

February 21, 2025

For Immediate Release

Company name	SWCC Corporation
Representative	Takayo Hasegawa, Executive President and Representative Director (CEO) (Securities Code: 5805, TSE Prime Market)
Inquiries	Yoichi Kitagawa, General Manager of Strategy Planning Dept. (Telephone: +81-44-223-0530)

Notice Regarding Acquisition of Shares of TOTOKU INC. Through Joint Investment

SWCC Corporation (the “Company”) hereby announces that it resolved, at a meeting of the Board of Directors held on February 21, 2025, to acquire all issued shares (the “Transaction”) of TOTOKU INC. (“TOTOKU”), jointly with Development Bank of Japan Inc. (“DBJ”). Details of the Transaction are as follows. In connection with this, the Company signed a share transfer agreement regarding acquisition of the shares of TOTOKU with TTC Holdings, L.P., which is an investment fund belonging to the Carlyle Group, and also signed a shareholders agreement with DBJ. After completion of the Transaction, the Company will hold 51.0% of the shares of TOTOKU (DBJ will hold 49.0%), and plans to make TOTOKU into a consolidated subsidiary.

1. Reason for the acquisition

Since its establishment in 1936, the SWCC Group has encouraged social innovation and contributed to the development of a global community as a manufacturer of electric wires and cables that are a vital part of social infrastructure.

Currently, based on the SWCC Purpose of “Innovating new ideas today. Becoming the norms of tomorrow.”, the Group is focusing on the “Change & Growth SWCC 2026 Rolling Plan 2024,” a medium-term management plan hinging on the two strategies of further structural reforms (“Change”) and transition to a growth phase (“Growth”). The SWCC Group has continued to achieve high growth, driven by the Energy Infrastructure Business, and aims to realize the SWCC Vision 2030 of becoming a value-creation company that proposes solutions by FY2030. As part of this, alongside pursuing organic growth by strengthening its core businesses, the Group has been implementing a BD (Business Development) strategy, including M&A, to broaden the areas where it operates in pursuit of inorganic growth.

The Transaction is based on this BD Strategy. Through the Transaction, the Group intends to accelerate business expansion and overseas business expansion in the growing semiconductor and mobility markets, where the Group’s Electronic Equipment and Components Business segment and Communication and Industrial Devices Business segment have made advances, and to speed up and ensure the transition of these business segments into a growth phase.

TOTOKU made a fresh start as part of the Carlyle Group in April 2023, changing its trade name from TOTOKU ELECTRIC CO., LTD. to TOTOKU. Starting afresh, TOTOKU aims to carve out a global niche for itself, transforming it into an electronic components manufacturer. In taking on this challenge, TOTOKU positions the semiconductor test equipment market, mobility market, and the AI server market as growth markets, possesses a highly competitive product lineup based on unique technologies and knowhow for realizing “thin, light, and small,” and is expected to continue achieving high growth. The SWCC Group believes that further business expansion can be expected in growing business areas where both groups operate by combining resources for activities such as technological development, manufacturing, sales and marketing through cross-selling and joint development activities.

Transaction will further accelerate expansion into growing business areas where the SWCC Group has made advances as well as overseas business expansion. It will also increase the upside potential of future business plans and turn the mobility and semiconductor businesses into new core businesses of the Group after the energy infrastructure business.

As joint investor, the DBJ is a financial institution wholly owned by the Japanese Government. It makes investments and loans to enterprises in Japan and overseas from a neutral and long-term perspective, and provides multi-faceted support, offering not only financial support but also support in terms of human resources, knowhow and information networks. Within this context, the DBJ’s acquisition of shares in the Transaction falls under “Special Investment Operations,” established as an intensive but temporary scheme to supply growth capital from the perspective of promoting the competitiveness of Japanese enterprises along with regional revitalization, drawing only a portion of the investment (industrial investment) from the Japanese government - enough to encourage the private sector

to supply growth capital. The DBJ's joint investment is intended not only to contribute to the business growth of both groups but also to help solve social issues.

The SWCC Group judged that joint investment with the DBJ was the best way to approach the Transaction in terms of achieving active growth investment while ensuring the stability of the financial base.

2. Overview of the subsidiary to be transferred (TOTOKU INC.)

(1)	Name	TOTOKU INC.			
(2)	Address	Hibiya Central Building 10th floor, 1-2-9 Nishi-Shinbashi, Minato-ku, Tokyo			
(3)	Representative	Ken Maki, President			
(4)	Business	Manufacture and sale of electric wire and device products			
(5)	Share capital	6,730 million yen			
(6)	Established	November 22, 1940			
(7)	Major shareholders and their shareholding ratios	TTC Holdings, L.P. 99.4%			
(8)	Relationship between the listed company and the relevant company	Capital relationship	Not applicable.		
		Personal relationship	Not applicable.		
		Business relationship	The listed company has transactions with the subsidiary of the relevant company.		
(9)	Consolidated operating results and consolidated financial position of the relevant company for the past three years * TTC Holdings Inc., which is a subsidiary of TTC Holdings, L.P. acquired TOTOKU ELECTRIC CO., LTD. via absorption-type merger and changed its trade name to TOTOKU on April 1, 2023. The consolidated statements for the fiscal year ended March 31, 2024 incorporate the financial statements of TTC Holdings Inc. Accordingly, operating profit for the fiscal year ended March 31, 2024 was significantly impacted by amortization of intangible assets recognized on TTC Holdings Inc.’s acquisition of TOTOKU ELECTRIC CO., LTD. and other merger related costs.				
	Fiscal Year	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024*	Fiscal year ending March 31, 2025 (Forecast)
	Consolidated Net Sales	20,921 million yen	20,823 million yen	19,855 million yen	21,761 million yen
	Consolidated operating profit	3,260 million yen	2,998 million yen	240 million yen	1,541 million yen
	Operating profit margin	15.6%	14.4%	1.2%	7.1%
	Consolidated EBITDA	4,211 million yen	4,042 million yen	2,815 million yen	4,018 million yen
	Consolidated ordinary profit or loss	3,306 million yen	3,123 million yen	-241 million yen	1,014 million yen
	Profit attributable to owners of parent	2,335 million yen	2,278 million yen	88 million yen	386 million yen
	Earnings per share	347 yen	337 yen	330 yen	—
	Dividends per share	80 yen	100 yen	—	—
	Consolidated net assets	18,423 million yen	19,777 million yen	11,690 million yen	—
	Consolidated net assets per share	2,708 yen	2,879 yen	42,725 yen	—
	Consolidated total assets	27,737 million yen	28,150 million yen	44,426 million yen	—

3. Overview of the party to the share acquisition

(1)	Name	TTC Holdings, L.P.	
(2)	Address	Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands	
(3)	Basis for establishment	Limited partnership incorporated and registered under Cayman Islands law	
(4)	Purpose of incorporation	Incorporated mainly for the purpose of acquiring and holding the common shares of TOTOKU	
(5)	Date of incorporation	June 2, 2021	
(6)	Outline of managing partner	Name	TTC HOLDINGS GP, L.L.C.
		Address	1209 Orange Street, Wilmington, Delaware 19801, United States
		Representative	Vice President Susan Bass
		Business	Investment Industry
(7)	Relationship between the listed company and the fund	Relationship between the listed company and the fund	Not applicable.
		Relationship between the listed company and the managing partner	Not applicable.
		Relationship between the listed company and domestic agent	Not applicable.

4. Number of shares to be acquired, acquisition price, and the status of shareholding before and after acquisition

(1)	Number of shares held before change	0 shares (Number of voting rights: 0 rights) (Percentage of voting rights: 0 %)
(2)	Number of shares acquired	137,450 shares ^(Note) (Number of voting rights: 137,450 rights)
(3)	Acquisition price	Common shares of TOTOKU Inc.: Approx. 14.4 billion yen
(4)	Number of shares held after change	137,450 shares (Number of voting rights: [137,450] rights) (Percentage of voting rights: 51.0%)

(Note) Includes the number of shares to be acquired from individual shareholders and TOTOKU's Employee Stock Ownership Association

5. Schedule

(1)	Date of resolution by the Board of Directors	February 21, 2025
(2)	Date of agreement	February 21, 2025
(3)	Date of share transfer	March 31, 2025 (plan)

(Note) Execution of the share transfer is planned after completion of the procedures stipulated in the Act Concerning Prohibition of Private Monopolization and Maintenance of Fair Trade (Japanese Anti-monopoly Act).

6. Future outlook

The impact of the Transaction on the Company's consolidated performance is currently under review and details will be announced as soon as they are finalized.