

Making a Prosperous Future Society Possible

In striving to make a more sustainable society possible, Macnica has put sustainability at the heart of management. In this section, we introduce the Company's environmental contributions, approach to care and respect for people, actions to meet its social responsibilities, and governance enhancement.

Through sustainability management, we not only seek to build trust with society at large, but to heighten our responsiveness to change in order to make the future imagined in Vision 2030 a reality. In an era of intense change, our position remains to build relationships of trust with society and to act responsibly with regard to our future. We consider this an undeniable step in our commitment to making a prosperous future society possible.

Sustainability

Continuous Growth

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Human Rights
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- Discussion between the Chairman
and the Lead Outside Director
- Corporate Governance
- Risk Management
- Dialogue with Capital Markets

Sustainability

Ongoing Enhancement of a Foundation for Sustainable Growth

The Macnica Group has defined a basic policy on sustainability, and takes steps to solve social challenges and realize sustainable growth.

In line with four priority policies, we strive to uphold both our business activities and sustainability.

Macnica also discloses sustainability information on the website below in accordance with the GRI Standards framework.

<https://holdings.macnica.co.jp/en/sustainability/gri/>

Macnica Group Sustainability Policy

At Macnica, we view responding to environmental and social challenges as one of the most important management concerns. Accordingly, we strive for activities that enable the Group to move toward achieving its Purpose: Leading in an ever-changing world, we seek technology and intelligence beyond the cutting-edge, while envisioning the future and creating the “Now.”

Four Priority Policies

1. Identifying key issues, and promoting business initiatives and business investment management that contribute to solving social challenges and fostering a sustainable society
2. Promoting global management and strengthening the supply chain with consideration for the environment and human rights
3. Gaining social trust and enhancing governance and risk management systems
4. Educating and raising awareness of employees to promote sustainability

Sustainability Promotion System

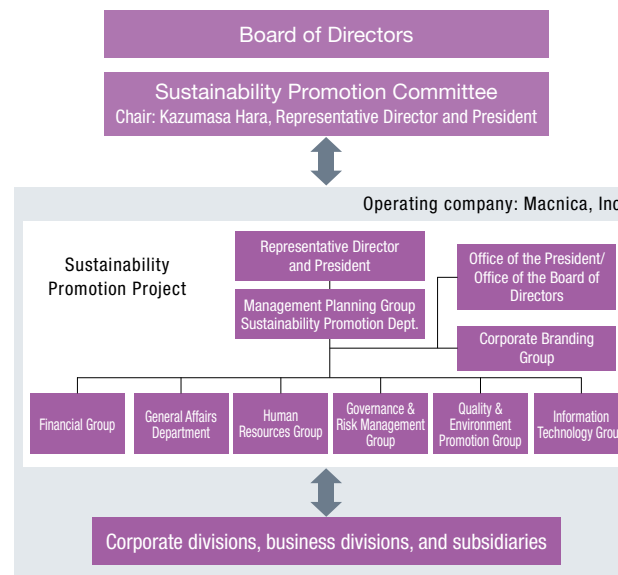
Sustainability Promotion Committee

In FY2021, the Macnica Group established the Sustainability Promotion Committee to promote sustainability management across the entire Group.

Efforts to address issues in areas such as the environment, human rights, and the supply chain, as well as specific measures targeting human capital, which forms the foundation of our corporate management, are proposed by the Sustainability Promotion Committee. After subsequent deliberation and decisions by the Group Management Committee, the Group’s highest executive

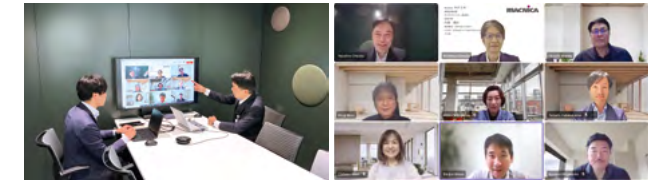
decision-making body, the final outcome is reported to the Board of Directors.

The Board of Directors receives reports from the Sustainability Promotion Committee, and discusses and supervises policies, measures, and action plans to address the Group’s sustainability-related issues. The Representative Director and President serves as chair of the Sustainability Promotion Committee, and is ultimately responsible for making management decisions related to sustainability.



Sustainability Promotion Project

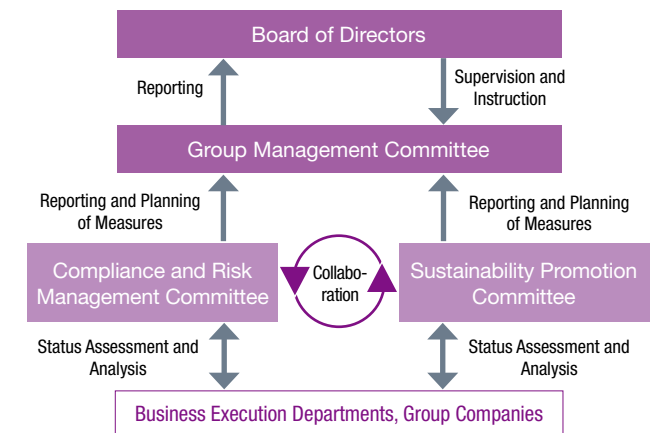
To effectively promote sustainability management, from FY2021, we launched the Sustainability Promotion Project at Macnica, Inc. Focused primarily on responding to climate change and human rights risks in the supply chain, the project investigates issues, and explores and enacts specific measures, across departments and divisions. Details regarding these activities are regularly reported to the Sustainability Promotion Committee. Starting from FY2025, the Management Planning Group will be home to a new Sustainability Promotion Department that will function as a project hub, connecting actions company-wide and further strengthening promotion capacity.



Sustainability Promotion Project meeting (in-person and online hybrid format)

Risk Management System for Sustainability

The Macnica Group has established the Compliance and Risk Management Committee, chaired by the Representative Director and President, to strengthen the management of risks and compliance in the Group’s business operations. In addition to assessing and analyzing the Group’s risk status and compliance system, with findings reported to the Board of Directors and the Group Management Committee, this committee promotes the planning and proposal of relevant measures. With respect to climate change and other important sustainability-related risks, the impact on business operations is evaluated and response policies deliberated by the Sustainability Promotion Committee. Where specified risks and opportunities are concerned, both committees work together in an effort to enhance the group-wide risk management system.



Environment/Supply Chain Engagement

Assessment and Analysis of Climate Change-Related Risks and Opportunities

In FY2024, the Macnica Group again conducted qualitative analyses and assessments of climate change-related risks, opportunities, and countermeasures for the Group's main businesses using multiple scenarios, and updated the information in accordance with the TCFD framework. Macnica remains committed to bolstering relationships of trust with stakeholders through robust information disclosure with regard to climate change, in contributing to making a sustainable society possible. Refer to our website for more details. <https://holdings.macnica.co.jp/en/sustainability/environment/climate/#03>

Environmental Management

In February 2023, the Macnica Group formulated its Environmental Vision and Environmental Policy based on its Long-Term Management Concept and Medium-Term Management Plan. (Partially revised October 2024)

Environmental Vision

The Macnica Group positions the creation of a sustainable global environment, in tandem with the realization of efforts to "contribute to economic development through solving customer issues" and "create safe, secure, and comfortable lifestyles," as its most important issues (materiality).

Accordingly, the Macnica Group will not only reduce its own CO₂ emissions and achieve carbon neutrality in Scope 1 and 2, but also contribute to realizing a carbon-neutral world by 2050 through its business activities and supply chain. To this end, we will do our utmost to solve social issues such as global environmental conservation and restoration, and a reduction in environmental impact.

Environmental Policy

The Macnica Group is committed to environmental conservation activities based on the following four basic policies, combining our Purpose of "leading in an everchanging world," our business activities, the products we handle, and the corporate culture and social contribution activities that the Group has cultivated over the years. Accordingly, we engage in environmental conservation activities that meld decarbonization with our uniqueness as a company.

1. Achieving carbon neutrality for the entire Macnica Group
2. Realizing a green society through our business activities
3. Pursuing social contribution activities as a good corporate citizen
4. Continuous reductions in environmental impact through promotion of environmental management activities

Additional details can be found on our website.

<https://holdings.macnica.co.jp/en/sustainability/environment/management/>

Basic Policy on Biodiversity

In April 2025, Macnica formulated and announced a basic policy on biodiversity. Under this policy, our aim is to uphold both biodiversity and business activities by viewing the preservation of biodiversity as both an aspect of business risk management and an opportunity for growth. Furthermore, by analyzing and evaluating our level of dependency and impact on natural capital, we are moving toward the sustainable use of that capital.

Visit our website for more details.

<https://holdings.macnica.co.jp/en/sustainability/environment/climate/>

Evaluation of ESG by External Entities

In a 2024 survey, Macnica was evaluated by CDP, an NGO that evaluates initiatives targeting the environment, receiving a score of "B" in the area of climate change and "B-" in the area of water security. Over the years, Macnica has taken various action toward achieving carbon neutrality. Among others, these include the establishment of an Environmental Vision and Environmental Policy, the deployment of a system targeting environmental risks, the adoption of renewable energy, the acquisition of Science Based Targets (SBT) certification, more accurate calculation of greenhouse gas (GHG) emissions, and request for third-party examination. We view this most recent evaluation as a recognition of our solid initiatives for addressing environmental concerns and the transparency of our information disclosure.



CDP 2024 Scores	Climate Change	Water Security
	B	B-

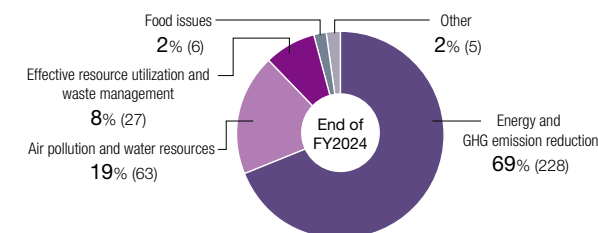
In a bid to improve the accuracy and reliability of the calculation of its GHG emissions, the Macnica Group has solicited third-party examination by the Japan Management Association Sustainability Center of the calculated results of its emissions performance since FY2023. Going forward, the Group remains committed to properly monitoring and managing the impact of its business activities on the environment, and correctly conveying that information to stakeholders.



Expansion of Environmental Contribution Businesses

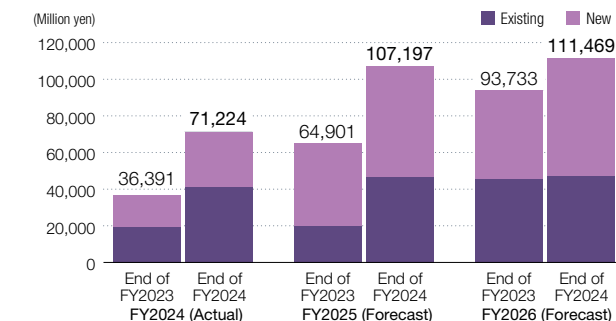
The Macnica Group is leveraging the ISO 14001 framework in continuously monitoring the degree to which products and services Macnica handles contribute to the environment. Efforts in this vein include "direct contributions" from the circular economy and other environmental solutions, such as AiryQconnect air quality monitors, self-driving EV buses, and Macnicut thermal insulation paint. Semiconductors adopted for use in EVs, solar power systems, and other environmentally friendly products, as well as IT solutions, meanwhile, are positioned as "indirect contributions." In these ways, Macnica will continue working through business to reduce its environmental impact.

Numbers of Environmental Contribution Businesses



- Numbers of projects related to end products and services in environmental contribution businesses have been classified by contribution area.
- The largest proportion is businesses intended to reduce GHG emissions.

Scope of Sales from Environmental Contribution Businesses



- Projected scope of sales from environmental contribution businesses was investigated and calculated as of the end of FY2023 and FY2024.
- New businesses include those that are still under review but are likely to be adopted.

Responding to Environmental Issues in the Supply Chain and Building a Responsible System

For Macnica, as a company with global operations, confronting environmental issues in the supply chain is a critical step that directly links to our material topic of “creating a sustainable global environment.” We also recognize the connection between addressing these issues and building a responsible supply chain. Through two initiatives—addressing climate change and responding to water risk—Macnica is showing leadership in the environmental field, and contributing to the creation of a sustainable global environment.

Accurate Assessment of GHG Emissions and Stronger Ties with Suppliers

Scope 3, Category 1 (purchased products and services) accounted for roughly 99% of all GHG emissions from the Macnica Group. Previously, this emission volume was calculated by multiplying the purchase cost by an emissions factor based on an input-output table. It was determined, however, that this approach did not adequately reflect reduction efforts by suppliers, leading to a significant divergence from the actual emissions picture. To address this, in FY2024, we joined the CDP Supply Chain Program*1 to capture emission volumes closer to their actual levels.

In computing this, along with establishing set criteria, we examine the accuracy and reliability of information (primary data) provided by suppliers. If primary data reliability is low, the figure is compiled and disclosed using averages by industry (secondary data) provided by CDP. Going forward, Macnica will strive to reduce emissions by working through initiatives of this kind to accurately assess GHG emissions across the entire supply chain, while building deeper ties with suppliers.

Challenges in Scope 3, Category 1 (Purchased Goods) Calculation

Activity volume (monetary basis) × Emissions factor = Emission volume



Although the emissions factor from the GHG protocol is trending downward due to technological innovation, no substantial reduction has materialized. Consequently, **GHG emissions rise in step with increases in sales (purchase cost and goods).**

Prior to surveying suppliers through the CDP Supply Chain Program, we provide them with a host of information. Specifically, in addition to an overview of the program, we produce an information packet that includes Macnica’s policies and initiatives to address climate change, as well as customer requests and requirements, and issue this along with a letter of request from Macnica. Through activities of this kind, we are building trust with suppliers, all while working with them to promote our environmental response.

*1 Refers to a program operated by CDP for assessing GHG emissions across a company’s entire supply chain and providing support for achieving reduction targets. In particular, by compiling and analyzing primary data from a company’s suppliers, GHG emissions can be calculated more accurately, enabling more specific improvement steps to be taken.

Evaluation of Relationship to Natural Capital and Addressing Water Resource Risk

Macnica endorses the recommendations made by the Taskforce on Nature-related Financial Disclosures (TNFD)*2. Based on the LEAP approach*3 recommended by TNFD, we conducted an evaluation of factors such as interface with nature, dependencies and impacts on nature, risks, and opportunities. As a result, among natural capital, Macnica’s business activities were deemed to have a particularly close relationship to water resources. Based on this assessment, we used the WWF Biodiversity Risk Filter (BRF) and WRI Aqueduct to research and evaluate reliance and impact on water resources at the Company’s domestic and global business sites, and among primary suppliers (most notably semiconductor production plants).

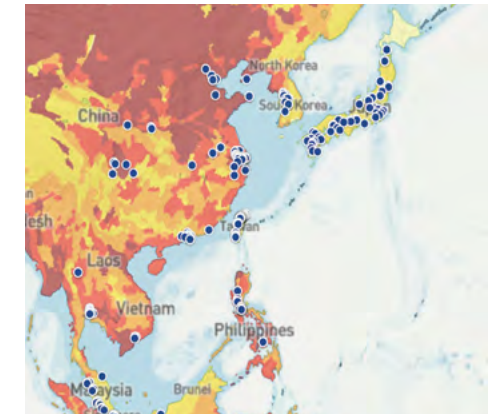
The research verified that the Company’s main domestic and global sites are office buildings, and that it is only using potable water for daily use, and not taking water from underground or river sources. Because overall usage volume is low, our evaluation suggests only limited dependence and impact on water resources at this time. Meanwhile, for primary suppliers in locations with high water risk, we are working to assess the risk posed to Macnica. At the same time, we are moving through the CDP Supply Chain Program and other avenues to continue engagement activities that will boost water management levels. Through these activities, Macnica is respecting natural capital across the entire supply chain, and contributing to making a sustainable global environment possible.

*2 An international organization established to erect a framework to enable companies and financial institutions to appropriately evaluate and disclose risks and opportunities with respect to natural capital and biodiversity.

*3 Refers to an integrated approach developed by TNFD for evaluating nature-related issues such as an organization’s interface with nature, dependencies and impacts on nature, risks, and opportunities.



WWF BRF water quality analysis (Dots indicate risk locations)



WRI Aqueduct water stress analysis (Blue dots indicate Macnica bases and supplier production sites)

Employee Engagement

Naturally Fostering High Employee Engagement

Since its founding, Macnica has actively disclosed a wide range of information to our employees, such as the corporate philosophy and vision, management policies, business strategies, business plans and results. In addition to a highly transparent management approach, a corporate culture of open communication and trusting others to do jobs is firmly rooted within the Company. In this environment, employees develop a deep understanding of the Company's direction and naturally foster a sense of pride and attachment to their work, along with a willingness to contribute of their own accord. Without explicitly focusing on employee engagement initiatives, Macnica has built a workplace that achieves high levels of engagement through various measures.

A Corporate Culture that Supports Sustainable Growth

Management Plan Presentations that Foster Unity and Momentum

At Macnica, from our founding through today, we have held an annual Management Plan Presentation meeting where all employees gather in one place. What began with just a few dozen employees has now grown to thousands, filling the venue with energy and excitement. Employees listen intently as management speaks from the podium about the policies and strategies for the new fiscal year, aligning these with their own roles and responsibilities. This meeting is more than just an information-sharing session—it is a moment where employees feel the heartbeat of the Company by sharing the same time and space, naturally fostering a sense of unity across the organization. A positive sense of pressure and excitement spreads through the Company as we head into a new term, serving as a powerful driving force of individual motivation and action. During the COVID-19 pandemic, when in-person gatherings were not possible, we preserved the significance of the event by moving the “place” to a virtual space while continuing to share the same “time” as always. This meeting symbolizes Macnica's culture and has the power to unite employees' hearts. We will continue to leverage this event to strengthen the driving force of our organization.

Global Human Networks that Gives Birth to Organizational Strength

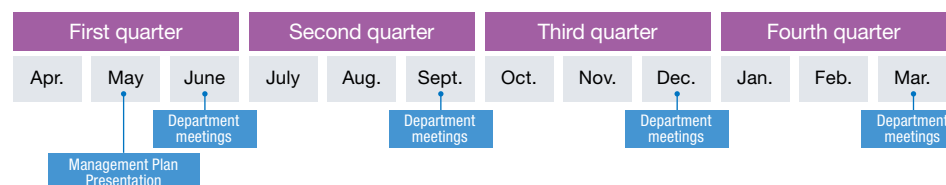
In recent years, the number of participants in the Management Plan Presentation has grown year over year in line with Macnica's global expansion. In FY2025, approximately 3,150 employees gathered from Japan and overseas, with 220 of them coming to Japan from overseas locations. At the venue, employees who had not seen each other in a while exchanged words and smiles and the circle of connections grew naturally. Before and after the presentation, members from different countries engaged in discussions across departments, and by directly interacting with colleagues they had previously only seen online, their relationships deepened significantly. Through exchanges, connections that transcended distance developed, and a sense of unity was fostered on a global scale. This event strengthens employees' sense of belonging and pride in their work, making the Management Plan Presentation an essential platform that supports Macnica's organizational culture.



Fostering Initiative by Linking Company-wide Policies to Divisional Strategies

At Macnica, after sharing key policies and strategies at the Management Plan Presentation, employees attend quarterly department meetings to confirm the progress of their department policies and activities. This system deepens employees' understanding of the connections between department and company-wide policies and how those are tied to their everyday work, helping them better grasp how their roles in the Company can contribute to Macnica as a whole. This type of environment encourages employees to demonstrate proactive and positive effort.

Annual Schedule



Awards and Long-Service Recognitions Promote a Corporate Culture of Praise

At Macnica, we leverage the Management Plan Presentation as an opportunity to recognize employee achievements through award programs and to express gratitude for long-term contributions with the Long-Service Award. The award system is used to recognize individuals and teams who have delivered outstanding results in key areas like business performance improvement, company image enhancement, fostering a corporate culture, embodying our purpose, and practicing T.E.A.M.S., our core values. By recognizing accomplishments from a perspective different from everyday evaluations, the program boosts employee motivation and nurtures a corporate culture of mutual appreciation. As part of these accolades, the Best Rookie Award celebrates employees in their first through third years in the Company who have demonstrated remarkable growth and who have brought new value to their teams. Their willingness to take on challenges and fresh perspectives are highly valued, inspiring the entire organization. The Long-Service Award expresses gratitude to employees who have worked for the Company for many years and is awarded to employees regardless of their position or employment type. By showing respect for their long-term contributions, we can increase employees' sense of belonging while also building a stable human resource foundation. These recognition programs foster a culture of praise in which the efforts and achievements of employees are acknowledged company-wide, contributing to higher engagement as well as to the sustainable creation of corporate value.



Employee Engagement

Interactive Reading Sessions in Support of Implementing Corporate Philosophy

At Macnica, we believe that for a company to grow and for employee engagement to improve, it is essential for all employees to understand our corporate philosophy, strategies, and values and apply them to their daily work. To achieve this, we conduct regular reading sessions of three documents within each department: the Management Policy, the Code of Conduct, and the Core Values (T.E.A.M.S.). These reading sessions go beyond mere formal confirmation; by sharing real-life experiences and engaging in discussions, employees deepen their understanding of the content. Following the integration with Fuji Electronics in 2015 and the incorporation of Glosel in 2024, our workforce has become increasingly diverse. Even so, we aim to create an environment in which each employee can relate to our corporate philosophy and talk about it in their own words. Through these readings, we have the opportunity to learn about others' success stories, failures, and approaches to work, ultimately fostering new insights and mutual understanding.

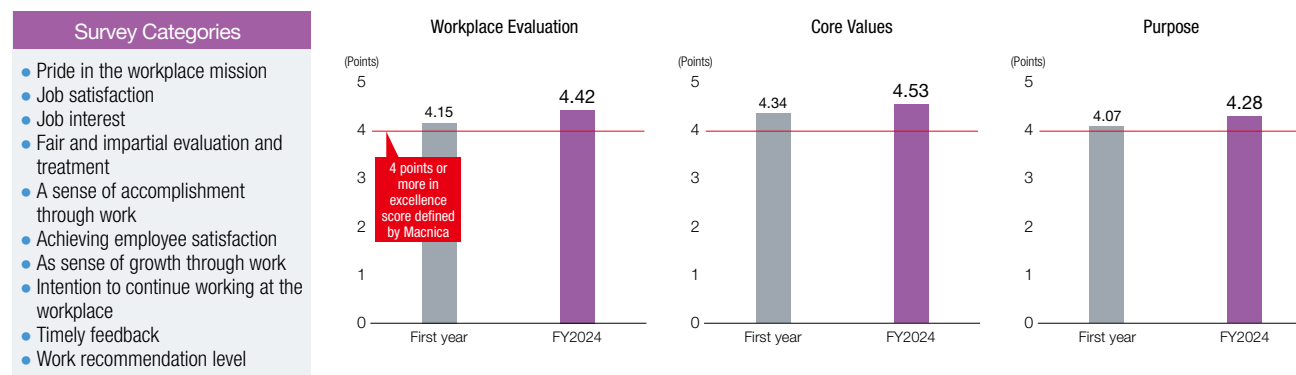
A Communication Structure that Produces a Sense of Unity between Management and Employees

At Macnica, we value reducing the distance between management and employees and fostering a sense of unity that transcends titles and positions. Our culture of addressing each other with the honorific "-san" encourages open and active communication without hierarchical barriers. Greeting one another is also deeply ingrained; even employees with no direct work relationship will naturally greet each other when they pass in the office. This custom encourages interaction between all employees and improves the openness of the organization. Further, we provide opportunities for employee interaction outside of work through events such as company trips and beer parties. It's not unusual for someone who has just joined the Company to find themselves speaking casually with the President; we have created an environment where employees can feel closely connected to management. In terms of systems, the quarterly management meetings are a place where employee representatives and management exchange opinions. Employee representatives determine the agenda and have direct discussions with management, including the President, to share

an awareness of issues and thoughts and to provide feedback to all employees. Through these initiatives, Macnica has cultivated a strong corporate culture, enhanced employee engagement, and created a workplace where people are motivated to continue working with pride and enthusiasm.

Building a Strong Company and Employee Engagement

At Macnica, we have been conducting an annual company-wide survey for 12 consecutive years with the goal of building a stronger organization. The results are shared with the President, Vice President, and key division managers, and analyzed in collaboration with external consultants. Based on the survey findings, division heads assess the current state of their departments and identify perception gaps by comparing with employee activities. Then they think about management issues and report proposed countermeasures to management. The following year, the effectiveness of these changes is evaluated to further improve organizational management capabilities. In FY2024, scores for "Workplace Evaluation," "Core Values," and "Purpose" improved steadily compared to the first year of the survey, reaching record highs. All three areas exceeded the Company's standard excellence score of 4 points. In particular, the "Workplace Evaluation" category includes items related to engagement, so we continuously monitor the scores.



Topic Job Satisfaction Ranking

Macnica was ranked 5th in the Best Companies to Work For 2025 and 11th in the Ranking of Companies Rated Highly by Managers published by OpenWork. OpenWork is a highly influential platform that has over 300,000 users and approximately two-thirds of job-hunting students in Japan registered. Macnica's high level of employee engagement has become widely recognized through these external evaluations.



Best Companies to Work For 2025

<https://www.openwork.jp/award/>

Ranking of Companies Rated Highly by Managers

<https://www.openwork.co.jp/press/2024091902>

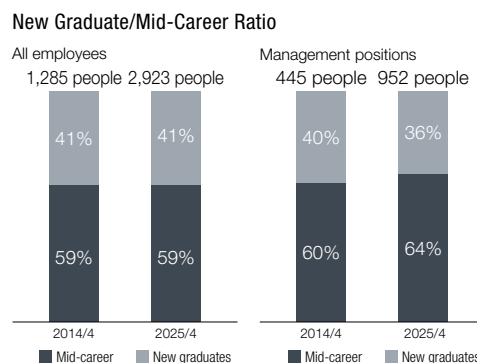
Diversity, Equity, and Inclusion/Human Rights

| Diversity, Equity, and Inclusion: Transforming Diverse Values and Abilities into Strengths

For the Macnica Group, with its goal to be a Services & Solutions Company, it is vitally important that all of our employees with their diverse values and abilities are able to play an active role. Regardless of an employee's nationality, race, religion, gender, age, dis/ability, sexual orientation, rank, etc., we value communication that enables everyone to exchange viewpoints freely. Through mutual trust, we can maximize all of our strengths. By creating such an environment, Macnica will create innovation.

Promoting Diverse Employees

The spirit of Trust & Empowerment is deeply rooted in Macnica's corporate culture. The goal of this philosophy is to enable all employees to maximize their capabilities and play an active role, regardless of age, gender, nationality, or individual characteristics. Based on this philosophy, we actively recruit people with diverse values; since our founding, we have maintained a hiring policy that is approximately 50:50 between new graduates and experienced recruits. Additionally, when hiring people with disabilities, we provide an environment where employees can really feel they are contributing to the Company.



Promoting Success beyond Gender and Sex Differences

At the Macnica Diversity Fes in March 2025, we hosted a discussion between our President and Tatsuya Suzuki, Regional Vice President of Akamai Technologies and author of the book *Preferential Treatment for Women ≠ Diversity*. The discussion focused on "true value diversity" from the perspective of diversity management. The event provided employees an opportunity to think seriously about promoting diversity and creating a better work environment. Macnica was also the recipient of the first Family Friendly Award, sponsored by the Daini Tokyo Bar Association. We were highly praised for our focus on the workstyles of men as well as women when promoting women's participation in the workforce.



| Respect for Human Rights

The Macnica Group has set "Promoting global management and strengthening the supply chain with consideration for the environment and human rights" as a one of the key policies in the Macnica Group Sustainability Policy. With this policy as a foundation, the Macnica Group has formulated the Macnica Group Human Rights Policy and published it both in and outside of the Company. This policy abides by the Guiding Principles on Business and Human Rights adopted by the United Nations Human Rights Council. It also complies with the Japanese government's National Action Plan for Business and Human Rights, as well as Guidelines on Respect for Human Rights in Responsible Supply Chains, while also demonstrating our strong commitment to managing human rights risks appropriately in the development of our global business and in the building of responsible supply chains.

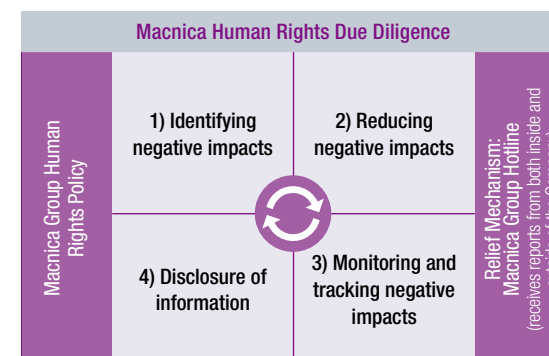
Macnica Group Human Rights Policy

As part of the effort to promote respect for human rights, we have established a reporting hotline that can be used by Macnica Inc., domestic and overseas Group companies, and external parties including business partners. In FY2024, harassment and labor-related reports accounted for more than 75% of all reports. We promptly and appropriately investigated these reports, and in cases where the facts were confirmed, we took corrective measures to prevent recurrence (P.78). To eliminate discrimination and to promote active engagement by a diverse workforce, we have implemented e-learning programs for all employees on collaborating with people with disabilities, unconscious bias, and LGBTQ issues (including how to handle coming out).

Further, we provide training on harassment prevention, the management of work hours, and DE&I (Diversity, Equity, and Inclusion) to managers in order to promote creation of a work environment that protects the human rights of employees.

Human Rights Due Diligence

The Macnica Group has worked with an external specialist evaluation organization to assess and improve human rights risks in its supply chain by introducing an evidence-based system for assessing its major suppliers' initiatives for respecting human rights. In FY2024, major suppliers accounting for over 90% of Macnica's procurement value participated in the assessment program. In addition, the Group has established a hotline to receive complaints from relevant people outside the Company, including employees of our suppliers, and it has made appropriate investigations and provided the necessary means for assistance to deal with cases of suspected human rights violations. Through these initiatives, we continuously assess and manage human rights risks in our supply chain, making requests for dialogue and improvement to suppliers as necessary in order to realize responsible corporate activities.



Social Contribution Activities

Macnica actively engages in social contribution activities to fulfill its responsibility as a good corporate citizen as described in its Code of Conduct. We aim to create a happy and prosperous future society for people around the world by sincerely pursuing co-creation initiatives that leverage our strengths in environmental conservation, community revitalization, promotion of culture and sports, and support for children and young people who will lead the future.

Blood Donation Drives

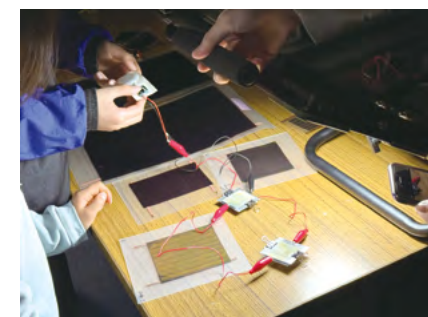
With the cooperation of the Kanagawa Red Cross Blood Center, we invite blood donation buses to our head office to conduct blood donation drives two to three times a year for employees and people from neighboring companies.

In recognition of our more than 20 years of continuous contributions, we received a letter of appreciation from the Minister of Health, Labour and Welfare July 2024 and the Golden Order of Merit from the Japanese Red Cross Society in November 2024. Our blood donation drives are not just limited to Japan. Macnica Galaxy Inc. in Taiwan has been actively conducting blood donation drives in conjunction with World Blood Donor Day since 2023, while encouraging broad participation from the general public. Our activities spread across national borders as a meaningful effort to save as many lives as possible.



Perovskite Solar Cell Event for Children

In February 2025, in collaboration with the Decarbonization Strategy Headquarters Office, Environmental Agricultural Administration Bureau of Kanagawa Prefecture, the Hamagin Space Science Center and Peccell Technologies, Inc., we held a talk event on perovskite solar cells (PSCs) and a workshop using dye-sensitized solar cells at the space science center. This workshop aimed to convey the importance of renewable energy to local children and help them learn about the characteristics and usefulness of PSCs as a next-generation technology through hands-on experience. After learning about how PSCs work and their benefits in the talk event, the children who participated were able to enjoy creating crafts using dye-sensitized solar cells. Going forward, we will continue to contribute to the creation of a sustainable society through education that stimulates an interest in science and technology.



Cybersecurity Outreach Classes

We have participated in the corporate education program conducted at Yokohama Municipal Higashi High School every year since 2022. The theme of the class in FY2024 was the unknown world of smishing and phishing. This class aimed to provide a deeper understanding of cybercrime risks and raise awareness of self-protection. In addition to introducing Macnica's business, expert lecturers used concrete examples to explain phishing scam techniques and what to do to prevent them.

Students commented that learning about online scams and suspicious job schemes was informative and worthwhile, making the session a valuable educational experience overall.



Community Cleanup Activities

The community cleanup activities that we started at our head office in the 1990s have now spread to all of Macnica's sites in Japan as an important part of our contributions to the local community. Employee volunteers conduct cleanups around our offices four times a year, and thanks to a campaign by an internal committee in FY2024, nearly 200 employees participated in a single event.

In particular, at the head office, cleanup activities have broadened to include joint cleanup events in cooperation with neighboring companies and sports organizations. We contribute to the beautification and revitalization of local communities while maintaining strong ties with the region.



Nagoya SDGs Green Partners Initiatives

With the aim of encouraging all employees to autonomously work toward achieving environmental goals, the Nagoya Office participated in Nagoya SDGs Green Partners activities and was registered as a certified eco-office in 2023. Specific initiatives included CSR activities such as food banks, thorough waste separation at business sites, and the hosting of Fujimae Tidal Flat outreach classes in conjunction with local cleanups to provide opportunities to learn about biodiversity conservation. We also help deepen understanding of environmental issues close to us through internal email newsletters, and engage in multifaceted initiatives for global environmental conservation.





Kazumasa Hara
Representative Director
and President

Role of the Board of Directors in Advancing Governance and Corporate Value

The role the Board of Directors plays in building corporate value is more important than ever. We have been steadily evolving the functions of the board based on our corporate culture of being simple, open, and fair. In FY2024, we adjusted the organizational structure, and in FY2025, we introduced a new board system. Here, Representative Director, President, and Chairman Kazumasa Hara talks with lead Outside Director Shinichiro Omori about how Macnica has enhanced its governance and reinforced its results, as well as about what role the board should play in realizing Vision 2030.

(Note: This article is based on a discussion on July 1, 2025.)

A Culture that Supports Healthy Opposition — Balancing Trust and Tension

Hara The term “board of directors” carries a rigid image for many, but a functioning board is essential to the healthy, sustainable growth of a corporation. In management, separating supervision and execution makes it possible to objectively review decision-making and change course according to current needs. This ensures corporate transparency and accountability, thereby fostering trust within society at large. However, the separation between supervision and execution alone is not sufficient for a board of directors to function. What’s important is the balance between a trusting relationship where both parties respect one another while maintaining a healthy tension between them. Trust makes clear, frank exchanges possible,

and tension ensures thorough judgment. I feel that a good balance between these forces raises the quality of a board. Macnica’s culture maintains this balanced relationship. Since its founding, Macnica has always cherished the values of being simple, open, and fair. The foundation for this is the core value of mutual trust. Macnica’s culture enables frank opinions to be expressed in Board meetings, complex ideas to be communicated in simple language, and fair judgments to be made. I think it’s a major strength that our outside directors hold these values too, and so open discussion comes naturally.

Omori As you say, I see a balance between the relationships of trust and a certain degree of tension within Macnica’s Board, creating a strong basis for sustaining healthy discord. The strong impact Macni-



Shinichiro Omori
Director

Discussion between the Chairman and the Lead Outside Director

ca's culture had on me when I came on as an outside director has not diminished in the slightest. As a participant from outside, I immediately felt its openness, naturally allowing free, honest communication. Board discussions have been livelier in the past year in particular. In preparing the new Medium-Term Management Plan, we held in-depth discussions on capital allocation policy and priority areas for investment, outside directors included. This sort of frank exchange is made possible by Macnica's cultural tolerance, which allows anyone to speak their mind without reservation. In Board meetings, there were opportunities to discuss Macnica's corporate culture, which deepened my understanding. What impressed me most was one young employee, participating in a Board meeting as an observer, sharing his thoughts without hesitation when asked by the directors for his opinion. Watching this confirmed for me that Macnica's culture extends to all employees, including the younger generation, and so I realized anew how important the cultural factor is in facilitating smooth communication between directors and executive officers.

Hara For the Board to fulfill its intended functions, it's vital that its members maintain cool-headed, objective views. I consciously make a habit of looking at things from a long-term, bird's-eye standpoint, and prepare myself for discussions with a sense of tension, alert to the possible blind spots of mutual trust. Assumptions like

"they'll understand me without saying" or "we're all on the same page" can create the feeling that an agreement has been reached without in-depth discussion, and carries the risk of blurring the decision-making process. For directors supervising the management team, building trusting relationships is important. At the same time, we must maintain a healthy tension moving forward to make more level-headed judgments.

Omori Indeed, without that healthy tension, the Board can't sufficiently fulfill its intended supervisory function. In the course of fulfilling that function, opinions and viewpoints often clash in various ways, but that signals productive discussion. What matters is that through this process we eventually reach confident conclusions and move a step forward as a company. At Macnica, relationships have been built where executive officers sincerely listen to the views of outside directors, even if they differ from their own. Differences of opinion in board meetings are not negative; rather, they are an important part of the process that elevates the maturity of governance.

As an outside director, I put priority on understanding the intent and background of someone's remarks, not just to assess what was said, but to understand where it comes from — in other words, the speaker's awareness of a given issue and context. I feel that doing this can lead to more essential, constructive discussions.

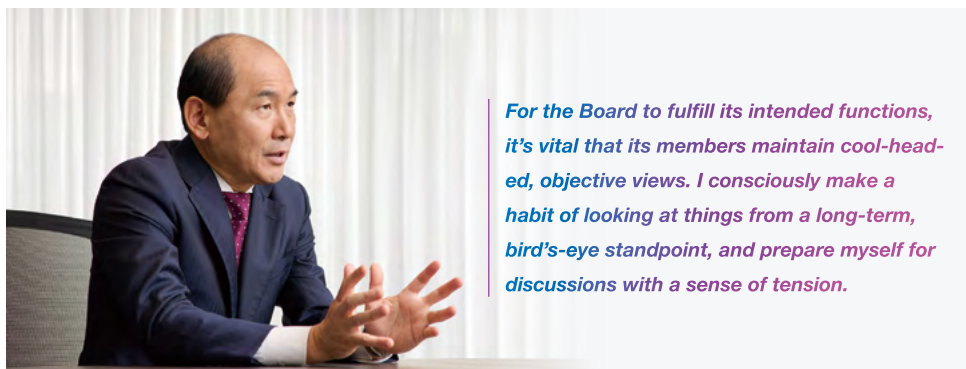
I think this kind of understanding deepens dialogue with executive officers and raises the quality of the decisions we make as a Board.

Shifting to an Audit & Supervisory Committee — Results and Challenges

Hara Last year, Macnica replaced its Audit & Supervisory Board with an Audit & Supervisory Committee, which significantly evolved the role of the Board of Directors. The purposes of this change are to more clearly separate the supervision and execution functions, delegate more authority to executive officers to accelerate managerial decision-making and action, and reinforce the Company's competitiveness. When there are no clear right answers, speedy decision-making is especially important. Previously, there were too many agenda items for members to resolve at Board meetings, and spending sufficient time on longer-term themes was often difficult. By delegating a degree of authority to the executive side, the Board can now focus on strategic discussion from a broader perspective. As a result, this year we were able to spend more time on themes like capital allocation to promote business model transformation, succession planning for the Chairman of the Board, and adjustments to the Board's structure following such a change. This is a big improvement, and I strongly feel that in FY2024 Board functions evolved to meet the objective of organizational structure change. It's important to keep this trend going and while deepening discussions from a more strategic standpoint.

Omori I too felt substantial changes in the content of Board discussions last year. Looking at the record, we spent more time reporting items in FY2024 than we did in FY2023 (P.69), and as a result of delegating some authority to the executive side, we enhanced the oversight function of the Board.

More opportunities for discussion outside regular Board meetings, with help from the Board secretariat, is another important achievement we can claim. Given that Board members come from diverse backgrounds, intentionally creating opportunities for



Discussion between the Chairman and the Lead Outside Director

communication is essential, as is the system for promoting them. Theme-specific discussions deepened understanding among directors and between directors and executive officers, and fostered an environment for lively discussion in Board meetings. As a result of these initiatives, time spent discussing strategy increased to more than 30% in FY2024, indicating the review of our organizational structure and creative change in management helped increase the effectiveness of the Board.

At the same time, one of the things we need to do going forward is to raise the quality of Board discussions. To continue updating our knowledge and checking viewpoints, which I myself need to do as well, inviting outside specialists for study opportunities is important. By encouraging two-way communication with executive officers, I'd like to increase the effectiveness of the Board in terms of both the quantity and quality of discussion.

Hara As you point out, to raise the quality of board discussions, two-way communication between supervisors and executors is essential. It's particularly important for both sides to share the same viewpoint and sense of purpose, and have deeper discussions based on a common understanding. Outside directors bring to the table various skills and kinds of experience. To make the most of this knowledge, executive officers should actively seek out their opinions so the Board can operate more effectively. Through exchange with outside directors, executive officers acquire new viewpoints and experience, expanding the knowledge and experience of the organization as a whole. With abundant discussion, I hope a common language will form between the supervisory and executive sides. Shared assumptions and perspectives will make more advanced, meaningful discussions possible, maximizing the Board dynamic.

Responsibilities of the Chairman and the lead Outside Director: Higher-Quality Discussion

Hara In June of this year, I assumed the office of both Chairman of the Board and Chief Executive Officer. These dual responsibilities carry advantages in speedy decision-making, assurance of strategic consistency, and clarification of leadership, but on the other hand, concentrated authority poses risks. So, to enhance the oversight and restraint functions to ensure balanced power, we decided to designate a lead outside director. Under the new management system, I take a bird's-eye view of management as a whole, understand the organization's overall capability, and promote both oversight and execution in management. In Board meetings, I facilitate discussion as Chair, and I plan to focus on strategic themes and improve the agenda and proceedings while carefully drawing out the opinions of the executive officers. I also have a strong awareness of mediating between outside directors and employees on the floor. As I customarily talk with many employees to grasp the atmosphere and challenges on the floor, I believe I'm capable of filling the gap between the supervisory and executive sides, and leading them through discussions of essential importance.

Omori There was much careful discussion among us outside directors in deciding whether the CEO should chair the Board. From various viewpoints, the Nomination & Compensation Advisory Committee discussed the role of the Chair, required personal qualities, and the advantages and concerns about the CEO doubling as Chair. In the end, the committee unanimously agreed that the current system is optimal and that Mr. Hara deeply understands the industries that Macnica serves, its businesses, and corporate culture, and moreover is equipped with the necessary resources to manage Board discussions and lead decision-making.

I understand that my role as the lead outside director also holds stronger importance with the organizational shift. To fulfill my responsibility to oversee and check the Chair, I also play the role of making constructive suggestions about where the discussion should go in one-on-one dialogue with the Chair as needed, in addition to collecting and organizing the various opinions exchanged among the outside directors. For that, it's important for me to clearly understand what's happening in the Company as well as the challenges it faces. Smooth communication with executive officers is also essential. Fortunately, Macnica has a deeply rooted, open and unbiased culture, in an environment that allows free dialogue

To fulfill my responsibility to oversee and check the Chair, I also play the role of making constructive suggestions about where the discussion should go in one-on-one dialogue with the Chair as needed, in addition to collecting and organizing the various opinions exchanged among the outside directors.



Discussion between the Chairman and the Lead Outside Director

to happen naturally. With the shift in organizational structure last year, we revamped our system to better facilitate discussion. Going forward, I think we will soon enter the phase of raising Board effectiveness while making the most of our strong foundation.

Hara Macnica's board has seen major transformation since last year, and opportunities for outside directors to be more involved in management are increasing. FY2024 in particular was a crucial year with the start of the new Medium-Term Management Plan, and participation by outside directors from the early stages was highly significant. During our management retreat, we were able to have many lively discussions on capital allocation to realize Macnica's vision to become a Services & Solutions Company. As a result, we drew up a very convincing plan and publicly disclosed it for the first time. I see this as a major accomplishment. I'd like to continue building a highly effective governance system through dialogue with outside directors.

Omori I also got involved in writing the current Medium-Term Management Plan. It's a major turning point for Macnica in that it sets capital allocation over the coming three years and clarifies priorities for growth-oriented investment. Now that we've published specific figures for investment and clarified priorities among our investment targets, it will be even more important for the Board to continuously monitor the progress of ongoing initiatives. The Board needs to become more deeply involved in management, going beyond the oversight role and serving as a partner for executive officers, helping them carry out our current strategies.

Functions of the Board to Help Realize Vision 2030 — Greater Corporate Value and Sustainable Growth

Hara When Macnica says "higher corporate value," it means balancing economic and social values for sustainable growth. What we want to be going forward is set out in Vision 2030, but it's also an important guideline that expresses the types of value and

future that Macnica should create. In making Vision 2030 a reality, the Board will be more important than ever. We will support the decisions of executive officers with a long-term view, urge execution of strategies, support healthy risk-taking, and sustain growth. To build corporate value, it is essential to look at results in terms of sustainability as well as financial factors. For sustainable growth, I consider the environment, society, people, and governance to be essential factors in management decisions, as well as making social responsibility a high corporate priority. The diverse specialties of outside directors are indispensable for bringing new viewpoints to management and raising the quality of decision-making.

Omori The Medium-Term Management Plan, drawn up as the second step of Vision 2030, has now entered the phase of strategy execution. I know that this is when the quality and speed of executive officers' decisions and the value of a corporation are tested. As an outside director, I will support promotion of the plan, and to protect shareholder interests I accept the responsibility of checking the validity of management decisions, risk-taking, and hedging with an independent view. I think it's also an important responsibility for us outside directors to maintain an environment in which the Board can confidently support the executives in making challenging decisions. Macnica's areas of focus, including semiconductors, cybersecurity, digital technologies, and AI, have great growth potential over the long term, and I believe that handling them strategically will lead directly to increasing corporate value. When making investment decisions to shift the earnings structure and invest in new business, we have to take a close look and consider everything from financial health to technological risks and social effects.

Seeing whether our growth strategies are compatible with shareholder interests is also an important responsibility entrusted to us outside directors. I value incorporating into management the views we encounter in talking with shareholders and investors, while ensuring that we're making transparent management decisions and fulfilling our accountability. Dialogue with investors and shareholders promotes their understanding and support for our chosen direction,

and creates important feedback opportunities to maintain management health. By fulfilling these responsibilities, I will continue helping raise corporate value further as an outside director.

Hara Indeed, our fields of business, namely semiconductors, cybersecurity, and digital technologies, carry the potential for major social effects, and I sense in these areas Macnica's competitive edge and positive future prospects. We are able to offer value globally in these fields because we have the agility of a trading house on top of our technological prowess, and this is Macnica's core strength.

To correctly communicate and build our value, dialogue with our stakeholders is essential. In this kind of dialogue, I'm on the front lines listening to them on a daily basis and gaining new awareness, which holds enormous potential for expanding our scope of management and improving our decisions. I feel this frank dialogue gives us the capability to prevent a lot of management risk in advance. In these dialogues, I will continue to sincerely value their opinions and lead Macnica to be a stronger, more trustworthy company. I am resolved to putting myself on the front lines and fulfilling my responsibilities. I hope our stakeholders will continue providing their warm support and straightforward opinions, for which I express my heartfelt gratitude.



Corporate Governance

Basic Approach and Policy

Macnica Holdings, Inc. is responsible for corporate governance of the entire Macnica Group, including the formulation of basic management policies and strategies based on them. Meanwhile, the operating companies execute these policies and strategies, and pursue a governance model in which culture, talent, and strategy are integrated as one. As a group, we have adopted a basic policy of ensuring transparency and fairness through oversight while making prompt and bold decisions and executing operations in order to meet the trust placed in us by stakeholders such as customers, shareholders, and employees and to realize sustainable growth and enhanced corporate value.

In addition, to respond appropriately and swiftly to rapid changes in the business environment, we have introduced an executive officer system to separate business execution functions from decision-making and supervisory functions, with the aim of improving management mobility and clarifying responsibility for business execution.

Macnica's Basic Policy on Corporate Governance

01

Strengthening Our Competitiveness as a Company

We have continuously taken on bold and swift challenges ahead of our competitors in a rapidly changing business environment since our founding. The Group continuously discusses the ideal form of the Board of Directors and the policy for the operation of the Board of Directors in order to enhance our competitiveness as a company. As a public company, the Group aims to be a corporate group that meets the expectations and demands of all stakeholders with both integrity and competitiveness.

02

Establishing Frameworks and Processes for Decision-Making

We have structured and process management decision-making in order to be a corporate group that responds to market demands in a timely and appropriate manner and continues to grow sustainably even after generational changes in management. In addition, rather than insisting on finding the absolute correct answer to environmental changes we are also enhancing the Group's resilience (the ability to flexibly overcome difficulties and recover) by making decisions flexibly and promptly.

03

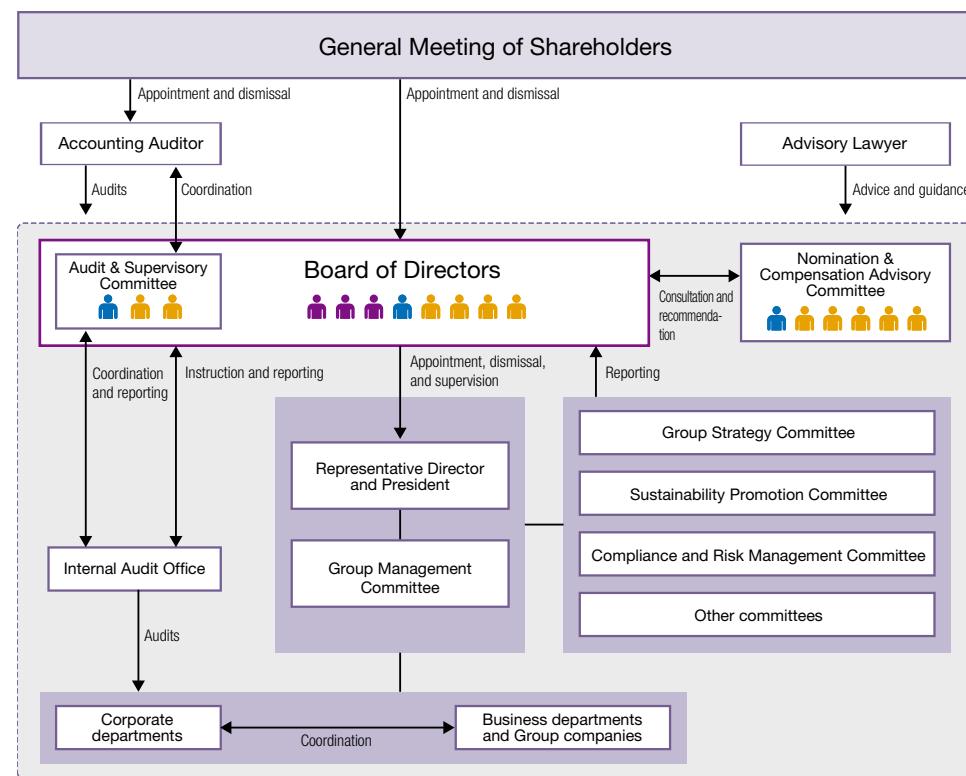
Ensuring Transparency, Objectivity, and Fairness

We also value our corporate culture of simplicity, openness, and fairness in operating the Board of Directors. By enhancing the transparency of information and actively incorporating objective viewpoints, we are creating an environment where both internal and external executives can engage in open discussions, thereby enabling a one Macnica to make the best decisions with a shared purpose. Furthermore, through means such as introducing a level of compensation that ensures market competitiveness benchmarked against major corporations and stock-based compensation to promote medium- to long-term corporate value creation, we are building a system that ensures objectivity and fairness, prevents reliance on specific individuals, and maintains continuous motivation and passion for growth.

Overview of Corporate Governance Structure

The Company transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee from June 2024. The aim is to enhance the Company's competitiveness and corporate value by delegating decisions on important business execution from the Board of Directors to directors to further accelerate decision-making and execution, while also strengthening the supervisory function of Board of Directors through focused discussions and policy decisions on critical management issues such as strategy, human resources, and risk, as well as monitoring the execution status by the executive team, thereby creating a corporate structure in which supervision and execution work in tandem.

Corporate Governance Structure (as of June 25, 2025)



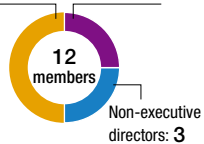
■ Executive directors
 ■ Non-executive directors
 ■ Outside directors

Review of FY2024

We define the role of the Board of Directors as “to enhance corporate value as a body that makes important management decisions and supervises business execution, against the backdrop of relationships not only with shareholders but with all stakeholders,” and in accordance with this purpose, we set appropriate discussion topics from the three key governance perspectives of human resources, business portfolio, and management foundation under the Chairman’s policy. For the current fiscal year, we focused our discussions on important issues in the formulation of the new Medium-Term Management Plan (FY2025–2027), including the medium-term strategy and plan to realize the long-term vision planned and proposed by the executives, and the approach to capital allocation based on that plan.

Board of Directors

Role: The Board of Directors adopts a monitoring model and, based on the regulations of the Board of Directors and other related regulations, makes decisions on important matters of the Company’s management and basic matters of Group management, while supervising the execution of duties by directors, and in principle meets once a month.

Chairperson: Kiyoshi Nakashima	Number of meetings: 13 in FY2024
Structure Outside directors: 6 Directors: 3  Non-executive directors: 3	Main items for discussion and deliberation: <ul style="list-style-type: none"> • New Medium-Term Management Plan (FY2025–2027) • Approach to capital allocation based on the new Medium-Term Management Plan • Chairperson succession • Review of the standards for submission of proposals and changes in the operation of the meeting body in connection with the transition to an Audit & Supervisory Committee • Progress on existing and new businesses and corporate operations • The ideal form of the Board of Directors based on the evaluation of the effectiveness of the Board of Directors

Activities of the Board of Directors

(1) Formulation of the New Medium-Term Management Plan (FY2025–2027)

The Board of Directors confirmed the strategic transitions and challenges of the Services & Solutions business, which will be key to transforming the business model upon achieving the long-term vision, and at the same time, confirmed the future growth potential and profitability of the existing Semiconductor and Cybersecurity Businesses. Based on this, the Board of Directors deliberated on future investment priorities and scale, and provided feedback to the executives regarding the necessity of new investment management.

(2) Governance Related to Human Capital, Business Portfolio, and Management Foundation

Regarding human capital, the Board of Directors reaffirmed the Company’s philosophy toward people as stated in its management policy as the foundation of its valued culture, and discussed what should be changed and what should be retained, and discussed with the executives the signs of change in our current culture.

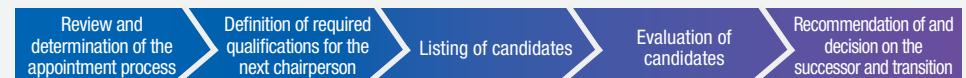
With respect to the business portfolio, as previously mentioned, the Board of Directors discussed and confirmed strategies for transforming both the existing business models and the new Services & Solutions (SS) model under the new Medium-Term Management Plan toward achieving Vision 2030 and long-term management targets.

With regard to the management foundation, the Board of Directors discussed the CDP assessment report and disclosure proposals related to the GRI content index submitted by the Sustainability Promotion Committee, and received reports from the executives regarding the internal whistleblowing situation and countermeasures in response to major risks as part of Group risk management. It also receives regular reports on investor relations activities and discusses future activities.

(3) Chairperson Succession

A review was held on the chairperson succession process due to the mandatory retirement at the end of the Chairman’s term and on the structure of the Board of Directors following the change in chairperson. Regarding the chairperson succession process, from the perspective that the role as the leader of the Board of Directors is becoming increasingly important as a source of corporate competitiveness, the roles and responsibilities of the Chairman were again discussed and defined, and a process was put in place. With respect to the structure of the Board of Directors, a structure was reviewed in which the CEO would serve as chairperson in the next fiscal year, the ratio of inside directors to outside directors would be 5:6, and a lead outside director would be appointed.

Outline of the Selection Process



Role and Personnel Requirements for the Next Chairperson

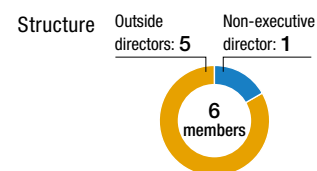
Role of the next chairperson	Personnel requirements for the next chairperson
<ol style="list-style-type: none"> 1. Lead the agenda and decision-making based on a thorough understanding of Macnica’s industry, business, and organization 2. Collaborate with, support, and supervise the CEO and management team 3. Continuously improve the effectiveness of the Board of Directors 4. Provide explanations to and coordinate with stakeholders 5. Oversee the nomination and compensation processes 6. Secure sufficient time for the chairperson to fulfill their role 	<ul style="list-style-type: none"> • Competencies • Experience • Personality • Motivated • Other

Nomination & Compensation Advisory Committee

Role: As an advisory body to the Board of Directors, the committee confirms and reviews the appointment of the Representative Director and President and the selection of candidates for directors and Audit & Supervisory Board members with a high degree of independence, objectivity, and transparency, and provides recommendations to the Board of Directors on the compensation (including stock-based compensation) of directors and executive officers.

Chairperson: Eiichi Nishizawa

Number of meetings: 7 in FY2024



Main items for discussion and deliberation:

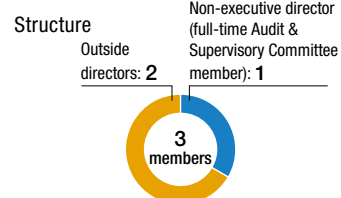
- Review of the chairperson succession process and structure of Board of Directors following change in chairperson
- Review of the process for selecting candidates for outside directors
- Whether or not to revise the level and structure of executive compensation in the next fiscal year

Audit & Supervisory Committee

Role: The Audit & Supervisory Committee, as an independent statutory body, mainly audits and supervises the execution of duties by directors. In addition to meetings of the Board of Directors, the committee attends important meetings and regularly exchange opinions with senior management, the Internal Audit Office, the accounting auditor, and outside directors to gain an understanding of the actual state of operations, with the aim of improving audit effectiveness and enhancing corporate governance.

Chairperson: Shinichi Onodera (full-time)

Number of meetings: 10 meetings in FY2024 (Board of Corporate Auditors: 3 meetings*)



Key audit items:

- Operation of the Board of Directors (including the Nomination & Compensation Advisory Committee)
- Appropriate operation of main businesses and new businesses
- Financial management, sustainability management, global management infrastructure, etc.
- Audits by accounting auditor

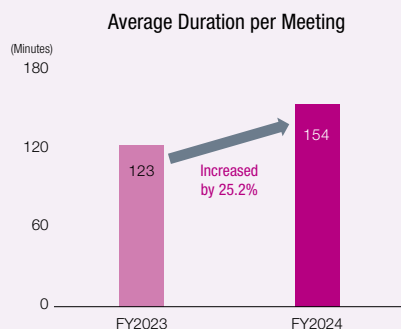
* The Company transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee with the approval at the 9th Annual General Meeting of Shareholders held on June 26, 2024. Therefore, in FY2024, the Audit & Supervisory Board held 3 meetings up to June 26, 2024, when the Company transitioned to a company with an Audit & Supervisory Committee, and thereafter, the Audit & Supervisory Committee held 10 meetings by the end of FY2024.

Pick Up Changes Following the Organizational Design Changes

In June 2024, the Company changed its organizational design with the aim of strengthening its competitiveness as a company and transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee. Through this change in the organizational design, decision-making and business execution have been accelerated through the delegation of authority to the executives, and the Board of Directors is now structured to focus on discussions that contribute more to improving corporate value over the medium to long term. This has allowed the Board of Directors to spend more time on important topics that should be discussed at meetings of the Board of Directors and strengthened its supervisory function, starting from FY2024.

Changes in Composition of Discussions of the Board of Directors

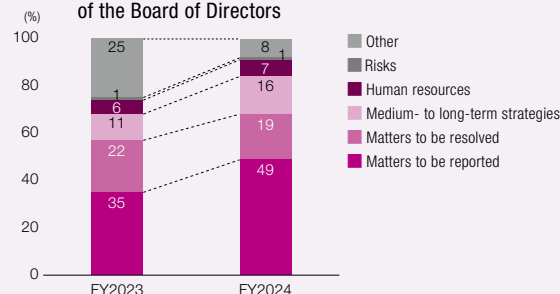
- Duration of meetings of the Board of Directors increased in FY2024 compared to FY2023



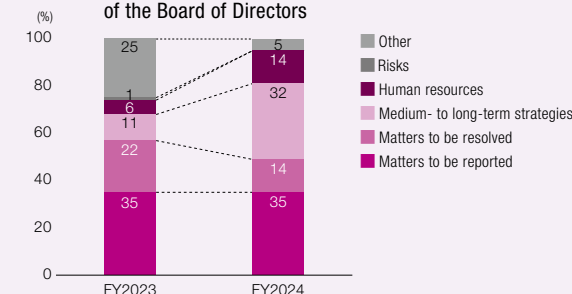
Changes in the Time Allocation for Discussion Items

- Delegation of authority to the executives has increased the amount of time spent on reporting matters at regular meetings of the Board of Directors

Composition of Discussions at Regular Meetings of the Board of Directors



Composition of Discussions Including Additional Meetings of the Board of Directors



Analysis and Evaluation of the Effectiveness of the Board of Directors

The Board of Directors was assessed to be generally effective overall. As with last year, it was recognized that the Company’s Board of Directors shares common values, maintains a consistent commitment to making decisions based on a strong sense of ethics, conducts open and candid discussions, and that the number of members of the Board of Directors is appropriate in scale. Furthermore, oversight of business execution was judged to be appropriate with respect to compliance, risk, and finance, and the Board of Directors’ independence from and checks-and-balances dynamic with the executives were deemed sound.

The change in organizational structure last year from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee led to a narrowing of agenda items through the delegation of authority to the executives, which increased the time spent on strategic discussions at meetings of the Board of Directors, and advance briefings and additional meetings of the Board of Directors also contributed to improving the quality of discussions through advance sharing of information. On the other hand, issues include the need to further streamline agenda items, prepare more thoroughly, and enhance the quality of discussions, as well as the need to pursue discussions on human resources in order to increase corporate value over the medium to long term. While continuously reassessing the ideal form of the Board of Directors, we will continue to work to ensure that we have sufficient time for quality discussions on these important issues.

Process of the FY2024 Evaluation of Effectiveness



Operation Policy for FY2025

In FY2025, we will first position human resources as a key area of focus, and develop discussions in the Board of Directors based on the executives’ perspective on the Company’s human resource philosophy and basic organizational management policy, which will form the foundation of these discussions. In terms of strategy, we plan to monitor the progress of the newly launched Medium-Term Management Plan. At that time, the Board of Directors will reaffirm the level of strategy that should be directed to the executives, and will conduct focused discussions on environmental changes that have an impact through enhancing corporate value and the key actions that can be taken in response to those changes.

In order to further enhance the effectiveness of discussions by the Board of Directors, we will maintain a Board of Directors with a culture of simplicity, openness, and fairness, which we value, while reaffirming the ideal form of a Board of Directors and improving the quality of its discussions. We will continue to aim for effective operation by (1) conducting seminars with outside experts on specific management issues, (2) holding executive sessions for each meeting of the Board of Directors composed only of outside directors, and (3) regularly holding opinion exchange meetings between executive officers and non-executive directors.

Management Selection and Dismissal Process and Successor Training

Director, CEO, and Executive Officer Selection and Dismissal Process

For director candidates, the selection policy is to appoint those with knowledge and track records that can enhance corporate value. The Nomination & Compensation Advisory Committee, which is composed of a majority of outside directors, confirms and examines the selection details, and then the Board of Directors deliberates and decides on the candidates. For outside director candidates, the Company appoints individuals with insight and a high level of expertise that cannot be obtained from internal directors alone from the viewpoint of strengthening the supervisory function of the Board of Directors.

The Board of Directors deliberates and decides on the Representative Director and President based on the report of the Nomination & Compensation Advisory Committee.

For executive officers, the Board of Directors deliberates and determines individuals with the knowledge, ability, and experience to play a central role in business execution, such as company presidents of business divisions (responsible for internal companies) and general managers in charge of each function.

Dismissal shall be based on a comprehensive judgment by the Board of Directors, taking into consideration advice from the Nomination & Compensation Advisory Committee, in the event of (1) misconduct or other acts against public order and morals, (2) a violation of laws, the Articles of Incorporation, etc. or (3) significant loss of corporate value due to negligence of duties by an individual, which makes it difficult to perform the duties of each role.

Succession Planning

The current succession plan is reviewed and discussed by the Nomination & Compensation Advisory Committee, a voluntary committee reporting to the Board of Directors that reviews and discusses topics including plans and programs for training. The status of implementation of succession and executive development plans is also reported to the Board of Directors as appropriate.

Executive Compensation

The determination of executive compensation is deliberated by the Nomination & Compensation Advisory Committee (an advisory body to the Board of Directors), submitted to the Board of Directors for discussion, and ultimately decided by the Board of Directors within the total amount approved by the General Meeting of Shareholders. This Nomination & Compensation Advisory Committee is composed of five independent outside directors (including one who serves as an Audit & Supervisory Committee member) and one non-executive director. The policy for determining the amount of remuneration for directors is as follows, which is determined by a resolution of the Board of Directors. The total amount of compensation for directors is determined by setting the level of compensation of major Japanese companies (market level) as the level to aim for and designing a role table based on the scale of the role of each director. The compensation for directors consists of base compensation, bonuses (performance-linked compensation), and stock-based compensation, with a target ratio of 50:20:30, respectively. Base compensation is paid monthly in fixed amounts, bonuses are paid in July of the following year, and stock-based compensation is conferred in July.

In determining the individual compensation details for each director, the Nomination & Compensation Advisory Committee conducts a multifaceted review of the draft proposal, including consistency with the decision-making policy, and the Board of Directors generally respects the committee’s recommendations and deems that they conform with the policy.

Compensation for directors who are Audit & Supervisory Committee members and outside directors is paid only as basic compensation (fixed compensation).

Basic Design of Executive Compensation

A framework is in place to ensure fairness within the Company by rewarding employees more in proportion to the size of their roles and responsibilities.

In addition, the compensation structure is designed to have a relatively high variable component, with the intent of improving corporate value over the medium to long term.

Total Amount of Compensation by Executive Classification, Total by Type of Compensation, and Number of Applicable Executives at Macnica Holdings, Inc.

Executive classification	Total amount of compensation (million yen)	Total amount of compensation by type (million yen)					Number of applicable executives (persons)
		Basic compensation	Stock options	Bonuses	Stock-based compensation	Retirement benefits	
Directors (excluding Audit & Supervisory Committee members and outside directors)	243	98	—	41	103	—	8
Audit & Supervisory Committee members (excluding outside directors)	16	16	—	—	—	—	1
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	5	5	—	—	—	—	1
Outside executives	66	66	—	—	—	—	9

Notes: 1. The Company transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee effective June 26, 2024.
 2. The above includes three directors who retired at the conclusion of the 9th Annual General Meeting of Shareholders held on June 26, 2024.



1. Bonuses (Performance-Linked Compensation)

In order to raise awareness of improving corporate performance in each fiscal year, KPIs are set based on four financial items for each fiscal year (consolidated net sales, consolidated operating profit margin, ROE, and consolidated working capital turnover), three items related to key strategies such as a new business model (SS model) development, business strategy, and strengthening the management foundation, as well as employee surveys to build a strong organization, and a weighted amount is paid based on the degree to which each target is achieved.

2. Bonuses and Stock-Based Compensation (Non-Monetary Compensation)

- Stock-based compensation is granted as restricted stock compensation with a restriction on transfer for a certain period of time for the purpose of providing a medium- to long-term incentive and shareholder value sharing.
- 10% of the bonus reflects the instillation of Purpose and values and employee engagement points.
- Going forward, we intend to further incorporate ESG perspectives, and we are considering how to reflect aspects such as the environment, employees, and diversity, equity & inclusion (DE&I) in the compensation system.

KPIs
 Set based on the current Medium-Term Management Plan (FY2022–2024)

- Financial items (4 items)
 - Net sales
 - Operating profit margin
 - ROE
 - Working capital turnover
- Key strategies (three items)
 - Development of services and solutions
 - Business strategy
 - Strengthening the management foundation
- Employee surveys, etc.

10% of the bonus reflects the following

- Instillation of Purpose and values
- Employee engagement points

Experience and Expertise of Directors (Skill Matrix)

The Company objectively defines the skills required of directors from two main perspectives: experience and track record, also based on quantitative criteria, and the expertise and skills necessary for the future business strategy of the Group. In conjunction with the changes in organizational design last year, in order to enhance the effectiveness of the Company's corporate governance, we have confirmed our basic approach to the composition of the Board of Directors, redefined the skills that the Board of Directors should possess consistently with the future direction of management, reevaluated the incum-

bents and clarified composition and succession issues.

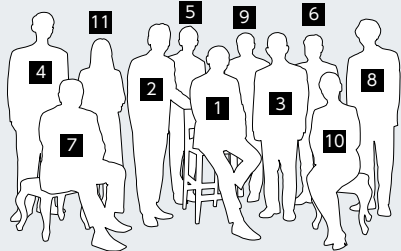
In terms of diversity, we currently have two female directors (outside directors) and no foreign directors on the Board of Directors, but we do have one former Chinese director and one director who has lived and trained overseas for a long time. We believe that diverse values that transcend gender and nationality are essential for enhancing corporate value, and we will continue to place importance on diversity going forward.

Name	Post	Year appointed	Skills required to perform the function (knowledge, experience, and abilities)													
			Corporate management	Corporate governance	Long-term strategy	Risk management	Human resources and corporate culture	Capital markets and finance	Global business operations	Innovation	Business investment and M&A	Industry knowledge	DX technology	Branding	Compliance and legal affairs	Sustainability
Kazumasa Hara	Representative Director and President	2019	●	●	●	●	●	●	—	●	●	Semiconductors, networks*	●	●	—	●
Akinobu Miyoshi	Representative Director and Vice President	2019	●	—	●	—	●	—	●	●	—	Semiconductors, networks*	—	—	—	—
Makoto Okawara	Director	2024	●	—	—	●	—	●	●	—	●	Trading company	—	—	—	—
Eiichi Nishizawa	Director (non-executive)	2015	—	●	—	●	—	●	—	—	●	Semiconductors	—	—	—	—
Shinichiro Omori	Director (outside)	2022	●	●	—	●	—	—	●	—	●	General electronics, etc.	●	—	—	—
Tsunesaburo Sugaya	Director (outside)	2019	●	●	—	—	—	●	●	●	●	Investment	—	—	—	—
Yasuaki Mori	Director (outside)	2024	●	●	●	●	●	●	●	—	●	Semiconductors, AI, etc.	●	—	—	—
Shinichi Abe	Director (outside)	2025	●	●	●	●	●	—	●	●	—	IT, networks*	●	—	—	—
Shinichi Onodera	Director (Audit & Supervisory Committee member/full-time, non-executive)	2024	—	●	—	●	—	●	●	—	●	Semiconductors	—	—	—	—
Kay Miwa	Director (Audit & Supervisory Committee member/outside)	2024	—	●	—	●	—	—	●	—	●	Automobiles, etc.	—	—	●	—
Yukie Sugita	Director (Audit & Supervisory Committee member/outside)	2024	—	●	—	●	—	●	—	—	—	Accounting	—	—	—	—

Note: This table does not represent all the knowledge, experience, and abilities possessed by the directors, but the major ones.

*Network and security industry

Board of Directors



1 Kazumasa Hara
Representative Director and
President

2 Akinobu Miyoshi
Representative Director and Vice
President

3 Makoto Okawara
Director

4 Eiichi Nishizawa
Director

5 Shinichiro Omori
Outside Director

6 Tsunesaburo Sugaya
Outside Director

7 Yasuaki Mori
Outside Director

8 Shinichi Abe
Outside Director

9 Shinichi Onodera
Director (Full-Time Audit &
Supervisory Committee Member)

10 Kay Miwa
Outside Director (Audit &
Supervisory Committee Member)

11 Yukie Sugita
Outside Director (Audit &
Supervisory Committee Member)

Board of Directors (as of June 30, 2025)

Directors



Kazumasa Hara
Representative Director and President

Date of birth: October 18, 1971
Number of shares held: 220,926
Years in office: 6 years
Significant concurrent positions:
President and Co-CEO, Macnica, Inc.



Akinobu Miyoshi
Representative Director and Vice President

Date of birth: July 13, 1971
Number of shares held: 110,889
Years in office: 6 years
Significant concurrent positions:
Co-CEO, Macnica, Inc.



Makoto Okawara
Director

Date of birth: October 3, 1963
Number of shares held: 13,233
Years in office: 1 year
Significant concurrent positions:
Managing Director, General Manager of Financial Group, Macnica, Inc.



Eiichi Nishizawa
Director

Date of birth: March 26, 1957
Number of shares held: 50,412
Years in office: 10 years



Shinichiro Omori
Outside Director

Date of birth: February 6, 1956
Number of shares held: 0
Years in office: 3 years
Significant concurrent positions:
Outside Director of the Board, KOKUJO CO., LTD.
Outside Director of the Board, Kansai Paint Co., Ltd.



Tsunesaburo Sugaya
Outside Director

Date of birth: November 24, 1963
Number of shares held: 0
Years in office: 6 years
Significant concurrent positions:
Outside Director, Plat'Home Co., Ltd.
Outside Director, I Peace, Inc.
Representative Director, MIYAKO CAPITAL Co., Ltd.
Audit & Supervisory Board Member, Artiza Networks, Inc.



Yasuaki Mori
Outside Director

Date of birth: October 12, 1961
Number of shares held: 0
Years in office: 1 year
Significant concurrent positions:
Advisor, Wibu-Systems A.G.
Advisor, Wibu-Systems K.K.
Advisor, RGo Robotics, Inc.



Shinichi Abe
Outside Director

Date of birth: August 7, 1968
Number of shares held: 0
Years in office: Newly appointed
Significant concurrent positions:
Representative Director, President and CEO, MNES Inc.
Outside Director of the Board, Sekisui House, Ltd.



Shinichi Onodera
Director (Full-Time Audit & Supervisory Committee Member)

Date of birth: January 8, 1956
Number of shares held: 30,642
Years in office: 1 year
Significant concurrent positions:
Audit & Supervisory Board Member, Macnica, Inc.
Corporate Auditor, Macnica Solutions Corp.



Kay Miwa
Outside Director (Audit & Supervisory Committee Member)

Date of birth: February 22, 1969
Number of shares held: 0
Years in office: 1 year
Significant concurrent positions:
Outside Director, MEIWA CORPORATION



Yukie Sugita
Outside Director (Audit & Supervisory Committee Member)

Date of birth: May 19, 1965
Number of shares held: 0
Years in office: 1 year
Significant concurrent positions:
Representative Partner, Sugita Certified Public Accountant Firm
Representative Director, Ayumu Advisory Co., Ltd.
Outside Corporate Auditor, Nakano Refrigerators Co., Ltd.
Auditor, Saitama Housing Inspection Center
Outside Director, SANYEI CORPORATION

Executive Officers

President & CEO
Kazumasa Hara

Executive Vice President and COO
Akinobu Miyoshi

Managing Executive Officers
Takemasa Sato
Shigenori Mori
Makoto Okawara

Executive Officers
Teruyoshi Yamamoto
Shoichi Teshiba
Koji Senga
Yuichi Yoshioka
Yusuke Kobayashi
Jun Ikeda
Atsushi Sato
Tomohisa Asano
Keigo Ando
Keisuke Ito
Miki Sakakibara
Atsushi Nishikawa

▶ [Profiles of Directors](#)

Risk Management

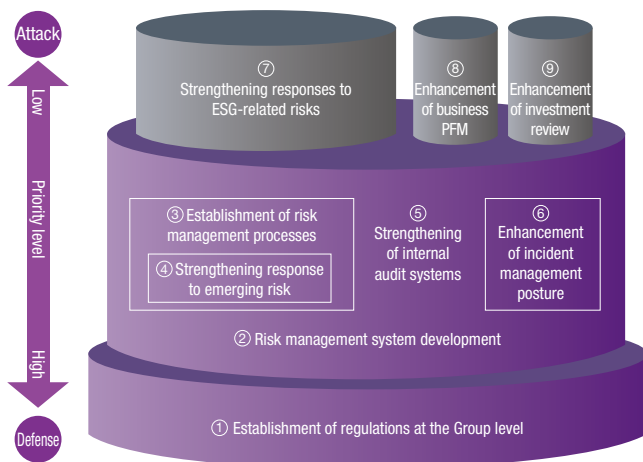
Operating a Globally Effective Risk Management System

Miki Sakakibara

Executive Officer,
General Manager of Governance &
Risk Management Group,
Macnica, Inc. and General Counsel



Risk Management Overview



| FY2024 in Review

Embedding Risk Management Processes and Responding to Serious Incidents

The Macnica Group is advancing the redevelopment of an effective risk management system encompassing the entire Group. In FY2024, we selected and evaluated risk based on evaluation criteria shared group-wide and formulated a risk map. With a focus on serious risks, we sought to embed a risk management cycle by enacting countermeasures and through monitoring.

The risk identification process combines a bottom-up approach involving frontline leadership with a top-down approach from senior management. We raised risk response effectiveness by having senior management then deliberate countermeasures from a management-focused perspective.

In addition, we sought to embed an incident reporting system and conducted incident response training as we reinforced our response capacity across the organization. As a result, we were able to quickly and appropriately address even serious system malfunctions that occurred in FY2024 (P.77).

| In Pursuit of Vision 2030

Effective Risk Management

“Growth of a Value-Added Distribution model” and “Evolution into a Services & Solutions model” are the two key components of Vision 2030. A highly effective risk management system that makes appropriate risk evaluation and strategic risk taking possible is essential to realizing both models. At Macnica, we continuously examine the effectiveness of our risk management processes, as we advance improvements that lead to reduced risk and incident prevention.

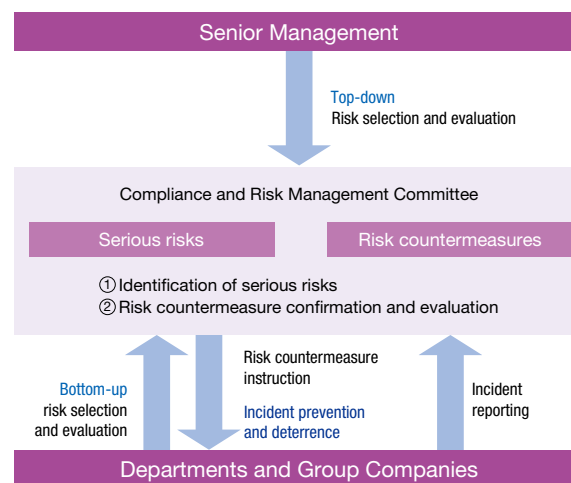
Similarly, we are focusing on measures to raise awareness among employees in order to embed risk management as a company-wide initiative. One representative initiative involves organizing approximately 300 small groups across all employees to conduct Compliance Discussions. By exchanging viewpoints around the theme of risk management, we seek to improve both risk sensitivity and response capacity at the frontline operations level.

Risk Management Review Conducted by Senior Management Group-wide

Within the Macnica Group, the Group’s senior management (President, officers, etc.) and the senior management of overseas subsidiaries come together in the same meeting for discussion of the annual activities reported at the Compliance and Risk Management Committee (e.g., risk selection, identification of serious risks, incident reports and the results of internal hotline reporting analysis). As part of this review, both the status and issues related to the risk management system are shared across the Group, and policies to address serious risks and improvement measures are debated.

In addition to heightening risk response effectiveness from a global perspective, we are taking steps to improve both the quality and speed of management decision-making. This type of initiative is bolstering risk resilience across the entire Group, and contributing to the increasingly stable management base required for sustainable growth.

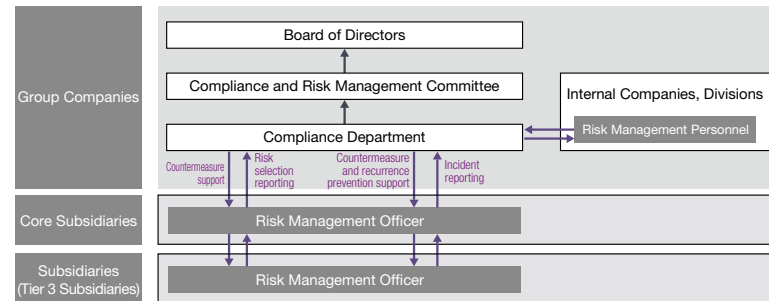
Management and Risk Management



Risk Management System

Risk management officers at head office departments and each Group company act as hubs as we work to embed risk management. As the main initiative for reducing risk through risk management processes and timely incident reporting, the Compliance Department at the Macnica head office serves as the anchor for the development of a risk management system reporting to both the Compliance and Risk Management Committee and the Board of Directors.

Risk Management System Structure (as of July 31, 2025)



Systematic Risk Evaluation and Response via Risk Mapping

We discover risk through both the senior management perspective (top-down) and the perspective of frontline business (bottom-up). The identified risks are broadly divided into 4 categories—external environmental risks, management strategy risks, business process risks, and management resource risks—then subdivided into 32 further categories. Risks are then plotted on a risk map along two axes—frequency of occurrence and impact. Using the risk map, the identified risks are evaluated and analyzed, with countermeasures and monitoring deployed for risks with the highest degree of severity. This process makes risks more visible and allows for ranking by priority, supporting quick and accurate management decision-making.

Risk Categories

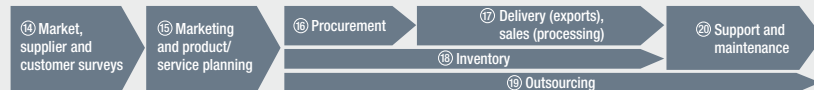
External Environmental Risks

- ① Changes in the business environment
- ② Geopolitical risks
- ③ Disasters, accidents and infectious diseases
- ④ Crimes and other damages
- ⑤ Legal changes
- ⑥ Cyberattacks
- ⑦ Fluctuations in financial markets

Management Strategy Risks

- ⑧ Business strategy
- ⑨ SDGs/ESG
- ⑩ Group control
- ⑪ M&A/investment
- ⑫ Compliance (criminal)
- ⑬ Compliance (civil)

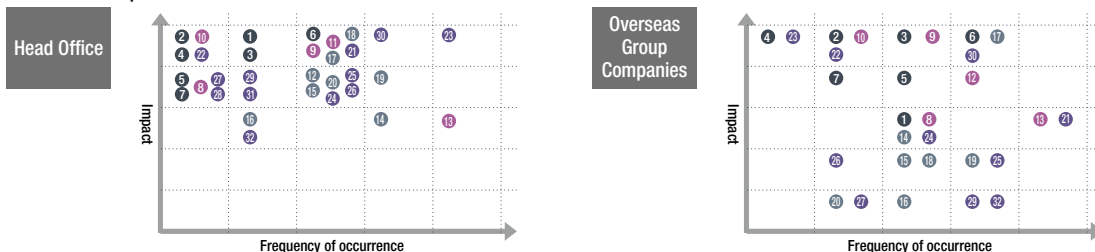
Business Process Risks



Management Resource Risks

- Human: ㉑ Recruitment, employment and resignation; ㉒ Human resource development; ㉓ Labor affairs
- Goods: ㉔ Quality
- Money: ㉕ Finance; ㉖ Taxation; ㉗ Investor relations; ㉘ Accounting and debt collection
- Information: ㉙ Information management and handling; ㉚ Intellectual property; ㉛ Communication

FY2024 Risk Map



Strengthening Our Global Risk Management System

Under the supervision of the Board of Directors, Macnica Holdings has established a Compliance and Risk Management Committee, chaired by the President, as a pathway to strengthening the risk management system group-wide. Centered on the Compliance Department at the head office, we are linking together risk management personnel from each department and Group company in developing a cross-cutting structure. To further enhance risk management system effectiveness, we are working to share risk recognition through 1-on-1 meetings and discussions with management at each Group company. Furthermore, in addition to semiannual feedback meetings, through annual global risk management meetings, we are reviewing activities, sharing issues and spreading positive examples in an effort to cultivate group-wide risk management awareness and enhance responsive capacity.



Responding to Natural Disaster Risk and Enhancing Our Business Continuity Structure

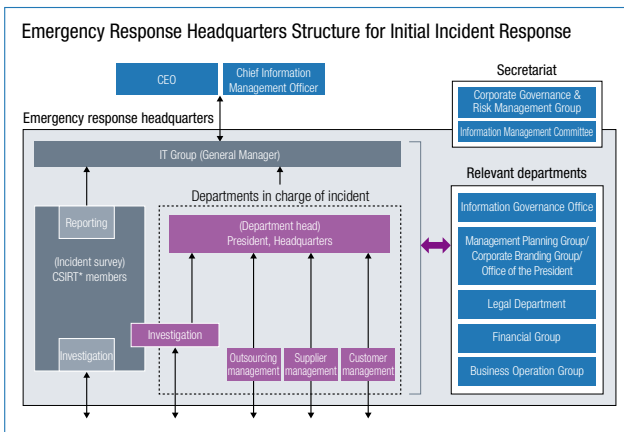
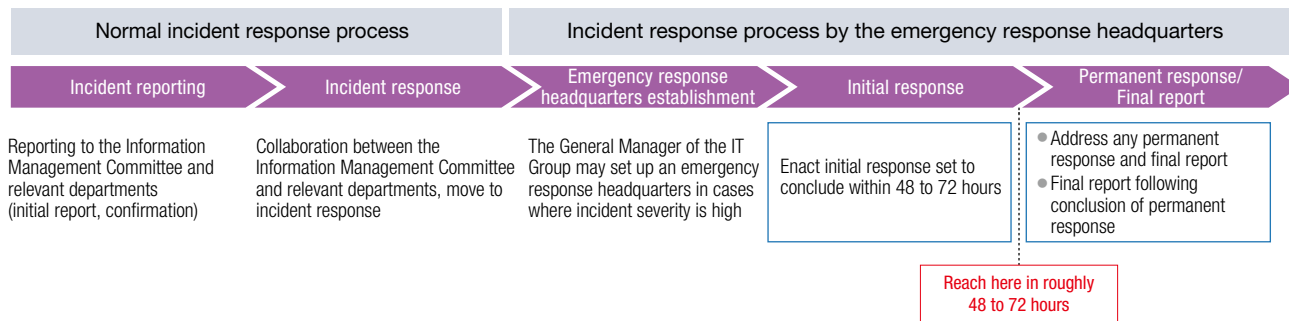
The Macnica Group is bolstering its response structure across the Group to minimize the impact of natural disasters, infectious diseases and other suddenly occurring risks on business activities. When California wildfires, earthquakes in Taiwan and Myanmar, and other events occurred at the beginning of 2025, we moved quickly to ensure employee safety and verify operational status on the ground and at sites in surrounding countries. We also confirmed any impacts on the supply chain in regions where Macnica has no bases. Thanks to an information networking system centered on risk management personnel at each Group company, information is shared with the General Affairs Division at the head office in real time and, in addition to advance preparation, lets Macnica strive to ensure business continuity through the development of a resilient structure that includes crisis response at the point of occurrence.

Responding to Information Security Risk

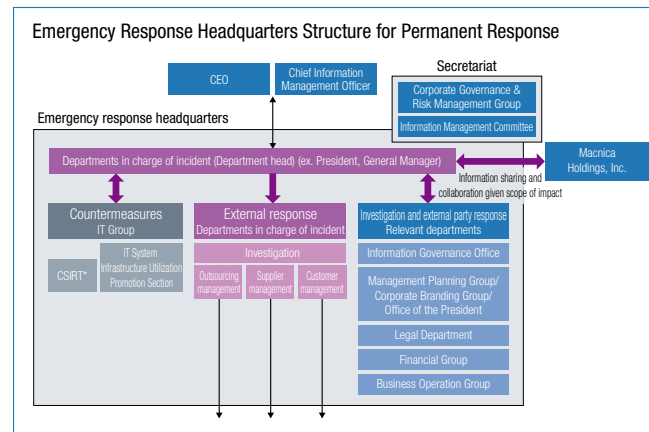
The Macnica Group recognizes information security risk from cyberattacks as a serious risk that could impact business continuity. As an enterprise in the Cybersecurity Business, we are developing a comprehensive system to manage risks not only from our own internal information assets but those stemming from vulnerabilities in customer systems and at outsourcers.

In FY2024, a flaw in security software handled by Macnica caused a temporary system malfunction at client companies and at Macnica itself. In response, we rapidly set up an emergency response headquarters and gathered information in collaboration with suppliers, enabling the recovery of internal systems by the next business day. At the same time, we rolled out a 24-hour system to support recovery among client companies as we worked to minimize the impact of the malfunction. Ultimately, these integrated responses both reconfirmed the effectiveness of our crisis management system and helped to improve trust among suppliers and customers alike.

Information Security Incident Response Process and System



*Computer Security Incident Response Team: Team that responds when an incident involving a security-related problem occurs



Note: The names in this organizational chart are those of the operating company, Macnica, Inc.

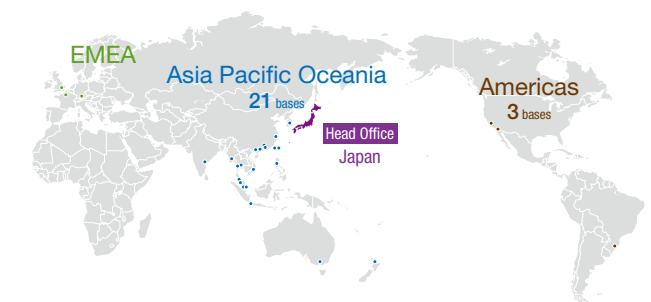
Strengthening Our Export Control System

The environment surrounding export control is changing substantially, with the international scene growing more uncertain in recent years from the armed conflict between Russia and Ukraine, and intensifying technology restrictions and trade friction between the U.S. and China, among other concerns. Export restrictions are gaining ground in countries worldwide from the standpoint of safeguarding both safety and economic security. Accordingly, suppliers are facing growing requirements with respect to export control. At the same time, the Macnica Group's business scale is expanding and the number of overseas Group companies is rising, making export control for the entire Group increasingly necessary. To properly address these conditions, we are positioning a stronger export control system as a priority issue.

As specific initiatives to strengthen the export control system, head office departments responsible for export control visit, audit and survey documents at overseas Group companies, exchange information with local managers, regularly share out information on export restrictions, hold meetings to support the systems of overseas Group companies, and disseminate educational materials. From these initiatives, Macnica is building out an effective compliance framework for export restrictions reflecting the legal constraints and management conditions present in each country.

Going forward, we are committed to reducing compliance risk by accurately assessing international restriction trends and taking steps to achieve both greater sophistication and ongoing improvements in group-wide export control.

Global Export Control – Consolidated Bases



Compliance

Compliance Activities Connected to Risk Management

In accordance with the Macnica Group Code of Conduct, the Group is committed to respecting human rights throughout all business activities, and adhering to relevant laws, international rules and the spirit thereof. Moreover, the Group strives to fulfill its social responsibilities in line with high ethical standards in helping to create a more sustainable society.

Internally, the Group has established compliance regulations, takes steps to embed and maintain a compliance system and, as necessary, formulates guidelines and conducts training. Working in collaboration with risk management initiatives, by enacting training tied to countermeasures for recognized risks, the plan is for training that will definitively help to mitigate risk.

Rather than sharing information solely in Japan, Macnica works to raise knowledge and awareness, including among overseas Group companies, through publication of a compliance mail magazine and other venues.

Compliance Supported by Awareness, Knowledge and Systems

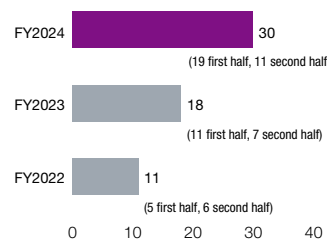
Along with compliance awareness, improving knowledge of basic legal restrictions and systems that prevent compliance violations from occurring are essential to ensuring compliance is widespread and embedded. To foster compliance awareness, Macnica holds an annual Compliance Discussion open to all employees. In FY2024, the themes for the lively debate and discussion were customer harassment, the use of generative AI, and work hour management.

Other initiatives promoted to spread and embed compliance included training for general managers on harassment prevention and work hour management, and the distribution of a compliance handbook to overseas Group companies. We also post monthly compliance information on our intranet portal site in a bid to enhance knowledge of legal regulations pertaining to business operations. Additionally, we are developing a system for avoiding violations of the Subcontract Act and the Freelancer Protection Act through use of an anti-social forces check system and business partner registration workflow.

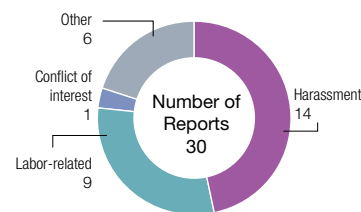
Internal Reporting System Operation

The Macnica Group has established a global internal reporting desk at the head office, with the receipt of reports from Group companies possible in several different languages. Furthermore, in FY2023, we opened an avenue to receive reporting from business partners and other external parties. Last fiscal year, the number of reports received domestically and internationally tripled compared to two years prior, indicating that system recognition and utilization are gaining momentum. All told, there were 30 reports for a consolidated workforce of roughly 5,000 employees. Forty percent of the concerns surveyed through this reporting were confirmed, with proper correctives and steps taken to prevent recurrence. Actions of this kind will continue going forward in a bid to head off risks.

Number of Internal Reports



Internal Report Breakdown



Status of Compliance Discussions

Total Participants (Response rate: 100%)	20 Total Departments 295 groups; 2,758 individuals
Overall Evaluation (5 points max)	
1) Relevance	4.4 points
2) Difficulty (5 (Hard) to 1 (Easy))	3.88 points
3) Degree of improved understanding of topic	4.41 points

Topic ALB Japan Law Awards 2025 Recipient

Macnica won in one category and advanced as a finalist in two others at the Asian Legal Business (ALB) Japan Law Awards 2025. Thomson Reuters hosts these international awards, given in recognition of excellent contributions and achievements by outstanding legal world specialists, law offices and corporate legal departments.



Topic Legal Affairs Integration of Macnica and Glosel

The respective legal departments of Macnica and Glosel merged in line with a corporate separation dated April 1, 2025.

This merger was the result of regular meetings between the two companies, both of which worked diligently toward a smooth transition and to deepen mutual understanding.

Following the merger, both companies are sharing their respectively held knowledge, experience, expertise, technology, issues and business details in order to further strengthen their legal affairs systems, with sights on raising and augmenting their legal function capabilities.

More specifically, integrating the contract review standards of both companies has made more sophisticated and precise contract reviews possible. The merger of contract templates and educational materials for in-house training, meanwhile, is leading to a quality-level improvement in legal services for in-house needs.



Legal affairs integration project members from Macnica and Glosel

Dialogue with Capital Markets

The Group believes that disclosing timely and appropriate information to shareholders and investors in Japan and overseas, as well as building up two-way communication, will lead to fair value evaluation. The President (CEO) and CFO play central roles in actively engaging in investor relations activities. The content of dialogue with institutional investors of various investment styles in Japan and overseas, as well as the opinions and suggestions we receive from them, are reported to the Board of Directors as appropriate, and are used to improve management.

IR Activity Results

Activity	FY2023 Results	FY2024 Results
Meetings for sell-side analysts*	24	23
Meetings for institutional investors*	254	308
Japan	144	159
Overseas	110	149
Handled by President (CEO)	95	101
Handled by CFO	149	214
Financial results briefings	2	2
Other briefings	3	3

* Total number of companies. Includes meetings during international roadshows.
The period of data collection has been changed from April 1 to March 31 from this issue.

Main dialogue at meetings for analysts and institutional investors held in FY2024

- Cybersecurity Business is not well reflected in the stock price (Japanese asset managers)
- The valuation would improve if cybersecurity is recognized (Japanese asset managers)
- Benchmark companies are TechMatrix (Information Infrastructure Business) and Tokyo Electron Device (Computer Networks Business) (Japanese sell-side analyst)
- Macnica is not a labor-intensive model like a system integrator (Japanese sell-side analyst)
- Restructuring of the semiconductor trading company industry (Japanese asset managers and overseas asset managers)
- Recovery timing and outlook for the industrial equipment market, as well as trends in customer inventory and orders (Japanese asset managers and overseas asset managers)
- Business transfer (Japanese asset managers and overseas asset managers)

Number of Shareholders

	2023/3/31	2024/3/31	2025/3/31
Number of Shareholders	22,376	30,457	33,676
Individuals	21,911	29,765	32,987
Shareholding ratio			
Individuals	24.68%	27.75%	26.17%
Overseas	27.65%	28.31%	27.76%

FY2024 Review

(1) Visits to overseas investors

Visits to investors (roadshows) in the US and UK (December), Singapore (September/February), and Hong Kong (November); participation in investor conferences

(2) Information disclosure

- Website renewal
(The Company's website was selected by Nikko Investor Relations Co., Ltd. as the best website in the overall category of the 2024 All Listed Companies Website Ranking)
- Simultaneous disclosure of all financial results and timely disclosures in English and Japanese

(3) Meetings for investors

- Shareholder event with the Chairman of the Board of CrowdStrike
- Rakuten Securities online seminar for individual investors
- Integrated Report briefing



The Company's stock price continued to soften throughout FY2024. In particular, the delayed recovery of the industrial equipment market, which is Macnica's strength, has affected business performance. Despite this situation, we continue to expand our semiconductor market share and expect a recovery in the future. With regard to the Cybersecurity Business, we would like to highlight that we are maintaining high growth and improving profitability. Compared to other companies in the same industry, we believe we have much room for growth due to the concentration of management capital and overseas market coverage resulting from the scale of our business.

In light of the challenging circumstances, we undertook more proactive investor relations initiatives in FY2024, with the aim of providing our investors and shareholders with clear and thorough explanations regarding the situation. The number of meetings with institutional investors and sell-side analysts steadily increased through visits by the Company's President and CFO to investors in the US, UK, Singapore, and Hong Kong, participation in conferences in Japan and overseas, and follow-up meetings. In addition, the quality of dialogue in the interviews improved as a result of the detailed description of the business model and its strengths in LIMITLESS 2024, which led to more constructive dialogue, including with shareholders. In information disclosure, the investor relations website was updated and simultaneous disclosure in English and Japanese was achieved relatively early. For individual investors, we created an environment to facilitate purchases by implementing a stock split, and held a Rakuten Securities seminar (March) and a briefing on the Integrated Report (October), each of which was attended by more than 300 people at once, exceeding expectations. In FY2025, we will focus on improving awareness and the analytical accessibility of our Cybersecurity Business and raising awareness of Macnica among overseas investors targeting small and medium-sized companies as investment targets as issues to be addressed in our investor relations activities. We appreciate the continued support of our shareholders and investors going forward.



Daijiro Mano
General Manager,
Management Planning
Department

Recognition from Society

Macnica is striving to improve external evaluations with an awareness of involvement in society and objectivity. We are committed to achieving sustainable growth together with society by enhancing the quality of the Company's management.

Major External Evaluations (as of August 2025)

Contribution to the Global Environment



CDP

In a 2024 survey by CDP, an environmental non-governmental organization (NGO), we received a "B" score in the area of climate change and a "B-" score in the area of water security.



Science Based Targets

The Science Based Targets initiative (SBTi) has certified our greenhouse gas (GHG) emission reduction target for FY2030 as a science-based target to achieve the "1.5°C target" of the Paris Agreement. (Certified in May 2024)



Career Ownership Management Award 2025

The Company won the Gold Prize in the category of Transformation of Personnel/HR (Large Enterprise Segment) at the Career Ownership Management AWARD 2025, which was held for the third time. This is the third consecutive year that an award has been received since receiving the Excellence Award in the first year.



OpenWork Ranking: Companies Employees Find Most Rewarding 2025

Ranked No. 5 in the Ranking of Companies with the Most Fulfilling Workplaces (published by OpenWork, an information platform for career change and job hunting).



KENKO Investment for Health (Large Enterprise)

The Company was recognized as one of the 2025 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category).

Inclusion in Indices



JPX-Nikkei Index 400

The Company was selected as a constituent stock of the JPX-Nikkei Index 400.

Nikkei 500 Stock Average

The Nikkei 500 is a composite index of 500 stocks listed on the TSE Prime Market, calculated by Nikkei Inc. using the same calculation method as the Nikkei Stock Average.



World's Best Companies in Sustainable Growth 2025

The Company was ranked 317th in the World's Best Companies in Sustainable Growth 2025, a ranking jointly published by *TIME* and Statista.

Other External Evaluations



MSCI ESG Ratings

The Company's MSCI ESG rating is now BB. The use by Macnica of any data of MSCI ESG Research LLC or its affiliates ("MSCI"), and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Macnica by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided "as-is" and without warranty. MSCI's names and logos are trademarks or service marks of MSCI.



DX注目企業2025

Noteworthy DX Companies 2025

Jointly selected as a Noteworthy DX Company 2025 by the Ministry of Economy, Trade and Industry (METI), the Tokyo Stock Exchange (TSE) and the Information-technology Promotion Agency, Japan (IPA).