

How Macnica Turns Vision into Reality

Since its foundation over 50 years ago, Macnica has grown through finding the latest technologies (exploring), determining their value (discerning), and introducing them to society (implementing). This cycle of exploring, discerning, and implementing has been built up through many years of experience and forms the core of our value creation. We call this process a Realization Cycle, and it is implemented naturally in daily operations by every employee. By continuing to drive this cycle, we will support Macnica's further growth and steadily progress toward the realization of Vision 2030. In this section, we turn the spotlight on Macnica employees implementing the Realization Cycle, and consider the people and organizations that create value.

Human Capital

People and Organizations That Create Value

C o r e V a l u e s

Pioneering the Future beyond Challenges

Macnica's core values, T.E.A.M.S., are deeply cherished and unique to the Company. These values are a source of competitiveness, serving as a strength that sets us apart from other companies. As each employee acts in accordance with T.E.A.M.S., they take on new challenges and engage in proactive activities. Moreover, having all employees acting with a shared aim results in a high level of teamwork. The accumulation of these initiatives produces the driving force that pioneers Macnica's future and supports its sustainable growth.

T

Trust

Drive Empowerment with Mutual Trust and Respect.

E

Excitement

Enjoy Excitement at work with open and fair communication across all levels.

A

Aggressiveness

Be Aggressive, Adventurous and Win with Integrity and high standards.

M

Move

Move Fast. Lead Change and Nurture Innovation with Insight for the Future.

S

Stretch

Unlock Inner Potential and Stretch for Growth with a Challenging Spirit.

Embodying Our Purpose—Molding Employee Workplace Norms with Our Core Values

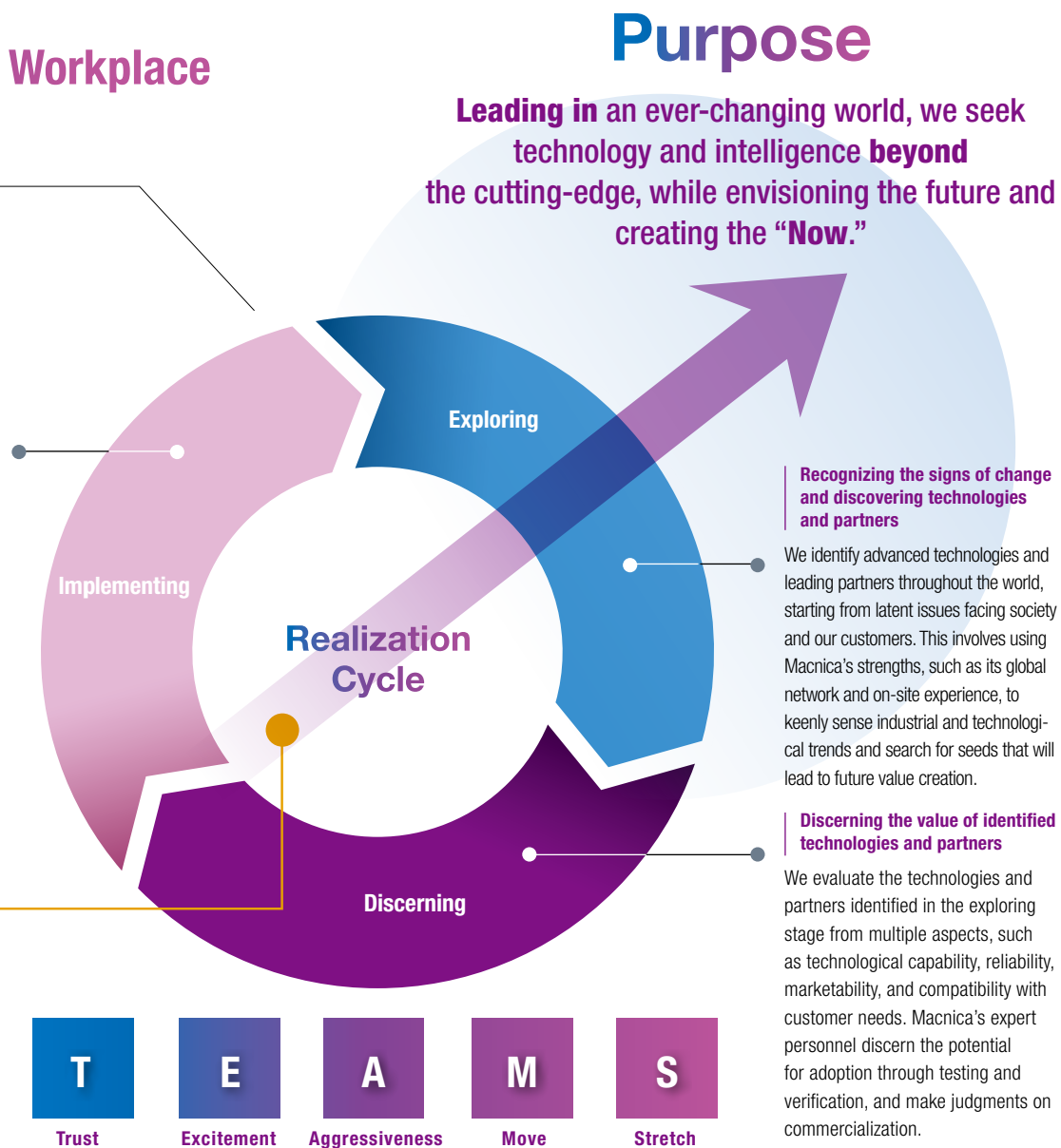
Macnica has articulated its Purpose as “Leading in an ever-changing world, we seek technology and intelligence beyond the cutting-edge, while envisioning the future and creating the ‘Now.’” This policy runs through all of our business activities, embodied in the behavior of each employee. Our system for implementing this Purpose at the workplace level is our unique practice known as the Realization Cycle. The Realization Cycle consists of the three steps of exploring, discerning, and implementing, and systemizes a flow from anticipating changes in technologies and markets to discerning optimal solutions and rapidly translating experiments and learnings into value. This cycle is rooted in our core values, T.E.A.M.S., integrating employee decision-making and conduct and accelerating value creation across the organization. Continuous implementation of the Realization Cycle is truly the driving force behind Macnica’s competitive advantage and its sustainable growth.

Delivering the selected technologies to society to create value

We provide technologies and partner services selected at the discerning stage to customers and society. We undertake all aspects from proposal to adoption, operation support, and improvement proposals, leading to actual results. We will realize continuous value provision while building relationships of trust with customers.

Macnica’s Unique Workplace Norm Support Value Creation

The Realization Cycle is comprised of three steps—exploring, discerning, and implementing—which form the workplace norms at the core of Macnica’s value creation. Having each employee implement the cycle in their daily work helps to resolve issues for customers and society. This practice is also the embodiment of Macnica’s Purpose.



Employees Adopt the Purpose as Workplace Norms

The Realization Cycle of exploring, discerning, and implementing is a daily activity for Macnica employees. It is by continuously implementing the Realization Cycle in their daily work that they become able to embody the Purpose. Here, we explore instances where employees working on the front lines of each division have implemented the Realization Cycle in their daily work and talk with them about the core of Macnica's value creation.

(Photograph from left)

Jacky Ho, MACNICA CYTECH / Takuya Ishida, Information Technology Group / Keiko Yoshida, Business Operations Group / Yuya Takahashi, Management Planning Group / Yoji Kaneko, Clavis Company



| Daily Work Embodying the Purpose

Takahashi Jumping straight in, have you experienced any instances where you implemented the Realization Cycle of exploring, discerning, and implementing in your daily work?

Kaneko I have been working for many years in semiconductor sales, and I would like to share something about the Realization Cycle from our history that I heard from my senior colleagues. Today, Macnica handles semiconductors from globally recognized major semiconductor manufacturers, but in the past, the Company handled semiconductors from niche start-up companies that were unknown to our customers. While identifying the technology needs and trends of customers in Japan, Macnica employees went to Silicon Valley to search for niche products and manufacturers. This would have developed their abilities in exploring and discerning. I heard that Macnica was often the first sales agency in Japan for many start-up semiconductor manufacturers, and since they did not have local subsidiaries here, Macnica was truly responsible as a sales agency for all aspects such



as market development, technical support, sales, and post-sales support. I think this would have given the Company implementation capabilities beyond those of other companies. By implementing the Realization Cycle, the Company earned the trust of its customers and suppliers, creating a virtuous cycle that led to new business opportunities. In my work also, I am engaged in exploring new markets and customers, and working through the Realization Cycle.

Jacky I work at one of Macnica's subsidiaries, Cytech. Recently in China, the number of semiconductor suppliers has been growing and there is now an extremely large number of local suppliers. With this abundance of suppliers, we need to choose carefully, and are conducting the exploring and discerning steps of the Realization Cycle when making these selections. When we make a new distributor agreement, we start by setting out our objectives and aims, and it is very important to create synergies with our current suppliers. With so many suppliers around, it is extremely difficult to explore and discern those that would complement our current suppliers. In my daily work, by gathering information on customers and markets and continuing to



explore, I have also cultivated my ability to discern. As a result, we have been able to explore and discern technologies that align with our goals. So, I think that almost all of my daily work relates to the Realization Cycle.

Yoshida I am in the Business Operations Group, where my work is mainly focused on operations. The discerning and implementing aspects of the cycle are part of my daily work. In a past project to upgrade to a next-generation system, we examined all stages, from development to design and operation, to streamline and automate our Semiconductor Business operations. In this process, I think it was particularly notable that the employees who actually conduct Semiconductor Business operations themselves considered how to improve efficiency and discerned whether the system suited what they wanted to achieve. We have aggressively incorporated RPA, and I think that our discernment and implementation of systems to streamline and automate operations is a prime example of putting the Realization Cycle into practice. The project has already resulted in a tangible reduction in workload, so we are beginning to see the benefits of its implementation too.

Ishida In the Information Technology Group, I am sure the introduction of in-house systems tends to be seen as an implementing operation, but in fact, we also conduct exploring and discerning work in cooperation with other departments. For example, to resolve issues facing the Business Operations Group, we conduct initiatives to explore and select optimal solutions. In doing so, it is important to discern the essential nature of any underlying issues, rather than simply resolving those on the surface. The project to upgrade to this next-generation system was an initiative that involved engaging with the essential issues of operations. For the Information Technology Group, in addition to simply introducing systems, an increasingly crucial part of our role is to practice discernment with a view to their future operation. To realize services and solutions, we recently started citizen development initiatives through the Digital Execution Factory, as well as human resource development through these initiatives. I feel it will be increasingly necessary for each frontline employee to enhance their implementing and discerning capabilities for DX going forward.



Takahashi I have only just joined Macnica's Management Planning Group. This year, I have been in charge of the Integrated Report project from the planning stage, and I have established a goal of simultaneously releasing the report in Japanese and English, which we are currently working toward. Looking back, in promoting this project, I think we have implemented the Realization Cycle in several ways. Integrated reports also have trends, and as we conducted the information gathering and content planning steps, we practiced discernment in selecting the optimal partner for achieving our goal of simultaneous publication.



There was an opportunity to reflect on daily operations and discuss them, and I noticed that for Macnica employees, implementing the Realization Cycle is engrained to the point that they do it without thinking. Each person faces challenges in their daily work, and I think that subconsciously applying the Realization Cycle to resolve those challenges is at the core of Macnica's value creation. So, why do you think Macnica employees are able to put the Realization Cycle into practice?

| Core Values Generate the Realization Cycle

Kaneko In the case of sales, I believe we are able to put the Realization Cycle into practice precisely because we think deeply and thoroughly about how to sell the products we handle. Macnica's organization is an in-house company system based on products, which means employees can focus intensively on how to sell the specific products in their charge. Employees also have an ingrained habit of approaching problems by thinking about how things can be achieved, rather than searching for reasons why they can't. This approach reflects a deep-rooted principle of our core values—confronting essential issues head-on rather than avoiding or ignoring them. In fact, my team reads through the core values together, and we do not simply read them but envisage actual situations and use examples as we read. In this way, the values have become embedded in how we act, and this has become our standard practice. I think this is the reason that in business we have earned the trust of our suppliers and customers.

Yoshida Another point is that at Macnica there is a culture of trusting subordinates to do their jobs. I think this attitude is another reason why the Realization Cycle has become part of our standard practice. In my role as a supervisor, I find that trusting my team members to handle big projects naturally creates situations for them to implement the Realization Cycle. In the example mentioned before, I said that the project leader conducts the discerning

and implementing steps, but in the process of realizing the streamlining and automation of operations, numerous challenges arise. When the project leader thinks through and resolves all of these issues, a wealth of ideas comes from that experience of success, along with a sense of achievement that encourages them to be even more engaged in their work. I think that this process arises from a deeply embedded attitude of Trust, which is highly valued in Macnica. To add to this, people tend to think of operations as performing predetermined actions in predetermined ways, but at Macnica, we enjoy the process of creating operations itself, and we are used to systems changing from day to day. I think this is also because the core values of Excitement and Move have been embedded in our behavior.



Throughout this discussion, we have seen how each of the employees is practicing the Realization Cycle of exploring, discerning, and implementing on a daily basis.

This behavior is deeply rooted in Macnica's core values. It is found across the organization and steadily encourages the realization of the Group's Purpose.

Going forward, Macnica's value creation will continue to be led by its employees as they continue to evolve the Realization Cycle.

The Driving Force That Powers the Realization Cycle

Strong Individuals and Teams



Strong Individuals and Teams

Steadily Implementing the Realization Cycle

At Macnica, the driving force behind our corporate activities is “strong individuals” who can work autonomously to identify issues and take steps to resolve them based on Trust & Empowerment. Each person’s capabilities are connected through the shared values of T.E.A.M.S. to build trust and mutually complementary relationships that form “strong teams.” Macnica’s strong individuals and teams work synergistically to enhance each other, steadily implementing the Realization Cycle to create an organization that is highly resilient to change and able to learn from experience.

Speed

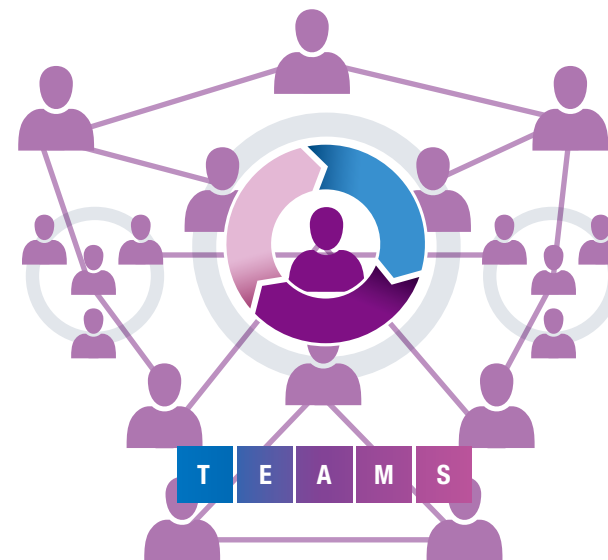


Speed

Rapidly Implementing the Realization Cycle

Macnica is promoting organizational operations with an emphasis on speed in decision-making and execution in response to the rapidly changing market environment. Our structure gives each individual employee discretion to swiftly make decisions and take action on the front lines, enabling them to implement the Realization Cycle quickly and to learn through experience. Employees have a desire to stay ahead of other companies and a strong focus on results, which shows that the concept of “beyond the cutting edge” in our Purpose has thoroughly permeated our employees and is generating competitive capabilities and flexibility that can meet the expectations of our customers and society.

Human Networks



Human Networks

Reinforcing the Realization Cycle

Macnica’s strength lies in the multi-tiered human connections that extend throughout the Company and beyond. Trust between employees and human relationships with customers and partners that span their professional lives promote the circulation of unknown information and emerging technologies and form the starting points for new businesses. Furthermore, these relationships go beyond simple starting points, as mutual understanding and trust increase the probability of business success. Macnica creates connections with partners all over the world, building relationships of trust while further strengthening the Realization Cycle.

Macnica's Strength in Developing People

Macnica considers people to be its greatest management capital. How do individual employees create Macnica's strength? Here, we take a look at how Macnica's competitive advantages are formed through a roundtable discussion with employees of diverse backgrounds.

(Photograph from left)

Eiji Hadano, Networks Company / Toshihiro Koga, Management Planning Group / Gaku Ito, Human Resources Group / Satoshi Yamada, New Business Group / Riki Nakade, Corporate Branding Group



Engrained Values Bring Out the Appeal and Strengths of Macnica Employees

Koga I would like to talk about the appeal of Macnica employees and their strengths as human resources. Let me start directly by asking you what you think about the appeal of Macnica employees.

Nakade Having built up practical experience in the Account Sales Group, I am now working in the Corporate Branding Office, where we engage in branding activities to help achieve wider recognition of Macnica with a view to increasing corporate value. Something I've noticed both in my time in sales and after moving to my current department is that Macnica employees speak enthusiastically about

the Company. I think this is the most appealing thing about them. Since they have an open and honest sense that their work has meaning, the formulation of Macnica's Purpose has enabled them to speak with greater confidence by stating clearly in words the kind of company Macnica is and its reason for existing in society.



The ability for executive management and frontline employees to express a consistent message is also a strength from a branding perspective.

Ito I was also previously in sales dealing with semiconductors. Currently, I am responsible for new graduate and mid-career hires in the Human Resources Group. In recruitment work, I have felt that the main reason for people choosing Macnica is "the appeal of its people." At internships and company explanation briefings, I strive to create as many opportunities as possible for students to speak directly with employees, and many of the students have said that actually seeing the employees is what inspired them to want to work here. Students who initially did not have Macnica down as their first choice often experienced a change of heart after talking with veteran employees and ended up choosing to join us. I think students naturally pick up on our employees' proactive stance and sense of striving to achieve high targets, as well as our bright and positive work atmosphere. This corporate culture is the result of thorough penetration of our core values, and I think it constitutes one of Macnica's strengths in the recruitment arena.



Yamada I joined Macnica mid-career, and I am now overseeing a new business related to healthcare. What surprised me when I first joined was that I was actually given opportunities when I expressed an interest in doing something, with no concern about my age or previous career. I think this is because at Macnica everything is based on trust between employees, as expressed in the core values, and there is a deeply ingrained culture of delegating authority. Many of the employees at Macnica are autonomous types who think and act for themselves, but that is not to say that they are on their own. Whenever trouble arises, whoever you ask for help is always caring and supportive. For example, they will point you in the direction of someone who has detailed knowledge of the problem right away, regardless of whether it is someone inside or outside the Company. I am very grateful that this kind of support system has developed naturally here. On top of that, individual employees are usually very positive and energetic, and most people work enthusiastically and cheerfully. This kind of atmosphere is infectious,

Employee Roundtable Meeting—Macnica's Strength in Developing People

and helps to lift the spirits of the entire team. This environment, where even mid-career hires can work comfortably right away and feel that they want to work with the people around them is a major point of appeal for Macnica. I think we truly have strong individuals and teams.

Hadano I head up a team in the Cybersecurity Business. The organization I belong to also recognizes that trust is very important. In cybersecurity, we often handle cutting-edge technologies from around the world, and many of these technologies are often not yet known in the market. When a business is just starting up, they sometimes operate at a loss. However, we believe it is important to believe in future growth and keep working persistently. In the process, these products gain recognition in the market, and as the business grows, you can firmly gain the first-mover advantage. Our ability to take on this kind of challenge is really due to the mutual trust that exists within Macnica. I think this has been achieved as a result of the Company's aggressive stance on seeing things through to completion, which is a strong part of its culture.

Koga I have a background in the Cybersecurity Business, and I can really relate to what Hadano-san is saying. I think Macnica has a characteristic ability to discover new products early, what do you think?

Hadano I feel the speed with which we are able to be the first to discover the latest technologies in the Cybersecurity Business is also because the core value Move is strongly established. This is why I believe our work practices, grounded in the core values, are directly connected to Macnica's strengths. In addition, since we are handling cutting-edge products, we are able to provide customers with the latest information. I think this is a kind of added value that only we can provide.



Value Generated by Employees | Forms High-Quality Capital

Koga Listening to what you have all said has reaffirmed for me the appeal and strengths of Macnica's people. I also transferred to this department four years ago, and have found that business partners from my time in sales still reach out to me. I think that Macnica often creates new business opportunities through the career changes or entrepreneurial ventures of its suppliers' representatives. What are your thoughts on this?



Hadano I am responsible for dealing with CrowdStrike, which is a case in point. It is really common at Macnica for businesses to be created through "human networks." When we start businesses together and share experiences of trials and successes, it creates very strong trust relationships with our partners. I think the accumulation of these connections and trust between individuals will ultimately make our social and relationship capital, effectively as a company, grow stronger and stronger.

Nakade It is very important to trust our partners, but I think it is also extremely important to win the trust of others. Macnica's people never shy away from challenges no matter how difficult the situation—put simply, our strong individuals and teams have the ability to see things through to completion—and this is why we have been able to build the trust relationships we have with our partners over many years. Currently, my work is in corporate branding, and I feel that it will be increasingly important to garner wider recognition for Macnica and to enhance its brand value going forward. Through branding, I would like to properly communicate our approach and value to society, and promote communication and the creation of contact points that earn the trust of various stakeholders, including suppliers, customers, and business partners, and inspire them to want to work with us.

Yamada I couldn't agree more. Macnica has an environment that enables individuals and teams to be strong and leverage their abilities. Because our human resources come from diverse backgrounds and work with abundant information and human networks, we have built up a strong body of knowledge and experience as a company. This also promotes the evolution of our unique Realization Cycle of exploring, discerning, and implementing. In the health-care field, we continue to take up various challenges with speed, and the experience we gain from these efforts is a unique strength specific to Macnica that cannot be matched by other companies. Having these strengths gives me confidence that we can continue to create new businesses going forward.



Through this roundtable discussion, it became clear that the driving force behind Macnica's value creation is not only its technological capabilities and systems, but also the characteristics of its people. Strong individuals and teams combined with speed and human networks have enabled the continuous evolution of the organization. We will continue to face the challenge of change without fear, and create new value for society.