



SWCC Group

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

November 4, 2021

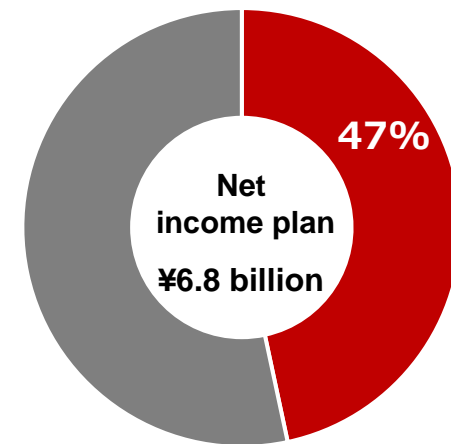
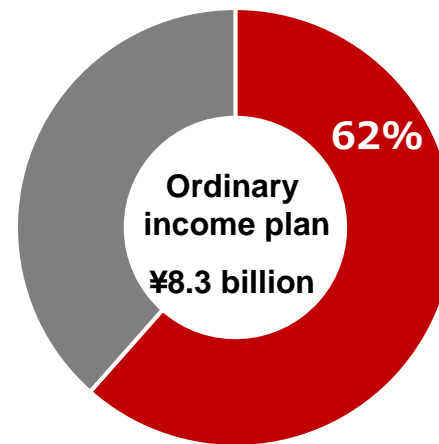
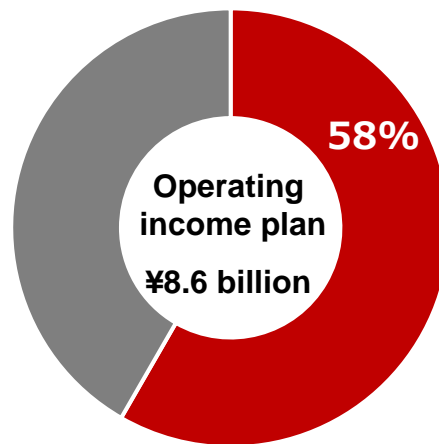
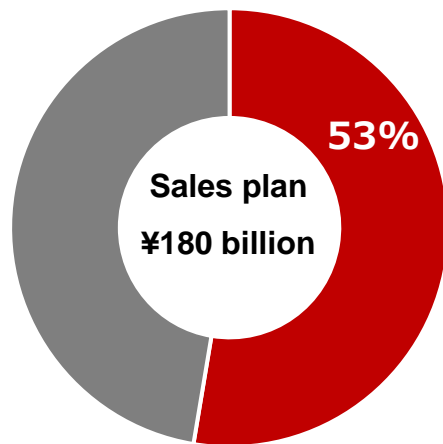
SWCC SHOWA HOLDINGS CO., LTD. (TSE1: 5805)

FY2021 Q2 Overview of Financial Results

Results: Sales and profits increased YoY, despite a slowdown in demand in some areas

- **Energy and Infrastructure Business** : Despite the impact of soaring material prices, sales for construction-related products remained steady due in part to shipments for large-scale projects amid a decline in demand. Demand for electric power infrastructure remained robust.
- **Communication and Industrial Devices Business** : Despite 5G demand and other factors, communication infrastructures-related products were affected by soaring material prices. Demand for consumer electronics and office equipment recovered, particularly overseas, despite the ongoing disruption in the supply chain for industrial devices.
- **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.

Q2 Progress Rate (Net Sales/Operating Income) *Vs. initial forecasts of FY2021 total



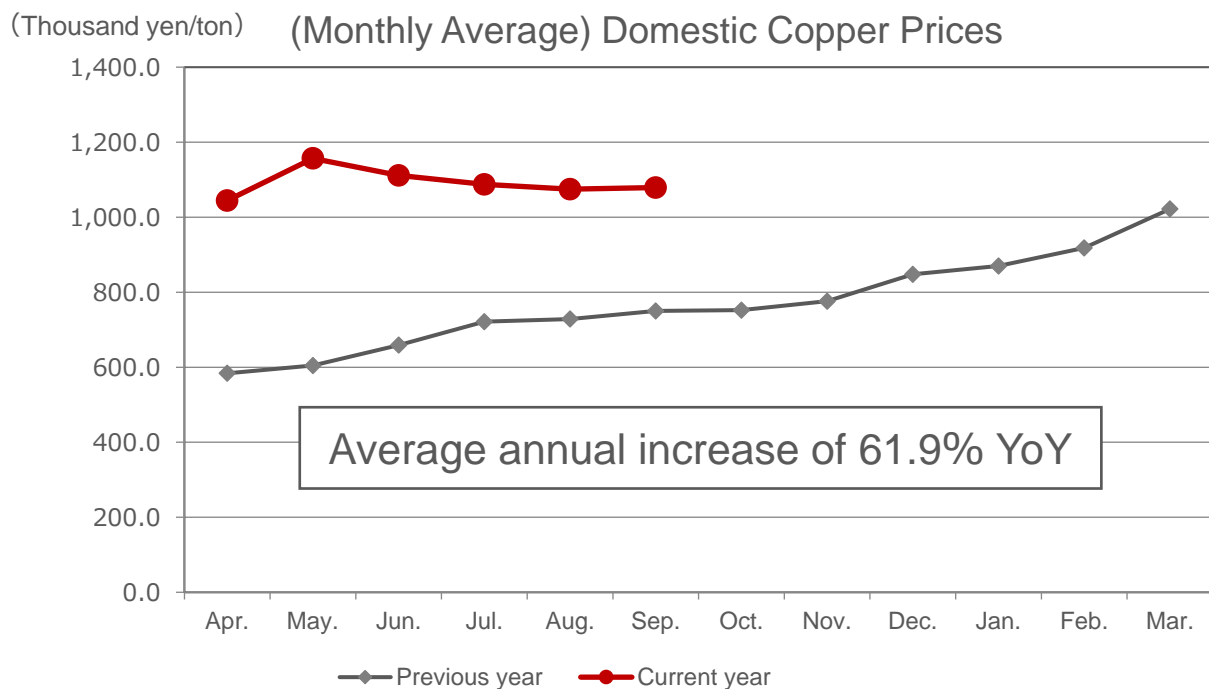
FY2021 Revision to Full-year Business Forecasts

- We have revised our full-year business forecasts in light of the current performance.

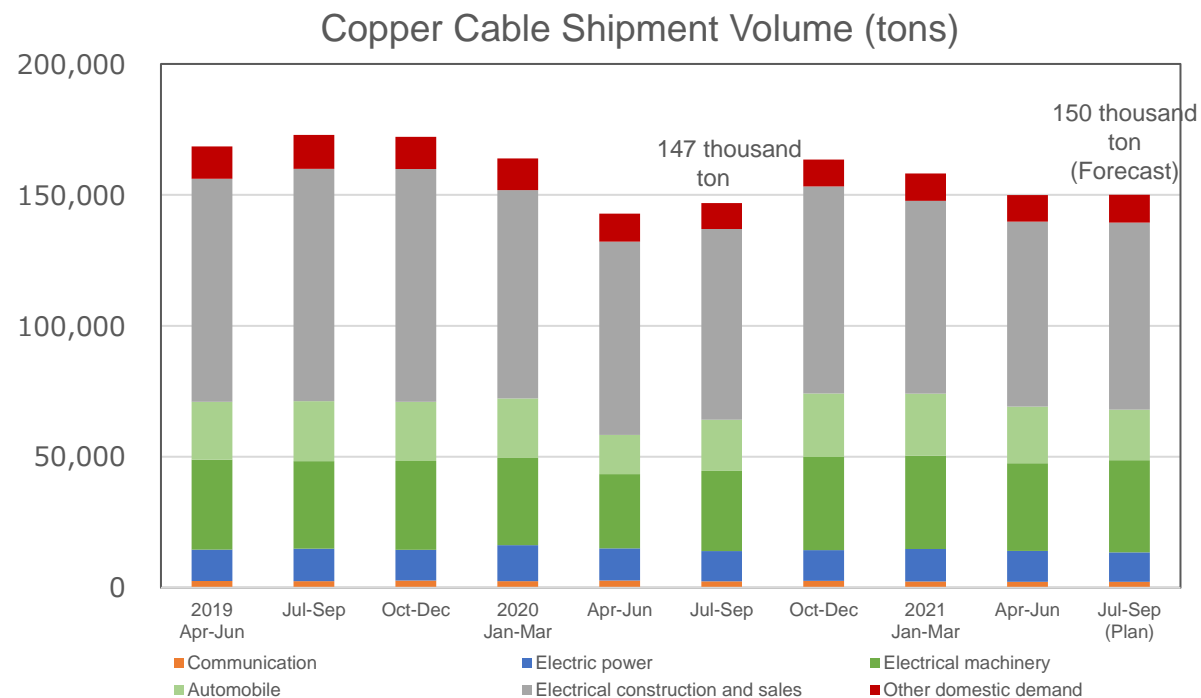
(Unit: 100 million yen)	FY2020 Actual	Composition %	FY2021 Forecasts announced on May 13	Composition %	FY2021 Revised forecasts	Composition %	Change	Percentage change
Net sales	1,617	—	1,800	—	1,950	—	+150	+8.3%
Operating income	76	4.7%	86	4.8%	95	4.9%	+9	+10.5%
Ordinary income	78	4.8%	83	4.6%	95	4.9%	+12	+14.5%
Net income attributable to owners of parent	50yen	3.1%	68yen	3.8%	76yen	3.9%	+8yen	+11.8%

Domestic Copper Prices/Copper Wire Shipments

- The average price of domestic copper prices remained high, partly due to the economic recovery in China.
- Domestic copper wire shipments are recovering mainly in the electrical machinery and automobile sectors, although the recovery in construction and electrical power sales is weak (+3.6% YoY).



Source: Japan Electric Wire Manufacturers Association



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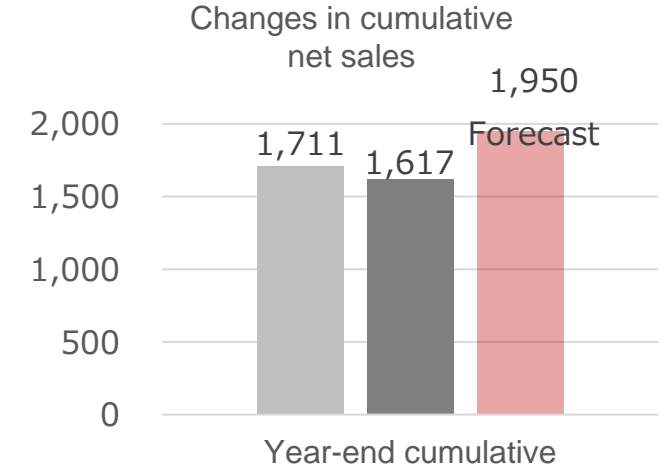
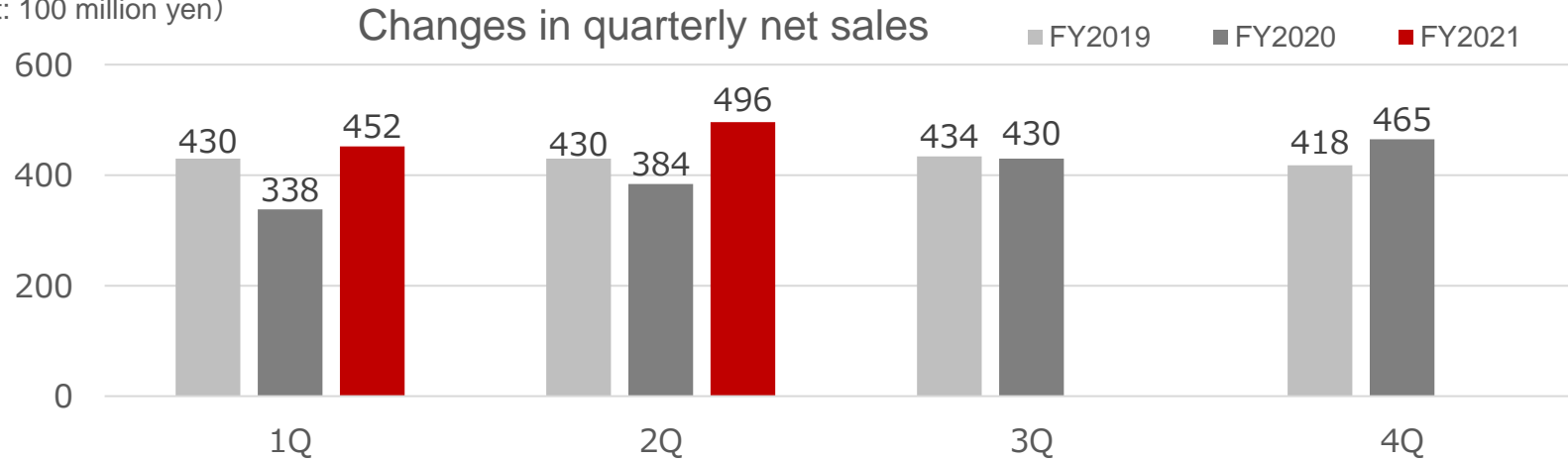
Q2 Consolidated Statements of Income

- Performance was in line with forecasts, with sales and profits up YoY.

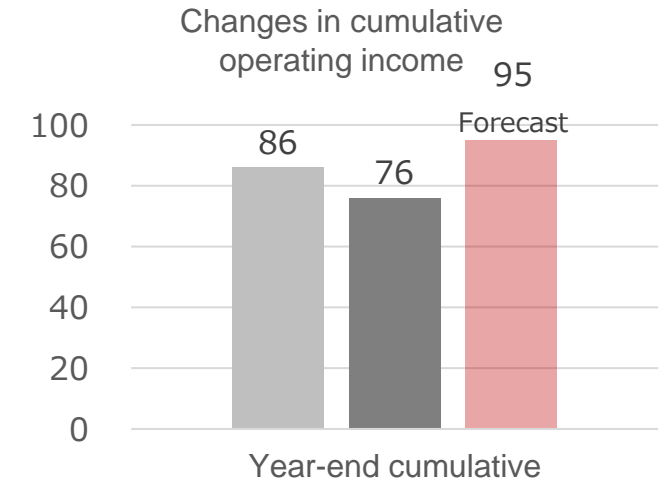
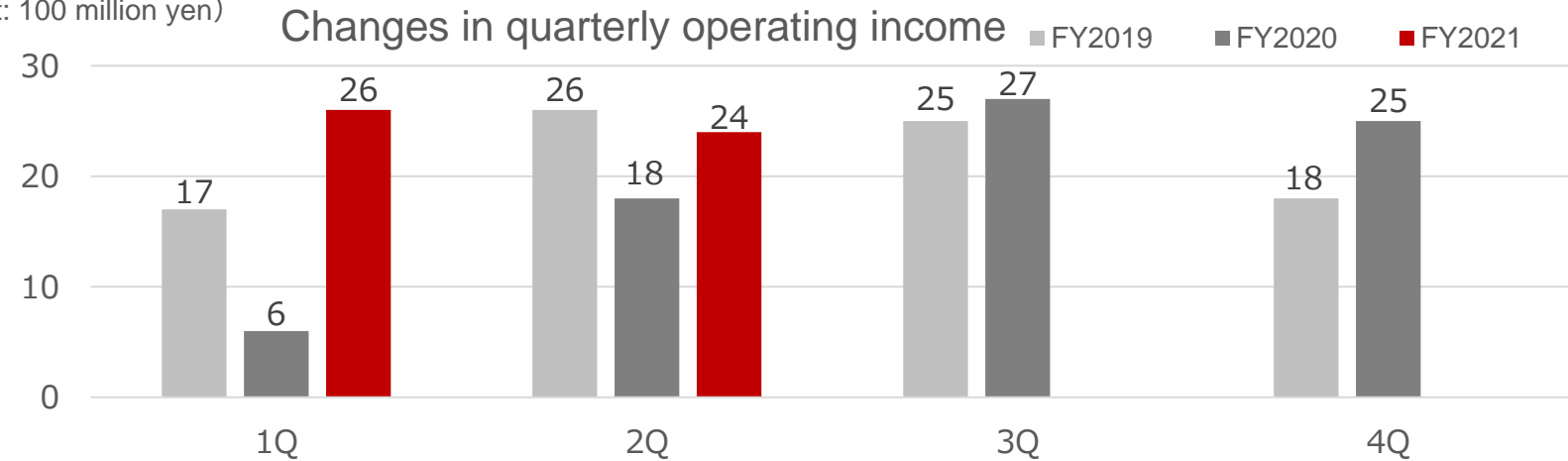
(Unit: 100 million yen)	FY2019 Q2 Actual	FY2020 Q2 Actual	FY2021 Q2 Actual	Composition %	YoY %
Net sales	860	722	947	–	31.2%
Gross profit	117	93	122	12.9%	30.7%
Operating income	43	24	50	5.3%	107.6%
Ordinary income	40	26	51	5.4%	95.5%
Net income attributable to owners of parent	29	18	32	3.3%	73.9%

Quarterly Performance Trends

(Unit: 100 million yen)



(Unit: 100 million yen)



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

- Equity ratio is 36.1%

	March 31, 2021	September 30, 2021	Change		March 31, 2021	September 30, 2021	Change
Cash and deposits	42	36	△6	Notes & accounts payable	224	269	+46
Notes and accounts receivable-trade and contract assets	439	497	+58	Short-term borrowings	247	253	+6
Inventories	215	251	+35	Others	159	170	+11
Others	57	63	+6	Total current liabilities	629	692	+63
Total current assets	753	846	+94	Long-term debt and bonds	121	136	+15
Property, plant and equipment	397	410	+13	Others	63	62	△1
Intangible assets	14	13	△1	Total long-term liabilities	184	198	+15
Investments and other assets	131	134	+3	Total liabilities	813	890	+77
Total fixed assets	542	557	+15	Capital stock	242	242	0
				Capital surplus	57	57	+1
				Retained earnings	106	132	+26
				Others	77	81	+5
				Total net assets	482	513	+31
Total assets	1,295	1,403	+108	Total liabilities and net assets	1,295	1,403	+108

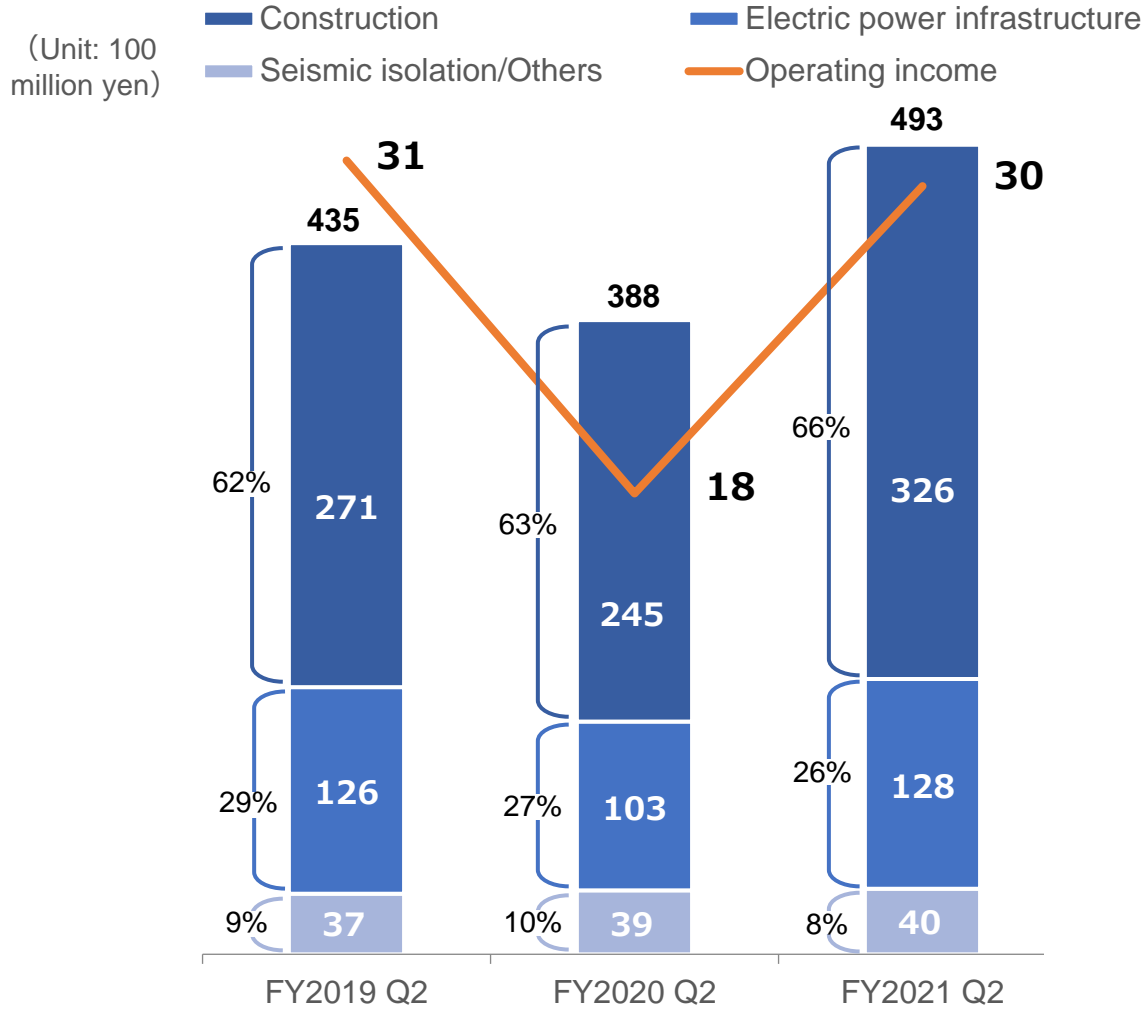
Results by Segment (3-year changes)

- The impact of COVID-19 is limited.
- Operating income margin was around 5% in all three segments.

(Unit: 100 million yen)

	FY2019 Q2 Actual		FY2020 Q2 Actual		FY2021 Q2 Actual	
	Net sales	Operating income (Profit margin/%)	Net sales	Operating income (Profit margin/%)	Net sales	Operating income (Profit margin/%)
Energy and Infrastructure	435	31 (7.1%)	388	18 (4.6%)	493	30 (6.2%)
Communication and Industrial Devices	153	11 (7.5%)	127	8 (6.5%)	139	9 (6.3%)
Electronic Equipment and Components	248	2 (0.8%)	183	1 (0.6%)	295	14 (4.7%)
Others (New Business)	24 (14)	△2 (△1)	23 (16)	△3 (△0)	19 (14)	△3 (△0)
Total	860	43 (5.0%)	722	24 (3.3%)	947	50 (5.3%)

Energy and Infrastructure Business Q2 Results



Results

◆ Construction General-purpose electric cables	Despite a decline in construction-related demand, shipments of general-purpose electric cables for large projects increased.
◆ 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.

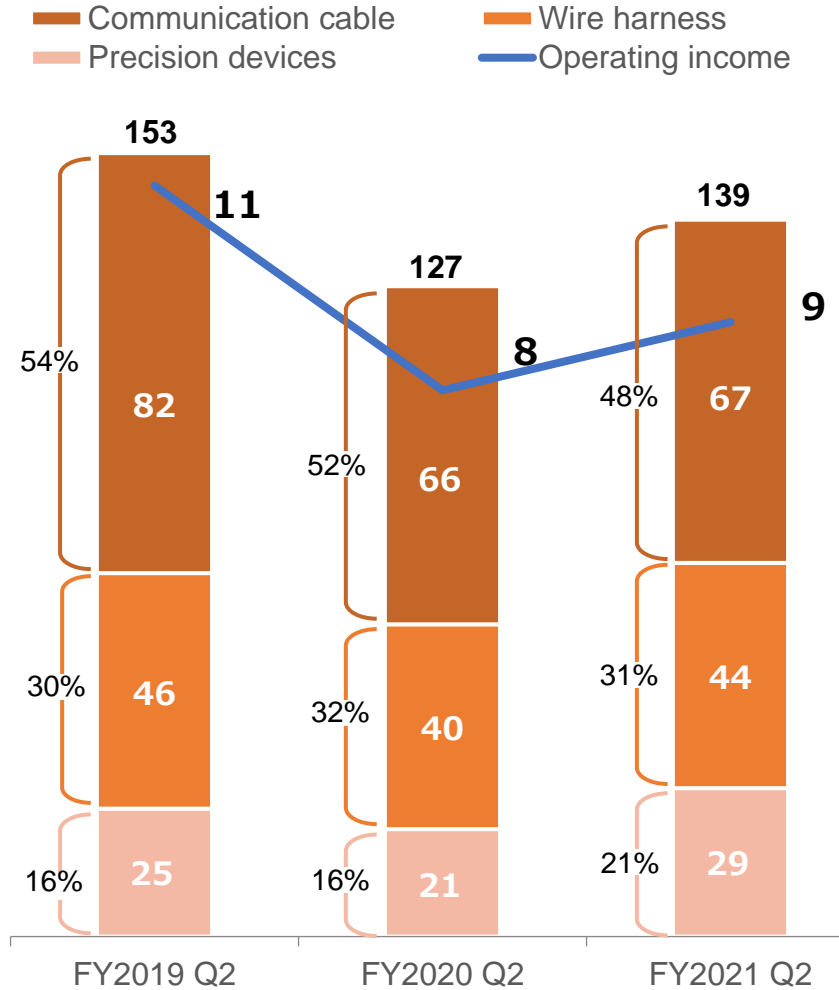
Topics

Press release on September 21	Notice of Business Alliance with KYOWA EXEO CORPORATION* for Electric Power Construction Business Related to Offshore Wind Power Generation *Currently EXEO Group, Inc.
Press release on October 1	SWCC Group's online store offering electric wires and electric materials "Kaeru-ya" opened on October 1

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

Communication and Industrial Devices Business Q2 Results

(Unit: 100 million yen)



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

Results

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

Despite favorable market factors such as the strengthening of communication infrastructures, the business was affected by soaring material prices.

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

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

Despite the disruptions in supply chain, demand for home appliances and office equipment recovered, especially overseas.

◆ Precision devices (Copy machine, etc.)

Topics

Press release on August 31

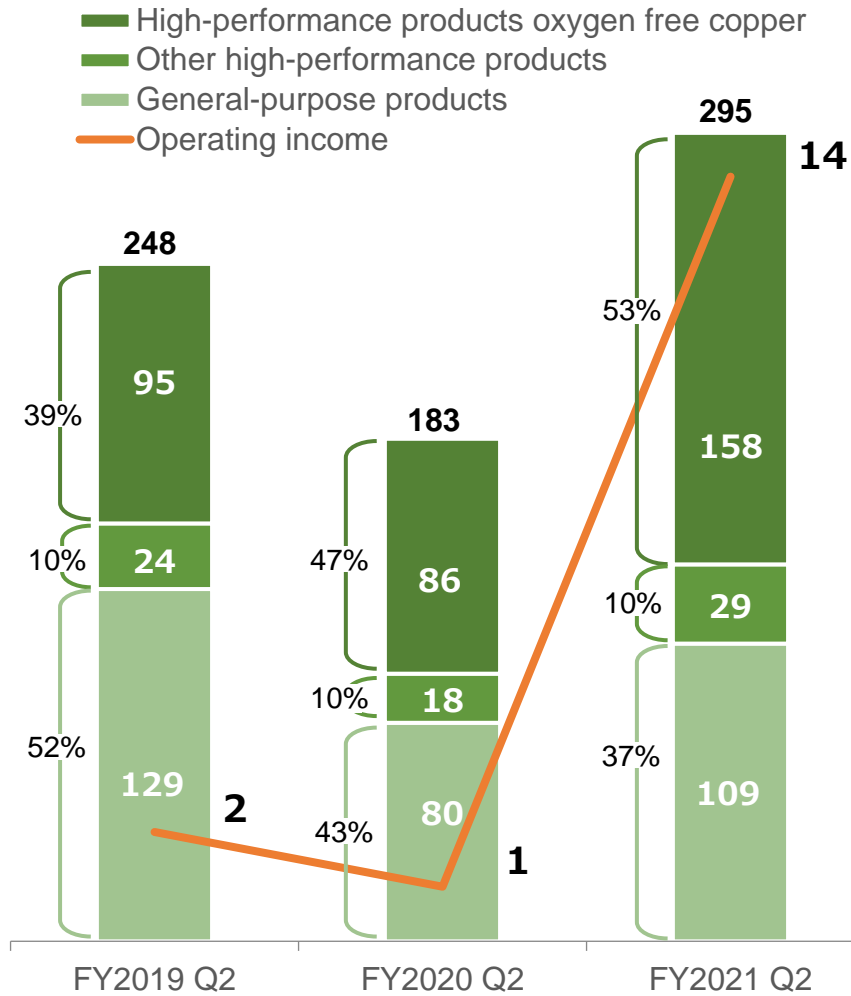
Launch of a new brand "FLANTEC™" for high-speed LAN cables

Press release on September 27

Notice of Transfer of Metal Communication Cable Manufacturing Business among Consolidated Subsidiaries

Electronic Equipment and Components Business Q2 Results

(Unit: 100 million yen)



*The new accounting standard has been applied only to the results for the second 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 was boosted by domestic demand due to a review of the supply chain.

Topics

Published in the Chemical Daily on September 29

Further Strengthening of MiDIP® and Other High-functional Products and Prospects for Downstream Development



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)