Creating for the Future

Innovating new ideas today. Becoming the norms of tomorrow.

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

November 12, 2025

SWCC Corporation

TSE PRIME: 5805

Contents

1. FY2025 Q2 Overview of Financial Results

FY2025 Q2 Overview of Financial Results

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Management Environment	● Investment in progress toward a decarbonized society and digitization increased. ● In the construction industry, labor shortages due to work style reform emerged. ● Global auto sales were slightly higher. Sales of products for EVs also showed high growth despite differences among regions. ● Demand remained high in the AI and semiconductor markets. ● Overall demand for electric wires slightly decreased. Domestic copper prices stayed high but slightly declined year on year.
Net sales	**Sales increased YoY** due to significant expansion in the Communication and Components Business, in addition to a strong performance in the Power Infrastructure Business. [Status of Major Business Fields] **Energy and Infrastructure:** There was strong demand for power infrastructure, bolstered by national policy. The impact of labor shortages on construction cables in the domestic market remained less significant than initially expected. **Communication and Components:** Demand for e-Ribbon® for data centers and mobility products remained strong.
Operating profit	**Operating profit increased YoY** due to expansion of the Power Infrastructure, Communication and Mobility Businesses, in addition to less impactful than initially anticipated negative factors.

FY2025 Q2 Consolidated Statements of Income

The initially expected decline in sales of construction cables has improved from Q2 onwards. The H1 performances of the Power Infrastructure was stronger than expected, and the impact of amortization of goodwill, etc. after completion of the PPA for the acquisition of TOTOKU was also within the initially assumed amount. On this basis, **we upwardly revised out full-year plan.**

(Unit: Billion yen)	Q2 FY24 Results	Q2 FY25 Results	YoY %	FY25 Full-year plan (before revision)	Progress rate %	FY25 Full-year plan (after revision)	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	6% Up!
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	7% Up!

Key Points of the Financial Results for Q2

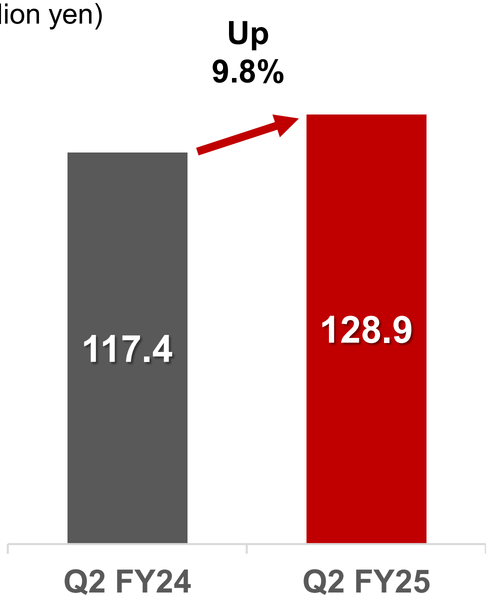
Q2 YoY Change

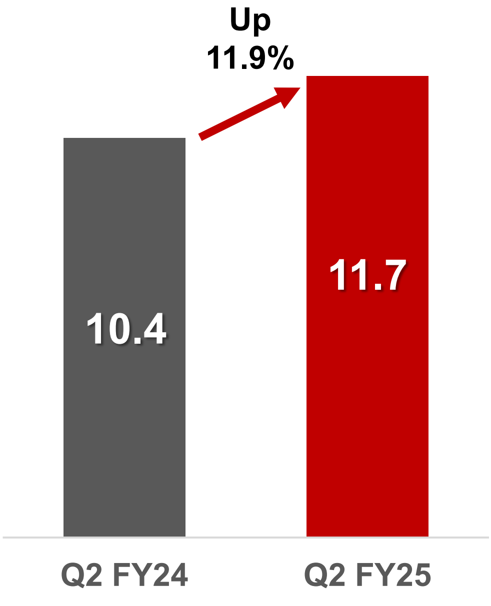
Demand for construction cables in the domestic market declined, but **both sales and profit increased**, **driven by the Power Infrastructure and Communication and Mobility Businesses.**

Net sales

Operating profit

(Unit: Billion yen)





Q2 Progress rate

We upwardly revised our full-year plan in view of the strong H1 performance. **We made better-than-usual progress against the revised plan both in terms of sales and profit.**

(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 Q2 Change Factors (YoY)

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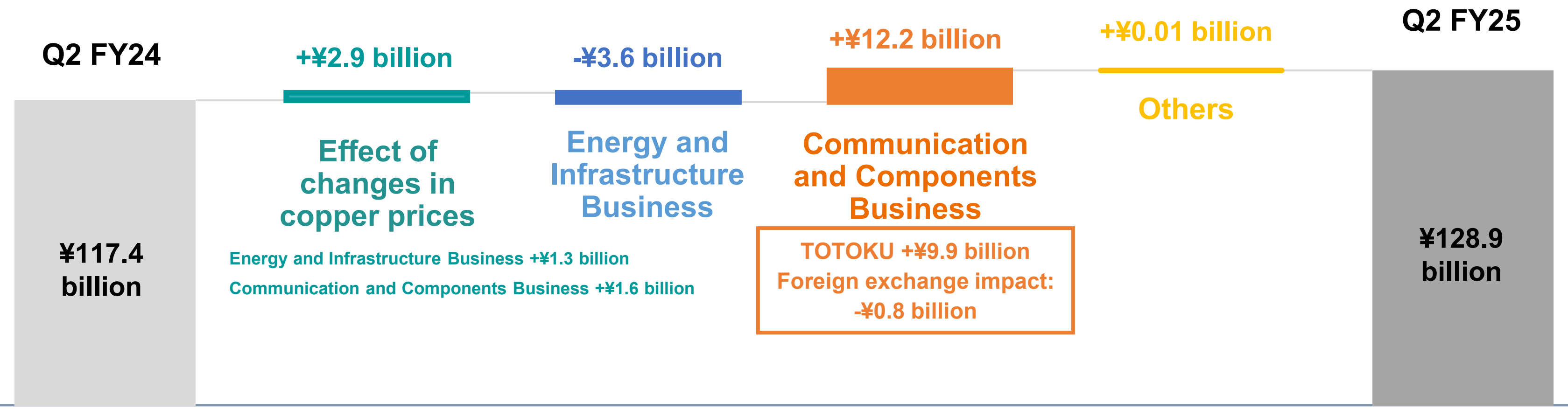
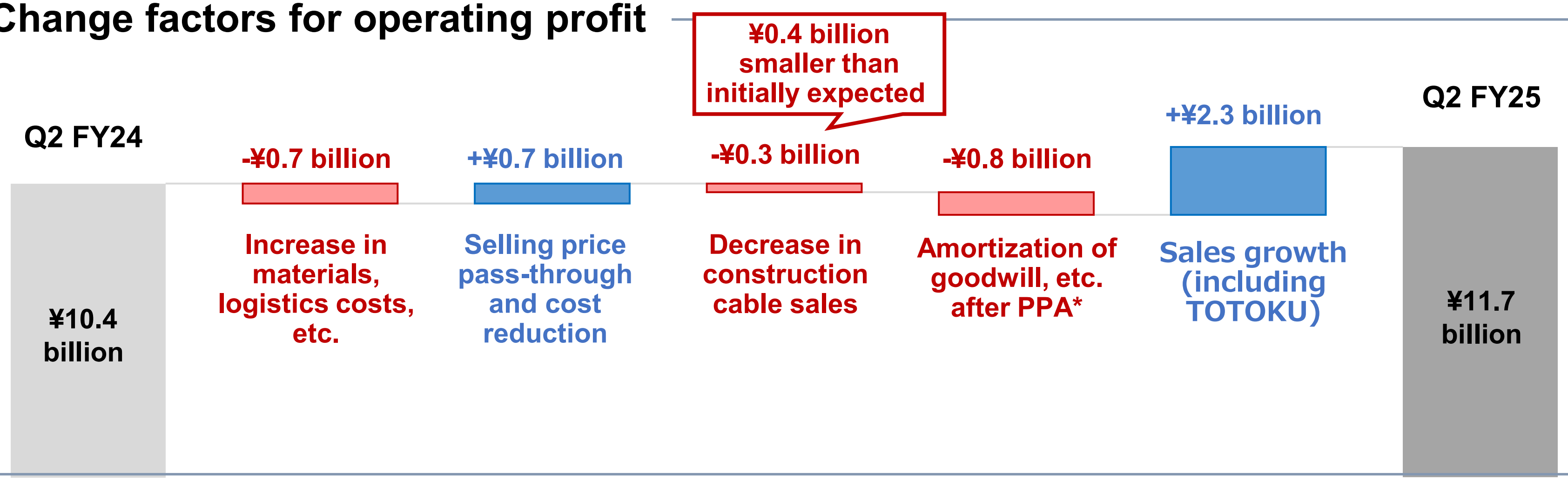
Change factors for net sales



Change factors for operating profit



[Change factors]

1. Net sales
Demand for construction cables in the domestic market declined, but sales in the Communication and Components Business, which is a second growth pillar, increased, resulting in **a YoY increase in net sales**.

2. Operating profit
Higher costs were offset by price pass-through and cost reduction. The decline in construction cables was also smaller than initially anticipated. Amortization of goodwill, etc. after completion of PPA for the acquisition of TOTOKU was also within the planned amount and profitability in the Electric Power, Communication and Mobility Businesses improved, resulting in **a YoY increase in operating profit**.

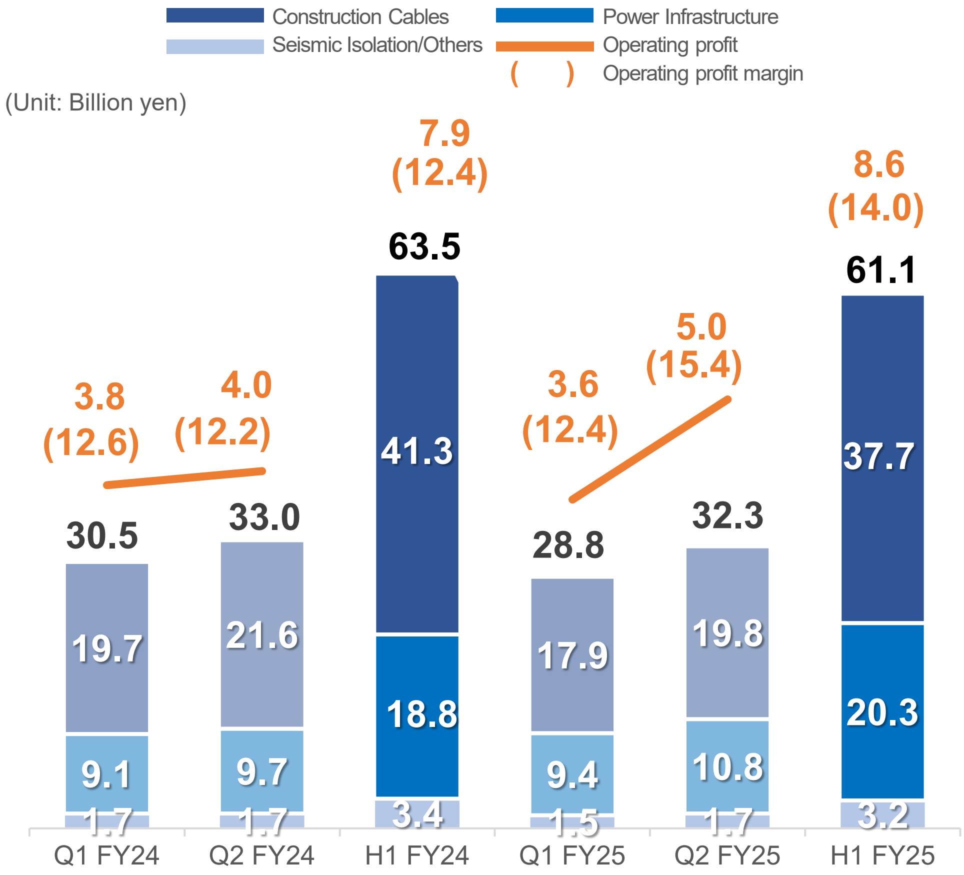
* Details of PPA are described separately

FY2025 Q2 Statements of Income by Segment

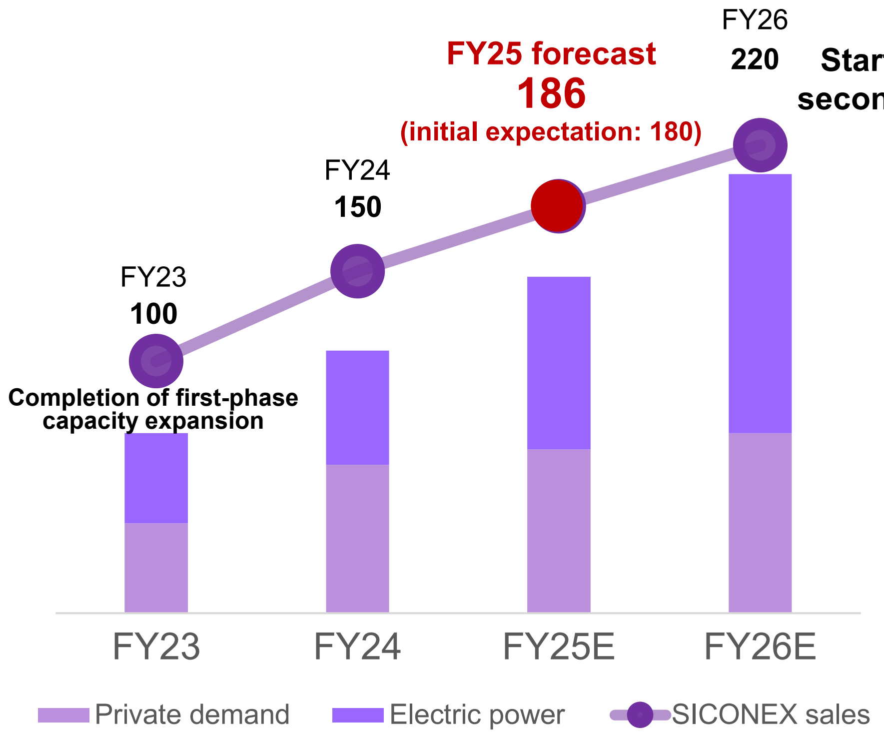
	(Unit: Billion yen)	Q2 FY24 Results	Q2 FY25 Results	YoY %	FY25 Full-year plan (before revision)	FY25 Full-year plan (after revision)
Energy and Infrastructure Business	**Net sales**	**63.5**	**61.1**	**-3.7%**	**124.0**	**130.0**
	Construction Cables	41.3	37.7	-8.6%	74.0	79.0
	Power Infrastructure	18.8	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 Q2 Results by Segment / Energy and Infrastructure Business

Demand for construction cables in the domestic market decline in Q1 and improved in Q2. Sales of products for power infrastructure fell due to withdrawal from aluminum overhead cables but construction work increased and added value improved across the business as a whole. As a result, **sales decreased YoY (down 3.7%) and profit rose (up 8.5%).**



Forecast expansion of SICONEX® (FY23 sales = 100)



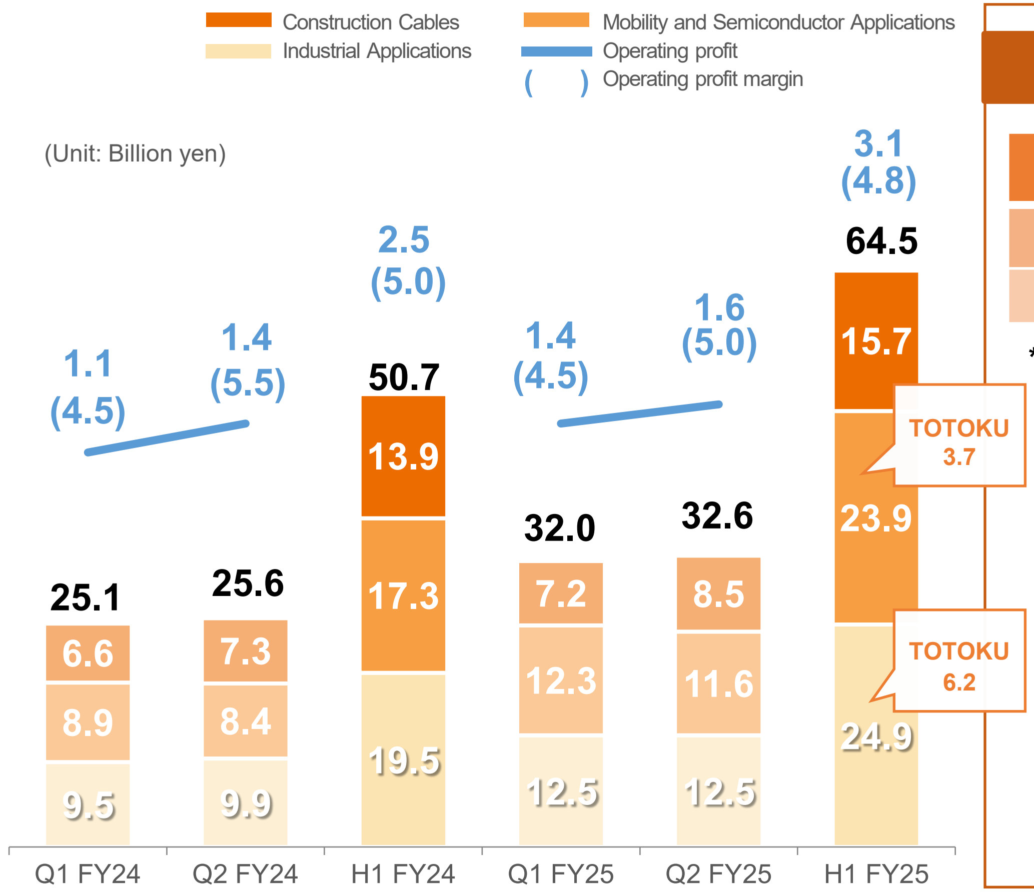
Factors accelerating growth in current period

■ **Electric power**
- Growing share of substations market
- Capture of among unsuccessfully tendered projects

■ **Private demand**
- Surge in demand to switchover to our products as a result of withdrawal of some competitors

FY2025 Q2 Results by Segment / Communication and Components Business

In Communication Cables, e-Ribbon® for U.S. AI data centers performed more strongly than expected. Products for mobility applications sold well and amortization of goodwill, etc. after PPA for the acquisition of TOTOKU was also within initial expectations; however, sales of industrial devices struggled. **Sales increased YoY (up 27.3%) and profit also rose (up 20.3%).**

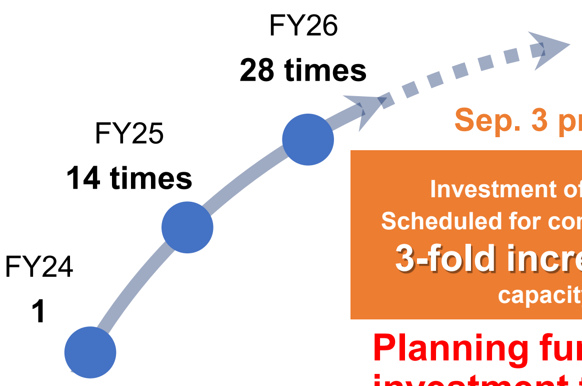


Forecast expansion of e-Ribbon®

Expected number of overseas customers

FY24	FY25E	FY26E
4 companies	7 companies	8 companies

*** FY24 sales = 1**



Sep. 3 press release

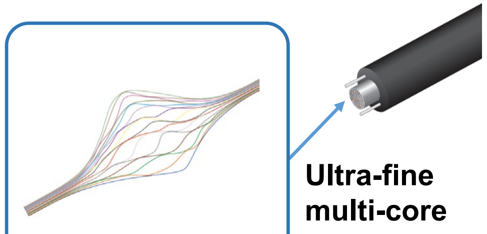
Investment of ¥1.0 billion
Scheduled for completion in H1 of FY26
3-fold increase in production capacity from FY25

Planning further investment this fiscal year due to increased demand

Factors accelerating growth

■ **Expansion in orders received from main customers**

- Increased DC investment, increased hyperscaler demand
- Rapid increase in wiring density in DCs
- Growing need to simultaneously satisfy space-saving and high efficiency wiring requirements



16-core e-Ribbon®

Ultra-fine multi-core high-density cable

Impact of Completion of PPA for TOTOKU Acquisition on BS and PL (including Goodwill) for Q2 of FY2025

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Through the PPA, we "stepped up" the value of immovable and movable assets and recorded assets like customers and technologies. The remaining amount was treated as the investment difference and recognized as goodwill corresponding to our 51% stake. **The impact of amortization after PPA on operating profit is within the amount assumed in our initial plan and there is no impact on the full-year plan.**

(million yen)

Category	Carrying value	Years of amortization	Amortization in Q2 of FY25	Amortization in FY25	Amortization from FY26
Stepped-up assets					
Immovable (land and buildings)	1,468	—	27	54	54
Movable	1,658	—	68	136	231
Intangible assets					
Customers	15,890	23	345	691	691
Technologies	5,277	20	132	264	264
Goodwill	7,583	18	210	421	421
Total	**31,876**		**783**	**1,566**	**1,661**

FY2025 Q2 Balance Sheet (Comparison with the end of the previous year)

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(Unit: Billion yen)	FY24	FY25 Q2	Change
Total assets	211.0	201.2	-9.8
Cash and deposits	19.4	11.9	-7.5
Trade receivables	54.2	52.5	-1.8
Inventories	33.0	32.8	-0.2
Non-current assets	100.5	100.6	0.1
Total liabilities	118.8	104.5	-14.3
Trade payables	28.1	27.0	-1.1
Interest-bearing debt	54.7	47.9	-6.8
Total net assets	92.1	96.6	4.5
Equity	83.7	88.4	4.8
Equity ratio (%)	39.7	44.0	4.3pt
DE ratio (%)	65.4	54.2	-11.2pt

Note) During the fiscal year under review, provisional accounting treatment related to business combinations was finalized.
Comparisons are based on figures for the previous fiscal year that reflect the finalized figures.

[Cash]
Decreased due to efforts to ensure an appropriate level of cash and deposits (repayment of interest-bearing debt,, etc.), which increased temporarily at the end of the previous fiscal year with the inclusion of TOTOKU in the Group.

[Trade receivables]
Decreased due to a decrease in sales of construction cables and progress in the collection of receivables.

[Equity ratio]
Increased 4.3pt. following the repayment of debt.

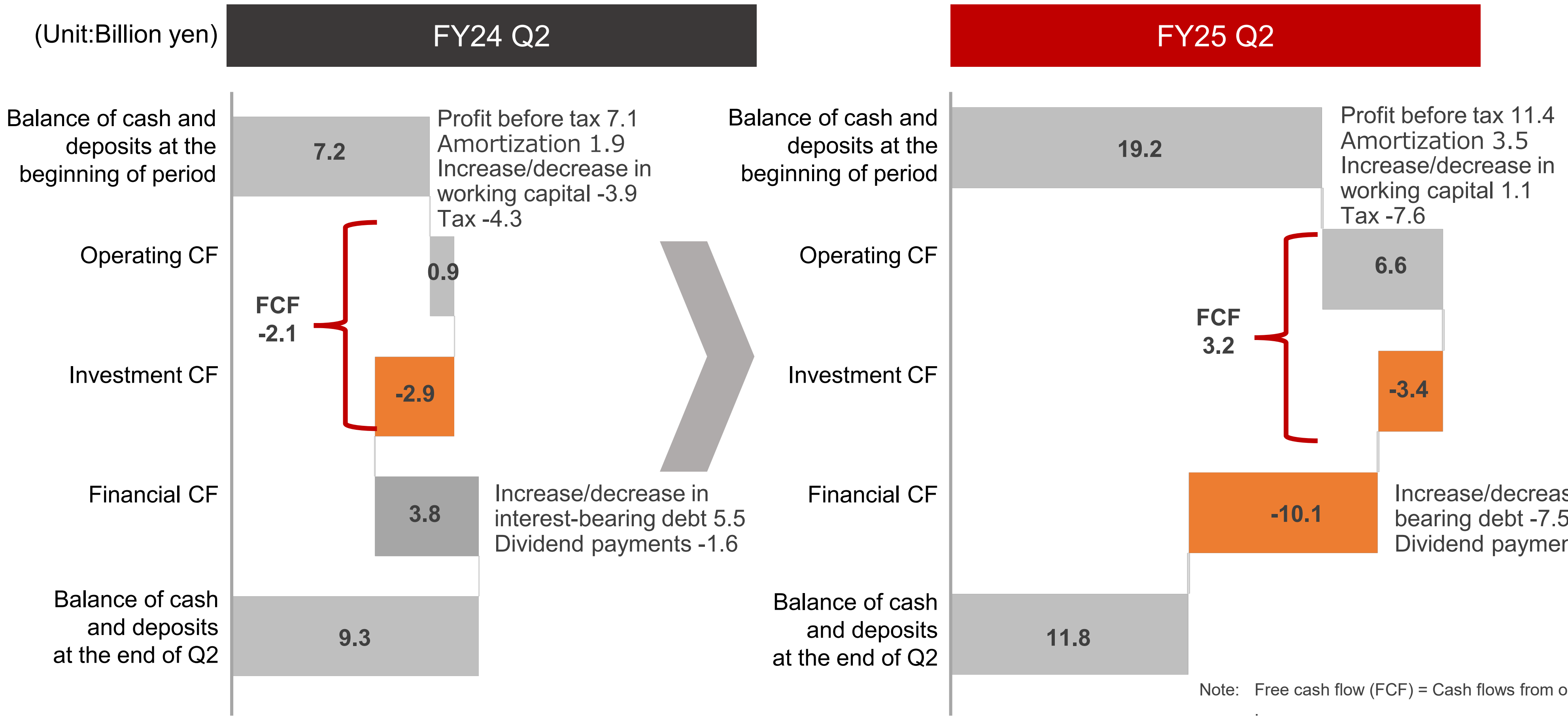
[DE ratio]
Decreased by 11.2pt. due to an improved financial standing that resulted from the repayment of debt. The net D/E ratio is 40.7%.

<Recognition of current issues and future measures>

As in Q1, we implemented ongoing measures to improve the balance sheet. **Progress was also made on the collection of trade receivables and working capital decreased.** 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.**

FY2025 Q2 Consolidated Cash Flows (Comparison with previous Q2)

FCF improved due to higher profit and **a decrease in working capital associated as a result of progress with the collection of receivables,** despite an increase in taxes paid. Cash and deposits, which increased due to TOTOKU's inclusion in the Group, were reduced to a reasonable level and used for the repayment of borrowings and dividends.



Improvement of working capital	FY24	FY25 Q2
Number of days for turnover of accounts receivable	82	71
Number of days for inventory turnover	50	44
Number of days of turnover of accounts payable	42	36
CCC	89	79

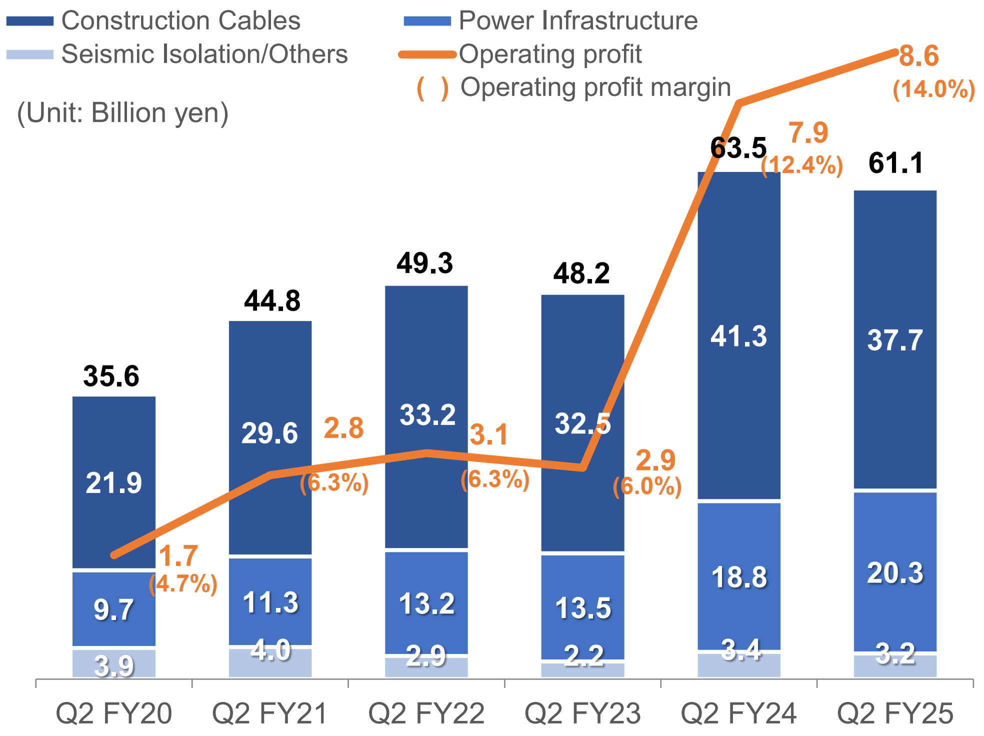
* In FY2024, only TOTOKU's balance sheet was consolidated.

Note: Free cash flow (FCF) = Cash flows from operating activities + Cash flows from investing activities

FY2025 Q2 Performance Trends (First Six Months)

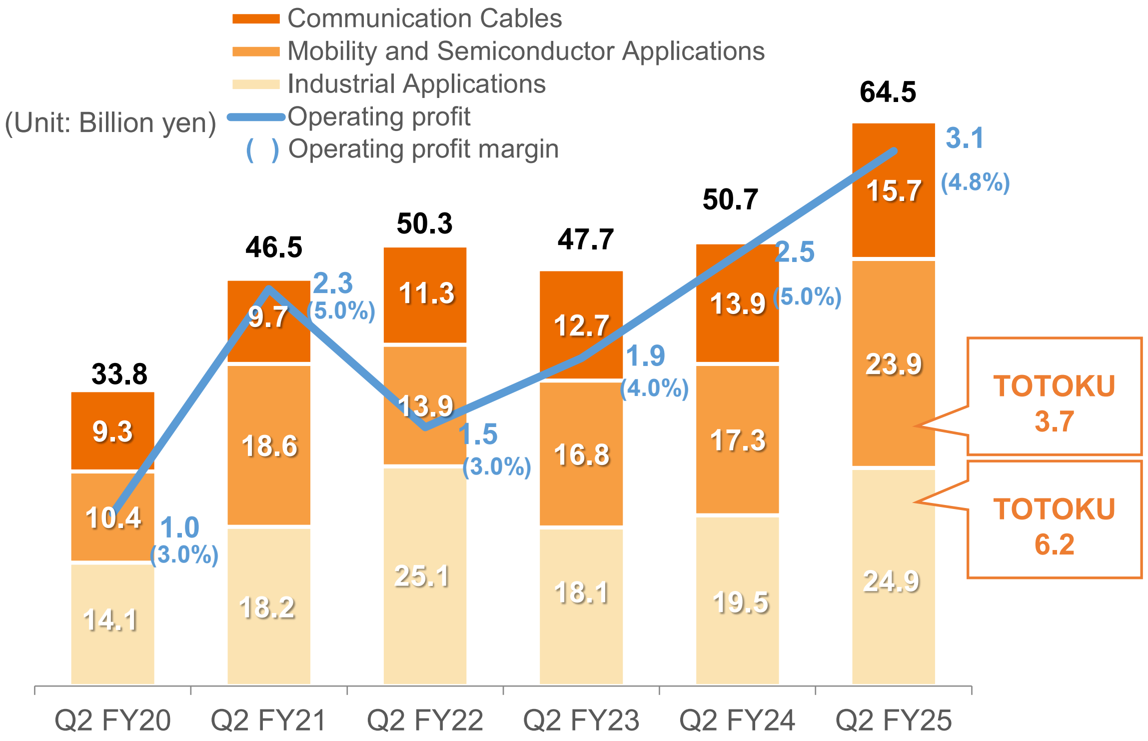
Energy and Infrastructure Business

The Energy and Infrastructure Business **evolved into a growth driver**, strengthening profitability in the construction cables business in the domestic market and capturing growing power infrastructure demand, driven by national policy, through establishment of strategic product SICONEX® as the de facto standard.



Communication and Components Business

The Communication and Components **Business established itself as a second growth pillar** through the growth of strategic products specifically for key markets, such as AI, semiconductor and EV-related markets, as well as improved profitability and synergy arising from TOTOKU's inclusion in the Group.

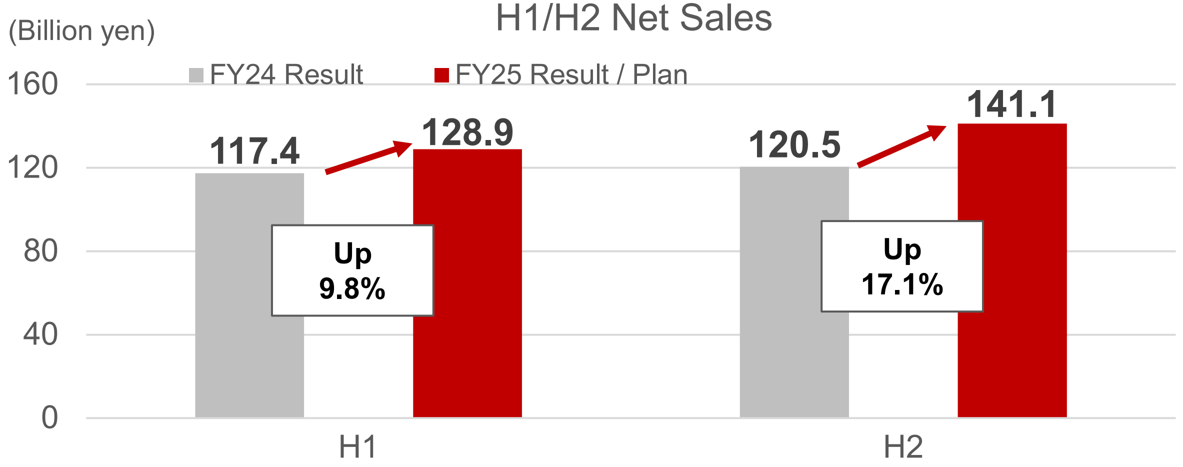


2. FY2025 Full Year Forecasts

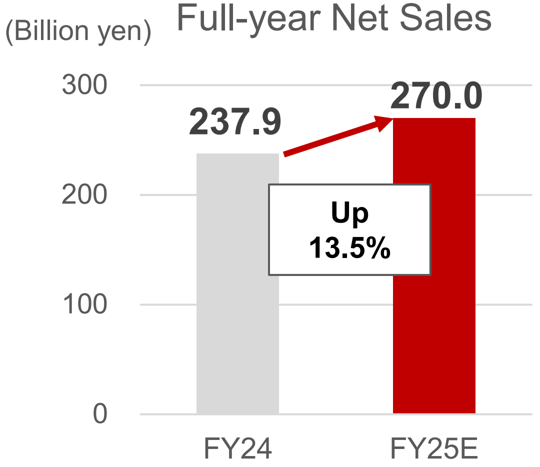
FY2025 Full-year Forecasts (After Upward Revision)

Increases in sales and profit are planned due to the strong performances of growth drivers and various profit improvement measures. Profits will be returned to shareholders through a **dividend increase.**

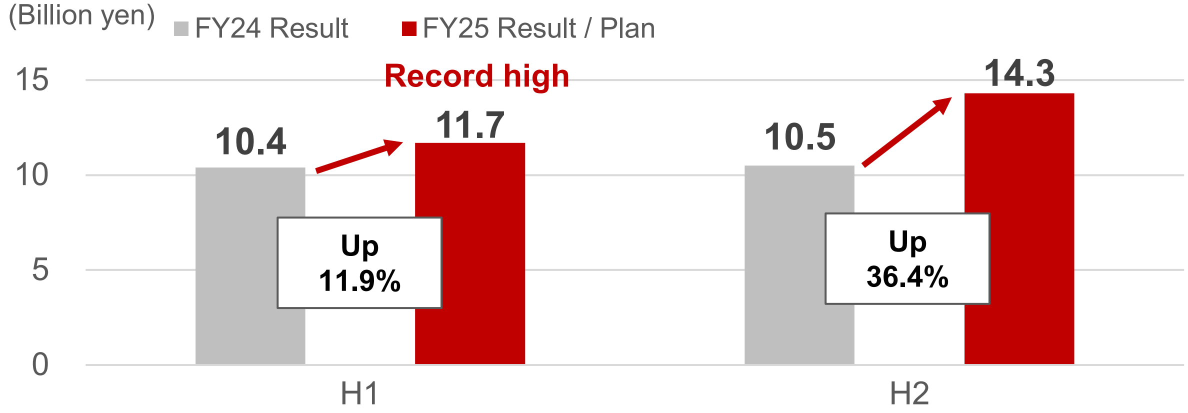
H1/H2 Net Sales



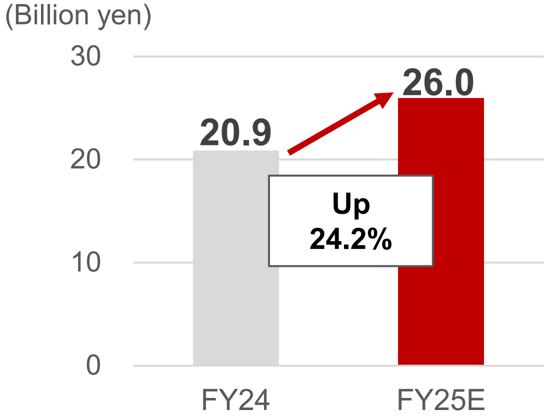
Full-year Net Sales



H1/H2 Operating Profit



Full-year Operating Profit



Ordinary profit

¥25.0 billion

(YoY: 121.8% increase)

Profit attributable to owners of parent

¥16.0 billion

(YoY: 40.3% increase)

Dividend
Dividend payout ratio/DOE

200 yen

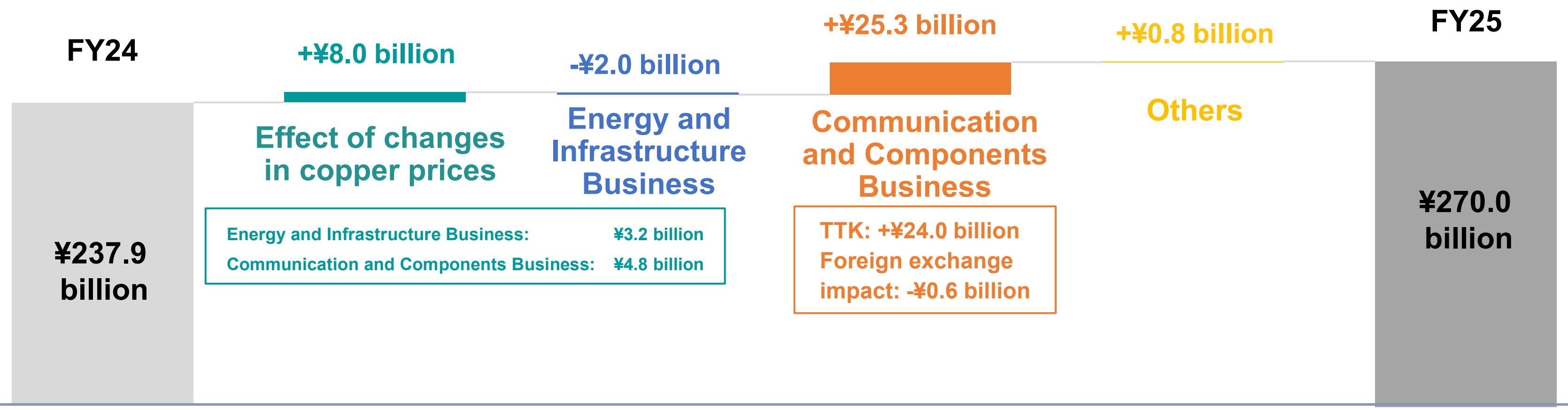
37.0% / 6.3%

(YoY: 64 yen increase)

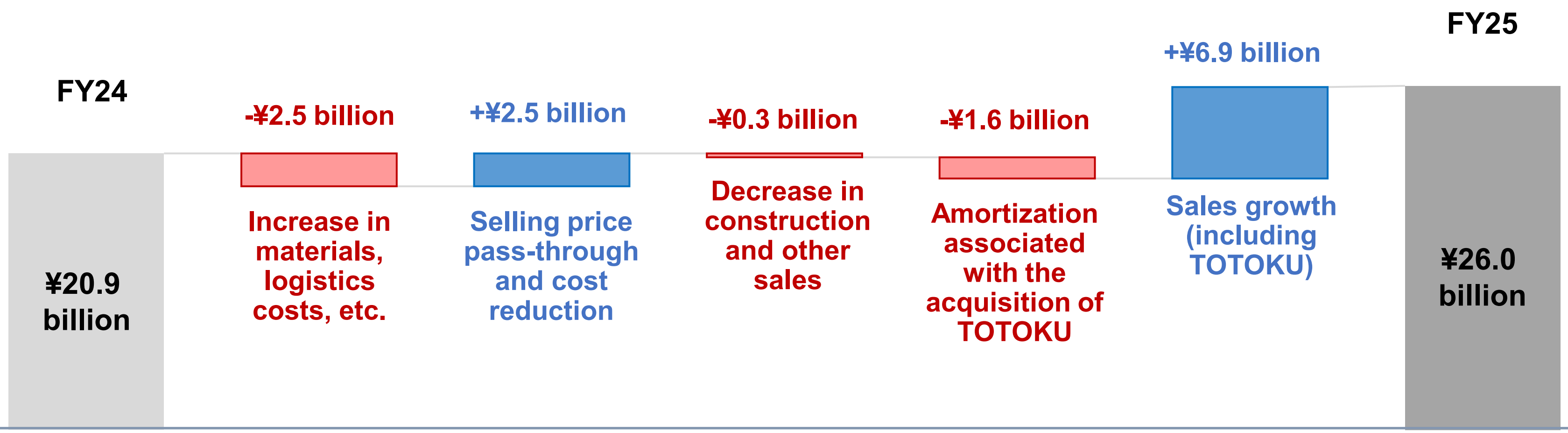
Interim:	**90 yen**
Year-end:	**110 yen**
Total:	**200 yen**

FY2024 Factors for Change (After Upward Revision)

Change factors for net sales



Change factors for operating profit



[Change factors]

1. Net sales

Sales growth is expected due to strong performances in the **Power Infrastructure, Communication Cables and Mobility Businesses**, despite decreased demand in the construction sector due to the emergence of labor shortages.

2. Operating profit

Higher costs were offset by price pass-through and cost reduction. **Higher profit** is expected due to less-than-expected contraction in the construction sector, amortization of goodwill, etc. after the PPA for TOTOKU within the planned amount and **the effects of sales expansion and improved profitability in growth driving businesses.**

FY2025 Recognition of Business Environment (After Upward Revision)

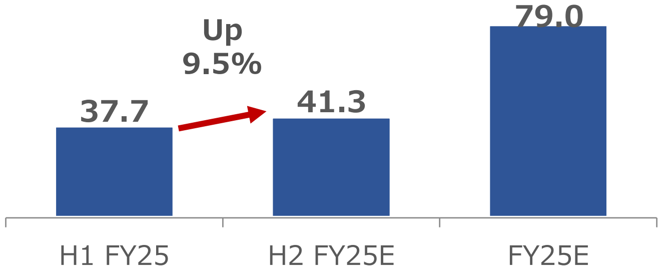
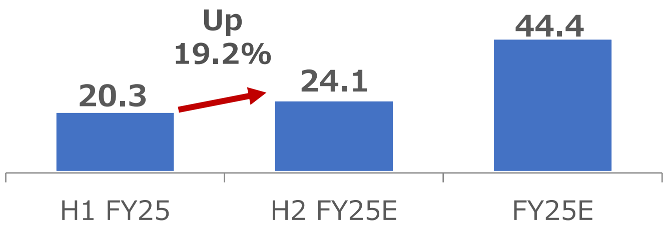
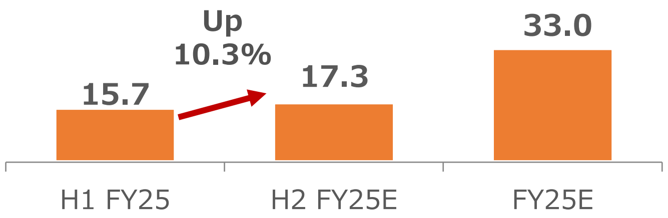
		H1	H2	Full year
Results and Plan	Operating profit	¥11.7 billion	¥14.3 billion	¥26.0 billion
	(YoY)	(11.9%)	(36.4%)	(24.2%)
	Operating profit margin	9.0%	10.2%	9.6%
	Dividend	90 yen (Dividend increase of 10 yen)	110 yen (Dividend increase of 10 yen)	Full year 200 yen (Dividend payout ratio of approx. 37.0%)
Recognition of Business Environment	Construction	The extreme slump in Q1 improved in Q2.	Shipments are expected to remain at the same level as the previous year in H2.	
	Electric power	Stable demand from power companies under the revenue cap system Increased profit margins due to improved added value across electric power business as a whole	We will expand our share through increased production of SICONEX® to meet robust power infrastructure demand and the adoption of SICONEX® as the de facto standard, among power utilities and in the private sector	
	Communications	e-Ribbon®: Strong sales to AI data centers in North America Growing demand for high-grade LAN	e-Ribbon®: Expansion of sales to AI data centers in North America through expansion of production capacity Growing demand for high-grade LAN	
	Automobiles	Automobile production in Japan improved. Sales of high-performance products for EVs were strong in Europe. Seat heaters performed solidly as planned.	Sales of high-performance products for EVs will remain strong but sales of seat heaters will weaken due to customers' inventory adjustments	
	Semiconductors	Inventory adjustments of end customers	We expect sales expansion in China and recovery of demand among end customers	

Full-year Plan by Segment (After Upward Revision)

In H2, we expect recovery in construction cables and expansion in the Power Infrastructure, Communication and Mobility Businesses. We also anticipate that TOTOKU's sales will be weighted towards H2.

	(Unit: Billion yen)	FY25 Results for H1	FY25 Plan for H2	FY25 Full-year Plan (after revision)	Progress rate %
Energy and Infrastructure Business	**Net sales**	**61.1**	**68.9**	**130.0**	**47.0%**
	Construction Cables	37.7	41.3	79.0	47.7%
	Power Infrastructure	20.3	24.1	44.4	45.6%
	Seismic Isolation/Others	3.2	3.4	6.6	47.9%
	Operating profit	**8.6**	**9.6**	**18.2**	**47.0%**
	Operating profit margin (%)	**14.0%**	**14.0%**	**14.0%**	–
Communication and Components Business	**Net sales**	**64.5**	**68.0**	**132.5**	**48.7%**
	Communication Cables	15.7	17.3	33.0	47.6%
	Mobility and Semiconductor Applications	23.9	25.1	49.0	48.7%
	Industrial Applications	24.9	25.6	50.5	49.4%
	Operating profit	**3.1**	**4.7**	**7.8**	**39.3%**
	Operating profit margin (%)	**4.8%**	**7.0%**	**5.9%**	–
	EBITDA margin(%)	**8.7%**	**10.7%**	**9.8%**	–

H1 and H2 FY2025 Performance of Major Segments and Key Focus Areas for H2

(Unit: Billion yen)	Net Sales (H1 / H2 / Full Year)	H2 Key Focus Areas
Construction Cables		・Capture increasing demand from the third quarter, driven by data centers and large-scale projects. ・Continue to enhance profitability through DX initiatives.
Power Infrastructure		・Steady capture of strong construction projects in the second half, as in previous years. ・Increase in acquisition of high-value extra-high-voltage projects.
Communication Cables		・Starting in Q3, we will focus our sales strategy on expanding the 16-core type of e-Ribbon®. ・Continued growth in demand for high-grade LAN.

FY2025 Forecast for Cash Flows and Capital Expenditure Plan (After Upward Revision)

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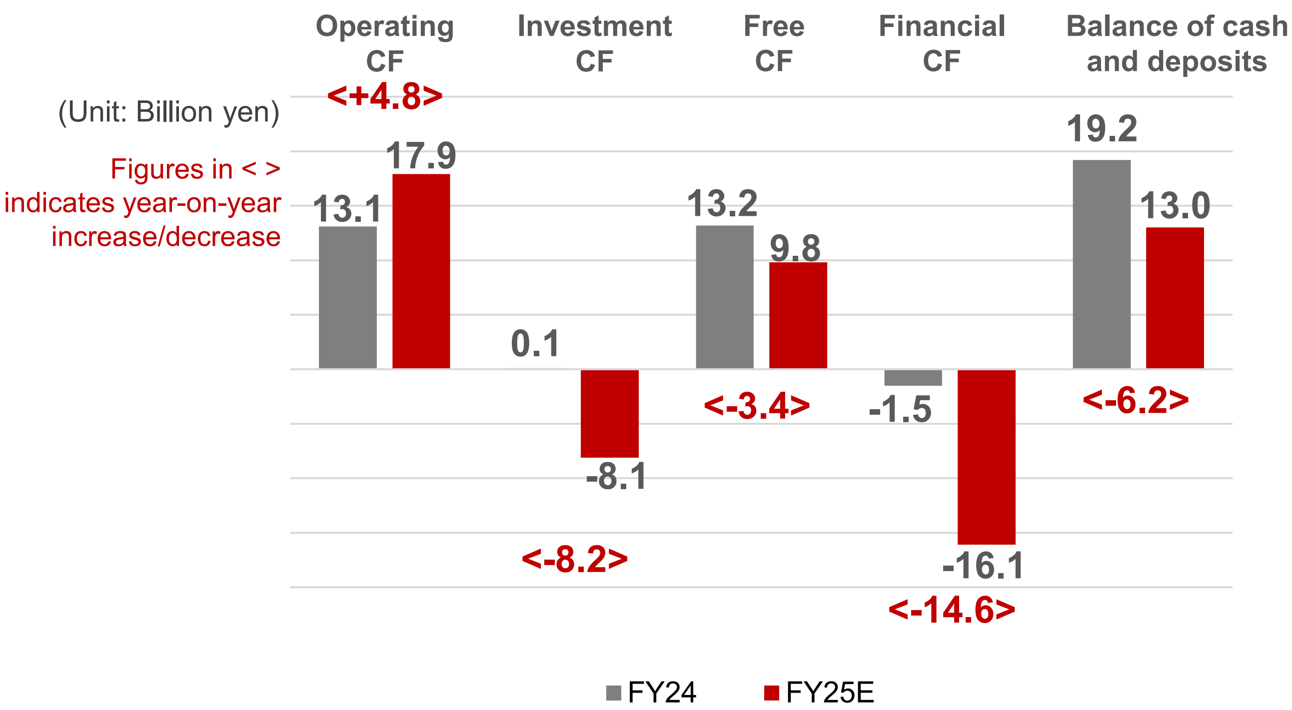
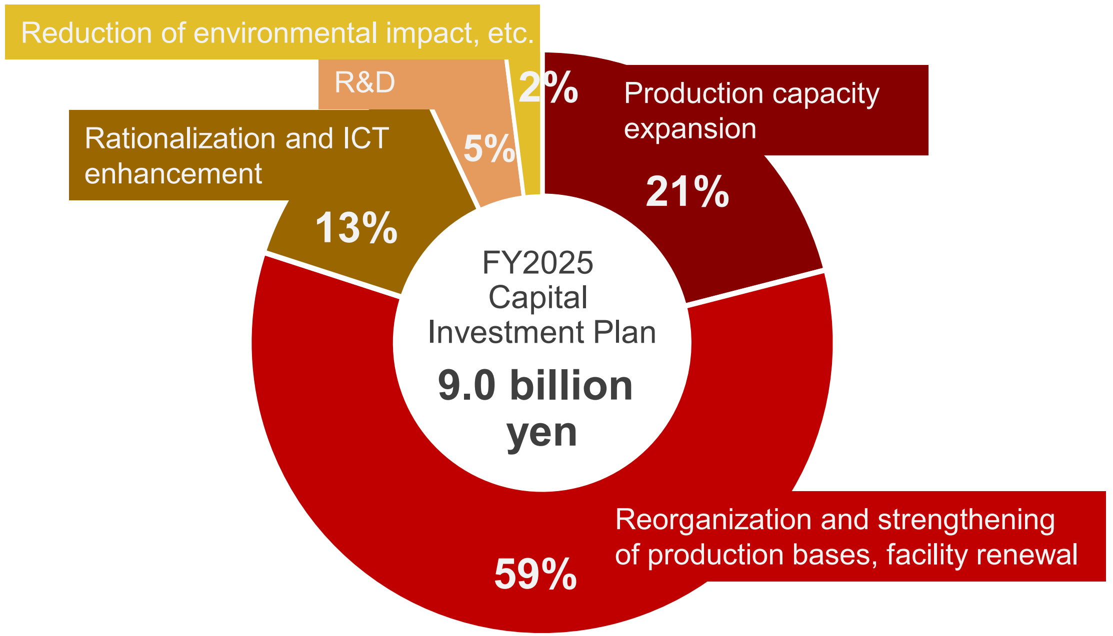
<Consolidated Cash Flow>



Net cash provided by operating activities in FY2025 will increase YoY due to an increase in operating profit and improvement in CCC
Net cash used in investment activities will increase due to planned capital expenditures for growth.
Net cash used in financing activities will decrease due to the reduction of interest-bearing debt through the Group's increased capital efficiency.

<Capital Investment Plan>



Breakdown by Segment

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

* Others 4.1 billion yen above includes the renewal of welfare facilities at each site

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3. Appendix

SWCC Group Reports: Publication of Integrated Report 2025

The SWCC Group Report explains the new challenges we are taking on to advance to the next stage under our new management structure.

The Group introduces the business of TOTOKU INC., which has newly joined the Group. The heads of each segment also explain the business activities of each segment to familiarize readers with the SWCC Group.

The roundtable discussion with outside directors also gives an insight into the frank exchange of opinions within the Group.

We hope you will take the time to read about the SWCC Group's initiatives for creating new value and achieving sustainable growth.

■ **SWCC Integrated Report**
IntegratedReport2025_B.pdf

Acceleration of DX Management for Evolution into a Value Creation Company
News release dated October 22

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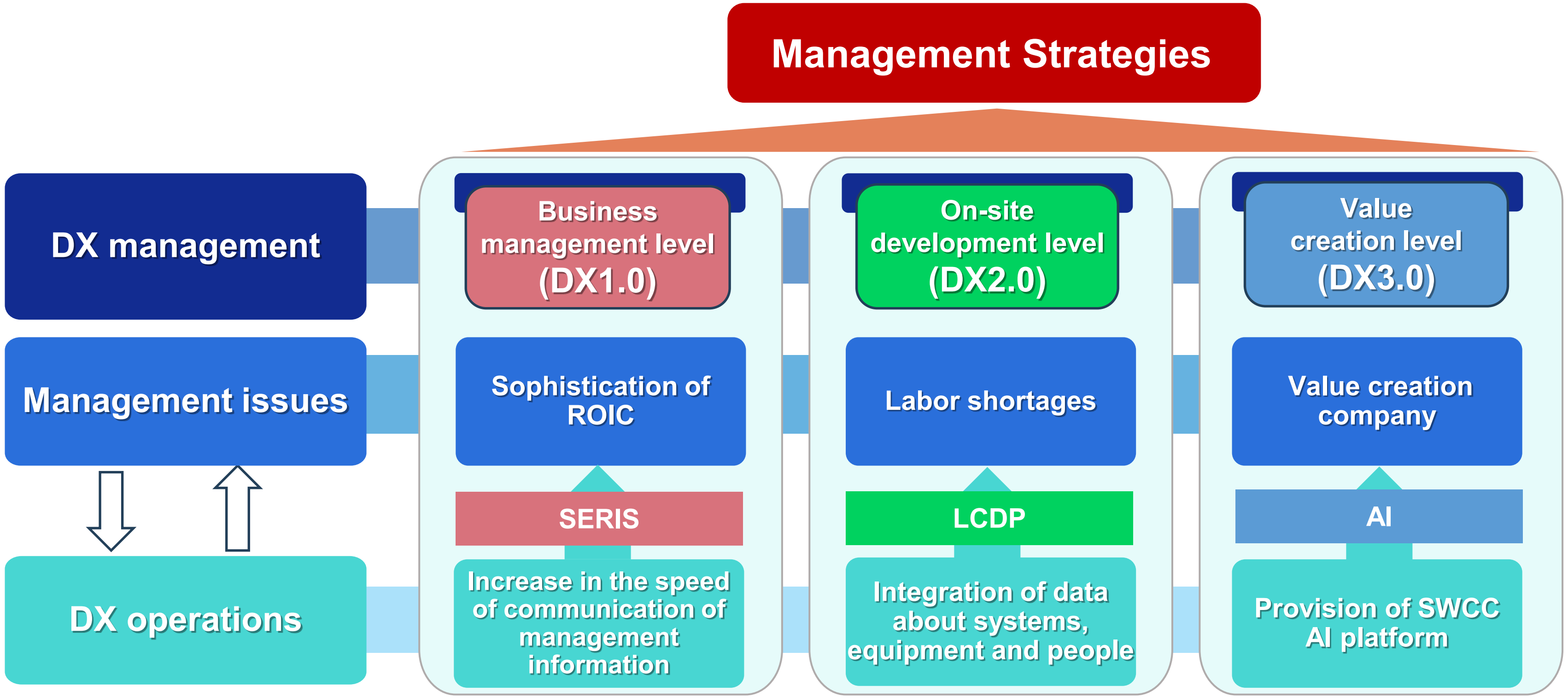
Aiming for further sophistication of ROIC management and transformation into a "solution proposal-type company" in 2030, we are implementing three DX strategies (digital transformation strategies) with digital technologies at their core as part of our new management strategies.

Three DX Strategies
(1) Business management level (DX1.0) Optimization of the speed of communication of management information through the introduction of new systems
(2) On-site development level (DX2.0) Introduce a low code development platform (LCDP) to reduce the dependence of operations on skills and experience and realize on-site operations with small teams of diverse human resources
(3) Value creation level (DX3.0) Use our own generative AI "SWCC_GPT" to improve the efficiency of routine operations and create an environment where employees can concentrate on more creative operations in a bid to promote innovation



◆ News release dated October 22 https://www.swcc.co.jp/jpn/news/detail/2025/news_6993.html

Improvement of Business Efficiency and Acceleration of Growth through Integration of Sites News release dated November 12

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To accelerate growth in heater wire and semiconductor probe businesses and optimize the production system, part of SWCC Sendai's production will be transferred to TOTOKU's Ueda and Maruko sites. Sendai will focus on its strengths in material development and supply, boosting group-wide synergies.

SWCC

Sendai Plant + Yamamoto Factory

Production
- Seat heater wire
- CP

Brand
- Sold under the SWCC Brand

Material Development & Supply

Copper Alloy

→ Transfer & Aggregation →

→ Integration →

TOTOKU

Ueda Factory + Maruko Factory

Production
- Seat heater wire
- CP

Transition to an integrated production system

Brand
- Sold under the TOTOKU Brand

After Consolidation and Integration

TOTOKU

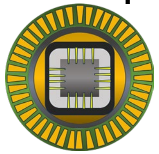
Strengths in Technology, Infrastructure, and Human Resources

Mobility and Semiconductor Applications Under the TOTOKU Brand

Target Products

Automotive Interior Heater Products

Semiconductor Inspection Equipment



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Sustain and Strengthen →

SWCC Material Development & Supply

Strengths in Material Technology and Development

Consolidation and Integration effects expected to be approx. 200 million yen

◆11/12 Press Release https://www.swcc.co.jp/jpn/news/images/20251112B_PRESS_RELEASE.pdf

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SWCC Corporation

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