



Innovating new ideas today. Becoming the norms of tomorrow.

Supplementary Material for the Fiscal Year ended March 2025

May 13, 2025

SWCC Corporation

TSE PRIME: 5805

Towards a New Growth Phase



Executive President and
Representative Director (CEO)

Tetsuo Komata

Under the leadership of former CEO Takayo Hasegawa, our group has promoted a new wave of management reform under the slogan **"Change & Growth"** with a strong focus on **ROIC-based management**. As a result, our **profitability has significantly improved**, and our **financial foundation has been greatly strengthened**.

The baton I have received is to vigorously drive the **next stage of "Growth"**. While **continuing to pursue ROIC-based management and decisive structural reforms as part of "Change"**, I am committed to leading the **SWCC Group into a new phase of growth**.

We will begin formulating a **new medium-term management plan** aimed at realizing **"SWCC VISION 2030"**. Under the **new management structure**, we will embody the initiatives of **"Change & Growth"** as a **new strategy**, which we **plan to announce in February 2026**. In addition, we also **plan to disclose the numerical targets for fiscal year 2026**, which will incorporate the performance of **TOTOKU**, newly integrated into our group from this fiscal year.

Please look forward to the start of the SWCC Group's new growth phase.

Key Initiatives of "Change & Growth" Driven by the New Management

I. Further strengthening of growth driver businesses

Further strengthening of Energy and Infrastructure Business

II. Establishment of second growth pillar

Establishment of Communication and Components Business as new segment alongside Energy and Infrastructure Business

III. Acceleration of DX Management

Rollout off SWCC Group IT Strategy

1. FY2024 Overview of Financial Results
2. FY2025 Full Year Forecasts
3. Overview of TOTOKU Acquisition in March 2025
4. Appendix

1. FY2024 Overview of Financial Results

Overview of Financial Results for FY2024

Sales and profits increased YoY, driven by the strongly performing Energy and Infrastructure Business, despite the impact of external factors. **Plan to increase year-end dividends.**

Energy and Infrastructure Business

In products for electric power infrastructure, we captured robust demand and orders received were strong. In construction-related products, our performance was generally solid.
Sales and profits increased YoY.

Electronic Equipment and Components Business

High-performance products for xEV languished throughout the fiscal year. Although demand for heavy machinery was firm, demand for industrial machinery was sluggish.
Sales increased and profits decreased YoY.

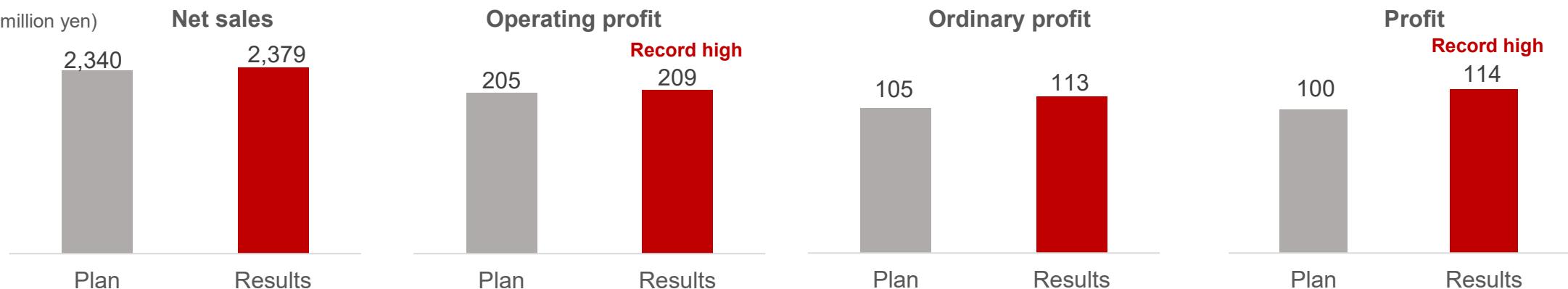
Communication and Industrial Devices Business

In telecommunications products, construction-related products, including those for data centers, and products for automotive applications both performed solidly. Wire harnesses performed sluggishly due to the lackluster performance of Japanese household electrical appliance manufacturers.
Sales and profits increased YoY.

Progress Rate to the Plan

Both operating income and net income reached record highs

(Unit: 100 million yen)



FY2024 Consolidated Statements of Income

Sales and profits increased YoY due to a strong performance in the Energy and Infrastructure Business.

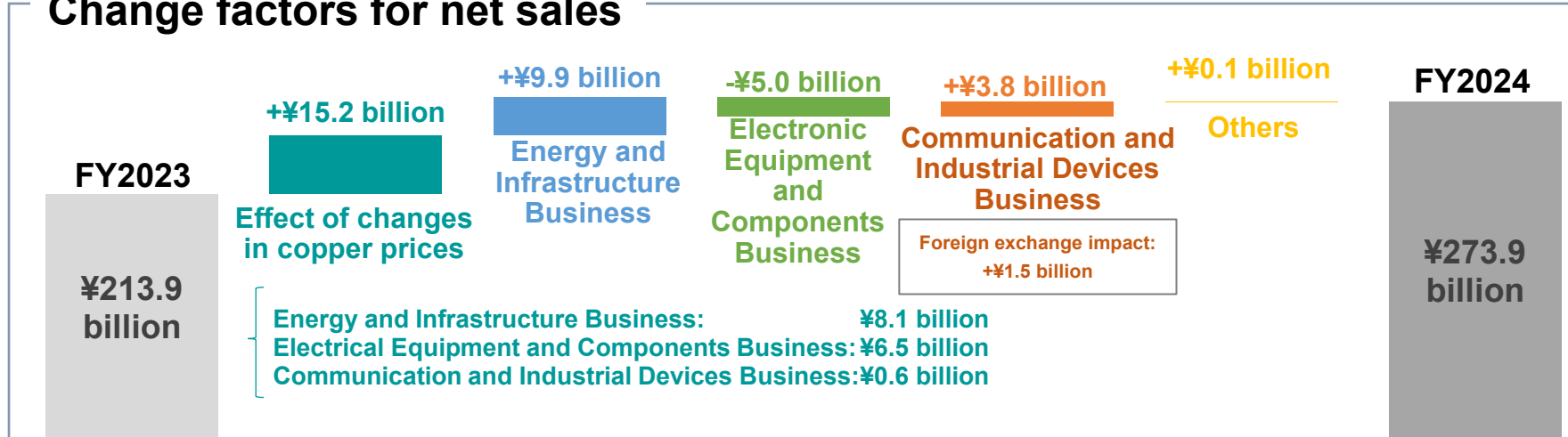
Both operating income and net income reached record highs. Plan to increase year-end dividends.

Both ROE and ROIC targets for the final year of the medium-term management plan have been achieved ahead of schedule.

(Unit: 100 million yen)	FY2023 Result	FY2024 Result	Change	YoY
Net sales	2,139	2,379	240	11.2%
Operating profit	128	Record high 209	81	63.2%
Operating income margin	6.0%	8.8%	2.8pt	-
Ordinary profit	122	113	-9	-7.7%
Net income attributable to owners of parent	88	Record high 114	26	29.0%
Dividends per share (yen)	¥90	¥16 increase from 2Q results announcement ¥136	¥46	51.1%
ROE	12.3%	14.3%	2.0pt	-
ROIC	8.3%	Includes asset impact of TOTOKU 11.9%	3.6pt	-

FY2024 Change Factors (YoY)

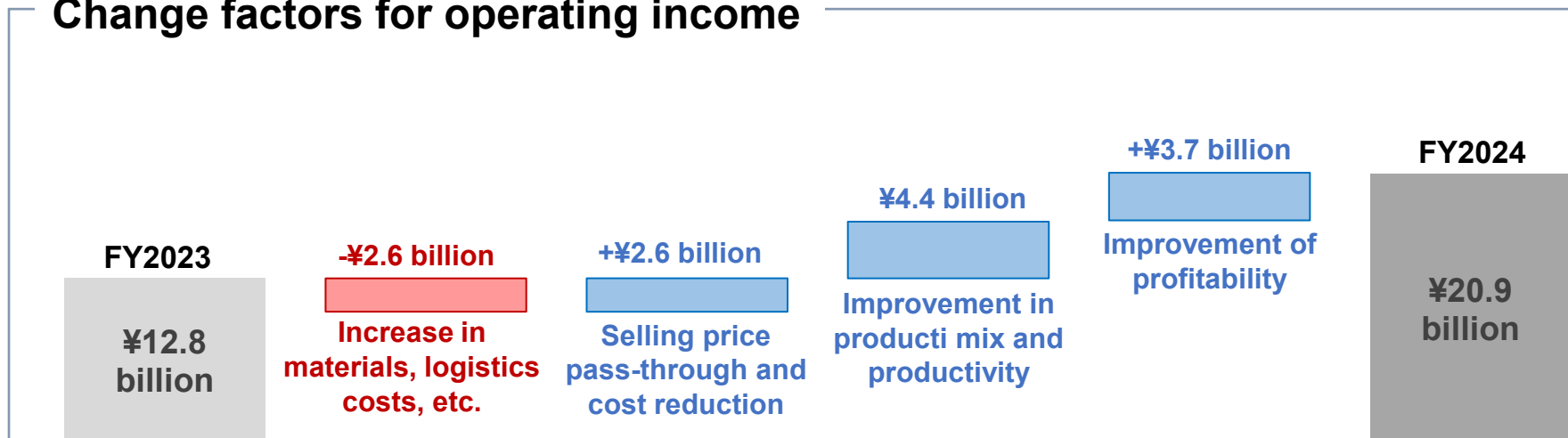
Change factors for net sales



[Change factors]

1. Net sales
In products for electric power infrastructure, increased production of SICONEX® captured robust demand and orders received expanded. Contrary to initial expectations, domestic demand for construction-related applications did not weaken, and **a strong performance in the Energy and Infrastructure Business** resulted in a **YoY increase in sales**.

Change factors for operating income



2. Operating income
Rising raw material and logistics costs were offset by selling price pass-through and cost reductions. **Income increased significantly YoY** due to the **implementation of various profit improvement measures** and **improvement of the profitability in the strongly performing Energy and Infrastructure Business**.

FY2024 Results by Segment

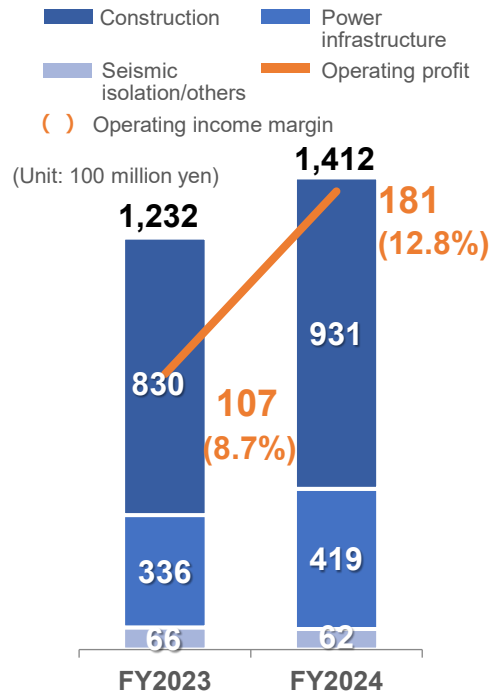
Company-wide **profits reached record highs**, driven by the strongly performing Energy and Infrastructure Business.

(Unit: 100 million yen)		FY2023 Results	FY2024 Results	Change	YoY	FY2024 ROIC
Energy and Infrastructure Business	Net sales	1,232	1,412	180	14.6%	19.5%
	Operating profit	107	181	74	68.8%	
	Operating income ratio (%)	8.7%	12.8%	4.1pt	-	
Electronic Equipment and Components Business	Net sales	553	568	15	2.7%	5.5%
	Operating profit	16	14	-2	-14.1%	
	Operating income ratio (%)	2.9%	2.5%	-0.5pt	-	
Communication and Industrial Devices Business	Net sales	307	351	44	14.3%	8.7%
	Operating profit	14	28	14	101.4%	
	Operating income ratio (%)	4.5%	7.9%	3.4pt	-	

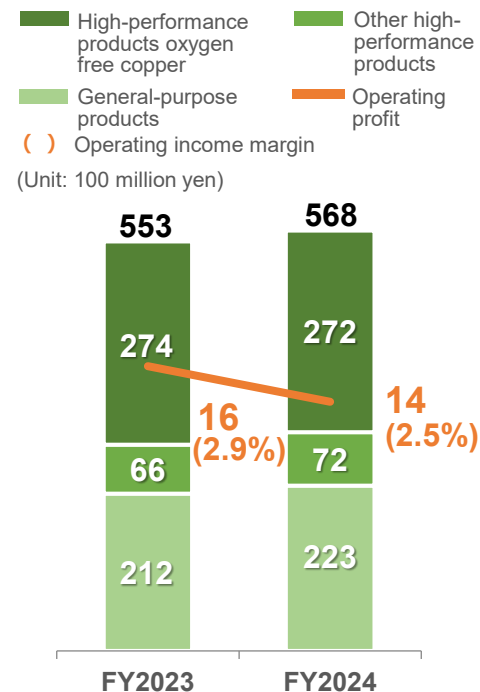
FY2024 Results by Segment

In the **Energy and Infrastructure Business**, operating income hit a record high due to an abundance of construction projects in the electric power infrastructure, increased demand for electric power equipment, and firm demand in construction applications. In the **Communication and Industrial Devices Business**, the income margin rose significantly YoY, bolstered by firm demand for communication cables and the effect of higher profit on precision devices despite weak demand for wire harnesses for home appliances.

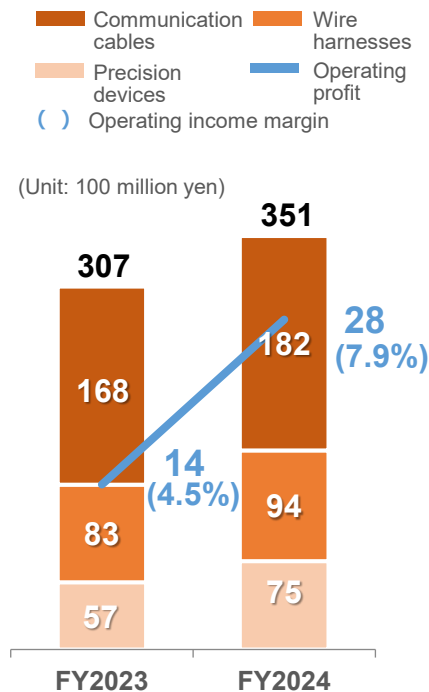
Energy and Infrastructure Business



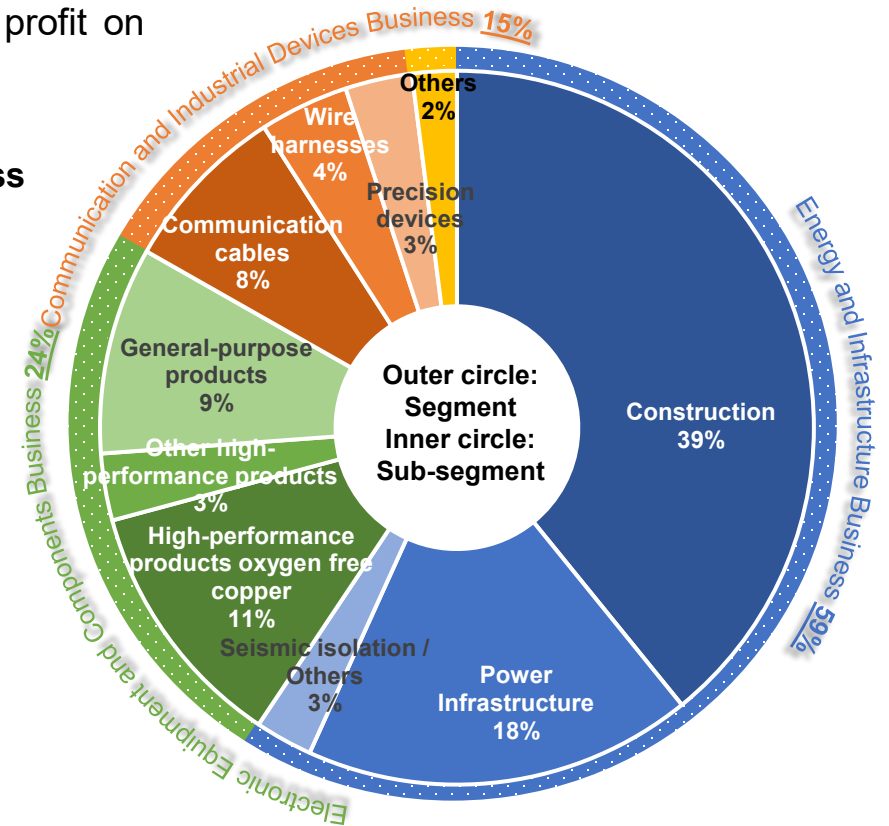
Electronic Equipment and Components Business



Communication and Industrial Devices Business



FY2024 Result Segment sales ratio

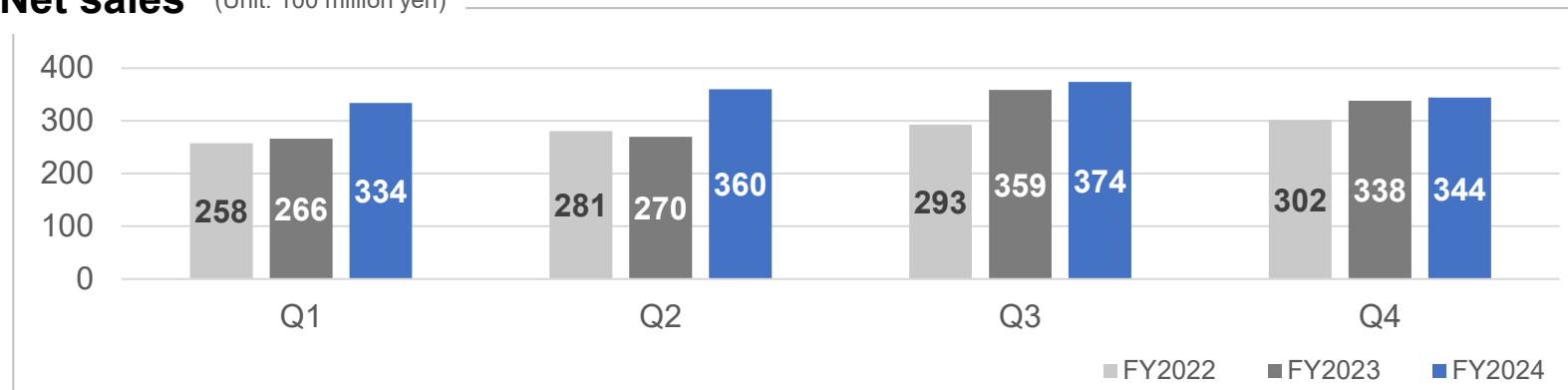


FY2024 Results by Segment / Energy and Infrastructure Business

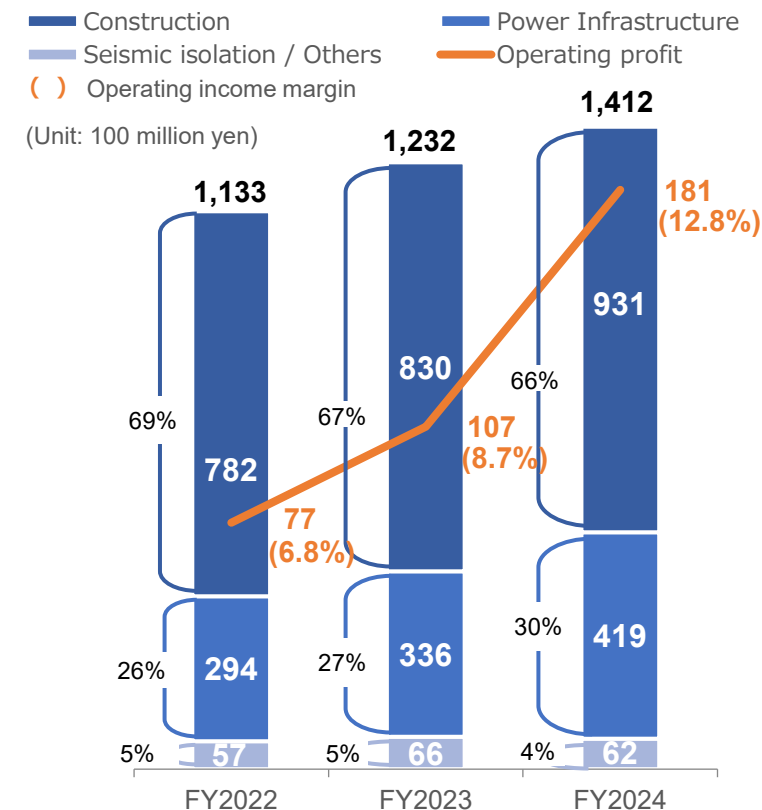
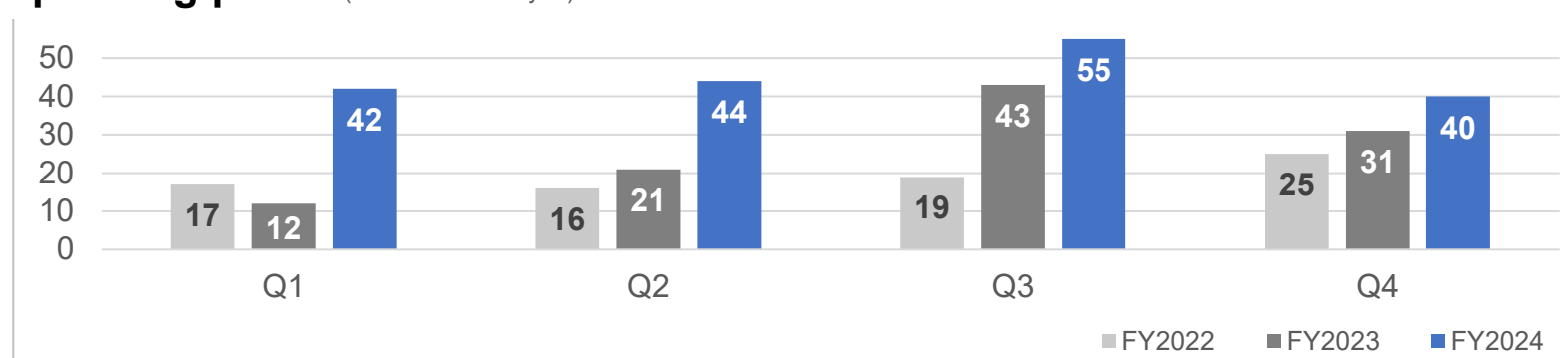
In products for electric power infrastructure, investment to increase production of strategic product SICONEX® captured robust demand and orders received were strong.

Contrary to initial expectations, demand for construction-related applications remained generally strong, showing no sign of weakening following the tight supply and demand balance for electric wire seen the previous fiscal year. **Sales and profits increased YoY.**

Net sales (Unit: 100 million yen)



Operating profit (Unit: 100 million yen)

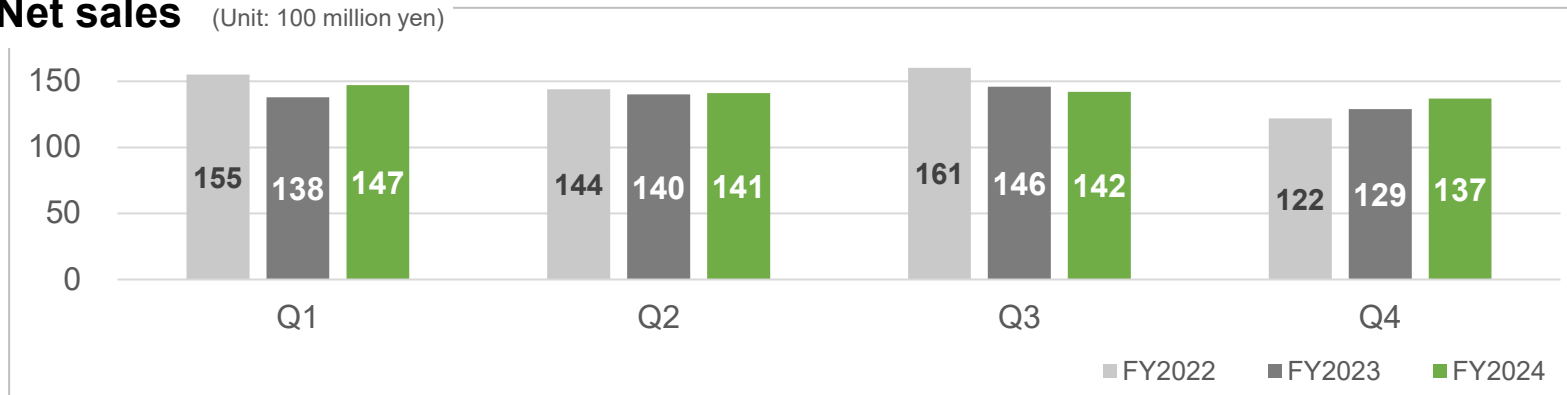


FY2024 Results by Segment / Electronic Equipment and Components Business

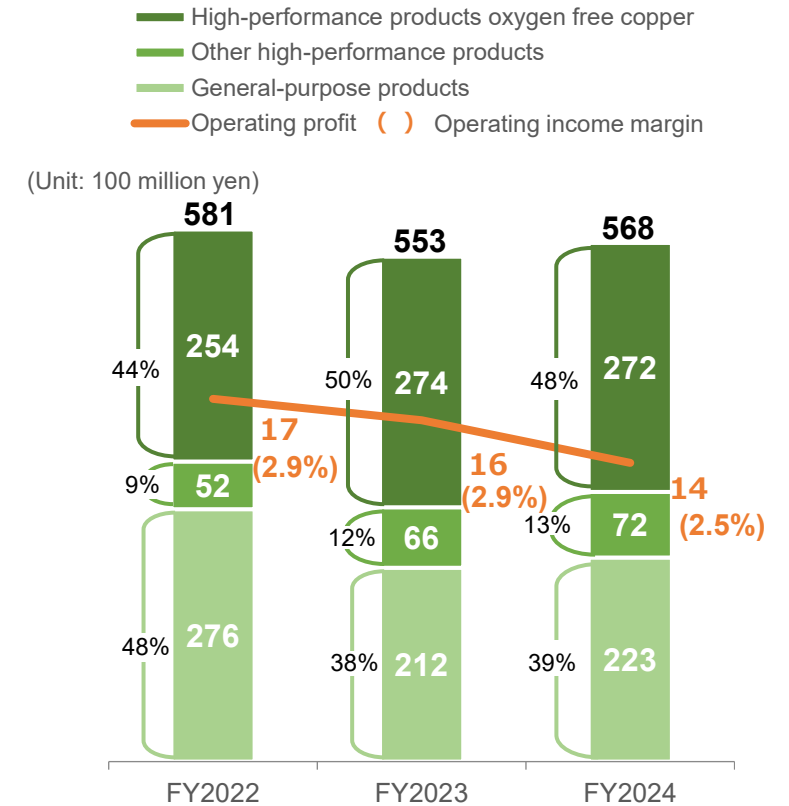
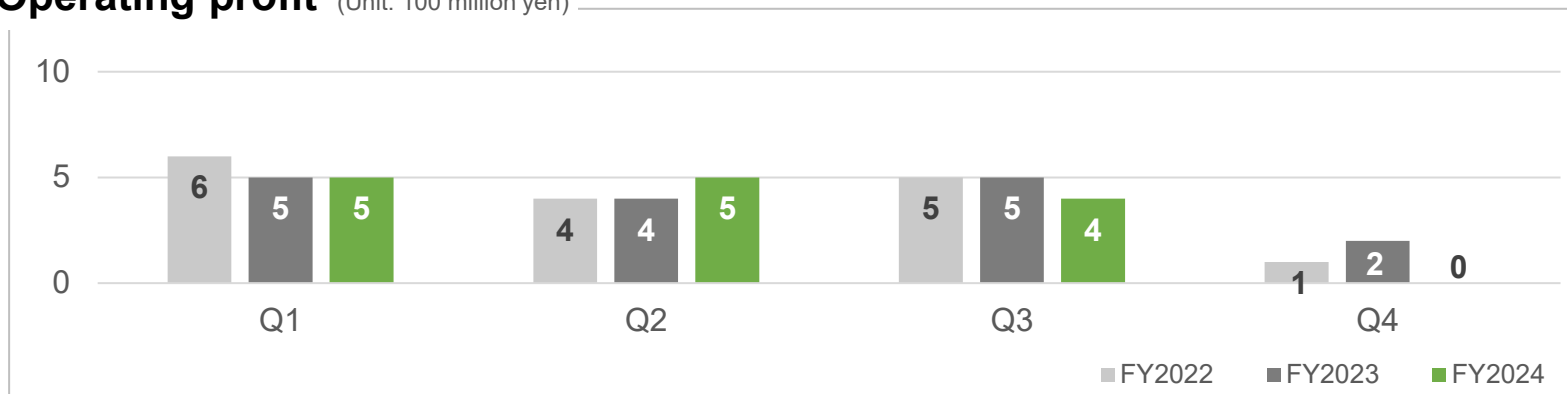
High performance products for xEVs languished throughout the fiscal year, reflecting an ongoing adjustment phase due to the suspension of production and shipping by some domestic automakers.

General-purpose magnet wires for heavy electrical appliances performed solidly but demand for industrial machinery applications was lackluster. **Sales increased and profits decreased YoY.**

Net sales (Unit: 100 million yen)



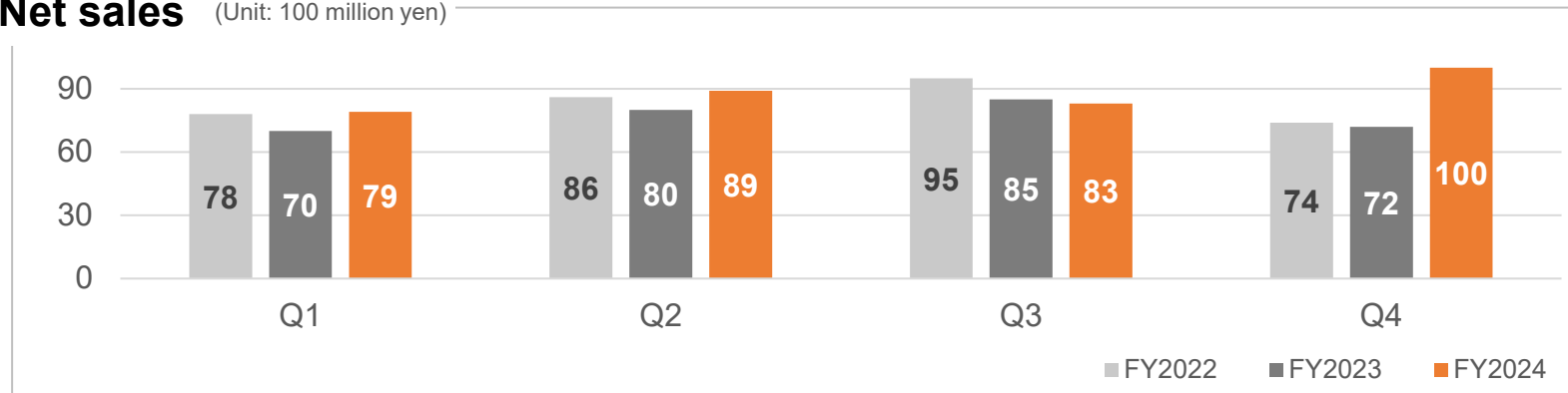
Operating profit (Unit: 100 million yen)



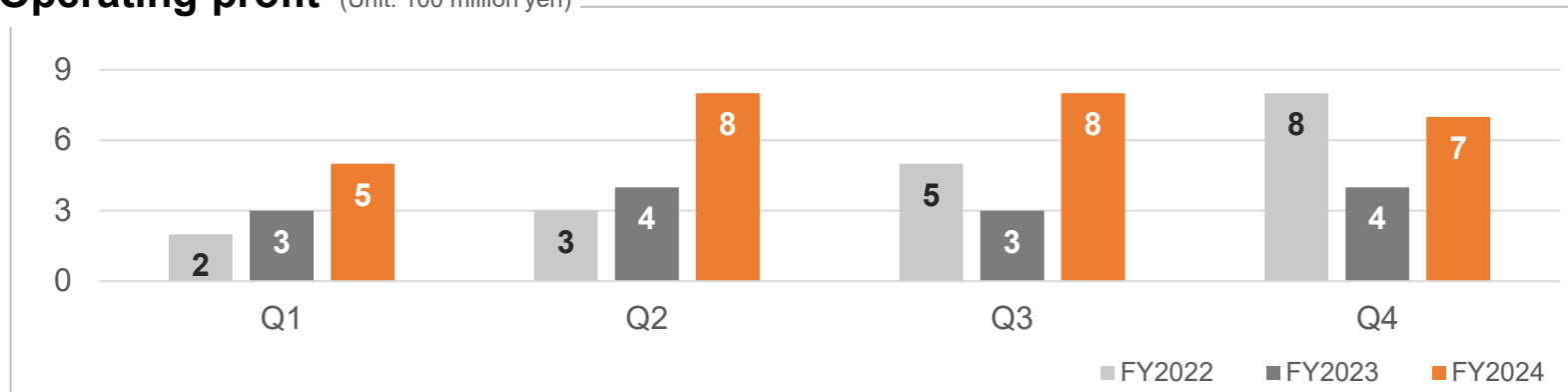
FY2024 Results by Segment / Communication and Industrial Devices Business

In telecommunications products, construction-related products, including those for data centers, and products for automotive applications both performed solidly. Precision devices also turned in a solid performance due to profit improvement measures and recovery of demand. Wire harnesses performed sluggishly due to the lackluster sales of Japanese household electrical appliance manufacturers. **Sales and profits increased YoY.**

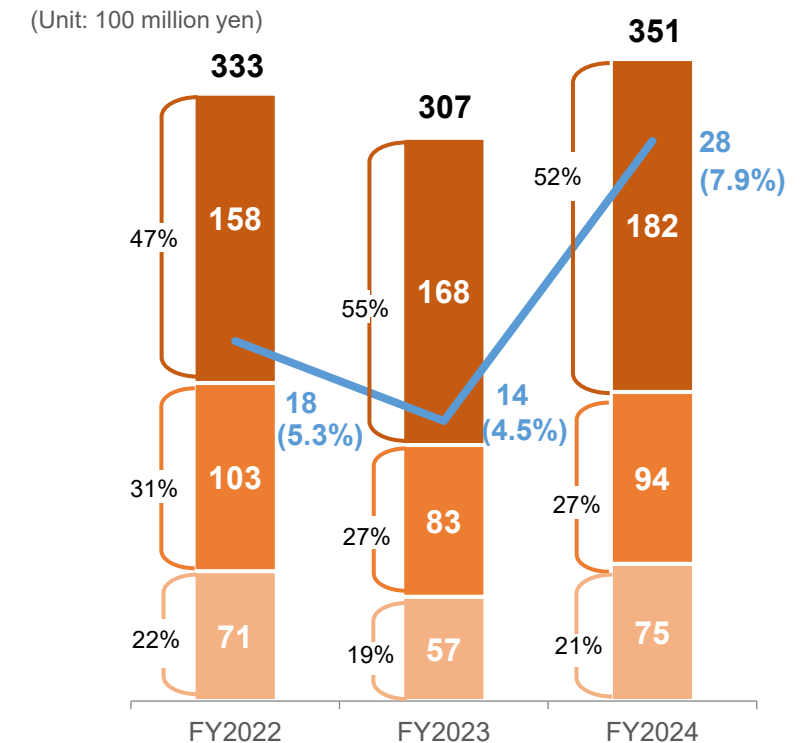
Net sales (Unit: 100 million yen)



Operating profit (Unit: 100 million yen)



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



FY2024 Balance Sheet (YoY)

(Unit: 100 million yen)	End-FY2023	End-FY2024	Change
Total assets	1,616	1,977	361
Cash and deposits	73	194	121
Trade receivables	515	542	27
Inventories	290	330	40
Non-current assets	672	872	200
Total liabilities	845	1,121	276
Trade payables	260	281	21
Interest-bearing debt	303	547	244
Total net assets	771	856	85
Equity	759	837	78
Equity ratio (%)	47.0	42.3	-4.7pt
D/E ratio (%)	39.9	65.4	25.5pt

[Cash and deposits]

Increased due to the consolidation of TOTOKU's balance sheets and other related factors.

[Non-current assets]

Despite decreases from asset sales and equity-method losses, assets increased due to capacity investments and TOTOKU consolidation.

Goodwill from M&A is provisionally recorded before PPA.

[Interest-bearing debt]

Increased due to the consolidation of TOTOKU's balance sheet and related factors.

[Equity ratio]

Equity ratio decreased by 4.7pt. from the end of the previous fiscal year due to an increase in interest-bearing debt.

[DE ratio]

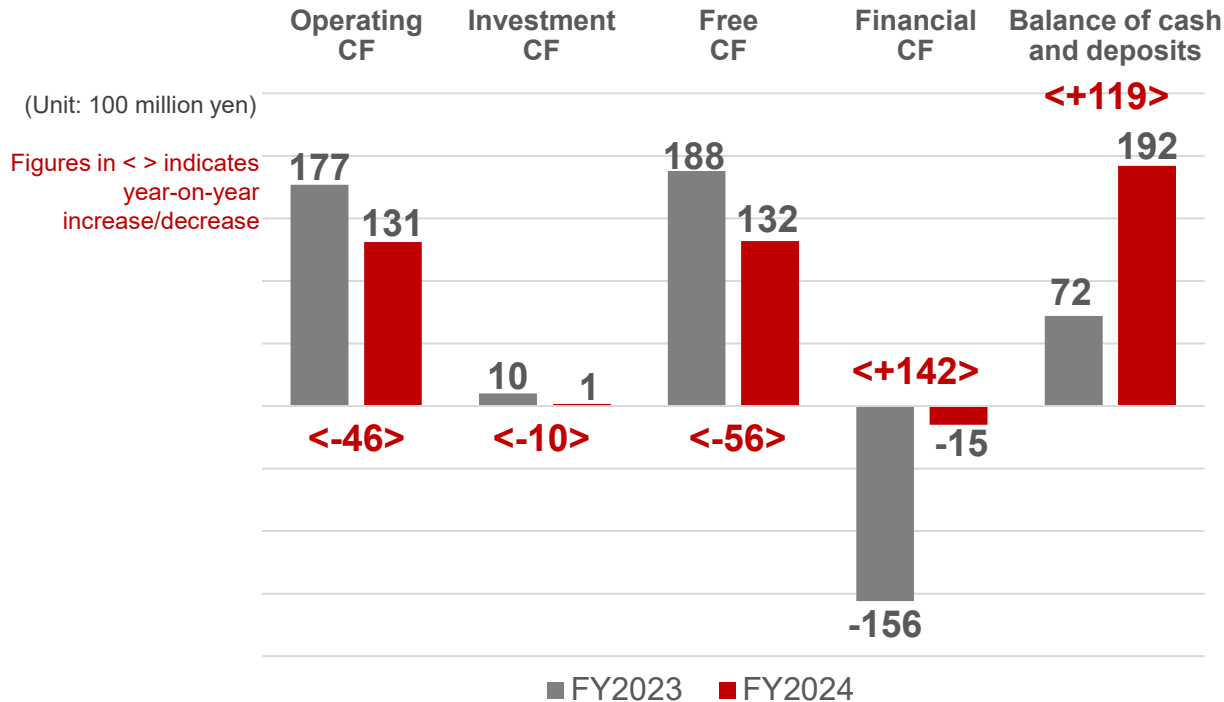
DE ratio increase by 25.5pt. from the end of the previous fiscal year due to an increase in interest-bearing debt, despite an increase in shareholders' equity. However, the net D/E ratio excluding cash and deposits is 42.2%.

<Recognition of current issues and future measures>

Various measures have led to an improvement in the cash conversion cycle. We will continue working to maintain and improve our financial position. In addition, despite assets increased in the acquisition of TOTOKU, we will endeavor to increase the efficiency of invested capital.

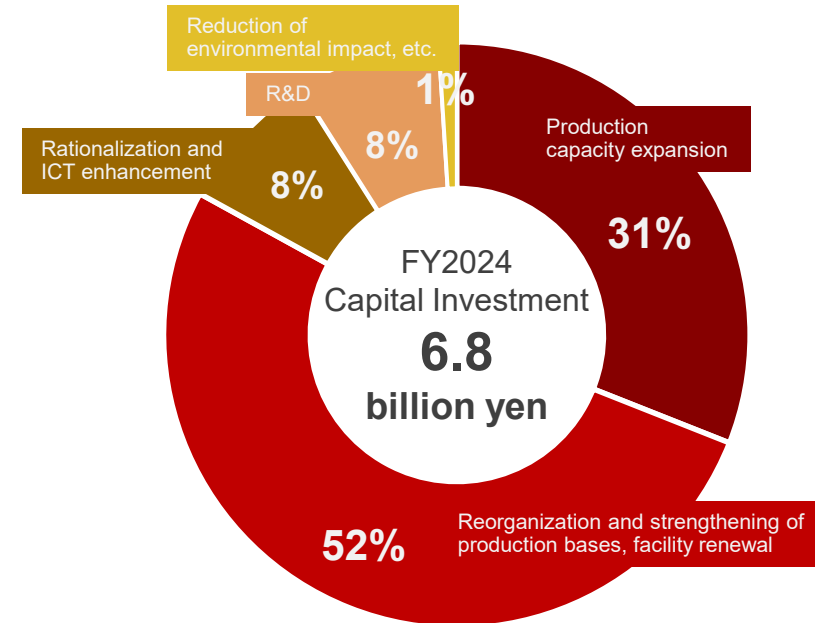
FY2024 Cash Flows and Capital Expenditures

<Consolidated Cash Flow>



Net cash provided by operating activities will decrease in FY2024 due to income taxes paid.
Investment CF was covered by the sale of investment securities, land, and other assets to support growth-oriented investments..

<Capital Investment>



Breakdown by Segment

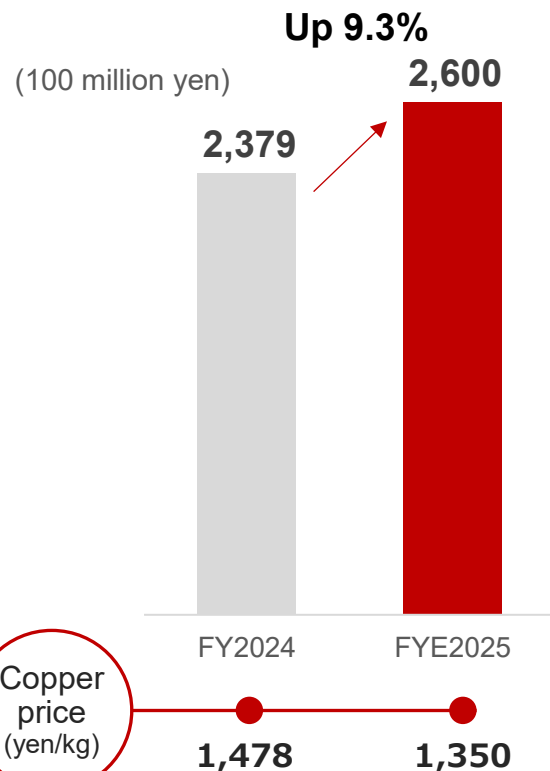
Energy and Infrastructure Business	2.6 billion yen
Electrical Equipment and Components Business	1.9 billion yen
Communication and Industrial Devices Business	1.1 billion yen
Others	1.3 billion yen

2. FY2025 Full Year Forecasts

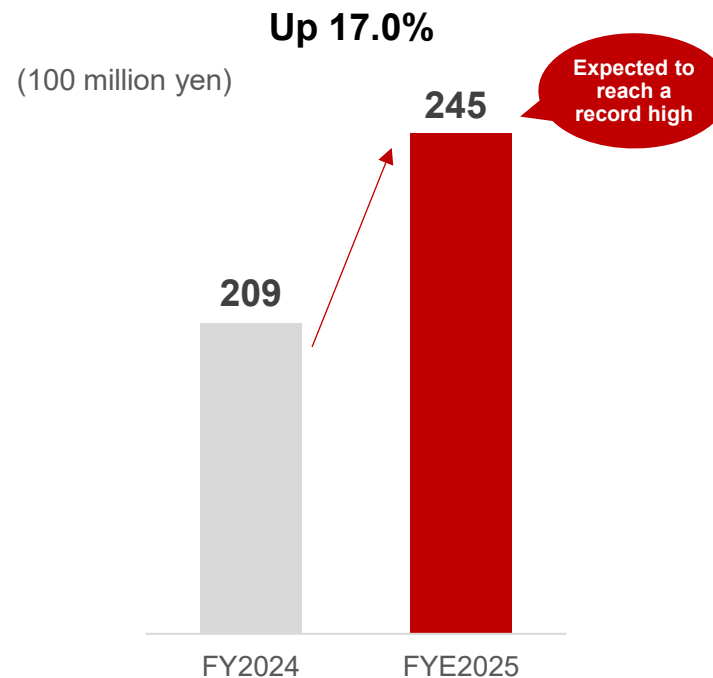
FY2025 Full Year Forecasts

Sales and profits are projected to increase due to continued solid demand in the energy and infrastructure market. Plan to **increase the dividend by 44 yen** from the previous fiscal year to **180 yen for the full year**.

Net sales



Operating profit



Ordinary profit

23.5 billion yen (YoY: 108.5% increase)

Net income attributable to owners of parent

15.0 billion yen (YoY: 31.6% increase)

Dividend/Payout ratio

180 yen/35.5% (YoY: 44 yen increase)

Interim: 80 yen
Year-end: 100 yen Total: 180 yen

ROIC

12.3% (YoY: 0.4pt increase)

Expected to reach a record high

Expected to reach a record high

FY26 target will be achieved early

FY26 target will be achieved early

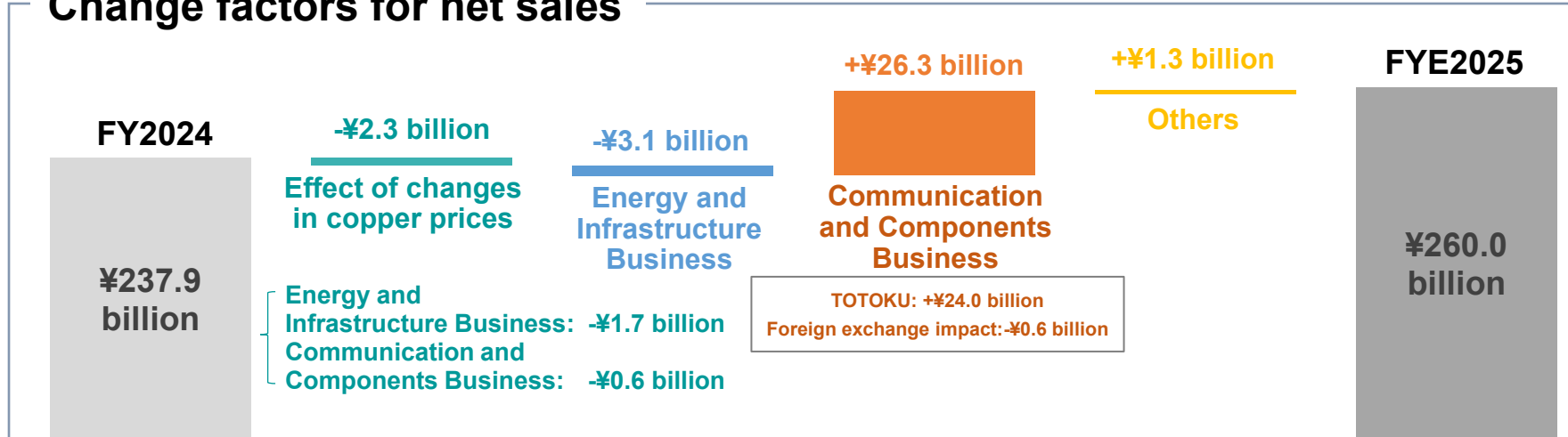
FY2025 Recognition of Business Environment and Measures

Given that direct and indirect exports to the U.S. account for a small percentage of our sales, **the impact of the U.S. Government's tariffs is likely to be limited and is not reflected in the forecast.** We will continue to monitor the impact on business going forward.

Recognition of Business Environment and Measures	Construction	(Environment)	Although firm demand can be expected, we assume demand adjustments due to factors such as delays in the construction and completion of large projects as a result of work style reform at construction sites and the revision of construction plans in face of rising material prices.
		(Measures)	We will improve our capital efficiency and increase our ability to generate cash by offering new sales services and implementing logistics reforms across the group.
	Electric power	(Environment)	Products related to energy network resilience and renewable energy will continue to perform strongly.
		(Measures)	We will expand sales by fully using our SICONEX® production capacity. We will invest ¥2.0 billion to further increase production through expansion of production facilities within Sagamihara plant.
	Communications	(Environment)	Driven by generative AI demand, construction-related communication cables, including data center products, and automotive high speed communication cables will continue to be strong demand.
		(U.S. tariffs)	Customers supply chain revisions may impact.
		(Measures)	We will build partnerships in Europe and the U.S. to globally expand sales of our optical fiber ribbon e-Ribbon®. We will expand sales of our FLANTEC® automotive high speed communication cable products.
	Mobility and semiconductors	(Environment)	We assume that products for xEVs will perform sluggishly due to the delayed switch to BEVs. Products for semiconductors will perform solidly on the back of strong AI server demand.
		(U.S. tariffs)	Customers supply chain revisions may impact.
		(Measures)	We will further accelerate downstream strategies in the seat heater wire and semiconductor test probe pin markets through the acquisition of TOTOKU.
	Industrial	(Environment)	Demand for white goods and office equipment will remain lackluster both in Japan and overseas.
		(U.S. tariffs)	Customers supply chain revisions may impact.
		(Measures)	We will optimize our production structure to reduce costs and sell products at reasonable prices.

FY2025 Change Factors (YoY)

Change factors for net sales



[Change factors]

1. Net sales

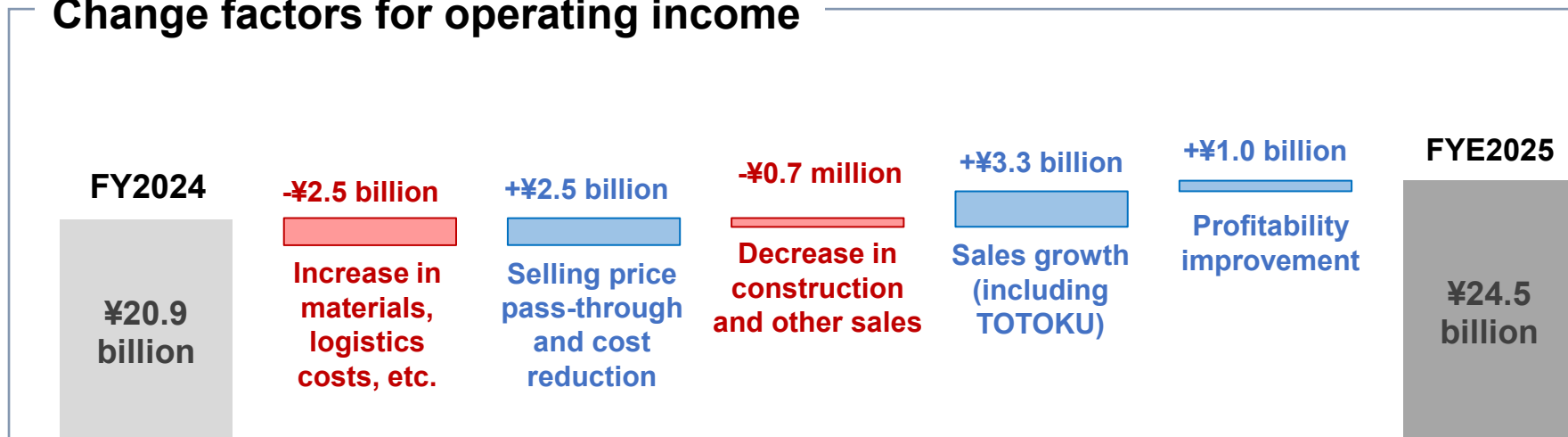
Sales are expected to increase YoY due to **solid growth in energy and infrastructure demand** as well as increased sales of communication cables and the **acquisition of TOTOKU**, offsetting expected decline in domestic demand for construction applications.

2. Operating income

Price pass-through and cost reduction are expected to offset the higher material and logistic costs.

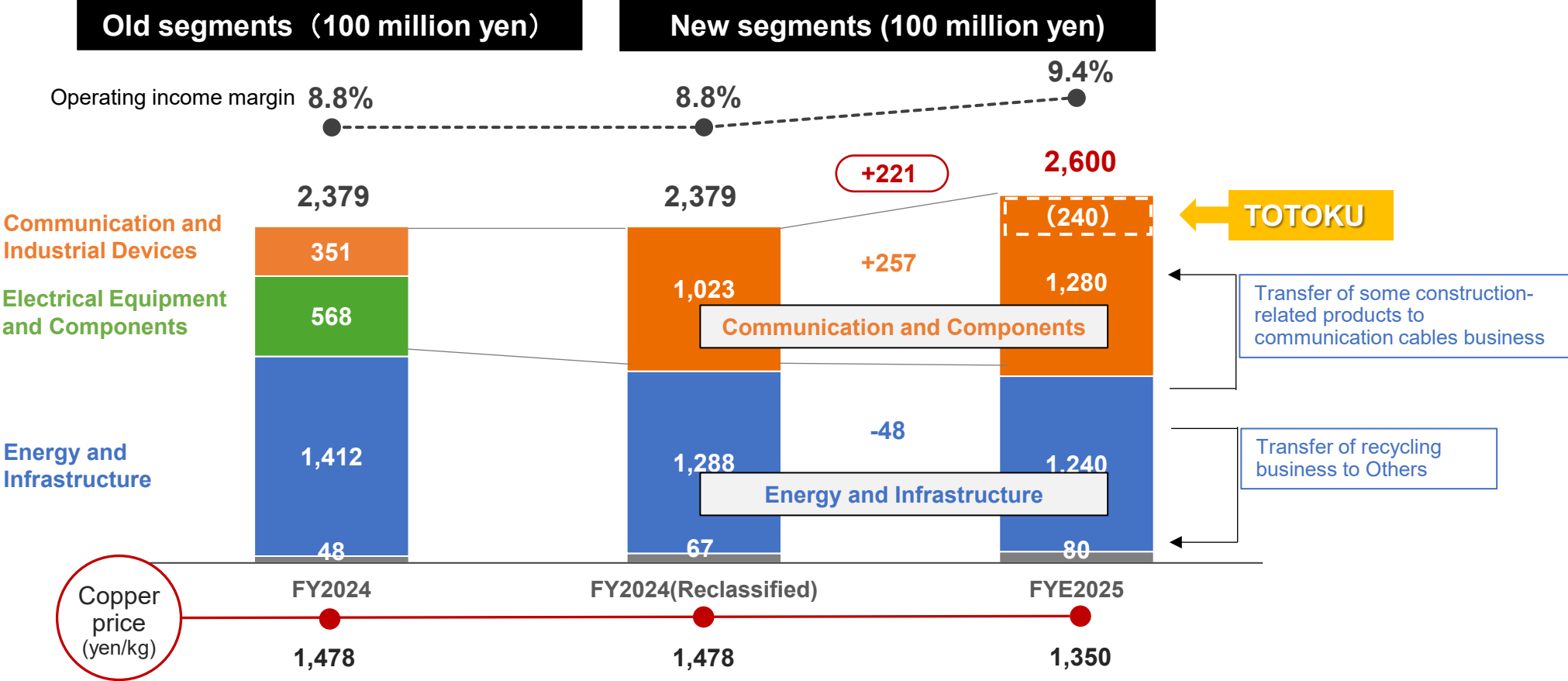
Profits are expected to increase YoY due to sales growth, including the **acquisition of TOTOKU**, and improved profitability.

Change factors for operating income



FY2025 Business Plan by Segment (Comparison between New and Old Segments)

We will transition to a two-segment structure from FY2025.
We are integrating the Electronic Equipment and Components Business, the Communication and Industrial Devices Business and TOTOKU to form the Communication and Components Business as a **single growth pillar to stand alongside** the strongly performing Energy and Infrastructure Business.

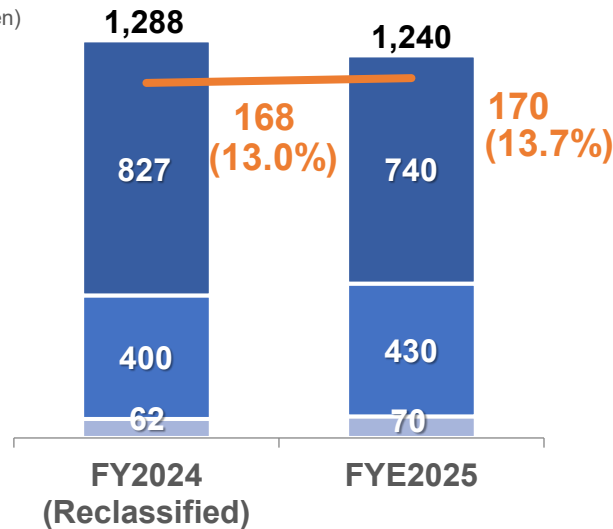


FY2025 Business Plan by Segment

Energy and Infrastructure Business

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

(Unit: 100 million yen)



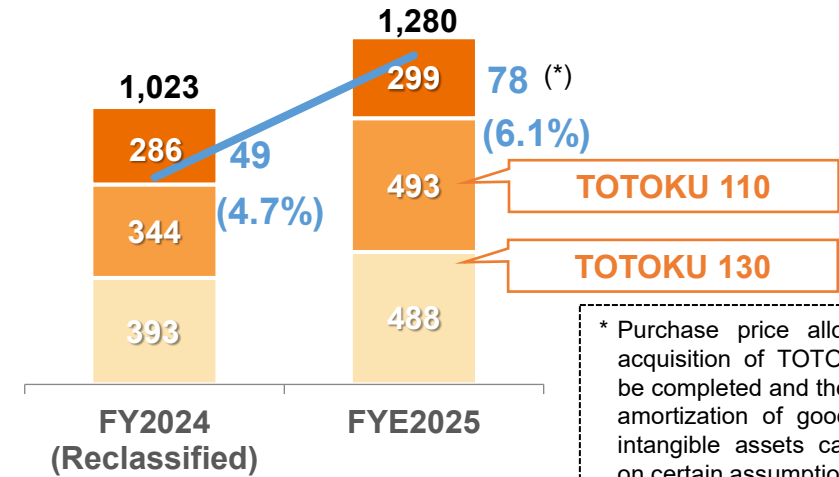
Copper price impact: Net sales down 1.7 billion yen

- Positive factors
- Continued strong demand in the energy and infrastructure market
 - Expansion of sales through full use of SICONEX® production capacity
- Negative factor
- Demand adjustments for construction-related products due to work style reforms and rising material prices

Communication and Components Business

Communication cables Mobility and semiconductor products
Industrial products Operating income () Operating income margin

(Unit: 100 million yen)



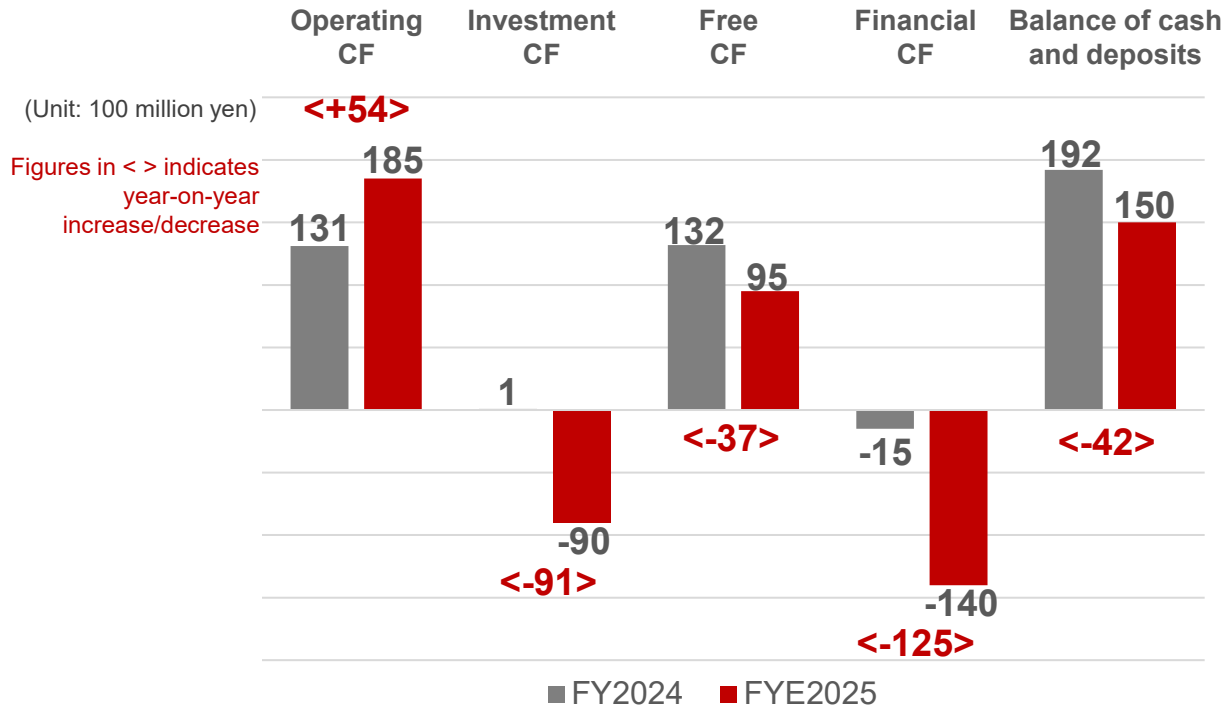
* Purchase price allocation for the acquisition of TOTOKU has yet to be completed and the plan factors in amortization of goodwill and other intangible assets calculated based on certain assumptions.

Copper price impact: Net sales down 0.6 billion yen

- Positive factors
- Global sales expansion of optical fiber ribbon e-Ribbon®
 - Effect of increased sales and profit from the acquisition of TOTOKU
- Negative factors
- Possibility of reassessment of supply chains due to U.S. tariffs
 - Continued lackluster demand for industrial products used in white goods and office equipment applications

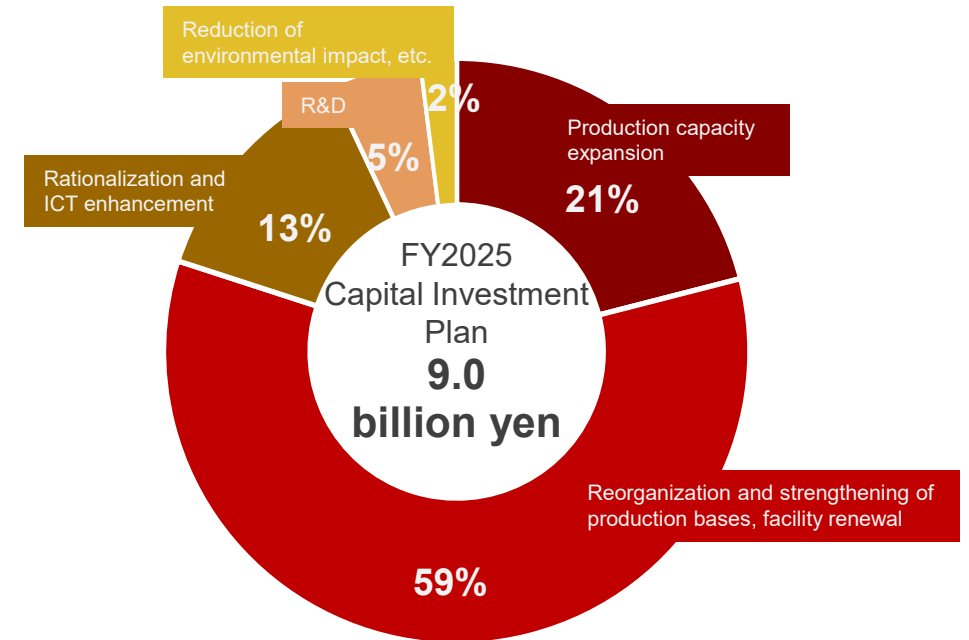
FY2025 Forecast for Cash Flows and Capital Expenditure Plan

<Consolidated Cash Flow>



Operating CF in FY2025 to increase due to an increase in operating profit and improvement in CCC.
Investment CF to increase due planned capital expenditures for growth.
Financing CF decreased due to the reduction of interest-bearing debt through improved group capital efficiency.

<Capital Expenditure Plan>



Breakdown by Segment

Energy and Infrastructure Business	2.5billion yen
Communication and Components Business	2.5billion yen
Others*	4.1billion yen

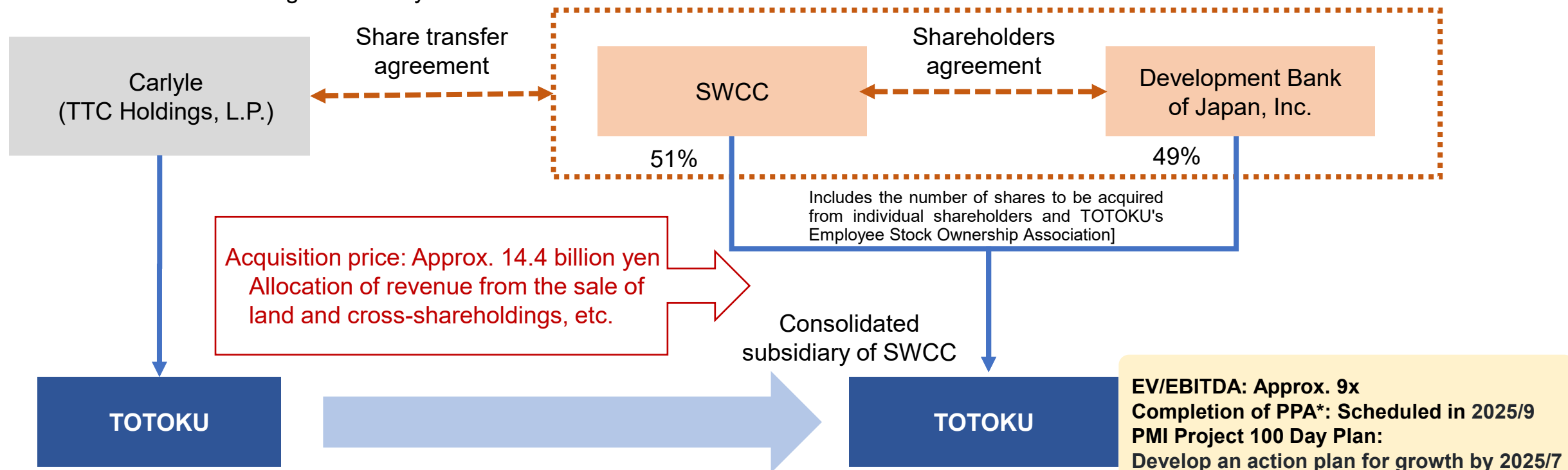
*The 4.1 billion yen also covers the renewal of welfare buildings at each site.

3. Overview of TOTOKU Acquisition in March 2025

Overview of Acquisition of Shares of TOTOKU INC. Through Joint Investment

SWCC signed a share transfer agreement regarding the acquisition of shares of TOTOKU INC with TTC Holdings, L.P., which is wholly owned and managed by firm Carlyle.

The SWCC Group judged that joint investment with the DBJ was the best way to approach the Transaction in terms of achieving active growth investment while ensuring the stability of the financial base.

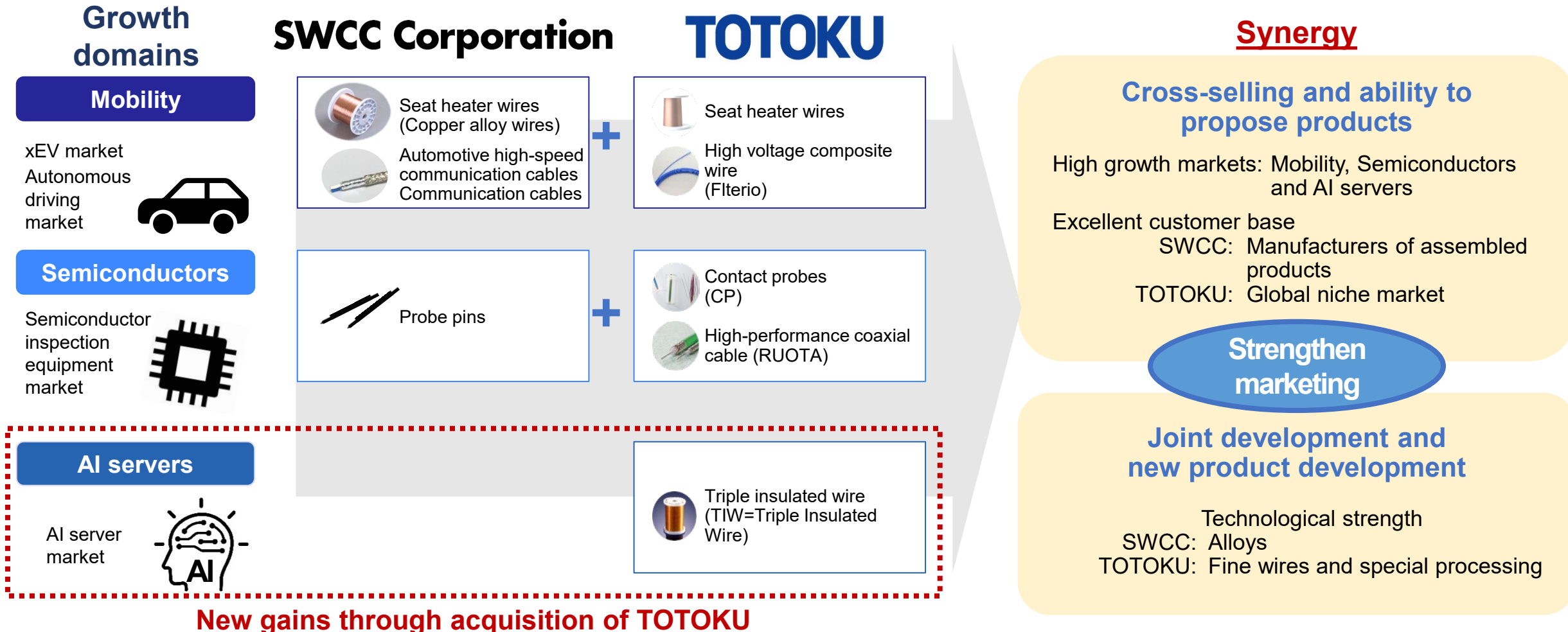


The performance targets for FY2026 of the SWCC Group, including TOTOKU, are scheduled to be announced in February 2026.

* PPA (Purchase Price Allocation): Process of assigning the purchase price in an M&A transaction to the target company's assets and liabilities at their fair value and recording any remaining difference as goodwill. a

Strategic Significance and Synergistic Effects of TOTOKU Acquisition

The acquisition of TOTOKU will further accelerate expansion into growing business areas and overseas business expansion, and **turn the Communication and Components Business into a core business alongside the Energy and Infrastructure Business.**



Synergistic Effects of Cross-Selling in Mobility and Semiconductor Business Areas

■ Automotive seat heaters

With customers that are leading global players, we expect to achieve further sales growth by cross-selling products including handle heaters.

	Primary customer	Customer's base(s)	Strengths
TOTOKU	Company A (Global top share)	North America, Europe, Asia	Quality (Durability)
	Company B	China	
SWCC	Company C	Japan	High-strength, high-conductivity materials

■ Semiconductor Contact probe pins

Given the nature of the end products i.e. test equipment for semiconductor inspection, **this is a business with stringent customer quality requirements and high barriers to entry.**

We expect to achieve further sales expansion in the future, **by leveraging a product lineup with strengths in both the pre-process and post-process stages, with emphasis on substrate inspection applications.**

	Main customers	Customer's base(s)	Measurement objects	Strengths
TOTOKU	Jig manufacturers	Japan	Downstream processes (IC package substrates, PCBs)	Fine wires, insulation, plating
SWCC	Pin manufacturers	Taiwan	Upstream processes (logic, CCDs, memory)	High-strength, high-conductivity materials

4. Appendix

Second-Phase Capacity Expansion Investment for SICONEX®

May 13 News Release

Amid growing demand for aging equipment replacement and grid upgrades driven by the shift to a decarbonized society, we are **making a new ¥2 billion investment (Phase 2)**. **Sales are targeted to reach 220% of FY2023 levels by FY2026.**

Background & Objective

With the progress toward a decarbonized society, demand for power grid upgrades and renewable energy is rising.

→ Strengthening efforts to expand substation market share.

Investment Details

¥2B investment in expanding SICONEX® production at the Sagamihara site.

Impact

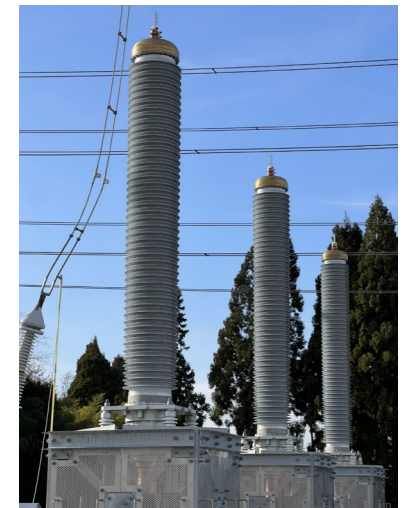
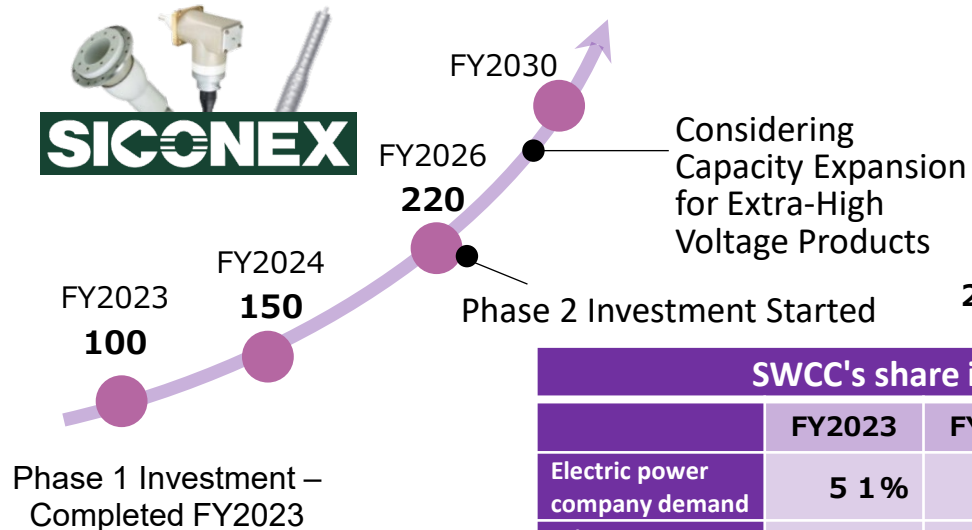
Sales target: 220% of FY2023 levels by FY2026.

Schedule

Factory upgrades and line expansion starting FY2025, with sales contribution from FY2026 (completion expected FY2026–2027).

SICONEX® Sales Growth Plan

*When FY2023 results are indexed to 100



275kV Overhead Termination

SWCC's share in substations

	FY2023	FY2024	FYE2026	FYE2030
Electric power company demand	5 1 %	5 8 %	7 1 %	8 8 %
Private sector company demand	9 3 %	9 3 %	9 4 %	9 5 %

Changes in Performance under New Segmentation

We are transitioning to a two-segment structure from FY2025.

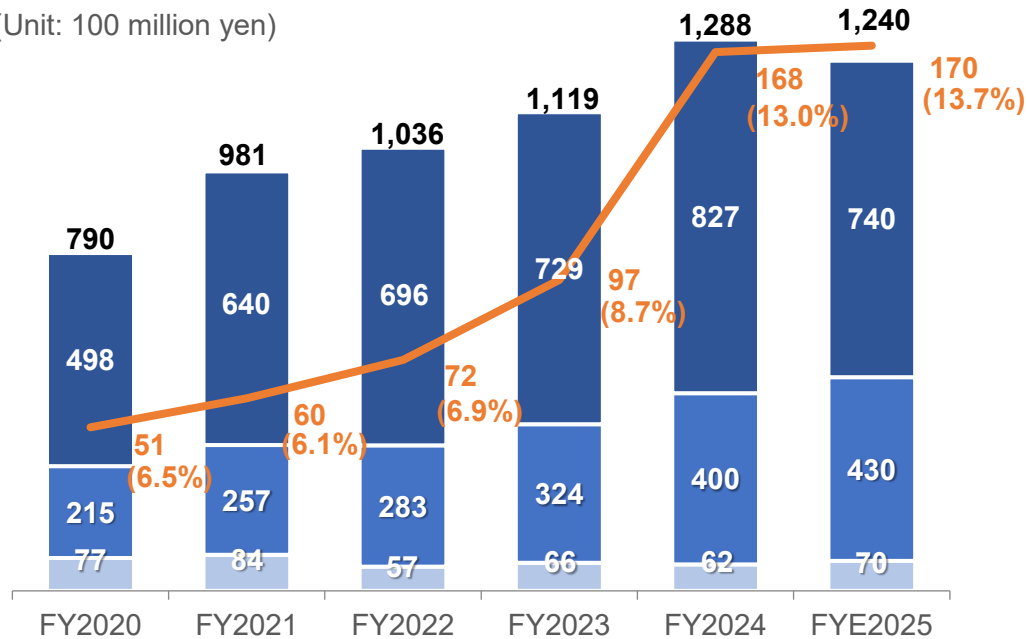
Figures from FY2020 to FY2024, when we operated under a three segment structure, reclassified to reflect the two-segment structure are as follows.

Energy and Infrastructure Business

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

Transfer of recycling business from Energy and Infrastructure Business to Others.

(Unit: 100 million yen)

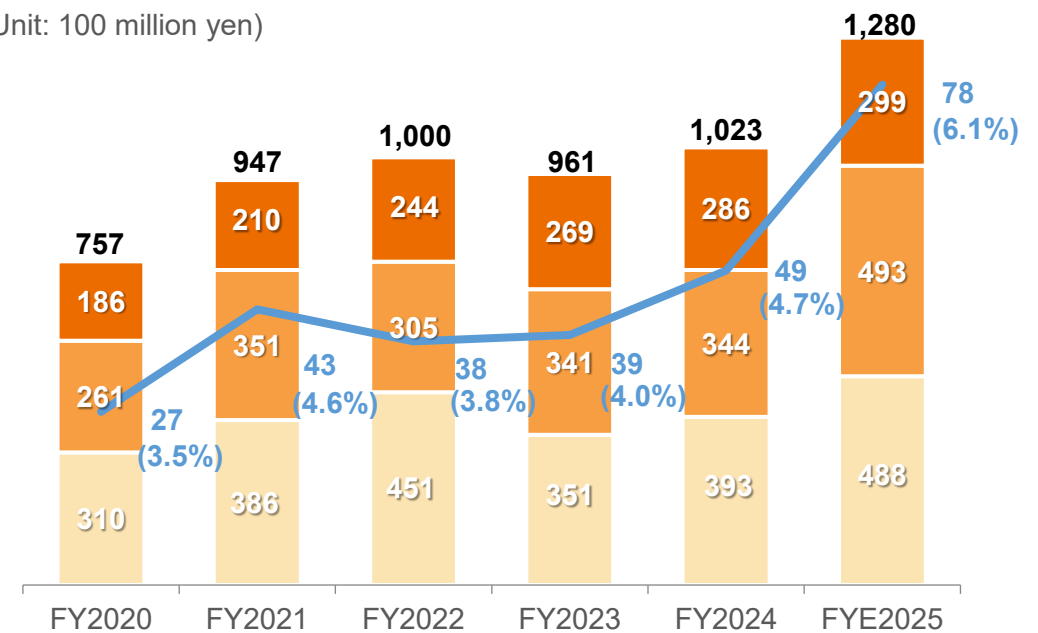


Communication and Components Business

- Industrial
- Mobility and semiconductor products
- Communication cables
- Operating profit
- () Operating income margin

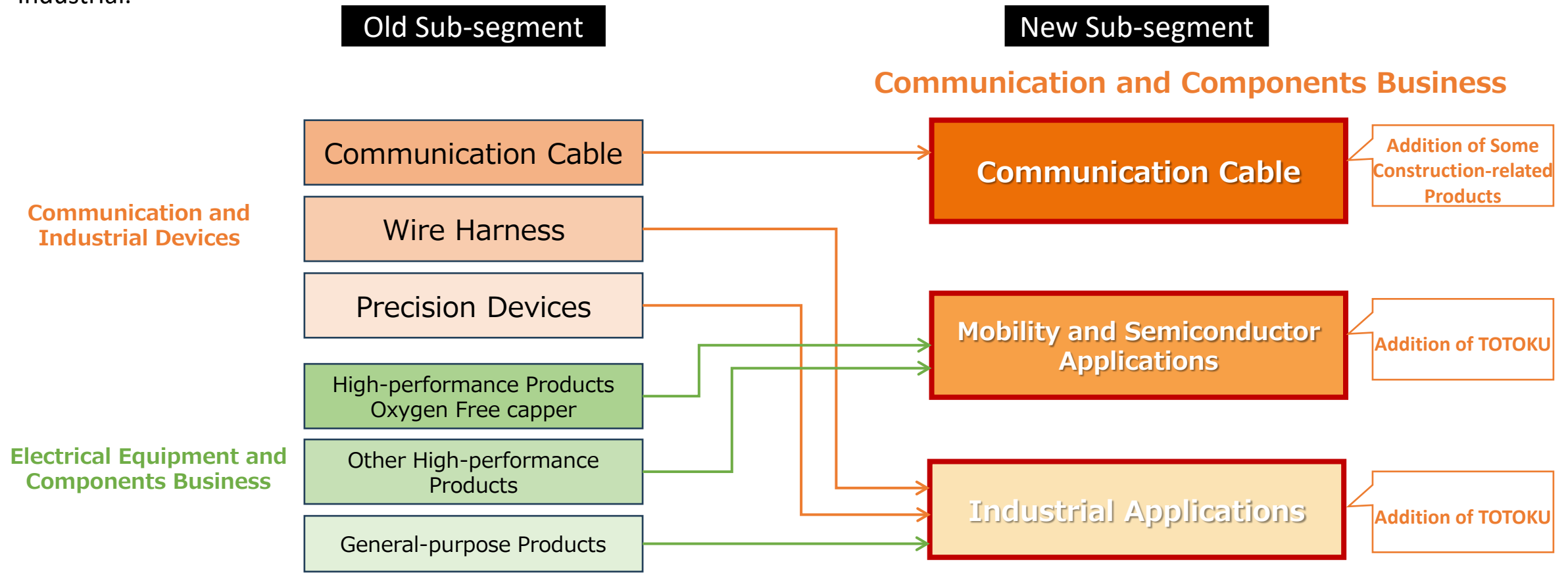
Transfer of some construction-related products from Energy and Infrastructure Business to Communication and Components Business.

(Unit: 100 million yen)



Comparison of Old and New Sub-segment Reorganization

In line with the inclusion of the TOTOKU Group, the sub-segments have been reorganized based on market growth potential. The growth markets have been shifted to mobility and semiconductors, while the mature markets have been consolidated into industrial.





Creating for the Future

SWCC Corporation

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

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.