



SWCC Group

Medium-term Management Plan

Change & Growth SWCC 2026

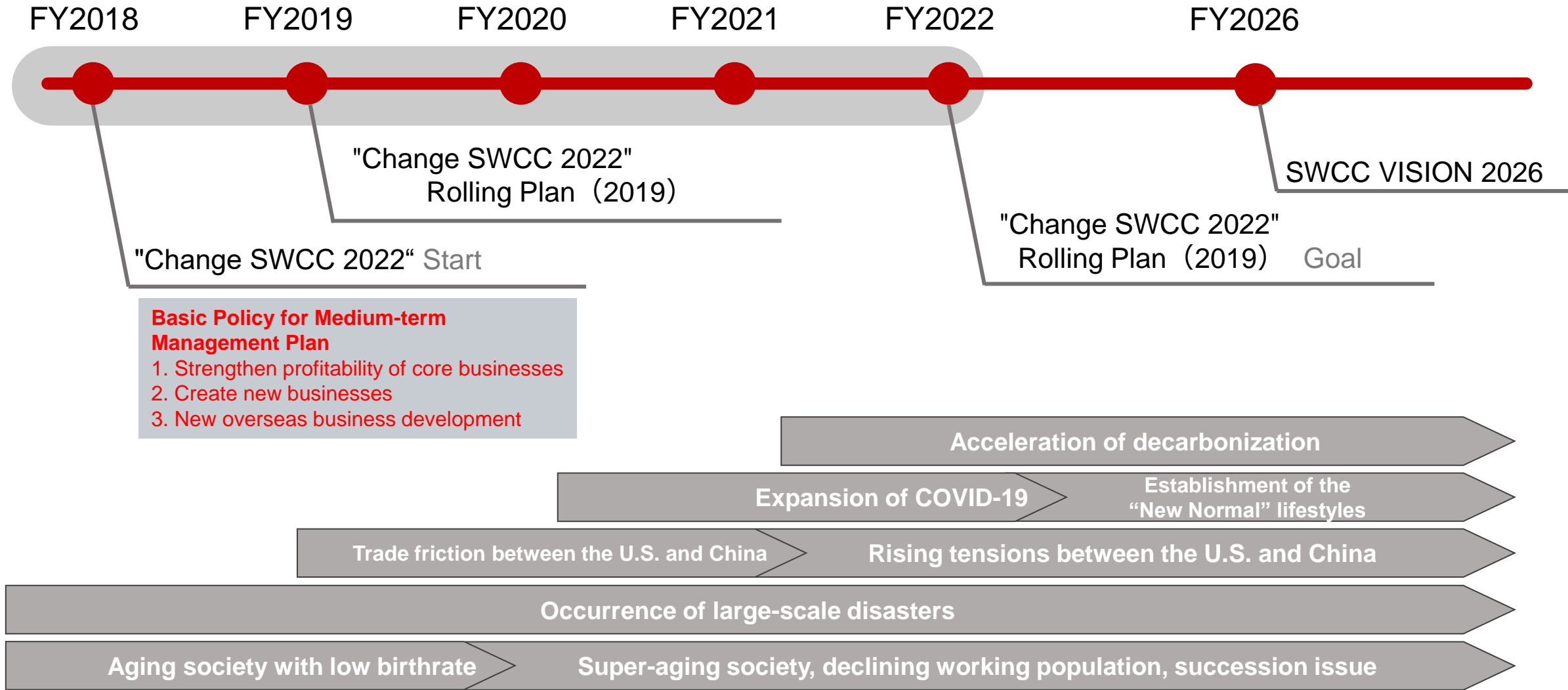
SWCC SHOWA HOLDINGS CO., LTD. (TSE1: 5805)

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Review of the Current Medium-term
Management Plan
“Change SWCC 2022” Rolling Plan (2019)

Transitions of the Current Medium-Term Management Plan “Change SWCC 2022”



Current Medium-term Management Plan "Change SWCC 2022" Rolling Plan (2019) ①

【Operating income margin】

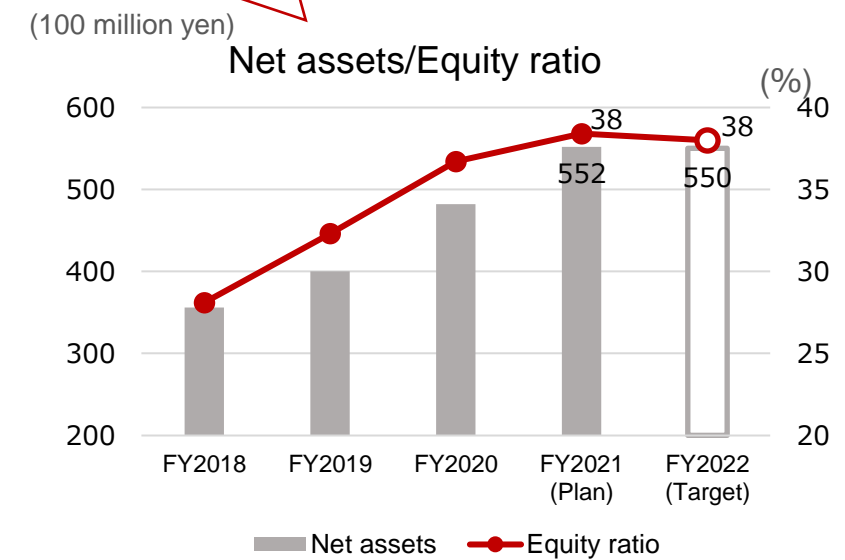
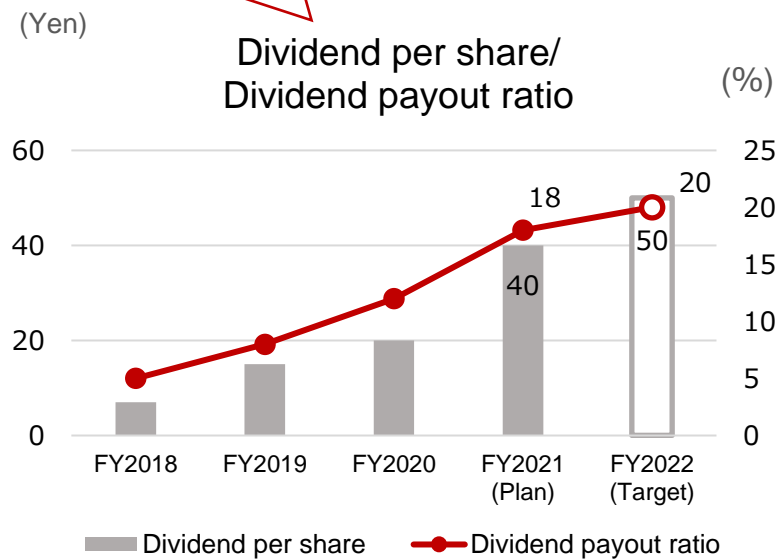
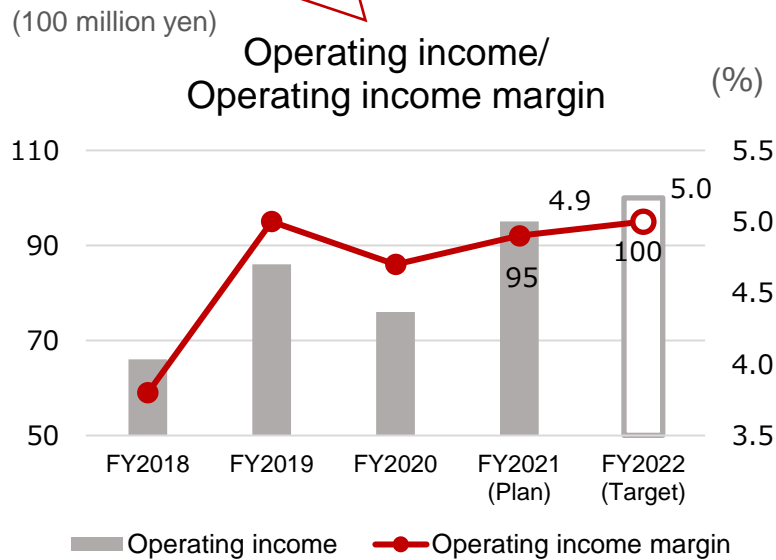
FY2022 Target : 5.0% or more
FY2021 Plan : 4.9%

【Dividend per share】

FY2022 Target : 50 yen or more
FY2021 Plan : 40 yen

【Equity ratio】

FY2022 Target : 38% or more
FY2021 Plan : 38%



Current Medium-term Management Plan "Change SWCC 2022" Rolling Plan (2019) ②

Efforts to strengthen the management base and results of the basic policy for medium-term management plan



Investments in the Reorganization and Strengthening of Domestic Production Bases

FY2019

FY2022

FY2026

Medium-term Management Plan
"Change SWCC 2022" Rolling Plan (2019) Start

Medium-term Management Plan "Change
SWCC 2022" Rolling Plan (2019) Goal

SWCC
VISION 2026

Structural reform project through the reallocation of production bases across the Group

Energy and Infrastructure Business

[Electric power components]
Efficiency improvement by reallocation and increased production: ¥2 billion
[Seismic isolation and others]
Efficiency improvement by reallocation: ¥200 million

Communication and Industrial Devices Business

[Communication cable]
Relocation and consolidation of group bases: ¥1.4 billion
[Precision devices]
Relocation and overseas transfer of bases: ¥500 million

Electronic Equipment and Components Business

[High-performance products]
Efficiency improvement by reallocation: ¥1.4 billion

Strengthening of production bases

Natural disaster countermeasures and renew aging infrastructure

Corporate Vision
SWCC VISION 2030

Medium-term Management Plan
Change & Growth SWCC 2026

Corporate Vision SWCC VISION 2030 Medium-term Management Plan Change & Growth SWCC 2026

Basic policy for Medium-term Management Plan

1. Strengthen profitability of core businesses
2. Create new businesses
3. New overseas business development

Strategy
①

Change
Further structural reforms

Strategy
②

Growth
Transition to growth phase

Medium-term Management Plan "Change & Growth SWCC 2026"

FY2026 performance targets

Net sales: 215 billion yen

Operating income: 15 billion yen

Operating income margin: 7% or more

ROIC: 8.5%

Creating for the Future

SWCC VISION 2030

Creating value for the future

SWCC VISION 2030

FY2030 performance targets

Net sales: 220 billion yen

Operating income: 20 billion yen

Operating income margin: 9% or more

ROIC: 10.0%

Medium-term Management Plan Change & Growth SWCC 2026



Strategy ① Change

- Further structural reforms

1. Increase profitability through the penetration of ROIC management
2. Value chain reform and business model transformation through DX
3. Strengthen corporate governance system






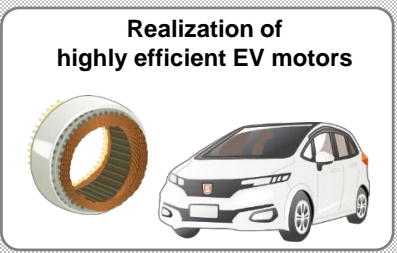
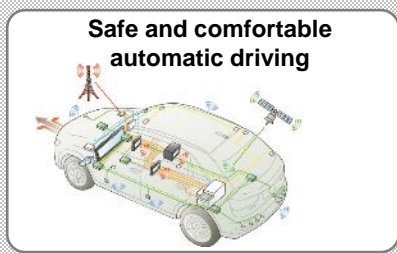



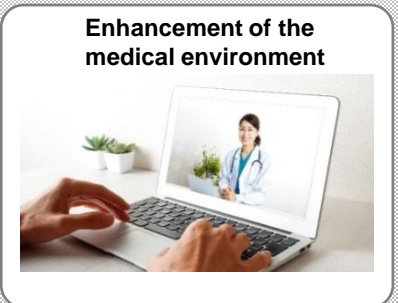
Strategy ② Growth

- Transition to growth phase

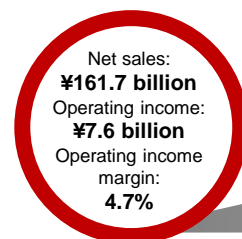
1. Promote business for solving social issues
2. Shift portfolio to growth businesses
3. Transition to growth phase through further investment

Business for Solving Social Issues

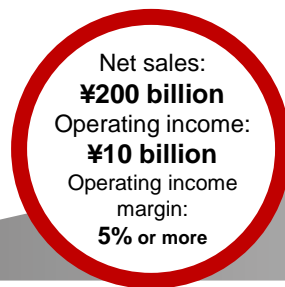
Contributing to the resolution of social issues for creating a sustainable society.

Social Issues	Environment / Energy	Disaster Prevention / Infrastructure	Life / Mobility	Education / Human Resource Development	Medical Care / Health
Solving Social Issues	<ul style="list-style-type: none"> ● Realization of carbon neutral society ● Increase in power consumption  <p>Promotion of renewable energy</p> 	<ul style="list-style-type: none"> ● Aging of social infrastructure ● Occurrence of large-scale natural disasters  <p>Strengthening urban resilience</p> 	<ul style="list-style-type: none"> ● Environmental pollution caused by internal combustion engine vehicles ● Coming of post-COVID era  <p>Realization of highly efficient EV motors</p>  <p>Safe and comfortable automatic driving</p> 	<ul style="list-style-type: none"> ● Decrease in the working population ● Lack of remote learning environment  <p>Solving the shortage of working population</p> 	<ul style="list-style-type: none"> ● Shortage of medical personnel ● Increase in medical costs  <p>Enhancement of the medical environment</p> 

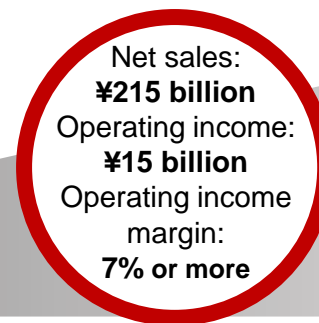
Medium-term Management Plan Change & Growth SWCC 2026



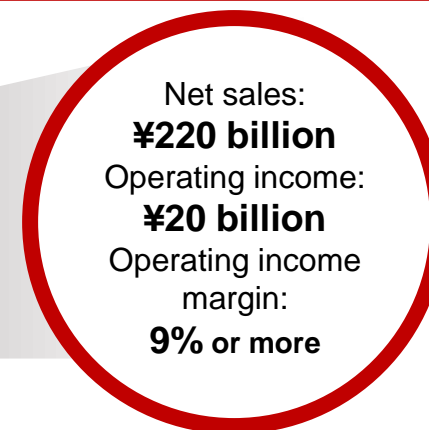
FY2020 Result



FY2022 Plan



FY2026 Target



FY2030 Vision

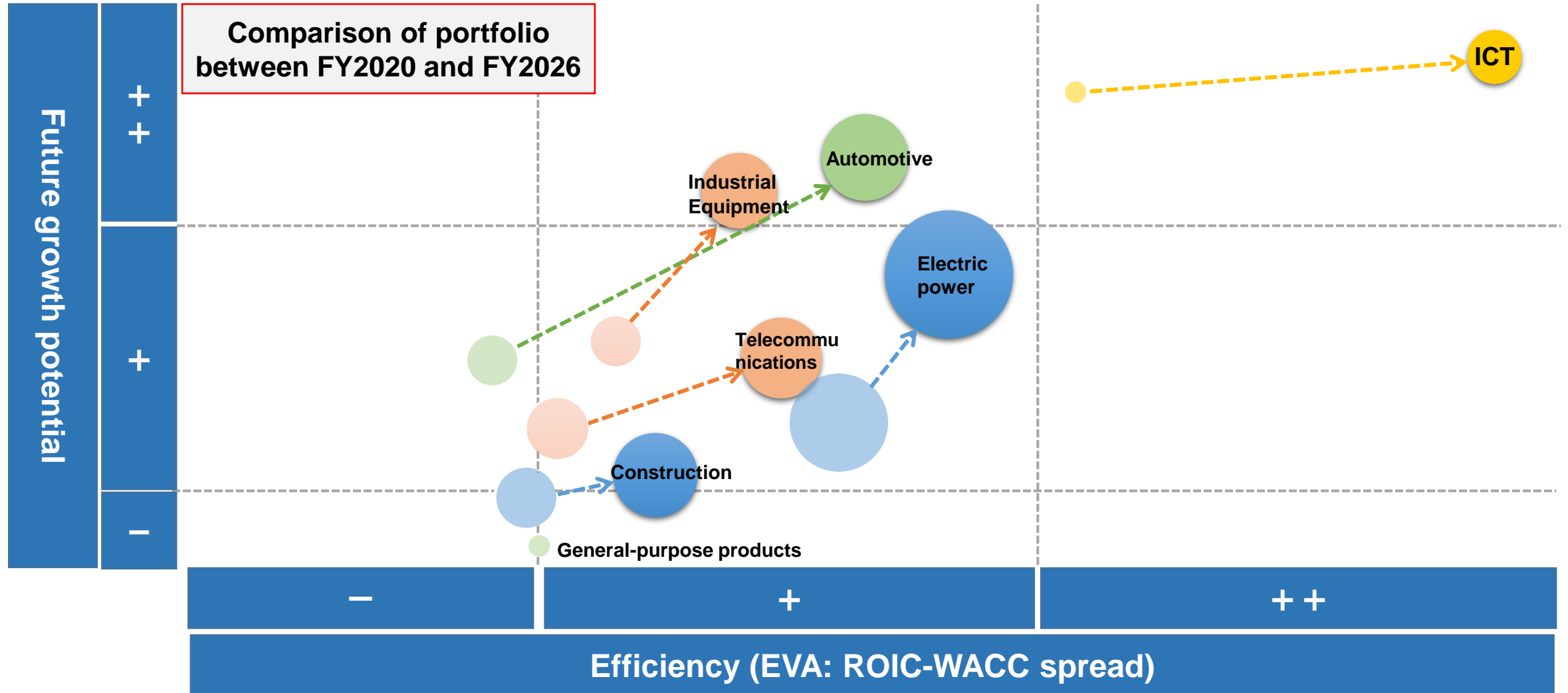
Net sales	161.7 billion yen	200 billion yen	215 billion yen
Operating income/ Operating income margin	7.6 billion yen / 4.7%	10 billion yen / 5% or more	15 billion yen / 7% or more
Ordinary income	7.8 billion yen	9.8 billion yen	15 billion yen
Net income attributable to owners of parent	5 billion yen	6.6 billion yen	10 billion yen
Dividend per share/ Dividend payout ratio	20 yen / 12%	50 yen or more / About 20%	120 yen or more / About 35%
Interest-bearing debt	37.7 billion yen	43 billion yen or less	40 billion yen or less
DE ratio* <small>*DE ratio is calculated using equity capital.</small>	79%	70% or less	50% or less
Net assets	48.2 billion yen	60 billion yen or more	85 billion yen or more
Equity ratio	36.7%	40% or more	50% or more
ROE/ROIC	11.4% / 6.3%	10% or more / 7.0% or more	10% or more / 8.5% or more
EBITDA	10.8 billion yen	13 billion yen or more	20 billion yen or more

Changes in Business Portfolio

	FY2020	FY2026	FY2030
Net sales	161.7 billion yen	215 billion yen	220 billion yen
Operating income	7.6 billion yen	15 billion yen	20 billion yen
Operating income margin	4.7%	7% or more	9% or more

	FY2020 Ratio to sales	FY2026 Ratio to sales	CAGR Target FY2022-FY2026	FY2026 Profit target	FY2030 Ratio to sales
Automobile	16%	20%	+3~5%	↑	21%
Electric power	14%	14%	+5~10%	↻	15%
Construction	40%	33%	Around 0 ~ +1%	↻	28%
Telecommunications	8%	8%	+3~5%	↻	9%
Industrial equipment	20%	21%	+5~10%	↑	22%
ICT	2%	4%	Over +15%	↑	5%

Shift Portfolio to Growth Businesses



Business Strategy by Segment

Strategy for Energy and Infrastructure Business ①



Environment / Energy

- Realization of carbon neutral society
- Increase in power consumption

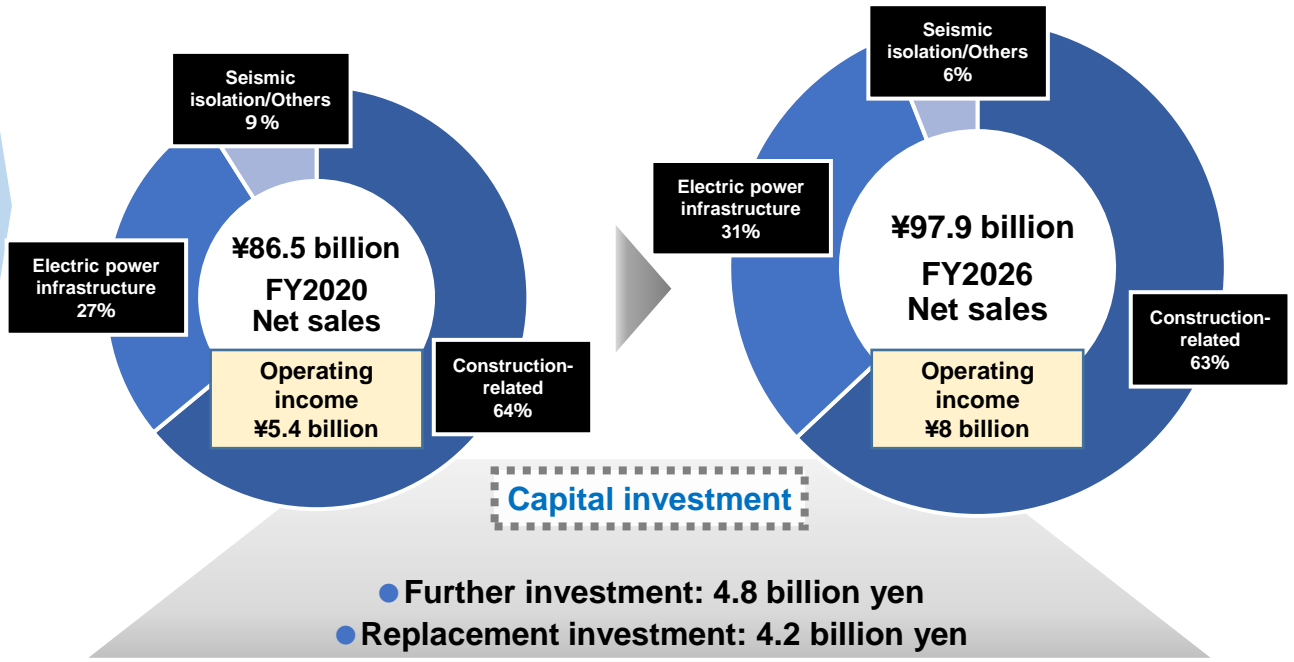
Disaster Prevention / Infrastructure

- Aging of social infrastructure
- Occurrence of large-scale natural disasters

Education / Human Resource Development

- Decrease in the working population
- Lack of remote learning environment

- 1 Capture demand for interconnection of renewable energies through power construction solutions
- 2 Improve profitability by reforming the business model in the construction field
- 3 Strengthen construction capabilities by developing sustainable human resource system



Promotion of renewable energy



SICOPLUS

7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Strengthening urban resilience



11 SUSTAINABLE CITIES AND COMMUNITIES

Solving the shortage of working population



4 QUALITY EDUCATION



Strategy for Energy and Infrastructure Business ②

Reforming the value chain through DX and promoting a business solving social issues by capturing demand for renewable energy interconnections

Change Further structural reforms Value chain reform and business model transformation through DX

Changing the business model for construction wires with the web shop "Kaeru-ya"

DX Solutions

Optimal product lineup

Order receipt process

Introduction of AI and IoT

Manufacturing process

Efficiency improvement for shipping and transportation

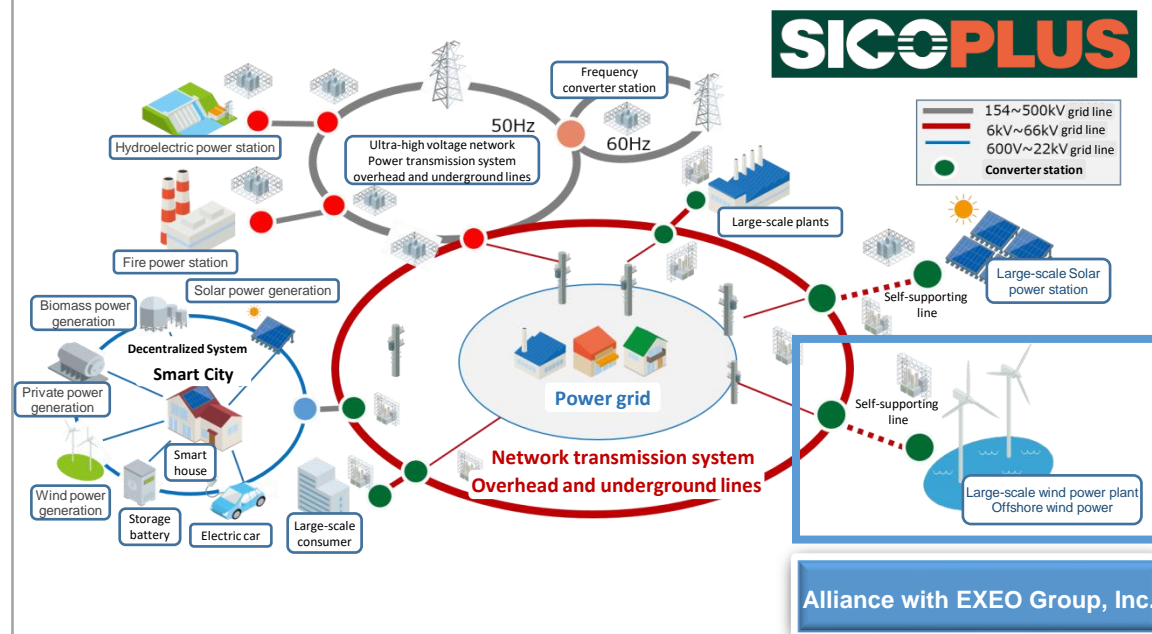
Logistics process



Reform the value chain to create a highly profitable business model

Growth Transition to growth phase Promotion of business for solving social issues

Develop SICOPUS™ to capture demand for renewable energy interconnection



Strategy for Communication and Industrial Devices Business ①



Life / Mobility

- Environmental pollution caused by internal combustion engine vehicles
- Coming of post-COVID era

Disaster Prevention / Infrastructure

- Aging of social infrastructure
- Occurrence of large-scale natural disasters

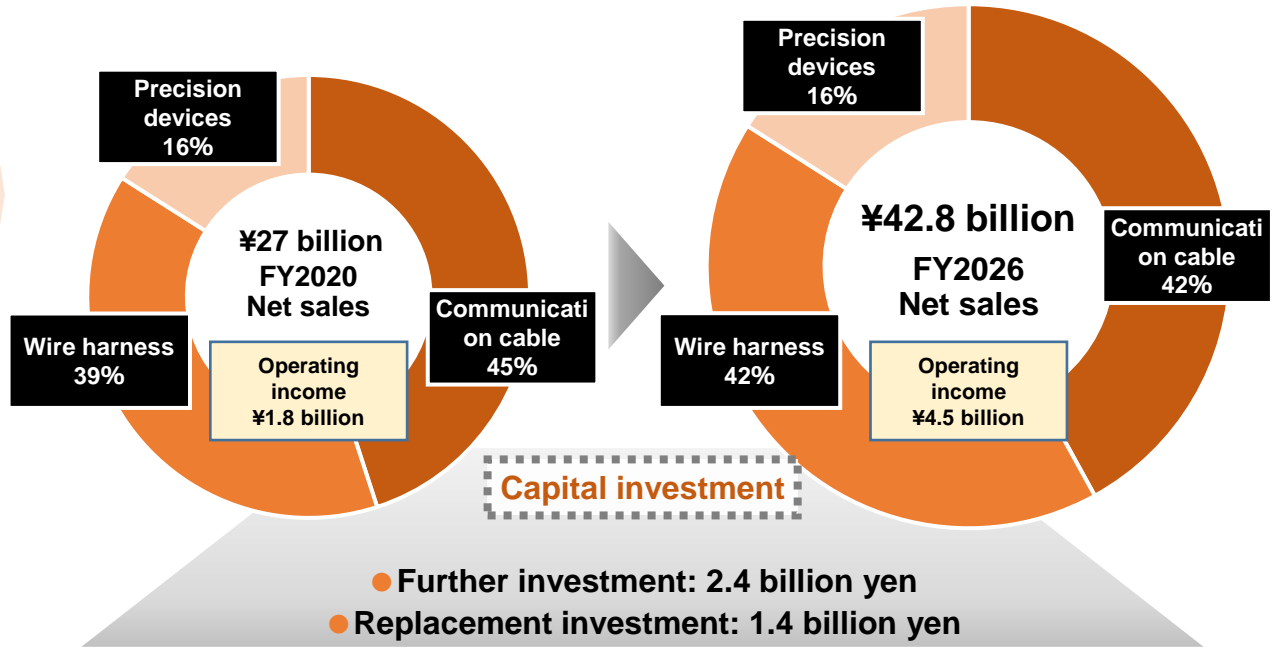
Education / Human Resource Development

- Decrease in the working population
- Lack of remote learning environment

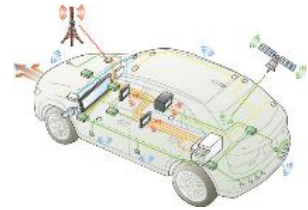
Medical Care / Health

- Shortage of medical personnel
- Increase in medical costs

- ① Expand sales to meet the growing demand for high-speed data communications in the “new normal” society
- ② New development of technologies by leveraging the best partner position
- ③ Expand global business by further optimizing the supply chain



Safe and comfortable automatic driving



9 INDUSTRY INNOVATION AND INFRASTRUCTURE

Realization of new living space



4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

Enhancement of educational and medical environments



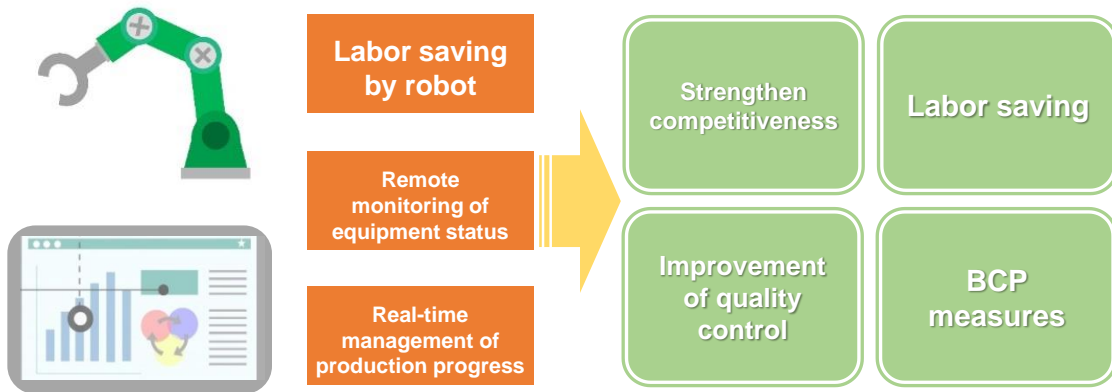
11 SUSTAINABLE CITIES AND COMMUNITIES

Strategy for Communication and Industrial Devices Business ②

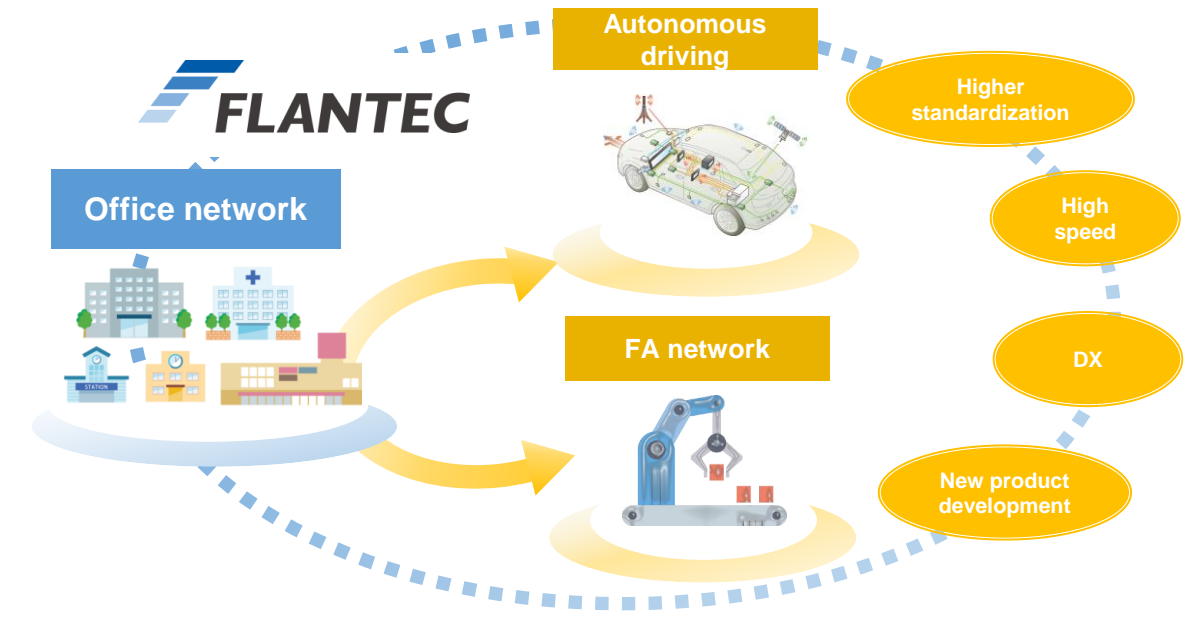
Capturing demand for high-speed Ethernet communication applications due to increased communication traffic and increasing production capacity of major products

Change Further structural reforms Automation and digitalization of production lines

Strengthen the "production innovation line" at the precision device factory in Japan



Growth Transition to growth phase Promotion of business solving social issues New market development of FLANTEC™ high-speed LAN cables



Strategy for Electronic Equipment and Components Business ①



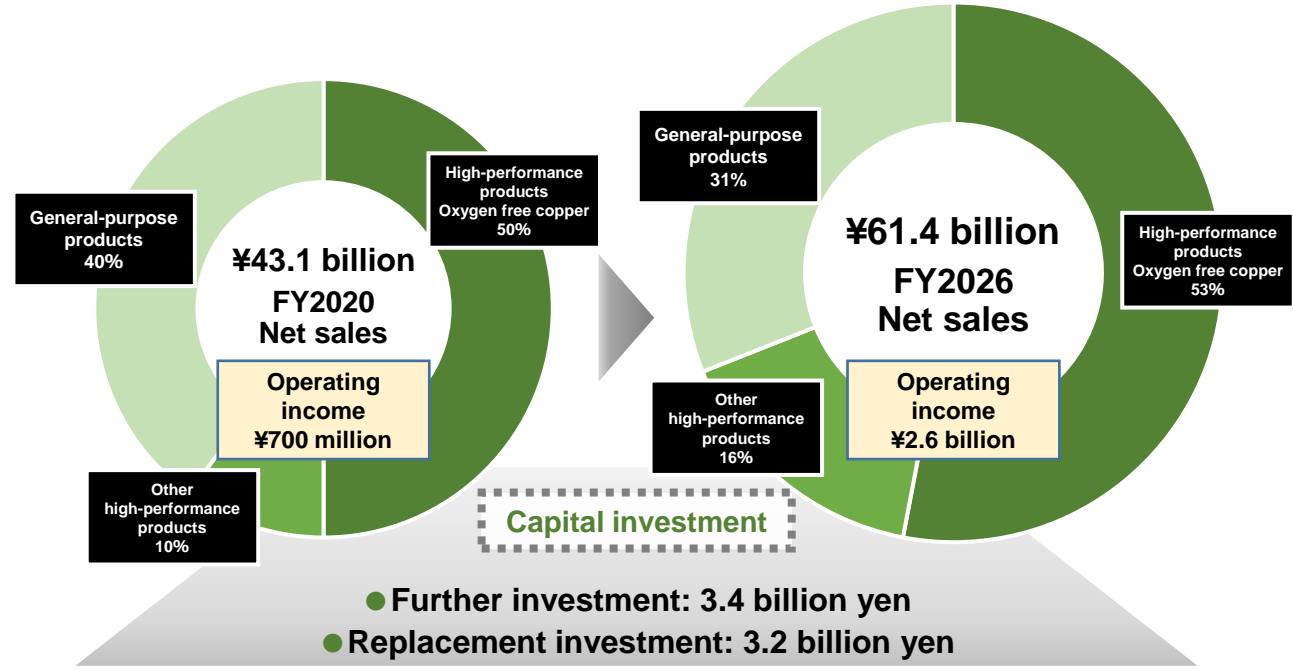
Environment / Energy

- Realization of carbon neutral society
- Increase in power consumption


Life / Mobility

- Environmental pollution caused by internal combustion engine vehicles
- Coming of post-COVID era

- 1 Capture the demand growth for electrification due to the full-scale shift to xEVs by increasing production.
- 2 Introduction of new manufacturing technologies to meet growing demand for high-performance products
- 3 Development of high-performance products in new fields and needs



Realization of highly efficient EV motors



9 INDUSTRY INNOVATION AND INFRASTRUCTURE

Safe and comfortable automatic driving



3 GOOD HEALTH AND WELL-BEING

Power saving in electronic devices



7 AFFORDABLE AND CLEAN ENERGY

Strategy for Electronic Equipment and Components Business ②

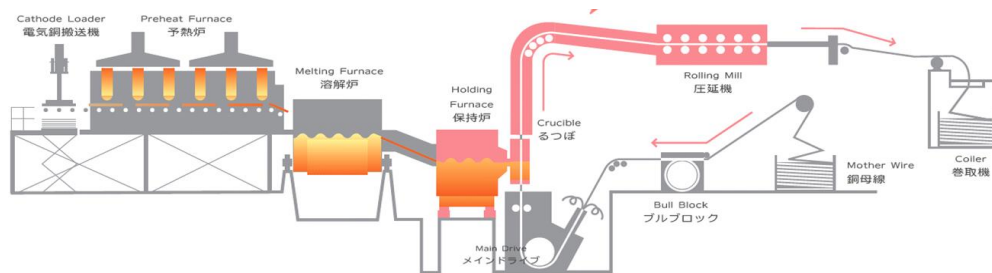
Accelerating the shift to automotive applications and expanding into new markets by increasing production of high-performance products

Change

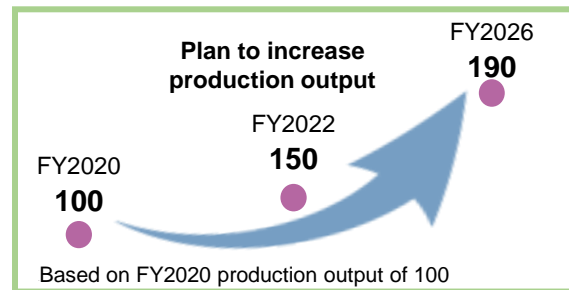
Further structural reforms

Production line reform for increasing production

Plan to further increase MiDIP[®] production capacity



Investment to strengthen facilities
Production efficiency improvement



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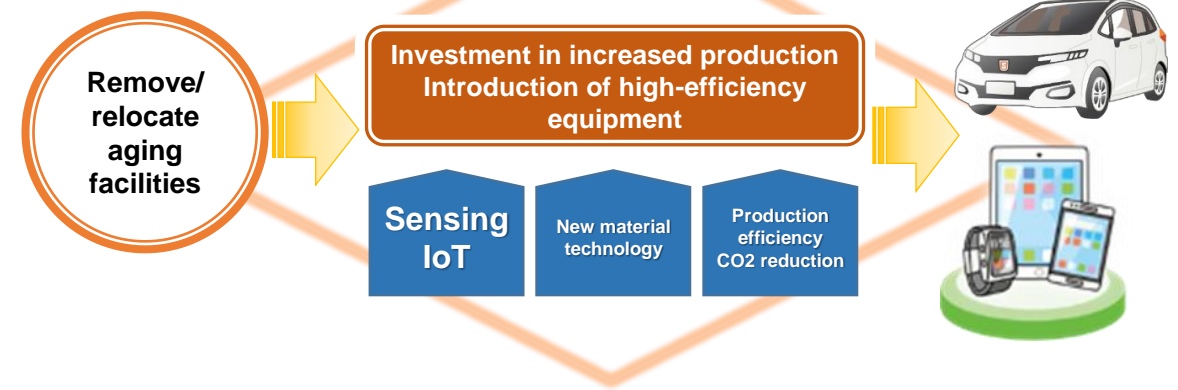
Growth

Transition to growth phase

Promotion of business solving social issues

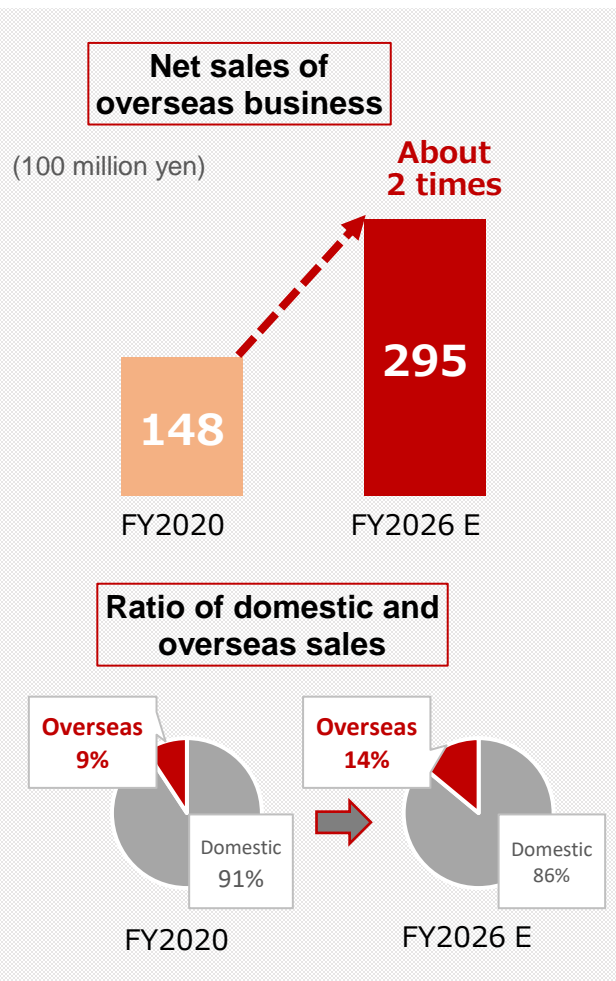
Promotion of the "K Project," an innovative production line for flat wire coils

Production capacity: 5 times
(compared to FY2020)




Overseas Business Strategy

Growth Expanding net sales through local production for local consumption overseas and promoting global expansion through export of optical fibers




Wire harnesses



- Strengthen overseas production bases through partnerships and accelerate shift to local production for local consumption

Optical fiber



- Expanding export sales of e-Ribbon® optical fibers for the market of ultra-fine diameter high-density optical cables for data centers


Precision devices



- Global expansion in close cooperation with partners
- No.1 share of pressure roller market and expansion of product line.

Copper materials

- Improvement of oxygen free copper production facilities
- Expand sales to local market



Power equipment

- Become the No.1 electric power equipment parts manufacturer in China



[Alliance Strategy]

- Collaboration with FUTONG GROUP CO., LTD. China to expand copper business
- Development of new markets for electric power equipment components with SHOWA-TEBA CABLE ACCESSORIES CO., LTD.

Growth SWCC 2026

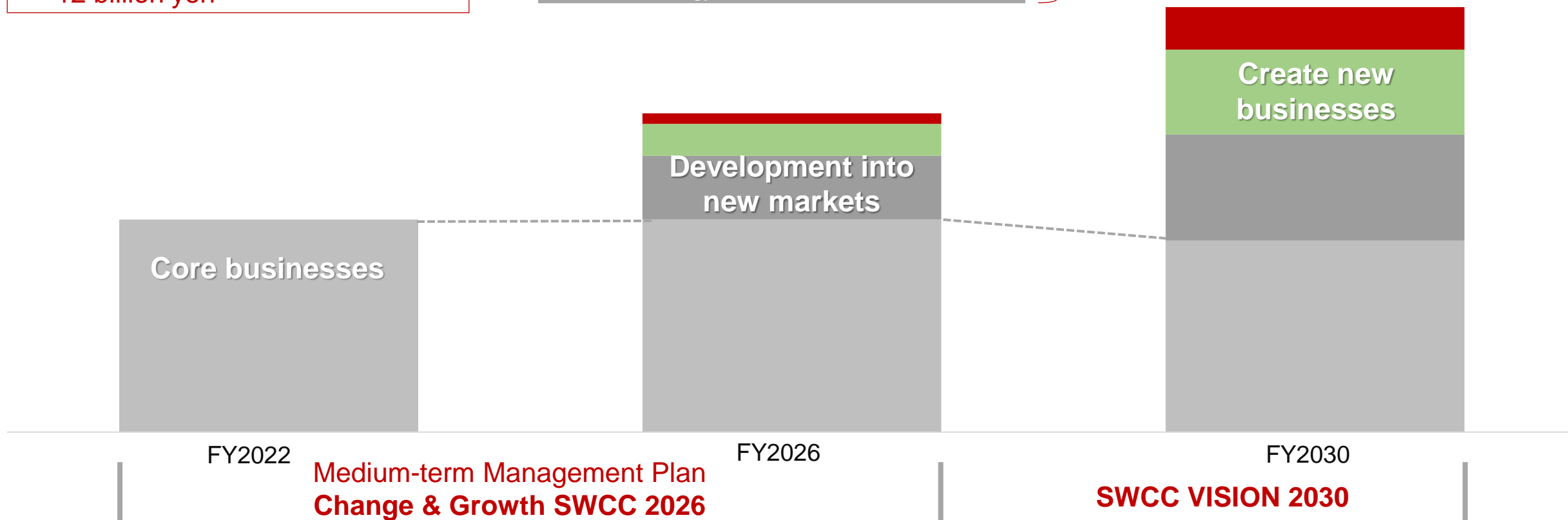
Growth Transition to growth phase

Growth SWCC 2026

① Production capacity expansion:
12 billion yen



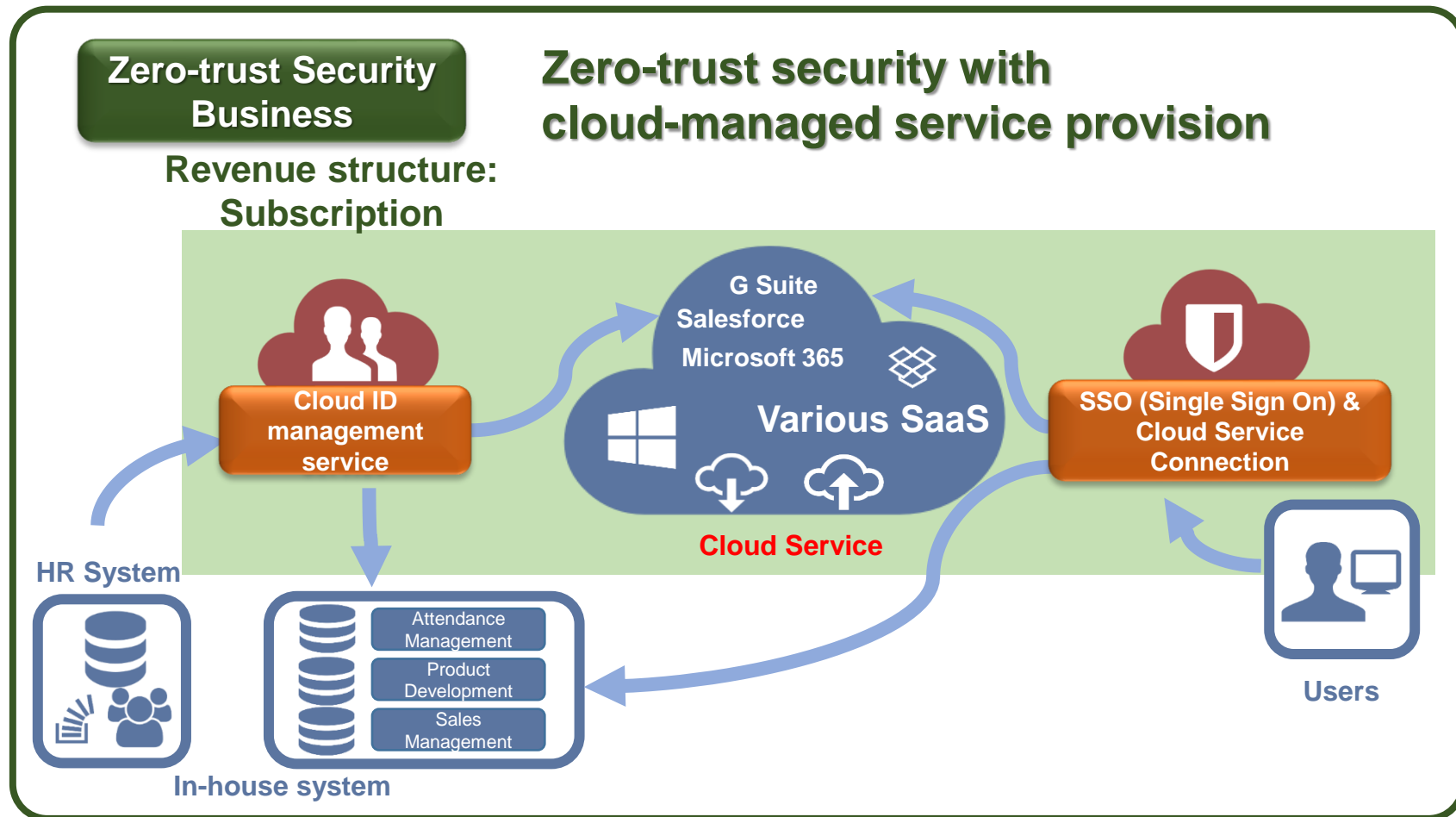
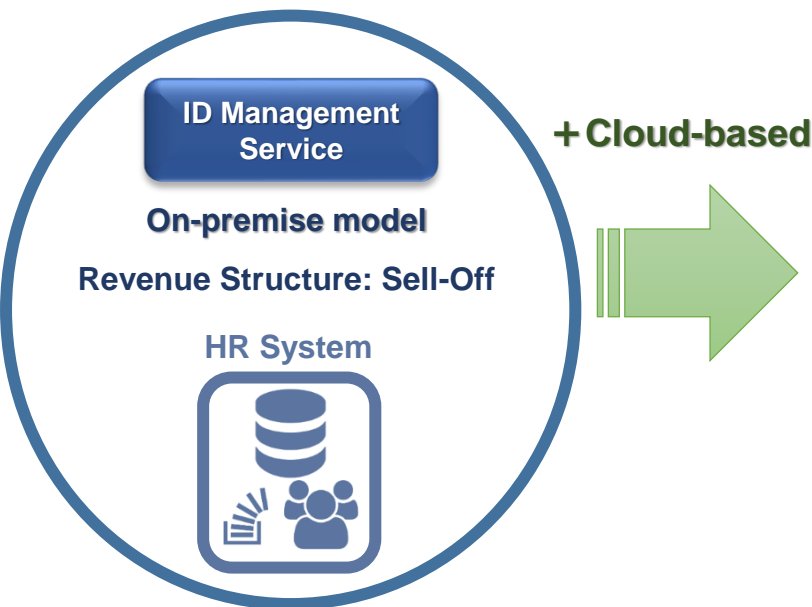
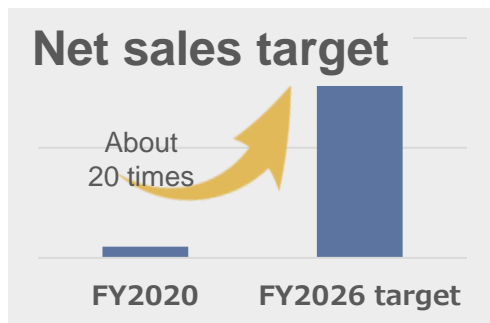
② Growth investment: 20 billion yen
③ Research and development: 10 billion yen



Medium-term Management Plan
Change & Growth SWCC 2026

SWCC VISION 2030

Create New Businesses with Cloud-based Business Model



Commercialization of SWCC Smart Stream through DX solutions

SWCC Smart Stream

On-Site Training System

Virtual field experience



Remote training
Safety and health training

On-Site Management System

Remote support with video, audio, and work data



Data Digital Processing

Use of sensing technology

Early identification of field defects

Product digital management

Linking customer and product data

Product quality control and history
Appropriate production and inventory management
Process visualization and delivery date management

Package sales

Open innovation

- Start-up companies (alliance, M&A)
- Openness, consortium

DX technology



Existing technology

DX Solutions



AI



IoT·Data



AR·VR



5G·Wi-Fi6



Camera



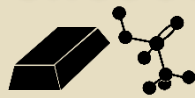
Sensing



Simulation

Digital Innovation

SWCC's assets



Huge amount of material data



Diverse design technologies



Manufacturing technology and know-how



Human resources with skills



Product line

Strong products and manufacturing

- SICONEX®→Epoxy molding
- Oxygen free copper → DIP
- Copper and silver alloy → Casting and cold processing

DX Investment

- Digital technology
- Simulation technology
- AI technology
- Digital human resource development

Development/ investment

- Infrastructure construction
- Sensor development
- Automatic control and robotics

Sustainability Strategy

Sustainability Strategy

E Environmental

Promoting the Green Plan 2050
Disclosure based on the TCFD framework

Objectives	Target
Response to climate change risk	Promotion of TCFD-based strategies, etc.
Prevention of global warming	Reduce CO ₂ emissions by 35% by FY2030 compared to FY2013
Effective use of water resources	Reduce water consumption by 50% by FY2030 compared to FY2018

S Social

Promote diverse human resources
Sustainable development

Objectives	Target
Promote diversity management	Promotion of women's advancement <ul style="list-style-type: none"> Ratio of women in management positions: 8% Managers and above: 10% Utilization of senior human resources
Human resources development	Enhancement of succession plan for next-generation managers Construction human resource development using DX educational tool
Promotion of health management	Improve employee engagement by using the health management strategy map

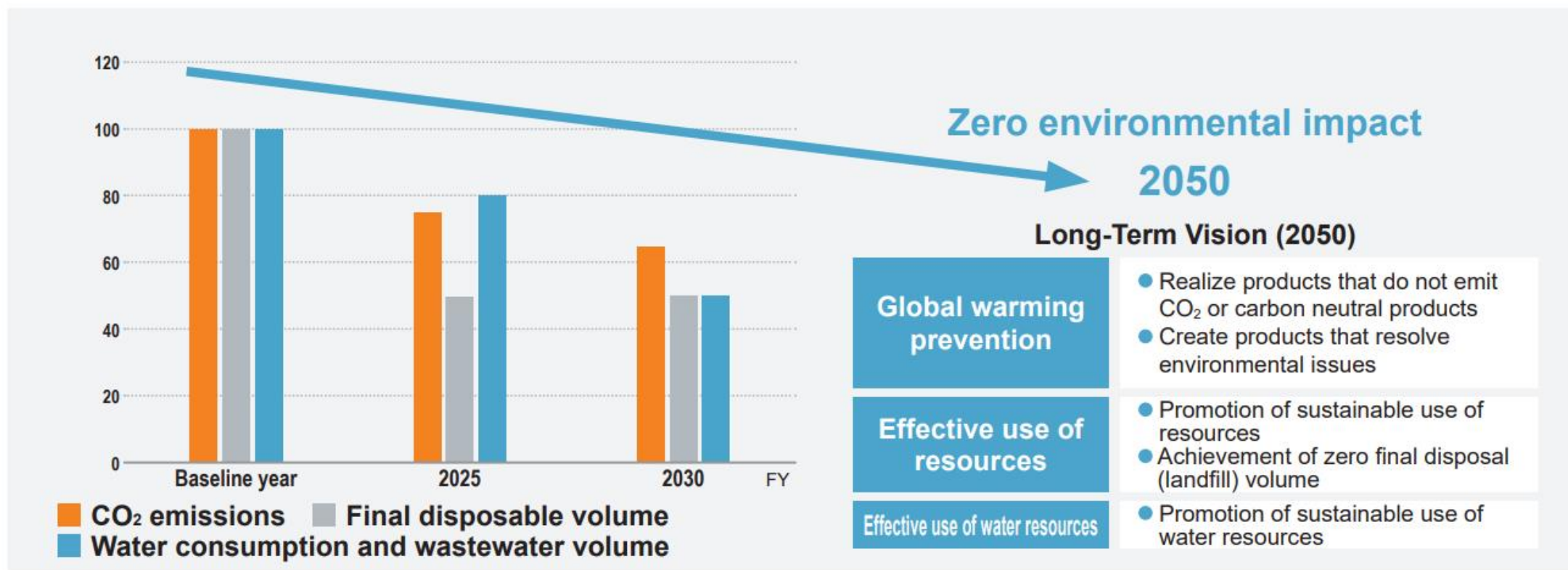
G Governance

Further strengthen the Group's capabilities
Strengthen and thoroughly implement quality control and auditing

Objectives	Target
Strengthen and rebuild the group management system	Finalize group reorganization and streamline and increase efficiency of management structure
Unify systems and IT systems within the Group	Unify various systems such as human resources and IT systems within the Group
Strengthen the quality control system	Restore trust by strengthening quality control and thorough auditing

Green Plan 2050 (Medium- to Long-term Environmental Plan)

We have established a long-term vision with the keyword of zero environmental impact in 2050. To achieve this goal, we are promoting the reformation of our internal infrastructure and taking initiatives to achieve both environmental friendliness and economic efficiency.



Financial Strategy

Medium-Term Cash Allocation

(100 million yen)

FY2017-FY2021 Total			
Operating income	362	Tax	69
		Others	66
		Capital investment	224
		Change in working capital	59
Depreciation and amortization	173	Borrowing repayment	103
		Dividends	14
		FCF	117
EBITDA	535		535

(100 million yen)

FY2022-FY2026 Total			
Operating income	610	Tax	184
		Others	9
		Capital investment	310
		Growth investment	200
		Change in working capital	30
Depreciation and amortization	231	Borrowing repayment	1
		Dividends	107
		FCF	108
EBITDA	841		841

① Expansion of production capacity	¥12 billion
② Reorganization of production bases, Strengthening and renewal of facilities	¥12.2 billion
③ Rationalization and enhancement of ICT	¥3.5 billion
④ Research and development	¥2 billion
⑤ Reduction of environmental impact, etc.	¥1.3 billion
Total: ¥31 billion	

Investment in new growth business areas:
20 billion yen (M&A, etc.)

FY2026 Shareholder return

Dividend per share: 120 yen or more
Dividend payout ratio: about 35%

Medium-term Management Plan Change & Growth SWCC 2026

**FY2020
Result**

Net sales
¥161.7 billion
Operating income
¥7.6 billion
Operating income
margin
4.7%

**FY2022
Plan**

Net sales
¥200 billion
Operating income
¥10 billion
Operating income
margin
5% or more

**FY2026
Target**

Net sales
¥215 billion
Operating income
¥15 billion
Operating income
margin
7% or more

**FY2030
Vision**

Net sales
¥220 billion
Operating income
¥20 billion
Operating income
margin
9% or more



Forward-looking statements in this document are based on information available at the time of publication and contain potential risks and uncertainties.

Therefore, actual results may differ materially from those projected in the forward-looking statements as a result of various factors.

Factors that could influence actual results include economic conditions, demand trends, raw material prices, and exchange rate fluctuations, as well as other items not limited to the above.

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