

# *Progressing Change and Growth*



# Progressing Change and Growth

In April 2023, we established our Purpose as a guide toward unseen summits,  
and continue to drive transformation.

In April 2025, a new management structure was launched,  
and the core business segments were reorganized from three into two segments.

Under the new structure, we will further promote “Change & Growth” and achieve greater progress.

## SWCC Purpose

Innovating new ideas today.

Becoming the norms of tomorrow.

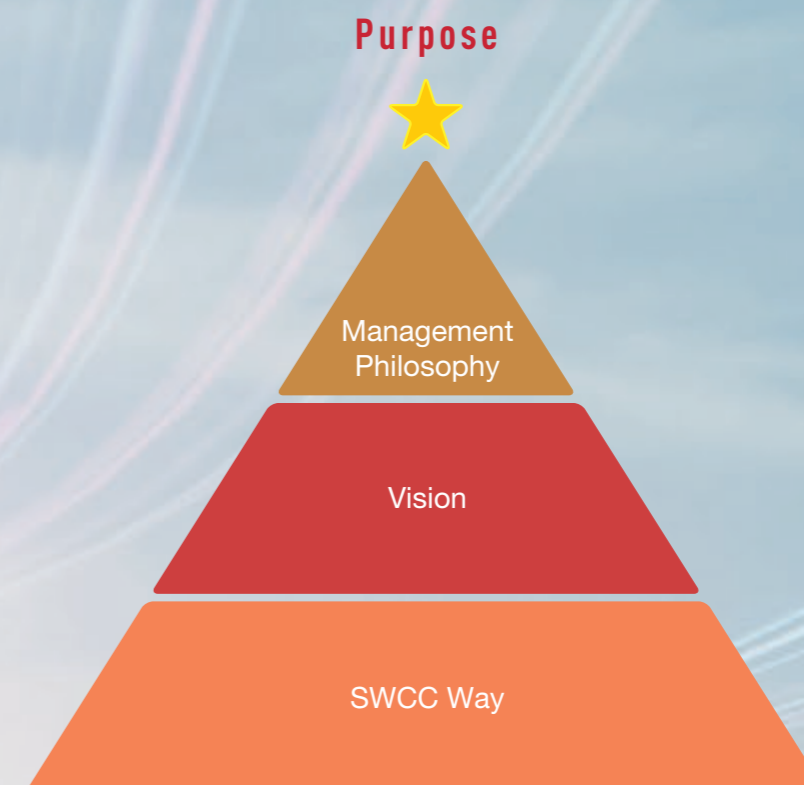
We’re here to face the challenges resiliently  
in this changing world.

With our brilliant technology,  
strong passion and sympathetic thoughts,  
we ensure the highest quality and reliability of our products.

Not only with our traditional cable  
and wire for infrastructure,  
but also with our new products  
and services to enrich our planet,  
we will never stop challenging for a brighter future.

## Management Philosophy

SWCC Group’s Philosophy Structure  
The SWCC Group strives to be trusted



Management Philosophy ..... The SWCC Group strives to be trusted.

Vision..... SWCC aims to become a solution-oriented manufacturer!

SWCC Way (Code of Conduct)

Creating value through “swiftness,” “passion,” and “thinking before acting”

### Swiftness

- We are always conscious of time as an important management resource, and act with an emphasis on speed.
- Reporting, communication, and consultation are done promptly
- When a problem arises, we will promptly resolve it, analyze the true cause, and prevent recurrence

### Passion

- We are not afraid of failure, and constantly challenge ourselves to change.
- We act with the courage to break away from customs that are not in tune with the times.
- We value the trust of our customers and respond with sincerity and care

### Thinking before acting

- We think and act proactively on our own without being bound by precedent or waiting for instructions.
- We are always aware of compliance and are committed to performing work and actions that we can proudly tell our customers and family members about
- We will create a rewarding working environment for each and every employee by always remembering to be considerate of others

## Transformation for Creating New Value



### Business Strategy

In order to expand profitability, we will strategically promote improvements in business optimizations and capital efficiency and aim to strengthen our earning power.

→ For details **pp. 21-24**



### Corporate Strategy, Financial Strategy

Under our new system, we aim to maximize corporate value by improving strategic resource allocation and ROIC management.

→ For details **pp. 27-28**



### Human Capital Strategy

Around the axes of innovation, challenges, and growth, we will promote reformations to our corporate culture and human resources development to realize sustainable growth for both employees and the organization.

→ For details **pp. 29-30**



### Technology and R&D Strategy

We aim to be a value-creating business oriented to providing solutions by strengthening our technology development systems and through data-driven development, human resources development, and business cooperation.

→ For details **pp. 31-32**

## Editorial policy

This integrated report conveys how the SWCC Group is driving reform through the execution of its Mid-Term Management Plan, implementing concrete actions toward 2030 and working to strengthen its foundation for the future. To deepen readers' understanding, we are focusing on messages from the top management, enhancement of management resources, details of the Mid-Term Management Plan, progress on materialities, the current status of our core business segments, and information relating to sustainability. We are also committed to providing comprehensive information on these areas.

■ **Period of the Integrated Report**  
April 1, 2024 to March 31, 2025 (FY2024)  
\* However, this also includes some past and recent activities.

■ **Scope of the Integrated Report**  
SWCC Corporation, consolidated subsidiaries (11 domestic companies, 10 overseas companies) and equity-method affiliated companies (overseas 4 companies)

■ **Referenced guidelines**

- IIRC (International Integrated Reporting Council), "International Integrated Reporting Framework"
- GRI (Global Reporting Initiative) "Sustainability Reporting Standards"
- Japanese Standards Association, "JIS Z 26000: 2012 Guidance on Social Responsibility"

■ **Month/Year published**  
September 2025 (next scheduled publishing date: September 2026)

■ **Other**  
The company brochure, annual securities report, and other company information are available on our website. You can view it there.

### "SWCC Group Report Integrated Report 2025" Foreword

This report is intended for all stakeholders—including shareholders, investors, employees, business partners, and local communities—to communicate the SWCC Group's progress in value creation and its challenges for the future. Our purpose is, "Innovating new ideas today. Becoming the norms of tomorrow," and under this purpose, we boldly embrace change and drive our challenges for growth.

This year, under a new management structure, we are communicating business strategies for further growth and have published "My Purpose" as a way for each employee to reflect on their purpose. We hope that the blending of our corporate purpose with the individual ideas of employees will bring the entire organization together to achieve even more robust and sustainable challenges for SWCC.

We will continue working to further enhance corporate value through active dialogue with all of you.

September 2025

Rie Inuki

SWCC Corporation  
General Manager of the Sustainability Promotion Dept.

## Contents

### Introduction

SWCC Purpose, Philosophy Structure .....	1
Editorial Policy and Table of Contents .....	4
History of Value Creation and Innovation .....	5
Business Activities and Sources of Value Creation .....	7
SWCC Group's Value Creation Story .....	9

### Greetings

CEO Message .....	11
Chairman's Message .....	15

### Practicing the Value Creation Story

SWCC Group Value Creation Process .....	17
Toward Enhancing Management Capital .....	19
Strategy Update	

Business Strategy .....	21
Regarding Joint Acquisition of TOTOKU Shares .....	25
Corporate Strategy, Financial Strategy .....	27
Human Capital Strategy .....	29
Technology and R&D Strategy .....	31
Sustainability Strategy .....	33
Sustainability Initiatives .....	34
Promotion of Materialities .....	35

Business Model of the SWCC Group .....	39
--	----

Strategies and Progress by Business Segment	
Energy and Infrastructure Business Segment .....	41
Communication and Components Business Segment .....	45

Initiatives for Creating New Businesses	
Smart Stream Business .....	51
Initiatives of Digital Promotion Office .....	53
Initiatives of AXIO Corporation .....	55
Initiatives of Intellectual Property Information Department .....	56

### Foundation for Sustainable Management

Addressing Environmental Issues .....	57
Strengthening Partnerships .....	61
Strengthening Human Capital .....	65
Advancing Governance Systems .....	69
Round-table Discussion among Outside Directors .....	81

### Financial and Management Information

FY2024 Financial Results—Key Points .....	86
Financial/Non-financial Highlights .....	87
Key Financial Data for the Past 11 Years .....	89
Consolidated Financial Statements .....	91
Management Team (Introduction of Officers) .....	93
Share and Investor Information/Company Profile .....	95

# History of Value Creation and Innovation

Since its founding in 1936, the SWCC Group has aimed to contribute to the development of a safe and secure social infrastructure and the realization of a sustainable society through products centered on electric wires and cables. And now, under the purpose of “Not only with our traditional cable and wire for infrastructure.” We will take on the challenge of growth areas and create new value.

With our eyes on 2030 and beyond, we will continue to evolve into a “solution-oriented manufacturer” without fear of change and open up a new future. “Innovating new ideas today. Becoming the norms of tomorrow.”

## Dynamic Growth Phase 1936 –

In 1936, our company became independent from the electric wire division of Tokyo Electric Co., Ltd. (now Toshiba Corporation). The company name at the time of establishment, “Showa Electric Wire & Cable Co., Ltd.”, was inspired by sympathy for the Showa era’s ideal of “happiness for all people and world peace.” The inclusion of “CABLE” in the company name expressed the determination to grow into a major company that manufactures and sells all types of electric wires and cables. Thereafter, responding to the demands of postwar reconstruction and rapid economic growth, the company supported the development of electric power and communication infrastructure networks.

- Started manufacturing and sales of bare copper wire in 1937 and communication cables in 1938.
- First introduction in Japan of GE’s Dip forming system, starting manufacture of hard-drawn wire in 1969. Established a supply system for high-quality oxygen-free copper.



Shipment of high-voltage cables  
(Photographed in 1939)



Dip forming system

## Dynamic Growth Phase 1970s –

Amid rapid economic growth, the advancement of information, and globalization, we built new factories both in Japan and overseas to strengthen the production system. Through the stable supply and technological innovation of our main electric wires and cables, we have made significant contributions to the development of social infrastructure and the improvement of the foundation of an information society. We also focused on developing and deploying new products utilizing our electric wire manufacturing technology. With a diverse lineup of products that meet the needs of the times, we contributed to the development of social infrastructure and the improvement of the information society’s foundation, supporting the safety and security of industries and people’s lives.

- Making use of rubber material technologies for electric wires, in 1979 SWCC began manufacturing heat rollers for electronic copiers.
- Making the most of the technologies of rubber itself that were developed in making vibration control rubber derived from electrical wire, SWCC entered the laminated rubber isolator business in 1985.



Heat rollers



General-purpose wires

1936–

- 1936** Establishment of Showa Electric Wire & Cable Co., Ltd. (Separated and became independent from Tokyo Electric Company: now Toshiba Corporation)
- 1937** Started operations in Kawasaki City, Kanagawa Prefecture (start of bare copper wire manufacturing and sales)
- 1938** Began manufacturing and sales of power cables and communication cables
- 1960** Started operations at Sagami Factory

1970s–

- 1969** Started production of rough drawn wire using the dip forming system
- 1972** Start of operations at Sendai Factory
- 1979** Began manufacturing and sales of heat rollers for electronic copiers
- 1995** Started operations at Aichi Factory

## Maturation Phase 2000s –

Amid rising interest in IT, energy transition, and global environmental issues, there has been a demand to respond to the increasingly advanced and diverse social infrastructure. In order to respond to changes in social conditions and diverse needs, we reviewed our corporate and organizational structure and governance system, and contributed to the sustainable development of society and the realization of a safe and secure lifestyle by implementing our unique brand strategy.

- In 2006, we unified the lineup of compact power equipment connection components used to connect power cables or connect power equipment and power cables under the “SICONEX” brand.
- In 2017, we began selling “MiDIP” high-performance oxygen-free copper cable.



SICONEX



MiDIP



e-Ribbon

2000s–

- 2006** Company split, transition to holding company structure, and change of trade name. From “Showa Electric Wire & Cable Co., Ltd.” to “SWCC Showa Holdings Co., Ltd.” Unified our product lineup of compact power equipment under the “SICONEX” brand.
- 2017** Head office relocated to Kawasaki City, Kanagawa Prefecture. Commenced sales of high-performance oxygen-free copper under the “MiDIP” brand.
- 2019** Transitioned from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee. Reviewed business segments and strengthened group governance.

## Start as the SWCC Group 2023–

In 2023, we reorganized our management structure from a pure holding company to an operating company and changed our name to “SWCC Corporation.” In addition, we established our purpose alongside the new structure. The purpose we established was “Innovating new ideas today. Becoming the norms of tomorrow.” Under this purpose, the SWCC Group will accelerate its transformation from a comprehensive wire manufacturer to a solution-oriented manufacturer, contributing to the creation of even higher value-added products and services and the development of a sustainable society.

- Developed the “e-Ribbon,” an intermittently bonded ribbon that simultaneously meets the two needs of thinner cables and improved workability during wiring, supporting the expanding needs of large data centers.
- For the three challenges of the electric power market—skills transfer, operational efficiency, and safety—we deployed effective video solutions for skill acquisition, including AVR (Advanced Virtual Reality).



AVR



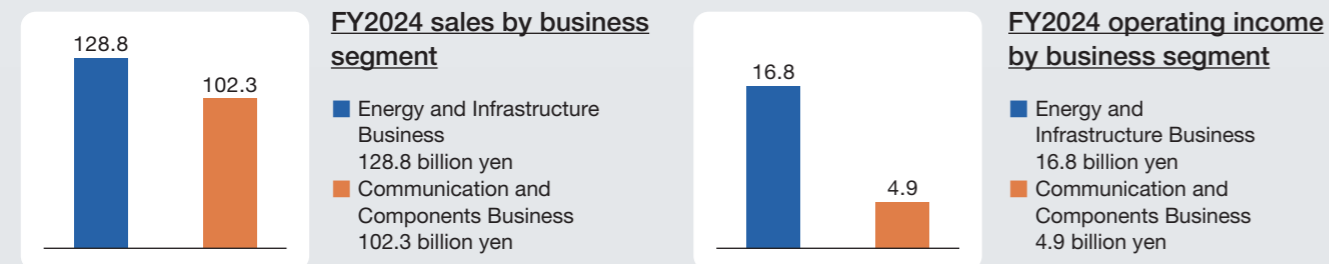
Triple insulated winding wires

2020s–

- 2021** Formulated Mid-Term Management Plan Change & Growth SWCC 2026. Formulated Vision “SWCC VISION 2030”.
- 2023** Reorganized management system from pure holding company to operating company. Changed trade name to “SWCC Showa Holdings Co., Ltd.” to “SWCC Corporation”
- 2025** Acquired shares of TOTOKU Inc. through joint investment.

# Business Activities and Sources of Value Creation

The SWCC Group is developing the “Energy and Infrastructure Business” and “Communication and Components Business” based on the technology and wisdom cultivated over many years in the fields of electric wires and cables. We will respond to the changing times, continue to take on new challenges, and create new value.



## Energy and Infrastructure Business

### The SWCC Group's core business for creating a prosperous social infrastructure

Energy infrastructure is a core business for the Group. Since our founding, we have supported social infrastructure by providing to the world a wide variety of products—mainly electric wires and cables—that run from power plants to homes, as well as products that protect human lives and infrastructure from disasters such as earthquakes and fires. We handle power cables, power equipment products, and seismic isolation products, adapting them to the needs of the times and pursuing high-quality products and solutions that support the new era.

The company's proprietary high-voltage power cable connector “SICONEX” is used in power plants, substations, and building substation facilities. It is lightweight and compact, and its simple joint design reduces manpower and improves work efficiency during installation, significantly shortening construction time. It offers excellent seismic resistance and boasts a market share of over 70% in the substation and private sector markets. With SICONEX at the core, we provide connection installation systems for cables, component parts, construction, and maintenance, while promoting the SICOPLUS strategy, which adds programs for improving efficiency and labor savings in connection work and sustainable human resource development, and expanding solutions business in the electric power market.



SICONEX

**SICOPLUS**

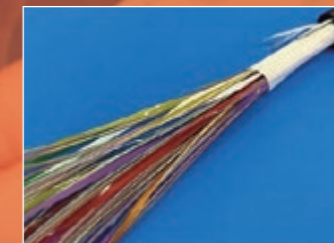
## Communication and Components Business

### Leading the era of high-speed, large-capacity communications with diverse device solutions and proprietary technology

For automobiles, information and communications, and industrial equipment, we offer a wide range of advanced products and solutions—including automotive parts, electronic parts (such as semiconductor test devices), communication cables, wire harnesses, copier components, and FA cables—built upon high-quality materials technology.

The intermittent adhesive ribbon “e-Ribbon,” developed by applying optical design technology, enables the precise connection of large quantities of optical fiber while maintaining its easily deformable and flexible properties. Mainly used in ultra-thin, high-density optical fiber cables, it contributes to improving the work efficiency of wiring installation projects.

High-performance oxygen-free copper wire “MiDIP,” which offers high purity and excellent workability, and high-strength, high-conductivity, highly flexible copper-silver alloy wire are used in automobile drive motors, seat heaters, and more. “MiDIP” is produced using Japan's only dip forming system, in which the entire process from charging electrolytic copper to rolling is performed in atmospheric gas and vacuum environments, and all steps from casting in crucibles to rolling and winding are carried out under strict anti-oxidation measures.



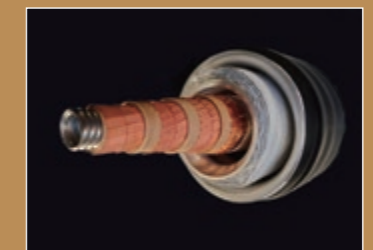
e-Ribbon



MiDIP

## Support for the Solutions Business

### Developing growth markets that bring innovation to society



Three-phase coaxial superconducting cable system

We offer creative products utilizing our core technologies in growth fields such as automotive, factory automation, medical care, AI, and robotics.

In the automotive field, where the switch to EVs and autonomous driving is rapidly progressing, we are developing such solutions as in-car wireless power feed coils. Looking forward, we will push forward with initiatives to expand our lineup of products intended for the next generation of bullet trains and to commercialize our superconductor-related products.

In the IT field, in collaboration with Group company AXIO Corporation, we provide products and services that support such industrial circles as the RPA & AI businesses, the next-generation infrastructure business, and the integrated authentication infrastructure business. With regard to the Zero Trust business, we are switching to a subscription-based, high-profitability business model.

We will pursue new possibilities for the SWCC Group in collaboration with other business segments by developing high value-added products and solutions.

# The SWCC Group's Value Creation Story

The SWCC Group will continue to transform its business portfolio to realize the “ideal state” set forth in SWCC VISION 2030, a vision that extends through fiscal 2030 (fiscal year ending March 31, 2031).

## Current Businesses

### Energy and Infrastructure Business

- Electrical wires
- Power cables
- Electrical equipment
- Engineering
- Electrical equipment
- Vibration control and isolation

### Communication and Components Business

- Communication cables
- Optical connector assemblies
- Electrical wires for devices
- Wire harnesses
- Precision devices
- Magnet wires
- Bare wire
- Oxygen-free copper
- Copper alloy wires
- Electrical wires for automobiles

### Support for the Solutions Business

- Zero trust security
- SWCC Smart Stream
- Superconducting cable system

## Business Portfolio Transformation

### Mid-Term Management Plan Change & Growth SWCC 2026

#### FY2022–FY2023 Comprehensive electric wire manufacturer

- Support growth as a “cash cow” business
- Evolve core technologies

#### Rolling Mid-Term Plan 2024 Delivery of High Value-Added Products

- Expand high-value added products and promote downstream strategies
- Acquire new core technologies
- Utilize M&As

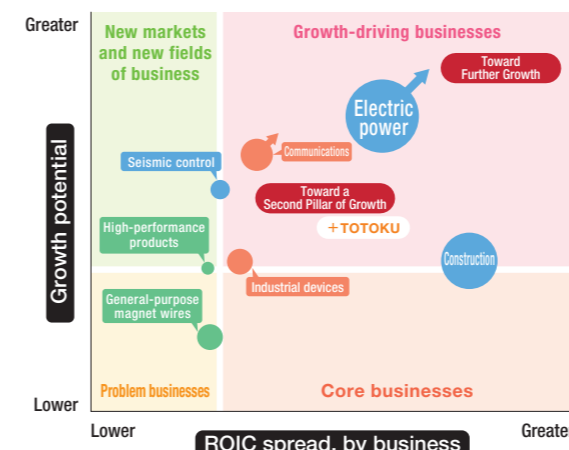
### Change

Enhancing Profitability through ROIC Management  
Transforming the Value Chain and Business Model through DX  
Strengthening Corporate Governance Systems

### Growth

Promoting Social Solution-Oriented Business  
Portfolio shift to growth businesses  
Shift to a growth phase through expanded investments

### Current business portfolio



### Portfolio shift to growth businesses

Sustainability management that supports reforms

### Five Materiality Themes



## The Company We Want to Be

### [SWCC VISION 2030]

#### Creating for the Future

Toward becoming a value-creating business oriented to providing solutions

Providing solutions that contribute toward labor and power savings

#### Values of the SWCC Group

We aim to be a corporate group that continuously enhances corporate value by leveraging the advantages we have cultivated through a variety of products, primarily wires and cables. In order to create new value that will lead to a better future, we will continue to pursue products and services that enhance customer trust, environmentally-friendly products, and corporate value that is trusted and created through sound business activities.

### The Value We Want to Bring to Society

SWCC will provide value that contributes to a sustainable society through its unique products and services.

- Aiming for a secure and prosperous society, we support social infrastructure through measures to deal with increasingly severe natural disasters, as well as the ever-more serious aging of buildings and facilities.
- We are promoting the use of renewable energy, the shift to EVs, and safe and comfortable autonomous driving, which will lead to the realization of a decarbonized society that is the goal of all of humankind.
- We will also develop our business with an eye to the shortages in the working population with the arrival of a full-scale aging society with a declining birthrate, as well as to solving issues faced by the education and medical fields that are essential to people leading affluent and healthy lives.

## Ability to Realize the Story

### Problem-Solving Ability

- Ability to Discern the Essence of Customer Challenges and Key Management Issues
- Strong Awareness and Organizational Power for Problem-Solving

> Strategy Update (P.21–38)

### Leadership

- Leadership of the New Management Team
- Leadership at the Business Frontlines

> Greetings (P.11–16)

### Governance

- Effective Board of Directors
- Financial Discipline, Internal Controls

> Advancing Governance Systems (P.69–85)

### Human resources

- Empathy for the SWCC Purpose
- High Engagement
- Proper Talent Acquisition and Development

> Enhancing Human Resource Value (P.65–68)

From the structural reform phase to the growth phase

# The challenge of new ROIC-focused management



**Tetsuo Komata**

CEO, Executive President,  
and Representative Director

**My Purpose**

Courage to change,  
challenge to transform.  
Let's enjoy growing together!

## The journey of transformation that built a resilient business foundation

I am Tetsuo Komata, the Representative Director, CEO and President of SWCC Corporation. I would like to express my sincere gratitude for your continued understanding and warm support of our business.

I joined Showa Electric Wire & Cable, the predecessor of SWCC, in 1989, and have been mainly engaged in the communication-related business in Japan and abroad for many years. Since 2018, as an executive in charge of Management Strategy for the entire Group under former CEO and President Hasegawa, I worked on management reforms with the slogan “Change & Growth,” or “Transformation and Growth.”

At the core of this reform was management focused on ROIC (Return on Invested Capital). By using ROIC as an indicator of business profitability, optimizing our business portfolio, carrying out decisive restructuring of low-profit businesses, and strategically investing capital in growth businesses, we have established a strong business foundation and achieved significant improvements in profitability and financial health.

The fiscal year ended March 2025 (FY2024) has been a year of remarkable growth for the SWCC Group. Despite a challenging business environment with domestic labor shortages and rising energy, material, and logistics costs, growing demand in the Energy and Infrastructure Business—such as for the renewal and reinforcement of aging

domestic substation facilities and increased investment in renewable energy toward a decarbonized society—was captured by increasing our production capacity through strategic investments to expand output of our high-voltage power equipment SICONEX, a flagship product. In addition, the leveling out of related construction delivery schedules provided further tailwinds, significantly boosting our results. As a result, the Group's consolidated operating profit reached 20.9 billion yen, marking a new record for the second consecutive year, and shareholder returns increased with an annual dividend per share of 136 yen, a 46-yen increase over FY2023.

Through this, we achieved the ROE and ROIC targets in our Mid-Term Management Plan ahead of schedule, and our market capitalization has expanded approximately tenfold compared to 2018. I am confident that, through the management focused on ROIC that we have implemented thus far, the SWCC Group has indeed accomplished a dramatic transformation.

The mission entrusted to me by former CEO and President Hasegawa this year is to demonstrate strong leadership and firmly inherit the mindset and know-how for reform. To rest on our laurels and stand still would be the beginning of regression. Moving forward, by continuing “Change & Growth” as one, without turning back, we will steadily transition from the structural reform phase to the growth phase.

## Mid-Term Management Plan and Beyond

The SWCC Group announced the “Change & Growth SWCC 2026 Rolling Plan 2024” in May 2024, reflecting the progress over the first two years of the Mid-Term Management Plan and recent changes in the business environment, and has revised its targets for fiscal year 2026 onward. Subsequently, as the business environment for the Energy and Infrastructure Business has been performing significantly better than expected and results have exceeded the plan, in February 2025 we raised our targets for operating profit and shareholder returns for fiscal year 2026.

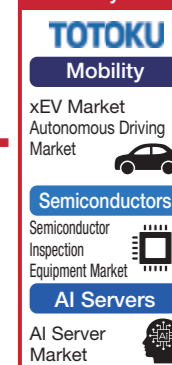
In the second year of the Rolling Plan 2024, which is fiscal year 2025, we will consolidate the structure of the three business segments into two and accelerate the deployment

speed of our business strategies. The first is the “Energy and Infrastructure Business,” which continues to drive the Group's growth. The second consolidates the “Electrical Equipment and Components Business” and the “Communication and Industrial Devices Business” as another pillar of growth and, with the addition of TOTOKU joining the Group this year, has been restructured as the “Communication and Components Business.” As a result, our performance forecast for fiscal year 2025 is net sales of 260 billion yen, operating profit of 24.5 billion yen, ordinary profit of 23.5 billion yen, net income of 15 billion yen, and ROIC of 12.3%, and we will strive for further sales and profit growth following FY2024.

### Medium-Term Management Plan: Change & Growth SWCC 2026 Rolling Plan 2024

		Announced in May 2024		Revised in February 2025
		FY2026 (Forecasts)	Revised Upward	FY2026 (Forecasts)
<b>Profitability</b>	Operating Profit	17.0 billion yen	+ 7.0 billion yen	<b>24.0 billion yen</b>
<b>Efficiency</b>	ROE	14% or higher		14% or higher
	ROIC	10% or higher		10% or higher
<b>Shareholder Returns</b>	Dividend (Payout Ratio / DOE)	150 yen or more (35% or more/4% or more)	+ 30 yen	<b>180 yen or more (35% or more/4% or more)</b>
<b>Stability</b>	D/E Ratio	30–50%		30–50%
	Net Assets	93.0 billion yen	+ 7.0 billion yen	<b>100.0 billion yen</b>

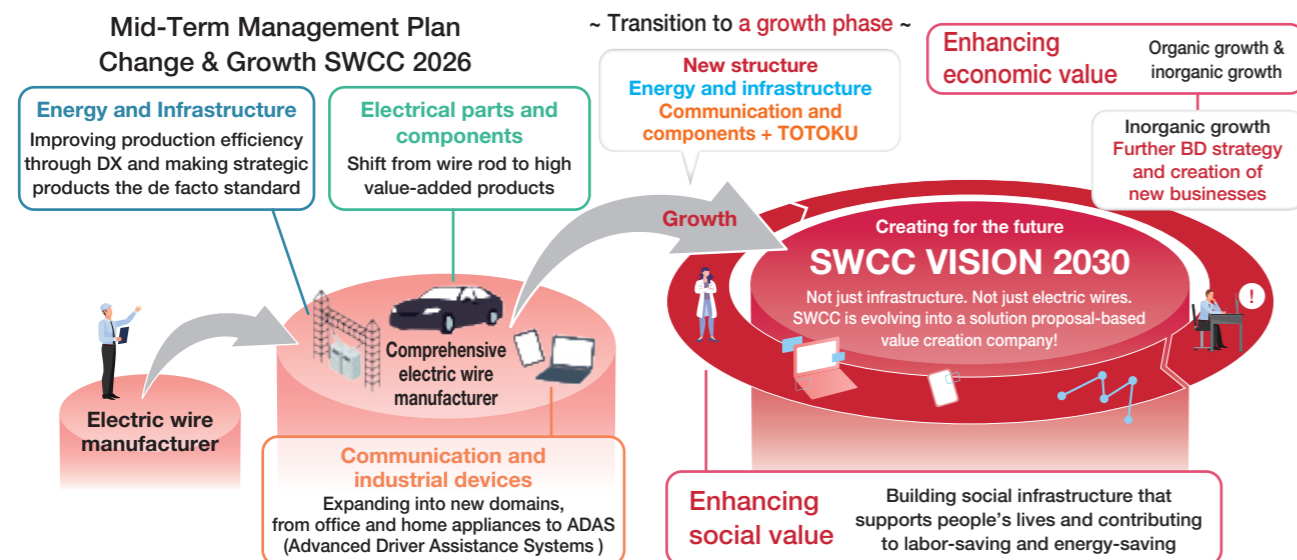
Scheduled to announce consolidated TOTOKU results in February 2026



In addition, we will begin formulating a new Mid-Term Management Plan toward realizing “SWCC VISION 2030,” the ideal vision for the SWCC Group. Since its founding, we have continued to grow as a “comprehensive electric wire manufacturer,” and by 2030, our business domain will become “Not only infrastructure. Not only wires.” Our challenge into new fields will expand globally, not just domestically, and we will transform into a “solution-oriented value-creating company” for further growth. We aim to create new value, contribute to realizing a more prosperous society, and enhance corporate value through sustainable growth.

Under the new management structure, we will turn our ongoing “Change & Growth” initiatives into winning strategies, evolve the ROIC-focused management cultivated during the structural reform phase into ROIC management for the growth phase, and strengthen our ability to generate free cash flow by improving capital efficiency to expand further investment for growth and enhance shareholder returns. The new Mid-Term Management Plan, targeting the goal year of 2030, is scheduled to be announced in February 2026, along with numerical targets for fiscal year 2026 that incorporate the results of TOTOKU, which has joined the Group.

## SWCC VISION 2030 — Our desired state by 2030



## Further strengthening growth-driving businesses: “Further enhancement of the Energy and Infrastructure Business”

The Energy and Infrastructure Business is a core business that continues to strongly drive the growth of the SWCC Group, and we will continue to pursue sustainable growth by further strengthening it in the future.

In the domestic power infrastructure sector, there are ongoing and growing demands to address societal issues such as the aging and reinforcement of substation facilities, and the strengthening of transmission and distribution networks due to expanded investment in renewable energy for realizing a decarbonized society. In response to this robust demand, we made capital investments to increase the production of SICONEX, a strategic product, contributing to sales growth in fiscal year 2024. Furthermore, anticipating demand expansion beyond this, we have initiated a second phase of production

increase investment totaling approximately 2 billion yen, aiming for completion in the second half of fiscal year 2026. Through this, we aim to maximize the competitive advantage of SICONEX and expand profits by providing high added value that combines high-voltage power cables and installation.

Additionally, the domestic power infrastructure faces many challenges that cannot be solved by simply providing “things,” such as shortages of skilled workers for installation, disaster risk prevention, and labor-saving in facility maintenance. Our Smart Stream technology leverages digital technologies such as AI, remote monitoring, and sensing to deliver DX value as “solutions,” and going forward, we aim to commercialize this as part of our Solutions Business.

## Establishing a second pillar of growth: “Communication and Components Business standing alongside the Energy and Infrastructure Business”

We will expand the Communication and Components Business, which started in fiscal year 2025, into a growth business alongside the Energy and Infrastructure Business. We expect that TOTOKU, integrated into the group this fiscal year through our BD (Business Development) strategy aimed at inorganic growth in the mobility and semiconductor fields—positioned as growth areas—will be a driving force for

accelerating growth. TOTOKU has a high level of competitiveness thanks to its unique technologies that achieve “thinner, lighter, and smaller.” By combining the SWCC and TOTOKU’s excellent customer base and technological development capabilities, we will accelerate the growth of the Communication and Components Business by enhancing the synergy effects of cross-selling and joint development.

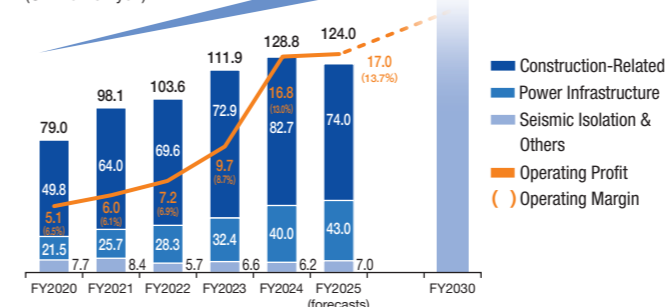
## Key Initiatives Under the New Management Structure for “Change & Growth”

Transition from a three-segment to a two-segment structure starting in FY2025

### Further enhancement of growth-driving businesses

#### Energy and Infrastructure Business

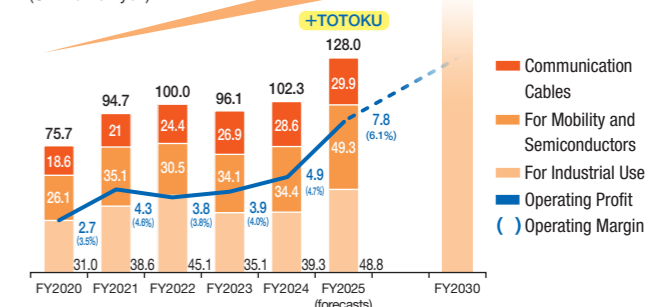
(Unit: billion yen)



### Establishing a Second Pillar of Growth

#### Communication and Components Business

(Unit: billion yen)



## SWCC Purpose and Promotion of Diversity

In April 2023, our company adopted a new name, changing from Showa Electric Wire & Cable to SWCC, and established the SWCC Purpose (reason for being). This purpose, “Innovating new ideas today. Becoming the norms of tomorrow.” expresses our commitment as the SWCC Group to continue existing as a business that “creates new value for the future and contributes to a more prosperous society.” In recent years, as society undergoes rapid changes and its challenges diversify, it is essential for all employees to freely exchange diverse opinions and generate even more innovation from new ideas, without being constrained by old fixed concepts, in order to continuously create new value.

At the SWCC Group, we view the promotion of diversity as the source of innovation creation and continue to act with the aim of fostering a corporate culture in which all employees, full of diversity, play active and shining roles. The initiatives that started four years ago as a project to promote women’s participation have evolved into a diversity promotion project, expanding to activities across the group, such as supporting women’s career development, encouraging men to take childcare leave, and addressing unconscious bias, as well as activities in collaboration with Shibaura Institute of Technology. These efforts have also been highly evaluated externally. Going forward, by strengthening our ability to

generate innovation that opens up the future, we will lead the transformation into a “solution proposal-based value creation company” that we aspire to be by fiscal year 2030.



## Together with our stakeholders

The future of the SWCC Group is supported by the trust and support of all stakeholders, including shareholders and investors, customers, business partners, local communities, employees, and future generations. Based on SWCC’s Purpose, “Innovating new ideas today. Becoming the norms of tomorrow.” We will strive to enhance corporate value by strengthening sound and highly transparent corporate governance, respecting diversity and improving employee engagement, and promoting business activities with environmental awareness to contribute to the realization of a sustainable society.

Furthermore, to enhance shareholder value, we will take on the challenge of a new ROIC-focused management approach, striving to maximize cash flow generated from our businesses by optimizing capital costs and capital efficiency, thereby allowing for active growth investments and enhanced shareholder returns, with the goal to further increase market capitalization. We will continue to promote understanding and support for these initiatives through active dialogue with our shareholders and investors.

We sincerely ask for your continued expectations and support for the SWCC Group.

# The Path of Challenge and Growth, and Toward a New Phase

**Takayo Hasegawa**

Representative Director and Chairman

My Purpose

Contribution to a Growing Company



## The New Foundation for SWCC Built Through Management Reform

Since I became President in 2018, over the past seven years, I have worked to strengthen our management, including our financial structure, and to reform our corporate culture. At the time of my appointment, the company faced major management and financial challenges, and I was determined to complete management reforms within six years as I undertook this initiative. We have implemented multifaceted reforms such as strengthening governance, introducing a segment system, adopting ROIC as a management indicator, withdrawing from unprofitable businesses and restructuring our business portfolio, relocating factories, making strategic investments in growth businesses, shifting from a holding company to an operating company structure and changing our company name, clarifying our purpose and promoting

diversity, as well as enhancing human resources development and employee benefits.

I believe these reforms have not only led to business recovery, but also to a shift toward a corporate culture where every employee continues to take on challenges with autonomy and pride. Through numerous external environmental changes and challenges, with the cooperation of diverse outside directors, executive officers and many employees have joined forces to steadily achieve management transformation. As a result, we achieved the numerical targets set in the Mid-Term Management Plan ahead of schedule, and also made significant progress in work environment and shareholder returns.

## Transition to the New Structure and the Proactive Role of the Chairman

This change in presidency was realized through a fair and transparent process based on the succession plan established by the Nominating and Compensation Committee, which is composed of external directors. Now that we have a new structure, I am determined, as Chairman with representative authority, to be involved in management from a broader perspective.

I believe the role of Chairman is to broadly observe the business environment, social conditions, external risks, and business opportunities, and to bring to management

discussions issues and growth opportunities that may not be fully recognized by those on the ground or the new executive team. With that in mind, while the President and executive officers exercise leadership in the field, I intend to provide candid advice and support as someone who brings multifaceted information and a medium- to long-term perspective to management as a whole. Even amidst these challenging social circumstances, I feel a strong sense of responsibility as “another helm” guiding the company to remain on a path of sustainable growth.

## Expectations for the New President

I hope the new President will not only inherit the management reform methods and mindset we have established so far, but also boldly forge the path toward the next stage of growth. Throughout my term as President, I've conveyed the message that “standing still is the same as moving backward.” Rather than simply seeking stability or maintenance, I expect the pursuit of proactive investment in growth businesses and challenges to drive innovation under a clear vision for growth.

In particular, practicing “ROIC-based management for growth” is the most crucial theme for our company going forward. While increasing efficiency, I strongly urge the company to create a virtuous cycle of timely investments and cash flow, aiming for the maximization of corporate value. I also look forward to drawing out the abilities of our diverse talent, building an organization where employees can take on challenges even more easily, and making flexible management



decisions to seize new business opportunities. As Chairman, I am fully committed to backing the new management team with my knowledge and experience.

## Diversity Is SWCC's Strength

Our Board of Directors and management team are made up of diverse members, fostering free and open discussions unconstrained by conventional thinking, based on their rich experience and knowledge. Rather than aiming to be a “role model,” I hope to further strengthen our corporate culture so that each and every employee raises their sights, expands their imagination, and contributes to the company and society through their own will and capabilities. As Chairman, I will further enhance the quality of our governance and decision-making so that this diversity of strengths becomes a driving force for corporate growth.

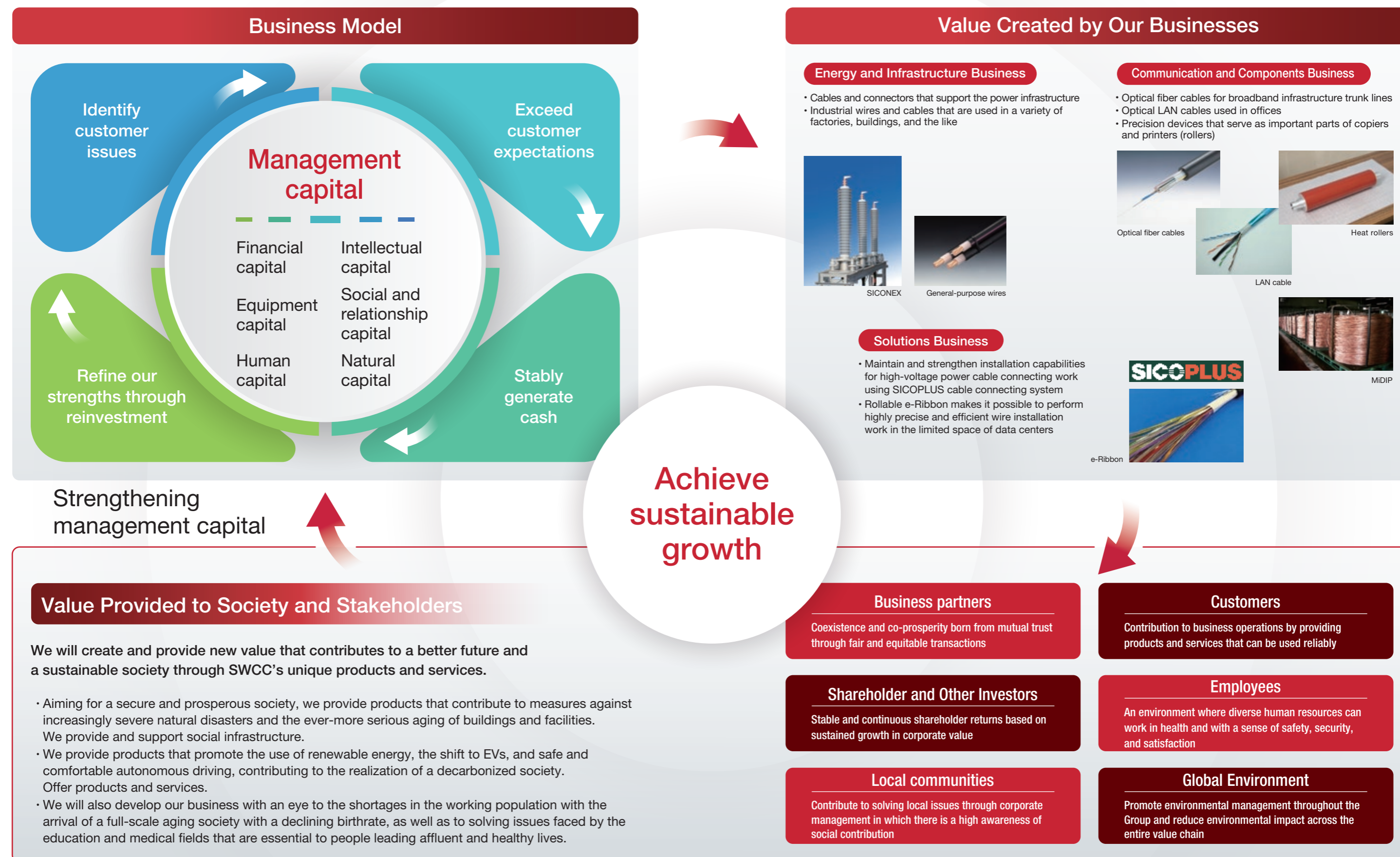
## To Everyone Who Supports SWCC

Our company has developed with the support of a wide range of stakeholders, including shareholders, customers, employees, business partners, and society. Together with the new management team, we will continue to strive for steady transformation and growth, taking on the challenge of becoming a company everyone can be proud of.

As Chairman with representative authority, I will personally actively support the executive side with passion and a broad perspective, driving further evolution of our company. We sincerely ask for your continued support and high expectations for our company.



# SWCC Group's Value Creation Process



The SWCC Group leverages the strength of its accumulated capital to create value for the future through its business. The value that SWCC creates in domains that support economic and social activities such as energy, devices, and communications is shared with all of our stakeholders. This value creation process is a continuous cycle aimed at maximizing corporate value.

# Heading towards Enhancement of Management Capital

## Strength of management capital and enrichment strategy

### Financial capital

**Strength (s)** Excellent financial health and good ROE, ROIC management throughout the workplace

**Issue (s)** Building a financial structure that can withstand market fluctuations, further strengthening earning power, securing an investment surplus  
Strengthening capabilities and securing investment capacity

#### Capital enrichment strategy

**Achieving profitability, efficiency, shareholder return, and stability targets set down in the medium-term rolling plan**

### Human capital

**Strength (s)** Superior development personnel, thorough health management

**Issue (s)** Further improving employee engagement, securing superior human resources

#### Capital enrichment strategy

**Disseminate the SWCC Purpose (strengthen dialogue between management and the workplace), be proactive in recruitment activities, enhance education and training (Strengthening dialogue between management and the frontline) Active recruitment efforts, enhanced education and training**

### Equipment capital

**Strength (s)** Proactive stance toward capital investments (FY2025 Capital Expenditure Plan: 9 billion yen)

**Issue (s)** Aging of existing facilities, expanding production capacity, streamlining non-performing facilities

#### Capital enrichment strategy

**Make steady progress in capital investment plans set forth in the Medium-Term Rolling Plan (FY2022 to FY2026 cumulative total: 36.0 billion yen)**

### Intellectual capital

**Strength (s)** Ability to develop new products and services, multiple high-value added brands (SICOPLUS, MiDIP, etc.)

**Issue (s)** Dealing with technological evolution, shortage of R&D human resources

#### Capital enrichment strategy

**Proactively recruit R&D personnel, increase R&D investment**

### Social and relationship capital

**Strength (s)** Strong relationships with existing customers (brand strength), strong supply chain, good relationships with investors

**Issue (s)** Developing new customers, communicating with stakeholders, and proactively disseminating information (enhancing IR)

#### Capital enrichment strategy

**Enhance marketing activities, strengthen dialogue with stakeholders, enhance IR activities**

### Natural capital

**Strength (s)** Ability to develop full line of environmentally friendly products, efficient use of energy resources

**Issue (s)** Reducing environmental impact, stably procuring energy resources, responding to climate change and preserving biodiversity

#### Capital enrichment strategy

**Expand our environmental contribution-oriented businesses, facilitate recycling, and be proactive in our responses to climate change**

The SWCC Group has management capital that is quite superior. By further enhancing this management capital, investing it in their respective business activities, and making practical use of it to promote the Medium-Term Management Plan and to address materialities, it will serve to enhance our capital and be of use in the creation of various sorts of value.

## Make the Most of Management Capital

		Management capital						Specific utilization methods
		Financial affairs	Human	Facilities	Intellectual	Social and relational	Nature	
Mid-Term Management Plan	Strengthen capacity for CF creation by promoting ROIC management	●	●	●	—	—	—	Evolving a business model requires concentrating our human capital and focusing our wisdom. It is essential that we review and streamline production facilities and investing capital in order to strengthen business portfolio management. We will actively invest financial and human capital to strengthen investments in our priority businesses and make the most of mergers and acquisitions.
	Optimization of capital costs	●	—	●	—	●	—	In addition to the proper allocation of financial capital, it is essential that we make certain our various facilities operate efficiently in order to achieve optimal capital costs. For shareholders, it is necessary to earn funds by generating profits in order to properly distribute the earned funds to shareholders.
	Investments in intangible assets	●	●	—	●	●	—	The appropriate and flexible investment of financial capital is necessary for strengthening our research and development capabilities. In addition, investing in people is essential to ensuring our growth potential for the future. Enhancing our research and development work and human capital also require working together with external partners.
Materiality	<b>[Technology]</b> Our future	●	●	●	●	●	—	To have unflagging research and development, the proactive investment of human and intellectual capital is essential and toward that end, the investment of funds is likewise indispensable. In some cases, research and development may also require working together with outside research institutions and the like.
	<b>[Environment]</b> Our earth	—	●	●	●	●	●	Our greatest objective is to contribute to the environment by reducing our environmental impact. Toward that end, it is necessary that we secure renewable energy through capital investments, and that we invest considerable human resources and focus our wisdom in order to develop and introduce products that contribute environmental value.
	<b>[Local]</b> Our partnership	—	●	—	●	●	●	In order to maintain good relations with local communities, it is essential that we invest the manpower and make a commitment to communicating with local residents. It may also be said that maintaining the local natural environment is also a necessary to living with the community.
	<b>[People]</b> Our people	●	●	—	—	●	—	In order for people to improve their productivity and to maintain and improve their motivation, it is important to first respect human rights, work hard to facilitate communication among employees, concentrate on creating a pleasant work environment, evaluate employees fairly, and reward their work through pay raises and the like.
	<b>[Governance]</b> Our Governance for better company	●	●	—	●	—	—	In order to build a solid governance system and operate it appropriately, it is essential that we invest the appropriate manpower and at all events concentrate our wisdom and deepen discussions at board meetings and the like. Making compensation for directors reasonable and providing them incentives will also require an investment of funds.

●: Important key capital for utilization



# Strengthening business portfolio management to expand profits and focusing on improving capital efficiency

**Yukio Kawase**

Senior Executive Officer  
Supervising Business Segment,  
In charge of Production Sites

My Purpose

“Stronger Together Than Alone”

## Consolidation into a two-business segment structure, making Communication and Components Business the second mainstay

In FY2024, the SWCC Group achieved a record-high operating profit of 20.9 billion yen, an increase of 63.2% year on year. By business composition, Energy and Infrastructure Business accounted for 86.6%, Electrical Equipment and Components Business for 6.7%, and Communication and Industrial Devices Business for 13.4%, with Energy and Infrastructure Business representing the majority.

In light of this, in April 2025, to establish a second pillar after the Energy and Infrastructure Business, we integrated the Electrical Equipment and Components Business and the Communication and Industrial Devices Business, and further added the consolidated subsidiary TOTOKU's business, resulting in the Communication and Components Business. Furthermore, we reorganized sub-segments within this business into three categories based on market growth potential: e-Ribbon, FLANTEC, and specific construction-related

products as the Communication Cable Field; growth markets such as high-performance oxygen-free copper wire MiDIP, seat heater wires, and semiconductor probes as the Mobility and Semiconductor Field; and mature markets such as wire harnesses and precision devices as the Industrial and Device Field.

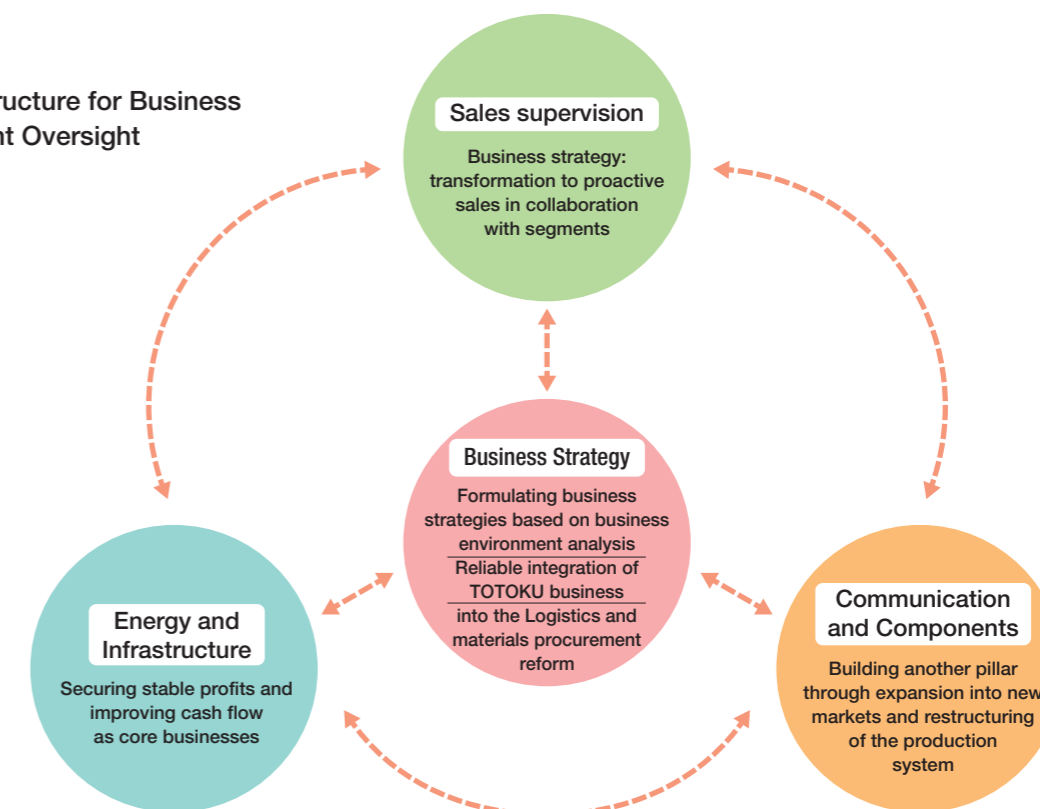
Additionally, to promote strategy across all business segments, we newly established the Business Strategy Department. The three units of Energy and Infrastructure Business, Communication and Components Business, and Sales Headquarters will strengthen their connections, undertaking the role of promoting all business segments. We will advance formulating business strategies based on business environment analysis, integrating TOTOKU business into the group, and reforming logistics and procurement, all based on our Management Strategy.

## Enhancing Business Portfolio Management

The SWCC Group has implemented ROIC management since 2019 and is strengthening its business portfolio management using business-specific ROIC spreads and growth potential. At the annual Business Evaluation Committee, each product area is evaluated based on profit and ROIC, and decisions are made regarding continuation, downsizing, or withdrawal.

In FY2024, we decided to transfer the Aluminum Overhead Power Line Business to Kita Nihon Densen Co., Ltd. and completed this transaction on April 1, 2025. Additionally, in July, we decided to cease production in the seismic isolation business by the end of FY2026.

### New Structure for Business Segment Oversight



## Future Directions for Each Business and Product Area

### • Energy and Infrastructure Business

For the Energy and Infrastructure Business, while aiming for further growth, we will focus on securing stable profits and improving cash flow as a core business.

In the power infrastructure sector, ongoing demand is expected due to replacement and refurbishment plans for power transmission and distribution facilities under the revenue cap system introduced in FY2023, enhancement and expansion plans for the power transmission grid to ensure a stable supply of large-scale renewable energy to the Tokyo metropolitan area, and reinforcement of Japan's nationwide power network as a disaster countermeasure. Additionally, there are forecasts of increased demand related to data centers and semiconductors, which is expected to lead to robust capital investment by power companies in the medium term. Additionally, due to some competitors withdrawing from the business, we expect continued growth in demand for SICONEX direct mold products.

Amid such demand, we increased the production of SICONEX power equipment, which supports areas requiring especially high voltage (working voltage in excess of 7,000 volts) with growing demand, from FY2023, resulting in expanded operating profit. In FY2025, we will make a new investment of approximately 2 billion yen as a second round of production expansion, aiming to sequentially replace and strengthen equipment lines in the factory, with a sales expansion target of 220% compared to FY2023 by FY2026.

In the construction-related sector, supported by a reevaluation of the value of electric wires and subsequent price increases due to a shortage of wires in Japan, profit margins improved in FY2024. Going forward, as it is a field where product differentiation is difficult, we will strengthen our position as a cash cow business while monitoring market conditions and industry changes.

Communication and Components Business

For the Communication and Components Business, we will work to expand into new markets and rebuild our production system.

In the communications cable field, sales of e-Ribbon, LAN cables, and high-speed automotive communication cables are expanding for construction-related applications, including data centers. Going forward, we will collaborate with TOTOKU to promote cross-selling and new product development for each other’s customers, while rebuilding the production system within our group, centered on our company and Fuji Electric Cable Co., Ltd., to improve productivity in the communications cable field.

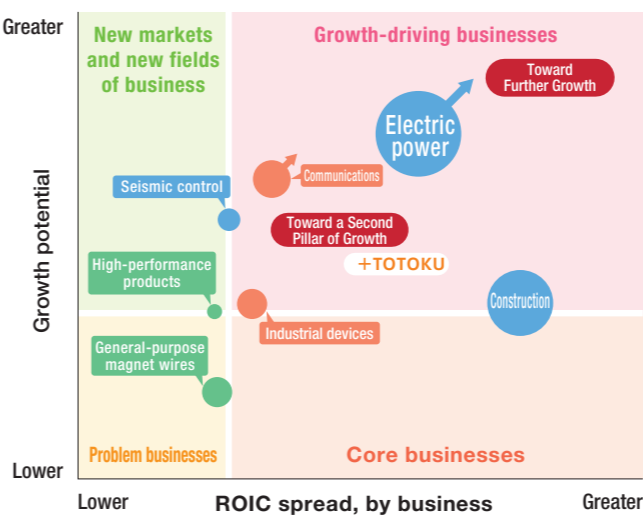
In the mobility and semiconductor fields, we handle MiDIP, copper-silver alloy wires, and high-performance winding wires. We are expanding variations of high value-added products with increased processing and focusing on deploying them to downstream markets. By working in partnership with TOTOKU’s AS (Automotive Semiconductor) Business, which handles automotive seat heaters and contact probes for semiconductor testing, we will strengthen development and sales of automotive seat heaters and probe pins for semiconductor testing, targeting the growth markets of mobility and semiconductors.

In the industrial device field, we will strengthen cross-selling with TOTOKU’s CA (Consumer Appliance) Business, which handles heater wires for consumer and electronics fields, and work to rebuild production and sales systems as our existing production bases in China and Vietnam are joined by

Indonesia and the Philippines. Specifically, although rollers for copiers are produced in Japan, Vietnam, and China, we will examine rebuilding the system to improve productivity and further increase orders. In addition, for wire harnesses in China, demand from Japanese customers has been sluggish, so we will work to expand into automotive applications and new fields, as well as diversify regionally into Vietnam and Southeast Asia.



Current business portfolio and direction



**Business direction perspectives**

Business turnaround and assessment of business retention

- Competitive advantage
- Capital efficiency
- Growth potential
- Our vision
- Synergy with other businesses

Growth and cash cow

**[Electric power]**  
Supplementing market growth and adding options through increased investment in power equipment production

**[Construction]**  
Deepening cash cow business in anticipation of changes in market, business, and industry structure

**[Communications]**  
Growth shift through expanded sales of e-Ribbon and automotive high-speed communication cables

**[High performance products]**  
Strengthen development in growth market segments through MiDIP downstream deployment/integration with AS business

Problem businesses

**[Industrial devices]**  
Downsizing of WH business for consumer electronics and shift to automotive business

**[General-purpose magnet wires]**  
Shifting resources to high-performance products from maintaining immediate profit base

**[Seismic control]**  
The seismic isolation business will end production and sales in March 2027

Focusing on improving capital efficiency to generate cash flow

To generate cash flow, we will develop and implement business strategies to expand operating profit and work to improve capital efficiency in each business segment.

Specifically, to reduce working capital, we have been promoting improvements in the CCC (cash conversion cycle), but the shortening of sales receivables turnaround remains insufficient, so the sales division will take the lead in strengthening initiatives. In addition, together with the manufacturing department, we will work to improve inventory turnover by evaluating and proposing appropriate inventory turnover days for each business, determining optimal timing for materials procurement, improving manufacturing lead time, and reducing the retention period for work-in-process inventories.

Regarding capital investments, we will work to establish an appropriate investment management system based on the

impact on cash flow. Through efficient operation of fixed assets to improve the fixed asset turnover ratio, and by considering points for improvement in the NPV (Net Present Value) evaluation used in investment decisions, we will pursue more optimal allocation of investments, selection of investment fields, and timing within the planned investment amount.

For FY2025, we will focus on further capital investment to increase production in the Energy and Infrastructure Business and investment in collaborative projects with TOTOKU. On the other hand, with an eye on the expanding EV market, we have invested in equipment for EV winding wire at the Mie Plant in recent years. However, as EV adoption has been slower than expected, we would like to assess whether we should continue investing as initially planned.

All members clearly envision the goal and pursue initiatives with high motivation

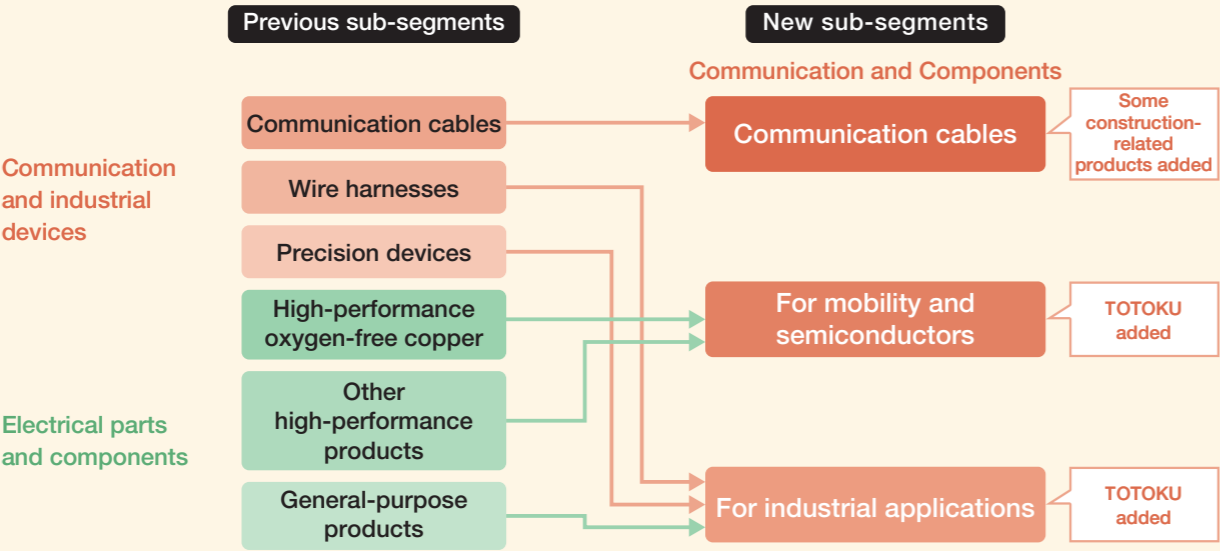
Upon taking the role of segment manager, I conveyed to the segment executives the importance of “putting things into words.” Through verbalization—clarifying the vision, making initiatives concrete, and communicating expectations to subordinates—I will ensure that all members of the segment can clearly envision the goal and pursue their efforts with high motivation.

The SWCC Group’s Management Philosophy is to expand the circle of trust. Looking at the origin of the Chinese character [頼], it also carries the meaning of “to rely or make

a profit.” Our company has steadily increased profits to date, but we believe there is still room for further growth. Under the new business segment structure, while aiming for further growth by positioning the Energy and Infrastructure Business as a core business, we will also work to establish the Communication and Components Business as our second pillar. In addition, we will contribute to the realization of a sustainable society by providing products and services that address social issues.

Comparison of new and old sub-segment structures

In conjunction with making TOTOKU a group company, sub-segments have been reorganized according to market growth potential. Growth markets are consolidated into mobility and semiconductors, while mature markets are consolidated into industrial applications.



# Joint acquisition of TOTOKU shares

## Yoichi Kitagawa

Executive officer  
In charge of business strategy  
and material procurement

### My Purpose

“Self-investment, Self-responsibility,  
Self-realization”

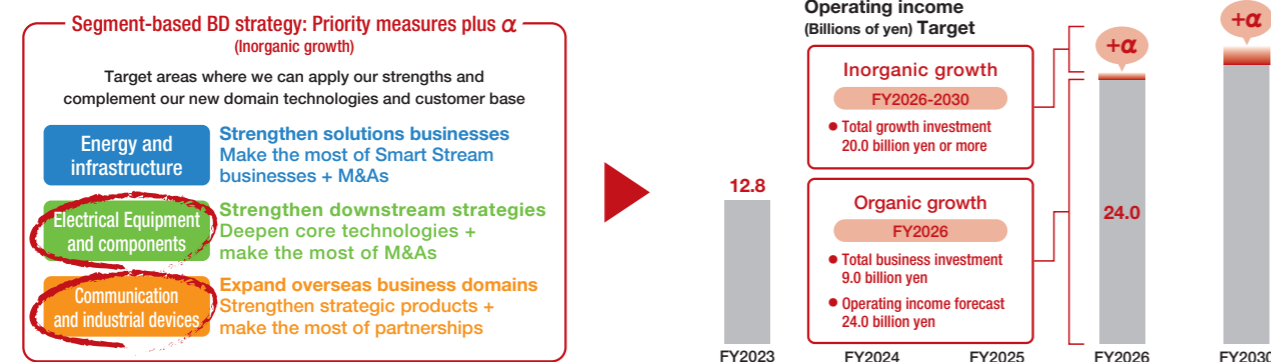


## Made TOTOKU a consolidated subsidiary to drive inorganic growth

The SWCC Group, under the current Mid-Term Management Plan, has promoted a business development (BD) strategy geared toward inorganic growth. The main target areas for this have been the former Electrical Equipment and Components Business segment and the former Communication and Industrial Devices Business segment. For the former segment, the main challenge has been expanding the lineup of more processed products and moving downstream to improve profitability. For the latter segment, the big issue has been expanding overseas business regions. One of the schemes identified for quickly achieving these goals has been M&A under the BD strategy.

With these objectives and challenges in mind, the company that matched the vision the SWCC Group was aiming for in its BD strategy was, in fact, TOTOKU Inc. In March 2025, we acquired all TOTOKU shares through a joint investment with the Development Bank of Japan, making it a consolidated subsidiary. Furthermore, we have integrated the former Electrical Equipment and Components Business segment and the Communication and Industrial Devices Business segment into the new Communication and Components Business segment, and with our addition of the TOTOKU Group, we aim to establish a second core pillar next to the Energy and Infrastructure Business.

### Mid-Term Rolling Plan 2024 BD Strategy (New businesses, M&A, etc.)



## Strong customer base and overseas expansion

TOTOKU is a company with more than 80 years of history, having been founded in 1940. Especially since joining the Carlyle Group, a private equity fund, in 2023, TOTOKU has focused its resources on highly profitable products characterized by being “thin, lightweight, and compact,” shifting its business from wires to electronic components.

Its representative product groups include seat heater wires and contact probes. The former targets the mobility market, and the latter targets semiconductors both growth markets. In addition, they have worked to expand other highly profitable

product lines and strengthen their lineup. Meanwhile, TOTOKU also has product lines for mature markets, such as consumer electronics and office equipment, currently manufacturing and selling heater wires for electric blankets and toilet seats, as well as flexible flat cables (FFC) used in printer internal wiring, in China, Indonesia, and the Philippines.

TOTOKU's strengths lie in its strong customer base and proactive overseas expansion. Regarding the customer base, TOTOKU does business with companies in automotive heaters and major manufacturers of semiconductor testing equipment,

and also sells to customers who have high market shares in each product field. In terms of overseas sales ratio, while the SWCC Group is about 10%, TOTOKU's figure reaches approximately 40%. As a global niche company, each of its

product groups may not be very large in market size, but TOTOKU's strength is in securing a solid position and high profitability within those markets. This also aligns with the position SWCC Group strives for.

## Generating wide-ranging synergies through cross-selling and joint development

SWCC and TOTOKU operate in some overlapping markets such as mobility and semiconductors. However, since each company has a different customer base and distinct product features, we believe there are strong opportunities for synergy, such as cross-selling, without conflict between the two. Furthermore, both companies have unique technologies and know-how developed over many years. Collaboration between their R&D departments enables the joint development of new products that fuse their proprietary technologies and expertise. Additionally, we believe there are many opportunities to create synergies across various fields, including sharing locations and manufacturing lines, leveraging marketing functions and sales resources, and joint procurement.

In fact, after the acquisition, from April 2025, we launched a PMI promotion structure and have discussed action plans for creating specific synergies. This includes strengthening business development by utilizing or integrating the resources and assets of both companies in TOTOKU's main product fields, such as contact probe pins and seat heater wires;

mutual utilization of manufacturing and sales bases; and reconstruction of R&D systems. We have created action and profit plans through FY2030, which coincides with the new Mid-Term Management Plan period. Going forward, we will incorporate these into the new Mid-Term Management Plan and promptly begin with the most feasible initiatives.

Also, through this PMI process, we have recognized again that TOTOKU values its technology and customers and that many of its employees sincerely commit to their missions, which has much in common with the SWCC Group's corporate culture. I consider this a significant achievement. Both the SWCC Group and TOTOKU Group have improved business profitability through past structural reforms and developed adaptability to change, putting them in a solid position to fully enter a new growth phase. From now on, we will promote synergies achieved through the acquisition as a driving force to accelerate entry into growing sectors such as semiconductors and the mobility market, as well as expand our overseas business.

## Toward the next growth stage for SWCC and TOTOKU

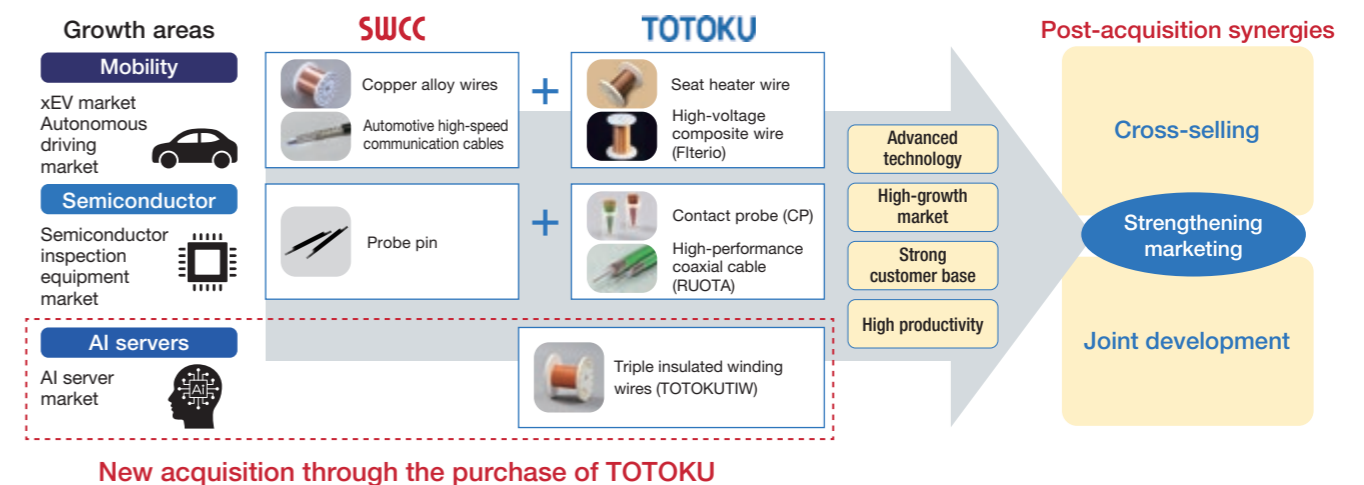
Customers and investors have high expectations with regards to the expansion of our product lineup and creating new business opportunities through collaboration with TOTOKU. Additionally, TOTOKU employees have shown strong expectations and interest in what SWCC and TOTOKU can achieve together, and what new initiatives and developments we will undertake in the future.

This acquisition marks an unprecedented investment decision in the history of the SWCC Group and represents a

significant challenge. However, we believe it is an essential investment for the SWCC Group to continue growing and remain a valuable company to society. The SWCC Group will take responsibility for this major investment decision and ensure it leads to future growth. As we formulate and execute a new Mid-Term Management Plan toward 2030, we will outline the future vision for SWCC and TOTOKU, set out strategies for the next growth stage, and work steadfastly to realize these. We ask for your continued support and expectation.

### The strategic significance of this purchase

This transaction will further accelerate our expansion into growth areas and the expansion of our overseas business, making the mobility and semiconductor business a core business of the SWCC Group.





# Strengthening of corporate functions to realize value creation

**Toshiharu Kamijo**

Managing Executive Officer  
Supervising Corporate Management,  
In charge of Financial Strategy,  
Human Resources

My Purpose

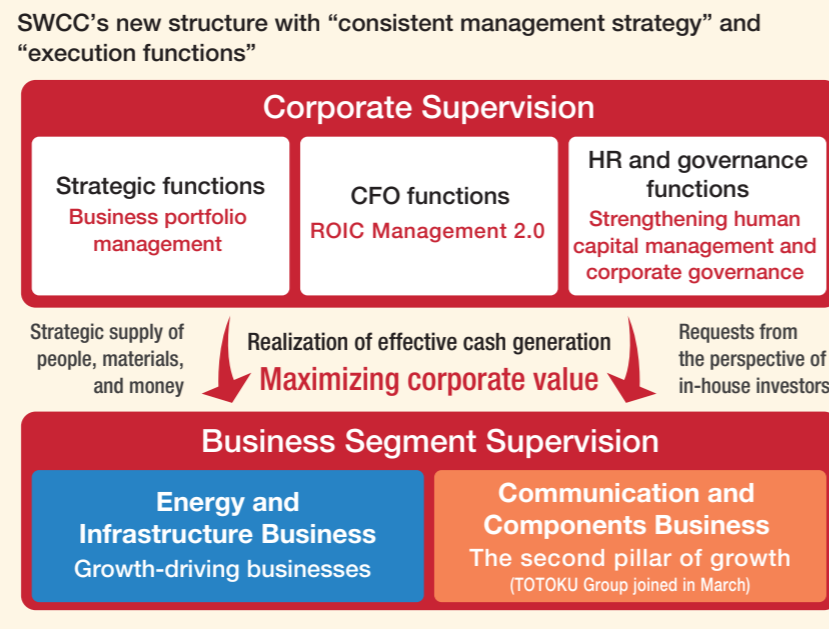
“Leading the transformation,  
challenges, and growth of individuals  
and organizations”

## Corporate Division leading the maximization of corporate value

From FY2025, our company has introduced a new management structure with corporate supervision and business segment supervision.

Corporate supervision oversees the corporate division’s “strategic function,” “CFO function,” and “HR and governance function,” aiming to maximize corporate value through optimal allocation of management resources and management of the business portfolio. In addition, for the business segment divisions, we will make necessary requests from the perspective of in-house investors and provide more timely and appropriate support in finance and HR. At the same time, as a position driving the evolution of group management, we have an important mission to strengthen the centripetal force of the entire group, including TOTOKU Inc., which became a subsidiary at the end of March 2025.

The key point of this new structure is that it possesses both consistent Management Strategy and execution functions. Until now, finance and HR provided “people, materials, and money” in response to the requests of each business division. In the new structure, the entire corporate division will work more closely with the business divisions and will strategically and proactively supply the “people, materials, and money” to achieve effective cash generation.



## Financial Strategy for the Growth Phase

### (1) FY2024 results — achieved “Rolling Plan 2024” ahead of schedule —

In FY2024, the Energy and Infrastructure Business was the driving force, and as progress surpassed each target value of the Mid-Term Management Plan “Change & Growth SWCC 2026 Rolling Plan 2024” announced in May 2024, we revised the targets upward in February 2025. In FY2024, net sales, at 237.9 billion yen (up 11.2% year on year), and operating income, at 20.9 billion yen (up 63.2% year on year), hit record highs. Operating profit margin reached a high level of 8.8%, and we have established a highly profitable structure as a manufacturing company. On the other hand, ordinary profit decreased by 7.7% due to factors such as investment losses in equity-method affiliates and maximum provision for allowance for doubtful accounts, but net profit for the period reached a record high of 11.4 billion yen.

Our dividend policy is set at a dividend payout ratio of 35% and DOE (Dividend on Equity Ratio) of at least 4%. The annual dividend increased by 46 yen year on year to 136 yen. ROE reached 14.3%, achieving the 14% target set in the Mid-Term Management Plan “Change & Growth SWCC 2026 Rolling Plan 2024”.

Additionally, although invested capital increased due to the acquisition of TOTOKU, ROIC reached 11.9%, exceeding the target of 10%.

### (2) From value to growth

Management that is conscious of share price and cost of capital has made significant progress over the past two years. So far, with an emphasis on capital efficiency, [1] Review of the business portfolio based on ROIC as a benchmark, [2] Review of the balance sheet through the sale of non-business assets (land, cross-shareholdings, etc.), [3] Promoted cash flow management by shortening the CCC (Cash Conversion Cycle).

In replacing the business portfolio, we took decisive action against businesses that could not cover capital costs, even if they were profitable. Thoroughly expanding the spread between ROIC and WACC in each business has also contributed to improved profitability. Additionally, the plan to use the idle portion of the Sagami-hara Plant site as a logistics warehouse was initially a plan to lease the land to a developer who would build and rent the property, but we changed the plan to sell the land and secure cash instead. As for cross-shareholdings, we have promoted sales of around 4 billion yen, reducing the balance against net assets to 3.3% as of the end of March 2025.

We are also continuing to improve cash flow, working to shorten accounts receivable payment terms and reduce inventory to improve CCC.

The cash thus secured was allocated to increased production investment in SICONEX, a strategic product, as well as the acquisition of TOTOKU. As a result, our share price rose from 1,895 yen at the end of FY2022 to 7,160 yen after the announcement of the FY2024 financial results, an increase of about four times.

PBR (price-to-book ratio) rose from 0.84 to 2.53, moving steadily to more than twice the level after being below 1. PER (price-earnings ratio), which reflects shareholders’ growth expectations, also increased about threefold from 6.02 to 18.6.

The fact that the growth trend of our core businesses continues and that revenue-generating growth stories are being realized through the implementation of our business development strategy has also been reflected in our share price.

Our market capitalization target of 150 billion yen, set in the financial strategy for FY2026, and the credit rating of “A-” or higher were achieved in FY2024, and our TSR, a KPI emphasized for shareholder value enhancement, significantly exceeded TOPIX performance.

We believe that through our financial strategy and capital policy initiatives, our company has made a significant shift over the past two years from a value stock to a growth stock.

### (3) ROIC Management 2.0 — advancing ROIC management in the growth phase —

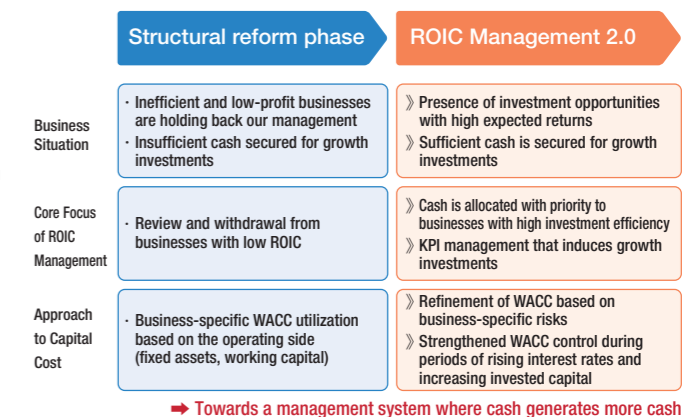
In this context, we position 2025 as a year devoted to formulating a new Mid-Term Management Plan to start from FY2026. The announcement of the new Mid-Term Management Plan is scheduled for February 2026, and we aim to further advance ROIC management. Although ROIC for FY2024 was 11.9%, exceeding the plan, simply raising numerical targets alone does not count as advancement.

We have implemented ROIC management since FY2019, and have thus far promoted the review of low capital efficiency businesses and rigorous management conscious of share price and capital costs. Specifically, we have withdrawn from low capital efficiency businesses using business-specific ROIC and WACC (Weighted Average Cost of Capital), and promoted the spread of the ROIC tree framework.

In FY2024, by controlling WACC, managing cash flow, and expanding the ROIC spread, we sought to enhance corporate value and share price, shifting our position from a value stock to a growth stock and entering the growth phase.

“ROIC Management 2.0” as aimed for in the new Mid-Term Management Plan is the fusion of management that considers business and cash flow growth potential with a capital policy that, more than ever before, focuses on share price and capital cost. If ROIC is used incorrectly, there is a risk of falling into a state of shrinking equilibrium. To achieve growth, upfront investment is necessary, and during that period, ROIC will temporarily decline; therefore, if ROIC becomes the ultimate goal, business managers’ willingness to invest will decrease. In the growth phase, active investment is rather necessary, and we are aiming for ROIC management that achieves a spiral-up where cash is prioritized for growth businesses, generating new profits and cash.

In the new Mid-Term Management Plan, in addition to managing by ROIC and WACC, we are introducing mechanisms that enable each business division to continuously work on improving free cash flow. We also believe it is necessary to carefully examine the key indicators to focus on according to the characteristics of each business, such as whether it is an asset-light business or a high capital efficiency business. The business environment is becoming more complex, but the SWCC Group recognizes that we have reached a stage where we can discern these changes.



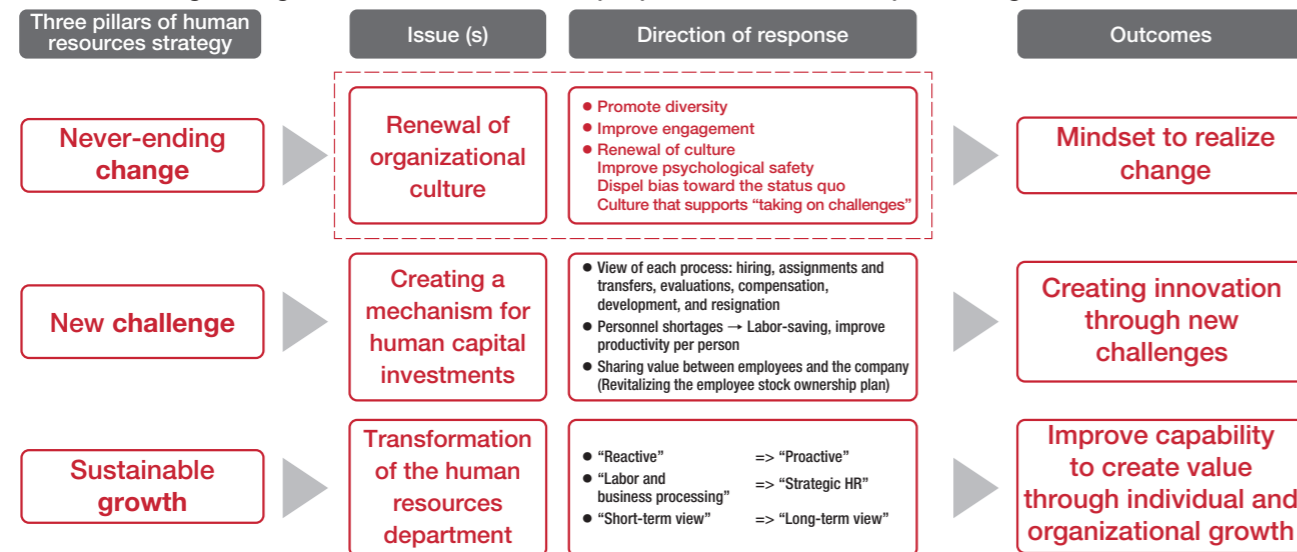
➔ Towards a management system where cash generates more cash

## Toward an organizational culture where people shine through “transformation,” “challenge,” and “growth”

In human capital management, we set forth an HR strategy in 2024 based on three pillars: “Endless Transformation,” “New Challenges,” and “Sustainable Growth” to realize an “organizational culture where people shine.” We have incorporated into these three pillars our belief that both organizations and individuals can continue to grow by continuing to take on challenges without stopping transformation.

In order to steadily advance such HR strategies, we are also strengthening the HR department in FY2025. Specifically, we appointed our first female head of HR and increased the number of HRBPs (Human Resource Business Partners) to three since FY2024, who are playing an active role in strategic HR and engagement initiatives at each business site.

### Toward realizing “an organizational culture in which people shine” in human capital management



## Renewal of organizational culture

Revamping the organizational climate is a time-consuming effort, but we consider it fundamental and essential for corporate management. If a culture of taking on challenges is not fostered by improving psychological safety and dispelling

bias for the status quo, the company will not grow. Just as trees need fresh soil to grow healthily, our company is actively working to improve engagement, promote diversity, and reform corporate culture.

### (1) Improve engagement

Starting in November 2024, we introduced a new engagement survey and conducted detailed analyses. This survey visualized what employees seek from the company and organization, and how well the company and each organization meet those expectations, with the aim of implementing more concrete measures.

According to the analysis, the strengths of the SWCC Group were identified as “company stability” and “workplace unity.” On the other hand, issues such as “improvements in facility environment,” “unclear evaluations,” and “gaps in awareness between hierarchical levels” were raised. To address these issues, we are undertaking initiatives such as improving facilities (e.g., renewing the welfare building), thoroughly conducting feedback interviews for evaluations, and promoting workplace communication improvement activities.

We will continue to repeat surveys and analyses, and the HR department will work together with each workplace and position to implement specific measures.

### (2) Promoting diversity

The Women’s Empowerment Promotion Project, launched in 2021, has evolved and expanded into the Diversity Promotion Project from FY2023. In FY2024, we published an Unconscious Bias Handbook and used it in awareness activities within the company. This initiative was also featured in mass media. Moreover, as a result of actively promoting the use of male parental leave through fostering an internal atmosphere and making policy proposals to the HR department, the SWCC Group’s male parental leave rate in FY2024 reached 51.1%, exceeding the government’s 2025 target of 50%. Ultimately, we aim for a 100% acquisition rate, but in FY2025, we will work to achieve the government’s 2030 target of 85%.

Diversity basically means that people with different ways of thinking, backgrounds, and positions engage in active discussions in order to achieve common goals. We are convinced that the energy generated by the clash of various opinions is the driving force that strengthens the organization. We will continue our diversity activities to drive value creation in the future.

## Creating a mechanism for human capital investments

In 2024, we also began new initiatives in recruitment and HR systems. We introduced a “Welcome Back Recruitment” system to provide opportunities for former employees to return and thrive again as employees. Additionally, to create an environment where employees can take on new challenges more easily, we established an internal job posting system and, as the “Job Challenge System,” made it possible for employees to apply for transfers to departments of their choice, regardless of whether there are open positions.

To promote employee welfare, sense of unity, and the enhancement of incentives, we revised the employee stock ownership plan in February 2024. Specifically, we raised the incentive payment rate from 10% to 20%. We also introduced the Employee Stock Ownership Plan (ESOP), under which, if the share price rises and there are capital gains during the three-year trust period, profits are distributed to employee shareholders in proportion to their contributions. We want our employees to fully benefit from any rise in the stock price.

We believe it is necessary to evaluate overall HR operations from various perspectives, but our company’s low turnover rate is a key strength, with a rate of 2.06% in FY2024. We will continue to address each employee’s career plan and work style so that we can remain a company our employees find attractive.

In FY2025, as measures to encourage transformation and challenges and promote the growth of individuals and organizations, we will fundamentally review and invigorate our company-wide proposal activities, which we have been conducting for some time. While improvement activities had previously focused on the frontlines, we will evolve to initiatives that integrate both headquarters and the frontlines, including new value creation, and expand activities that generate “Becoming the norms of tomorrow.”



## Human resource development for achieving sustainable management

### (1) Succession plan to nurture the next generation of management

The SWCC Group focuses on developing next-generation executives based on a succession plan. The SD Seminar (SWCC Director’s Seminar) for those around 30 years old provides opportunities for future executive candidates to gain management perspectives. This initiative, ongoing since 2015, is also supported by having outside directors serve as instructors and in other programmatic ways.

Additionally, the “Second Next Generation Executive School,” for those in their early 30s to mid-40s and on the path to managerial positions, updates its programs every year to enrich the input required for developing management talent.

Furthermore, the “Next Generation Executive Development Training” for department and section managers in their 40s and 50s incorporates more practical case studies and scenario planning, and is operated as a selection process for executive officers and fellows, with members of the Nominating and Compensation Committee also participating.

### (2) “Project for Developing Human Capital for the Future”

Recognizing that the development of employees and passing on skills that support the frontlines are fundamental to sustainable growth, the SWCC Group has established the “Project for Developing Human Capital for the Future.” We are working to create mechanisms that will not only further enhance the manufacturing skills we have cultivated so far, but also effectively pass them on to the next generation. In particular, we have established a tiered training system for technical positions and are conducting group training sessions, as well as utilizing e-learning and other methods to enhance the skills of our people.

## My purpose = Leading “transformation,” “challenge,” and “growth” of individuals and organizations

The phrase “Leading the transformation, challenge, and growth of individuals and organizations” is the very foundation of our HR strategy.

The year I joined, 2020, was when reform began at our company and was about to accelerate. I myself had experience with similar transformations at my previous company and have drawn on that experience here at SWCC.

In FY2025, while our structure and management will change, I believe we must not stop transformation itself. By constantly evolving, continuously taking on challenges, and both individuals and organizations continuing to grow, we will continue to strive to create such a company going forward. I hope you will look forward to the further growth of the SWCC Group.

# Message from Officer in Charge of Technology and R&D Strategy

Yuichi Morishita

Executive Officer  
In charge of technology planning,  
research and development,  
and intellectual property strategy

## My Purpose

“Don’t be fixated on one thing;  
flexibly embrace new things.”



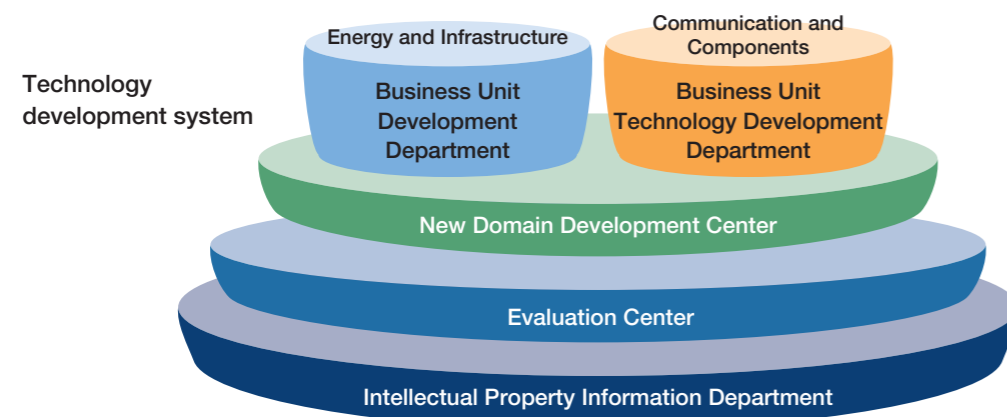
## SWCC’s technology development system and overview

The SWCC Group’s technology development is promoted by the corporate technology and R&D departments, as well as by technology development departments within each business unit. At the corporate level, there are three departments: the New Domain Development Center, the Evaluation Center, and the Intellectual Property Information Department.

The New Domain Development Center is engaged in developing foundational technologies with high research components, developing products in new areas, and development linked to the business divisions.

The Evaluation Center analyzes, evaluates, and examines the technologies and products developed by the New Domain Development Center and the technical development departments within the business divisions.

The Intellectual Property Information Department works on obtaining and protecting patents for products and technology development, as well as building patent networks. In recent years, we have been actively filing applications while planning application strategies, resulting in an increase in the number of patent applications.



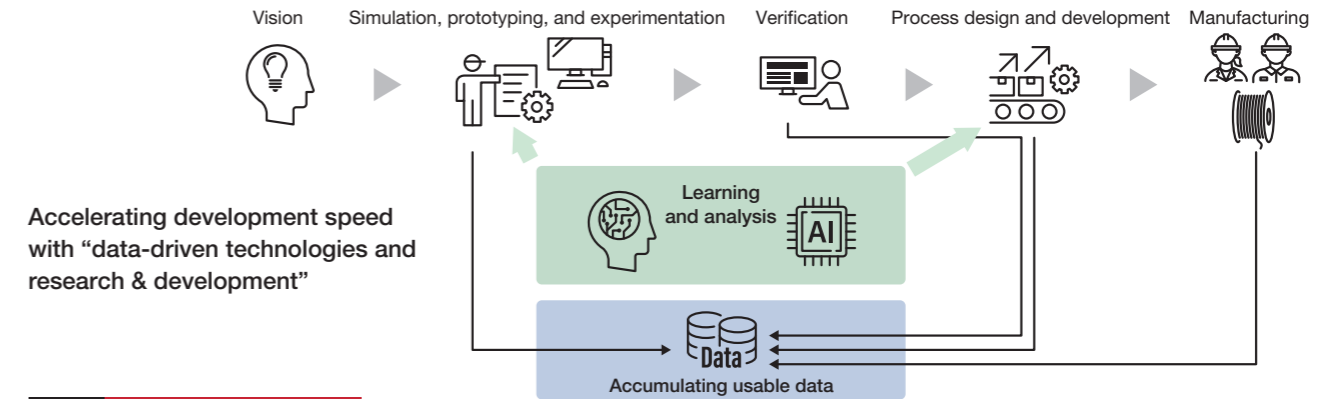
## Development speed improved through data-driven technologies and research & development

The SWCC Group focuses on data-driven technologies and research & development in promoting technological development. We collect large amounts of data in advance and utilize simulations and informatics to analyze materials and processes with AI, based on massive databases and techniques such as machine learning. Over the past five years, we have been working on building our own development system, examining software suited for our technology development, the required data, and analysis methods for the collected data, and we feel that things are finally taking shape.

For example, in order to study metal composition and optimize processing steps, a process of “trial and error” was required, which resulted in long development periods and high costs, sometimes taking years. To overcome this issue,

we built a new copper alloy development process utilizing process informatics, enabling us to predict metal properties based on composition and processing steps. Now we can immediately determine the composition and processes required to meet the properties demanded by customers.

By strengthening this development process, we hope to further pursue the development of metals with outstanding properties such as high strength and high conduction, as well as materials with new properties. Until now, the technology development department has built and acquired these systems, but the next step is to expand their use within the design and development departments of the business divisions, and ultimately apply them company-wide during the current mid-term management period.



## Strengthening technical and development capabilities in collaboration with TOTOKU

Regarding TOTOKU Inc., which became a Group company in March 2025, we have been working together with their Research and Development Division and have been discussing since April. TOTOKU offers a lineup characterized by products that are thin, lightweight, and compact, and possesses unique technologies. While our company mainly provides products for the infrastructure market, TOTOKU handles a wide variety of

small-lot products, mainly for mobility and the semiconductor industries. They have strengths in developing new applications and possess unique technologies in manufacturing processes as well. We hope to foster synergy effects and strengthen our technical and development capabilities by promoting integration between the SWCC Group and TOTOKU, incorporating the positive aspects of both companies.

## Focusing on talent development to strengthen research and development capabilities

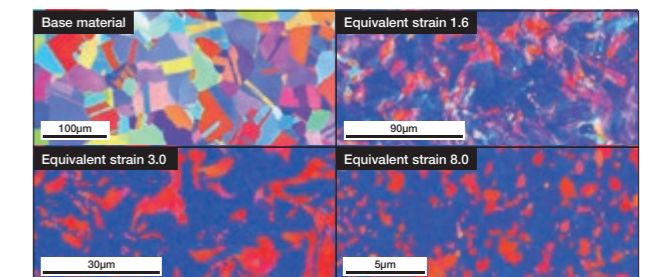
In February 2024, we launched the High-Performance Metals Joint Research Institute in collaboration with Tohoku University. By combining basic and applied research at Tohoku University with the product development and manufacturing processes of the SWCC Group, we are accelerating new product development and social implementation, while also advancing R&D and human resource development that lead to next-generation technologies and products, such as copper alloys and other innovative materials. Several joint research projects have been launched and are producing results, so we hope to present the outcomes of our research by FY2025.

To foster talent that will lead our research and development, we will strengthen the cultivation of advanced research personnel through initiatives with Tohoku University. We will promote the utilization of the “Graduate School and Working Doctor System,” which encourages employees to obtain doctoral degrees by subsidizing graduate school admission and tuition fees. We will also focus on hiring personnel who have earned doctoral degrees. We strive to foster and hire people who can think logically and embrace new knowledge and ways of thinking.

Pursuing differentiated research and development with competitive advantages will enhance our feasibility. For that reason, it is important to take on a large number of themes. In addition to themes from customers and the marketing department, we have established a system that allows employees to freely pursue research and development topics

they wish to work on, even within their work duties. We encourage R&D members to take an interest in new things by participating in academic conferences and other opportunities to experience new technologies and research outcomes. Find new themes you want to pursue, and take on the challenge of “Innovating new ideas today.” as expressed in our purpose.

### Research on microstructural analysis of MiDIP



### Inverse pole figure maps with the drawing direction as the surface normal for each processing degree

In collaboration with Tohoku University, we conducted a study (MiDIP [4N oxygen-free copper]) analyzing internal microstructural changes before and after drawing and predicting the resulting property changes. The figure above (obtained by EBSD) shows that the crystal grains have become finer as a result of drawing, and that a texture with preferential crystal orientation has formed. The results of this study were presented at the 76th Joint Conference on Plastic Working in September 2025.

## Toward becoming a value-creating business oriented to providing solutions

The SWCC Group aims to become a solution proposal-oriented value-creation company by 2030. Toward realizing this Vision, we will continue to promote data-driven technologies and research & development. Regarding intellectual property activities, we have mainly focused on product patents so far, but from now on, we will strengthen the creation of intellectual property that can generate value,

including business model patents.

Moving into the next stage, we will flexibly incorporate the technologies and expertise we need, hone our core technologies to generate new innovations, and work together with the business divisions and the new business group to help create new businesses that contribute to a sustainable society.

## Strategy Update

## Message from Officer in Charge of Sustainability Promotion

## SWCC's challenge for sustainable growth through value creation

Noriyuki Shiga

Executive Officer  
Quality, Safety & Health,  
Sustainability Officer

My Purpose

"Be the compass."



## SWCC sustainability strategy

Aiming to create a future where people can live in tranquility, the SWCC Group is promoting a sustainability strategy that works in conjunction with its business and financial strategies. At the core of this strategy are the Materialities (Key Issues) formulated in 2022. To realize sustainable prosperity for society and enhance corporate value, we define priority themes and advance initiatives based on our action policies.

Materialities consist of five themes and sixteen indicators, with the Sustainability Committee conducting reviews of issues and monitoring progress. In the third year since formulation, many of our initiatives are proceeding smoothly toward their goals.

## Be a compass for the changing world

Regarding Materialities, in recent years, we have seen moves especially in the US—among certain companies and financial institutions—to reassess the importance of decarbonization and DEI (Diversity, Equity, and Inclusion). However, decarbonization is part of corporate social responsibility, and mitigating climate change is a critically important issue for companies, employees, and society. Especially for our company, which operates energy businesses, we recognize this remains a theme we must address sincerely and

For the three environmental indicators (greenhouse gases, waste, and water) positioned as the final year of the new Mid-Term Plan in fiscal year 2025, we were able to achieve the KPI targets a year ahead in fiscal year 2024. On the other hand, KPI targets outside the environmental area are fundamentally linked to the new Mid-Term Management Plan, with fiscal year 2026 as the final year. However, with some indicators, we recognize challenges in achieving them due to changing business environments and the impact of group restructuring.

In fiscal year 2025, we plan to initiate a comprehensive review of Materialities in conjunction with the formulation of the next Mid-Term Management Plan.

continuously. Similarly, on DEI, it is something we need to consider as we prepare for a future decline in the labor population, and for our company aiming to become a solution-proposal manufacturer, the presence of diverse perspectives and ideas is a source of competitiveness. In order to realize our stated purpose—"With our brilliant technology, strong passion and sympathetic thoughts"—we will continue to uphold these policies and work on them.

## Company-wide activities for becoming a "value creation manufacturer"

The SWCC Way (Code of Conduct) advocates achieving value creation through "Swiftness," "Passion," and "Thinking before acting." As we spread the term "value creation" throughout the company, many employees have raised the question of "What constitutes value?" In addition to financial metrics such as sales, profit margin, stock price, and ROIC, the very concept of value is diversifying to include safety, environment, and employee engagement. Based on this background, the SWCC Group has started efforts to restructure company-wide activities to further reinforce sustainable growth. This is an important framework to clarify our corporate purpose as we respond to changing societal demands and values, enabling all employees to unite in creating value.

Looking back on our history, from the days of our predecessor Showa Electric Wire & Cable, we've actively promoted bottom-up improvement activities such as proposal campaigns and small group activities since soon after World

War II. These activities are rooted in the spirit of the Japanese concept of "KAIZEN"—never being satisfied with the status quo and always aiming for better—and have become the foundation of our corporate culture.

Meanwhile, since the early 1990s, top-down business reforms focused on performance improvement have become mainstream, and KAIZEN activities have gradually shifted toward pursuing "hard savings" in monetary effects.

Reflecting these trends, our company has systematized company-wide activities aimed at value creation, launching the new "SWCCVQ (ValueQuest) activity," which was named via an internal public contest. The name of this activity reflects the philosophy of thinking for oneself and seeking out new value (ValueQuest), as well as our basic stance of respecting human resources. Going forward, through these activities, we aim to draw out employees' autonomy and creativity, working to rebuild a corporate culture that supports sustainable growth.

## "Initiatives toward sustainability"

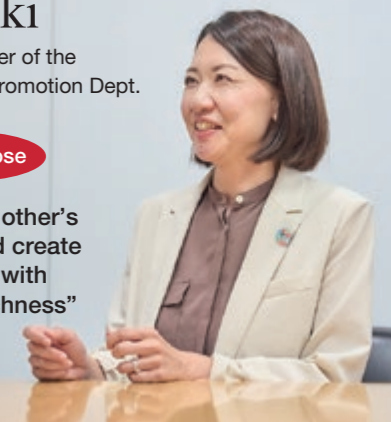
In 2022, we established the "Sustainability Committee" and have been working to build a system to accelerate sustainability management, as well as rolling out various measures—including formulating our "Basic Sustainability Policy" and identifying our "Materiality (Key Issues)." KPIs (Key Performance Indicators) and various measures related to Materiality are aligned with our management strategy overall. By steadily carrying out these initiatives, we aim to create synergies with our business and financial strategies and achieve sustainable growth.

Rie Inuki

General Manager of the  
Sustainability Promotion Dept.

My Purpose

"Utilize each other's  
strengths and create  
time filled with  
emotional richness"



## Sustainability promotion structure

Based on the SWCC Group's Management Philosophy, we have established a Sustainability Committee, chaired by the CEO and President, to promote sustainable corporate management from the perspectives of ESG (Environment, Society, and Governance). The committee consists of executive officers and fellows appointed by the chairperson from each business department as well as executive officers responsible for administrative departments such as human resources, environment, and procurement.

With regard to management issues connected to sustainability, the Sustainability Promotion Department, which serves as the secretariat, consolidates issues and responses from both business and administrative departments. Based on discussions of these matters in the Sustainability Committee, it then formulates a Basic Sustainability Policy, identifies materialities (key issues), promotes strategies based on opportunities and risks, and reports

and makes recommendations on sustainability issues and responses to them to the Board of Directors.

## Sustainability promotion structure



## Sustainability Basic Policy

Through trust and innovation, the SWCC Group aims to solve social issues and improve corporate value to create a sustainable and prosperous future society.

- Provide customers with high-quality products and services through superior technology and innovation
- Work toward the spread of clean and green energy and protect the global environment
- Value our connections with local communities and the value chain in the spirit of "empathy," "coexistence," and "co-prosperity"
- Promote work styles that make the most of individuality and diversity, and work to improve engagement
- Foster a good corporate culture by enhancing the humanity and ethics of our officers and employees

## Status of activities

In accordance with the "Basic Sustainability Policy," we have identified Materiality in five themes—"Technology," "Environment," "Region," "People," and "Governance"—and established action policies for each.

Additionally, we have set 16 KPIs based on these action policies, established medium-term and annual targets for each KPI, and continue management and improvement through the

PDCA cycle. In fiscal year 2024, we confirmed progress toward the set KPIs, identified issues and examined countermeasures, and established our desired vision for 2030 as our KGI (Key Goal Indicator). In fiscal year 2025, in addition to continuing KPI progress management, we will work on integrating Materiality with TOTOKU Inc., which became a Group company in March 2025.

## SWCC Group Human Rights Policy and Multi-Stakeholder Policy

The SWCC Group has established a human rights policy in accordance with the UN's "Guiding Principles on Business and Human Rights" and introduced human rights due diligence. Once a year, we conduct human rights risk assessments for employees and business partners and implement improvement measures. Within the company, we provide education for all employees on harassment prevention, compliance, and diversity. We have also developed an internal whistleblowing system that allows for anonymous consultations, and are working to build a system for

swift and appropriate response. In March 2025, we formulated the "Multi-Stakeholder Policy." Based on our Management Philosophy, we promote trust-building and cooperation with customers, shareholders, employees, business partners, and local communities, and foster relationships of empathy, coexistence, and mutual prosperity. Specific examples are introduced in our integrated report. Details are available on our website. [https://www.swcc.co.jp/jpn/sustainability/esg/society/human\\_rights.html](https://www.swcc.co.jp/jpn/sustainability/esg/society/human_rights.html)



Strategy Update


# Materiality Promotion

## About the status of the promotion of materialities

We have identified five materialities based on our four-step formulation process, and we set indices and KPIs according to action guidelines and regularly check the progress thereof. The Sustainability Department regularly checks the progress, while the Sustainability Committee organizes the planning and results thereof and reports and recommendations to the Board of Directors. The progress of each item is presented below.

### [Technology] Create the future





### Ideal state (KGI)

Provide value that contributes to a sustainable society through our unique products and services

### High-priority social issues

- Spread of sustainable clean energy
- Creation of resilient infrastructure and promotion of innovation
- Realization of resilient and sustainable cities

### Specific reason

There are social issues that have a significant impact on both our company and our stakeholders. We will strive to enhance both social value and corporate value through our core business.

### Action Policy: Spreading sustainable clean energy through superior technology and innovation

Indicator and KPI			Target	Initiatives for FY2025
Sales ratio of products related to xEV (electric vehicles)			20% or over (FY2026)	Automotive heat-resistant, flame-retardant coated flat wire features not only superior heat and flame resistance but also better insulation layer stripping performance compared to competitors, and is being promoted as a new type of electrical component mindful of the environment (recyclability) for market development and penetration. In addition, for xEV winding wires, we aim to increase the proportion of high-performance flat winding wires produced using high-efficiency, environmentally-friendly equipment, thereby increasing the ratio of xEV automotive products.
FY2022	FY2023	FY2024	Progress	
13%	14%	13%	△	

### Action Policy: Create resilient infrastructure for the future society

Indicator and KPI			Target	Initiatives for FY2025
SICONEX product CAGR (Compound Annual Growth Rate)			12% or over (FY2021~FY2026)	Capture new demand (such as replacement demand due to aging infrastructure at substations by SICONEX and SICOPLUS strategies, the advancement of acquiring new power formats, etc.), capture demand from switching to Direct Molded Products due to withdrawal of competitors, and establish a production system capable of responding to expanded orders.
FY2022	FY2023	FY2024	Progress	
18% (FY2021 to FY2022 average)	11% (FY2021 to FY2023 average)	12% (FY2021 to FY2024 average)	○	
Indicator and KPI			Target	Initiatives for FY2025
Number of patent applications			100 or more (FY2026)	We will map patent portfolios to promote invention and creation activities that foster the uniqueness of our own technologies, while suppressing the strengths of competitors' technologies and focusing on market trends.
FY2022	FY2023	FY2024	Progress	
70 cases	71 cases	81 cases	○	

### Impact on society

The development of key technologies to solve social problems will lead to a more affluent society and improve people's lives.

### Impact on business

With its competitive advantages, the Company is able to develop new markets and seize new business opportunities.

## [Environment] Earth friendly



### Ideal state (KGI)

Promote utilization of renewable energy and recycling of resources in order to realize a decarbonized society

### High-priority social issues

- Greenhouse gas emissions
- Reduction of chemical substances and waste

### Specific reason

It is important to play a role in the supply chain and value chain for the environment. In addition, delays in environmental measures have a significant impact on business management, such as the occurrence of additional costs and reputation risks.

### Action Policy: Reduce greenhouse gases through relentless efforts and responses

Indicator and KPI			Target	Initiatives for FY2025
Greenhouse gas (CO <sub>2</sub> ) emissions Including offsets (Scope 1 + Scope 2)			Reduction of at least 50% compared to FY2013 (FY2025)	We will thoroughly pursue energy conservation and improve production efficiency to reduce emissions, while also increasing the adoption rate of renewable energy through measures such as expanding solar power generation and using electricity from non-fossil fuel sources. Monitor the reduction effect of solar power generation at the Mie Business Site and Sendai Business Site, which started operation in 2024.
FY2022	FY2023	FY2024	Progress	
37% from FY2013	38% from FY2013	50% from FY2013	○	

Indicator and KPI			Target	Initiatives for FY2025
In-house introduction rate of renewable energy			30% or over (FY2025)	Promote the planned introduction of renewable energy and carbon offset gas, including expanding solar power generation and using electricity from non-fossil fuel sources.
FY2022	FY2023	FY2024	Progress	
6%	7%	24%	○	

### Action Policy: Promote the recycling of all resources with the collective strength of the Group

Indicator and KPI			Target	Initiatives for FY2025
Final waste disposal volume			Reduction of at least 90% compared to FY2018 (FY2025)	Expand the valuable chemical recycling introduced at the Aichi Factory to other business sites to reduce waste emissions. Promote the reduction of final disposal volume by switching landfill disposal of waste to thermal and material recycling (both valuable and non-valuable).
FY2022	FY2023	FY2024	Progress	
75% from FY2018	69% from FY2018	90% from FY2018	○	

### Action Policy: Use limited water resources effectively

Indicator and KPI			Target	Initiatives for FY2025
Water usage			Reduction of at least 35% compared to FY2018 (FY2025)	Promote reductions through measures such as recycling, leakage prevention, and waste elimination.
FY2022	FY2023	FY2024	Progress	
9% from FY2018	28% from FY2018	35% from FY2018	○	

### Impact on society

Through our own environment responses, and by contributing to the environmental responses of our customers and business partners, we can contribute to easing global climate change.

### Impact on business

- Businesses can be developed to address the migration risks that come with climate change.
- We win social trust as a company that is proactive about the environment.

[Region] Living together



Ideal state (KGI)

Coexisting with society and contributing to mutual development with business partners

High-priority social issues

- Engagement with local communities
- Safety for products and services
- Information and labeling for products and services

Specific reason

In order to conduct sustainable business activities, it is necessary to build good relationships with local communities. In order to resolve social issues, it is important to strengthen communication and relationships with partner companies.

Action Policy: Value connections and develop together with local communities

Indicator and KPI			Target	Initiatives for FY2025
Number of cases of funds/material aid for non-profit organizations, etc. and community contribution activities			Reduction of at least 5% compared to the previous fiscal year (Every year)	Main activities include neighborhood cleanups, accepting hands-on learning and internships, and donations or gifts to local events and educational institutions. Since activities differ by region, examples from each site are shared within the group to promote diversity in activities.
FY2022	FY2023	FY2024	Progress	
Compared to FY2021 5% increase	Compared to FY2022 25% increase	Compared to FY2023 60% increase	○	

Action Policy: Cooperation with the value chain in the spirit of empathy, coexistence, and co-prosperity

Indicator and KPI			Target	Initiatives for FY2025
Score of Questionnaire on Sustainability Procurement Guidelines			Maintain 4.5% or higher (Out of 5 points)	Promote the permeation of the Sustainability Procurement Policy and work jointly with suppliers to raise standards. The sustainability questionnaire is reviewed for target companies, extracting business partners that can cover 80% of purchase amount establishing a system for regular monitoring. Companies rated 1 point on the 3 items identified as human rights risk will undergo hearings. Plans are also in place to follow up on response methods that reflect actual conditions.
FY2022	FY2023	FY2024	Progress	
3.8	4.0	4.0	△	

Impact on society

Contributing to the realization of sustainable communities will lead to the revitalization of local communities.

Impact on business

A strong local presence will increase awareness of the SWCC brand and earn additional trust.

[Persons] People shine



Ideal state (KGI)

Foster a corporate climate that induces innovation, challenges, and growth to create a highly productive organization where each employee can perform high value-added work

High-priority social issues

- Gender equality
- Rewarding work
- Human resources development

Specific Reason

Based on the recognition that this is an issue that should be prioritized as one for society, initiatives aimed at DE&I and efforts to improve engagement will lead to securing talented human resources and improving productivity. In turn, this will drive our transformation and growth, and help us achieve a stage of growth not seen until now.

Action Policy: Promotion of the utilization of diverse human resources (Diversity Equity & Inclusion)

Indicator and KPI			Target	Initiatives for FY2025
Ratio of female managers (section managers)			8% (10%) (FY2026)	Formulate recruitment plans to secure female managers. Establish organizational structures and workplace environments that reflect diversity, and work on eliminating unconscious bias. Support for balancing work and family life, creating systems where women can work comfortably, support for women's advancement to management, individual career counseling, and training programs.
FY2022	FY2023	FY2024	Progress	
6% (3%)	6% (4%)	7% (5%)	△	

Action Policy: Human resources development for the future

Indicator and KPI			Target	Initiatives for FY2025
Average hours of training per year per employee			40 hours or more (FY2026)	Classify training hours into in-house and self-learning etc., and streamline management systems. Strengthen management by establishing new selection training for managers and training after chief promotion before management roles. Promote e-learning and in-house application-based training as well. Revamp next-generation management training and accelerate company-wide talent development.
FY2022	FY2023	FY2024	Progress	
14 hours	16 hours	23 hours	△	

Action Policy: Enhancing Engagement (Create rewarding work and workplaces)

Indicator and KPI			Target	Initiatives for FY2025
Engagement score			National survey deviation score of 46 or higher	In addition to cross-sectional measures such as improving “facility environment” and “transparency of evaluation criteria,” we address individual issues at each site and work to resolve them.
FY2022	FY2023	FY2024	Progress	
46	46	44	△	

Indicator and KPI			Target	Initiatives for FY2025
Lost time injury frequency rate			0.23 or less every year	Carry out health and safety activity diagnoses, education, and workplace patrols to raise employee safety awareness and promote knowledge enhancement among managers. We also focus on new awareness activities, such as proper distribution of notification documents and issuing monthly safety reports.
FY2022	FY2023	FY2024	Progress	
0.68	0.90	0.66	△	

Impact on society

Make it possible to provide ongoing and equal employment opportunities to many people and increase their motivation to work.

Impact on business

Increasing the value of human resources will enable us to increase the value of the company, which will stimulate business and ensure stable corporate activities.

[Governance] Toward a better company



Ideal state (KGI)

Gain recognition as a trustworthy company through our sound business activities

High-priority social issues

- Significant impact on business

Specific reason

We will strengthen governance, risk management, and compliance in order to operate without damaging corporate value. By promoting these initiatives, we can gain the trust of our stakeholders.

Action Policy: Monitoring of corporate management

Indicator and KPI			Target	Initiatives for FY2025
Attendance rate of independent outside directors at Board of Directors meetings and committee meetings			75% or over (Every year)	Maintain a high attendance rate by adjusting the schedules for Board of Directors and committee meetings and thoroughly communicating them.
FY2022	FY2023	FY2024	Progress	
100%	100%	100%	○	

Provide good-quality and safe products and services

Indicator and KPI			Target	Initiatives for FY2025
Failure costs due to quality			Reduction of at least 50% compared to FY2021	As incidents caused by human factors and aging equipment are increasing, we are promoting measures such as pointing and calling, double-checking, and checklists, and considering prevention using equipment and sensors.
FY2022	FY2023	FY2024	Progress	
10% decrease compared to FY2021	5% increase compared to FY2021	35% decrease compared to FY2021	△	

Indicator and KPI			Target	Initiatives for FY2025
Customer satisfaction			Maintain score of at least 4.0 (out of 5 points)	Evaluation of delivery lead time has significantly improved due to the resolution of wire shortages. We will continue efforts to improve customer satisfaction by implementing PDCA cycles.
FY2022	FY2023	FY2024	Progress	
4.2	4.1	4.2	○	

Impact on society

By devoting ourselves to sound management practices, we can continue to provide value to society as a good corporate citizen.

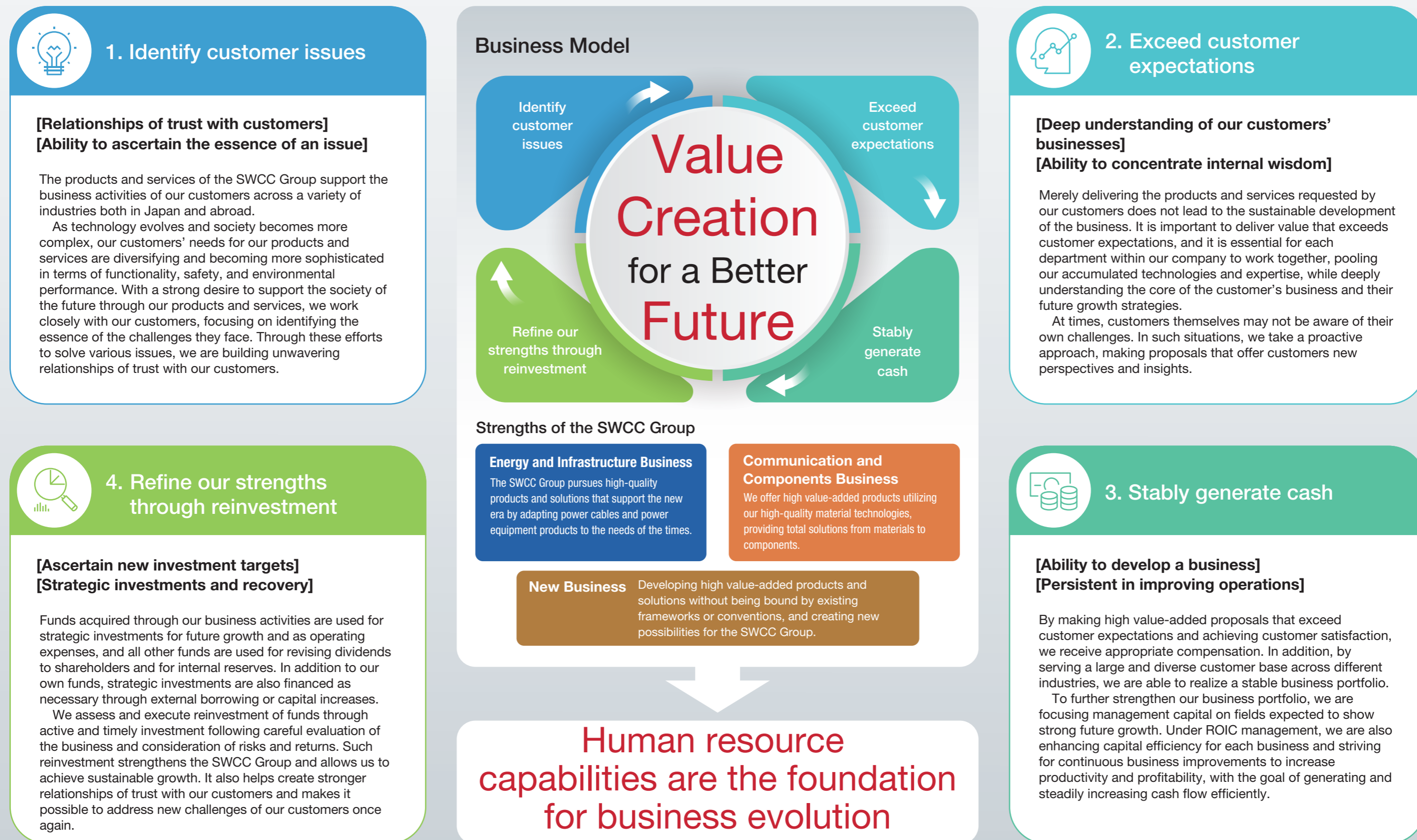
Impact on business

Improving corporate value stably and continuously can be achieved by sticking to sound management through strengthening governance.

## Strengthening the business model

# Business model of the SWCC Group

The SWCC Group operates two core businesses: the Energy and Infrastructure Business, which handles domestic electric power infrastructure and wires and cables for construction, and the Communication and Components Business, which manages automotive parts, electronic components (such as semiconductor testing devices), communication cables, wire harnesses, copier components, and FA cables. In addition to these, we are also working on the development of new businesses focusing on mobility, industry, and IT. In these businesses, we generate valuable products and services for our customers by running a business cycle consisting of the four elements outlined below.



## Strategies and Progress by Business Segment

## Energy and Infrastructure Business segment

**We are building a production system to meet demand, delivering high-quality products to the construction and power sectors at job sites.**

The Energy and Infrastructure Business consists of three sub-segments: Construction, Power, and Seismic Isolation. We handle power cables of categories extra-high voltage and higher electric wire cables for construction and electric sales, and connector components as products, and deliver them to electric power companies, electric equipment manufacturers, and construction companies. We are also responsible for installation and maintenance, providing comprehensive solution services. In particular, the high-voltage power cable connector “SICONEX” has received high praise and has grown to command an overwhelming market share in its sector. We will continue to provide safe and reliable products and solutions to meet growing electricity demand and contribute to building resilient power grids.

## My Purpose

“Embrace change, and continually evolve”

Shiro Moriguchi

Executive Officer  
Chief of Energy and  
Infrastructure Business Segment

## Business segment chief interview

## Q1 Please tell us about your business performance in FY2024.

Net sales for the Energy and Infrastructure Business for FY2024 were 128.8 billion yen, an increase of 15.1% compared to FY2023. The breakdown is 82.7 billion yen for construction-related projects, 40.0 billion yen for electric power infrastructure, and 6.2 billion yen for seismic and other. Operating income was 16.8 billion yen, achieving a record high.

The main factor behind the increased revenue and profit was the strong performance of SICONEX, which is highly valued for its advantages such as being lightweight,

## Q2 Please tell us about future market trends.

We forecast net sales to decrease to around 124 billion yen. The decrease in revenue reflects the transfer of certain construction-related products to the Communication and Components Business due to restructuring of the segment organization from FY2025 and factors such as a decline in

## Market Forecast for FY2025 to FY2026

## Construction

(Business Environment)

- While stable demand is expected, demand adjustments are anticipated due to factors such as delays in major projects caused by workstyle reforms at construction sites and reviews of construction plans due to rising material costs.

(Measures)

- Improve capital efficiency and increase cash generation by providing new cross-Group sales services and promoting logistics reforms

## Electric power

(Business Environment)

- Power grid reinforcement, renewable energy, datacenters, and semiconductor-related sectors continue to perform well

(Measures)

- Expand sales by fully utilizing SICONEX production capacity. We are making an additional 2 billion yen investment to expand production at the Sagami-hara Plant.

## Basic Strategy

## Construction

- Raising the level of profitability with differentiated products (construction burden-reducing cables)
- Improve capital profitability by promoting DX management

## Electric power

- Maximize contributions from increased investment in SICONEX production capacity for high-voltage power cable connectors
- Promote installation workforce training
- Human resource capabilities are the foundation for business evolution (Smart Stream Business)

## Q3 Please tell us about the vision for the Energy and Infrastructure Business toward 2030.

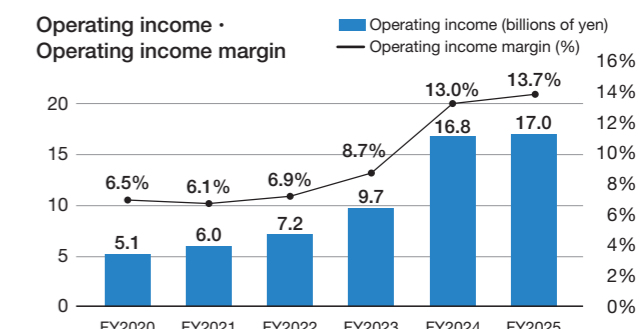
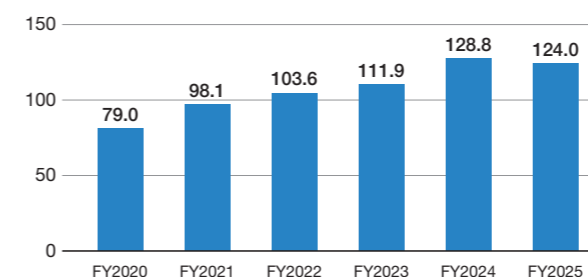
With SICONEX as our core, we will accurately respond to the various needs of the power infrastructure sector. We made the first round of capital investment to increase SICONEX production in FY2023. Furthermore, in anticipation of even greater demand for upgrading aging equipment in the substation market and for strengthening transmission and distribution grids toward a decarbonized society, we are also making a new investment of around 2 billion yen (second round of capital investment) in new equipment. As a result, we plan to expand sales by 220% compared with FY2023 by FY2026.

We are also actively working to introduce sensing technology going forward. Specifically, by integrating sensors into SICONEX, we will establish a system for constant monitoring of installed equipment to detect early

signs of failure. This makes it possible not only to respond after equipment failures, but also to perform appropriate maintenance before failures occur, enabling so-called preventive and predictive maintenance. Furthermore, we are introducing the same technology into our own manufacturing equipment so that real-time monitoring allows us to quickly detect abnormalities or deterioration in equipment, prevent sudden failures that may accompany increased production, and maintain a stable production system.

These efforts to utilize sensing technology are being carried out in collaboration with the SmartStream Business Promotion Office. Through these initiatives, we hope to contribute even more to solving challenges for both our customers and society as a whole.

Net sales (billions of yen)



## Q4 Please tell us about your initiatives regarding environmental issues.

Since 2021, we have successively introduced on-site PPA solar power generation at each site and procured electricity with non-fossil certificates, steadily reducing Scope 2 emissions. Going forward, we will also explore diverse procurement methods.

We are also making efforts toward a circular economy by, for example, adopting an eco-material sheath—a recyclable material—for cable outer coverings, and recycling cross-linked polyethylene, the insulation material for cables.

For the packaging of SICONEX, we have been actively switching from conventional wood crates and plastic cushioning materials to reinforced cardboard packaging, with easier disassembly and better recyclability in mind.

Meanwhile, since material procurement is the main cause of large Scope 3 CO<sub>2</sub> emissions, in addition to our own reduction efforts, we will also promote emission reduction initiatives in partnership with our suppliers.

## In Closing

I want to transform SWCC into a company capable of driving industrial change, so that it can sustain itself into the future. We will always consider not only immediate profits but also how we can contribute to society from the perspective of a century-old company, such as responding to major social issues like global warming and population decline.

We recognize that this business segment will continue to play a central role within the Group. We will continue to move forward with society, striving with all our efforts to achieve both sustainable growth and the creation of social value.

## Strengths of the Energy and Infrastructure Business segment

	Construction-related	Electric Power Infrastructure
Main products	General-purpose wires, industrial wire cables, aluminum cables	Extra-high voltage power cables, connector components
Main applications	Buildings and factories	Power plants, substations, substation facilities in buildings
Main clients	Construction and electric sales related	Electric utilities, power equipment manufacturers
Production factories	Mie Plant, Ibaraki Factory	Sagami-hara Plant, Aichi Factory
Strength(s)	Supply system, delivery capability	SICONEX features lightweight, compact design, shortened installation time, and easy-joint design
Share	—	SICONEX holds over 70% share in the domestic substation and commercial demand markets

## Energy and Infrastructure Business segment

### Business overview

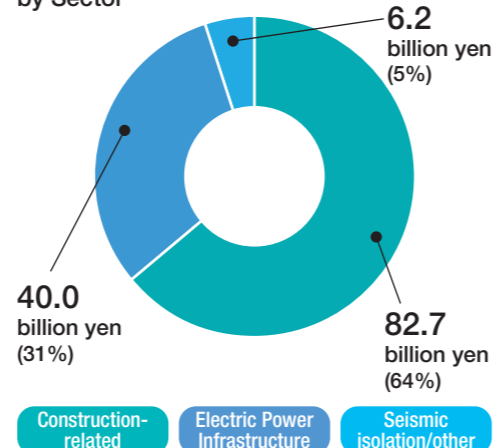
The Energy and Infrastructure Business is engaged primarily in the design, manufacturing, and engineering of wires and cables for domestic construction, electric power infrastructure products, and seismic isolation components.

In FY2024 sales in this segment were 128.8 billion yen, a 15% increase from the previous year. The domestic construction-related field posted sales of 82.7 billion yen, up 13% from the previous year, as we reviewed sales prices to reflect rising raw material costs, promoted efficiency through DX, and captured steady demand.

In the power infrastructure field, robust demand for the strategic product SICONEX, combined with an increase in domestic power company construction projects, resulted in sales of 40.0 billion yen, up 23% from the previous year.

In the seismic isolation and other fields, sales declined by 6% year-on-year to 6.2 billion yen, due to project delays caused by workforce shortages in the construction industry.

FY2024 Sales and Component Ratio by Sector



### Where you can find SWCC



### Product and service information

#### Industrial wires and cables

These products play an important role in the use of electricity in various settings, from factories and commercial facilities to offices and residences. The SWCC Group not only produces electric wires and cables but also provides logistics services that deliver the required quantity to the required place at the required time, all in a one-stop service for our customers. With the labor shortages in the construction and logistics industries becoming more severe against the backdrop of the 2024 problem, the SWCC Group will utilize DX to streamline the value chain, ensuring the continuous supply of products and services to customers and contributing to the maintenance of social infrastructure that supports secure and comfortable daily life for everyone.

#### SICONEX

SICONEX is a product group centered on lightweight and compact high-voltage power cable connectors utilizing innovative insulation technology. Mainly used in power transmission and distribution equipment, transformers, power plants, and substations, our unique product design has achieved high seismic resistance and shorter construction periods, resulting in a strong share in the power transformation market. As we expect market expansion through the reinforcement of power networks and renewal of aging equipment, we will respond to increasing demand by strengthening our production capacity and expanding our lineup to accommodate even higher voltages. We will continue to support power infrastructure through the supply of products and services and contribute to a stable power supply.



## Messages from frontline representatives

### Ryusuke Nakamura

Showa Furukawa Cable Co., Ltd. (SFCC)  
Kansai Branch Sales 1G Section Manager



#### My Purpose

“Acting with conviction, I serve as a bridge between customers and the company.”

Since joining the company, I have been in charge of sales of electric wires and cables for construction as a sales representative.

Because most electric wires and cables used in buildings and factories are generic products, it is difficult to differentiate from other companies in terms of performance. That is precisely why I have been conscious of what additional value customers can experience beyond the product itself as I go about my work.

Going forward, I hope to promote DX in all processes, including manufacturing, sales, and logistics, so that necessary information such as inventory can be delivered anytime, anywhere.

By doing so, customers will be able to place orders with peace of mind to match their construction progress, and by building deeper relationships of trust, I hope to make us a company more essential to society.

### Yosuke Takano

Showa Furukawa Cable Co., Ltd. (SFCC)  
Administration Division DX and Planning  
Group Deputy Section Manager



#### My Purpose

“Creating value with flexible thinking and action, becoming a force that supports society.”

Leveraging digital technology, I am working to visualize and optimize the entire supply chain for electric wires, including manufacturing, sales, and logistics, to transform business processes for greater efficiency.

At SWCC Group, ROIC management has taken root, and streamlining inventory assets has become an important theme.

On the other hand, various social issues such as shortages of transport capacity in logistics and a declining labor force due to a lower birthrate and aging population are becoming prominent.

DX is a crucial initiative to solve these challenges.

Specific examples include implementing the MTA (Make to Availability) production method for timely inventory replenishment aligned with sales volume and advancing the visualization and sharing of key management information.

Going forward, by utilizing AI and actively combining digital technology with our technical expertise and on-site strengths cultivated over many years, we will further promote operational efficiency.

### Shuhei Ayuba

SWCC Corporation  
Electric Power & Infrastructure Sales  
Department, Electric Power Sales Section  
Expert



#### My Purpose

“We aim to optimize work efficiency and place importance on work-life balance.”

I am responsible for sales and construction services of power infrastructure products such as the SICONEX high-voltage power cable connector for power companies.

Thanks to the high praise from customers for our stable supply capability, high quality, and technical proposal abilities in the power infrastructure business, we have received many orders and contributed to the growth of the Energy and Infrastructure Business, and ultimately, SWCC Group's record-high profits.

Looking ahead, I hope to further increase our corporate value by contributing to the realization of a sustainable energy society through solution-based sales that leverage our technological capabilities. I am also participating in SWCC Group's diversity promotion project, SWCCarat. I want to help create a company where employees can fully demonstrate their individuality and abilities and have flexible working styles that are suitable for their stage in life.

### Misa Tawatari

SWCC Corporation  
Power Systems Department, Power  
Equipment Technology Section  
Technical Team Leader



#### My Purpose

“Taking action now to create the future”

I am engaged in the development and design of high-voltage power cable connector products utilizing SICONEX, an innovative insulation technology.

In the electric power infrastructure market, demand is expanding for facility upgrades, the increase of data centers, and the development of power grids to ensure a stable supply of renewable energy.

SICONEX is highly regarded by customers for its superior qualities in shortening construction periods, reducing labor, and seismic resistance, resulting in over 70% market share in the domestic substation market.

Additionally, to further add value to SICONEX, we have started offering the “SICOPLUS” service, which includes the streamlining and labor-saving of connection construction technologies and human resource development programs.

Moving forward, we will continue to innovate and contribute to both the expansion of demand for the development of power grids and the resolution of labor shortages.

Strategies and Progress by Business Segment

Communication and Components Business Segment

By making TOTOKU a Group company, we aim to combine the strengths of both companies and acquire global market share.

From fiscal year 2025, the Electrical Equipment and Components Business and the Communication and Industrial Devices Business were integrated, launching the new Communication and Components Business structure. The goal is to nurture this as a second pillar alongside the SWCC Group's core Energy and Infrastructure Business. The key to the growth of this business is synergy with TOTOKU Inc., which has become a Group company. In particular, we are working to integrate products and technologies in the components field, aiming to gain market share globally and contribute to sales and profits.

Market Forecast for FY2025 to FY2026

Communications

- (Business Environment)
- Steady demand continues for construction-related applications including data centers, as well as for high-speed in-vehicle communication cables due to the demand for generative AI
- (Measures)
- Global expansion of the intermittent adhesion ribbon e-Ribbon through building partnerships in Europe and the United States
  - Expansion of high-speed in-vehicle communication cables FLANTEC
- (Business Environment)
- For mobility, sluggish performance is assumed due to delayed adoption of BEV
  - For semiconductors, strong performance driven by solid demand for servers for AI
- (Measures)
- Further acceleration of downstream strategy in the seat heater wire and semiconductor test probe pin fields through TOTOKU becoming a Group company

Mobility / Semiconductor

Basic strategy

Communications

- Global expansion of intermittent adhesion ribbon e-Ribbon
- Promotion of high-speed communication cable FLANTEC for automotive applications
- Maximizing synergies from TOTOKU becoming a Group company (further accelerating downstream strategies in the seat heater wire and semiconductor test probe pin fields)

Mobility / Semiconductor

My Purpose

“Passion, spirit, and always with a smile”

Kazuhiko Inoue

Managing Executive Officer  
Chief of Communication and Components Business Segment

Business Segment chief interview

Q1 Please share your forecasts for fiscal year 2025.

With the establishment of the Communication and Components Business—integrating the Electrical Equipment and Components Business and the Communication and Industrial Devices Business—as another pillar of growth alongside the Energy and Infrastructure Business, we consolidated the business of TOTOKU, which joined the group in March 2025, into the segment. Additionally, some construction-related products from the Energy and Infrastructure Business were transferred to this business segment. With these initiatives, we expect net sales of 128.0 billion yen and operating income of 7.8 billion yen for fiscal year 2025.

In the communication cables sub-segment, we aim to expand sales through global promotion of e-Ribbon and by expanding FLANTEC sales for automotive applications. Sales of communication cables are expected to reach 29.9 billion yen. For mobility and semiconductor applications, we are planning sales of 49.3 billion yen, which is an increase of 14.9 billion yen from fiscal year 2024. Of this, the contribution from TOTOKU is expected to be 11 billion yen. Furthermore, for industrial applications, sales are expected to reach 48.8 billion yen, which includes 13 billion yen in sales from TOTOKU's business.

Q2 Please tell us about the purpose of integrating TOTOKU.

The purpose of business integration with TOTOKU is to devise a growth strategy centered on components and create profits. TOTOKU has strong capabilities in the components domain, and by making it a group company, the overall business foundation of the SWCC Group is further strengthened for greater competitiveness.

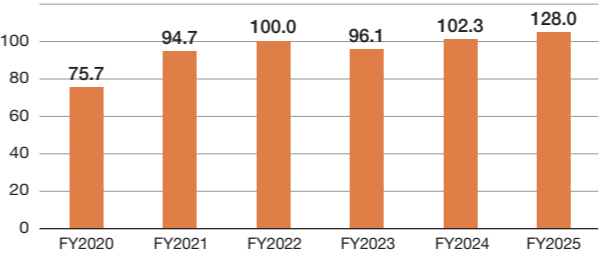
Moreover, with TOTOKU's vision of becoming an electronic component company that co-creates with customers and delivers surprise and excitement, along with an organizational capability that boasts about 40% overseas sales, we expect to generate significant synergy within the SWCC Group.

Q3 Please tell us about the vision for the Communication and Components Business segment.

This business segment aims to continuously provide sustainable value in the global market through innovative partnership strategies based on core technologies. For the global expansion of the intermittent adhesion ribbon e-Ribbon, we are forming partnerships with overseas cable manufacturers and developing a business that adds value to partner products by leveraging our core technologies.

We are also expanding into the mobility field based on technologies cultivated in the high-speed LAN market,

Net sales (billions of yen)



Q4 Please tell us about the products that will lead business areas expected to grow going forward.

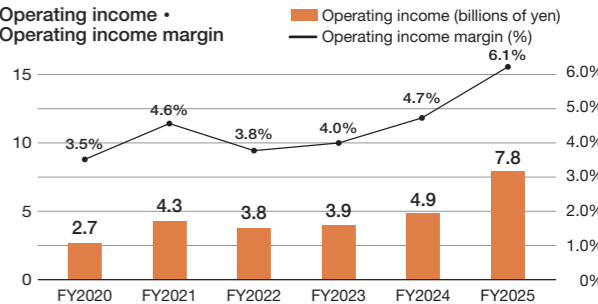
The mobility and semiconductor sub-segment is expected to be a growth area.

One of the products in the mobility field is seat heaters. The demand to enhance in-cabin comfort by heating car seats is expected to further increase seat heater adoption rates. Both SWCC and TOTOKU offer seat heaters, but since their specifications and target customers differ, reciprocal complementary effects through cross-selling can be expected. The combined sales of both companies account for over 30% of the global market share, enabling us to secure a significant share in the world market.

In the semiconductor field, TOTOKU was an early entrant in the market for probe pins used in electronic component testing. TOTOKU's products are used in the downstream packaging process, with the main customers being jig manufacturers centered in Japan, and hold a market share exceeding 35%. Meanwhile, SWCC Group's customers are pin processing manufacturers in Taiwan, offering products

providing cable solutions suitable for image transmission from in-vehicle cameras and high-speed data transmission between ECUs to help build the communications network environment required for advanced driver assistance systems.

In this business segment, we aim for further expansion of the communications business, promote synergy creation with TOTOKU, and advance the transformation into a solution-proposing company.



Q5 Please tell us about your initiatives to reduce CO2 emissions.

The domestic production bases for the Communication and Components Business consist of seven locations: three SWCC facilities (Sagamihara, Mie, Sendai), two sites of Fuji Electric Cable Co., Ltd. (Isehara, Kofu), and two TOTOKU sites (Ueda, Maruko), resulting in a significant impact on climate change, such as with regards to CO2 emissions. In particular, the Mie Facility is equipped with copper casting equipment and baking furnaces that consume a large amount of energy. Starting in April 2025, solar power generation will be introduced, recovering approximately 3%

of the electricity used by the Mie Facility. In addition, CO2-free electricity and carbon offset gas are being introduced for both electricity and gas. In the winding division, we are working to reduce environmental impact by updating to high-efficiency and energy-saving equipment when introducing new lines. As a result of these measures, the Mie facility as a whole has reduced CO2 emissions by 24% year-on-year from FY2023 to FY2024. We will continue to strive to reduce CO2 emissions in accordance with our commitment to the TCFD recommendations.

Q: How do you expect synergy effects with SWCC?

True to the former company name “Tokyo Special Electric Wire,” TOTOKU has long been committed to developing unique products and focused on specialized fields and domains. This “pursuit of uniqueness” has been inherited as part of our corporate DNA for many years. We have carried out our business with the desire to be an irreplaceable company relied upon by customers.

TOTOKU's vision to become an electronic component company that co-creates with customers and delivers surprise and excitement is highly compatible with SWCC's solution-oriented business model. The SWCC Group's prowess in materials and material development, as well as production technology, combined with our strength in customer-oriented product design. By fusing these two strengths, we are confident that we can offer the market an even higher level of added value.

Furthermore, although both companies handle products in the same category, there is minimal overlap in customer bases. We believe this leads to expanded business opportunities and a broader commercial sphere. We will continue to maximize synergy while leveraging each other's strengths.



Ken Maki  
TOTOKU Inc.  
President and Representative Director

My Purpose

“While watching the clouds beyond the hill, we carve out the future together with our colleagues.”

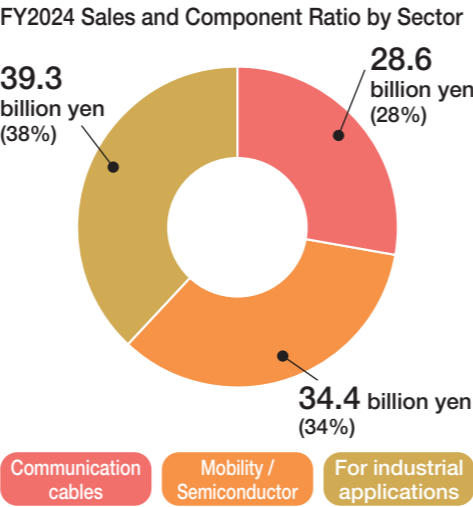
# Communication and Components Business Segment

## Business overview

The Communication and Components Business mainly encompasses high-speed communication cables for domestic and international communication infrastructure, construction, and in-vehicle use; mobility and semiconductor products; wire harnesses for home appliances; rollers for office equipment; and winding wires for general-purpose motors.

In FY2024, sales in this segment were 102.3 billion yen, a 6% increase from the previous year. In the field of communication cables, demand for construction-related markets—including data centers—and for automotive high-speed communication cables remained firm, with sales rising 6% year on year to 28.6 billion yen.

In the mobility and semiconductor sector, although there was an adjustment phase due to the suspension of production and shipments by certain domestic automakers, higher copper prices helped maintain sales at 34.4 billion yen, roughly on par with the previous year. In the industrial sector, in addition to individual and office demand, a recovery in demand for industrial rollers and steady progress in winding wires for heavy electrical machinery led to sales increasing 12% year on year to 39.3 billion yen.



## Where you can find SWCC



## Introduction to products and services

### e-Ribbon

e-Ribbon is an ultra-fine, high-density optical fiber using intermittent adhesive ribbon. Our proprietary manufacturing method enables a large number of optical fibers to fit within a thin cable. With superior flexibility and workability, it greatly contributes to improving the efficiency of cabling installation work. Furthermore, by utilizing our unique manufacturing technology that minimizes loss even during high-speed production, we will continue to respond to the rapidly expanding market demand for data centers.

### FLANTEC

FLANTEC is the SWCC Group's unified brand for LAN cables used in various fields in its communication cable business. We have developed LAN cables for in-building use that are thinner and lighter for high-speed communication, and for industrial use, we have launched LAN cables with enhanced flexibility and superior shield performance to expand our product lineup. For automotive applications, the adoption of in-vehicle high-speed transmission cables—with excellent high-speed performance for vehicle cameras used in ADAS (Advanced Driver Assistance Systems), strong noise resistance, and superior durability—by Japanese automobile manufacturers is expanding. Moving forward, we will continue to develop together with our customers and strive to further improve performance.

### Flat wire for in-vehicle use

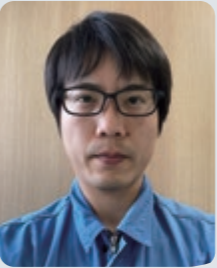
These are flat wires for the drive motors of BEVs and HEVs. Our high-performance oxygen-free copper MiDIP, known for excellent workability and conductivity, is used as the base material. The flattened wires increase coil packing density, contributing to smaller, lighter motors capable of higher current.



## Messages from Frontline Representatives

### Takeshiro Nagai

SWCC Corporation  
e-Ribbon Business PJ, Chief



#### My Purpose

"We sincerely listen to customer requests and contribute to creating business together."

With the practical application of generative AI, demand is expected to further increase for data centers, where there is a need for large-capacity communication and more efficient wiring work. As a result, there is growing adoption of products using intermittent adhesive ribbons such as "e-Ribbon." Our company proposes the optimal e-Ribbon to meet a wide range of customer needs—including cables, cords, panels, and assemblies—and by having customers incorporate it into their products, we have received positive feedback. Our strength lies in leveraging the world-class expertise and manufacturing technology we have accumulated about optical communication cables—gained through our ongoing journey with customers—to offer the best products tailored to customer demands as well as solutions for applied products. To meet the anticipated demand for even larger-capacity transmission in the future, we aim to promote and expand the use of intermittent adhesive ribbon products based on e-Ribbon.

### Kyo Yazawa

SWCC Corporation  
Evaluation Center



#### My Purpose

"The unseen support that protects technology."

Since joining the company, I have worked in metal-related research and development and intellectual property, and I am currently engaged in supporting the manufacturing and development of mobility-related products at the Evaluation Center. At the Evaluation Center, in order to provide products that meet customer needs, we promptly and accurately conduct evaluations that help solve product characteristics issues, contributing to safe and secure manufacturing.

Recently, we have developed a method to significantly shorten evaluation periods, speeding up our own material development and building a structure to swiftly respond to the increasing demand for material evaluation of automotive-related products in the future.

Moving forward, as a center leading the technological development of the SWCC Group, we will not only support development but also propose new analysis methods for materials and devote ourselves to building the foundations that support society.

### Haruka Shoji

Fuji Electric Cable Co., Ltd.  
Production Division, Isehara Plant,  
Isehara Technology Section



#### My Purpose

"I want to find subtle changes."

In 2021, the SWCC Group launched "FLANTEC" as an integrated brand for LAN cables, and is now working to expand its business into new markets such as expanding industrial networks and high-speed in-vehicle data communication moving forward.

Under such circumstances, I am responsible for the development of high-speed LAN cable terminal processing, selecting plugs that meet high-speed communication standards required for industrial networks, and evaluating their suitability for mass-production. Recently, not only communication performance for data transfer but also technologies for single-pair Ethernet cables that enable power supply and are thinner and lighter have advanced. Going forward, I will work on developing terminal-processed products compatible with these technologies.

### Yuya Hirata

SWCC Corporation  
Electrical Equipment Sales Department,  
Electrical Equipment Sales G, Chief



#### My Purpose

"By working with brightness, I strive to do work that brightens the lives of those involved."

The high-performance oxygen-free copper MiDIP and winding wires (magnet wires) we sell are essential products in the fields of automotive, heavy electrical appliances, and electronic components.

I am primarily involved in pioneering new markets for MiDIP-processed flat wires for in-vehicle applications. I imagine these products being installed in next-generation cars and soon appearing on the market, which gives me tremendous responsibility and a strong sense of fulfillment day by day.

In new market development, I always keep in mind to attentively listen to customer feedback and search for their next needs. Currently, beyond automotive applications, I am expanding activities to identify needs and match our products with new fields such as semiconductors and humanoid robots.

Through these activities, I hope to continue sales initiatives that are appreciated by even more customers.

# TOTOKU Company Introduction

The TOTOKU Group enriches people, lifestyles, and society with its technology that achieves “thinner, lighter, and smaller.”



**TOTOKU Inc.**  
Building on technologies cultivated through material development, we promote original product development globally in fields such as electric wires, heater products, cable assemblies, and wire-processed products.

## AS Business (Automotive / Semiconductor)

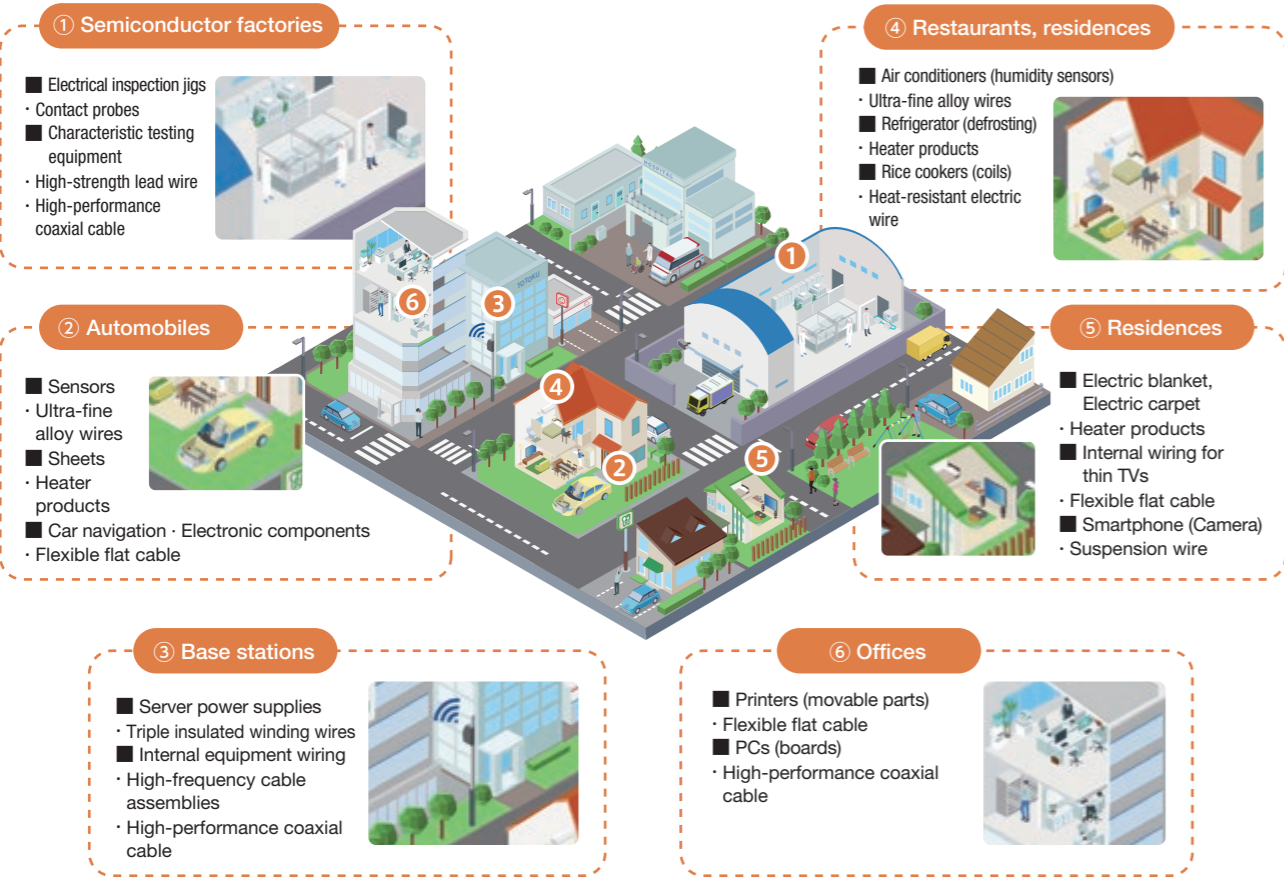
The AS Business handles products targeting growth markets such as mobility, semiconductors, and communications.

## CA Business (Consumer / Appliance)


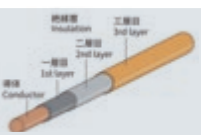

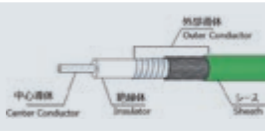







The CA Business handles products targeting stable markets, such as consumer electronics envisioned for general household use.

## TOTOKU Found Here Too

TOTOKU's technology is used in various products that support daily life.



## Product and Service Introduction

	<b>Triple insulated winding wires</b>	This is a reinforced insulated wire for switched-mode power supply transformers with a three-layer insulation structure. It reduces coil heat generation, enables miniaturization and low-profile coils, and contributes to making AC adapters and portable chargers smaller.	
	<b>High-performance coaxial cable</b>	This is a thin, lightweight, and flexible cable that excels in high-frequency, high-speed transmission, and long-distance communication. It is offered for a wide range of fields such as communications, automobiles, industrial equipment, and medical devices.	
	<b>Contact probes</b>	This is an ultra-fine diameter wire probe suitable for inspecting electronic components with narrow pitch electrodes. It is provided for conductivity inspection of electric devices, including semiconductors, LCD panels, and IC package substrates.	
	<b>Heater products</b>	They are provided for heating applications in various applications such as warming, heating, heat retention, anti-condensation, defrosting, and seedling cultivation.	 
	<b>Suspension wire</b>	This is a thin wire with a unique combination of excellent straightness, flexibility, and toughness, offering high strength and resistance to breakage. It is used as suspension wire for transmitting electrical signals and is supplied for applications such as camera modules with image stabilization.	
	<b>Flexible flat cable</b>	This is a flat cable optimized for internal wiring of electronic devices. This wiring material is optimal for signal transmission and power supply inside electrical and electronic devices that require weight reduction and space saving. It is provided for electronic devices such as printers, copiers, and TVs.	

## TOTOKU This is what's amazing about TOTOKU and SWCC! SWCC

**Hiroaki Sugimoto**  
TOTOKU Inc.  
AS Business Division, Planning & Administration  
Dept., Strategy G Section Chief



**My Purpose**

“Value a positive attitude, energize yourself, and give energy to those around you”

TOTOKU leverages processing technology that pursues “thinner, lighter, and smaller” to provide products to a wide range of markets, including automotive and semiconductors. In particular, our fine processing technology for contact probes used in electrical inspection of IC package substrates, which meets the needs for higher substrate density, is highly regarded. With the spread of BEVs and HEVs, demand for energy-efficient seat heaters is increasing, and our heater wires, with excellent quality and durability, have been adopted by automotive manufacturers inside and outside Japan.

Now that we have become a member of the SWCC Group, we aim for further technological innovation and product expansion by pursuing synergies with SWCC's distinctive technologies and materials.

**Go Odachi**  
SWCC Corporation  
Mobility Development Center,  
Development 2G  
Expert



**My Purpose**

“Create challenges, enjoy challenges”

At SWCC, we have developed and mass-produced copper alloy wires that combine high strength and electrical conductivity, with excellent workability for ultrafine wires. In response to the semiconductor industry's demand for miniaturization, our unique copper alloy wires have recently begun to be used for contact probes, and TOTOKU was one of the benchmarked manufacturers in developing materials for contact probes. I remember being surprised as a fellow wire manufacturer by their high level of technology in fine processing, such as plating, insulation, and tip processing for ultrafine wires under  $\phi 0.1\text{mm}$ .

If we combine SWCC's copper alloy wire, which has high strength and conductivity even at small diameters, with the technology to achieve “thinner, lighter, smaller” as stated in TOTOKU's purpose, I am confident we can create remarkable synergies, leading to technologies that will become standard in the future.

# Initiatives for Creating New Businesses

## Smart Stream Business

**Nobuyuki Sema**  
Executive Officer  
In charge of Smart Stream Business

My Purpose

“To open a door to a world we have never seen before, for those important to us and to pass on to the next generation.”



## Solutions for addressing issues in the power market

Currently, with increasing demand for replacement of large numbers of power equipment and cables installed during Japan’s period of rapid economic growth, as well as the increase in equipment for renewable energy promotion, three issues are coming to the forefront: skill transfer, operational efficiency, and safety.

Therefore, we have introduced “SICONEX,” a lightweight and compact connector for power cables that realizes significant shortening of work periods and easy installation. Furthermore, facing difficulties in securing construction personnel, we launched “SICOPLUS” in 2021, which incorporates a training program for SICONEX connection work, realizing open access to connection work techniques and addressing both project demand and workforce retention.

Additionally, in the Smart Stream Business launched in 2023, we aim to solve the three challenges in the electricity market—skill transfer, operational efficiency, and safety—by utilizing digital tools, shifting from conventional manufacturing to solutions using digital tools.

## Progress in FY2024

### ● Deployment of AVR / ADItor / ADTPS for skill transfer

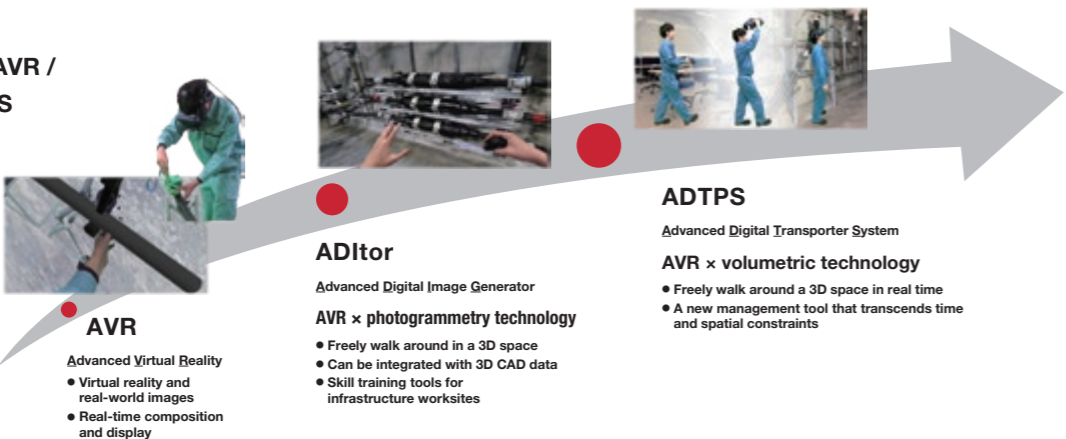
Because video can convey overwhelmingly more information than text, it is an extremely effective tool for skill acquisition. With recent technology, if a learning environment can be provided in virtual spaces that closely simulate real-world experiences, its effectiveness will be further enhanced. Therefore, in April 2024, we merged with ACW-DEEP Inc., a company possessing technology related to AVR (Advanced Virtual Reality), and have developed effective video solutions for skill acquisition. We have a proprietary AVR system that allows real-time compositing and display of real-world data captured with RGB-D cameras and VR (Virtual Reality) space.

We have developed ADItor (Advanced Digital Image Generator), which combines AVR and photogrammetry technology that generates high-resolution 3D images from multiple images. By realistically reproducing worksites, such as underground manholes or inside substations where entry is normally prohibited, and enabling confirmation from any position or perspective, we are able to realize digital tools effective for skill transfer.

Further, we have developed ADTPS (Advanced Digital Transporter System), which combines AVR with volumetric technology that generates 3D images with human and object movements from video data. Volumetric technology, which is already in practical use for video productions such as sports events, is a large-scale system that combines tens to hundreds of cameras with data processing equipment to synthesize massive amounts of video data. In contrast, our ADTPS constructs 3D spaces using as few as three RGB-D cameras and combines them with real-world space via AVR technology. With a communications environment, it enables users to be virtually transported in real-time to remote spaces, like a “door to anywhere.”

These AVR systems are not just for skill transfer; keeping in view the potential for business reforms that transcend temporal and geographical constraints, we will continue to pursue further advancements.

### Expansion of AVR / ADItor / ADTPS



**AVR**  
Advanced Virtual Reality  
● Virtual reality and real-world images  
● Real-time composition and display

**ADItor**  
Advanced Digital Image Generator  
**AVR × photogrammetry technology**  
● Freely walk around in a 3D space  
● Can be integrated with 3D CAD data  
● Skill training tools for infrastructure worksites

**ADTPS**  
Advanced Digital Transporter System  
**AVR × volumetric technology**  
● Freely walk around a 3D space in real time  
● A new management tool that transcends time and spatial constraints

### ● Traceability management of onsite operations through remote support

“SICOREMO” is a system that enables real-time remote support via wearable cameras and a dedicated smartphone application. Even workers with little experience can proceed with on-site tasks under the guidance of skilled engineers, enabling increased accuracy and swiftness in decision-making. Furthermore, since the construction status can be recorded as video, it is possible to shift from management by reports to management by video, enabling more accurate and reliable traceability.

### ● Application of disaster prediction AI for health and safety activities

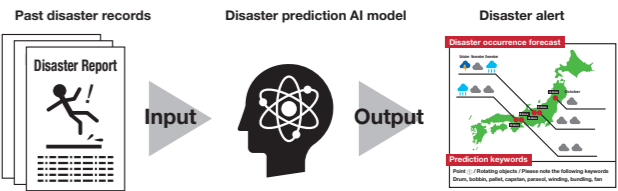
Health and safety activities aimed at eradicating industrial accidents are issues that face every company. To address this, various initiatives such as daily TBM-RKY, safety patrols, and safety education are being implemented with the aim of preventing recurrence.

However, these activities are conducted from the perspective of stopping incidents that have already occurred. In addition to conventional health and safety activities, our company proposes new safety activities based on proactive hazard alerts utilizing disaster prediction AI.

The disaster prediction AI system uses historical disaster reports as training data, and the AI analyzes work content and environment, outputting work with a high risk of occupational accidents. This enables objective hazard alerts that are not influenced by human subjectivity.

In FY2024, we conducted joint verification with Tohoku Electric Power Network Co., Inc. and Hokuriku Electric Power Transmission & Distribution Company, using this AI prediction technology. We will continue to expand data input and enhance prediction accuracy, contributing to the eradication of industrial accidents as a system that raises safety awareness at worksites.

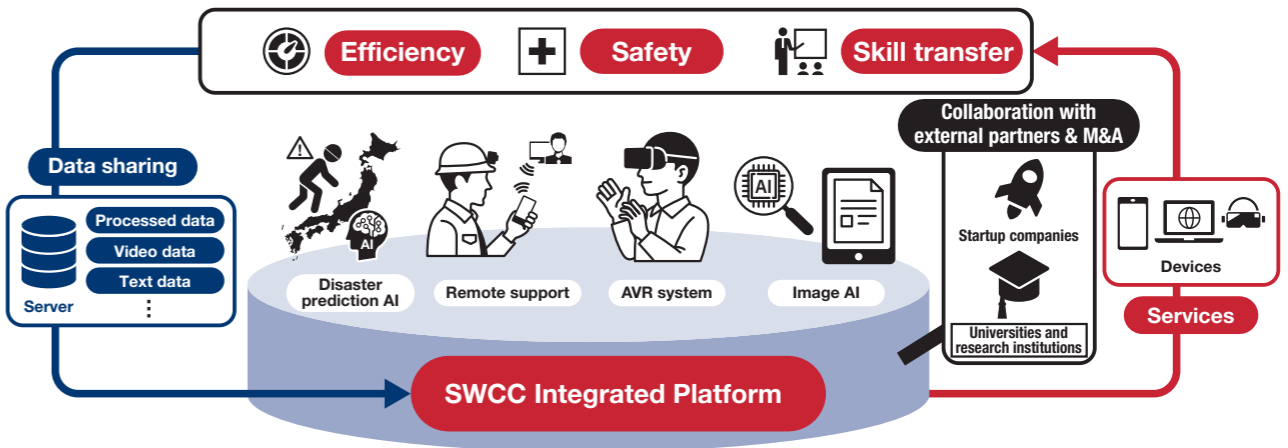
### Concept of disaster prediction AI model



## 2025 Business Developments and Vision for 2030

In FY2025, we will build the “SWCC Integrated Platform,” a platform-type service that enables these individual services to be linked together and utilized in an integrated manner. In addition, we will introduce new digital tools such as image recognition AI and electronic forms, and expand into new market areas such as healthcare and education, aiming for it to become a new pillar of the SWCC Group’s business by 2030.

### Concept of the SWCC Integrated Platform



## Organizations that create new businesses

The Smart Stream Business Promotion Office consolidates functions such as planning, public relations, and development, creating a system that can promptly and flexibly reflect customer feedback and market trends throughout the entire organization.

Furthermore, by collaborating with startup companies and research institutions such as universities to constantly adopt cutting-edge knowledge, as well as supplementing insufficient resources through partnerships with external companies and M&A, we will flexibly expand our business.

“Innovating new ideas today. Becoming the norms of tomorrow.” We hope you look forward to the future development of the Smart Stream Business.

### Tatsuro Sano

Head of Smart Stream Business Promotion Office

My Purpose

“To be someone who believes in the strengths of colleagues, brings them out, and leads them to successful experiences.”



# Initiatives for Creating New Businesses

## DX Promotion Strategy to Maximize Digital Value

Hengwei Shen

SWCC Corporation  
Executive Officer  
Head of the Digital  
Innovation Promotion  
Office

My Purpose

“Continuously shaping the ordinary  
through the power of digital technology”



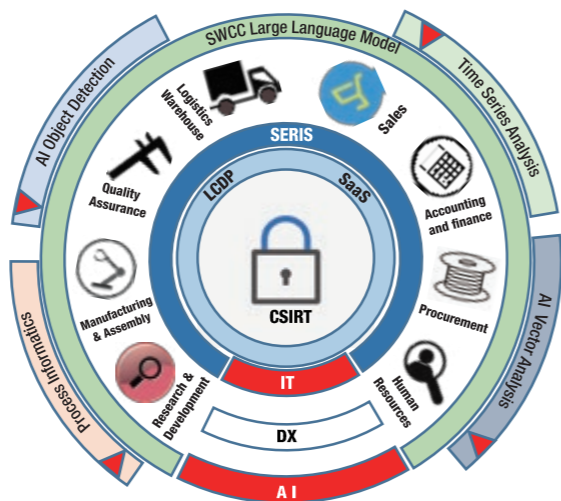
### Maximizing Digital Value

Based on the SWCC Purpose, I am convinced that DX promotion is the optimal means to achieve transformation efficiently and at low cost. This presentation will introduce our DX strategy and concrete initiatives, focusing on the use of low-code development tools and generative AI.

### Overall picture of the digital strategy and promotion structure

Our digital strategy is based on the fundamental policy of “maximizing digital value,” and consists of three layers: IT system construction, promotion of AI utilization, and DX promotion. To realize this strategy, we have adopted a two-layer IT and AI structure, balancing top-down and bottom-up approaches. The IT layer includes standard systems (outer ring) and low-code development tools (inner ring), while the AI layer comprises conventional AI tools (outer ring) and generative AI (inner ring).

With this structure, we foster digital leaders in each division who solve their own challenges through a bottom-up approach, while also advancing company-wide core system renewal through a top-down approach. In terms of organizational structure, we recognize the importance of human resources in DX promotion, and plan to strengthen organizational initiatives as well as increase the ratio of IT personnel by reinforcing our IT system.



### Field-led DX promotion using low-code development tools

We are actively promoting the use of low-code development platforms (LCDP) to solve department-level challenges that cannot be fully addressed by core systems. An LCDP is an environment where business applications can be developed using an intuitive GUI (Graphical User Interface) even without specialized programming knowledge. This offers advantages such as improved development speed, addressing shortages of development personnel, promoting business-led development, and reducing the burden of security measures. Since around 2021, we have promoted “decentralization,” where field staff develop applications to address their own challenges, and the use of these systems continues to expand steadily.

#### 1. S-Alert System (risk management)

This is a system for centralized management of dispersed information, such as quality, safety, and information security. In a situation where related departments, reporting requirements, and access rights are intricately intertwined, the Risk Management Department built the system using low-code development tools on its own, keeping implementation costs low and launching the system within a short period of several weeks.

#### 2. Logi-Smartphone (logistics information sharing system)

This system eliminates lengthy wait times when customizing standard systems in the logistics department, enabling users to customize data imported from standard systems by themselves. This has transformed the logistics department into one that actively leverages digital technology.

### 3. Construction workload visualization system

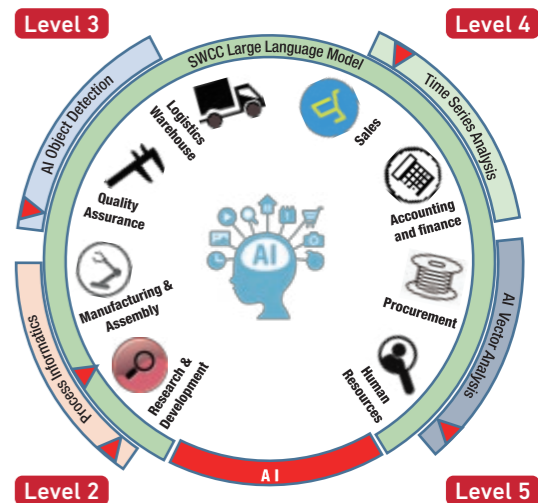
This is a system built and operated collaboratively by the Sales, Manufacturing, and Construction Divisions eliminating information gaps between departments and improving operational efficiency. The scale of operation is steadily expanding, as evidenced by an increase in user registrations from the Manufacturing Division. These examples are similar to a “citizen development” approach, where employees familiar with operations autonomously promote digitization using no-code or low-code solutions. We will continue to expand participation in technology communities and further enhance the skills of participants.

### In-house development and strategic utilization of generative AI

We are advancing the in-house development and utilization of generative AI to maximize the use of advanced AI technology across our entire Group. In particular, we aim to “promote efficiency and labor-saving and pursue workstyle transformation,” and are driving the development of our proprietary generative AI model “SWCC\_GPT.” First, to promote employees’ understanding of generative AI and make effective use of internal expertise and knowledge, we conduct in-context learning tailored to the needs of each department, and promote individual customization and specialization.

Entering 2025, we have significantly enhanced the processing capacity of our in-house generative AI server, resulting in a response speed about 10 times faster compared to 2024, enabling rollout to departments with a large number of users. The reason we are committed to in-house development of generative AI is not just to obtain answers from AI, but to continually analyze what challenges employees face, what concerns they have, and what they seek from generative AI, thereby discovering value beyond generative AI itself.

The use of generative AI has facilitated know-how sharing and improved operational efficiency. Going forward, we plan to roll out internal AI use sequentially from Level 1 (Chatbots: advanced search and language processing), to Level 2 (Reasoners: advanced analytics), Level 3 (Agents: advanced voice and video processing), Level 4 (Innovators: advanced prediction and creation), and Level 5 (Organizations: advanced psychological analysis). Noteworthy outcomes include extracting and weighting key issues for the achievement of the Mid-Term Management Plan through advanced analytics at Level 5, and planning in-depth analysis of sales activities as horizontal deployment, aiming to establish highly value-added data analysis methods. In addition, AI-based occupational accident prediction, which started in 2023, has also begun to show positive results.



### Future outlook and sustainable value creation

Our company aims to continue promoting DX through the development of IT systems and the utilization of AI, thereby establishing a competitive business advantage that can respond to rapid changes in the business environment. To this end, the “ideal state” is the integration and effective use of various information and records, utilization of LCDP and AI, and business control based on system information. We will systematically promote the integration of IT and FA networks; digital collaboration between systems, equipment, and people; and strengthening of IT/DX personnel. In the field of generative AI, we plan to utilize insights gained from psychological structure analysis to conduct in-depth analysis of sales activities and expand into market trend analysis. AI-based disaster prediction is also beginning to show results, and we will continue to further improve its accuracy.

Our DX promotion is not merely about operational efficiency, but an important means to realize our company’s purpose. We believe that achieving transformation and continuously creating new value through digital technology is our true mission. We will continue to uphold our decentralization strategy and maximize DX value by leveraging IT and promotion of AI. By doing so, we will establish our position as a leading company in this era of change and achieve sustainable growth in corporate value.

#### DX Promotion Policy



- Identification of IT challenges in each department and improvement of problem-solving capabilities
- Development of IT talent and creation of appropriate evaluation systems
- Support for new product/service creation and business model transformation
- Strengthening involvement in our Management Strategy
- Maximizing digital value through integration of IT and AI

# Initiatives for Creating New Businesses




## Further evolution of “Keyspider” toward corporate governance

So many cloud services I want to use!  
But I'm worried about managing them...  
What should I do?



We recommend paying attention to the system control concept called “IGA” and taking steps to address it!

How many companies are currently participating in the partner program?



Currently, there are 11 companies!  
We are still recruiting partners.

### Keyspider case study



#### Nomura Real Estate Holdings, Inc.

Nomura Real Estate Holdings, Inc. implemented Keyspider to improve the efficiency of ID management and strengthen security governance across its complex organization of 22 companies and approximately 8,000 people. As a result, flexible ID management accommodating concurrent duties became possible. ID management operational efficiency improved by roughly 50%, and operational costs have been significantly reduced.

[https://www.axio.co.jp/case/c\\_identity/c\\_id\\_cloud/c\\_id\\_nomura\\_corporation.html](https://www.axio.co.jp/case/c_identity/c_id_cloud/c_id_nomura_corporation.html)





What was the deciding factor for choosing Keyspider?




There seem to be several reasons, but one of them is that the proven track record of AXIO introducing many ID management systems to Japanese companies made them feel reassurance regarding their deployment of the system!

I want to know more about Keyspider!  
Where can I learn more?



You can find product details, case studies, and FAQs on AXIO's official website!



### 1. Reasons for attention

IGA (Identity Governance and Administration) is attracting attention as a key component for IT environment development and corporate governance. This is because of the growing need to clearly manage “who has access to what and with what permissions” in response to increasing security threats, stricter compliance requirements, and the diversification of IT usage models.

### 2. Challenges with compliance

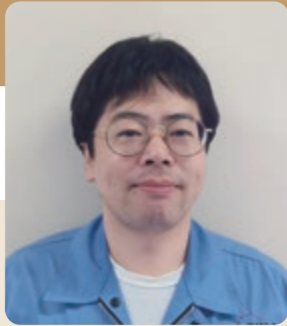
As companies gain more employees and systems, IT infrastructure control and management become more complex. With growing security threats, appropriate management of IDs and access rights is difficult, and compliance remains a challenge. Especially with the spread of cloud usage and diversified work styles, it has become difficult to respond using traditional systems.

### 3. AXIO's strategy

As a solution to growing security threats and stricter legal regulations, our ID management platform service “Keyspider” is available. Keyspider is a platform that consolidates ID information, applies rules, and enables effective operation. The advanced version, “KeyspiderPlus,” expands IGA functions to provide even more sophisticated system integration and lifecycle management. KeyspiderPlus enables effective ID governance, supporting enhanced corporate governance through solutions to issues such as information leakage and regulatory compliance. With a strategy centered on Keyspider, we strongly support our customers in strengthening ID governance through partner collaboration and the functional enhancement of KeyspiderPlus.

# Initiatives for Creating New Businesses

## Intellectual property strategy for the Solutions Business



### Yusuke Kondo

Intellectual Property  
Information Department

### My Purpose

“Facing technology and society,  
I want to create a future where connections through  
intellectual property are the norm.”

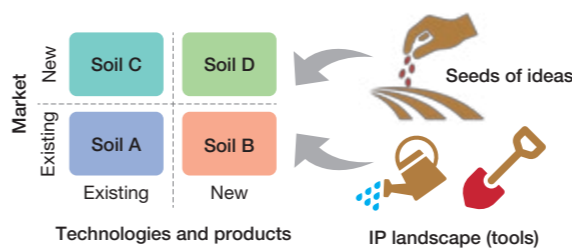
## Toward the creation of the Solutions Business

We are working to strengthen our Solutions Business by providing proposals and services to solve the issues our customers face. One of our initiatives is to combine our existing core technologies with digital technologies such as AI and DX to provide new value. By leveraging the research and analysis capabilities of our Intellectual Property Department, which is well-versed in intellectual property information, together with the strong technical capabilities and market information of our business divisions, we aim to create significant synergy. Through initiatives involving cross-departmental collaboration, we will generate inventions related to the Solutions Business by integrating core technologies and digital technologies such as AI/DX, build differentiated intellectual property portfolios, and aggressively pursue intellectual property strategies in the Solutions Business.

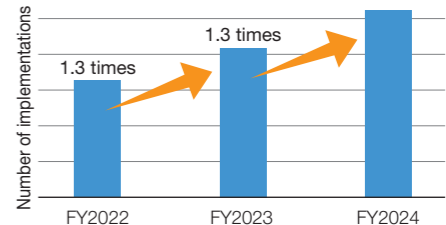
### Blooming the seeds of ideas

At our company, the business divisions and Intellectual Property Department share information and communicate in an environment that fosters the generation of ideas and the creation of Intellectual Property. Therefore, we have established an environment where we can sow the seeds of ideas and let them bloom. However, the creation of inventions related to the Solutions Business is not yet fully developed. To address this, we are planning initiatives to generate more ideas in collaboration with the business divisions, inviting entries from them and moving forward together. Currently, we are at the stage of beginning collaborations with divisions that show high interest in inventions related to AI/DX, prompted by intellectual property education. The choice of which environment to let the ideas bloom in is made based on Ansoff's growth matrix. Specifically, we cultivate the ground by using analysis cases such as market trends

and application explorations through IP landscape, and find the most suitable environment for each idea. Then we plant the seeds of ideas, and again use an IP landscape to choose suitable tools for those ideas, nurturing them to sprout. The number of IP landscape initiatives has increased about 1.3 times in FY2023 and continues to grow steadily. One reason is the increase in cases where visualizing and analyzing intellectual property information has led to filings that strengthen the intellectual property portfolio in each business. As such cases become more plentiful, it becomes easier to choose tools that fit the ideas and environments. Additionally, the increased interest from business divisions serves as a motivation for them to participate. We are advancing our efforts with the goal of creating a virtuous cycle in which the enrichment of cases and collaboration with business divisions reinforce each other.



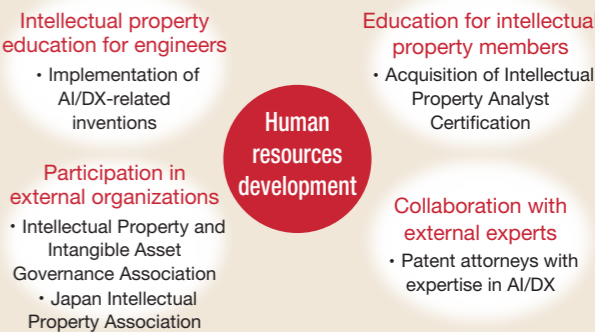
### Change in number of IP landscape initiatives



### Talent development to cultivate the seeds of ideas

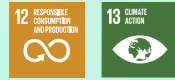
To promote the creation of inventions related to the Solutions Business, it is also important to foster talent who can cultivate ideas. For engineers, we provide intellectual property education focused on inventions related to AI and DX. Through intellectual property education, we have begun collaborating with business divisions that are highly interested in generating ideas using AI and DX. We also encourage our intellectual property members to obtain qualifications as “Intellectual Property Analysts.” In addition, we are advancing collaborations with external experts and participation in external organizations, creating opportunities to incorporate objective opinions. Our goal is to train talent who are not only experts in intellectual property, but who can also leverage intellectual property in strategic corporate management.

### Image of talent development initiatives



# Addressing Environmental Issues

SWCC Group recognizes that identifying and addressing climate change-related risks and opportunities is an important management issue. The entire Group is advancing initiatives with the goal of achieving carbon neutrality by 2050.



## Efforts to Conserve the Environment (Environmental Management)

Through trust and innovation, the SWCC Group aims to solve social issues and improve corporate value to create a sustainable and prosperous future society, with the Group coming together to tackle environmental protection activities.

### Environmental principles

The SWCC Group recognizes the duty of good corporate citizens to keep our irreplaceable earth healthier for future generations, and we strive to conserve the environment through all our business activities as a way to contribute to building a society capable of sustainable development.

### Basic Policy

1. Comply with relevant environmental laws and regulations and other requirements agreed to by the Company.
2. Set environmental targets with an awareness of environmental considerations in the regions of our business activities, products, and services, and promote environmental protection activities that include prevention of pollution, mitigation of climate change, and sustainable use of resources.
3. Aim to improve environmental performance and to continuously improve the environmental management system.
4. We promote dialogue with stakeholders through the disclosure of information regarding environmental issues.

### Organizational structure

In the structure of the environment management system of the SWCC Group, under the Group Management Council, the Company's Sustainability Promotion Department, which are departments responsible for environmental policies, provide instruction to Group companies via the Environmental Management Subcommittee. The Group's environmental policies are established by the Sustainability Promotion Department. Following deliberation by the Environmental Management Subcommittee, the policies are advocated to the Group Management Council. The Sustainability Promotion Department regularly review the environmental management activities of the Group to maintain and improve environmental management throughout the entire Group, and carry out environmental management activities according to the regional characteristics of the business regions and sites of Group companies.

### Environmental management system acquisition status

Within the SWCC Group, Group companies and sites in Japan and overseas have acquired the ISO14001 certification and are building and operating environmental management systems. Through periodic internal audits and management reviews, we evaluate the effectiveness and continual improvement of our environmental management systems. We strive for ongoing improvement.

### Important themes of FY2025 environmental activities

1. Solid compliance with requirements based on revised laws and regulations
2. Execution of measures for targets in crucial issues considering sustainability (materialities)
  - ① Reduction of greenhouse gas (CO<sub>2</sub>) emissions [thorough energy saving and promotion of renewable energy introduction]
  - ② Reduction of final disposal of waste [promotion of 3R+Renewable for plastic waste]
  - ③ Reduction of water usage
3. Promote the collection and disclosure of information regarding initiatives and outcomes (gather necessary information, make it comparable, clarify collection methods, ensure accuracy)

### Organizational structure



(\*) We plan to add TOTOKU to committees during FY2025

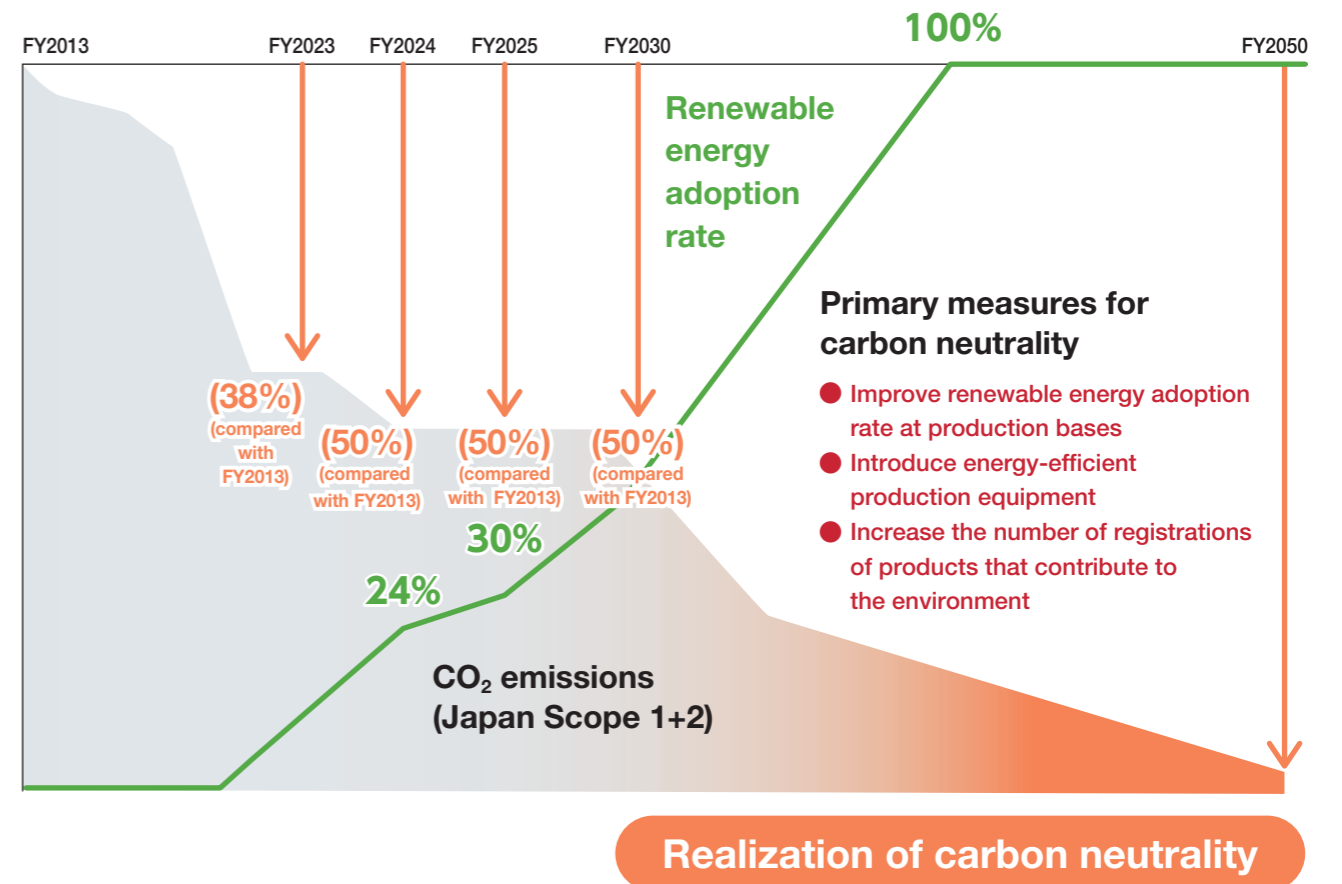
The status of ISO14001 certification acquisition is published on our website.  
<https://www.swcc.co.jp/jpn/sustainability/esg/environment/management.html>

## Medium- and long-term environmental plan “Green Plan 2050” and 7th Voluntary Environmental Action Plan (FY2021 to FY2025)

We are working to solve social issues through business and environmental activities that give higher consideration to ESG and Sustainable Development Goals (SDGs). We have selected important Group materialities issues regarding global warming prevention and effective use of resources for all business sites of the Group in Japan. In FY2020, we formulated the Medium- and long-term Environmental Plan “Green Plan 2050” based on the

concept of achieving carbon neutrality by 2050, established a long-term vision, and set 2030 targets. In addition, in order to realize our long-term Vision and achieve the 2030 targets, we are promoting the 7th Voluntary Environmental Action Plan as a five-year plan ending in 2025, and are also working on formulating the 8th Voluntary Environmental Action Plan for FY2026 to FY2030.

## Roadmap to carbon neutrality in 2050



## Progress of materialities and targets

Environmental goal	Indicators	Actual results for FY2024	7th Voluntary Environmental Action Plan [Target for FY2025]	Target for FY2030	Long-term vision
Global warming prevention	CO <sub>2</sub> emissions	Reduction of 50% from FY2013 (Scope1+Scope2) Including offset	Reduction of at least 50% from FY2013 (Scope1+Scope2) Including offset (*1)	Reduction of at least 50% from FY2013 (Scope1+Scope2)	<ul style="list-style-type: none"> <li>Realize products that do not emit CO<sub>2</sub> or are carbon neutral</li> <li>Create products that resolve environmental issues</li> </ul>
Effective use of resources	Final waste disposal volume	Reduction of 90% from FY2018	Reduction of at least 90% from FY2018 (*2)	Reduction of at least 85% from FY2018	Achieve zero final disposal (landfill) volume
Effective use of water resources	Water usage	Reduction of 35% from FY2018	Reduction of at least 35% from FY2018 (*3)	Reduction of at least 50% from FY2018	Promote sustainable use of water resources

(\*1): The target value was raised after achieving the initial goal of 45%. (\*2): The target value was raised after achieving the initial goal of 80%.

(\*3): The target has been raised as the initial target of 25% has already been achieved

Reduce greenhouse gases through relentless efforts and responses

FY2024 CO<sub>2</sub> emissions (including Scope 1 + Scope 2 and offsets through carbon credits)

CO<sub>2</sub> emissions at major domestic manufacturing sites have been reduced by 50% compared to the results in FY2013. By promoting energy-saving measures, purchasing electricity with non-fossil fuel certificates, and installing solar power generation, reductions exceeded the plan. As a result, the 2025 reduction target for the Seventh Environmental Voluntary Action Plan, which is the final year, will also be raised, and activities will continue to be promoted.

Acquisition of third-party verification reports of greenhouse gas emissions in FY2024

Regarding greenhouse gas emission data (Scope 1, 2) at major domestic manufacturing sites for FY2024 (from April 1, 2024, to March 31, 2025), third-party verification was conducted in accordance with ISO14064-3 by the Japan Audit and Certification Organization for Environment and Quality (JACO), and a verification report was obtained. Details are available on our website. <https://www.swcc.co.jp/jpn/sustainability/pdf/verificationreport.pdf>

In-house introduction rate of renewable energy (including non-fossil fuel energy)

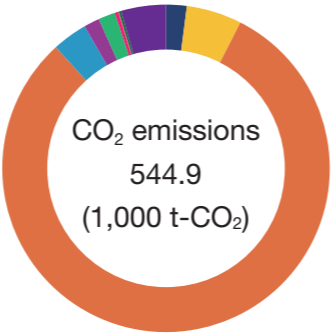
The in-house introduction rate of renewable energy was 24% in FY2024. For FY2025, we plan to further increase the introduction rate of renewable energy by expanding the use of electricity derived from non-fossil fuel sources.

Scope 3 emissions

Emissions in the supply chain for FY2024 are as follows. Since the largest amount of emissions are associated with the purchase of materials, we are working to reduce material-derived emissions with the understanding and cooperation of our suppliers.

FY2024 GHG emissions results

GHG protocol scopes for calculation		CO <sub>2</sub> emissions (1,000 t-CO <sub>2</sub> )	Percentage
Scope 1 (fuel use)		11.1	2.0%
Scope 2 (electricity use)		29.8	5.5%
Scope 3	Category 1 Purchased goods and services	440.0	80.7%
	Category 2 Capital goods	18.9	3.5%
	Category 3 Fuel and energy-related activities not included in Scope 1 and Scope 2	8.4	1.5%
	Category 4 Upstream transportation and distribution	9.1	1.7%
	Category 5 Waste generated in operations	1.9	0.4%
	Category 6 Business travel	0.4	0.1%
	Category 7 Employee commuting	1.1	0.2%
	Category 9 Downstream transportation and distribution	0.1	0.0%
	Category 12 End-of-life treatment of sold products	24.1	4.4%
Total of Scope 1, 2, 3		544.9	100.0%



- Scope 1 (fuel use)
- Scope 2 (electricity use)
- Scope 3 Category 1
- Scope 3 Category 2
- Scope 3 Category 3
- Scope 3 Category 4
- Scope 3 Category 5
- Scope 3 Category 6
- Scope 3 Category 7
- Scope 3 Category 9
- Scope 3 Category 12

Promote the recycling of all resources with the collective strength of the Group

The final waste disposal (landfill) volume in FY2024 was reduced by 90% compared to the FY2018 results, surpassing the target. In FY2024, progress in material recycling of waste plastics has led to significant advances in resource circulation. Production volume is expected to increase in FY2025, resulting in increased activity, but the FY2025 target has been raised to a 90% reduction compared to FY2018 results, and we will further promote resource circulation initiatives.

Use limited water resources effectively

The amount of water used in FY2024 decreased by 35% compared to the FY2018 results. Effective measures to reduce water usage have progressed due to improvements in water leak locations through replacements of aging piping equipment and the shift to recirculated cooling water. Although production volume is expected to increase further in FY2024, we will maintain and manage current measures and aim to reduce usage by promoting the circulation of factory cooling water.

Information disclosure based on the TCFD framework

In May 2022, we announced our support for the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). In FY2024, we strengthened our governance system and conducted more specific analyses. Details are available on our website.

<https://www.swcc.co.jp/jpn/sustainability/esg/environment/tcf.html>

Items	Contents
Governance	<p><b>Board of Directors</b> Responsible for oversight of sustainability issues, especially climate change, confirming policies for addressing significant risks and opportunities.</p> <p><b>Sustainability Committee</b> The challenges faced by business divisions and management divisions are consolidated, and responses are discussed, with content reported to the Board of Directors at least twice a year.</p> <p><b>Skills and Compensation</b> All directors and executive officers in charge of the Sustainability Committee are appointed after assessing whether they have the skills to oversee strategies related to climate change, and performance-based compensation linked to indicators such as greenhouse gas emissions has been established.</p>
Strategies	<p>At SWCC Group, we have been conducting scenario analysis as part of TCFD-based information disclosure, and have carried out more detailed analyses including quantitative assessments.</p> <p>● <b>Content of scenario analysis</b> [types of scenarios]</p> <ul style="list-style-type: none"><li>1.5°C scenario: With progress in implementing policies and regulations toward a decarbonized society by 2050, the rise in average global temperature is limited to 1.5°C above pre-industrial levels</li><li>4°C scenario: If policies, regulations, and societal efforts to reduce CO<sub>2</sub> emissions do not progress, average global temperatures rise to 4°C above pre-industrial levels</li></ul> <p>● <b>Analysis results (risks)</b> Among the analysis results conducted for the business segments using scenario setting, the risks with particularly significant financial impacts as common factors are as follows.</p> <ul style="list-style-type: none"><li><b>Transition risk</b><ul style="list-style-type: none"><li>Copper price surge due to expanding demand for clean energy</li><li>Increased operating costs due to introduction of carbon tax</li></ul>⇒ Countermeasures: Reduce greenhouse gas emissions, consider technology transformation and practical implementation through the "Green Energy Project"</li><li><b>Physical risk</b><ul style="list-style-type: none"><li>Flood risk at SWCC Sendai Plant and Aichi Factory (impact of approximately 1.5 billion yen)</li></ul>⇒ Countermeasures: Strengthen BCM measures through installation of flood barriers and seawalls</li></ul> <p>● <b>Analysis results (opportunities)</b> Regarding opportunities, the analysis results were categorized by impact and business portfolio scale, and special focus was given to the top two business portfolios: automotive and electric power. There are concerns about delays in the progress of xEVs, but we assume the following scenario.</p> <ul style="list-style-type: none"><li><b>Industry trends</b><ul style="list-style-type: none"><li>Expansion of consumer preferences for reduced environmental impact</li><li>Tightened national policies (carbon tax, ZEB, regulations, etc.)</li><li>Growth in demand for electric power infrastructure driven by grid reinforcement and the spread of renewable energy and storage systems</li><li>Increased share of electric vehicles due to advances in next-generation vehicle technologies</li></ul></li><li><b>Business opportunities</b><ul style="list-style-type: none"><li>Expansion and enhancement of electric infrastructure, increased demand for power cables for grid reinforcement</li><li>Rising demand for new products and technologies that contribute to efficient use of electricity and energy saving</li><li>Rising demand for high-performance products for next-generation vehicles</li></ul></li></ul>
Risk management	<p>Company-wide risks, including climate change, are primarily managed by the Risk Management Committee.</p> <p>● <b>Risk management committee</b></p> <ul style="list-style-type: none"><li>Responsible for company-wide risk management</li><li>Receive risk reports from each business division and management division at least twice a year, and manage progress</li><li>Report regularly to the Board of Directors</li></ul> <p>● <b>Climate change risks and assessments</b></p> <ul style="list-style-type: none"><li>Work together with the Sustainability Committee to identify and assess risks and opportunities, taking scenario analysis results into consideration</li><li>Reevaluated based on the two axes of "stakeholder importance" and "our company's importance," and report regularly to the Board of Directors (at least twice a year)</li></ul>
Metrics and goals	<p>The SWCC Group has established the environmental medium- to long-term plan "GreenPlan2050" with the slogan "Zero Environmental Impact by 2050," setting indicators and targets. An interim target for 2030 has been set within this framework. Regarding the target for FY2030, it is scheduled to be reviewed as part of the currently formulated Eighth Environmental Voluntary Action Plan.</p>

# Strengthening Partnerships

SWCC believes that partnerships with stakeholders are the foundation for sustainable growth. Each employee engages in business with a high awareness of the importance of building good relationships with stakeholders and contributing to local communities.



## Relations with local communities

The SWCC Group supports solving and revitalizing challenges in local communities and, through warm-hearted activities aiming for coexistence and co-prosperity, deepens trust and contributes to sustainable growth and the realization of prosperous local communities.

### Basic approach

The SWCC Group has formulated the “Policies on Social Contribution Activities”, which are the basic policies for broadly promoting social contribution activities. Based on these policies, we successively promote the creation of company-internal foundations such as a social contribution support system in order to realize a company that is trusted by and resonates with our stakeholders.

### Social Contribution Activity Guidelines

The SWCC Group strives to instill a high awareness of social contribution among employees, and carries out a wide range of worthwhile activities through its products and services and actions of its employees to achieve a sustainable society.

### Results for fiscal year 2024

The number of activities in FY2024 increased by 60% from FY2023. The background to this increase includes a revitalization of activities accompanying the end of the COVID-19 pandemic. A breakdown of the activities shows that there were many activities rooted in communities, such as neighborhood cleanup activities, hands-on learning, internships, local events, and contributions and donations to educational facilities. These activities are developed according to the characteristics of each base of the SWCC Group, and they reflect the characteristics of each region.

In FY2025, we aim to expand the scope of these activities through the entire Group and improve the quality of activities by sharing and developing the contents of activities of each of our bases throughout the Group and by further diversifying these activities.

#### Primary activities in FY2024

SWCC Mie Plant	<ul style="list-style-type: none"><li>Participated in the INABE SDGs 4T PROJECT</li><li>Participated as a sponsor and traffic regulation attendant in the “International Cycle Road Race Tour of Japan 2024 Inabe Stage”</li><li>Participated in food drive collection volunteer activities</li><li>Conduct regular cleaning activities around offices according to the yearly plan</li></ul>
SWCC Sagami-hara Plant	<ul style="list-style-type: none"><li>Gave lectures in inter-university joint education programs and career support education</li><li>SC Sagami-hara 2024 Official Sponsor</li><li>Mitsubishi Heavy Industries Sagami-hara Dynaboars 2023-24 Season Green Partner (Sponsor)</li><li>Conduct regular cleaning activities around offices according to the yearly plan</li></ul>
SWCC Sendai Plant	<ul style="list-style-type: none"><li>Sponsored the Shibata Town 30th District Hometown Summer Festival</li><li>Sponsored the Sennan Factory Exploration Team, and conducted factory tours and work experiences</li><li>Conducted company seminars and free discussions for job-seeking activities at Miyagi Musubi Employment Guidance and the Meeting to Hear from Seniors</li><li>Conduct regular cleaning activities around offices according to the yearly plan</li></ul>
The number of SWCC Group activities in fiscal year 2024 increased by 60% compared to the previous year.	<ul style="list-style-type: none"><li>Conduct internships for local junior high schools and high schools</li><li>Conduct regular cleaning activities around offices and factories according to the yearly plan (Aichi Factory, Watarida, SFCC, Fuji Electric Cable)</li><li>Participate in Science and Engineering Challenge (Riko Challenge) - Selecting Science and Engineering Fields for Students of Girls' Junior High School and High School - (SWCC Sagami-hara Plant, SWCC Mie Plant, Fuji Electric Cable Isehara Factory)</li><li>Sponsored the Koga Fireworks Festival (SFCC Ibaraki Plant, Logis-Works)</li><li>Sponsored the National Urban Greening Kawasaki Fair, providing pallets and supplies (Logis-Works)</li><li>Sponsored the Isehara Tourism Doukan Festival and participated in food drive activities (Fuji Electric Cable)</li></ul>

## Customer relations (quality management)

The SWCC Group values trust, prioritizes compliance above all else, and responds to society and the times by continuing to evolve into a better company.

### Basic policy

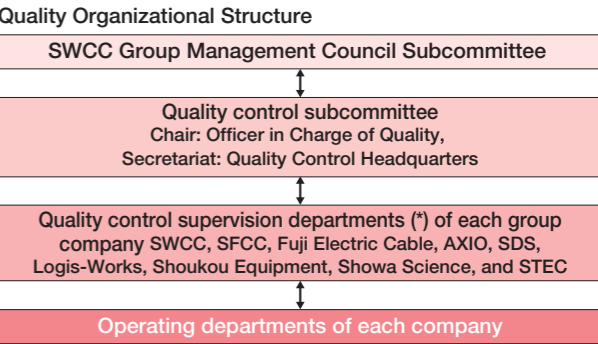
- Comply with laws, regulations, and matters agreed upon with customers.
- Work closely with customers to provide prompt technological development and creation of services and products.
  - By demonstrating our group sales capabilities, we reliably share customer needs and propose new services that integrate sales, technology, and manufacturing.
  - We realize customer-trusted manufacturing with quality as the top priority.
- Promote quality activities that create satisfaction from all stakeholders, such as customers, employees, and local communities.

### Important themes of fiscal year 2025 quality activities

- Deepen knowledge and reform our culture related to quality
- Promote the shift to digitalization of inspection results and effective use of data
- Reduce failure costs due to quality issues
- Pass on high-quality manufacturing through standardization and human resource development
- Promote optimization of requirements with customers

### Organizational structure

In the structure of the quality management system of the SWCC Group, under the Group Management Council, the Quality Control Management Office, which is the department responsible for quality, provides instructions to group companies via the Environmental Management Subcommittee. The Group’s quality policies are formulated by the Quality Control Management Office. Following deliberation in the Quality Control Working Group, a decision is made by the Group Management Council. The Quality Control Management Office regularly reviews the quality management activities of the Group to maintain and improve quality management throughout the entire Group, and carries out quality management activities according to the characteristics of the business regions of Group companies.



(\*) We plan to add TOTOKU to committees during FY2025

### Establishing quality management systems for SWCC Group products

In quality assurance operations, we have introduced a management system for measurement data, enabling automatic import of inspection data and automatic judgment of inspection results, while further clarifying the permissions of operators and approvers. This system has started operating at all locations. Furthermore, we are working to effectively utilize the collected data to improve quality. Additionally, we are strengthening both human resources and facilities at the Manufacturing Human Resource Development Center and the 2035 Factory Project to reinforce the foundation of manufacturing.

### Failure costs

Since FY2018, the SWCC Group has been working to improve quality by introducing the concept of failure costs. Currently, we are working to achieve the target of reducing quality-related failure costs by 50% in FY2026 compared to FY2021.

### Presentation of results of SWCC Group improvement activities

At SWCC Group, as part of improvement activities, we focus on manufacturing and people development. In order to raise employee awareness and enhance the level of activities through quality improvement and productivity enhancement, we regularly hold, twice a year, presentations on activity case studies by small-group teams and improvement projects selected from both overseas and domestic bases. In fiscal year 2024, for the first time in a while, the event was held in-person rather than online, with teams selected from overseas and domestic sites participating in a grand event.



Presentation of results of SWCC Group improvement activities

## Customer satisfaction

The SWCC Group conducts customer satisfaction surveys to provide high-quality, safe products and services and to improve customer satisfaction. Through the survey, respondents were asked to rate the Group’s product quality, price, delivery time, sales and technical support systems, and sustainability on a 5-point scale, as well as to share their requests for the Company. Overall, for fiscal year 2024, we have continued to receive high praise, and have further improved upon those of fiscal year 2023.

In fiscal year 2023, the supply capacity could not keep up with the high demand for construction cables, and as a result of restricting orders, the appraisal of our delivery times decreased. However, as supply and demand normalized, praise regarding delivery times improved in fiscal year 2024. In preparation for fiscal year 2025, we will continue our efforts to further build trusting relationships with our customers.

Engagement with Business Partners (Supply Chain)

Basic approach

The SWCC Group has formulated the SWCC Group Procurement Policy and is working to build good relationships with suppliers in order to stably provide value-added products.

Conducting sustainability questionnaire surveys

Based on social demands, the SWCC Group has summarized the basic concept of social responsibility that should be fulfilled together with our business partners, as well as our requests, in the “Supply Chain Sustainability Promotion Guidelines” and the “Green Procurement Guidelines.” The SWCC Group conducts questionnaire surveys of major business partners, including SWCC Group companies, regarding the status of their sustainability initiatives. As of FY2022, we have adopted the Self-Assessment Questionnaire (SAQ) prepared by Global Compact Network Japan (GCNJ) for the survey. We evaluate items such as CSR, human rights, labor, environment, fair corporate activities, quality and safety, information security, supply chain, and coexistence with local communities, while confirming compliance with laws and international standards such as the United Nations Global Compact. We also utilize the results for education and support, determining the need for audits, and risk management within the supply chain. Compliance status with laws and initiatives for all 114 items are evaluated on a three-point scale: 1, 3, or 5 points. Additionally, from the 2025 edition onward, we reviewed the method for selecting survey target suppliers and conducted the survey with business partners accounting for 80% of our purchasing value.

In the FY2024 survey, the item on human rights received a low score of 3.5 points. In the supply chain, although progress has been made with regard to excessive working hours and minimum wage requirements, we take seriously the insufficient efforts regarding respect for culture and labor rights. We have renewed our recognition of the importance of human rights risks and are working to promote understanding and support for SWCC Group’s Human Rights Policy and Supply Chain Sustainability Promotion Guidelines, aiming for further improvement. Furthermore, for business partners with low overall evaluations, if support for improvement is not provided or issues remain unresolved after a certain period, we will consider implementing audits and reviewing contracts and transactions related to purchases.

Results of the FY2025 questionnaire

As a result of analyzing the FY2025 questionnaire, 81% of suppliers have achieved the level of engagement required by the SWCC Group (grade A or higher) in the overall evaluation, with the proportion of companies rated S increasing by 6% in particular. In category-by-category analysis, “quality/safety” once again received the highest scores compared to FY2024. Scores for “Coexistence with Local Communities” and “Environment” have decreased compared to FY2024, highlighting them as future challenges, while scores for the other items have improved from FY2024. As part of our next steps, we will examine the results of the survey in more detail, and then give feedback to suppliers on the results and conduct interviews with them to gain a more precise understanding of their circumstances. Especially with those suppliers with C grades, we will provide support for improvement, and have them establish a PDCA cycle, and thereby instill our sustainability procurement policy and improve their level in cooperation with such suppliers. The SWCC Group will continue conducting the sustainability survey and engaging in efforts to build a sustainable supply chain, which includes addressing the above mentioned challenges.

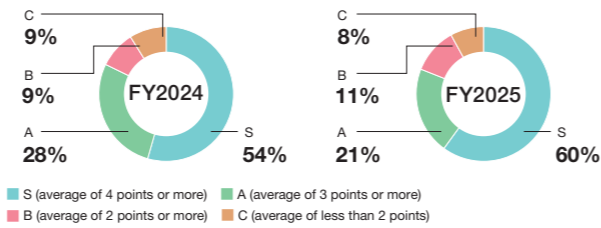
SWCC Group Procurement Policy

- 1. Comply with all applicable laws and regulations along with appropriate social practices, as well as engage in fair and equitable transactions.
- 2. Give top priority to mutual trust with its suppliers and establish a relationship where each is the best partner for the other.
- 3. Appreciate stable quality and delivery times, with continued efforts to reduce costs and a constant capacity for technological development.
- 4. Procure earth conscious materials.
- 5. Never accept any inappropriate favors from suppliers.

Survey contents

Survey period	June 2024	April 2025
Number of survey questions	114	114
Average score (5-point scale)	4.0 points	4.0 points

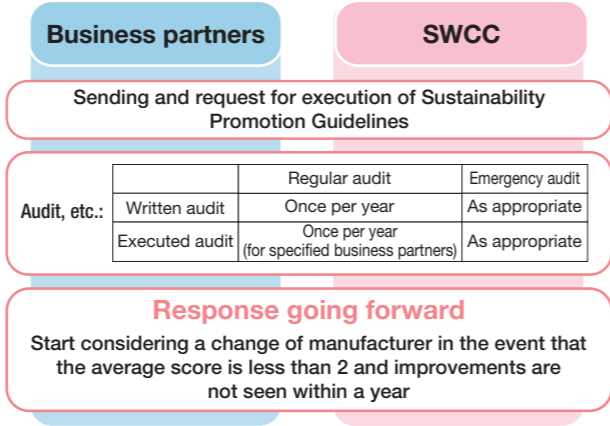
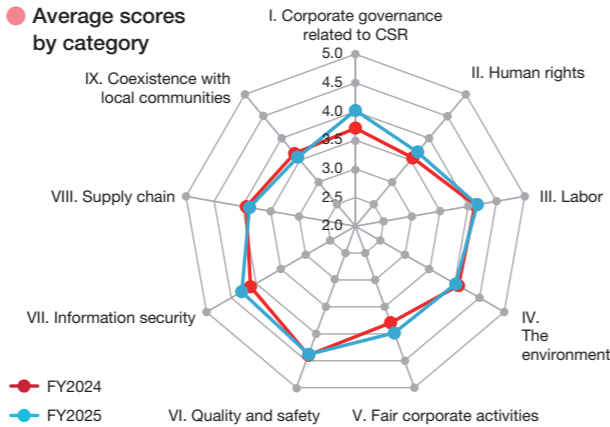
Survey results by evaluation



Actions according to assessment category

Assessment category	Percentage (%)	Actions for improvement
S (average of 4 points or more)	60	Provide feedback along with averages of all suppliers and charts for score rates by major category
A (average of 3 points or more)	21	
B (average of 2 points or more)	11	Provide feedback on scores and requests for improvement by the next time
C (average of less than 2 points)	8	Exchange opinions and implement support for improvement after a meeting

Average scores by category



Declaration of construction of partnerships

We agree with the contents of and have published the “Declaration of Construction of Partnerships” established by the “Future-creation Partnership Construction Promotion Declaration”, which is promoted by entities such as the Cabinet Office and the Small and Medium Enterprise Agency. Through the SWCC Group’s participation in the “Declaration of Construction of Partnerships”, we aim to construct sustainable business

relationships that allow us to co-exist with our business partners. To that end, we published the declaration in April 2023 and are tackling initiatives with importance on the following items. Please refer to our website for details on the “Partnership Building Declaration.”

<https://www.swcc.co.jp/jpn/sustainability/images/sengen.pdf>

1. Coexistence and co-prosperity of the entire supply chain and new cooperation that go beyond scale and systems

We aim for coexistence and co-prosperity with our business partners through coordination that goes beyond our existing business partners and size of the company. We will achieve this by working to improve the added value in our entire supply chain by approaching our second-tier business partners through our direct business partners (from “Tier N” to “Tier N + 1”). In such cases, from the perspectives of business continuity such as in the event of a disaster and of reforms to work styles, we will also promote support such as giving advice to our business partners on introducing telework to business partners and for formulating BCPs (business continuity plans). (Individual item) • We strive to tackle digitalization of work processes with business partners and to promote streamlining throughout the supply chain.

2. Compliance with promotion standards

We aim to proactively make corrections to business practices that hinder the construction of partnerships with our business partners. We do this by adhering to the desirable business practices of excellent businesses and sub-contractors (“business promotion standards” based on the “Act on the Promotion of Subcontracting Small and Medium Enterprises”). (1) Price determination method (2) Costs borne, such as for mold management (3) Payment conditions, such as payment by check (4) Intellectual property, know-how (5) Negative effects accompanying reforms in work styles

3. Other

- We disclose our Supply Chain Sustainability Promotion Guidelines and make efforts to engage in fair transactions with our business partners.
- We regularly educate staff on compliance with laws and regulations and construct relationships of trust with our business partners through fair transactions.

Green procurement

Recognizing that “it is a fundamental responsibility of people living today to hand down our irreplaceable Earth to the next generation in a healthy state,” we keep this in mind in our material procurement activities. To prioritize purchasing products with the smallest possible environmental impact, we have formulated and published our Green Procurement Guidelines, which are used to

share environmental policies with suppliers, provide education, conduct environmental risk assessments, promote responses to environmental impacts, and audit suppliers. We are also widely soliciting proposals for environmentally friendly products, as listed below, through our website. Please refer to our website for more details on the Green Procurement Guidelines.

1. Products and packaging that consider the following throughout the entire product lifecycle (from resource extraction to disposal).

- Reduction of environmental pollutants
- Conservation of resources and energy
- Reusability
- Recyclability
- Use of recycled materials
- Ease of disposal

2. Dissemination of information

- New environmental technologies
  - Presentation of specific efforts
- [https://www.swcc.co.jp/jpn/sustainability/pdf/gtgl\\_2.pdf](https://www.swcc.co.jp/jpn/sustainability/pdf/gtgl_2.pdf)

Shareholder and investor relations

For the SWCC Group to be correctly understood, trusted, and sympathized with by all stakeholders, including shareholders and investors, SWCC has developed the Disclosure Policy to disclose information.

We are also taking the utmost care to prevent the leakage of insider information through various initiatives, such as instituting a “quiet period” prior to the announcement of financial results. Regarding dialogue with shareholders and investors, we are working to enhance IR initiatives and create more opportunities for communication between our management team and a greater number of investors. We do so through the Shareholders’ Meeting, financial results briefings for institutional investors and analysts, theme-based briefings that reflect investor interests at

different times, dialogues with domestic and overseas institutional investors, briefings for individual investors, factory tours, and other events to deepen understanding of our company. With regard to financial disclosure documents, our disclosure on “management conscious of capital cost and stock price” was selected as a best practice by the Tokyo Stock Exchange, and our disclosure efforts have received external recognition. We will continue to convey the Group’s initiatives to our stakeholders in an easier-to-understand manner.

Moreover, various event reports as well as disclosure documents are posted on our website as content to deepen understanding of our Company.

# Strengthening Human Capital

Viewing human resources as human capital, the SWCC Group seeks to maximize the value of our talent to enhance our corporate value over the medium to long term. We actively engage in measures to create a rewarding workplace, such as promoting the use of diverse human resources and internal systems to support challenges and growth.



## Promotion of the utilization of diverse human resources (DEI)

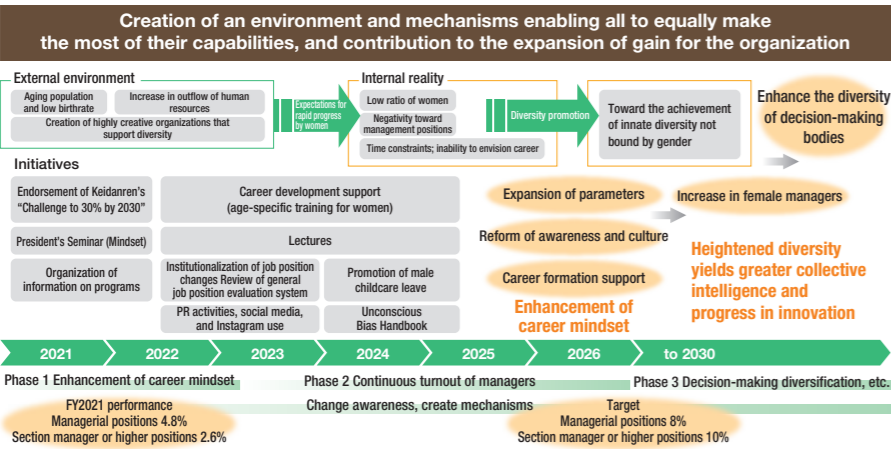
### Diversity Promotion Project

Our efforts for promotion of diversity are led by the Diversity Promotion Project (nicknamed “SWCCarat”), an organization placed directly under the President. Marking the fifth year since the project’s launch, we redefined SWCCarat’s mission as “laying the foundation for innovation creation,” and in FY2024 carried out activities with both bottom-up and top-down approaches in mind. In particular, we strengthened initiatives to address and raise organizational awareness of the importance of diversity, including race, religion, gender, age, sexual orientation, disability, and nationality.

In June, we published an “Unconscious Bias Handbook” based on our company’s experiences, offering many employees opportunities to deepen their understanding of unconscious bias. In December, we held lectures and workshop to promote



understanding and acceptance of diversity. Employees who participated in the workshops shared feedback such as, “It was a good opportunity to reflect on my own thinking and actions.” Additionally, we held a workshop for executives titled “DEI for Management Leaders,” providing an opportunity for officers to discuss and reconsider the role of leaders in driving DEI. In FY2025, we plan to implement activities tailored to locations and roles, such as incorporating DEI lectures into hierarchical training and holding workshops at each site. We will also continue initiatives started at the project launch, including age-specific training for female employees aimed at achieving a female managerial ratio of 8% (with 10% for managers) or more by the end of FY2026, hosting Riko Challenge (hosted by the Cabinet Office) events to support female STEM students, university sponsorships, and activities based on the comprehensive cooperation agreement with Shibaura Institute of Technology for DEI promotion.



## Human resources development for the future

### Initiatives of the Recruitment & Human Resource Development Group

We consider human resources to be among our most important management resources. In order to solve various social issues in the world, we actively provide educational and training opportunities that encourage individuals to voluntarily improve their abilities.

Currently, to foster talent for the future, our KPI is set as “annual average training hours per person,” with a goal of 40 hours for

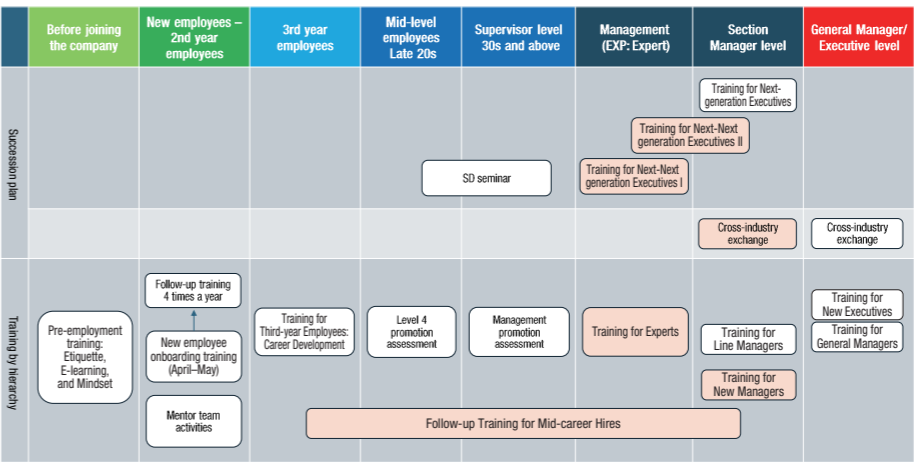
FY2026. Various initiatives are underway to achieve this.

In FY2024, the average training hours per employee was approximately 23 hours. This shows a continued increase from the 16 hours recorded in FY2023. Looking ahead, we will allocate training hours for employees to learn in pursuit of their ideal self as part of the 40-hour target, and build a system to realize career ownership (autonomous career development).

The training programs have undergone a major review of the hierarchical training structure, with new programs created for managerial positions to enhance management skills and a strengthened system to provide optimal programs for each appropriate level.

As part of the “Future-Oriented Talent Development Project,” we rolled out and expanded tiered education for skilled positions involved in manufacturing. In fiscal 2024, we started training for four grades of managerial supervisors and began cultivating internal instructors. In addition to implementing follow-up measures for next-generation executive training, we also reviewed the scope and content of succession plan training, aiming to create ongoing programs that better foster management talent.

Based on the results of the engagement survey renewed in fiscal 2024, we will identify issues and provide opportunities for learning through new training initiatives and content as part of our measures.



\* Colored sections: Planned expansion for fiscal years 2024-2025



Alumni recruitment system poster



Poster for internal job posting system

## Health and Safety Activities

As one initiative aimed at respect for human rights, the SWCC Group strives to create healthy, safe, and secure working environments for employees and to prevent illness, incidents, and accidents. We comply with national and regional laws and regulations as well as our internal regulations, and engage in health and safety activities under a commitment to placing safety first. This initiative is closely linked to the human rights policy advocated by the SWCC Group, and we are working to create an environment where every employee can work with peace of mind.

### Basic Policy

1. We will promote activities to maintain the physical and mental health of workers.
2. We will promote the creation of comfortable working environments.
3. We will conduct thorough education and training to raise the safety awareness of all workers.
4. We will actively carry out measures to prevent accidents.

### Promotion Structure

Health and safety management at the SWCC Group is structured in a way that extends to every Group company, through the Health and Safety Working Group led by the senior executive in charge of health and safety supervision under the Group Management Council. Safety and health policy of the Group is formulated by the Industrial Safety & Health Promotion Office and deliberated by the Health and Safety Working Group, after which it is proposed to the Group Management Council. The Industrial Safety & Health Promotion Office monitors the health and safety activities of Group companies to engage in problem solving and prevention of accidents and illnesses. In addition, the SWCC Group promotes safety and health activities tailored to each company’s business domain, with each company establishing its own safety and health management framework. Information on significant accidents, incidents, legal and regulatory issues, and similar matters are promptly reported throughout the entire Group.

### Priority Topics for Health and Safety Activities in FY2025

1. Reducing mental and physical burdens through workplace environment improvements
2. Creation of safe and secure workplaces based on health and safety activity diagnoses
3. Enhancement of health and safety awareness for all through health and safety education (statutory, rank-based, etc.)
4. Promoting health enhancement initiatives, follow-up on health check results, and mental healthcare
5. Reducing occupational accident risks through risk assessment by focusing on “unsafe actions,” “unsafe conditions,” and “hazardous properties of chemicals”

### Safety and Health Promotion System



(\*) We plan to add TOTOKU to committees during FY2025

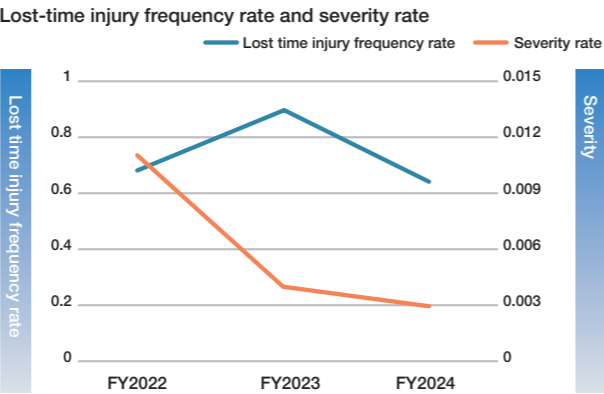
FY2024 initiatives and achievements, future issues and outlook

In FY2024, we addressed five priority topics. An overview and outcomes of initiatives, as well as changes in the frequency and severity of lost-time accidents, are presented below.

Priority topics	Overview and outcomes of initiatives
(1) Promotion of health and productivity management initiatives	● The SWCC Group was certified as an Outstanding Health and Productivity Management Organization (large enterprise category) in 2025, our sixth consecutive year of certification under the program. Logis-Works has also received certification for four consecutive years in the small and medium-sized enterprise category.
(2) Creation of safe and secure workplaces based on health and safety activity diagnoses	● Diagnoses of the dual aspects of systems and on-site management, and scoring of results, by self-diagnosis and by diagnostic teams in order to make FY2021 health and safety levels visual ● Continued mainly at SWCC and SFCC offices and plants, with the results of these initiatives leading to improved diagnostic results each year and contributing to the enhancement of health and safety activities.
(3) Enhancement of health and safety awareness for all through health and safety education (statutory, rank-based, etc.)	● New employee education and training for prospective supervisors are conducted. ● In addition to classroom learning, we incorporate hands-on training, risk awareness experiences, and review education in the learning cycle to enhance learning effectiveness.
(4) Risk assessment focused on unsafe behavior and unsafe conditions to reduce occupational accident risks	● Conducting risk assessments regularly at major workplaces across the Group's locations to reduce unsafe actions and unsafe conditions (including assessments of existing businesses and irregular projects) ● Sharing the results of risk assessments at reporting meetings to mitigate risks in related departments
(5) Addressing new chemical substance regulations	● In accordance with the new chemical substance regulations under the Industrial Safety and Health Act, we identify substances subject to risk assessment from the chemicals we use and carry out risk assessments.

The frequency rate of lost time injuries in FY2024 was 0.66 (three lost time injuries). This is a slight improvement compared to FY2023. At the same time, the severity rate slightly improved to 0.003. Both the number and severity of incidents have been trending downward. We believe the effects of focusing on key themes such as risk assessment and health and safety activity diagnoses are beginning to appear. Based on these achievements and on reviews, we will continue tackling the aforementioned priority topics in FY2025. In addition, by strengthening occupational health and safety education for managers, we aim to improve safety management.

As the core of the Manufacturing Human Resource Development Center, the Manufacturing Training Center nurtures future talent through a wide range of education, focusing on health and safety, quality, and sustainability.



Improve engagement (create rewarding work and workplaces)

The SWCC Group aims to boost engagement so that all employees can demonstrate maximum performance with higher motivation. We believe that engagement grows through mutual understanding between the Company and its employees, and through employees' attachment to and pride in their jobs and the Company. In FY2024, we will integrate our engagement surveys and employee satisfaction surveys and will reflect the opinions of employees in management measures including renewal of our organizational culture and promotion of diversity, in order to enhance a sense of unity between management and employees and to boost engagement.

Health and productivity management and workstyle reform

Our company has been certified as an Excellent Health Management Corporation for six consecutive years. We will continue to promote initiatives aimed at improving employee health. As part of these efforts, we will work on implementing the following measures.

Enhancement of health literacy (improvement of the workplace environment and self-care)

A company bears a duty of care by which it creates safe workplaces, while employees bear a duty of self-care by which they work in good health. The SWCC Group promotes health and productivity management and aims to create workplaces where employees can work in good physical and mental health.

- Assured implementation of occupational health activities: expanded interviews with occupational physicians and promotion of health guidance in cooperation with public health nurses and health insurance associations
- Hygiene subcommittee activities: health promotion activities with participation by Group employees (health seminars, sports events, etc.)



Achievement of work-life balance (creation of comfortable workplaces)

We are implementing the following measures to create opportunities for personal fulfillment and self-growth through balance between work and private life.

- Promotion of annual paid leave acquisition, reduction of overtime work (implementation of no-overtime days), and promotion of telework and flextime
- Enhancement of benefits: Discount services for leisure, sports, childcare, and nursing and caregiving support, adoption of health promotion applications, adoption of Thanks Points for giving thanks, group insurance plans (comprehensive welfare insurance, GLTD (group long-term disability income/compensation insurance)), etc.

Sharing of intentions between company and employees

The common will and empathy between the Company and employees leads to a reaffirmation of the value of work for each individual. The SWCC Group will transform its organizations to assure a sense of unity in the face of even more intense future changes in social conditions.

Sharing of our management philosophy, Purpose, and Company policy

- At Group sites, the President presents briefings on financial results and policies and holds dialogues with employees.
- We promote information sharing through SWCC videos on the Company intranet, workplace signage, and other internal communications.
- System IDs are assigned to all employees to promote IT environment improvement so that it is easy to carry out work tasks

Evaluation system review

We are conducting a review of our evaluation system to ensure that the Company and employees are able to mutually recognize each other's necessity and value.

- Competency evaluation
- Restructuring of the evaluation system so that it is appropriate and designed for changes in society, various industries, and occupations

Conducting feedback sessions

By conducting feedback sessions with each employee, we foster a sense of satisfaction regarding evaluations and compensation.

Graduate School of Business Design

In response to changing times, the SWCC Group has dispatched 10 young employees as researchers to the Graduate School of Business Design to create ideas for new businesses that generate new value. Through a curriculum of approximately six months, they conceptualized businesses that will become pillars of SWCC in the future. At the final presentation in March, all executives attended and evaluated the proposed concepts. We believe that the adopted business concepts will continue to be promoted from FY2025 onward, contributing to the construction of businesses to be developed by the SWCC Group in the future.

Projects to support sports

Our company welcomed Yuya Yamamoto, an athlete in the Nordic combined competition, as our first athlete employee in 2024. With the hiring of athlete Yamamoto, interest in Nordic combined has increased within the company, and communication among employees through sports activities has become more active, leading to stronger unity as a corporation. Yamamoto, who has set his personal purpose as "Challenge," participated as a member of the Japan national team at the 2025 FIS Nordic Combined Viessmann World Cup held in Seefeld, Austria, and achieved an outstanding result of 3rd place in the Combined event at the 79th National Sports Games Winter Ski Competition

Invigoration of communication (promotion of diversity)

In today's diversifying society, varied sort of people work together. By creating a workplace environment that facilitates internal communication, we will increase psychological safety and establish an organizational culture that makes it easy for employees to express their opinions and proposals.

- Adoption of free-address offices, mobile PCs, and enhancement of in-house Wi-Fi, utilization of satellite offices
- Promoting communication through IT tools (Microsoft 365, web meetings, chat tools, internal smartphones, etc.)

- By reviewing survey vendors and implementing improvement plans tailored to actual conditions in each unit, we address organization-specific issues, aiming to enhance mutual understanding and unity among members.

We changed the survey vendor based on the 2024 survey. By collecting more multifaceted data than ever before, we are now able to more clearly grasp issues. In FY2025, to respond to employee feedback obtained from survey results, we will formulate action plans tailored to individual departmental issues and implement improvements strategically.

Improvement of equipment and environment

With the renewal of the welfare facilities, we are providing an environment that improves employee ambition. Toward our 90th anniversary in 2026, we are planning to renew our uniforms to foster a sense of unity among group companies.

Improvement activities for each organization

By tackling organization -specific issues at each division, we aim to enhance mutual understanding and a sense of unity among members.



Final presentation



Completion ceremony

(Akita Kazuno Kokutai) in Japan. We at the SWCC Group are fully committed to supporting Yamamoto's dream of success at the Olympics and aim to enhance employee engagement. We will continue to strive to create a vibrant work environment and contribute to local communities through our support for sports.



At the award ceremony for the 79th National Sports Games Winter Ski Competition (photo right)

# Advancing Governance Systems

So that the SWCC Group can conduct sound business activities and be a group that creates trusted corporate value, we continue to work on the establishment and further strengthening of a corporate governance system that ensures transparency and fairness in corporate management.

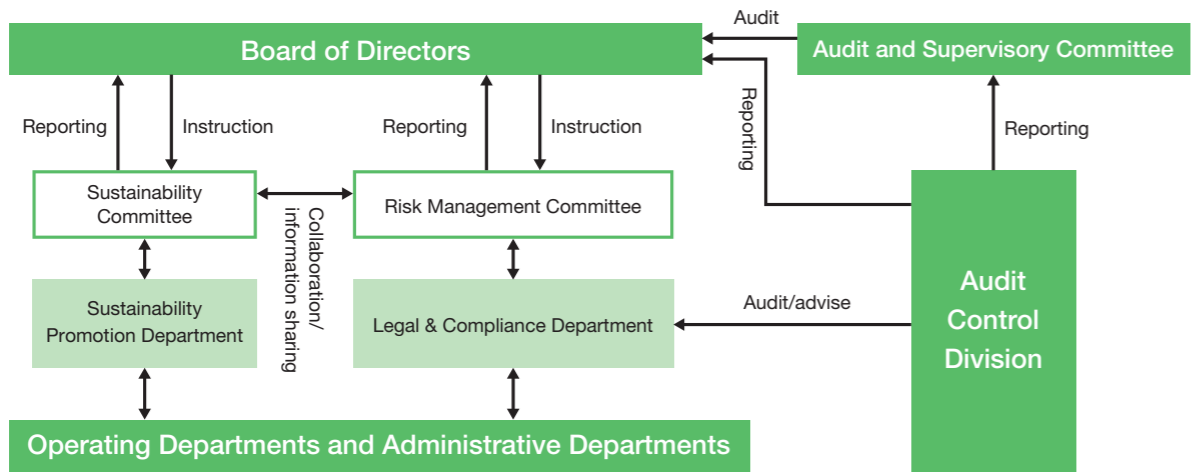


## Monitoring Corporate Management—Risk Management

### Risk management

For company-wide risk management at the SWCC Group, we have established a risk management system centered around the Risk Management Committee. Specifically, the Risk Management Committee, chaired by the CEO, Executive President, and Representative Director, and composed of all company executive officers and fellows appointed by the chairperson, discusses the evaluation of risks and countermeasures carried out by the business divisions, manages the progress of risk management plans and measures, and reports to the Board of Directors. We also strive to strengthen our Group-wide risk management system, which is essential for the continued development of our business. The Risk Management Department within the Legal & Compliance Division acts as a risk supervisory department. The department supervises risk management for the entire Group, which includes handling administrative operations of the Risk Management Committee, formulating rules and guidelines,

providing training, and monitoring risks. To swiftly respond to risks that occur on a regular basis in business divisions and administrative divisions, we further operate our Risk Report System that promptly provides risk information from the relevant department to the Risk Supervision Department when a risk event occurs. When a reported risk constitutes an emergency or serious event, we share information with the Risk Management Committee and full-time Audit and Supervisory Committee members while enacting appropriate initial response, working to minimize impacts on the Group's business. To address risks related to the environment, society, and governance, we coordinate and share information with the Sustainability Promotion Department. Along with the identification of high-priority business risks, we handle climate change-related risk management and human rights-related due diligence within this system.



### Major identified risks

Whether a risk equates to a major risk that could have significant impact on investors' decisions is determined by the Risk Management Committee through risk identification, analysis, and evaluation. Specifically, we quantify and analyze, using the evaluation axes of impact, likelihood, and risk management vulnerability (i.e., whether we can control the impact if the risk materializes), the residual risks that remain even after risk mitigation measures are taken for risks raised by Group companies. Based on these results, we identify risks that could

have significant impacts on the SWCC Group as major risks. In addition, since we have defined materiality based on the Basic Sustainability Policy, we are taking measures to address major risks Company-wide by adding correlations to them and risks recognized by the Corporate Department. Risks identified by the SWCC Group include but are not limited to the risks listed here. Any of these risk factors could also influence the judgment of investors.

Risk category	Materiality	Details of identified risks	Major initiatives	Remaining risks
Natural disasters, etc.	• Our earth	<ul style="list-style-type: none"><li>○ Suspension of operations at manufacturing sites caused by the following natural disasters, loss of logistics functions, etc.</li><li>• Natural disasters such as massive earthquake, typhoon, and flooding</li></ul>	<ul style="list-style-type: none"><li>• Formulation and review of business continuity plans (BCPs) to ensure smooth initial response to anticipated risks</li><li>• Systematic investments to strengthen infrastructure facilities at manufacturing sites</li><li>• Purchase of disaster insurance</li></ul>	<ul style="list-style-type: none"><li>• Significant impact on business results in the event of substantial restrictions on systematic production activities due to prolonged deterioration of social infrastructure functions under power shortages, logistics delays, etc. caused by natural disasters beyond expectations, etc.</li></ul>
Changes in raw material and energy prices	• Our future • Our earth	<ul style="list-style-type: none"><li>○ Changes in prices of copper, which is the key raw material</li><li>○ Changes in prices of petrochemical products such as polyethylene</li></ul>	<ul style="list-style-type: none"><li>• Strengthening of management by the Group Procurement Division</li><li>• Reduction of inventory through systematic stable procurement</li><li>• Shifting of costs to product prices</li><li>• Hedging of risk of copper price fluctuations through futures trading, etc.</li><li>• Mitigation of risks through diversification of procurement sources and the use of multiple-source purchasing</li><li>• Introduction of energy-saving equipment</li></ul>	<ul style="list-style-type: none"><li>• Significant impact on business results if the shifting of costs onto product prices is difficult or if loss occurs due to a dramatic drop in market prices</li></ul>
Securing and development of human resources	• Our people	<ul style="list-style-type: none"><li>○ Loss of sales opportunities</li><li>○ Impact on business continuity due to difficulties in passing on manufacturing skills</li><li>○ Decline in the quality of products and services</li><li>○ Impact of missed growth opportunities on achievement of performance targets</li></ul>	Please refer to “Strengthening Human Capital” for our major initiatives.	<ul style="list-style-type: none"><li>• Significant impact on business results due to organizational constraints and loss of business opportunities</li></ul>
Supply chain disruptions and breakdowns	• Our partnership	<ul style="list-style-type: none"><li>○ Stoppages and delays in the supply of raw materials due to supply chain disruptions and breakdowns</li></ul>	<ul style="list-style-type: none"><li>• Mitigation of risks through diversification of procurement sources and the use of multiple-source purchasing</li><li>• Securing of substitute products</li><li>• Thorough management of individual procurement sources (Management of risks of business closure and discontinuation)</li></ul>	<ul style="list-style-type: none"><li>• Impacts of stoppages and delays in the procurement of raw materials on business activities and business results</li><li>• Increase in procurement costs due to procurement difficulties</li></ul>
Cybersecurity	• Our governance	<ul style="list-style-type: none"><li>○ Loss of intellectual property, customer information, or other confidential information, and reputational damage due to cyberattacks, information leaks, or system failures</li></ul>	<ul style="list-style-type: none"><li>• Establishment and monitoring by CSIRT</li><li>• Verification of information transmission systems during incidents via incident response training held twice a year</li><li>• Cybersecurity insurance coverage</li></ul>	<ul style="list-style-type: none"><li>• Loss of confidential information or reputational damage in case of exposure to unknown attacks</li><li>• Incurrence of losses not covered by insurance</li></ul>
Quality issues	• Our governance	<ul style="list-style-type: none"><li>○ Occurrence of quality issues (faults and defective products)</li><li>○ Manufacturing and selling products that violate product standards, laws, regulations, or agreements with customers</li></ul>	<ul style="list-style-type: none"><li>• Monitoring by the SWCC Quality Supervision Department, auditing by the Audit Control Division</li><li>• Thorough quality control and prevention of fraud through promotion of IT in quality assurance operations</li><li>• Roll-out of Group-wide education program</li><li>• Securing and training of quality division human resources</li><li>• Purchase of liability insurance</li></ul>	<ul style="list-style-type: none"><li>• Compensation for damages, product liability claims, etc. arising from quality issues</li><li>• Damage to trust and reputation due to quality issues</li></ul>

## Information Security



The SWCC Group has established its Information Security Policy under which it reviews countermeasures against cyber attacks and carries out annual training for employees. The SWCC Group actively undertakes investments in information security, which we recognize as a key management issue.




Initiatives by the Board of Directors and by committees

Board of Directors FY2024 convened 21 times


 President  In-house  Outside

Purpose and authority	Composition
<p>To deliberate and decide on matters regarding the management policies and business execution of the Company and its Group companies, and to supervise and ensure that the execution of directors' duties is duly and efficiently conducted.</p> <p><b>Matters discussed</b></p> <ul style="list-style-type: none"><li>● Reporting and deliberation on the progress of the Mid-Term Management Plan and the status of business execution during the current fiscal year</li><li>● Reporting and deliberation on M&amp;A to strengthen the business portfolio in light of the business environment and competitive situation</li><li>● Reporting and deliberation on the status of dialogues with shareholders (investors) through IR activities, etc.</li><li>● Reporting and deliberation on compliance and risk management issues for the Group overall</li><li>● Reporting and deliberation on initiatives to address sustainability issues, including environmental initiatives</li><li>● Reporting and deliberation on the evaluation of the effectiveness of the Board of Directors (questionnaire survey based on advice from outside bodies)</li></ul>	<p>2 directors</p>  <p>5 directors who are Audit and Supervisory Committee members</p> 


Audit and Supervisory Committee FY2024 convened 17 times

Purpose and authority	Composition
<p>To audit and supervise the execution of directors' duties through monitoring and verification of the internal control system and through effective cooperation with accounting auditors, the internal audit department, and other departments, in accordance with the audit policy and plans set forth by the Audit and Supervisory Committee.</p> <p><b>Matters discussed</b></p> <ul style="list-style-type: none"><li>● Formulating audit policies and audit plans</li><li>● Evaluation of accounting auditors and determination of appropriateness of reappointment</li><li>● Preparing audit reports</li></ul>	<p>5 directors</p> 


Nominating and Compensation Committee FY2024 convened 7 times

Purpose and authority	Composition
<p>Following consultation with the Board of Directors, the Nominating and Compensation Committee deliberates and reports on matters related to nominations, such as succession planning and the nomination of candidates for directors and executive officers, and on matters related to compensation, such as the determination of the structure and systems for directors and senior management and the amounts of individual compensation.</p>	<p>4 directors</p> 

Risk Management Committee FY2024 convened 2 times

Purpose and authority	Composition
<p>We oversee compliance and risk management for the entire Group and continuously identify and correct any issues, thereby striving to further strengthen the SWCC Group's corporate governance system.</p>	<p>1 chairperson, 14 members</p> 

Sustainability Committee FY2024 convened 2 times

Purpose and authority	Composition
<p>We will strengthen our sustainability structure with the aim of engaging in corporate operations that are sustainable in terms of the environment, society, and economics, based on the SWCC Group's management philosophy.</p>	<p>1 chairperson, 10 members</p> 







Approach to the composition of the Board of Directors

Our basic approach to corporate governance is based on the SWCC Purpose, which serves as a guidepost to align the SWCC Group's raison d'être, management, and employees along the same path, and on the recognition that the speed and efficiency of management and the accompanying enhancement of monitoring functions are universal corporate challenges. In accordance with this policy, in appointing directors we seek people who exhibit excellent character and insight and who can supervise and manage the Company. It is also our policy to appoint members with diverse backgrounds in order to cover a wide range of knowledge and expertise that we consider important to our Company.







Based on the above policy, in the Board of Directors we require experience in corporate management as well as knowledge and insight related to sustainability in order to further promote initiatives aimed at resolving social issues. We select a balanced lineup of persons who have abundant knowledge and experience in fields such as international affairs, accounting, finance, and technology.

We will continue to review the skills required for the Board of Directors in accordance with changes in management policies and strategies.

Directors' skill matrix

	Takayo Hasegawa	Tetsuo Komata	Yuji Sakakura	Takashi Mukuno	Minako Nishimura	Koji Naito	Kumiko Baba	Futoshi Yamaguchi
 Required Skills Corporate management	●	●	●	●	●	●	●	●
 Sustainability	●	●	●	●	●	●	●	●
 Sales	—	—	—	●	—	●	—	—
 Overseas business	—	●	●	●	—	●	●	—
 Accounting and finance	—	—	●	—	—	—	●	●
 Technology	●	●	—	—	●	—	—	—

Reasons for selection of skills

Skills	Reasons for selection
 Corporate management	Directors who possess robust knowledge and experience related to corporate management and who can promote the sustainable growth of the SWCC Group's corporate value are essential in achieving the goals of the Change & Growth SWCC 2026 Rolling Plan 2024 Mid-Term Management Plan.
 Sustainability	Directors who possess robust knowledge and experience concerning the environment, society, and the strengthening of corporate governance are essential in working to promote social problem-solving business, achieve a sustainable society, and enhance our corporate value on the foundation of the technologies and experience built up in our business under the SWCC Purpose.
 Sales	Directors who possess robust knowledge and experience in assessing and analyzing market trends and formulating sales strategies are essential in providing high value-added products.
 Overseas business	Directors who possess experience in overseas business management and robust knowledge and experience concerning overseas business environments are essential in sustainably growing our overseas businesses.
 Accounting and finance	Directors who possess knowledge and experience of accounting and finance are essential in carrying out growth investments aimed at sustainable enhancement of corporate value, as well as in promoting management that will improve capital efficiency based on the key management indicator of return on invested capital (ROIC).
 Technology	Directors who possess robust knowledge and experience concerning technology are essential in creating products of suitable quality, conducting wide-ranging research and development including basic research, creating new business models, promoting DX, etc.

Reasons for the selection of inside directors and outside directors

Name	Reasons for selection
Takayo Hasegawa	Over many years, he has significantly increased corporate value through excellent management skills and leadership. He has extensive business experience, achievements, and insight as a manager, and as further contributions are expected from him in the future, he has been reappointed as a director.
Tetsuo Komata	Starting April 2025, he will assume the position of CEO, Executive President, and Representative Director of our company, driving our business forward to achieve the Mid-Term Management Plan “Change & Growth SWCC2026 Rolling Plan 2024” and looking ahead to sustainable growth beyond that. He possesses extensive experience and achievements in overall management, and, based on our judgment that he can continue to contribute to enhancing the corporate value of the SWCC Group, we have reappointed him as a director.
Yuji Sakakura	Having cultivated extensive insight into management through his careers as an executive in finance-related operations at a general trading company, a securities company manager, and Chief Financial Officer at an M&A advisory firm, we expect further reinforcement of SWCC Group’s corporate governance by having him audit and supervise our management based on such experience and insight, and have therefore reappointed him as an external director.
Takashi Mukuno	He has experience and achievements in global corporate management, including in business planning at listed companies and as a top executive at one our overseas subsidiaries. Utilizing his extensive experience and achievements, he appropriately fulfills his duties as an Audit and Supervisory Committee member from a global management perspective. He was appointed as an outside director who is an Audit and Supervisory Committee member based on the expectation that he will provide accurate recommendations and oversight of execution concerning the Company’s business from a neutral and objective standpoint.
Minako Nishimura	She possesses extensive experience primarily in human resource development and career advancement, as well as high-level insights as a corporate manager. With the expectation that, from an independent standpoint, she will appropriately fulfill her duties in discussions regarding the promotion of diversity and initiatives for the development of the next generation, we have reappointed her as an outside director.
Koji Naito	He has a wide range of experience and accomplishments in corporate management, including serving as a Representative Director of a listed company. He has been selected as an outside director in the expectation that, by utilizing his extensive experience and profound insight into management, he will provide advice on management, make precise recommendations regarding our company’s business, and supervise execution.
Kumiko Baba	She has a wide range of experience and achievements, including experience as an auditor at a listed company, as well as in business planning, finance, and accounting. Making full use of her abundant experience and achievements, she has been appointed as an outside director who is an Audit and Supervisory Committee member, in the expectation that she will provide appropriate recommendations and oversight of execution concerning the Company’s business from a neutral and objective standpoint.
Futoshi Yamaguchi	He possesses extensive experience and a track record centered on the Accounting & Finance Department, and has been deeply involved in corporate management of the Company and Group companies as a director. Based on his background and insight, the Company has selected him as a director who is an Audit and Supervisory Committee member in the expectation that he will continually provide counsel and supervision of execution concerning management issues of the Company from an objective standpoint.

Evaluation of the effectiveness of the Board of Directors

We conduct analysis and evaluation of the effectiveness of the Board of Directors each fiscal year to verify that the Board functions properly. Specifically, based on the answers to the questionnaire for all directors, the Board of Directors shares the evaluation findings and identified issues, and holds constructive discussions on the ideal state of the Board.

Analysis and evaluation during the current fiscal year were conducted in the following manner, with input from an outside body. First, we conducted a survey targeting all directors who are members of the Board of Directors. Anonymity was ensured through direct responses to the outside body. The questionnaire covered multiple perspectives, including the management, deliberation, and monitoring functions of the Board of Directors, the performance of outside directors, and the operation of the Nominating and Compensation Committee as well as the Audit Committee.

As a summary of the evaluation results, firstly regarding the operation of the Board of Directors, it has been found that the Board’s members are diverse in terms of knowledge, experience, expertise, career background, age, and gender; that a sufficient frequency of Board meetings is ensured; and that discussions and exchanges of opinions are not merely formal but conducted freely, openly, and constructively. Findings also indicate that sufficient discussions are held with consideration for profitability and capital efficiency when determining management strategy and management plans. Findings further show that dialogue with shareholders (investors) through IR activities, etc. is sufficiently discussed as a matter for deliberation by the Board of Directors, with appropriate feedback provided to the Board.

In addition, with regard to the external directors, evaluation results indicate that they actively provide advice or ask effective questions to the Board of Directors from a specialized perspective regarding performance, and that they take responsibility for their own statements in Board meetings, making concise and highly

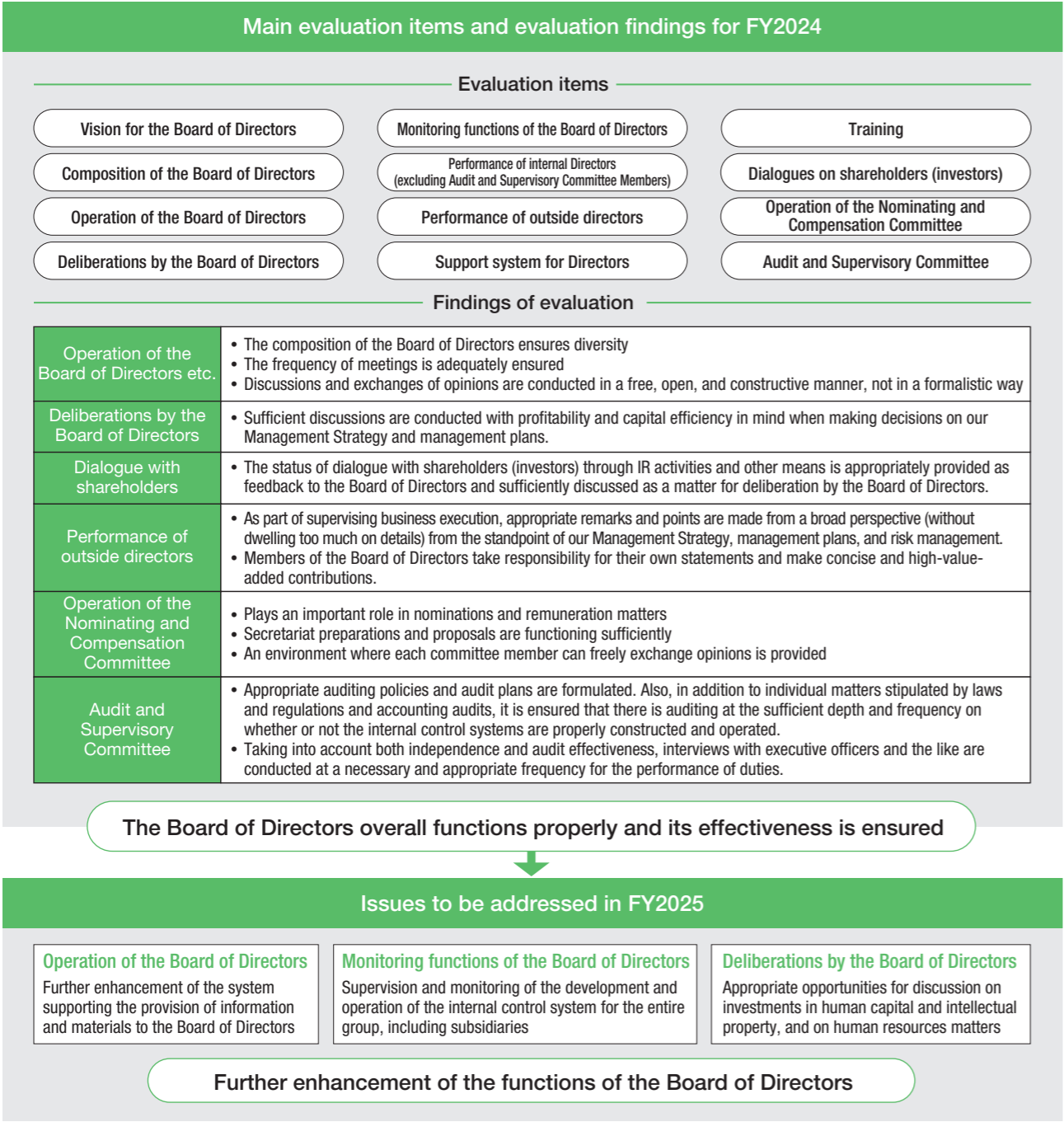
value-added contributions. In addition, regarding the operation of the Nominating and Compensation Committee, evaluation results have shown that it plays an important role in matters related to nomination and compensation, that the Secretariat’s preparations and proposals function effectively, and that an environment has been established where each committee member can freely exchange opinions. Evaluation findings confirm that the Audit and Supervisory Committee formulates appropriate auditing policies and plans, engages in accounting audits, etc., addresses individual matters stipulated in laws and regulations, conducts sufficiently deep and frequent audits of whether internal control systems are properly constructed and operated, and, with independence and audit effectiveness taken into account, conducts interviews with executive officers, etc. necessary to the performance of its duties, with appropriate frequency.

Accordingly, as the findings of all evaluations were generally favorable, the Company has determined that, on the whole, the Board of Directors is functioning appropriately and that its effectiveness is ensured.

On the other hand, concerning the management of the Board of Directors, challenges have been identified with respect to further enhancing the system supporting the provision of information and materials to the Board, supervising and monitoring the construction and operation of internal control systems for the entire Group including subsidiaries as part of the Board’s monitoring function, and ensuring appropriate opportunities for discussions related to investments in human capital and intellectual property and topics concerning personnel at Board meetings.

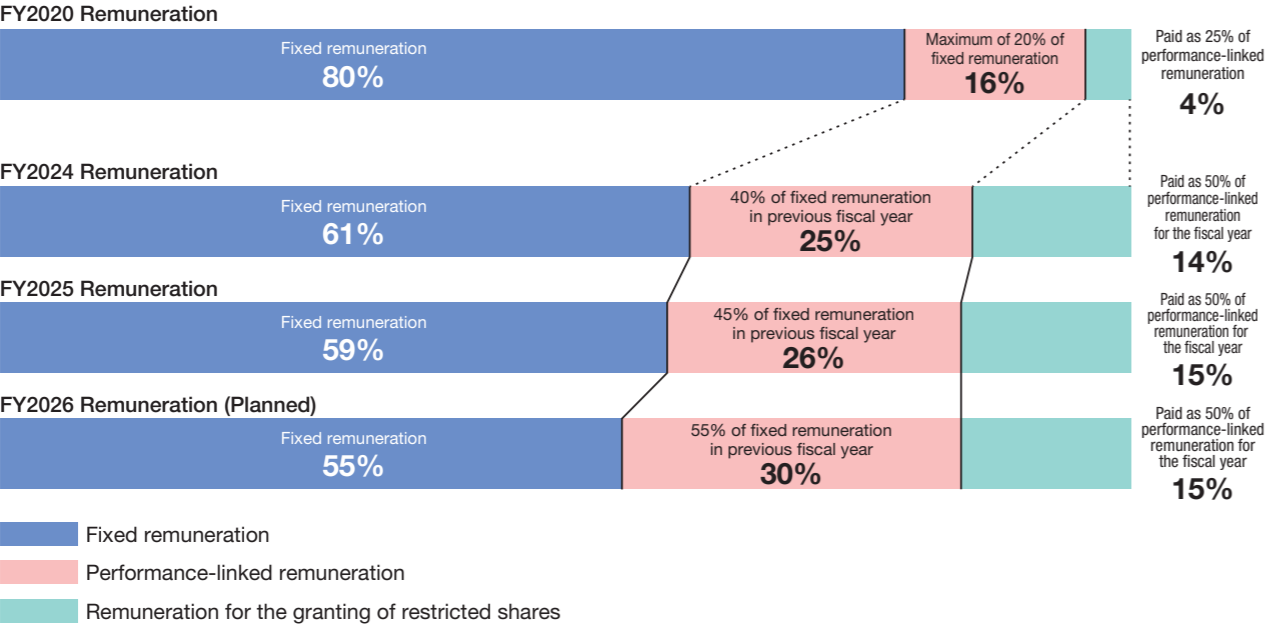
In the future, the Company’s Board of Directors will take prompt action on such issues after sufficient examination based on the effectiveness evaluation, and will continue to make efforts to enhance the functions of the Board of Directors.





Percentage breakdown of remuneration

The percentages of fixed remuneration, performance-linked remuneration, and remuneration for the granting of restricted shares that make up total remuneration are subject to re-evaluations by the Nominating and Compensation Committee. Furthermore, for these Directors (excluding directors who are Audit and Supervisory Committee members), the total amount of remuneration shall not exceed 300 million yen per year.



Payment schedule

Fixed remuneration in the form of monetary remuneration for FY2025 will be paid in equal amounts each month starting from the first month of FY2025. Performance-linked remuneration for achievements in FY2024 will be paid in June 2025. Remuneration for the granting of restricted shares will be paid by the month following the 129th Ordinary General Meeting of Shareholders, under the condition that the director has been appointed or reappointed at said meeting. Performance-linked remuneration for achievements in FY2025 will be paid in June 2026.

Matters concerning resolutions of General Meetings of Shareholders concerning directors' remuneration, etc.

Directors (excluding directors who are Audit and Supervisory Committee members). (The following applies similarly within this section.) With regard to the remuneration of directors, it was resolved at the 123rd Ordinary General Shareholders' Meeting held on June 26, 2019, that the annual amount shall be up to 300 million yen (of which up to 30 million yen is for outside directors), and the amount of remuneration for directors shall include, in order to clarify the effective upper limit, the portion of remuneration for executive officers who concurrently serve as directors as well as the portion of salary for employees who concurrently serve as directors. The number of directors as of the end of the 123rd Ordinary General Shareholders' Meeting was four (including one outside director). At the 124th Ordinary General Meeting of Shareholders held on

June 29, 2020, it was decided that, within the framework of 300 million yen per year (including a limit of 30 million yen per year for outside directors), monetary remuneration of up to 80 million yen per year would be paid to directors as monetary remuneration for the granting of restricted stock. The number of directors as of the end of the 124th Ordinary General Shareholders' Meeting was three (with no outside directors). At the Company's 123rd Ordinary General Meeting of Shareholders held on June 26, 2019, it was resolved that the remuneration of directors who are Audit and Supervisory Committee members would be within the limit of 80 million yen per year. The number of directors who are Audit and Supervisory Committee members as of the end of the 123rd Ordinary General Shareholders' Meeting was three (including two outside directors).

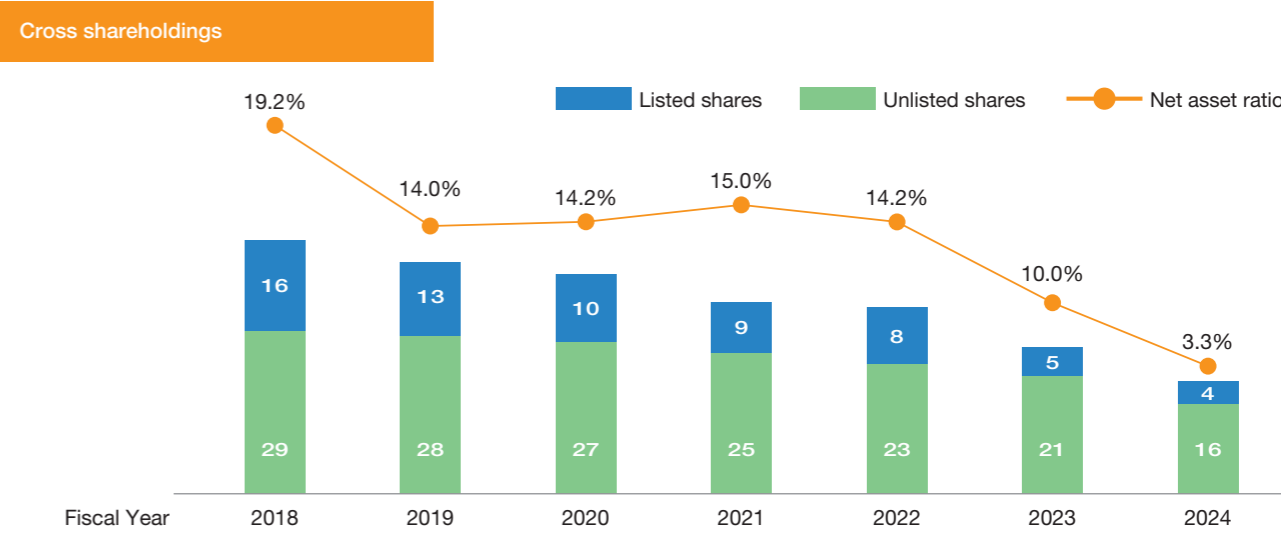
Matters concerning the determination of remuneration, etc. for individual directors

The individual amounts of remuneration of Directors (excluding Directors who are Audit and Supervisory Committee members; the same applying hereinafter) are decided by the Board of Directors after deliberation by the Nominating and Compensation Committee, which is composed solely of independent outside directors, within the total amount of remuneration for directors determined at the Shareholders' Meeting. The Board of Directors has confirmed that directors' individual remuneration for the current fiscal year recognizes reports from the Nominating and Compensation Committee, and that the method for determining the content of remuneration, etc. and the resolved content of remuneration, etc. are consistent with said decision-making policy. Remuneration for directors who are Audit and Supervisory Committee members is decided on the basis of deliberation among directors who are Audit and Supervisory Committee members, within the maximum amount established at the General Meeting of Shareholders, in accordance with Article 361, Paragraph 3 of the Companies Act of Japan.

Cross shareholdings

As a general principle, our company has adopted a policy of not holding strategic shareholdings, and we have been taking measures to reduce the ratio of strategic shareholdings to consolidated net assets to less than 10% by the end of March 2025. With regard to individual strategic shareholdings, we limit our holdings to cases where it is judged to contribute to maintaining and enhancing the SWCC Group's medium- to long-term corporate value, and after thorough dialogue with business partners, we will continue to work on reducing strategic shareholdings in the future.

- Basic Policy on Strategic Shareholdings**
- (1) The basic policy is, in principle, not to hold such shares.
  - (2) If continued holding is unavoidable, strict verification of the rationality is conducted.
  - (3) The exercise of voting rights related to such shares is comprehensively judged in light of contributions to enhancing the Company's corporate value.



Book value (millions of yen)	6,841	5,611	6,833	8,819	9,691	7,745	2,797
Total net assets (millions of yen)	35,628	39,981	48,169	58,932	68,390	77,126	85,618
Sales value (millions of yen)	77	162	50	94	25	4,653	3,994

Note The number of stocks and the ratio of the amount recorded in the balance sheet at the end of the year to consolidated net assets is for SWCC Showa Holdings Co., Ltd. and SWCC Showa Cable Systems Co., Ltd., the consolidated subsidiaries with the largest amounts of investment shares recorded on the balance sheet. In addition, the Company absorbed SWCC Showa Cable Systems Co., Ltd. on April 1, 2023, and changed its trade name to SWCC Corporation.

Background and Process of the Change of President

We have established a succession plan to contribute to the sustainable growth and medium- to long-term enhancement of corporate value of the Company, and are systematically engaged in the selection and development of candidates for president and executive positions. Regarding the change of president, the Nominating and Compensation Committee conducts planned discussions and deliberations based on the succession plan to ensure smooth management transition. Based on this system, in April 2025, our company implemented the transition of the presidency from Hasegawa to Komata. Taking into account the term of the former president Hasegawa, as well as the progress of the Mid-Term Management Plan and management conditions, we began the process of selecting a new president several years ago. Regarding this selection process, the Nominating and Compensation Committee discussed the qualities required of the next management leader of the SWCC Group and drew up a concrete plan and schedule. For the selection, several candidates were nominated, and in addition to evaluating their past performance, personalities, and feedback from others, multiple presentations on their Vision and strategies as managers were held. The Nominating and Compensation Committee deliberated and narrowed down the candidates. Based on this selection process, Mr. Komata was named as the next presidential candidate, and was first appointed as Chief Operating Officer (COO) and Executive Vice President in April 2024, and then as Representative Director, COO, and Executive Vice President in June of the same year. Subsequently, the Nominating and Compensation Committee confirmed his leadership and management skills as Representative Director, COO, and Executive Vice President over the past year, and concluded that he was the best person to entrust with the future of SWCC, capable of accelerating the pace of reform and realizing new value creation. Accordingly, the Board of Directors appointed Komata as President in April 2025. SWCC is now at a stage of shifting its focus to growth, and under the leadership of new President Komata in March 2025, we achieved our company's first large-scale M&A deal with the acquisition of TOTOKU. With a new management leader for this growth phase, we aim to achieve further leaps forward and promote greater enhancement of corporate value.

Round-table discussion among outside directors

# Contributing to the Realization of Growth under the Strengthened New Management Structure

SWCC has appointed a new president and two new external directors, and has further strengthened its management structure in preparation for the next phase of growth. We asked the five outside directors to discuss future developments.



Takashi Mukuno  
Outside Director,  
Audit and Supervisory  
Committee Member

Minako Nishimura  
Outside Director

Yuji Sakakura  
Outside Director,  
Audit and Supervisory  
Committee Member

Kumiko Baba  
Outside Director,  
Audit and Supervisory  
Committee Member

Koji Naito  
Outside Director

## My Purpose

- Outside Director Sakakura: **“A Challenge from the Final Corner!”**  
Outside Director Mukuno: **“The first step to breaking out of your shell is to believe in yourself. Only confident actions bring about transformation.”**  
Outside Director Nishimura: **“Everything starts with a small step. We create the future by not forgetting gratitude, talking about the future, and embracing challenges without fear.”**  
Outside Director Baba: **“By contributing to the growth of industry, I hope to enhance the vitality and happiness of people.”**  
Outside Director Naito: **“Enjoy change. Enjoy differences among people.”**

## On the appointment of our new president

Under Hasegawa’s leadership, the SWCC Group has boldly advanced structural reforms and increased corporate value. Could you share with us the process that led to the appointment of President Komata and the discussions held by the Nominating and Compensation Committee.

**Sakakura** In order to ensure the sustainable growth of corporate value, the Nominating and Compensation Committee has placed importance on CEO succession, and has been discussing succession planning from an early stage. In the spring of 2023, a concrete selection process began.

Several candidates were assigned tasks, and the Nominating and Compensation Committee members and then-President Hasegawa held multiple interviews, resulting in Mr. Komata being appointed COO in 2024. Over the following year, Mr. Komata’s performance as COO was evaluated, and since he was considered to have the qualities required of the next leader, he assumed the position of Representative Director, CEO, and President in April 2025. Mr. Komata is considered to possess leadership, foresight, and execution abilities, making him the right person to further accelerate transformation.

**Mukuno** There were several candidates, each with outstanding individual qualities. What I valued most was originality of ideas regarding growth strategy. Among them, the direction proposed by Mr. Komata was the most persuasive and convincing. I determined that it would meet stakeholder expectations and be valued by the market, so he was selected.

**Nishimura** Mr. Komata was recognized for his ability to drive further business development while continuing the current transformation, as well as his skill in uniting employee opinions. While some investors viewed former President Hasegawa’s resignation as a risk, external evaluations of Mr. Komata’s statements and actions as COO were very positive, leading us to conclude he was indeed a suitable candidate for president.

## Division of roles and expectations for the Chair of the Board of Directors and President

With this change in presidents, former President Hasegawa became Chair of the Board of Directors with representative rights, and Mr. Komata assumed his position. Amid these changes, we have received many questions from investors about the differences in their respective roles. As the Nominating and Compensation Committee, can you share what roles you expect of each role under this structure?

**Nishimura** President Komata has set forth three initiatives: “Further strengthening of growth-driver businesses,” “Establishing a second growth business,” and “Accelerating DX-driven management.” By steadily executing these initiatives, I hope he will also drive transformation toward a solutions-oriented value-creation company, developing the solutions business into a third pillar in the future.

Meanwhile, I expect Chair Hasegawa to focus on external activities, further elevating the company’s reputation and presence within the industrial sector.

**Mukuno** As Executive Vice President, Mr. Komata implemented Mr. Hasegawa’s vision, but going forward, while inheriting the Hasegawa approach, I hope he will not hesitate to lead boldly and assert his own style as the top executive.

Chair Hasegawa has overseen the company’s transformation through very challenging times and possesses a deep understanding of both its strengths and weaknesses, as well as insight into employee sentiment during the

transformation process. Should difficult situations arise in the future, I hope Chair Hasegawa will support President Komata, and given Chair Hasegawa’s unique position within Japan’s business community, I hope she will continue to contribute to Japanese society as much as her schedule allows.

**Sakakura** I expect Chair Hasegawa to lead Board of Directors discussions looking 10 years or more into the future, and, given the high level of attention earned due to her accomplishments, to play a key role in communications with the market.

With President Komata’s appointment and Chair Hasegawa’s assumption of the role of Chair of the Board of Directors, this is not a mere presidential transition but a challenge to further strengthen the management team to enhance corporate and shareholder value. With an expanded management team, we are now better positioned to realize our Vision for 2030.

## Regarding the appointment of newly appointed outside directors

With the recent appointments of Mr. Naito and Ms. Baba as external directors, could you share what roles you hope to fulfill and your impressions of SWCC?

**Naito** At Ushio Inc., I was mainly involved in overseas business and served as president for five years from 2019. Although the company derives 70% of its sales from overseas, I worked to build a framework in which overseas group companies could maintain autonomy while being effectively overseen by headquarters, thereby enhancing overall group efficiency. I believe I can leverage my past experience to contribute as our company drives its business development (BD) strategy forward.

**Baba** I started my career in international sales at Toshiba Corporation, and have been involved in production, sales, and technology alliances in the digital industry sector. I have also served as head of the Management Division at JFE Engineering Corporation, and as full-time Audit & Supervisory Board Member at JFE Holdings, Inc.

What surprised me most upon becoming an external director of the company was that all external directors have hands-on experience in business operations. The fact that our members have practical management experience and deep insight matches the characteristics of our company, and I feel it has deepened the quality of our discussions. Also, I am impressed by the company’s robust, pragmatic, and rational

approach, as well as its open corporate culture, where many mid-career recruits are thriving.

**Sakakura** As chair of the Nominating and Compensation Committee, together with then-President Hasegawa, we shared the view that all external directors should have management experience; that attorneys and accountants are professionals who should be engaged as needed, since their involvement in management decisions is strictly as third parties, making them unfit to serve as directors.

Nowadays, any company could receive unexpected proposals at any time, making the role of external director increasingly difficult. If a takeover proposal is made without agreement, external directors are expected to make judgments and decisions from the perspectives of shareholders. I interviewed several candidates this time, and I am confident that these two have the resolve to make such decisions.

**Mukuno** Ms. Baba has long served as an auditor for listed companies and is well versed in governance. Mr. Naito has shouldered the responsibility of being President, which has its own unique weight. Given that you have engaged in many discussions with external directors, do you have a different view or image of the president compared to other external directors?



**Nishimura** With Ms. Baba joining, 3 out of the 8 directors are now women, greatly surpassing the government's target. Since each brings a wealth of experience and expertise, I expect our discussions will become even more substantial. Additionally, by participating in the Diversity Promotion Project (nickname: SWCCarat), I would like us to work together to create a culture where everyone can fully demonstrate their abilities equally.

Mr. Naito also has a wide range of experience as a top corporate executive, and since he is someone who brightens the atmosphere, I believe that our discussions will be even more open and lively than before.

### Initiatives of the Nominating and Compensation Committee

Succession planning was mentioned earlier, but could you please tell us what kinds of discussions and activities the SWCC Nominating and Compensation Committee engages in on a regular basis?

**Sakakura** The Nominating and Compensation Committee consists of three outside directors, with the Chairman and President participating as observers, and it is generally held once a month. With regard to executive compensation, the ratio of performance-linked compensation has gradually increased so far and is now up to 55%, with the linkage ratio using KPIs such as the achievement rates for operating profit, ROIC, and ESG-related indicators. Going forward, themes for consideration include reviewing the level of fixed remuneration, raising the proportion of performance-linked compensation, and, from a shareholder's perspective, considering indicators such as TSR (total shareholder return), ROE, and medium- to long-term incentives.

Furthermore, in 2025 the number of executive officers increased to 17, so I would also like to discuss an appropriate executive management system moving forward.

**Mukuno** Our company has a three-tier succession plan. The SWCC Director's Seminar (SD Seminar) for mid-level employees around age 30 is different from usual training led by the HR Department in that selected employees participate. Starting this kind of training around age 30 greatly helps boost motivation and is extremely meaningful. Furthermore, since outside directors with practical experience in various industries act as instructors, participants can learn about other industries while also deepening their understanding of our company's uniqueness and position.

There is also the Next-Next Generation Management School for those around 40, and the Next Generation Executive Development Training for those in their 40s to 50s, both with an even stronger focus on select participants and with a more limited number of seats.

In addition, as outside directors, we attend management meetings as observers and can directly observe which positions the future executive candidates who participate in the Next Generation Executive Development Training occupy and how they contribute to discussions. With these perspectives in mind, we are able to undertake candidate selection at the Nominating and Compensation Committee.

**Nishimura** The SD Seminar is a program where participants set their own themes and develop ideas for new businesses. Participants freely share ideas and sometimes come up with surprising concepts, making it a well-rounded program for training in new business development. Additionally, by working on a single theme, employees who would not usually interact can build personal networks, which is highly valuable for the future.



### Discussion at the Board of Directors

What were the most memorable topics and discussions at the Board of Directors meetings in FY2024?

**Nishimura** The topics from Board of Directors discussions that left an impression were "the acquisition of TOTOKU," "overseas expansion of e-Ribbon," and "governance structure of our Chinese subsidiaries." The acquisition of TOTOKU is the largest project in our company's history, with frequent progress reports, and we had many discussions on how to integrate with related departments. Although the overseas expansion of e-Ribbon felt like it took a considerable amount of time, those involved have been tenaciously participating in negotiations and things are moving in a positive direction. On the other hand, in the China business, following losses caused by a decline in the performance of our equity-method joint venture partner, strengthening the governance of our local subsidiaries emerged as an urgent issue for discussion. At the Board of Directors, we also pointed out our approach and attitudes toward overseas business, and efforts for improvement are currently underway.

**Sakakura** Regarding the acquisition of TOTOKU, I repeatedly asked Chairman Hasegawa and President Komata what kind of company we aspire to become through this



acquisition, and reconfirmed their commitment as managers. Those explanations conveyed a strong vision and conviction, so I supported the acquisition.

On the other hand, since there are some issues with employee engagement scores in the field, there were discussions on how to improve them going forward.

**Mukuno** In regard to human resources, it has been reported at Board of Directors meetings that we are strengthening recruitment to secure talent with the necessary skills for the company, and I would like to closely monitor the extent of our results. Additionally, while we have achieved the performance targets of the Mid-Term Management Plan ahead of schedule, I believe we need to continue discussing how to further improve the accuracy of annual budget planning.



### Effectiveness of the Board of Directors

How is progress on the issues for FY2024, namely "human rights/labor issues," "sufficient follow-up after the implementation of resolutions," and "training opportunities required for officers"?

**Nishimura** Regarding human rights, the SWCC Group Human Rights Policy was established in January 2024. It is necessary to continue discussions on human rights and labor issues at suppliers in the supply chain that are difficult for our company to directly monitor. Furthermore, regarding labor issues, unfortunately, small incidents have not been

eliminated, so we discussed not only strengthening rules but also improving the workplace environment to make it safer and easier to work in.

For follow-up on matters resolved, reports are now provided semiannually, and when necessary, representatives from each segment also provide explanations.

**Mukuno** With regard to the training required for executives, while it is necessary to establish a system that supports the updating of skills and information that Directors need to enhance the effectiveness of the Board of Directors, the sophistication of company management also requires that not only Directors, but also executive officers continuously acquire necessary skills and share information. In such cases, since there are things that cannot be learned solely within our company, it is necessary to provide opportunities to interact with people from outside the company, such as by holding seminars with external instructors. We hope that the executives, including Executive Officers, will make greater use of these tools for their own growth.

**Sakakura** Even if the effectiveness of the Board of Directors is praised highly, what truly matters is substance. Last year, as an Outside Director, I met with investors from the UK and was asked about what kind of discussions actually take place at the Board of Directors and who ultimately makes the final decisions.

### Toward the next stage of growth for SWCC

As we look toward future growth, please share with us the strengths SWCC should further develop and the challenges to be addressed.

**Nishimura** Under our goal of “Change and Growth,” we have so far focused on “Change.” With high-value-added products for domestic and overseas data centers growing steadily, the addition of TOTOKU to the Group—achieved as part of our business development (BD) strategy—has established the Communication and Components Business as our second pillar and made the direction of “Growth” even clearer. Furthermore, as we strive to evolve into a “solution proposal-based value creation company,” the rollout of the SmartStream Business, which we have pioneered in the energy and infrastructure field, is steadily shaping our envisioned future.

**Mukuno** TOTOKU’s business must be successfully



Our Board of Directors engages in substantial debate and is moving in a positive direction, and with the addition of Ms. Baba and Mr. Naito, I expect the discussions to become even more thorough.

integrated as part of our growth strategy. At the same time, from a perspective of overall management balance, it is important to broaden our view to include businesses other than our Power Infrastructure Business and business lines of TOTOKU, and to accurately select businesses that can generate stable profits. In particular, we aim to deepen our unique strengths, such as the development of next-generation e-Ribbon and our focus on non-ferrous metal materials, by concentrating management resources, and to leap to a new stage of growth.

**Baba** As we further promote our BD strategy, I felt the need to lay out and visualize a comprehensive map of our technology, intellectual property, sales, and marketing, and to build a process for advancing discussions based on this map. This will lead to greater buy-in for our strategies and make execution even more certain.

**Mukuno** We have reviewed our business portfolio to enhance capital efficiency under ROIC management, but to move on to the next stage of “Growth,” as Ms. Baba has mentioned, we need to utilize such a map in our thinking.

**Naito** I think it is important to clearly distinguish between the areas where we are particular about ROIC and those where we are not.

In addition, I would like the Board of Directors to monitor strategies for winning overseas, which includes the issue of whether we can secure sufficient human capital for overseas expansion.



## FY2024 Financial Results—Key Points

### Nobutaka Imai

Managing Executive Officer  
In charge of accounting, general affairs,  
and shared services

My Purpose

“Change”



To promote our goal of “Growth” as set forth in the Mid-term Plan, proactive investment must be made to drive growth while maintaining a stable financial base. Under ROIC management, we monitor the efficiency of invested capital by business using business-specific WACC, and use indicators such as Group-wide D/E ratio, equity capital ratio, and fixed asset ratio as financial discipline in our cash allocation. We will continue to focus on improving capital efficiency and strengthening our ability to generate cash flow.

### Consolidated Balance Sheet (compared with the end of FY2023)

On March 27, the company acquired shares of TOTOKU and made it a consolidated subsidiary; consequently, only the balance sheet at the period-end reflects this as a deemed acquisition date. As a result, total assets increased by 22% (36.1 billion yen).

Efforts to streamline assets, such as improving the CCC (Cash Conversion Cycle), selling policy-held stocks, and land sales, are progressing, and increases in cash and deposits, operating capital, fixed assets, and interest-bearing debt are

primarily due to the consolidation of TOTOKU.

The realization of this M&A has been made possible by the balance sheet shifting from an improvement stage to one allowing the allocation of funds toward growth investments. A net D/E ratio of 42% and an equity ratio of 42% are both within the mid-term management plan target ranges, and going forward, we will work to improve the efficiency of invested capital increased by consolidating TOTOKU into the Group.

### Consolidated Statement of Operations (compared with FY2023)

Sales increased by 11% to 237.9 billion yen, and operating income reached a record high of 20.9 billion yen. Various initiatives, such as increased production investment in strategic products addressing steady demand for power infrastructure and enhanced productivity through DX promotion, contributed to profit growth in the Energy and Infrastructure Business and drove overall improvements in the Group’s profit and profit margin. Additionally, the Communications & Industrial Devices Business has also achieved improved profitability. While passing on rising costs such as those for materials and logistics, efforts such as cost

reductions, improved earning capacity, product mix, and productivity enhancements increased the operating profit margin to 8.8% from 6.0% in the previous year, resulting in a significant operating profit rise of 8.1 billion yen to 20.9 billion yen, marking the first time it has surpassed the 20 billion yen level. On the other hand, ordinary profit decreased due to recording investment losses in equity-method affiliates and provisions for bad debt risk, but gains from the sale of fixed assets and policy-held stocks led to record-high net profit attributable to owners of the parent company.

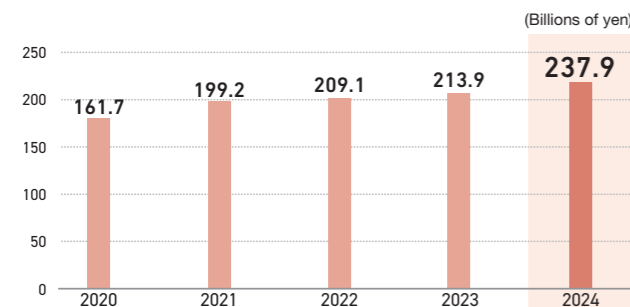
### Consolidated Statement of Cash Flows (compared with FY2023)

Operating cash flow decreased by 4.6 billion yen, totaling 13.1 billion yen. While recording the highest-ever operating profit of 20.9 billion yen, increased payments such as corporate taxes impacted operating cash flow. Despite cash

outflows due to the acquisition of TOTOKU shares (offset by a cash increase from consolidating TOTOKU), proceeds from the sale of fixed assets and policy-held stocks resulted in a positive cash flow of 100 million yen.

## Financial Highlights

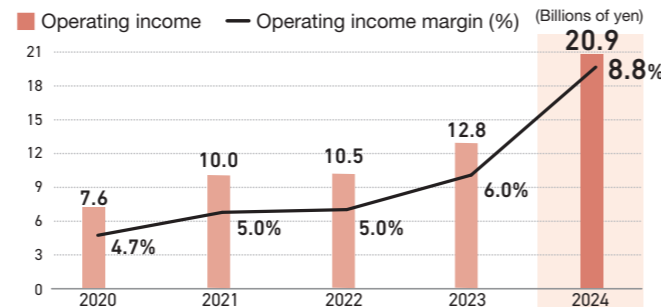
### Net sales



In the electric power infrastructure sector, the expansion of SICONEX production captured strong demand and increased orders. In the domestic construction-related sector, there was no downturn in demand as initially anticipated, and the Energy and Infrastructure Business performed strongly, resulting in an increase in sales, which were up 11.2% compared to FY2023.

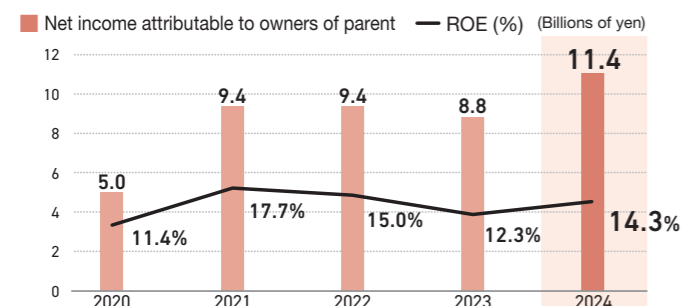
Scope: SWCC and its consolidated subsidiaries

### Operating income / Operating income margin



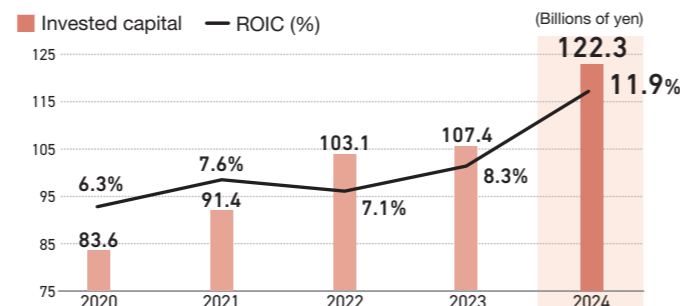
We offset increases in raw material and logistics costs by passing them on to selling prices and by reducing costs. Through implementing various profit improvement measures and increasing profitability in the strong-performing Energy and Infrastructure Business, operating income rose by 63.2% compared to FY2023.

### Net income attributable to owners of parent / ROE



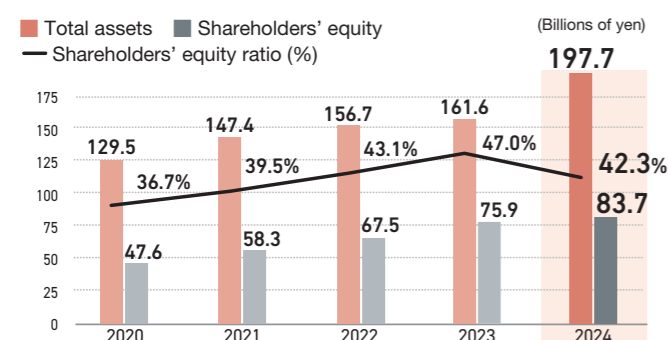
In the current consolidated fiscal year, although we made maximum provisions for investment losses and debt default risks associated with equity-method affiliates, the net income attributable to owners of the parent increased by 29.0% compared to FY2023 due to the above-mentioned due to the above-mentioned increase in operating income and due to gains on sales of land and policy-holding shares.

### Invested capital / ROIC



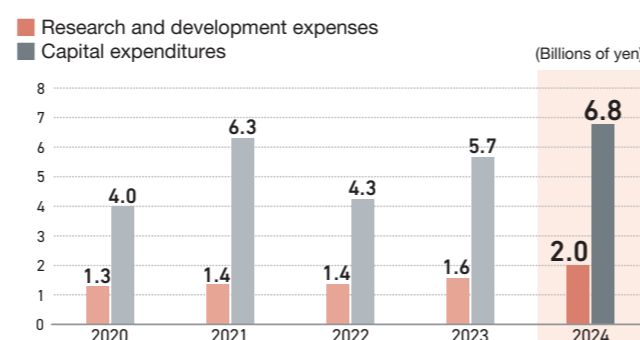
Although invested capital increased due to the acquisition of TOTOKU Inc. shares, operating income also increased, resulting in a 3.6-point increase in ROIC compared to FY2023.

### Total Assets / Shareholders' Equity / Equity Ratio



Total assets increased from the previous consolidated fiscal year-end due to the acquisition of TOTOKU shares. Although shareholders' equity increased from the end of the previous consolidated fiscal year, mainly due to an increase in retained earnings, the equity ratio became 42.3% due to higher borrowings associated with the acquisition of TOTOKU shares.

### Research and Development Expenses / Capital Expenditure

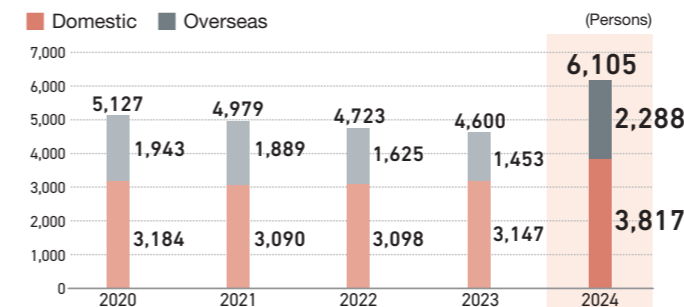


Research and development expenses increased compared to FY2023. Capital expenditures increased compared to FY2023 due to investments such as establishing an integrated production system for construction wires, increasing SICONEX connector production for high-voltage power cables, strengthening facilities for high-performance winding wires, and expanding production capacity for high-speed LAN cables.

Scope: SWCC and its consolidated subsidiaries

## Non-financial Highlights

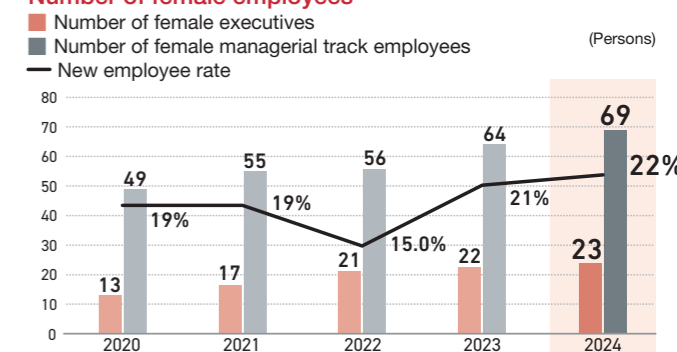
### Number of employees (Number of employees at the end of each fiscal year)



In FY2024, the incorporation of TOTOKU as a Group company resulted in a significant increase in personnel both domestically and internationally compared to the previous year. We will continue working to maintain an appropriate number of employees for the sustainable growth of the SWCC Group.

Scope: SWCC and its consolidated subsidiaries

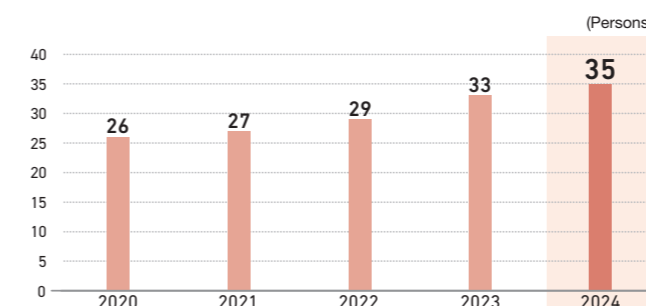
### Number of female employees



We actively recruit new graduate and mid-career hires, and the total number of female managerial track employees and executives is steadily increasing. We provide career development support and promote diverse working styles for female employees, including those at domestic Group companies via SWCCarat. We will continue to strive to create an environment that makes this possible and work toward the recruitment and retention of more female employees.

Scope: SWCC

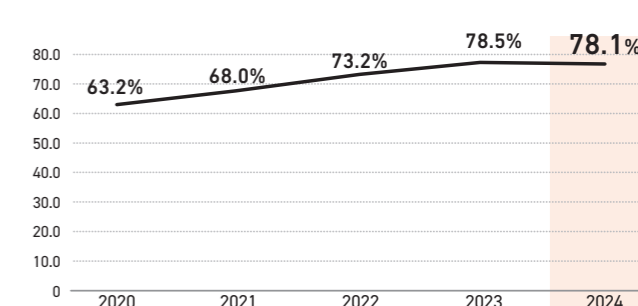
### Number of non-Japanese employees (domestic)



We are actively hiring foreign employees to incorporate diverse perspectives and values, such as different cultures, religions, and languages, into the Company. To further accelerate the overseas business expansion outlined in the SWCC Group's Mid-Term Management Plan, we will continue to strive to recruit highly qualified foreign talent.

Scope: SWCC

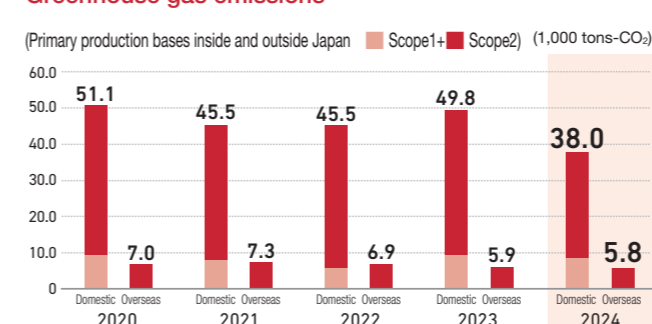
### Percentage of annual paid leave taken



The rate of paid leave taken, which had decreased during the COVID-19 pandemic, returned to its previous level in FY2022 as the pandemic subsided, and reached an all-time high in FY2023. Although there was a slight decrease in FY2024, we will aim to further improve the acquisition rate through continued cooperation with the labor union.

Scope: SWCC

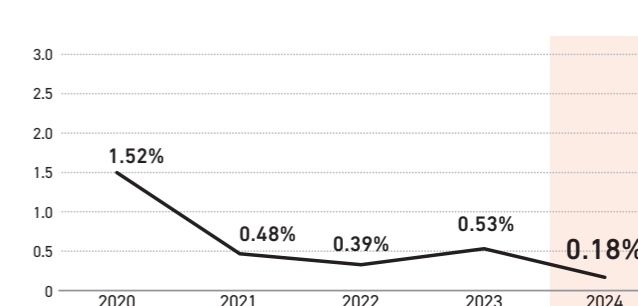
### Greenhouse gas emissions



In FY2024, the introduction of CO<sub>2</sub>-free electricity at the Mie Plant and the Fuji Electric Cable Isehara Factory has contributed to reducing CO<sub>2</sub> emissions derived from Scope 2. By utilizing solar power generation at our overseas bases, we are making smooth progress in reducing CO<sub>2</sub> emissions.

Scope of data: Major domestic and overseas group production sites

### Industrial waste landfill rate



Recycling of waste plastics has been progressing smoothly, and the industrial waste landfill rate for FY2024 was 0.18%, achieving a 90% reduction compared to FY2018. Although there are concerns about an increase in emissions due to increased activities going forward, we will continue to work on expanding initiatives such as the conversion of waste plastics into oil, which has been underway since 2023, as well as further recycling efforts, and will keep moving forward with these efforts.

Scope of data: Major production sites of domestic Group companies

## Key Financial Data for the Past 11 Years

Fiscal Year	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
<b>Consolidated Results of Operations</b> (millions of yen)											
Net sales	181,693	169,712	155,232	168,186	177,174	171,142	161,697	199,194	209,111	213,904	<b>237,862</b>
Gross profit	18,161	17,728	20,099	21,646	21,718	23,733	21,759	25,357	25,804	28,967	<b>38,643</b>
Selling, general and administrative expenses	(16,925)	(16,778)	(15,865)	(15,370)	(15,077)	(15,123)	(14,168)	(15,318)	(15,329)	(16,142)	<b>(17,708)</b>
Operating income	1,236	949	4,234	6,276	6,640	8,609	7,590	10,039	10,474	12,824	<b>20,935</b>
Interest expense	(1,060)	(965)	(852)	(841)	(805)	(669)	(398)	(363)	(520)	(580)	<b>(513)</b>
Equity in earnings (loss) on equity-method	(208)	(644)	(83)	(415)	(476)	(2)	248	484	263	33	<b>(7,643)</b>
Foreign exchange gain (loss)	260	(304)	(202)	36	(75)	(36)	19	37	(138)	(9)	<b>(126)</b>
Ordinary income	384	(1,461)	2,446	4,892	5,603	7,864	7,765	9,882	10,393	12,213	<b>11,272</b>
Net income attributable to owners of parent	228	(9,151)	1,976	3,737	4,569	5,465	4,966	9,353	9,410	8,838	<b>11,400</b>
Comprehensive Income	3,213	(11,195)	2,938	5,722	2,314	4,584	8,628	11,332	10,782	12,623	<b>11,505</b>
Depreciation	3,489	3,699	2,928	2,877	3,011	3,099	3,183	3,345	3,497	3,638	<b>3,903</b>
Capital expenditure	4,998	3,983	3,244	3,391	2,944	4,186	3,969	6,303	4,282	5,736	<b>6,830</b>
Research and development expenses	1,238	1,045	927	1,046	1,119	1,255	1,276	1,414	1,378	1,568	<b>1,991</b>
<b>Information on Consolidated Cash Flows</b> (millions of yen)											
Cash flows from operating activities	5,624	4,545	7,842	6,804	6,901	8,696	8,882	428	4,163	17,740	<b>13,112</b>
Cash flows from investing activities	(2,027)	(3,846)	(2,218)	(4,051)	(3,552)	(4,144)	(3,358)	(1,519)	(3,547)	1,021	<b>71</b>
Cash flows from financing activities	(3,493)	(2,289)	(6,506)	(3,295)	(2,970)	(4,879)	(5,661)	64	(85)	(15,626)	<b>(1,451)</b>
Cash and cash equivalents at end of year	7,968	6,282	5,192	4,603	4,721	4,225	4,086	3,279	3,958	7,227	<b>19,153</b>
<b>Consolidated Financial Position</b> (millions of yen)											
Total assets	138,023	123,069	119,528	123,518	124,165	122,521	129,460	147,356	156,650	161,583	<b>197,707</b>
Total net assets	36,921	25,724	28,655	33,477	35,628	39,981	48,169	58,932	68,390	77,126	<b>85,618</b>
Interest-bearing debt	58,963	57,482	51,419	48,994	46,658	42,303	37,689	39,171	41,177	30,282	<b>54,729</b>
Shareholders' equity	36,616	25,371	28,150	32,857	34,943	39,576	47,568	58,273	67,505	75,905	<b>83,659</b>
<b>Per Share Information</b> (consolidated basis) (yen)											
Net income	7.43	(296.98)	64.14	123.93	153.22	183.27	166.49	313.44	315.01	297.12	<b>385.69</b>
Total net assets	1,188.29	823.37	913.60	1,101.71	1,171.66	1,327.04	1,594.63	1,952.73	2,259.11	2,570.85	<b>2,828.99</b>
Dividend	0.00	0.00	0.00	5.00	7.00	15.00	20.00	50.00	60.00	90.00	<b>136.00</b>
Dividend payout ratio (consolidated basis)	—	—	—	4.0%	4.6%	8.2%	12.0%	16.0%	19.1%	30.3%	<b>35.3%</b>
<b>Key Financial Indicators</b> (consolidated basis)											
Operating income margin	0.7%	0.6%	2.7%	3.7%	3.8%	5.0%	4.7%	5.0%	5.0%	6.0%	<b>8.8%</b>
ROA (Return on assets)	0.3%	-1.1%	2.0%	4.0%	4.5%	6.4%	6.2%	7.1%	6.8%	7.7%	<b>6.3%</b>
ROE (Return on Equity)	0.7%	-29.5%	7.4%	12.3%	13.5%	14.7%	11.4%	17.7%	15.0%	12.3%	<b>14.3%</b>
Shareholders' equity ratio	26.5%	20.6%	23.6%	26.6%	28.1%	32.3%	36.7%	39.5%	43.1%	47.0%	<b>42.3%</b>
DE ratio	161%	227%	183%	149%	134%	107%	79%	67%	61%	40%	<b>65%</b>
Overseas sales ratio	13.4%	11.2%	11.5%	11.8%	9.7%	8.2%	9.2%	9.2%	9.9%	8.3%	<b>8.4%</b>

Note 1. Effective October 1, 2017, the Company carried out a 10-to-1 share consolidation of its common stock. Accordingly, net income per share and net assets per share are calculated on the assumption that the share consolidation was carried out at the beginning of FY2014.

2. The company has adopted the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) since the beginning of FY2018. Figures for FY2017 are ones after this accounting standard has been applied retrospectively.

Consolidated Statement of Operations		(millions of yen)
	FY2023	FY2024
Net sales	213,904	237,862
Cost of sales	184,937	199,219
Gross profit	28,967	38,643
Selling, general and administrative expenses	16,142	17,708
Operating income	12,824	20,935
Other income		
Interest income	225	58
Dividend income	272	214
Equity in gain of affiliates	33	—
Other	196	406
Total other income	728	678
Other expenses		
Interest expense	580	513
Equity in gain of affiliates	—	7,643
Foreign exchange loss	9	126
Provision for allowance for doubtful accounts	—	1,256
Loss on disposal of fixed assets	99	—
Loss on settlement of derivatives	166	162
Other	583	638
Total other expenses	1,338	10,341
Ordinary income	12,213	11,272
Extraordinary income		
Gain on sales of investments in affiliates	—	174
Gain on sales of fixed assets	—	7,394
Gain on sales of investment securities	1,410	2,113
Total extraordinary income	1,410	9,682
Extraordinary losses		
Business structure improvement expenses	306	180
Loss on valuation of shares in affiliates	—	29
Loss on sales of investment securities	54	—
Merger related expenses	158	—
Total extraordinary losses	519	210
Income before income taxes and non-controlling interests	13,104	20,744
Income taxes - current	4,823	10,123
Income taxes - deferred	(1,006)	(1,574)
Total income taxes	3,816	8,548
Net income	9,287	12,196
Net income attributable to non-controlling interests	449	795
Net income attributable to owners of parent	8,838	11,400
Consolidated Statement of Comprehensive Income		(millions of yen)
	FY2023	FY2024
Net income	9,287	12,196
Other comprehensive income:		
Unrealized holding gains on other securities	1,057	(1,789)
Deferred hedge gains and losses	(0)	0
Variance of land revaluation	5	(104)
Foreign currency translation adjustments	452	836
Remeasurements of defined benefit plans	1,579	174
Share of other comprehensive income of affiliates in equity method	241	192
Total other comprehensive income	3,335	(690)
Comprehensive income	12,623	11,505
Comprehensive income attributable to		
Owners of parent	12,168	10,702
Non-controlling interests	454	802

Consolidated Statement of Cash Flows		(millions of yen)
	FY2023	FY2024
Cash flows from operating activities		
Income before income taxes and non-controlling interests	13,104	20,744
Depreciation and amortization	3,638	3,903
Loss (gain) on sales of investment securities	(1,355)	(2,113)
Increase (decrease) in allowance for doubtful accounts	160	937
Increase (decrease) in reserve for construction loss	(60)	(50)
Increase (decrease) in provision for product repair costs	209	(209)
Increase (decrease) in provision for directors' bonuses	31	10
Increase (decrease) in provision for net defined benefit liability	(382)	33
Interest and dividend income	(498)	(272)
Interest expense	580	513
Foreign exchange (gain) loss	141	135
Business structure improvement expenses	306	180
Loss (gain) on sales of fixed assets	—	(7,394)
Equity in loss (earnings) on equity-method	(33)	7,643
Decrease (increase) in trade receivables	1,171	400
Decrease (increase) in inventories	(876)	(1,396)
Increase (decrease) in trade payables	654	(154)
Decrease (increase) in other current assets	(146)	(732)
Increase (decrease) in other current liabilities	836	(2,947)
Other	1,238	978
Sub-total	18,720	20,210
Interest and dividends received	474	443
Interest paid	(577)	(516)
Business structure improvement expenses paid	(250)	(245)
Income taxes paid	(626)	(6,779)
Cash flows from operating activities	17,740	13,112
Cash flows from investing activities		
Payments for purchase of investment securities	(9)	(57)
Proceeds from sales of investment securities	5,120	4,578
Payments for purchase of property, plant and equipment	(3,678)	(6,956)
Proceeds from sales of property, plant and equipment	8	10,226
Payments for purchase of intangible assets	(373)	(634)
Payments for acquisition of shares of subsidiaries resulting in changes in scope of consolidation	—	(7,709)
(Increase) decrease in short-term loans receivable	(8)	0
Other	(37)	624
Cash flows from investing activities	1,021	71
Cash flows from financing activities		
Increase (decrease) in short-term bank borrowings	(11,915)	7,516
Proceeds from long-term debt	7,119	450
Repayment of long-term debt	(6,598)	(5,828)
Redemption of bonds	(60)	(30)
Purchase of treasury stocks	(1,478)	(2)
Proceeds from sales of treasury stocks	485	—
Cash dividends paid	(2,839)	(3,117)
Other	(338)	(439)
Cash flows from financing activities	(15,626)	(1,451)
Effect of exchange rate changes on cash and cash equivalents	133	193
Net increase (decrease) in cash and cash equivalents	3,268	11,926
Cash and cash equivalents at beginning of year	3,958	7,227
Cash and cash equivalents at end of year	7,227	19,153

Management Team (Introduction of Officers)

Director, Audit and Supervisory Committee Members (as of June 25, 2025)



Takayo Hasegawa

Chairman and Representative Director  
Chair of the Board of Directors

Career summary

Apr. 1984 Joined Showa Electric Wire & Cable Co., Ltd.  
June 2013 Director of the Company  
June 2018 President and Director of the Company  
June 2019 President and Representative Director, Group CEO of the Company  
Apr. 2020 President and Representative Director, Chairman of the Board of Directors, Group CEO of the Company  
June 2022 Outside Director of HOYA Corporation (present post)  
Apr. 2024 Representative Director, Chair of the Board of Directors, CEO, President and Executive Officer of the Company  
Apr. 2025 Representative Director and Chair of the Board of Directors of the Company (present post)



Tetsuo Komata

Representative Director  
CEO and Executive Officer

Career summary

Apr. 1989 Joined Showa Electric Wire & Cable Co., Ltd.  
Apr. 2021 Managing Executive Officer of the Company  
Apr. 2024 COO and Executive Vice President of the Company  
June 2024 Representative Director, Senior Executive Vice President (COO) of the Company  
Apr. 2025 Representative Director, CEO, President and Executive Officer of the Company (present post)



Minako Nishimura

Outside Director

Career summary

Apr. 1983 Joined Fujitsu Limited  
Dec. 2018 Representative Director, Next Story Co., Ltd. (present post)  
June 2023 Outside Director (Audit and Supervisory Committee Member) of the Company  
June 2025 Outside Director of the Company (present post)



Koji Naito

Outside Director

Career summary

Apr. 1986 Joined Ushio Inc.  
June 2019 Representative Director and Executive President of the Company  
Apr. 2025 Special Advisor to the Company (present post)  
June 2025 Outside Director of Glory Ltd. (present post)  
June 2025 Outside Director of the Company (present post)



Yuji Sakakura

Outside Director  
Audit and Supervisory  
Committee Member

Career summary

Apr. 1974 Joined Nissho Iwai Corporation (current Sojitz Corporation)  
June 1999 President and Representative Director of Nissho Iwai Securities Co., Ltd.  
May 2006 Director and Chief Financial Officer of GCA Corporation  
May 2011 President and Representative Director of Relations JAPAN Co., Ltd. (present post)  
June 2020 Outside Director (Audit and Supervisory Committee Member) of the Company (present post)  
June 2025 Outside Director, Audit and Supervisory Committee Member of PCI Holdings, Inc. (present post)



Takashi Mukuno

Outside Director  
Audit and Supervisory  
Committee Member

Career summary

Apr. 1981 Joined Asahi Chemical Industry Co., Ltd. (currently Asahi Kasei Corporation)  
Aug. 2008 President, Asahi Kasei America, Inc.  
Apr. 2021 Senior Executive Officer, Asahi Kasei Corporation and General Representative for China  
Apr. 2022 Advisor, Asahi Kasei Corporation  
June 2023 Outside Director (Audit and Supervisory Committee Member) of the Company (present post)  
June 2025 Outside Director, Audit and Supervisory Committee Member of Chiyoda Corporation (present post)



Kumiko Baba

Outside Director  
Audit and Supervisory  
Committee Member

Career summary

Apr. 1989 Joined Toshiba Corporation  
Apr. 2014 Joined JFE Engineering Corporation  
June 2019 Full-time Advisor of JFE Holdings, Inc.  
June 2022 Managing Executive Officer of JFE Engineering Corporation  
Apr. 2025 Advisor, JFE Engineering Corporation (present post)  
June 2025 Outside Director (Audit and Supervisory Committee Member) of the Company (present post)



Futoshi Yamaguchi

Director  
Full-time Audit and Supervisory  
Committee Member

Career summary

Nov. 1988 Joined Showa Electric Wire & Cable Co., Ltd.  
June 2016 Director of the Company  
Apr. 2019 Director and Managing Executive Officer of the Company  
July 2019 Managing Executive Officer of the Company  
June 2024 Director, Full-time Audit and Supervisory Committee Member of the Company (present post)

Note: In career summaries, “the Company” refers to SWCC Corporation

Executive Officers (as of August 01, 2025)

Yukio Kawase

Senior Executive Officer

General Manager of Business Segments, In Charge of Business Offices

Toshiharu Kamijo

Managing Executive Officer

Responsible for Corporate Management, Group Companies Management, Financial Strategy, IR & Public Relations Strategy, Human Resources, Legal Affairs, and Risk Management

Nobutaka Imai

Managing Executive Officer

Responsible for Accounting, General Affairs, and Shared Services

Kazuhiko Inoue

Managing Executive Officer

Chief of Communication and Components Business Segment  
President and Representative Director of Fuji Electric Cable Co., Ltd.

Yoshiteru Akimoto

Executive Officer

Assistant to the Chief of Communication and Components Business Segment  
Responsible for Mobility

Yuichi Morishita

Executive Officer

In charge of technology planning, research and development, and intellectual property strategy

Noriyuki Shiga

Executive Officer

Quality, Safety & Health, Sustainability Officer

Daigo Baba

Executive Officer

In charge of sales coordination and sales strategy

Shiro Moriguchi

Executive Officer

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

Kiyoshi Otake

Executive Officer

Responsible for Logistics Reform & Special Assignment from President

Shigeru Toyama

Executive Officer

Assistant to the Chief of Energy and Infrastructure Business Segment, in charge of Electricity Business

Nobuyuki Sema

Executive Officer

Smart Stream Business

Yoichi Kitagawa

Executive Officer

In charge of business strategy and materials

Masaki Matsui

Executive Officer

Management Strategy, Finance Lead

Hengwei Shen

Executive Officer

Responsible for IT Strategy, AI Utilization Promotion, and Cybersecurity

Ken Maki

Executive Officer

In charge of TOTOKU Business  
President and Representative Director of TOTOKU Inc.  
Chief Executive Officer

## Share and Investor Information (as of March 31, 2025)

### Status of Stock

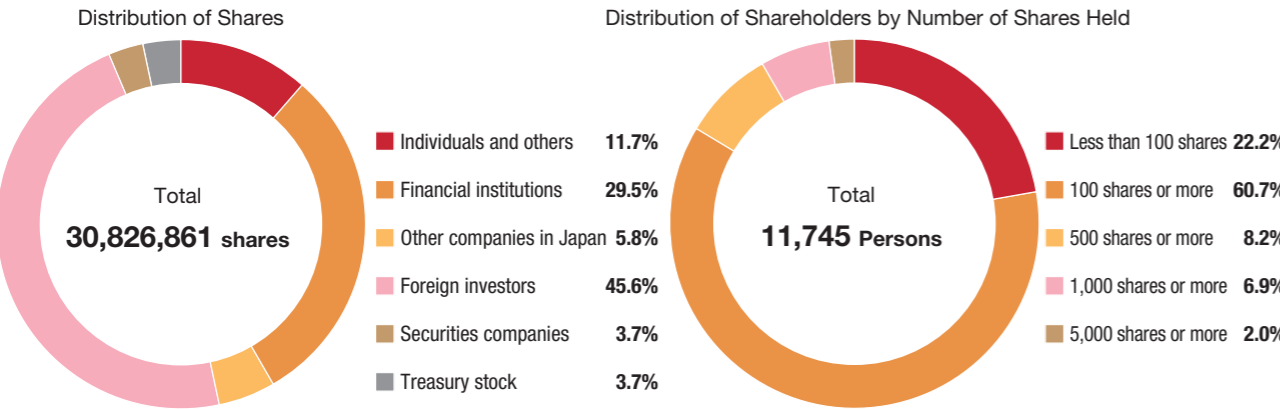
Total Number of Authorized Shares	70,000,000 shares
Total Number of Issued Shares	29,697,486 shares
(Excluding 1,129,375 shares of treasury stock)	
Number of Shareholders	11,745

### Principal Shareholders (Top 10)

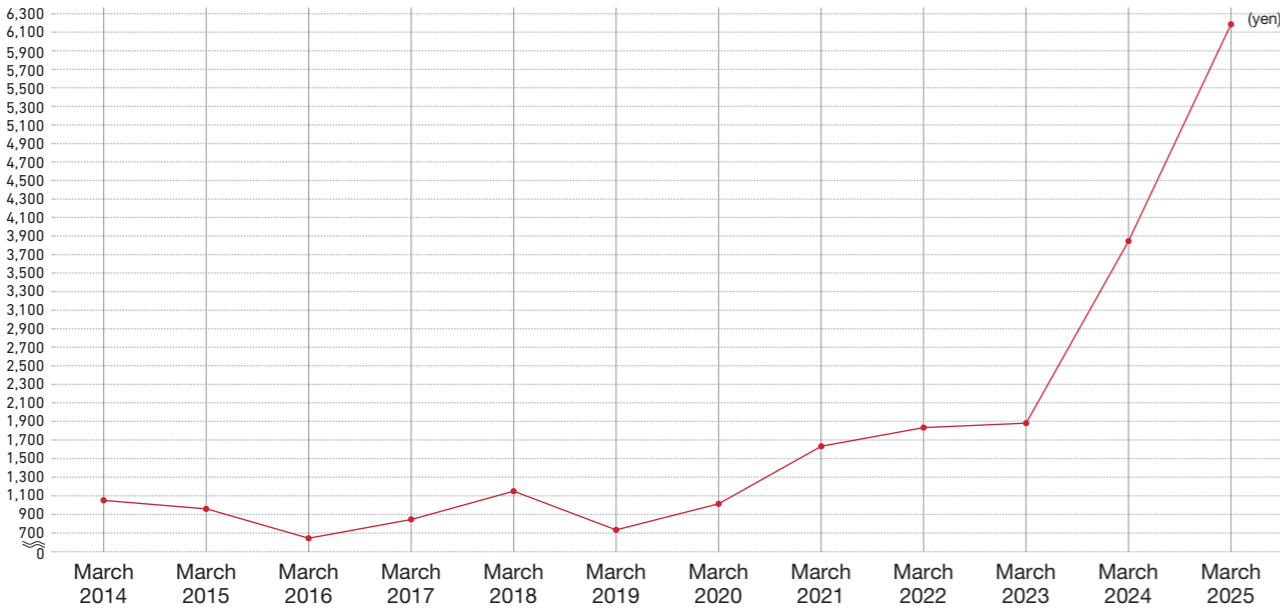
Name of shareholders	Number of shares held (Thousand shares)	Percentage of shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,929	16.5
Custody Bank of Japan, Ltd. (Trust Account)	2,563	8.6
STATE STREET BANK AND TRUST COMPANY 505001	2,432	8.1
JX Advanced Metals Corporation	979	3.2
Fukoku Mutual Life Insurance Company	892	3.0
BNYMSANV RE GCLB RE JP RD LMGC	687	2.3
STATE STREET BANK AND TRUST COMPANY 505103	569	1.9
J.P. MORGAN BANK LUXEMBOURG S.A. 385598	522	1.7
CEPLUX-COLUMBIA THREADNEEDLE (LUX) I	486	1.6
JP MORGAN CHASE BANK 385781	398	1.3

\* In addition to the above, 1,129,375 shares of treasury stock are held by the Company.  
\* The percentage of shareholding is calculated after deducting the number of treasury shares from the total number of issued shares.  
\* The number and percentage of shares are rounded down to the nearest indicated unit.

### Distribution of Shares by Type of Ownership



### Stock Price Movements



## Company Profile

### Company Profile (as of March 31, 2025)

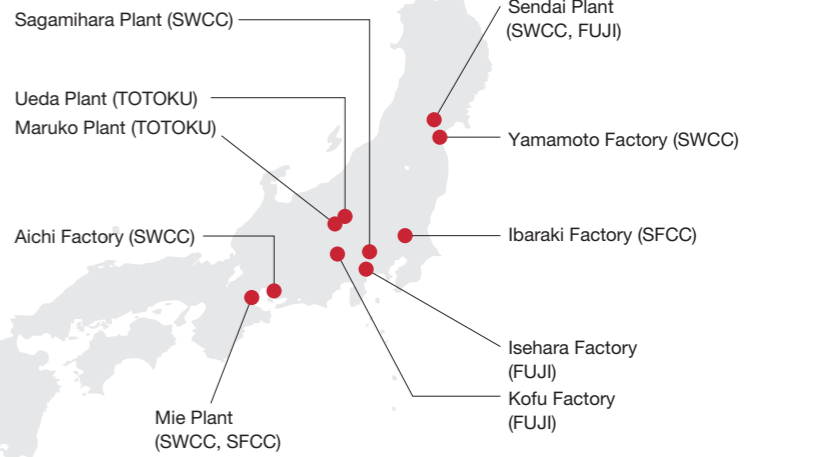
Corporate Name	SWCC Corporation
Date of Establishment	May 26, 1936
Common stock	24,221 million yen
Head Office	JMF-Bldg. Kawasaki 01, 1-14, Nissin-cho, Kawasaki-ku, Kawasaki City, Kanagawa, Japan 210-0024
Number of Employees	4,945
Stock Exchange Listing	Tokyo Stock Exchange, Inc. (TSE Prime Market) "SWCC (5805.T)" * Transferred to Tokyo Stock Exchange (Prime Market) as of April 4, 2022.
Lines of Business	Manufacture and sale of electric wires and cables, electric power equipment parts, windings, optical fiber cables, rollers for information equipment, etc.
End of Fiscal Year	March 31, every year

### Principal Group Companies (as of April 01, 2025)

#### Domestic

- TOTOKU Inc. (TOTOKU)
- Showa Furukawa Cable Co., Ltd. (SFCC)
- Fuji Electric Cable Co., Ltd. (FUJI)
- AXIO Corporation
- SDS Co., Ltd.
- Logis-Works Co., Ltd.
- Shoukou Equipment Industry Co., Ltd.
- TOKUDEN Co., Ltd.
- TOKUDENPROSELL Co., Ltd.
- Showa Science Co., Ltd.
- STEC (SHOWA TECHNICAL CORPORATION)

#### Production Sites in Japan



#### Overseas

- SWCC (SHANHAI) CO., LTD.
- TOTOKU (ZHEJIANG) CO., LTD.
- SWCC SHOWA (VIETNAM) CO., LTD.
- JIAXING SHOWA INTERCONNECT PRODUCTS CO., LTD.
- FUQING SHOWA PRECISION ELECTRONICS CO., LTD.
- TTI LAGUNA PHILIPPINES INC.
- DONGGUAN SHOWA INTERCONNECT PRODUCTS CO., LTD.
- PT. TOTOKU INDONESIA
- SWCC SHOWA VIETNAM INTERCONNECT PRODUCTS CO., LTD.
- FUTONG SHOWA WIRE & CABLE (HANGZHOU) CO., LTD.
- FUTONG-SHOWA ELECTRIC WIRE & CABLE (TIANJIN) CO., LTD.
- SHOWA-TBEA (SHANDONG) CABLE ACCESSORIES CO., LTD.
- HUA HO ENGINEERING CO., LTD.

#### Overseas Production Sites

