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For Immediate Release

Company name SWCC Corporation
Representative Tetsuo Komata,
Executive President and Representative Director (CEO)
(Securities Code: 5805, TSE Prime Market)
Inquiries Aiko Nishiyama,
General Manager of Corporate Communications Dept.
(Telephone: +81-44-223-0530)

Notice of Introduction of Performance-Based Stock Remuneration System for Directors

SWCC Corporation (the “Company”) hereby announces that, following a review of the remuneration systems for its Directors during the meeting of the Board of Directors held on May 21, 2026, the Company resolved to introduce a performance-based stock remuneration system (the “System”) in addition to the existing restricted stock remuneration system with no performance conditions (“Non-performance-based Stock Remuneration System”) and to submit proposals regarding the System at the 130th Annual General Shareholders’ Meeting scheduled on June 25, 2026 (the “General Shareholders’ Meeting”). Details are as follows.

I. Purpose of the revision of the remuneration systems for Directors

The Company’s Nomination and Compensation Committee, which is composed of only Independent Outside Directors, has been engaged in a series of discussions regarding what its remuneration systems should be to increase their connection to medium- to long-term corporate value, and the Company has decided to introduce the System, which uses total shareholder return (TSR) as an indicator, to achieve the sustainable improvement of corporate value.

II. Introduction of a performance-based stock remuneration system for directors

At the 123rd Annual General Shareholders’ Meeting convened on June 26, 2019, the Company’s shareholders approved remuneration for the Company’s Directors (excluding Directors who are Audit & Supervisory Committee Members) of no more than 300 million yen per year (including no more than 30 million yen for Outside Directors; the “Director Remuneration Limit”). Additionally, the introduction of a restricted stock remuneration system with no performance conditions and the payment of monetary remuneration of no more than 80 million yen per year for the delivery of restricted shares (no more than 100,000 shares per year) to the Company’s Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) within the aforementioned Director Remuneration Limit was approved at the 124th Annual General Shareholders’ Meeting convened on June 29, 2020. The purpose of this is to provide incentives to said Directors from the perspective of the sustainable improvement of the Company’s corporate value and to increase the Directors’ sharing of value with the shareholders. Now, as part of the Company’s continuous review of its Directors’ remuneration, the Company has decided to

introduce the System for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors; “Eligible Directors”), in addition to the Non-performance-based Stock Remuneration System, to further facilitate the Company’s Directors’ sharing of value with the shareholders and provide appropriate incentives for the sustainable improvement of the Company’s corporate value over the medium- to long-term. The number of shares to be delivered to the Eligible Directors under the System is linked mainly to the rate of the achievement of numerical targets pre-established by the Company’s Board of Directors (“Rate of Achievement of Targets, etc.”). Regarding the amount of money and the number of shares that are considered reasonable under the System in light of the above purpose, the total amount of monetary remuneration claims to be paid for the delivery of shares to Eligible Directors under the System will be no more than 250 million yen per year (provided, however, this does not include the employee wages of the Directors who are also employees), separately from the existing Directors’ monetary remuneration limit, and the total number of shares of the Company’s ordinary stock to be issued or disposed of will be no more than 10,000 shares per year (provided, however, that if the Company’s stock is split (including the gratis allotment of shares of the Company’s ordinary stock) or is consolidated with the effective date on or after the date of resolution of this proposal or if any other circumstances equivalent thereto necessitate an adjustment to the total number of shares of the Company’s ordinary stock to be issued or disposed of as restricted stock remuneration, the total number of shares will be adjusted within a reasonable range as necessary.), separately from the upper limit of the number of shares related to the Non-performance-based Stock Remuneration System. The following is an overview of the System.

1. Overview of the System

Under the System, monetary remuneration claims will be delivered for the issuance or disposition of the number of the Company’s ordinary stock corresponding to the Company’s Rate of Achievement of Targets, etc.* based on an evaluation period of three consecutive business years, in principle. Eligible Directors will pay all of these monetary remuneration claims as payment in kind to receive shares of the Company’s stock to be issued or disposed of.

However, if it comes to light that an Eligible Director has committed an act that violates laws or regulations or if other specific events determined by the Company’s Board of Directors have arisen before the payment of the monetary remuneration claims and the issuance or disposition of shares of the Company’s ordinary stock, the Company will not conduct this payment of claims or delivery of shares to the Eligible Director.

* TSR (total shareholder return) will be used as the evaluation indicator for the Rate of Achievement of Targets, etc. for the three fiscal years from the year ending March 31, 2027 until the year ending March 31, 2029.

2. Amounts of monetary remuneration claims under the System

(1) Method of calculating amounts of monetary remuneration claims to be delivered

The amount of monetary remuneration claims to be delivered to each Eligible Director is calculated by multiplying the final number of shares to be delivered to the Eligible Director under the System (“Final Number of Shares to Be Delivered”) by the closing price in regular trading of the Company’s ordinary stock on Tokyo Stock Exchange on the business day immediately prior to the day when the meeting of the Board of Directors regarding such delivery was held (If no trading is reported on the preceding day, the closing price on the day before that day; “Share Price at the Time of Delivery”).

Amount of monetary remuneration claims = Final Number of Shares to Be Delivered ((2) below) x Share Price at the Time of Delivery

(2) Method of calculating Final Number of Shares to Be Delivered

Final Number of Shares to Be Delivered is calculated by multiplying the number of points pre-determined in line with the official position (this shall be the number of points delivered when payment rate reaches 100%; “Reference Point Number”) by the payment rate calculated according to evaluations.

Final Number of Shares to Be Delivered = (i) Reference Point Number x (ii) payment rate

(i) Reference Point Number

Reference Point Number is calculated using the formula below.

Reference Point Number = (A) Reference amount of PSU (Performance Share Unit) ÷ (B) Reference share price

* Any amount less than one (1) resulting from the calculation of the Reference Point Number shall be rounded up to one (1).

(A) Reference amount of PSU (per fiscal year)

Reference amount of PSU shall be determined for each evaluation period by the Board of Directors.

(B) Reference share price

Simple average closing price in regular trading of the Company’s ordinary stock on the Tokyo Stock Exchange in the month prior to the month to which the starting day of the evaluation period belongs (rounded to the nearest whole number)

(ii) Payout ratio

The payout ratio will fluctuate between 0% and 200% according to Rate of Achievement of Targets, etc. during the evaluation period.

(3) Conclusion and content of restricted stock allocation agreement

The Company and an Eligible Director will conclude a restricted stock allocation agreement containing the following before the payment date related to the issuance of new shares or the disposition of treasury shares (an “Allocation Agreement”).

However, if an Eligible Director does not have any position as an officer or employee of the Company due to the expiration of their term of office or other reasons that the Company’s Board of Directors considers justifiable, transfer restrictions will not be imposed as of the day of the meeting of the Board of Directors to pass a resolution regarding the issuance of new shares or the disposition of treasury shares.

(i) Transfer restriction period

Eligible Directors may not transfer, attach security interests to or implement other appropriations of shares of the Company’s ordinary stock delivered based on Allocation Agreements (the “Shares”) during the period between the payment date related to the Shares and the day when the Eligible Director leaves their position as a Director of the Company or other position determined by the Company’s Board of Directors (“Transfer Restriction Period”).

(ii) Conditions for the lifting of restriction

Upon termination of the Transfer Restriction Period, the Company will remove the transfer restriction on all of the Shares held by the Eligible Director.

(iii) Reasons for acquisition without consideration

If an Eligible Director meets the criteria established by the Company's Board of Directors under which it is considered reasonable for the Company to acquire the Shares without consideration, including the violation of laws, regulations or internal rules or the Allocation Agreement during the Transfer Restriction Period, the Company will automatically acquire all the Shares without consideration.

(iv) Measures to be taken in relation to organizational restructuring, etc.

If a merger agreement under which the Company will become a non-surviving company, or a stock exchange agreement under which the Company will become a wholly-owned subsidiary, or a stock transfer plan or other matters related to organizational restructuring, etc. are approved at a General Shareholders' Meeting of the Company (or by the Company's Board of Directors, if approval at a General Shareholders' Meeting of the Company is not required) during the Transfer Restriction Period, the Company will remove the transfer restriction on all the Shares by resolution of the Company's Board of Directors at the time immediately preceding the start of the business day immediately prior to the effective date of the organizational restructuring, etc.

(v) Other matters

Other matters concerning the Allocation Agreement shall be set forth by the Board of Directors of the Company.

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Subject to the approval of proposals regarding the System at the General Shareholders' Meeting, the Company also plans to introduce a performance-based stock remuneration system similar to the System for the Company's Executive Officers who are not concurrently Directors of the Company.