SWCC GROUP

Creating for the Future

Innovating new ideas today. Becoming the norms of tomorrow.

Climate-related Disclosures Report 2026

SWCC Corporation
Sustainability Promotion Department



Introduction

This report aims to deepen engagement with our stakeholders, including shareholders and investors, by communicating the results of our analysis of climate-related risks and opportunities, our assessment of their impacts on our businesses, and the response measures we have formulated.

In 2022, SWCC (then SWCC SHOWA HOLDINGS CO., LTD.) expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and has since disclosed related information primarily through the Company's Integrated Report and corporate website.

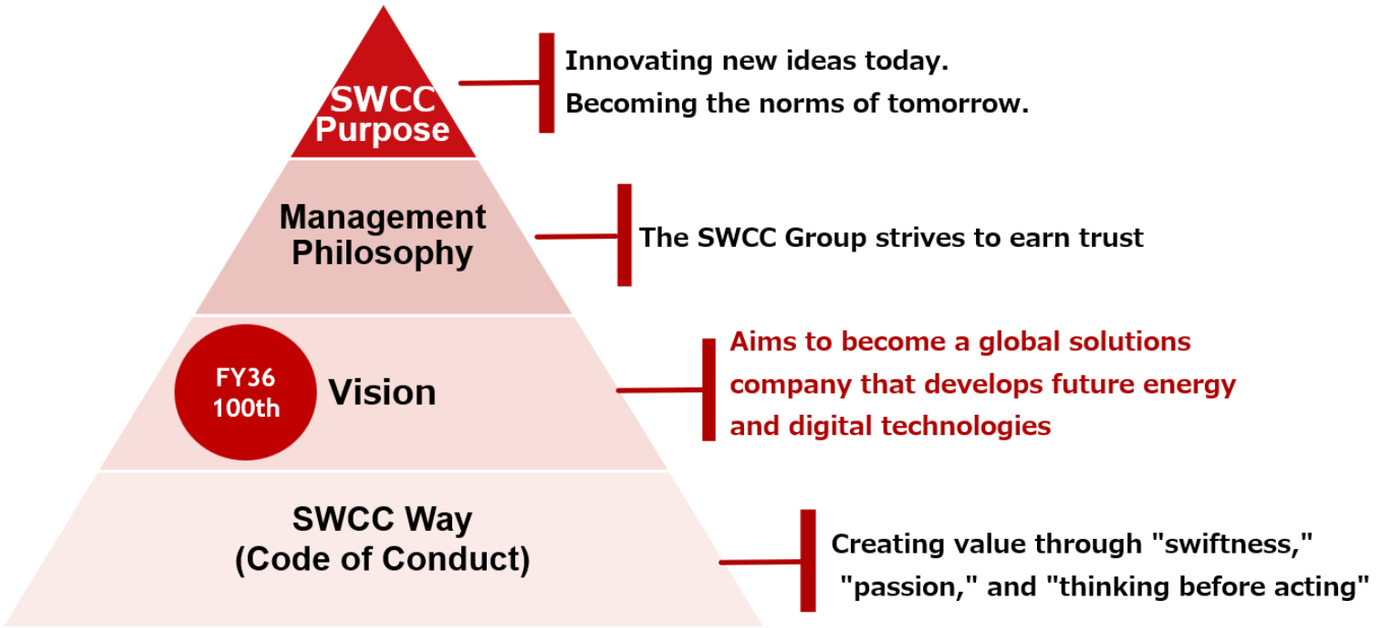
Guided by the SWCC Group's medium-term management plan, "Transformation for Growth SWCC 2030," announced in February 2026, this report presents the results of our analysis based on the four core elements of Governance, Strategy, Risk Management, and Metrics and Targets. While continuing to use the TCFD recommendations as its foundation, the Company has enhanced its climate-related financial disclosures, taking into account international developments in climate-related disclosure.

Guided by our Purpose—"*Innovating new ideas today. Becoming the norms of tomorrow.*"—we will continue to move forward boldly,embracing change and taking on new challenges for growth.

- In 2022, the Company was named SWCC SHOWA HOLDINGS CO., LTD. The Company changed its name to its current name in 2023.

Guidelines Referenced:

- *Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)*
- *TCFD Consortium, "Guidance on Climate-related Financial Disclosures 3.0 (TCFD Guidance 3.0)"*



SWCC Group Basic Sustainability Policy

Through trust and innovation, the SWCC Group aims to solve social issues and improve corporate value to create a sustainable and prosperous future society.

- Provide customers with high-quality products and services through superior technology and innovation
- Work toward the spread of clean and green energy and protect the global environment
- Value our connections with local communities and the value chain in the spirit of "empathy," "coexistence,and "co-prosperity"
- Promote work styles that make the most of individuality and diversity, and work to improve engagement
- Foster a good corporate culture by enhancing the humanity and ethics of our officers and employees

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Introduction of a Hydrogen Fuel Cell Electric Vehicle (FCEV) as a Company Vehicle at the Mie Works

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

SWCC GROUP Creating for the Future

Support for the TCFD Recommendations

The SWCC Group (hereinafter, "the Group") has engaged in a wide range of businesses aimed at addressing social challenges, supporting social infrastructure since its founding in 1936. Today, with the goal of contributing to a sustainable society, the Group has established a long-term vision centered on "Zero Environmental Impact by FY2050," together with environmental targets for FY2030. With regard to the reduction of greenhouse gas (GHG) emissions, the Group began formulating voluntary environmental action plans in FY1993 and has since reduced its emissions by more than 50%, reflecting its long-standing commitment to reducing environmental impact.

Meanwhile, the increasing severity of extreme weather events in recent years has had serious consequences for economic activity, making climate change one of the highest-priority challenges requiring action by the international community as a whole. Amid the global movement toward achieving the goals of the Paris Agreement and carbon neutrality by 2050, companies are increasingly expected to enhance transparency regarding the financial impacts of climate change on their businesses.

Against this backdrop, the Group recognizes climate change not only as a risk to its business activities, but also as a material management issue that may lead to new business and revenue opportunities. Based on this recognition, the Group conducted analyses aligned with the goals of the Paris Agreement and, in FY2022, began disclosing information on climate-related risks and opportunities in accordance with the TCFD recommendations, covering the four core elements of Governance, Strategy, Risk Management, and Metrics and Targets.

In this report, while continuing to use the TCFD recommendations as its foundation and taking into account international developments in climate-related disclosure, the Group systematically discloses its climate-related initiatives. Through these disclosures, we aim to deepen constructive dialogue with investors and other stakeholders, strengthen resilience to climate change, and contribute to co-creating a sustainable future.



Introduction of Renewable Energy through a PPA Model at the Aichi Plant



SWCC GROUP Creating for the Future

❶ Board Oversight

❷ Management's Role

❸ Investor Views, Comments, and Areas of Interest

Governance



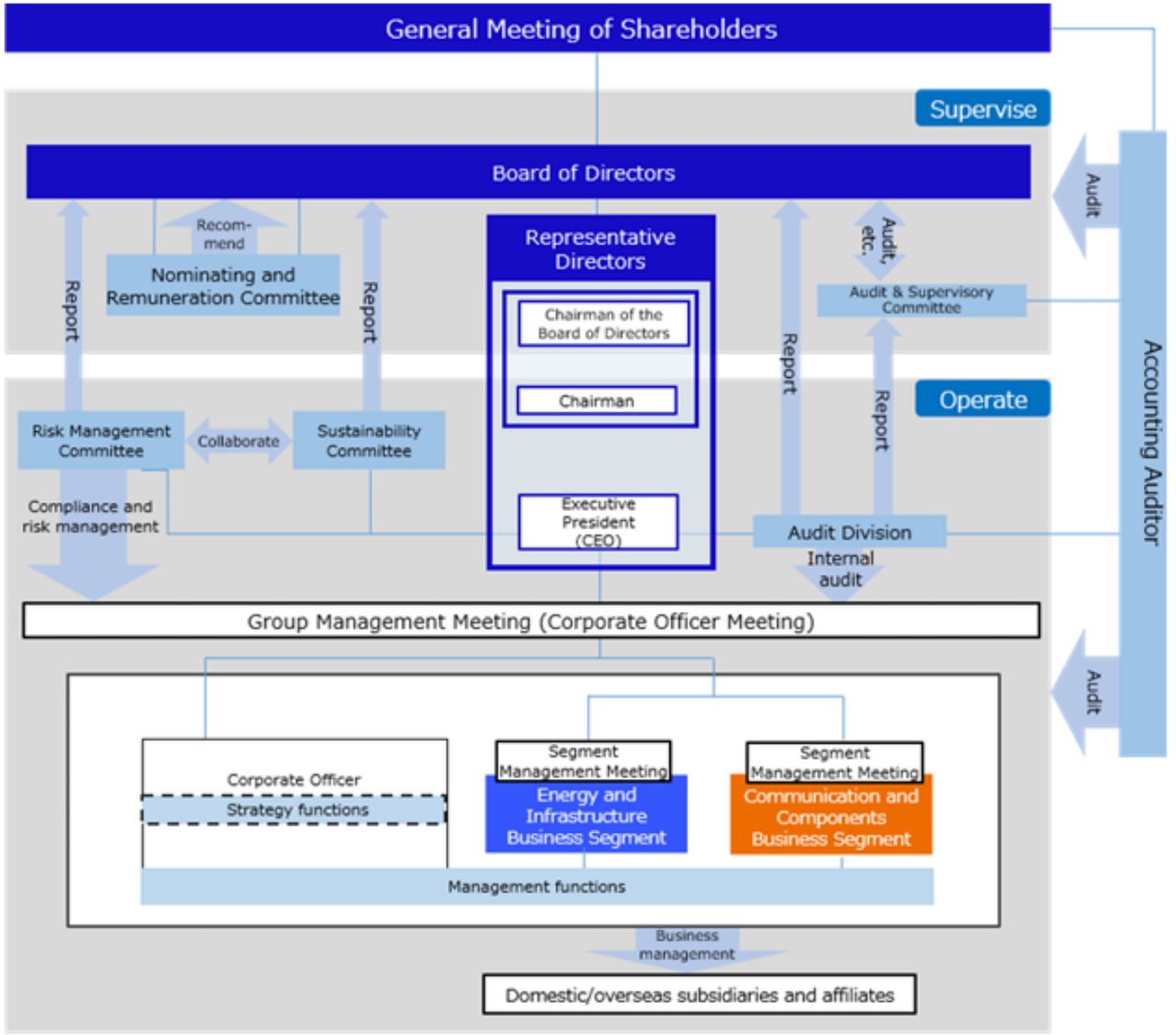
Governance

❶Board Oversight

【Board of Directors】

The Group has established a framework under which the Board of Directors appropriately oversees sustainability issues, including climate change, in line with its management philosophy and commitment to sustainable management.The Board regularly receives reports from the Sustainability Committee on responses to material climate-related risks and opportunities. It reflects these matters in management strategies, business plans, and major investment decisions, oversees progress, and provides opinions and instructions to executive management.

Diagram of corporate governance structure (as of April 1, 2026)

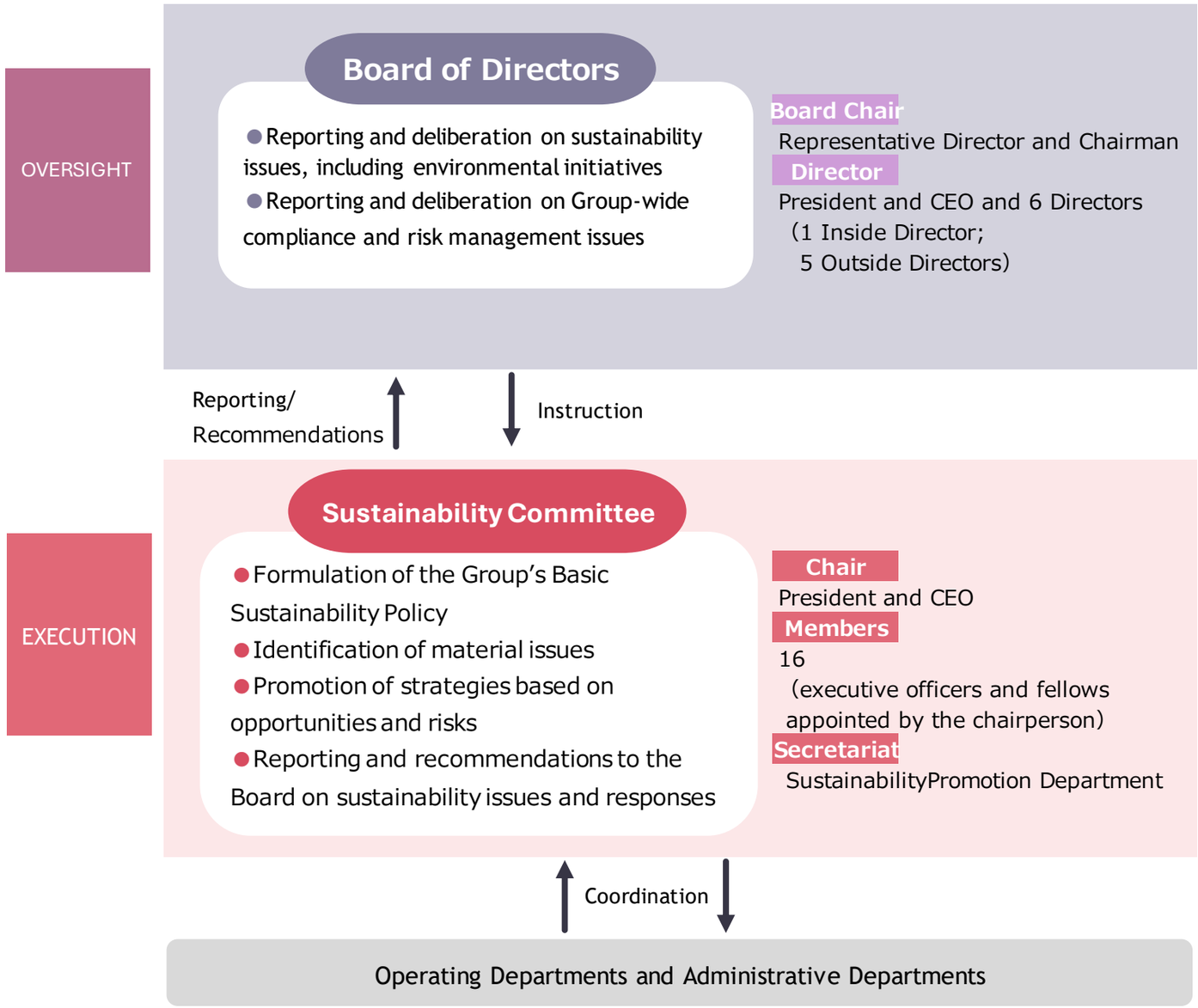


【Sustainability Committee】

Based on the Group's management philosophy, the Sustainability Committee, chaired by the President and CEO, promotes sustainable management from an ESG perspective. Its members comprise executive officers and Fellows responsible for each business and administrative division, as appointed by the Chair. The Committee formulates the Group's Basic Sustainability Policy, identifies material issues, advances sustainability strategies based on opportunities and risks, and reports and makes recommendations to the Board of Directors. It meets at least semiannually to ensure continuous improvement and action.

The Sustainability Promotion Department promotes and monitors Group-wide initiatives, supporting an integrated management and operational framework for addressing sustainability issues. The Sustainability Committee discusses these initiatives, compiles action plans and progress based on opportunities and risks, and reports and makes recommendations to the Board twice a year. In addressing climate-related risks, the Committee works closely and shares information continuously with the Risk Management Committee.

Sustainability promotion structure （as of June 2026）



❷Management's Role

in appointing directors we seek people who exhibit excellent character and insight and who can supervise and manage the Company. It is also our policy to appoint members with diverse backgrounds in order to cover a wide range of knowledge and expertise that we consider important to our Company.

Based on the above policy, in the Board of Directors we require experience in corporate management as well as knowledge and insight related to sustainability in order to further promote initiatives aimed at resolving social issues. We select a balanced lineup of persons who have abundant knowledge and experience in fields such as international affairs, accounting, finance, and technology. The skills required of the Board of Directors will continue to be reviewed in response to changes in the Company's management policies and strategies.

Board Composition and Skills Matrix of Each Director

Position	Takayo Hasegawa	Tetsuo Komata	Yuji Sakakura	Takashi Mukuno	Minako Nishimura	Koji Naito	Kumiko Baba	Futoshi Yamaguchi
Representative Director	●	●						
Audit & Supervisory Committee Member				◎	●		●	●
Nominating & Remuneration Committee Member			◎		●	●		
Outside Director			●	●	●	●	●	
Independent Director			●	●	●	●	●	

Skills	Takayo Hasegawa	Tetsuo Komata	Yuji Sakakura	Takashi Mukuno	Minako Nishimura	Koji Naito	Kumiko Baba	Futoshi Yamaguchi
Corporate Management (*)	●	●	●	●	●	●	●	●
Sustainability (*)	●	●	●	●	●	●	●	●
Sales	–	–	–	●	–	●	–	–
International	–	●	●	●	–	●	●	–
Accounting / Finance	–	–	●	–	–	–	●	●
Technology	●	●	–	–	●	–	–	–

(*) Mandatory skills

Reasons for selection of skills

Skill Areas	Reasons for Selection
Corporate management	Directors who possess robust knowledge and experience related to corporate management and who can promote the sustainable growth of the SWCC Group's corporate value are essential in achieving the goals of the Transformation for Growth SWCC 2030 Mid-Term Management Plan.
Sustainability	Directors who possess robust knowledge and experience concerning the environment, society, and the strengthening of corporate governance are essential in working to promote social problem-solving business, achieve a sustainable society, and enhance our corporate value on the foundation of the technologies and experience built up in our business under the SWCC Purpose.
Sales	Directors who possess robust knowledge and experience in assessing and analyzing market trends and formulating sales strategies are essential in providing high value-added products.
Overseas business	Directors who possess experience in overseas business management and robust knowledge and experience concerning overseas business environments are essential in sustainably growing our overseas businesess.
Accounting and finance	Directors who possess knowledge and experience of accounting and finance are essential in carrying out growth investments aimed at sustainable enhancement of corporate value, as well as in promoting management that will improve capital efficiency based on the key management indicator of return on invested capital (ROIC).
Technology	Directors who possess robust knowledge and experience concerning technology are essential in creating products of suitable quality, conducting wide-ranging research and development including basic research, creating new business models, promoting DX, etc.

The policy for determining individual Director remuneration is decided by the Board of Directors after deliberation by the voluntary Nomination and Remuneration Committee, composed of Independent Outside Directors, to ensure independence and objectivity. The Board also confirms that the remuneration determination process and resulting amounts are consistent with the policy and that the Committee's recommendations have been respected. Remuneration levels are set with reference to external surveys of other companies. Directors who do not execute business and Directors who are Audit & Supervisory Committee Members receive only fixed remuneration, as they are responsible for management oversight rather than business execution. As part of its governance framework, the Company incorporates sustainability indicators into executive remuneration. The internal renewable energy adoption rate and GHG emissions are used as indicators for a portion of performance-linked remuneration.

<table>
<tr><th>Type</th><th>Percentage</th><th>Description</th></tr>
<tr><td>Fixed remuneration</td><td>100</td><td>This consists of basic remuneration and additional job-based remuneration that is dependent on the director's duties and responsibilities.</td></tr>
<tr><td rowspan="2">Performance linked remuneration</td><td>65</td><td>Formula
Annual performance-linked remuneration = fixed remuneration x (degree of achievement of fiscal year targets in company performance (A x 50% + B x 50%) + degree of achievement of ESG-related fiscal year targets(degree of achievement according to the number of items achieved among C, D, E, and F))
<table>
<tr><th colspan="2">Fiscal year target indicator</th><th>Target value</th><th>Percentage</th><th>Payment rate</th></tr>
<tr><td rowspan="2">Company performance</td><td>Operating income（A）</td><td>29.9 billion yen (announced value:28.5 billion yen)</td><td>30%</td><td>0~150%</td></tr>
<tr><td>ROIC（B）</td><td>14.4% (announced value:13.8%)</td><td>30%</td><td>0~150%</td></tr>
<tr><td rowspan="4">ESG-related</td><td>In-house introduction rate of renewable energy（C）</td><td>26%</td><td rowspan="4">5%</td><td rowspan="4">0~125%</td></tr>
<tr><td>Greenhouse gas (CO2) emissions（D）</td><td>9% reduction from FY2024</td></tr>
<tr><td>Lost time injury frequency rate（E）</td><td>0.23</td></tr>
<tr><td>Engagement score（F）</td><td>51</td></tr>
</table></td></tr>
<tr><td>10</td><td>Long-Term Incentive Compensation
Performance share units (PSUs), which constitute long-term incentive compensation, grant points equivalent to 10% of the fixed compensation for the relevant fiscal year. Shares are then delivered based on the Company's target achievement rate over a three-fiscal-year performance evaluation period.</td></tr>
<tr><td>Restricted stock remuneration (long-term incentive remuneration)</td><td>32.5</td><td>A percentage of fixed remuneration is allocated to the payment of remuneration for the granting of restricted shares.
No remuneration is paid for the granting of restricted shares to Directors who do not execute business (including Directors who are Audit and Supervisory Committee Members)</td></tr>
</table>

Details of Director remuneration are available on our website.
https://pdf.irpocket.com/C5805/uOn6/XRGz/YvFo.pdf

❸Investor Views, Comments, and Areas of Interest

The Company regards dialogue with investors on climate-related issues as an important element of its governance framework, and the content of such dialogue is regularly reported to the Sustainability Committee and the Board of Directors.

Key Investor Views, Expectations, and Areas of Interest

・In light of the early achievement of the FY2030 Scope 1 and 2 targets, set more ambitious targets in the next medium-term management plan and disclose them.

・In view of updates to each country's nationally determined contributions (NDCs), present a concrete roadmap and milestones extending beyond the FY2030 target toward intermediate target years such as FY2035 and FY2040.

・Taking into account the early achievement of existing targets and international developments, establish new interim targets for FY2035 and FY2040 and clearly demonstrate the pathway toward achieving carbon neutrality.

Selected Sustainability-Related Agenda Items Discussed by the Board of Directors

FY2026 Agenda	
Social	FY2025 Engagement Survey: achievements and issues
Social	Updates to the CSR Questionnaire and Sustainability Promotion Guidelines; procurement risk response
Environment	Implementation of the 8th Voluntary Environmental Action Plan (Green Energy Project)
Other	Materiality initiatives: progress and review for the next medium-term management plan
Social	FY2025 Human Rights Due Diligence progress
Social	FY2025 diversity initiatives and key issues
FY2025 Agenda	
Governance	FY2024 Governance Survey results and key issues
Social	FY2024 Engagement Survey results, improvement measures, and next steps
Environment	FY2024 SWCC Group renewable energy initiatives
Other	FY2024 materiality progress
Other	Concept and publication plan for SWCC Integrated Report 2025
Other	Review of the Business Continuity Plan (BCP) Manual
Social	FY2025 Engagement Survey action plan
Social	FY2025 Supplier CSR Questionnaire results
Environment	Roadmap for achieving carbon neutrality
Other	FY2025 materiality progress and policy from FY2026 onward
Social	FY2024 Human Rights Due Diligence progress and human rights disclosure
FY2024 Agenda	
Governance	FY2023 Governance Survey results and Board effectiveness
Environment	"Energy Generation" plan through FY2030 and Scope 3 target setting
Social	Disclosure of the SWCC Group Human Rights Policy
Other	FY2024 sustainability initiative milestones
Other	Concept and publication plan for SWCC Integrated Report 2024
Social	FY2023 materiality progress
Other	Revision of the Sustainability Promotion Guidelines (4th Edition)
Other	FY2024 materiality progress
Environment	Introduction of green electricity and gas, electrification of company vehicles, and promotion of environmental investment
Social	Engagement improvement initiatives and KPI setting
Social	FY2024 Supplier CSR Questionnaire results
Social	Development of Human Rights Due Diligence Standards
Environment	Update of disclosures based on TCFD support

❶ Risks and Opportunities

❷ Impacts on the Organization

❸ Strategy Resilience

Strategy

Strategy

❶Risks and Opportunities

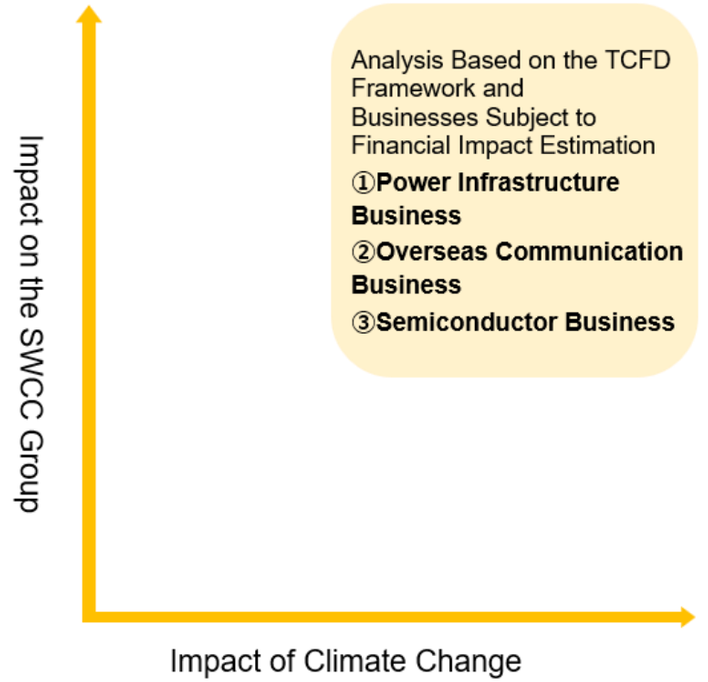
Recognizing that addressing climate change is directly linked to strengthening resilience and enhancing corporate value, the Group has been conducting scenario analysis in accordance with the TCFD Recommendations. In FY2025, to gain a clearer understanding of the financial impacts of climate-related risks and opportunities on the Group, we conducted an in-depth analysis incorporating quantitative approaches.

The scenario analysis was led by the Sustainability Promotion Department, which is responsible for environmental matters across the Group, in close consultation with each business division. Through this process, the underlying assumptions were reviewed in light of the market environment surrounding each business and conditions across the entire supply chain. The results of the analysis were discussed by the Sustainability Committee and subsequently reported to the Board of Directors, where they were subject to effective oversight. The findings have also been integrated into the Group's overall management strategy and risk management processes.

Businesses Covered by the Analysis

For the FY2025 scenario analysis, the Group assessed its business portfolio along two axes: the degree of financial impact on the Group—including business scale, profitability, and growth potential—and the degree of impact from climate change. Based on this assessment, the businesses subject to detailed analysis were selected.

As a result, Power Infrastructure Business / Communications (Overseas) Business / Semiconductor Business,which are designated as growth businesses under the new medium-term management plan, "Transformation for Growth SWCC 2030," were assessed as having particularly significant potential business impacts from both climate-related risks and opportunities.



Degree of Impact on the SWCC Group: Assessed based on business scale, profitability, and growth potential.

Degree of Impact from Climate Change: Assessed with reference to qualitative assessments of climate-related risks and opportunities by business sector published by financial institutions and other organizations.

Definition of Impact Levels

The qualitative assessment of climate-related risks and opportunities was established by comprehensively considering impacts on the Group's operations, supply chain, and financial position, while ensuring consistency with the growth strategy under the medium-term management plan "Transformation for Growth SWCC 2030" and the targets of the medium- to long-term environmental plan "Green Plan 2050."Impacts are rated as High when they directly or structurally affect the Group as a whole or its core businesses; Medium when they are limited to certain areas, such as specific businesses or the supply chain, and can be absorbed across businesses; and Low when the impact is minor and can be managed through ordinary business operations.

Overview of the Scenarios Used

To assess the Group's resilience to climate-related uncertainties, we considered two contrasting scenarios representing markedly different future pathways and examined potential impacts over short- to long-term time horizons, including the years 2030 and 2050.

1.5°C Scenario — A World Advancing toward Decarbonization

This scenario assumes a future in which the rise in global average temperature is limited through fundamental changes in social and economic structures. While the introduction of carbon pricing and the tightening of laws and regulations are expected to increase business costs associated with transition risks, the widespread adoption of renewable energy and the upgrading of social infrastructure are also expected to accelerate. As a result, we anticipate strong growth in demand for the Group's environmentally friendly products and related businesses.

4°C Scenario — A World Experiencing Further Climate Change

This scenario assumes a future in which global temperatures continue to rise broadly in line with current trends. Although policy constraints aimed at promoting decarbonization are expected to remain limited, rising average temperatures and the increasing severity of extreme weather events are expected to give rise to significant physical risks, including serious damage to the Group's own sites and supply chain, as well as the potential suspension of operations.

	Definitions	
Time Horizon	Short term: Through FY2026 Medium term: FY2027–FY2030 Long term: FY2031–FY2050	Short term is based on the current fiscal year; medium term on the medium-term management plan "Transformation for Growth SWCC 2030"; and long term on the medium- to long-term environmental plan "Green Plan 2050."
Impact Level	**High**：Direct or structural impact on the Group or its core businesses **Medium**：Limited impact on specific businesses or the supply chain that can be absorbed across businesses **Low**：Minor impact manageable within ordinary operations	

		1.5°C Scenario	4°C Scenario
Overview		A scenario in which global temperature rise is limited to 1.5°C–2°C above pre-industrial levels by the end of the 21st century. Assumes a world where transition impacts associated with decarbonization, such as the introduction of carbon pricing, become more pronounced.	A scenario in which global temperature rise reaches nearly 4°C above pre-industrial levels by the end of the 21st century. Assumes a world where the impacts of more frequent and severe natural disasters caused by climate change become more pronounced.
Reference Scenarios	**Transition**	IEA Net Zero Emissions by 2050 Scenario（NZE） IEA Sustainable Development Scenario（SDS）	IEA Stated Policies Scenario（STEPS） IEA Current Policies Scenario（CPS）
	Physical	IPCC RCP 2.6	IPCC RCP 8.5

Scenario Analysis of Climate-Related Risks and Opportunities

Potential Risks

The Group identifies potential climate-related risks and opportunities that could affect its business activities and conducts qualitative assessments based on their respective time horizons and magnitude of impact.The identified risks assessed as having a medium to large impact are set out below.

Scenario	Risk Item		Potential Impact on the Group	Time Horizon	Impact
 1.5℃	Policy & Regulation	Carbon Pricing (Carbon Tax)	Carbon pricing on the Company and upstream supply chain increases operating costs.	Mid–Long	High
		Renewable Energy Policy	Shifts to renewable electricity and higher generation costs driven by national policies increase electricity procurement costs.	Mid–Long	High
	Technology	Circular Economy	Replacement by competing products with higher recyclability may result in lost sales opportunities.	Mid–Long	Medium
	Market	Raw Material Costs	Expansion of power grids and renewable energy raises copper, aluminum, and steel prices. Carbon pricing and tighter regulations also increase costs of petroleum- and gas-based materials such as plastics and synthetic rubber.	Short–Long	Medium
		Customer Behavior	• Requests for LCA/CFP disclosure increase response costs. • Greater customer focus on climate action reduces demand for conventional products and sales.	Mid–Long	Medium
	Reputation	Customer Perception	Insufficient environmental action may lead environmentally conscious customers to suspend business, reducing sales.	Mid–Long	Medium
		Investor Perception	Insufficient climate action or disclosure may hinder financing and increase financing costs.	Mid–Long	Medium
 4℃	Acute Physical	Extreme Weather Events (Typhoons, Heavy Rain, Landslides, Storm Surges, etc.)	• Damage to facilities, machinery, and inventories. • Supply chain disruption delays material procurement and product transportation. • Business interruption during recovery reduces revenue.	Short–Long	High
	Chronic Physical	Rising Average Temperatures	Increased cooling at offices and manufacturing sites raises electricity consumption and costs.	Short–Long	Medium

Potential Opportunities

Of the identified climate-related opportunities, those assessed as having a medium to large impact are set out below.

Scenario	Opportunity Item		Potential Impact on the Group	Time Horizon	Impact
1.5℃	Policy & Regulation	Renewable Energy Policy	Stronger government support for renewables accelerates new and upgraded power generation facilities, increasing demand for the Group's power transmission and substation products. (Power Infrastructure)	Mid–Long	High
			Global decarbonization and electrification increase power-system complexity and demand for data/AI infrastructure, driving demand for ribbon cables and semiconductor inspection equipment. (Communications (Overseas) / Semiconductor)	Mid–Long	High
		Climate-related Regulations	Global regulations on energy efficiency and greening of data centers increase demand for energy-efficient, high-performance products such as e-Ribbon®. (Overseas Communications / Semiconductor)	Mid–Long	High
	Technology	Spread of Renewable & Energy-saving Technologies	Wider use of renewables and energy storage expands and upgrades power infrastructure and increases long-distance transmission needs, boosting demand for transmission and distribution products. (Power Infrastructure)	Short–Long	Medium
	Market	Changes in Demand for Key Products	Global renewable expansion and rising power demand drive grid reinforcement and modernization, increasing demand for high-performance products such as SICONEX®. (Power Infrastructure)	Short–Long	Medium
	Reputation	Investor Perception	Transparent sustainability/resilience disclosure and stakeholder dialogue may improve external ratings and access to ESG-linked financing, reducing financing costs and strengthening the financial base.	Mid–Long	Medium
4℃	Chronic Physical	Worsening Work Conditions Due to Rising Temperatures	Heat reduces productivity in outdoor construction and grid work, increasing demand for labor-saving, shorter-installation solutions such as SICONEX®. (Power Infrastructure)	Short–Long	Medium

❷Impact of climate-related risks and opportunities on the company's businesses, strategy, and financial planning

The Group identified climate-related risks and opportunities and, for items assessed as having particularly significant impacts, estimated their financial impacts by referring to objective forward-looking data and external parameters published by international organizations and the Government of Japan.

Results of the Transition Risk Analysis

As Group-wide transition risks, we assessed the increase in costs resulting from carbon pricing and higher electricity prices, taking into account the achievement of the Group's targets, including a 25% reduction in greenhouse gas emissions.

Under the 1.5° C scenario, by 2030, we anticipate transition risks comprising an increase of approximately ¥840 million in carbon tax costs and approximately ¥220 million in electricity procurement costs. With respect to the carbon tax, the Group plans to avoid approximately ¥180 million in carbon tax costs by achieving its GHG emissions reduction target. We also assess that the anticipated increase in costs can be sufficiently offset by higher earnings generated through the expansion of business opportunities.

Results of the Physical Risk Analysis

As physical risks, we assessed the financial impacts of flooding at production sites—including river flooding and storm surges—and operational disruptions resulting from the increasing severity of extreme weather events.

The estimates cover sites associated with the Group's three growth businesses and were calculated by taking into account the projected inundation levels at each site based on publicly available hazard maps, together with the projected increase in the frequency of such events due to climate change. Under the 4° C scenario, by 2030, we anticipate an increase in costs of approximately ¥170 million.

To address these physical risks, the Group will continue to assess the effectiveness of its business continuity plans (BCPs) at all sites and establish a robust business continuity framework capable of maintaining a stable supply of products even in the event of an emergency.

Estimated Financial Impacts of Climate-Related Risks and Opportunities in 2030

Category	Item Analyzed	Scope of Financial Impact Estimates	4 ℃ Financial Impact (¥100 million)	1.5℃ Financial Impact (¥100 million)
 Transition Risks	Carbon Tax	Increase in the Group's operating costs due to the introduction of carbon pricing.	0.0	-8.4
	▷ Target Achievement Scenario	Increase in costs if Scope 1 and 2 emissions are reduced by 25% by 2030 compared with 2024.	0.0	-6.6
	Electricity Prices	Increase in electricity procurement costs, including renewable energy.	-0.7	-2.2
	▷ Target Achievement Scenario	Increase in costs if the renewable energy adoption rate reaches 50% or more by 2030.	-3.8	-6.1
Physical Risks	Flood and Storm Surge Damage	Damage to owned assets caused by flooding and losses from business interruption.	-1.7	-1.0
 Opportunities	Power Infrastructure Business	Operating profit from the Group's power generation and substation-related products if stronger government renewable energy policies accelerate the development of new renewable power generation facilities.	16.7	33.5
	Overseas Communication Business	Operating profit from the Group's ribbon cables and semiconductor inspection equipment, driven by increased demand for energy efficiency and greening of AI servers and data centers under decarbonization policies.	0.0	3.2
	Semiconductor Business		0.0	1.9

Results of Opportunity Analysis: Power Infrastructure Business

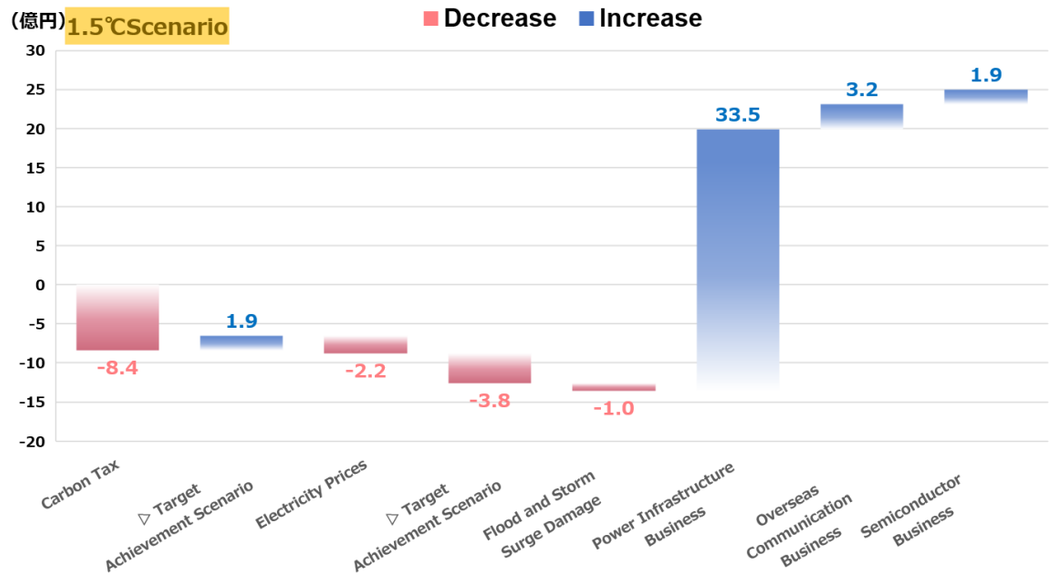
As a climate-related business opportunity for the Power Infrastructure business, the Group analyzed the expected increase in demand for its related products resulting from the construction of new renewable energy generation facilities in Japan, including solar and wind power facilities. To estimate the financial impact, the Group calculated the volume of copper required based on the renewable energy generation capacity expected to be newly installed by 2030 and applied factors including the Group's share of the relevant markets.

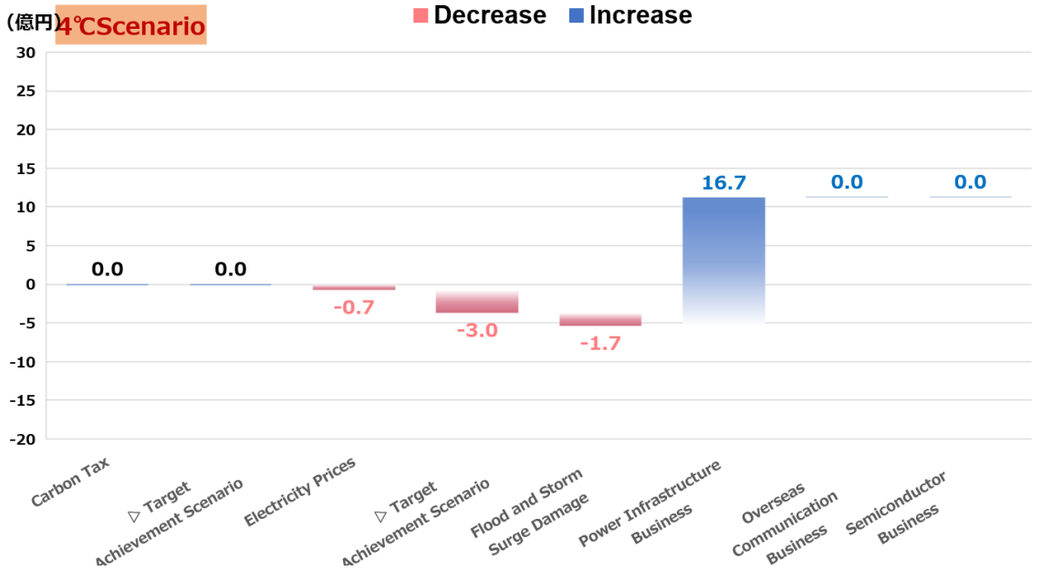
Under the 1.5° C scenario, which assumes strong decarbonization requirements, the analysis is based on the Japanese government's ambitious renewable energy deployment targets. By contrast, the 4° C scenario assumes a more conservative level of deployment, reflecting limited additional demand for electricity generated from renewable energy sources. The results under the two scenarios were then compared.

The earnings estimated under both scenarios have already been incorporated as growth drivers for products used in power generation and substations under the new medium-term management plan, "Transformation for Growth SWCC 2030." The Group's related product portfolio is essential to establishing renewable energy as a major source of electricity and enhancing the stability of power infrastructure. Accordingly, stronger policy measures under the 1.5° C scenario would provide a significant tailwind for the Group.

Given that a certain level of new renewable energy generation capacity is already planned through 2030, the Group estimates that climate-related business opportunities could generate operating profit of approximately ¥1.67 billion by 2030 under the 4° C scenario, in which climate action progresses slowly, and approximately ¥3.35 billion under the 1.5° C scenario.

Estimated Financial Impacts of Climate-Related Risks and Opportunities in 2030





Results of Opportunity Analysis: Communications (Overseas) Business and Semiconductor Business

As climate-related business opportunities for the Communications (Overseas) Business and the Semiconductor Business, the Group analyzed the expected increase in demand for related products driven by growing needs to reduce power consumption and improve energy efficiency at data centers and similar facilities. To estimate the financial impacts, the Group applied scenario-specific assumed growth rates to the current sales levels of its intermittently bonded optical fiber ribbon, e-Ribbon®, and semiconductor inspection equipment.

Due to their enormous energy consumption, data centers and AI servers are highly sensitive to climate-related policies and environmental regulations in countries around the world. Under the 1.5° C scenario, which assumes strong decarbonization requirements, the analysis applies the high market growth rates already incorporated as growth drivers in the new medium-term management plan. By contrast, the 4° C scenario assumes a conservative market environment in which no additional demand for environmentally friendly solutions arises. Accordingly, the analysis applies growth rates that exclude the portion of growth attributable to climate-related demand and compares the results under the two scenarios.

The Group's e-Ribbon® intermittently bonded optical fiber ribbon and semiconductor inspection equipment are essential solutions that contribute to improving the energy efficiency of data centers and reducing their environmental impact. Accordingly, stronger policy measures under the 1.5° C scenario would provide a tailwind for the Group.

Compared with the 4° C scenario, in which climate action progresses slowly, the Group estimates that climate-related opportunities under the 1.5° C scenario could generate additional operating profit of approximately ¥320 million in the Communications (Overseas) Businessand approximately ¥190 million in the Semiconductor Business by 2030.

Key External Parameters Used to Estimate Financial Impacts

Carbon Price (USD/t-CO_2)	IEA：World Energy Outlook（2024）
Electricity Price (USD/MWh)	IEA：World Energy Outlook（2019）
Frequency Multiplier for Water-related Disasters	IPCC: Fifth Assessment Report
Flood and Storm Surge Damage	Ministry of Land, Infrastructure, Transport and Tourism: Draft Manual for Economic Evaluation of Flood Control (2025)
Business Interruption Losses from Water-related Disasters	Civil Engineering Journal: Survey on Business Damage Caused by Water-related Disasters (2008)
Increase in Renewable Energy Capacity	Agency for Natural Resources and Energy: Outlook for Energy Supply and Demand in FY2030 (2021)
Data Center-related Regulations	European Union: Energy Efficiency Directive (EED) (2023)

❸ Resilience of strategy

Overall Assessment and Response Policy Based on Scenario Analysis

The scenario analysis identified and assessed multiple climate-related risks and business opportunities for the Group. Based on an overall assessment of these findings, the Group recognizes that, under the 1.5° C scenario, in which decarbonization advances, the business opportunities created would outweigh the financial burden associated with transition risks, such as carbon taxes. Under the 4° C scenario, in which climate change continues to progress, the relative impact of physical risks arising from increasingly severe extreme weather events was assessed as greater.

Products and Services

SICONEX®

SICONEX is a product group centered on lightweight and compact high-voltage power cable connectors utilizing innovative insulation technology. Mainly used in power transmission and distribution equipment, transformers, power plants, and substations, our unique product design has achieved high seismic resistance and shorter construction periods, resulting in a strong share in the power transformation market. We will continue to support power infrastructure through the supply of products and services and contribute to a stable power supply.



e-Ribbon®

e-Ribbon is an ultra-fine, high-density optical fiber using intermittent adhesive ribbon. Our proprietary manufacturing method enables a large number of optical fibers to fit within a thin cable. With superior flexibility and workability, it greatly contributes to improving the efficiency of cabling installation work. Furthermore, by utilizing our unique manufacturing technology that minimizes loss even during high-speed production, we will continue to respond to the rapidly expanding market demand for data centers



Based on these findings, the Group will implement the following measures to maintain resilience under any changes in the business environment and achieve sustainable growth in corporate value.

1. Growth Investments to Capture Business Opportunities

To capture the accelerating construction of renewable energy generation facilities and growing demand for more resilient next-generation power grids under the 1.5° C scenario, the Group will invest a cumulative total of ¥10 billion in the Power Infrastructure Business, one of its core growth businesses, during the period covered by the new medium-term management plan from FY2026 to FY2030.

In particular, the Group will make approximately ¥2 billion in capacity expansion investments for SICONEX®, its market-leading connector for high-voltage power cables, with the aim of significantly increasing supply capacity by the second half of FY2026. In addition, to capture increasing demand associated with the expansion of data centers and other facilities, the Group will invest approximately ¥2 billion in expanding production capacity for e-Ribbon®, the flagship intermittently bonded optical fiber ribbon product of the Communications (Overseas) Business, in Japan and overseas. A cumulative total of ¥3 billion in growth investments will be made in this business during the medium-term management plan period.

Alongside the expansion of these businesses, the Group is also advancing initiatives to realize a circular economy. These include adopting recyclable materials, known as eco-material sheaths, for the outer jackets of cables and promoting the material recycling of cross-linked polyethylene used as an insulating material. The Group is also actively replacing the conventional wooden crates and plastic cushioning materials used for SICONEX® packaging with reinforced corrugated cardboard that is easier to dismantle and recycle.

By advancing growth investments and initiatives to reduce environmental impact in tandem, the Group will respond effectively to the market's environmental requirements and translate climate-related business opportunities into a robust and sustainable earnings base.

2. Group-Wide Reduction of GHG Emissions to Mitigate Transition Risks

To address transition risks under the 1.5° C scenario, including the introduction of carbon taxes, the Group is focusing on reducing greenhouse gas emissions from Scopes 1 and 2.

Through the SWCC Green Energy Project, a Group-wide initiative, the Group has established subcommittees dedicated to energy conservation, the introduction of renewable energy, and the development of internal rules and frameworks. By strongly promoting fundamental changes in production methods and transitions to new technologies, the Group aims to avoid future financial burdens associated with GHG emissions.

3. Establishment of a Resilient Business Continuity Framework for Physical Risks

To address the increasing severity of extreme weather events under the 4° C scenario, the Group is promoting risk mitigation measures designed to prevent damage and facilitate early recovery.

In addition to physical resilience investments, such as installing flood barriers and seawalls at sites exposed to potential inundation risks, the Group is continuously strengthening its business continuity management (BCM) initiatives. Through these measures, the Group is establishing a framework capable of maintaining a stable supply of products even in the event of an emergency.

4. Pursuit of Sustainability throughout the Supply Chain

The Group is strengthening collaboration with its business partners to address climate change throughout the entire supply chain, including the reduction of Scope 3 emissions, rather than limiting its efforts to its own sites.

In addition to promoting the Supply Chain Sustainability Promotion Guidelines, the Group conducts assessments using a Self-Assessment Questionnaire (SAQ) for major business partners representing 80% of its total procurement spend.

The FY2025 assessment results showed that 81% of the Group's business partners met the standards required by the Group, receiving a rating of A or higher. The proportion receiving the highest S rating also increased, demonstrating steady improvement in overall performance.

To further reinforce this progress, the Group will pursue more proactive measures aimed at mutual growth and prosperity with its business partners, in line with the principles of the Declaration of Partnership Building. In addition to providing individual feedback based on SAQ results, the Group will offer direct support, including advice on developing business continuity plans (BCPs) in preparation for emergencies such as extreme weather events.

Through collaboration that goes beyond existing frameworks, the Group will build a resilient supply chain capable of withstanding climate-related risks.

SWCC'S CARBON NEUTRAL ROADMAP

SWCC GROUP Creating for the Future

Transition Plan

In 2020, the Group formulated its medium- to long-term environmental plan, "Green Plan 2050," under a new environmental vision centered on achieving carbon neutrality by 2050.
The plan sets out the Group's long-term vision and interim targets for 2030. The respective measures will be implemented through subcommittees established for each business segment.

Strategy Metrics and Targets

Measures

- **Expand the deployment of renewable energy systems**
- **Reduce GHG emissions from production processes through the introduction of new technologies**
- **Promote energy-saving initiatives, including the replacement of aging equipment**

Project Themes Addressed by Each Subcommittee

- **Reduction of CO_2 Emissions from Production Processes:**
  Equipment relocation, process rationalization, and the introduction of new technologies
- **Energy Conservation:**
  Planned replacement of aging equipment and continuous KAIZEN activities to reduce fuel and electricity consumption
- **Energy Transition at Manufacturing Sites:**
  On-site energy generation and the use of renewable energy
- **CO_2 Emissions Trading:**
  Offsetting increases in CO_2 emissions associated with production expansion
- **Review of Investment Criteria:**
  Establishing additional criteria to be applied when formulating investment plans

Baseline (Scope 1 + Scope 2)

CO_2
59kt

Group-wide FY2024 Actual Emissions (Base Year) (kt-CO_2)

Scope1	Scope2
12	47

Achieve a 50% renewable energy utilization rate by 2030

50%

Achieve a 100% renewable energy adoption rate by 2040

100%

Medium-Term Target

CO_2
25% reduction (compared with FY2024) 44 kt-CO_2

Long-Term Target

CO_2
70% reduction (compared with FY2024) 18 kt-CO_2

Carbon Neutral

2024 ..... 2030 ..... 2040 2050

The background photograph shows Oze National Park, a Ramsar-designated wetland and one of Japan's most representative high moorlands. *Photo courtesy of the Oze Preservation Foundation.*

Risk Management

❶ Risk Identification and Assessment Processes

❷ Risk Management Processes

❸ Integration into Overall Risk Management

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Risk Management

❶Risk Identification and Assessment Processes

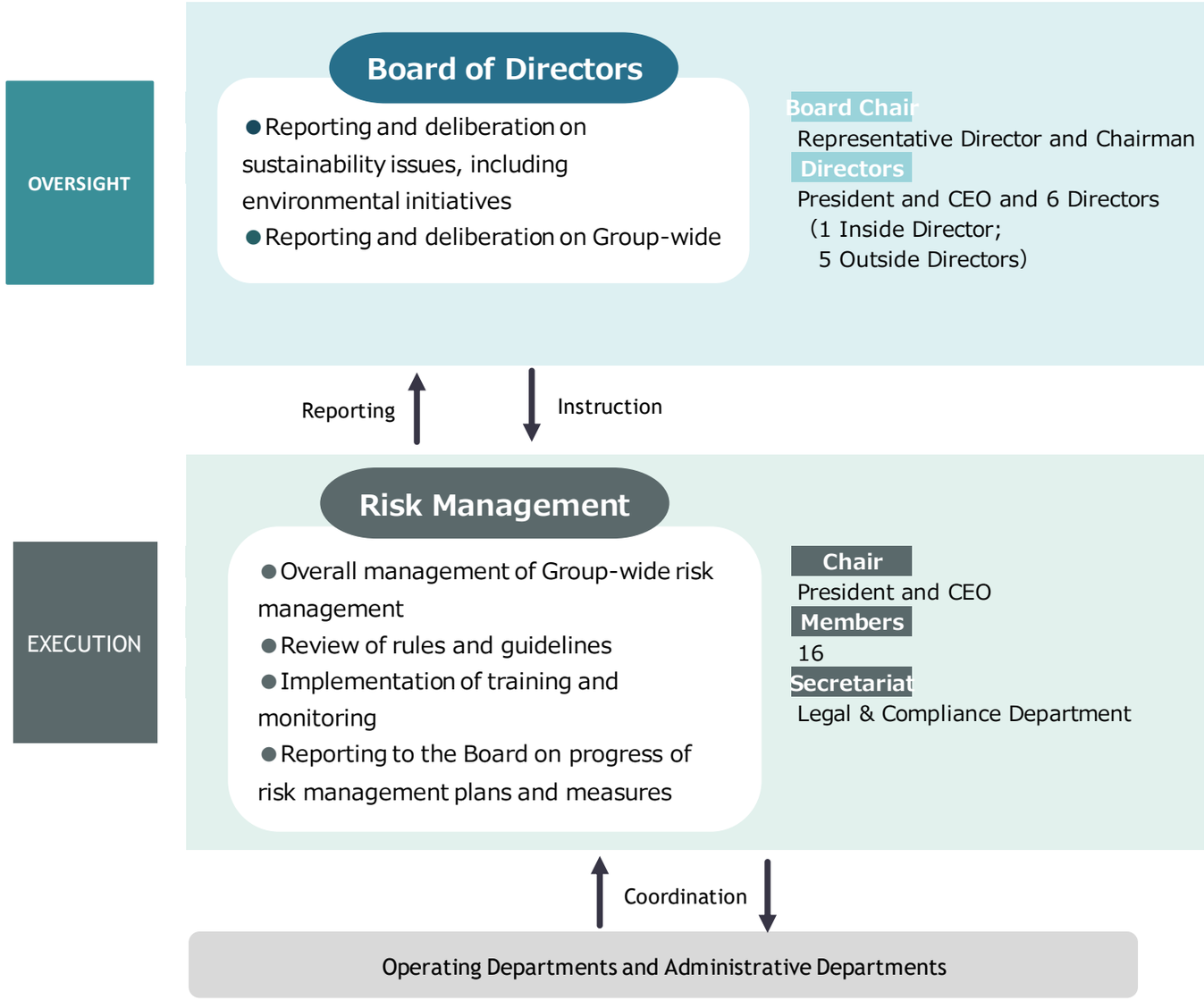
Risk management

For company-wide risk management at the SWCC Group, we have established a risk management system centered around the Risk Management Committee. Specifically, the Risk Management Committee, chaired by the CEO, Executive President, and Representative Director, and composed of all company executive officers and fellows appointed by the chairperson, discusses the evaluation of risks and countermeasures carried out by the business divisions, manages the progress of risk management plans and measures, and reports to the Board of Directors. We also strive to strengthen our Group-wide risk management system, which is essential for the continued development of our business.

The Risk Management Department within the Legal & Compliance Division acts as a risk supervisory department. The department supervises risk management for the entire Group, which includes handling administrative operations of the Risk Management Committee, formulating rules and guidelines, providing training, and monitoring risks.

To swiftly respond to risks that occur on a regular basis in business divisions and administrative divisions, we further operate our Risk Report System that promptly provides risk information from the relevant department to the Risk Supervision Department when a risk event occurs. When a reported risk constitutes an emergency or serious event, we share information with the Risk Management Committee and full-time Audit and Supervisory Committee members while enacting appropriate initial response, working to minimize impacts on the Group's business. To address risks related to the environment, society, and governance, we coordinate and share information with the Sustainability Promotion Department. Along with the identification of high-priority business risks, we handle climate change-related risk management and human rights-related due diligence within this system.

Risk Management structure (as of June 2026)



❷Risk Management Processes

Whether a risk equates to a major risk that could have significant impact on investors' decisions is determined by the Risk Management Committee through risk identification, analysis, and evaluation. Specifically, we quantify and analyze, using the evaluation axes of impact, likelihood, and risk management vulnerability (i.e., whether we can control the impact if the risk materializes), the residual risks that remain even after risk mitigation measures are taken forrisks raised by Group companies. Based on these results, we identify risks that could have significant impacts on the SWCC Group as major risks.

Risk category	Materiality	Details of identified risks	Major initiatives	Remaining risks
Supply chain risk	Our partnership	○ Stoppages and delays in the supply of raw materials due to supply chain disruptions and breakdowns	・ Mitigation of risks through diversification of procurement sources and the use of multiple-source purchasing ・Securing of substitute products	・Prolonged regional conflicts may disrupt supplies of raw materials and energy resources and international logistics, significantly affecting business operations, performance, and financial position
Human resources and labor risk	Our people	○ Loss of sales opportunities ○ Impact on business continuity due to difficulties in passing on manufacturing skills ○ Decline in the quality of products and services ○ Impact of missed growth opportunities on achievement of performance targets	・Expansion of recruitment opportunities through alumni and referral hiring ・Expansion of level-specific training and self-directed learning programs ・Engagement initiatives, including feedback interviews	・Significant impact on business results due to organizational constraints and loss of business opportunities
Market fluctuation risk	Our partnership Our governance	○ Changes in prices of copper, a key raw material ○ Changes in prices of petrochemical products such as polyethylene	・Review of product prices in response to exchange-rate fluctuations and appropriate pass-through of increased costs	・Higher material and outsourced product costs may reduce product profitability and earnings ・A stronger yen may reduce profitability of overseas sales
Natural disaster risk	Our partnership Our governance	○ Suspension of operations at manufacturing sites and disruption of logistics due to major earthquakes, typhoons, floods, and other natural disasters	・Raise awareness of BCPs (Business Continuity Plans) across the Company and relevant divisions and conduct regular drills to ensure effectiveness	・Natural disasters beyond expectations may cause power shortages and logistics disruptions, leading to prolonged deterioration of social infrastructure and major constraints on planned production, significantly affecting business results
Cybersecurity	Our future Our governance	○ Loss of intellectual property, customer information, or other confidential information and reputational damage due to cyberattacks, information leaks, or system failures	・Establishment and monitoring by CSIRT ・Verification of information transmission systems during incidents via twice-yearly drills ・Cybersecurity insurance coverage	・Loss of confidential information or reputational damage in case of exposure to unknown attacks ・Incurrence of losses not covered by insurance

Details of our materiality are available on our website.
https://www.swcc.co.jp/jpn/sustainability/management/materiality/index.html

Climate Change

Under the Group Management Meeting, the Sustainability Promotion Department, which is responsible for environmental matters, oversees the Group's environmental management through the Environmental Management Subcommittee. The Department formulates environmental policies, which are reviewed by the Subcommittee and submitted to the Group Management Meeting. It also regularly reviews and improves environmental management across the Group, taking into account each company's business activities and site-specific characteristics.

The Environmental Management Subcommittee monitors Group-wide Scope 1, 2, and 3 GHG emissions and promotes key initiatives, including renewable energy adoption, climate change measures, and compliance with amended environmental laws and regulations.

As part of risk management, the Sustainability Committee addresses climate-related initiatives and soft-law requirements for external disclosure. It reviews and discusses sustainability issues such as human rights due diligence and sustainable procurement, as well as enhanced disclosure based on the TCFD recommendations, the medium- to long-term environmental plan "Green Plan 2050," and the 8th Voluntary Environmental Action Plan (FY2026–FY2030).

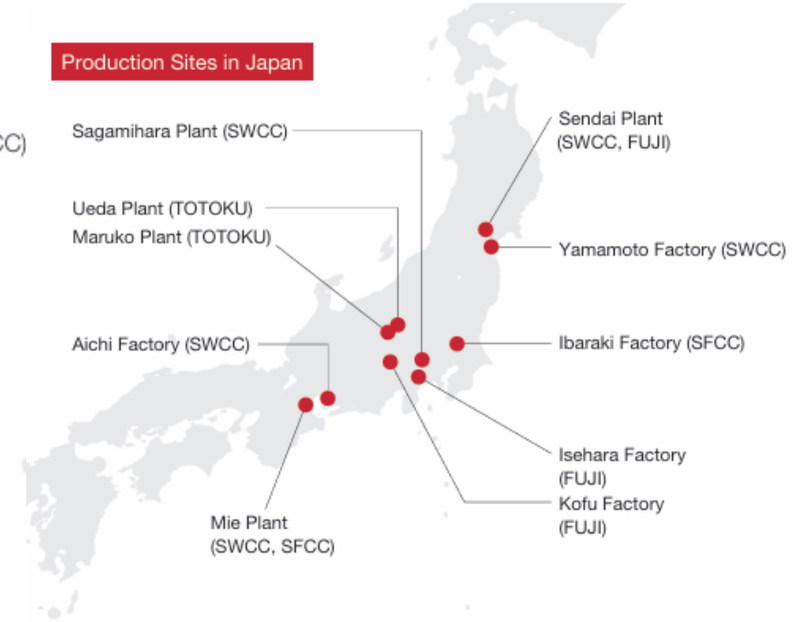
Based on the Basic Sustainability Policy, the Group also links these activities to its material issues and incorporates risks identified by corporate functions to implement Group-wide measures for key risks.

BCM (Business Continuity Management)

In anticipation of increasing water-related disaster risks from climate change, including typhoons, storm surges, and heavy rainfall, the Group assesses disaster risks and considers appropriate measures based on the location of each site, while continuing to strengthen its BCM initiatives.

Domestic

- TOTOKU Inc. (TOTOKU)
- Showa Furukawa Cable Co., Ltd. (SFCC)
- Fuji Electric Cable Co., Ltd. (FUJI)
- SDS Co., Ltd.
- Logis-Works Co., Ltd.
- Shoukou Equipment Industry Co., Ltd.
- TOKUDEN Co., Ltd.
- TOKUDENPROSELL Co., Ltd.
- Showa Science Co., Ltd.
- STEC (SHOWA TECHNICAL CORPORATION)



Measures at Coastal Sites (Aichi Plant)

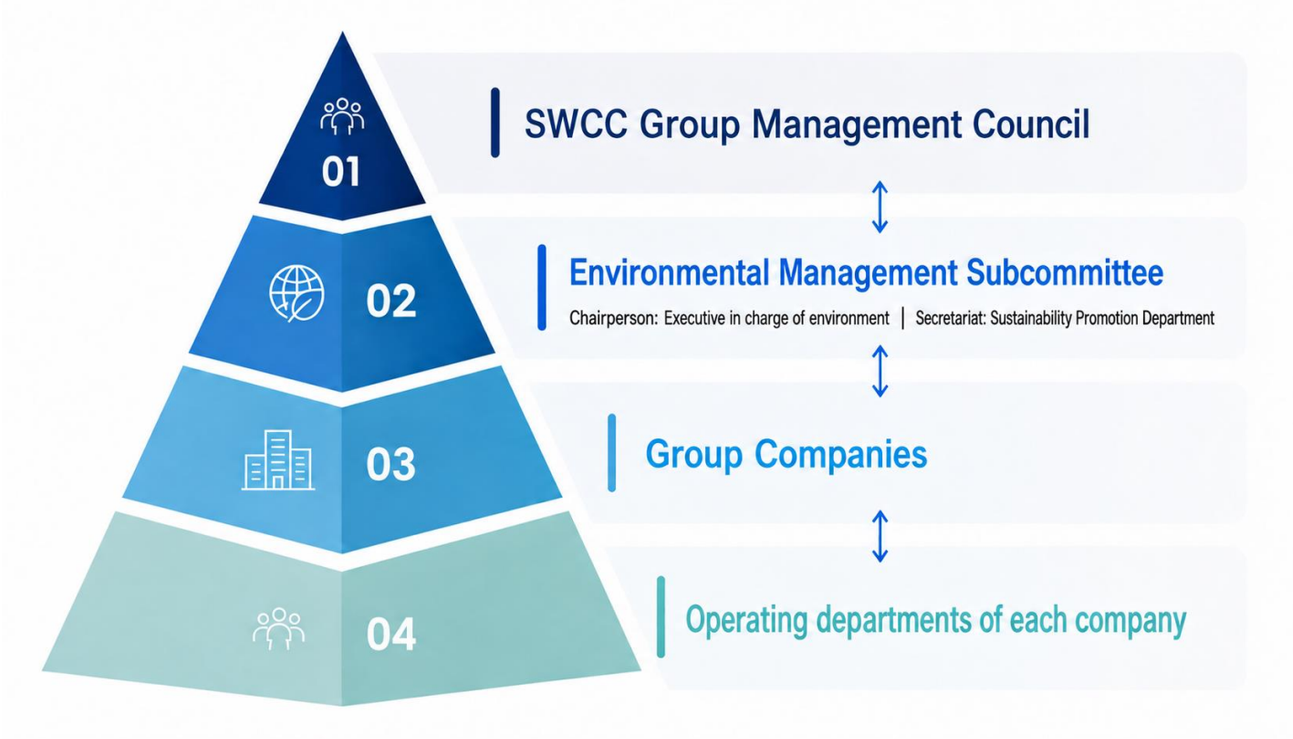
Installation of Flood Barriers	Installation of Seawalls	
Factory Entrance	Nitrogen Tank	LPG Tank



❸Integration into Overall Risk Management

Climate-related risks are managed in close coordination with the Risk Management Committee, with information shared on an ongoing basis. Material risks identified by the Committee are reported to and deliberated by the Board of Directors. Based on the Board's decisions, each business and administrative division takes prompt and appropriate action through the secretariat.

■Organizational structure



❶ Climate-Related Metrics

❷ Scope 1, 2, 3 GHG Emissions

❸ Climate-Related Targets

Metrics and Targets

Metrics and Targets

The Group works to address social issues through business and environmental activities that take ESG and the SDGs into consideration. In 2020, we formulated the medium- to long-term environmental plan “Green Plan 2050” under the key theme of achieving carbon neutrality by 2050, setting out a long-term vision and FY2030 targets.To realize this vision, we established specific targets by objective under our Voluntary Environmental Action Plan. Toward achieving the FY2030 targets and our long-term vision, we are promoting transformation of our internal infrastructure from various perspectives while pursuing both environmental considerations and economic efficiency.

❶Climate-Related Metrics

Scope 1 + Scope 2 Emissions Reduction Targets

The Group has long managed its GHG emissions. Under the medium-term management plan “Transformation for Growth SWCC 2030,” we have identified the realization of a decarbonized society as one of our key priorities. From FY2026, we launched the 8th Voluntary Environmental Action Plan and will actively advance initiatives toward achieving carbon neutrality by 2050.Under the 8th Voluntary Environmental Action Plan, the scope has been expanded to cover all SWCC Group companies in Japan and overseas. Through the Group-wide implementation of the medium- to long-term environmental plan “Green Plan 2050,” we aim to achieve carbon neutrality by 2050. With FY2024 as the base year, we have set targets to reduce Scope 1 and 2 emissions by 25% by FY2030 and 70% by FY2040, compared with FY2024, and to achieve carbon neutrality by FY2050.

To demonstrate management’s commitment to addressing climate change, achievement of the GHG emissions reduction target is incorporated into the performance indicators for executive performance-linked remuneration. This framework is designed to promote more effective emissions reduction measures integrated with management strategy.

Scope 3Emissions Reduction Targets

The Group has also set Scope 3 emissions reduction targets to achieve carbon neutrality across the entire supply chain.

Currently, Category 1 (Purchased Goods and Services) accounts for approximately 90% of the Group’s Scope 3 emissions. With the understanding and cooperation of our suppliers, we are promoting a shift to products with lower environmental impact and reducing emissions associated with raw materials. Including Category 1, we aim to reduce total Scope 3 emissions by 15% by FY2030 compared with FY2024.

Other Metrics and Targets

Effective Use of Water Resources

The Group is actively working to use water resources more efficiently. In FY2024, water consumption at major manufacturing sites in Japan decreased by 35% compared with FY2018, mainly through measures such as replacing aging piping to prevent leaks and introducing recirculation of cooling water.Although production is expected to increase toward FY2030, we will continue to improve water efficiency by renewing aging equipment and expanding the recirculation of factory cooling water. The Group has set a target to reduce water consumption intensity by at least 10% by FY2030 compared with FY2024.

Building a Circular Economy

While production volume is expected to increase as our businesses expand, we aim to reduce waste generation intensity by at least 10% by FY2030 compared with FY2024 by improving resource circulation efficiency in our production activities. We will also monitor waste recycling rates and plastic use, while promoting initiatives to increase resource circulation and reduce material inputs.

②Scope 1, 2, 3 GHG Emissions

Methodology

Boundary：SWCC Domestic Group
※TOTOKU INC. was included in the scope of the SWCC Domestic Group in FY2025.

Scope 1+Scope 2
●In accordance with the GHG Protocol (market-based method)
●With reference to the Ministry of the Environment's Guidelines for Calculating Supply Chain Emissions

Scope 3
●In accordance with the GHG Protocol
●With reference to the Ministry of the Environment's Guidelines for

Calculating Supply Chain Emissions
●Calculation Methods
Categories 1, 3, 6, and 7: Average-data method
Category 2: Spend-based method
Categories 4 and 9: Distance-based method
Categories 5 and 12: Waste-type-specific method
Category 11: Under calculation
Category 15: Equity-based method

Third-Party Verification Report

GHG emissions data (Scope 1 and 2) for domestic Group companies for FY2025 (April 1, 2025 to March 31, 2026) were independently verified by the Japan Audit and Certification Organization for Environment and Quality (JACO) in accordance with ISO 14064-3, and a verification report was obtained. Details are available on our website.

https://www.swcc.co.jp/jpn/sustainability/pdf/verificationreport.pdf

Trends in GHG Emissions (Scope 1, 2, and 3)

GHG Protocol Scope			FY2023	FY2024	FY2025
Scope1	Fuel Consumption		12.3	11.0	11.2
Scope2	Electricity Consumption		41.2	28.8	29.0
Scope3	Category1.	Purchased Goods and Services	493.1	440.0	439.5
	Category2.	Capital Goods	19.6	18.9	20.8
	Category3.	Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	8.7	8.4	9.2
	Category4.	Upstream Transportation and Distribution	10.1	9.1	14.2
	Category5.	Waste Generated in Operations	1.7	1.9	1.9
	Category6.	Business Travel	0.7	0.4	0.5
	Category7.	Employee Commuting	1.1	1.1	1.4
	Category9.	Downstream Transportation and Distribution	0.0	0.1	0.1
	Category11.	Use of Sold Products	-	-	er calculation
	Category12.	End-of-Life Treatment of Sold Products	25.5	24.1	24.1
	Category15.	Investments	-	-	6.9
Sum of Scope 1, 2 and 3			**614.0**	**543.8**	**558.8**

❸Climate-Related Targets

SWCC Green Energy Project（SGEP）

To achieve its FY2030 targets and long-term vision, the Group launched the SWCC Green Energy Project in 2021 (then the Showa Green Energy Project) as a cross-functional initiative involving business divisions. With three environmental goals—preventing global warming, effective use of resources, and effective use of water resources—the Group aims to achieve zero environmental impact by 2050. Three segment-level subcommittees were established: the Energy & Infrastructure Business Segment Subcommittee, Communications & Components Business Segment Subcommittee, and Logis-Works Subcommittee, and related initiatives have been promoted.

In 2026, following the formulation of the new medium-term management plan “Transformation for Growth SWCC 2030” and the 8th Voluntary Environmental Action Plan (8VPE), the role of the project was strengthened. Executives responsible for each business segment were added as members to reinforce coordination with business divisions. Members from Logis-Works, which is responsible for logistics and services, were also newly added, and the execution framework was reorganized. Matters discussed by the project are shared with each segment subcommittee to deepen discussions and enhance effectiveness. The results of subcommittee discussions are consolidated by the project and reported to and deliberated by the Sustainability Committee twice a year.



7VPE and 8VPE

Since first formulating its Voluntary Environmental Action Plan in FY1993, the Group has worked continuously to reduce its environmental impact. These efforts have delivered steady results, including a reduction of more than 50% in CO_2 emissions.

For greenhouse gas emissions, the Group has set targets in line with the Japanese government's goals, using FY2013 as the base year. We aim to reduce total CO_2 emissions (Scope 1 and 2) from domestic sites by 50% by FY2030.

Under the five-year 7th Voluntary Environmental Action Plan (7VPE), launched in FY2021, the Group set a short-term target of a 45% reduction by FY2025. FY2025 marks the final year of the 7VPE, and all targets were achieved.

Environmental goal	Indicators	7th Voluntary Environmental Action Plan [Target for FY2025]	FY2025 Results
Global warming prevention	emissions	Reduction of at least **50%** from FY2013 (Scope1+Scope2) Including offset (*1)	Reduction of **55%**
Effective use of resources	Final waste disposal volume	Reduction of at least **90%** from FY2018 (*2)	Reduction of **92%**
Effective use of water resources	Water usage	Reduction of at least **35%** from FY2018 (*3)	Reduction of **47%**

(*1): The target value was raised after achieving the initial goal of 45%.
(*2): The target value was raised after achieving the initial goal of 80%.
(*3): The target has been raised as the initial target of 25% has already been achieved

Building on the steady progress achieved under the 7th Voluntary Environmental Action Plan, the Group will launch the next stage, the 8th Voluntary Environmental Action Plan (8VPE), in FY2026.

With the ambitious goal of achieving carbon neutrality by 2050, the Group will further strengthen its climate actions as one of its highest management priorities. To enhance the effectiveness and transparency of target management, the base year has been updated from FY2013 to FY2024, better reflecting the Group's current business conditions. This update demonstrates our determination to build on past achievements and pursue further reductions based on the latest emissions performance. Under the new baseline, the Group will accelerate its efforts toward achieving its targets.

8th Voluntary Environmental Action Plan(2026~2030)

Environmental goal	Indicators	FY2024 Results	FY2030 Target (vs. FY2024)
Global warming prevention	**GHG Emissions Reduction**	Scope 1 & 2: 50% reduction vs. FY2013	Scope 1 & 2: **25% reduction** Scope 3: **15% reduction**
		Renewable energy adoption rate: 24%	Renewable energy adoption rate: **50% or more**
Building a Circular Economy	**Waste Reduction**	21% reduction vs. FY2018	**10% or more reduction**
	Promotion of Resource Circulation	Final disposal volume: 92% reduction vs. FY2018	Waste recycling rate (Key monitoring item)
	Reduction of Plastic Use	Emissions: 7.9 kt /90% reduction vs. FY2018	Continue promoting the 3Rs for covering and packaging materials
Effective use of water resources	**Reduction of Water Use**	35% reduction vs. FY2018	**10% or more reduction**



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