



SWCC Group

Supplementary Material for the Third Quarter of the Fiscal Year Ending March 2022

February 3, 2022

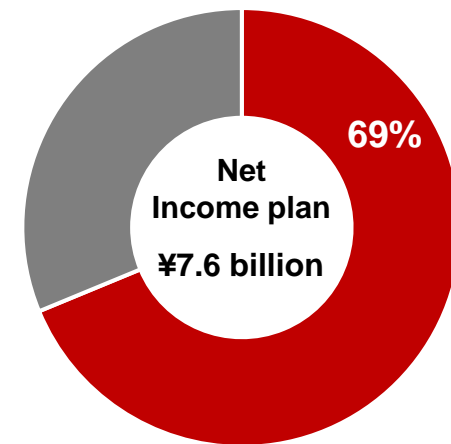
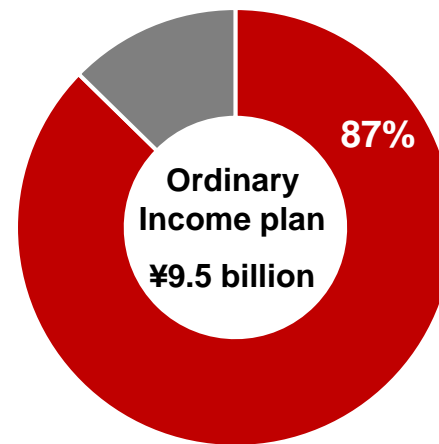
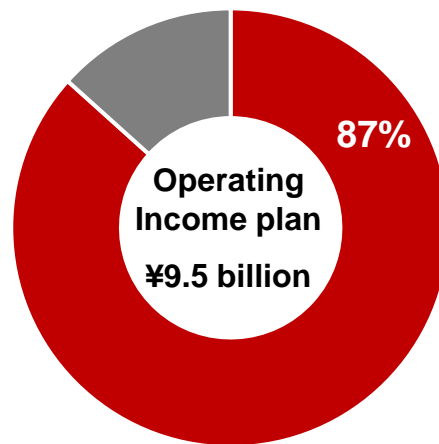
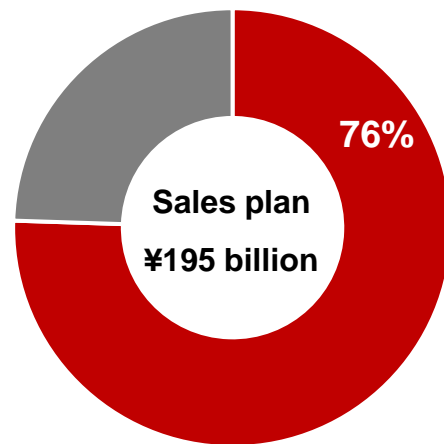
SWCC SHOWA HOLDINGS CO., LTD. (TSE1: 5805)

FY2021 Q3 Overview of Financial Results

Results : Sales and profits increased YoY, despite the impact of soaring raw material prices

- **Energy and Infrastructure Business** : Despite a decrease in demand for construction-related products, shipments for large-scale projects were firm, but the impact of soaring prices of raw materials such as petrochemical products became apparent. Demand for electric power infrastructure remained robust.
- **Communication and Industrial Devices Business** : Demand for industrial devices recovered YoY. Although there was a 5G demand for telecommunication infrastructure, there was a decline in demand for construction-related products and the impact of soaring raw material prices.
- **Electronic Equipment and Components Business** : Demand for high-functional products for automobiles and electronic components recovered YoY, despite the impact of reduced automobile production. There was also the impact of the rising copper prices.

Q3 Progress Rate (Net Sales/Operating Income/Ordinary Income/Net Income)



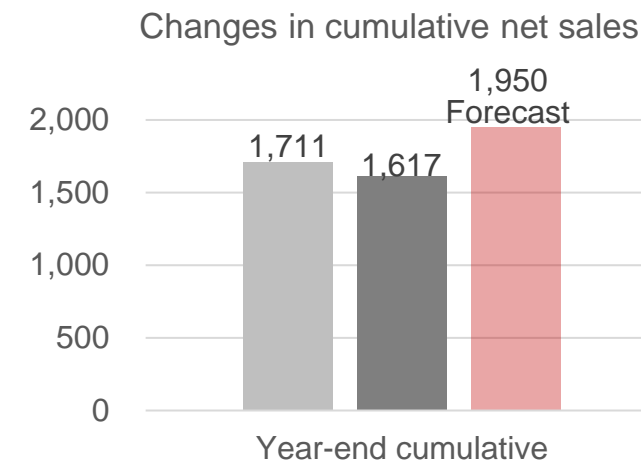
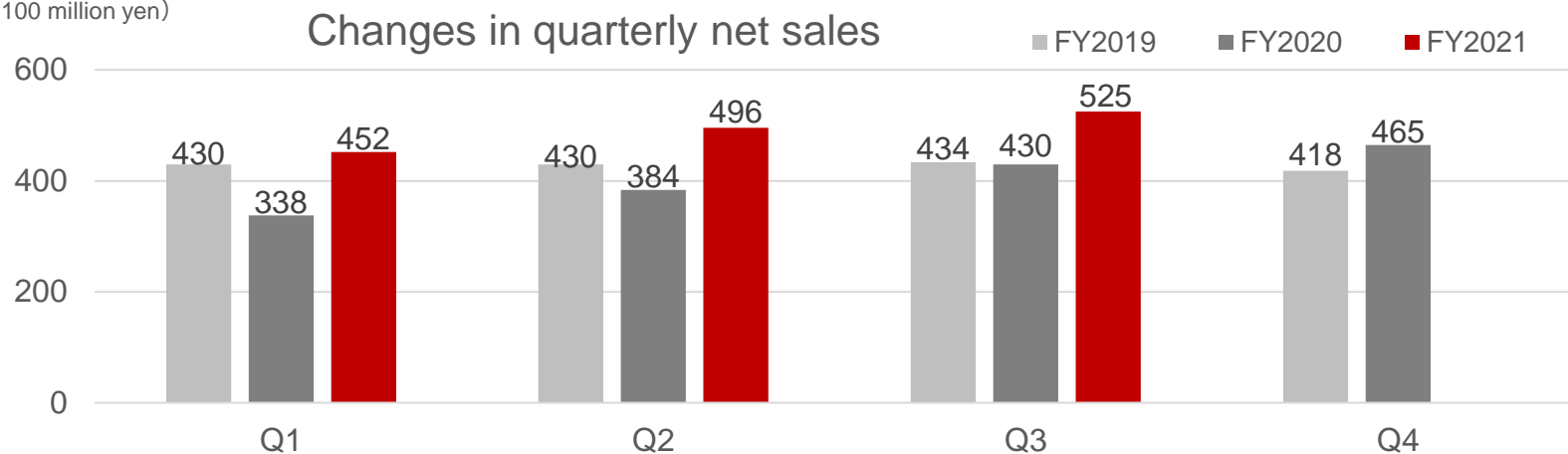
Q3 Consolidated Statements of Income

- Performance was in line with forecasts despite the impact of soaring raw material prices and logistics costs, with sales and profits up YoY

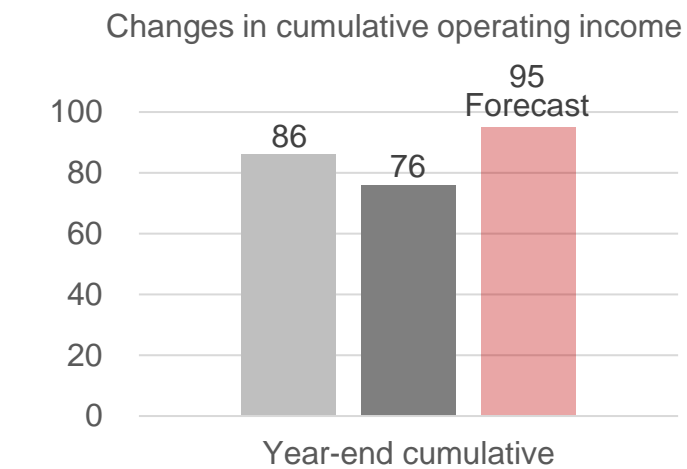
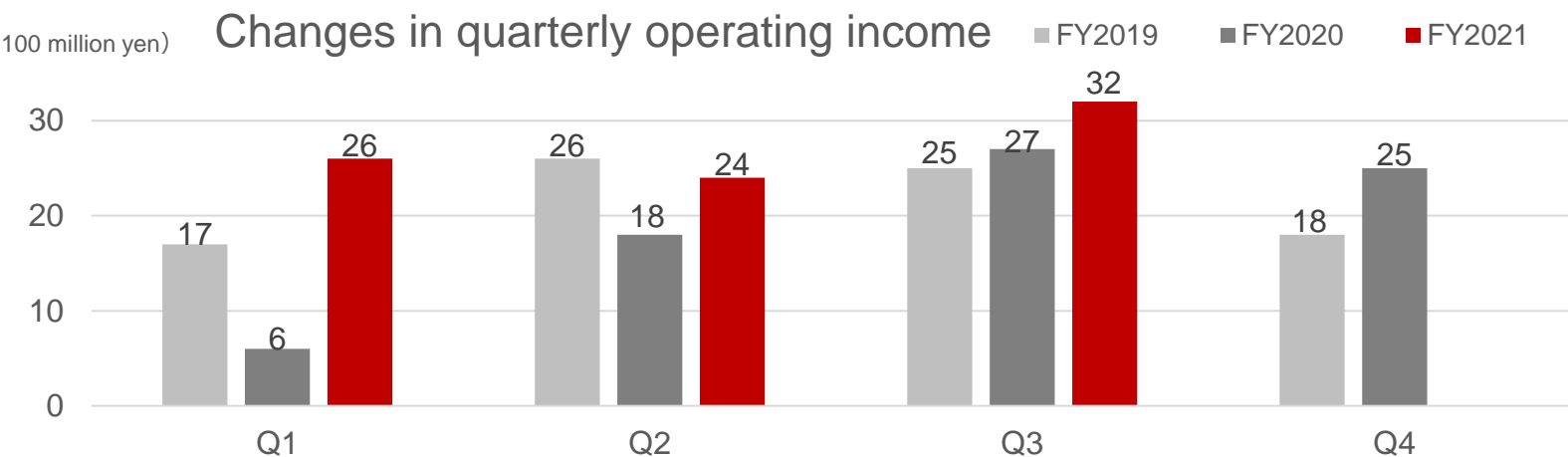
(Unit: 100 million yen)	FY2019 Q3 Actual	FY2020 Q3 Actual	FY2021 Q3 Actual	Composition %	YoY %
Net sales	1,293	1,152	1,472	–	27.8%
Gross profit	179	155	191	13.0%	23.9%
Operating income	68	51	82	5.6%	62.2%
Ordinary income	63	53	83	5.6%	57.3%
Net income attributable to owners of parent	46	35	52	3.5%	51.1%

Quarterly Performance Trends

(Unit: 100 million yen)



(Unit: 100 million yen)



Results by Segment (3-year changes)

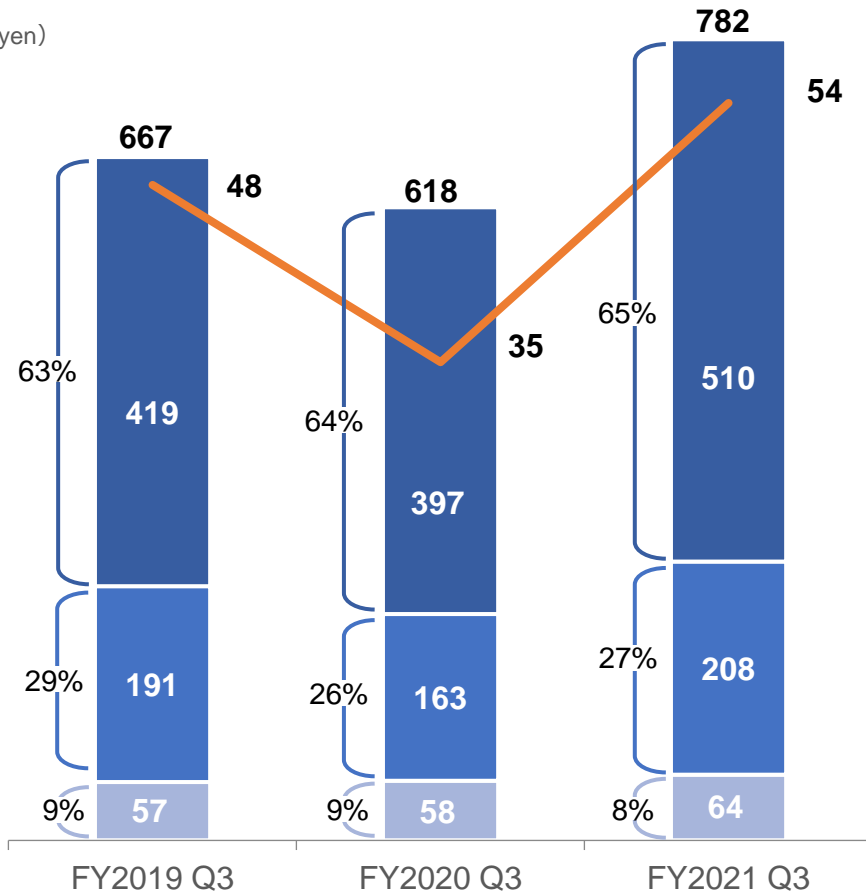
- Sales and income increased in Energy & Infrastructure and Electronic Equipment & Components Business
- Sales increased and income decreased in Communication & Industrial Devices Business

	FY2019 Q3 Actual		FY2020 Q3 Actual		FY2021 Q3 Actual	
	Net sales	Operating income (Profit margin / %)	Net sales	Operating income (Profit margin / %)	Net sales	Operating income (Profit margin / %)
(Unit: 100 million yen)						
Energy and Infrastructure Business	667	48 (7.2%)	618	35 (5.7%)	782	54 (6.9%)
Communication and Industrial Devices Business	229	20 (8.6%)	197	15 (7.7%)	220	13 (6.0%)
Electronic Equipment and Components Business	362	3 (0.9%)	304	5 (1.6%)	441	21 (4.7%)
Others (New Business)	36 (22)	△4 (△ 1)	33 (23)	△4 (△0)	29 (20)	△6 (△0)
Total	1,293	68 (5.2%)	1,152	51 (4.4%)	1,472	82 (5.6%)

Energy and Infrastructure Business Q3 Results

■ Construction
■ Electric power infrastructure
■ Seismic isolation/Others
— Operating income

(Unit: 100 million yen)



*The new accounting standard has been applied only to the results for the third quarter of FY2021

Results

◆ Construction
General-purpose electric cables

Despite a decline in construction-related demand, shipments of general-purpose electric cables for large projects increased. But the impact of soaring prices of petrochemical products and other raw materials became apparent.

◆ Seismic isolation/Others
Seismic isolation devices, Anti-seismic / Anti-shock

◆ Electric power infrastructure
Power cables, Construction, Power device component (SICONEX®)

Demand for electric power enhancement, renewal of aging infrastructure, and renewable energy interconnection remained strong.

Topics

Press release on December 6, 2021

Completion of the world's first demonstration test of a Tri-axial superconducting cable system in an actual system of a private plant

Press release on December 24, 2021

Notice of Integration of Manufacturing Business and Change of Investment Ratio in Joint Sales Company with Furukawa Electric Co., Ltd.

Press release on January 31, 2022

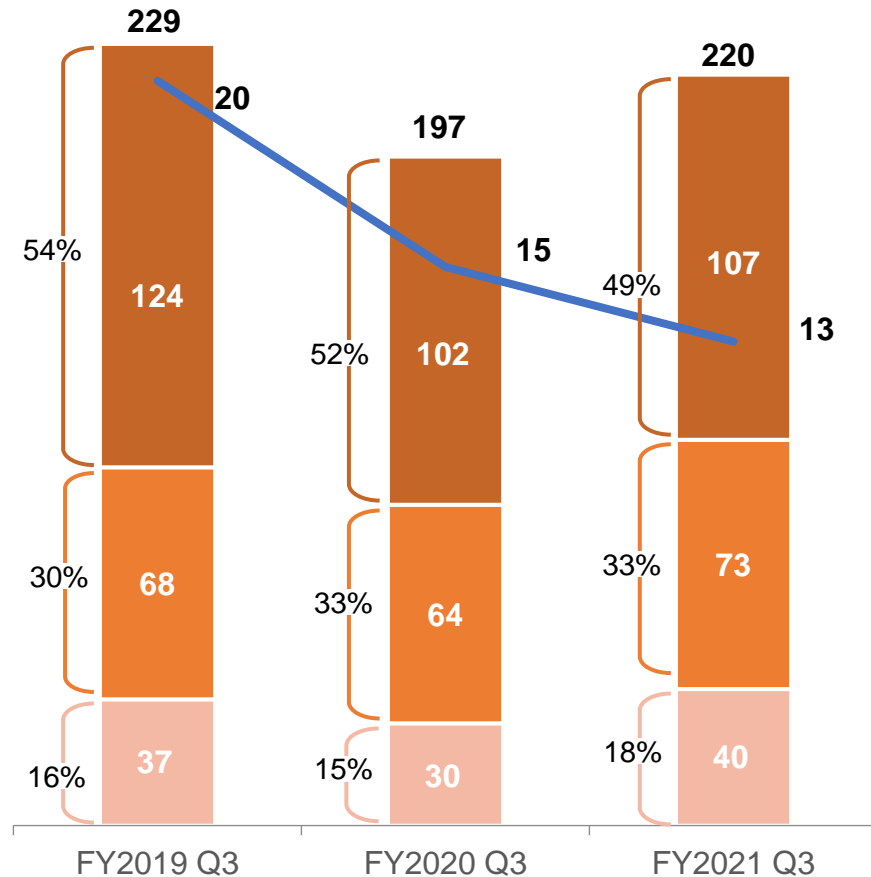
Incorporating AVR™ Technology into Workforce Training Programs

Communication and Industrial Devices Business

Q3 Results

■ Communication cable
■ Wire harness
■ Precision devices
— Operating income

(Unit: 100 million yen)



*The new accounting standard has been applied only to the results for the third quarter of FY2021

Results

◆ Communication cable (Construction)
Metal cables, optical cables, LAN cables

Despite favorable factors such as the increase of communication infrastructures, construction-related business was affected by declining demand and soaring raw material prices.

◆ Communication cable (Communication infrastructure)
Metal cables, optical cables

◆ Wire harness (Home and industrial equipment, etc.)

Demand recovered compared to the same quarter of the previous year.

◆ Precision devices (Copy machine, etc.)

Topics

Press release on December 20, 2021

New Wire Harness Plant Starts Business in Jiaxing

Press release on January 21, 2022

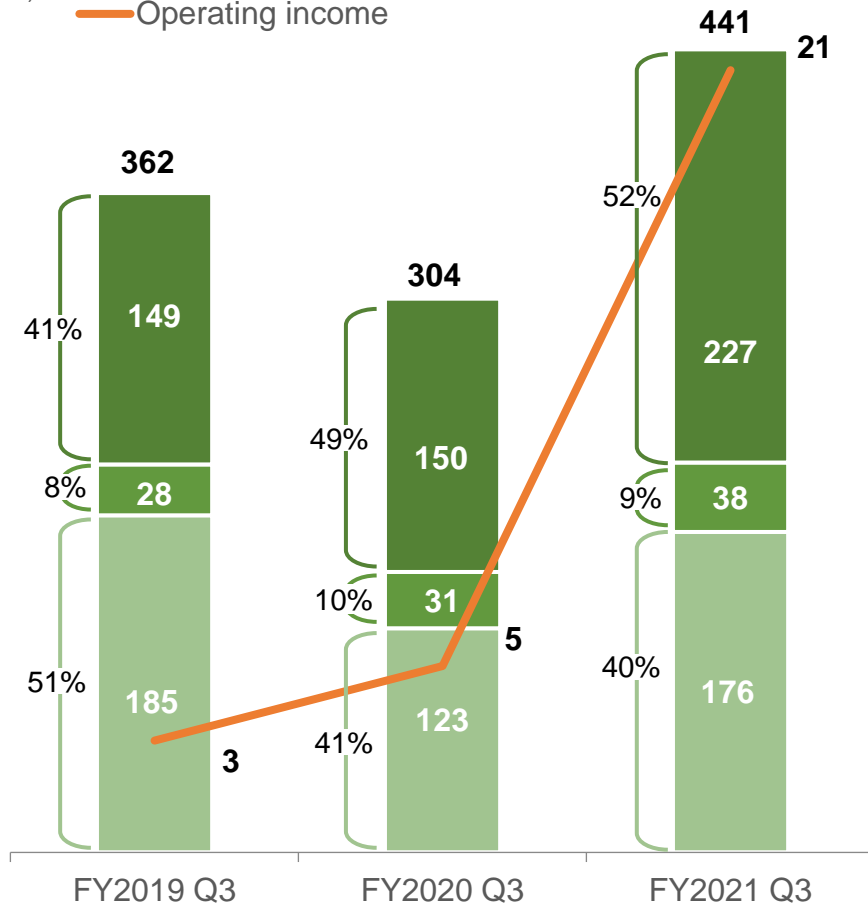
Fire-resistant cables for small power circuits manufactured by Fuji Electric Wire Co., Ltd. "EM-JSH®".
Certified as the industry's fastest product compliant with the Fire and Disaster Management Agency's Notification.

Electronic Equipment and Components Business

Q3 Results

- High-performance products oxygen free copper
- Other high-performance products
- General-purpose products
- Operating income

(Unit: 100 million yen)



*The new accounting standard has been applied only to the results for the third quarter of FY2021

Results

◆ High-performance products oxygen free copper (Automobile, electrical equipment, etc.)
Oxygen free copper MiDIP®

Demand for high-performance products for automobiles and electronic components recovered.

◆ Other high-performance products (Automobile, electrical equipment, etc.)
Copper Alloy, High performance magnet wire

◆ General-purpose products (Electrical machinery applications etc.)
General-purpose magnet wires

Demand for general-purpose magnet wires for heavy electronics increased by domestic demand growth due to a review of the supply chain.

Topics

Published in the Sangyo press on November 8, 2021

High-performance products oxygen free copper “MiDIP®”
Doubling production capacity in FY2026

Notice of Revision to Year-end Dividend Forecast for FY2021 (Increase in Dividend)

To achieve the numerical targets (KPIs) in the medium-term management plan ahead of schedule, we have decided to revise the year-end dividend forecast to 50 yen per share, an increase of 10 yen, as a result of comprehensively taking into account current business performance and other factors.

This amount is equivalent to the target of the current medium-term management plan for FY2022.

We will continue to strive for stable and continuous dividends by enhancing profitability and improving our financial position.

	Annual dividend per share			Dividend payout ratio
	End-Q2	Year-end	Total	
Previous forecast	—	40.00 yen	40.00 yen	16%
Revised forecast		50.00 yen	50.00 yen	20%
Current results	0.00 yen	—	—	—
(Reference) Results for dividend per share for the previous fiscal year	0.00 yen	20.00 yen	20.00 yen	12%

Consolidated Balance Sheet (Comparison with the previous fiscal year-end)

• Equity ratio was 35.8%

(Unit: 100 million yen)

	March 31, 2021	December 31, 2021	Change
Cash and deposits	42	49	+7
Notes and accounts receivable-trade and contract assets	439	550	+112
Inventories	215	252	+37
Others	57	63	+5
Total currents assets	753	914	+161
Property, plant and equipment	397	416	+19
Intangible assets	14	12	△1
Investments and other assets	131	138	+6
Total fixed assets	542	566	+24
Total assets	1,295	1,480	+186

	March 31, 2021	December 31, 2021	Change
Notes & accounts payable	224	275	+51
Short-term borrowings	247	305	+58
Others	159	171	+12
Total current liabilities	629	751	+121
Long-term debt & bonds	121	132	+11
Others	63	62	△1
Total long-term liabilities	184	193	+10
Total liabilities	813	944	+131
Capital stock	242	242	0
Capital surplus	57	57	+0
Retained earnings	106	153	+47
Others	77	84	+7
Total net assets	482	536	+54
Total liabilities & net assets	1,295	1,480	+186



Forward-looking statements in this document are based on information available at the time of publication and contain potential risks and uncertainties.

Therefore, actual results may differ materially from those projected in the forward-looking statements as a result of various factors.

Factors that could influence actual results include economic conditions, demand trends, raw material prices, and exchange rate fluctuations, as well as other items not limited to the above.

Contact

SWCC SHOWA HOLDINGS CO., LTD.
STRATEGY SECTION,
BUSINESS STRATEGY PLANNING DEPT.
TEL:044-223-0520
E-mail : kouho@hd.swcc.co.jp

SWCC SHOWA HOLDINGS CO., LTD. (TSE1: 5805)