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Supplementary Material for the First Quarter of the Fiscal Year Ending March 2026

August 8, 2025

SWCC Corporation

TSE PRIME: 5805

1. FY2025 Q1 Overview of Financial Results

2. Appendix

1. FY2025 Q1 Overview of Financial Results

FY2025 Q1 Overview of Financial Results

Management Environment	<ul style="list-style-type: none">• Investment in progress toward a decarbonized society and digitization.• The issue of labor shortages in the construction industry emerged, the result of workstyle reforms.• Future uncertainty in the automotive-related market attributable to U.S. tariff policies• Demand remained high in the AI and semiconductor markets.• Overall demand for electric wires slightly decreased. The average domestic quotation price for copper declined YoY.
Net sales	<p>Net sales increased YoY due to the sales expansion in the Communication and Components Business. [Status of Major Business Fields]</p> <p>Communication and Components: e-Ribbon® for data centers and products for AI and semiconductors performed well.</p> <p>Energy and Infrastructure: Products for Power Infrastructure remained strong, reflecting national policies. Sales for Construction Cables in the domestic market were sluggish due in part to the extension of construction periods.</p>
Operating profit	<p><u>As forecast at the beginning of the fiscal year, the decline in sales for Construction Cables in the domestic market were offset by the solid performance of Power Infrastructure business and the Communication and Components Business, which is positioned as the second growth pillar, resulting in</u> a YoY increase in operating profit.</p>

Key Points of the Financial Results for Q1

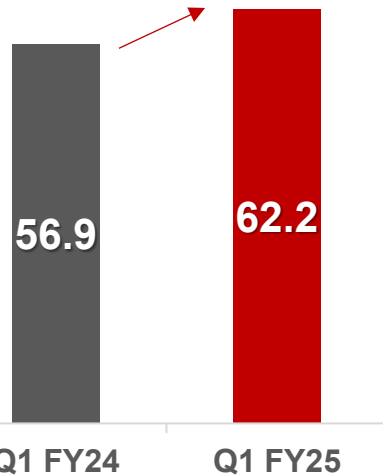
Q1 YoY Change

Demand for Construction Cables in the domestic market declined, but both sales and profit increased, driven by the Power Infrastructure and Mobility and Semiconductor Applications businesses.

Net sales

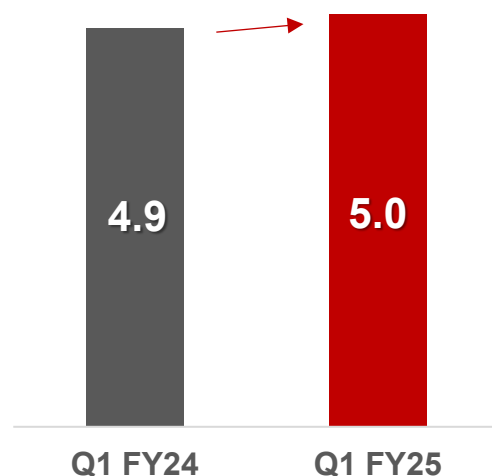
(Unit: Billion yen)

Up 9.2%



Operating profit

Up 1.8%



Q1 Progress rate

Both net sales and operating profit remained in line with projections made at the beginning of the fiscal year.

(Unit: Billion yen)	Full-year plan	FY20-24 Avg. progress rate	Q1 Progress rate
Net sales	260.0	22.8%	23.9%
Operating profit	24.5	18.0%	20.2%

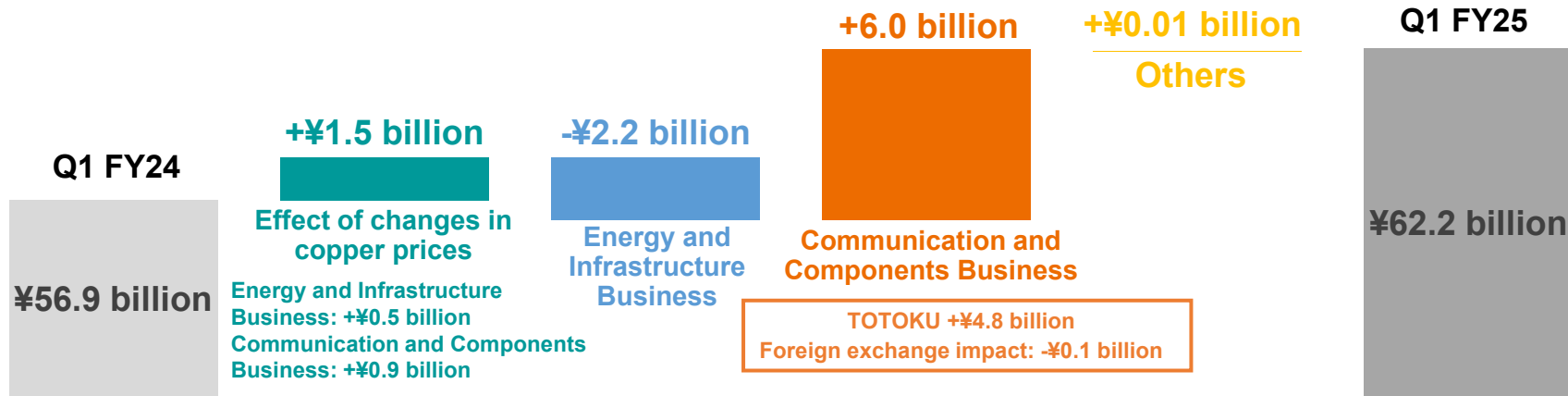
FY2025 Q1 Consolidated Statements of Income

Net sales increased due to an increase in sales in the Communication and Components Business. However, demand for Construction Cables in the domestic market decreased given an extension of construction periods due to labor shortages. Operating profit increased slightly, partly reflecting the effect of the amortization of goodwill.

(Unit: Billion yen)	FY2024 Q1	FY2025 Q1	FY2025 Full-year plan	YoY %	Progress rate %
Net sales	56.9	62.2	260.0	9.2%	23.9%
Operating profit (excluding goodwill amortization)	4.9 (—)	5.0 (5.2)	24.5	1.8%	20.2%
Operating profit margin (%) (excluding goodwill amortization)	8.5 (—)	8.0 (8.3)	9.4	—	—
Ordinary profit	4.6	5.0	23.5	6.9%	21.1%
Profit attributable to owners of parent	2.9	3.0	15.0	3.3%	20.2%

FY2025 Q1 Change Factors (YoY)

Change factors for net sales

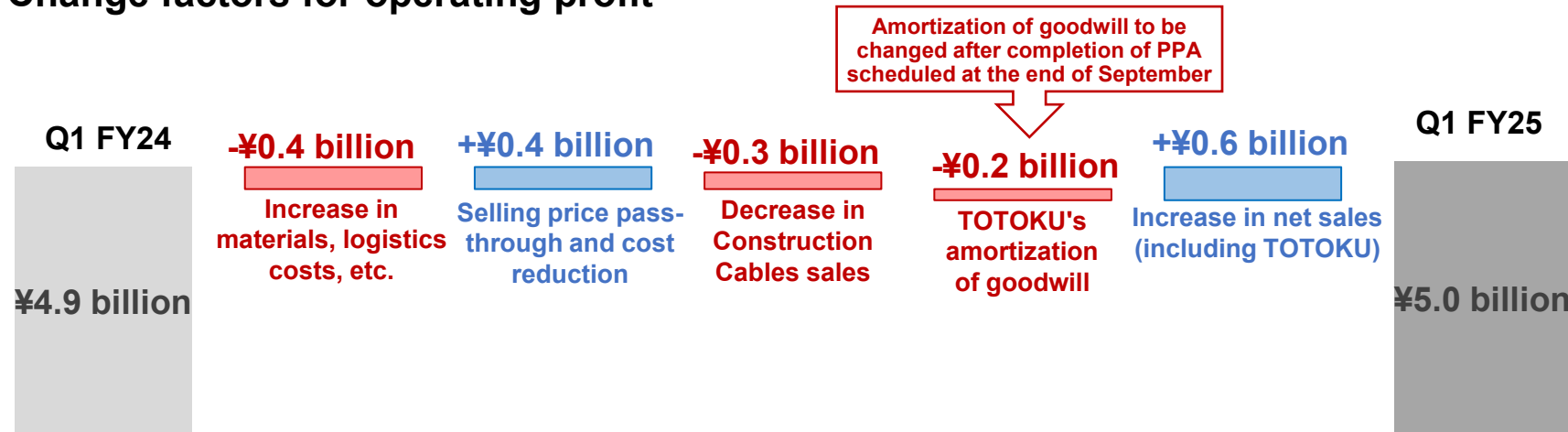


[Change factors]

1. Net sales

As forecast at the beginning of the fiscal year, demand for Construction Cables in the domestic market declined, but sales in the Communication and Components Business increased, resulting in a **YoY increase in net sales**.

Change factors for operating profit

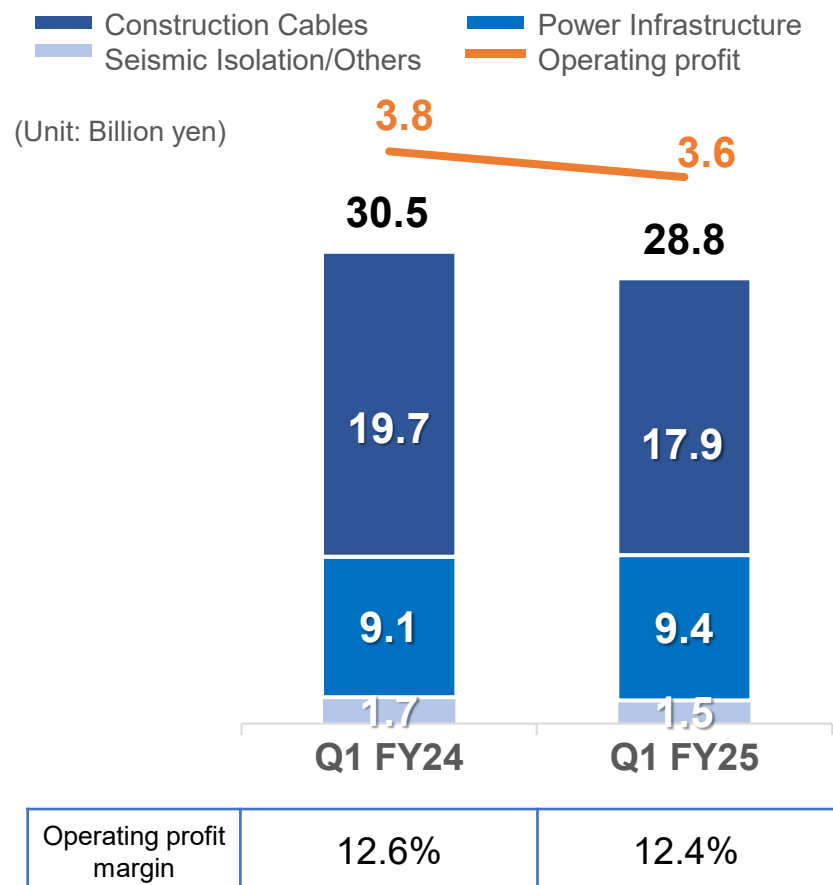




2. Operating profit

Price pass-through and cost reduction are expected to offset the higher raw material and logistic costs. Despite a decrease in sales of Construction Cables and the amortization of goodwill of TOTOKU, **operating profit increased YoY** due to improved profitability in the Mobility and Semiconductor Applications business.

FY2025 Q1 Results by Segment / Energy and Infrastructure Business

Demand for Construction Cables in the domestic market declined mainly due to the extension of construction periods reflecting the labor shortages, as projected at the beginning of the fiscal year. Products for Power Infrastructure made a good start, but net sales increased only slightly due to the withdrawal from aluminum overhead cables, resulting in a **YoY decrease in sales (down 5.5%) and profit (down 7.0%)**.



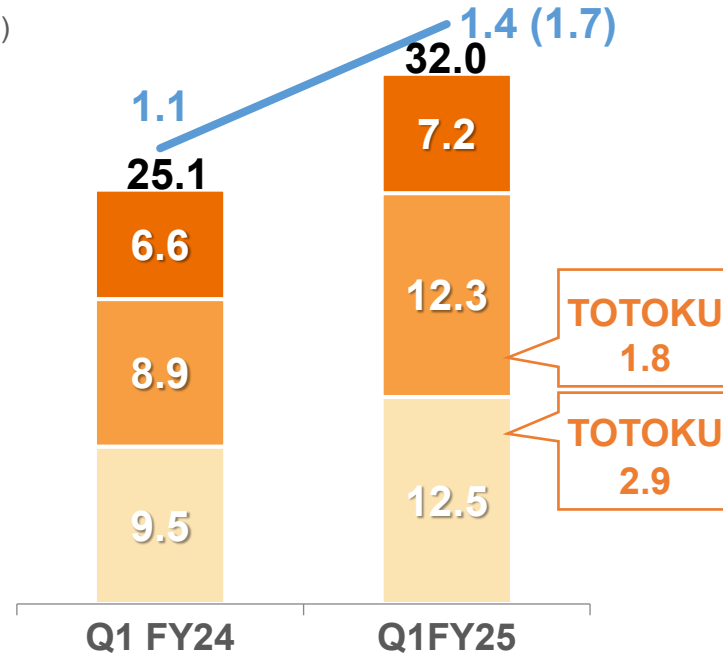
Impacts of changes in the business environment	
Effect of changes in copper prices	+0.5 billion yen (reflecting Q1 sales)
Impact of the U.S. tariff policies	No direct impact was seen in Q1 because the main target of the business is the domestic market.
Foreign exchange impact	None applicable
Full-year demand outlook	<p>In Construction Cables, copper shipments are projected to decline YoY in the first half but demand is expected to recover from Q3 onward. In products for Power Infrastructure, we will maximize the effect of investment to increase the production of the strategic product SICONEX® to prepare for growth in demand in the second half.</p> <div> <div> <div>SICONEX® Production Volume</div> <div>Maintaining high operational levels</div>  <div>H1H2</div> </div> <div> <div>Electric Power Construction</div> <div>Previous yearCurrent year</div>  <div>H1H2H1H2</div> </div> </div>

FY2025 Q1 Results by Segment / Communication and Components Business

In Communication Cables, both products for automotive applications and e-Ribbon® for U.S. data centers were strong. In Mobility and Semiconductor Applications, sales expanded due to the inclusion of TOTOKU in the Group, resulting in **a YoY increase in sales (up 27.4%) and profit (up 26.2%)**.

■ Communication Cables
 ■ Mobility and Semiconductor Applications
■ Industrial Applications
 ■ Operating profit (operating profit before amortization of goodwill)

(Unit: Billion yen)



Operating profit margin (excluding goodwill amortization)	4.5% (—)	4.5% (5.2%)
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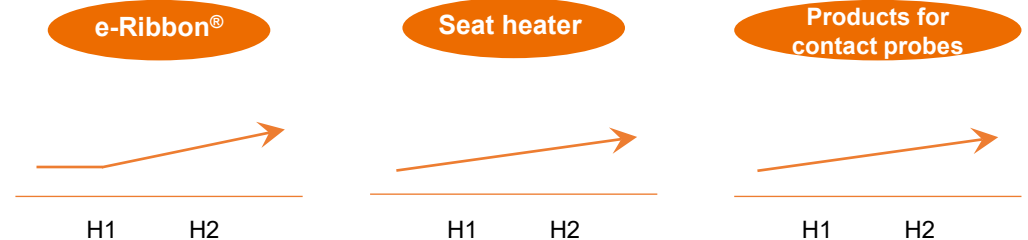
Impacts of changes in the business environment

Effect of changes in copper prices	+0.9 billion yen (reflecting Q1 sales)
Impact of the U.S. tariff policies	Direct sales of products for the U.S. were not affected because the scale was small as of Q1.
Foreign exchange impact	-0.1 billion yen (reflecting Q1 sales)

Full-year demand outlook

Sales of e-Ribbon® increased rapidly following the signing of long-term contracts. The number of overseas partners also increased. A recovery in automobile production is assumed for seat heaters. Shipments of products for AI and semiconductors are expected to increase with customer expansion.

Image of Shipments in the Current Fiscal Year



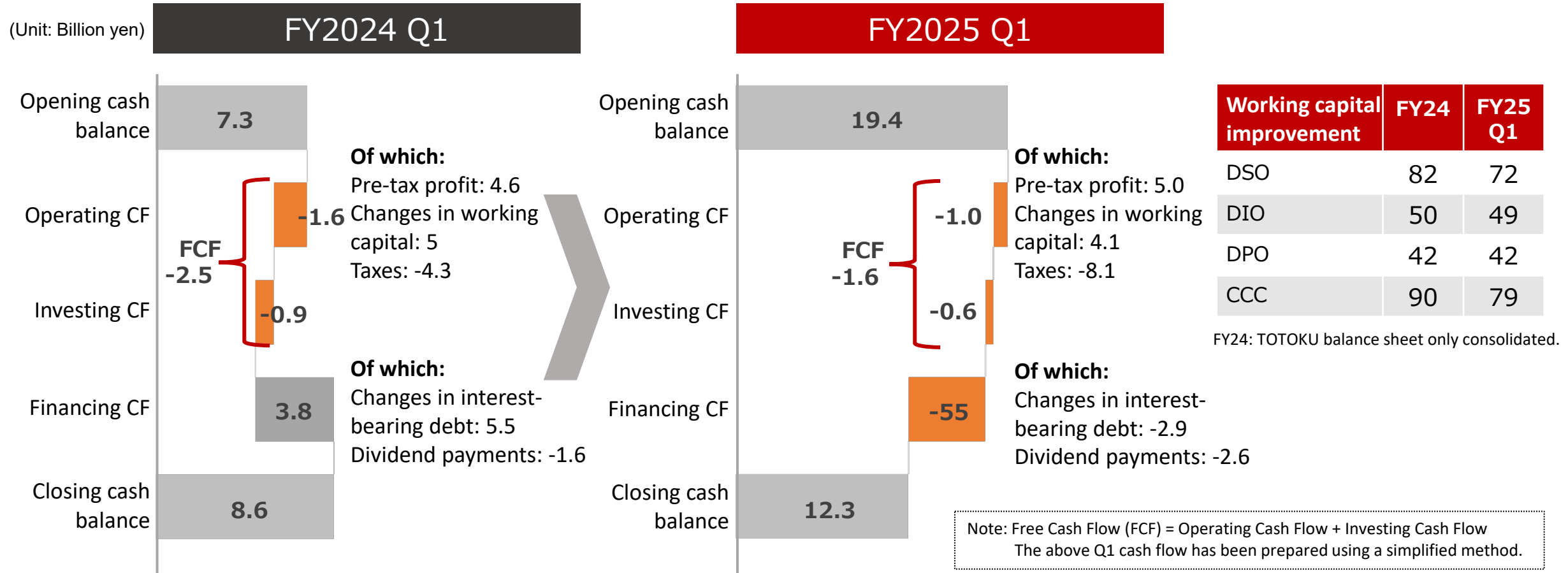
FY2025 Q1 Balance Sheet

(Comparison with the end of the previous year)

(Unit: Billion yen)	FY2024	FY2025 Q1	Change	
Total assets	197.7	186.5	-11.2	<p>[Cash] Cash and deposits decreased due to the normalization of temporarily increased cash from TOTOKU's group integration at the end of the previous fiscal year, mainly through repayment of interest-bearing debt.</p> <p>[Trade receivables] Decreased due to a decrease in sales of construction-related products and progress in the collection of receivables.</p> <p>[Equity ratio] Increased 2.4pt. following the repayment of debt.</p> <p>[DE ratio] Decreased by 3.2pt. due to an improved financial standing that resulted from the repayment of debt. Thenet D/E ratio is 47.4%.</p>
Cash and deposits	19.4	12.3	-7.1	
Trade receivables	54.2	50.0	-4.3	
Inventories	33.0	34.1	1.1	
Non-current assets	87.2	86.3	-0.9	
Total liabilities	112.1	101.6	-10.5	<p><Recognition of current issues and future measures> In Q1, the collection of trade receivables made progress and working capital decreased, reflecting the ongoing implementation of measures to improve the balance sheet. In addition, interest-bearing debt decreased due to measures that were taken to ensure an appropriate level of cash and deposits, which increased temporarily at the end of the previous fiscal year with the inclusion of TOTOKU in the Group. We will continue to improve the cash conversion cycle by securing inventories at appropriate levels and shortening the debt collection period.</p>
Trade payables	28.1	29.0	0.9	
Interest-bearing debt	54.7	51.8	-2.9	
Total net assets	85.6	85.0	-0.6	
Equity	83.7	83.3	-0.3	
Equity ratio (%)	42.3	44.7	2.4pt	
DE ratio (%)	65.4	62.2	-3.2pt	

FY2025 Q1 Cash Flow (Quarter-over-Quarter Comparison)

Despite higher tax payments, free cash flow improved thanks to increased profits and better receivables collection. Cash from TOTOKU's consolidation was optimized for debt repayment and dividends.



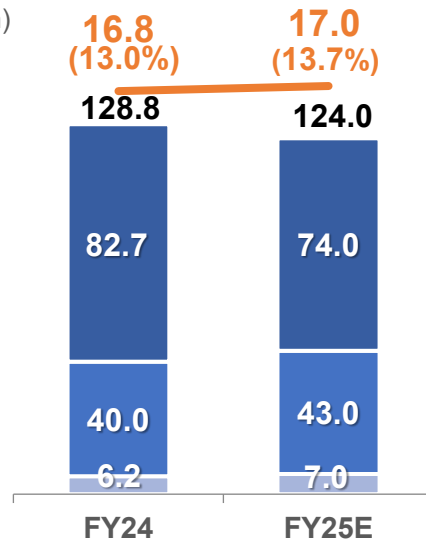
2. Appendix

FY2025 Full Year Forecasts

Energy and Infrastructure Business

■ Construction Cables ■ Power Infrastructure
■ Seismic Isolation/Others ■ Operating profit
() Operating profit margin

(Unit: Billion yen)



Copper price impact: Net sales down 1.7 billion yen

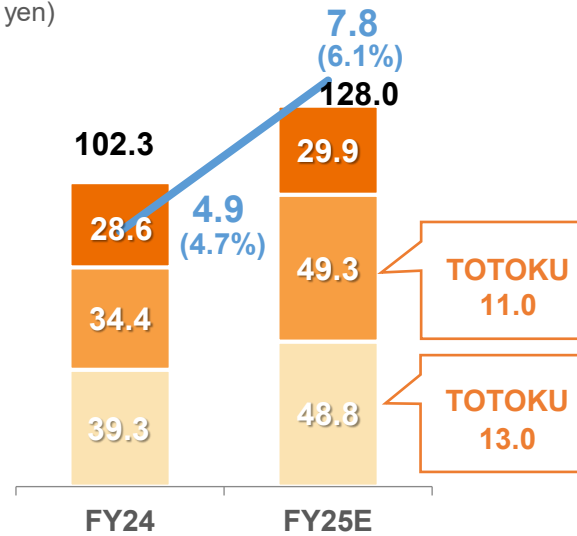
Positive factors ● Continued strong demand in the power infrastructure market
● Expansion of sales through full use of SICONEX® production capacity

Negative factors ● Demand adjustments for Construction Cables due to work style reforms and rising material prices

Communication and Components Business

■ Communication Cables ■ Mobility and Semiconductor Applications
■ Industrial Applications ■ Operating profit
() Operating profit margin

(Unit: Billion yen)

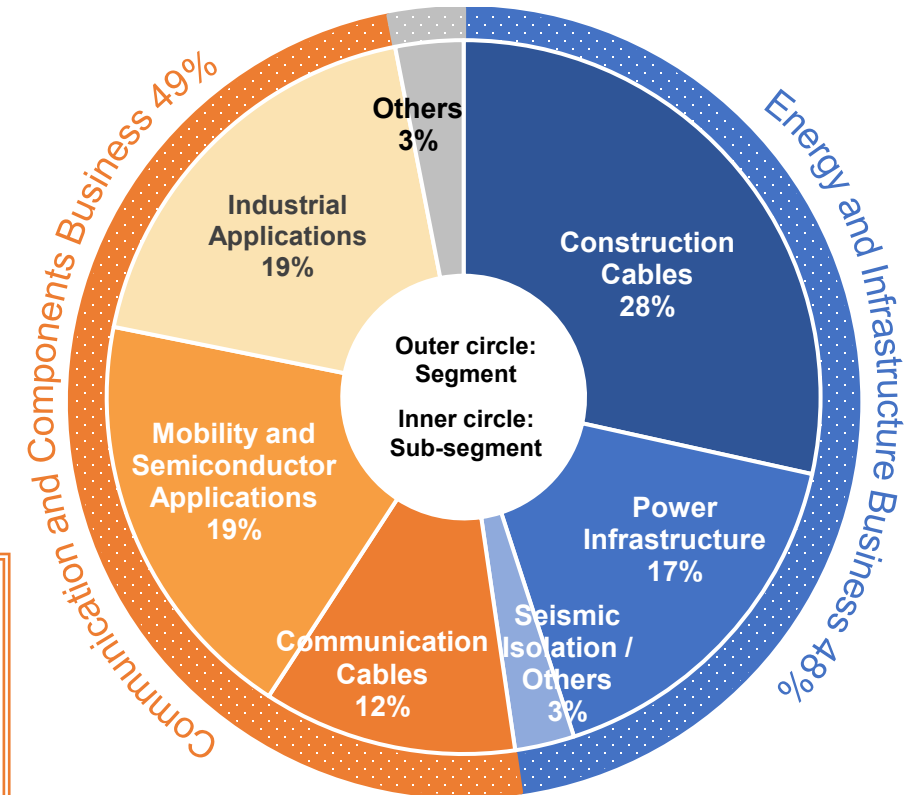


Copper price impact: Net sales down 0.6 billion yen

Positive factors ● Global sales expansion of optical fiber ribbon e-Ribbon®
● Effect of increased sales and profit from the acquisition of TOTOKU

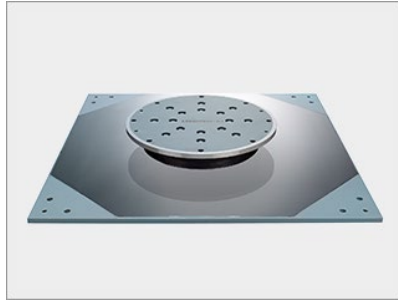
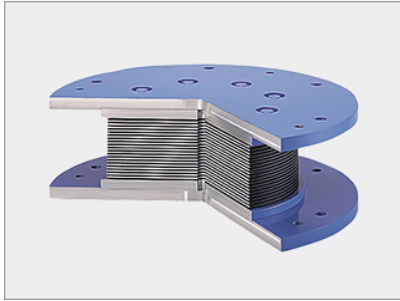
Negative factors ● Possibility of reassessment of supply chains due to U.S. tariffs
● Continued lackluster demand for Industrial Applications used in white goods and office equipment applications

FY2025 Full Year Forecasts Segment sales ratio



End of Manufacturing and Sale of Building Seismic Isolators (News Release Dated July 18)

Products that we will end manufacturing and selling



- Laminated rubber based on natural rubber
- Elastic sliding bearing (high, medium, and low friction)
- Seismic isolator for light-weight objects
- SWCC ring

* Manufactured and sold at present at our Sagami-hara Plant (Chuo-ku, Sagami-hara City) in the building seismic isolator business of the Energy and Infrastructure Business segment

[Schedule]

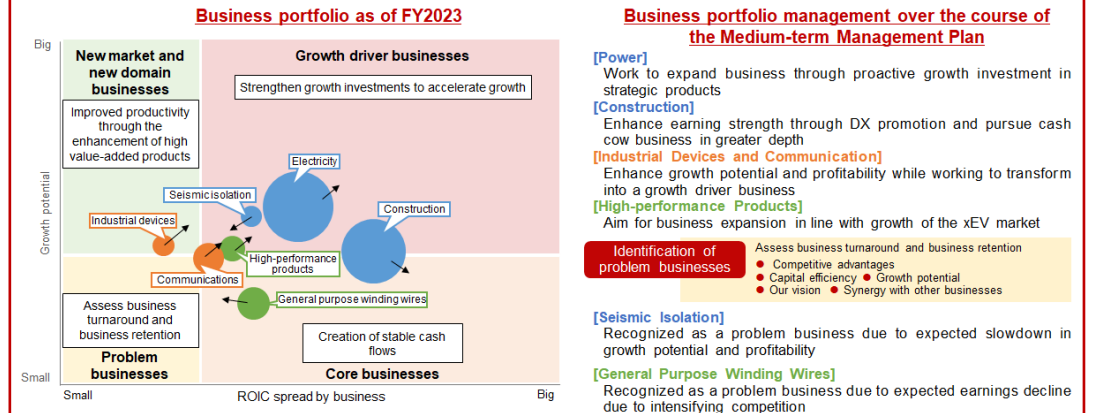
We plan to continue manufacturing the products at Sagami-hara Plant until March 2027. We will continue to warrant products before the expiration of the warranty period as before.

◆ News release dated July 18

https://www.swcc.co.jp/jpn/news/images/20250718A_PRESS_RELEASE.pdf

[Objective: Driving ROIC-based management]
In reforming the business structure, we will allocate management resources to businesses with higher growth potential and profitability.

[Current medium-term management plan with the target year being FY2026]



Net sales of the building seismic isolator business in the fiscal year ended March 2025 were approx. ¥2.4 billion, accounting for only several percent of consolidated net sales. The impact on business performance is therefore minor. We will use the vacant lot, human resources for increasing respond to the brisk demand for electric power.

Progress in the PMI Project 100 Day Plan Reflecting the Inclusion of TOTOKU in the Group

SWCC × TOTOKU

Identifying specific action items and reflecting them in the medium-term management plan to be announced in February

PMI Day100
Completed

in July 2025

Business

Governance

Accounting &
Finance

Human resources

IT

Sustainability

Increasing synergy by enhancing sales capabilities with a focus on cross-selling

- ◆ Cross-selling (Making full use of each other's excellent customer base)
- ◆ Strengthen marketing (Agile marketing through the integration of the two companies' information about markets and customers)
- ◆ Cultivation of new markets
(The combination of each other's products will enable us to capture new markets.)
- ◆ Enhancing the product lineup (Joint development of new products leveraging each company's technological strengths)
- ◆ Mutual use of manufacturing sites and equipment
(High compatibility that is possible only among electric wire companies)
- ◆ Acceleration of overseas expansion (Accelerating expansion by leveraging locations of the two companies' overseas bases)
- ◆ Strengthening staff and human resources
(Use of human resources for sales, research, production sites, etc.)

Next medium-term
management plan
to be announced in
February 2026



Achieving Our
Vision for FY2030

We expect
synergies
beyond the
acquisition
valuation.



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. 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.