



Innovating new ideas today. Becoming the norms of tomorrow.

FY2024 Q2 Small Meeting

December 9, 2024

SWCC Corporation

TSE PRIME: 5805

Today's Agenda and Speakers

1. Summary of Q2 Results



Senior Executive Vice President and
Representative Director (COO)

Tetsuo Komata

2. Energy & Infrastructure Business Future Growth Strategy



Senior Executive Officer
Chief of Energy and Infrastructure Business
Segment
Yukio Kawase

1. Summary of FY2024 Q2 Results

FY2024 Q2 Consolidated Statements of Income

The Q2 performance of the Energy and Infrastructure Business greatly exceeded initial expectations, and is expected to continue performing strongly going forward. Although we will record a share of loss of investments accounted for using equity method, growth drivers are performing strongly. On this basis, **we upwardly revised our net sales and income forecasts for the current fiscal year as shown below.**

(Unit: 100 million yen)	FY2023 Q2 Actual	FY2024 Q2 Actual (YoY)	FY2024 Full-year plan (before revision)	Progress rate %	FY2024 Full-year plan (after revision)
Net sales	984	1,174 (19.3%)	2,250	52.2%	2,340
Operating income	45	104 (133.4%)	135	77.2%	205
Operating income margin (%)	4.5%	8.9% (—)	6.0%	—	8.8%
Ordinary profit	45	71 (58.7%)	130	54.6%	170
Net income attributable to owners of parent	33	36 (8.8%)	90	39.8%	100

Expected
to reach a
record high

Expected
to reach a
record high

Expected
to reach a
record high

Revision of Full-year Plan by Segment

Although we revised downward the full-year plan for the Electrical Equipment and Components Business, where demand for EVs is in an adjustment phase, we **revised upward both our net sales and income plans** for the Energy and Infrastructure Business and Communication and Industrial Devices Business, where growth drivers are preforming strongly.

(Unit: 100 million yen)		FY2024 Results for the first half	FY2024 Full-year plan (before revision)	FY2024 Full-year plan (After revision)	Variation
Energy and Infrastructure Business	Net sales	694	1,195	1,380	185
	Operating income	86	102	172	71
	Operating income ratio (%)	12.4%	8.5%	12.5%	4.0pt
Electrical Equipment and Components Business	Net sales	288	670	560	-110
	Operating income	10	18	16	-2
	Operating income ratio (%)	3.4%	2.7%	2.9%	0.2pt
Communication and Industrial Devices Business	Net sales	168	330	345	15
	Operating income	13	22	28	6
	Operating income ratio (%)	7.7%	6.7%	8.1%	1.5pt

FY2024 Recognition of Business Environment

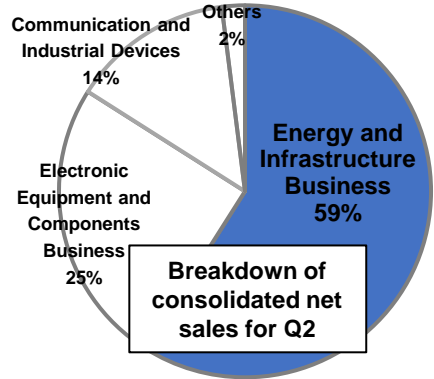
		H1	H2	
Forecast	Operating income	¥10.4 billion		
	Dividend	¥ 50	¥ 70 (¥10 increase)	Total ¥120
Recognition of Business Environment	Construction	Favorable conditions, with no weakening of demand after the tight supply-and-demand situation seen the previous fiscal year	Demand is expected to remain at the same level as the previous year due to semiconductor plants and large-scale projects.	
	Electric power	Increase in revenue cap projects of power companies and leveling of electric power construction projects throughout the year	Strong demand for the development of renewable energy grid development and other electric power infrastructure Sales expansion of SICONEX® as a result of increased production and adoption as the de facto standard	
	Automobile	Adjustment phase for high-performance products for EVs	Continued adjustment phase for high-performance products for EVs	
	Industrial devices	Rollers: Recovery in market conditions Wire harnesses: Slump in domestic and foreign white goods market	Rollers: Solid performance Wire harnesses: Continued to be slump in domestic and foreign white goods market	
	Communications	Growing demand for high-grade LAN, strong performance of FLANTEC® for automotive applications e-Ribbon®: Start of shipments to leading hyperscaler in North America	Growing demand for high-grade LAN, strong performance of FLANTEC® for automotive applications e-Ribbon®: Expansion of sales to leading hyperscaler in North America	

2. Energy & Infrastructure Business Future Growth Strategy

Overview of Q2 Financial Results, Outlook for H2 and Full Year

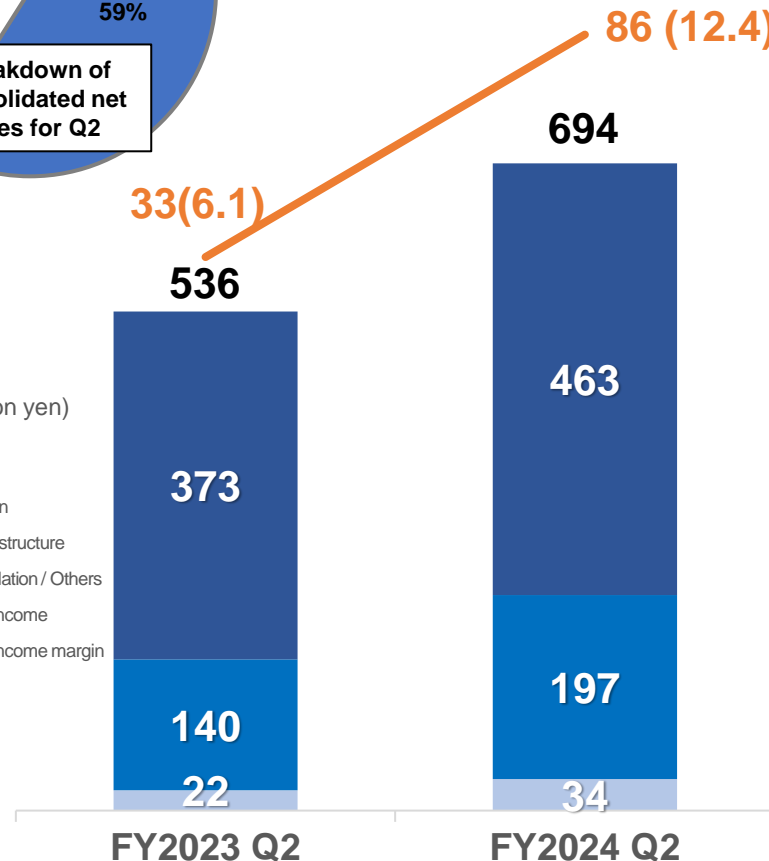
FY2024 Q2 Results by Segment / Energy and Infrastructure Business

Contrary to expectations, demand for wire did not weaken after the tight supply-demand situation seen the previous fiscal year, and thanks to the implementation of various profit improvement measures and strong electric power infrastructure demand, **sales increased YoY (up 29.6%) and income rose sharply (up 162.0%).**



(Unit: 100 million yen)

■ Construction
■ Power Infrastructure
■ Seismic isolation / Others
■ Operating income
() Operating income margin



Factors behind Q2 performance (strong performance)

“Strong performance”

Constr
uction

- Review of selling prices taking rising raw material costs into consideration
- Improvement of profitability through promotion of DX and high capacity utilization

“Strong performance”

Electric
power

- Increase in revenue cap projects of power companies
- Improvement of profitability as a result of "leveling" of construction projects throughout the year due to labor shortages
- Effect of improvement in prices that reflects product advantages and other added value
- Expansion in sales due to strong market conditions
- ↳ Breakeven point ratio decreased despite investment to increase production.

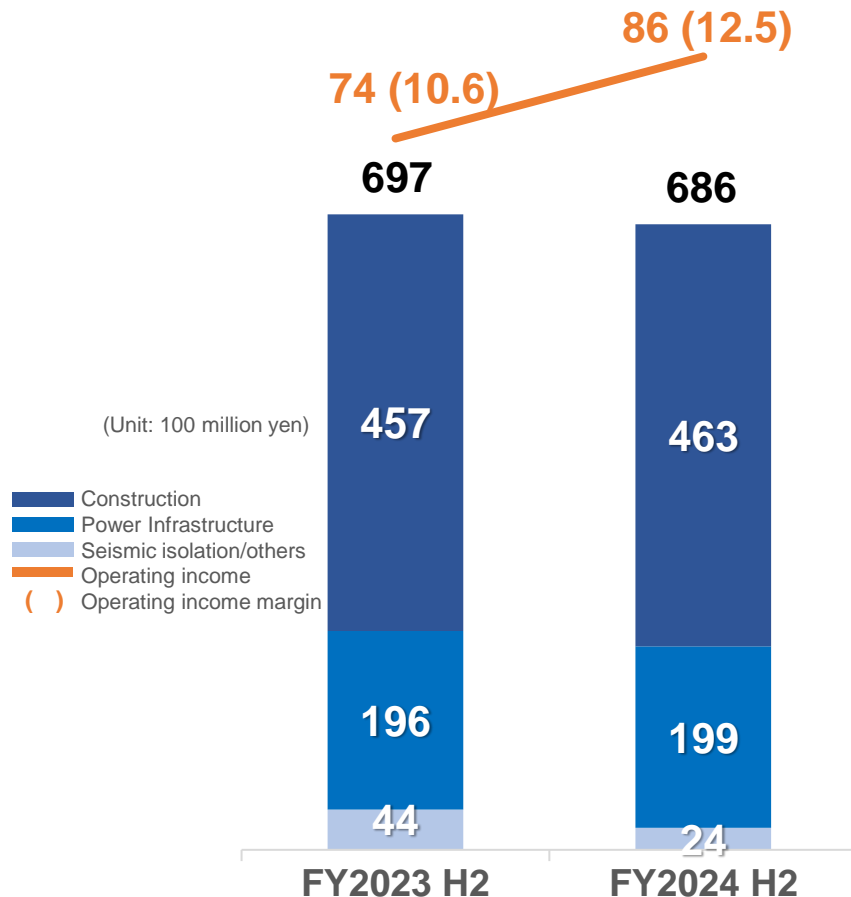
Future
Strategies

Plan to increase hiring beyond Medium-term Management Plan target, including construction, manufacturing and maintenance personnel, to tap into robust electric power infrastructure demand.

FY2024 Energy and Infrastructure Business: H2 Strategies

Future Strategies

- Various profit improvement measures were implemented in the construction-related business as a cash cow business.
- Prepare for further investment to increase production and plan to increase hiring from Medium-term Management Plan hiring target, in order to tap into robust electric power infrastructure demand.



Construction

Establish system for integrated production of wire drawing and cables at Ibaraki Plant (return on investment from October)

Reduce processing and transportation costs, shorten manufacturing lead times, reduce CO₂

Improve CCC through adoption of DX

Optimize speed of decision-making from order acceptance to shipment

Manage inventories appropriately, shorten data aggregation time

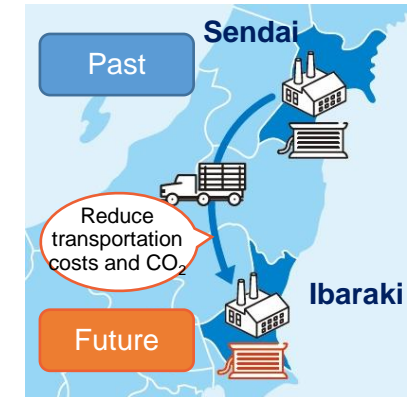
Improve prices and expand sales of high value added products

Improve prices of Construction wire, expand sales of high value fire-resistant cables for fire protection

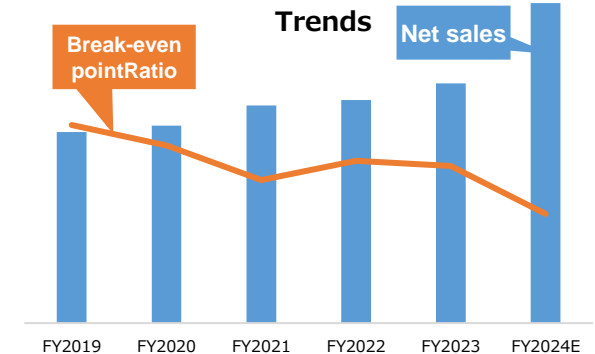
Plan further investment to increase production and hire personnel

Achieve sales expansion that exceeds it even if the depreciation and amortization increases due to the investment to increase production completed at the end of the previous fiscal year

Accelerate preparations to capture demand arising from the withdrawal of competitors, projects under the revenue cap system and other market activity

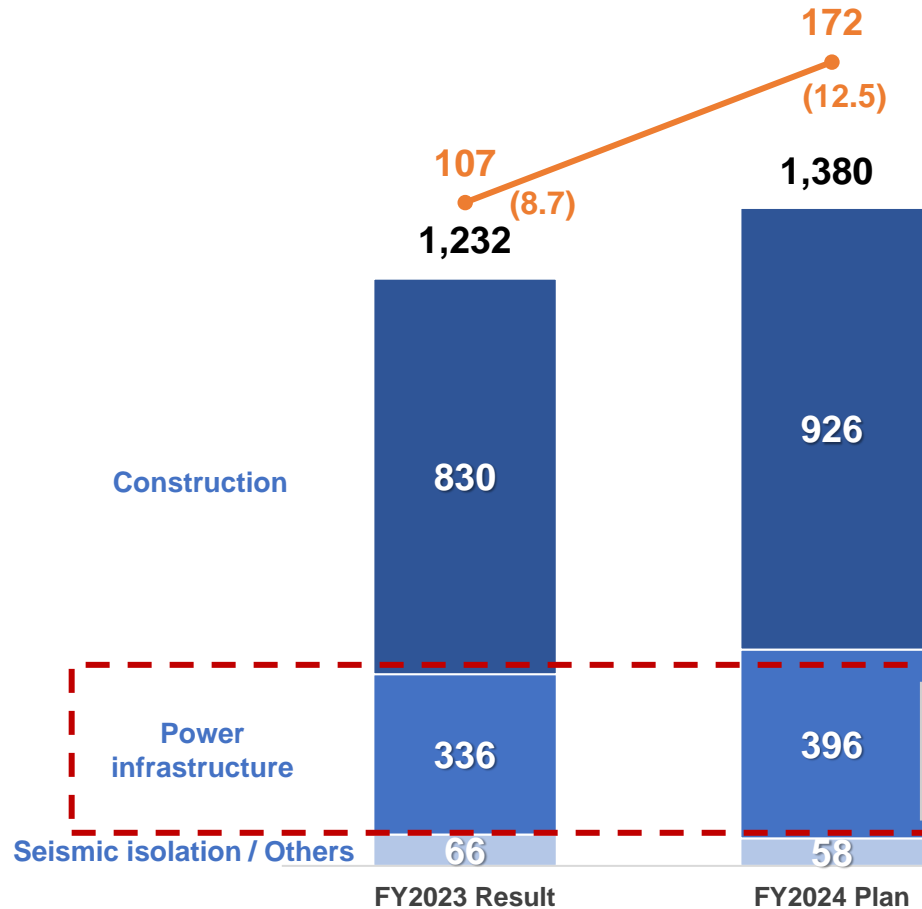


SICONEX® Sales and Break-even Ratio



FY2024 Full-year Plan for Energy and Infrastructure Business

Net Sales and Operating Income (100 million yen) / Operating Income Margin (%)



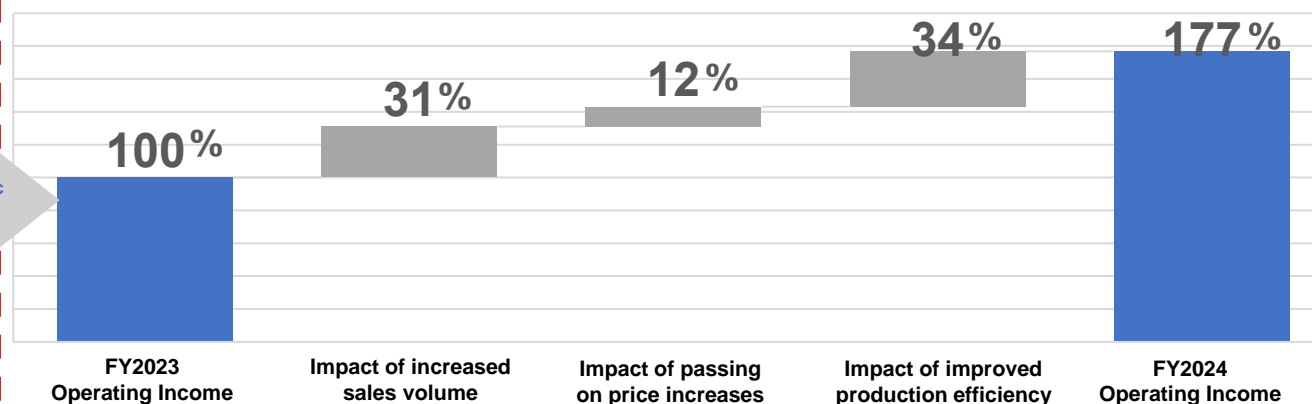
Factors for achieving the rolling medium-term targets

- Increase in sales of construction-related applications and electric power due to strong market conditions
- Improvement in revenues from construction-related applications
- Improvement in profits from electric power infrastructure due to its product superiority
- Improvement in revenues through the leveling of construction projects

Changes in market conditions

- Construction demand is stable at high level
- In the Electric Power business, demand increased due to factors such as the replacement of aging equipment, the strengthening of power transmission and distribution networks, and the growing demand for renewable energy. Additionally, demand was further boosted by the early market withdrawal of competitors and rising demand for data centers.

Difference in operating income for the Electric Power Infrastructure Business: waterfall graph (comparison of FY2023 and FY2024)

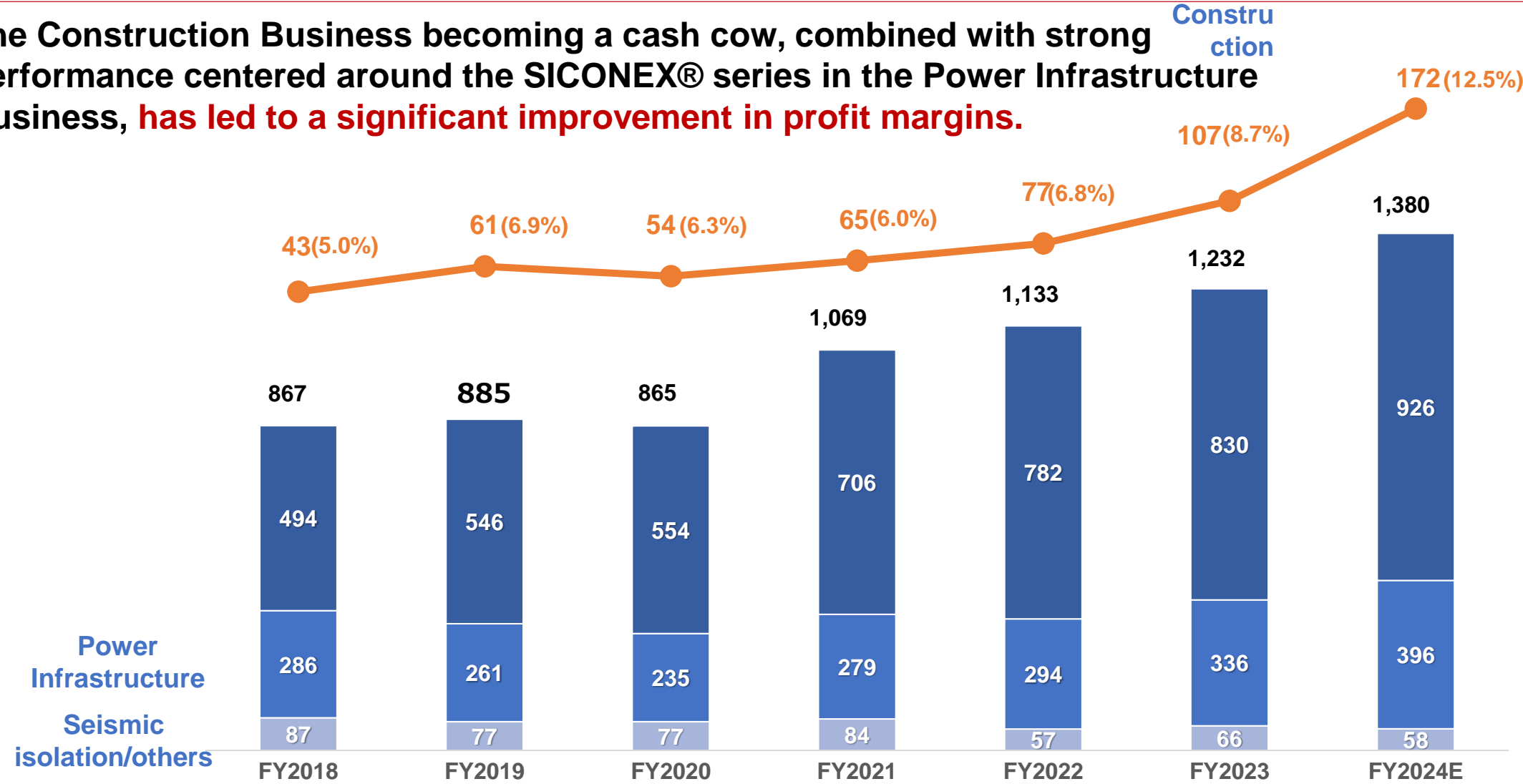


Prepared with FY2023 profits from the Electric Power Infrastructure business set at 100

Further Growth Strategy

Changes in Sales and Profit Margins of the Energy and Infrastructure Business

The Construction Business becoming a cash cow, combined with strong performance centered around the SICONEX® series in the Power Infrastructure Business, **has led to a significant improvement in profit margins.**



Background to the Growth in the Electric Power Infrastructure Business

Enhancement of our strategic products and solutions (**SICONEX®/SICOPLUS®**) has led to **business growth** in response to the rising demand for electric power driven by national policies.

Factors behind the growth in the electricity market centered on national policy

From 2014: Measures for Resilience and Aging Infrastructures (National Resilience Plan)

From 2020: Private renewable energy investment (publicly offered offshore wind power)

From 2022: Market expansion of data centers

From 2023: Development of renewable energy grids

From 2023: Revenue Cap System

According to various reports, the Japanese electricity market **will grow by CAGR of 3% to 5% from 2024 to 2030**

Source: Japanese High-Voltage Cable Market Report (IMARC Group),
Survey of the Distribution Equipment Market in Japan (Fuji Keizai)
Article in the Electric Shimbun dated September 25, 2024

Our focus area is transformation

FY2023-2026

Transformation market: CAGR of 11%

* Based on our survey

Our goal: CAGR of 18%

Our Initiatives

Products

- Investment to increase production
- Expand ultra-high voltage SICONEX®
- Strengthen our brand power

People

- Establish an early education system for construction personnel
- Expand alliances with construction companies
- Shift of full-time employees to super-high-voltage area

DX

- Educational support through AVR use
- Change to Smart Factory

Our Strength: SICONEX® Series

SICONEX® solves various power infrastructure challenges with new technologies and ideas

SICONEX

Environment-friendly, compact connector for high-voltage electric power cables using innovative isolation techniques.

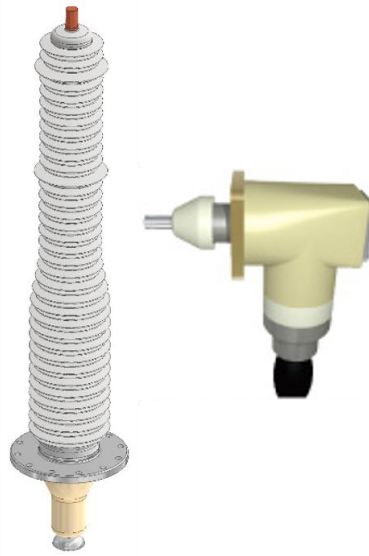
This product achieves differentiation with a unique design that innovates environmental performance, seismic resistance, and constructability.

Overwhelmingly compact

Environmentally friendly

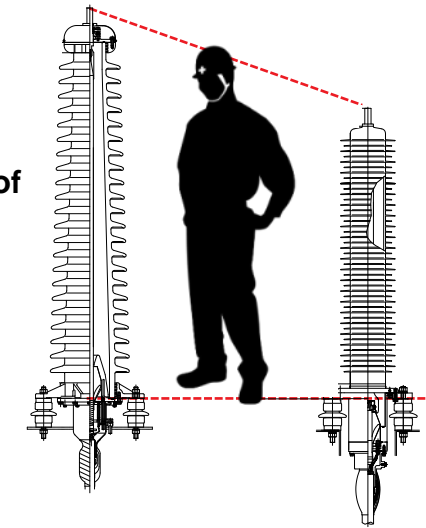
Shortens construction time

Labor saving



Substations and power stations

[Comparison of size]



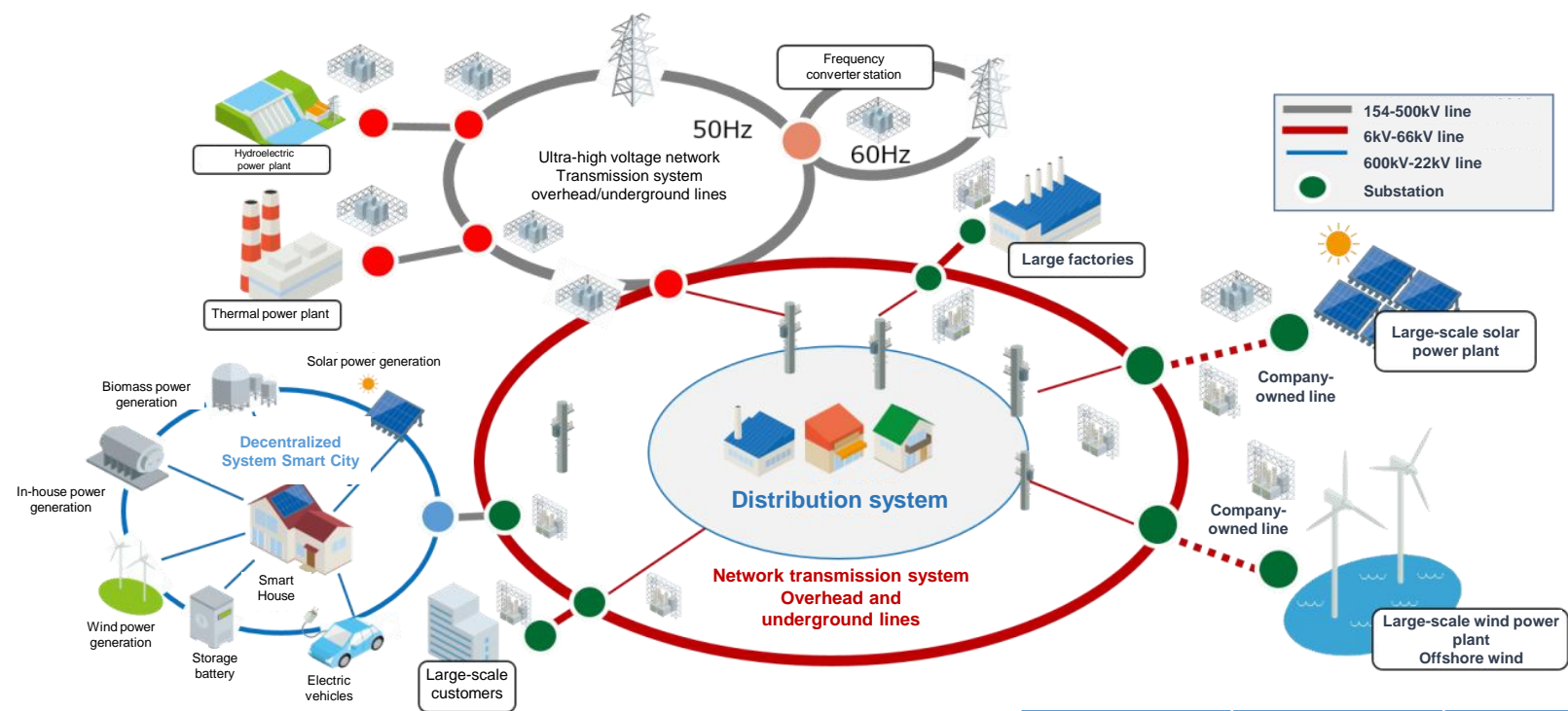
[Comparison of work processes]

Porcelain tube	Main unit installation and cable process	Assembly	Others
SICONEX®	Main unit installation and cable process	Assembly	Others

30% reduction of construction period

Examples of SICONEX® Applications

Electricity generated by power stations is sent by electric power cables, through substations, and converted to appropriate voltages. These voltages are shared by households, plants, buildings, etc. Power connection components are indispensable for connecting electric power cables to each other and for connecting power equipments and electric power cables such as switches and transformers within the substations.



Power transmission and distribution facilities



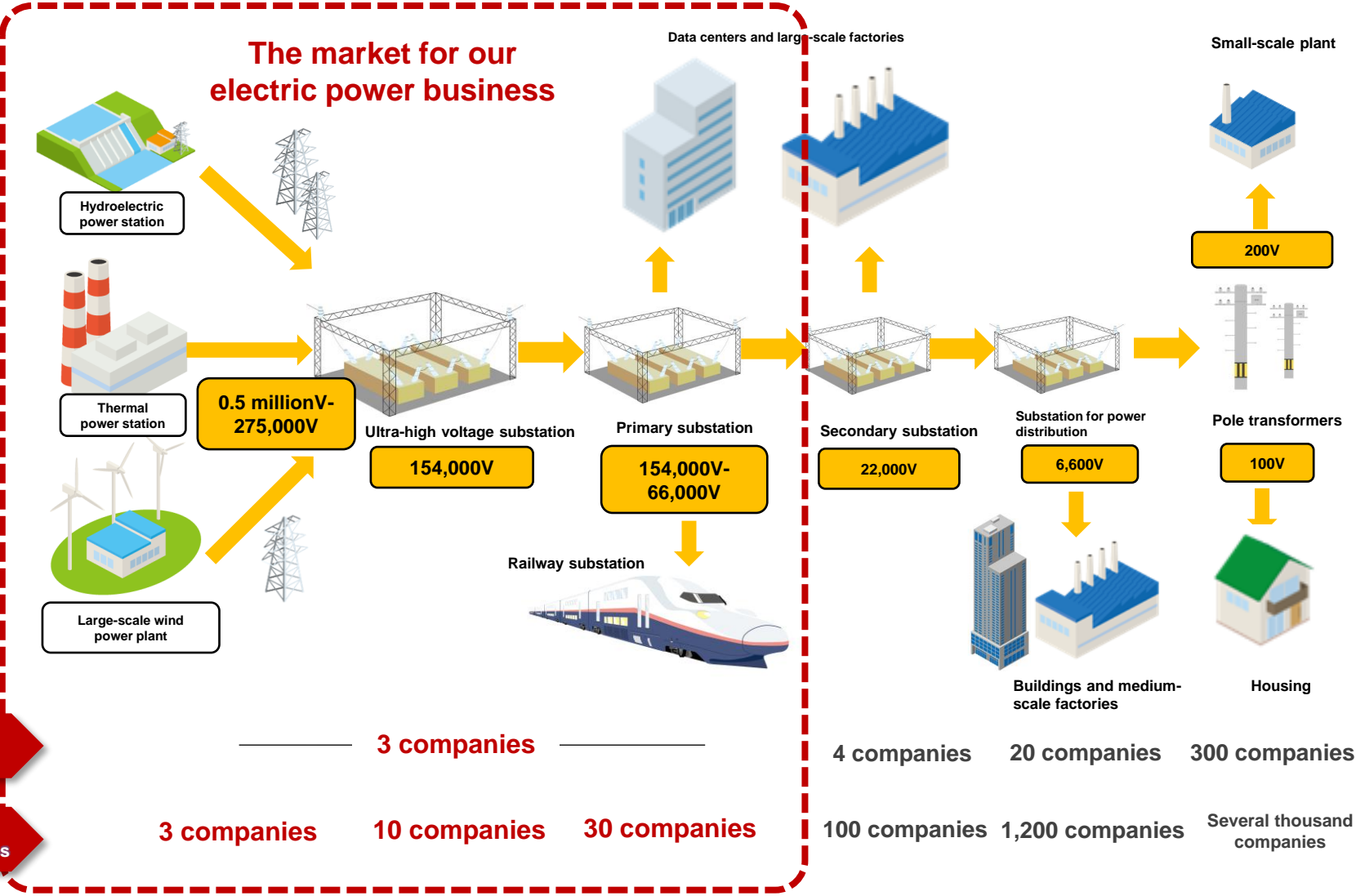
Transformer



Substations and power stations

		FY2023	FY2024	FY2026	FY2030
In the substation market	Our share				
	Demand from electric power companies	51%	58%	71%	88%
	Demand from private companies	93%	93%	94%	95%

Market of Electric Power Infrastructure Business and Growth Strategy by Voltage Class



Strategy by voltage class

275,000V

Building an optimal production system in response to supply and demand

154,000V

Promote shift to 154kV class or higher (blue ocean market)

66,000V

Further shift to cloud computing with SICOPLUS 66kV-class installation services

* Number of companies researched by our company

Considering Further Investment to Increase Production

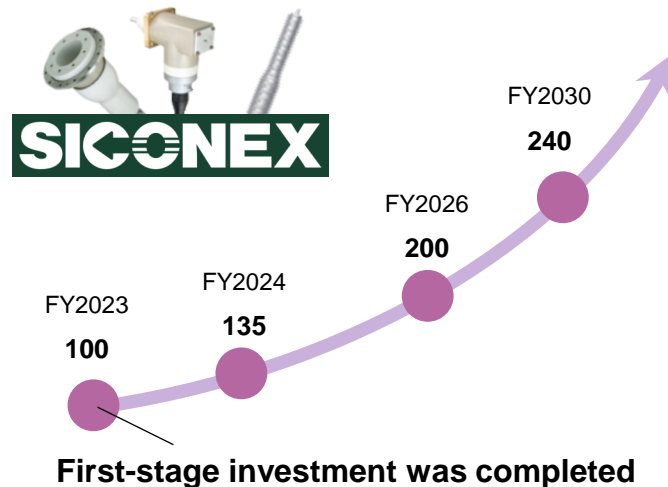
In the investment for the production increase carried out in FY2023, the production increase of 135% was planned in FY2024, but in response to the demand increase, **we achieved 150% in FY2024 by the personnel increase.**

In preparation for a further increase in demand and the withdrawal of competing manufacturers, **we will advance the second production expansion plan planned for FY2027 and aim to start operations in FY2026.**

Rolling Medium-Term Plan Announced in May 2024

Sales growth plan for SICONEX®

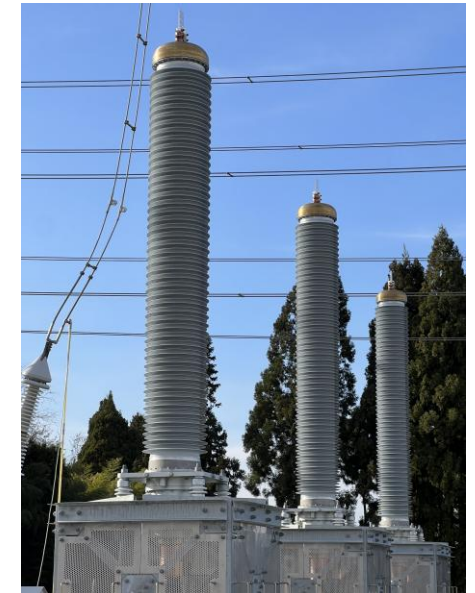
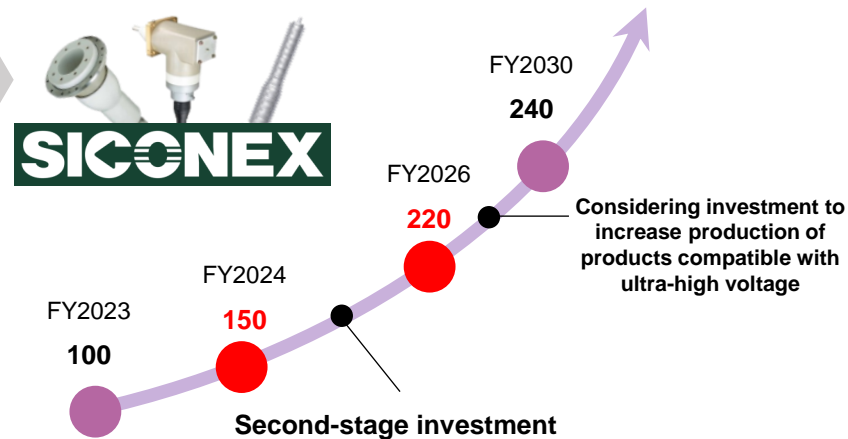
* FY2023 results are set at 100



Target values will be revised based on the achievement of the plan

Sales growth plan SICONEX®

* FY2023 results are set at 100

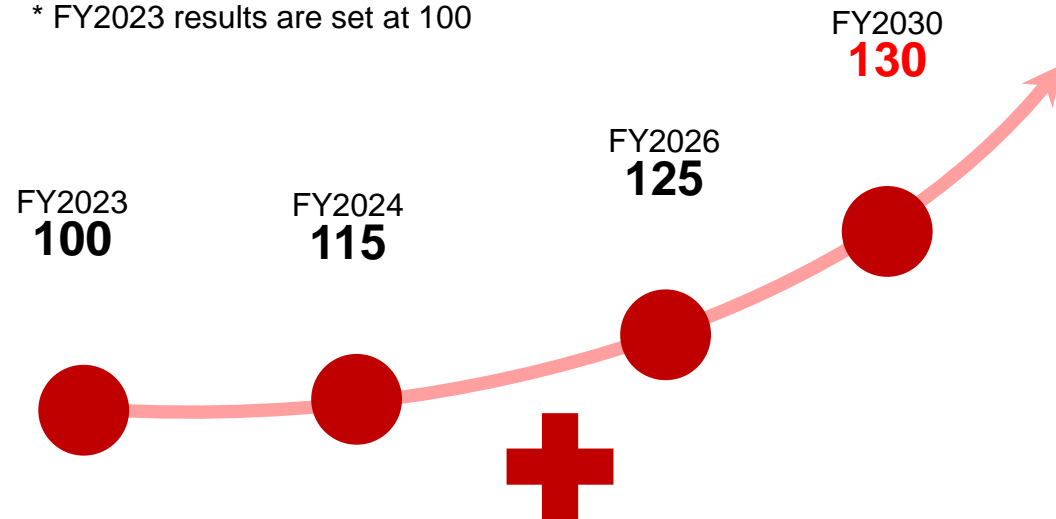


275kV air termination

Elimination of Bottlenecks in the Electric Power Infrastructure Business (Securing Human Resources)

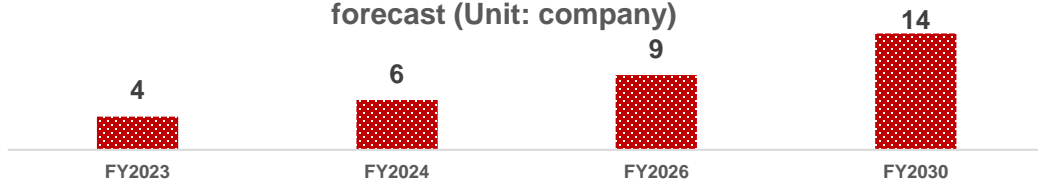
Construction personnel plan

* FY2023 results are set at 100



Cooperation from construction companies nationwide

Changes in the number of construction partner companies and forecast (Unit: company)



SICOPLUS

Ultra-high
voltage area
275kV

Our
company
Construction
personnel

SWCC
GROUP
Creating for the Future



154kV-

Shift of our construction personnel to
ultra-high-voltage area

Construction
personnel
from partner
companies

Collaborating partners
nationwide



Extra-high
voltage area
66/77kV

Medium-term Rolling Plan 2024: Growth Strategy for the Energy and Infrastructure Business

Market Forecast FY2024-FY2026

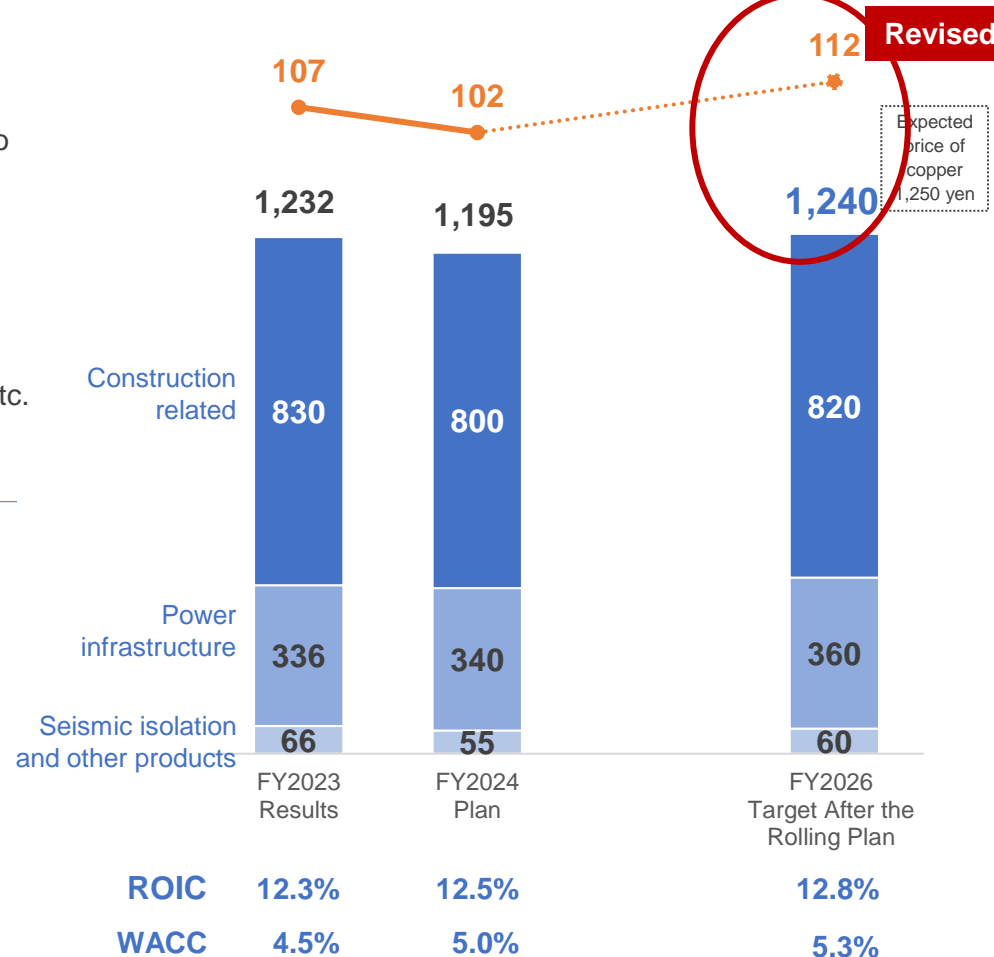
- Construction**
- Increased demand due to redevelopment activities in the Tokyo metropolitan area
 - Higher demand for new factory construction and the Osaka Expo
 - Lengthened construction schedules due to labor shortages
- Electricity**
- Expanded demand to upgrade aging equipment
 - Growth in demand to expand power transmission and distribution networks
 - Withdrawal of competitors
 - Expansion of demand for offshore wind, etc.
 - Growth in demand for large-scale data centers

Basic Strategy

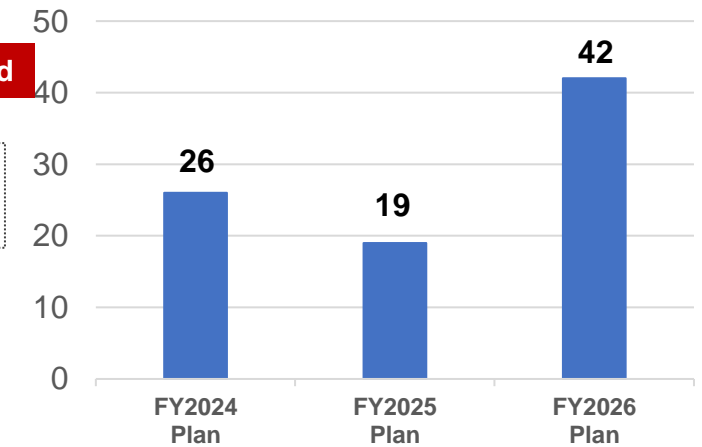
- Construction**
- Raise profitability with differentiating products (high-end disaster resilient cables, workload-reducing cables)
 - Improve profitability by implementing
- Electricity**
- Maximize contributions from investments in increased production of SICONEX® connectors for high-voltage power cables
 - Promotion of human resources training
 - Promotion of solution-oriented businesses (Smart Stream)

Medium-term Rolling Plan Targets

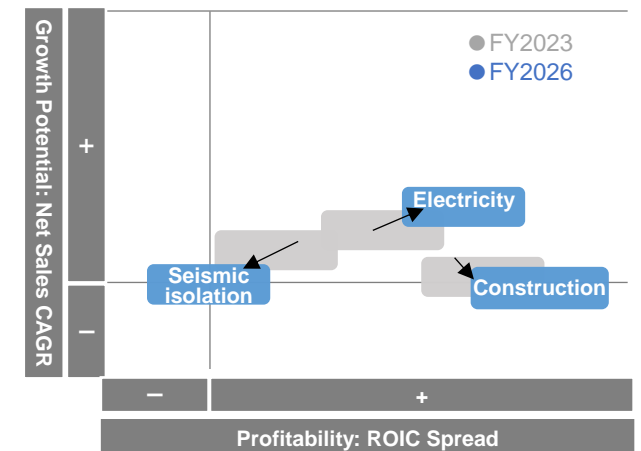
Net sales and operating income (100 million yen)



Capital Investment Plan (100 million yen)



Comparison of FY2023 and FY2026 Portfolios



Appendix

Medium-term Rolling Plan 2024: Power Infrastructure Business Growth Strategy (1)

Enhancement of our strategic products and solutions (**SICONEX®/SICOPLUS®**) to meet growing demand for electric power driven by national policies

Forecast of the domestic electricity market (based on SWCC research)

2014 onwards: Strengthening and taking action on aging (National Land Resilience Plan)

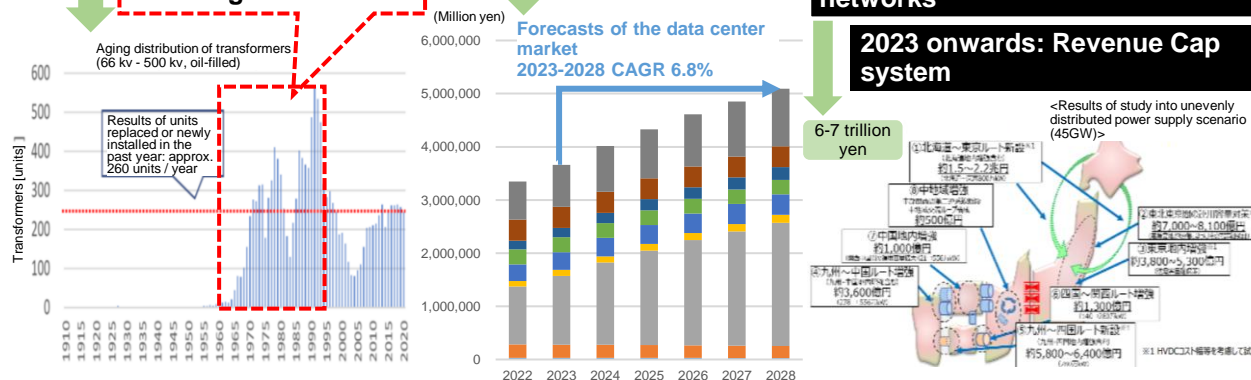
2020 onwards: private-sector renewable energy investment (publicly solicited offshore wind power)

Transformers coming due for renewal during our Medium-term Management Plan

2022 onwards: expansion of the data center market

2023 onwards: Development of renewable energy transmission networks

2023 onwards: Revenue Cap system



Source: Organization for Cross-regional Coordination of Transmission Operators, Japan (OCCTO), Aggregation of Electricity Supply Plans for FY2024

Source: Data Center Business Market Research Overview 2024 <Market Edition> Fuji Chimera Research Institute, Inc. * 2023 figures are expected values, figures for 2024 and beyond are forecasts.

Source: Organization for Cross-regional Coordination of Transmission Operators, Japan (OCCTO) Long-term Policy for Wide-area Grid System (Master Plan for Wide-area Interconnection Grid) <Supplement (Reference Edition)>

FY2023-FY2026 Transformer market CAGR: 11%, SWCC CAGR: 18% *Based on SWCC research

		FY2023	FY2024	FY2026	FY2030
SWCC's share	Electric power company demand	51%	58%	71%	88%
	Private sector company demand	93%	93%	94%	95%

Profit expansion strategy 1

Three measures for the electricity market

Products

- Made into the de facto standard
- Enhancement of ultra-high voltage SICONEX®
- Consideration of further investments in increased production

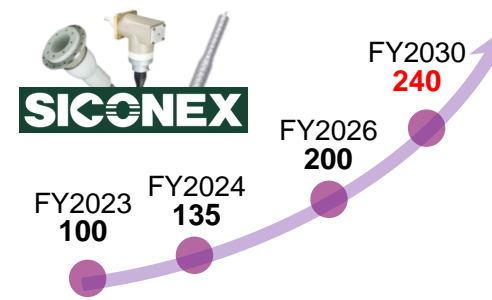
People

- Construction human resources center
- Expanded alliances with construction companies
- Transitioning internally-trained employees to work on ultra-high voltage

DX

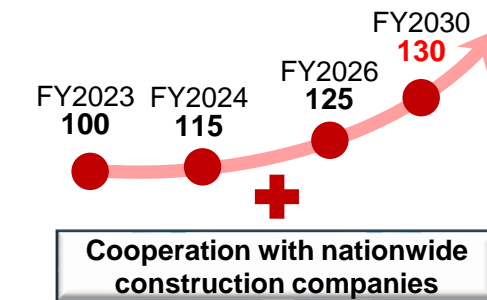
- Educational support through use of AVR
- Remote support, management solutions

SICONEX® Sales Growth Plan



* When FY2023 results are indexed to 100

Construction Personnel Plan



* When FY2023 results are indexed to 100

Medium-term Rolling Plan 2024: Power Infrastructure Business Growth Strategy (2)

Profit expansion strategy 2

Roll out of Smart Stream to electric power companies (promotion of the solution business)

Challenges facing the electric power industry:

- Building resilience
- Extending and developing wide-area power transmission and distribution equipment
- Aging equipment
- Improving productivity and ensuring safety

Ensuring construction supply capabilities

Preventing incidents

Reducing labor required for equipment maintenance and streamlining equipment management

Developing a lineup of solutions

AVR



AI (image / forecasting)



Remote support and management

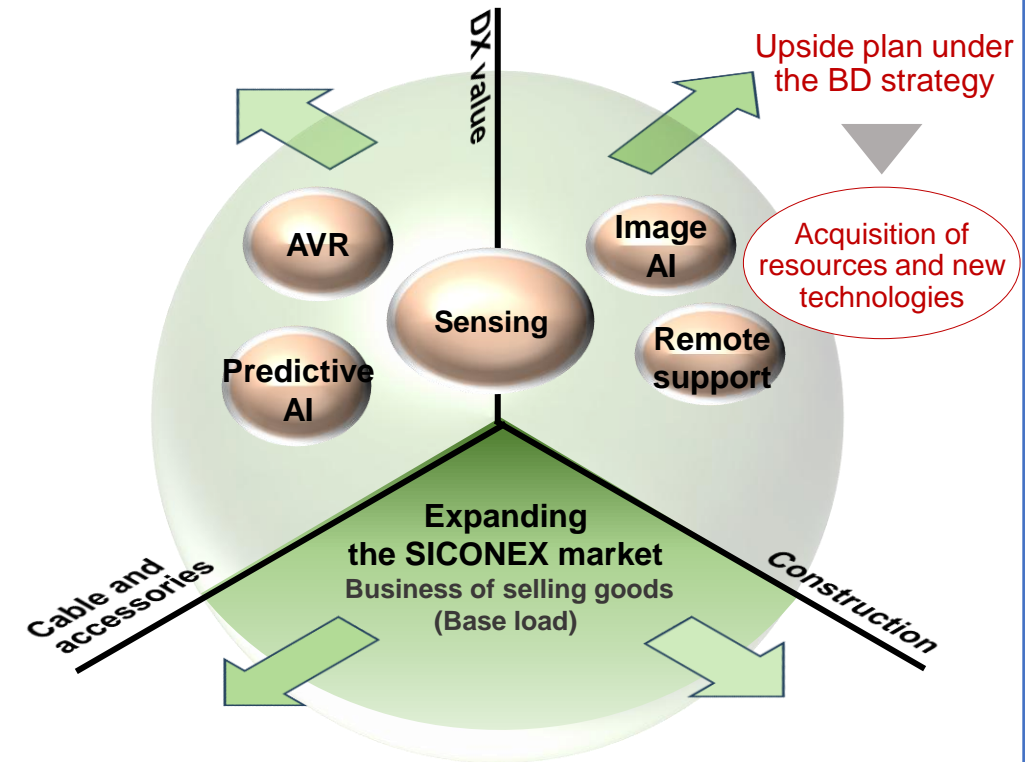


Sensing



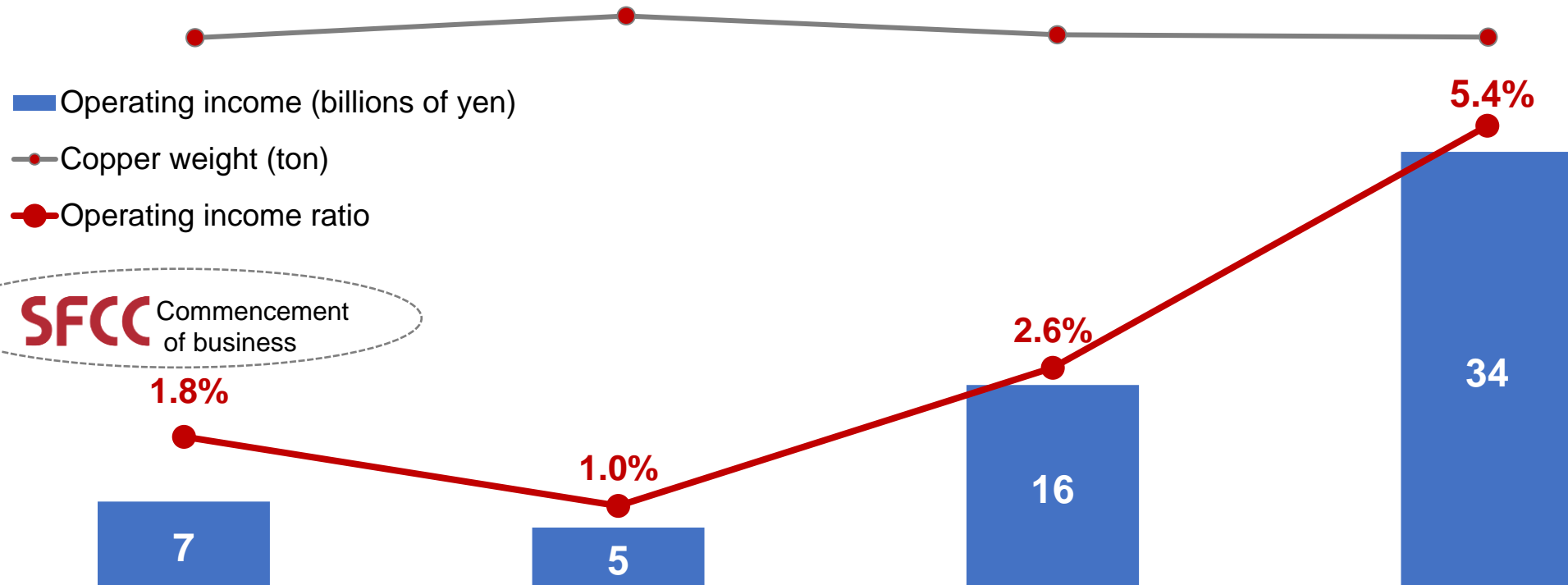
Development of a solution business

Providing solutions offering safety and peace of mind
(technical skills transfer, improved efficiency, elimination of occupational accidents)



Construction-Related Business SFCC Performance Trends

Significantly improved profitability through various measures in the business, which had been operating at an operating margin in the 1% range. The business has grown into a cash cow business.



Business Environment

FY2020

- **SWCC Commencement of business**
- Expansion of the Impact COVID-19

FY2021

- Impact COVID-19
- Rising copper and resource prices

FY2022

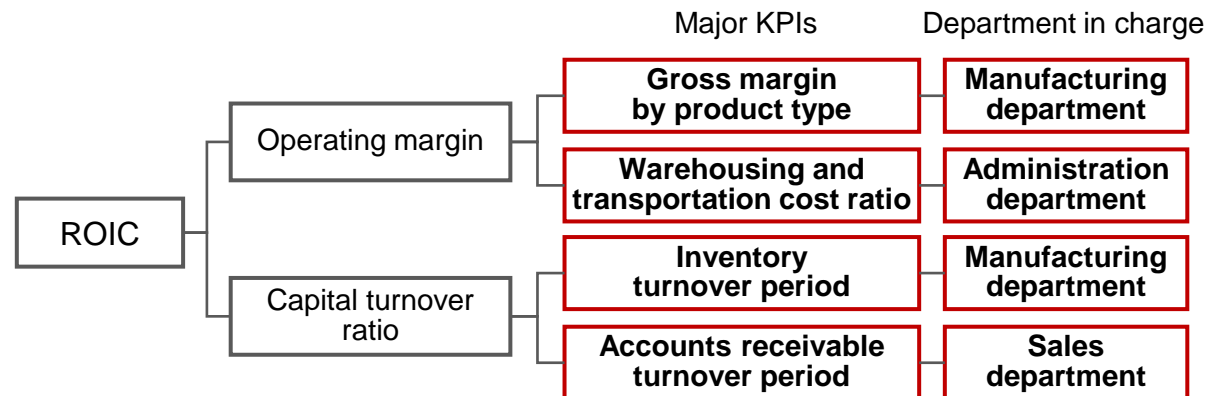
- **SFCC integration of production and sales**
- Impact COVID-19
- Rising copper and resource prices

FY2023

- Tightening of demand for wire
- 2024 Problem

Construction-Related Businesses History of SFCC's Profit Improvement Measures

<ROIC targets and major KPIs>



◆ Accelerate profit improvement through DX implementation (visualization of inventory)



Enables real-time review of production and inventory plans via company pay cell phones.

	FY2021	FY2022	FY2023
CCC	103 days	82 days	72 days
Number of days for inventory turnover	45 days	42 days	42 days
ROIC	3.6%	8.6%	14.3%

◆ Sales Price and Transaction Improvement Measures

- | | |
|---------------|---|
| FY2021 | <ul style="list-style-type: none"> • Withdrawal of low-priced products • Sales price revision due to soaring sub-material prices |
| FY2022 | <ul style="list-style-type: none"> • Sales price revision due to soaring sub-material prices • Sales price revision due to soaring energy costs |
| FY2023 | <ul style="list-style-type: none"> • Sales price revision due to soaring energy costs |
| FY2024 | <ul style="list-style-type: none"> • Sales price revision due to soaring logistics costs |

Construction-Related Business SFCC Medium-Term Plan Rolling Priority Measures

Profit expansion strategy 1

Cost reductions through increased factory production capacity



Until now

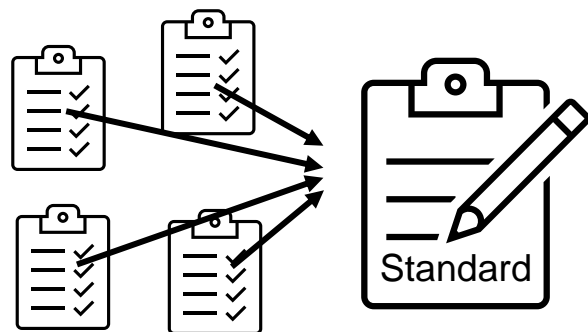
- Step 1. Wire drawing at Sendai Works
- Step 2. Transported from Sendai Works to Ibaraki Plant for cabling

Future

- Step 1. Integrated Production of Wire Drawing and Cables Now Possible at Ibaraki Plant

Profit expansion strategy 2

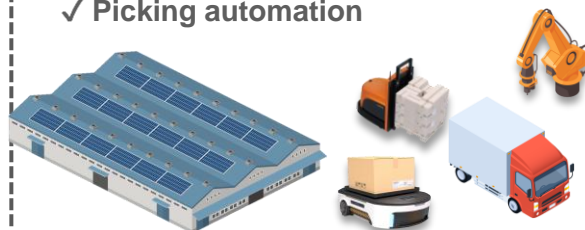
Consolidation into standard specifications



Profit expansion strategy 3

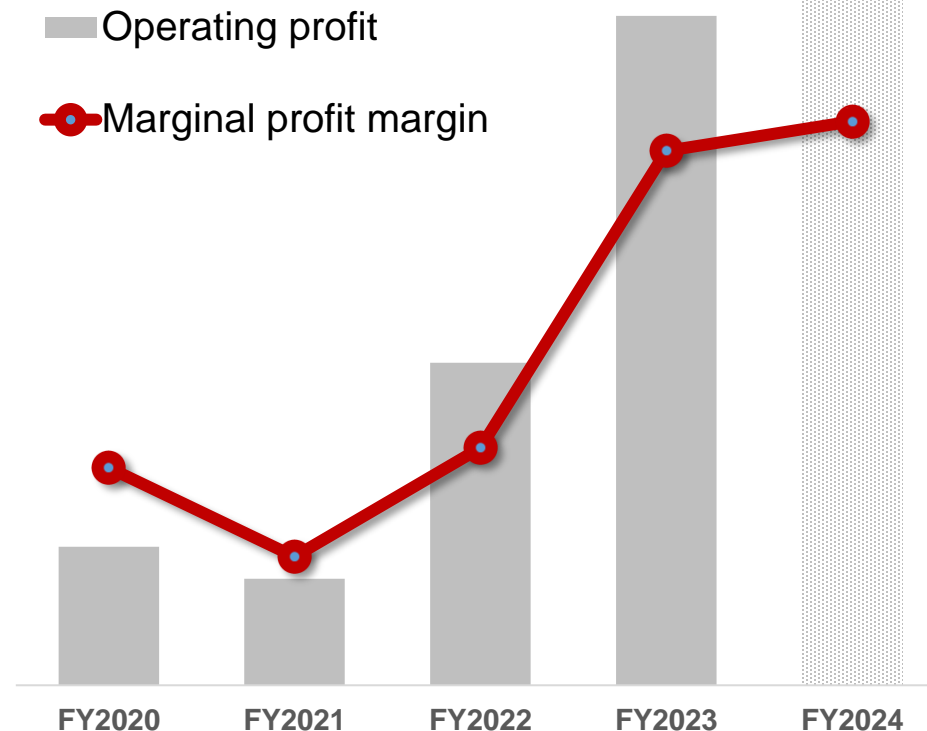
Labor and manpower saving in factories

- ✓ Automated transport
- ✓ Automated warehouse
- ✓ Labor saving maturing facilities
- ✓ Picking automation



Driving Group performance as by far the strongest business by improving efficiency and productivity of business processes

SFCC Marginal Profit Margin Trends



Efforts to Resolve Labor Shortages in Anticipation of the 2024 Problem

With the "2024 problem" of the application of overtime work hour caps looming on the horizon, the Company is **promoting labor-saving, manpower-saving, and work efficiency improvements.**

Product

Universal Design Promotion

Skill-less connection method



The introduction of universal design has made cable processing, which conventionally required skilled techniques, a **skill-less process**.

Provide products that are easy to handle for the elderly and women

Lowering of product weight

We were the **first in the industry** to review product weights based on the weight reduction needs highlighted in a survey.

Persons

Sustainable Human Resource Education

Establishment of Construction Human Resource Development Center



Secured excellent human resources by establishing an early training program for engineers (utilization of DX materials, simulated facility training, knowledge acquisition and on-the-job training).

Local consumption market model cloud human resource strategy

Human resources trained at the above centers are now **expanding nationwide, from Hokkaido to Okinawa**. Enables flexible receipt of orders.

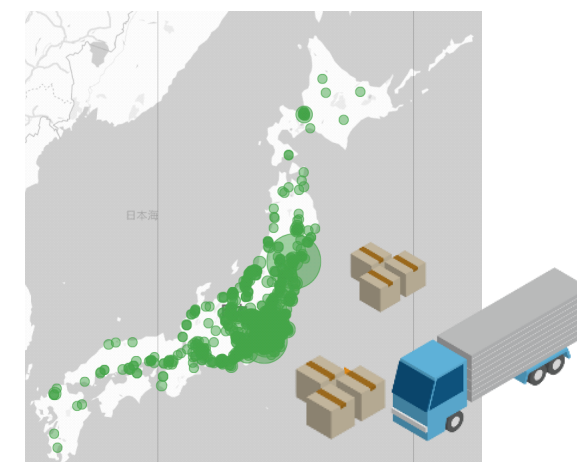
SICOPLUS® Human Resource Cloud



Logistics

Promotion of Logistics DX

Visualization of optimum route and loading capacity



DX of logistics system centered on subsidiary LOGIS-WORKS. **Promoting operational efficiency in vehicle dispatch management** by sharing the delivery status of distribution centers nationwide via cloud computing and smartphones.

Medium-term Rolling Plan 2024: Growth Strategy for the Electric Equipment and Components Business (1)

Market Forecast FY2024-FY2026

High-performance products

- Expanding recovery of demand for HEV despite a slowdown in BEV adoption
- Widespread adoption of CASE
- Growth in demand for motors

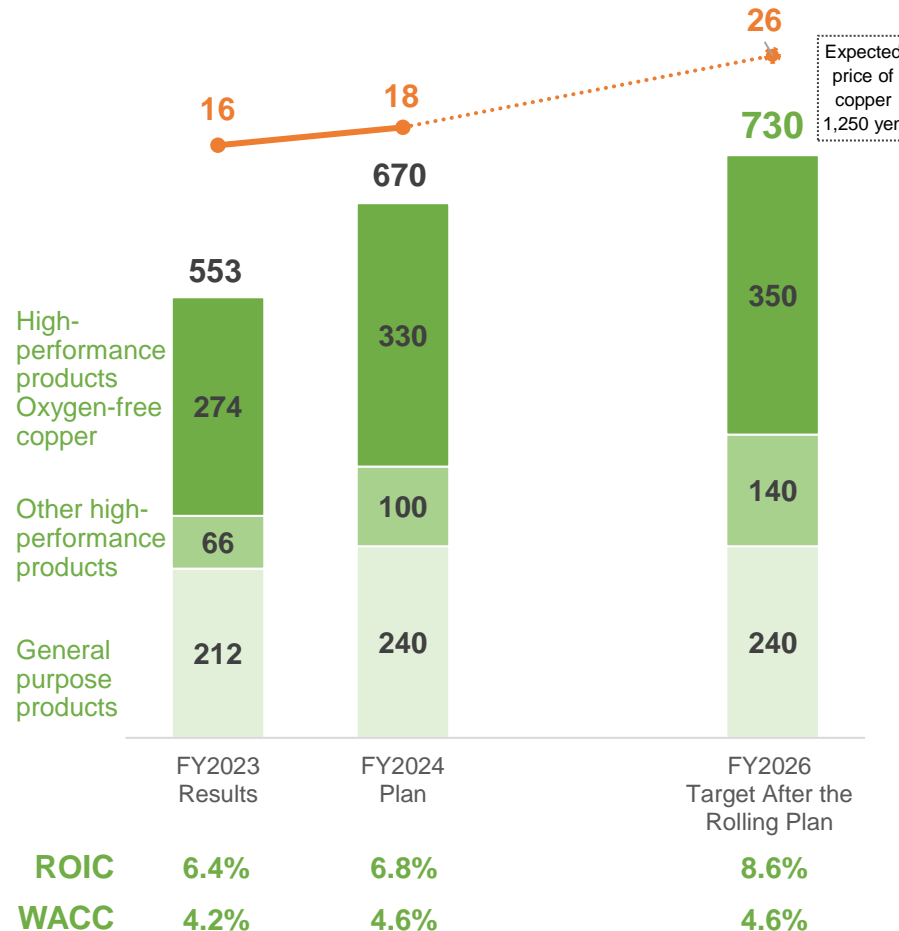
Basic Strategy

High-performance products

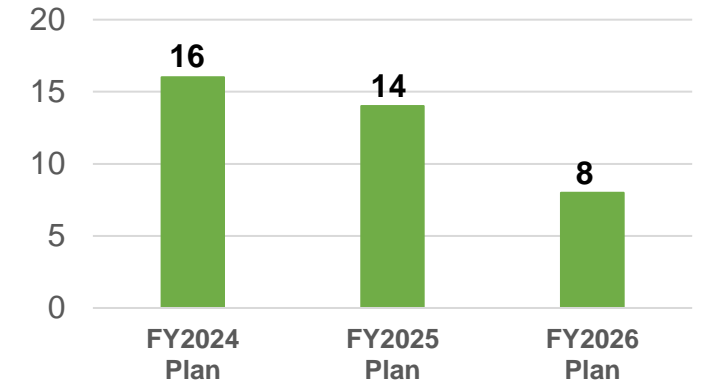
- Building a flexible system for BEV and HEV adoption
- Development and manufacturing of new high value-added products
- Launch of green vehicle winding wire (CO₂ reduction)
- Increased production of heater wires
- Development of probe pins for semiconductors
- Joint development with Tohoku University
- Structural reforms (Development of an integrated production system for heater wires: FY2025 onwards)

Medium-term Rolling Plan Targets

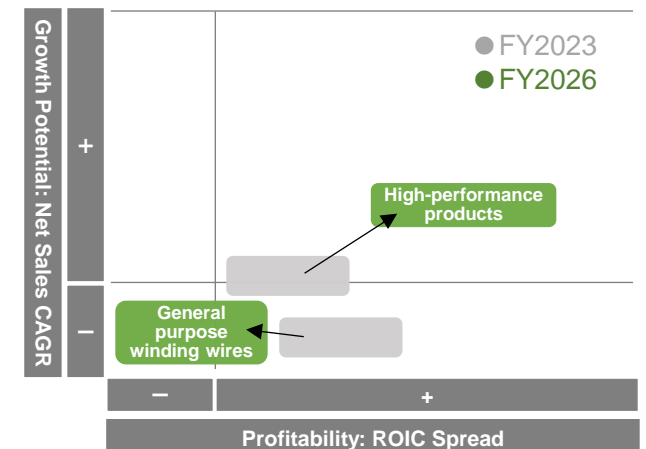
Net sales and operating income (100 million yen)



Capital Investment Plan (100 million yen)



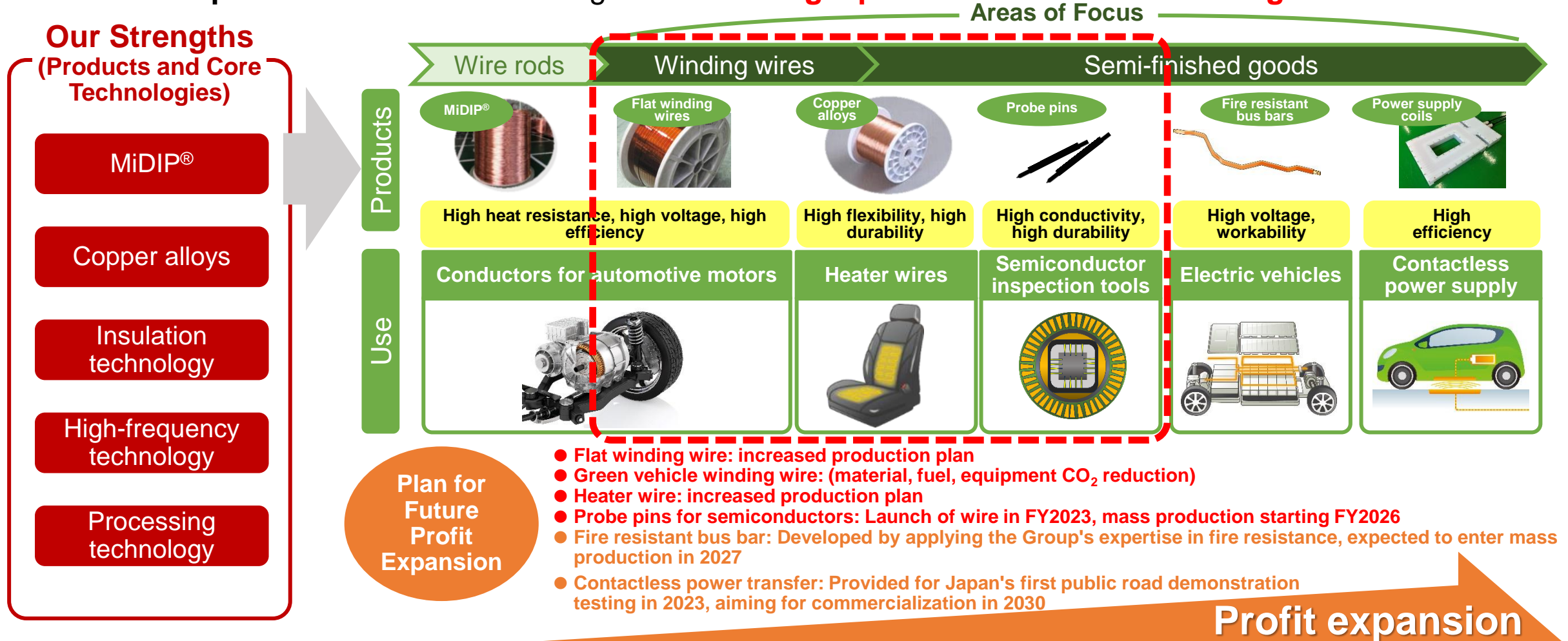
Comparison of FY2023 and FY2026 Portfolios



Medium-term Rolling Plan 2024:

Growth Strategy for the Electric Equipment and Components Business (2)

We will shift from an upstream to **downstream strategy**, increasing profit by shifting positioning to high **value-added products** that take advantage of our **strategic products and core technologies**.



Medium-term Rolling Plan 2024: Growth Strategy for the Electric Equipment and Components Business (3)

Profit expansion strategy 1



Green vehicle winding wire

Begin sales of **green vehicle winding wire** from 2025 against the backdrop of demand for low carbon materials from customers



2030

Expand sale of green vehicle winding wire

2025

Sales launch of green vehicle winding wire

Scope 3 (Cat. 1)
For amount of procured materials
reduction of up to 50%*

2024

Application of green energy
First introduction in Japan, production using high-efficiency equipment

Scope 1 + Scope 2
80% reduction for amount of fuel and electricity consumption*

* Limited to automotive winding wire

2023

Production using existing methods

Have greenhouse gas emissions (Scope 1 + Scope 2) verified by a third party organization

Profit expansion strategy 2

Increased production of heater wires

Expansion of the alloy wire domain:
collaborative research with Tohoku University

Anticipate global expansion of demand and strengthen investment in increased production and enhance lineup

Enhance the lineup of heater wires as a downstream strategy



Consolidate the process from basic research at Tohoku University to product development and manufacturing at SWCC in the Sendai area to develop next-generation technologies and products.

Profit expansion strategy 3

Development and mass production of probe pins

Target high revenue markets utilizing SWCC's unique characteristics (high conductivity and hardness)



Semiconductor inspection probe
Advanced logic / special automotive applications

<Roadmap>

FY2026 target
Development of mass production of pins

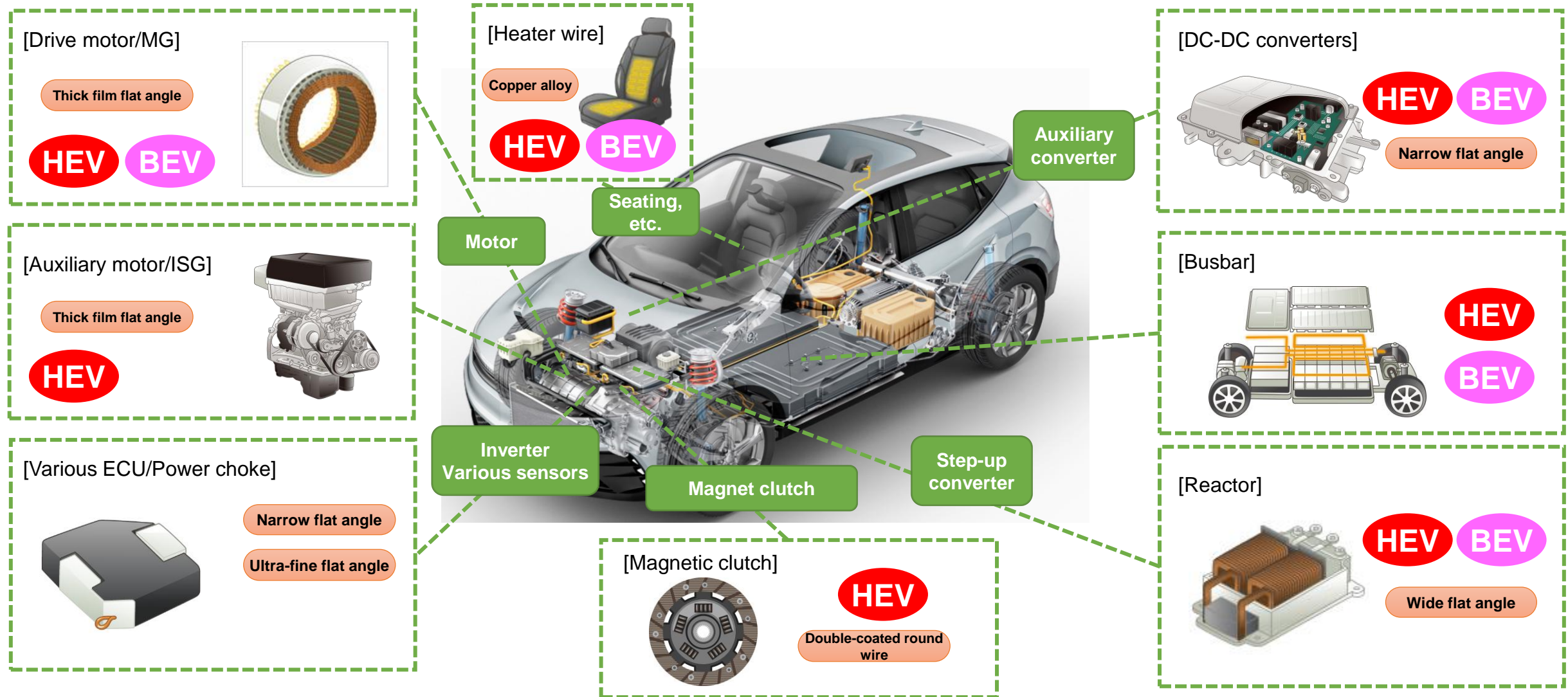
FY2024-FY2025 target
Pin commercialization and acquisition of customers

FY2023 result
Launch of wire for pins

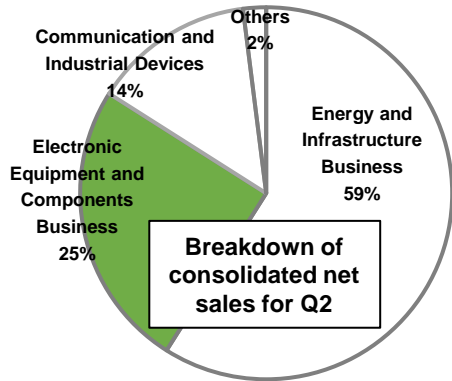
Upside plan under the BD strategy

Incorporate downstream processes to expand profit

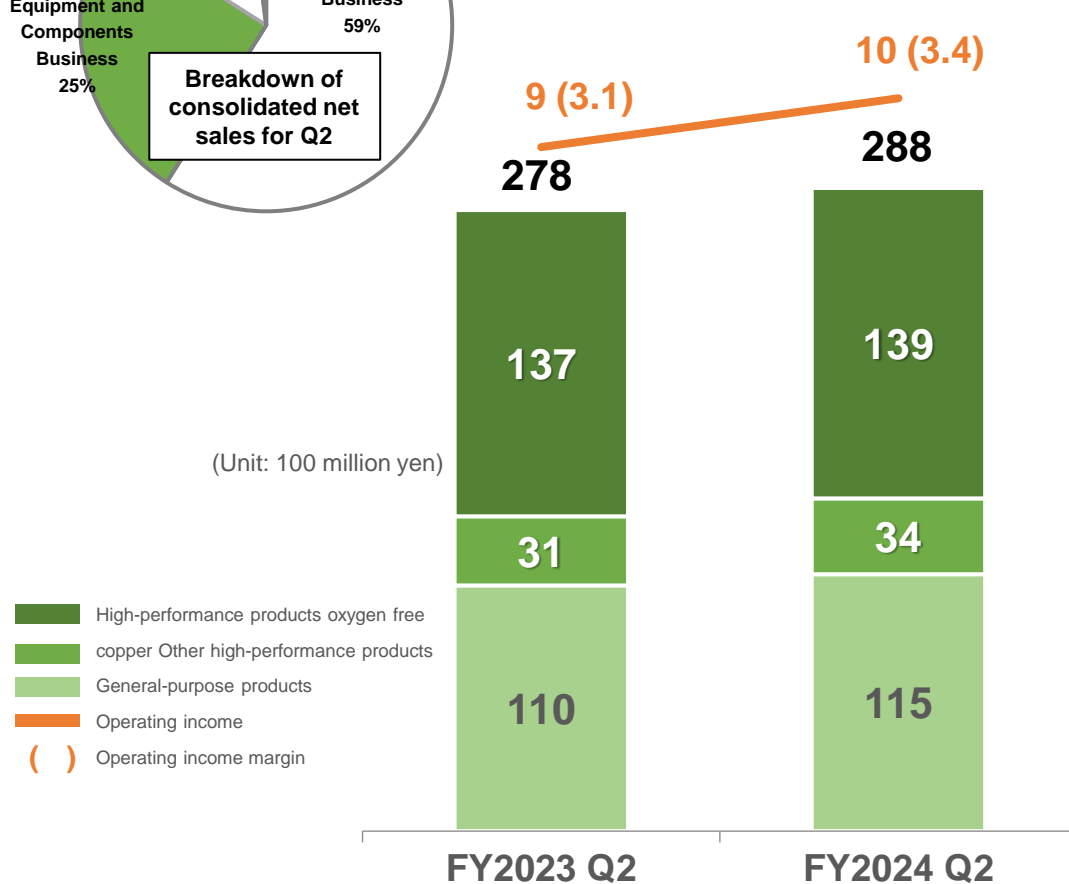
The acceleration of the shift to xEV increases business opportunities for our products



FY2024 Q2 Results by Segment / Electrical Equipment and Components Business



Although products for EVs were affected by the suspension of production and shipping by some domestic automakers and lackluster sales in China, general-purpose magnet wires for heavy electrical appliances performed solidly, resulting in **YoY increases in sales (up 3.5%) and income (up 11.5%).**



Factors behind Q2 performance (same level as last year)

MiDIP®

- Adjustment phase due to suspension of production and shipments by some domestic automakers

Flat winding wires

- In an adjustment phase, despite strong demand for hybrids in Europe

Heater wires

- Impacted by suspension of production and shipping by some domestic automakers and lackluster sales in China

Future Strategies

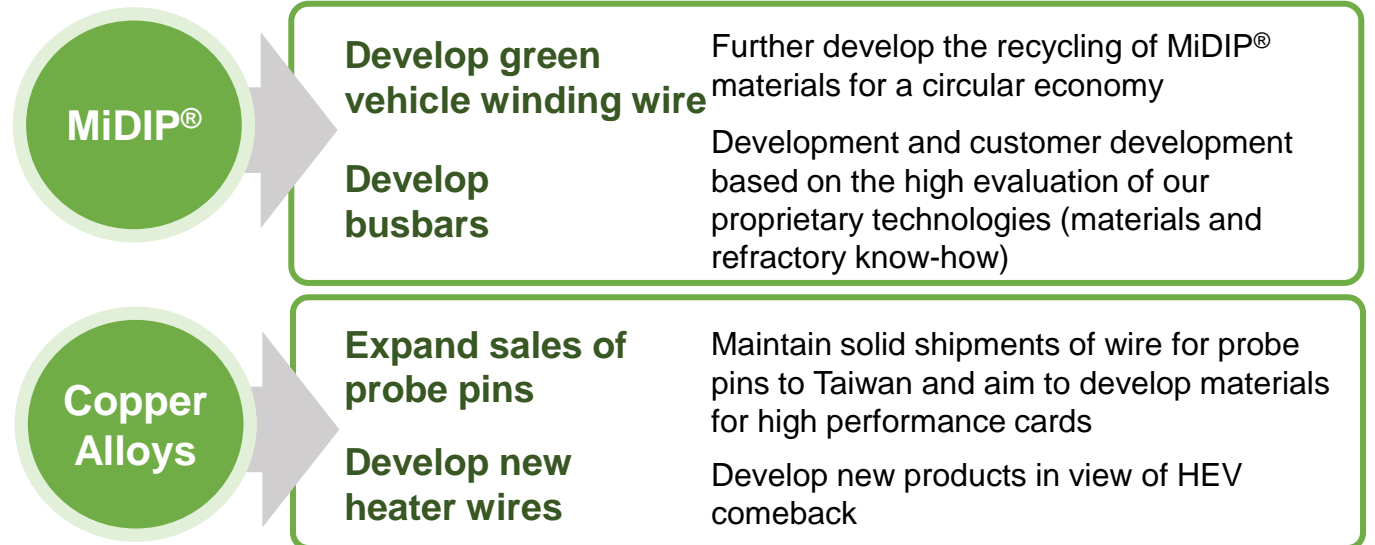
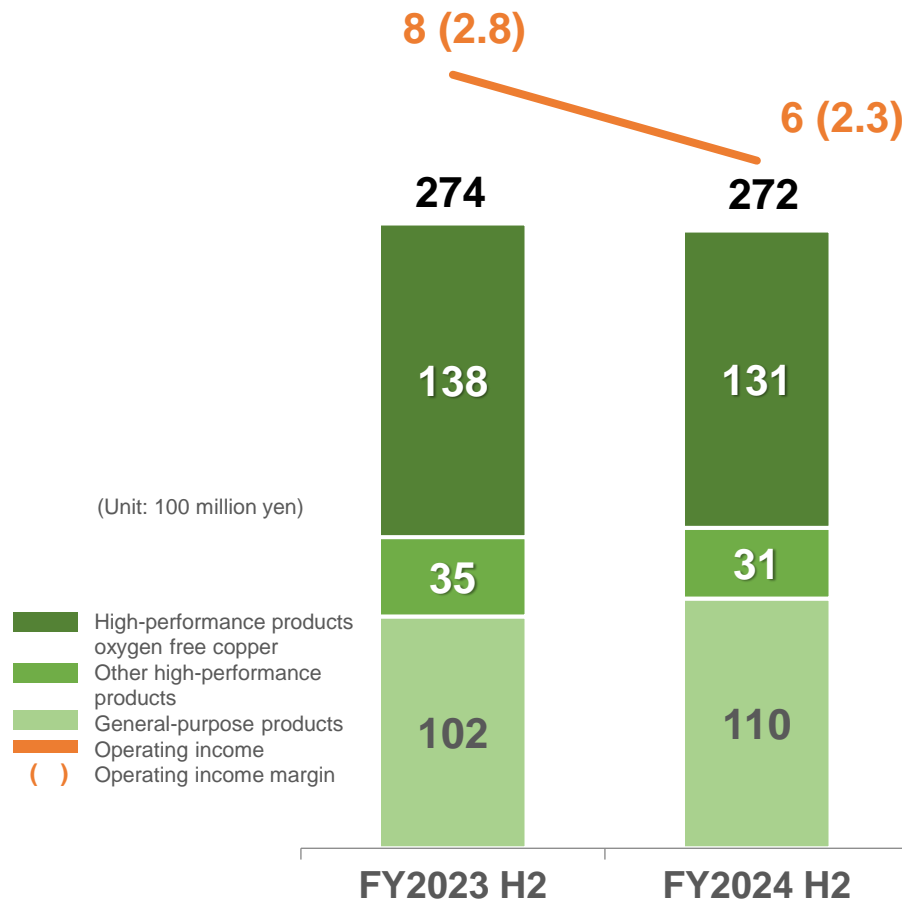
Accelerate downstream strategy and expand sales of high value-added products(for busbars, semiconductors, etc.).

* MiDIP® is a strategic product included in "High-performance products oxygen free copper" on the left. Flat winding wires and heater wires are strategic products included in "Other high-performance products" on the left.

FY2024 Electrical Equipment and Components Business: H2 Strategies

Future Strategies

Accelerate downstream strategy and expand sales of high value-added products



Projected high-performance product shipment volumes (level a year earlier = 100)			
	Q2 YoY (Actual)	Q3 YoY (Forecast)	Q4 (YoY) (Forecast)
MiDIP®	84%	81%	103%
Heater wires	96%	73%	79%
High-performance magnet wires	92%	89%	129%

Rolling Plan 2024: Growth Strategy for the Communication and Industrial Devices Business (1)

Market Forecast FY2024-FY2026

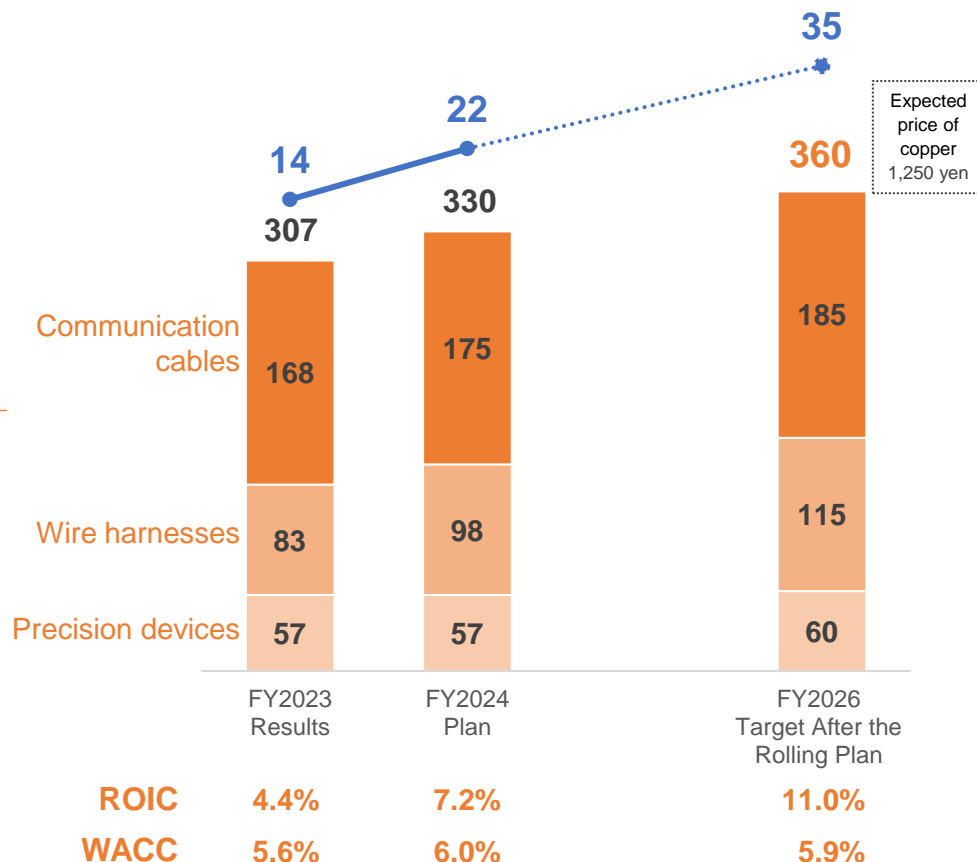
- Communications**
 - Increase in telecommunications equipment and traffic
 - Expansion of overseas telecom and datacom markets
 - Growth of the ADAS market
- Industrial devices**
 - Slight uptick in Japanese home appliance demand
 - Slowing home appliance market expansion in China and Southeast Asia
 - Greater demand for high-end home appliances
 - Diversification of commercial printing demand

Basic Strategy

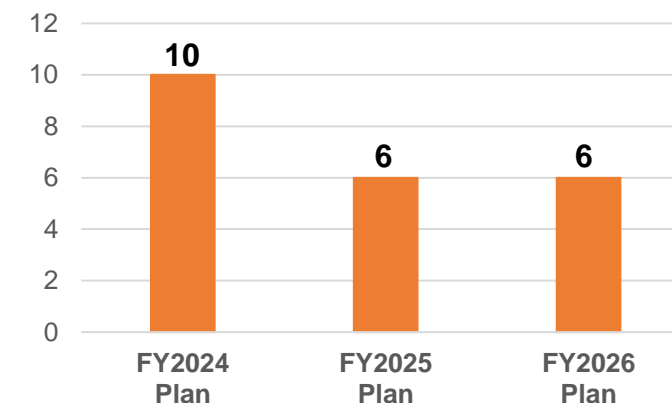
- Communications**
 - Capturing of robust demand for office LAN
 - Investment in increased production of automotive high-speed communication cables
 - Development of new partners for e-Ribbon®
- Industrial devices**
 - Wire harnesses and precision devices
 - Expansion of (roller) business domain

Medium-term Rolling Plan Targets

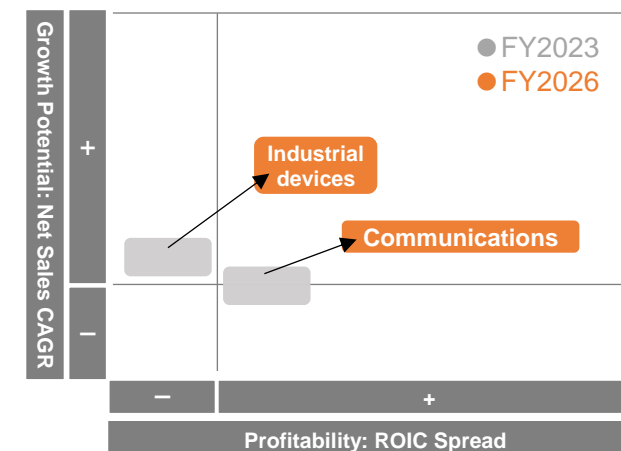
Net sales and operating income (100 million yen)



Capital Investment Plan (100 million yen)



Comparison of FY2023 and FY2026 Portfolios



Rolling Plan 2024:

Growth Strategy for the Communication and Industrial Devices Business (2)

Profit expansion strategy 1

Expanded entry into the automotive high-speed communication market

Target Markets

Automotive camera market

In the realization of advanced driver assistance systems (ADAS) and autonomous driving systems (ADS), viewing cameras and sensing cameras contribute to **improved safety** and the **widespread adoption of autonomous driving technologies**

Winning Strategy Story

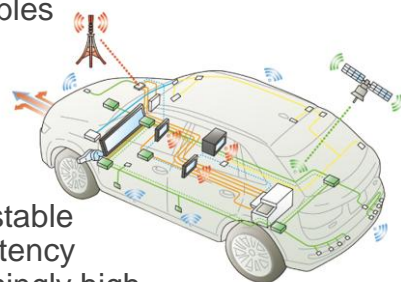
Partner strategy with Tier 1 partners (domestic and overseas)

Collaboration with leading Tier 1 partners
Enhanced lineup of automotive high-speed transmission cable types
Strategy for high added value by incorporating extra features in cables



<Product Superiority>

- Achieves high-speed data transmission with stable transmission and high frequencies with low latency and noise resistance for cameras with increasingly high resolutions and enhanced functionality
- Ensures advanced automotive environmental performance (oil and chemical resistance, abrasion resistance, temperature resistance, etc.)



Profit expansion strategy 2

e-Ribbon® overseas partnership strategy

Target Markets

Telecom and datacom markets

North America: Increased demand due to booming FTTx and DC markets and compliance with Build America, Buy America (BABA) requirements.

Europe: Solid demand will continue despite slowdown of FTTx market growth

Asia: Expanded demand toward the Taiwan FTTx market and increased demand due to the booming Asia DC market

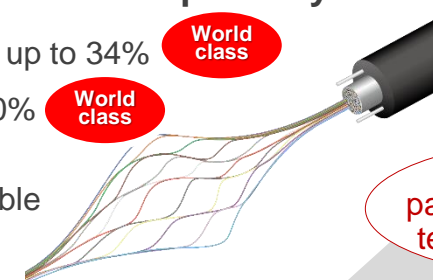
Winning Strategy Story

Overseas partnership strategy utilizing technological advantages

We will utilize our technological capabilities that make us one of only five companies in the world capable of mass production and roll out a local-production-for-local-consumption strategy through overseas partnerships.

e-Ribbon® <Product Superiority>

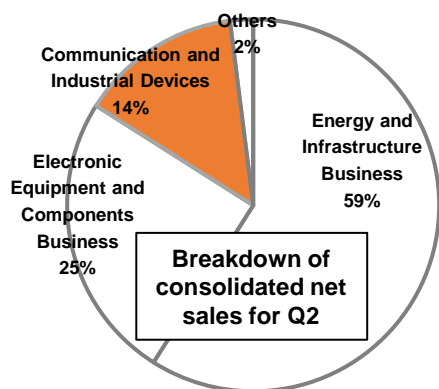
- Outer diameter reduced by up to 34% **World class**
- Weight reduced by up to 40% **World class**
- Capable of simultaneous adhesive bonding with flexible ribbons



Upside plan under
the BD strategy

Building overseas
partnerships that maximize
technological advantages

FY2024 Q2 Results by Segment / Communication and Industrial Devices Business



Demand for both construction-related communication cables, including for data centers, and automotive-related communication cables was firm. Rollers also benefited from an improvement in market conditions in addition to the effect of profit improvement measures. **As a result, sales increased YoY (up 12.2%) and income also rose (up 87.7%).**

Factors behind Q2 performance (solid performance)

Communications

- Products for data centers performed solidly. There was also continued demand for Tokyo Metropolitan Area redevelopment, Osaka Expo and renewable energy projects. Growth in sales of mainstay products and new products driven by strong market conditions contributed to performance.

Wire harnesses

- Impacted by lackluster sales at some Japanese home appliance manufacturers both in Japan and China.

Rollers

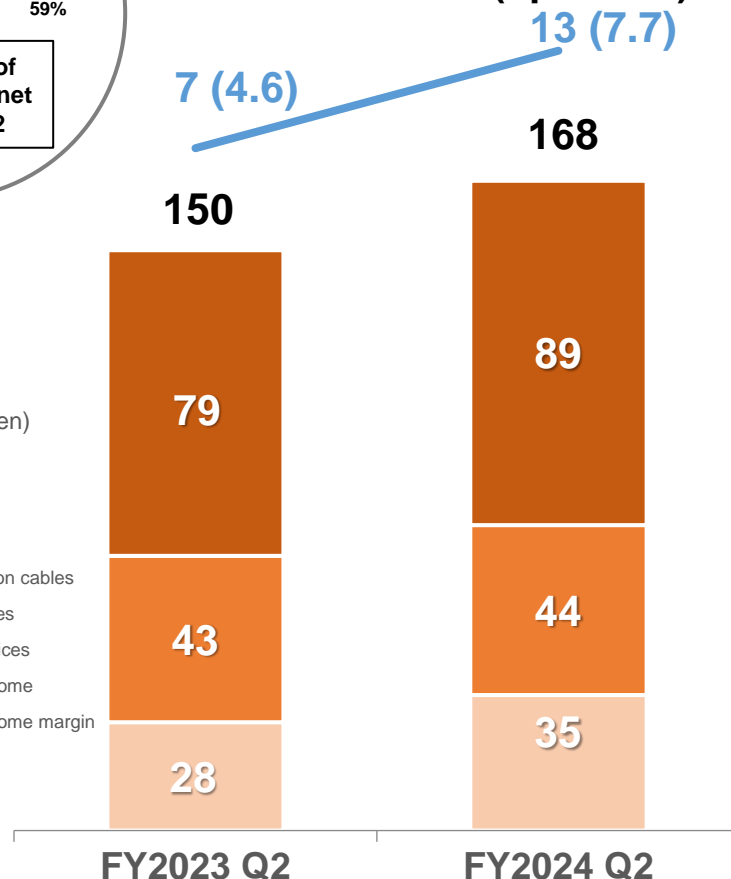
- Recovery in market conditions for products for personal, office and industrial use in addition to effect of profit improvement measures initiated last year

Future Strategies

Strengthen FLANTEC® product lineup to increase sales, and expand sales of automotive high speed communication cables and e-Ribbon®.

(Unit: 100 million yen)

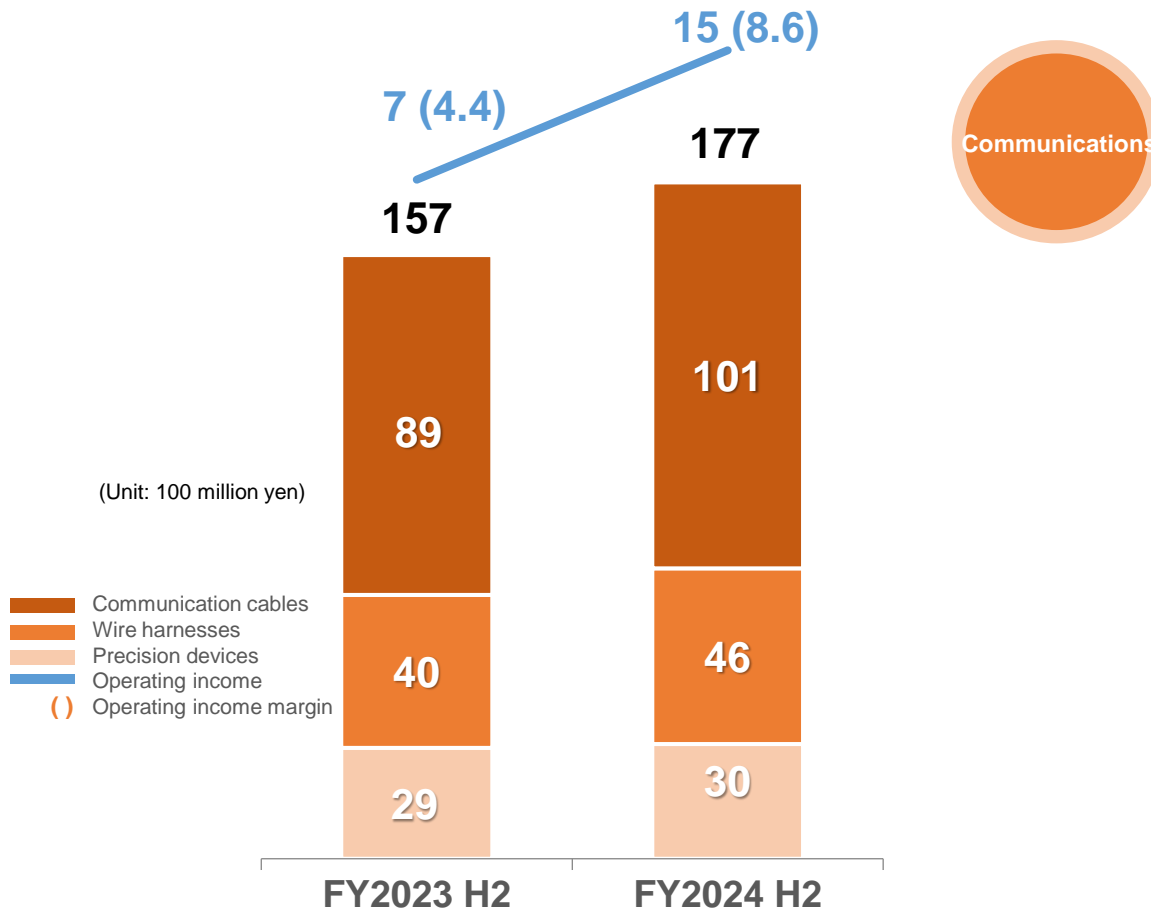
■ Communication cables
■ Wire harnesses
■ Precision devices
■ Operating income
() Operating income margin



FY2024 Communication and Industrial Devices Business: H2 Strategies

Future Strategies

Strengthen FLANTEC® product lineup to increase sales, and expand sales of automotive high speed communication cables and e-Ribbon®.



Enhance FLANTEC® product lineup

Lineup of the strongly performing Cat.6A series was expanded in September to meet customer needs stemming from the construction of high capacity networks. Expand sales in H2 and beyond.

- Ultra-slim patch cable "slim-patch® 6A"
- Ultra-slim industrial LAN cable "HFS-TPCC® 6A(S) PATCH-FA"

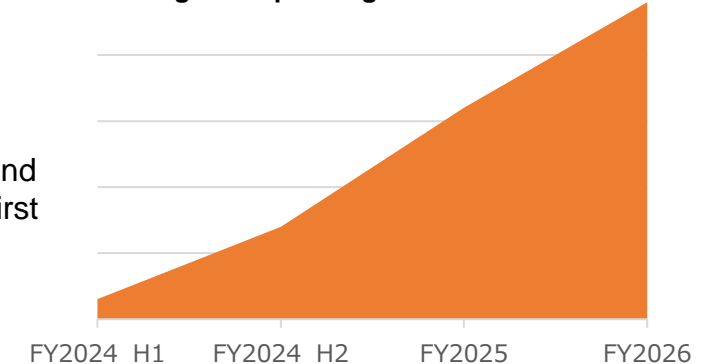
Expand sales of automotive high-speed communication cables (introduced for the first time in the previous fiscal year)

Seek to further expand sales in H2, on the back of strong demand for ADAS (Sales for the current fiscal year are expected to be approximately 3 times that of the previous year.)

e-Ribbon®

Expansion of sales to leading hyperscaler in North America (Sales are expected to increase approximately 5 times in the second half of the year compared to the first half of the year.)

The image of expanding sales for e-Ribbon®

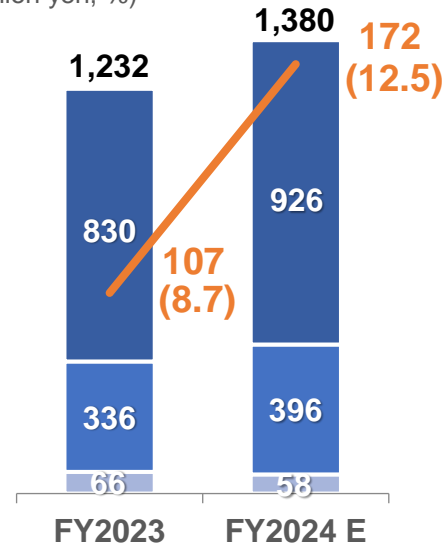


FY2024 Business Plan by Segment

Energy and Infrastructure Business

■ Construction ■ Power Infrastructure
■ Seismic isolation/others ■ Operating income
() Operating income margin

(Unit: 100 million yen, %)



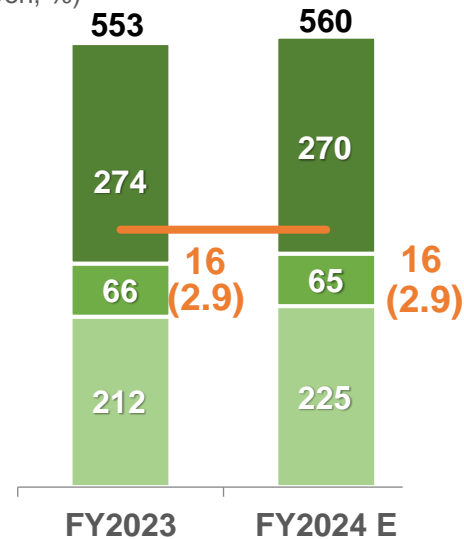
Copper price impact: Net sales up 5.6 billion yen

- + Factor
- Improvement in profit of construction-related business
 - Sales contribution of investment to increase production of SICONEX®
 - Expansion in sales due to strong market conditions

Electrical Equipment and Components Business

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

(Unit: 100 million yen, %)



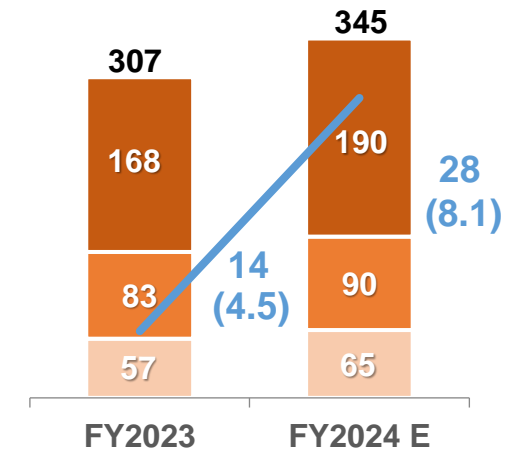
Copper price impact: Net sales up 6.0 billion yen

- + Factor
- Progress of downstream strategy
 - Firm demand for heavy machinery
- Factor
- Adjustment phase of high-performance products for EVs

Communication and Industrial Devices Business

■ Communication cables ■ Wire harnesses
■ Precision devices () Operating income margin
■ Operating income

(Unit: 100 million yen, %)



Copper price impact: Net sales up 400 million yen

- + Factor
- Strong performance of various strategic products in the communication cables market
- Factor
- Recovery of market conditions for rollers
 - Slump of domestic and foreign white goods market



SWCC Corporation

<https://www.swcc.co.jp/eng/company>

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.