

SWCC

Integrated Report 2026

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SWCC 90th Anniversary

Advancing Transformation for Growth

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Editorial Policy

This integrated report conveys how the SWCC Group, which has marked its 90th anniversary, aims to achieve sustainable growth and enhance corporate value under its newly formulated Medium-term Management Plan, “Transformation for Growth SWCC 2030,” and long-term vision, “SWCC VISION 2036.” We have arranged financial and non-financial information and organized our strategies, achievements, responses to material issues, business direction, and sustainability initiatives in an easy-to-understand manner. This year in particular we focus our disclosures on balancing growth investment with capital efficiency through ROIC-Oriented Management 2.0; business portfolio reform that clearly defines “Growth Businesses,” “Cash Cow Businesses,” and “Innovative and Problem Businesses;” and the restructuring of non-financial KGIs and KPIs that link human capital, technology, the environment, and governance to enhanced corporate value. We will continue to further enhance the report so that a wide range of readers are able to deepen their understanding of the Company.

Period of the Integrated Report

April 1, 2025 to March 31, 2026 (FY2025)

* However, this also includes some past and recent activities.

Scope of the Integrated Report

SWCC Corporation, consolidated subsidiaries (10 domestic companies, 9 overseas companies) and equity-method affiliated companies (2 overseas companies)

Referenced guidelines

- IFRS Foundation, “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

August 2026 (next scheduled publishing date: August 2027)

Other

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

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. Under our purpose, “Innovating new ideas today. Becoming the norms of tomorrow,” we continue to take on challenges without fearing change, aiming to achieve both social and economic value.

This fiscal year, in which we celebrate our 90th anniversary, marks a milestone as we build on the results of the structural reforms we have pursued and advance toward a new stage of growth.

In preparing this report, relevant departments worked together, drawing on discussions among management, to communicate in a sincere and clear manner how the SWCC Group intends to achieve sustainable enhancement of corporate value. In particular, we hope to convey how not only management but each and every employee serves as a driver of value creation, taking on new growth challenges while embedding and advancing ROIC-Oriented Management as part of our organizational culture.

We will continue working on enhancing corporate value in a sustainable manner through engaging in active dialogue with shareholders, investors, and other stakeholders. We hope this report will help you better understand the future the SWCC Group seeks to create.

August 2026

Rie Inuki
SWCC Corporation
General Manager, Sustainability Promotion Department

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SWCC Purpose / Philosophy Structure

Advancing Transformation for Growth

In April 2023, we established our Purpose as a guide toward unseen summits, and continue to drive transformation. In February 2026, we announced a vision toward our centennial milestone of 2036 and a new Medium-term Management Plan covering FY2026 through FY2030, as we made a fresh start. We will promote initiatives for “Transformation” and “Growth” and achieve our next leap forward.

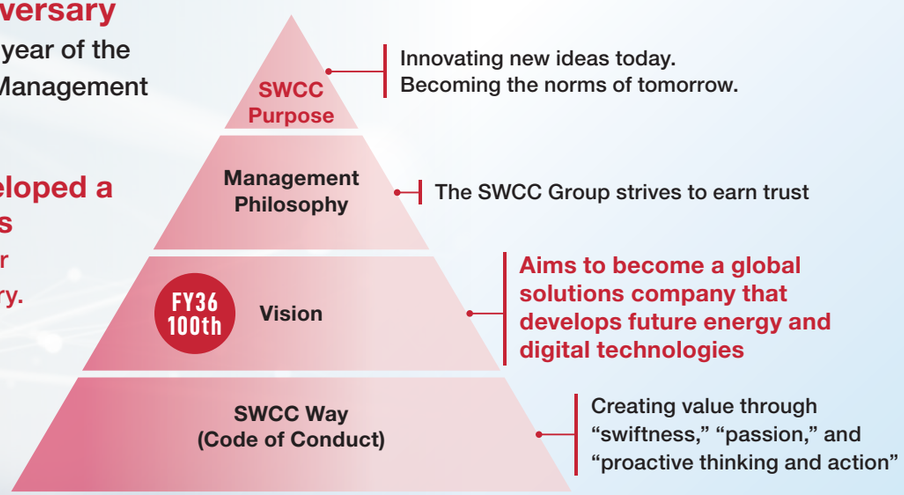
SWCC Purpose

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.

The SWCC group celebrates its **90th anniversary** during the first year of the Medium-term Management Plan.

We **have developed a new vision as** we approach our 100th anniversary.



Creating value through “swiftness,” “passion,” and “proactive thinking and action”

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.

Proactive Thinking and Action

- 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.

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Medium-term Management Plan 2030 and a Vision for 2036

Executing the Medium-term Management Plan 2030 is a significant milestone. The SWCC Group will continue to transform and grow in order to achieve its vision for 2036: becoming a centennial company that embraces global challenges.

SWCC VISION 2036

Aims to become a global solutions company that develops future energy and digital technologies and a centennial company that embraces global challenges

Medium-term Management Plan
Transformation for Growth SWCC 2030

(FY2026–FY2030)

- Strategies I: Business shift to growth areas
- Strategies II: Strengthening global operations

FY2025 Results

- Operating profit: **27.3 billion yen**
- Operating margin: **9.8%**
- ROIC : **13.6%**

FY26 90th — FY2030 Target

- Operating profit: **40.0 billion yen or more**
- Operating margin: **12% or higher**
- ROIC: **15% or higher**
- Operating cash flow (five-year cumulative): **150.0 billion yen or more**

FY36 100th — FY2036 Target

- Operating profit: **80.0 billion yen or more**
- Operating margin: **15% or higher**
- ROIC: **18% or higher**

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At a Glance

Since its founding in 1936, SWCC has continued to support social infrastructure.
Through structural reform, we continue to evolve toward a highly profitable and efficient business foundation.

Net sales 277.7 billion yen

Operating profit 27.3 billion yen

2019-2025 Operating profit CAGR 21%

Operating margin 9.8%

ROIC 13.6%

Number of employees 6,017 employees

(As of July 1, 2026; including temporary employees)

Business operations Manufacturing network of 20 sites in 5 countries, primarily in Asia (including Japan)

Number of group companies 21 companies

(19 consolidated subsidiaries and 2 equity-method affiliates)

Energy and Infrastructure Business Segment

Net sales 131.9 billion yen

Operating profit (margin) 20.4 billion yen (15.5%)

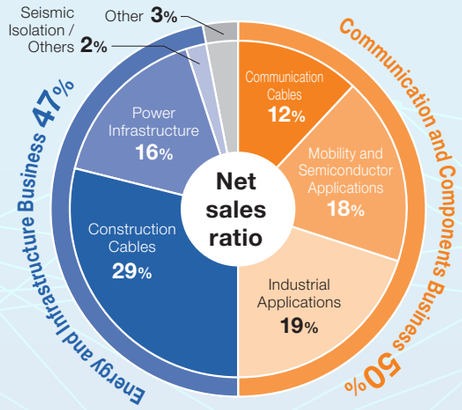
SICONEX, a connector for high-voltage power cables, holds the leading share in Japan's power generation and substation market

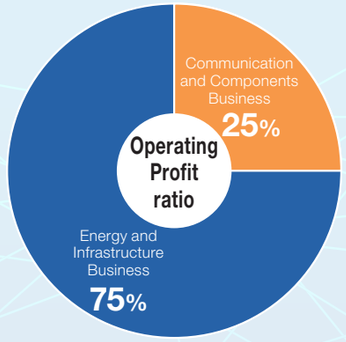
Communication and Components Business Segment

Net sales 138.4 billion yen

Operating profit (margin) 6.9 billion yen (5.0%)

Collaborating with partners worldwide by leveraging top-class technology and productivity





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Dramatic Improvement in Earning Power

We introduced ROIC-Oriented Management in FY2019. We have rigorously pursued management with an awareness of share price and capital cost, using ROIC by business and WACC (weighted average cost of capital) to review and withdraw from businesses with low capital efficiency while focusing on instilling and practicing ROIC at frontlines. These efforts have translated into a dramatic improvement in our earning power.

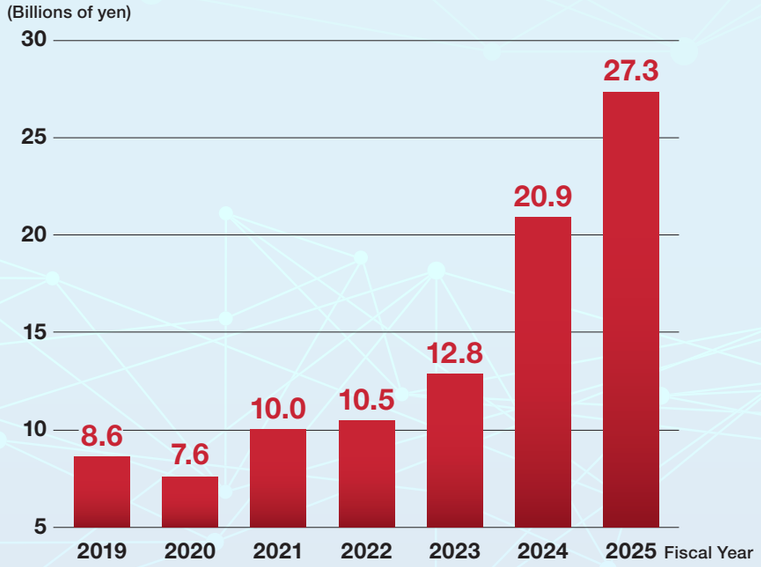
FY2018 Launched "Change SWCC 2022"

FY2019 "Change SWCC 2022" Rolling Plan (2019)
- Introduced ROIC and reformed governance
- Structural reform project to reorganize production sites across the Group
  <Result: Structural reform and improved financial position>

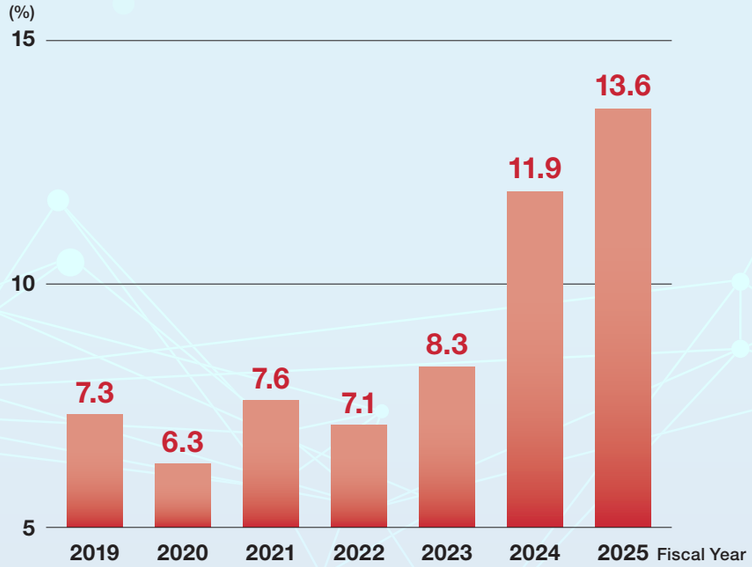
FY2022 Medium-term Management Plan Change & Growth SWCC 2026
- Business portfolio reform centered on ROIC <Result: Improved profitability>

FY2024 Medium-term Management Plan Change & Growth SWCC 2026 Rolling Plan 2024
- Strengthen growth investment and promote portfolio transformation

Operating profit



ROIC



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CEO Message

Charting a Clear Path to Victory and Becoming a Global Solutions Company

Tetsuo Komata Executive President and Representative Director (CEO)



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Pride in 90 Years of History and Revival through Structural Reforms

Since its founding in 1936, the SWCC Group has continued supporting the development of electric power and communications infrastructure, and this year marks our 90th anniversary milestone. We take great pride in this 90-year journey, and I would also like to express my heartfelt gratitude to all our stakeholders who have supported us along the way. We once again recognize our responsibility as a "social contribution company" that contributes to achieving a safe, secure, and prosperous world by solving social issues.

Our path to this point has by no means been smooth. In FY2015, after a prolonged period of sluggish performance, we recorded a major impairment loss and faced an unprecedented management crisis. In 2018, with former President Hasegawa taking office, we adopted "Change" as the slogan of our Medium-term Management Plan, committed ourselves to take on the challenge of transformation, and moved forward as one Company with structural reform.

We introduced ROIC (return on invested capital) as a core basis for making management decisions, implemented audacious business portfolio reform including the reorganization of unprofitable businesses, and worked relentlessly to strengthen our financial position. Driven by an unprecedented sense of urgency, we carried out reforms across the boundaries of organizations. As a result, performance recovered rapidly, our once-critical financial position improved, and we regained our earning power. This structural reform became the starting point for the growth phase that we embarked on from FY2022.

Transition to the Growth Phase and Building a Foundation for a Major Leap Forward

Under the previous Medium-term Management Plan "Change & Growth" that we launched in FY2022, we recognized that sustainable growth required transforming ourselves into a solution-oriented company that resolves social issues. We therefore decided to shift from a holding-company structure to an operating-company structure, changed our name from SWCC Showa Holdings to SWCC, and worked swiftly to establish our Purpose. The SWCC Purpose, "Innovating new ideas today. Becoming the norms of tomorrow.", which was created through extensive discussions among our employees, embodies our aspiration to become a solutions-oriented company, moving beyond our traditional cable and wire business for infrastructure and creating new products and services to enrich our planet.

Building on this momentum for reform, I was appointed President in 2025. To further advance our transition to the growth phase and enhance our management foundation, I designated three priority initiatives: "Further enhancement of the Energy and Infrastructure Business," "Establishing the Communication and Components Business as a Second Pillar of Growth alongside the Energy and Infrastructure Business," and "Accelerating DX-driven management." I have consistently communicated to every employee our determination to "never return to the pre-reform era" and to "embrace change and maintain a mindset of challenging ourselves to reach higher goals." In 2025, as an important step in evolving our business portfolio, we welcomed TOTOKU Inc. into the Group, taking a major step toward inorganic growth that will shape our future.

As these structural reforms and proactive investments bore fruit, FY2025 operating profit reached 27.3 billion yen, marking a record high for the third consecutive fiscal year since FY2023. Dividends rose to 223 yen per share (consolidated payout ratio of 35.0%), and we achieved all targets of the Medium-term Management Plan one year ahead of schedule. We have steadily



Achievement Status of Financial Targets under the 2026 Medium-term Management Plan

Medium-term Management Plan Targets Achieved One Year Ahead of Schedule

		FY2025 Results	FY2026 Medium-term Plan target
Profitability	Operating profit	27.3 billion yen	24.0 billion yen
Capital efficiency	ROE	20.7%	14% or higher
	ROIC	13.6%	10% or higher
Shareholder Returns	Dividends (Consolidated payout ratio / DOE)	223 yen (35.0%/7.3%)	180 yen or more (35% or more/4% or more)
Stability	D/E Ratio	40.7%	30–50%
	Net Assets	106.0 billion yen	100.0 billion yen or more
	External credit rating (*)	A-	A- or higher

(*) Long-term issuer rating by Japan Credit Rating Agency, Ltd. (JCR)

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moved onto a growth trajectory and established a foundation for even more dramatic growth.

Transformation for Growth SWCC 2030 — A Strategy for Dramatic Growth toward Achieving Our Vision 10 Years from Now —

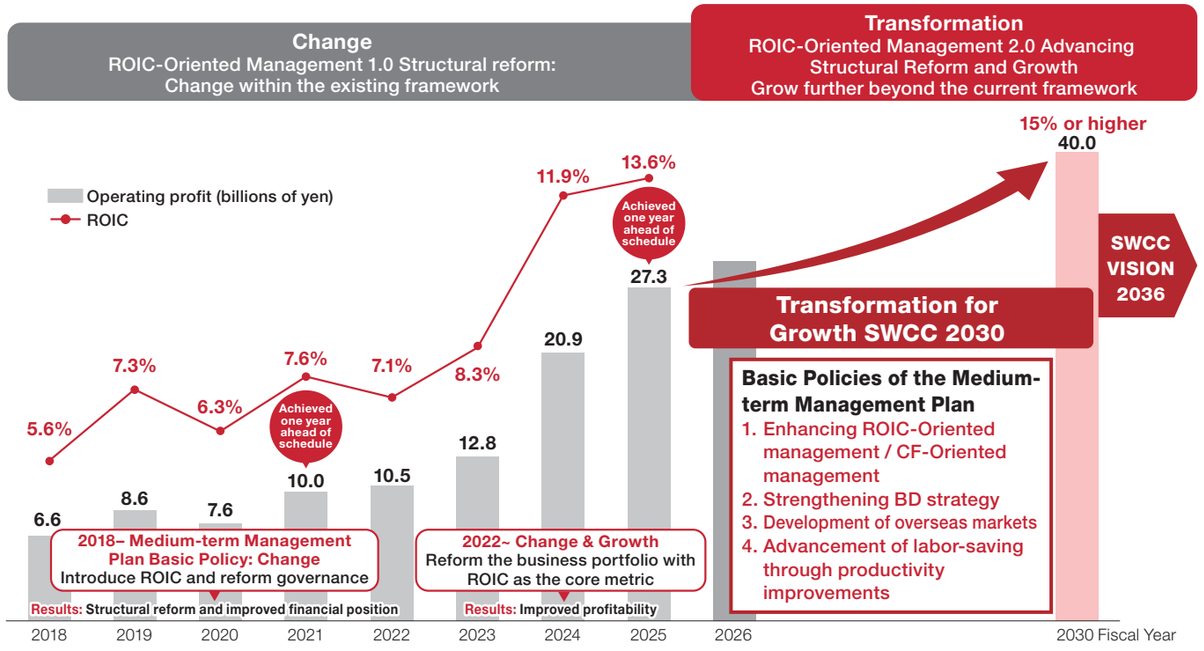
With a view toward FY2036, when we will celebrate our centennial, we established our long-term vision "SWCC VISION 2036" and defined our vision as becoming "a global solutions company that develops future energy and digital technologies." The Medium-term Management Plan "Transformation for Growth SWCC 2030" sets out our concrete management strategy for FY2030, an important milestone on our journey to becoming a 100-year company that continues to take on global challenges.

The challenging targets we are seeking for FY2030, backcast from FY2036 operating profit of 80.0 billion yen, are "operating profit of 40.0 billion yen or more (excluding inorganic growth)," "an operating margin of 12% or higher," and "ROIC of 15% or higher." Achieving these ambitious Medium-term Management Plan targets cannot be accomplished simply by extending the "Change" initiatives that underpinned our structural reform. As a fundamental transformation of the Company, we will not only deepen our presence in the domestic market but also vigorously expand our businesses in global markets, accelerating growth beyond the boundaries of our existing domains.

SWCC VISION 2036

Aims to become a global solutions company that develops future energy and digital technologies

Evolution of the Medium-term Management Plan



Deepening ROIC-Oriented Management and Focusing on Areas Where We Can Win

To further accelerate transformation, we have positioned the deepening toward "ROIC-Oriented Management 2.0" at the core of management. We will further advance "ROIC-Oriented Management 1.0," which centered on structural reform, and maximize cash flow with capital efficiency as the starting point, with structural reform and growth strategy as the two pillars for further advancement.

We will clearly identify the "areas where we can win" by leveraging our strengths, concentrate capital and management resources in those areas, improve profitability and growth potential, and maximize corporate value.

As concrete strategies, we will advance reforms of our business portfolio and secure sustainable growth that is not merely an extension of the past, by business shift to growth areas, strengthening global operations, and promoting inorganic growth.

Business Portfolio Reform (Implementing ROIC-Oriented Management 2.0)

At the core of ROIC-Oriented Management 2.0 is reforming our business portfolio. We have broadly classified our businesses into three portfolios—"Growth Businesses," "Cash Cow Businesses," and "Innovative and Problem Businesses"—and are optimizing the allocation of capital and resources.

First, we position the Power Infrastructure, Communications (Overseas), and Semiconductor businesses as "Growth Businesses," where further market expansion is expected. By investing in increasing production of strategic products that leverage our strengths and expanding our lineup of high-value-added products, we will drive robust earnings growth.

Next, our domestic construction-related businesses (Energy and Communications), which we position as "Cash Cow Businesses," are important core businesses that generate

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stable cash flow. Given the maturity of their markets, we will improve profitability by rigorously increasing efficiency through digitalization, logistics reform, and other measures while restraining investment. Reinvesting the cash that has been generated in Growth Businesses will firmly support growth under ROIC-Oriented Management 2.0.

In light of changes in the business environment, we position the Mobility and Industrial businesses as "Innovative and Problem Businesses." The Mobility Business is designated an Innovative Business, and we will fundamentally review its business model to improve profitability. The Industrial Business is designated a Problem Business, and we will implement drastic structural reform to improve profitability and generate stable earnings. For both, we will clearly define decision points and appropriate investment criteria, advance structural reform, and improve capital efficiency.

By reforming the business portfolio that clearly defines the strategic positioning of each business in this way, we will enforce disciplined capital allocation and steadily implement "ROIC-Oriented Management 2.0."

New Growth Opportunity (Regana Business)

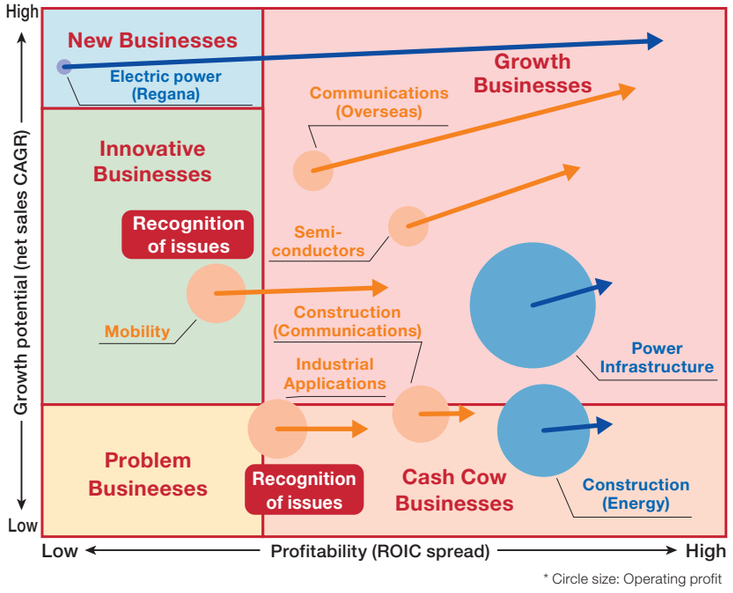
Leveraging the strengths of our growing Power Infrastructure Business, we are seeking to commercialize a new business, "Regana." Our strengths in the electric power infrastructure field, cultivated over many years, lie in our solid customer base and deep understanding of the market. After accurately understanding the challenges that customers face, such as labor shortages and aging facilities, we are proposing solutions that make use of advanced digital tools developed in-house. As we move toward becoming the solution-oriented company that we are envisioning, we will further accelerate commercialization by adopting marketing approaches that focus on value and solutions rather than products alone.

This approach—clearly identifying the challenges our customers are facing and proactively proposing solutions—also resonates with my own experience as an engineer. When I accompanied sales staff on customer visits, I learned the importance of identifying the latent challenges faced by our customers. At times, I visited customer worksites myself, increased my understanding through repeated dialogue, and proposed solutions using technologies where we had a competitive advantage. No matter how much the times change, the essence behind proposing solutions remains the same. Our Purpose is achieved when the new products and services we create solve the challenges faced by our customers, become the norms of society, and contribute to a sustainable society.



Strengthening Business Portfolio Management

Business Portfolio as of FY2025*



* Circle size: Operating profit

Business portfolio management over the course of the Medium-term Management Plan

Hurdle rate	I ROIC spread, by business (ROIC – WACC): over 3% II Net sales CAGR: over 3%
Growth Businesses	Strengthen growth investments to accelerate growth **Power Infrastructure, Communications (Overseas), Semiconductors**
Cash Cow Businesses	Creation of stable cash flows **Construction (Energy), Construction (Communications)**
Innovative Businesses	Improved productivity through the enhancement of high-value-added products **Mobility: Progress in innovation will be assessed within two years.**
Problem Businesses	Assess business turnaround and business retention **Industrial Applications: Reform will be assessed within two years.**
New Businesses	Invest in new business to promote growth **Electric Power (Regana)**

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CxO Structure with Clear Expertise and Accountability

The management issues that the Company faces are changing rapidly. In addition to expanding growth investment, M&A, and human capital investment, demands from capital markets—including ROIC and TSR—are becoming increasingly rigorous. The business environment is also changing at a faster pace, reaching a point where a management structure that simply extends past practices can no longer respond adequately.

To ensure that we achieve the new Medium-term Management Plan under these circumstances, we have established the CxO structure as a strong "management team." In the increasingly important areas of business, finance, technology, and DX, chief officers with responsibility and authority for their respective professional domains will enable swift decision-making on management issues and ensure that they are resolved.

■ CxO Structure

Chief Business Officer Achieves business portfolio reform	**CFO (Chief Financial Officer)** Rigorously advances ROIC-Oriented Management 2.0
CTO (Chief Technology Officer) Strengthens technological capabilities as a source of competitive advantage	**CDO (Chief Digital Officer)** Accelerates the DX strategy and leads company-wide transformation

Investment in People Supporting Business Growth

The DE&I (Diversity, Equity & Inclusion) that we are seeking is not diversity in form alone. We are building an organization where everyone has equitable opportunities by providing motivated people with fair opportunities to take on challenges and play active roles, and by making diverse views not limited by stereotypes a source of innovation. We also place importance on fostering a culture that encourages employees to step outside their comfort zones, take on challenges in unfamiliar areas, and support their growth.

Despite having experience only in manufacturing and engineering, when I was in my thirties, I was suddenly given the opportunity to help establish a new overseas joint venture. As the person responsible for that venture, I was able to learn all aspects of management from the perspective of the person in charge—from sales, profitability management, and finance to human resources—in addition to engineering and manufacturing, starting from the establishment of the company itself, and this became an invaluable asset for my career. Above all, I was able to overcome this challenge because of the support of those around me. The supervisor who encouraged me and colleagues from other countries who worked alongside me in an unfamiliar environment gave me tremendous strength. The growth I could never have achieved alone was possible because of that support, for which I remain deeply grateful.

Yet today, the Company simply providing opportunities for learning and taking on challenges will not motivate people. I encourage employees to find, through various opportunities, where the Company's Purpose overlaps with their own reason for being—"My Purpose." My Purpose can be for one's family or for personal growth. When people ask how the Company's transformation aligns with enriching their own lives, that transformation becomes something personal. My own My Purpose is: "The courage to change, the challenge of making changes, and enjoying growth together." By continuing to demonstrate my own willingness to change, I want to encourage every employee to take on the challenge of creating change and foster an organizational culture where we can enjoy growing together. Through this cultural reform, I believe we can evolve into a corporate group where everyone takes ownership and leads transformation.

To Our Stakeholders

In 2036, the Company will reach the significant milestone of its 100th anniversary. As a 100-year company that continues to take on the challenge of becoming a global solutions company, we will contribute to achieving a safe, secure, and prosperous society by resolving social issues through our businesses.

To that end, the entire Company will advance Transformation, the slogan of our new Medium-term Management Plan, which is an important milestone on this journey. We will shift gears from growth due to structural reform to "growth due to transformation" and create new value.

With robust governance by the Board of Directors and its support for growth, we will make bold investments while carefully assessing profitability and pursue sustainable enhancement of corporate value toward achieving a "bigger future."

We invite you to look forward to the continued challenges that the SWCC Group will take on to leap further forward.



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Further Growth Potential

Amid structural changes driven by the energy transition and advancing digitalization, our Growth Businesses have sustainable market growth and business opportunities.

	Power Infrastructure Business Turn transformation in electric power into growth	Communications (Overseas) Business Turn advances in communications into growth	Semiconductors Business Turn expanding AI demand into growth
			
Current market trends	**Electric power investment continues expanding** In addition to the replacement of aging facilities, the increase of renewable energy and growth of data centers are driving continued expansion in investment in electric power infrastructure, which is supporting steady market growth. In this environment, we are steadily capturing strong demand, resulting in increased orders for our strategic products.	**Data center demand expanding** Demand related to data centers is expanding with the spread of generative AI, and the market is growing as increasing communications traffic drives demand for high-density wiring. Against this backdrop, sales of our e-Ribbon for HSDCs (hyperscale data centers) are also increasing.	**AI demand is driving the testing market** Markets related to semiconductors are booming against the backdrop of growing demand for semiconductors for generative AI. As computing chips and high-bandwidth memory increase in sophistication and density, chips are becoming more advanced and complex at an accelerating pace. Amid increasingly stringent requirements in manufacturing and testing processes, the importance of testing-related products is growing further.
Medium- to long-term market outlook	**Demand for electric power infrastructure to expand** With growing demand for data centers and renewable energy and the need to replace aging facilities, Japan's electric power infrastructure market is expected to grow over the medium to long term, expanding from approximately 150.0 billion yen in FY2024 to approximately 244.0 billion yen in FY2030.	**Demand for communications infrastructure to pick up pace** The data center market is expected to achieve high growth (CAGR of approximately 19%). With advances in generative AI and the expansion of HSDC development, demand for communications infrastructure is expected to continue expanding over the medium to long term.	**Semiconductors to continue advancing** The semiconductor testing equipment market is expected to grow steadily over the medium to long term (CAGR of approximately 7%), driven by advances in AI, semiconductor miniaturization, chiplet adoption, and growing demand for high-bandwidth memory. As miniaturization and chiplet adoption progress with advances in AI, the technical requirements of testing processes are expected to become even more sophisticated, and related demand is expected to continue expanding.
SWCC's business opportunities	**Create value through solutions** In addition to further expanding the market share of our strategic product SICONEX, we will develop a solutions-oriented business that combines high-voltage e-Cable with SICOPLUS to bring together the cultivation of installation personnel, installation support, and digitalization of facility maintenance. By achieving shorter construction periods, labor savings, and greater reliability, we will capture the expansion of the electric power infrastructure market and increasingly sophisticated customer needs as growth opportunities and pursue sustainable business growth.	**Expand market share with e-Ribbon** Leveraging the technological advantages of e-Ribbon, which combines high-density wiring with ease of installation, we will increase earnings opportunities through a business model that combines cable product deployment with component supply. We will also avoid price competition and seek to expand market share through global expansion and capacity investments, by concentrating on high-value-added fields such as ribbon processing.	**Capture growth through technological superiority** The SWCC Group offers a diverse range of products related to semiconductor testing equipment, including TOTOKU Inc.'s contact probes and high-performance coaxial cables, and Showa Science Co., Ltd.'s active anti-vibration tables. As demand for AI and high-bandwidth memory increases and requirements for accuracy and reliability in testing processes rise further, we are bringing together the Group's technological and product capabilities to expand our offerings across processes from the front-end to back-end. Going forward, we will continue to broaden our business domains by expanding our product lineup and pursuing M&A, thereby delivering even greater value to customers.

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SWCC Group's Value Creation Story

The SWCC Group seeks to enhance corporate value in a sustainable manner by leveraging the strengths of the capital it has accumulated, and by creating value through its businesses in domains that support economic and social activities, including energy, devices, and communications.

Social Issues

Purpose

SWCC VISION 2036

Aims to become a global solutions company that develops future energy and digital technologies

Medium-term Management Plan 2030

Deepen ROIC-Oriented Management 2.0 to accelerate growth in addition to structural reform

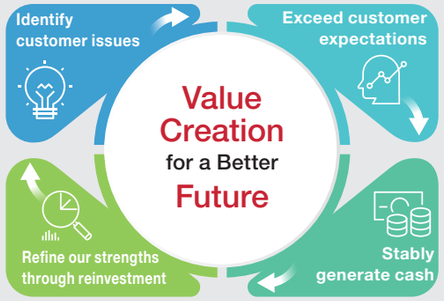
Materiality

[Technology]	Our future
[Environment]	Our earth
[Community]	Our partnership
[Persons]	Our people
[Governance]	Our governance

Input

- Financial capital
- Equipment capital
- Human capital
- Intellectual capital
- Social and relationship capital
- Natural capital

Business Model



Ability to Achieve the Value Creation Story

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

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

Governance
- Effective Board of Directors
- Financial Discipline, Internal Controls

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

Achieve sustainable "Transformation" and "Growth"

Outputs

Create value in domains that support economic and social activities

Energy and Infrastructure Business
- Cables and connectors that support the electric power infrastructure
- Industrial wires and cables that are used in a variety of factories, buildings, etc.

Communication and Components Business
- Optical fiber cables for broadband infrastructure trunk lines
- Optical LAN cables used in offices
- Precision devices that serve as important parts of copiers and printers (rollers)

Solutions Business
- Maintain and strengthen installation capabilities for high-voltage power cable connecting work using SICOPLUS cable connecting system
- Rollable e-Ribbon makes it possible to perform highly precise and efficient wire installation work in the limited space of data centers

Value Provided to Stakeholders

Customers
- Contribution to business operations by providing products and services that can be used reliably

Business Partners
- Coexistence and co-prosperity born from mutual trust through fair and equitable transactions

Shareholder and Other Investors
- Stable and continuous shareholder returns based on sustained growth in corporate value

Community
- Contribute to solving issues faced by communities through corporate management in which there is a high awareness of social contribution

Global Environment
- Promote environmental management globally and reduce environmental impact across the entire value chain

Employees
- An environment where diverse human resources can work in health and with a sense of safety, security, and satisfaction

Sustainable enhancement of corporate value

Reinvestment for sustainable value creation

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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.

1. Identify customer issues

[Relationships of trust with customers]
[Ability to ascertain the essence of an issue]

The products and services of the SWCC Group support the business activities of our customers across a variety of industries both in Japan and abroad.
As technology evolves and society becomes more complex, our customers' needs for our products and services are diversifying and becoming more sophisticated in terms of functionality, safety, and environmental performance. With a strong desire to support the society of the future through our products and services, we work closely with our customers, focusing on identifying the essence of the challenges they face. We are building unwavering relationships of trust with our customers through such efforts to resolve various issues.

2. Exceed customer expectations

[Deep understanding of our customers' businesses]
[Ability to concentrate internal wisdom]

Merely delivering the products and services requested by our customers does not lead to the sustainable development of the business. It is important to deliver value that exceeds customer expectations, and it is essential for each department within our company to work together, pooling our accumulated technologies and expertise, while deeply understanding the core of the customer's business and their future growth strategies.
At times, customers themselves may not be aware of their own challenges. In such situations, we take a proactive approach, making proposals that offer customers new perspectives and insights.

3. Stably generate cash

[Ability to develop a business]
[Persistent in improving operations]

By making high value-added proposals that exceed customer expectations and achieving customer satisfaction, we receive appropriate compensation. In addition, by serving a large and diverse customer base across different industries, we are able to realize a stable business portfolio.
To further strengthen our business portfolio, we are focusing management capital on fields expected to show strong future growth. Under ROIC-Oriented management, we are also enhancing capital efficiency for each business and striving for continuous business improvements to increase productivity and profitability, with the goal of generating and steadily increasing cash flow efficiently.

4. Refine our strengths through reinvestment

[Ascertain new investment targets]
[Strategic investments and recovery]

Funds acquired through our business activities are used for strategic investments for future growth and as operating expenses, and all other funds are appropriately allocated to stakeholders or retained as internal reserves. In addition to our own funds, strategic investments are also financed as necessary through external borrowing or capital increases. We assess and execute reinvestment of funds through active and timely investment following careful evaluation of the business and consideration of risks and returns. Such reinvestment strengthens the SWCC Group's businesses and allows us to achieve sustainable growth. It also helps to create stronger relationships of trust with our customers and serves as a fresh way to address new challenges that our customers are facing.

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New Medium-term Management Plan

Future Issues Identified under the Previous Medium-term Management Plan

Under the previous Medium-term Management Plan, "Change & Growth SWCC 2026 Rolling Plan 2024," we advanced structural reform of the business portfolio, including the sale and downsizing of unprofitable businesses, centered on "ROIC (Return on Invested Capital) Management 1.0," which focuses on capital efficiency. We significantly strengthened our earning power and financial position, and as a result achieved major KPIs one year ahead of schedule. The following items were also identified as key issues going forward.

1. Enhancing the ability to generate cash
- Further strengthening of Growth Businesses
- Establishment of second growth pillar
- Continuing with business portfolio reform

2. Optimizing the cost of capital
- Balancing growth investments and shareholder returns
- Controlling WACC

3. Investment in Intangible Assets
- Acceleration of DX Management
- R&D investment

Policies and Strategies of the Medium-term Management Plan "Transformation for Growth SWCC 2030"

In light of these key issues, in February 2026 we announced the long-term vision "SWCC VISION 2036" and the new Medium-term Management Plan "Transformation for Growth SWCC 2030." The new plan marks a shift from the structural reform phase to "sustainable growth and transformation," and is positioned as an important milestone toward our vision for 2036: a "centennial company that embraces global challenges."

For growth, we will focus particularly on "business shift to growth areas" and "strengthening global operations." Growth Businesses will drive improvements in overall profitability, while our global expansion aims to raise the overseas sales ratio to 20% by FY2030.

Review of the Medium-term Management Plan "Change & Growth SWCC 2026"

Achieved one year ahead of schedule

	2022-2026 Medium-term Management Plan FY2026 Target (Announced February 7, 2025)	FY2025 Results
Operating Profit	24.0 billion yen	27.3 billion yen
ROE	14% or higher	20.7%
ROIC	10% or higher	13.6%
Dividends (Consolidated payout ratio / DOE)	180 yen or more (35% or more/ 4% or more)	223 yen (35.0%/7.3%)
D/E Ratio	30~50%	40.7%
Net Assets	100.0 billion yen or more	106.0 billion yen
External Rating	A- or higher	A-

Next Step

Priority Initiatives under the 2026 Medium-term Management Plan	Issues Toward the 2030 Medium-term Management Plan
Enhancing the ability to generate cash	• Further strengthening of Growth Businesses • Establishment of second growth pillar • Continuing with business portfolio reform
Optimizing the cost of capital	• Balancing growth investments and shareholder returns • Controlling WACC
Investment in intangible assets	• Acceleration of DX Management • R&D investment

Medium-term Management Plan 2030 Financial Targets

		2024 (Results)	2025 (Results)	2030 (Medium-term Plan Target)
Profitability	Operating Profit	20.9 billion yen	27.3 billion yen	40.0 billion yen or more* * Excluding inorganic growth
Capital Efficiency	ROE	14.3%	20.7%	20% or higher
	ROIC	11.9%	13.6%	15% or higher
Shareholder Returns	Dividends (Consolidated payout ratio / DOE)	136 yen (35.3% / 5.0%)	223 yen (35.0% / 7.3%)	380 yen or more (40% or more / 5% or more)
Stability	D/E Ratio	65.4%	40.7%	40~60%
	Net Assets	92.1 billion yen	106.0 billion yen	150.0 billion yen or more
	External Rating	A-	A-	A

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1. Deepen ROIC-Oriented Management and cash flow management

We will advance from "ROIC-Oriented Management 1.0," which focused on structural reform, to "ROIC-Oriented Management 2.0," which accelerates growth in addition to structural reform, while balancing growth investment with capital efficiency. We will enhance the mechanism for recycling the cash we generate into further growth investment, with the aim of becoming a global company with strong cash generation capabilities.

- Rigorously manage investment efficiency and pursue maximum cash flow.
- Optimize capital cost while enhancing proactive shareholder returns.

2. Strengthen the BD (Business Development) Strategy

Through our BD strategy, we aim to expand into new domains and global markets.

- Expand beyond the boundaries of existing businesses to develop new business domains and markets.
- Seek to achieve business upside with M&A and alliances with other companies (inorganic growth) in view.

3. Development of overseas markets

We will move away from our business model centered on the domestic market and accelerate overseas expansion in full.

- Designated East Asia, South Asia, China, Europe, and the United States as our primary target regions.
- Aim to achieve an overseas sales ratio of 20% by FY2030, centered on strategic products that are our strengths—including SICONEX high-voltage power cable connectors, e-Ribbon ribbon-type optical fiber, and products related to semiconductor testing equipment.

4. Promote labor savings through productivity improvements

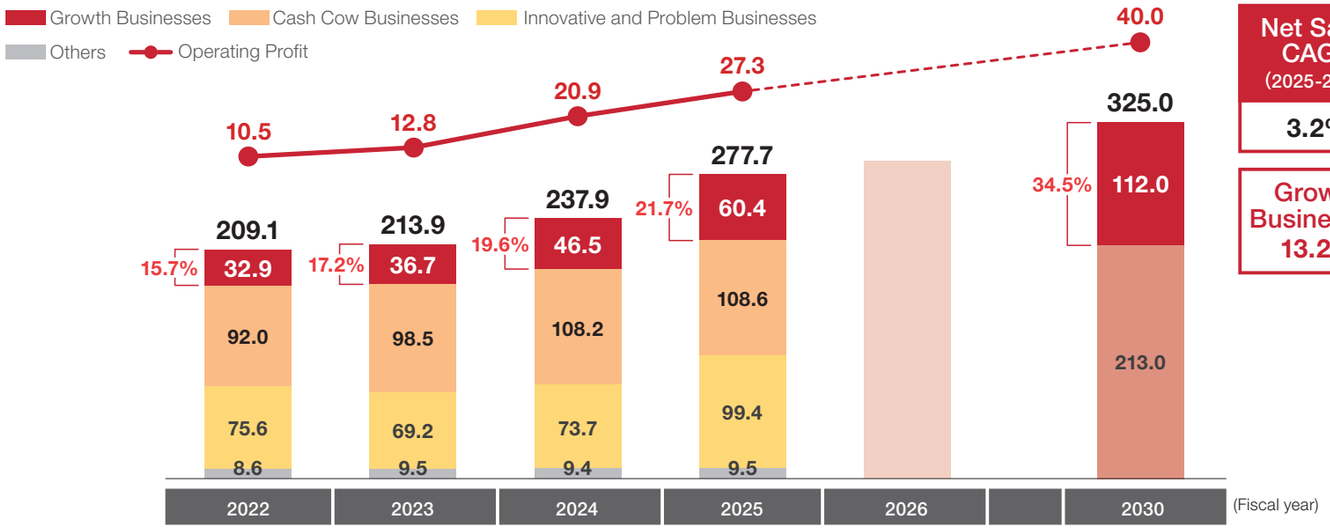
We will implement initiatives to thoroughly improve operational efficiency and reduce labor requirements.

- Advance DX (digital transformation) investment and systems integration at domestic manufacturing sites.
- Build a resilient production system capable of responding to the decline in the working population.

■ Business Plan

Trends in net sales and profit
Unit: billion yen

Growth Businesses	Power Infrastructure Communications (Overseas) Semiconductors
Cash Cow Businesses	Construction (Energy and Communications)
Innovative and Problem Businesses	Mobility and Industrial Applications
Others	



	2022	2023	2024	2025	2026	2030
Copper price (yen/kg)	1,209	1,262	1,478	1,695		1,700
Exchange rate (JPY/USD)	135	144	152	150		145

Net Sales CAGR (2025-2030)
3.2%

Growth Businesses
13.2%

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SWCC Group Materialities

Based on our Sustainability Basic Policy, we reviewed our priority items and, through four identification processes, established five materialities as new key issues in August 2022.

Step 1 Identify, integrate, and consolidate social issues

Step 2 Confirm stakeholder expectations

Step 3 Extract high-priority social issues

Step 4 Establish materialities, action policies, metrics, and KPIs

[Category] Theme	High-priority Social Issues	Specific Reason
[Technology] Our future	● Spread of sustainable clean energy ● Creation of resilient infrastructure and promotion of innovation ● Realization of resilient and sustainable cities	To leverage our technological capabilities to solve social issues and create new business opportunities, toward spreading clean energy, developing resilient social infrastructure, and achieving resource circulation, thereby enhancing corporate value.
[Environment] Our earth	● Amount of greenhouse gas emissions ● Reduction of chemical substances and waste	Playing a role within the supply chain and value chain for environmental conservation is important. In addition, delays in environmental measures have a significant impact on business management, such as the occurrence of additional costs and reputation risks.
[Community] Our partnership	● Engagement with local communities	In order to conduct sustainable business activities, it is extremely important to build good relationships with local communities. In order to resolve social issues, it is important to strengthen communication and relationships with partner companies.
[Persons] Our people	● Gender equality ● Rewarding work ● Human resources development	Based on the recognition that this is a social issue that takes priority, initiatives aimed at diversity and inclusion 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 contribute to achieving a stage of growth not seen until now.
[Governance] Our governance	● Significant impact on business ● Safety for products and services ● Information and labeling related to products and services	We will strengthen governance, risk management, and compliance to ensure operations without adversely affecting corporate value. By promoting these initiatives, we can gain the trust of our stakeholders.

* Details are available on our website (https://www.swcc.co.jp/jpn/sustainability/management/materiality/index.html).

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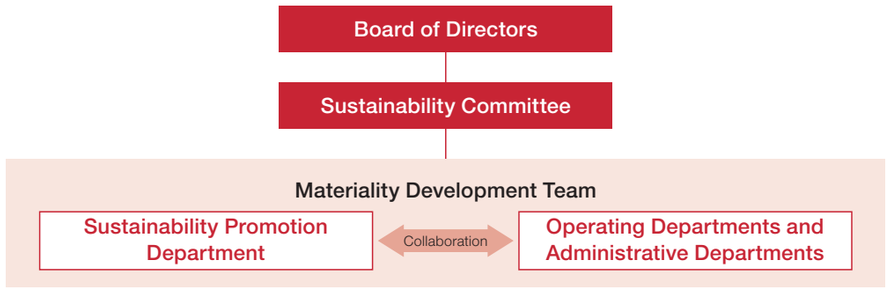
Updating Materiality Indicators to Enhance Corporate Value

The 16 sustainability indicators established in FY2022 have steadily progressed alongside the Medium-term Management Plan “Change & Growth SWCC 2026.” Together with the formulation of the new Medium-term Management Plan “Transformation for Growth SWCC 2030” for our next stage of growth, we now have fundamentally reviewed the indicator framework.

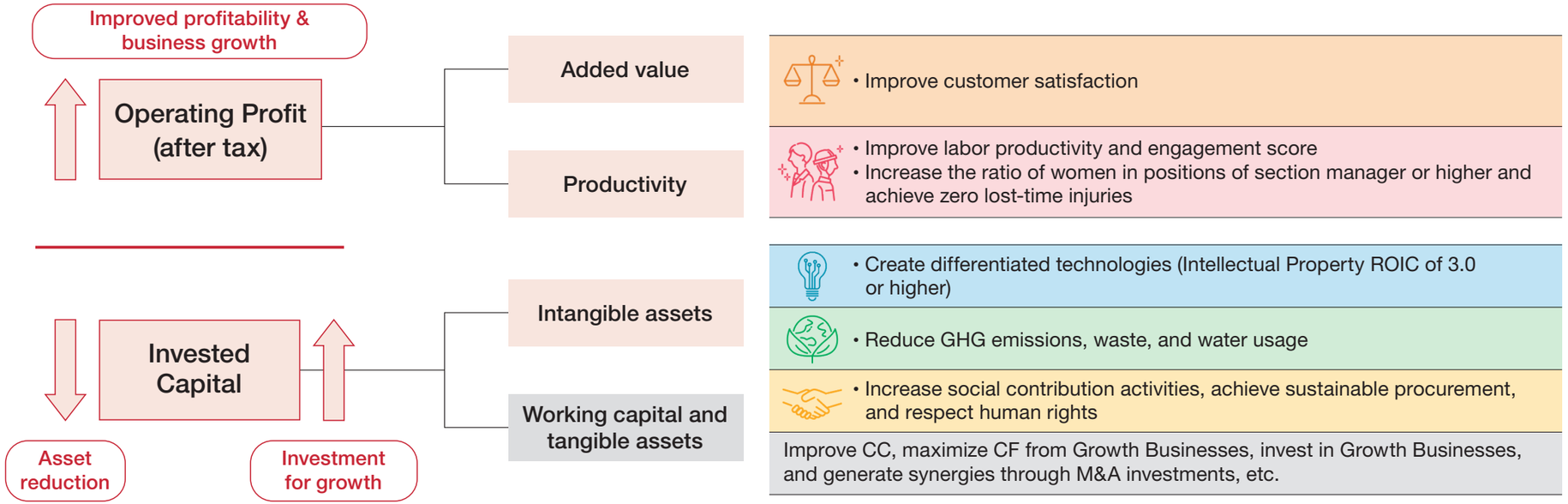
Looking ahead from FY2026 and beyond, we established 14 new indicators with FY2030 set as the goal. We have rebuilt the framework from KPIs focused primarily on “tracking progress of initiatives” to KGIs and KPIs that “more dynamically evaluate contributions to the execution of management strategy and the creation of corporate value.”

We made this change for all core materialities. By truly incorporating sustainability into the heart of management, we will connect these efforts to the sustainable enhancement of corporate value.

Structure for Reviewing Materialities



Non-financial Elements Incorporated into the ROIC Tree



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New KGIs and KPIs Aligned with the Formulation of the Medium-term Management Plan “Transformation for Growth SWCC 2030”

Materiality	Related SDGs	Vision for 2030	Target (KGI)	Target Timing	KPI (Annual Target)	Details
[Technology] Our future	7, 11	Create value that contributes to a sustainable society through our unique products and services	Create differentiated technologies (Intellectual Property ROIC of 3.0 or higher)	2030	Number of patent applications, patent allowance rate	→P40
[Environment] Our earth	12, 13	Reduce greenhouse gas emissions and promote recycling of resources in order to achieve a decarbonized society	GHG emissions (Scope 1 + Scope 2) (reduction of at least 25% compared to FY2024)	2030	Energy consumption, renewable energy adoption rate	→P56
			GHG emissions (Scope 3) (reduction of at least 15% compared to FY2024)	2030	Copper recycling rate	
			Waste intensity (10% or more reduction from FY2024)	2030	Waste volume, recycling volume	
			Water consumption intensity (reduction of at least 10% compared to FY2024)	2030	Water usage	
[Community] Our partnership	9, 17	Coexist with local communities and build relationships for mutual growth with business partners	Social contribution activities (increase of at least 5% compared to FY2025)	2030	Number of participants, hours of activities, participant satisfaction	→P59
			Achieve sustainable procurement	Annually	Achievement rate for supplier visits/exchange meeting plans, implementation of sustainable procurement questionnaire	→P52
			Achieve respect for human rights and a risk management framework (zero serious human rights violations)	Annually	Human rights due diligence implementation rate, number and percentage of participants completing human rights training	→P59
[Persons] Our people	5, 8	Foster a workplace culture that brings about transformation, challenges, and growth to create an organization that enhances individual productivity and added value	Labor productivity (8.0 million yen or more per person)	2030	Cumulative number of teams and participants in various VQ activity reporting and presentation meetings	→P54
					DX penetration rate	→P41
					Average annual training hours	→P48
			Improve engagement (55 or higher)	2030	Average annual training hours, percentage of departments with improved survey results	→P49
			Instill DE&I in organizational culture (ratio of women in positions of section manager or higher: 8.0% or higher)	2030	Ratio of women among new hires, number of participants in career development training	→P50
			Safe working environment (zero lost-time injuries)	Annually	Number of accidents, lost-time injury frequency rate	→P51
[Governance] Our governance	16	Continue sound business activities and enhance recognition as a trustworthy company	Customer satisfaction (Failure cost incidence rate: 40% or more reduction from FY2025)	2030	Losses from claims, external failure cost incidence rate, losses from internal nonconformities, internal failure cost incidence rate	→P53
			Cost of shareholders’ equity (10% or lower)	2030	Number of dialogues held with investors	→P73

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CFO Message

Working on Further Improvements in Capital Efficiency and Advancing Proactive Investments to Accelerate Growth



Toshiharu Kamijo
Senior Managing Executive Officer
CFO (Chief Financial Officer)

Supporting Structural Reform and Accelerated Growth from a Financial Perspective

I was appointed CFO (Chief Financial Officer) in April 2026. The Company has achieved steady results by focusing on improving capital efficiency. Going forward, however, we will move beyond the pursuit of efficiency and shift toward value creation driven by growth investments. At the core of this shift is "ROIC-Oriented Management 2.0," which I will be spearheading as CFO. To lead the SWCC Group from a financial perspective and steadily achieve structural reform and accelerated growth, we will maintain financial discipline while making bold investment decisions based on careful assessment of risks, thereby providing powerful support for business growth.

Review of FY2025 Results and Financial and Capital Policies

Based on increased sales of power cables, communication cables, and semiconductor testing equipment-related products, net sales in FY2025 increased 16.8% year on year to 277.7 billion yen, operating profit increased 30.5% to 27.3 billion yen, and net income attributable to owners of parent increased 65.3% to 18.8 billion yen. As a result, we achieved the FY2026 targets of the Medium-term Management Plan "Change & Growth SWCC 2026 Rolling Plan 2024" one year ahead of schedule.

On the financial front, the D/E ratio, which had temporarily increased due to M&A in March 2025, improved substantially to 40.7%, down 24.7 percentage points from the end of the previous fiscal year, as we reduced interest-bearing debt using deposits and cash flow.

We also advanced cash management across the SWCC Group and established a system for more efficient management of funds. In external credit ratings, acquiring an "A-" long-term issuer rating from JCR in FY2024 also enabled us to improve transaction terms with financial institutions.

Financial Strategy under the Medium-term Management Plan 2030

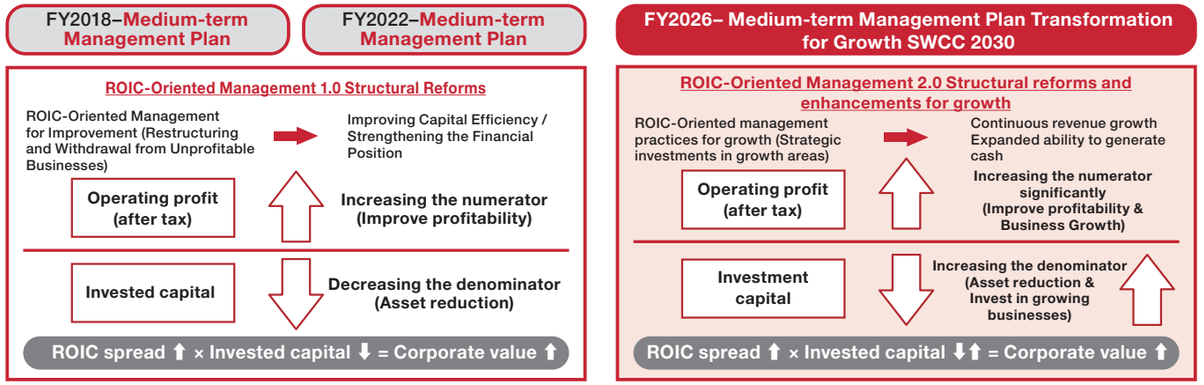
Under the Medium-term Management Plan 2030 launched in FY2026, we will focus on 1) Promoting "ROIC-Oriented Management 2.0," 2) Cash generation and allocation, and 3) Dialogue with capital markets.

1) Promoting ROIC-Oriented Management 2.0

"ROIC-Oriented Management 2.0" was launched in conjunction with the new Medium-term Management Plan 2030. Rather than pursuing efficiency to the point of suppressing invested capital and heading toward a smaller equilibrium, ROIC-Oriented Management 2.0 calls for proactive growth investment while maintaining awareness of investment efficiency and steadily

■ Evolution from ROIC-Oriented Management 1.0 to ROIC-Oriented Management 2.0

Advance ROIC-Oriented Management 2.0 to accelerate growth in addition to structural reform, maximize cash flow, and transform for growth.



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Enhancing Corporate Value through ROIC-Oriented Management

accumulating value creation. This approach comprises the following three pillars.

The first is efficiency. Taking into consideration the different growth potential and risk characteristics of each business, we will refine WACC (weighted average cost of capital), including beta values, and manage capital costs more accurately in line with actual conditions. This will strengthen disciplined business portfolio management based on capital efficiency. We will expand the overall ROIC spread, by refining and controlling WACC while raising ROIC in each business to a level that matches its WACC. We previously managed the business portfolio by segment, but different types of businesses coexist within the same segment, so we decided to thoroughly manage each business according to its stage. We set hurdle rates of over 3% for both "ROIC spread by business" and "sales CAGR," clearly classify businesses as "Growth Businesses," "Cash Cow Businesses," "Innovative and Problem Businesses," and "New Businesses," and implement disciplined investment allocation—an example of this is investing proactively in Growth Businesses while limiting investment in Cash Cow Businesses to within depreciation.

The second is scale, for which we will introduce "EVA®(*1) (Economic Value Added)." This indicator measures how much value has increased after deducting the cost of capital. Going forward, in addition to "rate" indicators such as ROIC, we will focus on EVA®, which represents the "amount" of value created. Through investment in growth domains and M&A, we will expand invested capital and accumulate in monetary terms the value created in excess of the cost of capital. We will position the expansion of EVA®, alongside ROIC, as a key management indicator.

The third is the speed of cash recovery. For investment decisions, we will rigorously manage the "payback period," while for working capital we will focus on CCC (cash conversion cycle). By increasing the speed of cash turnover, we will rapidly redirect funds to the next round of growth investment and accelerate the pace of growth.

(*1) EVA® is a management indicator developed by Stern Stewart & Co. and a registered trademark of HILLTOP CONSULTING GROUP, LLC.

2) Cash Generation and Allocation

Under the Medium-term Management Plan 2030, cash inflows will expand substantially from 75.1 billion yen over the four years of

Advancing ROIC-Oriented Management through the Introduction of Business-specific WACC

WACC-conscious Management → Refinement of Business-specific WACC

Changed to business-specific WACC based on the risk and leverage profile of each business

	ROIC-Oriented Management 1.0	ROIC-Oriented Management 2.0
[Business Segments]	• Construction and Electric Sales, Electric Power, Seismic Isolation, Vibration Control • Communications, WH, Devices, Wire Rod, Wires	• Power Infrastructure Construction-related, Communication Cables, Semiconductors, Mobility, Industrial
[Capital Structure (D/E)]	• Calculated for each business by assuming working capital ≒ interest-bearing debt and fixed assets ≒ shareholders' equity	• Set according to the stage of each business (maturity, growth, etc.)
[Cost of Capital]	• Use a uniform beta value across the Company • Do not factor in business-specific risks • No changes during the Medium-term Management Plan period	• Set beta individually based on volatility and risk according to business characteristics • Reviewed annually based on interest rate trends and other factors

Building a Mechanism to Advance ROIC-Oriented Management 2.0

In addition to the ROIC efficiency indicator, use the EVA® absolute-value indicator, and consider the investment payback period from the perspective of how quickly investments contribute to profit, while continuing to monitor CCC

① Efficiency: ROIC

How efficiently profits are generated relative to invested capital

$$\text{ROIC} = \frac{\text{NOPAT (Net operating profit after tax)}}{\text{Invested capital}}$$

- Evaluate the "quality" of investment
- Determine whether value is created based on ROIC – WACC

② Scale: EVA®

How much value is accumulated after deducting the cost of capital

$$\text{EVA®} = (\text{ROIC} - \text{WACC}) \times \text{Invested capital}$$

- Evaluate the "amount of value created" by investment
- Maximizing EVA® = Maximizing Corporate Value

③ Speed: Payback Period

How quickly cash is recovered

Investment Payback Period = Years until recovery on a cumulative CF basis

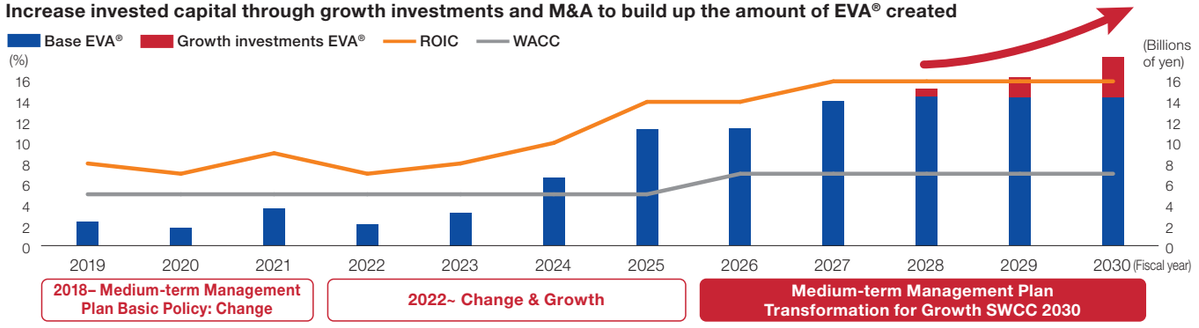
CCC = Inventory turnover period + accounts receivable turnover period – accounts payable turnover period

- Evaluate the investment payback period together with NPV
- Evaluate the speed of working capital recovery

Maximize Corporate Value through Efficiency (ROIC) × Scale (EVA®) × Speed (Payback Period)

Use of Capital toward Our Desired Future (Allocation and Priorities)

In addition to "ratio" indicators such as ROIC, focus on EVA® (Economic Value Added), the "amount" of value created
Increase invested capital through growth investments and M&A to build up the amount of EVA® created



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the previous Medium-term Management Plan to 180.0 billion yen over the five years of the Medium-term Management Plan 2030. In addition to 150.0 billion yen in operating cash flow generated by enhanced earning power, we plan to raise approximately 25.0 billion yen in funds with an awareness of capital cost and make effective use of leverage. We have already been selling cross-shareholdings and idle real estate and expect to generate approximately 5.0 billion yen from business divestitures and other measures.

For cash outflows, we plan capital expenditures totaling 56.0 billion yen, at a level exceeding 10.0 billion yen per year, and will invest in R&D, DX, and human capital, with a focus on growth investments. We have allocated 80.0 billion yen for inorganic investments, including the possibility of large-scale M&A. We are also planning shareholder returns of 44.0 billion yen.

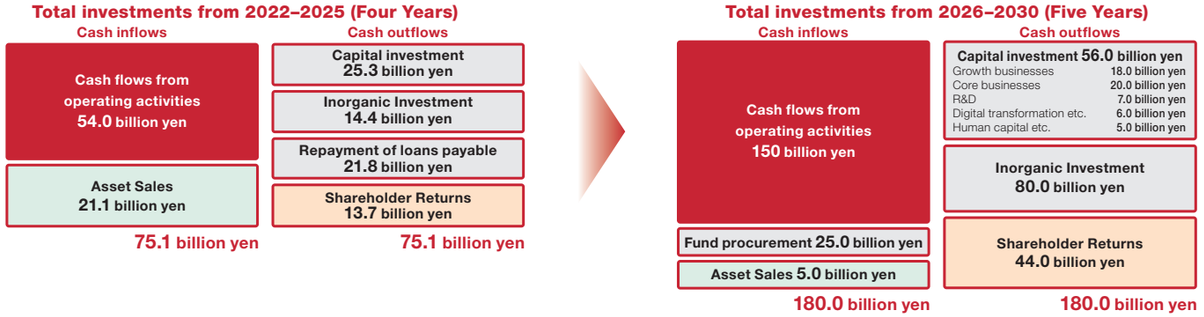
By executing M&A early in the Medium-term Management Plan 2030, we will establish a growth foundation at an early stage to secure our operating profit targets for 2030 as well as for 2036, our centennial year. We envision M&A targets that will expand the SWCC Group's business domains and global presence and improve profitability and growth potential. We will consider companies in growth fields where we can demonstrate our strengths, such as semiconductors and data centers, aiming to achieve both high capital efficiency and growth.

3) Dialogue with Capital Markets

To earn the understanding and support of stakeholders, it is important to clearly communicate our equity story. As we pursue "management conscious of capital cost and share price," we regard TSR (total shareholder return) as the ultimate indicator of shareholder value. We are striving to share with investors how we will raise TSR through "ROIC-Oriented Management 2.0." With the cost of shareholders' equity (10% or lower) as the minimum threshold, we are committed to improving TSR in a sustainable manner by balancing growth investment with capital efficiency and continuing to enhance cash-generation capabilities so as to outperform TOPIX (including dividends). TSR can be broken down into three elements: earnings growth (EPS), growth expectations (PER), and shareholder returns (dividends). We will improve TSR in a sustainable manner by expanding EPS through improved capital efficiency and accelerated growth investment under "ROIC-Oriented Management 2.0," and

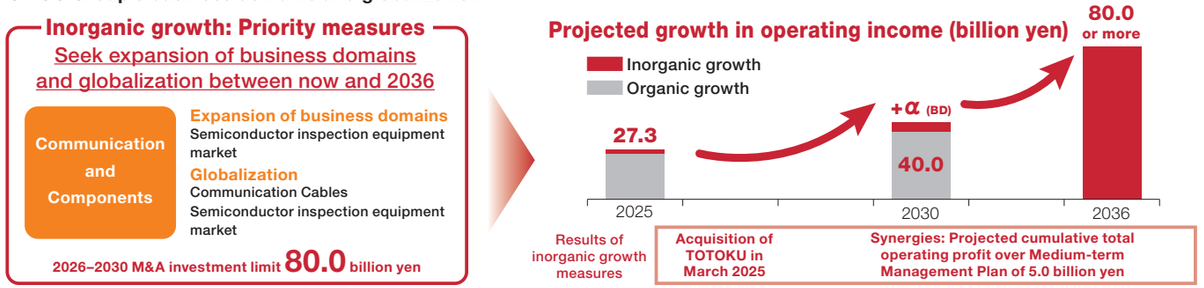
Cash Allocation

Creating cash flow **by increasing profits and enhancing the efficiency of the balance sheet**. Accelerating value creation and **increasing shareholder returns** through sufficient **investments in human capital, research and development, and digital transformation**.



BD Strategy for Promoting Inorganic Growth

We aim to realize the BD strategy for promoting inorganic growth (M&A) under the Medium-term Management Plan within 3 years.
Additional earnings contribution of +α is expected on top of the Medium-term Management Plan target of 40.0 billion yen
We will likely invest in **projects that will contribute to improvement of profitability and growth potential through expansion of the SWCC Group's business domains and globalization.**



Policy to Increase TSR and Quantitative Targets

We will implement ROIC-Oriented Management 2.0 practices and establish a TSR expansion model.

TSR Expansion	=	Improve Profitability (EPS)	×	Growth expectations (PER)	+	Shareholder returns (Dividends)
Outperform TOPIX (including dividends). The cost of shareholders' equity (10% or less) is considered the lower limit.		Implementing ROIC-Oriented Management 2.0 to improve management practices related to the business portfolio. Target ROIC FY2030: 15% or higher Operating Income Target FY2030: 40.0 billion yen		Inorganic investments in Growth Businesses areas Profitability improvement through business model evolution Investment in growth A maximum of 80.0 billion yen		Returning free cash flow not used for investing in growth to shareholders. Consolidated dividend payout ratio of at least 40% and a consolidated DOE of 5% or more

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by raising PER in the market through growth investment and enhanced communications. For dividends, we are targeting a payout ratio of 40% or higher and DOE of 5% or higher, and will continue stable dividends supported by earnings growth.

Achieving sustainable growth also requires strengthening our management foundation, including non-financial elements. We therefore run a new tree decomposition of our management framework from both financial and non-financial perspectives based on "ROIC-Oriented Management 2.0." By improving each financial and non-financial KPI, we will raise ROIC and strengthen our growth foundation. As the Medium-term Management Plan 2030 represents a growth phase, we expect the invested capital denominator to increase through "strategic investment in existing businesses" and "growth and synergies through M&A."

For each KPI, we are preparing to collect and manage data in a timely manner together with the introduction of an ERP system, with a view to enhancing disclosures in accordance with the sustainability disclosure standards of the Sustainability Standards Board of Japan (SSBJ).

Toward Achieving Growth, Promoting a Human Capital Strategy Linked to Management Strategy

To execute these growth strategies in a sustainable manner, strengthening the human capital that supports them is essential. The basic policy of the SWCC Group's human capital strategy is built on four pillars: 1) Create value by building a human resource portfolio that supports the business portfolio; 2) Cultivate and strengthen leaders aligned with business strategy; 3) Strengthen worksite capabilities supporting more advanced manufacturing and optimize remuneration; and 4) Cultivate personnel who drive business transformation using AI and IoT. Toward achieving our desired future in 2036—a "global solutions company that develops future energy and digital technologies"—we will promote a human capital strategy linked to management strategy. First, to respond to shifts toward growth domains such as semiconductors and greater global expansion, we will closely examine the differences between the organization and human resources we need and our current situation. We will then recruit and cultivate the necessary human capital and visualize human capital by establishing KPIs.

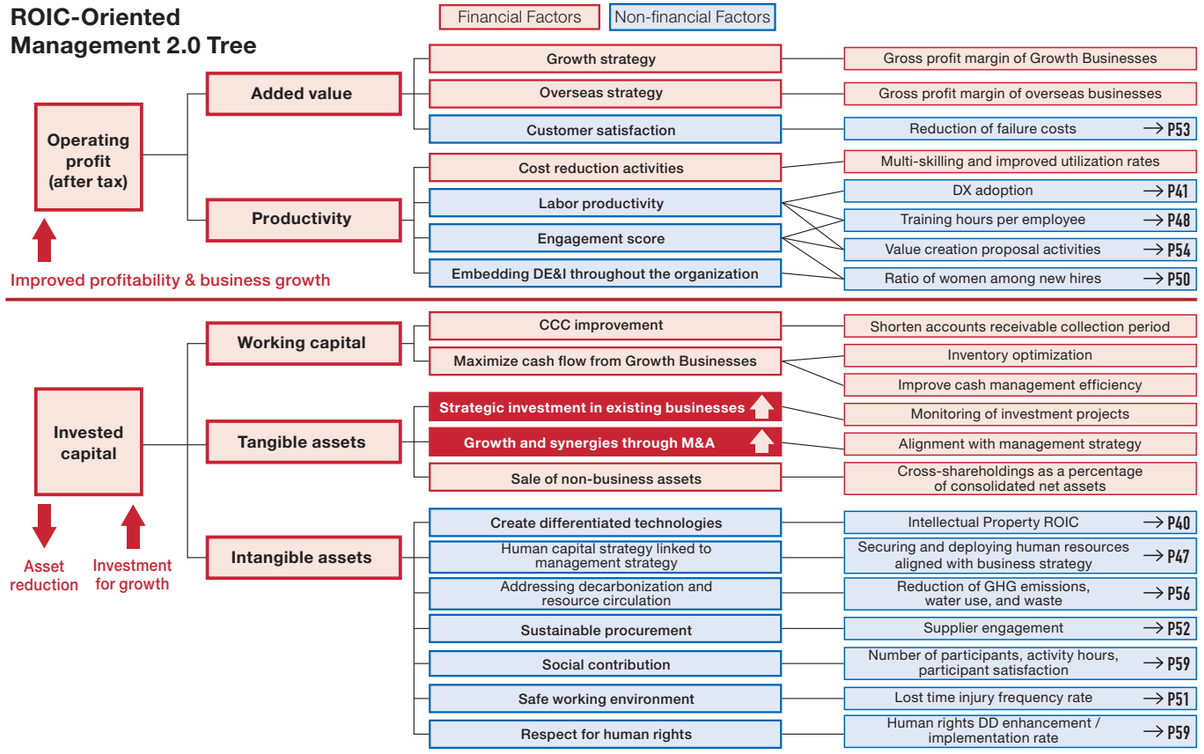
Toward Achieving the Targets of the Medium-term Management Plan 2030

The Medium-term Management Plan 2030 sets ambitious financial targets, but we have achieved our previous Medium-term Management Plans ahead of schedule. We will also advance each initiative in a steady manner with the aim of achieving this plan early. We will also enhance trust through transparent disclosure and ongoing dialogue so that stakeholders are able to understand, support, and identify with our policies and thinking, thereby working to enhance corporate value and shareholder value.



Dialogue with Capital Markets

ROIC-Oriented Management 2.0 Tree



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Chief Business Officer Message

Focusing on optimizing our business portfolio, accelerating global expansion, and building a business foundation that balances growth and profitability



Yukio Kawase
Senior Managing Executive Officer
Chief Business Officer
Head of Business Segments

Pursuing Overall Optimization and Executing Transformation under the New Structure

I was appointed Chief Business Officer in April 2026, and assumed responsibility not only for sales and business divisions but also for materials procurement, production engineering, and logistics. With our long-term vision of becoming “a global solutions company that develops future energy and digital technologies” in view, under this new structure we will drive seamless transformation from materials procurement through production, sales, and logistics and build a robust foundation. We position the Medium-term Management Plan 2030, launched in FY2026, as a “period for executing transformation” and will focus on the following three initiatives.

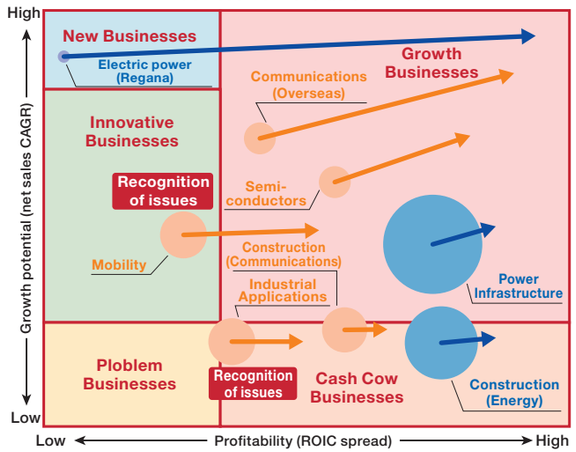
- Promote business portfolio optimization and structural reform with an emphasis on balancing capital efficiency and growth
- Strengthen global expansion through partner strategies and M&A, and establish a business foundation capable of competing in global markets
- Strengthen the supply chain to achieve both stable supply and cost competitiveness in response to a highly uncertain business environment

Promoting Business Portfolio Optimization and Structural Reform

We also strengthened business portfolio management under the previous Medium-term Management Plan, but given that the environment surrounding the electric wire industry changes rapidly with the energy transition and advancing digitalization, conventional classifications by product and business axis did not bring sufficient visualization in terms of differences in market growth, earnings structures, or our competitive advantages. This time, we objectively reassessed the profitability, growth potential, and capital efficiency of each business. We analyzed the portfolio by organizing market growth potential and competitive conditions, analyzing ROIC and earnings structures for each business, and identifying future priority investment areas, allowing us to clarify “which businesses will deliver growth” and “which businesses need reform.” This improves consistency and transparency in investment decisions and resource allocation while enabling faster execution.

In supervising this business segment, I evaluate “Growth Businesses,” “Cash Cow Businesses,” “Innovative Businesses,” and “Problem Businesses” at the segment and subsegment levels based on data including ROIC, operating margin, growth rate, and cash-generation capabilities, and conduct regular monitoring and decision-making. The positioning and policies for each business are shown on the right.

Business Portfolio as of FY2025*



* Circle size: Operating profit

Growth Businesses Power Infrastructure Communications (Overseas) Semiconductors	**Drive sustainable growth** These are domains where future market expansion is expected and where we are able to demonstrate our competitive advantage, and we position them as growth drivers. We will accelerate growth through proactive capital investment and R&D investment, priority allocation of human resources and other resources, and global expansion.
Cash Cow Businesses Construction (Energy) Construction (Communications)	**Establish a stable earnings base** These businesses generate stable cash flow with a stable market base and profitability, supporting company-wide growth investment. With an emphasis on capital efficiency, capital investment will focus on maintenance and renewal, while we secure earnings through higher productivity and stronger pricing strategies and maintain our customer base with a stable supply.
Innovative Businesses Mobility	**Achieve renewed growth by transforming the earnings model** These are domains where sustainable growth would be difficult under the existing business model due to changes in market and competitive conditions. To renew these businesses, we will promote the transition to high-value-added fields through changes in applications and technologies, review unprofitable products and businesses, transform business models (toward services and solutions), and utilize alliances and M&A, with the aim of rebuilding a structure capable of renewed growth by 2027.
Problem Businesses Industrial Applications	**Explore improvements through fundamental measures or withdrawal** These are domains requiring improvements in terms of profitability, growth potential, and capital efficiency, and we position them as requiring the most stringent management decisions. We will take a comprehensive approach to implementing measures for short-term earnings improvements such as cost reductions and price corrections, carry out structural reforms including reorganization of production sites and business downsizing, and examine strategic options including external resources. If improvements are not expected, we will make decisions by 2027, including withdrawal or business restructuring.

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In advancing the business portfolio strategy, the Business Strategy Department will serve as the command center, designing the business portfolio from a medium- to long-term perspective, visualizing and evaluating capital efficiency and profitability in each business, and supporting strategic decisions including investments and withdrawal. We intend it to function not merely as a planning department but as an execution-oriented organization that drives management decision-making. The Sales Coordination Department will set out “where to succeed” based on market and customer perspectives and support portfolio growth. Specifically, it will strategically develop growth markets and priority customers, enhance added value through solution proposals, consolidate market information and feed it back into strategy, and manage profitability by project. Both the Energy and Infrastructure Business Segment and Communication and Components Business Segment will translate portfolio strategy into actual business results by establishing competitive advantages in their respective domains, improving profitability through better pricing, costs, and productivity, differentiating through more advanced technologies and products, and executing strategic initiatives in a reliable manner. Under this structure, we will steadily advance business portfolio optimization and structural reform.

Advance Strategies in Growth Businesses to Accelerate Growth and Expand Business Scale

• Power Infrastructure Business

As growth of data centers increases, renewable energy expands, and replacement demand rises due to aging power infrastructure, the use of our SICONEX products at power plants, substations, and other facilities is increasing. SICONEX is a high-voltage power cable connector that is lightweight and compact, offers excellent seismic and fire resistance, and, through a simple joint design, can reduce installation time by 30% compared with conventional products. We will accelerate growth by leveraging SICONEX, the easy-installation high-voltage e-Cable, and the SICOPLUS connection installation system.

• Communications (Overseas) Business

As the rapid spread of generative AI drives the growth of data centers, vast quantities of optical fiber cables are being installed, increasing demand for high-density cabling that allows cables to be made thinner. Against this backdrop, our e-Ribbon is drawing growing attention because it enables large numbers of optical fibers to be joined while retaining a flexible structure that can be easily shaped. Sales to North America are currently growing significantly, and construction of data centers is also expected to progress in Europe, Asia, and Japan. To capture expanding medium- to long-term demand, we will concentrate resources on ribbon processing, where we possess a technological advantage, and secure growth in global markets.

• Semiconductor Business

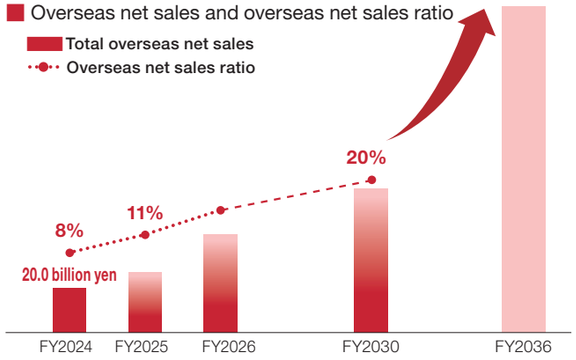
We are involved in products such as test pins for contact probes used to inspect semiconductor chips. Leveraging our advanced copper-silver alloy technology, we had been developing products for wafer inspection in front-end semiconductor processes when TOTOKU joined the Group in March 2025. TOTOKU has strengths in contact probes for downstream semiconductor processes and advanced mass-production technology that draws metal materials extremely thin and performs specialized tip processing. From FY2026, we consolidated all semiconductor-related resources at TOTOKU, establishing an integrated structure covering everything from material development and microfabrication to mass production of test pins. We will pursue a comprehensive strategy to support a wide variety of pins used in both front-end and back-end semiconductor processes.

Accelerating Overseas Expansion Centered on Three Product Fields

One of the key themes of the Medium-term Management Plan 2030 is developing overseas markets. Growth opportunities such as the energy transition and expanding infrastructure investment are even more pronounced overseas, and globalizing our business foundation is essential for sustainable growth. The Group’s overseas sales ratio is currently around 11%, and we aim to increase this to 20% by FY2030. In expanding overseas, we will focus on growth markets and center our efforts on semiconductor testing equipment-related products, e-Ribbon,

The SWCC Group will leverage various strategic products to accelerate overseas expansion. Exploring new business market overseas, we will aim for an overseas sales ratio of 20% by FY2030 and further increase by FY2036, and strive to be a global solutions company that develops future energy and digital technologies.

The SWCC Group aims to become a global solutions company by FY2036.





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and SICONEX, where we are able to demonstrate competitive advantages. Focusing on Europe, North America, and China, we will carefully assess the quality and growth potential of demand in data center and infrastructure-related markets, make concentrated investments, and accelerate overseas expansion.

Launching ROIC-Oriented Management 2.0 and Focusing on Structural Reform and Growth

Under “ROIC-Oriented Management 1.0,” which we have been working on since 2019, we first focused on embedding the concept of “management conscious of capital cost” down to the worksite level. Specifically, we broke down and visualized the components of ROIC (profit margin and invested capital turnover), identified profitability and capital efficiency by business and product, reduced inventories, shortened lead times, and improved equipment utilization rates, while establishing KPIs at each worksite and continuously monitoring them. We believe this shifted awareness at worksites, which had traditionally focused on sales and profit, toward the perspective of “how efficiently capital is used,” leading to improved profitability and cash-generation capabilities.

Under “ROIC-Oriented Management 2.0” that we launched in FY2026, we will continue initiatives to bring improvements to worksites from ROIC-Oriented Management 1.0 while advancing structural reform and growth. We will achieve growth through investment in Growth Businesses and maximize cash flow. We will also integrate management of supply and demand, inventories, and production plans, optimize capital efficiency across the entire supply chain, and strengthen collaboration between departments through cross-functional KPIs.

Strengthening Manufacturing and the Supply Chain as Sources of Competitiveness

In April 2026, the Supply Chain Department and Production Engineering Department were added to the existing Business Strategy Department, Sales Coordination Department, Energy and Infrastructure Business Segment, and Communication and Components Business Segment under the business segment supervisory structure. Each month, the heads of these six departments meet at the Business Segment Management Council to share information and exchange opinions.

Having worked in production at factories for many years, I believe the sources of our competitiveness lie in manufacturing and the supply chain. To support medium- to long-term growth, we will strengthen them by diversifying raw material procurement, optimizing production systems, and reorganizing logistics bases. We position the Manufacturing Human Resources Development Center as a core organization for embedding transformation at worksites. The Center will create worksites that can be operated by smaller and more diverse teams, cultivate personnel capable of autonomously driving worksite improvements, and systematize skills transfer with generational change in mind.

Through the “2035 Factory Project,” we will also undertake fundamental reform of manufacturing worksites. As an urgent issue directly linked to achieving both higher productivity and stable quality, we will convert skills that have relied on experienced personnel into explicit knowledge and standardize them. We will focus on automation and labor-saving measures, data-driven factory operations using IoT and AI, and built-in quality (reducing defect rates and rework), and implement these measures at worksites.

Traditional thinking and methods will no longer provide sufficient transport capacity for logistics. According to estimates by the Ministry of Land, Infrastructure, Transport and Tourism, transport capacity is projected to be 34% short by 2030. In response, our Logistics Reform Project will advance 1) Supply chain development, 2) Legal and specified-shipper compliance, 3) Reorganization of Group bases and distribution centers, and 4) Labor-saving and efficiency improvements at distribution centers. Through these measures, we will reduce costs, shorten lead times, and enhance competitiveness.

■ Business Segment Supervisory Structure



Earning Trust as a Partner Supporting Social Infrastructure

As major trends such as the transformation of the energy structure and the advancement of digitalization take hold, we are expected more than ever to support social infrastructure. To fulfill this responsibility while achieving sustainable growth, transformation that is more than a simple continuation of our past efforts is essential.

As Chief Business Officer, I will take on the challenge of building a business foundation that achieves both profitability and growth by reviewing the business portfolio, further enhancing management centered on ROIC, and integrating procurement, production, sales, and logistics. We will ensure proper selection and concentration, making difficult decisions when necessary, while building the foundation required for future growth. For customers, we will go beyond simply supplying products: we will further strengthen quality, supply capabilities, and technological capabilities, provide greater value as a partner supporting social infrastructure, and work on earning their trust.



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Energy and Infrastructure Business Segment



Lines of Business

Power Infrastructure

Main products : Extra-high voltage power cables, connector components
Main applications : Power plants, substations, substation facilities in buildings
Main clients : Electric utilities, power equipment manufacturers

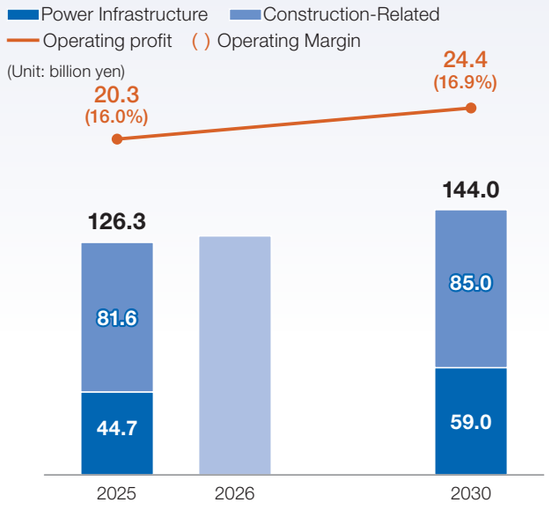

SICONEX

Construction-Related

Main products : General-purpose wires, industrial wire cables, aluminum cables
Main applications : Buildings and factories
Main clients : Construction and electric sales related


Industrial wires and cables

Net Sales and Operating Income



Market Outlook

Power Infrastructure

Opportunities
- Expansion of transmission infrastructure investment driven by electricity demand from the growth in data centers and renewable energy
- Expansion of replacement demand for aging electric power infrastructure (oil-filled cables, etc.)

Risks
- Risk of constraints on installation capacity and construction delays due to labor shortages and stalled skills transfer
- Intensification of price competition and deterioration of order conditions due to entry by overseas manufacturers

Construction-related

Opportunities
- Stable earnings foundation backed by steady demand and room to improve profitability through greater production and logistics efficiency
- Shift to high-value-added products and appropriate pricing as quality and performance become increasingly important in the construction and electrical distribution market

Risks
- Impacts on both demand and supply from construction project delays and cancellations due to worsening labor shortages and lower installation and logistics efficiency
- Earnings volatility risk due to fluctuations in raw material prices (copper, aluminum, etc.)

Strengths of the Business Segment

- Ability to serve a wide range of applications and customers with a diverse product lineup
- Production, supply, and logistics systems that enable stable supply and short lead times
- Solution capabilities providing integrated services from design and supply through to installation and maintenance
- High market share for SICONEX connection components with excellent installability

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Message from the Chief of Energy and Infrastructure Business Segment

Focusing on business expansion into new domains, aiming for high growth and stable earnings generation



Shiro Moriguchi
Executive Officer
Chief of Energy and Infrastructure Business Segment

FY2025 Overview

In FY2025, the Energy and Infrastructure Business Segment recorded net sales of 126.3 billion yen, up 3.0% year on year, and operating income of 20.3 billion yen, up 24.4%. The operating margin improved 2.7 percentage points to 16.0%.

In Power Infrastructure, customer needs related to data centers and semiconductors are increasing, driving growth in demand. Although some tenders have failed due to limitations to installation capacity, our efforts to expand installation capacity nationwide together with partner companies enabled us to secure many projects. In particular, profitability improved as highly profitable projects in the high-voltage domain increased in the power generation and substation field, where SICONEX exhibits strengths.

In Construction-related fields, the wire market is expected to continue its slight downward trend as Japan's population declines, and we likewise plan on a flat to slightly declining basis. Against this backdrop, in the first half of FY2025, the copper base price fell sharply partly due to the impact of Trump tariffs, raising concerns of a cooling market. However, in 2026 the base price of copper exceeded 2.0 million yen at times, contributing to higher net sales. Profitability also improved as a result of price revisions.

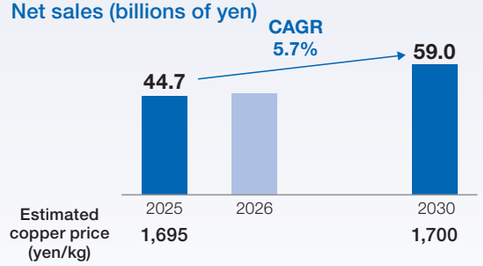
Initiatives under the Medium-term Management Plan 2030

Under the Medium-term Management Plan 2030, we will invest in Power Infrastructure in a proactive manner as a Growth Business, while positioning Construction-related fields as a Cash Cow Business and generating stable cash through efficient utilization of Group management resources. As a core Group business, we will achieve further growth while securing stable earnings.

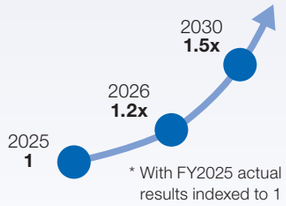
<Power Infrastructure>
The revenue cap system for electric power companies will enter its second regulatory period in 2028, with the scale expected to be presented during FY2026–FY2027. Facilities that began operating around 1990 will have been in service for 30–40 years, and given the approximately 30-year design life of electric wires and cables, they are entering a period of replacement, which is underpinning stable demand for replacement. In addition, with the expansion of semiconductors and data centers expected to push electricity demand above previous forecasts, we project the electric power infrastructure market to expand from 150.0 billion yen in FY2024 to 244.0 billion yen in FY2030.

Against this backdrop, in the power generation and substation field where our company demonstrates prowess, we expect the share of SICONEX to rise from 68% in FY2025 to 90% in FY2030. Power equipment manufacturers are increasingly shifting to

Net sales (billions of yen)



SICONEX Sales Plan



Introduction of Retrofit SICONEX

Projected SICONEX Market Share

	2025	2030
Power Generation and Substation	68%	90%
Private-sector Substation	93%	95%

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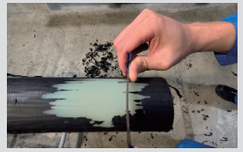
Enhancing Corporate Value through ROIC-Oriented Management

smaller equipment, driving adoption of our SICONEX, which is designed to suit this trend. Currently, three cable manufacturers in Japan, including SWCC, handle high-voltage products. The other two companies focus mainly on long cables, creating a business environment in which our products are increasingly being used for the shorter cables used in power generation and substation applications. Production equipment resulting from approximately 2.0 billion yen in capacity investment carried out in FY2025 will be completed in FY2026, and we expect increased production to take effect from the second half of FY2026.

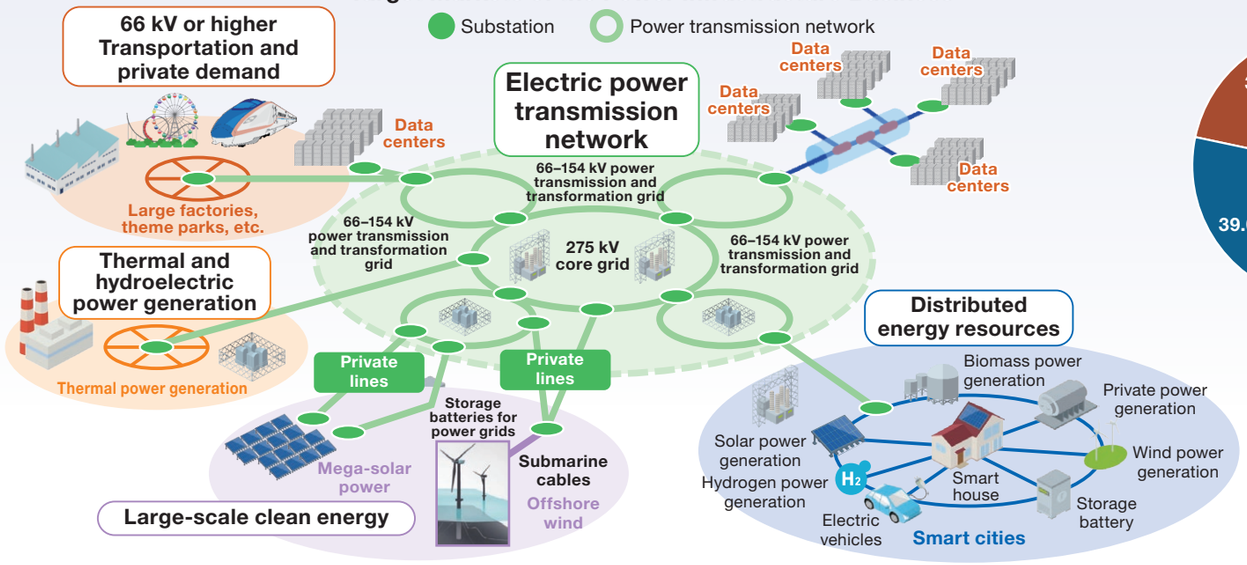
To address growth after SICONEX reaches a share of around 90%, we began development of 154 kV Y-branch joints in 2026, targeting power transmission grids and data center markets that use long cables. During the Medium-term Management Plan 2030 period, we will launch Y-branch joints that leverage the strengths of SICONEX —compact, light weight, and ease of installation, and expand our business into the high-voltage domain by combining cables with installation capabilities.

In December 2025, we also expanded the lineup of e-Cable, an easy-installation power cable, to include 154 kV applications. The cable is manufactured by integrally extruding three layers: the inner semiconductive layer, insulation, and outer semiconductive layer. When connecting power equipment, the outer semiconductive layer must be removed to expose the insulation. With e-Cable, making

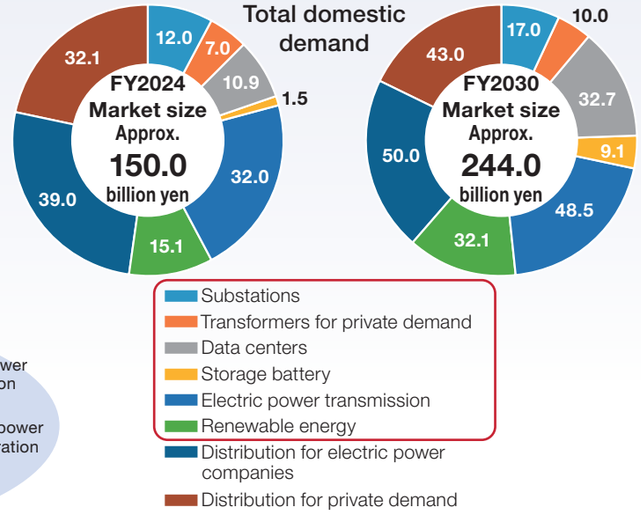
e-Cable Outer Semiconductive Layer Processing Comparison

	Conventional Power Cables	e-Cable
Method for removing outer semiconductive layer of cables	 Shave off	 Peel off
Waste after cable work	 Shavings	 Only peeled pieces of the outer semiconductive layer

Target Markets of the Power Infrastructure Business



Projected Market Size * SWCC estimate



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a cut allows the outer semiconductive layer to open and peel away. Deliveries of e-Cable for 66/77 kV applications began in 2021, and customers have valued its contribution to more efficient connection work. We have now introduced a product for the even higher 154 kV applications. Connection work on 154 kV lines requires a higher level of installation skill, but the use of e-Cable helps reduce dependence on specialized skills and can shorten work time to approximately one-quarter of that required with conventional cables. During the Medium-term Management Plan 2030 period, we will work to expand the lineup further to 275 kV applications.

<Construction-related>

Since FY2024, the construction industry has been shifting work schedules from one to two days off per week. Construction capacity is therefore expected to decline, while construction demand is projected to remain flat or trend slightly downward. Against this backdrop, expanding market share will be a major topic for maintaining the current level of sales.

To expand market share, we will improve convenience with the use of a customer support website. We have introduced WCS (Web Customer Service), which allows customers to view our product inventories and download specifications, and the websites of Fuji Electric Cable and SFCC can both be accessed. In conjunction with the integration of core systems planned for 2028, we will consolidate the WCS platforms of both companies and ultimately aim to turn them into an e-commerce site. By adding delivery-related functions and other features, we will improve convenience, accept orders online from customers such as distributors and subcontractors, and increase the efficiency of sales operations.

On the production side, to further improve productivity, we are advancing VQ (Value Quest) activities at factories and preventive maintenance initiatives based on sensor monitoring of temperature, vibration, frequency, and other parameters to visualize equipment conditions. We are also promoting automation and labor savings, including the introduction of AGFs (automated guided forklifts).

We will also work on boosting the efficiency of logistics. SFCC has factories in Mie and Ibaraki Prefectures, but production capacity at the Ibaraki Factory is approximately half that of the Mie Plant. To supply the Tokyo metropolitan area, where construction cables are used most extensively, we will increase production capacity at the Ibaraki Factory and shift products currently transported from the Mie Plant to the Tokyo area to supply them from the Ibaraki Factory, further improving logistics efficiency.

Message to Stakeholders

The theme of the Medium-term Management Plan 2030 is “Transformation for Growth,” and the Energy and Infrastructure Business Segment will also advance transformation toward growth. As a core business of the SWCC Group, we will achieve high growth in Electric Power Infrastructure and stable earnings generation in Construction-related fields, and devote our full efforts to achieving the targets of the Medium-term Management Plan 2030—and, if possible, achieving them ahead of schedule.

Measures to Enhance Stable Cash Flow Generation

I. Reduce Inventories and Shorten Lead Times through Logistics Reform



- Reorganize Group sites and distribution centers
- Labor saving and efficiency improvement at distribution centers
- Reduce inventories

II. Improve Customer Convenience through a Customer Support Website



[Effects]

- Increase sales by creating opportunities
- Reduce time spent handling various inquiries

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Communication and Components Business Segment

Lines of Business

Communication Cables

Main products
Optical cables, LAN cables

Main applications
Homes, offices, data centers

Main clients
Data center operators, telecommunications carriers


e-Ribbon

Semiconductors

Main products
Semiconductor inspection components and cables

Main applications
Semiconductor testing equipment, electrical testing equipment

Main clients
Semiconductor equipment manufacturers


Contact probes

Mobility and Industrial

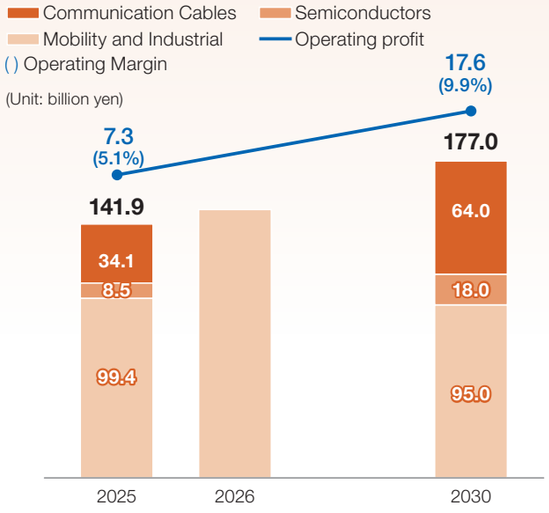
Main products
Oxygen-free copper, flat winding wires, wire harnesses, rollers

Main applications
Automobiles, home appliances, multifunction printers

Main clients
Automotive (parts) manufacturers, electronics and electrical equipment manufacturers


MiDIP

Net Sales and Operating Income



Market Outlook

Communication Cables

Opportunities
- Expansion of large-scale data center investment by Big Tech companies
- Shift in communications and data demand to APAC (Asia-Pacific)

Risks
- Intensification of competition and price competition as the market for intermittently bonded ribbon-type optical fiber e-Ribbon expands
- Multi-fiber optical cables enabled by lower-cost high-capacity communications technology (WDM)

Semiconductors

Opportunities
- Increase in semiconductor demand for AI and data centers
- Increase in demand for high-value-added components as semiconductors become miniaturized and chiplet technology advances

Risks
- Decline in demand for existing technologies due to the rise of alternative testing methods such as Si-MEMS
- Intensification of price competition due to semiconductor market conditions and slowing market growth
- Risk of demand fluctuations due to capital investment trends among semiconductor manufacturers

Strengths of the Business Segment

- Low-loss, high-quality transmission and connection technologies in high-speed and high-frequency domains
- Design and interconnect technologies supporting high-density, high-precision mounting
- Product development capabilities that respond quickly to needs in growth markets
- High global market share in contact probes for semiconductor testing

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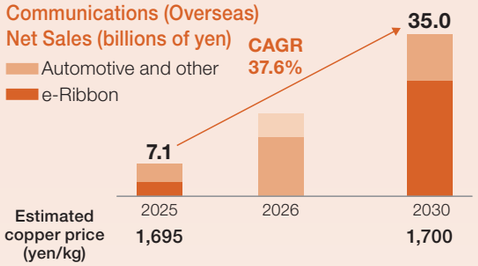
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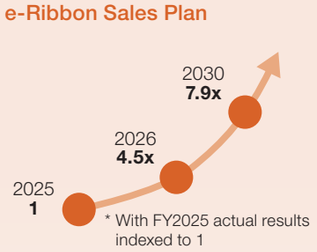
Message from the Communication and Components Business Segment

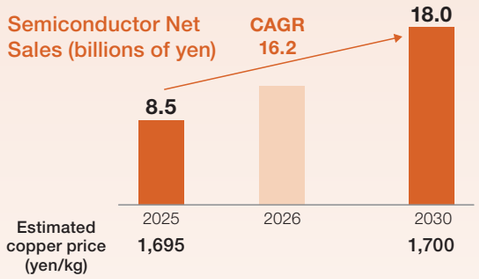
Capturing global growth demand and driving resolute structural reform

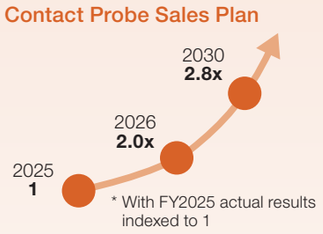


Kazuhiko Inoue
Managing Executive Officer
Chief of Communication and Components Business Segment









FY2025 Overview

In FY2025, the Communication and Components Business Segment recorded net sales of 141.9 billion yen, up 34.1% year on year, and operating income of 7.3 billion yen, up 37.0%. The operating margin improved 0.1 percentage point to 5.1%.

With Communication Cables, against a backdrop of active data center investment in the United States, sales of our strategic product e-Ribbon increased from the second half of the year after we concluded long-term contracts with global manufacturers in the first half of the year.

For Semiconductors, amid favorable semiconductor market conditions driven by the spread of generative AI, stronger collaboration with TOTOKU Inc., which joined the Group in March 2025, led to increased sales of contact probes and high-performance coaxial cables used in semiconductor testing equipment, as well as wire materials used in compact transformers in data centers.

For Construction (Communications), we implemented structural reform within the Group and consolidated the domestic general-purpose optical products business at Fuji Electric Cable Co., Ltd., where we leveraged its strong brand power to increase sales, improve business efficiency, and generate profits.

For Industrial, in contrast, challenging business conditions continued due to sluggish domestic demand for general-purpose winding wires and intensifying competition for wire harnesses. We advanced structural reforms to improve profitability, including withdrawal from unprofitable products and reorganization of production sites.

Initiatives under the Medium-term Management Plan 2030

Under the Medium-term Management Plan 2030, we seek to establish the Communication and Components Business as the Group's second pillar after the Energy and Infrastructure Business. We position Communications (Overseas) and Semiconductors as Growth Businesses, Construction (Communications) as a Cash Cow Business, Mobility as an Innovative Businesses, and Industrial as a Problem Businesses, and will steadily implement strategies in each field.

<Communication Cables>

We plan to increase net sales of Communications (Overseas) from 7.1 billion yen in FY2025 to 35.0 billion yen in FY2030, approximately five times the current level.

As the generative AI market continues to grow worldwide, construction of HSDCs (hyperscale data centers) by Big Tech companies is surging, and adoption of our e-Ribbon is expanding for high-density wiring within and between data centers. Buoyed by stable orders under long-term contracts with multiple global manufacturers, we will strengthen our production structure through capacity investments in Japan and overseas, and with collaborative production with partner companies. By leveraging the market channels of our partners, we will take an efficient approach to expanding globally and accelerating growth, with the aim of establishing e-Ribbon as a world-leading product in the intermittent adhesive ribbon market by 2028.

We also began sales of e-Ribbon cables in FY2026. In light of growing demand for cables in the data center market, we will bring cable production in-house, develop application products, expand sales, and improve profitability.

We will also promote global expansion of FLANTEC, a high-speed automotive communications cable that provides cable solutions suited to transmitting images from onboard cameras and high-speed data transmission between ECUs in communications network environments for ADAS (advanced driver-assistance systems).

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<Semiconductors>
For Semiconductors, inquiries are currently exceeding our forecasts for contact probes used for product inspection and reliability testing equipment in downstream semiconductor processes, as well as high-performance coaxial cables connecting equipment. With demand for semiconductor expected to grow further, we will increase capacity and secure customer demand.

TOTOKU has the advantage of being able to mass-produce contact probes more efficiently and in larger volumes than its competitors. By combining SWCC's material development technologies for copper alloys and other materials with TOTOKU's mass-production technologies, and consolidating these strengths and sales resources at TOTOKU, we will rapidly strengthen development, production, and sales. We will expand sales mainly in China, South Korea, Taiwan, and Japan. In China, where demand is growing, we will also explore options for production at TOTOKU's Chinese site, which currently performs inspection work.

For further growth, we will pursue an all-around strategy to expand sales of contact probes for front-end semiconductor manufacturing processes as well, where demand is expected to grow. Customers are currently evaluating samples of our products in front-end equipment, and we will continue development with the aim of contributing to earnings from FY2027.

Our high-performance coaxial cables have been newly adopted by a major testing equipment manufacturer. We will work toward concluding a long-term contract and invest in strengthening our production structure in order to secure demand.

We will also expand sales of active anti-vibration units that protect semiconductor testing equipment from vibrations. These units can monitor and analyze vibration waveforms using dedicated waveform display software. Going forward, we aim to add such solution functions to various equipment and enhance functionality.

<Mobility>
We have developed initiatives in anticipation of growth in the EV market, but the business environment has changed significantly due to factors including the sluggish EV market, deteriorating performance among Japanese automakers caused by competition with Chinese manufacturers, and commoditization of automotive products. The situation remains extremely difficult to assess, and we will continue closely monitoring trends with markets, customers, and competitors.

Demand for seat heater wires remains strong as installation rates rise, but intensifying competition is making it increasingly difficult to secure profitability. Against this backdrop, heater wires had been produced by both SWCC and TOTOKU, but in 2025 we consolidated the heater wire business at TOTOKU. TOTOKU has historically held a high share of global sales and supplies mobility heater wires to world-leading

Communications (Overseas) Business: e-Ribbon Growth Strategy

The global **generative AI market is seeing explosive growth**. Due to a surge in the construction of hyperscale data centers, **the adoption of e-Ribbon for high density cabling within data centers and linking data centers is increasing. We will capture** this strong demand by **stepping up two strategies.**

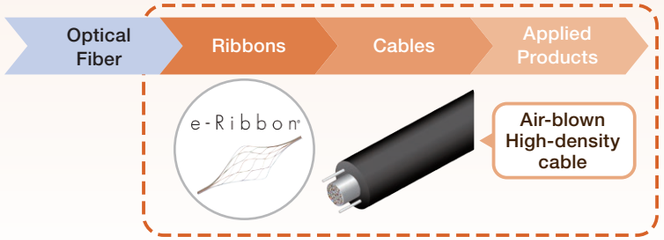
Strategy I Global Expansion of e-Ribbon Business



- Conclusion of a long-term contract with global manufacturers (Stable supply of optical fiber through partners)
- Investment to increase production in Japan and overseas: 2.0 billion yen (Around 7-fold production capacity from FY2025)

Realization of high capital efficiency (ROIC of 30% or higher) through concentrated investment in e-Ribbon production

Strategy II Increasing Sales of e-Ribbon cables and applied products



- Global production and sales expansion of high-value-added products for data centers
- Sales expansion of e-Ribbon cable applied products

Improvement in profitability through downstream strategies

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companies. We expect the benefits of business consolidation to become evident from FY2026. We will continue optimizing the production structure, including production in China, and increase our global share by expanding the heater wire lineup and strengthening overseas sales channels.

<Industrial>

The Industrial business handles wire materials and winding wires, wire harnesses, rollers for office equipment, consumer electronics, heater wires, and other products. We will rigorously implement structural reform, including withdrawal from unprofitable products and reorganization of production sites, while improving earnings by capturing downstream and modularization processes in industrial domains, aiming to transform the business into a Cash Cow.

For general-purpose wire materials and winding wires, we will gradually scale down and cease operations at the Yamamoto Factory (Miyagi Prefecture) by the end of 2026 to rebuild our production base, transferring production as appropriate to partner companies in Japan and overseas. This will establish a production structure capable of responding to demand fluctuations and an optimal cost structure in a flexible manner, thereby boosting competitiveness. To reorganize the sales structure, we will also consolidate and centralize commercial distribution at SDS Co., Ltd., a domestic general trading company within the Group, optimizing sales operations and using DX to shorten lead times and improve customer service.

Wire harnesses are currently manufactured and sold through two local subsidiaries in China and one in Vietnam. Going forward, with China as the main base, we will further strengthen sales to Chinese home appliance manufacturers in addition to the Japanese manufacturers we already have a track record with. We will also strengthen the production structure at the joint venture established with a Chinese partner and introduce automation and labor-saving equipment to improve production efficiency. Through these initiatives, we will achieve both sales growth and greater cost competitiveness, leading to improved profitability for the business as a whole.

Message to Stakeholders

To achieve growth in rapidly changing global markets, the Communication and Components Business Segment will implement the initiatives of the Medium-term Management Plan 2030 with a sense of speed. We will allocate resources to Communications (Overseas) and Semiconductors to expand businesses and generate profit, while decisively advancing structural reform in Innovative and Problem Businesses and assessing the results by 2027. Taking TOTOKU's entry into the Group as an opportunity, we will devote ourselves to establishing the Communication and Components Business as the SWCC Group's second pillar.

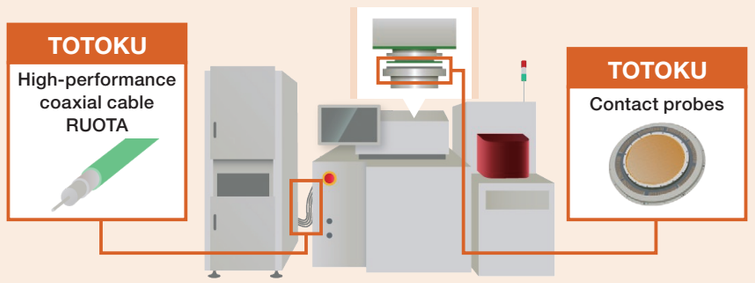
Growth Strategy for the Semiconductor Business

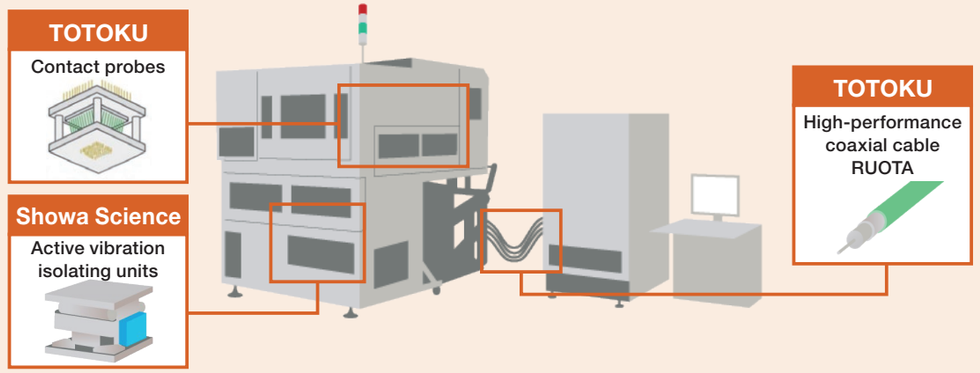
Target Markets of the Semiconductor Business

This is a business with stringent quality requirements, technical expertise and high barriers to entry. Leveraging our extensive product lineup with strengths in both the pre-process and post-process stages, we will expand business domains based on our BD strategies.

Front-end processes → **Wafer Inspection Process**

Back-end processes → **Product Inspection and Reliability Testing**





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Regana Business

Initiatives toward commercializing a new infrastructure business and creating value

Nobuyuki Sema
Executive Officer
In charge of Regana Business

About the Regana Business

The electric power infrastructure market is expanding as, in addition to replacement demand for power equipment and cables installed in large volumes during Japan's period of rapid economic growth, capital investment is increasing with the spread of AI and the promotion of renewable energy.

We are currently pursuing further growth in the power market by increasing production and sales of SICONEX, which significantly shortens construction periods and allows for easy installation, and by advancing SICOPLUS, a solution business that sells value and services using a human resources development program for SICONEX connection work.

Looking ahead to an expanding market, the Regana Business is advancing initiatives to create new business value by developing new solution services that use digital technologies to address challenges in skills transfer, efficiency, and safety.

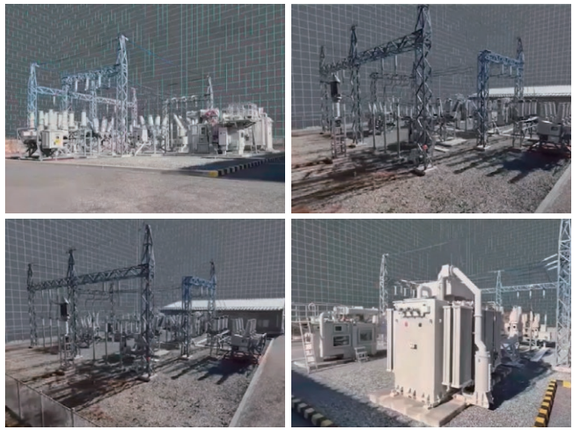
Digital Video Technology (AVR, ADitor, and ADTPS)

Given that video can convey overwhelmingly more information than text, it is an extremely effective tool for education. In April 2024, we merged ACW-DEEP Inc. into the Company and established proprietary AVR (Advanced Virtual Reality) technology that fuses the real world and virtual space in real time.

We developed ADitor (Advanced Digital Image Generator), which combines AVR technology with photogrammetry technology that enables three-dimensional modeling from video of a target space captured with commercially available cameras. This improves the efficiency of design work, including layout design for power facilities such as substations and checks for interference involving equipment delivery routes and buried objects.

We are also developing ADTPS (Advanced Digital Transporter System) technology, which applies volumetric technology with the addition of a time dimension to "transport" users to distant locations or past worksites. Once commercialized, it will enable the inspection of elevated or confined worksites by users sitting in meeting rooms and other locations, allowing safer and more efficient patrols and inspections.

■ ADitor 3D model of a substation

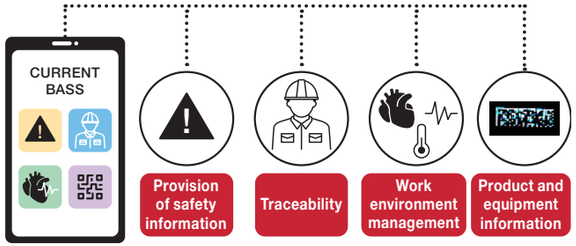


Integrated Platform "CURRENT BASS"

We have built the CURRENT BASS system, which integrates smartphone applications that address worksite issues on a single platform: YURIKAGO, which provides safety information; HATO-MER, which manages the work environment; and SICOREMO, which enables real-time monitoring of worksite conditions.

Rather than providing individual services in isolation, we will evolve this into a high-value-added platform by enabling flexible data linkage among multiple applications and external systems and providing services tailored to each customer.

■ CURRENT BASS Conceptual Diagram



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Safety Information Solution “YURIKAGO”

Occupational health and safety is an important activity common to all worksites. Initiatives aimed at preventing the recurrence of occupational accidents—including TBM-KY, safety patrols, and safety education—are continuously implemented in the infrastructure industry too, while further advances in risk assessment are required.

We therefore commercialized YURIKAGO, a safety information solution that uses AI to analyze past occupational accident data and predict future accident risks.

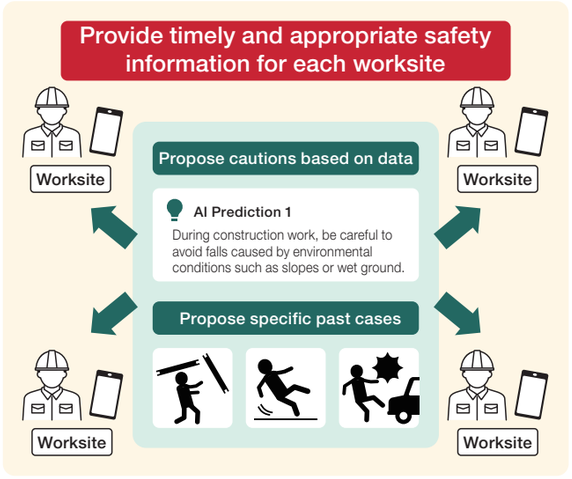
Based on information such as the work performed, environment, regional characteristics, and time factors at each worksite, AI proposes high-risk points requiring attention and presents past cases, helping create safer worksite environments.

We will work on further expanding data and continue initiatives to raise safety awareness at worksites.

■ YURIKAGO App Image



■ YURIKAGO Approach to Safety



Work Environment Management Solution “HATO-MER”

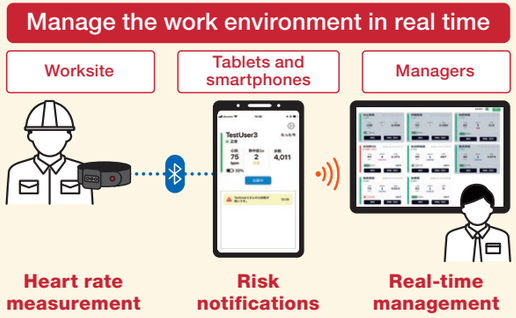
At manufacturing and construction worksites, accurately understanding each worker’s environment and preventing occupational accidents such as heatstroke caused by extreme heat has become an important issue.

We are providing HATO-MER, a solution that supports work environment management. A small heart-rate sensor worn on the arm or elsewhere is linked with a smartphone or other device, enabling real-time monitoring of the user’s work environment based on heart rate and other data.

Worksite managers can monitor the condition of each worker in real time, including those working remotely, enabling swift responses to changes in the heat stress index (WBGT) and heart rate.

We have already started introducing the system for SWCC Group employees and will expand it broadly to customers.

■ Overview of the HATOMERU System

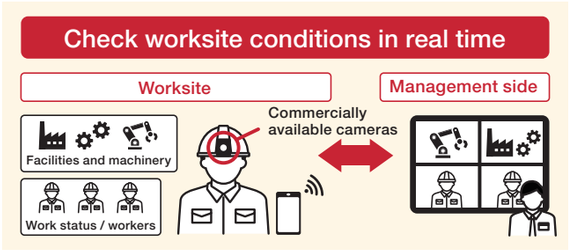


SICOREMO for Real-time Worksite Monitoring

SICOREMO enables managers to share real-time views of multiple remote worksites using commercially available wearable cameras, improving quality traceability and the efficiency of management operations.

Advanced traceability can be achieved with the combination of SICOREMO and the ADitor digital imaging technology, by converting worksites into three-dimensional data.

■ SICOREMO Worksite–Management Collaboration Image



Expansion into New Growth Domains

In addition to expanding services for the electric power infrastructure industry such as digital video technologies (AVR, ADitor, and ADTPS) and the integrated platform CURRENT BASS, from FY2026 onward we will boost collaboration with partner companies, consider supplementing our technologies through M&A and other external resources, and expand into new markets such as healthcare and education.

By 2030, we aim to establish this business as a new earnings pillar for the SWCC Group.

We launched the new brand Regana from Smart Stream, the concept behind our new business, with the aim of commercialization. The name Regana was created from the following three phrases: “Realize the unseen” (making new things the norm), “Gather DX & AI” (bringing together DX and AI and collecting data), and “Navigate Forward” (move forward and take the helm).

The Regana symbol embodies our vision and strong determination to continue creating new value from four perspectives: our Purpose, our strengths, customer needs, and the future of social and industrial structures. We will continue to stay close to customers’ worksites, enhancing our understanding of their challenges, and keep taking on the challenge of creating new value.

Regana Business Symbol

Tatsuro Sano
General Manager, Regana Business Promotion Office



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Munehiro Nishizuka
SWCC Corporation Manager, Strategy Group, Business Strategy Department

Shunsuke Hanyu
SWCC Corporation General Manager, Electrical Device and Component Sales Department

Satomi Iwaki
SWCC Corporation Manager, DX Promotion Group, 2035 Factory Project

Shunnosuke Irizawa
SWCC Corporation CFO Office

Akira Kiriyama
SWCC Corporation Manager, Cable Accessories Production Section, Power Cable System Department

Atsushi Ota
TOTOKU Inc. Manager, Domestic Sales Section, 1st Sales Department, Sales and Marketing Division

Employee Round-table Discussion

Initiatives for ROIC-Oriented Management at Worksites

In this round-table discussion, representatives of operating departments talk about how ROIC has been used and share examples of operational improvements to demonstrate how ROIC-Oriented Management 1.0 has taken hold, while also discussing their outlook for ROIC-Oriented Management 2.0.

The discussion is facilitated by General Manager Nishizuka of the Business Strategy Group, Business Strategy Department, SWCC Corporation, who is responsible for advancing the company-wide business portfolio, investment decisions, and ROIC-Oriented Management and guides the discussion from a company-wide perspective.

How did you perceive ROIC-Oriented Management 1.0?

Nishizuka (Facilitator): Today, I would like to talk about how ROIC-Oriented Management has taken hold at worksites and how it has changed our decision-making processes and actions. First, how did you perceive ROIC-Oriented Management 1.0 when it was initially introduced?

Hanyu (Sales): Frankly, I thought it was difficult. In sales, our goal had been to increase net sales and operating profit, but with ROIC-Oriented Management we were also expected to improve invested capital. We had to become conscious of the balance between profit and invested capital in our sales activities.

Kiriyama (Manufacturing): I felt the same. Manufacturing had traditionally focused mainly on cost reductions and quality. We understood that inventories should not be increased and capital equipment should be kept to a minimum, but after ROIC was introduced, numerical management of these factors became much more stringent, and we struggled to translate the concept into operations and help team members understand it.

Nishizuka: I see. So we started from a point where it felt unfamiliar and somewhat uncomfortable. Could you tell us specifically how you adapted to ROIC-Oriented Management and what changed?

How did you use ROIC-Oriented Management 1.0?

Irizawa (CFO Office): A major change was establishing a mechanism for evaluating the business viability of all businesses using ROIC. I believe the business restructuring based on those evaluation results triggered our transformation into a highly profitable company. I also manage capital investment company-wide, and the perspective of whether each investment contributes to improving ROIC has become indispensable.



Hanyu: One change in sales was realizing that the length of the accounts receivable collection period affects capital efficiency, not just sales itself. We began proactively reviewing contract terms and negotiating shorter collection periods. There is also greater demand to secure projects with higher profit margins.

Kiriyama: In manufacturing, awareness of inventory turnover days has increased. To avoid

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opportunity losses, we used to arrange more than the volume ordered based on past experience. From a ROIC perspective, however, higher inventory increases invested capital, so we worked to optimize inventories. The effects are steadily becoming evident.

Nishizuka: We have certainly become more stringent in how we think about invested capital. Ms. Iwaki, what changes have you seen from the standpoint of promoting DX?

Iwaki (DX Promotion): From a DX perspective, ROIC functions as a guide for productivity improvement. As Mr. Kiriyama mentioned, there was insufficient awareness of inventory management before, but introducing ROIC accelerated efforts to optimize inventory and shorten the lead time from material input to cash inflow. This increased demand to visualize KPIs directly linked to ROIC on dashboards. Visualization has clarified improvement priorities at manufacturing worksites, and we are beginning to feel that DX initiatives are translating into financial results.

Nishizuka: Before joining the SWCC Group, TOTOKU used EBITDA as a management indicator. Mr. Ota, you have been seconded to TOTOKU since this year. Have you sensed any confusion on the TOTOKU side as the company shifts to ROIC-Oriented Management?

Ota (Seconded to TOTOKU): I think some people do feel confused, but the emphasis on cash is common to both approaches. While retaining the idea of maximizing cash earned, we are now required to balance that with invested capital. We are therefore working to optimize accounts receivable collection periods and inventories and strengthen capital investment management as we transform toward a ROIC-Oriented Management structure.



Results and changes achieved through ROIC-Oriented Management 1.0

Nishizuka: Based on what we have discussed so far, how do you view the changes brought about by ROIC-Oriented Management 1.0?

Irizawa: At first glance, introducing ROIC may seem to have increased the number of management indicators. In reality, however, the Group as a whole now shares a simple common language: “How does this ultimately affect ROIC?”

Hanyu: Exactly. I feel that conversations between departments have changed. ROIC has made discussions more constructive. A culture is developing in which sales and manufacturing explain to each other why a particular decision is being made.

Kiriyama: There are now more opportunities for manufacturing and sales to communicate about how to increase added value while balancing investment efficiency with the profit generated. That has created a stronger sense of unity.



Iwaki: At manufacturing worksites, information gathering and analysis used to involve a great deal of manual work. The introduction of ROIC increased both the volume of data required and the need for real-time information, which became one catalyst for significantly advancing digitalization, including IoT-enabled equipment and automated information exchange.

Nishizuka: In other words, ROIC was not merely an indicator; it had the power to change the culture of the organization itself.

Expectations and resolve for ROIC-Oriented Management 2.0

Nishizuka: Building on these changes, in the next stage—ROIC-Oriented Management 2.0 (structural reform + growth investment)—we will shift into a higher gear for growth. Tell us about your determination going forward.

Hanyu: From a sales perspective, TOTOKU joining the SWCC Group has broadened the range of products we can propose, including cross-selling opportunities, and I want to leverage our combined capabilities to expand sales. Large upfront investments for growth may temporarily lower ROIC, but we will explain our medium- to long-term business plans in a careful and convincing manner.

Kiriyama: In manufacturing, we are proactively working on timely and rapid capital investment decisions, building efficient production systems that increase investment returns, and creating mechanisms for further inventory optimization. The power equipment components I am responsible for are among our core products, and I want to deliver results that can serve as a role model for other businesses.

Ota: TOTOKU is responsible for the Semiconductor Business, which the SWCC Group positions as a Growth Business. A major leap forward by TOTOKU is indispensable to achieving the Group’s Medium-term Management Plan. To that end, we want to raise our presence in the semiconductor market, which is expanding right now, while monitoring the balance between growth investment and efficiency.

Iwaki: I believe DX is the foundation supporting decision-making under ROIC-Oriented Management 2.0. In particular, I want to build an environment where data needed for growth investment can be used quickly, enabling faster decisions. I also want to help create an environment in which we can generate greater added value with limited resources.



Irizawa: The CFO Office will analyze data on capital investment, P/L, cash flow, and other factors and propose improvement measures so that growth investment leads to higher ROIC. We will also rigorously evaluate post-investment performance for important investment projects. By strengthening company-wide management accounting, we will support portfolio optimization aimed at expanding businesses in growth domains and contribute to enhancing the SWCC Group’s corporate value. One point we must never forget is that raising ROIC is not an end in itself. ROIC is ultimately a means for the Company to continue providing value over the long term to customers, society, employees, and our many other stakeholders. I want to keep the fundamental question—what ROIC is for—in the back of my mind as I go about my daily work.

In Closing



Nishizuka: Through ROIC-Oriented Management, a mindset centered on capital efficiency has taken hold at worksites throughout the Company, bringing significant changes to decision-making and actions. Going forward, we will make bold investments in Growth Businesses to achieve the Medium-term Management Plan 2030 and provide even greater value to society. ROIC-Oriented Management 2.0 is a company-wide theme through which we will take on challenges for the future.

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CTO Message

Focusing on sustaining our competitive advantage and creating new solutions

Yuichi Morishita
Executive Officer
CTO (Chief Technology Officer)
In charge of Technology Planning and Intellectual Property Strategy

Leading the SWCC Group's Overall Technology Development as CTO

I was appointed CTO (Chief Technology Officer) in April 2026 and oversee technology development throughout the SWCC Group. Working with the technology development divisions of each business and corporate technology and R&D divisions, we are working to establish sustainable competitive advantages and create new solutions under our vision of "developing future energy and digital technologies." We are committed to creating value that leads to continuous growth through the creation of competitive products and technologies.

Shifting to a Market-driven Approach and Focusing Technology Development on Solving Challenges

Under the Medium-term Management Plan 2030, we have set out three perspectives: "Technology development driven by markets and trends," "Internal and external co-creation and synergy creation," and "Improving intellectual property quality."

The first perspective is "Technology development driven by markets and trends." Commercializing the results of technology development requires two elements: the market and technology. We will incorporate new perspectives and knowledge, leverage the technologies we have accumulated, look ahead to markets and macro trends, and focus on initiatives that lead to solutions for social and customer challenges.

The second is "Internal and external co-creation and synergy creation." In the past, R&D divisions in individual businesses often took an independent approach to advancing technology development. Going forward, we will further strengthen collaboration among technology divisions and co-creation with external partners. By leveraging one another's technologies and maximizing synergies, we will increase development speed and accelerate commercialization into products and solutions. The Technology Strategy Office, established in April 2026, brings together leaders of corporate R&D and intellectual property departments, and the technology departments of each business to discuss stronger collaboration among development divisions and overall optimization.

The third is "Improving intellectual property quality." We have focused on increasing the number of patents, but having achieved a certain level of results, we will place greater emphasis on quality going forward and focus on obtaining patents that contribute to the business.

Four Priority Areas of Technology Development for Sustainable Growth

For technology development, we will strengthen four priority areas: "Contribution to growth in business domains," "Strengthening of foundational technologies," "Exploration and development of new domains," and "Enhancement of intellectual property."

The first is "Contribution to growth in business domains." We will review roadmaps for growth markets and envision the future based on market and customer trends. We will backcast from anticipated challenges to identify the products and solutions required and develop differentiated technologies. In existing domains, we will continue to enhance competitive advantages in strategic products for the Power Infrastructure such as SICONEX and SICOPLUS. Against the backdrop of increasing demand for data centers, we will also broaden products related to e-Ribbon, a strategic product in the Communications Business. In addition, for contact probes used in semiconductor testing equipment, TOTOKU Inc., which joined the Group in 2025, is leveraging our copper alloy technology to strengthen development and commercialization for future needs.

The second is "Strengthening of foundational technologies." We will further strengthen three foundational technologies:

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metals, polymer processing, and high-frequency. In metals, we will further advance copper and copper-alloy technologies. For medium- to long-term research, the Advanced Metal Research Institute established in collaboration with Tohoku University is analyzing mechanisms such as the balance between hardness and electrical conductivity, and presented research results at an academic conference in FY2025. We will deepen this knowledge, apply it to the development of materials with diverse properties, and commercialize products by creating synergies with TOTOKU's practical application technologies. Polymer processing technologies, including insulation and sheath materials, have evolved and are used in a broad range of products. We will further strengthen technology development to enhance product competitiveness. And in the high-frequency field, we will advance high-frequency energy and signal transmission technologies and measurement and transmission technologies, whose importance is increasing with the spread of AI.

The third is "Exploration and development of new domains." Superconducting cable systems are approaching an opportune time for social implementation against the backdrop of rising electricity demand driven by the spread of AI, and we will steadily advance development. We are also jointly developing with the University of Tokyo a contactless power transfer coil unit for in-motion EV charging systems using high-frequency energy technology, aiming for social implementation in the 2030s.

The fourth is "Enhancement of intellectual property." To visualize the contribution of intellectual property to earnings, we have newly established "Intellectual Property ROIC (*)." By improving patent quality and increasing contribution to business earnings, we aim to raise Intellectual Property ROIC from the current 2.0 to 3.0 by 2030.

(*) Intellectual Property ROIC = Results from intellectual property activities ÷ Intellectual property investment (IP expenses + man-hours)

Toward Achieving Our Vision

Toward achieving the SWCC Group's vision of becoming "a global solutions company that develops future energy and digital technologies," we will strengthen R&D in foundational technologies and technology development in existing businesses and new domains in a balanced manner. We will also transform our approach to technology development itself and aim to create technologies that help solve social issues.



KGI	Create differentiated technologies (Intellectual Property ROIC of 3.0 or higher)

KPI	Number of patent applications, patent allowance rate

To develop future energy and digital technologies

Sustainably achieve competitive advantage and create new solutions

Technology development inspired by markets and trends × **Internal and external co-creation and synergies** × **Enhancements in the quality of intellectual property**

R&D-to-Sales Ratio

FY2024	FY2030
0.8% (2.0 billion yen)	2% or more (6.0 billion yen or more)

Contributions to growth in business areas	Exploring and cultivating new areas
Reviewing the roadmap for growth markets and encouraging the advancement of technology development	Develop future scenarios based on megatrends and encouraging technological development
Enhancing base technologies	**Enhancing intellectual property**
Strengthening three key foundational technologies	Enhancing the impact of intellectual property ROIC on business profits

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Role as CDO and Mission for Advancing the Medium-term Management Plan 2030

As the CDO, I am responsible for formulating and promoting company-wide DX strategy and fostering a data-driven culture. Toward achieving the Medium-term Management Plan 2030, we will seamlessly advance a three-layer DX model: core-system renewal through the Group-wide integrated core system "SERIS," citizen development through the low-code development platform "LCDP," and value creation through generative AI. We aim to increase labor productivity across the Group by 1.5 times and raise operating profit per employee to 8.0 million yen. My mission is to position digital technology not as "a means of reducing headcount" but as "a foundation for increasing the value of people," and to complete the transformation of human resources, organizations, and business processes.

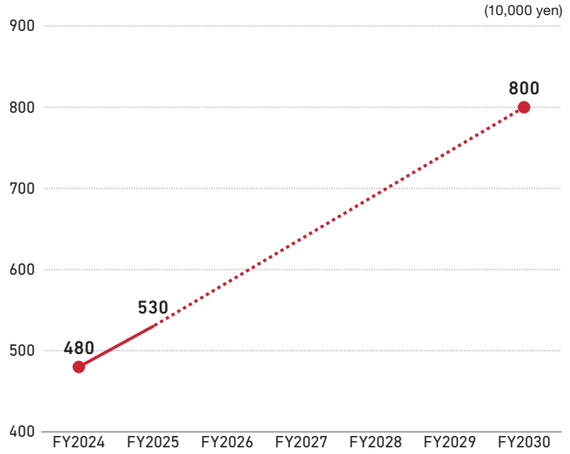
Transformation for Growth by Maximizing Digital Value

80%	10 times	8.0 million yen
DX Penetration Rate	DX Development Personnel	Operating Profit per Employee
Target for FY2030	Compared with FY2025	Target for FY2030

Achieving 1.5 Times Labor Productivity through a Three-layer DX Strategy

The SWCC Group has established management targets for 2030 of "increasing operating profit per employee from 5.3 million yen to 8.0 million yen (up 50%)," "operating income of 40.0 billion yen or more," and "ROIC of 15% or higher," aiming to achieve both capital efficiency and added-value creation. At the same time, the business environment is becoming more severe from a structural perspective. In Japan, the working population is declining, and labor shortages are becoming apparent across manufacturing, sales, and administration. Overseas, raw material prices led by copper and foreign exchange volatility are rising, while price and quality competition with global players is intensifying. The conventional approach of simply adding people and equipment is not able to achieve these targets. We will therefore reposition digital technology not as "a means of reducing costs" but at the "core of management," define a three-layer DX architecture to fundamentally rewrite our earnings structure, and combine top-down standardization with bottom-up creativity at worksites.

Labor Productivity KGI: Operating Income per Employee



DX1.0 Management Level

SERIS (Integrated Core System)

SERIS is a common Group-wide integrated core system that integrates operations including sales, manufacturing, and administration. In FY2026, we will focus on development and work to deepen understanding at worksites. We will also link SERIS with production management, vehicle dispatching, and other systems, improve operations, and advance standardization across the Group. By improving the speed at which management information is conveyed in an efficient and optimal manner, we will enable data-driven strategic decision-making, further advance ROIC-Oriented Management, improve capital efficiency, and maximize free cash flow.

DX2.0 Worksite Development Level

LCDP (Low-Code Development)

While core systems are built using pro-code development, the introduction of LCDP has established a pattern in which the individual needs of departments are quickly supplemented with low-code development. In FY2026, we plan to shift toward "no-code development," in which business requirements are communicated to AI and applications are generated, promoting adoption across Group companies and activating DX in each department. We will facilitate data linkage among systems, equipment, and people, reduce dependence on individual skills and experience, and operate worksites with smaller and more diverse teams.

DX3.0 Value Creation Level

SWCC_GPT (Generative AI)

To maximize the use of advanced AI technologies across the Group, we are developing a model in which AI agents autonomously carry out the sequence of "visualizing issues → formulating countermeasures → implementing solutions." In FY2026, we plan to shift from text-centered interaction to multimodal applications including data analysis and video/audio analysis. By using AI to identify productivity and quality bottlenecks, we aim to further improve business processes and create higher added value and competitive advantages.

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DX Investment and DX Management Evolution Scenario to Enhance Corporate Value: From Growth through Structural Reform to "Growth through Transformation"

The true value of DX lies not in operational efficiency or headcount reduction itself, but in where the management capacity created is reinvested and how the Company's competitive edge evolves. Toward 2030, the SWCC Group will shift from growth through structural reform to growth through transformation. In other words, while optimizing the cost structure is the starting point, expanding the total amount of added value created beyond that is the essential mission of our DX strategy. We regard human resources as capital, not a cost. Through transfers to growth domains, shifts to new businesses and solution-oriented sales, and systematic development of personnel who can use LCDP and AI through reskilling, we will advance DX that "increases the value of people" rather than DX that "reduces people." By completing the shift in roles whereby digital technology handles routine operations and people focus on value creation and customer contact, we aim to evolve into a value-creating company.

DX Investment Amount

Average Annual Investment (2026–2030)

1.2 billion yen/year

Standardization of sales, accounting, manufacturing, and delivery / System rebuilding / Evolution to DX 2.0 and 3.0

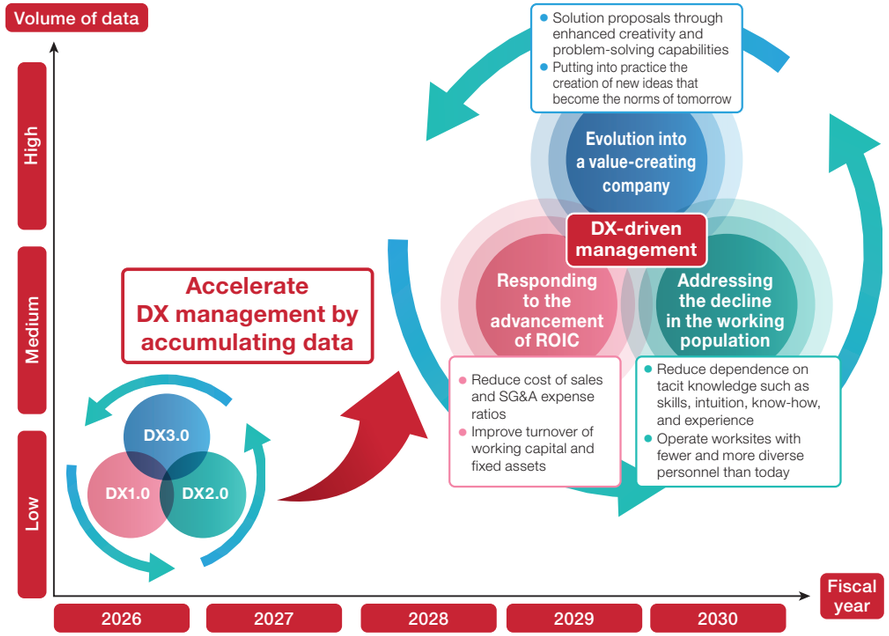
IT

- DX1.0 Standard Systems — SERIS / core-system renewal
- DX2.0 LCDP — Expand citizen development / worksite use

AI

- DX3.0 Generative AI — Improve efficiency of routine operations
- • • • • • • — Future shift to AI agents

DX Management Evolution Scenario (Accumulation of Digital Value)



Strategic Workforce Reallocation: Human Resources Are "Capital," Not "Cost"

1. **Reallocation to Growth Domains** — Shift to New Businesses and Solution-oriented Sales
2. **Reskilling as DX Personnel** — Develop Personnel Able to Use LCDP and AI
3. **Respond to Workforce Decline** — Optimization Linked to Medium- and Long-Term Plans
4. **Strengthen Worksite Capabilities** — Reallocate to Areas Outside Automation

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Message from the Officer in Charge of Sustainability

Reviewing materialities and advancing more effective initiatives to create social and economic value



Noriyuki Shiga
Executive Officer
In Charge of Sustainability, Quality, and Health and Safety

Sustainability Management Originating from Our Purpose

The SWCC Group's Purpose, encapsulated in the phrase "Innovating new ideas today. Becoming the norms of tomorrow," expresses our commitment to continue taking on challenges while responding to changing times and looking ahead to the future of people and society. At the heart of our business is a commitment to caring for people, meeting their expectations through quality and trust, and continually embracing new challenges without ever losing our passion and spark. Based on this Purpose, we regard solving social issues as our own responsibility and place sustainability at the core of management.

Changes in the Business Environment and ESG/Materiality Strategy

The environment surrounding companies has changed dramatically in recent years amid worsening climate change, increasingly apparent resource constraints, rising geopolitical risks, and changes in social structures. Against this backdrop, companies are increasingly expected not only to achieve sustainable growth but also to create social value. To meet these expectations, we have worked to strengthen our management foundation and create business opportunities from an ESG perspective in conjunction with our medium- to long-term management strategy.

We have defined five materialities (key issues): Technology (Our future), Environment (Our earth), Community (Our partnership), People (Our people), and Governance (Our governance). These have been organized as priority domains linking our Purpose with business strategies in light of social issues and changes in the business environment. Based on this positioning, in conjunction with the new Medium-term Management Plan "Transformation for Growth SWCC 2030" beginning in FY2026, we reviewed our materialities and evolved them into more effective initiatives. For each materiality, we set KGIs (Key Goal Indicators) looking toward 2030 and KPIs (Key Performance Indicators) for achieving those goals, thereby visualizing progress and driving continuous improvement. Specifically, we are implementing multifaceted measures, including establishing competitive advantages through differentiating technologies, strengthening human capital investment and respect for human rights, and practicing responsible procurement throughout the supply chain.

Deepening Value Creation through the Environment and Our Businesses

In FY2025, we steadily advanced initiatives based on our materialities and accumulated concrete results, particularly in the environmental field. For Environment (Our Earth), under the long-term vision "Green Plan 2050," we are taking phased steps to ensure achievement of our 2030 targets. From FY2021 through FY2025, we implemented the 7th Voluntary Environmental Action Plan, focusing on reductions in greenhouse gas (CO_2) emissions, final waste disposal, and water use. As a result, in FY2025, the final year of the plan, we achieved a 55% reduction in greenhouse gas (CO_2) emissions compared with FY2013, exceeding our original target of a 50% reduction. Building on this steady progress, in FY2026 we launched the 8th Voluntary Environmental Action Plan, linked to the Medium-term Management Plan, further strengthening alignment with Green Plan 2050 and the 2030 targets while carrying forward and advancing our previous initiatives. We are also promoting measures that directly connect environmental initiatives with management strategy and enhanced corporate value, further deepening the integration of environmental action and business growth.

We are also focusing on advancing value creation through our businesses. In addition to helping customers reduce their environmental impact by using our products and services, we have expanded the value we provide and strengthened our earnings base by transforming toward a solution-oriented business linked with DX and intellectual property strategy. These materiality initiatives are designed and implemented with an awareness of their impact not only on non-financial domains but also on financial indicators such as profitability and capital efficiency. By quantitatively tracking results through KGIs and KPIs and linking them with the business portfolio and investment decisions, we are connecting these efforts to sustainable value creation and enhanced corporate value.

Growth Foundation and Future Initiatives

As one result of these initiatives, in 2026 we were selected for the first time as a "Sustainability Transformation (SX) Brand 2026" by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. SX Brands recognize leading companies that sustainably generate sources of growth through business transformation originating in sustainability and thereby enhance corporate value. We believe the Company was evaluated overall for measures including changing its corporate name and renewing its management structure; reviewing its business portfolio; advancing capital-efficiency-focused management centered on ROIC; transitioning from the "Change" phase to the "Growth" phase; creating value by integrating DX and intellectual property strategies; and strengthening progress management through KPIs and dialogue with investors.

Rather than treating sustainability as a standalone "initiative," we are advancing it in an integrated manner with management decision-making to enhance both social and economic value. In this way, we are building a robust and sustainable growth foundation toward our 100th anniversary in 2036 and the future beyond. Going forward, starting from our Purpose, we will continue creating new value together with stakeholders while achieving both solutions to social issues and business growth. We sincerely ask for your continued understanding and support.

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Enhancing Corporate Value through ROIC-Oriented Management

Sustainability Initiatives

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.

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.

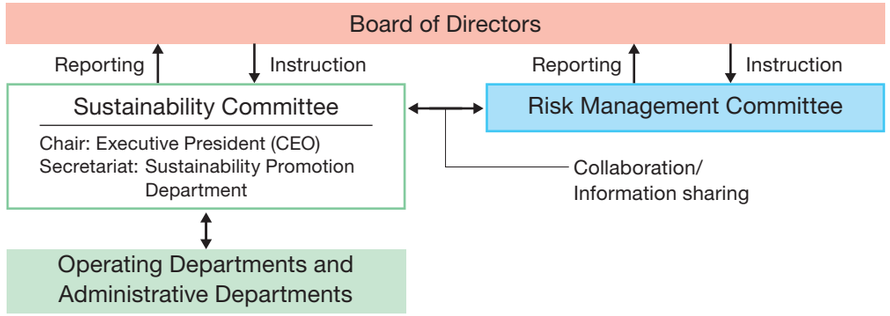
- Provide customers with high-quality products and services through superior technology and innovation
- Work toward the spread of clean and green energy and protect the global environment
- Value our connections with local communities and the value chain in the spirit of “empathy,” “coexistence,” and “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

Sustainability promotion structure

Based on the SWCC Group’s Management Philosophy, we have established a Sustainability Committee, chaired by the Executive President (CEO), 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 operating departments 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 operating and administrative departments. Following discussions of these matters in the Sustainability Committee, it then formulates the Group’s Basic Sustainability Policy, identifies materialities (key issues), promotes strategies based on opportunities and risks, and makes recommendations on sustainability issues and responses to them to the Board of Directors.

Sustainability Promotion Structure



Status of activities

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

Based on these action policies, under the previous Medium-term Management Plan we had established 16 indicators as KPIs with FY2026 as the goal. In conjunction with formulation of the new Medium-term Management Plan announced in February 2026, however, we reviewed the indicator framework and established new targets for FY2030. We rebuilt the framework from KPIs centered on establishing systems to KGIs and KPIs that measure the implementation status of management strategies and contribution to corporate value creation, setting 14 new indicators. This further strengthens efforts to incorporate sustainability in management, while continuous management and improvement are advanced through the PDCA cycle by checking progress, identifying issues, and implementing measures for each indicator.

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. We conduct human rights risk assessments for employees and business partners and implement improvement measures at least once a year. 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

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About the status of the promotion of materialities

FY2025 marked the final year of the Medium-term Management Plan "Change & Growth 2026" (FY2021–FY2025). The Sustainability Promotion Department regularly monitors progress on each indicator, and the Sustainability Committee deliberates on and organizes plans and actual results before reporting and making recommendations to the Board of Directors. The progress of each item in the final year is presented below.

[Category] Theme	Action Policy	Indicator and KPI	Target	FY2023 Results	FY2024 Results	FY2025 Results	Carried Forward to New Indicators	Initiatives for FY2025
[Technology] Our future	Spread sustainable clean energy through superior technology and innovation	Sales ratio of products related to xEV (electric vehicles)	20% or higher (FY2026)	14%	13%	16%	No	As a new xEV-related product, we launched an EV charging cooling cable using TOTOKU's RUOTA cable after TOTOKU joined the Group in FY2025.
	Create resilient infrastructure for the future society	SICONEX product CAGR (Compound Annual Growth Rate)	12% or higher (FY2022 to FY2026)	11% (FY2021 to FY2023 average)	12% (FY2021 to FY2024 average)	24% (FY2021 to FY2025 average)	No	Additional investment to increase production capacity boosted sales of DM and SICONEX products, and new facilities are scheduled to start operating in FY2026. On the development front, evaluation of 154 kV DM (for extremely severe pollution conditions) was completed, and we will expand the product lineup.
		Number of patent applications	100 or more (FY2026)	71	81	99	Yes	Working closely with R&D and operating departments, we promoted an application strategy based on analysis of competitors' patents. We systematized the process from invention discovery to securing rights and established an internal mechanism for generating inventions.
[Environment] Our earth	Reduce greenhouse gases through relentless efforts and responses	Greenhouse gas (CO_2) emissions Including offsets (Scope 1 + Scope 2)	Reduction of at least 50% compared to FY2013 (FY2025)	38% reduction	50% reduction	55% reduction	Yes	Through energy-saving activities and increased introduction of renewable energy, we reduced GHG emissions at major domestic sites by 55% compared with FY2013, achieving the FY2030 target ahead of schedule. The data has undergone third-party verification in accordance with ISO standards.
		In-house introduction rate of renewable energy	30% or higher (FY2025)	7%	24%	37%	Yes	By installing solar power generation facilities and expanding procurement of CO_2-free electricity, the renewable energy adoption rate at major domestic sites rose 13 percentage points year on year to 37%. We will continue to vigorously expand adoption toward the Group-wide target of 50% by FY2030.
	Promote the recycling of all resources with the collective strength of the Group	Final waste disposal volume	Reduction of at least 90% compared to FY2018 (FY2025)	69% reduction	90% reduction	92% reduction	Yes	We thoroughly promoted resource circulation by expanding recycling through rigorous sorting and promoting recycling of waste plastics. Final waste disposal was reduced by 92% compared with FY2018, exceeding the FY2025 plan target.
	Use limited water resources effectively	Water usage	Reduction of at least 20% compared to FY2018 (FY2025)	28% reduction	35% reduction	47% reduction	Yes	Worksite-led improvement activities, including pipe replacement, leak inspections, and the recirculation of cooling water, proved effective, reducing water-use intensity in FY2025 by 47% compared with FY2018. This significantly exceeded our target reduction of 35%.
[Community] Our partnership	Cherish connections and develop together with local communities	Number of cases of funds/material aid for non-profit organizations, etc. and community contribution activities	Increase of at least 5% year on year (Annually)	Compared to FY2022 25% increase	Compared to FY2023 60% increase	Compared to FY2024 33% increase	Yes	Community-based activities such as cleanup and educational support that leverage the characteristics of each site were shared across the Group. As initiatives became more diverse, the number of social contribution activities increased 33% year on year, further expanding our contribution to local communities.
	Cooperate with the value chain in the spirit of empathy, coexistence, and co-prosperity	Sustainability Procurement Guidelines Questionnaire score	4.5 or higher (FY2026)	4.0	4.0	4.2	Yes	We visited six business partners whose evaluations indicated that there was room for improvement and conducted additional follow-up checks with eight companies where issues were identified in priority human rights areas. We confirmed that no issues were found in actual practices, and questionnaire scores also improved from the previous year.
[People] Our people	Promotion of the utilization of diverse human resources (Diversity, Equity & Inclusion)	Ratio of female managers (section managers)	8% or higher (10% or higher) (FY2026)	6% (4%)	7% (5%)	6.7% (5.6%)	Yes	In FY2025, in addition to conventional training for women employees, we promoted understanding of DE&I at the worksite level by providing lectures within level-specific training for skilled workers and holding workshops at each business site and factory.
	Human resources development for the future	Average annual training hours per employee	40 hours or more (FY2026)	16 hours	23 hours	47 hours	Yes	Training hours increased to 47 hours through two measures: setting 10 hours per year of individual study time to encourage career autonomy and improving learning materials and environments, and substantially expanding level-specific training. A culture of voluntary learning has developed, and we achieved the FY2026 target ahead of schedule.
	Improve engagement (create rewarding work and workplaces)	Engagement score	National survey deviation score of 46 or higher	46	44	50	Yes	By changing survey providers, we clarified issues and established a Group-wide PDCA framework. Improvements to facilities, working environments, and treatment raised scores company-wide, while participation by TOTOKU and overseas sites increased the number of respondents by approximately 1,000.
		Lost time injury frequency rate	0.23 or less every year	0.90	0.66	0.53	Yes	We are expanding activities including occupational health and safety activity assessments at each worksite, occupational health and safety education tailored to employees' duties and job grades (e-learning and statutory training), and risk assessments, thereby promoting safe and secure workplaces.
[Governance] Our governance	Monitor corporate management	Attendance rate of Independent Outside Directors at Board of Directors meetings and committee meetings	75% or higher (Every year)	100%	100%	100%	No	By reviewing the frequency of Board of Directors meetings and criteria for agenda items, we secured more time for substantive discussion at Board meetings.
	Provide good-quality and safe products and services	Failure costs due to quality	Reduction of at least 50% compared to FY2021	Compared to FY2021 5% increase	11% decrease compared with FY2021	Compared to FY2021 50% increase	Yes	In most departments, failure costs were halved and the number of cases declined. However, the impact of several large-scale defects caused a temporary overall increase. Going forward, further advancing the quality management system in step with sales growth will be an issue.
		Customer satisfaction	Maintain score of at least 4.0 (out of 5 points)	4.1	4.2	4.2	No	Analysis of free-response comments using generative AI identified an issue in how clearly we explain prices being passed on. We set increasing visit frequency to priority customers and gaining their understanding as sales policies and worked on improvements while running the PDCA cycle.

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Human Capital Strategy

KGI	Labor productivity (8.0 million yen or more per person)

KPI	Cumulative number of teams and participants in various VQ activity reporting and presentation meetings, DX penetration rate, average annual training hours



Human Capital Drives Business Growth

The SWCC Group primarily operates in two domains, Energy and Infrastructure and Communication and Components, and conducts portfolio management to enhance corporate value by adding new businesses such as digital services that solve social issues. Underpinning this approach are the strong technological capabilities, steadfast manufacturing spirit and frontline strength, and sound financial management we have cultivated over many years as a company supporting infrastructure. In addition, by changing the axis of management through the introduction of ROIC in 2019, we have consistently worked to improve capital efficiency across the Group and enhance corporate value.

Execution of this management strategy is achieved by thoroughly implementing portfolio management centered on ROIC spread and sales growth; clearly defining Growth Businesses, Cash Cow Businesses, Innovative Businesses, Problem Businesses, and New Businesses; changing investment approaches according to the characteristics of these five areas; and managing investment efficiency and cash flow. Under this policy, our human capital strategy is also designed in line with the portfolio-centered management strategy and positioned as the foundation that supports its execution capabilities over the medium to long term.

Based on this approach, the Group positions the following four points as key policies for our human capital strategy.

Basic Policy for Human Capital Strategy

① **Strengthen value creation by building a human resource portfolio that supports the business portfolio**
② **Develop and strengthen leaders aligned with business strategy**
③ **Strengthen worksite capabilities supporting more advanced manufacturing and optimize remuneration**
④ **Cultivate personnel who drive business transformation using AI and IoT**



Reiko Watanabe
General Manager, Human Resources Department

Question: Can the Medium-term Management Plan be achieved with these human resources?

Common Issues in Medium-term Management Plans

- Market expansion / New businesses
- DX promotion / Globalization
- Strengthen cost competitiveness
- Enhance brand value
- Capital strategy

The Medium-term Management Plan sets out numerous management targets and KPIs
Primarily formulated by management and the Corporate Strategy/Planning Department

Disconnect

- Annual recruitment plan
- Maintain training programs
- Operate the evaluation system
- Track turnover rate

Recruiting, developing, and securing personnel is the job of HR. Management and business divisions lament, "We don't have the right people!" when they need them

→ "Do we have the talent needed to execute this Medium-term Management Plan?" Many companies have failed to share this perspective as part of their day-to-day strategic discussions

Ideally...

① **Management Strategy**
From a medium- to long-term perspective: "Where will we succeed / What will we aim for?"

② **Human Capital Strategy**
What kind of talent is needed, in which organizations, and in what numbers to win in business?

③ **HR Initiatives**
What specifically should be done for "recruitment, development, evaluation, and retention" to achieve this?

KEY POINT
Unless the strategic questions at the top are clearly defined, lower-level initiatives cannot function as effective means

Has this perspective been insufficient in the formulation of past Medium-term Management Plans?

As AI technology advances rapidly, the required human resources will change. (This will create imbalances between surplus personnel and labor shortages across departments.)
Synchronize with management strategy: determine what types of people are needed, in what numbers, and how they will be recruited, developed, and evaluated (including compensation)

→ **Not an "HR issue," but a serious "management issue"**

Recognizing that the perspective of "Who will execute this Medium-term Management Plan?" had not been sufficiently shared in ordinary strategic discussions, we will build our human capital strategy in accordance with the business portfolio strategy. To support Growth Businesses and Cash Cow Businesses, we will conduct As-Is/To-Be gap analyses of what kinds of people are needed, in which organizations, and in what numbers, clarify issues, and then advance the necessary human resources measures.

To steadily implement the human capital strategy, we have also established promotion structures at both the management and working levels.

Human Capital Strategy Promotion Structure

Establishment of the Human Resources Strategy Committee
In April 2026, we established the Human Resources Strategy Committee, chaired by the executive officer responsible for human resources. The President and officers responsible for management strategy and business strategy participate in the Committee, which meets once a month for deliberation. Based on shifts in the business portfolio and progress in growth strategies, the Committee discusses the direction for securing, developing, and allocating the necessary human resources, ensuring linkage between management strategy and human capital strategy.

Launch of the Human Capital Strategy Working Group
We established the Human Capital Strategy Working Group to conduct focused discussions aimed at further developing our business strategies. Operating under the Chairman's policy, the Group comprises members from the Human Resources Department, Corporate Strategy Department, Business Strategy Department, and Sustainability Promotion Department, and is building a company-wide cross-functional execution structure.



Human Capital Strategy Working Group in session

Strengthening the Group Human Resources Foundation

To increase the effectiveness of the human capital strategy, the Medium-term Management Plan positions strengthening the Group human resources foundation as a key initiative. In January 2026, we launched the Group Human Resources System Integration Project and plan to integrate the personnel systems of major Group companies in April 2028. By strengthening Group governance and promoting the mobility of human resources within the Group, we aim to make full use of Group human resources so that everyone can contribute to their full potential.

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Human Capital Strategy

Linking Management Strategy and Human Capital Strategy — Understanding the As-Is / To-Be Gap —

Human Resource Portfolio Supporting the Business Portfolio

To strengthen implementation of the Medium-term Management Plan, we established a PDCA cycle that links management strategy and human capital strategy in a unified manner. At its core is the design of a human resource portfolio linked with the business portfolio. The first feature of our human resource portfolio is that it clearly defines the quality, quantity, and roles of human resources for each business portfolio category, such as Growth Businesses and Cash Cow Businesses. By strategically organizing the required human resource requirements according to the characteristics of each business, we will achieve optimal, non-uniform allocation of talent. Our human resource portfolio covers both personnel responsible for businesses and corporate personnel who support them. We are currently taking the lead in visualizing skills and organizing human resource requirements for personnel involved in manufacturing, a source of our competitive advantage, but we are also developing human resources in corporate functions such as HR, finance, and IT based on the same approach, recognizing them as an important management foundation that supports global expansion and business scale growth.

The second feature is that, based on our competitive advantage as a manufacturing-centered company, we have defined a skills framework specialized in “manufacturing operations.” By breaking down and visualizing implementation capabilities at manufacturing worksites, we will enhance and transfer skills, improve productivity, and boost worksite capabilities themselves as a management resource.

Leadership Types and Skills Map

For each area of the business portfolio, we established five leadership types that maximize results. Human resource requirements are divided into two layers: ① the outcome accountability layer (leaders) and ② the execution accountability layer (worksite and sales personnel), with the roles and skills required for each defined. The outcome accountability layer is responsible for decision-making and management resource allocation that maximizes business results and for translating strategy into concrete action; six leadership skills have been established to support these responsibilities. The execution accountability layer is responsible for converting strategy into product and service value and ensuring the quality of execution, and its skills are systematized into 33 items: 23 under the “Manufacturing Five-axis Operations” and 10 under the “Market/Customer Two-axis Operations.” For the total of 39 skills across both layers, we have begun assessing our current workforce using proprietary indicators and are visualizing the human resource composition for each business phase. At present, we are mainly refining our understanding of the current state (As-Is), but going forward we will develop this into gap analyses against the future talent profile (To-Be) and clarify issues. Using the results of these analyses as a starting point, we will link them to development, allocation, and recruitment, thereby gradually strengthening our ability to implement business strategy.

Critical Expertise

Each business has accumulated unique knowledge, technologies, and experience through years of responding to customer requirements and technological challenges. These are important foundations supporting quality, supply capacity, and technological superiority.

We define such proprietary technologies and know-how as “critical expertise” and are also organizing them as an evaluation axis independent of common skills. Critical expertise is formed within each business: losing it would reduce competitiveness, while strengthening it directly enhances business value. Based on this recognition, we will work with operating departments to systematize expertise, identify those who hold them, and conduct gap analyses.

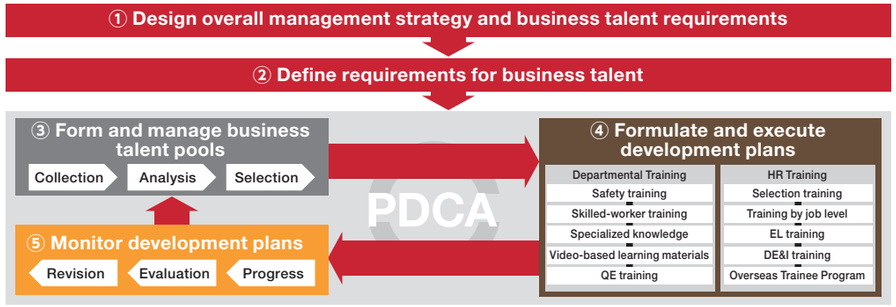
Human Resource Portfolio Management Indicators

We will quantitatively identify the skill holdings of business talent by the level of the number of those who have expertise and establish proprietary indicators such as the “required personnel holding rate” and “suitable personnel fulfillment rate” to evaluate the degree of fulfillment of the human resource portfolio. We have started using these indicators in Growth Businesses, visualizing shortages and surpluses of personnel directly linked to implementing the business strategy. Going forward, we will progressively expand the scope to Cash Cow Businesses, Innovative and Problem Businesses, and New Businesses, developing human resource management tailored to the characteristics of each business domain. By clarifying personnel shortages and surpluses in each business and linking them to allocation, recruitment, and development measures based on placing the right people in the right positions, we will strengthen business strategy execution and optimize the human resource portfolio.

■ “Phased Skill Structure” Connecting Management Strategy with Worksite Execution



■ PDCA Linking Management Strategy and Human Capital Strategy



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Human Capital Strategy

Executing Human Resource Strategy Linked to the Business Portfolio

Initiative 1: Succession Plan to Cultivate 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.



Initiative 2: Project for Cultivating 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 level-specific training systems for skilled workers and conduct group training, while also improving personnel capabilities by sending mobile units to each business site and use of Kaizen Base video teaching materials.

Initiative 3: Recruitment for Professional Positions

In FY2025, to secure highly specialized personnel, we expanded the professional position system, established competitive compensation and conditions, and began recruitment. At the same time, we partially introduced a side-job system to incorporate external knowledge and methods, thereby improving and revitalizing the organization.

Initiative 4: Overseas Trainee Program

To cultivate personnel who will be responsible for future overseas expansion, we resumed the "Overseas Trainee Program" in January 2026. The program aims to systematically cultivate younger employees as global talent to contribute to overseas business expansion while also encouraging autonomous career development.

Initiative 5: Recruiting Diverse Talent and Supporting the Work Environment

To strengthen our recruiting capabilities, we introduced a referral recruitment program in FY2023, expanding our candidate pool to include acquaintances of employees. In FY2024, we subsequently launched a welcome-back (alumni) recruitment program to rehire people with knowledge and experience gained at the Company. By linking career declarations with internal job postings, we promoted greater use of these programs. The numbers of users of and applicants for the Job Challenge System and internal job postings have steadily increased. We are also expanding reskilling opportunities by enhancing e-learning and providing qualification incentives.

In the same fiscal year, we also began reviewing the senior employee system. We incorporated an evaluation system into the previously uniform package and improved compensation to a maximum of approximately 85% of the level before stepping down from a position. By placing skills transfer at the center of evaluation, we will promote the transfer of technologies and businesses to the next generation.

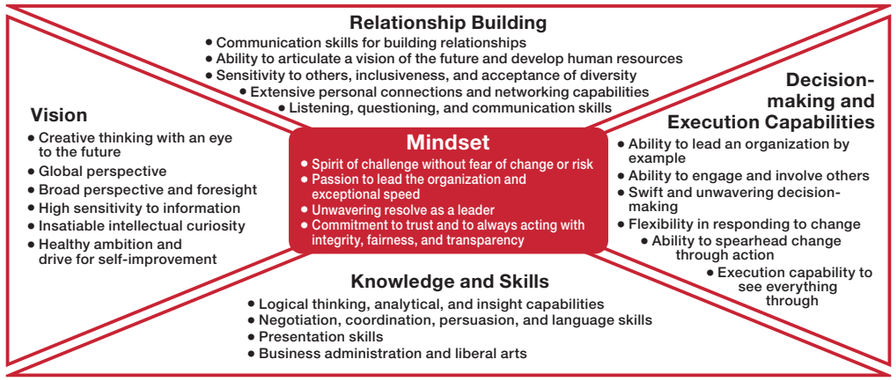




Initiative 6: Deepening Expertise through Autonomous Learning

We are expanding investment in education and increasing annual learning hours per employee to strengthen expertise and skills. Annual training hours increased substantially from 23 hours in FY2024 to 47 hours in FY2025, through the addition of autonomous learning as a management indicator and promotion of learning via training newsletters, achieving the target ahead of schedule. In FY2026, we will continue to target at least 40 learning hours per year (25 hours of company-sponsored learning and 15 hours of autonomous learning), identify learning items required by the organization, and strengthen the operating structure. In FY2025, we expanded training for experts and engineers; in FY2026, we will newly introduce mobile units and e-learning for skilled workers. We will also support self-directed learning among career-track and clerical employees through regular SWCC training newsletters and help instill our organizational culture through training for mid-career hires. We will set "autonomous learning" within policy deployment and target management and continuously manage education hours. Going forward, we will emphasize quality over quantity and provide teaching materials tailored to departments and individuals while promoting exchanges between sites.

Talent Profile Required of SWCC Officers



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Human Capital Strategy

KGI	Improve engagement (55 or higher)

KPI	Average annual training hours, percentage of departments with improved survey results

Improve engagement — Toward an Organizational Culture of “Transformation, Challenge, and Growth” —

Creating Rewarding Work and Workplaces

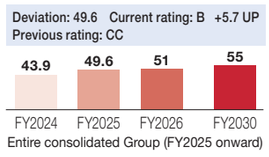
The SWCC Group aims to boost engagement so that all employees can demonstrate maximum performance with higher motivation. We believe that engagement grows through mutual understanding between the Company and its employees, and through employees’ attachment to and pride in their jobs and the Company.

In FY2024, we integrated our engagement surveys and employee satisfaction surveys and reflected 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.

Based on survey results, we analyze issues, derive solutions, implement improvements, and create rewarding workplaces. The score for the domestic Group as a whole was 45.7, up 1.8 points from the previous survey.

From FY2025, we expanded the survey to overseas subsidiaries. The score including overseas companies rose significantly to 49.6, with the overall trend improving. In FY2026, we are working toward further improvement.

Engagement score trends



Entire consolidated Group (FY2025 onward)



Certified Health & Productivity Management Outstanding Organization 2026 (Large Enterprise Category)

Health and Productivity Management and Workstyle Reform

Our company has been certified as an Excellent Health Management Corporation for seven consecutive years. We will continue advancing initiatives to support employee health, and will implement the following measures as part of these efforts.

1) 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 to ensure that 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: increased 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.)

2) 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
- Enhanced employee benefits: Discount services for areas such as 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.

3) Activating Communication

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

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

Sharing of Intentions Between Company and Employees

1) 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 improvements to the IT environment so that it is easy to carry out work tasks

2) 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

3) Conducting feedback sessions

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

4) Reviewing survey vendors and implementing improvement plans tailored to actual conditions in each unit

We changed the survey vendor starting with the FY2024 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 formulated action plans tailored to individual departmental issues and will implement improvements strategically.

5) Improving equipment and environment

By renewing welfare buildings, we are preparing environments where employees are able to work in a more comfortable and energetic manner. In FY2026, toward our 90th anniversary, we are renewing our uniforms to foster a sense of unity among group companies.



New welfare building at Sagamihara Plant



6) Reviewing Internal Reporting (Hotline)

The previous Compliance Hotline had aspects that did not function sufficiently for employees because it was difficult to know where to direct inquiries. We therefore reviewed the operating structure to provide a better service. We established and unified reporting and consultation under the “SWCC Group Hotline.” By consolidating the point of contact, employees can report or consult without hesitation or a sense of anxiety, and specialists respond to their concerns.



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Human Capital Strategy

KGI	Embedding DE&I in organizational culture (ratio of women in section manager or higher positions: 8.0% or higher)

KPI	Ratio of women among new hires, number of career development program participants

Diversity promotion
— Toward an Organizational Culture of "Transformation, Challenge, and Growth" —

SWCCarat

With the strengthened organizational structure, we renewed the SWCCarat logo.
The design is inspired by the round brilliant cut, considered the most beautiful and brilliant diamond cut. Random combinations of colors and shapes express diverse individualities coming together as a single brilliance. The vivid multicolor palette symbolizes energy, vitality, and a positive attitude, showing how diversity enhances each individual and leads to new value.

Utilizing Human Capital

The Company is promoting diversity across the Group, based on the belief that active participation by diverse human resources generates innovation and enhances corporate value.

From FY2026, we reorganized the Diversity Promotion Project (nickname: SWCCarat) directly under the President into the Diversity Promotion Group under the Sustainability Promotion Department, thereby strengthening the implementation framework as part of our human capital strategy. Embedding DE&I (Diversity, Equity & Inclusion) in organizational culture requires not only cultivating individual awareness but also creating mechanisms that enable diverse people to demonstrate their capabilities. Based on this recognition, in cooperation with the Human Resources Department we are correcting structural strains, ensuring equity of opportunity, and securing psychological safety, thereby developing a foundation that leads to value creation. As a distinctive initiative, we also position unconscious bias as an important factor affecting the quality of decision-making and evaluation and promote awareness. Through diversity lectures for all employees and DE&I workshops for management, we encourage awareness of unconscious biases in decision-making, evaluation, and everyday communication, leading to recognition of issues inherent in the organization and behavioral change.

In FY2025, to further embed DE&I throughout the organization, we implemented initiatives centered on the key theme of making DE&I personally relevant. At manufacturing sites, we created regular touchpoints through short videos and held game-style experiential events at four sites to promote understanding through dialogue. We are also focusing on encouraging male employees to take childcare leave as part of our support for balancing work and family responsibilities. As part of this initiative, posters encouraging male employees to take parental leave were displayed at each site. The posters carried the message, "It is now the norm for men to take parental leave," fostering awareness and encouraging use of the program. As a result, the Group's parental leave rate among male employees reached 68.4% in FY2025, improving by approximately 17 percentage points year on year.

Furthermore, to address the social issue of expanding the pool of science and engineering talent, we participate in the Cabinet Office's "Riko-Challe" initiative and advance efforts under a comprehensive DE&I collaboration agreement with Shibaura Institute of Technology. In FY2025, we held a joint event under the theme "DE&I × Technology Creates Innovation!" attended by 239 people. Going forward, by creating mechanisms that enable employees to articulate their experiences and share them internally and externally, we will promote a cycle of learning within the organization, enhance engagement, and strengthen our capacity for value creation.

We position the advancement of women as an important initiative for achieving equity of opportunity and continuously provide career development support training for women employees. A cumulative total of 86 employees have participated over four years, and some participants have advanced to management positions, demonstrating the program's role as a forum for leadership development and networking.

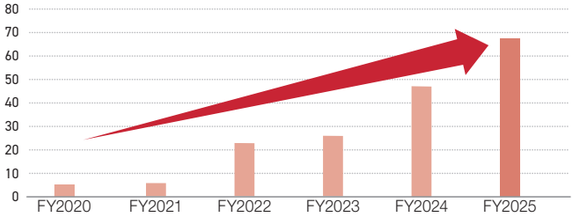


◀Poster encouraging male employees to take parental leave

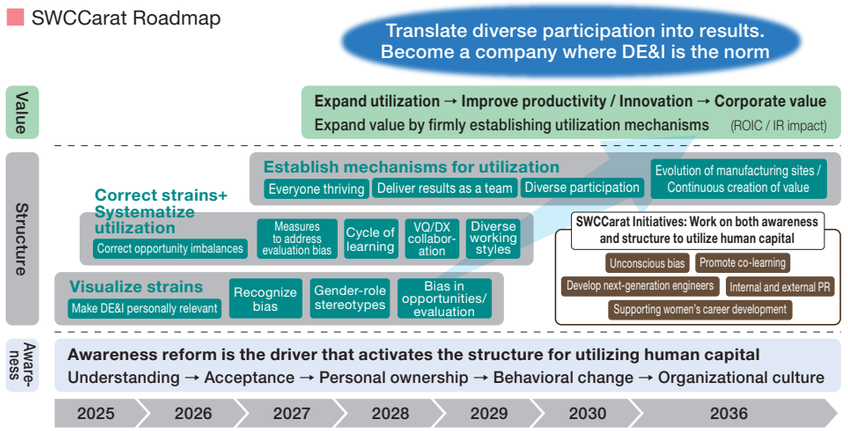
Game-style experiential event at a manufacturing site ▼



Group Male Parental Leave Rate (%)



SWCCarat Roadmap



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Safe Working Environment

KGI	Safe working environment (zero lost-time injuries)

KPI	Number of accidents, lost-time injury frequency rate

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. These initiatives are closely linked to the SWCC Group's Human Rights Policy, and we are working to create an environment in which 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 every worker.
4. We will actively carry out measures to prevent accidents.

Organizational Structure

The SWCC Group has established the Health and Safety Committee, chaired by the executive officer responsible for safety and health, under the Group Management Council to promote occupational health and safety activities throughout the Group.

The Safety Management Office formulates occupational health and safety policies, which are deliberated by the Health and Safety Committee and submitted as recommendations to the Group Management Council. Each company and site has personnel responsible for occupational health and safety and conducts activities suited to its business domain. For serious occupational accidents, incidents, violations of laws and regulations, and other matters, we have established a system for prompt reporting and sharing with management in cooperation with the risk management function.



Priority Themes for Occupational Health and Safety Activities in FY2026

"Safety First!" Aiming for zero accidents as our shared slogan

(1) Promote health building and mental care
(2) Improve workplace environments and reduce physical and mental burdens
(3) Conduct safety inspections and create safe and secure workplaces
(4) Raise each person's occupational health and safety awareness through education
(5) Identify and eliminate hazards in advance (conduct risk assessments)

FY2025 Initiatives and Achievements, Future Issues and Outlook

In FY2025, we addressed four priority topics. The trends in the lost-time injury frequency rate and severity rate and an overview of FY2026 initiatives and outcomes are shown below.

The frequency rate in FY2025 was 0.53, showing improvement from 0.66 in FY2024. However, the severity rate was 0.009, a slight deterioration from 0.003. The number of accidents was almost unchanged.

Based on these achievements and on reviews, we will continue tackling the aforementioned priority topics in FY2026. We will also improve safety management by expanding the range of employees covered by occupational health and safety education.

At the Manufacturing Training Center, we conduct occupational health and safety education combining classroom lectures and practical training. In addition to a level-specific curriculum, we systematically provide specialized safety education to raise employees' occupational health and safety awareness and foster a safety culture.



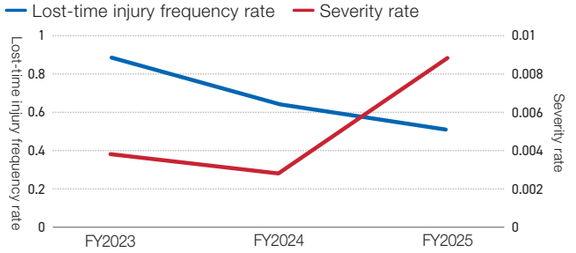
Manufacturing Division:
Hazard awareness training: experiences such as being caught in machinery



Logistics Division:
Vehicle operation skills training: technical instruction by external instructors

FY2025 Priority Themes	Overview and Outcomes of Initiatives
(1) Creating Safe and Secure Workplaces Based on Occupational Health and Safety Activity Assessments	●From FY2021, conducted diagnoses of the dual aspects of systems and on-site management, and scored results, by self-diagnosis and by diagnostic teams in order to make 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. ●Expanded activities to Logis-Works from FY2022 and to Fuji Electric Cable factories from FY2025
(2) Raising each person's occupational health and safety awareness through occupational health and safety education (statutory, level-specific, etc.)	●Conducted new employee education and training for prospective supervisors. ●In addition to classroom learning, we incorporate hands-on training, risk awareness experiences, and review education in the learning cycle to enhance learning effectiveness. ●Promoted acquisition of Safety Officer and Class-1 Health Officer qualifications by supervisors, increasing knowledge of related laws and regulations and learning improvement methods ●Expanded e-learning and conducted training for all employees at Fuji Electric Cable and Logis-Works
(3) Promoting health improvement initiatives, follow-up on health checkup results, and mental healthcare	●Certified for seven consecutive years as a Health & Productivity Management Outstanding Organization (Large Enterprise Category), jointly selected by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi
(4) Reducing occupational accident risks through risk assessment by focusing on "unsafe actions," "unsafe conditions," and "hazardous properties of chemicals"	●Conducted 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) ●Shared risk assessment results at reporting meetings to reduce risks in related departments

Lost-time Injury Frequency Rate and Severity Rate



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Social and Relationship Capital



Achieving Sustainable Procurement

KGI	Achieve sustainable procurement
KPI	Achievement rate for supplier visits/exchange meeting plans, implementation of sustainable procurement questionnaire

Basic Approach

The SWCC Group has formulated the SWCC Group Procurement Policy and implements initiatives to build good relationships with business partners so that we can provide value-added products in a stable manner.

SWCC Group Procurement Policy

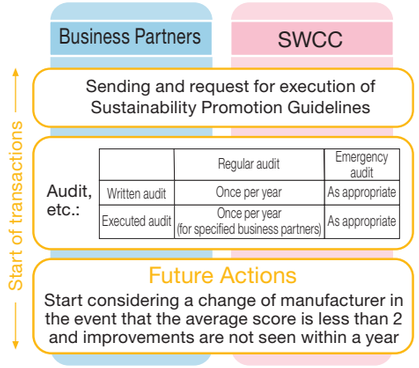
1. Comply with all applicable laws and regulations along with appropriate social practices, as well as engage in fair and equitable transactions.
2. Give top priority to mutual trust with its suppliers and establish a relationship where each is the best partner for the other.
3. Appreciate stable quality 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.

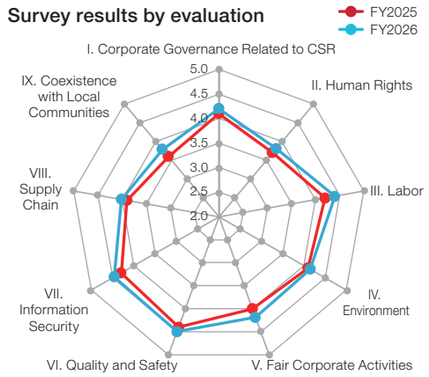
Conducting Sustainability Questionnaire Surveys

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.” In February 2026, we revised the Sustainability Promotion Guidelines to require suppliers to prevent bribery and comply with international anti-corruption norms. 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. The status of initiatives for all 114 items is evaluated on a three-level scale of 1, 3, or 5 points. From FY2025, we revised the method for selecting suppliers to be surveyed and now target business partners covering 80% of purchase value, conducting the survey annually to ensure continuous monitoring.

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 they do not respond to support for improvement or issues remain unresolved after a certain period, we will consider implementing audits and reviewing contracts and transactions related to purchases.

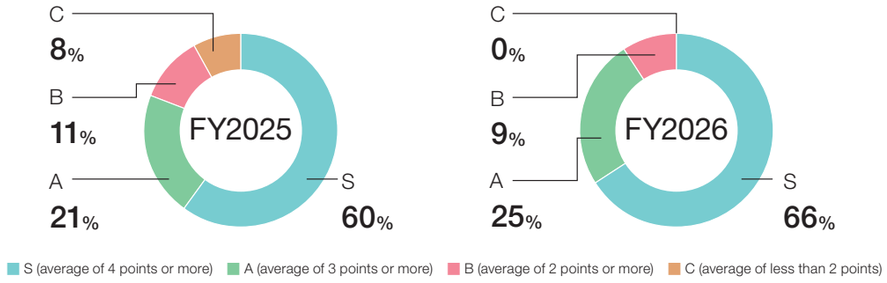




Results of the FY2026 Questionnaire

As a result of analyzing the FY2026 questionnaire, 91% 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 percentage points in particular. In category-by-category analysis, “quality/safety” once again received the highest scores compared to FY2025. Scores improved over FY2025 in all categories, with Labor, Fair Corporate Activities, and Coexistence with Local Communities each rising by 0.2 points.

Survey results by evaluation



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Social and Relationship Capital

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. In particular, we will provide support for making improvements to business partners that are rated B and establish and embed a PDCA cycle, thereby promoting the SWCC Group Procurement Policy and raising standards together with suppliers.

Assessment Category	Percentage (%)	Actions for Improvement
S (average of 4 points or more)	66	Provide feedback along with averages of all suppliers and charts for score rates by major category
A (average of 3 points or more)	25	
B (average of 2 points or more)	9	Provide feedback on scores and requests for improvement by the next time
C (average of less than 2 points)	0	Exchange opinions and implement support for improvement after a meeting

Declaration of Partnership Building

We endorse the contents of and have published the “Declaration of Partnership Building” established by the “Promotion of Partnerships for Building the Future”, which is promoted by entities such as the Cabinet Office and the Small and Medium Enterprise Agency. Through participation in the declaration, the SWCC Group aims to build sustainable transaction relationships based on coexistence and mutual prosperity with business partners.

SWCC Group Declaration of Partnership Building
https://www.swcc.co.jp/jpn/sustainability/images/sengen.pdf

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.

Green Procurement Guidelines
https://www.swcc.co.jp/jpn/sustainability/pdf/gtgl_3.pdf

Responsible Mineral Procurement Policy

Among the mineral resources traded globally are high-risk minerals associated with armed groups and serious human rights violations. To fulfill our social responsibility in procurement activities, we refer to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and aim to achieve responsible mineral procurement that excludes 3TG, cobalt, and other minerals that may finance armed groups or be associated with human rights violations in conflict-affected and high-risk countries.

Through supplier surveys using the CMRT, we ensure transparency in procurement sources and, when necessary, take corrective measures such as suspending procurement or requesting improvements.

Improving Customer Satisfaction

KGI	Customer satisfaction (40% reduction in failure cost incidence rate from FY2025)
KPI	Losses from claims, external failure cost incidence rate, losses from internal nonconformities, internal failure cost incidence rate

Under the management philosophy of “The SWCC Group strives to earn trust,” the SWCC Group positions quality not merely as product performance but as an important management foundation for achieving customer satisfaction and enhancing corporate value. Quality is created by “providing products and services that exceed customer expectations” and “problem-solving capabilities,” and we are evolving our value creation model from individual products to solution provision. Under the Medium-term Management Plan “Transformation for Growth SWCC 2030,” we also position improved customer satisfaction as an important management target as we transform into a solution-oriented company to achieve growth originating from customer value creation.

Value Creation and Competitive Advantage Centered on Quality

The SWCC Group supports social infrastructure through high-quality products and services while creating added value by solving customers’ operational challenges. Examples include:

- SICONEX: power equipment connection products offering high seismic resistance and installation efficiency
- e-Ribbon: enabling high-density wiring at data centers and other facilities
- Regana: solutions that advance installation and maintenance through DX

These offerings go beyond product quality alone and are provided as solutions that deliver customer value such as efficiency, safety, and labor savings.

Under the Medium-term Management Plan, in growth markets such as electric power, communications, and semiconductors, we are accelerating the shift to high-value-added products by differentiating ourselves through solution proposals tailored to customer challenges.

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Social and Relationship Capital

Advancing Quality Management and the Value Creation Process

To improve quality, we have established a company-wide quality management framework and implement the following initiatives.

- Establish quality KPIs and monitor them at the Board of Directors and Quality control Committee
- Digitalize and visualize quality data
- Strengthen quality education and skills transfer
- Advance conventional KAIZEN activities and promote VQ (Value Quest) activities integrating them with value creation

VQ VALUE QUEST



SWCC Group 2nd VQ (Value Quest) presentation meeting

Quality and Customer Satisfaction across the Supply Chain

Improving customer satisfaction requires ensuring quality not only within the Company but throughout the entire supply chain.

We have established an integrated quality assurance system from procurement through manufacturing and delivery, enabling stable provision of value to customers.

Advancing Quality and Customer Satisfaction in Conjunction with Growth Strategy

Under “ROIC-Oriented Management 2.0,” the SWCC Group is promoting growth investment and improvements in quality and customer value in a united manner. We are advancing “priority investment in Growth Businesses,” “proactive investment in R&D, human capital, and DX,” and “enhancement of customer added value through expansion of the solutions business.” Digital solutions such as Regana in particular solve customer challenges involving safety, productivity, and skills transfer, contributing to further improvements in customer satisfaction.

Future Direction

Through our evolution into a “solution-oriented value-creating company,” the SWCC Group aims to further improve customer satisfaction and will prioritize the following initiatives.

- Gain a fundamental understanding of customer challenges and strengthen proposal capabilities
- Improve quality and development speed through DX and AI
- Expand high-value-added products and services
- Strengthen quality and customer responsiveness globally

Basic Quality Policy

1. Comply with laws, regulations, and matters agreed upon with customers.
2. 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.
3. Promote quality activities that create satisfaction from all stakeholders, such as customers, employees, and local communities.

Priority Themes for Quality Activities in FY2026

(1) Thoroughly enforce and raise awareness of quality-related compliance
(2) Digitalize quality management and utilize data effectively
(3) Reduce failure costs caused by nonconformities (implement measures to improve customer satisfaction)
(4) Pass on high-quality manufacturing through standardization and human resource development
(5) Strengthen and apply rigorous internal review processes for matters agreed with customers

Quality Organizational Structure

SWCC Group Management Council

↕

Quality Control Committee
Chair: Officer in Charge of Quality, Secretariat: Quality Control Headquarters

↕

Quality control supervision departments of each group company
SWCC, SFCC, TOTOKU, Fuji Electric Cable, SDS, Logis-Works, Shoukou Equipment Industry, Showa Science, STEC, SHA, SVC, VSIP

↕

Operating departments of each company

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Addressing Environmental Issues



Efforts to Conserve the Environment (Environmental Management)

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.

Environmental Management System Acquisition Status

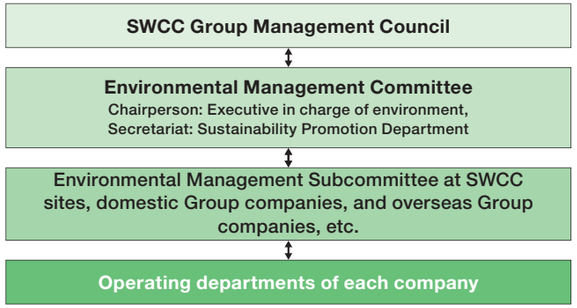
SWCC Group companies and sites in Japan and overseas have acquired ISO14001 certification and established and operate environmental management systems. We conduct regular internal audits and evaluate the effectiveness of management systems to drive continuous improvement.

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

Organizational Structure

Environmental management across the SWCC Group is led by the Group Management Council, with the Sustainability Promotion Department operating the Environmental Management Committee under the executive officer responsible for the environment. The Committee oversees formulation of environmental policies and targets, monitoring of measures, and confirmation of legal compliance. Through operation of environmental management systems (EMS) and internal audits at each company and site, we continuously improve the Group's environmental performance. By promoting dialogue with stakeholders and information disclosure, we will achieve highly transparent and reliable environmental management. The Sustainability Promotion Department regularly reviews 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 business domains of Group companies and the regional characteristics of their sites.

■ Environmental organizational structure



Toward Carbon Neutrality by 2050

Medium- and Long-term Environmental Plan "Green Plan 2050" and 8th Voluntary Environmental Action Plan (FY2026 to FY2030)

The SWCC Group works to resolve social issues through business and environmental activities based on ESG and the SDGs. We have designated "prevention of global warming" and "effective use of resources" as materialities. In 2020, 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.

Toward achieving this vision, we formulated the 8th Voluntary Environmental Action Plan beginning in FY2026. It defines company-wide actions for FY2026–FY2030 toward achieving the long-term vision and FY2030 targets of the medium- and long-term environmental plan "Green Plan 2050." Its scope has been expanded to cover the entire SWCC Group in Japan and overseas, and we will advance environmental conservation activities on a global scale.

Under the 8th Voluntary Environmental Action Plan, we aim to achieve the following quantitative targets by FY2030.

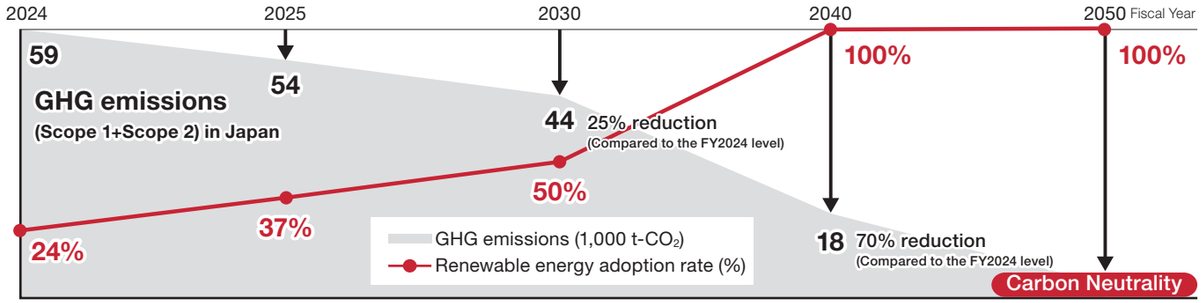
– **GHG emissions (Scope 1 + Scope 2):** reduction of at least 25% compared with FY2024
– **GHG emissions (Scope 3):** reduction of at least 15% compared with FY2024
– **Renewable energy adoption rate:** 50% or higher
– **Waste intensity:** reduction of at least 10% compared with FY2024
– **Water consumption intensity:** reduction of at least 10% compared with FY2024

In addition, we monitor waste recycling rate, reduction of plastic use, reduction of hazardous chemical substances, and the increase of environmentally contributing products as priority items.

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Trends in GHG emissions and targets for Scope 1 and 2 emissions



Progress of materialities and targets

Environmental goal	Indicators	FY2025 Results (Major domestic manufacturing sites)	8th Voluntary Environmental Action Plan (Target for FY2030)(*1) Entire Group	Long-term Vision
Global warming prevention	Greenhouse gas (GHG) emissions	**Reduction of 55%** from FY2013 (Scope 1+Scope 2)	**Reduction of at least 25%** from FY2024 (Scope 1+Scope 2)	• Achieve carbon neutrality by 2050 • Work with suppliers and customers to reduce Scope 3 emissions and achieve decarbonization
			Reduction of at least 15% from FY2024 (Scope 3)	
	In-house introduction rate of renewable energy	**37%**	**50%**	• 100% renewable energy adoption
Effective use of resources	Final waste disposal volume	**Reduction of 92%** from FY2018	–	• Achieve zero emissions
	Final waste Emission intensity	–	**Reduction of at least 10%** from FY2024	
Effective use of water resources	Water usage	**Reduction of 47%** from FY2018	–	• Promote sustainable use of water resources
	Water consumption intensity	–	**Reduction of at least 10%** from FY2024	

(Note 1) In conjunction with formulation of the new Medium-term Management Plan announced in February 2026, we established a new FY2026 plan and FY2030 targets for FY2026 onward. Given that the base year was changed as the scope was expanded, comparisons are not made under the same conditions as FY2025 results. Progress toward the 2030 targets continues.

Progress of Materialities and Targets

Our FY2025 results have been summarized below. Based on the medium- and long-term environmental plan "Green Plan 2050" and the 7th Voluntary Environmental Action Plan (FY2021–FY2025), the entire Company worked together to strengthen climate change measures, resource circulation, water resource management, and information disclosure.

Preventing Global Warming (Reducing GHG Emissions)

GHG emissions (Scope 1 + Scope 2) at major domestic manufacturing sites in FY2025 were reduced by 55% compared with FY2013, achieving the original medium-term FY2030 target of a 50% reduction ahead of schedule. Thorough energy-saving activities in each department and increased introduction of renewable energy made major contributions. GHG emissions data for FY2025 underwent third-party verification by Japan Audit and Certification Organization for Environment and Quality (JACO) in accordance with ISO 14064-3, and a verification report was obtained.

Details of third-party certification are available on our website.
https://www.swcc.co.jp/jpn/sustainability/pdf/verificationreport.pdf

In-house Introduction Rate of Renewable Energy

The internal renewable energy adoption rate at major domestic manufacturing sites improved to 37%, up 13 percentage points from 24% in the previous fiscal year. The main factors were the introduction of solar power generation facilities through on-site PPAs and increased procurement of CO_2-free electricity. We are targeting a 50% adoption rate throughout the Group in Japan and overseas by FY2030 and will continue to position increasing the renewable energy ratio as one of our highest-priority measures.

Building a Circular Society (Waste Management and Plastic Reduction)

Final waste disposal volume (landfill volume) was reduced by 92% compared with FY2018, exceeding the FY2025 target of a 90% reduction under the 7th Voluntary Environmental Action Plan. Thorough waste separation, expanded resource recycling, and material recycling of waste plastics have dramatically improved resource circulation efficiency.

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Effective Use of Water Resources

Water usage in FY2025 was reduced by 47% compared with FY2018, substantially exceeding the set target of a 35% reduction. Worksite-led improvement activities—including replacement of aging piping, strengthened leak inspection systems, and recirculation of cooling water—proved effective.

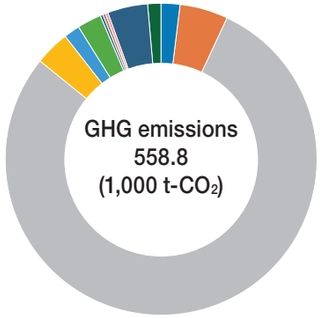
Scope 3 Emissions

Based on calculations available at present, emissions in the supply chain for FY2025 are as follows.
Given that emissions associated with purchased products account for the majority, we will work to reduce emissions from purchased goods in cooperation with suppliers and engage in environmentally conscious product design and development.

■ FY2025 GHG Emissions Results (Total for Domestic Group Companies)

GHG Protocol Calculation Scope (All Domestic Sites)		CO_2 Emissions (1,000 t-CO_2)	Percentage
Scope 1 (fuel use)		11.2	2.0%
Scope 2 (electricity use)		29.0	5.2%
Scope3	Category 1 Purchased goods and services	439.5	78.6%
	Category 2 Capital goods	20.8	3.7%
	Category 3 Fuel- and energy-related activities not included in Scope 1 or 2	9.2	1.6%
	Category 4 Upstream transportation and distribution	14.2	2.5%
	Category 5 Waste generated in operations	1.9	0.3%
	Category 6 Business travel	0.5	0.1%
	Category 7 Employee commuting	1.4	0.2%
	Category 8 Upstream leased assets	—	—
	Category 9 Downstream transportation and distribution	0.1	0.0%
	Category 10 Processing of sold products	—	—
	Category 11 Use of sold products	—	—
	Category 12 End-of-life treatment of sold products	24.1	4.3%
	Category 13 Downstream leased assets	—	—
	Category 14 Franchises	—	—
	Category 15 Investments	6.9	1.2%
	Scope 3 Total	518.6	92.8%
Scope 1+Scope 2+Scope 3		558.8	100%

(Note 1) (—) indicates that the calculation method is under consideration or the item is outside the scope.



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
Scope 3 Category 15

Advancing Global Initiatives through the Group's Collective Strength

Important Themes of FY2026 Environmental Activities

As the Group enters a phase of developing global initiatives, in FY2026 we will further expand measures and strengthen visualization of results. We will prioritize the following three pillars based on the 8th Voluntary Environmental Action Plan (FY2026–FY2030) and the FY2026 Environmental Policy.

(1) Ensure compliance with requirements based on laws and regulations

We will implement initiatives to ensure compliance with environmental laws and regulations in Japan and overseas, including the revised Energy Conservation Act, the Act on Promotion of Global Warming Countermeasures, and chemical substance regulations.

(2) Initiatives to reduce environmental impact toward resolving environmental issues

① **Thorough energy conservation and promotion of renewable energy adoption**

- We will further reduce energy intensity through technological innovation, including equipment renewal and reviews of production methods, while accelerating increase of the ratio of non-fossil electricity.

② **Waste separation and reduction**

- We will improve the accuracy of waste separation in a comprehensive manner, promote conversion into valuable resources, reduce waste volume, and continuously improve the recycling rate.

③ **Reduction of plastic usage (lighter weight, thinner design, less material)**

- From the product and packaging design stages, we will optimize the amount used and pursue initiatives including substitution with non-plastic materials.

④ **Reduction of water usage**

- We will promote water recirculation and replace aging piping equipment to reduce water use.

(3) Promote collection of information on measures and results and disclosure to stakeholders

We will rapidly and accurately collect and consolidate necessary environmental data and quantitatively disclose progress on KPIs. By increasing opportunities for dialogue with stakeholders and running the PDCA cycle over shorter periods, we will achieve highly transparent environmental governance.

We will also share information within the Group and roll out measures horizontally to domestic and overseas Group companies newly brought within the scope, thereby developing global initiatives.

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Climate-related Disclosures

In 2022, we announced our support for the TCFD recommendations and have since promoted the disclosure of climate-related information.

Details are available on our website: ▶ https://www.swcc.co.jp/eng/sustainability/images/Climate-related_Disclosures_Report_2026.pdf

Items		Status of Response
Governance	① Oversight by the Board of Directors	・The Sustainability Committee consolidates the challenges faced by operating departments and administrative departments, discusses responses, and reports the content to the Board of Directors at least twice a year. ・The Board of Directors is responsible for overseeing sustainability issues, particularly climate change, and confirms policies for addressing significant risks and opportunities
	② Role of management	・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-linked compensation linked to indicators such as greenhouse gas emissions has been established.
	③ Investor opinions, comments, and areas of interest	・Given that Category 1 accounts for the majority of Scope 3 emissions, investors expect expanded information disclosure across the supply chain and progress in initiatives to reduce emissions
Strategies	① Short-, medium-, and long-term risks and opportunities	・Analyze climate-related risks and opportunities based on 1.5°C and 4°C scenarios
	② Impact on business, strategy, and financial plans	・Analyze impacts on the Communications (Overseas), Power Infrastructure, and Semiconductor businesses and calculate financial impacts
	③ Resilience of organizational strategy	・Measures for addressing significant risks and opportunities ・Transition plan toward achieving carbon neutrality
Risk Management	① Short-, medium-, and long-term risks and opportunities	・The Risk Management Committee receives risk reports from each operating and administrative department at least twice a year, and manages progress ・The Board of Directors reports and deliberates on compliance and risk management issues for the Group overall
	② Impact on business, strategy, and financial plans	・Within the cycle of “risk identification,” “risk analysis,” “risk evaluation,” and “risk response,” risks that could have a significant impact on the SWCC Group are identified as key risks
	③ Resilience of organizational strategy	・Climate-related risks are shared through close coordination with the Risk Management Committee ・Each operating and administrative department has established a structure for quick and appropriate responses through the secretariat
Metrics and Goals	① Climate-related metrics	・Managed as GHG emissions targets
	② Scope 1, 2, and 3 GHG emissions	・Scope 1: 11,200 t-CO_2 ・Scope 2: 29,000 t-CO_2 ・Scope 3: 518,600 t-CO_2
	③ Targets and performance against targets	・Promote the SWCC Green Energy Project (SGEP) ・Promote initiatives based on the 8th Voluntary Environmental Action Plan

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Addressing Social Issues



Social Contribution Activities

KGI	Social contribution activities (5% increase from FY2025)
KPI	Number of participants, activity hours, participant satisfaction

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.

Social Contribution Activities Together with Local Communities

We support solving issues and revitalizing local communities and, through warm-hearted activities aiming for coexistence and co-prosperity, deepen trust and contribute to sustainable growth and achieving prosperous local communities. Specifically, we promote social contribution activities based on five priority themes: Safety and Security, Environmental Conservation, Development of the Next Generation, Regional Revitalization, and Technical Support. These themes align with the SWCC Group's Company policies, materialities, and desired future and express the values we hold important as a company.

FY2025 Results

In FY2025, the number of social contribution activities increased 33% year on year. Sharing and deploying activities from each site across the Group has broadened and diversified our initiatives. Each site implements activities that suit its characteristics, centered on community-based efforts such as neighborhood cleanups, acceptance of experiential learning and internship participants, blood donation activities, and donations and contributions to local events and educational institutions.

Examples of Initiatives for FY2025

Mie Plant

Participated in the experiential SDGs project "INABE SDGs 4T PROJECT" promoted by Inabe City, Mie Prefecture.



Fuji Electric Cable (Isehara Factory)

Participated in Riko-Challe, run by the Cabinet Office Gender Equality Bureau. Similar activities were also conducted at the Mie and Sagamihara sites.



Sendai Plant

Elementary and junior high school students living in the Sennan region participated in workplace experiences at the factory as the "Sennan Factory Exploration Team."



Other

- Conducted internships for local junior high schools and high schools.
- Conducted regular cleaning activities around factories according to the yearly plan.
- Invited a blood donation bus to the factory twice a year and conducted blood donation activities.
- Participated in food drive collection volunteer activities.
- Conducted inter-university collaborative education and career support education.
- Sponsored local events in each community, etc.

Achieving Respect for Human Rights and a Risk Management Framework

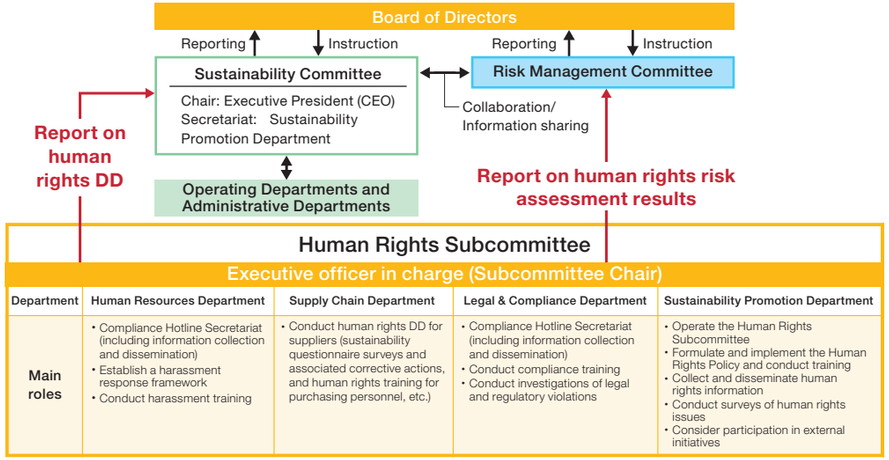
KGI	Achieve respect for human rights and a risk management framework (zero serious human rights violations)
KPI	Human rights due diligence implementation rate / Number and percentage of participants in human rights education

Initiatives to Respect Human Rights

We formulated the SWCC Group Human Rights Policy in January 2024, in accordance with the United Nations Guiding Principles on Business and Human Rights and in support of international norms including the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. This Policy applies to all officers and employees of the SWCC Group, and we also expect business partners, including suppliers involved in SWCC Group business activities, to understand and support its contents and ask them to undertake initiatives to respect human rights.

The SWCC Group Human Rights Policy sets out the following initiatives for respecting human rights: (1) prohibition of discrimination, (2) prohibition of forced labor and child labor, (3) prohibition of harassment, (4) provision of equal opportunities, (5) respect for fundamental labor rights, and (6) occupational health and safety. We identify, prevent, and mitigate adverse human rights impacts that the SWCC Group may cause or contribute to directly or indirectly, and evaluate the effectiveness of these initiatives.

We established the Human Rights Subcommittee in May 2026 to promote initiatives for respecting human rights with greater expertise and effectiveness. Risk assessment results on human rights due diligence are reported to the Risk Management Committee semiannually, while progress and issues are consolidated by the Sustainability Committee and reported to the Board of Directors. If human rights violations occur, we provide remediation and relief, while also conducting regular education and awareness activities for officers and employees to prevent violations.



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Chairman of the Board of Directors Message Further enhancing corporate value through robust governance that "prevents backsliding"

Takayo Hasegawa
Representative Director and Chairman
(Chairman of the Board of Directors)

Responsibility for Supporting Investment for Growth

With the first year of the new Medium-term Management Plan under way, the SWCC Group has entered a stage of accelerating growth by proactively investing in Growth Businesses based on business portfolio management. We call this ROIC-Oriented Management 2.0, and are seeking to establish a management policy that differs from our previous approach to ROIC-Oriented Management. In this environment, the Board of Directors bears responsibility for supporting management strategies that underpin the Group's sustainable growth and enhanced corporate value. In current discussions with the executive side, I still sometimes sense the cautious approach to investment that built up during the period of earnings recovery. In the growth phase, however, while respecting such disciplined caution, we must shift toward an aggressive stance of "investing boldly and generating returns that exceed the investment."

For businesses designated as growth domains in the portfolio, we should make solid investments after carefully assessing profitability, even if a certain degree of risk is involved. As Chairman of the Board, I pay close attention to changing the mindset of the executive side toward "investment for growth" without missing the right timing, while seeking the views of Outside Directors who bring a third-party perspective.

On the other hand, in Cash Cow Businesses domains that generate stable earnings, we apply mechanisms rigorously to generate profit by improving investment efficiency while keeping investment within depreciation. If the executive side requests excessive investments, the Board of Directors will apply the brakes. I believe that exercising governance while carefully judging whether investments should be made is one of the Board's important roles in protecting corporate value.

Maintaining a Tense Relationship with the Executive Side

For relatively small investment decisions and similar matters, we delegate the decision-making authority to the executive side so as not to impair management speed. Granting authority, however, means that the executive side bears significant accountability. The Board of Directors continually asks, "Why are we doing this?" and "How do you view the risks?" and the executive side must provide clear answers.

In this "dialogue" with the executive side, the role of our five Outside Directors—all of whom have corporate management experience—is extremely important. They bring perspectives and expertise entirely different from those inside the Company and sometimes ask sharp questions from perspectives we had never anticipated. They are also willing to say clearly, "Isn't that wrong?" As the Chairman, I want to draw out more of these candid views at Board meetings and guide the Board so that Outside Directors are able to fully contribute to enhancing corporate value.

I myself serve as an Outside Director at two other companies and believe I understand firsthand the weight and challenges of that role. People with management experience at other companies can indeed identify latent issues or propose governance methods drawing on their different experiences. I intend to apply the governance insights I gain outside the Company to our own Board of Directors and further invigorate discussion.

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Enhancing Corporate Value through ROIC-Oriented Management

Further Enhancing the Effectiveness of the Board of Directors

Looking back on FY2025, we made improvements on several issues identified in the effectiveness evaluation conducted in the previous year. A representative initiative was improving processes to "raise the quality of discussions," which is essential for decisions that enhance corporate value.

For example, materials had previously been distributed to Board members immediately before meetings, but we changed the process so that the Executive Officer responsible shares materials at least three days in advance. In addition, we provide advance briefings as needed to Independent Outside Directors and, for certain agenda items other than matters related to financial results and similar matters, provide explanatory videos in advance. By promoting prior understanding among Directors, we enable Board meetings themselves to focus on discussing issues, while also improving the process so that unclear points in materials can be revised by the following day.

We also decided to establish the annual agenda plan before the start of each new fiscal year, determining in advance which themes will be discussed in which months. This prevents ad hoc reports from taking up time at meetings and enables in-depth discussion throughout the year of important themes such as medium- to long-term management issues, progress of the Medium-term Management Plan, human capital, and DX.

Priority Themes for the Board of Directors in FY2026

One important theme is enhancing Group governance. When M&A and other initiatives add new domains such as the Semiconductor Business, their business cycles often differ entirely from our original Electric Power and Communications Infrastructure businesses. Simply applying conventional assumptions may lead to incorrect decisions or misjudged risks. We will rigorously monitor businesses in line with their characteristics, including considering the appointment of Outside Directors with an understanding of the "rhythm" of new domains.

Another theme is reviewing the governance structures of formerly listed subsidiaries, such as TOTOKU Inc. Following delisting, functions for audits and reporting that were necessary to maintain listed-company status become duplicative from the perspective of the Group as a whole. By eliminating these unnecessary functions and applying our governance framework, we can reduce the burden on worksite operations. We believe that creating an environment in which subsidiaries can autonomously devote resources to business growth will maximize Group synergies.

In FY2026, oversight of non-financial domains—particularly human capital—will also be a major topic to be discussed by the Board. What kinds of people are needed to achieve the ambitious future set out in the Medium-term Management Plan, and how should they be developed? Outside Directors have also expressed a desire to discuss human capital strategy, so we will deepen discussions with the executive side based on reports from the newly established Human Resources Strategy Committee and other bodies.

Encouraging Further Evolution of the Board as Chairman

I believe that to properly supervise the executive side, the Board of Directors itself must be "an institution that keeps changing in the correct direction." When I joined the Board as President and Representative Director in 2018, the Company was structured with a Board of Corporate Auditors. With three Outside Directors among its seven Directors, the Board had a strong advisory-board character, and the division of roles between execution and supervision was unclear. Believing that fundamental reform based on objective judgment would be impossible under that structure, we transitioned to a company with an Audit and Supervisory Committee, proactively appointed Outside Directors, and focused on governance reform of the Board itself.

Changing business direction and entering new domains requires enormous energy from the executive side. In difficult situations, an inward-looking mindset of "the status quo is fine" or "it can't be helped" can easily take hold. At such times, if the chosen path is right, the Board should firmly support the executive side with the resolve that "once a decision has been made, there is no going back." We have reformed the Board so that it can continue supporting sustainable enhancement of corporate value in this way.

We now have five Outside Directors who have diverse areas of expertise, and I feel we have made major progress toward our goal of separating the roles of "execution" and "supervision." At the same time, I believe there is still considerable room to enhance Board effectiveness. My role as Chairman is to encourage the Board's evolution through deeper discussion and more efficient operations.

Continuing to Support the Executive Side toward a "Bigger Future"

The Medium-term Management Plan "Transformation for Growth SWCC 2030" presented by the executive side sets out a very ambitious future. As the Board of Directors, we will look beyond individual decisions at hand and supervise from the perspective of whether the executive side is functioning appropriately for medium- to long-term growth, whether the means and preparations are sufficient, and whether any risks have been overlooked. At the same time, we will calmly take a broad view of the issues confronting the Board and continue deriving the optimal answers for enhancing corporate value.

In response to requests from shareholders and investors, we are also considering creating opportunities to explain how the Board of Directors, including Outside Directors, views medium- to long-term business strategy and how it contributes.

As the Board, we will firmly support the executive side toward a bigger future and make achievement of our goals unwavering. That is my determination as Chairman.



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Advancing Governance Systems



Corporate Governance

Basic Approach

Our basic approach to corporate governance is, under our Purpose, “Innovating new ideas today. Becoming the norms of tomorrow,” and based on our Management Philosophy centered on the keyword “trust,” to recognize that faster and more efficient management and the accompanying strengthening of monitoring functions are universal corporate challenges and to advance initiatives accordingly.

While fulfilling our corporate social responsibility (CSR), the SWCC Group is also actively working to develop systems required to ensure appropriateness in the operations of our Group.

Current System

We have adopted the system of a company with an audit and supervisory committee as a part of our organizational design.
The purpose of this adoption is as follows.

1. **By delegating substantial decision-making authority for the execution of business operations to Executive Officers, we will increase the efficiency and speed of business execution**
2. **Based on 1, we further enhance deliberations on key topics, such as management strategy, at Board of Directors meetings**
3. **Primarily through the Audit and Supervisory Committee, we will work to strengthen auditing and supervisory functions**

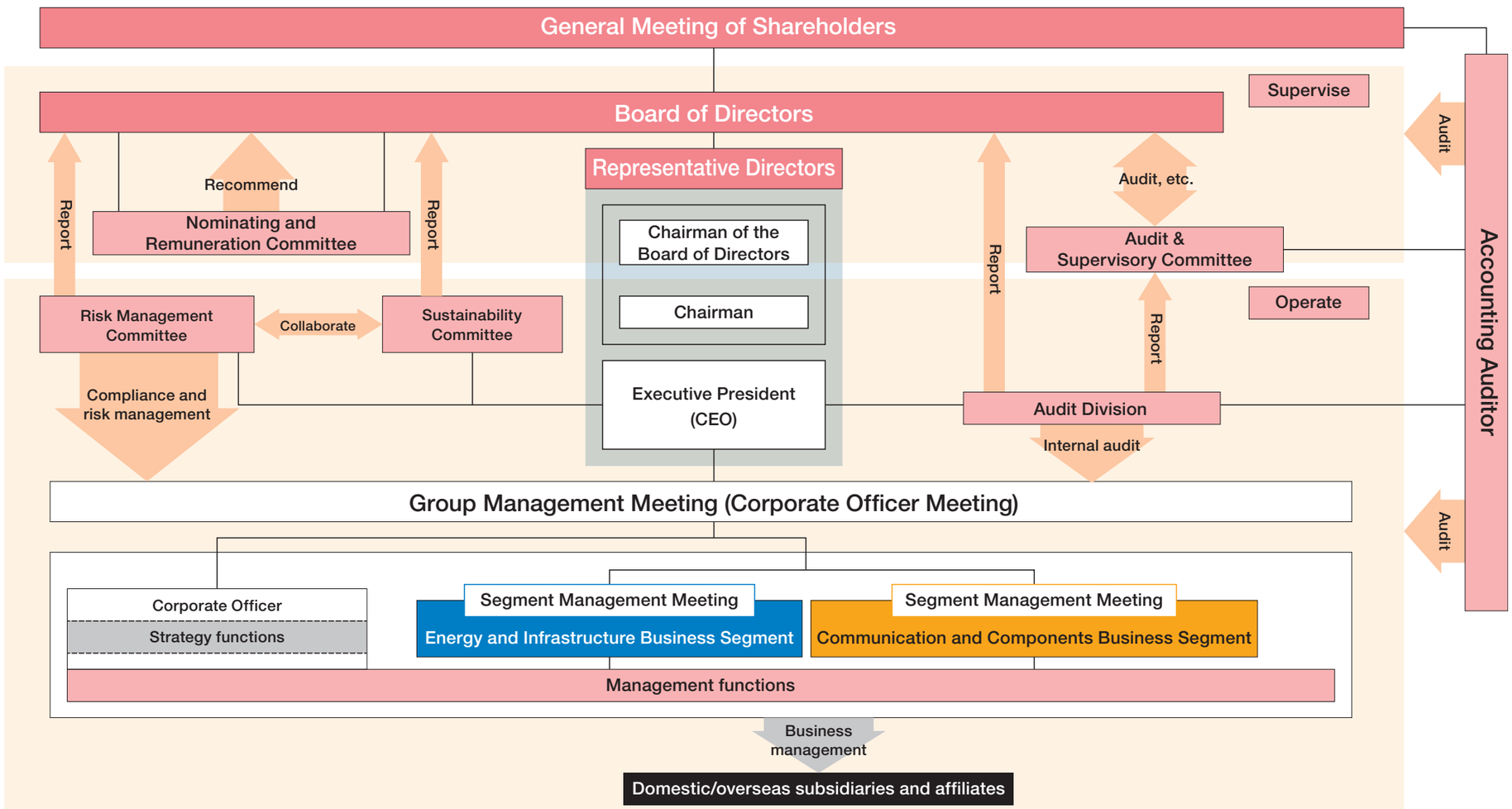
Changes in governance

Year	2015	2018	2019	2020	2023	2025
Organizational design	Company with a Board of Statutory Auditors (to June 2019)		Company with an Audit and Supervisory Committee (since June 2019)			
Total number of officers (excluding Executive Officers)	14	10	7	7	7	8
Total number of Directors	10	7	7	7	7	8
Of these, Outside Directors	2	3	3	3	4	5
Total number of auditors	4	3	—	—	—	—
Of these, outside auditors	3	2	—	—	—	—
Executive Officer	—	—	13	12	12	17
Topics	• Appointment of Outside Directors (From June 2015)	• Establishment of Nominating Committee (December 2018) • Establishment of Compensation Committee (December 2018) • Start of evaluation of the effectiveness of the Board of Directors	• Strengthening of authority of Executive Officers (April 2019) • Appointment of Group CEO (June 2019) • Discontinuation of position of Director • Discontinuation of advisor system	• Establishment of Chairman of the Board of Directors (April 2020) • Adoption of restricted stock compensation plan	• Spin-off companies (April 2023) • Integration of the Nominating Committee and the Compensation Committee into the Nominating and Compensation Committee (June 2023)	

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Diagram of corporate governance structure (as of April 1, 2026)



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Initiatives by the Board of Directors and by committees

Board of Directors FY2025 convened 16 times

President Internal Outside

Objectives / Authority	Composition
<Free, Open, and Constructive Discussion> Through the evaluation on Board effectiveness, we have confirmed that the composition and operation of the Board of Directors are appropriate and that substantive, free, open, and constructive discussions and exchanges of opinions take place rather than merely formal discussions, including issues raised by Outside Directors. We will continue proactively making improvements that further enrich discussion. **<Provision of Information to the Board of Directors>** Regarding Board operations, the annual Board meeting schedule and regular agenda items are submitted to the Board at the end of the previous fiscal year and shared with Directors. The Board generally meets monthly, and the Chairman is consulted in advance regarding the time allocated for explanations of each agenda item and selection of matters for explanatory videos and other matters, so that sufficient time is secured for deliberation on the day of the Board meeting. To support Directors in proactively obtaining information and making timely and appropriate decisions, we share materials concerning agenda items submitted to the Board several days before each meeting. For agenda items other than matters related to financial results, we provide explanatory videos in advance and, as necessary, provide prior briefings to Independent Outside Directors, thereby promoting prior understanding among Directors. If there are questions, unclear points, or requests for additional information regarding materials or prior explanations, we respond by the date of the Board meeting and, when necessary, provide supplementary explanations during deliberations on the day, thereby enriching discussion. **<Board of Directors Support Structure>** We are strengthening the support structure for the Board of Directors. As part of this effort, we plan to further strengthen the Board Secretariat not merely as a meeting administration function but as a specialist function supporting improved Board effectiveness. Based on the evaluation results of Board effectiveness and other inputs, the Secretariat advances governance enhancements and develops an environment that enables the Board to focus more on discussions concerning medium- to long-term enhancement of corporate value. The Legal Division is responsible for the Board Secretariat. We are cultivating secretariat personnel with knowledge not only of legal affairs and corporate governance but also of management strategy, capital strategy, human resources strategy, and sustainability, with the aim of establishing a structure capable of comprehensively supporting the Board of Directors and Outside Directors.	4 Directors 4 directors who are Audit and Supervisory Committee Members

[Main Matters Deliberated by the Board of Directors]

Month	Category	Main Agenda Items
May	Governance	• Discussion of compliance-related agenda items • Feedback from dialogue with shareholders and institutional investors, etc. • Follow-up on progress of Board resolutions and important instructions
June	Governance / Management Strategy	• Feedback from dialogue with shareholders and institutional investors, etc. • Business Development Strategy Report
August	Management Strategy / Governance / Sustainability	• Review of optimal shareholder composition • Risk Management Committee report • Analysis report on exercise of voting rights at the Annual General Meeting of Shareholders • Sustainability Committee report
September	Governance / Management Strategy	• Feedback from dialogue with shareholders and institutional investors • FY2025 business portfolio verification • Discussion of investment in intellectual property
November	Governance	• Review of criteria for matters submitted to the Board of Directors
December	Management Strategy / Governance	• Study toward formulation of the new Medium-term Management Plan • Feedback from dialogue with shareholders and investors, etc. • Risk Management Committee report • Follow-up on progress of Board resolutions and important instructions
February	Management Strategy / Governance / Sustainability	• Review of non-financial material issues (materialities) • Formulation of the Medium-term Management Plan • Review of the Basic Policy on Internal Control and criteria for matters submitted to the Board • Sustainability Committee report • Initiatives for legal compliance activities
March	Governance / Management Strategy	• Policy for the General Meeting of Shareholders • Feedback from dialogue with shareholders and institutional investors, etc. • Confirmation of Board effectiveness evaluation results • FY2026 annual Board schedule • Initiatives for disclosure of the Annual Securities Report before the General Meeting of Shareholders

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President Internal Outside

Audit and Supervisory Committee FY2025 convened 14 times

Objectives / Authority	Composition
To conduct audits and other oversight of 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, audit plans, and other matters set forth by the Audit and Supervisory Committee. **Matters discussed** ● Formulation of audit policies, audit plans, etc. ● Evaluation and decision on reappointment of the Accounting Auditor ● Preparation of audit reports	4 Directors

Nominating and Compensation Committee FY2025 convened 9 times

Objectives / Authority	Composition
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.	3 Directors

Risk Management Committee FY2025 convened 2 times

Objectives / Authority	Composition
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.	1 Chairman / 17 members

Sustainability Committee FY2025 convened 2 times

Objectives / Authority	Composition
We will strengthen our sustainability structure with the aim of engaging in corporate operations that are sustainable in terms of the environment, society, and governance, based on the SWCC Group's management philosophy.	1 Chairman, 14 members

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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'etre, 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 sales, overseas business, accounting and 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.

Composition of the Board of Directors

Director	Takayo Hasegawa	Tetsuo Komata	Yuji Sakakura	Takashi Mukuno	Minako Nishimura	Koji Naito	Kumiko Baba	Futoshi Yamaguchi
Representative Director	●	●						
Audit and Supervisory Committee Member				◎	●		●	●
Nominating and Compensation Committee Member			◎		●	●		
Outside Director			●	●	●	●	●	
Independent Officer			●	●	●	●	●	

◎ Chairman

Directors' Skills Matrix

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

(*) Required skills

Reasons for Selection of Skills

Skills	Reasons for selection
Corporate management	To achieve the Medium-term Management Plan "Transformation for Growth SWCC 2030," Directors with robust knowledge and experience in corporate management who can promote the sustainable growth of the Company's corporate value are essential.
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 robust 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 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.

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Reasons for Appointment of Internal and Outside Directors

Name	Reasons for Selection
Takayo Hasegawa	She has extensive business experience, achievements, and insight as a corporate manager and has significantly enhanced the Company's corporate value. We determined that this experience and expertise are indispensable to the SWCC Group's sustainable growth and enhancement of corporate value and therefore reappointed her as Director.
Tetsuo Komata	He has extensive experience and achievements in overall management and is promoting global management by implementing measures to achieve the Medium-term Management Plan "Transformation for Growth SWCC 2030." We determined that he can continue contributing to enhancement of the SWCC Group's corporate value by leveraging this experience and expertise and therefore reappointed him as Director.
Yuji Sakakura	Through his achievements and experience as an executive responsible for finance-related operations at a general trading company, as a manager of a securities company, and as CFO of an M&A advisory firm, he possesses broad and multifaceted expertise in corporate management. Based on this experience and expertise, we determined that he can continue contributing to the Company's sustainable growth and enhancement of corporate value and therefore appointed him as an Outside 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	Leveraging her extensive experience in human capital management centered on human resource development and career development, together with her extensive insight as a corporate manager, she appropriately fulfills her duties as a Director from an independent standpoint. She was appointed as an Outside Director who is an Audit and Supervisory Committee Member based on the expectation that she will provide accurate recommendations and oversight of execution concerning the Company's business from a neutral and objective standpoint. Following her appointment as Director, she is expected to continue participating as a member of the Nominating and Compensation Committee in matters including executive compensation and the selection of executive candidates.
Koji Naito	He has a wide range of experience and accomplishments in corporate management, including serving as a Representative Director of a listed company. Leveraging his extensive experience and deep management insight, he provides appropriate advice and supervision to management. We determined that he can continue contributing to enhancement of the SWCC Group's corporate value and therefore reappointed him as an Outside Director.
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 reappointed 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 this career experience and insight, he has contributed to strengthening corporate governance at the Company and its Group companies by providing recommendations from an objective perspective on management issues and supervising execution. He was therefore reappointed as a Director who is an Audit and Supervisory Committee Member.

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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 FY2025 were conducted in the following manner, with advice 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 survey covered multiple perspectives, including the role and operation of the Board of Directors, its deliberation and monitoring functions, dialogue with shareholders (investors), the performance of Outside Directors, and the operation of the Nominating and Compensation Committee and the Audit and Supervisory Committee.

In FY2025, based on the survey results, individual interviews were also conducted with Directors to explore their responses in greater depth and discuss a broad range of themes. Based on the survey and interview findings, we received recommendations from the outside body regarding issues and improvements from a third-party perspective.

The evaluation found, with respect to Board operations, that the Board's composition is diverse in terms of knowledge, experience, expertise, career background, age, gender, and other attributes; meetings are held with sufficient frequency; Board materials are provided sufficiently in advance to allow prior review; discussions and exchanges of opinions are free, open, and constructive rather than merely formal; and secretariat operations, including schedule coordination, dispatch of meeting notices, and preparation of minutes, provide adequate support for the Board. With respect to management strategy and plans, the evaluation also found that sufficient discussion takes place with an understanding of how they align with the Company's sustainable growth and medium- to long-term creation of corporate value, and that the Board analyzes and evaluates the Company's cost of capital, capital profitability, and market valuation, and sufficiently considers policies, targets, review periods, and specific initiatives for improvement in order to achieve management that is conscious of the cost of capital and share price.

In addition, with regard to the Outside 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.

The evaluation of the Nominating and Compensation Committee also found that its membership has the knowledge, experience, expertise, and diversity required to perform committee duties; the frequency and number of meetings are appropriate; free, open, and constructive discussions and exchanges of opinions take place rather than merely formal deliberations; and appropriate internal personnel attend meetings according to the matters under consideration and are able to answer questions from committee members.

Evaluation findings 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, issues identified included securing more time for discussion at Board meetings by streamlining explanatory materials and agenda items; discussing cybersecurity risks in relation to internal controls and risk management; and sharing with the Board the matters discussed by the Nominating and Compensation Committee.

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.

Main Evaluation Items and Evaluation Findings for FY2025

Evaluation items

Vision for the Board of Directors	Support system for Directors	Nomination and Compensation	Performance of Outside Directors	Evaluation of the Nominating and Compensation Committee
Composition of the Board of Directors	Management Strategy and Management Plans	(excluding Audit and Supervisory Committee Members) Performance of internal Directors	Training	Evaluation of the Audit and Supervisory Committee
Operation of the Board of Directors	Internal Control and Risk Management		Dialogues on shareholders (investors)	

Findings of Evaluation

Operation of the Board of Directors	• The Committee's membership is diverse in terms of knowledge, experience, expertise, career background, age, gender, and other attributes • Meetings are held with sufficient frequency, and materials are provided sufficiently in advance to allow prior review • Secretariat operations provide adequate support for the Board of Directors
Management Strategy and Management Plans	• Sufficient discussion is conducted with an understanding of how the matters align with the Company's sustainable growth and creation of corporate value over the medium to long term • To achieve management that is conscious of capital cost and share price, the Company analyzes and evaluates its current cost of capital, capital profitability, and market valuation, and sufficiently considers policies, targets, review periods, and specific initiatives for improvement
Performance of Outside Directors	• Members provide advice proactively from a professional perspective or ask effective questions to the Board of Directors • Members take responsibility for their own statements and make sufficient concise, high-value-added contributions
Evaluation of the Nominating and Compensation Committee	• The composition of the Committee provides the knowledge, experience, expertise, and diversity required for members to perform their duties • The frequency and number of Committee meetings are appropriate • Discussions and exchanges of opinions are conducted in a free, open, and constructive manner, rather than merely formal • Appropriate internal personnel attend Committee meetings according to the matters under deliberation and are able to respond to questions from Committee members
Evaluation of the Audit and Supervisory Committee	• Appropriate auditing policies and audit plans are formulated. In addition to individual matters stipulated by laws and regulations and accounting audits, it is also ensured that there is auditing at the sufficient depth and frequency on whether or not the internal control systems are properly constructed and operated. • Taking into account both independence and audit effectiveness, interviews with Executive Officers and the like are conducted at a necessary and appropriate frequency for the performance of duties.

The Board of Directors overall functions properly and its effectiveness is ensured

Issues to be Addressed in FY2026

Operation of the Board of Directors	• Secure further time for discussion at Board of Directors meetings by organizing explanatory materials and agenda items submitted to the Board
Internal Control and Risk Management	• Discussion of cybersecurity risks
Evaluation of the Nominating and Compensation Committee	• Share with the Board of Directors the content discussed by the Nominating and Compensation Committee

Further enhance the supervisory function of the Board of Directors

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Executive Remuneration

Decision-making policy regarding matters such as Directors' individual remuneration are resolved by the Board of Directors, based on deliberation by the discretionary Nominating and Compensation Committee composed of Independent Outside Directors in order to ensure independence and objectivity.

The Board of Directors has confirmed that, with respect to individual Directors' remuneration, etc. for FY2025, the method used to determine the remuneration, etc., and the remuneration, etc., determined are consistent with the policy, and that the recommendations of the Nominating and Compensation Committee have been respected. The level of Directors' remuneration, etc. is set with reference to other companies' standards based on surveys conducted by outside specialist bodies.

As for the remuneration composition, Directors (excluding Directors who do not execute business operations and Directors who are Audit and Supervisory Committee Members) receive fixed compensation, short-term incentive performance-linked compensation, and long-term incentive compensation comprising performance-linked shares (PSU (Performance Share Units)) and restricted stock (RS). The remuneration structure encourages management initiatives from both short-term and long-term perspectives to appropriately reward achievements. For Directors who do not execute business or Directors who are Audit and Supervisory Committee Members, since they bear the function of supervising management and are not responsible for business execution, only fixed compensation that does not include incentive remuneration is paid.

Composition of Remuneration

Remuneration for Directors (excluding Directors who do not execute business operations and Directors who are Audit and Supervisory Committee Members) comprises fixed compensation, short-term incentive performance-linked compensation, and long-term incentive compensation for the granting of performance-linked shares (PSU) and restricted stock (RS) compensation. The composition of remuneration for FY2026 is as follows.

Type	Percentage *1 *4	Contents
Fixed compensation	100	This consists of basic remuneration and additional job-based remuneration that is dependent on the Director's duties and responsibilities. Basic remuneration is based on job position and its importance and difficulty.
Performance-linked compensation	65	<Short-Term Incentive Compensation> The monetary amount of annual performance-linked compensation, which is short-term incentive compensation, is determined based on Company performance indicators for degree of achievement of operating profit target values and of ROIC target values (set to 105% of the forecast of the operating profit and ROIC announced at the beginning of the fiscal year), and based on ESG-related indicators, specifically the degrees of achievement toward targets for internal adoption rate of renewable energy, greenhouse gas (GHG) emissions, lost-time injury frequency rate, and engagement score. Remuneration indicators, formulas, and annual performance-linked mechanisms are as follows. **1. Company performance indicators** Paid based on the operating profit achievement ratio (A) and ROIC achievement ratio (B). Details are as follows. • Operating profit achievement ratio (A) = (current operating profit result value ÷ current operating profit target value) x 100% • ROIC achievement ratio (B) = (current ROIC result value ÷ current ROIC target value) x 100% **2. ESG-related indicators** Paid based on the number of items achieved among the internal renewable energy adoption rate (C), greenhouse gas (GHG) emissions (D), lost-time injury frequency rate (E), and engagement score (F). **3. Reasons for selection of indicators** Operating profit achievement ratio, a company performance indicator, has been set as an indicator of profitability, and ROIC achievement ratio has been set as an indicator of capital efficiency. With regard to ESG-related indicators, we identify social issues that have a significant impact as materiality, identify priority issues, and formulate specific action policies, indicators and KPIs for each theme. Among these themes, we have set the internal adoption rate of renewable energy, greenhouse gas (GHG) emissions, lost-time injury frequency rate, and engagement score as ESG-related indicators that we consider particularly important. We believe that achieving the target values will lead to the enhancement of corporate value. **4. Formula** Annual performance-linked compensation = fixed compensation x (degree of achievement of fiscal year targets in company performance (A x 50% + B x 50%) + degree of achievement of ESG-related fiscal year targets (degree of achievement according to the number of items achieved among C, D, E, and F))

Type	Percentage *1 *4	Contents
		5. Degree of achievement of fiscal year targets (percentages and mechanisms)

Fiscal year target indicator		Target value	Percentage*2	Payment rate
Company Performance	• Operating income	29.9 billion yen (announced value: 28.5 billion yen)	30%	0 - 150%
Company Performance	• ROIC	14.4% (announced value: 13.8%)	30%	0 - 150%
ESG-related	• In-house introduction rate of renewable energy*3 • Greenhouse gas (GHG) emissions • Lost time injury frequency rate • Engagement score	26% 9% decrease compared with FY2024 0.23 51	5%	0 - 125%

	10	<Long-Term Incentive Compensation> Performance Share Units (PSUs), which are long-term incentive compensation, are granted as points equivalent to 10% of fixed compensation for the relevant fiscal year. The evaluation period is three consecutive fiscal years, after which performance-linked shares are delivered based on the Company's achievement rate against its targets.
Restricted stock compensation	32.5	<Long-Term Incentive Compensation> A certain proportion of fixed compensation is allocated to restricted stock (RS) compensation, which is long-term incentive remuneration. Directors who do not execute business (including Directors who are Audit and Supervisory Committee Members) are not paid remuneration for the granting of restricted shares.

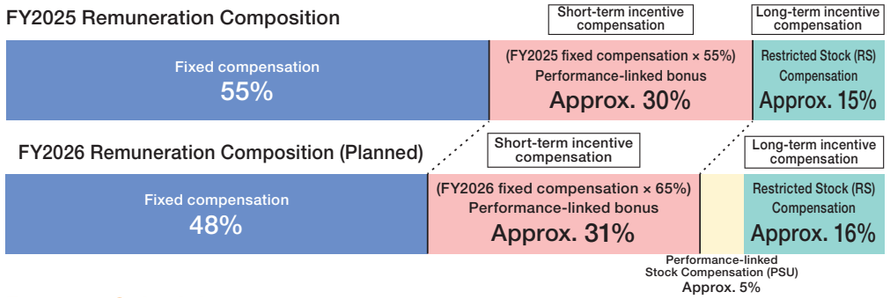
Note 1. The percentage of annual performance-linked compensation is based on the assumption of a payment rate of 100%. 2. Company performance- and ESG-related percentages, which are fiscal year target indicators, are based on the assumption of a payment rate of 100%.
3. Renewable energy sources include non-fossil energy sources. 4. Performance-linked compensation for the Representative Director and Chairman is calculated as 55% of the fixed compensation, and the remuneration for granting restricted stock is set as an amount equivalent to 50% of 65% of the fixed compensation, regardless of position.

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Percentage Breakdown of Remuneration

The proportions of total remuneration represented by fixed compensation, short-term incentive performance-linked compensation, and long-term incentive compensation for performance-linked shares (PSU) and restricted stock (RS) compensation are reviewed by the Nominating and Compensation Committee as appropriate.



Payment Schedule

Fixed compensation in the form of monetary remuneration for FY2026 will be paid in equal amounts each month starting from the first month of FY2026. Performance-linked compensation for achievements in FY2025 will be paid in June 2026. Restricted stock (RS) compensation will be paid by the month following the 130th Ordinary General Meeting of Shareholders, under the condition that the Director has been appointed or reappointed at said meeting. For remuneration for performance-linked shares (PSU), points corresponding to remuneration calculated by multiplying the fixed compensation for the fiscal year by a specified percentage will be granted, and performance-linked shares determined based on the Company's target achievement rate over a continuous three-fiscal-year evaluation period will be delivered after the end of the evaluation period.

Performance-linked compensation for achievements in FY2026 will be paid in June 2027.

Matters Concerning Resolutions of General Meetings of Shareholders Concerning Directors' Remuneration, etc.

Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this section) receive remuneration within an annual limit of 300 million yen (of which no more than 30 million yen is for Outside Directors), as resolved at the Company's 123rd Ordinary General Meeting of Shareholders held on June 26, 2019. To clarify the effective upper limit, Directors' remuneration includes the Executive Officer remuneration of Directors concurrently serving as Executive Officers and employee salaries of Directors concurrently serving as employees. 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 remuneration amounts of Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this section) are decided by the Board of Directors, within the total amount of Directors' remuneration, etc. determined at the General Meeting of Shareholders, after deliberation by the Nominating and Compensation Committee composed solely of Independent Outside Directors. The Board of Directors has confirmed that Directors' individual remuneration, etc. for FY2025 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 and aligned 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 rule, the Company has a policy of not holding cross-shareholdings. With regard to individual cross-shareholdings, we limit our holdings to cases where it is determined 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 cross-shareholdings in the future.

Basic Policy on Cross-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 exercising of voting rights related to such shares is comprehensively judged in light of contributions to enhancing the Company's corporate value and other factors.

Current Status of Cross-Shareholdings

As of the end of March 2026, the Company held 19 cross-shareholdings (1,550 million yen), and the carrying amount of cross-shareholdings at fiscal year-end represented 1.4% of consolidated net assets.

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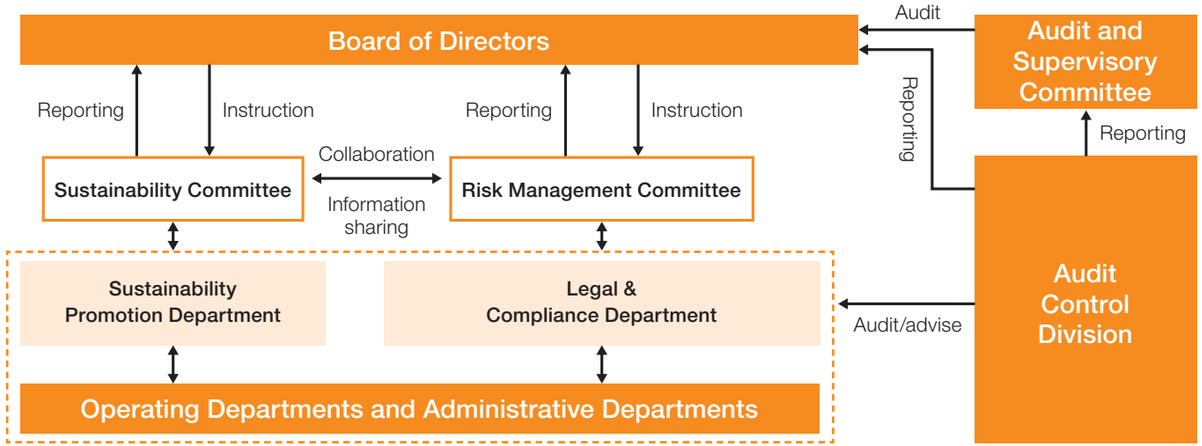
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Monitoring Corporate Management—Risk Management

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 Executive President and Representative Director (CEO), and composed of company Executive Officers and Fellows appointed by the Chairperson, discusses the evaluation of risks and countermeasures carried out by the operating departments and other units, manages the progress of risk management plans and measures, and reports to the Board of Directors. We have also established a risk management unit within the Legal & Compliance Department to oversee risk management throughout the Group, including the establishment of rules and guidelines and the implementation of education, training, and monitoring, and strive to strengthen our Group-wide risk management system, which is essential for the continued development of our business.

To respond swiftly to risks that routinely arise in operating and administrative departments, we operate a "Quick Risk Reporting System," under which the responsible division quickly provides risk information to the division overseeing risk management when a risk event occurs. For urgent and significant events, information is shared with Risk Management Committee members and full-time Audit and Supervisory Committee Members, and responses are discussed and considered. To address risks related to the environment, society, and governance, we coordinate and share information with the Sustainability Promotion Department.



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, risks raised by each business segment and Group company are quantitatively analyzed by assigning numerical values to residual risks that remain even after risk mitigation measures, based on the axes of impact, likelihood, and vulnerability of risk management (whether the impact can be controlled if a risk materializes). Risks that could have a significant impact on the SWCC Group are then identified as key 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.

Geopolitical risks are also expected to remain elevated due to heightened tensions in the Middle East. Although we are working to pass increases in raw material prices and other costs on to selling prices, we assume that applying such increases to some existing contracts will be difficult, and have incorporated a certain level of this impact into our earnings outlook. While uncertainty surrounding supply chain disruptions persists, at present we do not expect them to have a material impact. If changes in the situation in the Middle East or other developments are expected to affect consolidated results going forward, we will disclose the impact quickly.

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Major identified risks

Risk Category	Materiality	Details of Identified Risks	Major Initiatives	Remaining Risks
Supply Chain Risk	Our partnership	○ Stoppages and delays in the supply of raw materials due to supply chain disruptions and breakdowns	• Mitigation of risks through diversification of procurement sources and the use of multiple-source purchasing • Securing of substitute products	• Risk that interruptions in the supply of raw materials and energy resources and disruptions to international logistics caused by prolonged regional conflicts and other factors could make stable business operations difficult and have a significant impact on business results and financial position
Human Resources and Labor Risk	Our people	○ Loss of sales opportunities ○ Impact on business continuity due to difficulties in passing on manufacturing skills ○ Decline in the quality of products and services ○ Impact of missed growth opportunities on achievement of performance targets	• Expand recruitment opportunities by promoting alumni recruitment, referral recruitment, and other measures • Expand training by job level and autonomous learning programs • Implement measures to improve engagement, including feedback interviews	• Significant impact on business results, etc. due to organizational constraints and loss of business opportunities
Market Fluctuation Risk	Our partnership Our governance	○ Changes in prices of copper, which is the key raw material ○ Fluctuations in the prices of petrochemical products such as polyethylene	• Review product unit prices in response to exchange-rate fluctuations and pass increased costs on to selling prices in an appropriate manner	• Risk of lower profitability due to deterioration in product margins caused by higher material unit prices and costs of outsourced products • Risk of reduced profitability on overseas sales due to appreciation of the yen
Natural Disaster Risk	Our partnership Our governance	○ Suspension of operations at manufacturing sites and paralysis of logistics functions and other disruptions due to major earthquakes, typhoons, floods, and other natural disasters	• Ensure company-wide and relevant departments are fully familiar with the BCP (Business Continuity Plan), conduct regular drills, and ensure effectiveness	• Significant impact on business results, etc. in the event of substantial restrictions on systematic production activities from prolonged deterioration of social infrastructure functions and other effects due to power shortages, logistics delays, etc. caused by natural disasters beyond expectations, etc.
Information Security Risk	Our future Our governance	○ Loss of intellectual property, customer information, or other confidential information, and reputational damage due to cyberattacks, information leaks, or system failures	• Operation and monitoring by CSIRT • Verification of information transmission systems during incidents via incident response training held twice a year • Cybersecurity insurance coverage	• Loss of confidential information or reputational damage in case of exposure to unknown attacks • Incurrence of losses not covered by insurance

Compliance

In FY2022, the SWCC Group established the SWCC Way (Code of Conduct), consisting of “Swiftness,” “Passion,” and “Thinking before acting,” with the aim of achieving value creation throughout the Group. Under “Thinking before acting,” we require all officers and employees to maintain awareness of compliance, along with a commitment to work and conduct that can be shown with pride to customers and family members. In FY2022, to place importance on the trust that is a keyword in our management philosophy, make compliance a priority, and continue evolving into a better company, we also formulated our Compliance Basic Policy.

Continuing our previous efforts to further instill the SWCC Way and Compliance Basic Policy throughout the SWCC Group, in FY2025 the Legal Department has led awareness activities, including training focused on technical divisions and overseas subsidiaries. We also provide compliance education on laws closely related to our business, including the Antimonopoly Act, Subcontract Act, and Construction Business Act, as well as points requiring attention under the amended Subcontract Act (the Act on Ensuring Proper Transactions). We have also expanded the departments covered by our “Compliance Program,” under which each department develops compliance promotion activities based on themes it sets autonomously. In FY2026, we will share and deepen initiatives through discussions with participating departments and, building on the results achieved to date, continue promoting compliance. We also operate a Group-wide internal Compliance Hotline reporting system with contact points inside the Company and at outside law offices. We are developing systems for the prevention and early detection of compliance violations. The SWCC Group is committed to enhancing and ensuring compliance through the continuation of these initiatives.

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Relations with Shareholders and Investors

KGI	Cost of shareholders' equity (10% or lower)	KPI	Number of dialogues with investors

Strengthen Dialogue with Stakeholders

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.

For dialogue with shareholders and investors, we are enhancing IR initiatives to deepen understanding of the Company—including the General Meeting of Shareholders, financial results briefings for institutional investors and analysts, theme-specific briefings reflecting investor interests at the time, dialogue with institutional investors in Japan and overseas, briefings for individual investors, and factory tours—and are working to create opportunities for communication with management. In these dialogues, centered on the Medium-term Management Plan announced in February 2026 and particularly on the growth stories of Growth Businesses, we engage in discussions about initiatives to increase earnings and maximize cash-generating capacity in a sustainable manner through strategic investment.

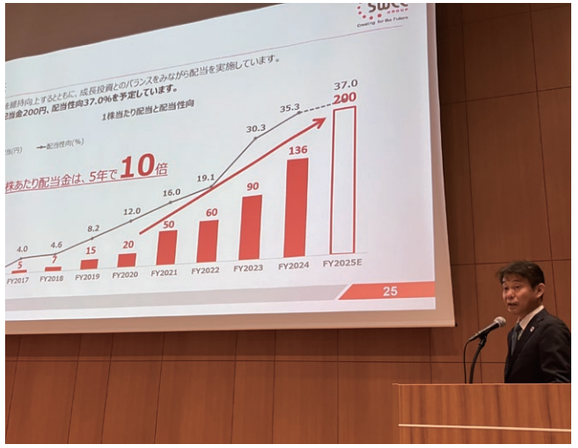


Deepen Information Disclosure by Utilizing Feedback

Shareholders and investors have shown strong interest in these growth stories and their feasibility. Based on insights and feedback obtained through dialogue, we are enhancing the information we provide by preparing disclosure materials that reflect their interests and opinions and holding theme-specific briefings, among other initiatives.

We also actively engage in constructive discussions on governance, human capital, and other topics and draw on opinions and requests from diverse perspectives in our corporate activities.

Going forward, we will continue applying these insights to management and improvements in disclosure so that we can communicate our initiatives more clearly to stakeholders. Moreover, various event reports as well as disclosure documents are posted on our website as content to deepen understanding of our Company.



Cost of Equity

To achieve our desired state for 2030—"continue sound business activities and enhance trust and evaluation as a company"—we have set a cost of shareholders' equity of 10% or lower as a key management target. To reduce the cost of shareholders' equity, we recognize that, in addition to improving business profitability and capital efficiency, it is important to obtain an appropriate valuation in the capital markets. Based on this recognition, we position dialogue with investors as an important initiative and manage the status of such dialogue as a KPI. By deepening understanding of our business strategy and growth potential through dialogue and linking this to an appropriate capital-market valuation, we aim to reduce the cost of shareholders' equity.

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Information Security

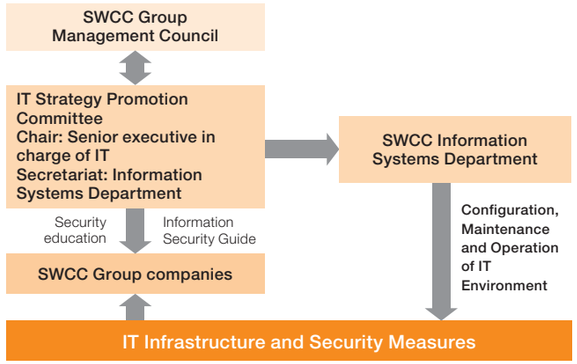
The SWCC Group has established its Information Security Policy under which it reviews countermeasures against cyber attacks and carries out annual training for employees. The SWCC Group actively undertakes investments in information security, which we recognize as a key management issue.

Information Security Basic Policy

Information handled by the SWCC Group includes customer information, management information, technology and production information, employee personal information, and other information vital to business activities. In addition to complying with laws and regulations, we will ensure confidentiality, completeness, and availability of information by developing suitable information management systems and IT environments, meeting the trust placed in us by customers. To achieve these goals, the SWCC Group has created and maintains its Information Security Guide.

Management System

The SWCC Group has established an IT Strategy Promotion Committee aimed at achieving the adoption and operation of information systems, with the goal of overall optimization based on our management strategies. Composed of the IT managers of Group companies, the IT Strategy Promotion Committee develops information security measures, plans and implements security education, and proposes investments in security measures. SWCC's Information Systems Department is responsible for configuring IT infrastructure, implementing security measures, and maintenance and operations.



FY2025 Initiative Results

We conducted information security education for SWCC Group employees. In addition, we conduct security-focused mini-tests every month, providing continuous and frequent learning opportunities to improve employee awareness and response capabilities. We also provided specialized education for IT personnel in each department to address increasingly sophisticated cybersecurity risks.

We conducted drills simulating cyberattacks to strengthen practical response capabilities in the event of an incident.

In addition, in cooperation with an external cybersecurity specialist, we took an inventory of SWCC Group IT assets exposed to the Internet. We performed security assessments of these IT assets and implemented appropriate corrective action for identified vulnerabilities.

FY2026 Initiatives Plan

We will continue information security education and drills simulating cyberattacks to further enhance employee security awareness and response capabilities. In addition, in cooperation with an external cybersecurity specialist, we will regularly conduct security assessments using an ASM (Attack Surface Management) system and continuously implement measures to address identified vulnerabilities, further reducing risks related to IT assets.

BCM

Business Continuity Management (BCM)

Through business continuity management (BCM), the SWCC Group prepares for risks such as natural disasters and system failures as we advance initiatives aimed at fulfilling our social responsibility through the stable supply of products to business partners. We also conduct verification of and review our business continuity plan (BCP) manual to respond swiftly to changes in the business environment and maintain the continuity of our business.

In FY2025, we verified the effectiveness of the manual and conducted inspections at all sites. In FY2026, we plan to conduct drills to further enhance the manual's effectiveness.

Risks that threaten business continuity have increased and become diversified in recent years, encompassing climate change, cyber attacks, geopolitical risks, contagious diseases, and more.

As a corporate group that supports social infrastructure, the SWCC Group positions the management and reduction of risk as a key management issue and will continue Group-wide initiatives.

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Balancing supervision and advice to encourage the development of a resilient business portfolio

The SWCC Group has launched its new Medium-term Management Plan and is taking on challenging targets. Five Outside Directors discuss their expectations for expansion into new domains and global markets, as well as points that warrant close attention.



Minako Nishimura
Outside Director, Audit and Supervisory Committee Member

Yuji Sakakura
Outside Director

Koji Naito
Outside Director

Takashi Mukuno
Outside Director, Audit and Supervisory Committee Member

Kumiko Baba
Outside Director, Audit and Supervisory Committee Member

Discussion during the Formulation of the New Medium-term Management Plan

What points did you focus on with the Medium-term Management Plan "Transformation for Growth SWCC 2030" (the new Medium-term Plan), and what were the key points of discussion at Board meetings during its formulation?

Sakakura: The two biggest points of focus in the new Medium-term Management Plan are the 80.0 billion yen inorganic investment framework that will serve as a catalyst for the BD (Business Development) strategy, and the target of 40.0 billion yen in operating profit for FY2030. The use of the word "Transformation" in the plan's title conveys management's determination to undertake major change unlike anything that has been done before. The plan incorporates unprecedentedly bold strategies, including expansion in the semiconductor domain, which is attracting attention as a growth field, and global business expansion. I look forward to management taking an aggressive approach, and as an Outside Director I will provide firm advice and oversight. A fitting topic for the launch of the new Medium-term Management Plan is the transfer of the business of consolidated subsidiary AXIO Corporation, which was decided in May 2026. We have taken an active approach advancing ROIC-Oriented Management since FY2019, and from the standpoint of ROIC-Oriented

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Management I see this as an unprecedentedly significant decision.

Mukuno: The new Medium-term Management Plan represents President Komata's declaration of a shift to a new growth phase, taking up the baton of reform from current Chairman Hasegawa, and is strongly conscious of the changes ahead. It reflects careful consideration of what is needed to build further on the growth in sales and profits achieved under former President Hasegawa, with a strong emphasis on new business domains, global expansion, investment in human capital, and other areas. I think it was very positive to include many themes that had not previously received such strong emphasis. The challenge from here is to set out milestones—what must be done and by when—to turn the vision into reality.

Nishimura: As Mr. Mukuno noted, the new Medium-term Management Plan sends a clear message that we have completed the phase in which we significantly expanded each business and are now entering a new phase. In other words, we are moving from a stage of "reform" to a stage of "growth." With this change in stages, I feel employees' awareness also needs to change. Alongside further strengthening human capital, it is important to advance this transformation in awareness.

Baba: The growth of TOTOKU Inc., which joined the Group in March 2025, will be a key factor in the new Medium-term Management Plan as we advance ROIC-Oriented Management 2.0. Over the past year, the SWCC Group has fully embarked on PMI* at TOTOKU. As this was an acquisition on a scale we had never experienced before, I imagine the worksite teams have faced considerable difficulties in the PMI process. As an Audit and Supervisory Committee Member, I visited and audited locations including the company's Ueda Office, and I came away with the impression that TOTOKU has extremely high potential. It has strong technological capabilities, and I have high expectations for its contribution both to the global expansion envisioned in the new Medium-term Management Plan and to achieving inorganic growth.

* PMI: Post Merger Integration

Sakakura: There was also considerable discussion regarding the transfer of AXIO's business. Some argued that a transfer to another company would be better for AXIO's future growth, while others felt that, as a member of the same Group, it would be difficult to let the company go so easily. I myself had been advising for quite some time that the SWCC Group should reconsider AXIO's position. Ultimately, I believe the conclusion reflected the view that we should further sharpen our selection and concentration of businesses.

What I expect from the executive side is strong leadership. The SWCC Group may



not historically have had much of a culture of vigorous debate, but if we are serious about global expansion, I do not think we can avoid it. With favorable market conditions behind us, we Outside Directors also have a responsibility to encourage management to move forward.

Naito: I have been an Outside Director of the Company for about a year, and my impression is that business portfolio management has long been conducted quite rigorously. By defining New Businesses in addition to Growth Businesses, Cash Cow Businesses, Innovative Businesses, and Problem Businesses, positioning each business, and determining the appropriate response, the Company is able to make sound decisions. As Mr. Sakakura also noted, in the case of AXIO I believe the Company assessed who would be the best owner. It is easy to see that the Company has consistently made disciplined decisions to enhance corporate value in the past as well. What I expect from the executive side is the kind of change in awareness and corporate culture that Ms. Nishimura mentioned. If global expansion and growth of the semiconductor business are to be key themes, the Company should make clear what aspects of its culture need to change and how. That would make the initiatives more concrete.

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Effectiveness of the Board of Directors

Please share your views on improvements made in response to the results of the Board effectiveness evaluation and on ways to improve the effectiveness evaluation itself, including third-party evaluation.

Baba: I see three benefits from the effectiveness evaluation itself. First, the evaluation process itself helps revitalize the Board of Directors. It creates an opportunity for each Director to seriously consider how the Board should function. Second, as the SWCC Group captures growth markets and expands rapidly, management also needs to make speedy decisions and discussions. The effectiveness evaluation has created opportunities to discuss how the Board should operate. When the Board of Directors Regulations were revised, these discussions provided the backdrop for a deeper examination of what should be resolved by the Board and what should be delegated to the executive side. Third is the benefit of third-party evaluations. Introducing an objective perspective has given Directors new insights and, I feel, raised the level of their perspective. At the same time, if we become overly constrained by third-party evaluations, there is a risk that the creativity and originality of our Board could be diminished, so we need to be careful. Especially in the current growth phase, it is important for the Board to tailor its priorities to the Company's circumstances, for example by focusing on supporting appropriate risk-taking.





Mukuno: As part of efforts to operate the Board more efficiently, I think the substantial change in how prior briefings are conducted was very positive. By reviewing video presentation materials in advance and submitting questions to the secretariat, the points that need to be discussed at the Board meeting become clear. Having this process take place beforehand has improved both the efficiency and the quality of Board meetings. In fact, I feel Board discussions have become much deeper than before. Related to Ms. Baba's point, even without going so far as to revise the criteria for matters submitted to the Board when revising the Board Regulations, operational improvements should make it possible to increase the time devoted to strategic discussion at Board meetings, and I hope the secretariat will continue finding ways to do so. Third-party evaluation has led to a variety of insights. One example is the quality of presentation materials submitted by proposing departments. Although this would place an additional workload on the secretariat, it is also important for the responsible department and the secretariat to work together on what form materials should take to raise the quality of Board discussions.

Sakakura: Efforts to improve the quality of discussion based on the effectiveness

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evaluation are of course important, and this year's evaluation included many expectations and requests directed at the executive side. Another important point is to thoroughly consider how the five Outside Directors, who make up a majority of the Board, should approach matters submitted by the executive side and what kind of discussion will best enhance the Board's effectiveness. Ultimately, I believe that is what leads to greater effectiveness. As Ms. Baba mentioned earlier, I completely agree about the creativity and originality that is unique to our Board. It is of course important to learn from good practices at other companies and improve ourselves, but just as the Corporate Governance Code respects the "comply or explain" principle, justifying an original approach to Board governance requires us to explain it—in other words, we Outside Directors must remain fully conscious of improving effectiveness and fulfill our roles responsibly.

Nishimura: The five Outside Directors each have different backgrounds and bring their own experience, expertise, and values to Board discussions. I strongly feel that this diversity enhances the Board's effectiveness. Our Outside Directors include people with hands-on experience in business and management. Rather than discussing only a textbook view of what things "should" look like, each Director expresses opinions grounded in actual experience and knowledge from running businesses. I believe this contributes to higher-quality discussions.

Naito: Chairman Hasegawa, who chairs the Board, plays a significant role in drawing out diverse opinions, and I believe that also contributes to greater effectiveness. I believe the quality of a Board can change significantly depending on how the Chairman conducts it. It is important not to create an atmosphere in which people hesitate to talk out or feel pressured to defer to others. In that sense, our Board has no such atmosphere. We can engage in lively, open-minded discussions without barriers between the executive and supervisory sides. I am also impressed that Board resolutions are backed by strong execution. Decisions reached through high-quality discussions consistently lead to action. That is exactly what it means for governance to be working effectively.

Discussion on Human Capital

What issues do you see from the perspective of a human resource strategy linked to management strategy, and what key themes will be important for further strengthening human capital?



Nishimura: Since around last year, I have noticed the term "human capital" being used much more frequently throughout the Company. The new Medium-term Management Plan also calls for building mechanisms for human capital investment, and I understand this as a clearer positioning of the importance of human capital by the Company. Among the four pillars of our Human Capital Strategy, I particularly want to closely oversee progress in building a human resource portfolio linked to the "business portfolio." To make another leap forward, we also need to develop people capable of conducting global business and digital talent. The Human Resources Strategy Committee was established this year, and I am watching the substance of its discussions closely.

Naito: I share Ms. Nishimura's perspective and the same sense of the issues. I recognize that we are not doing enough to monitor the relationship between management strategy and human resources. We have not sufficiently identified who will be responsible for executing the management strategy, and that is the first point we need to clarify. Information disclosure is another area requiring deeper discussion by the Board. Disclosure of information on human capital is still insufficient. For example, in business portfolio management, the type of talent needed for Growth Businesses should differ from that needed for Cash Cow Businesses. I will seek careful explanations of the leadership profiles the Company envisions and what it is doing to develop them.

Mukuno: Generally speaking, measures to strengthen human capital often involve developing skills through education and training or selecting promising people, forming

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a talent pool, and promoting candidates from that pool. In the SWCC Group, however, as Mr. Naito noted, businesses at many different stages coexist—from Cash Cow Businesses to Growth Businesses—and there should be many workplaces where people can learn more from hands-on experience than from training. For example, we could entrust a promising person with full responsibility for a new business. Experience in demonstrating leadership in an environment where they must involve the people around them could also be effective in developing the next generation of management talent. That is how I see it based on my own experience as well.

Sakakura: I agree with Mr. Mukuno that OJT is indeed important. It is important to provide people with opportunities through OJT and increase the number of employees who can turn the prospect of such opportunities into motivation. Training for mid-career employees and next-generation management programs should ideally serve this purpose, and there may be room to devise training methods that more consciously strengthen human capital in line with management strategy. Of course, some people are already growing through success achieved after demanding worksite experiences. The Regana Business is a good example, and I look forward to seeing a second and third Regana emerge.

Baba: It is important to keep our attention at worksites. Having come from a manufacturing company myself, this is something I strongly appreciate. Human capital is often discussed in the context of "cultivating next-generation management talent," but it is also extremely important to devote resources to developing the people who support manufacturing sites. Japan is now shifting toward the promotion of physical AI, but even with that development, manufacturing sites cannot operate without people who possess manufacturing expertise. Management is of course fully aware of this, but the entire Company must keep a close eye on worksites, including the work environment.



Board Diversity and Succession

How do you view the diversity of the Board as an Outside Director, and how should the Company approach succession for the next generation of management talent?

Nishimura: When it comes to Board diversity, having Outside Directors with diverse backgrounds make up a majority of the Board contributes to improving the quality of discussions. Generally speaking, Directors on the executive side tend to be strongly conscious of historical circumstances and industry practices and can become cautious when the Company should be taking on new domains. I believe our Board composition is strong in the sense that it can encourage those Directors to move forward.

Mukuno: One example of encouraging the executive side was the discussion on delegating authority related to the Board and Management Council. In 2019, the Company transitioned from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee. In response, Outside Directors offered recommendations on matters to be submitted to the Board and on how the Management Council should operate. As a result of these discussions, the operation of the Management Council improved significantly. On the other hand, in terms of diversity within the Management Council itself, I have the impression that there is little fundamental disagreement and that discussions are not delving deep enough. That is one point that concerns me.

Sakakura: At other companies, Board discussions can easily become confrontations between the executive and supervisory sides, but at our Company, opinions among Outside Directors themselves often differ. That means we are able to engage in genuine debate. I believe this also gives the executive side useful opportunities for new insights.

Succession also includes the perspective of succession among Outside Directors. One role that Outside Directors must fulfill is to have resolve. That means having the resolve to confront management as representatives of the common interests of shareholders not only in emergencies, such as when responding to activists, but also during normal times. Another is balancing the supervisory and advisory

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functions. We need to embrace the idea that "good supervision is based on good advice."

Baba: The Company has emphasized strengthening the CxO structure under the new management framework, and I look forward to seeing how it evolves. Related to Mr. Mukuno's point about homogeneity in Management Council discussions, if we are going to have a CxO structure, each CxO must have a strong sense of ownership and enhance the function they are responsible for.

Naito: When considering succession to the next generation of management, we also need the perspective of choosing the SWCC Group's future through our own decisions. The intentions of Chairman Hasegawa and CEO Komata are important, but members of the Nominating and Compensation Committee must also envision the SWCC Group's future from different perspectives and communicate that vision. In that sense, the role of Outside Directors is extremely important.

Message to Shareholders and Investors

Finally, please provide a message for our shareholders and investors.

Mukuno: A major strength of the SWCC Group is its ability to continuously bring products with unique characteristics to market. Put another way, I believe the Company has the ability not only to develop unique products but also to effectively convert that development capability into business strength. People are ultimately what we need to continue demonstrating this capability. As an Outside Director, I will devote myself to providing the advice and oversight needed for the Company to become widely recognized as an organization capable of cultivating such people.

Baba: Strong leadership is of course important when confronting rapidly growing markets, but it is employees and worksite teams who ultimately put that leadership into action. The SWCC Group is made up of straightforward and sincere people and has a culture of working as teams in open, candid relationships. These people have made possible the many reforms we have undertaken, including ROIC-Oriented Management. I think our employees can and should have greater confidence in that. I would like shareholders and investors to understand more about the people and culture that make this possible.

Sakakura: There is no doubt that the SWCC Group is one of the companies indispensable to society because it supports social infrastructure. With the data center and electric power infrastructure markets growing rapidly, we also have favorable market momentum behind us. When grouped with major electric wire manufacturers, the SWCC Group is sometimes seen as trailing the top three companies. What I want shareholders and investors to understand, however, is that we are not "the fourth-largest company in the industry" but "a one-of-a-kind, unique company."
For example, we adopted ROIC-Oriented Management relatively early among Japanese companies and have already produced results. I believe our size is precisely what enables us to act this quickly. As an Outside Director of a corporate group that still has abundant growth opportunities, I want to be someone who firmly encourages management to move forward.

Nishimura: The new Medium-term Management Plan we have announced sets extremely ambitious targets. But this is a company with the leadership, organizational capabilities, and human resources to turn those targets into reality rather than leave them as a vision on paper, and I believe it has enormous potential. I hope shareholders and investors will look forward to what we achieve.

Naito: As Mr. Sakakura noted, the SWCC Group has firmly captured the electric power infrastructure market and is a company capable of continually rolling out high-value-added solutions. To use an analogy, it is like a farmer with an exceptionally attractive field that keeps producing a wide variety of crops. However, the market we face is more "hunter" than "farmer." I hope you will look forward to the continued growth of the SWCC Group as we fully harness the strengths of people from different cultures who have joined us through M&A.



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Management Team (Introduction of Officers)

Director, Audit and Supervisory Committee Members (as of June 25, 2026)



Representative Director and Chairman
Chairman of the Board of Directors

Takayo Hasegawa

Number of Company shares held *1: 24,440 shares
Attendance at Board of Directors meetings *2: 16/16 meetings
Years in office as Director *3: 13 years



Executive President and Representative Director (CEO)

Tetsuo Komata

Number of Company shares held *1: 8,556 shares
Attendance at Board of Directors meetings *2: 16/16 meetings
Years in office as Director *3: 2 years



Outside Director

Yuji Sakakura

Number of Company shares held *1: 900 shares
Attendance at Board of Directors meetings *2: 16/16 meetings
Years in office as Director *3: 6 years



Outside Director
Audit and Supervisory Committee Member

Takashi Mukuno

Number of Company shares held *1: 200 shares
Attendance at Board of Directors meetings *2: 16/16 meetings
Years in office as Director *3: 3 years



Outside Director
Audit and Supervisory Committee Member

Minako Nishimura

Number of Company shares held *1: 200 shares
Attendance at Board of Directors meetings *2: 16/16 meetings
Years in office as Director *3: 3 years



Outside Director

Koji Naito

Number of Company shares held *1: 300 shares
Attendance at Board of Directors meetings *2: 11/11 meetings
Years in office as Director *3: 1 year



Outside Director
Audit and Supervisory Committee Member

Kumiko Baba

Number of Company shares held *1: 0 shares
Attendance at Board of Directors meetings *2: 11/11 meetings
Years in office as Director *3: 1 year



Director
Full-time Audit and Supervisory Committee Member

Futoshi Yamaguchi

Number of Company shares held *1: 9,800 shares
Attendance at Board of Directors meetings *2: 16/16 meetings
Years in office as Director *3: 2 years

Please refer to our website for career histories: https://www.swcc.co.jp/eng/company/about_us/leadership.html
*1 Number of shares held as of March 31, 2026 *2 Attendance at Board of Directors meetings in FY2025 *3 Years in office as of June 25, 2026

Executive Officers (as of April 01, 2026)

Yukio Kawase
Senior Managing Executive Officer
Chief Business Officer
Head of Business Segments
In charge of Production Sites and Logistics Reform

Toshiharu Kamijo
Senior Managing Executive Officer
CFO (Chief Financial Officer)
Head of Corporate Functions
In charge of Supervising Group Companies, Human Resources, Legal Affairs and Risk Management

Kazuhiko Inoue
Managing Executive Officer
Chief of the Communication and Components Business Segment and President and Representative Director of Fuji Electric Cable Co., Ltd.

Shiro Moriguchi
Executive Officer
Chief of the Energy and Infrastructure Business Segment and President and Representative Director of SFCC Corporation

Shigeru Toyama
Executive Officer
Assistant Chief of the Energy and Infrastructure Business Segment
In charge of the Electricity Business

Nobuyuki Sema
Executive Officer
In charge of the Regana Business

Yuichi Morishita
Executive Officer
CTO (Chief Technology Officer)
In charge of Technology Planning and Intellectual Property Strategy

Noriyuki Shiga
Executive Officer
In Charge of Sustainability, Quality, and Health and Safety

Daigo Baba
Executive Officer
In charge of Sales Coordination and Sales Strategy

Yoichi Kitagawa
Executive Officer
In charge of Business Strategy and Material Procurement

Masaki Matsui
Executive Officer
In charge of Accounting, General Affairs, and Shared Services

Hengwei Shen
Executive Officer
CDO (Chief Digital Officer)
In charge of Cybersecurity

Isofumi Fukumoto
Executive Officer
In charge of Management Strategy, Business Development Strategy and IR and Public Relations Strategy

Takashi Yamamura
Executive Officer
In charge of TOTOKU's businesses and President and Representative Director of TOTOKU Inc.

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Fiscal Year	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Consolidated Results of Operations (millions of yen)											
Net sales	169,712	155,232	168,186	177,174	171,142	161,697	199,194	209,111	213,904	237,862	277,736
Gross profit	17,728	20,099	21,646	21,718	23,733	21,759	25,357	25,804	28,967	38,643	50,622
Selling, general and administrative expenses	(16,778)	(15,865)	(15,370)	(15,077)	(15,123)	(14,168)	(15,318)	(15,329)	(16,142)	(17,708)	(23,302)
Operating profit	949	4,234	6,276	6,640	8,609	7,590	10,039	10,474	12,824	20,935	27,320
Interest expense	(965)	(852)	(841)	(805)	(669)	(398)	(363)	(520)	(580)	(513)	(642)
Equity in earnings (loss) on equity-method	(644)	(83)	(415)	(476)	(2)	248	484	263	33	(7,643)	(467)
Foreign exchange gain (loss)	(304)	(202)	36	(75)	(36)	19	37	(138)	(9)	(126)	(55)
Ordinary profit	(1,461)	2,446	4,892	5,603	7,864	7,765	9,882	10,393	12,213	11,272	26,130
Profit attributable to owners of parent	(9,151)	1,976	3,737	4,569	5,465	4,966	9,353	9,410	8,838	11,400	18,840
Comprehensive Income	(11,195)	2,938	5,722	2,314	4,584	8,628	11,332	10,782	12,623	11,505	20,771
Depreciation	3,699	2,928	2,877	3,011	3,099	3,183	3,345	3,497	3,638	3,903	6,593
Capital expenditure	3,983	3,244	3,391	2,944	4,186	3,969	6,303	4,282	5,736	6,830	7,080
Research and development expenses	1,045	927	1,046	1,119	1,255	1,276	1,414	1,378	1,568	1,991	2,280
Information on Consolidated Cash Flows (millions of yen)											
Cash flows from operating activities	4,545	7,842	6,804	6,901	8,696	8,882	428	4,163	17,740	13,112	16,230
Cash flows from investing activities	(3,846)	(2,218)	(4,051)	(3,552)	(4,144)	(3,358)	(1,519)	(3,547)	1,021	71	(2,482)
Cash flows from financing activities	(2,289)	(6,506)	(3,295)	(2,970)	(4,879)	(5,661)	64	(85)	(15,626)	(1,451)	(22,348)
Cash and cash equivalents at end of year	6,282	5,192	4,603	4,721	4,225	4,086	3,279	3,958	7,227	19,153	10,607
Consolidated Financial Position (millions of yen)											
Total assets	123,069	119,528	123,518	124,165	122,521	129,460	147,356	156,650	161,583	210,970	206,878
Net Assets	25,724	28,655	33,477	35,628	39,981	48,169	58,932	68,390	77,126	92,130	106,012
Interest-bearing debt	57,482	51,419	48,994	46,658	42,303	37,689	39,171	41,177	30,282	54,729	40,018
Shareholders' equity	25,371	28,150	32,857	34,943	39,576	47,568	58,273	67,505	75,905	83,659	98,395
Per Share Information (consolidated basis) (yen)											
Net income	(296.98)	64.14	123.93	153.22	183.27	166.49	313.44	315.01	297.12	385.69	636.48
Net Assets	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	2,828.99	3,322.34
Dividend	0.00	0.00	5.00	7.00	15.00	20.00	50.00	60.00	90.00	136.00	223.00
Dividend payout ratio (consolidated basis)	–	–	4.0%	4.6%	8.2%	12.0%	16.0%	19.1%	30.3%	35.3%	35.0%
Key Financial Indicators (consolidated basis)											
Operating margin	0.6%	2.7%	3.7%	3.8%	5.0%	4.7%	5.0%	5.0%	6.0%	8.8%	9.8%
ROA (Return on assets)	–1.1%	2.0%	4.0%	4.5%	6.4%	6.2%	7.1%	6.8%	7.7%	6.1%	12.5%
ROE (Return on Equity)	–29.5%	7.4%	12.3%	13.5%	14.7%	11.4%	17.7%	15.0%	12.3%	14.3%	20.7%
Shareholders' equity ratio	20.6%	23.6%	26.6%	28.1%	32.3%	36.7%	39.5%	43.1%	47.0%	39.7%	47.6%
D/E Ratio	227%	183%	149%	134%	107%	79%	67%	61%	40%	65%	41%
Overseas sales ratio	11.2%	11.5%	11.8%	9.7%	8.2%	9.2%	9.2%	9.9%	8.3%	8.4%	11.5%

Notes: 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.
3. In FY2025, the Company finalized the provisional accounting treatment for a business combination, and the figures for FY2024 reflect the amounts after finalization.

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Consolidated Balance Sheet

(millions of yen)

	FY2024	FY2025
ASSETS		
Current assets		
Cash and time deposits	19,449	10,764
Notes receivable - trade	973	650
Electronically recorded monetary claims	9,452	7,017
Accounts receivable - trade	41,313	47,310
Contract assets	2,495	2,897
Merchandise and finished goods	15,436	14,230
Work in process	9,931	12,067
Raw materials and supplies	7,657	7,997
Other	3,824	3,493
Allowance for doubtful accounts	(16)	(19)
Total current assets	110,518	106,409
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	16,185	17,661
Machinery, equipment and tools (net)	14,007	12,836
Tools, furniture and fixtures (net)	1,886	1,951
Land	21,295	20,795
Other	1,857	1,378
Total property, plant and equipment	55,231	54,622
Intangible assets		
Customer-related assets	15,890	15,199
Technology assets	5,277	5,013
Goodwill	7,583	7,161
Other	2,065	2,880
Total intangible fixed assets	30,815	30,254
Investments and other assets		
Investment securities	6,207	5,298
Deferred tax assets	710	431
Net defined benefit asset	6,211	8,381
Other	3,321	2,737
Allowance for doubtful accounts	(2,045)	(1,256)
Total investments and other assets	14,404	15,592
Total fixed assets	100,452	100,469
Total assets	210,970	206,878

(millions of yen)

	FY2024	FY2025
LIABILITIES		
Current liabilities		
Trade notes and accounts payable	23,913	25,076
Electronically recorded obligations	4,181	4,101
Short-term debt	46,965	23,000
Other accounts payable	7,372	6,317
Accrued income taxes	8,051	4,108
Contract liabilities	555	394
Provision for bonuses for senior executives	51	67
Other	6,982	8,025
Total current liabilities	98,075	71,091
Long-term liabilities		
Long-term debt	7,199	16,484
Deferred tax liabilities	6,960	6,864
Deferred tax liabilities related to land revaluation	3,604	3,604
Provision for retirement benefits for Directors	7	10
Net defined benefit liability	2,048	1,768
Other	942	1,041
Total long-term liabilities	20,764	29,774
Total liabilities	118,840	100,865
NET ASSETS		
Shareholders' equity		
Common stock	24,221	24,221
Capital surplus	6,234	6,748
Retained earnings	42,088	55,700
Treasury stock	(1,972)	(1,878)
Total shareholders' equity	70,571	84,791
Accumulated other comprehensive income		
Unrealized holding gains on other securities	720	910
Deferred hedge gains and losses	–	0
Variance of land revaluation	5,243	5,243
Foreign currency translation adjustments	4,790	3,840
Remeasurements of defined benefit plans	2,333	3,607
Total accumulated other comprehensive income	13,087	13,603
Non-controlling interests	8,470	7,617
Total net assets	92,130	106,012
Total liabilities and net assets	210,970	206,878

Consolidated Statement of Operations

(millions of yen)

	FY2024	FY2025
Net sales	237,862	277,736
Cost of sales	199,219	227,113
Gross profit	38,643	50,622
Selling, general and administrative expenses	17,708	23,302
Operating profit	20,935	27,320
Other income		
Interest income	58	43
Dividend income	214	142
Gain on sales of fixed assets	44	307
Reversal of allowance for doubtful accounts	–	637
Other	361	467
Total other income	678	1,598
Other expenses		
Interest expense	513	642
Equity in gain of affiliates	7,643	467
Foreign exchange loss	126	55
Financing expenses	50	297
Provision for allowance for doubtful accounts	1,256	–
Loss on disposal of fixed assets	181	367
Loss on settlement of derivatives	162	331
Other	406	627
Total other expenses	10,341	2,788
Ordinary profit	11,272	26,130
Extraordinary income		
Gain on sales of fixed assets	7,394	–
Gain on sales of investment securities	2,113	2,105
Gain on liquidation of affiliated companies	–	748
Gain on sale of shares of affiliated companies	–	11
Gains on sale of investments in affiliates	174	239
Total extraordinary income	9,682	3,105
Extraordinary losses		
Impairment loss	–	526
Business structure improvement expenses	180	5
Loss on valuation of shares in affiliates	29	–
Loss on sales of investment securities	–	0
Total extraordinary losses	210	531
Income before income taxes and non-controlling interests	20,744	28,703
Income taxes - current	10,123	9,087
Income taxes - deferred	(1,574)	(551)
Total income taxes	8,548	8,535
Net income	12,196	20,168
Profit attributable to non-controlling interests	795	1,327
Profit attributable to owners of parent	11,400	18,840

Consolidated Statement of Comprehensive Income

(millions of yen)

	FY2024	FY2025
Net income	12,196	20,168
Other comprehensive income:		
Unrealized holding gains on other securities	(1,789)	206
Deferred hedge gains and losses	0	0
Variance of land revaluation	(104)	–
Foreign currency translation adjustments	836	(504)
Remeasurements of defined benefit plans	174	1,297
Share of other comprehensive income of affiliates in equity method	192	(395)
Total other comprehensive income	(690)	603
Comprehensive Income	11,505	20,771
(Breakdown)		
Owners of parent	10,702	19,302
Non-controlling interests	802	1,469

Consolidated Statement of Cash Flows

(millions of yen)

	FY2024	FY2025
Cash flows from operating activities		
Income before income taxes and non-controlling interests	20,744	28,703
Depreciation	3,903	6,593
Amortization of goodwill	–	421
Impairment loss	–	526
Loss (gain) on sales of investment securities	(2,113)	(2,105)
Increase (decrease) in allowance for doubtful accounts	937	(786)
Increase (decrease) in reserve for construction loss	(50)	–
Increase (decrease) in provision for product repair costs	(209)	–
Increase (decrease) in provision for directors' bonuses	10	15
Increase (decrease) in provision for net defined benefit liability	33	(210)
Interest and dividend income	(272)	(186)
Interest expense	513	642
Foreign exchange (gain) loss	135	30
Business structure improvement expenses	180	5
Loss (gain) on sales of fixed assets	(7,394)	(307)
Equity in loss (earnings) on equity-method	7,643	467
Decrease (increase) in trade receivables	400	(3,694)
Decrease (increase) in inventories	(1,396)	(1,269)
Increase (decrease) in trade payables	(154)	1,181
Decrease (increase) in other current assets	(732)	107
Increase (decrease) in other current liabilities	(2,947)	63
Other	978	(666)
Sub-total	20,210	29,532
Interest and dividends received	443	260
Interest paid	(516)	(642)
Business structure improvement expenses paid	(245)	(6)
Income taxes paid or refunded	(6,779)	(12,913)
Cash flows from operating activities	13,112	16,230
Cash flows from investing activities		
Payments for purchase of investment securities	(57)	(18)
Proceeds from sales of investment securities	4,578	3,292
Payments for purchase of property, plant and equipment	(6,956)	(5,862)
Proceeds from sales of property, plant and equipment	10,226	938
Payments for purchase of intangible assets	(634)	(1,169)
Payments for acquisition of shares of subsidiaries resulting in changes in scope of consolidation	(7,709)	–
(Increase) decrease in short-term loans receivable	0	187
Other	624	149
Cash flows from investing activities	71	(2,482)
Cash flows from financing activities		
Increase (decrease) in short-term bank borrowings	7,516	(23,690)
Proceeds from long-term debt	450	17,237
Repayment of long-term debt	(5,828)	(8,580)
Redemption of bonds	(30)	–
Purchase of treasury stocks	(2)	(5)
Payments for acquisition of shares of subsidiaries not resulting in changes in scope of consolidation	–	(1,406)
Cash dividends paid	(3,117)	(5,228)
Other	(439)	(675)
Cash flows from financing activities	(1,451)	(22,348)
Effect of exchange rate changes on cash and cash equivalents	193	54
Net increase (decrease) in cash and cash equivalents	11,926	(8,545)
Cash and cash equivalents at beginning of year	7,227	19,153
Cash and cash equivalents at end of year	19,153	10,607

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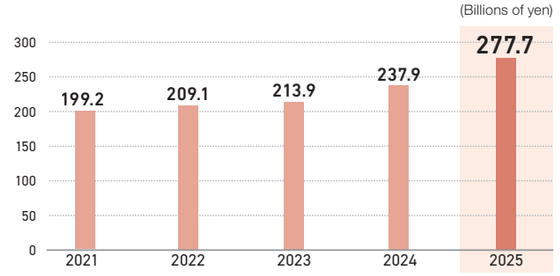
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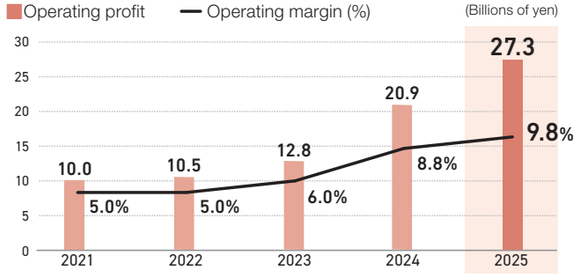
Net Sales



In the Energy and Infrastructure Business, increased production of the strategic product SICONEX captured robust replacement demand for substation equipment, leading to increased orders. In the Communication and Components Business, increasing demand for the strategic product e-Ribbon for U.S. data centers, together with TOTOKU Inc. joining the Group, contributed to higher earnings. In addition, the impact of higher copper prices resulted in net sales increasing 16.8% from FY2024.

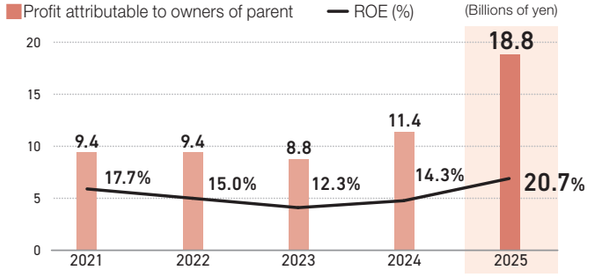
Scope: SWCC and its consolidated subsidiaries

Operating profit / Operating Margin



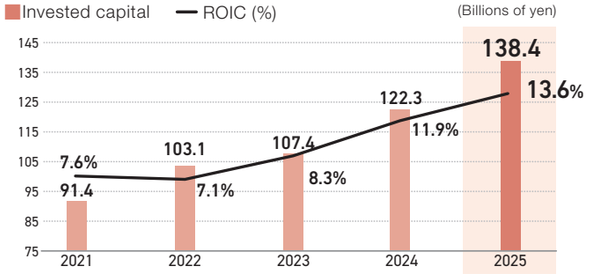
Profitability in the Energy and Infrastructure Business improved due to the effects of increased SICONEX production and productivity improvement measures, while higher e-Ribbon shipments and the effect of TOTOKU joining the Group contributed to revenue growth in the Communication and Components Business. We also responded to rising raw material prices through appropriate price revisions and cost reduction measures. As a result, operating income increased 30.5% year on year.

Profit Attributable to Owners of Parent / ROE



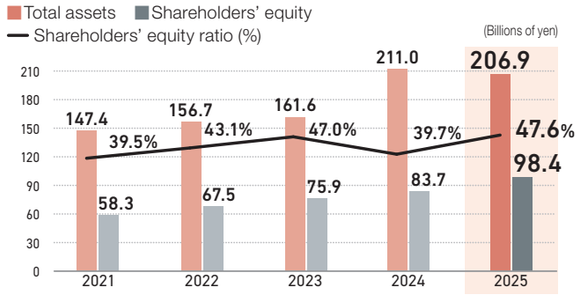
In addition to the increase in operating income described above, gains on sales of investment securities and gains on liquidation and transfer of interests in affiliated companies resulted in Profit attributable to owners of parent increasing 65.3% from FY2024. As a result, ROE was 20.7%.

Invested Capital / ROIC



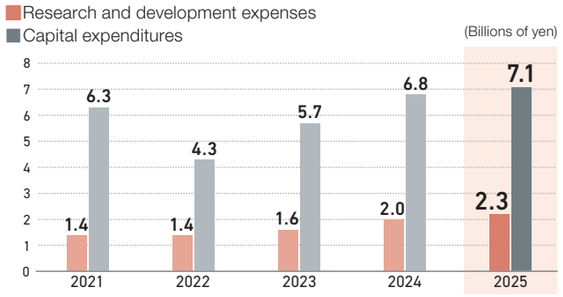
While invested capital increased due in part to higher working capital resulting from rising copper prices, operating profit increased on strong performance in the Power Infrastructure and Communication Cables businesses, and ROIC rose 1.7 percentage points from FY2024 to 13.6%.

Total Assets / Shareholders' Equity / Equity Ratio



Total assets decreased from the end of the previous consolidated fiscal year as cash and deposits, which had temporarily increased with the acquisition of TOTOKU, were reduced, despite an increase in working capital. Meanwhile, shareholders' equity increased mainly due to an increase in retained earnings from the recording of Profit attributable to owners of parent, and the shareholders' equity ratio was 47.6%.

Research and Development Expenses / Capital Expenditure



R&D expenses increased from FY2024 as we advanced development of products for electric power infrastructure, the strategic product e-Ribbon, semiconductor-related products, and other offerings. Capital expenditures increased from FY2024 due to increased production of SICONEX and expansion of testing equipment, investment to increase e-Ribbon production, and construction of welfare and office buildings at business sites, among other factors.

Scope: SWCC and its consolidated subsidiaries

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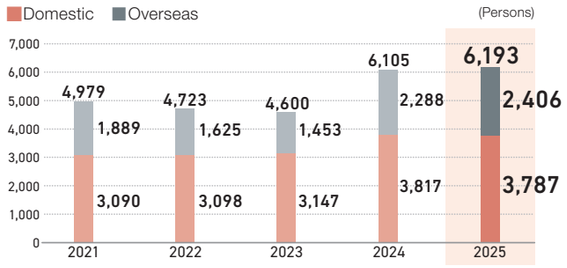
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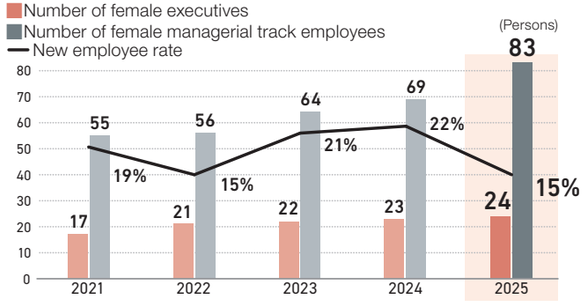
Number of Employees (Number of employees at the end of each fiscal year)



In FY2025, the number of employees increased mainly overseas, bringing the consolidated workforce to a record high. Against the backdrop of strengthening our organization in line with business expansion, we are promoting personnel allocation that supports sustainable growth while maintaining a balance between Japan and overseas.

Scope: SWCC and its consolidated subsidiaries

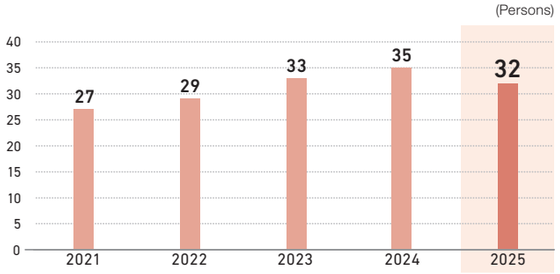
Number of Female Employees



The number of female employees is steadily increasing in both career-track and management positions. We believe this reflects progress in recruitment, job-category transfers, and conversion to regular employee status. We will continue supporting career development through SWCCarat and providing diverse ways of working, while further expanding the recruitment and improving the retention of women.

Scope: SWCC

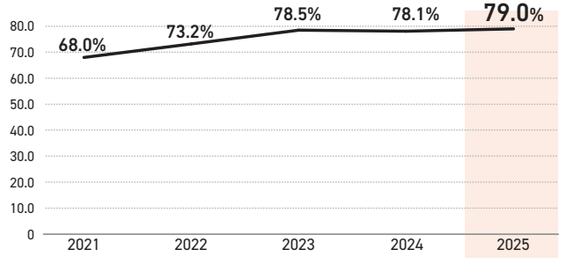
Number of Non-Japanese Employees (domestic)



We are promoting the acceptance and inclusion of diverse human resources. As we accelerate global expansion, we will continue proactively utilizing diverse talent.

Scope: SWCC

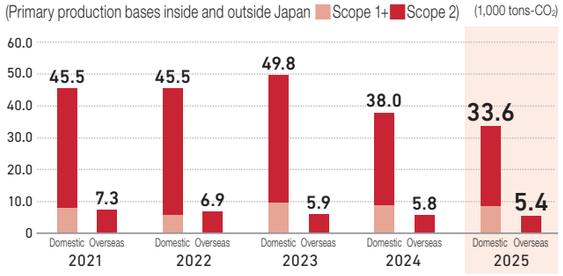
Percentage of Annual Paid Leave Taken



The paid leave utilization rate improved further from FY2024, reflecting progress in creating a more employee-friendly work environment. We will continue promoting the use of paid leave through rigorous working-hour management and changes in employee awareness.

Scope: SWCC

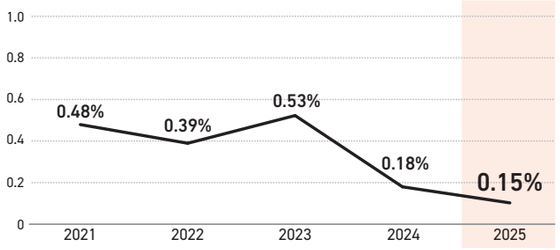
Greenhouse Gas Emissions



FY2025 was the final year of the 7th Voluntary Environmental Action Plan. Against the target of reducing GHG emissions by 50% or more from FY2013, we achieved a 55% reduction and met the target. In FY2025, increased use of CO_2-free electricity and the introduction of solar power generation at the Mie Plant, together with increased solar power generation at the Sendai Plant, contributed to reductions in Scope 2 emissions.

Scope of data: Major domestic and overseas group production sites

Industrial Waste Landfill Rate



Recycling of waste plastics has continued to progress smoothly, and the landfill rate dropped to 0.15%. This represents a 92% reduction from FY2018, exceeding the 90% reduction target under the 7th Voluntary Environmental Action Plan. While 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.

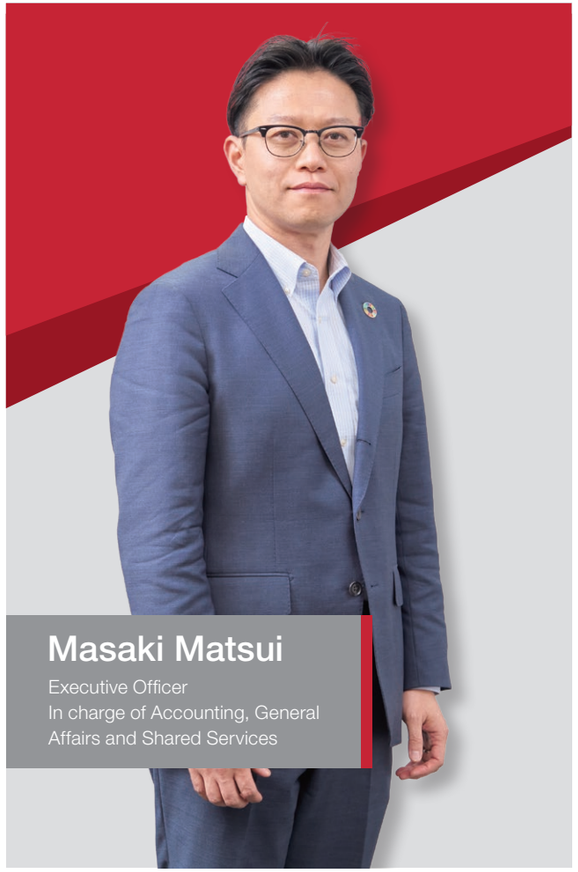
Scope of data: Major domestic and overseas group production sites

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The SWCC Group has promoted structural reform through business portfolio reform centered on ROIC-Oriented Management and, since FY2018, has significantly strengthened both its financial position and earning power. As a result, the SWCC Group has achieved record-high operating profit for three consecutive fiscal years.

As set out in the Medium-term Management Plan "Transformation for Growth SWCC 2030," announced in February 2026, the SWCC Group will evolve from ROIC-Oriented Management 1.0, which centered on structural reform, to ROIC-Oriented Management 2.0, which accelerates growth, maximizes cash flow, and continues transforming for growth.



Masaki Matsui
Executive Officer
In charge of Accounting, General Affairs and Shared Services

Consolidated Balance Sheet (compared with the end of FY2024)

On the assets side, while accounts receivable and inventories increased partly due to higher copper prices, we optimized the level of cash and deposits that had temporarily increased at the end of FY2024 when TOTOKU Inc. became a Group company. As a result, total assets decreased 4.1 billion yen from the end of FY2024 to 206.9 billion yen.

On the liabilities side, interest-bearing debt was reduced by 14.7 billion yen through increased FCF (free cash flow) and lower cash and deposits, among other factors, resulting in liabilities decreasing 18.0 billion yen from the end of FY2024 to 100.9 billion yen.

On the net assets side, while dividend payments increased from FY2024, retained earnings increased with the recording of 18.8 billion yen in Profit attributable to owners of parent. As a result, net assets increased 13.9 billion yen from the end of FY2024 to 106.0 billion yen. Accordingly, shareholders' equity increased 14.7 billion yen from the end of FY2024 to 98.4 billion yen, and the shareholders' equity ratio improved 7.9 percentage points to 47.6%. The D/E ratio at fiscal year-end improved 24.7 percentage points from the end of FY2024 to 40.7%, reflecting the reduction of interest-bearing debt and expansion of shareholders' equity.

Consolidated Statement of Operations (compared with FY2024)

Net sales increased 16.8% from FY2024 to 277.7 billion yen, reflecting strong performance in the Power Infrastructure and Communication Cables businesses, the contribution of TOTOKU, which became a Group company in March 2025, and the positive impact of higher copper prices on sales. As a result, the operating margin improved 1.0 percentage point from FY2024 to 9.8%, while operating income increased 30.5% to 27.3 billion yen.

Ordinary income increased 131.8% from FY2024 to 26.1 billion yen, partly reflecting the rebound from the recognition in FY2024 of an investment loss related to an equity-method affiliate and a provision for the risk of uncollectible receivables. Profit attributable to owners of parent increased 7.4 billion yen from FY2024 to 18.8 billion yen. While an impairment loss was recorded, this was more than offset by gains on sales of investment securities and gains associated with the liquidation of affiliated companies and transfers of equity interests.

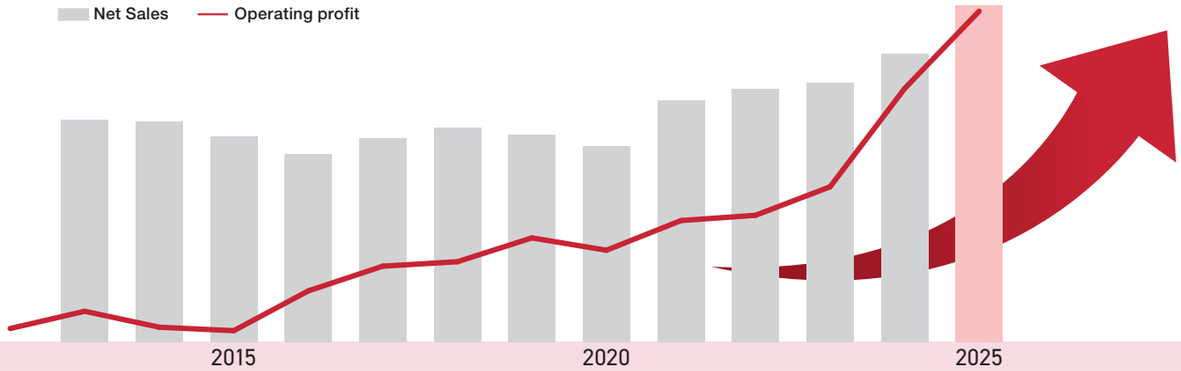
Consolidated Statement of Cash Flows (compared with FY2024)

Cash flows from operating activities in FY2025 increased 3.1 billion yen from FY2024 to 16.2 billion yen. While income tax payments and working capital increased, this was offset by higher operating income. Through higher FCF and reductions in cash and deposits, we made dividend payments exceeding those in FY2024 and reduced interest-bearing debt.

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History of Value Creation and Innovation

Since its founding in 1936, the SWCC Group has supported safe and secure social infrastructure and contributed to achieving a sustainable society through products and technologies centered on electric wires and cables. As we marked our 90th anniversary in May 2026, we are building on the technologies and trust cultivated over many years, continuing to take on global challenges, and creating new value as we evolve into a solutions company.



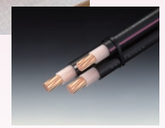
Foundation Building and Business Expansion Phase

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 Sagamihara Factory
1968 Started operations at Mie Plant
1969 Started production of rough drawn wire using the dip forming system
1972 Started operations at Sendai Plant
1979 Began manufacturing and sales of heat rollers for electronic copiers
1995 Started operations at Aichi Factory


Shipment of high-voltage cables (Photographed in 1939)


Dip forming system


Heat rollers


General-purpose wires

Business Transformation and Foundation Rebuilding Phase

2006 Company split, transition to holding company structure, and trade name changed 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.


SICONEX


e-Ribbon


MiDIP

Structural Reform and Growth Transformation Phase

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.
2023 Reorganized management system from pure holding company to operating company.
Trade name changed from “SWCC Showa Holdings Co., Ltd.” to “SWCC Corporation”; SWCC Purpose established
2025 Acquired shares of TOTOKU Inc. through joint investment
2026 Formulated the Medium-term Management Plan “Transformation for Growth SWCC 2030” and Vision “SWCC VISION 2036”


Contact probes


AVR

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Share and Investor Information (as of March 31, 2026)

Status of Stock

Total Number of Authorized Shares	70,000,000 shares
Total Number of Issued Shares	30,826,861 shares
Number of Shareholders	13,934 shareholders

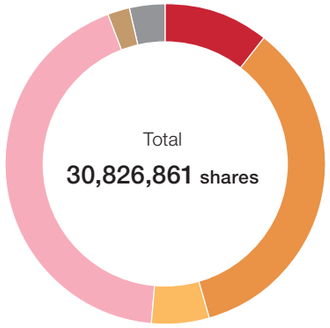
Principal Shareholders (Top 10)

Name of shareholders	Number of shares held (Thousand shares)	Percentage of shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,673	19.0
Custody Bank of Japan, Ltd. (Trust Account)	3,336	11.2
STATE STREET BANK AND TRUST COMPANY 505001	2,873	9.6
JX Advanced Metals Corporation	979	3.2
Fukoku Mutual Life Insurance Company	892	3.0
J.P. MORGAN BANK LUXEMBOURG S.A. 385598	787	2.6
JP MORGAN CHASE BANK 385781	418	1.4
BNYM AS AGT/CLTS 10 PERCENT	390	1.3
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	379	1.2
STATE STREET BANK AND TRUST COMPANY 505103	311	1.0

* In addition to the above, 1,107,178 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.

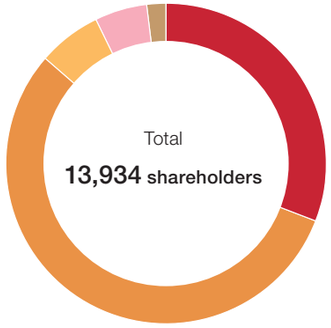
Distribution of Shares by Type of Ownership

Distribution of Shares



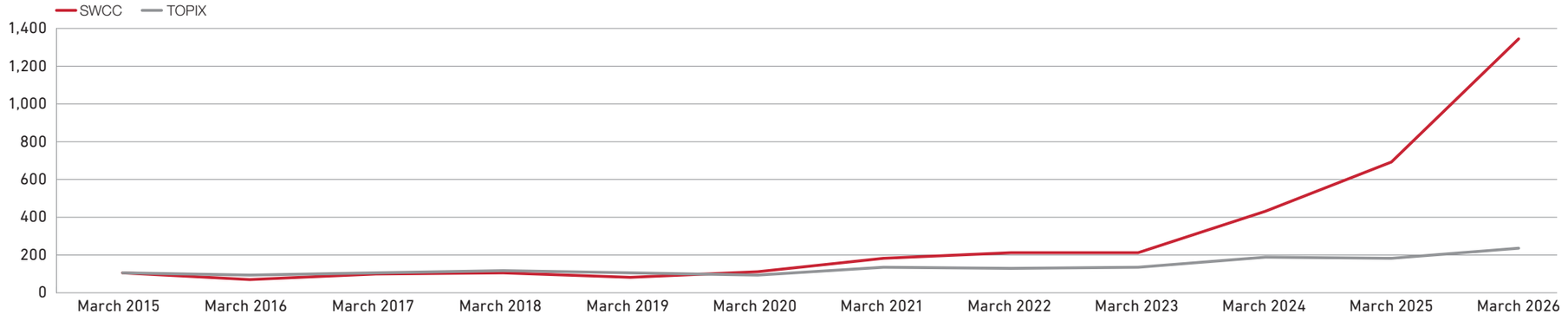
Individuals and others	10.8%
Financial institutions	34.9%
Other companies in Japan	5.7%
Foreign investors	43.0%
Securities companies	2.0%
Treasury stock	3.6%

Distribution of Shareholders by Number of Shares Held



Less than 100 shares	31.1%
100 shares or more	55.6%
500 shares or more	6.3%
1,000 shares or more	5.3%
5,000 shares or more	1.8%

Stock Price Movements (index based on the closing price at the end of March 2015 = 100)



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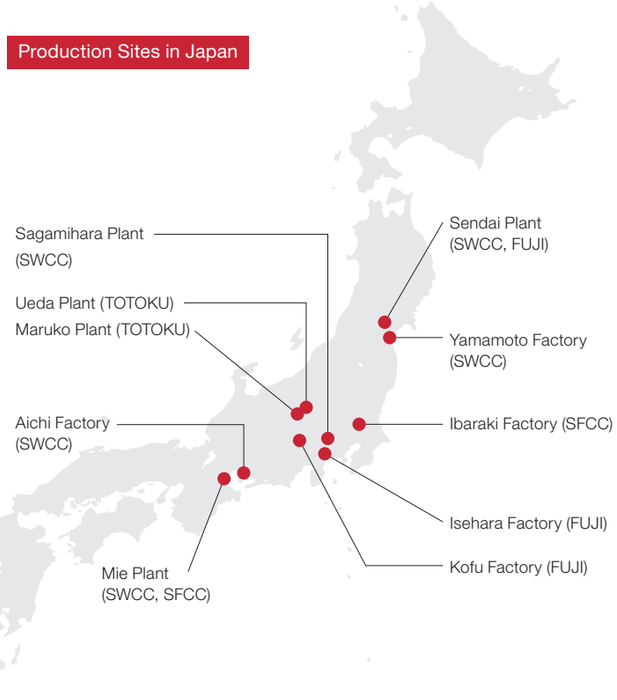
Company Profile

Corporate Name	SWCC Corporation
Date of Establishment	May 26, 1936
Common stock	24,221 million yen
Head Office	JMF-Bldg. Kawasaki 01 2F, 1-14, Nisshin cho, Kawasaki-Ku, Kawasaki City, KANAGAWA 210-0024 JAPAN
Number of Employees	6,017 (including temporary employees)
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 July 01, 2026)

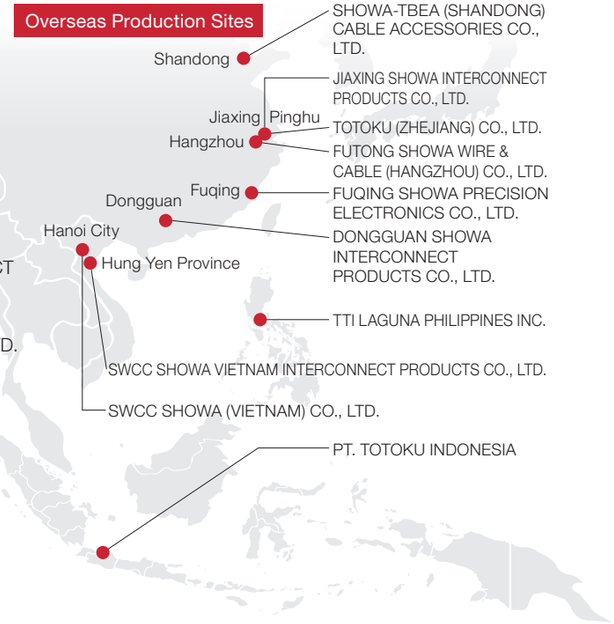
Domestic

- TOTOKU Inc. (TOTOKU)
- SFCC Corporation
- Fuji Electric Cable Co., Ltd.
- 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)



Overseas

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



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ESG and Investor Evaluations

Selected as an “SX Brand 2026” by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange

Received a “BBB” rating from MSCI ESG Ratings

Selected for the B List in CDP 2025

Selected by domestic equity investment managers entrusted by GPIF as “Excellent Sustainability Disclosure from a Materiality Perspective”

Social and Human Capital Evaluations

Certified as a “Health and Productivity Management Outstanding Organization 2026 (Large Enterprise Category)” for the seventh consecutive year

Received SMBC Nadeshiko Loan as a Leading Company Supporting Full Participation of Women in the Workplace (Selected in February 2022)

Certified as a “Sports Yell Company 2026 Bronze”

Inclusion in Indices

JPX-Nikkei Index 400

JPX-Nikkei Mid and Small Cap Index

ESG Investment Indices SOMPO Sustainability Index

ESG Investment Indices FTSE JPX Blossom Japan Sector Relative Index

Governance Evaluations

Awarded at the “Corporate Governance of the Year 2025”

IR Activity Evaluations

Received the “Empathy! IR Award” at the IR Award 2025

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Innovating new ideas today.
Becoming the norms of tomorrow.

SWCC Corporation

Sustainability Promotion Department

JMF-Bldg. Kawasaki 01 2F, 1-14, Nisshin cho, Kawasaki-Ku, Kawasaki City, KANAGAWA 210-0024 JAPAN

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SWCC website