

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] Updated

This document has been prepared in accordance with the Corporate Governance Code (July 2026 edition).

[Principle 1.2: Exercise of Shareholder Rights at General Shareholder Meetings]

〈Interpretive Guidance (i)〉

Considering that general shareholder meetings are an opportunity for constructive dialogue with shareholders, we are working to create an environment that facilitates appropriate decision-making by shareholders at general shareholder meetings.

With regard to our Annual Securities Report, we have also reviewed and streamlined the financial closing and disclosure processes within our accounting department to ensure submission prior to the date of the Ordinary General Meeting of Shareholders. As a result, the Annual Securities Report for the fiscal year ended March 2026 was submitted one week before the date of the Ordinary General Meeting of Shareholders.

For Annual Securities Reports for the fiscal year ending March 2027 and beyond, in line with the spirit of the Interpretive Guidance stating that “it is best to submit annual securities reports at least three weeks before the general shareholder meetings,” we will aim to further advance the submission date by not only further streamlining year-end financial closing operations but also requesting that our accounting auditors move up their audit schedules and strengthen their audit systems.

Regarding useful and reliable information that contributes to appropriate decision-making by shareholders at general shareholder meetings, we will continue to strive for timely and appropriate information disclosure, such as through the early mailing and posting of notices of convocation and reference materials for general meetings, to ensure that shareholders have sufficient time for consideration.

We will also continue to closely monitor institutional trends currently under discussion by the Financial Services Agency and other relevant government agencies, such as the consolidation of the Annual Securities Report and business reports, as well as the unification of audits under the Companies Act and the Financial Instruments and Exchange Act.

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

This document has been prepared in accordance with the Corporate Governance Code (July 2026 edition).

[Principle 1.1: Constructive Dialogue with Shareholders (1)]

To contribute to sustainable growth and the enhancement of corporate value over the medium to long term, the Company strives to engage in constructive dialogue with investors, including shareholders, on a regular basis, and has established the following policy in accordance with the spirit of the Interpretive Guidance.

〈Interpretive Guidance (i)〉

The Company designates the executive officer responsible for the Corporate Communications Department as the executive officer in charge of IR, who oversees all dialogue with shareholders and investors.

〈Interpretive Guidance (ii)〉

For dialogues with shareholders, investors, etc., the executive officer in charge of IR acts as the responsible person and personnel from the Corporate Communications 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.

The Company also conducts regular one-on-one meetings with investors and strives to ensure the improvement of its market valuation by receiving fair assessments from shareholders and investors.

To become a company that is correctly understood, valued, trusted, and supported by all stakeholders, including shareholders and investors, the Company has established an IR Policy for proactive information disclosure, and has published it on its website.

IR Policy https://www.swcc.co.jp/jpn/ir/policy/ir_policy.html

〈Interpretive Guidance (iii)〉

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.

Earning Briefings Presentations https://www.swcc.co.jp/eng/company/ir_documents/financial_reports.html

〈Interpretive Guidance (iv)〉

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 relevant departments.

〈Interpretive Guidance (v)〉

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.

[Principle 1.4: Cross-Shareholdings]

〈Basic Policy on Cross-Shareholding〉

The Company has adopted a policy of not using cross-shareholding, in principle. With respect to individual stocks in cross-shareholdings, the Company has limited 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 the following basic policy on cross-shareholdings.

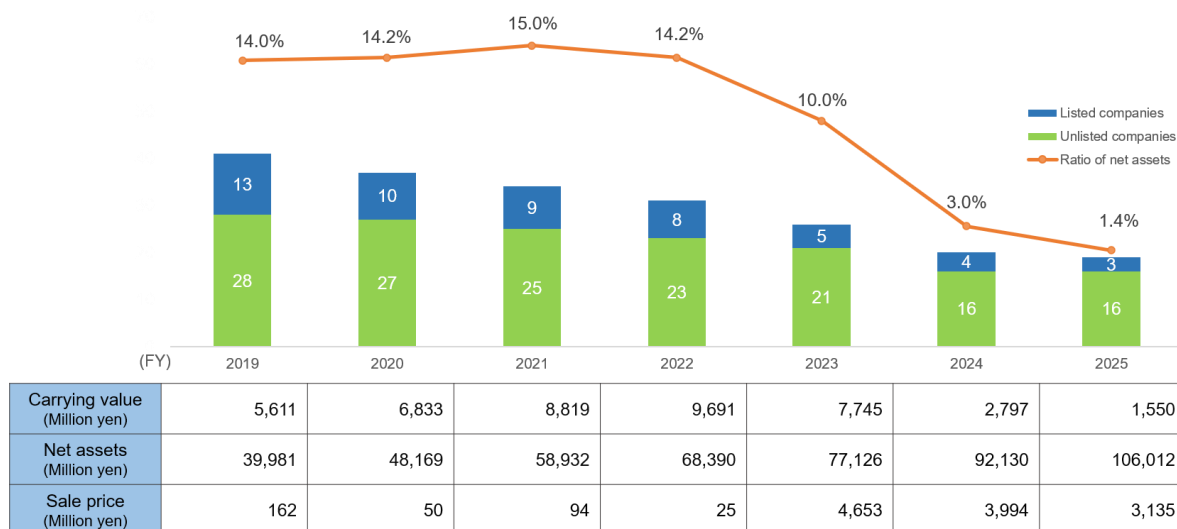
- Our basic policy is not to hold any shares, in principle.
- If we have no choice but to hold such shares, we will strictly examine the rationality of such holding.
- The exercise of voting rights regarding such shares will be judged comprehensively in light of their contribution to improving the Company's 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.

Notice of the 130th Ordinary General Meeting of Shareholders <https://www.swcc.co.jp/jpn/ir/stock/meeting.html>

〈Changes in Cross-Shareholdings〉



(Note)

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.

[Principle 2-2: Ensuring Diversity]

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.

〈Gender〉

To address the gender gap, the Group has set quantitative targets for the percentage of female employees in management positions and is engaged in initiatives to achieve these targets. 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 female, and the ratio of females in the Company's Board of Directors is 37.5%. In 2023, the Group developed it into the Diversity Promotion Project. It also expanded relevant activities to include all employees and widened the range of activities.

In 2026, the organization structure for the project was transformed into the Diversity Promotion Group under the Sustainability Promotion Department. On the basis of an idea that human capital is the starting point of all the corporate value creation, we will aim to create an environment where every employee can display their abilities while respecting values and personality in order to develop individual strengths into positive organizational results.

Based on our belief that promoting 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.

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 employees, including a review of recruitment.

■ Ratio of women in management positions

(FY2025 results)

- Ratio in management positions	7%
- Ratio in section leader level and higher positions	6%

(FY2026 targets)

- Ratio in management positions	8% by FY2030
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(Note) In FY2026, the ratio in management positions reflected an integration between the ratio in management positions and the ratio in section leader and higher positions under a new calculation rule that conforms to the definition of management positions (section leader and higher positions) in the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

Other initiatives for the advancement of women in the Company are disclosed in the Integrated Report.

Integrated Report <https://www.swcc.co.jp/jpn/ir/library/download/index.html>

〈Foreign Nationals and Mid-career Hires〉

The Group promotes the appointment of diverse human resources based on the perspective that is not limited to international experience or career backgrounds, and actively implements initiatives such as 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, 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. FY2025 results are as shown below.

■ Foreign nationals

- Ratio in management positions	1.96%
- Ratio of employees in key positions	9.52%

■ Mid-career hires

- Ratio in management positions	40.33%
- Ratio of employees in key positions	33.33%

〈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 enable 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 companies.

Details of the Company's human resource development are disclosed on the Company's Integrated Report.

Integrated Report <https://www.swcc.co.jp/jpn/ir/library/download/index.html>

〈Policy on the Development of Internal Environment to Ensure Diversity〉

We are working to create an organizational environment with the aim of creating an organization where diverse talent can thrive by leveraging their individual strengths. More specifically, the Company operates the systems shown below.

■ 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.

■ 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.

■ 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.

■ Alumni recruiting

We have introduced an alumni hiring program with the aim of securing talent who can leverage their deep understanding of the Company—a significant advantage—as well as the new experience and skills they have acquired by rehiring employees who have left our company, thereby driving positive change within the organization.

■ Referral recruiting

We have implemented a referral hiring program to secure human resources who are a good fit for the company from the outset, with the goal of facilitating a smooth onboarding process and reducing employee turnover.

■ Personnel Systems for Senior Human Resources

To revise our compensation structure for those aged 60 and older to a performance-based system that reflects role and contribution and improve the transparency and acceptability of employee compensation for employees, we have introduced a dedicated evaluation system that incorporates mechanism for reflecting evaluation results into salaries and bonuses, as well as perspectives such as mentoring junior staff.

[Principle 2.4: 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 and 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, administration and monitoring, including appointing human capital with many years of experience at financial institutions to committees.

[Principle 3.1: Full Disclosure]

〈Purpose / Management Philosophy / Management Plan〉

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

Purpose and Management Philosophy	https://www.swcc.co.jp/jpn/company/idea.html
Management Strategies	https://www.swcc.co.jp/jpn/company/policy/index.html
Medium-term Management Plan	https://www.swcc.co.jp/jpn/ir/policy/plan.html
Medium-term Management Plan (English)	https://www.swcc.co.jp/eng/news/images/IR_mp260227_eng.pdf

〈Fundamental Views on Corporate Governance〉

The Fundamental Views on Corporate Governance is described in Section I.1 of this report ("1. Fundamental Views"). 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.

〈Board Procedures for Deciding the Remuneration of the Directors〉

We have established a Nomination and Compensation Committee, a voluntary advisory body in which independent outside directors constitute a majority. The Board of Directors determines the compensation system and individual compensation amounts for directors following deliberation and recommendations by this committee.

As of the date of submission of this report, the committee consists of three directors (of whom three are independent outside directors and the committee is chaired by an independent outside director).

〈Policies and Procedures by which the Board of Directors Appoints and Dismisses Management and Nominates Candidates for Director〉

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

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

■ Criteria for Nominating Director and Executive 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.

(Director)

(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 Officer)

(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.

■ 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.

■ Criteria for Dismissing Directors and Executive 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 Executive 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.

〈Explanation of Reasons for Individual Appointments/Dismissals and Nominations When the Board of Directors Appoints and Dismisses Management and Nominates Candidates for Director〉

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.

Notice of the 130th Ordinary General Meeting of Shareholders <https://www.swcc.co.jp/jpn/ir/stock/meeting.html>

[Principle 4.1: Roles and Responsibilities of the Board I: Setting Strategic Directions for Companies' Business Strategies]

〈Medium-term Management Plan〉

As our vision for 2036—the year marking our 100th anniversary—the Group aims to become a global solutions company that develops future energy and digital technologies. As we aim to become a 100-year-old company that continues to take on global challenges, we launched the new Medium-Term Management Plan: Transformation for Growth SWCC 2030, in FY2026. We have positioned 2030 as a key milestone and established two fundamental strategies: shifting business toward growth areas and strengthening global operations. We have set targets of 40.0 billion yen or more in operating profit and an ROIC of 15% or higher by 2030, and will steadily advance our transformation and growth.

In FY2026, the first year of the Medium-Term Management Plan, we will actively pursue growth investments—deepening our ROIC Management 2.0 approach—to drive business expansion in the Power Infrastructure, Communication (Overseas), and Semiconductors businesses, which we have identified as growth areas. In the Power Infrastructure market, products related to energy network resilience and renewable energy are expected to continue performing strongly.

In Communications (Overseas), robust demand in the generative AI market is expected to continue, and demand for AI-related products is also anticipated to expand in the semiconductor market. As part of our initiatives, we will promote the expanded adoption of our proprietary products SICONEX and e-Cable, which help shorten construction lead times for power supply projects supporting the rapid expansion of the booming AI data center market. We will also increase production of the intermittent adhesive ribbon e-Ribbon, and expand sales of high-value-added product lines in response to growing demand for semiconductors. At the same time, in the construction-related market—our “cash cow”—while demand is expected to remain firm, there are concerns regarding project delays as a result of work style reforms and the revision of construction plans in the face of rising material prices. Accordingly, in our Construction Cables business, we will strive to improve cash generation capabilities through rigorous improvements to efficiency and reinvest that cash into our growth businesses.

Regarding investment in human capital, we have adopted “developing talent for the future” as one of our action policies, and are working to implement 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.

In terms of investment in intangible assets such as intellectual property, we have established “promoting sustainable clean energy through superior technology and innovation” and “building resilient infrastructure for the future society” as action policies. Under the supervision of the Board of Directors, we identify priority areas in accordance with our business portfolio management, based on the ROIC spread and growth potential of each business segment. We also analyze patent data to visualize both untapped areas and areas of concentration in competitors' technologies, and make strategic patent applications.

Details of the Group's financial and capital strategies stated in the new Medium-term Management Plan: Transformation for Growth SWCC 2030 in Japanese and English are disclosed on the Company's website at the following URLs:

Medium-term Management Plan https://www.swcc.co.jp/jpn/ir/pdf/IR_mp260227.pdf

Medium-term Management Plan (English) https://www.swcc.co.jp/eng/news/images/IR_mp260227_eng.pdf

Details of initiatives related to investments in human capital and intellectual property are disclosed in the Integrated Report.

Integrated Report <https://www.swcc.co.jp/jpn/ir/library/download/index.html>

[Principle 4.3: Roles and Responsibilities of the Board III: Effective Oversight of the Management and Directors (i) (3)]

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.

[Principle 4.7: Use of Optional Approaches]

〈Establishment of the Nomination and Compensation Committee〉

The Company has established the Nomination and Compensation Committee as advisory bodies to the Board of Directors. The Company established the committee 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.

〈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

〈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, of whom at least half shall be independent outside directors. We believe that ensuring the independence of the Nomination and Compensation Committee enhances management transparency and fairness, leading to the strengthening of corporate governance. Based on this understanding, the Nomination and Compensation 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.

[Principle 4.13: Preconditions for Ensuring the Effectiveness of the Board of Directors and the Audit and Supervisory Board]

〈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.

〈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 (excluding directors who are Audit and Supervisory Committee members) and four directors who are Audit and Supervisory Committee members. Among them, two directors who are not Audit and Supervisory Committee members and three directors who are Audit and Supervisory Committee members are outside directors. Given that outside directors are all have a high level of insight into management, they are expected to give appropriate advice on, and to perform supervision of, the Company's management.

The independent outside directors have business management experience at other companies.

〈Procedure for Electing Directors〉

The Company's procedure for electing directors is as described in Principle 3.1 under Section I Disclosure Based on Principles of Japan's Corporate Governance Code of this report.

〈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.

We disclose skills and other qualities possessed by 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.

Notice of the 130th Ordinary General Meeting of Shareholders <https://www.swcc.co.jp/jpn/ir/stock/meeting.html>

[Principle 4.13: Preconditions for Ensuring Effectiveness of the Board of Directors and the Audit and Supervisory Board (3)]

〈Evaluations of the Effectiveness of the Board of Directors〉

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 FY2025, 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 roles of the Board of Directors, the operation, debates, and the monitoring function of the Board of Directors, as well as dialogues with shareholders and investors, the performance of outside directors and the operations of the Nomination and Compensation Committee and the Audit and Supervisory Committee. During FY2025, we also conducted in-depth interviews of individual directors on the backgrounds of their responses and on extensive subjects. Based on the findings of the questionnaire and the interviews, we received proposals on issues and remediation from the external institutions with their respective perspectives.

We disclose details of our evaluation of the effectiveness of the Board of Directors each year, along with findings and identified issues, 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.

Notice of the 130th Ordinary General Meeting of Shareholders <https://www.swcc.co.jp/jpn/ir/stock/meeting.html>

〈Initiatives to Improve Effectiveness〉

Through our evaluation of the Board of Directors' effectiveness, we have confirmed that the composition and operation of our Board of Directors are appropriate and that substantive, free, open, and constructive discussions and exchanges of views take place, including the raising of concerns by outside directors, rather than merely going through the motions. Moreover, to ensure opportunities for more in-depth discussions regarding management strategies and key issues, outside directors—including directors who are Audit and Supervisory Committee members—attend company-wide training sessions attended by directors and executive officers, where they share information on the Company's management issues and engage in discussions based on a medium- to long-term perspective. We will continue to implement improvements as appropriate to further enhance these discussions.

[Principle 4.14: Active Board Deliberations]

〈Free, Open, and Constructive Discussions〉

Through our evaluation of the Board of Directors' effectiveness, we have confirmed that the composition and operation of our Board of Directors are appropriate and that substantive, free, open, and constructive discussions and exchanges of views take place, including the raising of concerns by outside directors, rather than merely going through the motions. We will continue to actively implement improvements as appropriate to further enhance these discussions.

〈Provision of Information to the Board of Directors〉

Regarding the operation of the Board of Directors, the annual schedule for Board meetings and the agenda items for regular meetings are submitted to the Board meeting held at the end of the previous fiscal year and shared with the directors. Board meetings are generally held on a monthly basis. We consult with the chairperson in advance regarding matters such as allocating time for explanations of each agenda item and selecting proposals for which pre-meeting video briefings will be provided, striving to secure sufficient time for deliberations on the day of the Board meeting.

To support directors in proactively obtaining information and making timely and appropriate decisions, we share materials relating to agenda items to be presented at Board meetings several days prior to the meeting date. For agenda items to be presented to the Board of Directors, excluding those relating to financial results, we provide explanatory videos in advance and conduct preliminary briefings for independent outside directors as necessary to promote directors' prior understanding of the matters being discussed.

If any questions, points of confusion, or requests for additional information regarding the materials or the content of the preliminary briefings arise, we respond by the date of the Board meeting. We also provide supplementary explanations during deliberations on the day of the Board meeting as needed to ensure thorough deliberations.

〈Support Structure for the Board of Directors〉

We are working to strengthen the support system for the Board of Directors. As part of this effort, we plan to further enhance the secretariat for the Board of Directors, transforming it from a mere meeting management function into a specialized unit dedicated to supporting the enhancement of the Board's effectiveness.

The secretariat for the Board of Directors is working to create an environment where the Board can focus more on discussions regarding the enhancement of corporate value over the medium to long term, through measures such as strengthening governance based on the results of Board effectiveness evaluations.

The secretariat for the Board of Directors is managed by the Company's Legal Department. Regarding secretariat personnel, we are working to train staff who possess expertise not only in legal affairs and corporate governance but also in business strategy, capital strategy, human resources strategy, and sustainability, with the aim of building a system capable of providing comprehensive support to the Board of Directors and outside directors.

[Principle 4-15: Training for Directors and Auditors]

We conduct training sessions for all directors, utilizing the time before and after Board of Directors meetings. Training topics, such as corporate governance, shareholder and investor relations, and geopolitical risks, are designed to enhance the knowledge and insight required of directors. These sessions combine lectures by external experts with presentations by relevant internal departments. We also hold general training sessions attended by directors, executive officers, and others as appropriate. As part of our individualized support, we share information on seminars and lectures hosted by external organizations as appropriate, creating an environment where individual directors can attend these events as needed.

For outside directors, we have also expanded opportunities for information sharing outside of Board meetings to minimize the information gap between outside directors and management as much as possible. Specifically, we arrange visits to major domestic plants and Group companies both in Japan and overseas. Through dialogue with personnel at manufacturing sites and R&D centers, and with business unit leaders, we help directors deepen their understanding of the competitive environment, challenges, and growth opportunities facing each business. Through these on-site visits, we strive to help directors gain a deeper understanding of the actual state of the business and frontline challenges: aspects that are difficult to grasp from Board meeting materials alone.

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, 2026

Explanation

Since FY2018, the Group has instituted structural reforms. These reforms involve changes to the business portfolio, emphasizing ROIC-oriented management. The Group has greatly improved its financial position and earning power. As a result, we achieved the financial key performance indicator (KPI) targets set in the Medium-term Management Plan: Change & Growth SWCC 2026 ahead of schedule. Recently, the price book-value ratio (PBR) has settled at a level that is far higher than 3.

Announced in February 2026, the new Medium-term Management Plan: Transformation for Growth SWCC 2030 set a new financial and capital strategy and policy as well as new KPI targets as shown below. The Group is striving to deepen its ROIC-oriented management from existing ROIC-Oriented Management 1.0 with a focus on structural reforms to ROIC-Oriented Management 2.0, according to which funds generated by cash cow businesses will be intensively invested in growth businesses from which high returns are expected as a means of increasing the scale of the business. In so doing, we will seek to maximize the Group's cash flows and continue our transformation to further increase corporate value and shareholder value.

■ Financial KPIs and targets for FY2030 under Transformation for Growth SWCC 2030

Profitability: Operating profit of 40 billion yen or more (* excluding inorganic growth)

Capital efficiency: ROE of 20% or more and ROIC of 15% or more

Shareholder returns: Dividends of 380 yen or more per share (consolidated payout ratio of 40% or more and consolidated DOE of 5% or more)

Stability: D/E ratio in the range of 40% to 60%, consolidated net assets of 150 billion yen or more, external rating of A

■ Financial and capital policies under Transformation for Growth SWCC 2030

Establishing a TSR expansion model that achieves continuous growth, higher capital efficiency and increased shareholder returns through implementation of ROIC-Oriented Management 2.0

(Enhancing the ability to generate cash flow by promoting ROIC-oriented management)

- Increasing cash generation capabilities by investing heavily in growth businesses the funds generated from cash cow businesses through business portfolio management

(EBITDA margin of 15% or above)

- Strengthening efficient utilization of the Group's management resources in cash cow businesses

- Conducting structural reforms for improving profitability in renovative and challenged businesses and evaluating businesses

- Earmarking a maximum of 80 billion yen for investment in inorganic growth with an eye to expanding the Group's business domains and globalization (semiconductor inspection equipment market, communication cables market and suchlike)

(Optimizing the cost of capital)

Pursuit of optimal capital structure (D/E ratio between 40% and 60%, capital adequacy ratio of around 50%) to control WACC (in the 7% range)

(Enhancement of shareholder returns)

Stable dividend with a target consolidated dividend payout ratio of 40% or higher and consolidated DOE of 5% or higher

Details of the Group's financial and capital strategies stated in the new Medium-term Management Plan: Transformation for Growth SWCC 2030 in Japanese and English are disclosed on the Company's website at the following URLs:

Medium-term Management Plan
Medium-term Management Plan (English)
Supplementary Materials

https://www.swcc.co.jp/jpn/ir/pdf/IR_mp260227.pdf
https://www.swcc.co.jp/eng/news/images/IR_mp260227_eng.pdf
https://www.swcc.co.jp/eng/company/ir_documents/financial_reports.html

2. Capital Structure

Percentage of Foreign Shareholders	30% or more
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[Status of Major Shareholders]

Name	Number of Shares Owned (Shares)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	5,673,500	19.09
Custody Bank of Japan, Ltd. (Trust account)	3,336,800	11.22
STATE STREET BANK AND TRUST COMPANY 505001	2,873,803	9.66
JX Advanced Metals Corporation	979,022	3.29
Fukoku Mutual Life Insurance Company	892,400	3.00
J.P. Morgan Bank Luxembourg S.A. 385598	787,200	2.64
JP MORGAN CHASE BANK 385781	418,728	1.40
BNYM AS AGT / CLTS 10 PERCENT	390,000	1.31
The Nomura Trust and Banking Co., Ltd. (Trust account)	379,300	1.27
STATE STREET BANK AND TRUST COMPANY 505103	311,861	1.04

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

Supplementary Explanation

- Status of Major Shareholders is as of March 31, 2026.

- In addition to the foregoing, the Company holds 1,107,178 shares of treasury stock.

- The percentage of shareholding is calculated after deducting the number of treasury stock (1,107,178 shares) from the total number of issued shares.

- The shares of the Company's stock (103,500 shares) held by the employee stock ownership plan (ESOP) are not included in treasury stock (1,107,178 shares).

- The large shareholding report (change report) submitted by Sumitomo Mitsui DS Asset Management Company, Limited and made available for public inspection on October 19, 2023 reports that Sumitomo Mitsui DS Asset Management Company, Limited 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, 2026 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 FIL Investments (Japan) Limited and made available for public inspection on May 22, 2024 reports that FIL Investments (Japan) Limited 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, 2026 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.

FIL Investments (Japan) Limited 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, 2026 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, 2026 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 (change report) submitted by Clifford Chance Law Office and made available for public inspection on November 26, 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 November 18, 2025. However, the Company could confirm no beneficial ownership of the number of shares held in the name of these parties as of March 31, 2026 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.	370,600 shares
Capital International, Inc	315,600 shares
Capital International Sarl	200,300 shares

- The large shareholding report (change report) submitted by Nomura Securities Co., Ltd. and made available for public inspection on March 5, 2026 reports that Nomura Securities Co., Ltd. and its joint holders, NOMURA INTERNATIONAL PLC and Nomura Asset Management Co., Ltd., held the following shares respectively as of February 27, 2026. However, the Company could confirm no beneficial ownership of the numbers of shares held in the names of these parties as of March 31, 2026 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.

Nomura Securities Co., Ltd.	90,969 shares
NOMURA INTERNATIONAL PLC	80,909 shares
Nomura Asset Management Co., Ltd.	1,602,300 shares

- The large shareholding report (change report) submitted by Sumitomo Mitsui Trust Bank, Ltd. and made available for public inspection on April 6, 2026 reports that Sumitomo Mitsui Trust Asset Management Co., Ltd. and the joint holder Amova Asset Management Co., Ltd. held the following shares as of March 31, 2026. However, the Company could confirm no beneficial ownership of the number of shares held in the name of these parties as of March 31, 2026 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.	1,088,100 shares
Amova Asset Management Co., Ltd.	1,222,900 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	100 billion yen or more, but less than 1 trillion yen
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
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	12
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairperson (Except where the Chairperson 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 Member	Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Yuji Sakakura		○	-----	Mr. Yuji Sakakura possesses extensive and multifaceted insights regarding corporate management gained through his track record and experience as financial operating officer of a general trading company, manager of a securities firm, and chief financial officer of an M&A advisory firm. Based on this experience and insight, we have determined that he will continue to contribute to the Company's sustainable growth and enhancement of corporate value. For these reasons, the Company continued to elect 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 and 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 FY2022 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. Leveraging her extensive experience in human capital management, particularly in human resource development and career development, as well as her deep insight as a corporate manager, Ms. Minako Nishimura appropriately performs her duties as a director from an independent standpoint. Expecting that she 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 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. Judging that he will continue contributing to the improvement of the corporate value of the SWCC Group by leveraging his extensive experience and high level of insight into management to provide accurate advice and appropriate oversight regarding management, the Company has continued to elect 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
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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 (19 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 and Supervisory Committee.

[Voluntary Committees]

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Compensation Committee	Yes
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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 Directors	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 operates 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 nine times.

The content of deliberations by the Nomination and Compensation Committee is as described in Principle 4.7 under Section I. of this report (Disclosure Based on Principles of Japan's Corporate Governance Code).

[Independent Directors/Auditors]

Number of Independent Directors/Auditors	5
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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
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Supplementary Explanation

- The Company's policy on the determination of the payment ratio of performance-based compensation and other compensation is as described in Principle 3.1 under Section I. of this report (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 and 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.

- With respect to remuneration for directors (excluding directors who are Audit and Supervisory Committee members and outside directors; the same applies hereinafter in this section), the 130th Ordinary General Meeting of Shareholders on June 25, 2026 gave approval for performance stock units (PSUs) to be paid under a performance-linked share-based remuneration plan. It has been resolved to set an annual limit at 250 million yen (excluding the amount of employee salaries for directors concurrently serving as Company employees) under the plan separately from the conventional limit of monetary remuneration for directors and an annual limit on the total number of common shares of the Company issued or disposed of at 10,000 shares separately from the upper limit concerning the non-performance-linked stock-based remuneration plan. The number of directors at the conclusion of the 130th Ordinary General Meeting of Shareholders was two (including zero outside director).

Recipients of Stock Options	
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Supplementary Explanation

[Remuneration for Directors/Executive Officers]

Disclosure of Individual Directors' Remuneration

No individual disclosure

Supplementary Explanation

The Business Report for the 130th fiscal year and the Annual Securities Report for the 130th fiscal year state that the amount of remuneration paid to directors (excluding directors who are Audit and Supervisory Committee members) was 168 million yen and the amount of remuneration paid to directors who are Audit and Supervisory Committee members was 59 million yen.

Policy on Determining Remuneration Amounts and Calculation Methods Updated

Yes

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

〈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. The first one is fixed remuneration. The second one is performance-linked remuneration as a short-term incentive. And the third one is long-term incentives consisting of performance stock units (PSUs) for issuing performance-linked stock and restricted stock (RS) compensation. 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 remuneration]

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 (GHG) emissions, the rate of lost-time injuries, and the engagement score.

(c) [Performance stock units (PSUs) for issuing performance-linked stock]

Performance stock units (PSUs) for issuing performance-linked stock take the form of points equivalent to the remuneration calculated by multiplying the fixed remuneration for the fiscal year by 10%. It serves as remuneration for issuing performance-linked stock according to the Company's achievement rate against the targets during the evaluation period of three consecutive fiscal years.

(d) [Restricted stock (RS) 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 stock.

〈Percentage Breakdown of Remuneration〉

The percentages of fixed remuneration, performance-linked remuneration as a short-term incentive, and long-term incentives consisting of performance stock units (PSUs) for issuing performance-linked stock and restricted stock (RS) compensation in the total remuneration are reevaluated by the Nomination and Compensation Committee each time.

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 FY2026 is as follows. The performance-linked remuneration of the Chairperson is fixed remuneration multiplied by 55%, 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 65%, irrespective of any other official positions held.

[Fixed remuneration] : [Performance-linked remuneration] : [Performance stock units (PSUs)] : [Restricted stock (RS) compensation] = 100 : 65 : 10 : 32.5

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

We disclose remuneration for 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.

Notice of the 130th Ordinary General Meeting of Shareholders

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

[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, plays a central role 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 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
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Others

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

〈Board of Directors〉

- The Board of Directors consists of 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). 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 months 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.
- During FY2025 Board of Directors meetings, the Board primarily discussed important management matters such as the Medium-term Management Plan, business strategies for each fiscal year, the appointment and dismissal of officers, and organizational restructuring, in accordance with laws, regulations, the Articles of Incorporation, and the Board of Directors' Regulations.
- The Board of Directors met 16 times in FY2025. The attendance records of each member are as listed below.
Since Directors Mr. Koji Naito and Ms. Kumiko Baba were newly appointed and assumed office at the Company's 129th Ordinary General Meeting of Shareholders on June 25, 2025, their attendance rates are calculated based on the number of Board of Directors meetings held since they assumed office.

Yuji Sakakura:	16/16 (100%)
Takashi Mukuno:	16/16 (100%)
Minako Nishimura:	16/16 (100%)
Koji Naito:	11/11 (100%)
Kumiko Baba:	11/11 (100%)

〈Audit and Supervisory Committee〉

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 Audit and Supervisory Committee met 14 times in FY2025. The attendance records of each member are listed below.
Since Director Ms. Minako Nishimura retired as an Audit and Supervisory Committee member at the Company's 129th Ordinary General Meeting of Shareholders on June 25, 2025, her attendance rate is calculated based on the number of Audit and Supervisory Committee meetings held prior to her retirement from that position.
Since Audit and Supervisory Committee member Ms. Kumiko Baba was newly appointed and assumed office at the Company's Ordinary General Meeting of Shareholders on June 25, 2025, her attendance rate is calculated based on the number of Audit and Supervisory Committee meetings held since she assumed office.

Yuji Sakakura:	14/14 (100%)
Takashi Mukuno:	14/14 (100%)
Minako Nishimura:	4/4 (100%)
Kumiko Baba:	10/10 (100%)

〈Nomination and Compensation Committee〉

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.

〈Accounting Auditor〉

The Company appoints Ernst & Young ShinNihon LLC as accounting auditor and its accounts are audited in a fair manner. In FY2025, 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 11 certified public accountants, 11 persons who have passed the CPA examination and 31 other persons.

〈Internal Audit Division〉

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 advises where necessary, in accordance with the SWCC Group Internal Audit Regulations.

〈Summary of Contents of Liability Limitation Agreement〉

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.

〈Outline of Directors and Officers Liability Insurance〉

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.

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.
- To ensure quick and appropriate decision-making, the Company amended its Articles of Incorporation to change (decrease) the number of directors excluding those who are Audit and Supervisory Committee members to six (6) or fewer, in accordance with the resolution of the 130th Ordinary General Meeting of Shareholders held on June 25, 2026.
- 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 Updated

	Supplementary Explanation
Early Notification of General Shareholders Meeting	We mailed the Notice of the 130th Ordinary General Meeting of Shareholders on June 25, 2026, 21 days prior to the meeting date. Prior to mailing, we also posted a Notice of the 130th Ordinary General Meeting of Shareholders on the Tokyo Stock Exchange and our website 28 days prior to the meeting date.
Scheduling General Shareholders Meeting Avoiding the Peak Day	To avoid the peak day, the Company held its 130th Ordinary General Meeting of Shareholders on June 25, 2026.
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	On the same day that the Japanese version of the Notice of the 130th Ordinary General Meeting of Shareholders was mailed, we also posted an English version of the notice on the Tokyo Stock Exchange and our website.
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. After the conclusion of the General Meeting of Shareholders, the Company makes the video of the proceedings of the meeting available via its website.

2. IR Activities

	Supplementary Explanation	Explanation by Representative
Preparation and Publication of Disclosure Policy	The Company has established an IR Policy and publishes the policy on its website. https://www.swcc.co.jp/jpn/ir/policy/ir_policy.html	
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 on its website 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 information on the Group's sustainability initiatives, please refer to Principle 3.1 under Section I. of this report (Disclosure Based on Principles of Japan's Corporate Governance Code).
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 2026 Certified Health and Productivity Management Organization Recognition Program (large enterprise category) in March 2026. For information on the Group's initiatives on women's advancement and human capital, please refer to Principle 2.2 under Section I. of this report (Disclosure Based on Principles of Japan's Corporate Governance Code).

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.

〈Basic Policy on Internal Control Systems, etc.〉

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) The Board of Directors shall formulate the Purpose, management philosophy, the Vision, the SWCC Way (code of conduct), the Basic Compliance Policy and other materials to establish the SWCC Group's corporate ethics, to ensure compliance with laws, regulations and the Articles of Incorporation and to implement efficient management. The Group shall require its directors, executive officers and employees to keep on hand a booklet for continual reference in order to ensure that these materials are known and observed.

(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 Company's internal audit division shall conduct internal audit activities including an assessment of the properness, effectiveness, efficiency and risks of operations and other aspects of individual SWCC Group companies and shall report the results regularly to the Board of Directors.

(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 of the SWCC Group 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) The Company shall shift to a company with audit and supervisory committee for the purpose of strengthening auditing and supervisory functions on the initiative of the Audit and Supervisory Committee. For the purpose of further enhancing the governance structure by properly providing independent outside directors with opportunities to be involved and to give advice, the Company shall establish a Nomination and Compensation Committee as a voluntary advisory body to the Board of Directors, and introduce the posts of executive officers to whom business execution authority is broadly delegated to achieve quick decision-making and higher efficiency in business execution.

(2) 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.

(3) The Board of Directors shall make proper and swift decisions on important management matters, corporate governance and other necessary matters in accordance with the organization, procedures and others stipulated in the Companies Act, other related laws and regulations, the Board of Directors' Regulations, the SWCC Group Business Management Regulations, etc.

(4) 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.

(5) 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. Systems for Ensuring Appropriate Business Operations at Individual SWCC Group Companies

(1) The Company shall require SWCC Group companies to comply with relevant laws and regulations, with the Group's common regulations and with their respective regulations, etc. to achieve the SWCC Group's growth and medium- and long-term improvement in its corporate value.

(2) 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.

(3) 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.

(4) The Company shall supervise and audit the execution of duties of directors at SWCC Group companies by appointing its officers and employees as directors or company auditors of SWCC Group companies and taking other measures as needed.

6. 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.

7. 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 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.

8. 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 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.

(4) The Company shall not give any disadvantageous treatment to anyone reporting to the Audit and Supervisory Committee or whistleblowing to the compliance hotline on the grounds of the reporting or whistleblowing.

(5) 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.

9. 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 a 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
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Supplementary Explanation

2. Other Matters Concerning Corporate Governance System

- 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.
- 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.

Diagram of corporate governance structure (as of the date of submission of this report in August 2026)

