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For Immediate Release

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Notice Regarding Revisions to Numerical Targets in the Medium-term Management Plan

SWCC Corporation (the “Company”) hereby announces that it resolved, at a meeting of the Board of Directors held on February 7, 2025, to revise the numerical targets for the final year in the Medium-term Management Plan "Change & Growth SWCC 2026" Rolling Plan 2024 announced on May 13, 2024. The details of the revision are as follows.

1. Details of the revision

(1) Numerical Targets in the Medium-term Management Plan (Consolidated)

	FY2027/3 Initial numerical targets	FY2027/3 Revised numerical targets
Operating profit	17.0 billion yen	24.0 billion yen
ROE	14% or more	14% or more
ROIC	10% or more	10% or more
Dividends per share (dividend payout ratio/DOE)	150 yen or more (35% or higher/4% or higher)	180 yen (35% or higher/4% or higher)
D/E ratio	30-50%	30-50%
Net assets	93.0 billion yen	100.0 billion yen

(2) Numerical Targets in the Medium-term Management Plan (Energy and Infrastructure Business)

	FY2027/3 Initial numerical targets	FY2027/3 Revised numerical targets
Net sales	124.0 billion yen	145.0 billion yen
Operating profit	11.2 billion yen	18.8 billion yen
Operating profit margin	9.0%	13.0%

(3) Numerical Targets in the Medium-term Management Plan (Electronic Equipment and Components Business)

	FY2027/3 Initial numerical targets	FY2027/3 Revised numerical targets
Net sales	73.0 billion yen	59.0 billion yen
Operating profit	2.6 billion yen	2.0 billion yen
Operating profit margin	3.6%	3.4%

(4) Numerical Targets in the Medium-term Management Plan (Communication and Industrial Devices Business)

	FY2027/3 Initial numerical targets	FY2027/3 Revised numerical targets
Net sales	36.0 billion yen	36.0 billion yen
Operating profit	3.5 billion yen	3.5 billion yen
Operating profit margin	9.7%	9.7%

(Note) The above forecasts were calculated based on information available on the date of the announcement of this document. Actual business performance, etc. may vary from the forecasts described herein.

2. Reason of the revision

In May 2024, the SWCC Group formulated the “Change & Growth SWCC 2026 Rolling Plan 2024,” which incorporates recent changes in the business environment into the Medium-term Management Plan announced in November 2021.

Starting in the current fiscal year and ending in the fiscal year ending March 31, 2027, the Rolling Plan calls for outperforming the target for operating profit in place before this plan, in anticipation of organic growth following the strengthening of the three core businesses and a business development (BD) strategy aimed at enlarging the business domains as an additional upside element (inorganic growth).

However, the circumstances surrounding the Company’s business environment are changing. For example, the electric power infrastructure market in Japan is seeing greater demand than initially expected. Meanwhile, the spread of xEVs is delayed and Japanese manufacturers of home appliances now have a weaker presence and the environment surrounding our wire harness business has changed. In view of these factors, in the current third quarter, the Company decided to again revise the numerical targets for the fiscal year ending March 31, 2027 as the final fiscal year of the Medium-term Management Plan.

While continuing to respond flexibly to changes in the business environment, the Company will promote business portfolio management with ROIC as an indicator and strengthen our businesses' capacity to generate cash flows. This will enable the reliable execution of growth investments and enhance shareholder returns.

<Reference>

Announced on May 13, 2024

Medium-term Management Plan “Change & Growth SWCC 2026 Rolling Plan 2024”

<https://www.swcc.co.jp/eng/news/images/Medium-term%20Management%20Plan%20Change%20&%20Growth%20SWCC%202026%20Rolling%20Plan%202024.pdf>