. held by JX Advanced Metals Corporation was sold. While Pan Pacific Copper Co., Ltd. was no longer an affiliated party of the Company as of the end of the fiscal year under review, it was an affiliated party of the Company for the most part of the fiscal year under review. Pan Pacific Copper Co., Ltd. is thus presented in the Group's business organization chart.

3. Basic Approach to the Selection of Accounting Standards

The policy of the Group is to prepare its consolidated financial statements under the Japanese standards, in consideration of the comparability of its consolidated financial statements between periods and other factors.

Meanwhile, we intend to address the future application of IFRS in a timely and appropriate manner upon taking both internal and external environments into consideration.

4. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	1,246	1,780
Notes and accounts receivable - trade	20,973	21,425
Finished goods	3,852	4,169
Work in process	6,653	6,617
Raw materials and supplies	1,822	1,645
Short-term loans receivable	4,611	5,263
Other	613	1,102
Allowance for doubtful accounts	(12)	(12)
Total current assets	39,761	41,993
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,653	20,895
Accumulated depreciation	(12,144)	(12,782)
Buildings and structures, net	8,508	8,112
Machinery, equipment and vehicles	24,477	24,356
Accumulated depreciation	(21,444)	(21,723)
Machinery, equipment and vehicles, net	3,032	2,633
Tools, furniture and fixtures	3,379	3,358
Accumulated depreciation	(3,008)	(2,987)
Tools, furniture and fixtures, net	371	370
Land	3,721	3,696
Construction in progress	295	1,733
Total property, plant and equipment	15,929	16,545
Intangible assets		
Software	136	126
Software in progress	15	16
Right to use facilities	4	4
Other	1	1
Total intangible assets	157	148
Investments and other assets		
Investment securities	1,067	1,291
Long-term prepaid expenses	0	52
Retirement benefit asset	70	183
Deferred tax assets	1,190	687
Other	451	371
Allowance for doubtful accounts	(169)	(154)
Total investments and other assets	2,609	2,432
Total non-current assets	18,696	19,125
Total assets	58,457	61,119

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,279	3,989
Current portion of long-term borrowings	-	900
Accounts payable - other	1,243	1,517
Accrued expenses	1,381	1,489
Income taxes payable	87	673
Other	939	708
Total current liabilities	7,931	9,278
Non-current liabilities		
Long-term borrowings	900	-
Retirement benefit liability	1,572	431
Asset retirement obligations	42	110
Deferred tax liabilities	1	20
Other	127	91
Total non-current liabilities	2,644	653
Total liabilities	10,575	9,932
Net assets		
Shareholders' equity		
Share capital	6,676	6,676
Capital surplus	4,516	4,516
Retained earnings	38,792	40,557
Treasury shares	(2,459)	(2,460)
Total shareholders' equity	47,525	49,290
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	249	442
Deferred gains or losses on hedges	131	472
Foreign currency translation adjustment	(55)	(45)
Remeasurements of defined benefit plans	31	1,026
Total accumulated other comprehensive income	356	1,896
Total net assets	47,882	51,186
Total liabilities and net assets	58,457	61,119

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

(Millions of yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Net sales	61,476	64,119
Cost of sales	50,197	51,986
Gross income	11,279	12,132
Selling, general and administrative expenses	9,577	9,584
Operating income	1,701	2,547
Non-operating income		
Interest income	12	5
Dividend income	22	23
Foreign exchange gains	90	77
Subsidy income	6	4
Other	50	44
Total non-operating income	183	157
Non-operating expenses		
Interest expenses	8	9
Provision of allowance for doubtful accounts	–	4
Loss on disaster	5	–
Other	6	2
Total non-operating expenses	20	15
Ordinary income	1,864	2,688
Extraordinary income		
Compensation for forced relocation	101	–
Gain on sale of investment securities	6	23
Gain on sale of golf club membership	–	0
Gain on sale of non-current assets	0	2
Total extraordinary income	108	26
Extraordinary losses		
Loss on valuation of investment securities	406	105
Loss on sale of non-current assets	0	–
Loss on abandonment of non-current assets	44	103
Loss on transfer of non-current assets	–	35
TOB related expenses	189	34
Total extraordinary losses	641	278
Income before income taxes	1,331	2,437
Income taxes - current	456	837
Income taxes - deferred	(92)	(165)
Total income taxes	363	671
Income	967	1,765
Income attributable to owners of parent	967	1,765

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Income	967	1,765
Other comprehensive income		
Valuation difference on available-for-sale securities	32	192
Deferred gains or losses on hedges	(101)	341
Foreign currency translation adjustment	7	10
Remeasurements of defined benefit plans, net of tax	(82)	995
Total other comprehensive income	(142)	1,539
Comprehensive income	825	3,305
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	825	3,305

(3) Consolidated Statements of Changes in Equity

Previous fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,676	4,516	38,936	(2,458)	47,670
Changes during period					
Dividends of surplus			(1,112)		(1,112)
Income attributable to owners of parent			967		967
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(144)	(0)	(144)
Balance at end of period	6,676	4,516	38,792	(2,459)	47,525

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	216	232	(63)	113	499	48,169
Changes during period						
Dividends of surplus						(1,112)
Income attributable to owners of parent						967
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	32	(101)	7	(82)	(142)	(142)
Total changes during period	32	(101)	7	(82)	(142)	(287)
Balance at end of period	249	131	(55)	31	356	47,882

Current fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,676	4,516	38,792	(2,459)	47,525
Changes during period					
Income attributable to owners of parent			1,765		1,765
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,765	(0)	1,764
Balance at end of period	6,676	4,516	40,557	(2,460)	49,290

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	249	131	(55)	31	356	47,882
Changes during period						
Income attributable to owners of parent						1,765
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	192	341	10	995	1,539	1,539
Total changes during period	192	341	10	995	1,539	3,304
Balance at end of period	442	472	(45)	1,026	1,896	51,186

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Income before income taxes	1,331	2,437
Depreciation	1,993	1,897
Increase (decrease) in retirement benefit liability	167	199
Decrease (increase) in retirement benefit asset	(14)	(14)
Increase (decrease) in allowance for doubtful accounts	(12)	(15)
Interest and dividend income	(35)	(29)
Loss (gain) on sale and valuation of investment securities	399	81
Subsidy income	(6)	(4)
Insurance claim income	(15)	(2)
Compensation for forced relocation	(101)	–
Interest expenses	8	9
Loss (gain) on sale of non-current assets	(0)	(2)
Loss on transfer of fixed assets	–	35
Loss on abandonment of non-current assets	43	103
Decrease (increase) in trade receivables	(1,533)	(429)
Decrease (increase) in inventories	(361)	(90)
Decrease (increase) in other assets	311	(69)
Increase (decrease) in trade payables	377	(281)
Increase (decrease) in accounts payable - other	136	106
Increase (decrease) in accrued expenses	(138)	108
Increase (decrease) in accrued consumption taxes	324	(290)
Increase (decrease) in other liabilities	(325)	(224)
Subtotal	2,548	3,525
Interest and dividends received	25	29
Interest paid	(8)	(9)
Proceeds from compensation for forced relocation	109	–
Income taxes paid	(819)	(272)
Subsidies received	6	4
Proceeds from insurance income	15	2
Net cash provided by (used in) operating activities	1,877	3,279

(Millions of yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Cash flows from investing activities		
Purchase of investment securities	(52)	(2)
Proceeds from sale of investment securities	17	38
Purchase of property, plant and equipment	(1,707)	(1,980)
Proceeds from sale of property, plant and equipment	1	5
Purchase of intangible assets	(49)	(43)
Net decrease (increase) in short-term loans receivable	1,074	(652)
Other, net	(138)	(91)
Net cash provided by (used in) investing activities	(855)	(2,726)
Cash flows from financing activities		
Dividends paid	(1,112)	–
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	(1,112)	(0)
Effect of exchange rate change on cash and cash equivalents	(51)	(19)
Net increase (decrease) in cash and cash equivalents	(142)	533
Cash and cash equivalents at beginning of period	1,389	1,246
Cash and cash equivalents at end of period	1,246	1,780

(5) Notes to the consolidated financial statements

(Notes on the going concern assumption)

N/A

(Notes on important matters for the preparation of consolidated financial statements)

1. Scope of the consolidation

(1) Number of consolidated subsidiaries: 6

Chugoku Electric Wire & Cable Co., Ltd.

Tatsuta Tachii Electric Cable Co., Ltd.

Tatsuta Environmental Analysis Center Co., Ltd.

Tatsuta Welfare Service Co., Ltd.

Changzhou Tatsuta Chugoku Electric Wire & Cable Co., Ltd.

TATSUTA ELECTRONIC MATERIALS MALAYSIA SDN. BHD.

(2) Number of non-consolidated subsidiaries: 2

(Reason for exclusion from the scope of consolidation)

The non-consolidated subsidiaries, namely, Tatsuta USA, Inc. and Shanghai Tatsuta Co., Ltd., are excluded from the scope of consolidation, because they are small in size and their respective total assets, net sales, net income (corresponding to equity held by the Company) and retained earnings (corresponding to equity held by the Company) of these companies have little impact on the consolidated financial statements.

2. Application of the equity method

Number of non-consolidated subsidiaries that are not accounted for by the equity method: 2

(Reason for non-application of the equity method)

The non-consolidated subsidiaries that are not accounted for by the equity method, namely, Tatsuta USA, Inc. and Shanghai Tatsuta Co., Ltd., are excluded from the scope of the application of the equity method, because their respective net income (corresponding to equity held by the Company) and retained earnings (corresponding to equity held by the Company) have little impact on the consolidated financial statements even if they are excluded from the scope of the equity method, as well as have minor significance as a whole.

3. Fiscal years, etc., of the consolidated subsidiaries

The closing date of Changzhou Tatsuta Chugoku Electric Wire & Cable Co., Ltd. and TATSUTA ELECTRONIC MATERIALS MALAYSIA SDN. BHD., which are among the Company's consolidated subsidiaries, is December 31. The consolidated financial statements of these consolidated subsidiaries were prepared using the financial documents dated as of such closing date. Necessary adjustments are made on any significant transactions that took place between this date and the consolidated closing date.

The final day of the fiscal year of other consolidated subsidiaries is the same as the closing date of the consolidated fiscal year.

4. Notes to accounting policies

(1) Valuation basis and methods for significant assets

a) Marketable securities

Available-for-sale securities

Securities other than shares, etc. for which market quotations are unavailable

Market value method based on the market value, etc., at the end of the consolidated fiscal year (any valuation gain or loss to be reported in a designated component of net assets; cost of sale to be computed by the moving-average method).

Securities, etc. for which market quotations are unavailable

Stated at cost based on the moving average method.

b) Derivatives

Stated at fair value

c) Inventories

Stated at cost mainly using the gross monthly average method (book value is written down based on the decreased profitability).

(2) Depreciation method of significant depreciable assets

a) Property, plant and equipment: Declining-balance method

Straight-line method for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016

Useful lives of major items are as follows:

Buildings and structures: 15 to 38 years

Machinery, equipment and vehicles: 4 to 8 years

b) Intangible assets (excluding leased assets): Straight-line method

Straight-line method for software, which is used in the Company, based on the life in the Company (5 years)

(3) Standards of accounting for significant provisions

Allowance for doubtful accounts

In order to provide for losses due to doubtful receivables and bad debts, etc., an amount based on the percentage of actual historical bad debts is recorded for ordinary receivables, and the estimated amount of irrecoverable debt based on the estimated recoverability of individual cases is recorded for specified receivables such as doubtful receivables.

(4) Accounting methods for retirement benefits

a) Method of attributing the projected amount of retirement benefit to the period

In calculating retirement benefit obligations, the Company uses the benefit formula method to allocate the projected retirement benefit for the period up to the end of the consolidated fiscal year under review.

b) Method of amortizing actuarial gain and loss and past service cost

Past service cost is amortized by the straight-line method over the average remaining years of service of the employees (11 years).

Actuarial gain and loss are written off in the year following the consolidated fiscal year in which the gain or loss is recognized by the straight-line method over the average remaining years of service of the eligible employees (11 years).

c) Application of the simplified method to small-size companies, etc.

For some consolidated subsidiaries, a simplified method is applied for the calculation of retirement benefit obligations and retirement benefit expenses in which the necessary retirement benefit provisions for voluntary resignations at the end of the fiscal year are recorded as retirement benefit obligations.

(5) Accounting policy for recognition of significant revenues and expenses

The Company and its domestic consolidated subsidiaries have applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and the “Implementation Guideline on Accounting Standard for Revenue Recognition” (ASBJ Statement No. 30, March 26, 2021). The description of the primary performance obligations in our principal businesses pertaining to revenue from contracts with customers and the usual timing of satisfying the performance obligations (usual timing of recognizing revenue) are as follows:

a) Electric Wire and Cable Business

In the electric wire and cable business, the Company manufactures and sells electric wires and cables primarily for infrastructure, industrial machinery, and FAs.

The Company recognizes revenue when control of a promised good or service is transferred to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for the good or service. For domestic sales of products, revenue is recognized at the time of shipment when the control of the goods is transferred to the client within a normal period of time.

b) Electronic Materials Business

In the electronic materials business, the Company manufactures and sells primarily EMI shielding film, conductive paste, etc. for electronic equipment and ultra-fine bonding wires for wiring of electronic parts.

The Company recognizes revenue when control of a promised good or service is transferred to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for the good or service. For domestic sales of products, revenue is recognized at the time of shipment when the control of the goods is transferred to the client within a normal period of time.

c) Other Businesses

In the other businesses, the Company manufactures and sells primarily water leakage detection systems, intrusion monitoring systems, sensors for medical use, as well as provides environmental analysis services.

The Company recognizes revenue when control of a promised good or service is transferred to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for the good or service. For domestic sales of products, revenue is recognized at the time of shipment when the control of the goods is transferred to the client within a normal period of time.

(6) Basis for the conversion of important foreign-currency assets or liabilities into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate at the balance sheet date. The foreign exchange gains and losses from translation are recognized in income or loss. Assets and liabilities of overseas subsidiaries, etc., are translated into Japanese yen using the spot exchange rate on the consolidated balance sheet date thereof. Revenue and expenses are translated into Japanese yen using the average exchange rates of the consolidated fiscal year. The translation differences are included in foreign currency translation adjustment in the net assets section.

(7) Method of important hedge accounting

a) Method of hedge accounting

The Company has adopted the deferred hedge accounting method.

b) Hedging instruments and hedged items

Hedge accounting was applied to the following hedging instruments and hedged items during the consolidated fiscal year under review.

(Hedging instruments)

Commodity derivatives

(Hedged items)

Raw materials

c) Hedging policy

Commodity derivatives are used to hedge the price fluctuation risk of raw materials in accordance with the internal rules.

d) Method to evaluate effectiveness of hedging

The effectiveness of hedging is assessed based on the market fluctuation of hedging instruments and hedged items through the comparison of the cumulative amount thereof for the period from the commencement of hedging to evaluate the effectiveness thereof.

(8) Scope of funds in the consolidated statements of cash flows

Funds in the consolidated cash flow statement (cash and cash equivalents) consist of cash on hand, deposits that can be withdrawn at any time, and short-term investments with a maturity of three months or less when purchased which can easily be converted to cash and are subject to little risk of change in value.

(9) Other important matters for the preparation of consolidated financial statements

Application of group tax sharing system

The Group tax sharing system has been applied.

(Segment information, etc.)

[Segment information]

1 Outline of reportable segments

The reportable segments of the Company are components of the Company about which separate financial information is available and are evaluated regularly by the Board of Directors in deciding how to allocate resources and in assessing performance.

The Company consists of business segments by product and service based on operating divisions and operating companies. Categories of reportable segments and key products, etc., relating to the respective reportable segments are as follows:

Reportable segment	Key products, etc.
Electric Wire and Cable Business	Bare wires, cables (for electric power, fiber optic and telecommunication), covered wires
Electronic Materials Business	Functional films, functional paste, bonding wires

2 Basis for calculating sales, income and loss, assets, and other items by reportable segment

The method for the accounting process of reportable segments is equivalent to the method described in “Notes on important matters for the preparation of consolidated financial statements.” Segment performance is evaluated based on operating income or loss. Income figures of reportable segments are based on operating income. Intersegment revenue and transfer within the segments are based on the prevailing market price.

3 Information on amounts of sales, income or loss, assets, and other items by reportable segment
Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment			Other Businesses (Note 1)	Total	Adjustment (Note 2)	Amounts stated in consolidated financial statements (Note 3)
	Electric Wire and Cable Business	Electronic Materials Business	Subtotal				
Net sales							
Net sales to external customers	43,975	15,064	59,039	2,436	61,476	–	61,476
Net intersegment sales or transfer	–	–	–	27	27	(27)	–
Total	43,975	15,064	59,039	2,463	61,503	(27)	61,476
Segment income	768	1,463	2,232	161	2,394	(692)	1,701
Segment assets	34,834	11,686	46,521	1,957	48,478	9,979	58,457
Other items							
Depreciation	839	814	1,653	164	1,818	174	1,993
Increase in property, plant and equipment and intangible assets	934	644	1,578	93	1,671	30	1,702

(Notes)

1. The “Other Businesses” category is a business segment that is not included in the reportable segments, and comprises the sensor & medical products business and the environmental analysis business.
2. The adjustment is as follows:
 - (1) The adjustment to segment income (loss) of negative 692 million yen represents 12 million yen in intersegment eliminations and negative 705 million yen of corporate expenses not allocated to each reportable segment. Corporate expenses mainly include general administrative expenses and research expenses that are not attributable to reportable segments.
 - (2) The adjustment to segment assets of 9,979 million yen represents negative 1,795 million yen in offsets against receivables of the administrative division of headquarters and 11,774 million yen of corporate assets not allocated to each reportable segment. Corporate assets mainly include funds to manage surplus assets (cash and short-term loans receivable), long-term investment funds (investment securities), deferred tax assets, and assets related to the administration and research divisions (general affairs, basic research), which are not attributable to reportable segments.
 - (3) The adjustment to increase in property, plant and equipment and intangible assets of 30 million yen represents capital investment including headquarters building, administration and research divisions (general affairs, basic research).
3. Segment income is adjusted to operating income in the consolidated financial statements.

Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment			Other Business (Note 1)	Total	Adjustment (Note 2)	Amounts stated in consolidated financial statements (Note 3)
	Electric Wire and Cable Business	Electronic Materials Business	Subtotal				
Net sales							
Net sales to external customers	47,096	14,548	61,645	2,473	64,119	–	64,119
Net intersegment sales or transfer	–	–	–	28	28	(28)	–
Total	47,096	14,548	61,645	2,502	64,147	(28)	64,119
Segment income	2,063	1,147	3,210	26	3,237	(689)	2,547
Segment assets	36,151	12,187	48,339	2,020	50,359	10,759	61,119
Other items							
Depreciation and amortization	827	767	1,595	153	1,749	148	1,897
Increase in property, plant and equipment and intangible assets	687	1,544	2,231	160	2,392	70	2,462

(Notes)

1. The “Other Businesses” category is a business segment that is not included in the reportable segments, and comprises the sensor & medical products business and the environmental analysis business.
2. The adjustment is as follows:
 - (1) The adjustment to segment income (loss) of negative 689 million yen represents 13 million yen in intersegment eliminations and negative 702 million yen of corporate expenses not allocated to each reportable segment. Corporate expenses mainly include general administrative expenses and research expenses that are not attributable to reportable segments.
 - (2) The adjustment to segment assets of 10,759 million yen represents negative 1,536 million yen in offsets against receivables of the administrative division of headquarters and 12,296 million yen of corporate assets not allocated to each reportable segment. Corporate assets mainly include funds to manage surplus assets (cash and short-term loans receivable), long-term investment funds (investment securities), deferred tax assets, and assets related to the administration and research divisions (general affairs, basic research), which are not attributable to reportable segments.
 - (3) The adjustment to increase in property, plant and equipment and intangible assets of 70 million yen represents capital investment including headquarters building, administration and research divisions (general affairs, basic research).
3. Segment income is adjusted to operating income in the consolidated financial statements.

[Related Information]

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

1. Information by product and service

Information is omitted as similar information is disclosed in Segment Information.

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	China	South Korea	Other Asia	Other	Total
46,281	8,839	3,033	3,262	59	61,476

(Note) 1. Net sales are segmented by country or region based on customer location.

(2) Property, plant and equipment

Information is omitted since amount of property, plant and equipment in Japan exceeds 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

(Millions of yen)

Customer name	Net sales	Related segment name
Sumiden HST Cable, Ltd.	15,591	Electric Wire and Cable Business

Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)

1. Information by product and service

Information is omitted as similar information is disclosed in Segment Information.

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	China	South Korea	Other Asia	Other	Total
49,512	9,346	2,469	2,720	70	64,119

(Note) 1. Net sales are segmented by country or region based on customer location.

(2) Property, plant and equipment

Information is omitted since amount of property, plant and equipment in Japan exceeds 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

(Millions of yen)

Customer name	Net sales	Related segment name
Sumiden HST Cable, Ltd.	17,793	Electric Wire and Cable Business

[Information on impairment loss on non-current assets by reportable segment]

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

N/A

Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)

N/A

[Information on amortization of goodwill and unamortized balance by reportable segment]

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

N/A

Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)

N/A

[Information on gain on negative goodwill by reportable segment]

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

N/A

Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)

N/A

(Per share information)

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)		Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)	
Net assets per share	775.04 yen	Net assets per share	828.54 yen
Income per share	15.67 yen	Income per share	28.58 yen
There is no diluted income per share as there are no shares with dilutive effect.		There is no diluted income per share as there are no shares with dilutive effect.	
Basis for calculation		Basis for calculation	
1. Net assets per share		1. Net assets per share	
Total amount in net assets on the consolidated balance sheet	47,882 million yen	Total amount in net assets on the consolidated balance sheet	51,186 million yen
Amount deducted from the total amount in net assets	– million yen	Amount deducted from the total amount in net assets	– million yen
Net assets on common shares	47,882 million yen	Net assets on common shares	51,186 million yen
Number of common shares at the end of fiscal year	61,780 thousand shares	Number of common shares at the end of fiscal year	61,779 thousand shares
2. Income per share		2. Income per share	
Income attributable to owners of parent in consolidated statements of income	967 million yen	Income attributable to owners of parent in consolidated statements of income	1,765 million yen
Amount not attributable to common shares	– million yen	Amount not attributable to common shares	– million yen
Income attributable to owners of parent on common shares	967 million yen	Income attributable to owners of parent on common shares	1,765 million yen
Average number of common shares during the period	61,781 thousand shares	Average number of common shares during the period	61,779 thousand shares

(Important subsequent events)

N/A