



Creating for the Future

Innovating new ideas today. Becoming the norms of tomorrow.

Supplementary Material for the Fiscal Year ended March 2023

May 12, 2023

SWCC Corporation

TSE PRIME : 5805

- 1 . FY2022 Overview of Financial Results
- 2 . FY2023 Full Year Forecasts

1 . FY2022 Overview of Financial Results

Overview of Financial Results for FY2022

Results: Sales and profits increased YoY, due to the **effects of structural reforms and strong business**, despite the impact of the external environment.

- **Energy and Infrastructure business**

Sales and profits increased YoY. The construction-related products captured the stable demand, as we revised sales prices in response to rising raw material prices and improved profitability by integrating the manufacturing and sales business. In products for electric power infrastructure, demand for renewal projects due to aging and renewable energy-related products remained firm.

- **Electronic equipment and Components business**

Sales and profits decreased YoY. Sales of high-performance products for automotive applications were sluggish due to the impact of reduced automobile production, which continued from 2H of the previous fiscal year, despite capturing demand for some products from Europe.

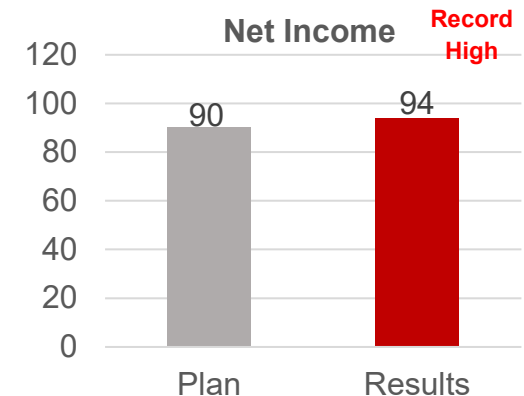
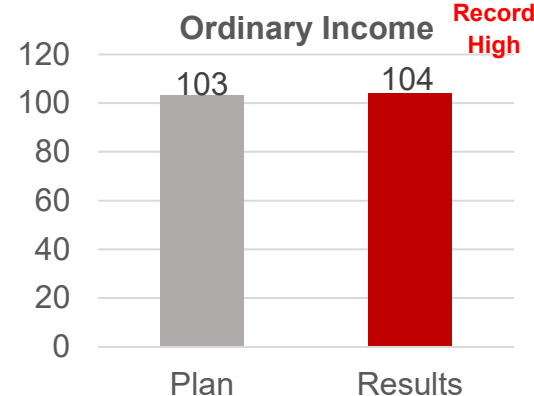
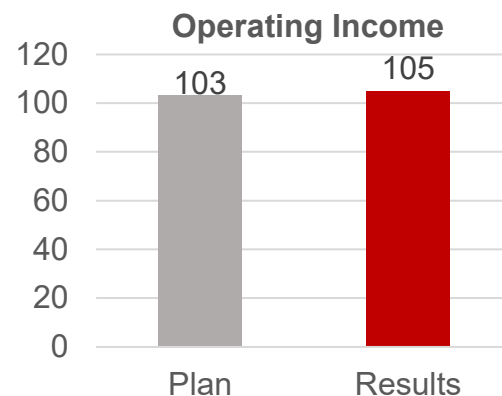
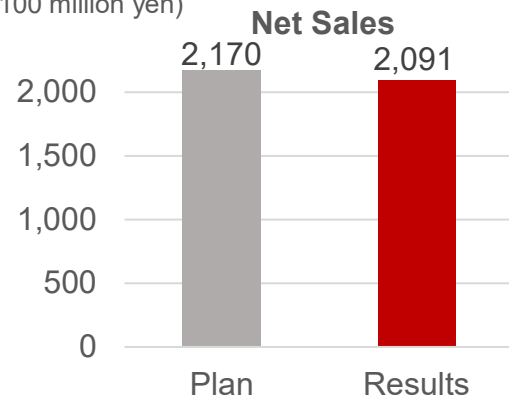
- **Communication and Industrial devices business**

Sales increased and profits decreased YoY, although some negative effects in 1H, such as the partial delay in starting the reorganization of domestic telecommunication cable production bases and the impact of the lockdown in China on the industrial devices, improved in 2H.

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

*** Both ordinary income and net income reached record highs**
(Reflects revised earnings forecast announced on September 22, 2022)

(Unit: 100 million yen)



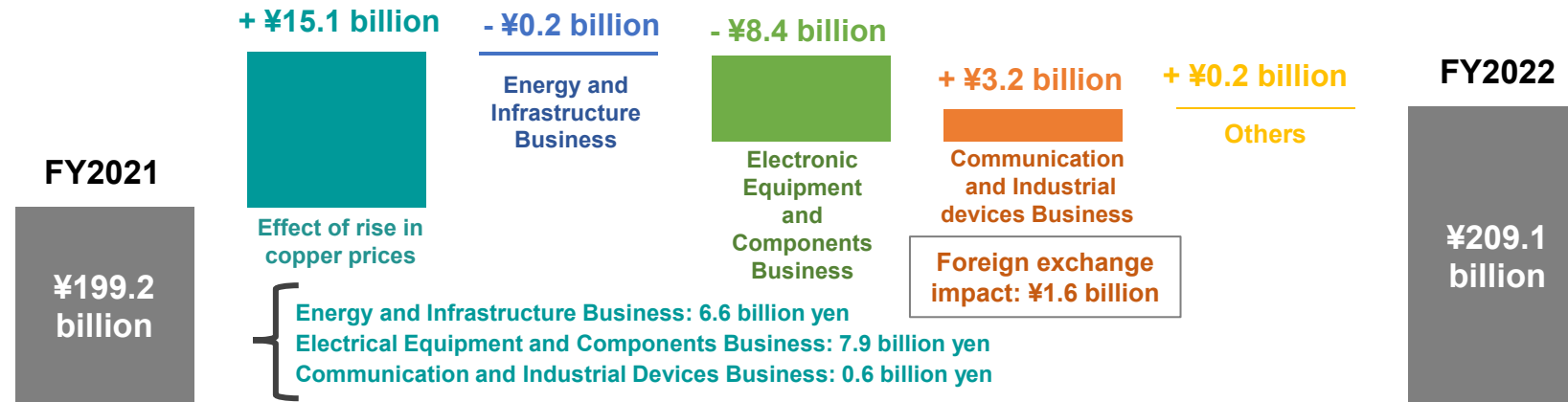
FY2022: Consolidated Statements of Income

Sales and profits increased YoY. Profits exceeded the plan, with **both ordinary income and net income reaching record highs.**

(Unit: 100 million yen)	FY2021 Actual	FY2022 Actual	YoY (%)
Net Sales	1,992	2,091	5.0
Gross Profit	254	258	1.8
Operating Income	100	105	4.3
Ordinary Income	99	Record High 104	5.2
Net income attributable to owners of parent	94	Record High 94	0.6
Dividend per share (Yen)	50	60	(Difference from previous year) 10
ROE (%)	17.7	15.0	(Difference from previous year) ▲2.7
ROIC (%)	7.6	7.1	(Difference from previous year) ▲0.5

FY2022 Change Factors

Change factors for net sales



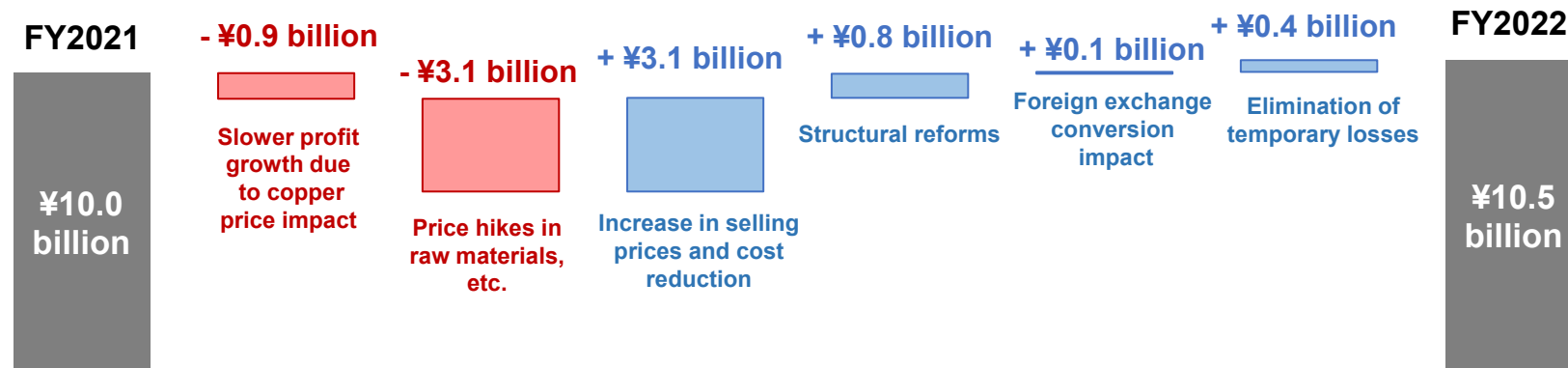
[Change factors]

1. Net sales

Increased mainly by passing cost increases due to higher copper prices on selling prices promptly.

Foreign exchange effects include about 1.6 billion yen in the Communication and Industrial Devices Business.

Change factors for operating income



2. Operating income

The rise in raw material prices was covered by sales price revisions and cost reductions.

Profits increased thanks to the restructuring benefit of 800 million yen and the foreign exchange gain of 100 million yen.

FY2022 Results by Segment

Profits recovered, despite the impact of the external environment, such as the reduced automotive production and the lockdown in China. This was **due to the strong performance of the Energy and Infrastructure Business, driven by the favorable sales of construction and power-related products, as well as the strengthening of measures in the 2H of the year.**

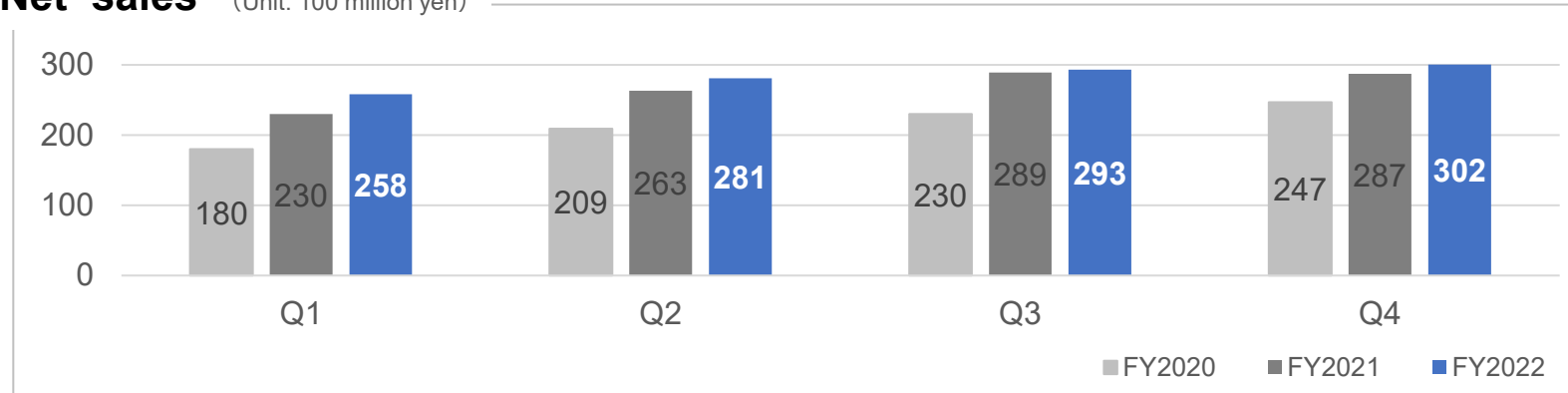
(Unit: 100 million yen)

		FY2021 Actual	FY2022 Actual	YoY (%)	FY2022 ROIC (%)
Energy and Infrastructure Business	Net sales	1,069	1,133	<u>6.0</u>	8.7
	Operating income	65	77	<u>18.5</u>	
	Operating income margin(%)	6.0	6.8	(Difference from previous year) <u>0.7</u>	
Electronic Equipment and Components Business	Net sales	586	581	▲0.8	6.9
	Operating income	24	17	▲28.7	
	Operating income margin(%)	4.0	2.9	(Difference from previous year) ▲1.1	
Communication and Industrial Devices Business	Net sales	295	333	12.8	5.9
	Operating income	18	18	▲3.1	
	Operating income margin(%)	6.2	5.3	(Difference from previous year) ▲0.9	

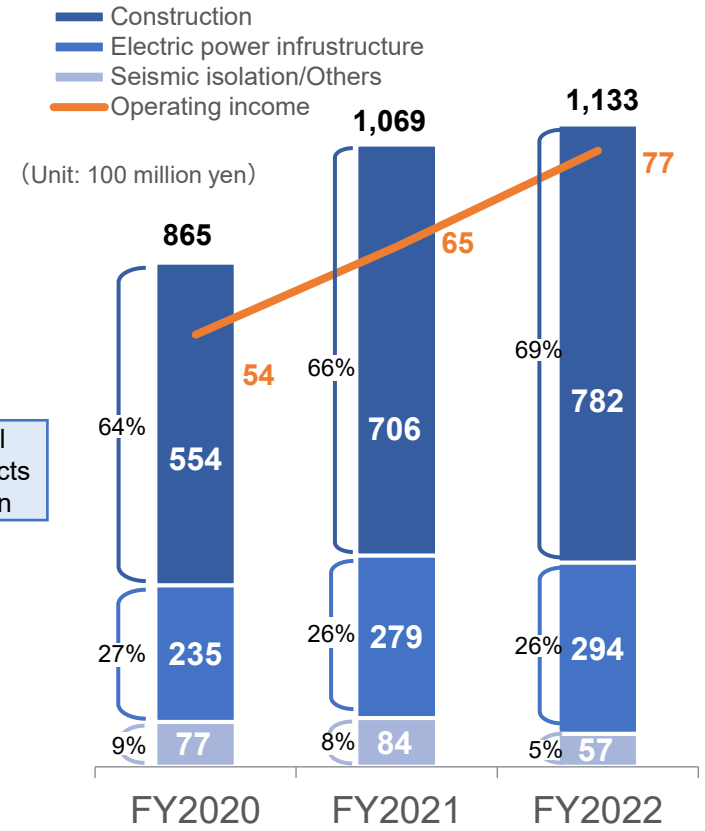
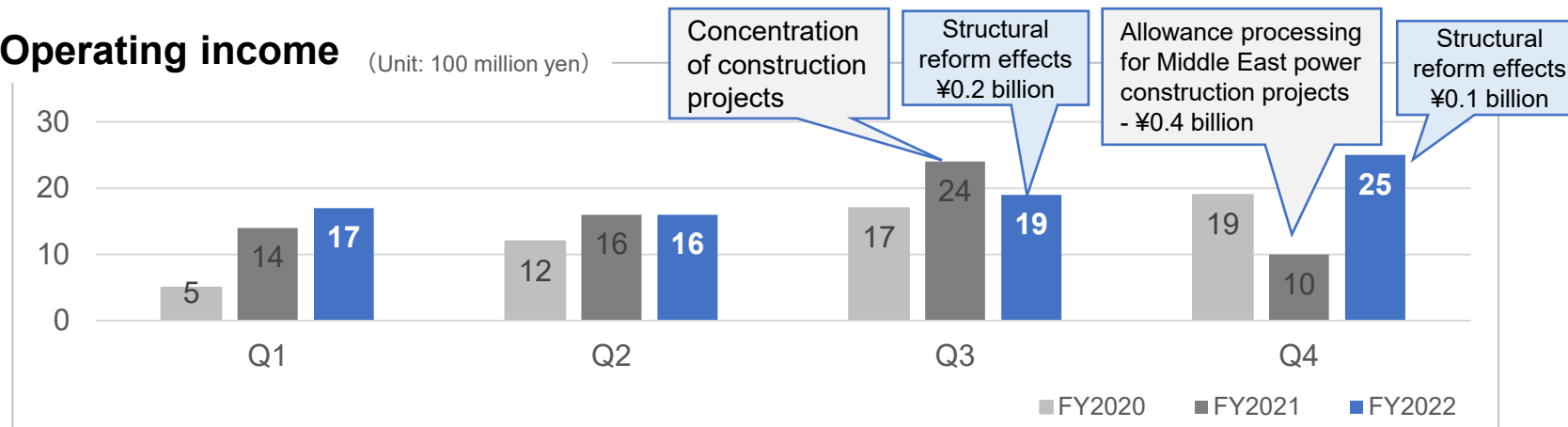
FY2022 Results by Segment / Energy and Infrastructure Business

Sales and profits increased YoY, backed by improved profitability through the integration of the construction-related manufacturing and sales businesses and firm demand for renewal projects due to aging and renewable energy-related products.

Net sales (Unit: 100 million yen)



Operating income (Unit: 100 million yen)

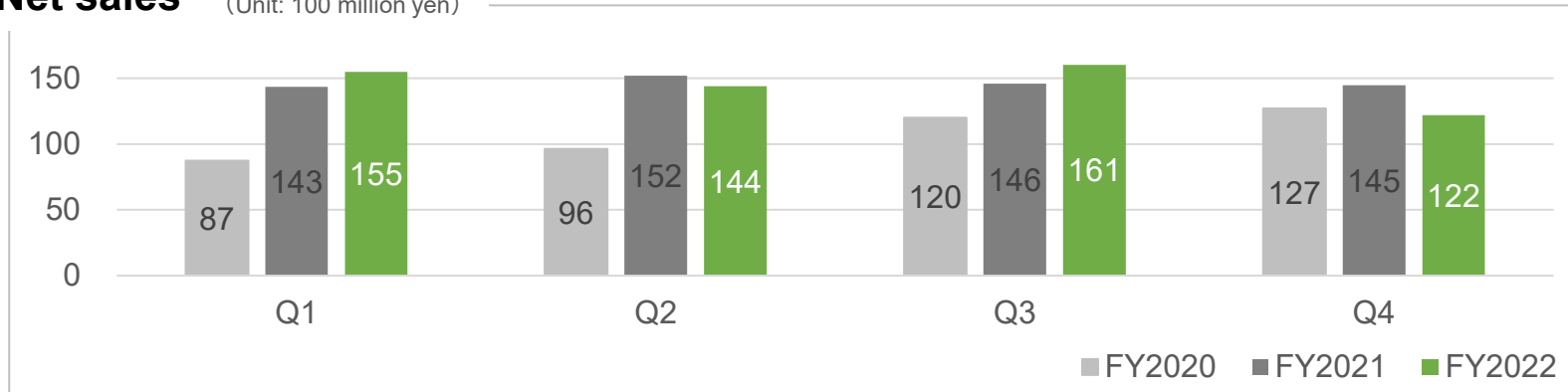


FY2022 Results by Segment / Electronic Equipment and Components Business

Sales and profits of high-performance products decreased YoY due to the impact of reduced automobile production, which continued from 1H of the previous fiscal year, despite capturing demand for some products from Europe.

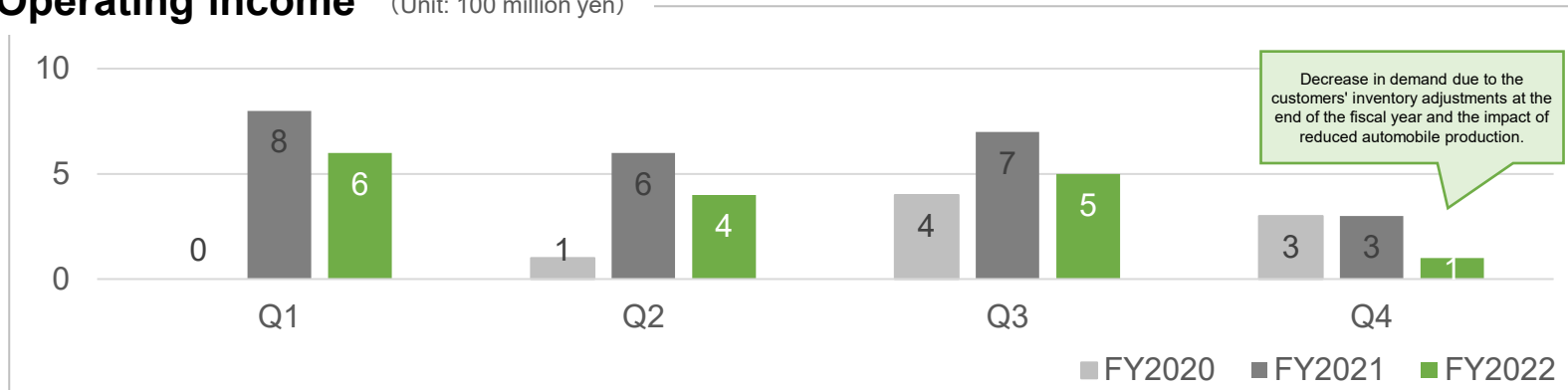
Net sales

(Unit: 100 million yen)



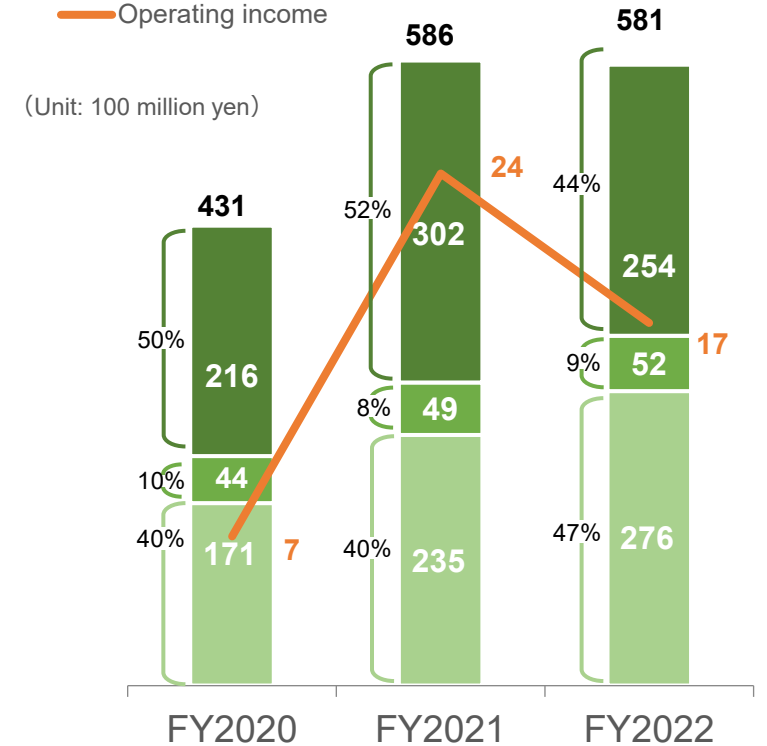
Operating income

(Unit: 100 million yen)



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

(Unit: 100 million yen)

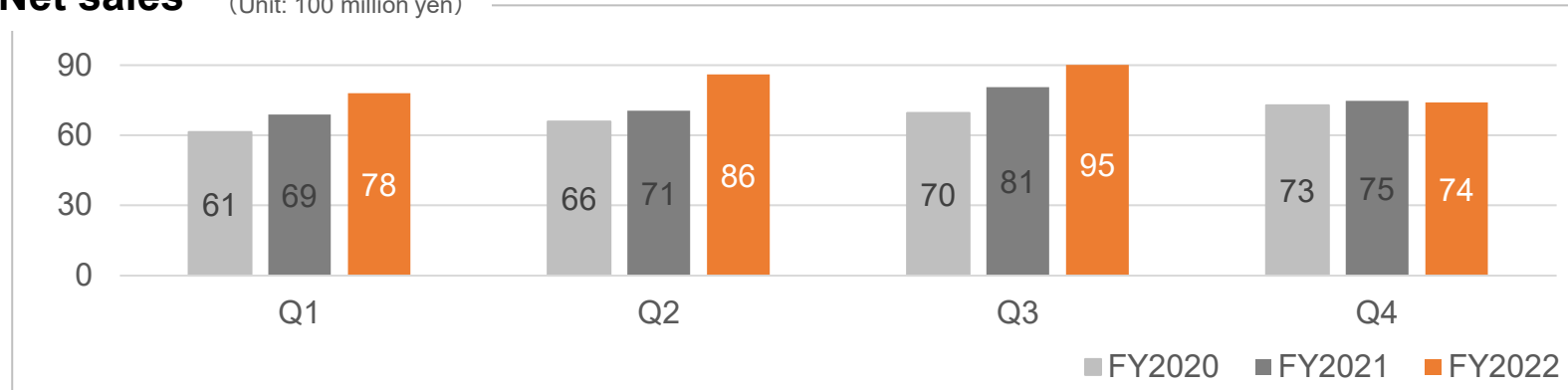


FY2022 Results by Segment / Communication and Industrial Devices Business

Sales increased and profits decreased YoY, although some negative effects in 1H, such as the partial delay in starting the reorganization of domestic telecommunication cable production bases and the impact of the lockdown in China, improved in 2H.

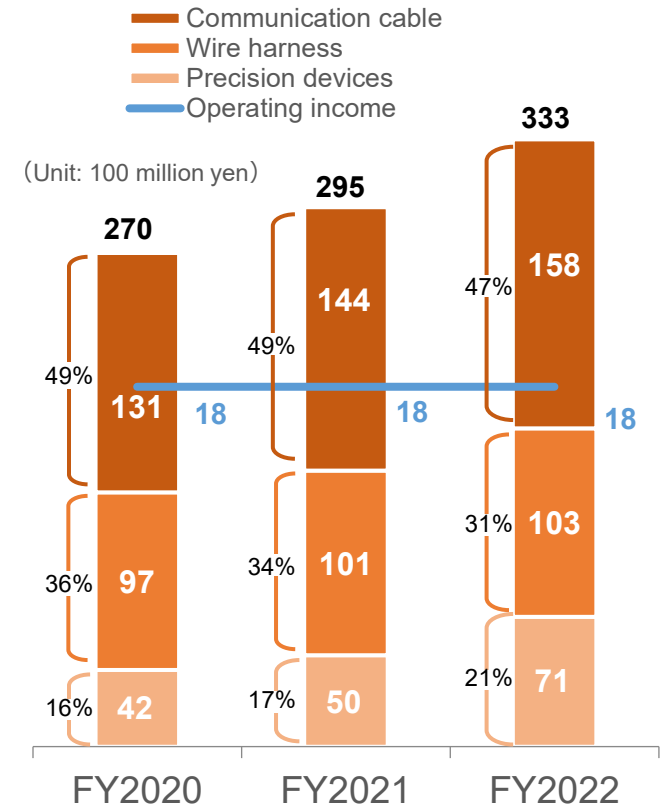
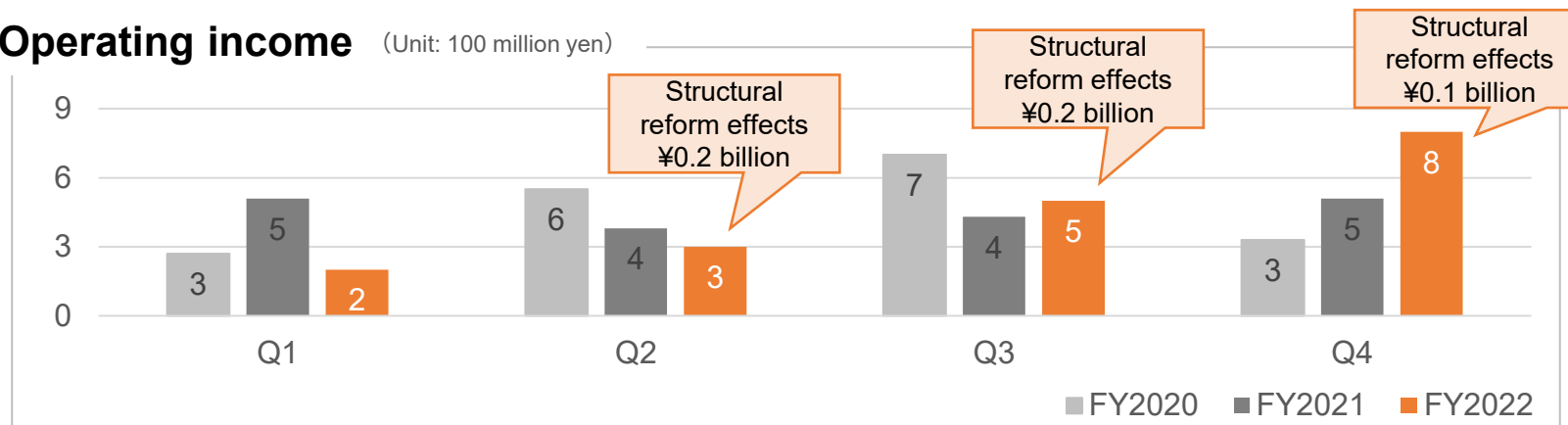
Net sales

(Unit: 100 million yen)



Operating income

(Unit: 100 million yen)



FY2022 Consolidated Results

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

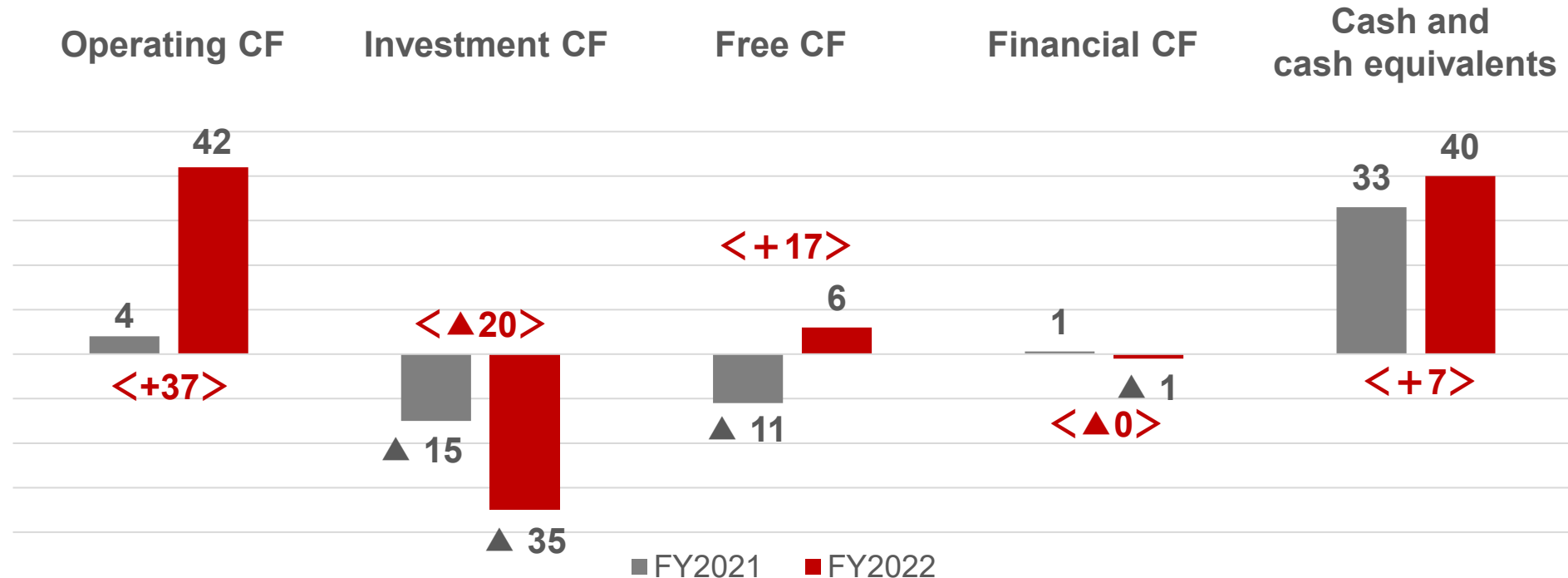
(Unit: 100 million yen)	March 31, 2022	March 31, 2023	Change	
Total assets	1,474	1,567	93	<p>[Fixed assets] Increased due to retirement plan reform (including special contribution of 2.1 billion yen) and revaluation of securities.</p> <p>[Interest-bearing debt] Increase in working capital due to soaring raw material prices and soaring copper prices.</p> <p>[Shareholders' equity ratio] Total assets increased, but shareholders equity increased due to an increase in retained earnings., etc. As a result, shareholders equity ratio increased 3.5% compared to the previous fiscal year-end.</p> <p>[DE ratio] Interest-bearing debt increased, but also shareholders' equity increased, resulting in a 6.3% increase from the end of the previous fiscal year.</p>
Trade receivables	527	527	▲0	
Inventories	260	282	21	
Current assets	587	646	60	
Total liabilities	884	883	▲2	<p><Recognition of current issues and future measures> Inventories increased due to soaring raw material prices and copper prices. Continue to optimize working capital by ensuring inventories at appropriate levels and promoting shorter debt collection periods.</p>
Trade payables	267	249	▲18	
Interest-bearing debt	392	412	20	
Total net assets	589	684	95	
Shareholders equity	583	675	92	
Shareholders equity ratio (%)	39.5	43.1	3.5	
DE ratio (%)	67.2	61.0	▲6.3	

FY2022 Consolidated Results

Cash Flow (Comparison with the previous fiscal year-end)

Operating CF **increased by 3.7 billion yen YoY** due to the reduction in the impact of the increase in working capital during the sharp rise in copper prices last year; investment CF **decreased by 2 billion yen YoY** due to a decrease in proceeds from the sale of fixed assets; and free CF **increased by 1.7 billion yen YoY**, securing 600 million yen in the current year.

(Unit: 100 million yen)
<YoY change>

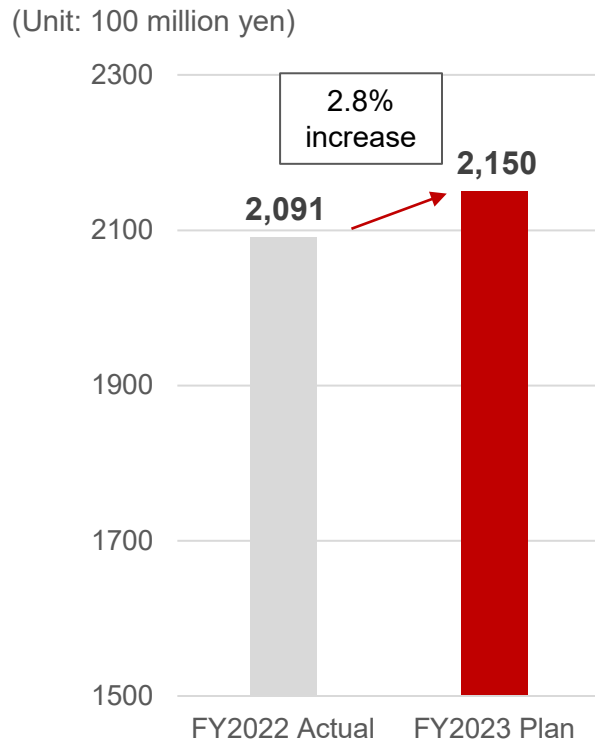


2. FY2023 Forecasts

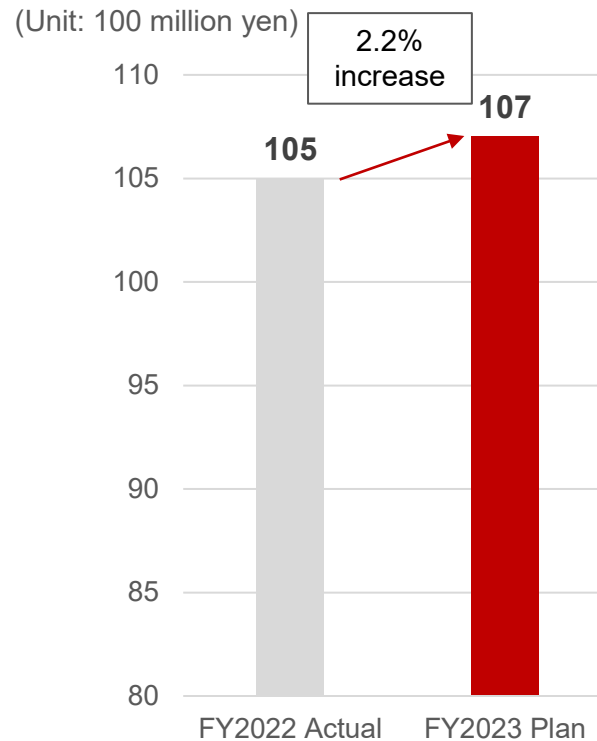
FY2023 Full-Year Forecasts

The forecast incorporates higher energy and other costs but **plans to increase sales and profits through various measures. We plan to increase shareholder returns by paying an interim dividend.**

Net sales



Operating income



Ordinary income

10.6 billion yen (YoY: 2.0% increase)

Net income attributable to owners of parent

7.0 billion yen (YoY: 25.6% decrease)

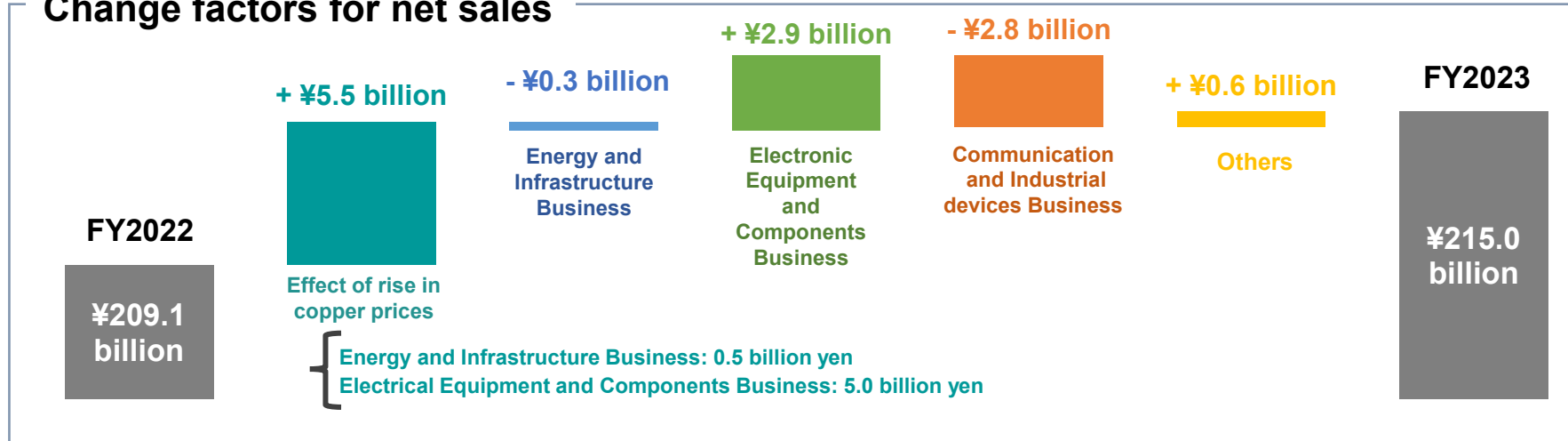
Dividend/ Payout ratio

75 yen / 32% (YoY: 15 yen increase)

**Interim: 35 yen Year-end: 40yen
Total: 75 yen**

FY2023 Change Factors

Change factors for net sales



[Change factors]

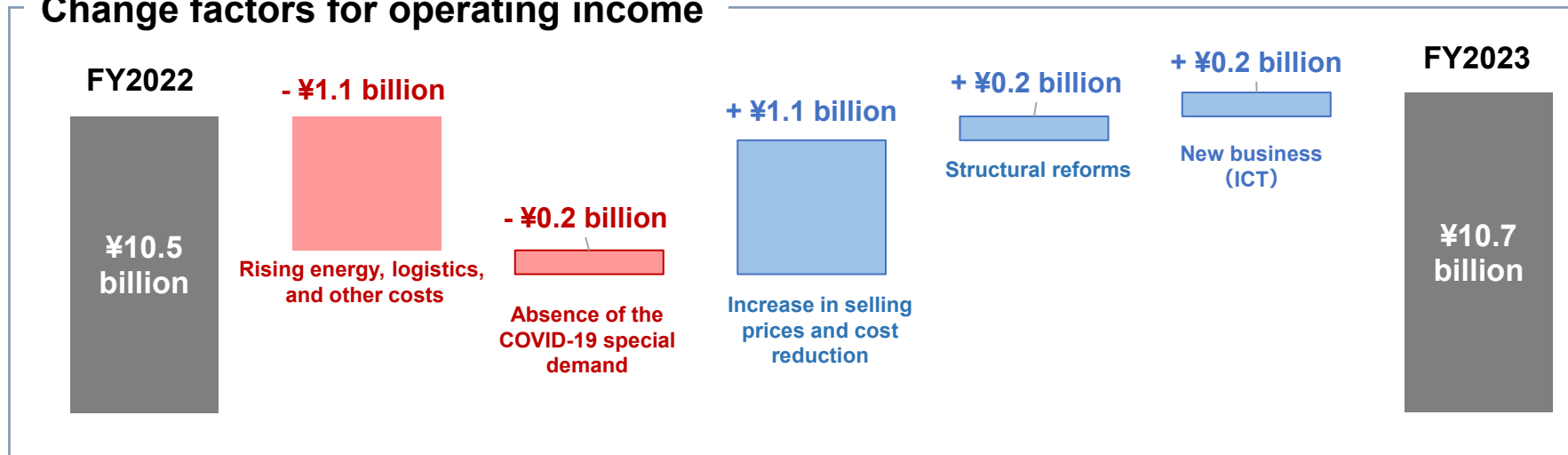
1. Net sales

Expected to **increase** mainly by passing cost increases due to higher copper prices on selling prices in a timely manner.

2. Operating income

The higher energy and logistics costs will be covered by sales price revisions and cost reductions. **Profits are expected to increase** due to the full-fledged launch of new businesses (ICT), in addition to the 200 million yen restructuring impact.

Change factors for operating income

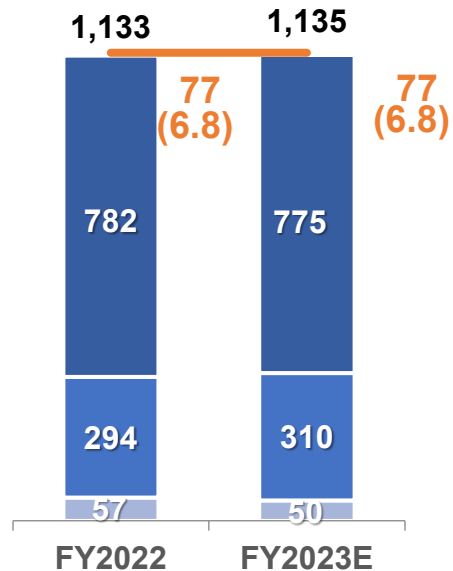


FY2023 Plan by Segment

Energy and Infrastructure Business

Construction Electric power infrastructure
Seismic isolation/ Others Operating income () Operating income ratio

(Unit: 100 million yen, %)



Copper price impact : Net sales up ¥0.5 billion

Positive factor

- Improved profitability by integrating production and sales in the construction-related
- Sales contribution from investment in increased production of SICONEX®

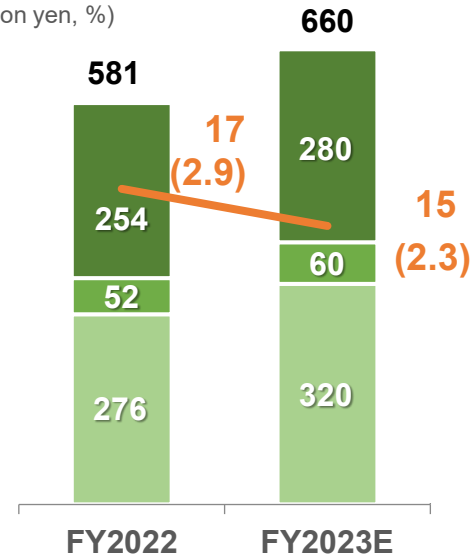
Negative factor

- Decrease in special demand for construction

Electronic Equipment and Components Business

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

(Unit: 100 million yen, %)



Copper price impact : Net sales up ¥5.0 billion

Positive factor

- Recovery of high-performance products for xEVs in 2H of the year
- Steady demand for heavy electric machinery

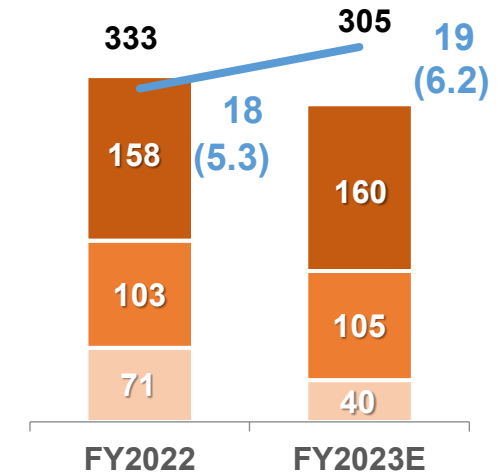
Negative factor

- Sluggish 1H sales of high-performance products for xEVs

Communication and Industrial Devices Business

Communication cable Wire harness
Precision devices Operating income () Operating income ratio

(Unit: 100 million yen, %)



Copper price impact : —

Positive factor

- Maximize the effects of the reorganization of telecommunication cable production bases.
- Elimination of China lockdown

Negative factor

- Absence of the COVID-19 special demand in the Industrial Devices Business.

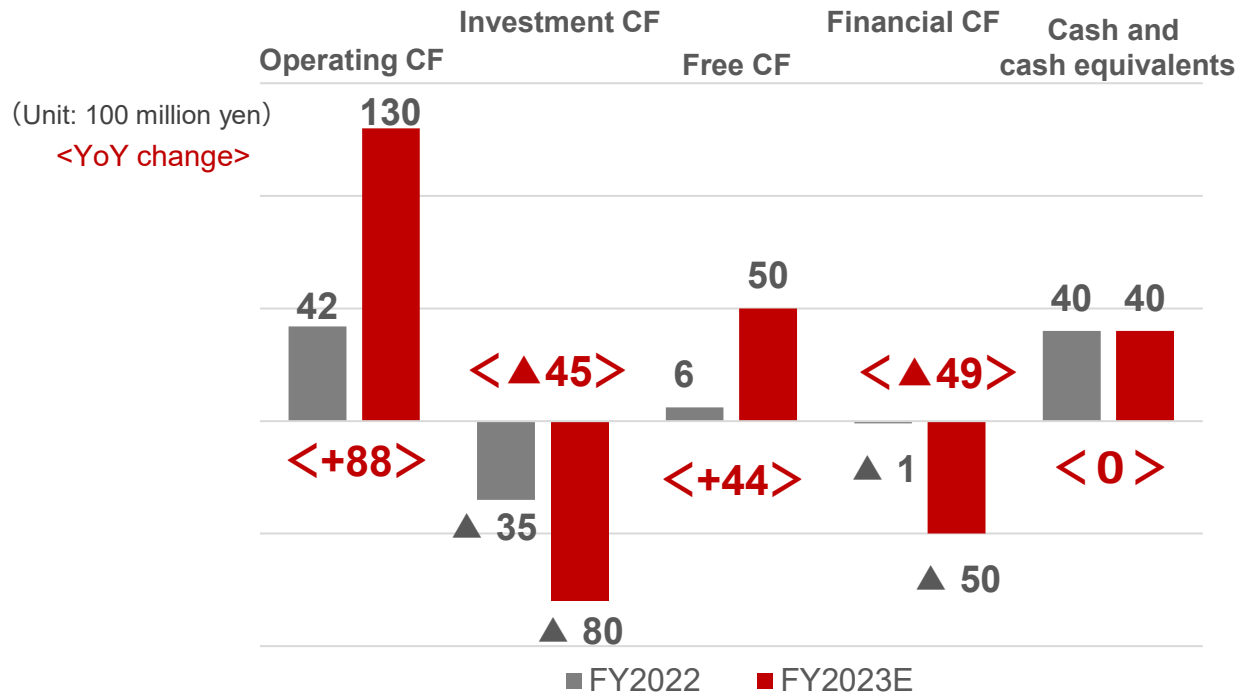
Recognition of the Business Environment in FY2023

Progress in 1H performance is expected to be moderate compared to usual years. Profits are expected to grow for the full year due to robust demand for power and telecommunications-related products in 2H and full-scale launch of new businesses.

		1H	2H
Recognition of the Business Environment	Construction	Same level as usual year	Same level as usual year
	Electric Power	Power-related projects tend to be weighted toward 2H	Concentration of power-related projects with strong demand, such as renewable energy developments Expand sales by increasing SICONEX ® production
	Automobiles	High-performance products for xEV enter a correction phase toward recovering demand	Recovery in demand for high-performance products for xEV
	Industrial Devices	Absence of the COVID-19 special demand in the Industrial Devices Business	Recovery in demand in the Industrial Devices Business
	Communication	Same level as usual year	Expand overseas sales of e-Ribbon ®, expand sales of FLANTEC ® for automotive applications
	New Business (ICT)	Same level as usual year	Full-fledged implementation of ICT

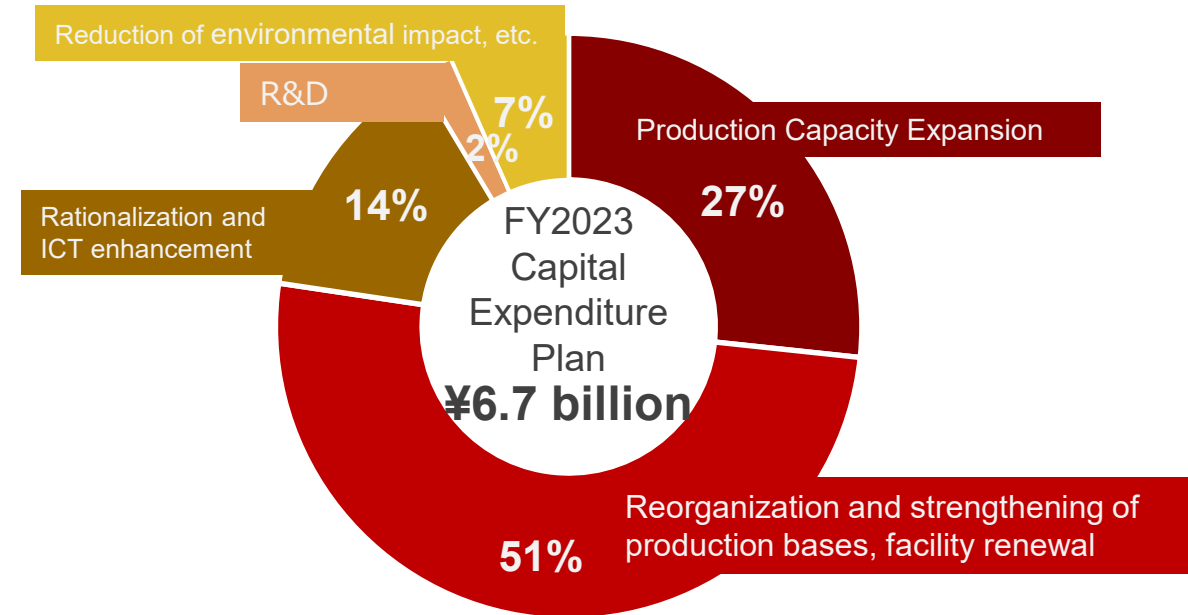
FY2023 Consolidated Results CF Forecast and Capital Expenditure Plan

< Consolidated CF >



Operating CF increased in FY2023 due to a reduction in working capital.
Investment CF increased due to increased capital investment.

< Capital Expenditure Plan >



Breakdown by Segment

Energy and Infrastructure Business	¥2.5 billion
Electronic Equipment and Components Business	¥1.8 billion
Communication and Industrial Devices Business	¥1.0 billion
Others	¥1.4 billion



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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.