

January 6, 2025  
President Kenichi Urushibata

## Summary of New Year speech of 2025 (for employees)

I am happy to start the New Year with everyone and to share my message on this occasion. First of all, I would like to thank all of the employees for contributing to the company. The year 2025 marks the closing of the Medium-Term Management Plan 2025 (hereinafter called “25M”). I would like to work together with everyone to gain the momentum to achieve 25M this year. I will now discuss and explain our policy for 2025 to make it happen.

Many disasters occurred around the world last year. Though the Noto Peninsula Earthquake of last January, the storm that hit Tepic, Mexico, last June, and Typhoon Yagi that hit Vietnam last September caused significant damage, we were able to minimize the impact on business thanks to the extraordinary efforts of the people involved. On the other hand, because there is no end in sight to Russia’s invasion of Ukraine and the geopolitical risks in the Middle East region, we cannot predict what will happen. In addition to interest rates remaining high and unstable market conditions, the results of the U.S. presidential elections of last November will significantly affect the future world economy, so we need to pay attention.

In the global automobile market, as growth in the number of electric vehicles sold continued to slow down, the US and the European countries were forced to change their decarbonization policies, and the US and European OEM companies modified their vehicle electrification plans. Conversely, sales of new energy vehicles exceeded 10 million units in China. As a result, Japanese OEM companies experienced sluggish sales in China. In addition, the suspension of the sales of automobiles due to the falsifications of certification tests that started last year continued until the first half of FY 2024. Furthermore, a customer of European OEM companies has even considered closing three plants.

In my New Year message for last year, I shared with you the idea that the mobility industry had entered a once-in-a-century period of transformation. Because we are in that period of transformation, our clients express their high expectations of us as a company with the largest share of the harness market, especially when I meet top executives of OEM companies and talk with government officials of the countries where our global business bases are located. We should work globally as one in the SWS Group to create possibilities beyond the expectations.

We also have large-scale projects to launch at each global business base in 2025. We need to be sure to launch them steadily by strengthening the cooperation between the related departments to ensure information sharing and proactive management of changes.

To achieve the goals that I listed above, I would like to share the three important points below with you:

- **Work as one globally in the SWS Group based on the Management Philosophy and SWS WAY**
- **Continue to take on new challenges and become adaptive to change**
- **Become a company where employees can work healthily and safely**

**(1) Work as one globally in the SWS Group based on the Management Philosophy and SWS WAY**

As you all know, we developed the new Management Philosophy and announced it internally and externally last January. We must work as one in the same direction as our purpose, which represents the *raison d'être* of the SWS Group, “Deepen the harness technology and continue to be the indispensable partner of the mobility society” as a common pillar that we should base our action on globally in the Group. Within that process, it is important for all of you to spread the SWS WAY as the principles of action by empathizing with it and practicing it in your daily work.

**(2) Continue to take on new challenges and become adaptive to change**

The source of our manufacturing competence as one of our strengths is continuous improvement at the manufacturing sites (including administration departments). I would like to thank everyone for their active efforts in proposals for improvements on this occasion. I would also ask you to maintain your efforts for continuous improvement. Recently, data and the digital tools of RPA and generative AI have become more common. Our manufacturing sites must become more adaptive to change by continuously taking on new challenges in response to changing times, such as acquisition of new technologies and tools to promote DX.

**(3) Become a company where employees can work more healthily and safely**

Our Basic Policy is *health is the foundation of every business activity* and *safety is the top priority*.

Mental and physical health is essential for all employees to continue to work energetically. Based on the idea that *a company should help its employees become healthy*, we strengthen the support we need to provide as a company.

As for safety, the number of level II workplace accidents this fiscal year already exceeds the number of accidents that occurred last fiscal year. The number of falls caused by stumbles in the non-production areas is especially concerning. We should follow the set rules and create a culture of safety awareness.

These are the three important points I would like everyone to understand. To achieve 25M, we need all the employees to join forces globally in the SWS Group.

I would like to conclude my New Year message by wishing for the good health and happiness of all of you and your families.

Safety first!

End