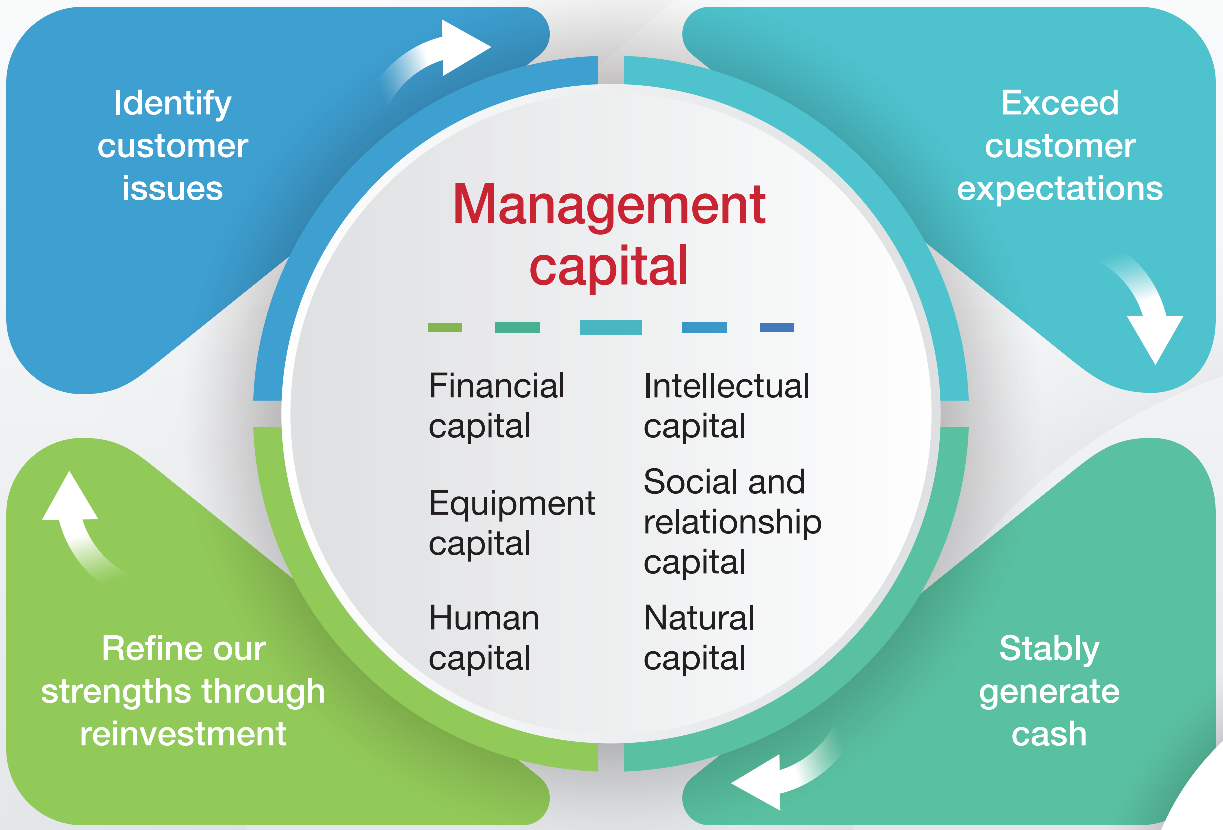
SWCC Group's Value Creation Process

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

Business Model



Strengthening management capital

Value Created by Our Businesses

Energy and Infrastructure Business

- Cables and connectors that support the power infrastructure
- Industrial wires and cables that are used in a variety of factories, buildings, and the like

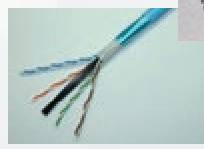

SICONEX


General-purpose wires

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)


Optical fiber cables


LAN cable

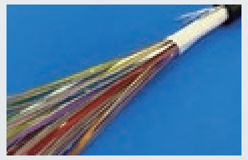

Heat rollers


MiDIP

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

SICOPLUS


e-Ribbon

Achieve sustainable growth

Value Provided to Society and Stakeholders

We will create and provide new value that contributes to a better future and a sustainable society through SWCC's unique products and services.

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

Business partners

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

Customers

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

Shareholder and Other Investors

Stable and continuous shareholder returns based on sustained growth in corporate value

Employees

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

Local communities

Contribute to solving local issues through corporate management in which there is a high awareness of social contribution

Global Environment

Promote environmental management throughout the Group and reduce environmental impact across the entire value chain

Heading towards Enhancement of Management Capital

Strength of management capital and enrichment strategy

Financial capital

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

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

Capital enrichment strategy

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

Human capital

Strength (s) Superior development personnel, thorough health management

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

Capital enrichment strategy

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

Equipment capital

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

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

Capital enrichment strategy

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

Intellectual capital

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

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

Capital enrichment strategy

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

Social and relationship capital

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

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

Capital enrichment strategy

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

Natural capital

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

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

Capital enrichment strategy

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

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

Make the Most of Management Capital

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

●: Important key capital for utilization