Last Update: November 12, 2025

SWCC Corporation
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The state of corporate governance of SWCC Corporation ("the Company") is described below.

I. Fundamental Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Fundamental Views

Based on the SWCC Group's Purpose "Innovating new ideas today. Becoming the norms of tomorrow," our basic policy for corporate governance is to conduct activities with the recognition that speeding up and streamlining management as well as enhancing relevant monitoring functions are universal challenges for all companies based on our management philosophy, in which the keyword is "trust."

The Company is committed to actively developing a system required to ensure appropriate operations of the Group while fulfilling its corporate social responsibility (CSR).

[Reasons for Non-compliance with Principles of Japan's Corporate Governance Code]

The Company implements each principle of Japan's Corporate Governance Code.

[Disclosure Based on Principles of Japan's Corporate Governance Code] Updated

[Principle 1.4: Cross-Shareholdings]

The Company has adopted a policy of not using cross-shareholding, in principle, and has been taking steps to reduce the ratio of cross-shareholding to less than 10% of consolidated net assets by the end of March 2025. As a result, the ratio of cross-shareholding to consolidated net assets as of the end of March 2025 was 3.0%. With respect to individual stocks in cross-shareholdings, the Company will limit such shareholdings to those that are judged as contributing to maintaining and improving the Group's corporate value over the medium- to long-term, and will continue taking steps to reduce cross-shareholdings based on sufficient dialogue with its trade partners.

The Company has established a basic policy on cross-shareholdings.

(1) Our basic policy is not to hold any shares, in principle.

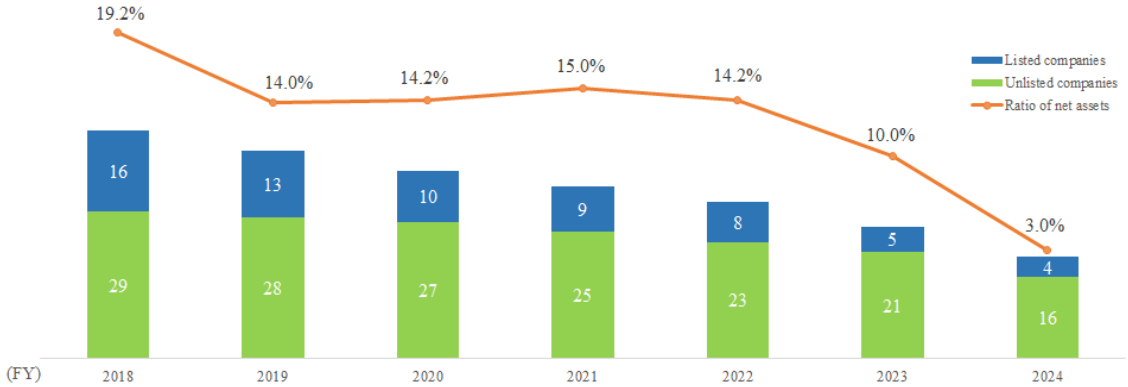
(2) If we have no choice but to hold such shares, we will strictly examine the rationality of such holding.

(3) The exercise of voting rights regarding such shares will be judged comprehensively in light of their contribution to improving the Company's corporate value, etc.

We disclose our views on cross-shareholdings and any changes in our cross-shareholdings each year, through the convocation notice for the General Meeting of Shareholders. The convocation notice for the General Meeting of Shareholders is disclosed on the Company's website.

https://www.swcc.co.jp/jpn/ir/stock/meeting.html

(Changes in cross-shareholdings)



Carrying value (Million yen)	6,841	5,611	6,833	8,819	9,691	7,745	2,797
Net assets (Million yen)	35,628	39,981	48,169	58,932	68,390	77,126	92,130
Sale price (Million yen)	77	162	50	94	25	4,653	3,994

(Notes)

1. The number of stocks and the ratio of year-end balance sheet amount to consolidated net assets are for SWCC SHOWA HOLDINGS CO., LTD. and SWCC SHOWA CABLE SYSTEMS CO., LTD. (the company with the largest balance sheet amount of investment stocks (investment stock amount) among consolidated subsidiaries). The Company has implemented

an absorption-type merger with SWCC SHOWA CABLE SYSTEMS CO., LTD. on April 1, 2023 and changed its company name to SWCC Corporation.

2. With the finalization of provisional accounting treatment for business combinations in the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025) of the 130th consolidated fiscal year, consolidated net assets for the 129th consolidated fiscal year (from April 1, 2024 to March 31, 2025) and the ratio of year-end balance sheet amount to consolidated net assets for the 129th consolidated fiscal year reflect figures after finalization of provisional accounting treatment.

[Principle 1.7: Related Party Transactions]
The Company requires any competitive transactions or transactions that may cause conflicts of interests involving directors or corporations which are substantially controlled by directors to be deliberated and approved in advance by the Board of Directors and then to be reported on afterwards. In addition, officers of the Company and its subsidiaries are asked by the division in charge to submit a survey form on related party transactions on a regular basis each year.
In addition, the Company requires transactions with major shareholders to be deliberated and approved individually at the Group Management Council and Board of Directors, taking their materiality and profitability into consideration.
At the time of finalizing this report, no competitive transactions or transactions that may cause conflicts of interests involving directors or corporations which are effectively controlled by directors have arisen at the Company.

[Supplementary Principle 2.4-(1): Ensuring diversity at the Company, including the Empowerment of Women]
The Company aims to be an organization that flexibly accepts and capitalizes on diverse personalities of employees such as different attributes and working conditions and recruits diverse human resources with different backgrounds.

1. Women
The Group launched the cross-organizational Female Empowerment Project in 2021 and announced its support for the aspirational target of women representing 30% of executives by 2030 set by the Keidanren (Japan Business Federation) in August 2021. As of the date of submission of this report, three of the Company's eight directors are women, and the ratio of women in the Company's Board of Directors is 37.5%. The Group also expanded relevant activities to include all employees and developed it into the Diversity Promotion Project in 2023. Based on our belief that diversity forms the foundation for creating innovation, we aim at building an organization where all employees feel secure in exchanging opinions and where each individual can demonstrate his/her ability and personality to maximize their potential. Moreover, right from the launch of the project, we established target values to be achieved by FY2026 and have been strengthening initiatives for promoting women at all decision-making levels.

[Targets for the advancement of women]
- Ratio in management positions 8% by FY2026 (approx. two times the FY2020 level)
- Ratio in section leader level and higher positions 10% by FY2026 (approx. seven times the FY2020 level)

As specific initiatives, the Company is encouraging not only women but also men to take childcare leave and providing training to raise awareness about overcoming unconscious bias. We are also rolling out measures to expand the pool of women candidates, including a review of recruitment.

[Results versus targets (FY2024)]
- Ratio in management positions 7%
- Ratio in section leader level and higher positions 5%

Other initiatives for the advancement of women in the Company are disclosed in the Integrated Report.
https://www.swcc.co.jp/jpn/ir/library/download/index.html

2. Foreign nationals and midcareer hires
The Group has been promoting human diversity based on the concept described in [Supplementary Principle 2.4-(1): Ensuring diversity at the Company, including the Empowerment of Women], and actively promoting the appointment of foreign nationals and mid-career hires to management positions and as core human resources. The Company's basic policy is to conduct personnel evaluations based on ability and results, regardless of nationality or other attributes, and since the Company attaches importance to personnel strategies that are consistent with business strategies and business expansion, no measurable targets for foreign nationals and mid-career hires have been set. FY2024 results are as shown below.

[Foreign nationals]
- Ratio in management positions 1.7%
- Ratio of employees in key positions 7.1%

[Mid-career hires]
- Ratio in management positions 38.6%
- Ratio of employees in key positions 21.4%

3. Human resource development policies to ensure diversity
Based on the idea that the power of employees is the power of the company, the Company operates education and training programs with the aim of developing talent that can respond flexibly and solve problems, and above all is trusted by stakeholders, in this age of VUCA (Volatility, Uncertainty, Complexity, Ambiguity).
The concept of diversity—to utilize people with a diverse range of values and backgrounds—is important in the age of VUCA. The Company believes that gathering diverse people in an organization and fostering a culture where people accept diverse values enables the organization to respond to Volatility, Uncertainty, Complexity, and Ambiguity and easily bring about change. Therefore, the Company holds training programs by a cross-functional team with members from across the Group.
Details of the Company's human resource development are disclosed on the Company's Integrated Report.
https://www.swcc.co.jp/jpn/ir/library/download/index.html

4. Policy on the development of internal environment to ensure diversity

The Company has developed an internal environment to ensure diversity based on the concept described in [Supplementary Principle 2.4-(1): Ensuring diversity at the Company, including the Empowerment of Women]. More specifically, the Company operates the systems shown below.

(1) Performance-based human resource system

The Company has adopted a human resource system that evaluates employees with certain qualification-based gradings according to their role and competence.

(2) Area-specific career-track position system

By expanding opportunities to apply for jobs within the Company and creating a new type of career-track position, the Company has established a system for career track positions limited to specific geographic areas to encourage the promotion of ambitious human resources from technical positions and administrative positions to career track positions.

(3) In-house recruitment system

The in-house recruitment system seeks to increase employee motivation through voluntary application for internal projects, etc., thereby accelerating employees' career development and providing them with opportunities to demonstrate their skills.

[Principle 2.6: Roles of Corporate Pension Funds as Asset Owners]

The Company has developed a basic policy concerning pension asset management, for the stable payment of future pension benefits, and entrusts pension asset management to multiple management institutions. The Company has also established a Pension Committee, which consists of the officer in charge of human resources, the officer in charge of financial affairs, persons in charge of human resources and financial affairs departments, and trade union leaders as representatives of the beneficiaries, and which is responsible for properly managing and administering pension assets and monitoring management status on a regular basis. In addition, the Company focuses on systematically appointing and allocating appropriate human capital to take charge of management including appointing human capital with many years of experience at financial institutions to committees.

[Principle 3.1: Full Disclosure]

1. The Company's purpose, management philosophy, vision, SWCC Way (Code of Conduct), Basic Compliance Policy, Basic Sustainability Policy, management strategies and medium-term business plan are disclosed on its website.

https://www.swcc.co.jp/jpn/company/idea.html
https://www.swcc.co.jp/jpn/company/policy/index.html
https://www.swcc.co.jp/jpn/ir/policy/plan.html

2. The Company's fundamental views on corporate governance are as stated in "1. Fundamental Views" under "Fundamental Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information" above. The Company's basic policy is to continuously strive to realize effective corporate governance in accordance with the Fundamental Views on Corporate Governance and the aims of each of the principles of the Corporate Governance Code.

3. The Company has established a policy for determining details of compensation, etc. of individual directors.

(1) Composition of compensation

Remuneration for directors (excluding directors who do not engage in business execution or who are Audit and Supervisory Committee members) comprises the following three types: Fixed remuneration, annual performance-linked remuneration which is variable remuneration and serves as a short-term incentive, and restricted stock compensation paid as a long-term incentive to provide directors with an incentive to sustainably increase the Company's corporate value as well as to more effectively promote the creation of shared value with shareholders over as long a time horizon as possible.

By encouraging a management commitment from both short- and long-term perspectives, the remuneration structure is designed to appropriately reward performance.

In addition, only fixed remuneration, not including incentive remuneration, is provided to directors who do not engage in business execution or who are Audit and Supervisory Committee members, as they are responsible for management supervision and are not in a position to execute business.

(a) [Fixed compensation]

This consists of a basic remuneration and additional job-based remuneration that is dependent on the director's duties and responsibilities. The basic remuneration corresponds to the position, as well as its importance and difficulty.

(b) [Annual performance-linked remuneration]

Annual performance linked remuneration is variable remuneration which serves as a short-term incentive. The cash payment amount for annual performance-linked remuneration is determined based on company performance indicators, i.e. according to the degree of achievement of operating profit and ROIC target values which are 105% of the operating profit and ROIC forecast values announced at the beginning of the fiscal year, and is also based on ESG-related indicators, specifically, the number of targets achieved for the internal adoption rate of renewable energy, greenhouse gas (CO_2) emissions, the rate of lost-time injuries, and the engagement score.

The remuneration indicators, formula, and annual performance-linked system are as follows.

1) The Company performance indicators

Payment will be made based on the operating profit achievement rate (A) and the ROIC achievement rate (B). Details are as follows.

- Operating profit achievement ratio (A) =(current operating profit result ÷ current operating profit target)×100%
- ROIC achievement ratio (B) = (current ROIC result ÷ current ROIC target) x 100%

2) ESG related Indicators

Remuneration is provided based on the number of achievement items among the internal adoption rate of renewable energy (C), greenhouse gas (CO_2) emissions (D), the rate of lost-time injuries (E), and the engagement score (F).

3) Reasons for selecting indicators

The rate of achievement of operating profit in company performance indicators is set as a measure of profitability, while the achievement rate of ROIC is set as a measure of capital efficiency. Furthermore, regarding ESG-related indicators, we identify socially significant issues as materiality, prioritize them, and develop specific action plans, indicators, and KPIs categorized

by theme. We have established a renewable energy adoption rate within the company, greenhouse gas (CO2) emissions, lost-time injury frequency rate, and engagement score as ESG-related indicators that we consider particularly important for our company. We recognize that achieving each of these target values will contribute to enhancing corporate value.

4) Formula

Amount of annual performance-linked remuneration = Amount of fixed remuneration x (Achievement rate of annual targets in the Company performance (A x 50% + B x 50%) + Achievement rate of annual targets in the ESG-related indicators (the number of items achieved among C, D, E and F))

5) Achievement rate of annual targets (percentage and system)

Annual target indicators	Targets	Percentage	Payment rate
The Company performance - Operating profit	25.7 billion yen (Value that has been announced: 24.5 billion yen)	25%	0 to 150%
The Company performance - ROIC	12.9% (Value that has been announced: 12.3%)	25%	0 to 150%
ESG-related indicators - In-house introduction rate of renewable energy - Greenhouse gas emissions - Frequency rate of lost-time injuries - Engagement score	 30% 50% reduction compared to FY2013 0.23 or less 45	5%	0 to 125%

The annual target indicators of company performance and ESG-related percentages are based on the assumption that the payment rate is 100%. Renewable energy includes non-fossil energy.

(c) [Restricted stock compensation]

Restricted share-based remuneration is paid as a long-term incentive to provide Directors with an incentive to sustainably increase the Company's corporate value, as well as to further promote the creation of shared value with shareholders. A certain percentage of the fixed remuneration is allocated to the payment of restricted share-based remuneration. Directors who do not perform executive duties (including Directors who are Audit and Supervisory Committee Members) are not paid remuneration for the granting of restricted shares.

(2) Percentage breakdown of remuneration

The percentage of fixed remuneration, performance-linked remuneration, and remuneration to grant restricted shares that make up total remuneration are reevaluated by the Nomination and Compensation Committee each time. Furthermore, the total amount of remuneration for directors (excluding directors who are Audit and Supervisory Committee members) shall not exceed ¥300 million per year

The percentage breakdown (assuming fixed remuneration as 100) of remuneration for directors (excluding directors who do not engage in business execution or who are Audit and Supervisory Committee members) in FY2025 is as follows. The performance-linked remuneration of the Chairperson is fixed remuneration multiplied by 45%, which is the ratio linked to performance results, and her remuneration for granting restricted stock is equal to 50% of the amount obtained by multiplying fixed remuneration by 55%, irrespective of any other official positions held.

[Fixed remuneration] : [Annual performance-linked remuneration] : [Restricted share-based remuneration] = 100 : 55 : 27.5

* The percentage for annual performance-linked remuneration is based on an assumption of 100% payment rate.

(3) Payment schedule

Monetary remuneration of fixed remuneration for fiscal 2025 shall be paid in equal amounts each month starting the first month of fiscal 2025. Performance-linked remuneration for performance in FY2024 shall be paid in June 2025. Remuneration to grant restricted shares shall be paid by the month following the 129th Ordinary General Meeting of Shareholders, under the condition that the director has been appointed or reappointed at said meeting.

Performance-linked compensation for performance in FY2025 shall be paid in June 2026.

4. Policies and procedures by which the Board of Directors appoints and dismisses executive management and nominates director candidates are as shown below.

The Company's Board of Directors has established "Criteria for Nominating Director and Corporate Officer Candidates" and "Independence Criteria for Outside Officers" as well as "Criteria for Dismissing Directors and Corporate Officers," to enhance objectivity and transparency in relation to the election and dismissal of directors and other officers.

(1) Criteria for Nominating Director and Corporate Officer Candidates

As director and executive officer candidates, the Company selects, by resolution of the Board of Directors, individuals who exhibit excellent character and insight and can supervise and manage the company, regardless of gender, nationality or other individual characteristics, in accordance with its Fundamental Views on Corporate Governance. The term of office of directors (excluding directors who are Audit and Supervisory Committee members) and executive officers in one year.

[Directors]

a. Director candidates shall be individuals who have the career history, competence, leadership skills, medium-to-long-term perspective and high ethical standards required of someone involved in management decision-making and supervising business execution.

b. Director candidates shall be individuals who respect and implement the Company's corporate philosophy, have integrity that

will earn them the trust of business partners, shareholders, local communities and employees, comply with laws and regulations, corporate action guidelines and internal and external ethics and norms, and have the insight and fairness required of a director.
c. Independent outside director candidates shall be individuals who, in addition to the foregoing, can be judged as independent based on the "Independence Criteria for Outside Officers" established by the Company.
[Executive Officers]
a. Executive officer candidates shall be individuals who are capable of actually proposing and executing management strategies, plans, etc. for sustainably improving the Company's corporate value based on the Company's operating environment and contributing to enhancement of corporate value in the medium and long term, and who are capable of constantly verifying progress and maintaining efforts for improvement.
b. Executive officer candidates shall be individuals who adapt to market changes, adopt a principled approach and by nature observe laws and regulations, develop and implement compliance, internal controls and risk and crisis management, and who have the qualities employees can aspire to emulate.
c. Executive officer candidates shall be individuals who discuss freely and easily, express constructive opinions, and make suggestions at meetings of the Management Council, etc., who have a comprehensive understanding of the management resources of the group as a whole, and who by nature develop coherent strategies and systems etc.
d. Executive officer candidates shall also be individuals who have the qualities required of executive officers in charge of executing the business of the entire group.

(2) Independence Criteria for Outside Officers
Outside officers and outside officer candidates are deemed to be independent if, following investigation by the Company as far as is reasonably practicable, they are deemed not to fall under any of the following categories.
a. An executive*1 of the Company or its subsidiary (hereinafter collectively referred to as the "Group") or a person who was an executive of the Group in the past 10 years;
b. An entity for whom the Group is a major trading partner *2 or an executive thereof;
c. An entity which is a major trading partner *3 for the Group or an executive thereof;
d. A major shareholder which owns, directly or indirectly, 10% or more of all voting rights of the Company or an executive thereof;
e. A person who belongs to an audit corporation that serves as the Group's accounting auditor;
f. An attorney, certified public accountant, tax accountant, or other consultant who has received significant amounts*4 of monetary consideration or other property benefits from the Group, excluding officer remuneration;
g. A person who belongs to a law firm, audit corporation, tax accountant corporation, consulting firm or other corporation, or an association or other group that has received significant amounts of monetary consideration or other property benefits from the Group, or a person who has received significant amounts of donations or assistance from the Group, or a director or other executive of a corporation or an association or other group which has received significant amounts of donations or assistance from the Group;
h. A person who falls under any of b. to g. in the past 3 years;
i. A close relative*5 of a person who falls under any of a. to g.

(Notes)
*1. The term "executive" means an executive director, an executive, an executive officer, or any other employee in a senior management position.
*2. The term "major trading partner" means a partner who conducted transactions with the Group in the most recent business year in an amount exceeding 2% of the consolidated sales of such entity, or a financial institution whose loan amount to Group exceeds 2% of the Group's consolidated total assets as of the end of the most recent fiscal year.
*3. The term "entity which is a major trading partner" means a partner who conducted transactions with the Group in the most recent business year in an amount exceeding 2% of the consolidated sales of the Group.
*4. The term "significant amounts" means the following amounts annually on average in the past three years: for individuals, 10 million yen or more; and for corporations or other groups, more than 2% of their consolidated sales or total revenues.
*5. The term "close relative" means a spouse or a relative within the second degree of kinship.

(3) Criteria for Dismissing Directors and Corporate Officers
If a director or executive officer of the Company is judged to potentially fall under any of the following items, the Board of Directors shall make a decision on dismissal based on deliberation and verification by the Nomination and Compensation Committee.
a. Committing any act that is offensive to public order and morals (including being deemed to be involved in a socially condemnable relationship with Anti Social Forces);
b. Violating laws or regulations or the Articles of Incorporation or other rules of the Group and causing the Group heavy losses or disrupting its business;
c. Not being deemed to have the qualities specified in the "Criteria for Nominating Director and Corporate Officer Candidates;"
d. Causing a significant slump in the Group's business results (applies to Representative Director and President/CEO/Executive Officer only);
e. Causing a significant slump or business slowdown in the business or domain of which he or she is in charge (applies to executive officers only);
f. Having serious difficulty performing duties due to health or other reasons;

5. The Company's policy is to disclose reasons for the election of all director candidates (and reasons for dismissal in the case of dismissal) individually in the convocation notice for the General Meeting of Shareholders. The convocation notice for the General Meeting of Shareholders is disclosed on the Company's website.
https://www.swcc.co.jp/jpn/ir/stock/meeting.html

[Supplementary Principle 3.1-(3): Full Disclosure]
1. Sustainability Initiatives
(1) Organizational structure to address sustainability issues

Based on the Group's management philosophy, the Company established the Sustainability Committee as an advisory body to the Board of Directors, to achieve sustainable corporate management from perspectives such as the environment, society and governance (ESG).
The committee is chaired by the CEO and President and consists of executive officers and fellows who are appointed by the committee and who are given responsibility for each business segment, such as human resources, the environment, and procurement. The Sustainability Committee prepares a Group-wide Basic Sustainability Policy, identifies the materiality, advances sustainability strategies based on opportunities and risks, and reports and submits recommendations to the Board of Directors. The committee meets at least once semiannually and works to continuously address and improve issues. To put in place a system for tackling sustainability issues based on the unification of management and divisions, the Company has established the Sustainability Promotion Department, which is responsible for the Company-wide implementation of initiatives and monitoring.

(2) Basic Sustainability Policy

Together with enhancement of the sustainability framework, the Company formulated a Basic Sustainability Policy to serve as a basis for sustainability activities. Based on this policy, we will implement corporate activities that address a range of social issues.

(3) Material issues

In August 2022, the Company identified the social issues that would have a significant impact both on the Company and its stakeholders, specified the priority issues, grouped social issues with high priority into five materiality themes ("Technology," "Environment," "Community," "People," and "Governance") by similar fields, and formulated concrete plans of action, indicators and KPIs on each theme. Material issues will continue to be reviewed on a regular basis, to coincide with the formulation of the Medium-Term Management Plan, for example.

Details of the Company's sustainability initiatives are disclosed on the Company's website and Integrated Report.
https://www.swcc.co.jp/jpn/sustainability/index.html
https://www.swcc.co.jp/jpn/ir/library/download/index.html

(Five material issues of the SWCC Group)

[Category] Theme	Course of action
[Technology] Creating Our future	Spread sustainable clean energy through superior technology and innovation Create resilient infrastructure for the future society
[Environment] Being friendly to Our earth	Reduce greenhouse gases through relentless efforts and responses Promote the recycling of all resources with the collective strength of the Group Use limited water resources effectively
[Community] Our partnership to work together	Value connections and develop alongside local communities Cooperate with the value chain in the spirit of empathy, coexistence and co-prosperity
[People] Helping Our people shine	Enhance diverse human resources (DE&I [Diversity, Equity & Inclusion]) Develop human resources for the future Improve engagement (create rewarding work and workplaces)
[Governance] Our governance for better company	Monitor corporate management Provide good-quality and safe products and services

2. Information on investment in human capital and intellectual property, etc.

(1) Human capital

For one of the material issues, the Company adopted "Develop human resources for the future" as an action policy based on the theme of "Our people." In accordance with this policy, the Group will strive for even greater investment in human capital.
Specific initiatives include a performance-based personnel system, job-based employment, promotion of female advancement, improvement of the employment environment by extending the retirement age, promotion of health and productivity management, introduction of a mentoring system for new employees, and investments in human resource development. Through these initiatives, we are fostering a corporate culture full of change and challenge, in which all employees respond flexibly to changes in the business environment and come up with various ideas to address social issues, while promoting the creation of a framework in which employee growth leads to the growth of the Group.
Details about initiatives related to human capital are disclosed in the Integrated Report.
https://www.swcc.co.jp/jpn/ir/library/download/index.html

(2) Intellectual property

With the materiality "Our future" as the theme, the Company has adopted "Promote the widespread use of sustainable, clean energy through outstanding technology and innovation" and "Build resilient infrastructure for future society" as action policies. The Group is focusing on investment in intellectual property in line with these policies.
In specific initiatives, the Company is engaged in IP landscape activities, building on the core technology accumulated by the SWCC Group to explore new businesses based on IP information and market information. We have also launched a Business Development (BD) Strategy to expand our business domains and, through our IP landscape activities, we identify information about the technologies of M&A partner candidates and consider combining our technologies with those of partner candidates.
In terms of our investment in intellectual property under the supervision of the Board of Directors, we identify priority areas in line with business portfolio management from the perspectives of ROIC spread by business and growth, visualize untapped markets and crowded markets in terms of the technologies of our competitors based on patent information, and promote strategic patenting.
Details of initiatives related to intellectual property are disclosed in the Company's website and Integrated Report.

https://www.swcc.co.jp/jpn/ir/news/
https://www.swcc.co.jp/jpn/ir/library/download/index.html

3. Response to the TCFD Recommendations
On May 25, 2022, the Company expressed its support for the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD), which was created by the Financial Stability Board (FSB). Based on the recognition that management must address the important issues of identifying and addressing climate-related risks and opportunities, the Company discloses information related to its governance, strategy, risk management, and metrics and targets around climate-related risks and opportunities in line with the TCFD recommendations.
Details of the Company's support for the TCFD recommendations and initiatives to address climate change are disclosed on the Company's website.
https://www.swcc.co.jp/jpn/sustainability/esg/environment/tcfd.html
https://www.swcc.co.jp/jpn/news/images/240830AA_PRESS_RELEASE.pdf
https://www.swcc.co.jp/jpn/news/detail/2022/news_4023.html

[Supplementary Principle 4.1-(1) Roles and Responsibilities of the Board]
The Company has established a Group Management Council as a body for deliberating matters regarding the management of the Group, in addition to the Board of Directors. The Board of Directors deliberates on and determines matters specified by laws and regulations and the Articles of Incorporation and matters set out in the Board of Directors' Regulations as important matters regarding the management of the Company and the Group, while the Group Management Council deliberates on and determines matters specified in the SWCC Group Business Management Regulations as matters regarding the management of the Group.
The responsibilities of each director and matters regarding the delegation of authority for business execution are determined by the Board of Directors, upon election, in principle, in accordance with laws and regulations and the Company's Official Authority Regulations. The Company has also put in place a system under which meetings of the Group Management Council are attended by the chiefs of each business segment in addition to the Company's directors and matters deliberated at meetings of the Group Management Council are properly reflected in the business execution of each business segment through executive officers.
Furthermore, the Company's Nomination and Compensation Committee has played a central role in formulating the SWCC Next Generation Business Leader Succession Plan for the purpose of ensuring the Group's sustainable growth and maintaining and building a resilient management structure from a medium-to-long term perspective and, based on this succession plan, the Company identifies next-generation business leaders and delivers seminars for selected employees as part of efforts to develop successors.

[Principle 4.9: Independence Criteria for Outside Officers]
When selecting candidates for independent outside directors, the Company makes decisions based on the independence standards specified by Tokyo Stock Exchange Inc. and the Company's Independence Criteria for Outside Officers.

[Supplementary Principle 4.10-(1) Use of Optional Systems]
1. Nomination and Compensation Committee established
The Company has established the Nomination and Compensation Committee as advisory bodies to the Board of Directors. The Company established these committees for the purpose of increasing the objectivity and transparency of the process for determining the personal affairs and remuneration of directors and further enhancing and strengthening corporate governance by properly ensuring that outside directors have the opportunity to be involved in the process and offer advice,

2. Authority and Roles, etc. of the Nomination and Compensation Committee
Nomination and Compensation Committee mainly deliberates and reports on the matters shown below upon request from the Board of Directors.
- Matters regarding the election and dismissal of directors (matters to be resolved by a General Meeting of Shareholders)
- Matters regarding the election and dismissal of representative directors and directors with specific titles
- Matters regarding the election and dismissal of executive management (includes executive officers and directors of subsidiaries; the same applies hereinafter)
- Basic policies and procedures, etc. regarding the election and dismissal of directors and executive management
- Basic policies and procedures, etc. regarding the election and dismissal of representative directors and directors with specific titles
- Matters regarding succession planning
- Matters regarding the structure of remuneration for directors and executive management and remuneration system policies, etc.
- Matters regarding the maximum amount of remuneration for directors (matters to be resolved by the General Meeting of Shareholders)
- Matters regarding the remuneration of directors and executive management
- Other important management matters as deemed necessary by the Board of Directors

3. Independence of the Nomination and Compensation Committee
In accordance with the Nomination and Compensation Committee Regulations, the Nomination and Compensation Committee shall consist of three or more directors selected by resolution of the Board of Directors, a majority of whom shall be independent outside directors. In order to strengthen corporate governance, the Committee consists of three directors (including three independent outside directors and chaired by an independent outside director) as of the date of submission of this report.
The Company judges the committee to be independent, given that the majority of its members are independent outside directors as explained above.

[Supplementary Principle 4.11-(1): Preconditions for Ensuring Effectiveness of the Board of Directors and the Audit and Supervisory Committee]
1. Policy for electing directors
As director candidates, the Company shall select, by resolution of the Board of Directors, individuals who exhibit excellent

character and insight and can supervise and manage the company, regardless of gender, nationality or other individual characteristics, in accordance with its Fundamental Views on Corporate Governance.

2. Size of the Board of Directors
The Company determines the number of directors based on consideration of the balance of knowledge, experience and abilities of the Board of Directors as a whole, diversity, and the scale of the Group's business. Based on its judgment of what constitutes an appropriate number of directors, the Company elects four directors (including two outside directors; excluding directors who are Audit and Supervisory Committee members) and four directors who are Audit and Supervisory Committee members (including three outside directors). Three of the directors who are Audit and Supervisory Committee members are selected from among independent outside directors capable of advising on and supervising the Company's management from an independent perspective. The independent outside directors have business management experience at other companies.

3. Procedure for electing directors
The Company's policy on the election of Directors is that the Nomination and Compensation Committee shall hold deliberations and the Board of Directors shall respect the report of the Nomination and Compensation Committee when making final decisions, in order to enhance the objectivity and transparency of the process.

4. Combination of skills and other qualities possessed by directors
The Company's policy is that the members of the Board of Directors should have excellent character and insight and be capable of supervising and executing the Company's management, and that they should be from diverse backgrounds so that they cover a wide range of knowledge and expertise that the Company deems important.
Based on this policy, in addition to experience in corporate management, we consider knowledge and expertise in sustainability essential to further promote efforts to solve social issues, and appoint persons with a wealth of knowledge, expertise, and experience in the areas of sales, international business, accounting and finance, and technology in a balanced manner. We will continue to review the skills required for the Board of Directors in response to changes in management policies and strategies.

(Directors' skill matrix)

Name	Takayo Hasegawa	Tetsuo Komata	Yuji Sakakura	Takashi Mukuno	Minako Nishimura	Koji Naito	Kumiko Baba	Futoshi Yamaguchi
Essential skill Corporate management	●	●	●	●	●	●	●	●
Sustainability	●	●	●	●	●	●	●	●
Sales				●		●		
Overseas business		●	●	●		●	●	
Accounting & finance			●				●	●
Technology	●	●			●			

(Reasons for selection of skill items)

Skill items	Reason for choosing this theme
Corporate management	Directors possessing extensive knowledge and experience in corporate management, who can promote the sustainable growth of the SWCC Group's corporate value, are essential to achieving the goals of the medium-term management plan, Change & Growth SWCC 2026 Rolling Plan 2024.
Sustainability	Directors possessing extensive knowledge and experience in environmental and social issues and strengthening governance are essential to promoting businesses that address social issues by leveraging the technology and experience accumulated in the business, and to realizing a sustainable society and increasing corporate value based on the SWCC Group's Purpose.
Sales	Directors possessing extensive knowledge and experience in grasping and analyzing market trends and formulating sales strategies are essential to providing high value-added products.
Overseas business	Directors possessing experience in overseas business management and extensive knowledge and experience in overseas business environments are essential to sustainably growing overseas businesses.
Accounting & finance	Directors possessing extensive knowledge and experience in accounting and finance are essential to implementing investment for growth aimed at sustainably enhancing corporate value, as well as promoting management that will improve capital efficiency based on the key management indicator of ROIC (return on invested capital).
Technology	Directors possessing extensive knowledge and experience in technology are essential to creating products with appropriate quality, conducting extensive R&D, including basic research, creating new business models and promoting digital transformation.

[Supplementary Principle 4.11-(2): Preconditions for Ensuring Effectiveness of the Board of Directors and the Audit and Supervisory Committee]
The Company's Board of Directors confirms the status of the concurrent holding of important positions by its directors every year and discloses the status via the convocation notice for the General Meeting of Shareholders. The convocation notice for the General Meeting of Shareholders is disclosed on the Company's website.
https://www.swcc.co.jp/jpn/ir/stock/meeting.html

[Supplementary Principle 4.11-(3): Preconditions for Ensuring Effectiveness of the Board of Directors and the Audit and Supervisory Committee]
The Company conducts 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 results of the evaluation and issues found, and holds a constructive discussion on the ideal state of the Board going forward.
In the fiscal year under review, we conducted analysis and evaluation in the following manner with the advice of external institutions. First, the questionnaire was administered to all directors who are members of the Board of Directors. We ensured the anonymity of respondents by having them respond directly to an outside organization. The questionnaire was conducted from multiple perspectives, including the operation, debates, and monitoring function of the Board of Directors, as well as the performance of outside directors and the operation of the Nomination and Compensation Committee.
Looking at an overview of evaluation results, first, with respect to the operations, etc. of the Board of Directors, it was found that the members of the Board have diversity from the perspectives of knowledge/experience/expertise, careers, age, gender, etc., that the frequency of its meetings is appropriate, and that discussions and exchanges of opinions are not formal, but rather free, vigorous and constructive, among other things. In addition, evaluation results with regard to debates for determining management strategies and plans show that sufficient discussion was conducted based on an awareness of profitability and capital efficiency. Furthermore, with regard to dialogue with shareholders, the results of the evaluation indicate that the status of dialogue with shareholders (investors) through IR activities, etc. is appropriately fed back to the Board of Directors and is sufficiently discussed by the Board as an agenda item for deliberation.
With regard to the performance of outside directors, evaluation results indicate that they proactively provide advice to the Board of Directors from professional standpoints or ask effective questions, that they take responsibility for their own statements at meetings of the Board of Directors, and that they make simple and high-value added statements in a sufficient manner. Moreover, with respect to the operation of Nomination and Compensation Committee, evaluation results indicate that it is playing an important role regarding nomination and compensation, that preparations and proposals made by its secretariat are functioning sufficiently, and that there is environment in which each member can freely exchange opinions, among other things. Finally, regarding the Audit & Supervisory Committee, evaluation results also indicate the committee formulates appropriate audit policies and plans, conducts accounting audits and other activities in addition to individual matters stipulated by law and regulations, and audits whether the internal control system is properly established and operated with sufficient depth and frequency. In addition, the committee interviews Corporate Officers and others as necessary and appropriate in the execution of its duties, taking into consideration both independence and audit effectiveness.
Accordingly, given that the evaluation of each aspect yielded generally favorable results, the Company judged that the Board of Directors as a whole is functioning properly and its effectiveness is ensured.
Meanwhile, issues were identified: (1) Regarding the operations, etc. of the Board of Directors, further enhancement of the system to support the provision of information and materials to the Board of Directors is needed; (2) Regarding the monitoring function of the Board of Directors, supervisory oversight of the status of development and operations of internal control systems of the entire Group including subsidiaries is needed; and (3) Regarding discussions at meetings of the Board of Directors, appropriate opportunities for discussions about investment in human capital/intellectual property and human resources need to be secured.
Going forward, based on this evaluation of effectiveness, the Board of Directors will respond promptly after sufficient consideration of issues and continue to engage in initiatives to enhance Board functions.
We disclose details of our evaluation of the effectiveness of the Board of Directors each year, through the convocation notice for the General Meeting of Shareholders.
The convocation notice for the General Meeting of Shareholders is disclosed on the Company's website.
https://www.swcc.co.jp/jpn/ir/stock/meeting.html

Main evaluation items and evaluation results in FY2024

Assessment item

Nature of the Board of Directors	The Board of Directors' monitoring function	Training
Composition of the Board of Directors	Performance of inside directors (excluding Audit & Supervisory Committee members)	Dialogues with shareholders (investors)
Operation of the Board of Directors	Performance of outside directors	Operation of the Nomination and Compensation Committee
Discussions at the Board of Directors	Framework for supporting directors	Audit and Supervisory Committee

Results of evaluation

Operation of the Board of Directors, etc.	- Evaluation results show diversity among the members of the Board of Directors. - That the frequency of its meetings is sufficiently secured. - That discussions and exchanges of opinions are not formal, but rather free, vigorous and constructive.
Discussions at the Board of Directors	- That sufficient discussion was conducted based on an awareness of profitability and capital efficiency.
Dialogue with shareholders	- Evaluation results indicate that the status of dialogue with shareholders (investors) through IR activities, etc. is adequately discussed as a matter for deliberation by the Board of Directors after appropriate feedback is provided to the Board of Directors.
Performance of outside directors	- Evaluation results indicate that appropriate comments and suggestions are being provided from a broad perspective (not too detailed) in terms of management strategy, business planning and risk management as part of the supervision of business execution. - The committee members take responsibility for their own statements at meetings of the Board of Directors and they make simple and high-value added statements in a sufficient manner.
Operation of the Nomination and Compensation Committee	- Nomination and Compensation Committee is playing an important role regarding nomination and compensation. - Preparations and proposals made by the secretariat are functioning sufficiently. - There is environment in which each member can freely exchange opinions.
Audit and Supervisory Committee	- That the committee formulates appropriate audit policies and plans and conducts accounting audits and other activities in addition to individual matters stipulated by law and regulations, and that there are audits of sufficient depth and frequency conducted by the committee on whether the internal control system is properly established and operated. - That the committee ensures both independence and effectiveness of audits and holds interviews with executive officers, etc. when necessary and at an appropriate frequency in order to facilitate the execution of its duties.

The Board of Directors is functioning properly overall and there is no problem with its effectiveness.

Issues to be addressed in FY2025

Operation of the Board of Directors	Further strengthening of the system that supports the provision of information and materials to the Board of Directors
The Board of Directors' monitoring function	Supervisory oversight of the status of development and operations of internal control systems of the overall Group, including subsidiaries
Discussions at the Board of Directors	Securing appropriate opportunities for discussions about investment in human capital/intellectual property and human resources

Further improvement of functions of the Board of Directors

[Supplementary Principle 4.14-(2): Training Policy for Directors]
The Company supports directors in the execution of their duties through the collection and provision of necessary information on economic conditions, industry trends, laws and regulations, finance and accounting and other matters within the departments of which they are in charge. The Company also organizes seminars for executive management, etc. delivered by outside speakers, when necessary, and flags up any other outside seminars or lectures which might be useful and encourages executive management, etc. to attend them.
Newly appointed directors are required to attend seminars and lectures, etc. for new officers mediated by the Company to help them increase their understanding of their role, authority and the legal responsibilities they are assuming.
When outside directors assume office, Executive Officers are required to explain the businesses and operations they are in charge of to new outside directors individually and the full-time Audit and Supervisory Committee member is also required to explain the status of audits to them in order to increase their understanding of the Group's businesses and management. At the same time, the Company shall create opportunities for outside directors to visit major production bases of the Group. Such opportunities shall also be created for incumbent outside directors when necessary.
Expenses necessary for the foregoing shall be borne by the Company, in principle.

[Principle 5.1: Policy for Constructive Dialogue with Shareholders]
1. The executive officer responsible for Corporate Communications Department shall be the executive officer in charge of IR.

2. For dialogues with shareholders, investors, etc., the executive officer in charge of IR acts as the responsible person and personnel from the IR and Advertising Strategy Department are exclusively in charge of IR act as contact points. Relevant matters are handled through collaboration on a daily basis, including information exchange as necessary with the Accounting and Finance Department, Legal Department, Sustainability Department, etc.

3. The Company holds financial results briefings for analysts to coincide with the disclosure of full-year and interim financial results and also streams and discloses financial results briefing videos and materials on its website.
https://www.swcc.co.jp/jpn/ir/meeting/output.html

4. Corporate Communications Department shall summarize the content, etc. of interviews with shareholders, investors, etc., report them to the Board of Directors and share them with the aforementioned departments.

5. The Company has raised awareness about the management of insider information amongst officers and employees by establishing the SWCC Group Insider Trading Prevention Regulations, and it thoroughly implements information management in all situations, including dialogue with shareholders and investors, etc., to prevent the disclosure of non-public information to individual investors or shareholders, etc.

[Status of dialogue with shareholders, etc.]
We believe that to enhance our corporate value, it is important to deepen our understanding of each other's thoughts and positions through dialogue with shareholders and other stakeholders, and to take appropriate actions based on this understanding. To this end, we have established a system to promote active dialogue with shareholders. We actively create opportunities for dialogue with investors, and at such dialogues, management participates as much as possible in order to properly reflect the opinions of shareholders in management. The content of these dialogues is fed back to the Board of Directors and management and is compiled in a database so that it can be viewed at any time. In addition, in the various printed materials issued by the Company, messages from the president and other members of the management team as well as outside officers are also delivered to shareholders and investors in their own words.

[Action to implement management that is conscious of cost of capital and stock price]

Contents	Disclosure of efforts (updated)
Disclosure of information in English	Yes
Updated	June 25, 2025

Explanation

In the medium-term management plan "Change & Growth SWCC 2026 - Rolling Plan 2024" announced on May 13, 2024, we have set "Strengthen capacity for CF creation by promoting ROIC management" and "Optimize capital costs and enhance shareholder returns through the enhancement of capital strategy" as financial and capital strategies for corporate value improvement that will take us closer to taking on the form we want to have by 2030. Besides the target of improving the Group's profitability, the Company has achieved targets for market capitalization and KPI indicated in the Medium-Term Rolling Plan ahead of schedule through the implementation of the above strategies. Moreover, the PBR has been steadily exceeding 2.

(Enhancing the ability to generate cash flow by promoting ROIC-oriented management)
- Strengthening of business portfolio management and investment in our priority businesses.
- Improvement in business profitability through the use of M&As (9% or more for EBITDA margin)
- Improved cash conversion cycle (CCC) of 80 days or less

(Optimizing the cost of capital)
- Realization of optimal capital structure (D/E ratio between 30% and 50%, Capital adequacy ratio of around 50%, WACC controlled in the 6% range)

(Enhancement of shareholder returns)
- Stable dividend with a target dividend payout ratio of 35% or higher and DOE of 4% or higher.
- Consideration of flexible acquisition of treasury stock, comprehensively taking into account financing needs for growth investment and other factors

Details of the Company's actions to achieve cost of capital and stock price conscious management in Japanese and English are disclosed on the Company's website.
https://www.swcc.co.jp/jpn/ir/library/s_report.html
https://www.swcc.co.jp/jpn/ir/managing_executive_officer_message.html
English version: https://www.swcc.co.jp/eng/company/ir_documents/news.html
English version: https://www.swcc.co.jp/eng/company/managing_executive_officer_message.html

2. Capital Structure

Percentage of Foreign Shareholders	30% or more

[Status of Major Shareholders] Updated

Name	Number of Shares Owned (Shares)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	5,696,000	19.16
Custody Bank of Japan, Ltd. (Trust account)	2,584,500	8.69
STATE STREET BANK AND TRUST COMPANY 505001	2,194,257	7.38
JX Metals Corporation	979,022	3.29
Fukoku Mutual Life Insurance Company	892,400	3.00
J.P. MORGAN BANK LUXEMBOURG S.A. 385598	797,200	2.68
STATE STREET BANK AND TRUST COMPANY 505103	531,550	1.78
The Nomura Trust and Banking Co., Ltd. (Trust account)	461,700	1.55
MSCO CUSTOMER SECURITIES	440,235	1.48
JP MORGAN CHASE BANK 385781	413,128	1.39

Controlling Shareholder (except for Parent Company)	———
Parent Company	Not adopted

Supplementary Explanation Updated

- In addition to the foregoing, the Company holds 1,106,671 shares of treasury stock.

- The percentage of shareholding is calculated after deducting the number of treasury stock (1,106,671 shares) from the total number of issued shares.

- The shares of the Company's stock (113,000 shares) held by the employee stock ownership plan (ESOP) are not included in treasury stock (1,106,671 shares).

- The large shareholding report (change report) submitted by Sumitomo Mitsui DS Asset Management Company, Ltd. and made available for public inspection on October 19, 2023 reports that Sumitomo Mitsui DS Asset Management Company, Ltd. held the following shares as of October 13, 2023. However, the Company could confirm no beneficial ownership of the number of shares held in the name of this party as of March 31, 2025 and, therefore, the following is not included in the above status of major shareholders.
The information contained in the large shareholding report (change report) is as shown below.
Sumitomo Mitsui DS Asset Management Company, Limited 1,265,200 shares

- The large shareholding report (change report) submitted by Fidelity Investments Inc. and made available for public inspection on May 22, 2024 reports that Fidelity Investments Inc. held the following shares as of May 15, 2024. However, the Company could confirm no beneficial ownership of the number of shares held in the name of this party as of March 31, 2025 and, therefore, the following is not included in the above status of major shareholders.
The information contained in the large shareholding report (change report) is as shown below.
Fidelity Investments Inc. 1,283,900 shares

- The large shareholding report (change report) submitted by Mitsubishi UFJ Financial Group, Inc. and made available for public inspection on July 29, 2024 reports that Mitsubishi UFJ Trust and Banking Corporation and joint holders Mitsubishi UFJ Asset Management Co., Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. held the following shares as of July 22, 2024. However, the Company could confirm no beneficial ownership of the number of shares held in the name of these parties as of March 31, 2025 and, therefore, the following is not included in the above status of major shareholders.
The information contained in the large shareholding report (change report) is as shown below.
Mitsubishi UFJ Trust and Banking Corporation 333,400 shares
Mitsubishi UFJ Asset Management Co., Ltd. 895,500 shares
Mitsubishi UFJ Morgan Stanley Securities Co, Ltd. 6,228 shares

- The large shareholding report (change report) submitted by JPMorgan Securities Japan Co., Ltd. and made available for public inspection on November 6, 2024 reports that JPMorgan Asset Management (Japan) Limited and joint holders JPMorgan Securities Japan Co., Ltd. and J.P. Morgan Securities LLC held the following shares as of October 31, 2024. However, the Company could confirm no beneficial ownership of the number of shares held in the name of these parties as of March 31, 2025 and, therefore, the following is not included in the above status of major shareholders.
The information contained in the large shareholding report (change report) is as shown below.
JPMorgan Asset Management (Japan) Limited 0 shares
JPMorgan Securities Japan Co., Ltd. 1,126,067 shares
J.P. Morgan Securities LLC 56,475 shares

- The large shareholding report submitted by Nomura Securities Co., Ltd. and made available for public inspection on September 4, 2025 reports that Nomura Securities Co., Ltd. and joint holders NOMURA INTERNATIONAL PLC and Nomura Asset Management Co., Ltd. held the following shares as of August 29, 2025. However, the Company could confirm no beneficial

ownership of the number of shares held in the name of these parties as of September 30, 2025 and, therefore, the following is not included in the above status of major shareholders.
The information contained in the large shareholding report is as shown below.

Nomura Securities Co., Ltd.	-1,907 shares
NOMURA INTERNATIONAL PLC	143,057 shares
Nomura Asset Management Co., Ltd.	1,417,200 shares

- The large shareholding report (change report) submitted by Sumitomo Mitsui Trust Bank, Ltd. and made available for public inspection on September 19, 2025 reports that Sumitomo Mitsui Trust Asset Management, Co., Ltd. and joint holder Amova Asset Management Co., Ltd. held the following shares as of September 15, 2025. However, the Company could confirm no beneficial ownership of the number of shares held in the name of these parties as of September 30, 2025 and, therefore, the following is not included in the above status of major shareholders.
The information contained in the large shareholding report (change report) is as shown below.

Sumitomo Mitsui Trust Asset Management, Co., Ltd.	750,000 shares
Amova Asset Management Co., Ltd.	1,656,900 shares

- The large shareholding report (change report) submitted by Clifford Chance Law Office and made available for public inspection on September 25, 2025 reports that Capital Research and Management Company and joint holders, Capital International Co. Ltd., Capital International, Inc and Capital International Sarl held the following shares as of September 17, 2025. However, the Company could confirm no beneficial ownership of the number of shares held in the name of these parties as of September 30, 2025 and, therefore, the following is not included in the above status of major shareholders.
The information contained in the large shareholding report (change report) is as shown below.

Capital Research and Management Company	2,465,858 shares
Capital International Co. Ltd.	482,900 shares
Capital International, Inc	282,000 shares
Capital International Sarl	181,300 shares

3. Corporate Attributes

Listed Exchange and Market Division	Tokyo Stock Exchange, Prime Market
Fiscal Year-End	March
Sector Classification	Non-ferrous metal
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	At least 1,000
Revenue (consolidated) for the Previous Fiscal Year	JPY 100 billion or more, but less than JPY 1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but less than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

———

5. Special Circumstances Which May Have a Material Impact on Corporate Governance

The Company has no parent company and no listed subsidiaries.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision Making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Organization Form	Company with an Audit and Supervisory Committee

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	16
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairman (Except where the Chairman concurrently serves as the President)
Number of Directors	8
Appointment of Outside Directors	Appointed
Number of Outside Directors	5
Number of Independent Directors/Auditors Designated from among outside directors	5

Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Yuji Sakakura	From another company											
Takashi Mukuno	From another company											
Minako Nishimura	From another company								△			
Koji Naito	From another company											
Kumiko Baba	From another company											

* **Categories for Relationship with the Company**
* **"○" indicates that the director currently falls under the category, or did so recently, and "△" indicates that the director fell under the category in the past.**
* **"●" indicates that a close relation falls under the category, or did so recently, and "▲" indicates that a close relation fell under the category in the past.**

a Executive (a person who executes business; hereinafter the same) of the Company or its subsidiaries
b Non-executive director or executive of a parent company of the Company
c Executive of a fellow subsidiary of the Company
d A party whose major client or supplier is the Company or an executive thereof
e Major client or supplier of the Company or an executive thereof
f Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/auditor
g Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a corporation)
h Executive of a client or supplier of the Company (which does not correspond to any of d., e., or f.) (the director himself/herself only)
i Executive of a company, between which and the Company outside directors/auditors are mutually appointed (the director himself/herself only)
j Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k Others

Relationship with the Company (2)

Name	Audit and Supervisory Committee Members	Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Yuji Sakakura	○	○	———	Mr. Yuji Sakakura possesses keen management insights gained through his career as financial operating officer of a general trading company, manager of a securities firm, and chief financial officer of an M&A advisory firm. The Company expects him to further strengthen the Group's corporate governance by auditing and supervising the Company's management based on his career experience and insight. For these reasons, the Company reelected him as outside director. Mr. Yuji Sakakura possesses independence as stipulated by the Tokyo Stock Exchange's independence standards and the Company's "Independence Criteria for Outside

				Officers." Judging that there is no risk of a conflict of interest arising between Mr. Yuji Sakakura and general shareholders, the Company designated him as an independent officer.
Takashi Mukuno	○	○	———	Mr. Takashi Mukuno possesses experience and track record in global corporate management backed by his experience and track record in sales and corporate planning at listed companies and as a top executive of overseas subsidiaries of listed companies. Using his abundant experience and track record, he is properly executing his duties of an Audit & Supervisory Committee member from a global management perspective. Expecting that he will make sound recommendations regarding the Company's business and supervise the execution of business from a neutral and objective position, the Company continued to elect him as outside director. Mr. Takashi Mukuno possesses independence as stipulated by the Tokyo Stock Exchange's independence standards and the Company's "Independence Criteria for Outside Officers." Judging that there is no risk of a conflict of interest arising between Mr. Takashi Mukuno and general shareholders, the Company designated him as an independent officer.
Minako Nishimura	○	○	Although there were transactions in fiscal 2022 between Next Story Co., Ltd., where she is an executive officer, and the SWCC Group, the amount of transactions was less than 0.1% of consolidated net sales for the SWCC Group and less than 1% of net sales for Next Story Co., Ltd. Therefore, there is no matter that conflicts with the independence requirements in the "Independence Criteria for Outside Officers" established by the Company with respect to her.	Ms. Minako Nishimura possesses extensive experience primarily in human resource and career development and a high level of insight as a corporate executive. Expecting that she will appropriately execute her duties from an independent standpoint in discussions about promoting diversity and measures for fostering the next generation, the Company continued to elect her as outside director. Ms. Minako Nishimura possesses independence as stipulated by the Tokyo Stock Exchange's independence standards and the Company's "Independence Criteria for Outside Officers." Judging that there is no risk of a conflict of interest arising between Ms. Minako Nishimura and general shareholders, the Company designated her as an independent officer.
Koji Naito	○	○	———	Mr. Koji Naito possesses a wide range of experience and track record such as acting as a representative director of a listed company. Expecting that he will provide advice on management, make sound recommendations regarding the Company's business and supervise the execution of business using his extensive experience and high level of insight into corporate management, the Company elected him as outside director. Mr. Koji Naito possesses independence as stipulated by the Tokyo Stock Exchange's independence standards and the Company's "Independence Criteria for Outside Officers." Judging that there is no risk of a conflict of interest arising between Mr. Koji Naito and general shareholders, the Company designated him as an independent officer.
Kumiko Baba	○	○	———	Ms. Kumiko Baba possesses a broad range of experience and an extensive track record, including serving as a corporate auditor at a listed company and in fields such as management planning, financial affairs and accounting. Expecting that she will make sound recommendations regarding the Company's business and supervise the execution of business from a neutral and objective position using her extensive experience and track record, the Company elected her as outside director. Ms. Kumiko Baba possesses independence as stipulated by the Tokyo Stock Exchange's independence standards and the Company's "Independence Criteria for Outside Officers." Judging that there is no risk of a conflict of interest arising between Ms. Kumiko Baba and general shareholders, the Company designated her as an independent officer.

[Audit and Supervisory Committee]

Member Composition and Chairperson's Attribute

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit and Supervisory Committee	4	1	1	3	Outside Director

Directors or Employees Responsible for Assisting the Audit and Supervisory Committee in Fulfilling Its Duties	Yes

Matters concerning the Independence of such Directors or Employees from Executive Directors

- The Audit and Supervisory Committee is chaired by an outside director and meetings are presided over by an internal director, who is the Full-time Audit and Supervisory Committee Member.
- To increase the effectiveness and efficiency of the Audit and Supervisory Committee's audits, at the Audit and Supervisory Committee's request, the Company assigns employees to the Company's internal audit division to assist with the Audit and Supervisory Committee's duties.
- To ensure the independence of employees assigned to assist with the Audit and Supervisory Committee's duties and the effectiveness of directions given to such employees, the director in charge of personnel affairs shall be required to report decisions relating to the appointment, personnel changes and other personnel affairs of such employees to the Audit and Supervisory Committee in advance and obtain the Audit and Supervisory Committee's approval.

Cooperation among the Audit and Supervisory Committee, Accounting Auditors and Internal Audit Department

- The Company has the Audit Department (13 members as of the date of submission (including one member with concurrent duties). The Audit Department audits the operations of each division of the SWCC Group companies, in accordance with the Group's internal audit regulations and audit plan. In audits of operations, each division is required to respond to comments and correct identified issues, and the status of improvement is checked. After the completion of its audits, Audit Department prepares an audit report and reports audit results to the Executive President and Representative Director (CEO), the Board of Directors and Audit & Supervisory Committee.

[Voluntary Committees]

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Compensation Committee	Yes

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Compensation Committee
Committee's Name	Nomination and Compensation Committee	Nomination and Compensation Committee
All Committee Members	3	3
Full-time Members	0	0
Inside Directors	0	0
Outside Director	3	3
External Experts	0	0
Others	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation

Until the Ordinary General Meeting of Shareholders on June 27, 2023, the Company operated the Nominating Committee and the Compensation Committee as separate meeting bodies. However, given that the discussions held by each committee are deeply related, the Company will operate them as the Nomination and Compensation Committee after the conclusion of the Ordinary General Meeting of Shareholders on June 27, 2023 in order to further deepen the discussions. The Nomination and Compensation Committee was established for the purpose of increasing the objectivity and transparency of the process for determining personnel affairs and remuneration of directors, etc. and further enhancing and strengthening the corporate governance system by properly ensuring that outside directors have the opportunity to be involved in the process and offer advice. During the previous fiscal year, the committee met a total of seven times.
Nomination and Compensation Committee mainly deliberates and reports on the matters shown below upon request from the Board of Directors.
(1) Matters regarding the election and dismissal of directors (matters to be resolved by a General Meeting of Shareholders)
(2) Matters regarding the selection and dismissal of directors with specific titles
(3) Matters regarding the election and dismissal of executive management (includes executive officers and directors of subsidiaries;

the same applies hereinafter)
(4) Basic policies and procedures, etc. regarding the election and dismissal of directors and executive management
(5) Basic policies and procedures, etc. regarding the election and dismissal of representative directors and directors with specific titles
(6) Matters regarding succession planning
(7) Matters regarding the structure of remuneration for directors and executive management and remuneration system policies, etc.
(8) Matters regarding the maximum amount of remuneration for directors (matters to be resolved by the General Meeting of Shareholders)
(9) Matters regarding the remuneration of directors and executive management
(10) Other important management matters as deemed necessary by the Board of Directors

[Independent Directors/Auditors]

Number of Independent Directors/Auditors	5

Matters Related to Independent Directors/Auditors

The Company has designated all of its five outside officers as independent officers defined in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.

[Incentives]

Implementation of Measures to Provide Incentives to Directors and/or Executive Officers	Introduction of performance-based compensation plan, others

Supplementary Explanation

- The Company's policy on the determination of the payment ratio of performance-based compensation and other compensation is as described in (iii) of Principle 3.1 Disclosure Based on Principles of Japan's Corporate Governance Code.
- At the 123rd Ordinary General Meeting of Shareholders held on June 26, 2019, it was resolved that the amount of remuneration for directors (excluding directors who are Audit and Supervisory Committee members; the same applies hereinafter in this section) shall not exceed 300 million yen annually (30 million yen annually for outside directors), and it was decided that the amount of remuneration for directors shall include the amount of executive officer remuneration for directors concurrently serving as executive officers and the amount of employee salaries for directors concurrently serving as Company employees in order to clarify the scope of the remuneration limit in real terms. The number of directors at the conclusion of the 123rd Ordinary General Meeting of Shareholders in question was four (including one outside director).
Furthermore, at the Company's 124th Ordinary General Meeting of Shareholders held on June 29, 2020, it was decided to provide directors with monetary remuneration up to a maximum annual amount of 80 million yen, in order to grant them restricted shares, within the limit of 300 million yen annually (30 million yen annually for outside directors). The number of directors at the conclusion of the 124th Ordinary General Meeting of Shareholders in question was three (including zero outside director).
- With respect to remuneration for directors who are Audit & Supervisory Committee members, it was resolved to provide up to a maximum annual amount of 80 million yen at the Company's 123rd Ordinary General Meeting of Shareholders held on June 26, 2019. As of the close of the 123rd Ordinary General Meeting of Shareholders, the Company had three Directors who were Audit and Supervisory members, including two outside directors.
- The amount of remuneration for individual directors (excluding directors who are Audit and Supervisory Committee members; the same applies hereinafter in this section) is decided by the Board of Directors, within the total amount of directors' remuneration established at the Shareholders' Meeting, on the condition that the report by the Nomination and Compensation Committee is respected and the method for determining the details of remuneration, etc. and the details of the remuneration, etc. resolved are consistent with the policy for determining details of compensation, etc. of directors and executive officers.
- The remuneration for directors who are Audit and Supervisory Committee members is decided based on discussion among directors who are Audit and Supervisory Committee members, within the maximum amount established at the Shareholders' Meeting, in accordance with Paragraph 3, Article 361 of the Companies Act of Japan.

Recipients of Stock Options	

Supplementary Explanation

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[Remuneration for Directors/Executive Officers]

Disclosure of Individual Directors' Remuneration	No individual disclosure

Supplementary Explanation

The Business Report for the 129th fiscal year (from April 1, 2024 to March 31, 2025) and the Annual Securities Report for the 129th fiscal year state that the amount of remuneration paid to directors (excluding directors who are Audit and Supervisory Committee members) was 130 million yen and the amount of remuneration paid to directors who are Audit and Supervisory Committee members was 68 million yen.

Policy on Determining Remuneration Amounts and Calculation Methods	Yes

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Please refer to (iii) of [Principle 3-1 Full Disclosure Based on the Principles of the Corporate Governance Code] under "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information" above.

[Supporting System for Outside Directors]

- When outside directors assume office, Executive Officers are required to explain the businesses and operations they are in charge of to new outside directors individually and the directors who are full-time Audit and Supervisory Committee member are also required to explain the status of audits to them in order to increase their understanding of the Group's businesses and management. At the same time, the Company shall create opportunities for outside directors to visit major production bases of the Group. Such opportunities shall also be created for incumbent outside directors when necessary.
- The legal affairs division, which is the secretariat for the Board of Directors, and the Strategy Planning Department, which is the secretariat for the Management Council, play central roles in collecting and providing the information and materials needed by outside directors. The Company's policy is to explain proposals to directors including outside directors ahead of meetings of the Board of Directors. The Company's policy is to explain proposals to directors including outside directors ahead of meetings of the Board of Directors.
- The director who is the full-time Audit and Supervisory Committee member and members of the internal audit division play central roles in collecting and providing the information and materials needed by outside directors who are Audit and Supervisory Committee members.

In addition, the director who is the full-time Audit and Supervisory Committee member and the outside directors who are Audit and Supervisory Committee members liaise with each other and exchange opinions with each other through meetings of the Audit and Supervisory Committee held on a regular and ad hoc basis.

[Situation of Retired President and Others]

Names, etc. of Counselors, Advisors and Others who are Retired President and Others

Name	Job title/ position	Responsibilities	Employment terms (Full/part time, with/without compensation, etc.)	Date of retirement	Term
———	———	———	———	———	———

Total Number of Counselors, Advisors and Others who are Retired President and Others	0

Others

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2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination, and Compensation Decisions (Overview of Current Corporate Governance System)

- The Board of Directors consists of four directors (including two outside directors; excluding directors who are Audit & Supervisory Committee members) and four directors who are Audit & Supervisory Committee members (including three outside director). Five out of the eight directors are men and three are women.
- The term of office of directors (excluding those who are Audit and Supervisory Committee members) is set at one year for the purpose of clearly defining managerial responsibilities and ensuring treatment based on merit. Meanwhile, the term of office of directors who are Audit and Supervisory Committee members is set at two years.
- As systems to ensure the efficient execution of duties by directors, the Board of Directors holds regular meetings at least once every three month and ad hoc meetings whenever necessary, and important matters regarding the management of the Company and the Group are required to be deliberated by the Group Management Council first before being determined by the Board of Directors. The Board of Directors also draws up a medium-term management plan and annual business plan for the Group and sets specific management targets. Based on these plans, the representative directors and executive directors of the Company and each group company make necessary decisions and efficiently execute their duties based on the bodies, procedures, etc. specified in the SWCC Group Business Management Regulations and each company's Board of Directors' Regulations, etc.
- The Company has established the Audit Department as its internal audit division and this department verifies the appropriateness and validity of the operations of the Company and each group company and improves and advices where necessary, in accordance with the SWCC Group Internal Audit Regulations.
- The Audit and Supervisory Committee conducts business audits and accounting audits on an ongoing basis under the leadership of the full-time Audit and Supervisory Committee member and, by attending meetings of the Board of Directors and the Management Council, Audit and Supervisory Committee members can supervise the execution of duties by Directors and have their feedback reflected.
- The Company appoints Ernst & Young ShinNihon LLC as accounting auditor and its accounts are audited in a fair manner. In FY2024, the two certified public accountants (Designated Limited Liability Partners and Engagement Partners) who audited the Company's accounts were Hideyuki Inoue and Takuro Sugio. The assistants to the accounting audits of the Company are eight certified public accountants, six persons who have passed the CPA examination and 29 other persons. In FY2025, the two certified public accountants (Designated Limited Liability Partners and Engagement Partners) who will audit the Company's accounts are Hideyuki Inoue and Takuro Sugio.
- In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company concludes agreements with

non-executive directors to limit the liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum liability for damages under the agreement is the minimum liability amount provided for in Article 425, Paragraph 1 of the Companies Act. The liability limitation applies only if the non-executive director performs the duties that have caused the liability in good faith and without gross negligence.
- The Company has entered into a directors' and officers' liability insurance contract with an insurance company pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act. The scope of the insured of the insurance contract is the directors, executive officers and managerial employees of the Company and its subsidiaries in Japan and overseas, and the insured does not bear the insurance premiums. The insurance contract covers damages for which the insured is held legally liable in the event of a legal liability claim attributable to execution of duties by the insured; provided, however, that damages, etc. caused by an act that the insured has done, aware that the act is in a violation of law, shall not be subject to compensation, so that the properness of the execution of duties of the insured will not be impaired.
- The Company has established the Nomination and Compensation Committee as advisory bodies to the Board of Directors to increase the objectivity and transparency of the processes for determining the personnel affairs and remuneration, etc. of directors, etc.

3. Reasons for Adoption of Current Corporate Governance System

- The Company transitioned to a Company with an Audit and Supervisory Committee based on a resolution of the 123rd Ordinary General Meeting of Shareholders held on June 26, 2019. The purpose of this transition is as follows.

1. By delegating substantial decision-making authority for the execution of business operations to the executive officers, the Company aims to increase the efficiency and speed of business execution.
2. At the meetings of the Board of Directors, the Company will further enhance the deliberations on important themes such as management strategy.
3. The Audit and Supervisory Committee will play a central role in strengthening the auditing and supervisory functions.

- To strengthen corporate governance, the Company amended its Articles of Incorporation to change (increase) the number of directors who are Audit and Supervisory Committee members to six (6) or less, in accordance with the resolution of the 127th Ordinary General Meeting of Shareholders held on June 27, 2023.
- By making three out of the four directors who are Audit and Supervisory Committee members outside directors, the Company has strengthened the management advisory function and supervisory function.
- The Company has strengthened the governance function regarding compliance and risk management across the Group by adopting a system under which the Risk Management Committee drives efforts to understand and rectify issues across the group and immediately reports any major concerns it becomes aware of to the Board of Directors.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholders Meeting and Smooth Exercise of Voting Rights

	Supplementary Explanation
Scheduling General Shareholders Meeting Avoiding the Peak Day	The Company held its Ordinary General Meeting of Shareholders for 2025 on June 25, 2025.
Allowing Electronic Exercise of Voting Rights	The Company has introduced the electronic exercise of voting rights. The Company also participates in the Electronic Voting Platform for Foreign and Institutional Investors operated by ICJ Co., Ltd.
Participation in Electronic Voting Platform and Other Initiatives to Enhance the Environment for Institutional Investors to Exercise Their Voting Rights	The Company uses the electronic voting platform.
Providing Convocation Notice in English	The Company provides an English version of the convocation notice.
Others	The Company posts its convocation notice via TDnet provided by Tokyo Stock Exchange and on the Company's website prior to the statutory deadline for measures for electronic provision, with a view to providing information at an early stage. The Company broadcasts the proceedings on the day of the General Meeting of Shareholders live on the Internet.

2. IR Activities

	Supplementary Explanation	Explanation by Representative
Preparation and Publication of Disclosure Policy	The Company has established a Disclosure Policy and publishes the policy on its website.	
Regular Investor Briefings for Individual Investors	The Company holds investor briefings for individual investors. We also actively publish information we believe to be useful for investors on our website. https://www.swcc.co.jp/jpn/ir/individual/index.html	Yes
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds briefing sessions soon after its financial results announcements at the end of the second quarter and the end of the financial year. In addition, the Company holds themed briefings on a regular basis to give an in-depth explanation of each segment and its ESG initiatives. Details of the Company's briefings are disclosed on its website. https://www.swcc.co.jp/jpn/ir/meeting/output.html	Yes
Regular Investor Briefings for Overseas Investors	The Company holds small meetings for overseas institutional investors.	Yes
Posting of IR Materials on Website	The Company actively discloses information which might be useful for investors such as optional press releases and explanations of business results by the Representative Director, in addition to materials it is required to disclose by law. https://www.swcc.co.jp/jpn/ir/index.html	
Establishment of Department and/or Manager in Charge of IR	IR Group of Corporate Communication Department is the section dedicated to IR.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Internal Rules Stipulated for Respecting the Position of Stakeholders	Based on the SWCC Group's Purpose "Innovating new ideas today. Becoming the norms of tomorrow," our mission is to be a company that will continue to support the infrastructure with reliable products and contribute to a safe and secure society based on our management philosophy of "The SWCC Group expands the circle of trust".
Implementation of Environmental Activities, CSR Activities, etc.	For details of the Group's sustainability initiatives, please refer to [Supplementary Principle 3.1-(3) Full Disclosure] in [Disclosure Based on Principles of Japan's Corporate Governance Code] under 1. Fundamental Views, I. Fundamental Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information above.
Development of Policies on Information Provision to Stakeholders	The SWCC Group Management Policy and Code of Conduct stipulate that the Group shall engage in public relations activities in relation to shareholders and a wide range of other stakeholders and shall disclose necessary corporate information in a timely and appropriate manner and endeavor to manage such information.
Others	The Company is focused on Health and Productivity Management because this will help strengthen corporate competitiveness by ensuring a healthy and reliable work force, thus improving productivity, and by enhancing the creativity of employees. The Company has built a framework to promote health and productivity management under the leadership of the Executive President and Representative Director (CEO) and is involved in activities to support good health in cooperation with the SWCC Health Insurance Association, occupational health physicians and public health nurses. As a result, the Company was recognized under 2025 Certified Health and Productivity Management Organization Recognition Program (large enterprise category) in March 2025. For other details of our initiatives related to the empowerment of women and human capital, please refer to [Supplementary Principle 2.4-(1): Ensuring diversity at the Company, including the Empowerment of Women] under "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information", 1. Fundamental Views, [Disclosure Based on Principles of Japan's Corporate Governance Code] above.

IV. Matters Related to the Internal Control System

1. Fundamental Views on Internal Control System and the Progress of System Development

The Company's Board of Directors resolved as follows regarding systems for ensuring appropriate business operations.

1. System to Ensure that Directors , Executive Officers and Employees of the Corporate Group Consisting of the Company and its Subsidiaries (Hereinafter Referred to as the "SWCC Group") Will Execute Their Duties in Compliance with Laws and Regulations and the Articles of Incorporation

(1) Directors, executive officers and employees shall seek to familiarize themselves with the management philosophy, management policy and code of conduct enacted by Directors for the purpose of establishing corporate ethics and ensuring compliance with laws and regulations and the Articles of Incorporation and efficient management in the SWCC Group, by carrying around with them and constantly using a booklet, etc. containing the management philosophy, management policy and code of conduct.

(2) The Board of Directors shall appoint a director in charge of risk management as the person responsible for compliance and risk management in the SWCC Group, and the director in charge of risk management shall endeavor to develop the compliance framework across the SWCC Group and to understand and rectify any issues.

(3) The Board of Directors shall establish a Risk Management Committee to be chaired by the director in charge of risk management, and the committee shall make decisions on matters such as the SWCC Group's compliance-related awareness-raising and training plans and action plans and deliberate on the operation of a compliance hotline and other important matters. The Risk Management Committee shall report the status of such activities to the Board of Directors on a regular basis and shall immediately report to the Board of Directors any major compliance-related concerns it becomes aware of.

(4) The Risk Management Committee shall establish a compliance hotline as a means by which directors, executive officers and employees of the SWCC Group can directly report behaviors that raise compliance-related doubts in the SWCC Group and shall tailor the operation of such compliance hotline to the size, business format and other characteristics of each SWCC Group company and report the operation status to the Board of Directors on a regular basis.

(5) The Board of Directors shall hold a meeting of persons responsible for internal controls to discuss the internal controls of the SWCC Group on a regular basis and shall implement measures to enhance the effectiveness of internal controls in cooperation with the relevant divisions of each SWCC Group company.

(6) The SWCC Group shall take a firm stance as an organization against antisocial forces, have no relations or dealings with them whatsoever, and never accept undue demands from them.

2. System Concerning the Preservation and Management of Information on Execution of Duties by Directors and Executive Officers

Directors and executive officers shall properly retain and manage the following documents (including electronic records; the same applies hereinafter) relating to the execution of their duties and other important information in accordance with the Document Management Regulations and other internal rules.

(i) Minutes of general meetings of shareholders and other materials related to such meetings

(ii) Minutes of meetings of the Board of Directors and other materials related to such meetings

(iii) Minutes of meetings of the Group management Council and other materials related to such meetings

(iv) Minutes of other important meetings and other materials related to such meetings

(v) Other important documents related to the execution of duties by directors and executive officers

3. Regulations and other Systems Concerning Management of the Risk of Loss of the SWCC Group

(1) Directors and executive officers shall implement risk management to mitigate serious management risks in accordance with the SWCC Group Risk Management Regulations.

(2) The Director in charge of risk management shall endeavor to develop the compliance framework across the SWCC Group and to understand and rectify any issues.

(3) The Risk Management Committee shall identify, analyze and evaluate risks that need to be managed by the SWCC Group and shall deliberate on countermeasures (including corrective action and re-evaluation) and other important matters. The Risk Management Committee shall report the status of such activities to the Board of Directors on a regular basis and shall immediately report any major concerns it becomes aware of to the Board of Directors.

(4) In the event of the materialization of a serious risk, the Board of Directors shall establish an emergency taskforce in accordance with the SWCC Emergency Taskforce Regulations.

4. System to Ensure Efficient Execution of Duties by Directors of the SWCC Group

(1) Regular meetings of the Board of Directors shall be held regularly and ad hoc meetings of the Board of Directors shall be held in a timely manner when necessary, in accordance with the Board of Directors' Regulations. Moreover, decisions on important matters regarding the management of the SWCC Group shall be made at meetings of the Board of Directors.

(2) The Board of Directors shall make necessary decisions based on the bodies, procedures, etc. specified in the Board of Directors' Regulations and the SWCC Group Business Management Regulations.

(3) The Board of Directors shall draw up a medium-term management plan and annual business plan and set clear management targets in accordance with the basic management policy of the SWCC Group. Directors and executive officers shall execute their duties aiming to achieve such targets and the Board of Directors shall develop a framework for managing and improving their actual results, etc.

(4) The Board of Directors shall delegate decision-making on some important matters regarding the management of the SWCC Group to the Group Management Council, which is composed of the representative director and executive officers, in accordance with the Articles of Incorporation and the Board of Directors' Regulations.

(5) The Board of Directors shall manage the business of each SWCC Group Company in accordance with the SWCC Group Business Management Regulations and shall also develop an appropriate monitoring framework including requiring timely reporting on the matters deliberated and decided upon by the Group Management Council.

5. System for Ensuring Appropriate Financial Reporting

(1) To ensure appropriate financial reporting in accordance with the Financial Instruments and Exchange Act, the Company shall enact the SWCC Group Basic Policy on Internal Control Over Financial Reporting and develop and operate the framework necessary

for internal control in accordance with this policy.
(2) The Company's internal audit division shall conduct continuous monitoring of the effectiveness of the financial reporting internal control system.

6. Matters Regarding Employees Assigned to Assist the Audit and Supervisory Committee in its Duties and Matters for Ensuring the Independence of Such Employees from Directors (Excluding Directors who are Audit and Supervisory Board Members; the Same Applies Hereinafter) and the Effectiveness of Instructions to such Employees
(1) To increase the effectiveness and efficiency of the Audit and Supervisory Committee's audits, at the Audit and Supervisory Committee's request, the Company shall assign employees to the Company's internal audit division to assist with the Audit and Supervisory Committee's duties.
(2) To ensure the independence of employees assigned to assist with the Audit and Supervisory Committee's duties and the effectiveness of directions given to such employees, the Board of Directors shall ensure that the director in charge of personnel affairs is required to report decisions relating to the appointment, personnel changes and other personnel affairs of such employees to the Audit and Supervisory Committee in advance and obtain the Audit and Supervisory Committee's approval.

7. System for Reporting by Directors, Executive Officers and Employees of the SWCC Group to the Audit and Supervisory Committee and Other Systems Concerning Reporting to the Audit and Supervisory Committee
(1) Directors and executive officers shall report the following matters to the Audit and Supervisory Committee in a timely manner; provided, however, that matters resolved or reported at meetings of the Board of Directors may be excluded.
(i) Matters reported or approved at meetings of the Management Council
(ii) Matters which could cause serious damage to the Company
(iii) Important matters concerning the status of operations each month
(iv) Important matters regarding the implementation status of internal audits and risk management
(v) Serious violations of laws and regulations or violations of the Articles of Incorporation
(vi) Status and content of whistleblowing reports made via the compliance hotline
(vii) Other important matters related to compliance
(2) Employees who discover an important fact regarding (ii) or (v) of (1) above shall be able to report directly to the Audit and Supervisory Committee.
(3) The Board of Directors shall clearly specify in the SWCC Group Whistleblowing System Operation Regulations that one full-time Audit and Supervisory Committee member shall be added as a point of contact for the compliance hotline and that disadvantageous treatment of whistleblowers in the grounds that they have made whistleblowing reports shall be prohibited.
(4) The Company's legal division and internal audit division shall report on the status of compliance and internal audits, etc. in the SWCC Group to the Audit and Supervisory Committee on a regular basis.

8. Other Systems for Ensuring the Effective Audit by the Audit and Supervisory Committee
(1) Directors and executive officers and the Audit and Supervisory Committee shall cooperate with each other and enhance the effectiveness and efficiency of audits by exchanging opinions and information with each other where necessary and holding regular liaison meetings.
(2) Audit and Supervisory Committee members may attend meetings of the Group Management Committee, committee meetings and subcommittee meetings held by the Risk Management Committee, meetings of persons responsible for internal controls, and other important meetings in addition to meetings of the Board of Directors.
(3) Audit and Supervisory Committee members may inspect documents relating to the execution of duties by directors, information on internal information systems and other important information as appropriate.
(4) Audit and Supervisory Committee members shall be given the opportunity to independently consult with lawyers, accountants and other professionals on specialist matters and to receive advice on audit operations.
(5) The Company shall bear any expenses requested by the Audit and Supervisory Committee members or the Audit and Supervisory Committee for the execution of their duties.

2. Fundamental Approach to Eliminating Anti-Social Forces and State of Related Efforts

In initiatives for the elimination of antisocial forces, the Company instills its approach to antisocial forces in Group employees by clearly specifying its stance in both the above basic policy on the development of internal control systems and the Basic Compliance Policy. In addition, the Company has joined the Kanagawa Prefecture Corporate Defense Countermeasures Association to gather information about antisocial forces, and has also determined the business unit responsible for dealing with antisocial forces and developed a framework under which action can be taken in an timely and appropriate manner in cooperation with the police, legal advisors and other specialist agencies in response to any contact from antisocial forces, etc.

V. Other

1. Adoption of Takeover Response Policy

Adoption of takeover response policy	Not adopted

Supplementary Explanation

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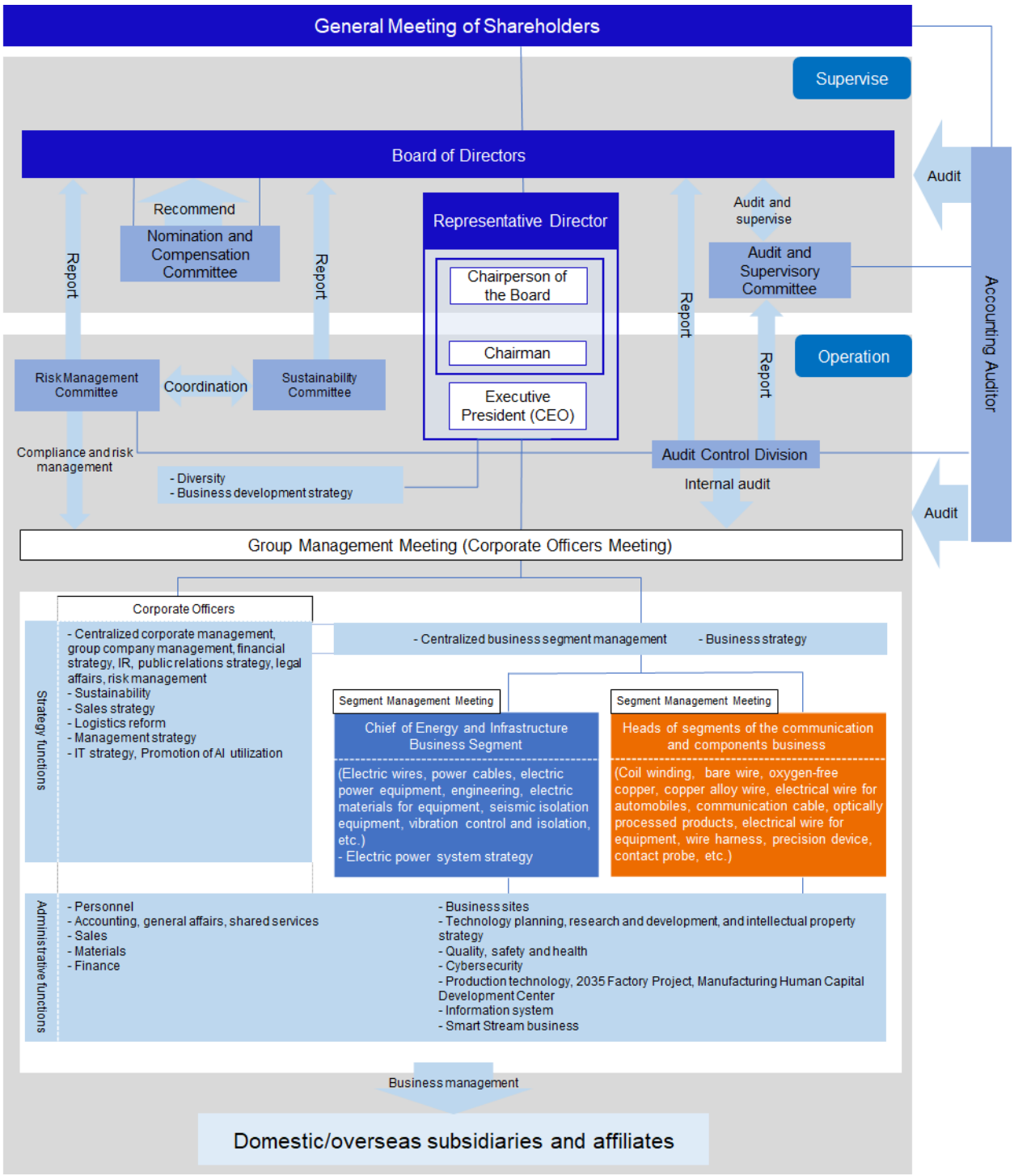
2. Other Matters Concerning Corporate Governance System Updated

- The SWCC Group is working to strengthen cooperation as a group by formulating and implementing common Group regulations, in addition to the SWCC Group Business Management Regulations.
- As for the Group's timely disclosure system, the Company specifies basic matters regarding the timely and appropriate disclosure of corporate information in the Basic Compliance Policy and has also established systems and procedures to ensure that company information is provided quickly, accurately and fairly to shareholders and investors, etc. in the SWCC Group Information Disclosure Regulations. More specifically, the Company has established an Information Disclosure Committee, developing a framework under which important information which needs to be disclosed about the Group is reported to this committee and disclosed in a timely and appropriate manner.
- To promote the growth strategies set forth in its new Medium-term Management Plan, Change & Growth SWCC 2026 announced in November 2021, and to achieve its performance targets for FY2026, the Company has shortened the distance between its management strategies and business operations and transitioned from a pure holding company to an operating company by merging the operating companies SWCC SHOWA CABLE SYSTEMS CO., LTD. and SWCC SHOWA UNIMAC LTD on April 1, 2023. With the transition to an operating company, the Company has streamlined the management and operation of the Group's internal operations by the shared service divisions by further strengthening cross-segment functions for business segments, by concentrating the functions of the business strategy divisions, standardizing common operations within the Group and unifying different systems among Group companies. Moreover, following the transition from a holding company to an operating company, the Company now has the function of directly operating each business segment and has adopted a structure and framework under which Group management and strategy proposals are directly linked to the strategies and operations of each business segment.
- To accelerate the corporate growth phase toward 2030, the Group adopted a streamlined management structure on April 1, 2025. The Company also positioned data centers, mobility and semiconductor as growth fields and established a new organizational system by consolidating the electrical equipment and components business and the communication and industrial devices business into communication and components business as of April 1, 2025. In addition, TOTOKU INC., which became a consolidated subsidiary after the Company acquired all of its shares on March 27, 2025, has a product group with a strong competitive advantage in the fields of mobility, semiconductor and AI servers. Strong growth is foreseen in these areas, which are part of the Company's communication and components business. Under the new organizational system, the Company will work toward achieving the medium-term management plan and sustained growth of the Group.
- The Group is working to prevent all forms of corruption by disclosing its Basic Compliance Policy and requiring individual employees to conduct themselves in accordance with this policy.


General Meeting of Shareholders
Supervise
Board of Directors
Audit
Recommend
Nomination and Compensation Committee
Report
Report
Representative Director
Chairperson of the Board
Chairman
Executive President (CEO)
Audit and supervise
Audit and Supervisory Committee
Report
Report
Operation
Accounting Auditor
Risk Management Committee
Coordination
Sustainability Committee
Compliance and risk management
- Diversity
- Business development strategy
Audit Control Division
Internal audit
Audit
Group Management Meeting (Corporate Officers Meeting)
Corporate Officers
Strategy functions
- Centralized corporate management, group company management, financial strategy, IR, public relations strategy, legal affairs, risk management
- Sustainability
- Sales strategy
- Logistics reform
- Management strategy
- IT strategy, Promotion of AI utilization
- Centralized business segment management
- Business strategy
Segment Management Meeting
Chief of Energy and Infrastructure Business Segment
(Electric wires, power cables, electric power equipment, engineering, electric materials for equipment, seismic isolation equipment, vibration control and isolation, etc.)
- Electric power system strategy
Segment Management Meeting
Heads of segments of the communication and components business
(Coil winding, bare wire, oxygen-free copper, copper alloy wire, electrical wire for automobiles, communication cable, optically processed products, electrical wire for equipment, wire harness, precision device, contact probe, etc.)
Administrative functions
- Personnel
- Accounting, general affairs, shared services
- Sales
- Materials
- Finance
- Business sites
- Technology planning, research and development, and intellectual property strategy
- Quality, safety and health
- Cybersecurity
- Production technology, 2035 Factory Project, Manufacturing Human Capital Development Center
- Information system
- Smart Stream business
Business management
Domestic/overseas subsidiaries and affiliates