

# Summary of Business Results for the Third Quarter Ended December 31, 2018 [Japan GAAP] (Consolidated)

February 4, 2019

Company **SWCC SHOWA HOLDINGS CO., LTD.**  
 Stock Code 5805  
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Expected date of filing of quarterly report: February 7, 2019  
 Preparation of quarterly supplementary financial document: Yes  
 Quarterly results briefing: None

Expected starting date of dividend payment: -

(Rounded down to million yen)

## 1. Consolidated business results for the nine months ended December 2018

(April 1, 2018 through December 31, 2018)

### (1) Consolidated results of operations

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 2018	131,793	5.1	4,519	-4.4	3,881	-4.1	2,752	1.7
Nine months ended Dec. 2017	125,412	13.0	4,727	119.9	4,048	296.5	2,706	251.6

(Note) Comprehensive income

Nine months ended December 2018: 2,839 million yen (-17.3%)

Nine months ended December 2017: 3,432 million yen (-%)

	Net income per share		Diluted net income per share	
	Yen	Yen	Yen	Yen
Nine months ended Dec. 2018	92.29	-	-	-
Nine months ended Dec. 2017	89.41	-	-	-

(Note) The Company conducted a 1-for-10 reverse stock split effective on October 1, 2017. Net income per share is calculated assuming that the reverse stock split was conducted at the beginning of the previous consolidated fiscal year.

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Dec. 2018	127,625	36,159	27.8
As of Mar. 2018	123,518	33,477	26.6

(Reference) Shareholders' equity

As of December 2018: 35,479 million yen

As of March 2018: 32,857 million yen

(Note) The Company has applied the "Partial Revision of Accounting Standard for Tax Effects" (ASBJ Statement No. 28, issued on February 16, 2018) from the beginning of the first quarter of the current fiscal year. The figures for the previous fiscal year have been calculated retrospectively after applying the standard.

## 2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 2018	-	0.00	-	5.00	5.00
Year ending Mar. 2019	-	0.00	-		
Year ending Mar. 2019 (forecast)				5.00	5.00

(Note) Revisions to dividend forecast for the current quarter: None

## 3. Forecast of consolidated business results for the fiscal year ending March 2019

(April 1, 2018 through March 31, 2019)

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending Mar. 2019	175,000	4.1	5,400	-14.0	4,500	-8.0	3,300	-11.7	110.65

(Note) Revisions to business forecast for the current quarter: None

**\*Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(2) Application of accounting procedures specific to preparation of the consolidated quarterly financial statements:  
Yes

(3) Changes in accounting policies, accounting estimates and restatement

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|--|--------|
| ① Changes in accounting policies associated with revision of accounting standards: | : None |
| ② Changes in accounting policies other than ①                                      | : None |
| ③ Changes in accounting estimates  | : Yes  |
| ④ Restatement  | : None |

(4) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of December 2018	30,826,861 shares
As of March 2018	30,826,861 shares

② Treasury stock at the end of period

As of December 2018	1,003,053 shares
As of March 2018	1,002,411 shares

③ Average number of stock during period (quarterly cumulative period)

Nine months ended December 2018	29,824,140 shares
Nine months ended December 2017	30,263,553 shares

(Note) The Company conducted a 1-for-10 reverse stock split effective on October 1, 2017. Number of shares outstanding at the end of period, number of treasury stock at the end of period, and average number of stock during period are calculated assuming that the reverse stock split was conducted at the beginning of the previous consolidated fiscal year.

**\*Quarterly financial summary is not subject to the quarterly review procedures by certified public accountants or auditing firms.**

**\*Explanation regarding appropriate use of business forecasts and other special instructions**

Above forecasts are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. Actual results may differ significantly from the forecasts due to various factors.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	Previous Fiscal Year (March 31, 2018)	Current Third Quarter (December 31, 2018)
<b>Assets</b>		
Current assets		
Cash and deposits	4,682	4,020
Notes and accounts receivable	39,730	43,678
Inventories	21,898	22,825
Other	4,637	5,097
Allowance for doubtful accounts	-12	-353
Total current assets	70,936	75,267
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,592	7,337
Machinery, equipment and vehicles, net	5,958	5,584
Land	23,603	23,603
Other, net	2,409	2,657
Total property, plant and equipment	39,564	39,182
Intangible assets	1,499	1,104
Investments and other assets		
Investment securities	5,441	5,947
Deferred tax assets	1,068	962
Asset for retirement pay	3,657	4,142
Other	1,492	2,030
Allowance for doubtful accounts	-141	-1,011
Total investment and other assets	11,517	12,071
Total noncurrent assets	52,581	52,358
Total assets	123,518	127,625
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	21,931	21,069
Short-term borrowings	34,381	36,176
Accounts payable	8,100	8,607
Income taxes payable	614	772
Allowance construction loss	58	58
Accrued restructuring charges	7	5
Allowance for product modification costs	599	945
Other	4,263	3,848
Total current liability	69,957	71,484
Noncurrent liabilities		
Long-term debt	13,240	13,342
Deferred tax liabilities on revaluation	4,188	4,188
Provision for directors' retirement benefits	127	97
Obligations for retirement pay	625	660
Other	1,900	1,692
Total noncurrent liabilities	20,082	19,981
Total liabilities	90,040	91,465

(Million yen)

	Previous Fiscal Year (March 31, 2018)	Current Third Quarter (December 31, 2018)
Net assets		
Shareholders' equity		
Capital stock	24,221	24,221
Capital surplus	5,536	5,536
Retained earnings	-3,454	-851
Treasury stock	-915	-916
Total shareholders' equity	25,387	27,990
Other accumulated comprehensive income		
Valuation difference on securities	787	872
Land revaluation difference	5,581	5,581
Foreign currency translation adjustments	1,681	1,349
Remeasurements of defined benefit plans	-580	-315
Total other accumulated comprehensive income	7,470	7,488
Non-controlling shareholders' equity	619	680
Total net assets	33,477	36,159
Total liabilities and net assets	123,518	127,625

(2) Quarterly Consolidated Statements of Income and Statements of Comprehensive Income  
Quarterly Consolidated Statements of Income  
(For the Nine-month Period)

(Million yen)

	Previous Third Quarter (From April 1, 2017 to December 31, 2017)	Current Third Quarter (From April 1, 2018 to December 31, 2018)
Net sales	125,412	131,793
Cost of sales	109,172	115,958
Gross profit	16,239	15,835
Selling, general and administrative expenses	11,512	11,316
Operating income	4,727	4,519
Non-operating income		
Interest income	51	105
Dividends income	65	48
Foreign exchange gain	111	-
Other	126	155
Total non-operating income	355	309
Non-operating expenses		
Interest expenses	630	613
Equity in losses of affiliates	26	36
Foreign exchange loss	-	75
Other	378	222
Total non-operating expenses	1,034	947
Ordinary income	4,048	3,881
Extraordinary income		
Gain on sales of investment security	14	-
Total extraordinary income	14	-
Extraordinary loss		
Provision for allowance product repair costs	808	-
Loss on sales of investment security	8	-
Total extraordinary loss	816	-
Current net income for the quarter before income taxes and minority interests	3,245	3,881
Income taxes	435	1,054
Net income	2,810	2,826
Net income attributable to owners of Non-Controlling	104	73
Net income attributable to owners of parent	2,706	2,752

(Consolidated Statements of Comprehensive Income)  
(For the Nine-month Period)

(Million yen)

	Previous Third Quarter (From April 1, 2017 to December 31, 2017)	Current Third Quarter (From April 1, 2018 to December 31, 2018)
Net income	2,810	2,826
Other comprehensive income		
Valuation difference on securities	359	81
Foreign currency translation adjustments	-98	-172
Of defined benefit plans	319	265
Share of other comprehensive income of companies accounted for by the equity-method	41	-161
Total other comprehensive income	621	12
Comprehensive income	3,432	2,839
Breakdown		
Comprehensive income attributable to owners of parent	3,326	2,770
Comprehensive income attributable to non- controlling interests	106	68