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Q2 FY2025 Small Meeting

December 15, 2025

SWCC Corporation

TSE PRIME: 5805

Today's Agenda and Speakers

1. Q2 FY2025 Overview of Financial Results

Executive President and Representative Director (CEO)

Tetsuo Komata

2. Growth Strategy for the Energy and Infrastructure Business

Senior Executive Officer, Supervising Business Segments

Yukio Kawase

Executive Officer, Chief of the Energy and Infrastructure Business Segment, President and Representative Director, Showa Furukawa Cable Co.,Ltd.

Shiro Moriguchi

1. Q2 FY2025 Overview of Financial Results

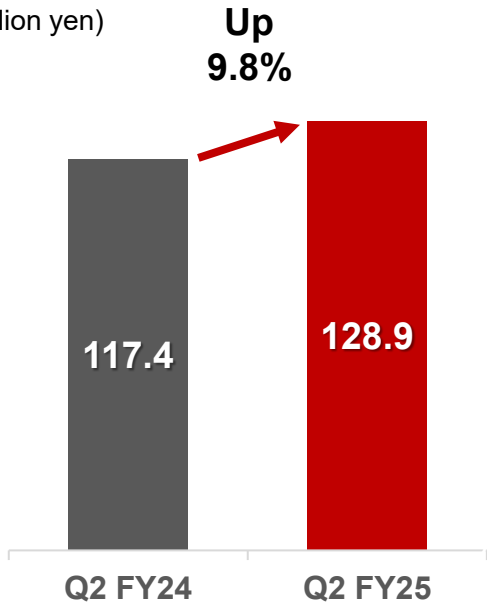
Key Points of the Financial Results for Q2 FY2025

Q2 YoY Change

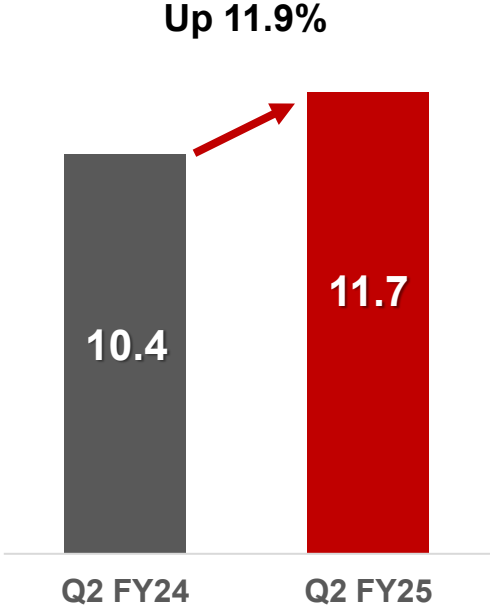
Despite a decline in domestic demand for Construction Cables, **net sales and profits increased**, **driven by strong performance in the Power Infrastructure as well as the Communication and Mobility businesses.**

Net sales

(Unit: Billion yen)



Operating profit



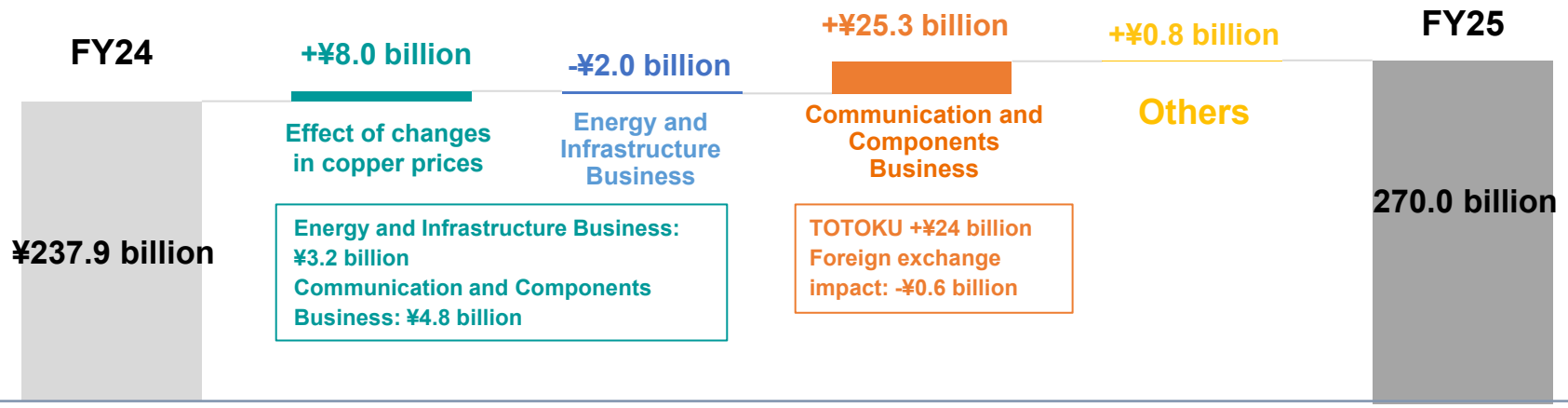
Q2 Progress rate

In light of the strong performance in the first half, the full-year plan was revised upward.
Both sales and profits are progressing at a pace exceeding historical averages against the revised plan.

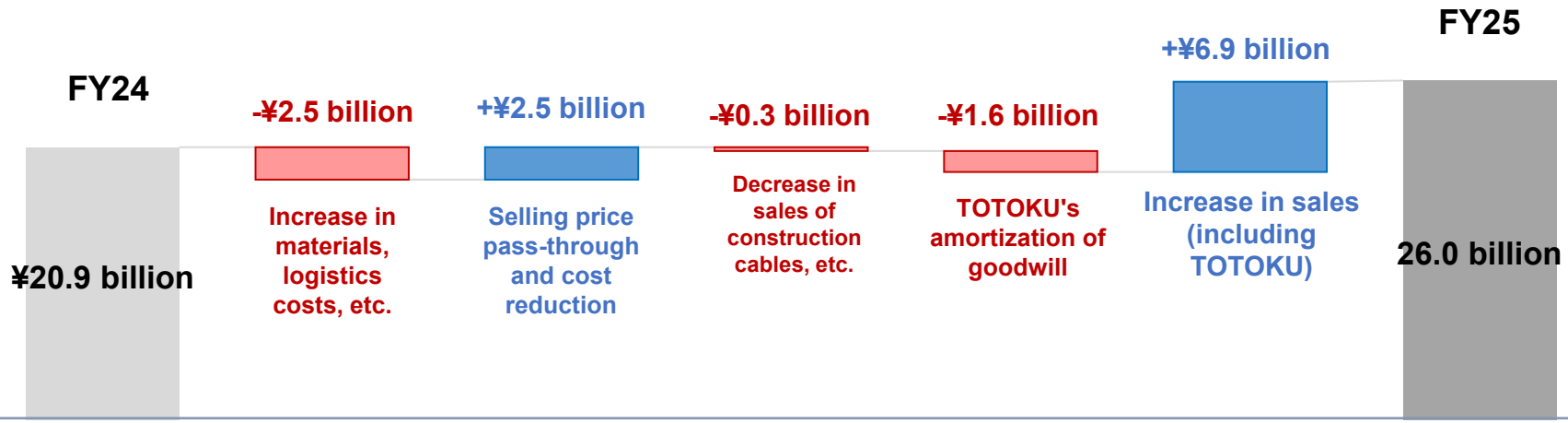
(Unit: Billion yen)	Revised full-year plan	FY20-24 Avg. progress rate	Q2 Progress rate
Net sales	270.0	47.3%	47.7%
Operating profit	26.0	41.5%	44.8%

FY2025 Full-year YoY Change Factors (After Upward Revision)

Change factors for net sales



Change factors for operating profit



[Change factors]

1. Net sales

While demand for construction-related products declined due to the increasingly severe labor shortage in the construction industry, **higher sales are expected, supported by strong demand in Power Infrastructure, Communication Cables, and the Mobility business.**

2. Operating profit

Rising costs were offset through price pass-through measures and cost reductions.
The decline in Construction Cables was smaller than initially expected at the beginning of the fiscal year.
In addition, amortization of goodwill and other items following the Purchase Price Allocation (PPA) of TOTOKU remained within initial assumptions. As a result, **profit growth** is expected, **driven by sales expansion in growth businesses and improvements in profitability.**

Q2 FY2025 Consolidated Statements of Income

The decline in Construction Cables sales initially anticipated at the beginning of the fiscal year recovered from Q2 onward. Performance in the Power Infrastructure Business during the first half significantly exceeded expectations, and the Communication Cables Business also performed well. Accordingly, the full-year plan was revised upward.

(Unit: Billion yen)	Q2 FY24 Results	Q2 FY25 Results	YoY %	FY25 Full-year Plan (Initial)	Progress rate %	FY25 Full-year Plan (Revised)	Vs. initial plan
Net sales	117.4	128.9	9.8%	260.0	49.6%	270.0	
Operating profit	10.4	11.7	11.9%	24.5	47.6%	26.0	Up 6%
Operating profit margin (%)	8.9%	9.0%	—	9.4%	—	9.6%	
Ordinary profit	7.1	11.3	59.3%	23.5	48.1%	25.0	
Profit attributable to owners of parent	3.6	7.3	104.1%	15.0	48.7%	16.0	Up 7%

Q2 FY2025 Profit and Loss Statement by Segment

(Unit: Billion yen)

		Q2 FY24 Results	Q2 FY25 Results	YoY %	FY25 Full-year Plan (Initial)	FY25 Full-year Plan (Revised)
Energy and Infrastructure Business	**Net sales**	**63.5**	**61.1**	**-3.7%**	**124.0**	**130.0**
	Construction Cables	41.3	37.7	-8.6%	74.0	79.0
	Power Infrastructure	18.8	20.3	7.5%	43.0	44.4
	Seismic Isolation/Others	3.4	3.2	-6.5%	7.0	6.6
	Operating profit	**7.9**	**8.6**	**8.5%**	**17.0**	**18.2**
	Operating profit margin (%)	**12.4%**	**14.0%**	**—**	**13.7%**	**14.0%**
Communication and Components Business	**Net sales**	**50.7**	**64.5**	**27.3%**	**128.0**	**132.5**
	Communication Cables	13.9	15.7	12.8%	29.9	33.0
	Mobility and Semiconductor Applications	17.3	23.9	38.0%	49.3	49.0
	Industrial Applications	19.5	24.9	28.0%	48.8	50.5
	Operating profit	**2.5**	**3.1**	**20.3%**	**7.8**	**7.8**
	Operating profit margin (%)	**5.0%**	**4.8%**	**—**	**6.1%**	**5.9%**
	EBITDA margin (%)	**7.2%**	**8.7%**	**—**	**10.1%**	**9.8%**

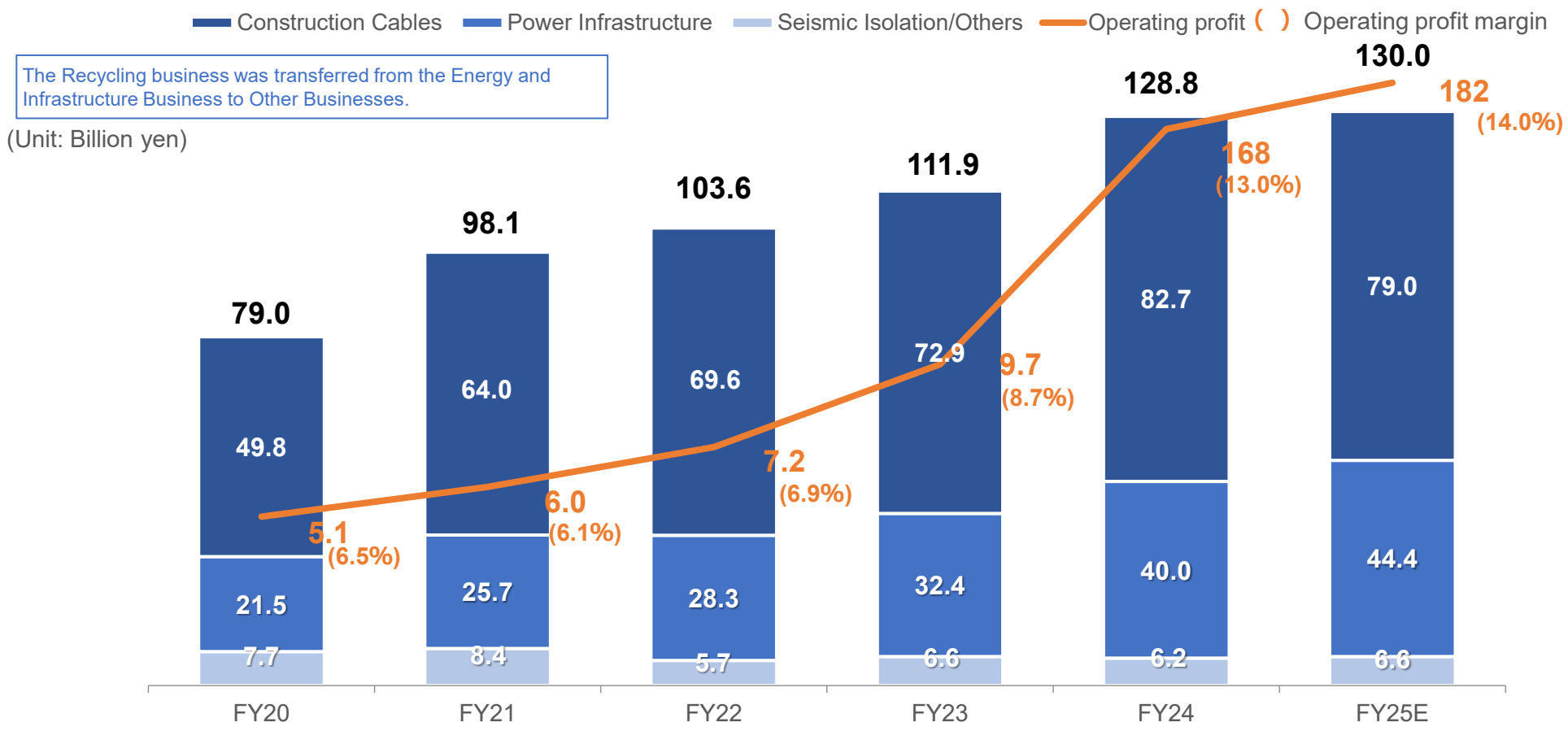
FY2025 Business Environment Outlook (After Upward Revision)

		H1	H2	Full-year
Results and plan	Operating profit	¥11.7 billion	¥14.3 billion	¥26.0 billion
	(YoY)	(11.9%)	(36.4%)	(24.2%)
	Operating profit margin	9.0%	10.2%	9.6%
	Dividend	¥90 (Increase by 10 yen vs. the plan)	¥110 (Increase by 10 yen vs. the plan)	Full-year: ¥200 (Payout ratio: 37.0%)
Business Environment Outlook	Construction Cables	The sharp decline seen in Q1 recovered in Q2.	In the second half, shipments are expected to recover to the levels assumed in the plan.	
	Power Infrastructure	Demand from electric power companies remained stable under the revenue cap system, and margin expanded as a result of enhanced product value-added across the Power Infrastructure business.	Strong demand for Power Infrastructure from both electric utilities and private-sector customers led to increased production of SICONEX® and further progress toward de facto standardization, resulting in market share expansion.	
	Communication Cables	Sales of e-Ribbon® for AI data centers in North America remained strong. Demand for high-grade LAN cables continued to expand.	Capacity expansion for e-Ribbon® products targeting AI data centers in North America supported further market share growth, while demand for high-grade LAN cables continued to grow.	
	Automotive	Domestic automobile production continued on a recovery trend. High-performance products for xEVs performed well, particularly in Europe, while seat heaters remained steady in line with the plan.	While strong demand for high-performance products for xEVs is expected to continue, seat heater demand softened due to customer inventory adjustments.	
	Semiconductor	Demand was impacted by inventory adjustments by end customers.	Going forward, a recovery in end-market demand, combined with expanded sales to the Chinese market, is expected.	

2. Growth Strategy for the Energy and Infrastructure Business

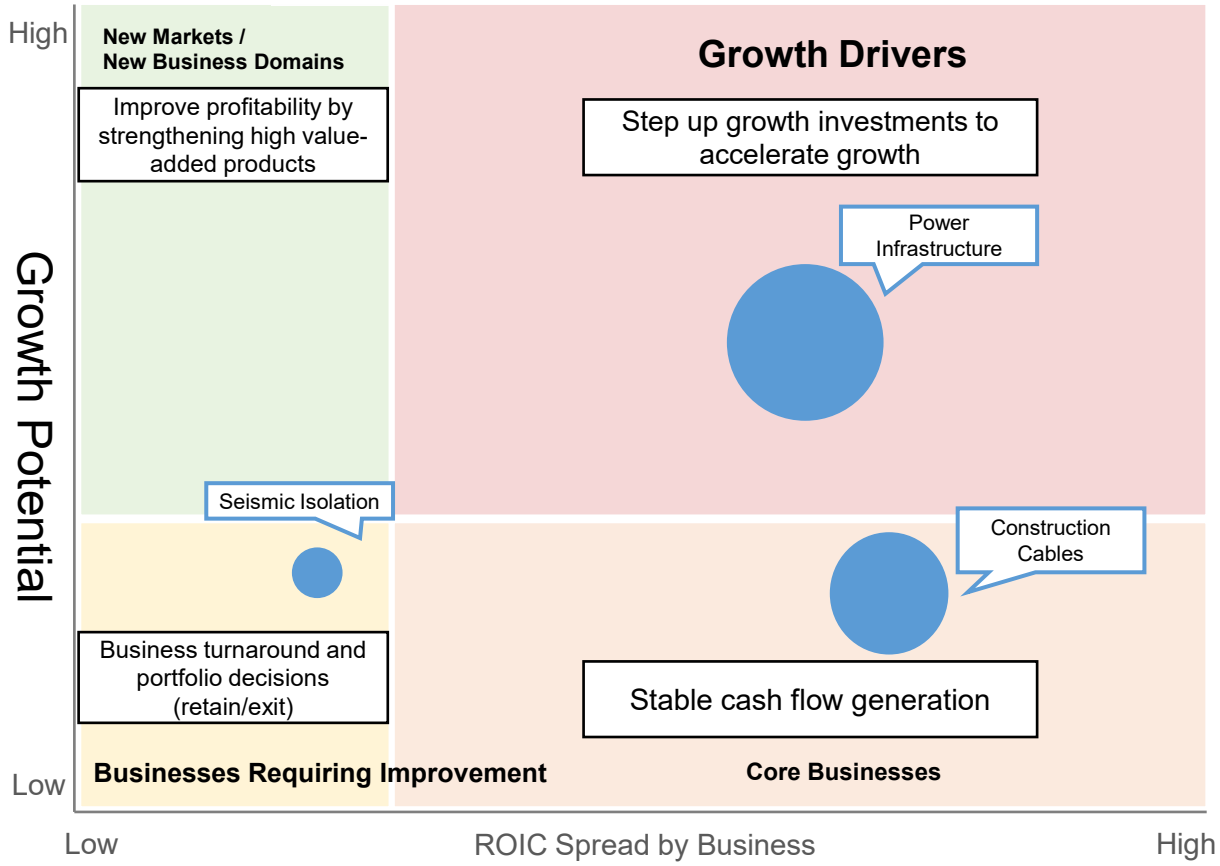
Energy and Infrastructure Business: Trends in Sales and Operating Profit Margin

Although sales in the Construction Cables business have been sluggish due to project delays caused by labor shortages in recent years, operating profit margin improved significantly, driven by the transformation of the Construction Cables business into a cash-cow business and strong performance at the Power Infrastructure Business, centered on SICONEX®, along with various initiatives to enhance profitability.



Portfolio Management of the Energy and Infrastructure Business

Energy and Infrastructure Business Portfolio



Business Portfolio Management

[Power]

- **Accelerate growth by increasing production of our strategic product, SICONEX®, and expanding installation workforce capacity**
- **Expanding solutions to address the challenges faced by electric power companies**

[Construction]

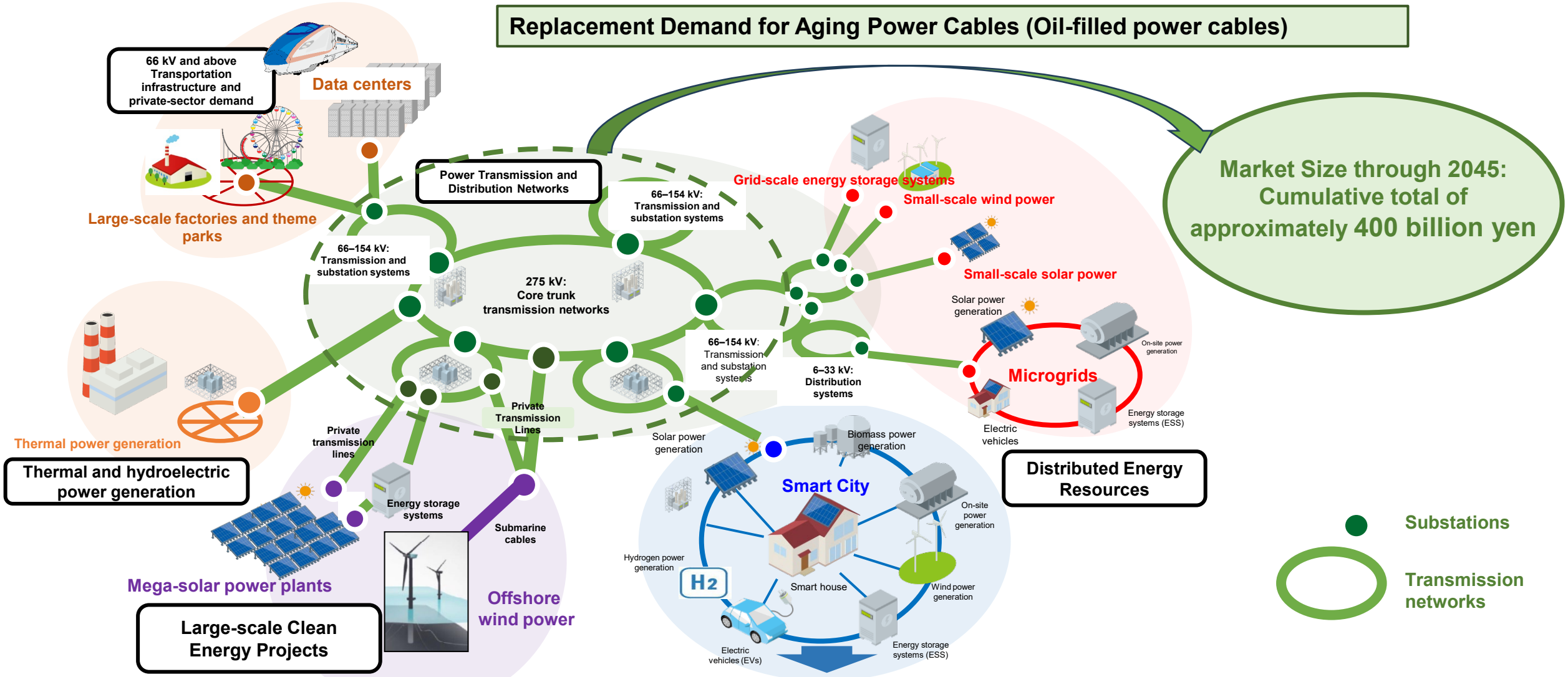
- **Enhance earnings power through DX initiatives and further strengthen this cash-cow business**

[Seismic Isolation]

- **Exit the business as growth and profitability are expected to decelerate**

ROIC Calculation for the Group ROIC by business = After-tax operating profit ÷ Invested capital (working capital + non-current assets)

Share Acquisition Strategy Leveraging Our Competitive Advantages in the Power Infrastructure Market



Expanding Share in the Power Infrastructure Market by Leveraging Our Competitive Advantages

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■ **Replacement of aging power cables (oil-filled cables) is essential** → **Continuing through 2045**

Challenges in Power Infrastructure	**Shortage of construction labor source (market expands while workforce declines)**	**Construction work is time-consuming (highly complex work)**	**Difficult to maintain and manage power facilities (hard to track product history for power cables, etc.)**
Our Solutions	**(1) Easy-install cable: "e-Cable™"** **(2) Strengthen installation capabilities: training system "SICOPLUS"**	**(3) Labor-saving construction through new installation methods**	**(4) Apply 2D codes to products**

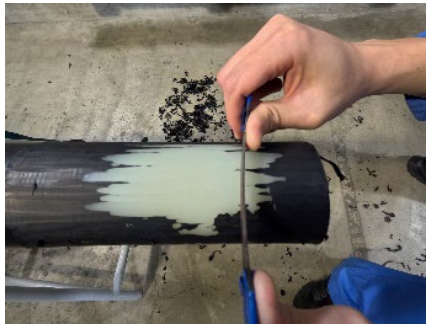
Growth Strategy for the Power Infrastructure Business: (1): Easy-install Cable “e-Cable™”

As demand expands due to replacement of aging facilities and reinforcement of transmission and distribution networks, **labor shortages have become a major challenge.**

By leveraging the SICOPLUS training program and expanding our easy-install cable lineup, we enable labor savings and reduced skill dependency even at higher voltage classes.

Key Features of Easy-stripping cable “e-Cable™”

Conventional power cables of 66 kV and above



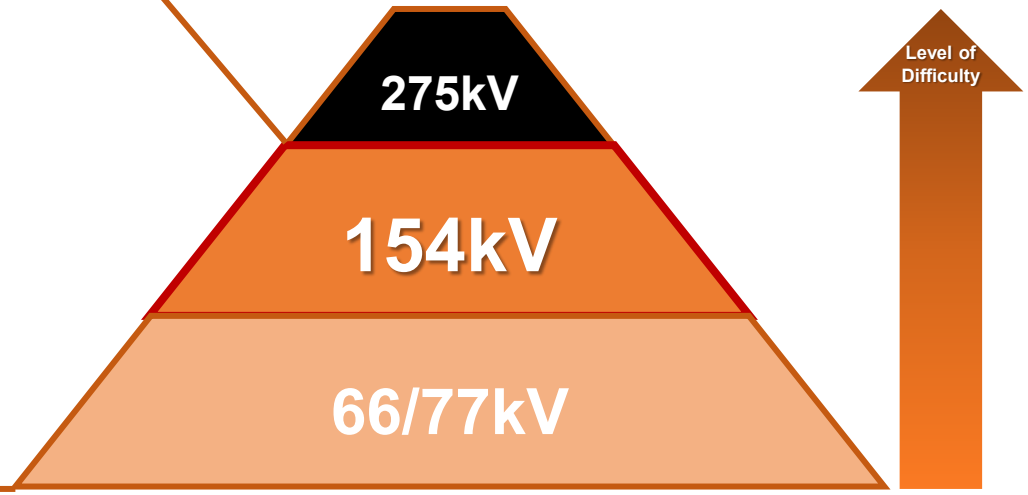
Previously, highly advanced processing skills were required, involving precise circular stripping using sharp tools.

“e-Cable™”

- Simplified work processes **significantly shorten the skill acquisition period (training period reduced from three years to three months).**
- Work time reduced to **approximately one-quarter** of the conventional process

November 2025
New Brand Strategy: e-Cable™

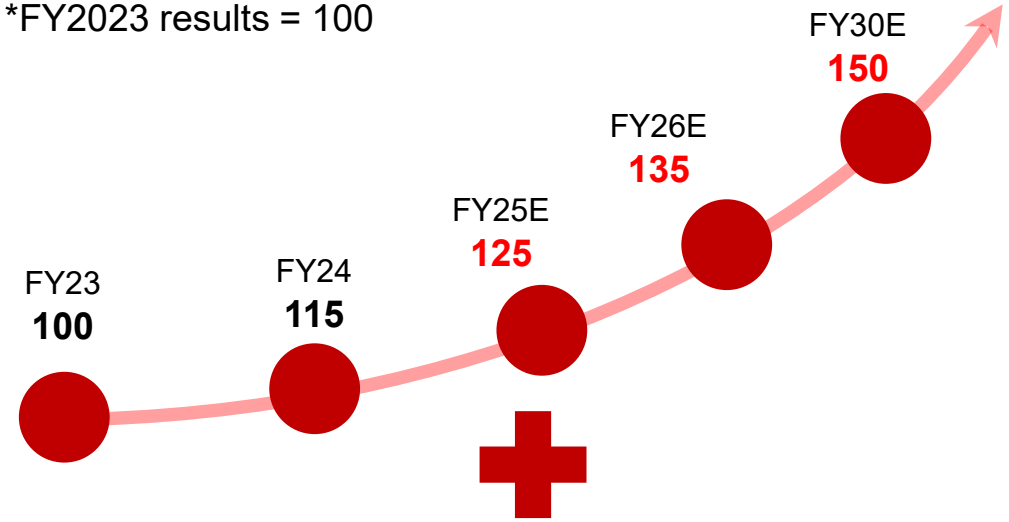
Expansion of the easy-install power cable lineup from the conventional 66 kV class to 154 kV



Growth Strategy for the Power Infrastructure Business:
(2) Strengthening Installation Capabilities: SICOPLUS

Installation Workforce Plan

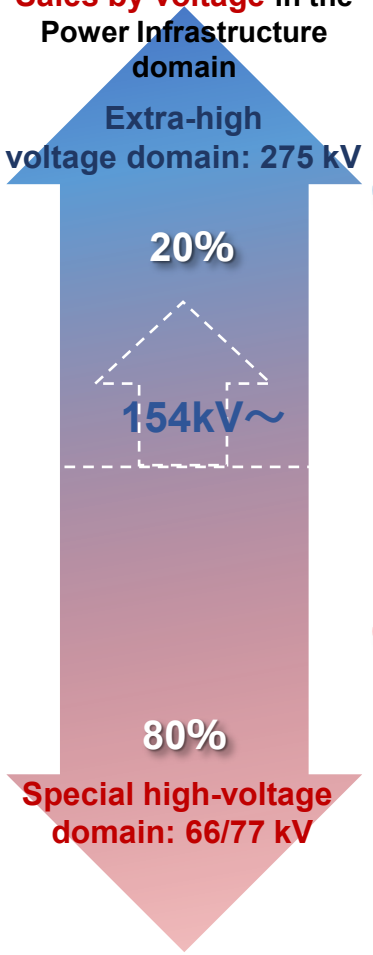
*FY2023 results = 100



Nationwide cooperation with installation companies

Trend and Forecast of the Number of Installation Partner Companies
(Unit: companies)

Sales by voltage in the Power Infrastructure domain



SICOPLUS

In-house installation workforce

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Shift of in-house installation workforce toward extra-high voltage

Partner company installation workforce

Nationwide partner network

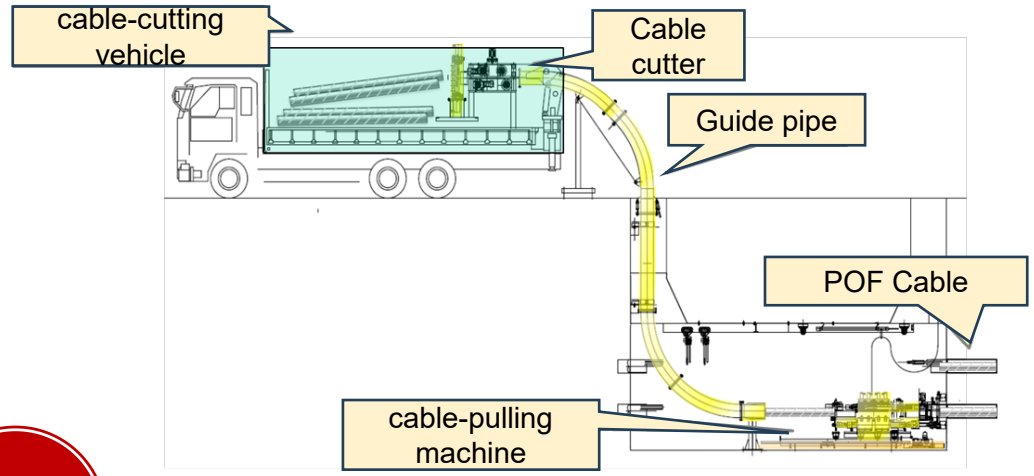
Growth Strategy for the Power Infrastructure Business:
(3) Labor-Saving Construction through New Installation Methods

Three-phase Simultaneous Pull-out Method for Oil-Filled Cables

Need: Removal of oil-filled cables

Challenges

(1) Frequent disruptions due to road restrictions during construction
(2) One-by-one removal results in long construction periods and high costs
(3) Risk of environmental contamination from oil spillage on roads
(4) Large-scale pull-out systems require a large number of workers



Effect

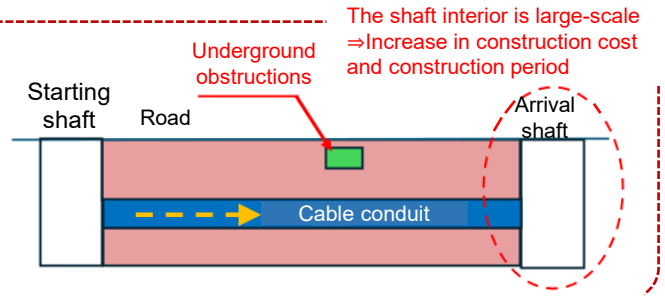
Construction period reduced by approximately 40%;
Construction costs reduced by approximately 20%

Arc-shaped HDD (Horizontal Directional Drilling) Method

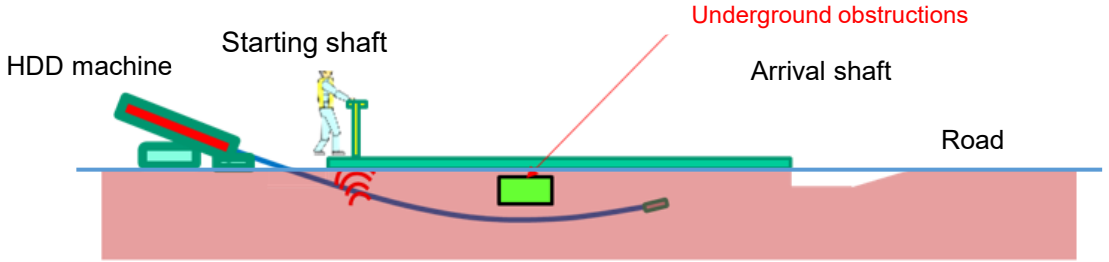
Need: Installation of underground conduits without open-cut excavation

Challenges

While thrusting methods are widely used when open-cut construction is not feasible, construction periods and costs are high.



HDD Method (the newly developed construction method)



Effect

Significant reduction in both construction period and cost

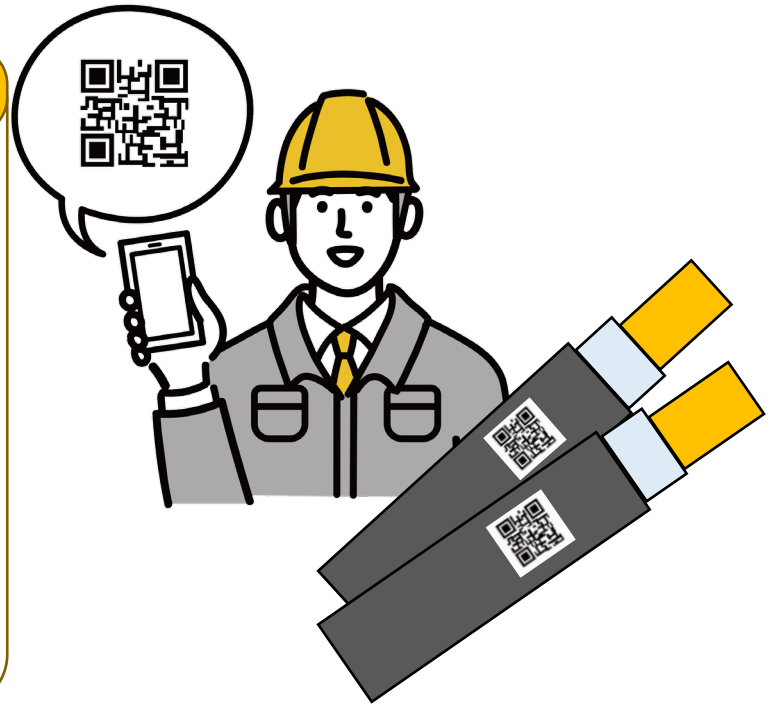
Growth Strategy for the Power Infrastructure Business:
(4) Applying 2D Codes to Products

We have introduced two-dimensional codes with proprietary identification information directly onto products. We are also developing a dedicated smartphone application to read this information.

Background for Introduction

- ✓ Increase in equipment installations driven by replacement demand for power cables
- ✓ Difficulty in identifying product history from external appearance during maintenance and inspections after installation
- ✓ Worsening labor shortages

⇒ Operations are complex and time-consuming



Key Features

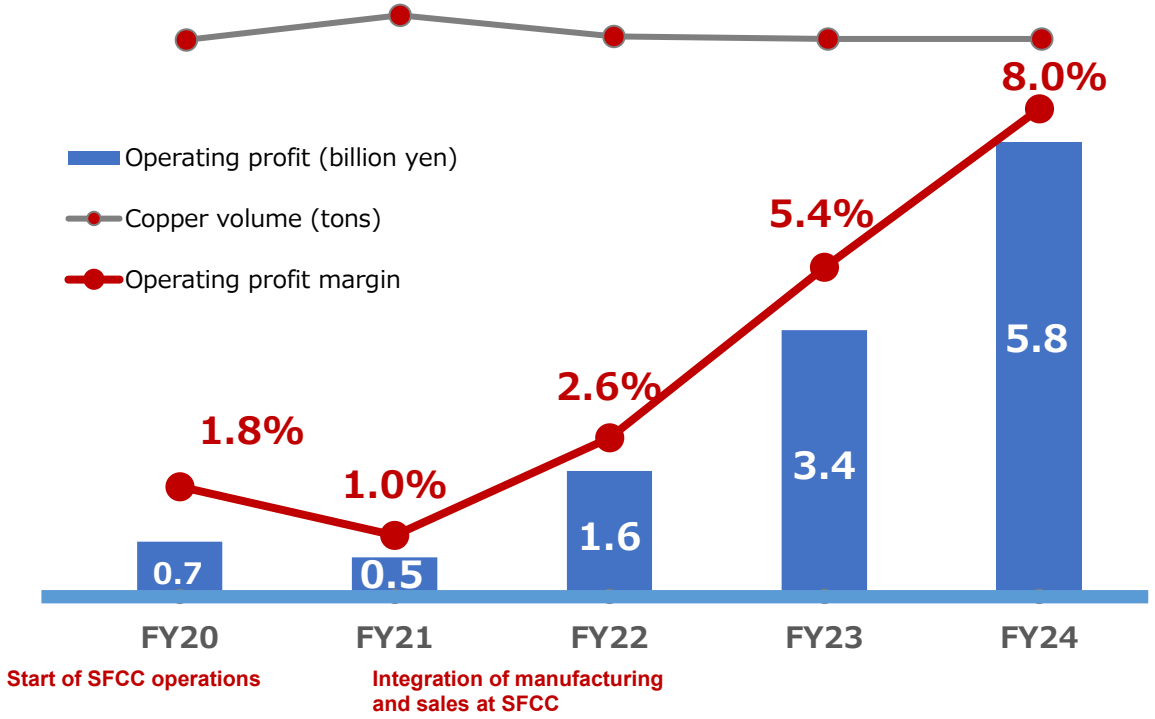
- ➢ Continuous printing of 2D codes with product identification information on the cable sheath surface
- ➢ Immediate identification of product name, cable length, installation location, and manufacturing records
- ➢ Improved convenience in record management and product traceability

⇒ Enables more efficient operations and helps mitigate labor shortages

<Future Development>

We will expand this initiative beyond power cables to other products and provide applications that allow customers to check product information and maintenance histories.

Further Transformation of the Construction Cables Business into a Cash-Cow



Profitability	FY21	FY22	FY23	FY24	FY25E
CCC	103 days	82 days	72 days	73 days	70 days
Inventory turnover days	45 days	42 days	42 days	45 days	40 days
ROIC	3.6%	8.6%	14.3%	21.9%	21.5%

2020 -2025

SWCC GROUP 80% + FURUKAWA ELECTRIC GROUP 20% → SFCC

From March 31, 2026 onward

SWCC GROUP 100% → SFCC

SFCC: SDS, 富士電線

- Consolidation of Group management resources and faster decision-making
- Enhancement of customer support services and workforce optimization
- Strengthening competitiveness through continuous structural reforms

Promoting DX initiatives to transform the business into a cash cow

Growth Strategy for the Construction Cables Business: Further Cash-Cow Transformation through the Use of DX

By developing an EC platform, we aim to **improve customer convenience, acquire new customers, and expand market share.** In addition, **we will create new order opportunities through joint purchasing of Group products** and **optimize human resources** by reducing operational workloads.

<Expected Effects>
- Increase in sales through opportunity creation
- Reduction in time spent handling various inquiries

Through collaboration between SFCC and Fuji Electric Wire, mutual links between EC sites will be launched in October 2025.

Convenience of the EC Platform

- **Group products available for purchase**
- **Real-time data access available**

Centralized management of the entire lineup of Group construction cables
- **Inventory availability**
- **Delivery lead times**
- **Delivery status**

⇩

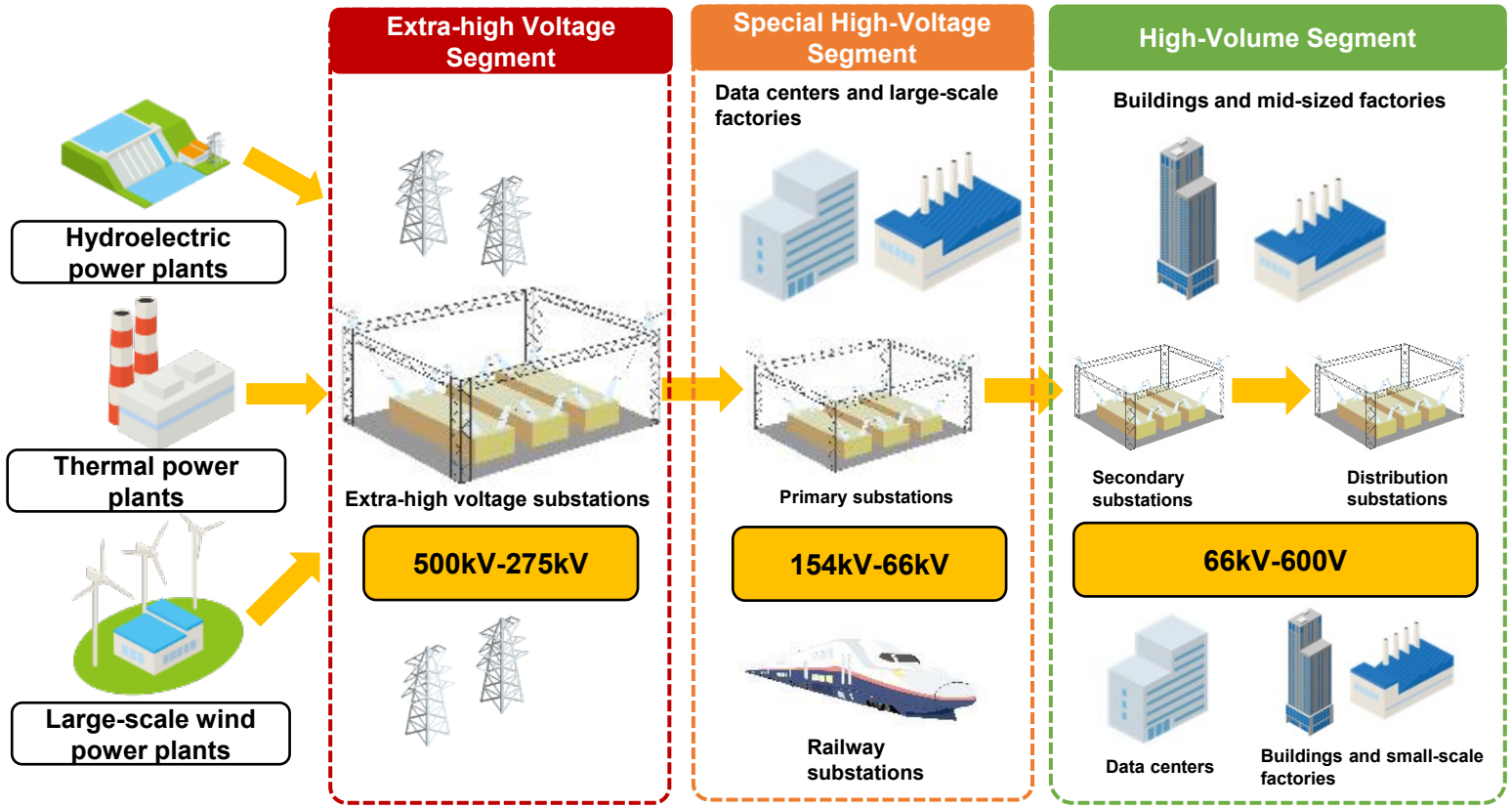
Pursuing overwhelming convenience compared with competitors
Usable regardless of distribution channel

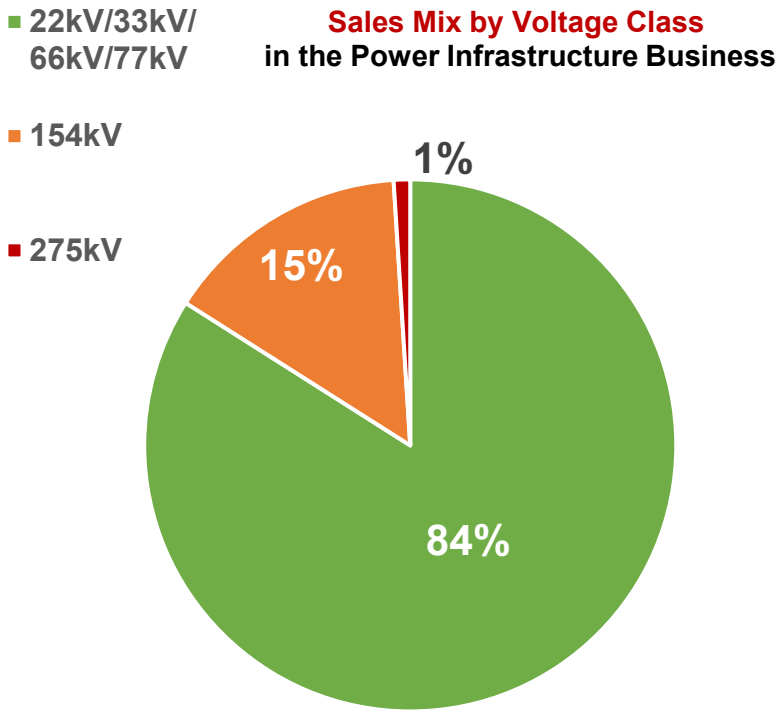
- **Downloadable documents such as specifications, quotations, and invoices**
- **Online ordering via the EC platform**

3. Appendix

Growth Strategy for the Power Infrastructure Business:
Sales and Market Share by Voltage Class

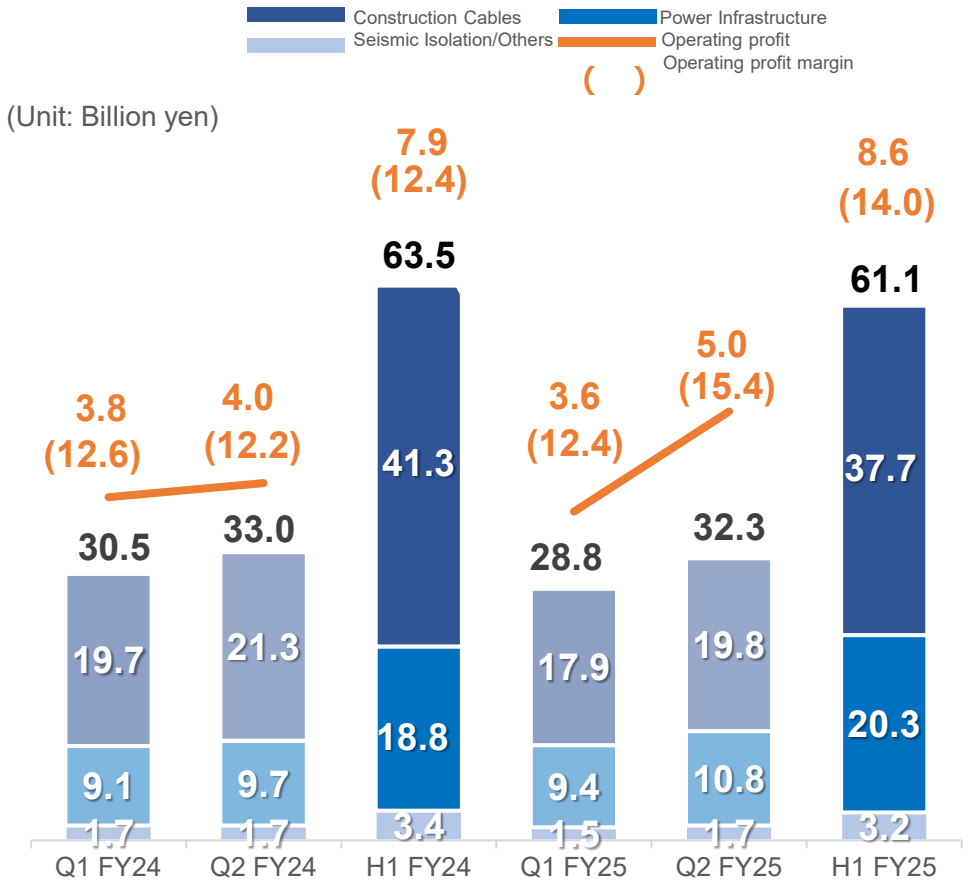
Across voltage classes, we cover a wide range from extra-high voltage to the high-demand 600V segment. **Our estimated share of the substation market in FY2025E is 63% for utility substations and 93% for private-sector substations. However, much of this share is concentrated in the 66 kV segment. Going forward, we aim to improve profitability by capturing scarce share in the extra-high voltage segment (500–275 kV) and the special high-voltage segment (154–66 kV).**



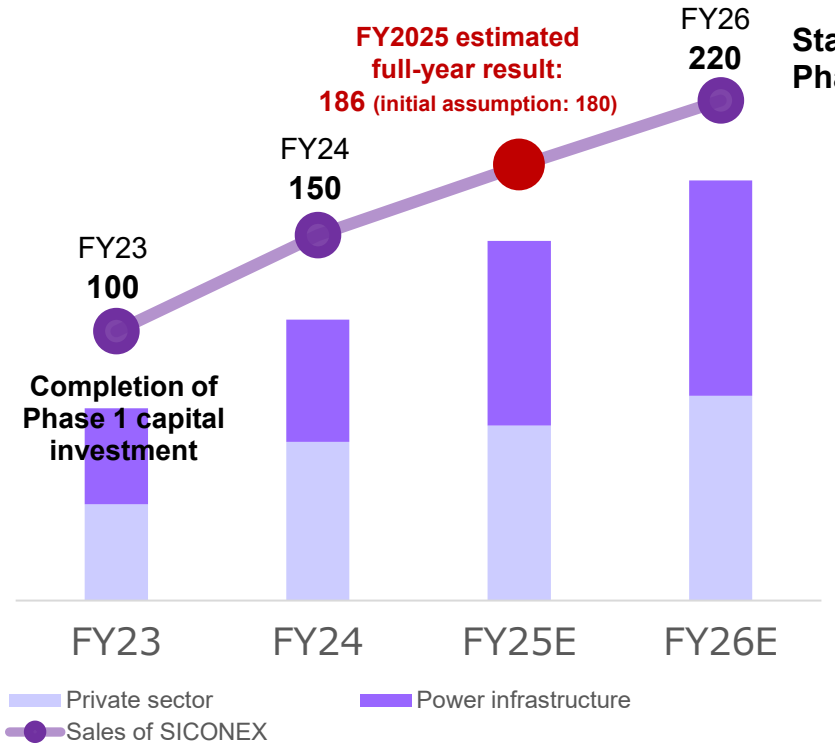


Q2 FY2025 Results by Segment: Energy and Infrastructure Business

For domestic Construction Cables, the decline seen in Q1 showed signs of recovery in Q2. In the Power Infrastructure business, although net sales decreased due to the withdrawal from aluminum overhead power lines, operating profit increased YoY driven by higher construction volumes and improved value-added across the business**, resulting in YoY net sales down 3.7% and operating profit up 8.5%.**



Outlook for SICONEX® Performance Growth (FY2023 net sales = 100)



Key Growth Acceleration Drivers for the Current Fiscal Year

Power Infrastructure

- Expansion of market share in power generation and substation facilities
- Execution support for previously unsuccessful bid projects

Private-sector demand

- Sharp increase in switching demand to our products following partial withdrawal of competitors

Growth Strategy for the Power Infrastructure Business: Capex Plan to Meet Further Demand Growth

Against the backdrop of progress toward a decarbonized society, we expect further expansion in replacement demand for aging equipment in the substation market and in demand to strengthen transmission and distribution networks. Accordingly, we will implement **new capital investment of approximately 2.0 billion yen** (Phase 2 capacity expansion). **We plan to expand sales to 220% of FY2023 levels during FY2026.**

■ Background and Objective

With grid resilience initiatives and renewable-energy related demand remaining strong amid decarbonization, we will further strengthen initiatives to expand share in the substation market.

■ Capex Details

Capacity expansion for SICONEX®, our power connection product line (2.0 billion yen).
Expansion will be carried out within the existing manufacturing building at our Sagamihara plant.

■ Expected Impact

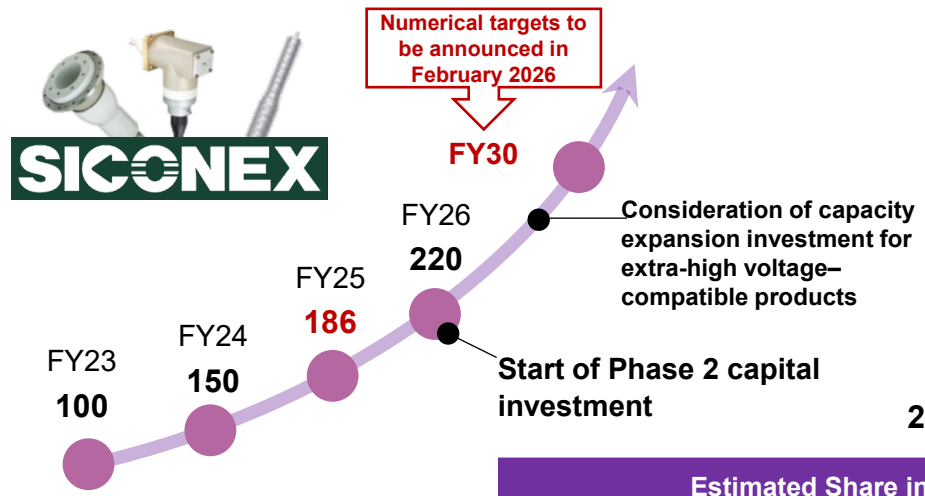
We plan to increase sales to 220% of FY2023 net sales results during FY2026.

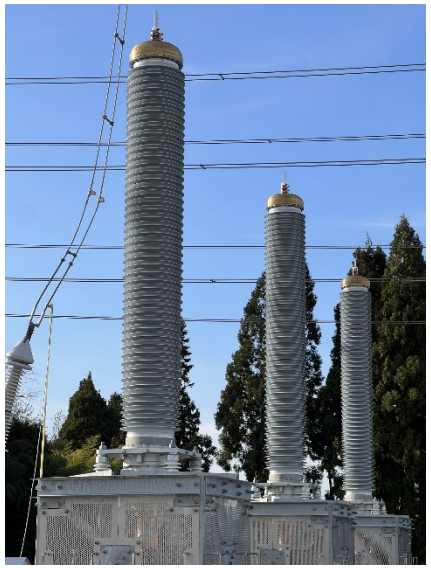
■ Capex Schedule

Starting in FY2025, we plan a phased replacement and expansion of production lines within the plant, with contribution to net sales expected to begin in FY2026 (construction completion planned in FY2026–FY2027).

SICONEX® Net Sales Growth Plan

* FY2023 results = 100





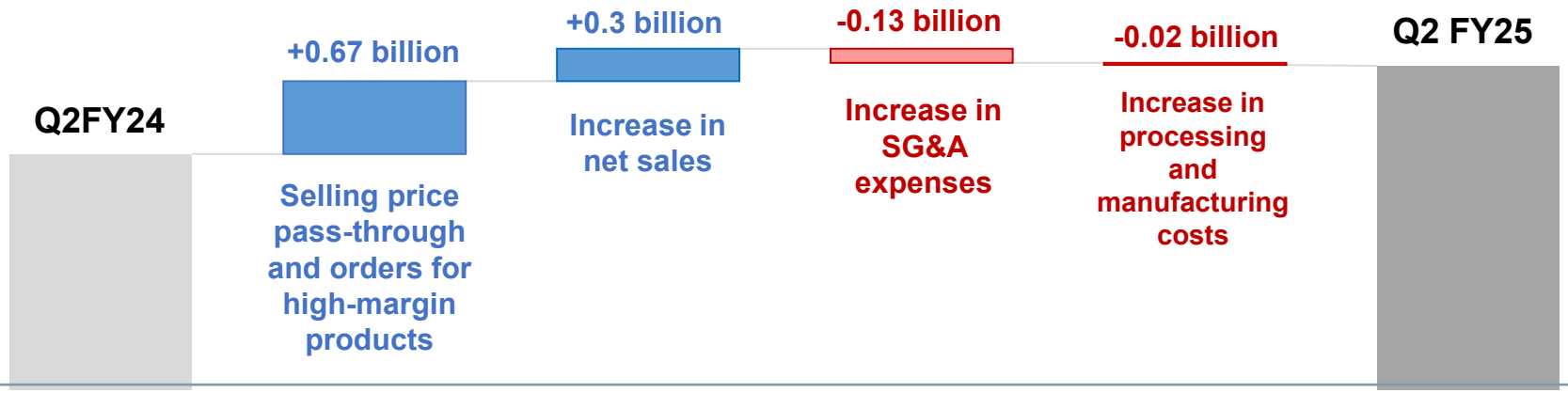
275 kV air-insulated termination

Estimated Share in the Substation Market

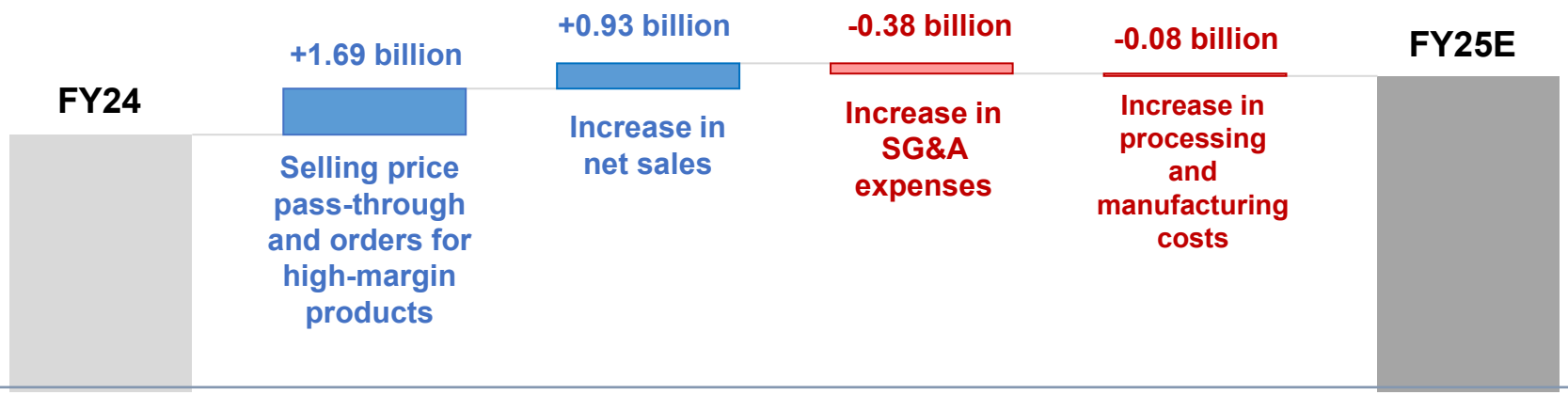
	FY23	FY24	FY25E	FY26E	FY30E
Utility substations	51%	58%	63%	71%	88%
Private-sector substations	93%	93%	93%	94%	95%

Analysis of Changes in Operating Profit for the Power Infrastructure Business

H1 Q2 FY2025: Change Factors for Operating Profit



Full year FY2025 E: Expected Change Factors for Operating Profit



[Change factors]

Although costs increased with higher sales, **these were offset by various earnings improvement measures.**

In addition, **higher sales driven by broad-based demand growth—including extra-high voltage—led to a significant increase in profit** versus the previous quarter.

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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.

Such factors that may affect actual results include economic conditions, demand trends, and fluctuations in raw material prices and exchange rates.

Factors that may affect business performance include, but are not limited to, the above.