LIMITLESS 2026

Integrated Report

The seeds of tomorrow.

MACNICA

MACNICA HOLDINGS, Inc.

Corporate Philosophy

Sowing seeds continuously under our feet

Purpose

Leading in an ever-changing world, we seek technology and intelligence beyond the cutting-edge, while envisioning the future and creating the 'Now.'

Core Values

T	E	A	M	S
Trust	Excitement	Aggressiveness	Move	Stretch
Trust	Bright, Fun, and Energetic	Relentless Pursuit of Victory	Driving Change	Growth through Challenge



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Macnica Official YouTube Channel

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Macnica: The Power to Engage

Transforming society through technology – a genuine commitment that engages people. The Macnica Group is an organization that identifies the world's most advanced technologies and leads them to rapid social implementation. The evolution into a Services & Solutions Company as set forth in Vision 2030 is nothing less than a challenge to further unleash this power and simultaneously create economic and social value. Yet no matter how advanced the technology may be, it cannot move society forward without empathy and trust. That's why Macnica engages ('Makikomu') with each stakeholder: with every employee who takes on the challenge as a main player generating value on the ground; with world-class technology partners as allies pioneering markets together; with shareholders and investors as partners in jointly verifying the certainty of our growth. A network that effortlessly transcends national borders and industry barriers, combined with a culture of 'let's do something special' that has been with us since our founding - it is precisely this unique centripetal force that enables Macnica to engage people and evolve the ecosystem itself. In this Integrated Report, we have depicted the frontlines of co-creation with our partners, employees, shareholders and investors through vivid, tangible stories. We invite you to experience the full scope of Macnica's power to engage, its 'Makikomu Power', for yourself.



1 Engaging Employees

The source of Macnica's value creation lies in each and every employee who pursues 'what is interesting' and takes action on their own initiative. How the key players creating value on the front lines enjoy their daily challenges and what they are producing. We deliver their passion.



2 Engaging Partners

Macnica's competitive strength has been honed through co-creation with our partners. As allies who combine their respective strengths to jointly develop new markets, how are they expanding value? We look at these relationships in action.



3 Engaging Shareholders and Investors

Is Macnica's growth genuine? This report has been compiled to enable you to verify the credibility of our growth together with us. We aim to provide a frank discussion of strategy, execution, and governance from a medium- to long-term perspective, serving as a common language for dialogue.

Period Covered

FY2025 (April 1, 2025 to March 31, 2026)

* Includes some activities conducted before March 2025 and after April 2026.

Organizations Covered

Macnica Holdings, Inc., Macnica, Inc., and their consolidated subsidiaries.

* In this report, the above organizations are collectively referred to as "Macnica," unless otherwise indicated.

Future Outlook

The information contained in this report includes forward-looking statements regarding the performance of the Company and its Group companies. These statements do not guarantee future results and involve risks and uncertainties. Please note that future results may differ from our targets due to factors including changes in the business environment.

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How to Use This Report

LIMITLESS 2026 is an integrated report that brings Macnica's business, strategy and the passion of our frontline staff together in a single volume. It has been designed so that both first-time readers and regular readers can tailor their reading experience to their specific interests. Below, we outline this year's key changes and guide you on how to find information tailored to your needs.

Main Changes in LIMITLESS 2026

A Structure Designed to Meet Diverse Reader Needs

Introduction of the Investors' Guide	We have consolidated Macnica's business model, competitive advantages, growth strategy, and governance into a single section. The content is based directly on the material we present during meetings with institutional investors, allowing you to quickly access the key points that investors are most interested in.
Introduction of Special Features	Behind the scenes with AI semiconductors, on the cutting edge of cybersecurity, corporate culture thriving on the front lines, and the challenges of overseas IR faced by management. Through these special features, you can experience Macnica's unique character - which cannot be fully captured by figures and data alone - from the perspective of those on the front line.
Introduction of Video Content	Videos have been placed at key points throughout the publication, starting with the CEO's message. You can directly experience the passion and the spirit of the people at Macnica - including the tone of management's words and the atmosphere on the ground - which cannot be fully conveyed through text alone. Look for the ▶ symbol.
AI-Friendly Design	We have structured the information, standardized the heading system and harmonized data formats. The content is designed to be easily summarized, analyzed and compared using AI tools, enabling the information in this publication to be applied directly to business operations and investment decisions.

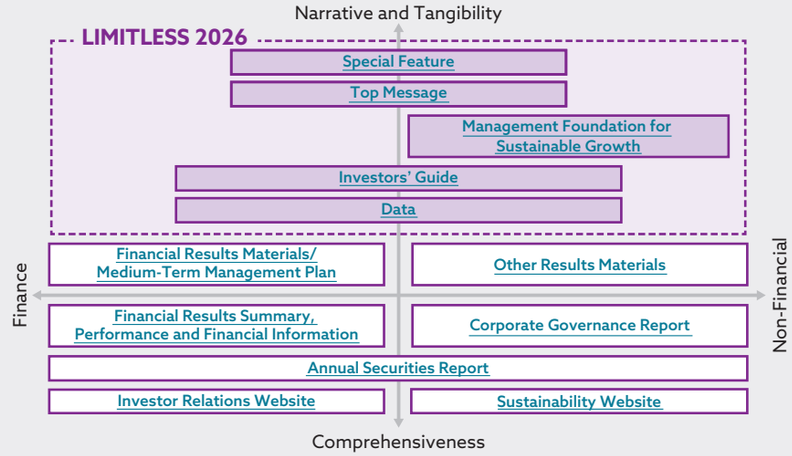
Pick up **Viewing Video Content**

For the videos embedded on each page, clicking the ▶ mark will redirect you to Macnica's official YouTube channel where you can view them.



Information Disclosure System

Macnica's disclosure framework is structured so that, starting with this publication, it branches out into materials tailored to specific purposes. Please refer to the diagram below. On the vertical axis, materials higher up place greater emphasis on narrative and a sense of in the field//on the ground reality/front line experience, whilst those lower down are more comprehensive and quantitative. On the horizontal axis, the left-hand side represents financial information and the right-hand side represents non-financial information. We recommend that you first gain an overview from this publication, then proceed to the relevant materials based on the topics that interest you.



Search by the Interests and Concerns of Stakeholder

Listen to management's thoughts and vision	▶ To the Top Message in this publication
Understand the strengths and strategies of our business	▶ To the Investors' Guide in this publication
Learn about real initiatives on the ground	▶ To the Special Features of this publication
Check the latest management figures and performance	▶ To Financial Results Presentation Materials & Briefing
Delve deeper into governance and sustainability	▶ To Corporate Governance Report, Sustainability Website

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CEO MESSAGE

Challenging ourselves to become a "Value Creation" company to continue leading change

Representative Director and President
Kazumasa Hara

Since its founding, Macnica has grown by identifying cutting-edge technologies from around the world ahead of others and implementing them in society. Building on the demand creation capability cultivated through our Semiconductor Business, we are expanding our business scope into Cybersecurity and CPS Solutions. What we are now aiming for is to evolve beyond demand creation into a value creation company.

In our long-term management plan, Vision 2030, we are accelerating our transition to a Services & Solutions business and challenging ourselves to build a new value creation model. In this message, I will outline the direction of our business transformation, as well as the use of AI and human capital management that support it.

Key Points

- Our value lies in implementing cutting-edge technologies
- Transformation from demand creation to value creation
- Breaking through the growth dilemma toward maximizing human capital

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Implementing Cutting-Edge Technologies Ahead of Others

——Macnica has more than tripled its net sales over the past decade and has become Japan's leading semiconductor trading company. As its president, how do you view the source of the Company's competitiveness?

I believe that the source of Macnica's competitiveness lies in our ability to identify cutting-edge technologies ahead of others and to implement them in society. If we fit ourselves into an industry category, we are a semiconductor trading company, but when it comes to the value we truly provide, it would be Macnica's purpose: "Leading in an ever-changing world, we seek technology and intelligence beyond the cutting-edge, while envisioning the future and creating the 'Now.'" In other words, we identify the world's most advanced technologies early and implement them throughout society. In my own career, I was working with advanced semiconductors for 3G base stations a decade before 3G became widespread.

We are able to achieve this ahead of others because we have the agility and speed characteristic of a trading company. Additionally, implementation also means that our engineers, who make up more than 30% of our employees, provide technical support and work alongside our customers to ensure they can make full use of cutting-edge technology. We do not simply sell semiconductors or cybersecurity software; rather, we have advanced social implementation through demand creation, gaining a deep understanding of our customers' challenges and utilizing cutting-edge technology to give shape to their latent needs and possibilities.

These advanced implementation and demand-creation capabilities have earned recognition and enabled us to build strong relationships of trust with customers and suppliers alike. As a result, some of the products we handle have achieved substantial shares of the Japanese market.

——So you've differentiated yourselves from other companies as a so-called 'technical trading company.' Are these strengths being leveraged in your overseas expansion, which you've been focusing on in recent years?

The same strengths are at play. Our track record in demand creation in Japan has earned supplier recognition and enabled us to secure overseas distribution agreements, or global franchises, and expand our international business. Rather than simply adding sales locations, we have built local technical support capabilities by hiring highly skilled engineers and bringing into the Group companies that, like Macnica, excel in technical proposals. As a result, we can now pursue demand-creation proposal activities not only for overseas production sites of Japanese companies, but also for local companies across Asia including China, as well as Europe and the United States. Macnica's ability to understand customer challenges deeply and support value creation through the use of technology is also recognized in overseas markets.

Moreover, these achievements have brought about significant changes in relationships with suppliers. We are now able not only to quickly grasp information on industry trends, technology trends, and supply chains, but also to discuss global market strategies.

We are no longer just a distributor serving the Japanese market. I feel that we have become recognized as a global distributor that deploys demand creation around the world.

From Demand Creation to Value Creation

——Vision 2030 is Macnica's long-term management plan through FY2030. What kind of company do you newly aim to become?

In Vision 2030, we have set financial targets for the final year of FY2030: net sales of 2 trillion yen, operating income of at least 150 billion yen, an operating income margin of at least 7.5%, and an ROE of at least 15%. Achieving these targets will require us to develop the CPS Solutions Business alongside the Semiconductor and Cybersecurity businesses. In addition to expanding our existing value-added distribution (VAD) business, we will grow our services and solutions (SS) business and transform from demand creation to value creation. The target of a 7.5% operating income margin is both a milestone and a starting point for our transformation into a Services & Solutions Company.

Of course, we can expect continued growth in our VAD-based business as well. On the other hand, the Semiconductor Business tends to see increases in inventory and working capital as sales expand, and it is also a business that is built on strong partnerships with suppliers. We therefore need to expand areas in which we create value ourselves, including proprietary software, data-driven services, and recurring-revenue businesses. We believe this will enhance profitability and cash generation while building a more resilient business foundation.

However, the transformation to Services & Solutions is not driven by financial considerations alone. Many of our client companies are shifting from selling products to providing services and solutions. Semiconductor manufacturers and cybersecurity vendors are likewise evolving beyond product supply to value delivery that includes software and services. Unless we address challenges from the same perspective, customers and suppliers will not continue to regard us as a true partner.

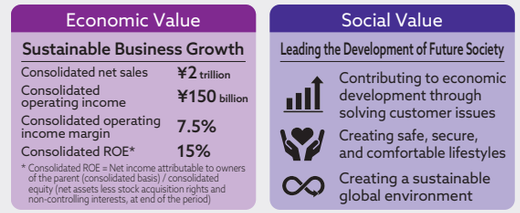
Our aim is not simply to be a supplier of parts and products, but to be a technology partner that creates new value together with our customers and suppliers. We regard our transformation into a Services & Solutions Company not merely as a means of improving profit margins. It is an essential challenge if Macnica is to continue implementing cutting-edge technologies in society.

Characteristics of Business Models

*P.26

	VAD Model	SS Model
Business Characteristics	Sales of supplier products with added technical and operational support	Provision of in-house developed Services & Solutions
Strategic Role	Revenue core	Pillar of growth
Management Impact	Building a stable management foundation	Higher profitability and sustainable growth in corporate value
Revenue Structure	Scalable, primarily variable-cost based	Scalable, high contribution margin

Long-Term Management Plan: Vision 2030



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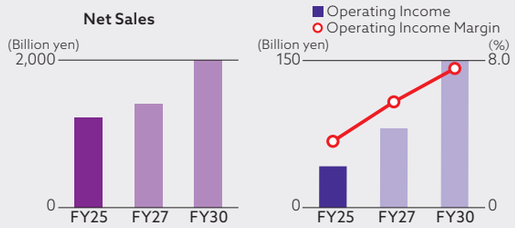
Business Transformation from Our Desired Future State

——In FY2025, while net sales grew significantly to over 1.2 trillion yen, an increase of approximately 17% year-on-year, operating income reached 42 billion yen, an increase of only 6% compared to the previous year.

Regarding the net sales target of 2 trillion yen set forth in Vision 2030, considering that we have reached approximately 1.2 trillion yen in the fiscal year ended March 2026 from 761.8 billion yen in the fiscal year ended March 2022, we believe this is a level that can be sufficiently achieved even with a forecast (bottom-up) approach. By contrast, achieving an operating income margin of 7.5% will require a major transformation from the current 3.5%. We must therefore work backward from the desired outcome. That desired future state is to become a Services & Solutions Company.

Therefore, the 7.5% operating income margin is not the ultimate goal. Rather, we consider it as the starting point for earnestly accelerating value creation as a Services & Solutions Company.

Trends in Net Sales and Operating Income



——An operating income margin of 7.5% requires a major transformation from the current 3.5%. What kind of strategy will you use to achieve this?

To achieve an operating income margin of 7.5%, we will take different approaches according to the characteristics of each of our three businesses: Semiconductors, Cybersecurity, and CPS Solutions.

First, regarding the Semiconductor Business, as industry consolidation progressed, the transfer of distribution channels to Macnica advanced, and net sales exceeded 1 trillion yen for the first time. We will deepen relationships with new customers through technical proposals and ongoing support, while further increasing the value we provide through solutions that draw on our global coverage and broad product portfolio. We will steadily improve the gross profit margin, use AI-driven operational excellence to raise efficiency, and optimize selling, general and administrative expenses. Through these measures, we are targeting an operating income margin of 5% in the Semiconductor Business.

Our Cybersecurity Business currently maintains a high income margin of approximately 10%. What will be important going forward is to further grow this highly profitable business and increase its proportion of our overall profit structure. Because the cybersecurity market is expected to continue growing strongly, we intend to use the talent and business foundations strengthened through prior investment to outpace market growth and increase the business's share of profit. We will also expand Services & Solutions businesses, including consulting and our proprietary ANTERAS offering, formerly Macnica ASM, to further enhance profitability.

——While the CPS Solutions Business is expected to grow in the future, it appears to be taking time to achieve profitability. Please tell us about your future prospects.

The CPS Solutions Business is an important business that supports our transformation into a Services & Solutions Company in the future. In the smart city/mobility sector, where we are ahead, the stricter regulations regarding autonomous driving on public roads have resulted in the introduction of the autonomous electric buses we sell being delayed more than anticipated. Therefore, rather than simply waiting for the market to emerge, we are advancing our expansion into markets for private roads, such as factories and warehouses. In these areas, since adoption is decided at the discretion of each company, we will first accumulate a track record of implementations while strengthening our business foundation and advancing improvements in profitability.

Furthermore, our aim in CPS Solutions Business is not simply to sell equipment. Whether in smart city/mobility or smart manufacturing, the essence lies in generating valuable data through implementation of technology on-site and developing Services & Solutions that utilize that data. Such businesses lead to recurring revenue models and can be expected to achieve higher profit margins compared to traditional VAD businesses.

Through the upfront investments made over the past few years, the resolution and reproducibility of solutions in smart city/mobility and smart manufacturing have steadily improved. We will now accelerate their rollout across customers and locations, achieve profitability at an early stage, and develop these businesses into new pillars of future growth and profit.



Value Creation in CPS That Only Macnica Can Implement

——In the CPS Solutions Business, how are you connecting the strengths cultivated in Semiconductors and Cybersecurity to Services & Solutions-based value creation?

Macnica's strength lies in combining knowledge of semiconductors, networks, and cybersecurity to implement systems that work at the customer's site. However, implementation itself is not our ultimate goal. The value creation we aim for is to standardize the data and operational knowledge gained in the field and transform them into our own Services & Solutions.

In the field of CPS, there are companies that begin value creation from conceptual design and data analysis. In contrast, Macnica starts from on-site implementation. We acquire data from the field that determines the value of analysis and services, and identify issues through actual operations. Although this approach takes time, we can leverage the technical capabilities we have cultivated in our Semiconductor and Network Businesses. For example, in the pioneering smart city/mobility sector, in addition to selling autonomous EV buses from our French subsidiary Navya, we handle everything from system implementation, licensing acquisition, operation support, to maintenance. Our in-house developed remote fleet management system, ‘everfleet’, is

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a service that continuously supports operation management and improvement after vehicle sales. In smart manufacturing, our proprietary DSF Cyclone integrates equipment data and operational data, connecting manufacturing performance with production planning. The knowledge gained from individual manufacturing sites is reflected in common functions and deployed to multiple customers and factories. In these pioneering areas, a model is beginning to take shape where on-site implementations are converted into in-house services and horizontally deployed. On the other hand, looking at the CPS Solutions Business as a whole, the Services & Solutions-based revenue foundation is still under construction. The challenge going forward is to increase the commonalities in the knowledge gained from individual projects and develop them into a business model that generates recurring revenue.

In healthcare, circular economy, and food & agritech as well, although the stages of commercialization differ for each, the fundamental approach is shared. What we prioritize is whether we can leverage Macnica's technology and partner infrastructure to implement solutions in the field, and connect the data and insights obtained to solving customer issues and social challenges.

AI Will Become an Intangible Asset That Supports Corporate Value

——Macnica has continued to focus on AI since the 2010s. How do you link AI to enhancing corporate value?

Macnica plans to mobilize its capabilities across the Group to capture growth in the AI market. At that time, what is important as top management is to provide direction so that internal initiatives do not fall into suboptimization and each business and function collaborates organically. As part of this effort, we formulated a company-wide AI strategy. While pursuing individual strategies for infrastructure AI offerings serving rapidly growing data-center demand, edge AI offerings, system-oriented AI offerings in cybersecurity, and general-purpose services tailored to particular industries and sectors, we have also established a structure spanning all three businesses.

Addressing the AI market requires more than offering AI-related products. To help customers solve their challenges, we must understand AI deeply, use it effectively, and experience its potential and limitations ourselves. One pillar of our company-wide AI strategy is therefore to become leading users of AI. We will use AI extensively within Macnica and apply the resulting insight and know-how to our businesses and customer proposals. We believe that only by using AI thoroughly ourselves can we provide customers with genuine value.

A symbolic initiative of this is AI agents. Last year, we set a goal of creating 10 AI agents per employee. Over the past year, approximately 4,600 AI agents have been created. An external estimate equates their impact to 250,000 work hours. With approximately 5,000 employees, Macnica ultimately aims to operate 50,000 AI agents.

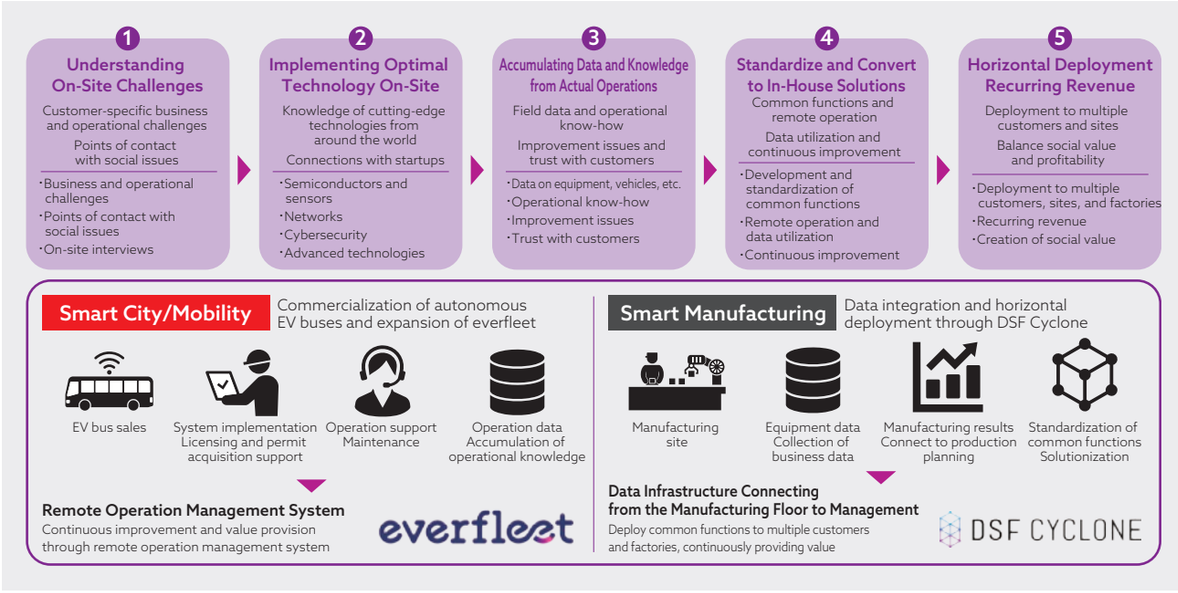
	Current		Future
Number of AI Agents	Approximately **4,600**	▶	To **50,000**

However, what we truly aim for is to accumulate the knowledge and experience of each employee as AI agents and transform them into assets that can be utilized throughout the entire company. We believe this is an initiative to transform knowledge that has been accumulated by individuals into organizational knowledge through the digital technology of AI.

This year, we will take our thinking further and redesign work itself with AI embedded as a standard part of operations, rather than simply incorporating AI into existing work. By having AI handle routine tasks and organize information, people can focus on higher-level judgment and creative work. AI is not intended to replace people, but to enhance the value that only people can provide.

For me as well, it has become routine to use AI while traveling to gather information about destinations and prepare for meetings. I use multiple AIs depending on the purpose. I believe that in the future, there will come a time when we will no longer be particularly conscious of whether our conversational partner is AI or human.

In that environment, AI will be more than software; it will extend our human capital. Corporate value has traditionally been supported by each employee's knowledge, experience, and judgment. AI agents will now add a new class of asset. We aim to build a value-creation model that integrates human capital and AI. We are building a new value creation model that integrates human capital and AI, and we aim to not only achieve P&L benefits such as cost reduction and productivity improvement, but also leverage AI itself as a new asset of Macnica to enhance corporate value.



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Transformation into a Services & Solutions Company Is Human Capital Management Itself

——One of the challenges faced by companies experiencing rapid expansion is the dilution of corporate culture.

Indeed, one of the challenges Macnica is also facing is the dilemma of growth. We have begun to hear voices from within the company saying that as the business scale has grown and success has become expected as a matter of course, it has become difficult to venture into new challenges. In fact, from an organizational survey called the "Building a Strong Company Survey" conducted last fiscal year, it has become clear that young people are finding it increasingly difficult to feel the interest and excitement in their work. When I joined the company 30 years ago, the organization was still small and we had little to lose, so I was truly allowed to do anything and everything. As I mentioned at the beginning, I was able to work on technologies that no one had ever seen before, such as semiconductors used in communication systems that were not just one generation ahead, but two or more generations ahead. What I was feeling at that time was a sense of fulfillment and excitement from being involved in a future story 10 years ahead.

However, as the organization grows in size, the roles of each department become clearer. It is true that this increases the reproducibility of work and ensures stable profits. On the other hand, the more roles are subdivided, the more routine work increases, and employees gradually become accustomed to simply completing assigned tasks. As our business grows larger, we are expected to deliver results as a matter of course. As a result, we unconsciously tend to prioritize avoiding failure over taking on challenges. In response to this growth dilemma, we established "Own It, Enjoy It" as our action theme for this term, conveying the meaning of "take initiative and enjoy it together." We take on challenges ourselves, generate results, and those results lead to the next challenge. We call this the 'Response Cycle' (P.78). I believe that going through this cycle leads to the enjoyment of work and a sense of growth.



——How do you intend to preserve the organizational culture of 'tolerating failure and encouraging challenges,' which is the greatest management foundation supporting Macnica's sustainable growth?

I believe that the transformation into a Services & Solutions Company is both a business strategy and human capital management itself. As stated in our purpose, Macnica is a company that has always stood at the forefront of change and continuously challenged itself to implement cutting-edge technologies. If employees remain only in commoditized markets, they cannot truly experience our purpose. Professionals and future management leaders grow because they have opportunities to create unprecedented businesses and open new markets themselves.

From the perspective of human capital management, the transformation into a Services & Solutions Company is essential. And in order to realize this transformation, under the culture of delegation of authority that Macnica has valued, it is required that each and every employee make autonomous decisions and take action on their own.

Leadership Is Not Something Given to You, but Something You Create Yourself

——If we interpret delegation of authority boldly, we could say that Macnica is "a company where you can take on any challenge." What kind of challenges and failures have you, as president, experienced so far?

Having transferred to Macnica from a financial institution, I strongly felt the difference in culture. Particularly regarding delegation of authority, they really let me do anything, to the point where I thought "isn't this bordering on neglect?" (jokingly). In that environment, I have continuously challenged myself in new business areas. As a result, since I have grown the business and organization in what you might call an in-house entrepreneurship style, I have never taken over positions such as section manager or department manager from anyone. If I had to say, the only position I ever took over would be that of president.

Of course, I faced numerous difficulties in the process. The automotive semiconductor business, for example, remained unprofitable for seven years. I had a roadmap for putting it on a sustainable footing, but the long path to break-even made many team members anxious. However, I don't simply consider the lack of results to be a failure. I think what's important is what we learn from that experience and how we apply it to the next endeavor.

I therefore continued to communicate as concretely as possible what success would look like while showing the team that we were making steady progress. Through one-on-one meetings, I also sought to understand what each person wanted to achieve and where their strengths lay, then assign the right person to the right role. A leader's role is to create an environment in which each individual can contribute fully. When people feel understood and are entrusted with roles that draw on their strengths, they can achieve more than expected.

When team members felt understood, their desire to grow became stronger than their anxiety about taking on challenges. Trust within the team deepened, the business reached break-even, and cumulative losses were eliminated by its tenth year. It ultimately grew into one of our core businesses.

——So it's about enjoying your work, including the difficulties. Finally, please share a message with stakeholders, including investors.

"Simplicity, Openness and Fairness" and "Trust & Empowerment" express Macnica's corporate culture and are values I have experienced throughout my career. At Macnica, there is no culture of being overly conscious of whether someone is a new graduate or mid-career hire, or of their educational background or work history. We address one another with the neutral Japanese honorific "san" rather than titles, and many employees naturally develop a strong affinity for the Company. I believe this culture is one of Macnica's strengths. While carefully preserving that culture, we will adapt to changes in the external environment and aim to transform into a Services & Solutions Company by 2030, while also achieving an operating income margin of 7.5%.

However, achieving an operating income margin of 7.5% is merely a milestone in our transformation into the Services & Solutions Company we aspire to become. Beyond that, we will continue to pursue the cutting edge and take on the challenge of creating new value. Please look forward to Macnica's transformation going forward.

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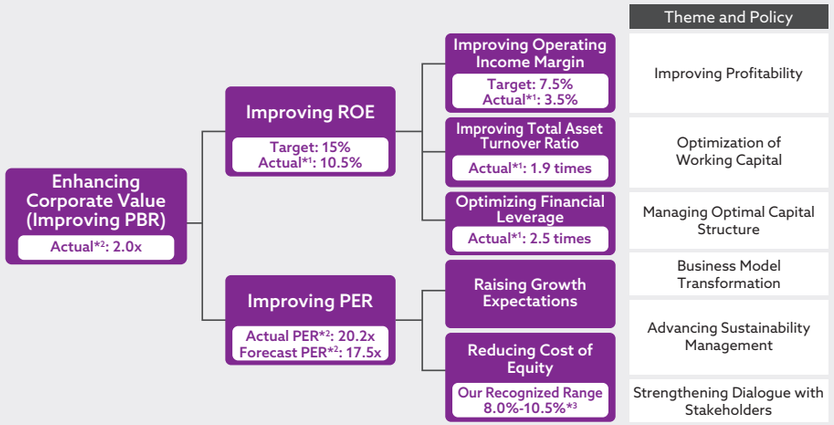
CFO MESSAGE

Toward Sustainable Enhancement of Corporate Value through Both Growth and Profitability



Makoto Okawara
Director and Managing Executive Officer
General Manager of Financial Group,
Macnica, Inc.

Initiatives to Enhance Corporate Value



Path to Enhancing Corporate Value

Aiming to Achieve Both Growth and Profitability with Operating Income Margin as the Cornerstone

The indicator I place the most importance on when considering medium- to long-term enhancement of corporate value is the operating income margin. In our long-term management plan, Vision 2030, we have set an operating income margin target of 7.5%, but this is not merely a profit target. We consider this to be an important management indicator that demonstrates our value creation capabilities and supports the sustainable enhancement of corporate value.

The source of our value creation is our people. By understanding technology, solving customer challenges, and pioneering new markets, they have generated substantial added value. It is important for Macnica to expand differentiated high value-added businesses and improve profitability by leveraging the technological skills and proposal capabilities generated by our human resources alongside sales growth.

On the other hand, our balance sheet has a low proportion of fixed assets, with current assets related to working capital accounting for the majority. If working capital is properly controlled, improvements in operating income margin will almost directly lead to improvements in ROE. I myself believe that an operating income margin of 7.5% corresponds to an ROE level of around 20%, and I view improving the operating income margin as the most reliable path to enhancing corporate value. Achieving 7.5% will require restoring the Semiconductor Business's operating income margin to above 5%, expanding the Cybersecurity Business while maintaining and further improving its approximately 10% margin, and returning the CPS Solutions Business to profitability and developing it into a new growth pillar.

Macnica has historically emphasized market share gains and top-line growth. Significant growth opportunities remain in the Semiconductor Business, and our commitment to expanding market share is unchanged. At the same time, given the stage of our corporate development, we are moving from pursuing growth alone to balancing growth with profitability. While continuing to emphasize revenue growth, we will enhance our operating income margin to drive sustainable improvements in corporate value.

Current Status Assessment

A Year in Which Strengths and Challenges Became Clearer

In FY2025, revenue reached 1,214.2 billion yen, an increase of 17.4% compared to the previous fiscal year, achieving strong sales growth. On the other hand, looking back at each business segment, not everything proceeded according to the initially anticipated scenario, and in the face of changing market conditions, I believe this was a year in which our company's strengths and challenges became more clearly defined.

In the Semiconductor Business, the expected recovery in domestic demand for industrial equipment, which we had originally expected, was delayed more than anticipated. A major factor was the prolonged inventory adjustment that had accumulated during the COVID-19 pandemic. On the other hand, expanding demand from overseas AI data centers and the

*1 Calculated based on the actual results for the fiscal year ended March 2026. *2 Calculated based on the closing stock price at the end of June 2026 (¥3,144). *3 Estimates at both market expectations and CAPM levels. Market expectations are calculated based on the inverse of the expected PER (stock earnings yield) based on the closing price at the end of June 2026 and the company's projected EPS for the fiscal year ending March 2027. For the CAPM level, the risk-free rate is calculated using the 10-year government bond yield (2.64%), the risk premium is calculated from the period 1972-2025 (6.45%), and the β is calculated using monthly data over five years (stock prices (including dividends) and TOPIX (including dividends) at the end of each month), with a corrected β (1.22).

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transfer of business flows from other trading companies compensated for this, and sales exceeded 1 trillion yen for the first time. Overseas markets grew significantly, and it was a year in which we were able to feel the results of our global market share expansion. The businesses that drove growth carried relatively low margins, and profit fell short of our initial expectations. The overall result was solid, but the composition of growth differed from what we had initially envisaged.

The Cybersecurity Business progressed as planned throughout the year as planned. FY2024 achieved growth of approximately 27%, considered an exceptional rate, which appears to have stabilized this fiscal year. However, we are steadily expanding along our medium- to long-term growth trajectory, and our operating income margin has improved to nearly 10%. It was also a year of significant progress in terms of improved profitability.

On the other hand, the CPS Solutions Business performed below expectations. This was because autonomous EV buses for local prefectures in Japan could not be sold as expected. Although efforts toward practical implementation are advancing steadily, increasingly demanding safety and regulatory requirements mean that full-scale adoption is taking longer than expected. I now recognize that market development will require more time than initially anticipated, and we are reviewing the business strategy on that basis.

Semiconductor Business

Aiming for an Operating Income Margin of 5% or More as a Technology Distributor

The Semiconductor Business underpins our earnings and also offers continued growth potential. Driven by AI, autonomous driving, robotics, and other factors, we expect the semiconductor market itself to continue expanding, and we are aiming for medium- to long-term growth of around 5% to 10% annually.

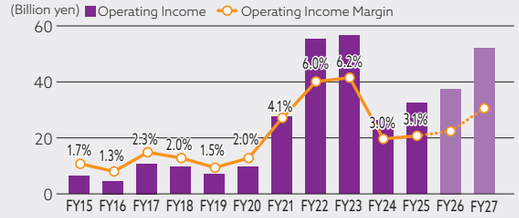
However, Macnica focuses on more than simply capturing market growth. While global semiconductor trading companies generally have operating income margins around 3%, Macnica aims for over 5%. This reflects our Value-Added Distribution (VAD) model, which provides technical added value in addition to distribution. Industrial equipment and automotive applications have long been the two pillars of our semiconductor business. The semiconductors used in these markets are not always the most advanced, but using them effectively requires sophisticated technical support. These are therefore areas where our engineers, who account for approximately 30% of employees, can create particular value. I regard them as Macnica's sweet spot, where our competitive advantages are most effective, and we will continue to focus on them.

Meanwhile, the AI-related market has undergone significant changes in recent years. Unlike traditional industrial equipment and automotive markets, the profit margins on semiconductors themselves are not necessarily high. However, AI-related business is creating new touchpoints with customers, and there is potential to expand our business beyond simply selling semiconductors and servers, to software, systems, and various services that support their utilization. I view these initiatives as a key opportunity for demand creation. Even in relatively low-margin areas, including AI-related business and business reassigned to Macnica by semiconductor manufacturers, we intend to create additional value through technical support and related services and thereby improve future profitability. Our relationships with partners such as NVIDIA, and the technical expertise we have cultivated over many years are major strengths in achieving this. Another pillar of our growth strategy in the Semiconductor Business is the expansion of our global market share. Going forward, we will continue to expand our market share, primarily in Asia, while utilizing M&A, achieving both growth and improved profitability.

Dialogue and the Evolution of Financial Functions Supporting the Optimization of Working Capital

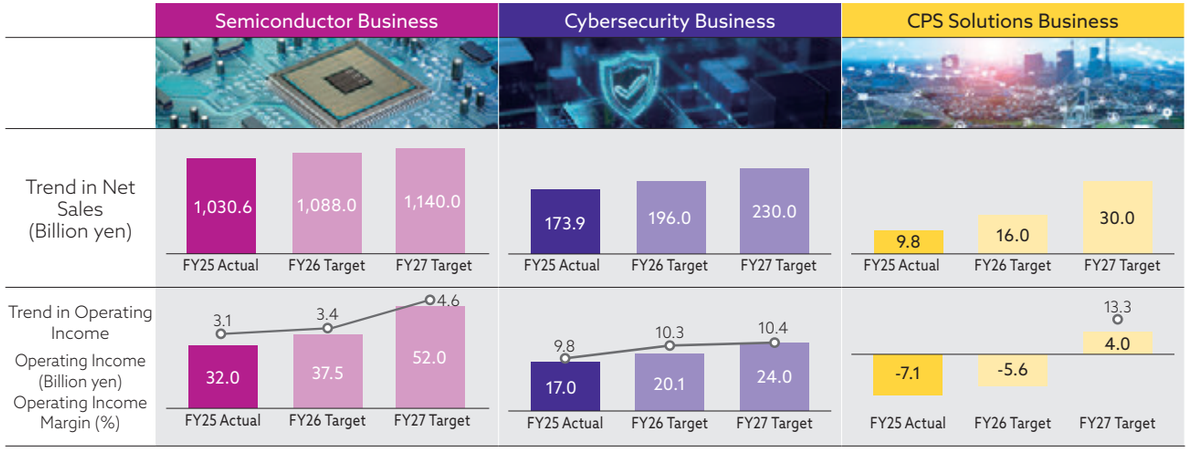
Along with improving our operating income margin, working capital management is a key priority in the semiconductor business. As mentioned earlier, Macnica's balance sheet is largely composed of current assets related to working capital.

Trends in Operating Income and Operating Income Margin of the Semiconductor Business*



*Reported as 2 segments up to FY24; CPS Solutions Business separated and reported as 3 segments from FY25.

Performance Highlights



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To understand the underlying economics of the business, we therefore consider how working capital is managed to be more informative than operating cash flow alone. We use ROWC (Return on Working Capital) as a key management indicator for this purpose. (P.29)

In the trading companies, working capital increases as sales grow. Therefore, what is important is not the size of working capital, but the extent to which it contributes to the creation of added value and profit. Particularly in recent years, rising interest rates have increased the importance of capital costs associated with working capital, and business and finance divisions are managing working capital appropriately by engaging in repeated dialogue with ROWC as a common language. Specifically, we optimize working capital through daily operations such as optimizing collection terms with customers and taking proper measures for long-term inventory arising from the discontinuation of supplier products. These efforts are leading to improvements not only in the quantity but also in the quality of working capital.

If the VAD business we aim for expands, generates high added value and increases working capital, that represents healthy growth leading to enhanced corporate value. By managing both operating income margin and ROWC together, we aim to balance growth with capital efficiency.

Cybersecurity Business

Upfront Investment Has Borne Fruit as Profit Margin Reaches Approximately 10%

The Cybersecurity Business is one that we believe has particularly large growth potential within our company. Therefore, we have continued to make upfront investments while moving personnel and management resources from the semiconductor business. At times, profitability appeared to decline, but these efforts have finally borne fruit, and the operating income margin has recovered to a level of approximately 10%. In this business, I place greater emphasis on growth rates rather than on subscription or recurring revenue ratios. Of course, recurring revenue is important, but at Macnica's current stage of development, growth is more important than stability. Going forward, we aim to maintain an average annual growth rate of 10%–15% while balancing growth and profitability. The major driver supporting this growth is our overseas expansion. In FY2025, our overseas business grew at a faster pace than our domestic business. India has shown significant growth, reaffirming the vast potential for growth in the Asian market. While the domestic market remains a vital business foundation, expanding market share in overseas markets, particularly in Asia, is essential to achieving long-term growth. Going forward, we will continue to expand our overseas network through M&A while strengthening our global business foundation.

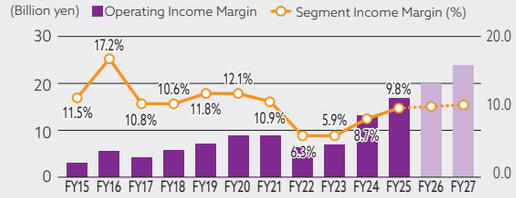
Moreover, in the world of cybersecurity, product and service lifecycles are short, and market needs are constantly changing. Product Lifecycle Management (PLM) is therefore essential: we must continuously identify products with strong growth potential and high added value and refresh the portfolio. Macnica has grown thus far by adding new products and services as the market evolves, without depending on any specific product. In recent years, we have expanded beyond simply selling products to include operational support and in-house developed Services & Solutions (SS).

These initiatives not only improve profitability but also create touchpoints with the cyber-physical domain, such as our CPS Solutions Business. Going forward, we intend to pursue synergies across our various businesses while creating new value.

Against this growth backdrop, attention to the Cybersecurity Business in the capital markets has also increased significantly. Previously, 80% to 90% of our meetings with investors focused on the Semiconductor Business, but recently the time spent on the Cybersecurity Business has increased to 40%, with an increasing number of investors beginning with questions about the Cybersecurity Business.

As the market environment and business cycles differ significantly from those of the Semiconductor Business, we can expect that two businesses supporting growth at different stages will help to stabilize the Company's overall earnings fluctuations. The capital markets' view of our business portfolio is clearly changing.

Trends in Operating Income and Operating Income Margin of the Cybersecurity Business*



*Reported as 2 segments up to FY24; CPS Solutions Business separated and reported as 3 segments from FY25.

CPS Solutions Business

Exploring New Markets for the Social Implementation of Autonomous Buses

Regarding the CPS Solutions Business, we are prioritizing improving profitability in the autonomous bus business. In FY2025, the launch of the autonomous bus market for municipalities was delayed beyond expectation, with sales falling far short of plans. Meanwhile, against social issues such as driver shortages and the need to secure alternative transportation, demand for autonomous buses has not declined. The issue is not the need for the market, but the longer-than-expected path to social implementation. Given these circumstances, we are currently pursuing the development of new demand rather than relying solely on the municipal market. We are stepping up the deployment of the new EVO3 vehicle, developed by our subsidiary Navya Mobility SAS, on private roads at theme parks, factories, and logistics facilities. These areas have faster decision-making processes compared to public roads, and we can expect quicker speed to commercialization. We believe that FY2026 will be a year in which the results of these new market development efforts will be put to the test.

At the same time, we will not sacrifice software development, a source of competitiveness, in pursuit of short-term profitability. Software is central to competitiveness in autonomous driving, and as long as we continue the business, we will maintain the necessary development investment.

For the CPS Solutions Business as a whole, we need to pursue a strategy of selection and concentration more than ever before. Rather than continuing to engage with initiatives whose prospects are uncertain, we will establish clear investment discipline, set priorities, and concentrate our limited management resources on areas with higher growth potential.

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Capital Allocation

Pursuing the Optimal Balance between Growth Investment and Shareholder Returns

Cash has two principal uses: growth investment or shareholder returns. I always consider capital allocation while being mindful of the balance between these two. Under Vision 2030, Macnica aims to evolve from a semiconductor-centric business structure to a Services & Solutions Company. To achieve this, it is essential to actively pursue investments that will lead to future growth, while continuing to provide shareholder returns.

Based on this approach, in the medium-term management plan announced last fiscal year, we set an upper limit for Net DER of 0.5x and a cumulative growth investment of ¥50 billion to ¥80 billion. In addition, we are aiming for a total return ratio of 40%–50%, with stable dividends based on target Dividend on Equity (DOE) of 5%. However, the immediate challenge is not a lack of investment capacity. Investment cash flows for FY2025 remained at 1.3 billion yen, indicating that we cannot say we are sufficiently executing growth investments. What is crucial is to steadily implement investments in line with our growth strategy.

In the Semiconductor Business, we have identified M&A aimed at expanding market share overseas, particularly in Asia, and in the Cybersecurity and CPS Solutions businesses, we have prioritized growth investments aimed at expanding our Services & Solutions businesses.

From the perspective of investment discipline, while we have been strengthening our framework, our policy is to implement more detailed monitoring, focusing particularly on small-scale investment projects in startups, which have been increasing in recent years. As regards acquired companies, our basic approach is to delegate authority to trustworthy management teams and respect their autonomy, and this philosophy has functioned effectively to date. As growth investment and M&A expand, we must strengthen Group governance while preserving this aspect of Macnica's management philosophy. We will also build mechanisms for sustainable growth, including transferring knowledge and expertise accumulated within acquired companies, developing the next generation of management talent, and establishing succession plans.

Dialogue with Stakeholders

Turning Dialogue with Investors into a Source of Management Strength

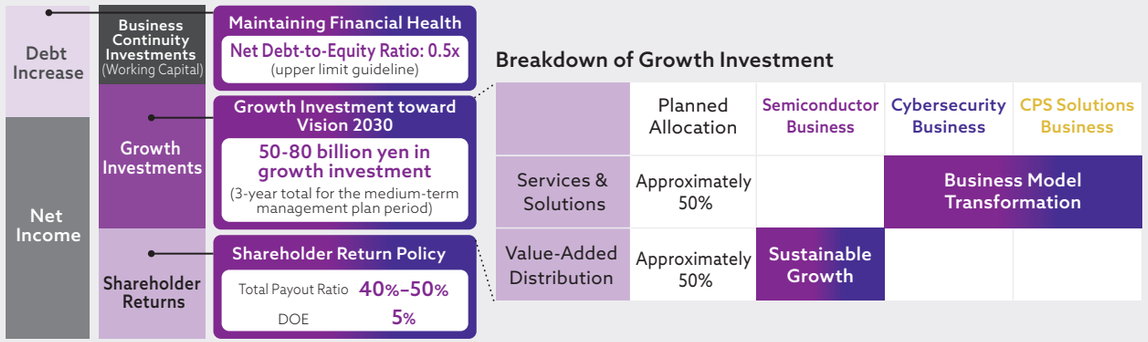
Through our IR activities, I have come to appreciate the value of insights gained from dialogue with investors. When working within the company, it is not easy to view our own strengths, the challenges facing us, or how we are objectively assessed by the market. On the other hand, by engaging in continuous dialogue with many investors, we can gain direct insight into their expectations, concerns, and areas of focus.

I believe it is important to incorporate this investor perspective into management. It often helps us recognize issues that are difficult to see internally and make better management decisions. When determining the allocation of management resources and capital, we must consider not only Macnica's potential and industry position, but also market expectations.

Furthermore, I believe that advances in AI will significantly transform the very nature of functions such as finance, accounting and investor relations in the future. What will matter is developing people who can look beyond the numbers and understand management as a whole, including the businesses, their markets, and the capital markets. Our organization must cultivate people who gain broad experience through collaboration with sales and business divisions, remain alert to changes in the external environment, and contribute to management by connecting business, finance, and the capital markets. I have applied perspectives gained through investor dialogue to management, and developing people with a similar perspective across the organization will ultimately support Macnica's medium- to long-term.

We will continue to incorporate external perspectives through dialogue with investors and other stakeholders, evolve ahead of the times, and translate that evolution into medium- to long-term enhancement of corporate value.

Capital Policy



Breakdown of Growth Investment

	Planned Allocation	Semiconductor Business	Cybersecurity Business	CPS Solutions Business
Services & Solutions	Approximately 50%		Business Model Transformation	
Value-Added Distribution	Approximately 50%	Sustainable Growth		



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The Roots of MACNICA

Macnica's Origins

Advanced Technology is Our Business

In the mid-1960s, there was a young man who was convinced that semiconductors would change the world. This was our founder, Haruki Kamiyama, then in his mid-twenties. In 1972, at the age of 26, Kamiyama established Japan Macnics Corporation (JMC) with the aim of developing and selling advanced electronic components and electronic equipment. The company name was prefixed with 'Japan' so that overseas suppliers would immediately recognize it as a Japanese firm, and to highlight the business opportunities presented by the Japanese market, which was then in a period of growth. 'Macnics' is a coined term derived from 'Masters of Advanced Concept in Electronics', a group of professionals specializing in advanced concepts in electronics. The term 'Masters' embodies both technical expertise as engineers and a deep understanding of the market. 'Advanced Concept in Electronics' signifies our commitment to making cutting-edge technology the foundation of our business, encompassing not only semiconductors but also the sale of electronic components, boards, and software, as well as the development of our own products. This philosophy has remained the unwavering foundation of our business activities even after we changed our name to Macnica in 1992, and continues to be so today, more than half a century later.



Founding location of Japan Macnics Corporation
(Yokohama, second floor of a bakery, 1972)

Securing contracts despite being a venture company
A deep understanding of technology and strategy as the foundation of trust

What set JMC apart in its early days was that it actively approached not only the Japanese semiconductor manufacturers that were making great strides at the time, but also U.S. manufacturers that were a step ahead in terms of technology.
In Silicon Valley at that time, a succession of emerging semiconductor manufacturers founded by young engineers were springing up. However, as they were start-ups, they had few sales staff, and their expansion into the Japanese market remained virtually untouched. It was here that Kamiyama's strength as an engineer himself came into its own. JMC possessed a deep understanding of the technical requirements of the Japanese market and was able to present sales expansion strategies and implementation plans that satisfied the semiconductor manufacturers.
A trading company that could speak the language of technology – this reputation became the driving force behind the company's success in securing one agency agreement after another, despite being an unknown start-up. Even now, having changed its name to Macnica, the ethos of engaging with customers through technology and the entrepreneurial spirit continue to be passed down as the bedrock of Macnica's corporate culture.



Founder: Haruki Kamiyama
*At the time of founding

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A Journey of Transformation and Challenge

Since its founding, Macnica has continuously grown without ever posting an operating loss. Underpinning this success is the philosophy known as Sunflower Management, which involves identifying future growth markets while current operations are performing well and sowing seeds ahead of the industry. Guided by this approach, we have developed our Cybersecurity Business into a second pillar and are now taking on the challenge of creating a CPS Solutions Business with a view to the 2030s.

Semiconductor Business | Cybersecurity Business | CPS Solutions Business | Significant Events

*Enforced in 2000 ** Enforced in 2005 *** Enforced in 2015

1970–

Commenced sales of electronic components

Founded in 1972
Japan Macnics Corporation was established



1977
- Technical Service Center opened

1979
- In-house development of ROM writer

1980–

Applied cutting-edge global technology to Japanese manufacturing

1983
- Developed JET101 Series Ethernet Transceiver
- Signed distributor agreement with Excelan, Inc.

1986
- Signed distributor agreement with ALTERA Corporation
- Started PLD programming services
- Japan-U.S. Semiconductor Agreement

1987
- Establishment of TSMC, the World's First Foundry

1990–

Breaking down barriers between overseas and Japan: 'We want to create something like this"

1992
Changed company name to Macnica, Inc.

1994
- Developed MIRACLE SCSI Card

1999
- Unauthorized Computer Access Law*

2000–

Solidifying our position as a technology trading company through technical capabilities and security expertise

2001 Entry into security business
- Distribution agreement with SafeBoot

2003
- Personal Information Protection Act **

2008
- M&A Cytech (HKG) Expansion into China/Hong Kong area
- Distribution agreement with FireEye

2010–

Developing overseas customers and expanding *"world-class security"*

2010
- M&A Galaxy (TWN) Expansion into Taiwan area

2013
- Established Security Research Center
- Distribution agreement with CrowdStrike

2014
- Basic Cybersecurity Act***

2015 Business integration
Macnica Fuji Electronics Holdings Established



2016
- M&A ATD (FRA) European area expansion
- M&A iSecurity (TWN) Entry into Taiwan

2017
- M&A Netpoleon (SIN) Expansion into Southeast Asia
- Start of autonomous vehicle business

2019
- M&A ANStek (TWN) Reinforcement of Taiwan operations

2020–

VAD expansion and initiatives in services and solutions

2020
- Affiliate S&J (JPN) Enhanced operational services

2022
Changed company name to Macnica HD

2023
- M&A CyberKnight (UAE) Expansion into Middle East and North Africa

2024
- M&A Glosel (JPN) Expanding market share in automotive sector
- Business transfer: Gillanix (KOR) Expanding analog presence

2025
- M&A Navya (FRA) Accelerating the social implementation of autonomous buses



Smart Manufacturing/Smart City/Mobility
Automotive
Cybersecurity
Digital Appliance
Networking
PC
Industrial

Semiconductor Business

Founder Haruki Kamiyama foresaw the future potential of semiconductors through translation work related to semiconductors and established the company as a sole proprietorship. The company established a unique business model as a "technology trading company" that employs numerous engineers despite being a trading company, bringing new added value to semiconductor distribution.

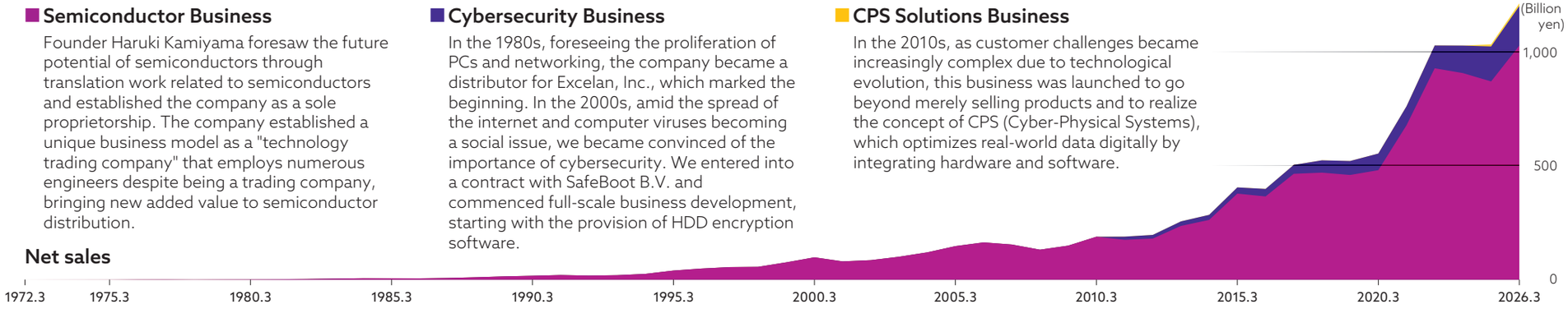
Cybersecurity Business

In the 1980s, foreseeing the proliferation of PCs and networking, the company became a distributor for Excelan, Inc., which marked the beginning. In the 2000s, amid the spread of the internet and computer viruses becoming a social issue, we became convinced of the importance of cybersecurity. We entered into a contract with SafeBoot B.V. and commenced full-scale business development, starting with the provision of HDD encryption software.

CPS Solutions Business

In the 2010s, as customer challenges became increasingly complex due to technological evolution, this business was launched to go beyond merely selling products and to realize the concept of CPS (Cyber-Physical Systems), which optimizes real-world data digitally by integrating hardware and software.

Net sales



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From Shin-Yokohama to the world

Since our founding in 1972, we have leveraged our expertise in cutting-edge technology to diversify our business operations across a wide range of fields, from semiconductors to cybersecurity. Building on this technical expertise cultivated over half a century, we are now driving the social implementation of AI, digital transformation (DX) and autonomous vehicles globally from Shin-Yokohama, while transforming ourselves into a Services & Solutions Company.

STRENGTH 1 Industry Position

Industry Position(CY25)

No. 1 Semiconductor Distributor in Japan*1

Global No. 7 by Market Share*2

Global Semiconductor Market Forecast *3

CY25 US$ 809.0 billion ❯ CY30 US$ 2,153.3 billion

Global Cybersecurity Market Forecast *4

CY25 US$ 123.7 billion ❯ CY30 US$ 228.1 billion

Business Model Transformation

Until Now: Technology Trading Company ❯ Future: Services & Solutions Company

* Source: Gartner® Sources & Disclaimers P. 89

STRENGTH 2 Business Domains

Net sales: ¥1,214.2 billion

Operating income: ¥42.0 billion

Net income: ¥27.8 billion



Semiconductor Business

Net sales: ¥1,030.6 billion

Operating income: ¥32.0 billion



Cybersecurity Business

Net sales: ¥173.9 billion

Operating income: ¥17.0 billion



CPS Solutions Business

Net sales: ¥9.8 billion

Operating income: ¥7.1 billion loss

STRENGTH 3 Strengths of Management Base

Earning Power / Financials

Operating income margin: 3.5%

ROE: 10.5%

Sales growth rate: 17.4%

Net D/E ratio: 0.1x

Procurement and Sales Network

Customers: 26,000+ Suppliers

Sales locations: 100 locations in 33 countries [89 overseas locations]

380+

Human Capital

Consolidated employees: 5,200+

Engineers ratio: 1/3

Employee Engagement score: 4.33 out of 6

Number of AI agents: AI capital collaborating with employees 4,000+

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Why Invest in Macnica?

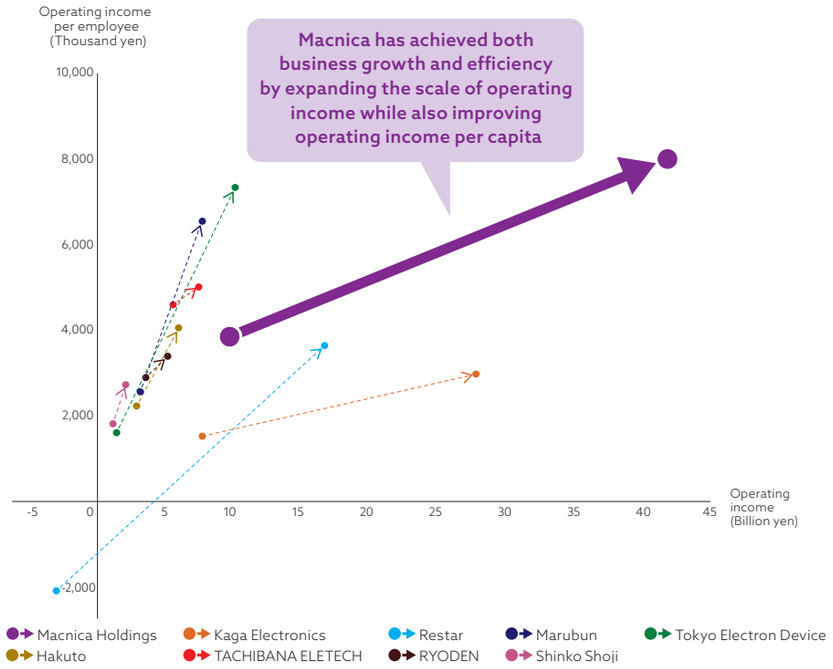
①Quality of Earnings—Unique Position Through Structural Competitive Advantages

Over the 11-year period from FY2015 to FY2025, Macnica has simultaneously achieved expansion in the scale of operating income and improvement in operating income per employee, establishing a unique position among domestic semiconductor distributors. This change is not attributable to temporary market conditions, but rather is the result of strengthening competitive advantages in both the Semiconductor and Cybersecurity Businesses. In the Semiconductor Business, we expanded our domestic customer base through integration with Fuji Electronics, and strengthened our global coverage and customer base in overseas regions through acquisitions of foreign companies. Furthermore, we have accelerated growth by gaining the trust of suppliers based on our advanced technological capabilities and acquiring numerous business transactions from other companies. In the Cybersecurity Business as well, we have established a unique position where competitive products and solutions converge, leveraging our track record of exploring new markets together with vendors possessing advanced technologies, in addition to accelerating our technical capabilities and overseas expansion. In addition to this expansion of our business foundation, we have also promoted operational efficiency through organizational and system reforms, thereby achieving both business growth and efficiency, and steadily widening the gap with our competitors.

Scale and Efficiency That Surpass Competitors

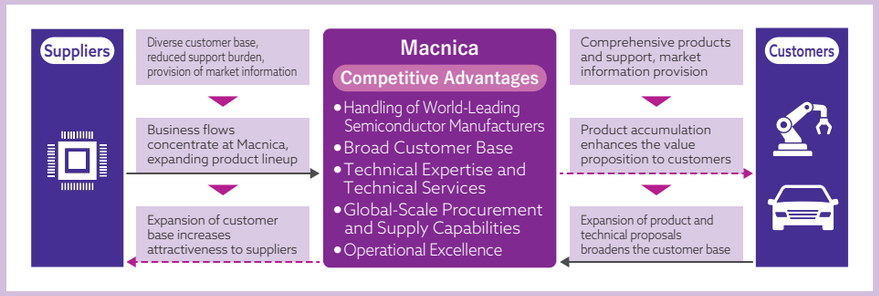
From FY2015 to FY2025, while each company increased its operating income scale and operating income per employee, Macnica has achieved growth that significantly exceeds other companies in terms of scale, while maintaining a top-class level of operating income per employee. This position achieved in both scale and efficiency has clearly differentiated us from other companies over the past 11 years.

Changes in Operating Income and Operating Income per Employee from FY2015 to FY2025



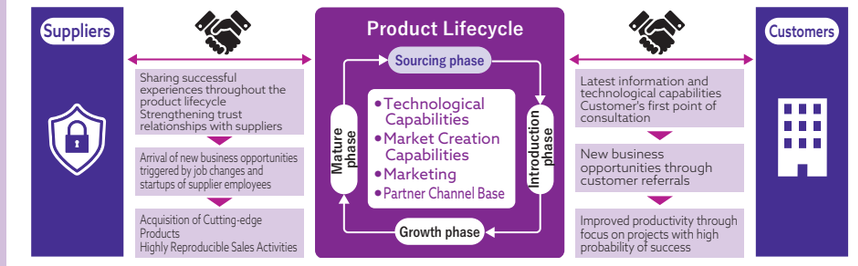
Mechanism for Transfer of Semiconductor Business Distribution Channels and Strengthening of Competitive Advantage

- As M&A among semiconductor manufacturers advances, the selection and reorganization of distributors is accelerating
- Macnica structurally strengthens its two-sided market based on technological capabilities and global procurement and supply capabilities



Mechanism for Accumulating Capital and Improving the Likelihood of Success throughout the Product Life Cycle in the Cybersecurity Business

- In the IT market, the turnover of markets is rapid due to technological innovation and architectural changes
- Successful experiences from the introduction phase to the mature phase build trust relationships with suppliers and customers



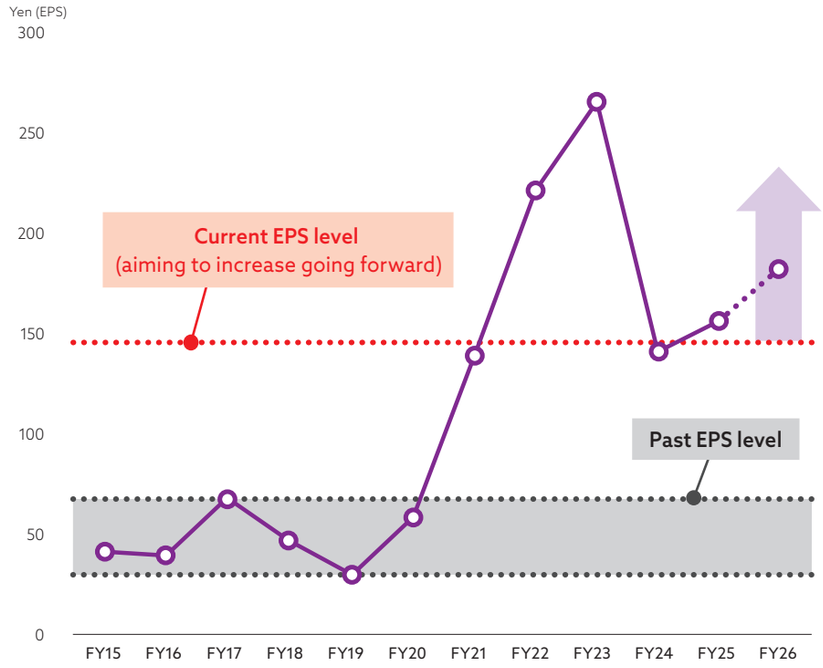
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②Quality of Management—Enhancing Long-Term Shareholder Returns Through Increasing Earnings Per Share (EPS) Levels

Over the past 11 years, Macnica has elevated its earnings per share (EPS) levels along with business growth. This is the result of continuous management focused on productivity improvement and capital efficiency, in addition to profit growth through strengthening competitive advantages as shown on the previous page. In addition to expanding the scale of our business, we have leveraged ROWC (Return on Working Capital: P.29) to promote efficient management of working capital and business operations with a focus on capital profitability, thereby translating profit growth into higher EPS growth. Furthermore, while maintaining continuous profit growth as our foundation, we have implemented stable and continuous shareholder returns, and our management has actively engaged in Investor Relation activities, placing importance on dialogue with the capital markets to enhance corporate value. As a result, we have achieved strong performance over the long term in total shareholder return (TSR) as well. These achievements demonstrate the high quality of Macnica's management, which has consistently pursued not only business growth but also improvements in corporate value, including capital efficiency and organizational and governance structures.

Trend in Earnings per Share (EPS)

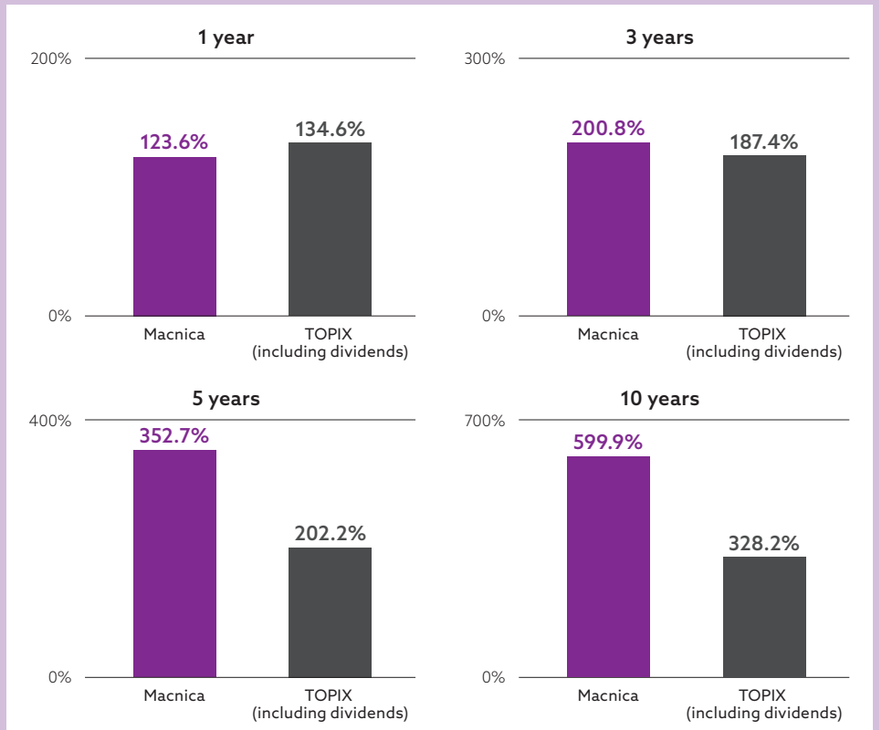
From FY2015 to FY2025, Macnica's EPS has steadily increased its level while experiencing temporary performance fluctuations. The current EPS level has more than doubled compared to around FY2015, and the profit level itself is changing under management that emphasizes capital profitability.



* The Company conducted a 3-for-1 stock split on October 1, 2024. Accordingly, net income per share is presented based on figures adjusted for the stock split.

Total Shareholder Return (TSR) Performance

Looking at TSR performance, while there have been periods of underperformance compared to TOPIX including dividends over short-term periods such as one year, the Company has consistently demonstrated performance exceeding TOPIX including dividends over the medium to long term. In addition to business growth and improved return on equity, our consistent shareholder returns have been reflected in TSR performance.



*Calculated using the closing share price as of March 31, 2026.

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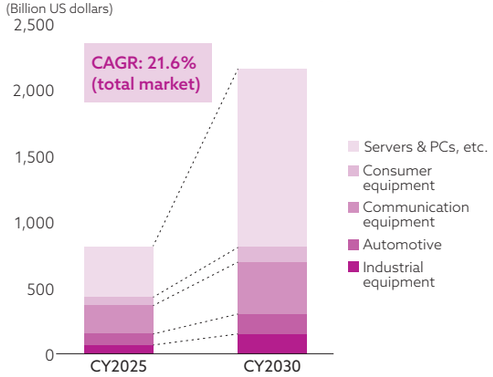
③Future Growth Potential—Business Portfolio With High Market Growth Potential Through The Practice Of Sunflower Management

Macnica has practiced sunflower management, concentrating management resources in markets expected to grow, and has continuously evolved its business portfolio. The Semiconductor Business and Cybersecurity Business are fields where medium- to long-term market expansion is expected, driven by the advancement of AI and the acceleration of digitalization. Furthermore, many of these business domains are also positioned as strategic priority investment areas promoted by the Japanese government. AI, semiconductors, digital, and cybersecurity are positioned as digital national infrastructure that forms the core of growth strategies and are prioritized investment targets, with continuous investment expansion anticipated from both the public and private sectors. Furthermore, in the CPS Solutions Business, the Company has touchpoints with areas related to next-generation industries and the sophistication of social infrastructure, such as mobility, energy, and food tech, and future growth is expected. Macnica will continue to leverage its expertise in cutting-edge technologies while strengthening its initiatives in markets expected to grow in the future, aiming to expand medium- to long-term growth opportunities.

Semiconductor Business

17 Strategic Fields
Building Digital National Infrastructure (AI and Semiconductors)

Global Semiconductor Market by Application*1



*1 Source: Gartner® Sources & Disclaimers P. 89

Background of Market Growth

- The market size is expected to expand significantly over five years, with a projected CAGR of 21.6%*1 across all global markets
- Demand is expanding across applications, driven by the expansion of AI and data center investments and the advancement of the automotive and industrial sectors (Macnica's view)

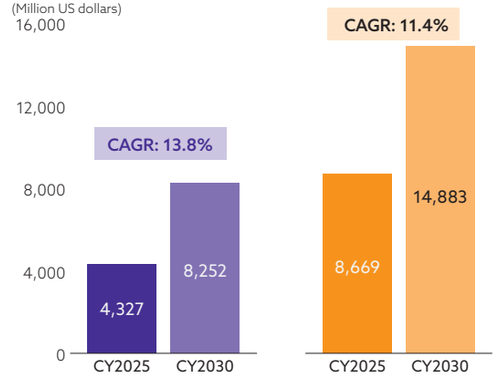
Macnica's Growth Opportunities

- Capturing medium- to long-term demand in industrial equipment and automotive applications where the Company's strengths can be readily leveraged
- Expanding scope to focus on growth markets centered on AI semiconductors

Cybersecurity Business

17 Strategic Fields
Building Digital National Infrastructure (Digital/Cybersecurity)

Japanese Market*2 / **Asia-Pacific Market*2**



*2 Source: Gartner® Sources & Disclaimers P. 89

Background of Market Growth

- Steady growth in both the Japanese market and Asia-Pacific market*2
- Continued demand growth across all company sizes driven by the expansion of cloud adoption and increasingly sophisticated threats (Macnica's view)

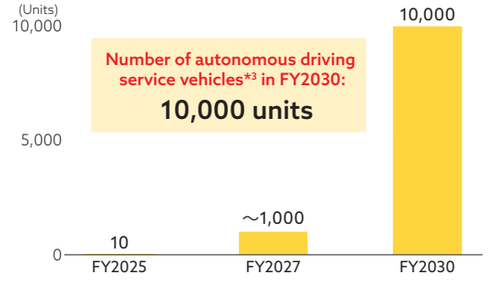
Macnica's Growth Opportunities

- Expansion of areas of involvement and customer base from implementation to operation and utilization through multi-vendor and cutting-edge product offerings
- Going beyond product provision as a distributor to promote and expand sales of in-house services and solutions

CPS Solutions Business

17 Strategic Fields
Fostering next-generation industries (autonomous driving, energy, food tech, etc.)

Number of Autonomous Driving Service Vehicles in Use (target image)



Prepared by Macnica based on data released by the Ministry of Land, Infrastructure, Transport and Tourism

*3 Public transportation such as buses and taxis nationwide, and trunk line transportation trucks

Background of Market Growth

- The government's target*4 for automated driving is to realize unmanned autonomous driving mobility services in 100 or more locations by FY2027
- The Third Basic Plan for Transport Policy*5 sets a numerical target of 10,000 vehicles by FY2030

Macnica's Growth Opportunities

- In addition to the on-road market for local governments, dissemination and expansion of autonomous driving EV buses (Navya) and proprietary services and solutions in off-road markets such as airports and resort facilities

*4 Grand Design and Action Plan for New Form of Capitalism 2025 Revision (Cabinet Decision on June 13, 2025)
*5 Third Basic Plan for Traffic Policy (Cabinet Decision on January 16, 2026)

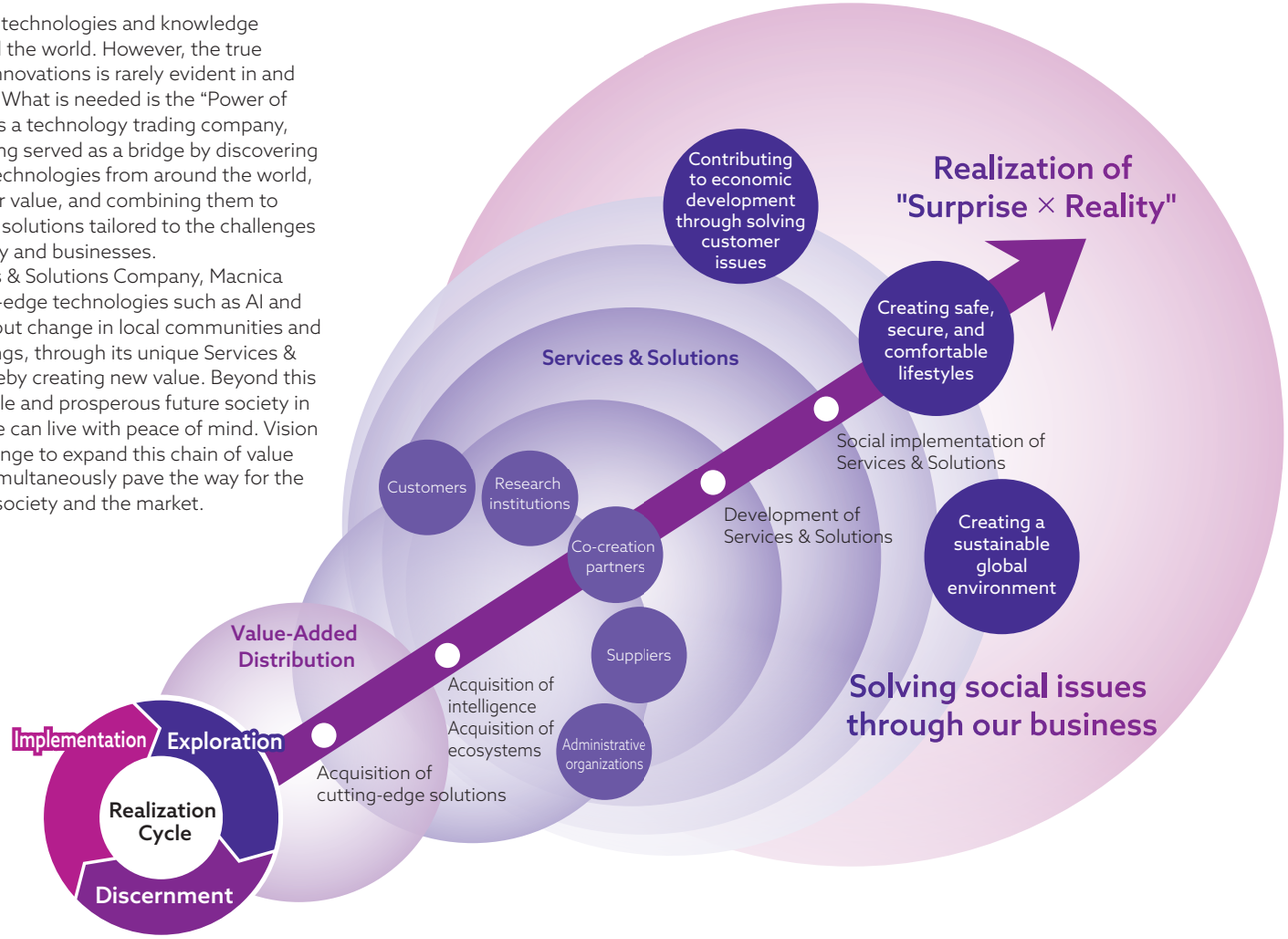
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Vision 2030

We will evolve into a Services & Solutions Company that continues to create new value by connecting technology and knowledge from around the world, with a view to realizing a prosperous future society

Every day, new technologies and knowledge emerge around the world. However, the true value of such innovations is rarely evident in and of themselves. What is needed is the “Power of connection.” As a technology trading company, Macnica has long served as a bridge by discovering cutting-edge technologies from around the world, identifying their value, and combining them to deliver optimal solutions tailored to the challenges faced by society and businesses.

As a Services & Solutions Company, Macnica applies cutting-edge technologies such as AI and IoT to bring about change in local communities and industrial settings, through its unique Services & Solutions, thereby creating new value. Beyond this lies a sustainable and prosperous future society in which everyone can live with peace of mind. Vision 2030 is a challenge to expand this chain of value creation and simultaneously pave the way for the future of both society and the market.



Long-Term Management Targets

Economic value

Sustainable business growth

Consolidated net sales: **¥2 trillion**

Consolidated operating income: **¥150 billion**

Consolidated operating income margin: **7.5%**

Consolidated ROE* **15%**

* Consolidated ROE = Net income attributable to owners of the parent (consolidated basis) / consolidated equity (net assets less stock acquisition rights and non-controlling interests, at end of the period)

Social value

Driving the development of future society

- Contributing to economic development by solving customer issues
- Creating safe, secure, and comfortable lifestyles
- Creating a sustainable global environment

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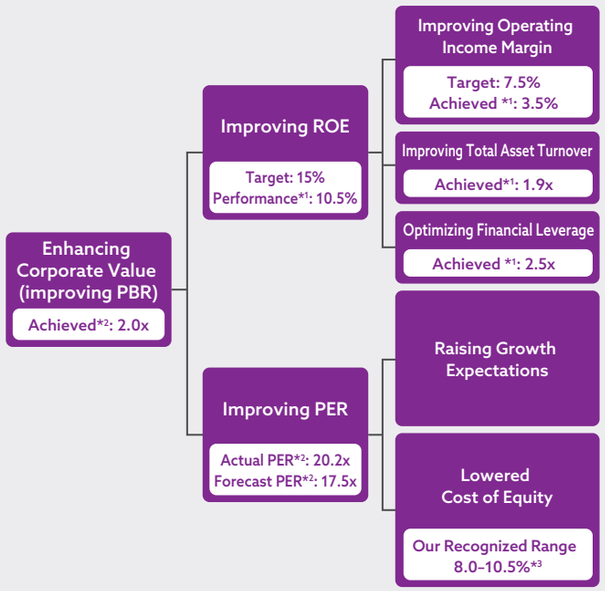
Enhancing Corporate Value and Evolving the Revenue Structure, Guided by Vision 2030

Vision 2030 is a strategic initiative designed to enhance Macnica's corporate value. As our Services & Solutions model evolves, we anticipate an improvement in operating margins, with an enhanced return on equity (ROE) leading to higher price-to-book ratios (PBR). Developing and expanding high-margin in-house services, we aim to transform the Group's overall revenue structure and build a business portfolio that is stable and growth oriented, and less affected by external factors. Furthermore, this model has a stable revenue structure that is less affected by market fluctuations, which we believe will also lead to a reduction in capital costs. Additionally, by addressing social issues, we will enhance the sustainability of both Macnica itself and society at large, contributing to reduced long-term capital costs. Vision 2030 is Macnica's statement of commitment to the future, aiming to balance economic and social value. To achieve this, we will accelerate strategic investment in the service and solutions sector and leverage the strengths of our existing high value-added distribution business. This transformation of the business model is a core initiative of our new medium-term management plan.

Pick up Why Aim to Become a Services & Solutions Company?

Macnica has contributed to social and economic development as a high value-added distributor, identifying cutting-edge technologies from around the world, assessing their value and delivering them to customers. By leveraging discernment and implementation capabilities in providing solutions tailored to specific challenges, we have created value that transcends the traditional scope of a trading company. However, there has been a growing demand from diverse partners - suppliers, customers, research institutions, and government agencies - to gain a deeper understanding of their issues and proactively offer solutions. For Macnica, too, it has become increasingly important, both from the perspective of securing new competitive advantage and diversifying risk, to enhance profitability through our own value creation, rather than relying solely on our suppliers' products. Against this backdrop, to provide optimal value in response to the challenges faced by our customers and society, it is essential not only to resell other companies' technologies, but to create our own services and solutions. That is why we are evolving into a Services & Solutions Company combining advanced technologies with value added by ourselves.

Initiatives to Enhance Corporate Value



Theme and Policy	Initiatives	Related Pages
Improving profitability	•Expanding market share (increasing sales) and improved profitability (gross profit margin) through strengthening VAD Business •Improving profitability (gross profit margin) through expansion of SS Business •Controlling SG&A expenses through operational efficiency and standardization utilizing IT, DX, and AI	•Semiconductor Business (P.33~) •Cybersecurity Business (P.39~) •CPS Solutions Business (P.45~) •IT & DX Strategy (P.71~)
Optimization of working capital	•Reducing working capital and improving capital profitability through ROWC management	•CFO Message (P.10~) •Balance Sheet Management Based on Business Structure (P.29)
Managing optimal capital structure	•Strict financial discipline, with Net D/E Ratio cap of 0.5x •Stable and continuous shareholder returns, DOE of 5% or more and total payout ratio of 40–50% as guidelines	•CFO Message (P.10~) •Capital Policy (P.27)
Business model transformation	•Execute growth investments (¥50–80 billion) aimed at the sustainable growth of the business and business model transformation •Improve earnings stability by expanding recurring revenue businesses	•CFO Message (P.10~) •Business Model Transformation (P.26) •Capital policy (P.27)
Advancing sustainability management	•Strengthening the corporate governance framework to enhance corporate value •Maximizing human capital through the acquisition and development of diverse talent and improved employee engagement •Strengthening resilience through advanced risk management across the Group •Risk management and leveraging opportunities through climate change response and supply chain engagement	•Corporate Governance (P.49~) •Human Resources Strategy (P.75~) •Risk Management (P.81) •Compliance (P.82) •Sustainability Initiatives (P.83)
Strengthening dialogue with stakeholders	•Enhancing brand value through strengthening corporate branding •Increasing opportunities for dialogue and enhancing information disclosure through strengthened IR and SR activities	•Branding Strategy (P.79~) •Dialogue with Shareholders and Investors (P.84~)

*1 Calculated based on actual results for the fiscal year ended March 2026. *2 Calculated based on the closing stock price at the end of June 2026 (¥3,144).
*3 Estimates at both market expectations and CAPM levels. Market expectations are calculated based on the inverse of the expected PER (stock earnings yield) based on the closing price at the end of June 2026 and the company's projected EPS for the fiscal year ending March 2027. For the CAPM level, the risk-free rate is calculated using the 10-year government bond yield (2.64%), the risk premium is calculated from the period 1972-2025 (6.45%), and the β is calculated using monthly data over five years (stock prices (including dividends) and TOPIX (including dividends) at the end of each month), with a corrected β (1.22).

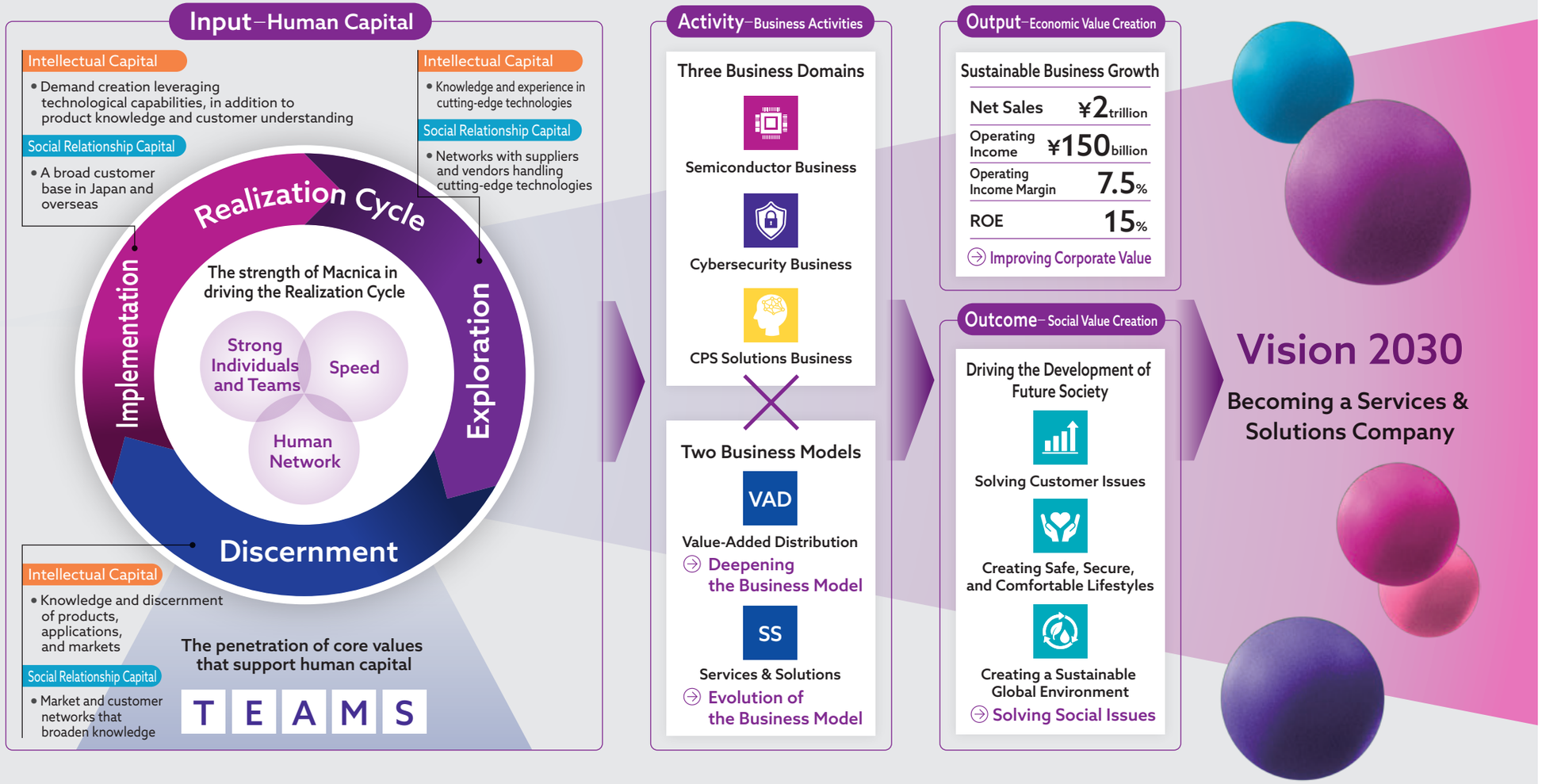
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Toward the Realization of Vision 2030

'Everything begins and ends with people.' As the founder's words suggest, the source of Macnica's value creation lies in each and every employee. The knowledge and networks cultivated by employees have been accumulated as Macnica's intellectual capital and social capital, supporting the societal implementation of cutting-edge technologies. Leveraging these strengths, Macnica will evolve into a Services & Solutions Company by 2030.

Corporate Philosophy Sowing seeds continuously under our feet

Purpose Leading in an ever-changing world, we seek technology and intelligence beyond the cutting-edge, while envisioning the future and creating the "Now."



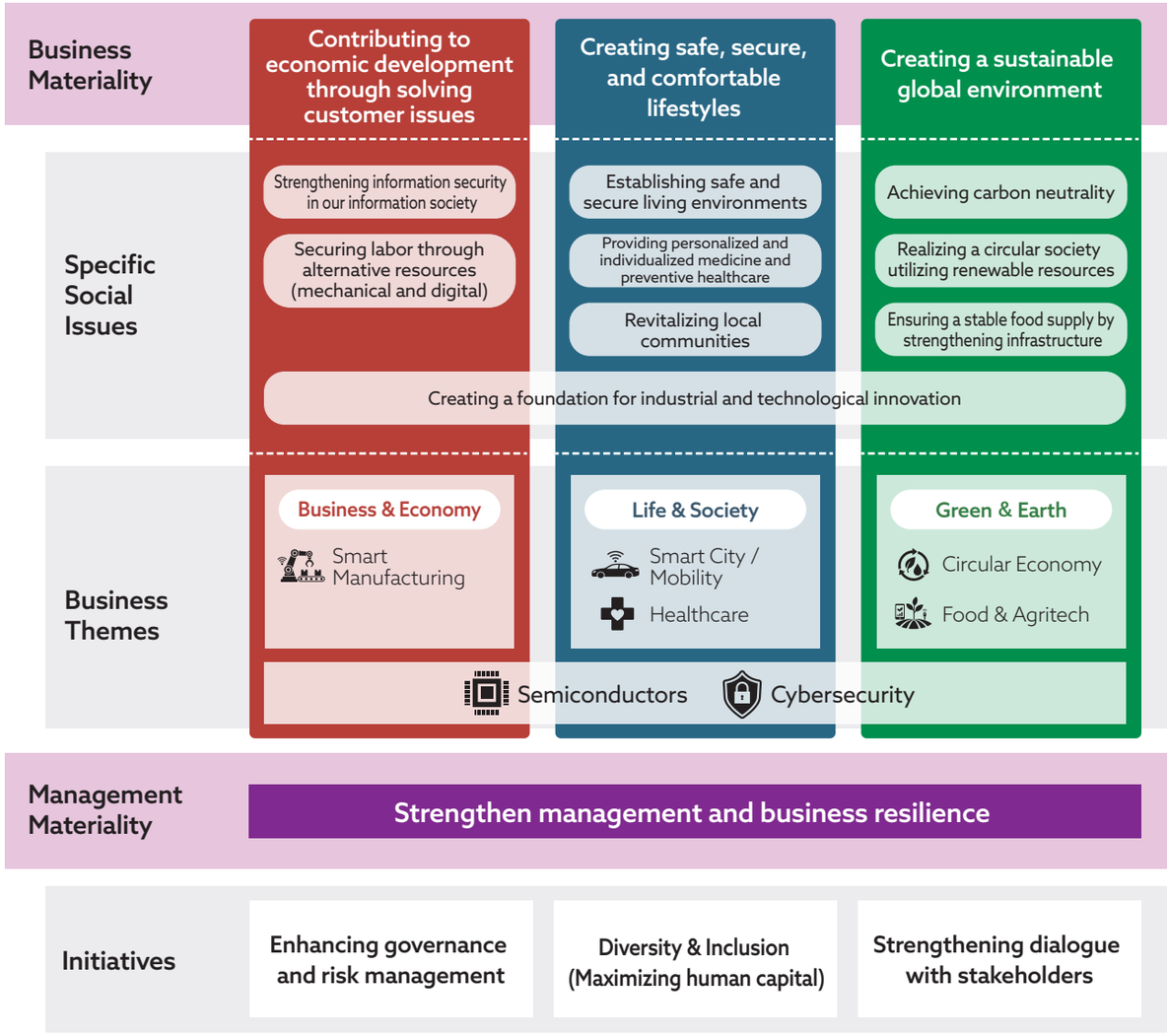
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Materiality

The Macnica Group has identified four materialities and aims to contribute to the global environment and socio-economic development through its business activities. In identifying Material Issues, we narrowed down the matters to those that are highly important to stakeholders and have a significant management impact on the Group. With semiconductors, IT, and cybersecurity as the foundation common to all industries, we will contribute to building the foundations for future industries and technological innovation, while working to resolve social issues through our business operations in areas where we can leverage the strengths of the Group.



Materiality Identification Process

In identifying Material Issue, our Group identified Material Issue through the following four steps to ensure comprehensiveness, objectivity, and uniqueness. Material Issue will be reviewed as necessary, taking into account changes in the importance of issues and the emergence of new issues.

STEP 1

Identifying social issues

- Identify the social issues to be addressed and organize their interrelationships
- Review ESG and sustainability guidelines, etc.

STEP 2

Screening

- Check alignment with development goals such as the SDGs
- Screening based on compatibility with digital transformation (DX)

STEP 3

Development of evaluation criteria

- Organize criteria along two axes: "Importance to the company's business" and "Importance of the social issue"

STEP 4

Evaluation and identification

- Evaluations by project members according to established criteria
- Identify Materiality
- Submission of evaluation results to the Board of Directors for review and approval

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Roadmap for Vision 2030 and Medium-Term Management Plan

By backcasting from our desired future state in 'Vision 2030', we clarified our current management challenges and measures to address them. Macnica has formulated a three-stage medium-term management plan to achieve its FY2030 targets. These are the Management Resource Fusion Phase which began in FY2022; the Specialization Enhancement Phase started in FY2025; and the Management Resource Integration Phase, beginning in FY2028. These phases represent the steps required to progressively evolve our human capital, services and solutions business foundations, and chart the course of transformation towards realizing Vision 2030. Through these three steps, Macnica aims to achieve sustainable growth and maximize corporate value.

Roadmap for Vision 2030

FY2022–2024 Management Resource Fusion Phase

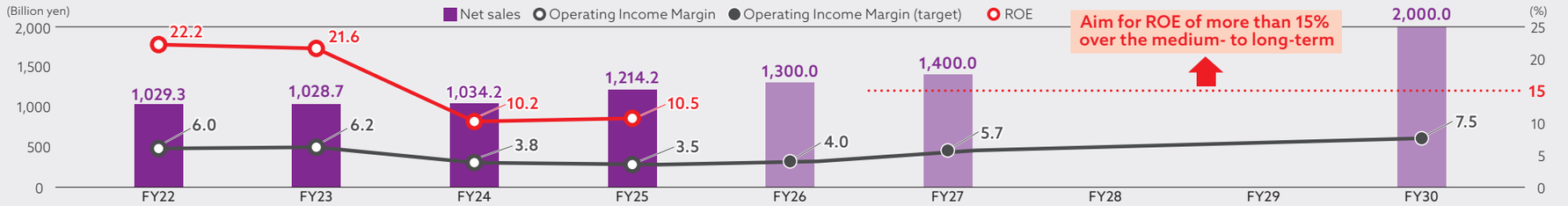
This phase involves integrating the physical strengths cultivated in our Semiconductor Business with the cyber strengths developed in our Cybersecurity Business to sow the seeds of new ventures. We will implement strategies and make capital investments to nurture these seeds into mature businesses, paving the way for the next phase.

FY2025–2027 Specialization Enhancement Phase

While further strengthening the capabilities necessary to drive substantial business growth, we will collaborate with partner companies that possess superior technologies and management resources. In addition to our own services and solutions, we will work together with partner companies to acquire expertise in our key focus areas.

FY2028–2030 Management Resource Integration Phase

By combining the expertise we have developed in each area, we will establish our position as a provider of foundational services within the industry. We will strengthen the integration of cross-domain services and data to drive consolidation, aiming to establish a platform that sets new standards for the industry.



Medium-Term Management Plan (FY2025-2027)

As the second step towards realizing Vision 2030, this Medium-Term Management Plan will accelerate the transformation of our business model with a view to becoming a services and solutions company. To this end, acquiring further capabilities is essential. During the Medium-Term Management Plan's term, we will execute growth investments that contribute to sustainable business growth and the transformation of our business model, in accordance with our capital policy (P.27). In addition to organic growth, we will seek to expand our business domains through collaboration with and investment in partner companies possessing superior technology and management capital, while accelerating transformation through mergers and acquisitions (M&A). Furthermore, to drive the transition to a business model that differs from our previous approach, we will work to build a management foundation capable of adapting to change and achieve sustainable growth by strengthening each of our business domains.

Medium-Term Management Strategy

Cross-Functional			Strengthening the Management Base
• Growth Investments toward Vision 2030 • Business Model Transformation • Strengthen AI-Related Businesses			• Strengthen Financial Strategy • Strengthen Human Capital Strategy • Strengthen Investor Relations • Strengthen Branding • Strengthen IT/DX Strategy • Strengthen Corporate Governance
Semiconductor Business	**Cybersecurity Business**	**CPS Solutions Business**	
• Focused Investment in Growth Countries • Continue Strengthening Growth Markets • Strengthen AI-Related Businesses	• Expand Value-added Distribution Model • Strengthen Value-added Operational Support Services • Expansion of Services & Solutions	• Expand Smart City / Mobility and Smart Manufacturing Businesses • Target Enhancement of Circular Economy, Healthcare, and Food & Agritech	

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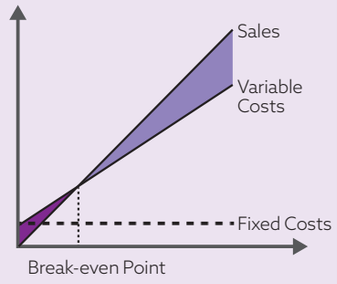
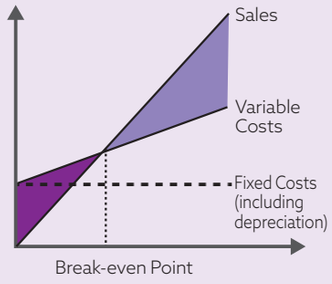
Company-wide Strategy: Business Model Transformation

In the Medium-Term Management Plan (FY2025–2027), we have identified business model transformation as one of the pillars of our corporate strategy. To date, we have expanded our business by leveraging our technological expertise and relationships with partners through the Value-Added Distribution (VAD) model. However, against the backdrop of increasingly complex customer challenges and changes in the business environment, there is a growing need to create value that goes beyond simply providing products. Recognizing this, we aim to evolve our revenue structure and achieve sustainable growth in corporate value by expanding our Services and Solutions (SS) model, while maintaining the VAD model as our foundation.

Macnica's Business Model

Our business model is based on a Value-Added Distribution (VAD) model, whereby we provide products developed by our partner companies while adding value through technical support and assistance with implementation and operation. Backed by partnerships with some of the world's leading manufacturers, we have achieved stable growth across all our business segments by offering proposals and implementation support tailored to our customers' technical challenges. In recent years, building on this understanding of our customers and our technical expertise, we have been expanding our Service and Solution (SS) model, through which we proactively engage in solving challenges using our own in-house products, services and solutions. While the SS model involves a certain level of fixed costs, it offers the potential for improved profitability through the enhanced value we provide. By complementing the VAD model, we aim to achieve sustainable growth and enhance our corporate value.

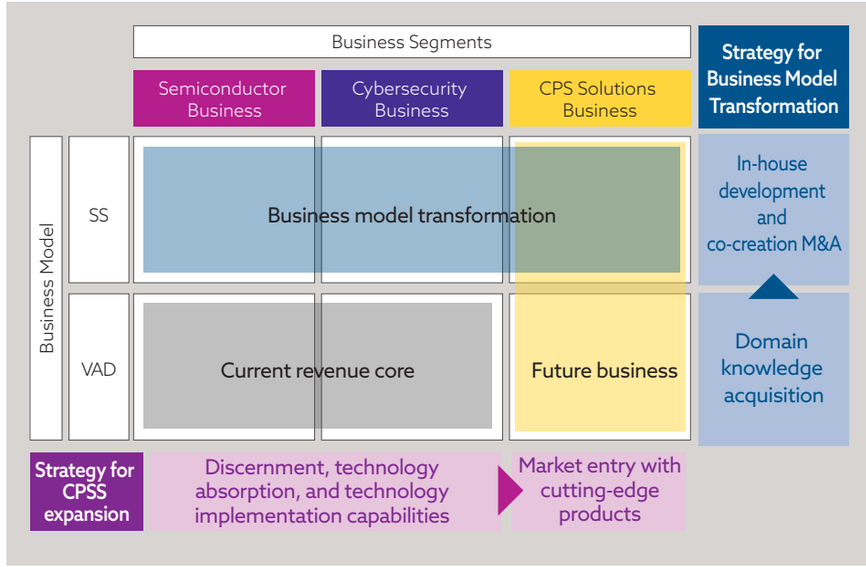
Characteristics by Business Model

	VAD Model (Value-Added Distribution)	SS Model (Services & Solutions)
Nature of Business	Sales of supplier products with added technical and operational support	Provision of in-house-developed services and solutions
Roles (Strategic)	Revenue core	Pillar of growth
Management Impact	Building a stable management base	Increasing profit margins, sustainable growth of corporate value
Revenue Structure	Scalable, focus on variable costs 	Scalable, high contribution margin ratio 
Approach to Growth	Organic and inorganic (M&As, etc.)	

Toward Business Model Transformation

At Macnica, while maintaining and strengthening our core revenue streams based on the VAD model, we are driving business model transformation across all our operations through the expansion of the Services and Solutions (SS) model. By leveraging the technical expertise, customer base and partnerships cultivated in our existing businesses, we are enhancing added value through the roll-out of our own services and solutions, thereby striving to advance our business structure. In the CPS Solutions business, we are entering new markets by acquiring cutting-edge products with discernment and the ability to absorb technology and technical implementation capabilities we have accumulated in our semiconductor and cybersecurity businesses. Through these initiatives, we will accumulate domain knowledge in new areas and, based on this insight, expand our SS business by developing our own services and solutions in-house and fostering co-creation with partners. By accelerating this growth through M&A, we will achieve sustainable growth across our entire business portfolio and enhance our corporate value.

Business Segments and Business Model



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Company-wide Strategy: Growth Investments toward Vision 2030

In its Medium-Term Management Plan (FY2025–2027), Macnica has positioned 'Growth Investment toward Realizing Vision 2030' as its top management priority and has formulated a capital policy that clarifies the allocation rules for growth investment, financial soundness, and shareholder returns during the plan period. Under this policy, generated profits will be allocated roughly equally to shareholder returns and growth investments, and shareholder returns will continue with a three-year average total return ratio of 40%–50% and a dividend on equity (DOE) of 5%. At the same time, growth investments of 50-80 billion yen will be carried out mainly through M&A, accelerating the transformation of the business model toward services and solutions and the overseas expansion of the Semiconductor Business. This will build a revenue base that is less swayed by market conditions and continuously enhance both corporate value and shareholder value.

Capital Policy

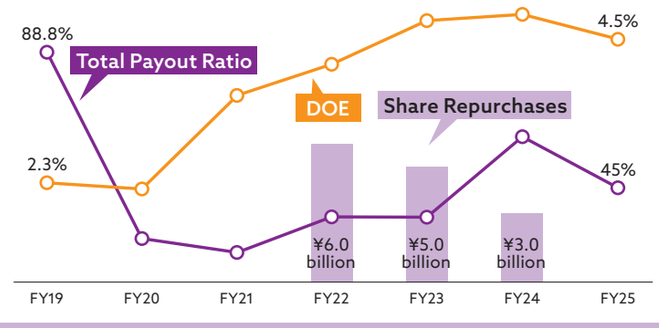
Maintaining Financial Health

With the aim of maintaining financial security, we will set a target upper limit for the **Net Debt-to-Equity Ratio at 0.5 times**, thereby seeking to achieve a balance between capital efficiency and stability through the appropriate use of financial leverage. Whilst securing funds to steadily drive forward growth investments, we aim to maintain and strengthen a financial foundation that enables stable cash management even during market fluctuations by curbing excessive reliance on debt.

Shareholder Return Policy

Our basic policy is to provide stable and continuous returns to shareholders. **During the Medium-Term Management Plan period, we will implement shareholder returns based on a three-year average total payout ratio of 40–50%, with a target DOE of 5%**. With stable dividends as the foundation, we will flexibly carry out share buy-backs should the total payout ratio fall short of the target.

Actual trends in the Total Payout Ratio and DOE



Debt Increase

Net Income (3 years)

Business Continuity Investments (working capital)

Growth Investments

Shareholder Returns

Growth Investment toward Vision 2030

Over the three years of FY2025–2027, Macnica plans to **make growth investments of approximately 50–80 billion yen**, utilizing funds derived from increased profits and borrowing limits minus working capital. This investment will be evenly distributed across both the VAD and SS models, with a strategy to strengthen the business primarily through M&A. In the Semiconductor Business, which holds the top domestic market share, there is room to expand its share overseas, and we will continue to invest. In the Cybersecurity and CPS Solutions Businesses, we will invest in related businesses to strengthen our in-house developed service solutions and accelerate the transformation of our business model. Through these initiatives, we aim to improve profitability and enhance our business portfolio, leading to sustainable enhancement of corporate value.

Results during the Medium-Term Management Plan (FY2025–2027)

Business	Ratio	Objective	Investment Results
Semiconductor	50%	Sustainable Growth	Acquired Indesmatech to Expand Market Share in the Nordic Region
Cybersecurity	50%	Business Model Transformation	—
CPS Solutions			Agreed to Acquire a Majority Stake in Orangeleaf Consulting to Strengthen Manufacturing DX Consulting Capabilities

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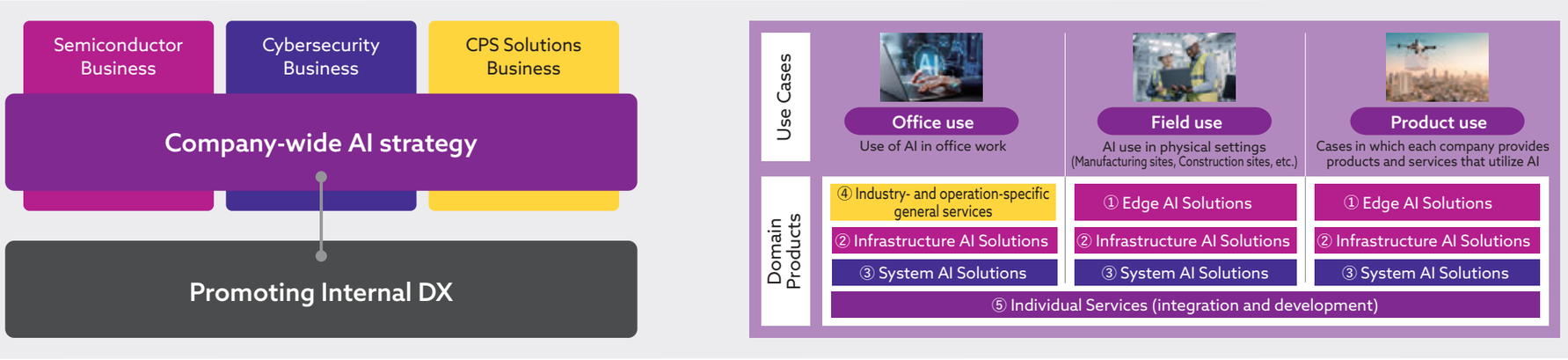
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Company-wide Strategy: Strengthening AI-Related Businesses

Company-wide AI Strategy

All three of our businesses support the growth of the AI market, and AI is a key growth driver for us. Our company-wide AI strategy spans all three businesses and leverages the strengths of each to create synergies. It is also closely linked to the promotion of internal DX, and by accelerating AI-related businesses while proactively applying AI-related business solutions to internal DX, we create mutual synergies.

Under the company-wide AI strategy, we will deploy five product domains across three use cases. By combining domains in which we leverage the technological and partner strengths cultivated through our VAD business with domains that build on those strengths to develop our own products and AI integration, we aim to create customer-centric value and achieve sustainable growth in our AI business.



Domain-Specific Strategies

Value-Added Distribution (VAD)

① Edge AI Solutions

With an eye toward securing mass-production projects for future edge-AI-equipped products, we use the widely adopted edge AI development infrastructure and development environment in the market as a starting point, and quickly capture customer projects from upstream (research and development). In the downstream (mass production) phase, we leverage the strengths of multi-vendors to provide optimal proposals for SoCs, modules, GPUs, FPGAs, etc., and by supporting customer projects through technical support, we aim to improve the likelihood of mass production and the success rate of securing projects.

② Infrastructure AI Solutions

With data center operators, AI service providers, and large end-user companies as our primary targets, we will make optimal proposals for infrastructure-oriented AI solutions such as GPU servers, high-speed storage, and high-speed communications by leveraging a broad product lineup ranging from high-end to low-end offerings. By combining the strengths of a multi-vendor approach with integration capabilities, we will differentiate the value we provide (value proposition) in proposals and improve profitability on a customer project basis.

③ System AI Solutions

While AI models and use cases are changing quickly, the importance of operations, governance, and data management in corporate AI utilization is increasing. Based on this market environment, we will establish a position that can provide long-term value even in the rapidly changing AI market, centered on AI TRiSM and data management offerings that leverage our strength in security for companies using AI in their operations.

Services & Solutions (SS)

④ Industry- and operation-specific general services

To embed the use of generative AI in our operations, we offer common features for customers' generative AI use such as our own products and acquire customer base and domain knowledge using customer-specific data. Additionally, by deploying industry- and business-specific applications and gradually expanding the target business scope, we support the effective and sustainable use of generative AI.

⑤ Individual Services (integration and development)

By pooling the AI expertise of our company and our partners, we provide AI integration tailored to each customer's specific operations and data. While focusing on providing solutions based on our own in-house products, we support solutions tailored to each customer's requirements, connecting AI utilization to the implementation stage, maximizing customer value, and achieving sustainable business growth.

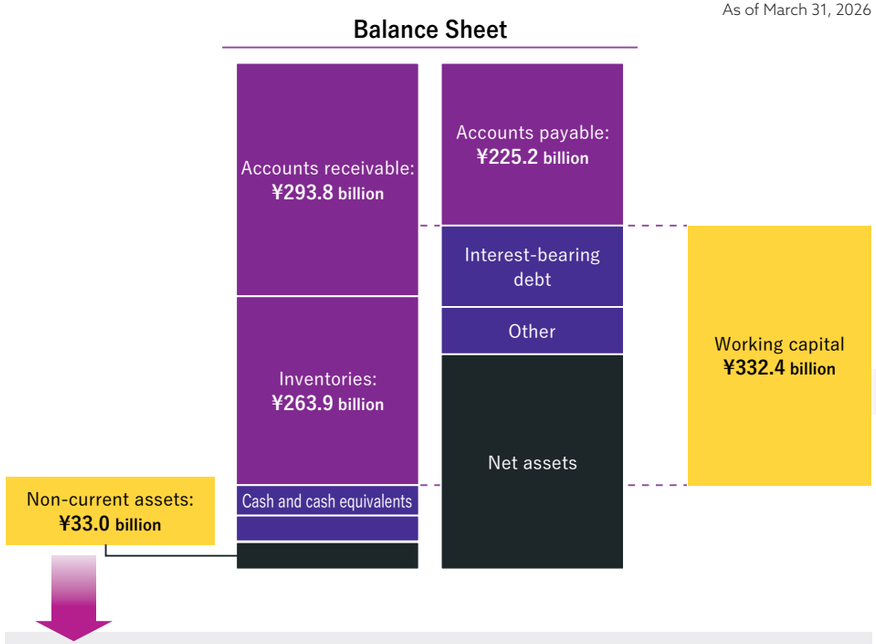
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Balance Sheet Management Based on Business Structure

Key Points for Interpreting the Financial Statements

Macnica's main business is based on trading company operations, and since most of it involves purchasing and selling finished products, it does not own fixed assets such as manufacturing and processing equipment itself. Therefore, the main component of the balance sheet is working capital necessary for the business. At the same time, we conduct balance sheet management with capital efficiency in mind, controlling cash on hand and fixed assets other than working capital to the minimum necessary, while managing ROWC (Return on Working Capital) for each major supplier to optimize and improve working capital efficiency.

As of March 31, 2026



About Fixed Assets

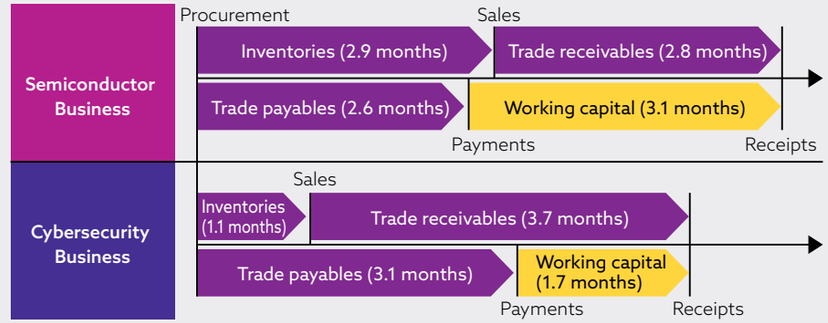
Macnica's core business is based on trading activities, and as the majority of this involves the purchase and sale of finished goods, the company does not hold any fixed assets such as manufacturing or processing equipment. Consequently, the main components of its balance sheet consist of the working capital required for its operations. At the same time, we practice balance sheet management with a focus on capital efficiency. Whilst keeping cash on hand and fixed assets—other than working capital—to the absolute minimum, we strive to optimize and enhance the efficiency of our working capital by managing the Return on Working Capital (ROWC) for each of our major suppliers.

Non-current assets as a percentage of total assets	Fixed asset ratio	Strategically held shares (listed shares)	
		Number of securities:	Percentage of net assets:
4.7%	11.4%	7	0.8%

About Working Capital

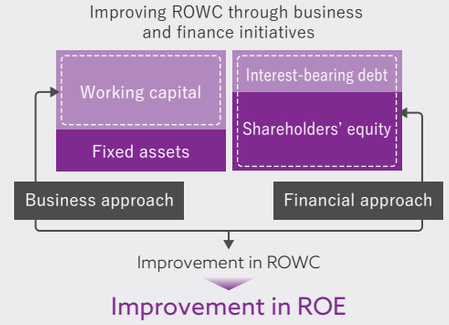
In the Semiconductor Business, we hold an appropriate level of inventory to meet customers' delivery deadlines. We endeavor to balance the collection period for trade receivables with the payment period for trade payables, and the inventory turnover period constitutes the main component of our working capital. In contrast, in the Cybersecurity Business, the inventory turnover period is relatively short due to the provision of services and transactions involving intangible assets, resulting in a shorter working capital period. Please note that the CPS Solutions Business accounts for a negligible proportion of working capital and is therefore omitted from this explanation.

As of March 31, 2026



Macnica's Capital Cost Management (ROWC)

Since 2019, we have introduced ROWC as a business management indicator for the semiconductor business, managing the profit margin on working capital for each major supplier. Additionally, we set a threshold rate for ROWC based on capital costs, and by closely collaborating with the business and finance departments to improve ROWC, we strive to suppress excess inventory and long-term accounts receivable, enabling appropriate management of working capital and appropriate pricing.



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Exchange Rate Fluctuations, Impact on Sales and Gross Profit

Key Points for Interpreting the Financial Statements

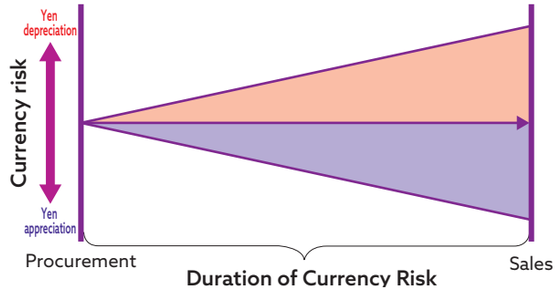
At Macnica, we engage in import sales centered on foreign-made products and services, and most procurement is conducted in foreign currencies (mainly U.S. dollars). Accordingly, fluctuations in exchange rates may affect the performance of the Group. In the Semiconductor Business and Cybersecurity Business, the impact of exchange-rate fluctuations appears differently because of differences in the main sales format. This page organizes the characteristics of the impact of exchange-rate fluctuations in each business, focusing on domestic transactions in Japan, where the impact of exchange rates is relatively large (the CPS Solutions Business is excluded because the monetary impact is minimal). In addition, we work to reduce risk by negotiating prices with customers in response to exchange-rate trends and, as appropriate, implementing hedging through foreign exchange forward contracts.

Impact of Exchange-Rate Fluctuations

Semiconductor Business

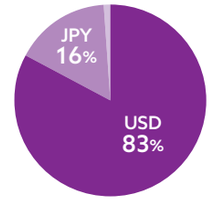
Procurement denominated in U.S. dollars
Sales denominated in U.S. dollars or sales prices linked to the U.S. dollar

- The proportion of sales denominated in U.S. dollars and linked to the U.S. dollar is high, and net sales increase when the yen depreciates and decrease when the yen appreciates.
- Because the proportion of procurement denominated in U.S. dollars is high and there is an inventory period from procurement to sales, gross profit also increases when the yen weakens and decreases when the yen strengthens.

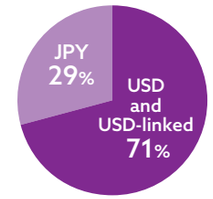


Items Affected	Net Sales	Gross Income
During yen depreciation	↑ Increase due to higher conversion rates at the time of sale	↑ Increase due to increase sales
During yen appreciation	↓ Decrease due to a lower conversion rate at the time of sale	↓ Decrease due to a decrease in sales

Share of purchasing currency



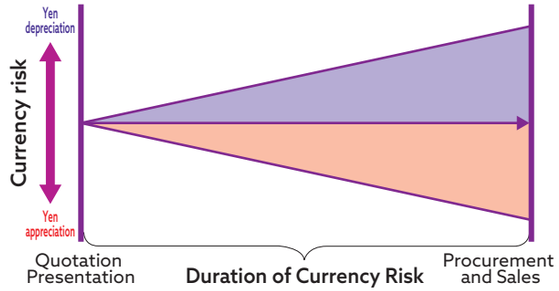
Share of selling currency



Cybersecurity Business

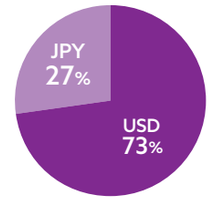
Procurement denominated in U.S. dollars
Sales denominated in yen

- High sales ratio in yen, so the impact of exchange rate fluctuations on sales is limited
- The selling price is set at the time the quote is presented, but there is a time lag between purchase (when the exchange rate is actually finalized), so gross profit decreases during yen depreciation but increases during yen appreciation.

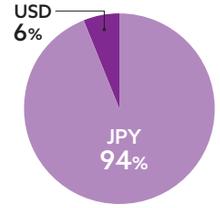


Items Affected	Net Sales	Gross Income
During yen depreciation	→ Set in yen at the time the quotation is presented (no foreign exchange impact)	↓ Decrease due to an increase in cost of sales (higher conversion rate at the time of procurement)
During yen appreciation	→ Quotation set in yen at time presented (no foreign exchange impact)	↑ Increase due to a decrease in cost of sales (decline in exchange rate at time of procurement)

Share of purchasing currency



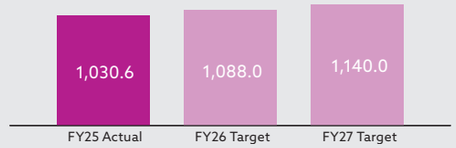
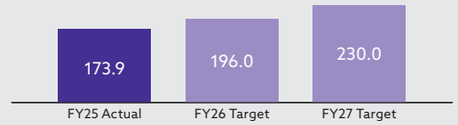
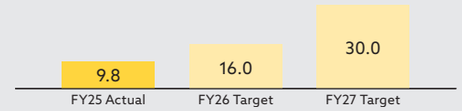
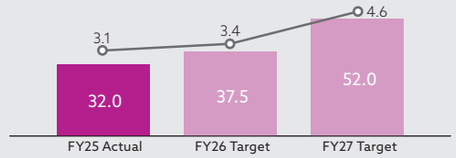
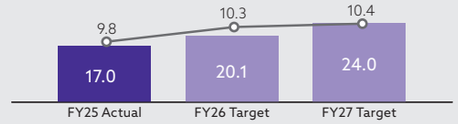
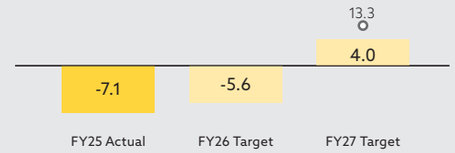
Share of selling currency



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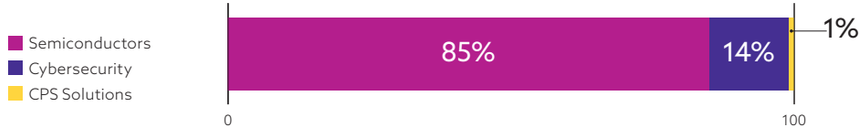
Business Summary

*The FY2025 figures are also presented on a three-segment basis.

	Semiconductor Business	Cybersecurity Business	CPS Solutions Business
			
Trend in Net Sales (Billion yen)			
Trend in Operating Income Operating Income (Billion yen) Operating Income Margin (%)			
FY2025 Review	• Expanded market share by securing major business opportunities, primarily in Asia. • AI-related demand drove growth in sales for server applications in Japan and overseas, taking net sales above ¥1 trillion. • Profit was weak in the first half due to sharp exchange-rate fluctuations. In the second half, profit increased, supported by a recovery in overseas industrial equipment markets and other factors. The business remained profitable for the full year, although the operating income margin stayed low.	• In Japan, growth was led by products in areas such as endpoint security, content management, and cloud security. We also made progress in adding new solutions, including those in the identity domain. Overall, the spread of generative AI is expected to have a positive impact on the cybersecurity market. • Overseas operations in APAC continued to deliver strong growth overall as cybersecurity markets expanded in the countries where we operate.	• In Smart City/Mobility, we advanced the practical implementation of Level 4 autonomous driving through autonomous EV bus demonstration trials conducted with local governments. • Autonomous EV bus sales shifted to FY2026 or later, resulting in a wider operating loss. • In Smart Manufacturing, we captured demand for more advanced capabilities and expanded the business by providing relevant solutions.
FY2026 Outlook	• We expect business growth by capturing robust overseas demand driven by AI-related needs, together with a full-scale recovery in Japan's industrial equipment market. • Through strategic inventory procurement and appropriate allocation, we will strengthen our ability to respond quickly to tight supply-demand conditions and seek to reliably recognize revenue.	• We will accelerate business growth by strategically allocating resources to the expanding cybersecurity market. • We aim to deliver double-digit growth for a second consecutive year by steadily capturing demand in Japan and overseas.	• We aim to improve profitability by steadily advancing sales of autonomous EV buses and expanding proposals for off-road applications. • We expect profits from smart manufacturing-related fields to increase as we raise the share of proprietary products in the sales mix.

Net Sales Composition by Business Segment

FY2025 Actual: ¥1,214.2 billion



Operating Income Composition by Business Segment

FY2025 Actual: ¥42.0 billion



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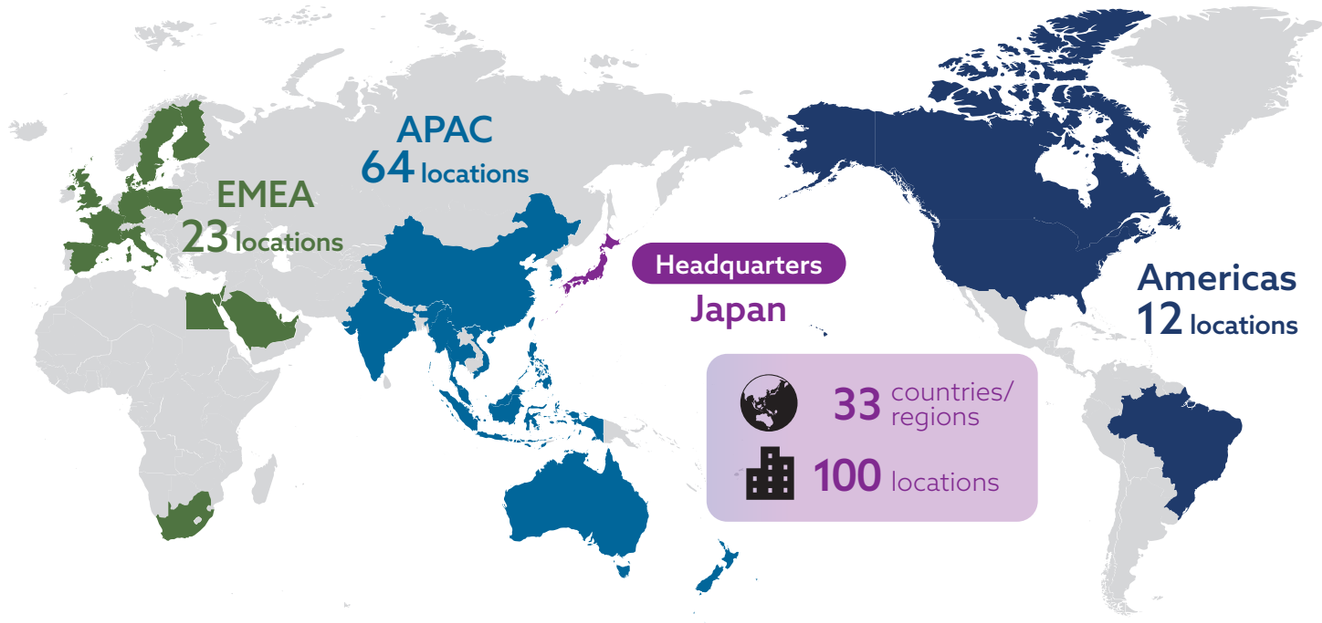
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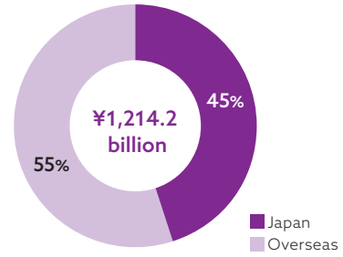
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Macnica Group Global Operations

(As of June 30, 2026)

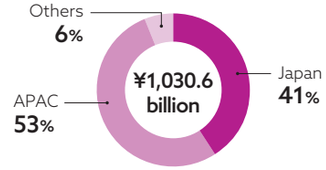


Net Sales Composition (FY2025 Actual)

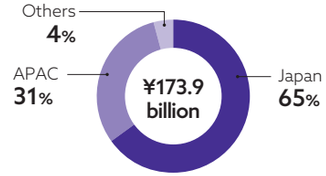


Consolidated Net Sales Composition by Region (FY2025 Actual)

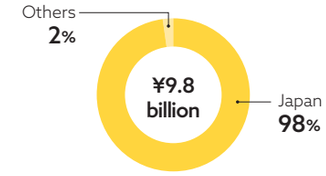
Semiconductor Business



Cybersecurity Business



CPS Solutions Business



Major Group Companies and Countries of Operation by Business Segment

	Japan	APAC		Others	
Semiconductor Business	Macnica	Macnica Cytech Macnica Galaxy Macnica Cytech Pte Macnica Anstek Gillanix	(HKG) (TWN) (SGP) (TWN) (KOR)	Macnica Americas Fuji Electronics America Macnica DHW* Macnica ATD Europe Indesmatech*	(USA) (USA) (BRA) (FRA,DEU) (DNK)
Cybersecurity Business	Macnica Macnica Solutions S&J*	Netpoleon Solutions iSecurity* CrowdANALYTIX*	(SGP) (TWN) (IND)	CyberKnight Technologies*	(ARE)
CPS Solutions Business	Macnica			Navya Mobility SAS	(FRA)

* Non-consolidated

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Semiconductor Business



Akinobu Miyoshi
Representative Director
and Vice President

The importance of semiconductors continues to grow. Advances in technology and performance, together with the emergence of AI, are driving rapid demand growth, while governments around the world increasingly view semiconductors as strategic resources.

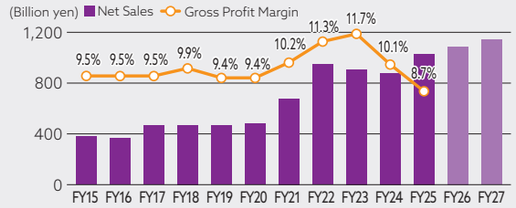
Macnica recognized the importance of semiconductors as early as the 1970s. Since then, we have identified distinctive semiconductor technologies, particularly from overseas, evaluated them through our technical expertise, and delivered them to customers. In FY2025, net sales in the semiconductor business exceeded ¥1 trillion for the first time.

To drive further growth, we will expand our market share in Japan and overseas, create demand by leveraging our advanced technical expertise, and improve profitability by streamlining operations globally.

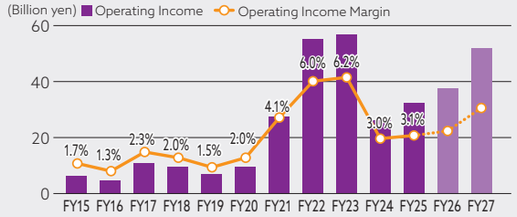
Business Strategy

- Focused investment in emerging markets (Strategy specializing in the Chinese market; focused investment in emerging markets outside China)
- Continued strengthening of growth markets (continued strengthening of industrial equipment, strengthening of software solutions)
- Strengthening AI-related businesses (company-wide AI strategy, infrastructure-based AI products/ edge-based AI products)

Net Sales Trends and Outlook*

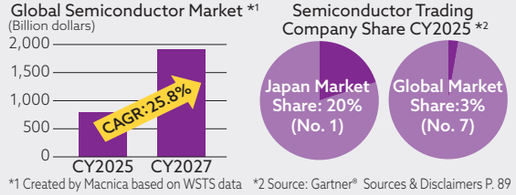


Operating Income Trends and Outlook*



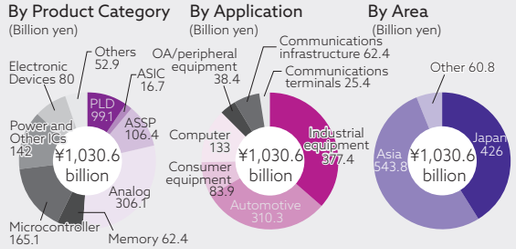
*Reported as 2 segments up to FY24; CPS Solutions Business separated and reported as 3 segments from FY25.

Market Growth Rate and Industry Share



*1 Created by Macnica based on WSTS data *2 Source: Gartner® Sources & Disclaimers P. 89

Net Sales Composition Ratio FY25



Strengths (Source of Competitive Advantage)

Customer Base Supporting Stable Growth P.34
- Customer base across a wide range of industrial equipment fields
- Strong trust relationships enabling long-term transactions

Demand Creation through Proven Technical Expertise P.35
- Early discovery of demand through involvement from the conceptual and design stages
- High value-added proposals that integrate technical knowledge and sales capabilities

Extensive Product Portfolio P.36
- Diverse product portfolio that does not depend on specific manufacturers
- Product composition that can flexibly respond to technological advances and market changes
- Position chosen during manufacturer restructuring

Strong Business Foundations in Local Markets P.37
- Optimized supply network with in-depth knowledge of Japanese and local customers
- Rapid market development through global distribution contracts

Opportunities and Risks (External Factors)

Opportunities
- Rapid expansion in demand for cutting-edge semiconductors driven by AI advances
- Growing demand for technical support as semiconductor technologies become more advanced
- Increased opportunities to secure distribution channel transfers following a review of agency policies

Risks
- Instability in manufacturing and supply chains due to geopolitical risk
- Difficulties arising from intensifying international competition among Japanese manufacturers
- Robust growth in semiconductor demand coupled with supply constraints

Challenges and Countermeasures (Internal Factors)

Challenges
- Adapting to short-term business models resulting from the transfer of sales channels from other companies
- Increased business collaboration with local partners due to rapid overseas expansion

Countermeasures
- Enhancing added value through strengthening demand creation
- Improving and streamlining operations through a common global platform

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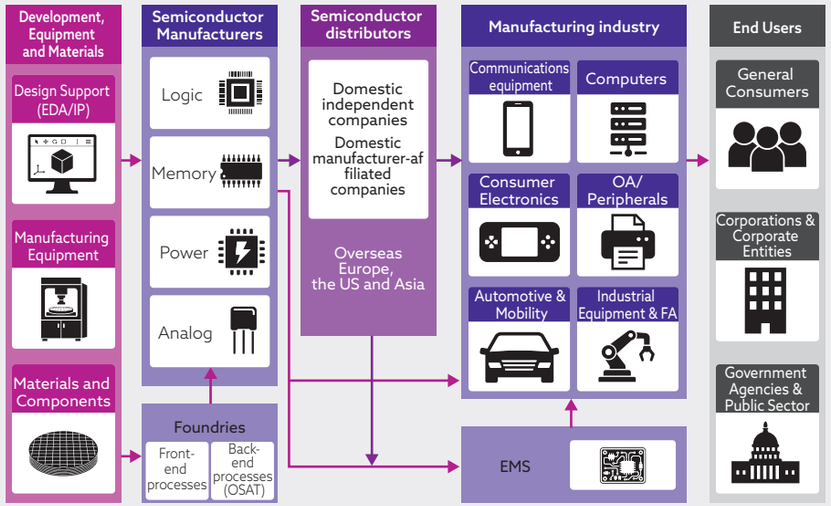
Customer Base Supporting Stable Growth

Business Model: Value-Added Distribution (VAD)

Semiconductor Industry, Supported by Diverse Companies

The semiconductor industry has a multi-layered structure consisting of design, manufacturing, foundries, equipment/materials, and trading companies (distributors). Within this context, semiconductor trading companies play a vital role in connecting the needs of diverse customers with suppliers. For suppliers (semiconductor manufacturers), distributors provide sales channels that enable the development of potential demand among a wide range of customer bases, and for customers (manufacturing companies), distributors support design assistance through proposals of optimal technologies and products, as well as stable procurement in manufacturing. This function, which delivers value to both parties, is connected to the market creation capabilities of general trading companies, and Macnica plays an important role as a powerful hub in the increasingly sophisticated and multi-layered industrial structure.

Semiconductor Industry Map



Value-Added Distribution

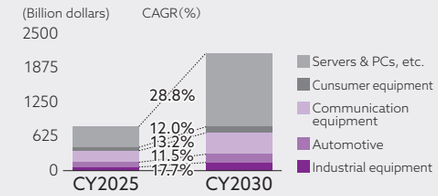
Macnica's Value-Added Distribution is a business model that builds on and extends the traditional functions of a trading company. Its greatest strength is the advanced technical expertise that enables Macnica to provide end-to-end support, from technology selection to design and implementation, quality support, and delivery. With engineers accounting for one-third of our workforce, we develop a deep understanding of cutting-edge technologies and translate them into solutions tailored to customer challenges. In doing so, we deliver distinctive value to both suppliers and customers and support the sustainable growth of all three parties.

Semiconductor Market Growth and a Stable Customer Base

Focusing on Two Growth Areas: Industrial Equipment with a Broad Base and Stable Growth and Advanced Driver-Assistance Systems (ADAS) for the Automotive Sector

While the semiconductor market is expected to see significant growth with a CAGR (CY25-CY30) of 21.6% due to the rapid expansion of demand for generative AI, the industrial equipment and automotive sectors that our company focuses on are expected to see long-term stable growth. In the industrial equipment sector, automation through the implementation of Physical AI is accelerating, while in the automotive sector, advances in advanced driver assistance systems are driving the market. These fields require rapid response to various demands such as high-mix low-volume production and long product lifecycles. They are areas where the value of a trading company - which is difficult to provide through direct sales by semiconductor manufacturers - is particularly evident and thus constitute our focus areas.

Worldwide Semiconductor Market Forecast by Application*

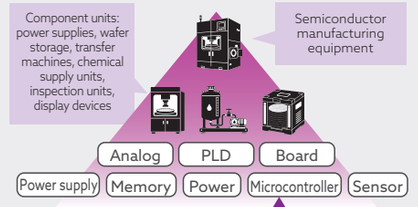


* Source: Gartner® Sources & Disclaimers P. 89

Industrial Equipment Customer Base Leading to Stability and Growth

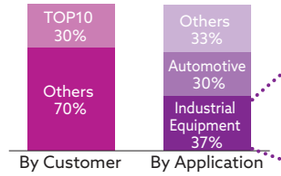
The industrial equipment market is characterized by long product life cycles and enjoys stable, long-term growth in sectors such as factory automation and medical devices. Macnica's core added value lies in its ability to provide a one-stop service for this broad customer base - from technology selection to long-term supply arrangements - on behalf of manufacturers. By maintaining a well-balanced revenue mix that is not reliant on any single customer, the company has achieved a revenue base resilient to market fluctuations and sustained growth; this robust customer base constitutes an extremely important strategic asset.

Example: Semiconductors widely used in semiconductor manufacturing equipment



Various types of semiconductors handled by Macnica are widely used, and technical support such as selection of optimal semiconductors is required.

Sales Composition Breakdown (FY2025)



Breakdown of Industrial Equipment

Industrial Equipment Major Categories		
FA & Machine Tools	Semiconductor and FPD Manufacturing Equipment	Measurement and Testing Equipment
Medical Devices	Social Infrastructure	Defense and Aerospace
Financial Equipment	Building and Factory Facilities	Professional Broadcast Video Equipment
Amusement	Other Industrial Equipment	

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Demand Creation through Proven Technical Expertise

Macnica's Organizational and Technical Strengths Enable Co-Creation with Customers

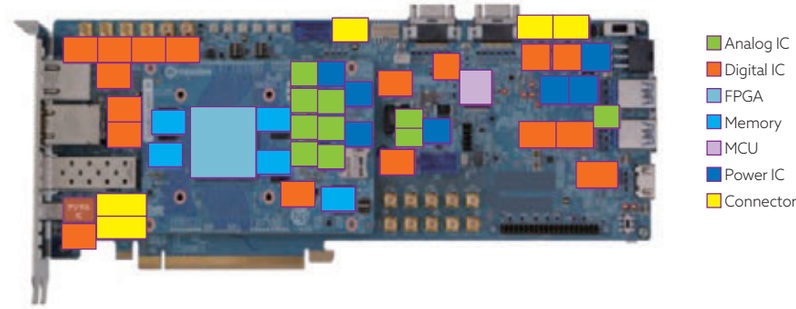
Within Macnica's semiconductor business, two sales organizations - supplier liaison officers belonging to four in-house division companies in Japan and customer liaison officers belonging to the sales groups - work in tandem to support customers. By having dedicated points of contact specializing in suppliers and customers respectively, and through repeated negotiations from different perspectives, we provide support optimized for each customer and deliver value unique to Macnica.

Within each division company, while accounting for the competitive environment of suppliers, we handle high-value-added semiconductor products (FPGAs, MCUs, analogue ICs, power ICs and memory) suited to customer applications and implement cross-selling proposals combining highly compatible products. Product sales teams, equipped with specialist technical expertise, gain a deep understanding of customers' product roadmaps and contribute to enhancing value for both suppliers and customers by creating high-value demand through the provision of cutting-edge technical information.

The Sales Division responds swiftly to information on industry trends gleaned from customer relationships and, to help enhance the strong competitive advantage and competitiveness of our customers in their respective markets, provides them with demand creation activities covering the entire product development cycle and a stable supply chain. In recent years, to support our customers' shift in value from things to experiences, we have been working on proposals that span our semiconductor, cybersecurity and CPS solutions businesses, whilst also focusing on building new types of customer relationships through co-creation activities and business matching.

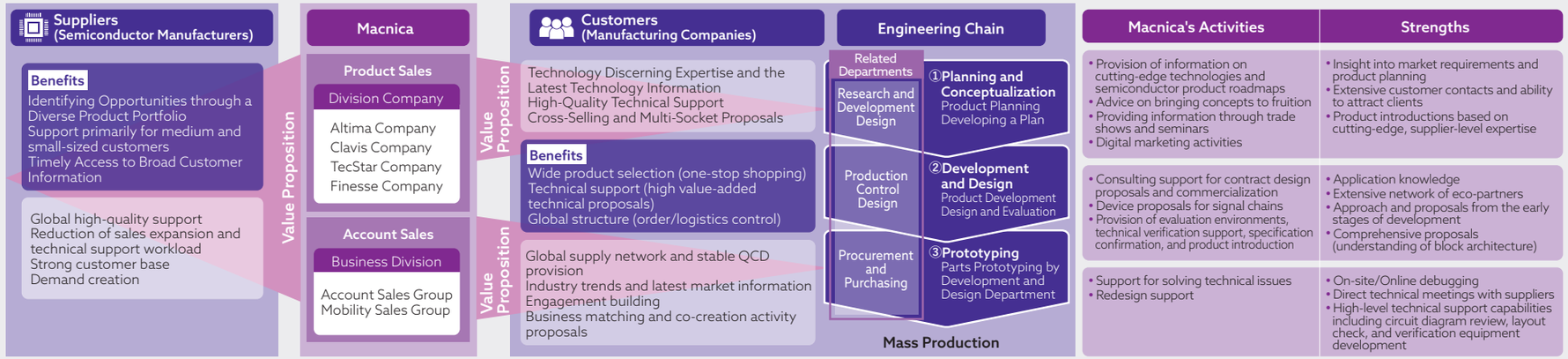
Implementing Cutting Edge Technologies through Innovative Technical Support

Providing Semiconductors for Every Part of an Electronic Circuit Board



Macnica's semiconductor business comprises approximately one-third technical staff. Through long-standing, close relationships with various semiconductor manufacturers, we provide our customers with high-quality technical support based on in-depth expertise that rivals that of the suppliers themselves. We are involved in our customers' product development from the early stages, such as planning and concept development, and enable the rapid market launch of their products by providing support that covers the entire signal chain, from core devices (FPGAs and MCUs) to the selection of peripheral components. Beginning in FY2025, the integration of Glosel's capabilities enabled us to launch contract software development services, expanding our scope beyond our established hardware expertise in analog and digital technologies. By combining these new capabilities with our existing strengths, we are helping customers enhance their competitiveness while further deepening our own technical expertise.

Division Company-based Proposal Structure and Cross-selling



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Extensive Product Portfolio

A Broad Product Portfolio and the Evolution of Distributor Consolidation

Macnica Continues to Be the Partner of Choice Delivering Value to Customers and Semiconductor Manufacturers

Changes in semiconductor manufacturers' distribution policies resulting from M&A and business restructuring can have a significant impact on semiconductor distributors. As demand creation capabilities and broad global coverage have become increasingly important criteria in distributor selection, Macnica has repeatedly retained its position as an authorized distributor through major manufacturer M&A transactions over the past decade. This track record has established Macnica as a consistently preferred distribution partner.

Semiconductor Manufacturers' M&A and Impact on Macnica

	Acquirer	Acquired	Impact
2012	TI	National Semi	Began distributing TI products
2016	Avago	Broadcom	Began distributing Avago products
2017	ADI	Linear Tech	Retained distribution rights
2019	Renesas	IDT	Began distributing Renesas products
2020	Infineon	Cypress	Distribution Agreement Continued

*Background in purple, Macnica distributor at the time of M&A

A Broad Product Portfolio for the AI Era

The global semiconductor market is entering a period of explosive growth driven by the rapid adoption of AI. The market structure is currently characterized by 25 leading semiconductor companies accounting for more than half of global semiconductor sales. Macnica has distribution agreements with 19 of these leading companies. Backed by this outstanding portfolio, Macnica continues to provide high-quality support to both customers and semiconductor manufacturers.

Major Semiconductor Manufacturers by Product Category and Distribution Agreement Status *As of March 2026

Logic	Macnica
FPGA	
Altera	✓
AMD	✓
Lattice	✓
Processor	
NVIDIA	✓
Intel	
AMD	✓
ASSP	
Broadcom	✓
Qualcomm	✓
Renesas	✓

Memory	Macnica
Memory	
Samsung	
SK Hynix	
Micron	✓
Winbond	✓
MCU	
Infineon	✓
NXP	✓
Renesas	✓
Microchip	✓

Analog and others	Macnica
Analog	
TI	✓
ADI	✓
Renesas	✓
Power	
Infineon	✓
Onsemi	✓
STMicro	
Sensor	
Sony	✓
Samsung	
Onsemi	✓

25 Leading Semiconductor Manufacturers

ADI	Onsemi
AMD	Qorvo
Broadcom	Qualcomm
Coherent	Renesas
Infineon	Samsung
Intel	Sandisk
KIOXIA	SK Hynix
Marvell	Skyworks
MediaTek	Sony
Micron	STMicro
Microchip	TI
NVIDIA	Winbond
NXP	Purple: Distribution agreements with Macnica

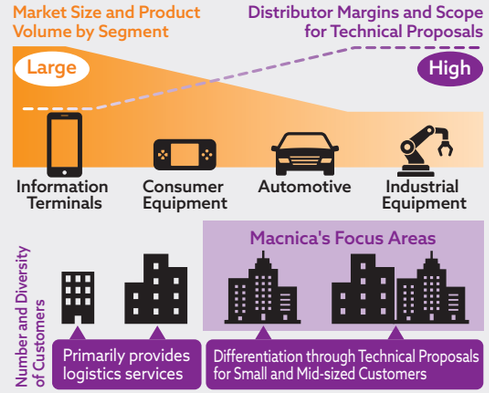
*Source: Company research based on earnings announcement data from each company

An Earnings Base Combining Stability and Profitability

The Broad Market: Where Macnica's Capabilities Create Value

Macnica's capabilities are particularly effective in the broad market, which comprises a large and diverse customer base. Although individual projects tend to be relatively small, customers in this market have a wide range of specialized needs. In areas that semiconductor manufacturers cannot fully cover through their direct sales resources, Macnica combines its distribution capabilities with advanced technical support to build differentiated, highly profitable businesses. By maintaining a diversified net sales mix that is not dependent on any specific customer, Macnica achieves both a stable earnings base that is resilient to market fluctuations and profit margins.

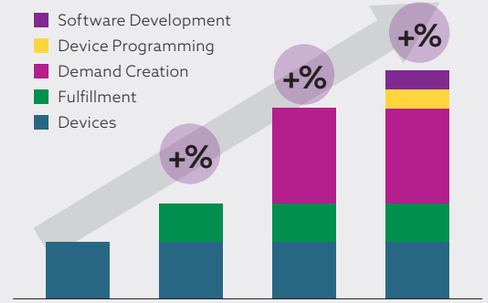
Macnica's Focus Areas for High Profitability and Technical Value Creation



Demand Creation that Drives Earnings Growth

Macnica's earnings model is underpinned by the reliable supply of semiconductor devices, with advanced technical proposals and demand creation further enhancing profitability. By working closely with customers from the early stages of product design and providing solutions that anticipate latent needs, we generate earnings commensurate with the value we deliver. We are also combining software development, customization, and other value-added services to develop differentiated, higher-margin businesses. For customers reassigned to Macnica from other distributors, we first establish a stable logistics and fulfillment framework. At the same time, we conduct our own demand creation activities and deliver additional value, thereby pursuing medium- to long-term business growth.

Earning Structure of the Semiconductor Business



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Strong Business Foundations in Overseas Local Markets

Expanding Our Business Scope through Global Distribution Agreements

Expanding Our Global Distribution Network and Business Scope through Overseas M&A



Global leaders took the stage at the Management Plan Presentation in May 2026

In addition to supporting the overseas production activities of Japanese customers, Macnica has significantly expanded its global distribution network and business scope through the acquisition of local distributors in overseas markets. By bringing into the Group companies that, like Macnica, possess strong technical capabilities and broad supplier and product portfolios, we are generating synergies across the organization. Macnica's headquarters also supports these companies through finance and other back-office functions, helping to build strong relationships founded on mutual trust. By delivering consistent, high-quality value to customers worldwide, Macnica is accelerating its growth.

Taking on Global Challenges, with Local Teams Driving Macnica's Growth



China is the largest market for AI server manufacturing and AI applications, and it is expected to grow rapidly over the next few years. We will work closely with major customers in industries such as automotive, robotics, and healthcare/medical devices. Our teams are highly passionate.

Johnny Chan CEO | Asia Pacific



We help build a more resilient society through the stable supply of semiconductors and innovative solutions. Taiwan is a key hub for AI-driven growth, especially in AI servers. By working closely with our customers, we are accelerating the adoption of advanced technologies and creating new opportunities. Together with our customers, we will continue to co-create, innovate, and shape a better future.

Shingo Wu Watanabe CEO | Macnica Galaxy Inc. Macnica Anstek Inc.



Across the Americas and Europe, our mission is to quickly transform advanced semiconductor technologies into differentiated, deployable solutions. In this diverse and fast-moving market, we combine components, engineering expertise and global solution capabilities to accelerate customer innovation and create meaningful value for industry and society.

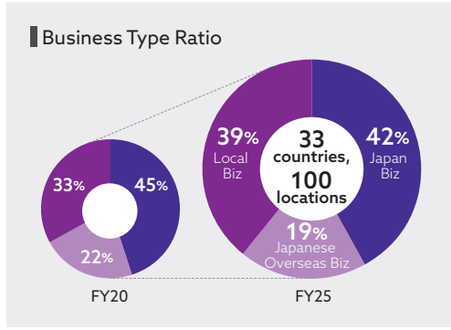
Sebastien Dignard CEO | Macnica Atlantic



At Macnica ATD Europe, our mission is to bridge global innovation with Europe's industrial leaders, enabling the next generation of AI-driven solutions. Europe's strengths in engineering, automation, robotics, and machine vision create outstanding opportunities to co-create technologies that solve real-world challenges. Together with our customers and partners, we accelerate innovation, strengthen industrial competitiveness, and contribute to a more sustainable and connected society.

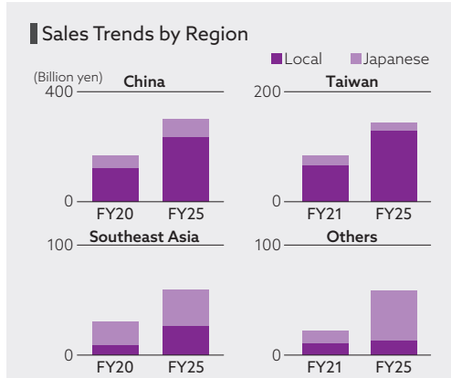
Bjoern Krasemann Vice President of Sales | Macnica ATD Europe

Expanding Local Customers through Global Bases that Support Our Growth Strategy



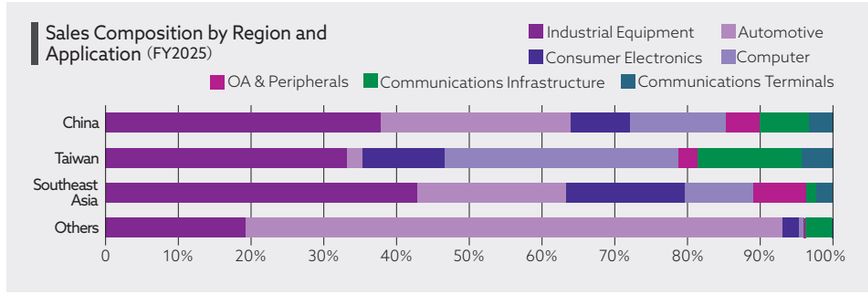
Macnica shares technical expertise across its global locations and actively develops relationships with local customers. Centered on key devices such as FPGAs and high-precision analogue components, the company has secured numerous projects through meticulous technical proposals that support customers from the conceptualization and design stages. Building on strong relationships of trust with suppliers, Macnica is scaling this proven support model across its global network. As a result, local business has grown to account for approximately 40% of the total.

Characteristics of Business Models by Region



In Asia, particularly China and Taiwan, we are focusing on expanding its local customers base. In recent years, growing AI-related demand has supported business growth, particularly in the computer segment. Furthermore, we have begun distributing products from local Chinese semiconductor manufacturers and have launched sales in the Asian market, with China as our base.

In North America and Europe, Macnica supports Japanese customers while developing business models tailored to local markets. The Company is also pursuing new business opportunities by proposing integrated solutions spanning devices and software.



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Strengthening Procurement, Sales, and Supply Networks and Improving Operational Efficiency

Evolution of Core Systems and Strengthening of the Semiconductor Business Platform

Evolution of the IT Platforms Supporting the Growth of the Semiconductor Business

In the semiconductor business, where a stable supply of millions of devices is essential, core systems provide the critical infrastructure connecting management with day-to-day operations. In line with the consolidation of group companies, we have been driving forward the integration and upgrading of our core systems. By consolidating business processes and systems that had been dispersed across individual companies, Macnica has standardized and streamlined operations, strengthened Group-wide governance, and built an operational platform with greater visibility. This platform has enabled Macnica to maintain stable operations while reliably handling the increased transaction volumes resulting from the rapid expansion of its business in recent years.

Going forward, Macnica will deploy this Japan-established platform across its overseas operations. By strengthening governance over rapidly expanding local businesses and enabling flexible, high-quality operations, the platform will support further business growth.

History of Core System Integration and Enhancement

2008	Integration of core systems at Macnica and its subsidiaries (Altima and Elsena)
2010	Development of in-house WMS (Warehouse Management System)
2013	ERP Integration of Network Business (Maintenance Services)
2017	MJI1* Integration of Altima and Cogent into Macnica
2018	MJI2* Integration of Elsena into Macnica
2020	MJI3* Integration of Fuji Electronics Corporation into Macnica
2022	Next-generation ERP with SAP S/4HANA

*MJI: Abbreviation for "Macnica Japan Integration"

Scaling Japan's Successful Model Globally to Strengthen Profitability through Global One

By FY2025, Macnica had implemented in the United States and Europe the business processes and IT platform refined in Japan. The next step is to deploy this model across Asia, a key region for the semiconductor business. Through Project MAGO (Macnica Global One), we aim to optimize operations across the Group, supporting sustainable growth and improved profitability. (P.74)

Challenges and Action Plan for Deployment across Asia

Challenges	• Compliance with Country-specific Laws, Regulations, and Rules • Differences in Local Business Practices • Integration with Local Warehouse Management Systems
Action Plan	• Establishing Mechanisms to Comply with Regulations • Expanding Functionality to Meet Local Requirements • Enabling Real-time Coordination through an Integrated Platform

Country-Specific Regulations and Warehouse System



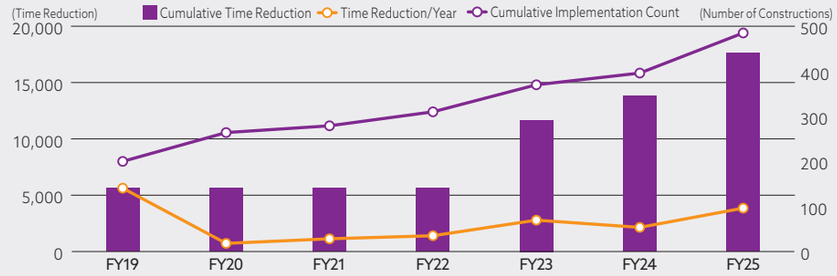
Initiatives for Operational Improvement

Automating Routine Tasks and Enhancing Service Quality through RPA

To handle the growing volume of sales orders, Macnica uses RPA to operate routine processes reliably. Through business-led citizen development, we rapidly deploy automation tailored to operational needs. In FY2025, these initiatives generated annual work-hour savings of 3,850 hours. We have also automated delivery date responses and shipping notifications, enabling us to provide customers with timely information. Beyond improving efficiency, these initiatives are enhancing service quality and creating additional value.

FY25 Annual Working Hours Reduced by 3,850 Hours

RPA Implementation and Time Reduction



Tips Optimizing Business Processes and Centralizing Product Information through PIM

The Sales and Operations Planning (SOP) Department leads efforts to optimize business processes. By promoting standardization, the department is clarifying organizational roles, reducing operational dependence on individual employees, and improving workforce mobility. A core initiative is the centralized management of product information through PIM.*

Previously, product information was maintained in separate master databases for sales, quality, and operations, requiring considerable time and effort to coordinate across departments. To address this issue, Macnica is consolidating accurate, up-to-date product information in PIM and creating an environment in which employees can efficiently access the information they need and act on it promptly. Looking ahead, this foundation will support the further expansion of our digital service offerings, including the provision of product information managed through PIM to customers.



*PIM: Product Information Management

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Cybersecurity Business



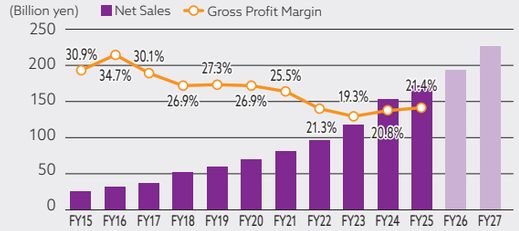
Akinobu Miyoshi
Representative Director
and Vice President

As companies accelerate their digital transformation, cyberattacks are becoming more sophisticated and elaborate, making security a critical management issue. Our purpose is to protect the digital foundations of business and society and enable organizations to use digital technologies with confidence. Macnica creates value for both customers and IT vendors by identifying the potential of emerging technologies, turning them into solutions that work in real-world operations, and supporting customers from implementation through day-to-day operation. Following our mid-term management plan, in addition to expanding value-added distribution (VAD), we will strengthen operational support services and expand services and solutions (SS), evolving into a business that continuously creates value.

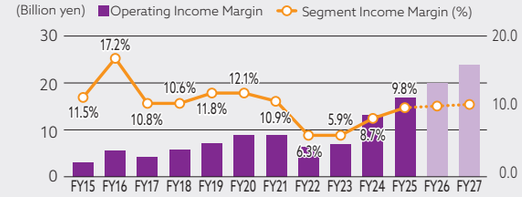
Business Strategy

- Expansion of VAD model
- Strengthening VAD operations support services
- Expansion of Services & Solutions (SS)

Net Sales Trends and Outlook*



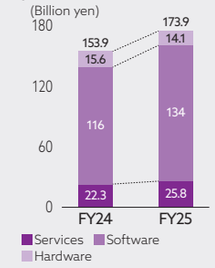
Operating Income Trends and Outlook*



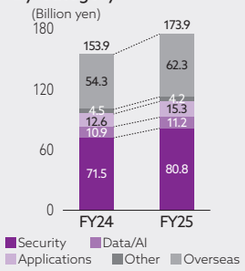
*Reported as 2 segments up to FY24; CPS Solutions Business separated and reported as 3 segments from FY25.

Net Sales Composition

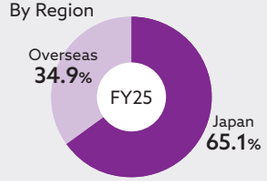
By Product



By Category



By Region



Subscription Revenue Ratio
85%

*Japan Only

Strengths (Source of Competitive Advantage)

Specialized Cybersecurity Expertise and Thought Leadership
- Advanced expertise of the Security Research Center
- Engineers' product knowledge
- Regular publication of original insights into threat and technology trends

Ability to Source Leading-Edge Technologies
- Trusted relationships with IT vendors and networks with experts
- Macnica Networks USA researches and discovers cutting-edge solutions

Market Development Capabilities
- Engineers account for more than 40% of personnel, providing vendor-level technical expertise
- Dedicated teams specializing in each product

Customer Base
- A customer base of innovators that actively adopts leading-edge technologies
- A broad network of sales partners (secondary resellers) as an independent distributor

Opportunities and Risks (External Factors)

Opportunities
- Building a stable revenue base with increasing recurring revenue
- Increasing communication opportunities with end users
- Expansion of product lineup and functions through M&A of IT vendors
- Expansion of proprietary services and solutions

Risks
- Decline in profitability due to strengthening of IT vendors' Japanese subsidiaries

Challenges and Countermeasures (Internal Factors)

Challenges
- Development and retention of specialized talent required to support the transition to higher value-added services
- Accumulation of organizational knowledge to keep pace with rapidly evolving technologies and threat landscapes

Countermeasures
- Strengthening initiatives for skill enhancement
- Systematizing organizational knowledge and developing products through the Security Research Center

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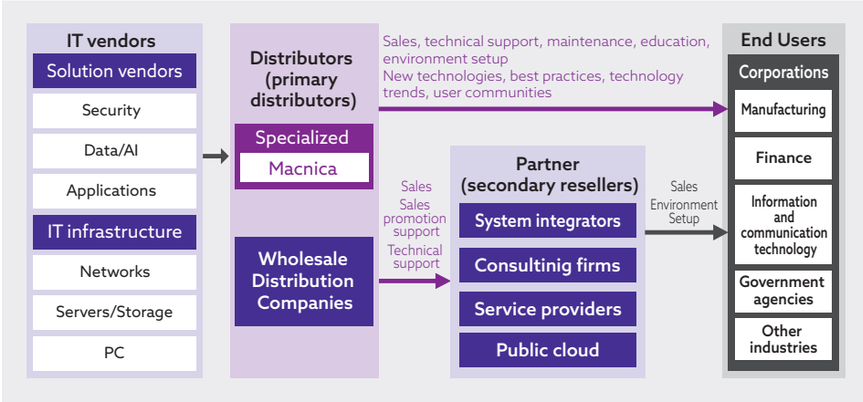
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Macnica's Business Model and Operating Environment

A Business Model that Generates High Added Value

Macnica combines technical expertise and market development capabilities as a value-added distributor, enabling sustained growth and stable profitability. In cybersecurity, evolving threats, advances in IT, and tighter regulation create continuous demand for new technologies. By combining leading-edge global technology expertise with strong marketing capabilities, we deliver substantial value to customers. We provide end users with insights into the latest threat trends and security solutions. We also help partners that build and operate systems expand sales efficiently through commercial and technical support. In addition, by developing customers and partners in individual markets and providing local technical support, Macnica helps overseas IT vendors enter and expand in those markets more efficiently and effectively.

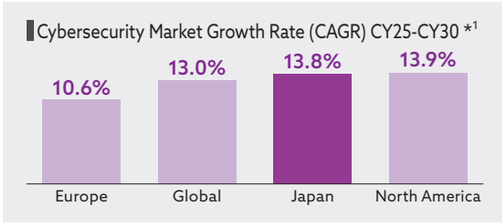


Cybersecurity Portfolio

	Identification CTEM	Protect Zero Trust Network	Detection and Respond XDR/SecOps	
Workload Cloud Containers	IaaS (CNAPP): Wiz, CrowdStrike	Server/OSt (Microsegmentation): Akamai, Illumio	Network (NDR): Vectra, Cisco	SecOps (SIEM, etc.): Google SecOps, CrowdStrike, Splunk, Exabeam, Swimlane, Cribl, prophet
Workforce App ID	SaaS (SSPM): CrowdStrike, Josys, Netskope ID Infrastructure (ISPM): CrowdStrike, Okta	Gateway (SASE): Cisco, CATO, Netskope, HPE Aruba, Skyhigh Browser: Island, Menlo IDaaS: Cisco, Okta, CyberArk, Saviynt	Email (ESP): Abnormal, proofpoint Identity Infrastructure (IDR): CrowdStrike	
Workplace Factory and other sites	All Assets (CAASM): runZero Public Assets (EASM): ULTRARED, SecurityScorecard, ANTERAS	Endpoint Management (UEM): TANIUM, NinjaOne	PC/Server (EDR): CrowdStrike	

Japan's Cybersecurity Market: Structural Drivers of Growth

Japan's cybersecurity market is projected to grow at a CAGR of 13.8% from CY2025 to CY2030, exceeding the global average of 13.0% and Europe's 10.6%, and approaching North America's 13.9%.*1 This suggests that Japan still has substantial scope to bring its cybersecurity investment in line with global levels. (Macnica's view)



*1, 3 Source:Gartner® Sources & Disclaimers P.89

This growth is structural rather than temporary. First, specialization through business models such as ransomware as a service (RaaS) has lowered barriers to entry for attackers, increasing both the volume and sophistication of threats. Second, cloud migration, wider IoT adoption, and deeper digital connectivity across supply chains are permanently expanding the attack surface. Third, AI and generative AI are accelerating attacks. In 2026, generative AI was shown to autonomously identify previously unknown vulnerabilities in major operating systems and browsers, requiring defenders to prepare for a shorter interval between discovery and exploitation. At the same time, the AI systems used by companies are themselves becoming assets that must be protected. Fourth, Japan's estimated shortage of approximately 170,000 cybersecurity professionals*2 is creating structural demand for external specialist services. Tighter regulation, greater security awareness among senior management, and geopolitical tensions are further accelerating this demand. Cloud security is projected to grow at a CAGR of 27.9% from CY2025 to CY2030.*3 This indicates the increasing difficulty for companies to protect themselves solely with internal resources as the attack surface continues to expand. (Macnica's view)

*2 Source: IPA: Information Security White Paper 2025

Structural Drivers of Continued Market Growth

Structural Drivers	Structural Factors	Implications
1. Cybercrime as a Business	RaaS has enabled specialization and lowered barriers to entry for attackers	Threats continue to increase in both volume and sophistication
2. Expanding Attack Surface	Cloud adoption, IoT, and digitally connected supply chains	A permanent increase in the assets companies must protect
3. The Dual Role of AI and Generative AI	Attackers use AI to automate and enhance attacks, while enterprise AI itself becomes a new asset to protect	New demand emerges for protection against AI-enabled attacks and for securing the AI systems companies use
4. Structural Talent Shortage	Cybersecurity talent shortages make in-house operations more difficult	Structural reliance on external specialist services
5. Tighter Regulation and Governance	Active cyber defense legislation and reporting and disclosure requirements	Security investment becomes a management imperative, accelerating spending
6. Greater Awareness Among Senior Management	Repeated reports of major incidents have reinforced recognition of cybersecurity as a management risk	Budget authority shifts from IT departments to senior management, increasing the scale of investment
7. Geopolitical Tensions	State-sponsored cyberattacks are becoming a persistent and visible threat	Higher defensive investment across both the public and private sectors

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Business Strategy Supporting Sustainable Growth

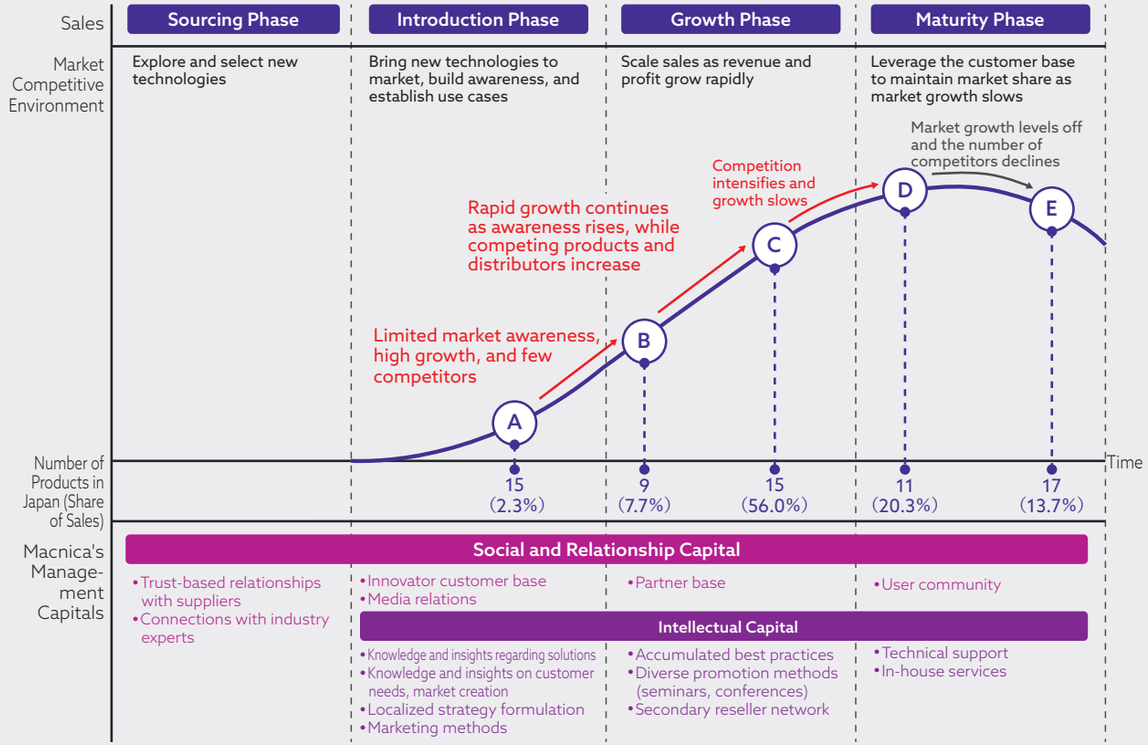
Product Lifecycle and Portfolio Management

The product lifecycle describes the stages a product or service passes through, from market introduction to growth, maturity, and eventual decline. In the fast-changing IT market, new products can move from launch to maturity quickly, making it essential to manage each business flexibly according to the product's stage in its lifecycle.

Macnica manages a portfolio of more than 50 products at different stages of this lifecycle. We seek to maintain a robust pipeline in which growth-stage products that serve as current revenue drivers coexist with products in the sourcing and introduction stages that will support future growth. Because market conditions and the competitive environment vary by stage, the strategies, sales activities, and management resources required also change.

We assign a dedicated team with deep expertise to each product. Each team is responsible for the product from strategy development through sales execution and partner channel development. This structure enables us (1) to build deep knowledge of individual markets and technologies, (2) incorporate frontline customer feedback directly into strategy without handoffs between departments, and (3) make agile decisions in response to change. Together, these capabilities help us maintain a competitive advantage in the rapidly evolving IT market.

Product Life Cycle and Management Capital (Japan)



New Opportunities Built on Accumulated Trust

Throughout the product lifecycle, Macnica builds long-term trust with both suppliers and customers. We accumulate this trust as social and relationship capital that creates new sourcing opportunities. From the introduction stage onward, we work alongside suppliers to support product launches and build a shared record of success. These trusted relationships lead serial entrepreneurs and former industry contacts who have moved to new organizations to introduce us to emerging IT vendors and technologies before or around the time they enter the market. Through our ongoing information sharing and technical support, innovator customers also bring us security challenges that have yet to become widespread. Starting with these real-world challenges, we work backward to identify promising technologies that could address them.

Our search extends across a broad range of potential candidates. Our Silicon Valley team evaluates more than 1,200 companies each year and maintains an ongoing dialogue with those it considers promising. We also continuously identify emerging companies through publicly available information and industry events. For the most promising candidates, we engage directly with their founders to assess their product capabilities and long-term vision, the management team's ability to execute, and the extent to which their technologies address the needs of Japanese companies. We then validate the effectiveness of those technologies through discussions with domain experts and customers, as well as assessments provided by our overseas Group companies. After selecting a technology, we continue to build technical, sales, and operational expertise from the introduction stage onward.

In this way, trust creates new connections, while disciplined sourcing and validation increase the likelihood that a technology can be developed into a viable business. A successful track record of implementation then reinforces trust. This difficult-to-replicate cycle enables us to continually renew our product portfolio and create new opportunities for growth.

Strengths in Sourcing

Sourcing Channels	Key Activities and Examples
1. Referrals Through Trusted Relationships	Introductions to emerging IT vendors from serial entrepreneurs and former industry contacts who have moved to new organizations Example: CrowdStrike, Cato Networks
2. Sourcing from Emerging Customer Challenges	Technology scouting based on customer challenges that have yet to become widespread Example: NinjaOne, Prophet
3. Scouting Through Our Silicon Valley Base	Candidate identification through funding information and industry events, followed by direct discussions with founders Example: Island

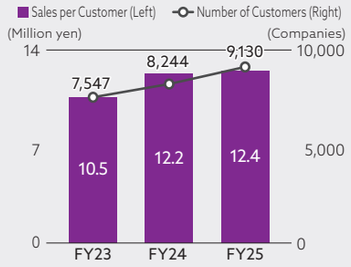
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Growth Drivers for Further Expansion

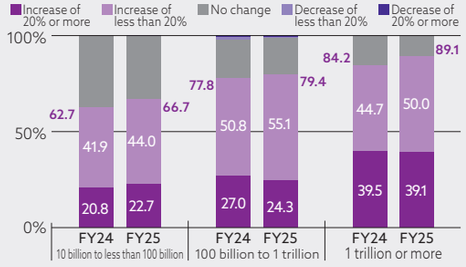
Expanding Revenue Opportunities as Cybersecurity Risk Becomes a Management Priority

Macnica achieved growth from FY2023 to FY2025 as both its customer base and sales per customer increased steadily. This growth reflects a broader shift in corporate awareness. As more companies recognize information security risk as a critical management issue, security-related budgets are increasing across companies of all sizes. External surveys also indicate that investment in information security is expected to increase further. These market conditions provide Macnica with significant scope for further business expansion.

Number of Customers and Sales per Company (Japan)



Forecast of Increase/Decrease in Information Security-Related Costs by Revenue



*Source: Corporate IT Trend Survey Report 2026

Annual Securities Report (Business Risks)

Cybersecurity Mentions

CY2023	CY2024	CY2025
219 companies	285 companies	314 companies

M&A Among IT Vendors: Opportunities and Risks

M&A among IT vendors is accelerating as technology and the competitive landscape evolve. Macnica has used this industry consolidation to expand its product portfolio in two ways.

When a vendor whose products we distribute acquires another company, the acquired technologies can create new business opportunities. For example, CrowdStrike's acquisitions have added capabilities in areas such as AI security and browser protection. Conversely, when a vendor we work with is acquired, we may gain access to the acquirer's broader portfolio. Following McAfee's acquisition of SafeBoot and Symantec's acquisition of Blue Coat, Macnica expanded its offering to include the acquirers' core product lines.

M&A also carries risks. Changes to distribution arrangements may result in the loss of distribution contracts, while less favorable commercial terms may lead us to reconsider a relationship. By maintaining relationships with a diverse range of IT vendors, Macnica captures opportunities while mitigating M&A-related risks.

	Acquirer	Acquired	Impact on Macnica's Portfolio
2007	McAfee	SafeBoot	Began distributing McAfee products
2016	Symantec	BlueCoat	Began distributing Symantec products
2019	Broadcom	Symantec	Continued distributing Symantec products
2021	STG	McAfee, FireEye*1	Continued distribution after McAfee and FireEye merged to form Trellix in 2022
2022	Google Cloud	MANDIANT	Began distributing Google Cloud
2024	CrowdStrike	ADAPTIVE SHIELD	Added SaaS security and identity protection capabilities
	CISCO	Splunk	Began distributing Cisco products
2025	Google Cloud	WIZ	Continued distributing WIZ
	CrowdStrike	Pangea	Added AI security capabilities
2026	CrowdStrike	Seraphic	Added browser runtime security capabilities
	CrowdStrike	Sgnl	Added continuous identity and dynamic authorization capabilities

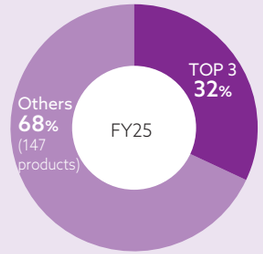
*1 Product division only. Service division changed company name to MANDIANT.

Insight A Resilient Revenue Base Built on Focus and Diversification

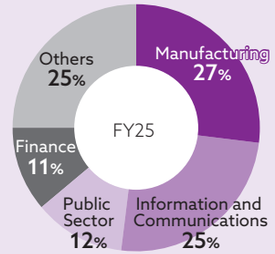
Macnica's revenue base is diversified across suppliers, customers, and partners, with no excessive dependence on any single company. At the supplier level, dedicated product teams focus on individual IT vendors, combining intensive sales efforts with deep technical expertise. At the company-wide level, however, we diversify our sales mix across IT vendors while continually identifying and developing relationships with new startups.

We also serve customers across a broad range of industries, limiting the impact that fluctuations in any one sector could have on the business as a whole. As an independent distributor not affiliated with any particular corporate group, we work with a diverse network of partners and avoid dependence on any single sales channel. This combination of focused expertise and broad diversification supports stable revenue that is resilient to changes in the external environment.

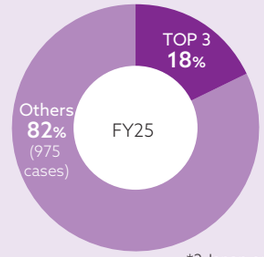
Sales Composition by IT Vendor



End Users by Industry*2



Partners*2



*2 Japan only.

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Transforming Our Business Model Through Deep Expertise and a Proven Track Record

Security Research Center: Building Leading-Edge Expertise

Macnica established the Security Research Center in 2013 as an independent research organization. The Center brings together expertise from across product teams to study cyberattacks beyond the boundaries of specific products.

Its research covers defensive technologies and attacker methods. It also provides free tools that help organizations assess their defenses from an attacker's perspective. While overseas reports tend to focus on incidents outside Japan, the Center investigates threats relevant to Japan and develops practical countermeasures.

The Center shares its findings through reports, blogs, and conferences. More than a decade of research has strengthened recognition of Macnica's cybersecurity expertise. This knowledge also supports the evaluation of prospective technologies and the development of proprietary services.

Area	Key Activities	Key Outputs
Threat Analysis	Collect and analyze attacks targeting Japan	Threat Intelligence
Information Sharing	Publish analysis findings externally	Blogs, Reports, and Presentations
Technology Evaluation	Evaluate new technologies and products through PoCs	Evaluation findings and distribution decisions
Service Development	Turn expertise into services	Proprietary Services

Security Research Center: Integrating Expertise in Threats, Customers, and Solutions

The Security Research Center brings together expertise in threats, customer needs, and security solutions. Its researchers exchange insights with international researchers and emerging vendors through presentations and networking at Black Hat and RSA Conference, while expert communities provide additional intelligence.

Combining these insights with an understanding of customer operations across industries, the Center assesses the impact and priority of threats targeting Japan and develops practical countermeasures. It is also developing proprietary solutions that provide integrated support from threat visibility and mitigation through ongoing operations.



ANTERAS: Expanding Recurring Revenue Through Proprietary Solutions

Cyber risks now extend beyond internet-facing assets to cloud and internal environments. Since 2021, Macnica has offered Macnica ASM, a proprietary solution that continuously identifies unmanaged internet-facing IT assets and vulnerabilities from an attacker's perspective and helps customers prioritize risks.

In 2025, Macnica expanded Macnica ASM into ANTERAS, an integrated security service covering six risk domains. Based on the Risk Operations Center (ROC) concept, ANTERAS provides continuous monitoring and response through a single platform. This enables customers to understand risks across their environments and prioritize action based on business impact.

As a subscription-based service, ANTERAS supports Macnica's strategy of expanding its services and solutions business and building a recurring revenue base.

Risk Domain	Service Name		Customer Challenges Addressed
Internet-Facing Assets	ANTERAS EASM	Renamed	Identify unmanaged IT assets and vulnerabilities
Phishing and Spoofing Countermeasures	ANTERAS FDA	Expanded	Prevent harm from look-alike domains and impersonation sites
Cloud Environment	ANTERAS for Cloud	Expanded	Continuously assess misconfigurations and integration risks
Web Assets	ANTERAS WEB	Expanded	Identify and prioritize web application vulnerabilities
Dark Web	ANTERAS DarkWeb	Expanded	Detect credential leaks early
Internal Infiltration	ANTERAS Threat Hunting	Expanded	Proactively investigate hidden threats

Tips **What Is a Risk Operations Center (ROC)?**

Unlike a traditional Security Operations Center (SOC), which focuses on detecting and responding to threats, a Risk Operations Center (ROC) integrates vulnerabilities, threat intelligence, business impact, and other risk domains. It prioritizes risks based on both technical severity and business impact and supports continuous risk response.

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Growth of Overseas Cybersecurity Business

Expanding Our Global Cybersecurity Business

Macnica has expanded in the fast-growing cybersecurity markets of Asia-Pacific, the Middle East, and Africa by bringing local distributors into the Group. Because regulations, threat landscapes, and business practices vary by region, local leadership is critical to competitiveness.

Drawing on M&A expertise developed in our semiconductor business, we retain the founders of acquired companies to lead local operations and market development. Macnica supports them through supplier relationships, financial management, and other Group resources. This model enables locally led growth after acquisition. Our sales channels across multiple regions also strengthen our position with supplier IT vendors. We will continue to capture regional market growth and expand our cybersecurity business globally.

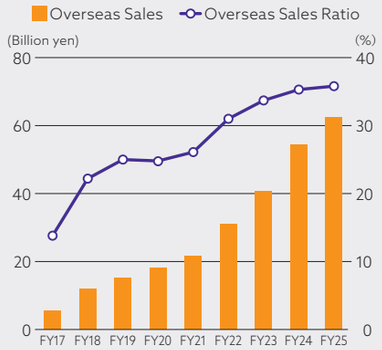
Netpoleon: Driving Growth in Asia

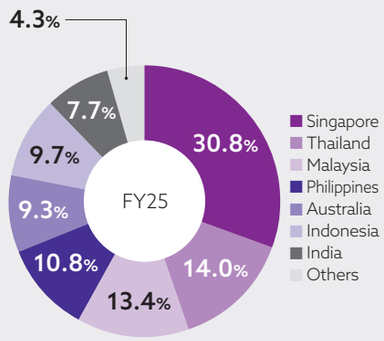
Since joining the Group in 2017, Netpoleon has expanded into 11 countries and achieved average annual growth of 26% over the past seven years. Growth has come from both deeper penetration of existing markets and geographic expansion through M&A.

Locally led operations have driven steady sales growth in key markets including Singapore, Thailand, and Malaysia. Netpoleon has also entered markets such as Australia and acquired established local companies. In India, following a local acquisition in 2019, the company has expanded its product portfolio by leveraging its supplier network. Francis Goh, founder and CEO, and Max Foo, COO, have led this growth, drawing on their industry standing, trusted relationships with suppliers and regional partners, and ability to unite teams across countries. With the Asia-Pacific cybersecurity market projected to grow at a CAGR of 11.4%* through 2030, Netpoleon aims to steadily capture this opportunity.

*Source: Gartner® Sources & Disclaimers P.89

Netpoleon's Revenue Trends and Regional Sales Composition





Global Coverage of Cybersecurity Business

	Asia Pacific (APAC)		Middle East and Africa (MEA)
	Netpoleon	iSecurity	CyberKnight
Grouping	2017	2016	2023
Headquarters	Singapore	Taiwan	UAE
Management	Founder and CEO	Founder and CEO	Founder and CEO
Countries/Regions of Operations	11	1	15
Key Suppliers	• CHECKPOINT • CYBERARK • THALES	• Fortra • TrendzAct • Panorays	• CrowdStrike • Arista • Elastic
Suppliers in Common	19	3	12

Tips Creating Synergies Through Global Coverage

Macnica is using the global network built through acquisitions to create synergies beyond geographic expansion. We share technology evaluation results, market trends, and key industry contacts across our locations in Japan and overseas, building insights that strengthen our sourcing capabilities.

Traditionally, product referrals flowed mainly from Japan to overseas markets. Today, more IT vendors have regional headquarters in Singapore and Australia, enabling our local teams to share sourcing leads and introduce key contacts back to Japan. This two-way collaboration strengthens sourcing across the Group.

Our global locations and sales channels also help suppliers enter markets in Japan, Asia-Pacific, the Middle East, and Africa. The coverage built through international M&A therefore supports both Macnica's growth and our suppliers' market expansion.

Distribution Agreements		Value for Macnica	Value Delivered to Suppliers
Japan	Overseas		
✓	✓	• Increase Macnica's share of supplier sales • Improve support efficiency and service quality through common suppliers	• Improve sales efficiency across regions • Expand cross-regional sales • Make better-informed global expansion decisions
✓	–	• Expand sales through two-way product referrals	• Enter new markets through the Macnica Group's local customer base and sales channels
–	✓		
–	–	• Share technology evaluation results and regional market insights	• Enter Japan and other international markets efficiently through a global distribution agreement with Macnica

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CPS Solutions Business



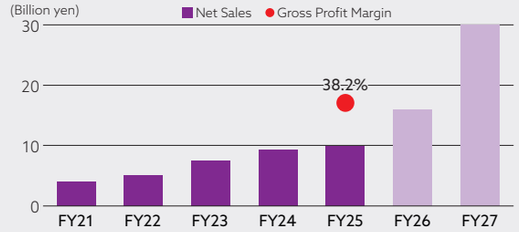
Kazumasa Hara
Representative Director and President

Society and business face a growing range of challenges, including labor shortages and regional transport issues, which are difficult to resolve within conventional frameworks. The CPS Solutions Business integrates data from the physical world with digital technology to implement solutions to these societal challenges and create new value. Utilizing co-creation with partners and insights gained from the field, we establish solutions with competitive advantage. Strengthening our revenue base while achieving the creation of social value and economic value. Through these initiatives, we will develop and nurture the CPS Solutions Business as the third pillar of revenue within our Group, enhancing corporate value.

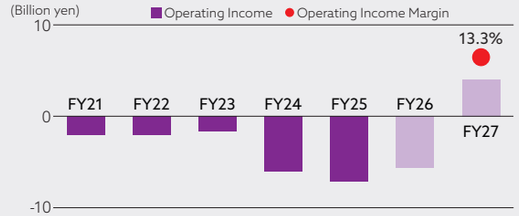
Business Strategy

- Expanding Business in Smart City/Mobility and Smart Manufacturing
- Strengthening Individual Initiatives in Healthcare, Circular Economy, and Food & Agritech

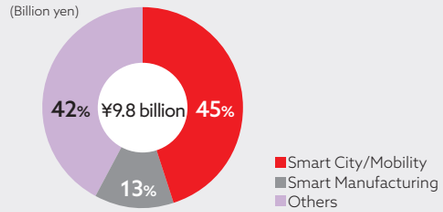
Net Sales Trends and Outlook



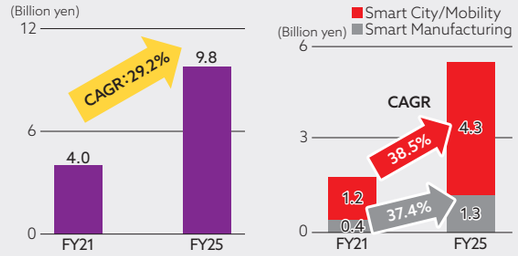
Operating Income Trends and Outlook



Revenue Composition Ratio FY25



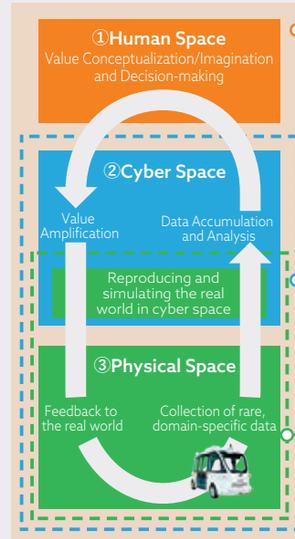
Revenue Growth Rate



Business Overview

A cyber-physical system (CPS) collects diverse data from physical space, or the real world, through sensor networks and uses advanced technologies such as AI and machine learning to analyze the data and convert it into knowledge in cyberspace. Through a digital triplet that connects the real world, digital space, and human space, the system enables optimal feedback to the real world. CPS is regarded as a next-generation foundational technology that enables the resolution of societal and business challenges through advanced integration of the real world and the digital space. At Macnica, we have set five business themes focused on solving social issues: Smart City/Mobility, Smart Manufacturing, Healthcare, Circular Economy, and Food & Agritech, and we are building ecosystems through capital and business alliances with partners.

Unique Value Created through Domain Expertise and the Digital Triplet



Digital Triplet (D3)
A framework where people take a central role in determining policy for solving social issues and managing data-driven CPS, envisioning concepts such as meaning, scope, and value for data handled by lower-level CPS. Formalizing tacit knowledge such as human know-how and specialized skills to actively integrate into CPS.

Cyber-Physical System (CPS)
A system that analyzes data collected in physical space within cyber space using AI and machine learning, amplifying its value and feeding it back to the real world.

Digital Twin (D2)
Technology that reproduces and simulates physical space materials in cyberspace.

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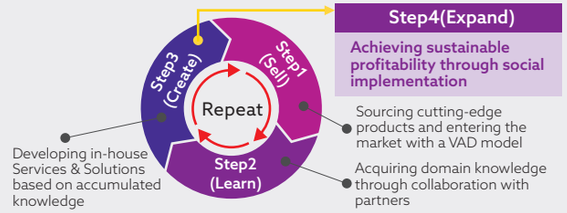
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CPS Solutions Business Strategy

In the CPS Solutions Business, we aim to contribute to solving social issues while implementing our unique Services & Solutions (SS) model in society, creating a scalable, profitable, and less supplier-dependent business. This will improve our overall Group profitability and diversify risk across the business portfolio. Since all 5 business themes in this business represent new areas for our company, we are adopting a phased approach that leverages our accumulated technological strength, customer base, and partner network to expand our business.

In Step 1 (Sell), we will advance market entry and customer base development through our value-added distribution (VAD) model, leveraging cutting-edge products and technical support capabilities cultivated in our Semiconductor and Cybersecurity Businesses. In Step 2 (Learn), we acquire domain knowledge through collaboration with partners. In Step 3 (Create), we develop our own Services & Solutions (SS) model based on accumulated knowledge. Based on that, we will identify areas with high growth potential by repeatedly verifying market needs and business viability, and as Step 4 (Expand), we will accelerate social implementation while aiming to expand business scale and achieve sustainable profitability.

Four Steps Toward Business Expansion



Progress by Theme

Theme	Business Overview	Products/Services	Progress	Progress Status
			Step1 (Sell) / Step2 (Learn) / Step3 (Create) / Step4 (Expand)	
Smart City/ Mobility	Support real-world deployment by combining autonomous vehicles with remote fleet management systems, and provide optimal solutions to automation-related technical challenges faced by vehicle and construction equipment manufacturers.	• Autonomous driving software (Navya Drive) • Remote operation management system (everfleet) • Autonomous driving vehicles (Navya Mobility, Large Autonomous Transport Vehicles, Forklifts, and Tractors) • LiDAR, in-vehicle OS	Sales expansion Horizontal deployment	• Expansion of autonomous driving implementation areas, cumulative demonstration results: 75 • Level 4 Autonomous driving using EVO3 obtained approval • Full-scale entry into logistics automation through the integration of autonomous vehicles and the everfleet fleet management system
Smart Manufacturing	Provide comprehensive support from planning to system implementation and in-house talent development for manufacturing clients undergoing corporate transformation through the utilization of digital data and AI.	• Consulting, System Integration • Various software including PLM, MES, simulation, and low-code platforms • Production site data platform (DSF Cyclone)	Service fully operational	• With the rapid evolution of AI, demand for in-house support is surging • Focus on products/services related to data coordination across software divisions • Transition of our original production site data platform to the expansion/deployment phase
Healthcare	Deploy innovative devices and differentiated services to the medical and healthcare fields, with the aim for social implementation of services that maximize value from proprietary data obtained	• Patch-type electrocardiograph (Kokoromil) • Cuffless wearable + blood pressure calculation program (Arblet) • Frailty Service (MAQUP) • App for Corporate Wellness Management	Data utilization Evidence development	• Accelerating the introduction to medical facilities and accumulation of clinical results • Manufacturing and marketing approval, launched sales to medical institutions in July 2026 • Data collection from 10,000 people, studying utilization • PoC ongoing with partner company employees
Circular Economy	Provide technologies and solutions for renewable energy, CO_2 capture and reduction, energy conservation, waste volume reduction and resource circulation, support corporate decarbonization and the realization of a circular economy	• Savonius wind turbine (Type M) • Perovskite solar cell demonstration tests • CCU (CO_2 separation and capture device) • Heat-shielding and insulating paint, sheet (Macnicut) • Oil processing equipment (Re-Chemical Cycle equipment) • Waste reduction equipment (Meltking)	Acquisition of domain knowledge Service development	• Wind power generation, PSC demonstrations underway • Promoting research and experiments on new technologies • Macnicut series has been developed, sales expansion underway • Experimentation of chemical recycling equipment promoted • Meltking developed, sales expansion now underway
Food & Agritech	Implement environment-controlled agriculture in society through our strengths of semiconductors, AI, and CPS and co-creation with partners, and provide a production infrastructure that enables anyone to cultivate with high reproducibility	• Integrated data platform for environment-controlled agriculture • Sensors, LEDs, control devices, multimodal analysis, dashboards, AI agents, etc. associated with the above	Acquisition of domain knowledge	• Organizing hypothetical issues through on-site interviews • Validation of an integrated platform utilizing advanced technology products contracted by Macnica at research institutions and other organizations • Acquiring environmental data through in-house research at the Food Agritech Incubation Base

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Progress by Theme

Smart City/Mobility

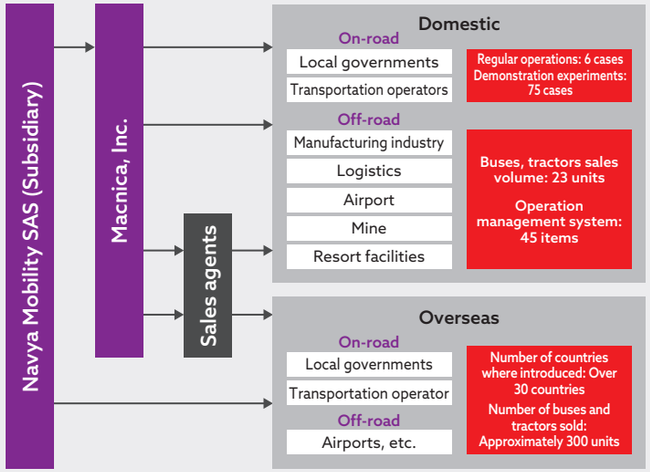
STEP 4
Expand



everfleet

Solving mobility and transportation challenges to create a sustainable mobility society

As the shortage of drivers for passenger and logistics transportation becomes more severe, the Japanese government set a goal in the Third Basic Plan on Transport Policy to introduce 10,000 autonomous driving service vehicles by CY 2030. Macnica is promoting implementation in various regions for this growing market, using the EVO autonomous electric bus manufactured by subsidiary Navya Mobility of France. In March 2026, the EVO, in regular operation in Hitachiota City, Ibaraki Prefecture, obtained approval from the MLIT (Ministry of Land, Infrastructure, Transport and Tourism) for Level 4 autonomous driving, marking the first such approval in Japan. On the operational side, we continue to expand the functionality of our in-house remote operations monitoring system, 'everfleet', working toward an advanced 1:N monitoring model where a single supervisor can simultaneously oversee vehicles across multiple regions. In the logistics field, we are also advancing the automation of material handling, centered on large autonomous transport vehicles and tractors, to help address labor shortages at sites such as factories and airports. By combining with the software provided by 'everfleet' and Navya Mobility, we aim to provide automated logistics transport services that cover every segment from factories and warehouses to last-mile delivery.



Initiatives to Address Key Challenges

01 Advancing the Deployment of Regional Transportation through Level 4 Autonomous Driving Approval

Macnica is deploying autonomous mobility services nationwide to address urgent issues faced by local governments, such as driver shortages due to a declining birthrate and aging population, and the maintenance of public transportation. In March 2026, the 'EVO' autonomous EV bus, currently operating in Hitachiota City, Ibaraki Prefecture, obtained Level 4 approval based on the Road Transport Vehicle Act from the MLIT (Ministry of Land, Infrastructure, Transport and Tourism). This is the first Level 4 approval in Japan for a vehicle designed without steering wheel or pedals on public roads and marks an important step toward full-scale social implementation in FY2027. Moving forward, with our 'everfleet' in-house remote fleet management system as core, we aim to build an operational system that efficiently monitors vehicles in multiple regions from a single location, expands areas of regular operation domestically, and sequentially expands the Level 4 driving areas for which we have obtained authorization.

02 Expansion of Autonomous Driving on Private Lands and Within Facilities

At Hoshinoya Okinawa, we have been conducting demonstration experiments with autonomous driving technology since last year, to meet guests' diverse needs during a luxurious stay, while enabling staff to devote themselves to providing personalized hospitality. Operating autonomous buses in the private space within the hotel grounds, we achieved an exceptionally high autonomous driving rate of approximately 96%.
From this fiscal year onwards, we will strengthen our collaboration with 'everfleet' to further develop this initiative and improve convenience through features such as visualization of real-time bus location data. Through this, we intend to accelerate the identification of challenges and the implementation of concrete measures in preparation for the full-scale introduction of unmanned operations. In the future, we aim to expand the driving area from within the premises to public roads, and by collaborating with nearby facilities, we seek to enhance the value of the stay as well as contributing to the revitalization of the local economy.



03 Global Business Expansion

In Japan, we will continue our efforts in both public and private road domains, while in markets centered on Europe, the Middle East, and Southeast Asia, we will focus our efforts on providing solutions primarily for private lands - including logistics hubs, factory premises, airports, and tourist facilities, where we anticipate driver shortages and a need to improve the efficiency of on-site transport. We will also continue to invest in safety features, the source of our competitive advantage, as well as in obtaining ASIL functional safety certification and expanding the regions where Level 4 autonomous driving is supported.

We will concentrate resources on the development of Navya Drive (ND), Navya's core autonomous driving software. With ND - which is not dependent on specific vehicle models, such as our EVO3 shuttle or tractors from Navya subsidiaries - we will expand our business model to include collaborations with various vehicle manufacturers, and the sale of ND intellectual property (IP), thereby creating revenue opportunities that go beyond vehicle sales. Further, centered on a platform that balances safety and versatility, we will expand our business into services incorporating 'everfleet', aiming to transition from a revenue model based on the number of units deployed to one based on service usage and quality metrics.

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Progress by Theme

Smart Manufacturing

STEP 3–4
Create ~ Expand

Support manufacturing customers by independently building and operating a 'manufacturing structure that can withstand the speed of change'

DSF CYCLONE

Challenges for Business Expansion	Due to rapid technological evolution and the emergence of alternative services, we are required to respond swiftly to environmental changes to prevent our services from becoming obsolete. Additionally, continuous adaptation to changes in human resource skills and roles accompanying technological advancement is crucial. Furthermore, an important challenge is to achieve a balance between emphasizing the speed of incorporating new technologies while conducting sufficient verification to ensure customers can use them with peace of mind.
Market Environment	• In addition to the diversification of customer needs, a shrinking workforce and the emergence of supply chain risks, the competitive landscape is expanding across industries and into new areas of competition. • As overseas companies in China, Taiwan and elsewhere advance in the use of digital technology and AI, product release cycles are shortening while quality and service standards are improving. • Japanese manufacturers enjoy a deep-rooted trust and brand equity in sectors demanding high quality and meticulous service, but there is a growing need to balance quality and speed in order to maintain and develop competitive advantage.
Social Impact	• Macnica, with its capability to integrate and implement multiple technologies and data sets, will utilize its experience and expertise to work with customers, supporting their in-house development efforts to enhance their own agility, thereby helping Japanese companies maintain and develop their global competitiveness. • By utilizing alternative resources, we contribute to securing labor and improving productivity.

Circular Economy

STEP 1–2
Sell ~ Learn

As a contribution to building the circular economy, we will develop and implement technologies for renewable energy, energy conservation and cost reduction, and the reduction in waste volume and weight as well as its recycling into resources.



Challenges for Business Expansion	Amid demands to balance the creation of social value with economic rationality, the challenge lies in ensuring that investments in CO_2 reduction and resource recycling do not merely represent an increase in cost but may deliver simultaneous economic benefit such as reductions in electricity consumption and waste disposal costs.
Market Environment	• With the enforcement of the revised GX Promotion Act in April 2026, the CO_2 emissions trading system will become fully operational, and businesses emitting over 100,000 tons of CO_2 annually (around 300 to 400 in Japan) will be required to comply with emissions quotas, report on and reduce emissions. • As participation in the trading market will become a legal obligation and will entail expenditure, investment in CO_2 reduction is expected to increase significantly, leading to market expansion.
Social Impact	• To protect the global environment and humanity from the climate and environmental crises, transition to a sustainable society, and simultaneously create opportunities for long-term economic growth.

Healthcare

STEP 2–3
Learn ~ Create

In the cardiovascular field, accelerate the maximization of data value and social implementation through the deployment of advanced devices and acquisition of evidence



Challenges for Business Expansion	Since obtaining a medical device manufacturing and marketing license in 2022, the number of facilities handling our products in the cardiovascular field has been steadily expanding. Beyond simply introducing devices, the next challenge is to demonstrate how the acquired data contributes to improving the quality of healthcare and solving societal issues, and to substantiate and accumulate evidence of value that contributes to healthcare outcomes.
Market Environment	• Against the backdrop of rising healthcare costs, the national healthcare policy is shifting toward an emphasis on disease prevention and prevention of conditions becoming severe. • With the spread of PHRs, progress is being made in developing the social infrastructure that enables individuals to collect and manage their own vital signs data in everyday settings. • The regulatory and technological environment surrounding home vital signs monitoring is steadily taking shape, with examples including the 2024 approval of a blood pressure management program with cuffless wearables, and the review of medical reimbursement rates for continuous ECG monitoring in 2026.
Social Impact	• Cardiovascular diseases, which include cerebrovascular and heart diseases combined, account for approximately 20% (around ¥6 trillion) of total medical expenditure, the largest category by disease type. They are also the leading cause of long-term care or support, accounting for approximately 21%. • There are high expectations for prevention of disease progression and disease prevention; by establishing a system that enables early detection and early response in home environments, this will contribute to reducing medical costs and extending life expectancy.

Food & Agritech

STEP 1–2
Selling ~ Learning

To promote research and development aimed at new varieties and mass-production efficiency, we will provide support for the use of data platforms for environmentally controlled agriculture.



Challenges for Business Expansion	While data-driven cultivation utilizing generative data and AI is anticipated in plant factories, the next challenge is to demonstrate concrete benefits of implementation, such as the development of new high-value-added varieties and increased yields to ensure economic viability, alongside examples of data platform utilization.
Market Environment	• Plant factories and land-based aquaculture are designated as part of the government's growth strategy under the 17 Strategic Areas and 27 Priority Items for Study, and Japan's practical expertise in this area is attracting international attention. • Research and development of next-generation AI-enabled plant factories, data platform development, and the promotion of industry-government-academia collaboration are positioned as key focus areas for public and private investment.
Social Impact	• Promoting research and development through the use of cutting-edge technology, expanding the industry through the resulting economic viability, and contributing to efficient resource utilization and food security through the industrialization of agriculture.

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Corporate Governance

Basic Approach to Corporate Governance

Macnica Holdings is responsible for Group-wide corporate governance, the formulation of fundamental management policies, and strategic planning. Each operating company executes its business activities in accordance with those policies and strategies. Under this division of responsibilities, we pursue governance that integrates culture, people, and strategy. Our basic policy is to ensure transparency and fairness through effective management oversight while enabling swift and bold decision-making and business execution. By fulfilling our fiduciary responsibility to shareholders and building trusted relationships with stakeholders, including customers, suppliers, employees, and local communities, we aim to achieve sustainable growth in corporate value.

Furthermore, to respond appropriately and swiftly to rapid changes in the business environment, we have introduced an executive officer system that separates management decision-making and oversight functions from business execution functions. This framework enhances management agility and clarifies accountability for business execution.

Basic Policy on Corporate Governance

01
Strengthening Corporate Competitiveness

02
Systematization and Process Standardization of Decision-Making

03
Ensuring Transparency, Objectivity, and Fairness

The Evolution of Governance

From an Execution-Centered Management Board → To a Supervision-Centered Monitoring Board

	①Establishing Governance Structure (2015-2018)	②Enhancing Governance (2019-2023)	③Strengthening Governance Effectiveness (2024-Present)
Organizational Design and Board Structure	• Appointment of Outside Directors (2016) • Establishment of the Basic Policy on Corporate Governance (2018)	• Establishment of Terms of Office for Outside Directors (2021)	• Transition to a Company with an Audit and Supervisory Committee (2024) • Transition to a System where Independent Outside Directors Constitute a Majority (2025)
Separation of Supervision and Execution		• Introduction of the Executive Officer System (2019) • Clarification of the Chair's Policy (2022)	• Establishment of Lead Independent Outside Director (2025)
Nomination and Compensation Advisory Committee	• Establishment of Nomination and Compensation Advisory Committee (2018) • Commencement of CEO Succession Planning (2018)	• Introduction of Performance-linked Compensation and Restricted Stock Compensation (2019) • Disclosure of Skills Matrix (2021)	• Board Chair Succession Planning (2024) • Review of CEO Succession Planning (2025) • Revision of Executive Compensation (Bonus KPIs) (2025)
Board of Directors' Operation and Effectiveness	• Board of Directors Effectiveness Evaluation (2018)	• Establishment of Board of Directors Office (2023) • Use of External Organization for Effectiveness Evaluation (2023)	• Executive Sessions Comprising Only Outside Directors (2025) • Director Meetings (Preliminary Briefings on Important Matters) (2024)

Governance Summary

Governance Design

Organizational Design
Company with Audit and Supervisory Committee

Voluntary Committee
Nomination and Compensation Advisory Committee

Independence and Diversity of the Board of Directors

Outside Director Ratio
55%

Female Director Ratio
18%

Lead Independent Director
Established

Shareholder and Capital Structure

Foreign Shareholder Ownership Ratio
30%

Ratio of Strategically Held Shares (Listed Shares)
0.8%
(as a percentage of consolidated net assets)

Presence of Controlling Shareholder:
None
(emphasis on the interests of all shareholders)

Presence of Takeover Defense Measures:
None
(emphasis on market discipline)

Effectiveness of Management Oversight

Incentive Design
Performance-linked Remuneration Share Compensation

Dialogue with Shareholders and Investors:
294
(FY2025)

Board of Directors Effectiveness Evaluation:
Conducted once a year

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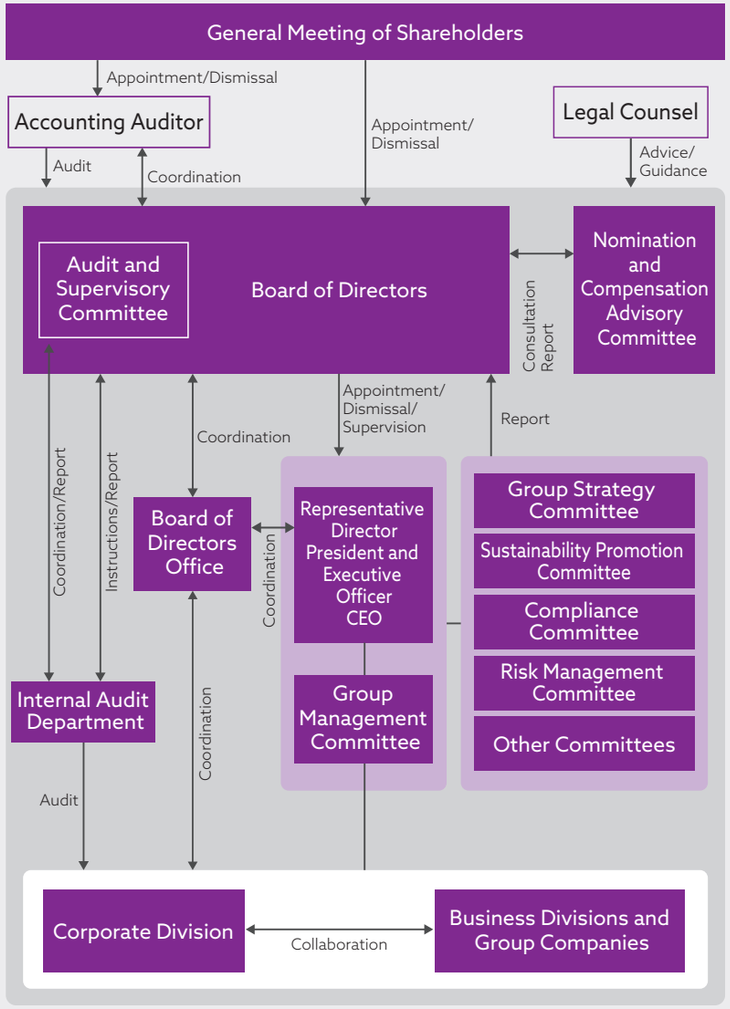
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Corporate Governance Structure

To implement our basic governance policies, the Company adopted a structure in which the General Meeting of Shareholders serves as the supreme decision-making body, with separation between supervision by the Board of Directors and business execution by the Representative Director, President and CEO, and his subordinates. Important decisions concerning business execution are delegated to directors, enabling the Board to focus on discussing key management issues, including strategy, human resources and risk, and on monitoring execution. This page outlines the institutional design and the roles of the principal bodies that support this structure.

Corporate Governance Structure (as of June 24, 2026)



Board of Directors

Chairperson: Kazumasa Hara

Composition: 11 members (Outside Directors: 6 members)

The Board of Directors operates under a monitoring model. In accordance with the Board of Directors Regulations and other relevant rules, it makes decisions on important management matters and fundamental matters concerning Group management, supervises the execution of duties by directors, and meets in principle once a month.

Concurrent Service as Chairman and President

After the shareholders' meeting in June 2025, we transitioned to a structure where Kazumasa Hara, Representative Director, President and CEO, concurrently serves as Chairman of the Board of Directors. Regarding the concurrent appointment of CEO and Chairman, to ensure the effectiveness of the supervisory function, a Lead Independent Director has been newly designated, and the ratio of internal directors to outside directors has been set at 5 to 6, with outside directors comprising the majority.

Audit and Supervisory Committee

Chairperson: Shinichi Onodera

Composition: 3 members (Outside Directors: 2)

Audit and Supervisory Committee members attend important meetings such as board of directors meetings and conduct hearings with executive directors and each department. In cooperation with the Internal Audit Department, outside directors and the Accounting Auditor, they obtain an overview of conditions across the Company and audit directors' execution of duties, the effectiveness of internal controls and the suitability of the Accounting Auditor, while also performing supervisory and audit functions with respect to management. In addition, we are working to further enhance corporate governance by expressing opinions on the appointment and remuneration of directors who are not Audit and Supervisory Committee members.

Nomination and Compensation Advisory Committee

Chairperson: Eiichi Nishizawa

Composition: 6 members (Outside Directors: 5 members)

As an advisory body to the Board of Directors, the Committee is composed of 5 outside directors out of 6 members from the perspective of emphasizing highly independent, objective, and transparent procedures. The Committee deliberates on the selection of the Representative Director and President, the confirmation and examination of director candidate selection, and the remuneration of each director and executive officer (including share compensation), and reports to the Board of Directors.

Group Management Committee

This is the highest decision-making body on the executive side that deliberates on and decides important business execution matters delegated by the Board of Directors. Chaired by the Representative Director, President and CEO, it assumes responsibility for agile decision-making by consolidating and analyzing issues from business divisions and group companies. Important matters concerning medium- to long-term strategies are discussed more intensively through management retreats that include directors.

Group Strategy Committee

The Committee meets in principle once a month to discuss important management issues in depth with a limited group comprising only those members necessary for the discussion. Its purpose is to reach agreement on management policies, develop a shared understanding and interpretation, and communicate these matters to employees, including senior management.

Sustainability Promotion Committee

As a meeting body to examine the policies and direction of sustainability management, it is held once every six months. By discussing issues in light of changes in the social and business environment, such as climate change and human rights in the supply chain, and reporting to the Board of Directors, we are enhancing the effectiveness of sustainability management.

Risk Management Committee

Held four times a year with the Representative Director as the chairperson, the committee conducts monitoring of the identification and evaluation of company-wide risks and the status of responses to key risks based on measures led by risk owners. We have a system in place to coordinate with the Group Strategy Committee and report to the Group Management Committee, Board of Directors, and other bodies as appropriate.

Compliance Committee

As an advisory body to the Group Management Committee, with the Representative Director and President serving as chairperson, it deliberates on the approval of compliance promotion strategies and responses to violations. Working in coordination with on-site promotion managers, it is responsible for the continuous improvement of the global system.

Board of Directors Office

It serves as the secretariat supporting the operation of the Board of Directors and the Nomination and Compensation Advisory Committee. By selecting important agenda items and themes and organizing points of discussion through advance explanations to non-executive internal directors and outside directors, it contributes to improving the effectiveness of Board of Directors operations.

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Message from Directors

Message from the Chairperson of the Board of Directors



Chairperson of the Board of Directors

Kazumasa Hara

‘The Eyes of Management’ and ‘The Eyes of Oversight’ Toward a Board of Directors That Generates Constructive Tension

As CEO, I have established a long-term management plan and am driving management and business transformation with a view to the next 10 to 20 years. Meanwhile, the Board of Directors takes a broader perspective to assess geo-economic trends, such as global affairs and the world economy, and the major shifts in the related market environment (the bigger picture). It discusses whether the executive team is managing the business in a strategic, efficient and rational manner in line with these trends, and whether there are any critical aspects that may have been overlooked, and whether the human capital - such as the ‘people’ and ‘corporate culture’ required to realize these objectives - is sustainable in the long term. Through these discussions, we are refining our understanding in collaboration with our external directors while re-examining the underlying assumptions of the long-term management plan.

As Chair, I strive to maintain a neutral stance and ensure that the Board of Directors can engage in open and fair discussions. I leave statements and explanations from the executive side largely to the executive directors, whilst acting as a bridge between the Board and the executive side - drawing on my understanding of the Board’s role and the realities of the executive side, and taking into account the information and knowledge necessary for ‘healthy debate’. I do not proceed with resolutions on any matter that even a single director finds unconvincing; instead, I ensure that issues are thoroughly examined, instruct the executive side to resubmit proposals, and chair the meetings with a commitment to discussing matters thoroughly until a satisfactory resolution is reached.

Message from the Lead Independent Director



Lead Independent Director

Shinichiro Omori

Leveraging Strengths and Meeting Challenges With Perceptions from the Outside

A year has passed since I assumed the role of Lead Independent Director. In a system where the President also serves as Chair of the Board, my primary role is to lead efforts to enhance the Board’s effectiveness by providing both checks and support to the Chair, while coordinating the views of the independent directors. Each independent director was appointed following a vote of confidence at the Annual General Meeting and possesses diverse expertise and experience. Whilst capitalizing on this diversity, I place great importance on sharing insights and aligning views in advance on critical issues, ensuring we function as a team.

The central focus of our oversight is disciplined growth investment. It is essential that capital allocation is discussed and agreed upon by the Board of Directors. Consensus on discipline and limits is more important than ever, as the scale and scope of investment expands. While the new business development process is well-established, we recognize that our exit discipline is currently lacking, and we are addressing this through our governance framework. We continually ask ourselves objective questions: Can Macnica continue to be the best owner, and why do customers choose Macnica? Direct dialogue with investors provides valuable learning opportunities, and I ask questions myself, reflecting these perspectives to the Board, with an eye to improving the management of disclosure practices.

Message from the Chair of the Nomination and Compensation Advisory Committee



Chair of the Nomination and Compensation Advisory Committee

Eiichi Nishizawa

What I Can Contribute as Someone Who Knows the Company from Within

As a non-executive internal director, I chair our Nomination and Compensation Advisory Committee. While it is common for an outside director to chair such a committee, our nomination and remuneration systems, as well as our corporate culture, are based on a unique philosophy cultivated over many years. As someone who understands this history and background, my role is to share the origins of our corporate culture and systems whilst integrating them with the objective perspective of the outside directors.

In running the committee, I place the utmost importance on simplicity, openness and fairness. The basic principle is that everyone has a say and that discussions continue until all members are satisfied; where necessary, we may amend or refer back proposals put forward by the executive team. My role is to bridge these internal and external perspectives to facilitate better decision-making.

CEO succession is one of this committee’s most important responsibilities. In addition to identifying the qualities required of the next leader, it is essential to establish an objective process that ensures our judgement is both convincing and well-explained. Precisely because this is a critical decision that will shape the company’s future, we are working to create a system for selecting the most suitable candidate by combining an insider’s perspective with diverse external viewpoints.

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List of Directors (as of June 24, 2026)



Kazumasa Hara
Representative Director and President

Date of birth:
October 18, 1971
Number of shares held:
240,936
Years in office: 7 years
Significant concurrent positions:
Representative Director and President, Macnica, Inc.



Akinobu Miyoshi
Representative Director and Vice President

Date of birth:
July 13, 1971
Number of shares held: 101,010
Years in office: 7 years
Significant concurrent positions:
Representative Director and Senior Executive Vice President, Macnica, Inc.



Makoto Okawara
Director

Date of birth:
October 3, 1963
Number of shares held: 20,721
Years in office: 2 years
Significant concurrent positions:
Senior Managing Director, General Manager of Financial Group, Macnica, Inc.



Eiichi Nishizawa
Director

Date of birth:
March 26, 1957
Number of shares held:
48,976
Years in office:
11 years



Shinichiro Omori
Lead Outside Director

Date of birth: February 6, 1956
Number of shares held: 0
Years in office: 4 years
Significant concurrent positions:
Outside Director, Kokuyo Co., Ltd.
Outside Director, Kansai Paint Co., Ltd.



Tsunesaburo Sugaya
Outside Director

Date of birth: November 24, 1963
Number of shares held: 0
Years in office: 7 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: 2 years
Significant concurrent positions:
Advisor, Wibu-Systems A.G
Advisor, Wibu-Systems K.K.



Shinichi Abe
Outside Director

Date of birth: August 7, 1968
Number of shares held: 0
Years in office: 1 year
Significant concurrent positions:
Representative Director and President, Mnes Inc.
Outside Director, Sekisui House, Ltd.
Director, Global Transformation Forum Japan (General Incorporated Association)



Shinichi Onodera
Director (Full-time Audit and Supervisory Committee Member)

Date of birth:
January 8, 1956
Number of shares held: 30,642
Years in office: 2 years
Significant concurrent positions:
Auditor, Macnica Inc.
Auditor, Macnica Solutions Corporation



Kay Miwa
Outside Director (Audit and Supervisory Committee Member)

Date of birth:
February 22, 1969
Number of shares held: 0
Years in office: 2 years
Significant concurrent positions:
Outside Director, Meiwa Corporation



Yukie Sugita
Outside Director (Audit and Supervisory Committee Member)

Date of birth: May 19, 1965
Number of shares held: 0
Years in office: 2 years
Significant concurrent positions:
Representative, Sugita Certified Public Accountant Firm
Representative Director, Ayumu Advisory Co., Ltd.
Auditor, Saitama Housing Inspection Center (General Incorporated Foundation)
Outside Director (Audit and Supervisory Committee Member), Sanyei Corporation

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List of Executive Officers (as of June 24, 2026)



Kazumasa Hara
President & CEO
Representative Director and President, Macnica Inc.



Akinobu Miyoshi
Senior Executive Vice President and Chief Operating Officer
Representative Director and Senior Vice President, Macnica Inc.



Makoto Okawara
Senior Managing Executive Officer
Senior Managing Director, Macnica Inc.
General Manager, Financial Group



Takemasa Sato
Senior Managing Executive Officer
Senior Managing Director, Macnica Inc.



Shigenori Mori
Senior Executive Officer
Senior Managing Director
General Manager, New Business Group, Macnica Inc.



Jun Ikeda
Executive Officer
General Manager, Global Strategy Office, Macnica Inc.



Keisuke Ito
Executive Officer
Company President, CLAVIS Company, Macnica Inc.



Masanobu Goto
Executive Officer
Company President, TecStar Company, Macnica Inc.



Yusuke Kobayashi
Executive Officer
Company President, ALTIMA Company, and Company President, Networks Company, Macnica Inc.



Atsushi Sato
Executive Officer
General Manager, Strategic Innovation Business Group, Macnica Inc.



Koji Senga
Executive Officer
General Manager, Mobility Business Group, and General Manager, Asia Pacific Business Group, Macnica Inc.



Atsushi Nishikawa
Executive Officer
General Manager, Account Sales Group, Macnica Inc.



Yuichi Yoshioka
Executive Officer
Company President, FINESSE Company, Macnica Inc.



Tomohisa Asano
Executive Officer
General Manager, Board of Directors Office



Keigo Ando
Executive Officer
General Manager, IT Group, Macnica Inc.



Daisuke Hayashi
Executive Officer
General Manager, Governance & Management Group, Macnica Inc.



Teruyoshi Yamamoto
Executive Officer
General Manager, Business Operations Group, and Deputy General Manager, Financial Group, Macnica, Inc.

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Experience and Expertise of Directors (Skills Matrix)

The Company objectively defines the skills required of directors from two perspectives: experience and achievements based on quantitative criteria, and the expertise and skills necessary for the future business strategies of the Group. To enhance the effectiveness of corporate governance, we periodically confirm our basic approach to the composition of the Board of Directors, redefine the skills that the Board should possess in alignment with the future direction of management, and clarify issues related to the re-evaluation and composition of current members as well as succession planning. From the perspective of diversity, our company's Board of Directors currently includes two female directors (outside directors), and while there are no foreign national directors presently, we have one director who is a former Chinese national and one director who lived abroad for an extended period and received an education overseas. We believe that diverse values transcending gender, nationality, and other factors are necessary for expanding corporate value, and we will continue to place importance on diversity going forward.

Name	Position (Outside)	Year appointed	Skills required for optimal performance (knowledge, experience, abilities, etc.)												
			Basic skills									Individual skills			
			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	2019	●	●	●	●	●	●	-	●	●	Semiconductors, NW*	●	●	-	●
Akinobu Miyoshi	Representative Director	2019	●	-	●	-	●	-	●	●	-	Semiconductors, NW*	-	-	-	-
Makoto Okawara	Director	2024	●	-	-	●	-	●	●	-	●	Trading company	-	-	-	-
Eiichi Nishizawa	Director (non-executive)	2015	-	●	-	●	-	●	-	-	●	Semiconductors	-	-	-	-
Shinichiro Omori	Outside Director	2022	●	●	-	●	-	-	●	-	●	General electrics, etc.	●	-	-	-
Tsunesaburo Sugaya	Outside Director	2019	●	●	-	-	-	●	●	●	●	Investment	-	-	-	-
Yasuaki Mori	Outside Director	2024	●	●	●	●	●	●	●	-	●	Semiconductors, AI, etc.	●	-	-	-
Shinichi Abe	Outside Director	2025	●	●	●	●	●	-	●	●	-	IT・NW*	●	-	-	-
Shinichi Onodera	Director (Audit and Supervisory Committee Member)	2024	-	●	-	●	-	●	●	-	●	Semiconductors	-	-	-	-
Kay Miwa	Outside Director (Audit and Supervisory Committee Member)	2024	-	●	-	●	-	-	●	-	●	Automobiles, etc.	-	-	●	-
Yukie Sugita	Outside Director (Audit and Supervisory Committee Member)	2024	-	●	-	●	-	●	-	-	-	Accounting	-	-	-	-

*Network and security industry

Overview of Skills (Knowledge, Experience, Abilities, etc.) Required for Fulfilling Functions

Corporate Management	Experience leading the management of a large enterprise as President/CEO; Experience demonstrating entrepreneurial spirit to take a venture company public or leading its rapid growth as President/CEO
Corporate Governance	Experience in building trust with management as an outside director, board chair, committee chair, etc. of a public company, or in working on corporate governance to improve medium-term corporate value in coordination with the board of directors as CEO
Long-term Strategy	Experience in leading the formulation and execution of strategies to improve corporate value over the long term
Risk Management	Experience in leading the identification, assessment, prioritization, and mitigation of company-wide risks that affect corporate value, the development of internal control rules and processes and execution of operational audits, and provision of recommendations for improvement
Human Resources and Corporate Culture	Experience in leading the recruitment, development, compensation, and retention of management and core personnel; Experience in leading the cultivation of corporate culture through the definition and dissemination of management philosophy and purpose throughout the organization, and the strengthening of organizational capabilities through organizational redesign
Capital Markets and Finance	Experience leading overall financial activities (budgeting and settlement, financial reporting, capital policy, financial strategy, accounting audits, etc.)
Global Business Operations	Extensive knowledge of multiple cultures, customer needs, economic environments, regulations, and political situations; Experience leading global business and organizational operations

Innovation	Specialized knowledge of technology, solution and new-business development in the Company's strategic domains, and experience identifying emerging needs based on market and technology forecasts and leading the corresponding development activities
Business Investment and M&A	Experience in leading the planning and implementation of business investments toward the realization of growth strategies, management and transformation of investee companies, etc.; Extensive knowledge and experience in M&A (strategy formulation, target identification, DD, negotiations, etc.), integration and PMI through large-scale acquisitions, JV, and strategic alliances
Industry Knowledge	Knowledge of the industry structure and trends in focus areas (e.g., competitive situation of major companies, changes in business models, etc.)
DX, Technology	Experience in providing services that transform customer business/organizational operations by utilizing IT, digital, AI-related technologies, etc., or leading improvements in the efficiency of one's own business/organizational operations
Branding	Knowledge and experience in branding of entire service lines and entire companies beyond marketing of specific products
Compliance and Legal Affairs	Knowledge of compliance and legal matters relating to the development of global and new businesses, and experience identifying legal risks and leading business initiatives through measures to avoid crises and minimize losses
Sustainability	Knowledge of environmental and social issues; Experience in leading initiatives on sustainability issues that contribute to enhancing corporate value

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Nomination and Compensation

Nomination of Management

Appointment Policy and Appointment/Dismissal Process

The Company's policy is to nominate director candidates who possess the knowledge and track record necessary to enhance corporate value. After the Nomination and Compensation Advisory Committee, the majority of whose members are outside directors, reviews the proposed selections, the Board of Directors deliberates and makes the final decision. Outside director candidates are selected for insight and high levels of expertise not available from internal directors alone, with the aim of strengthening the Board's supervisory function. The Representative Director and President is appointed by the Board after deliberation based on the Committee's recommendation. Executive officers are appointed by the Board from among individuals who have the knowledge, capabilities and experience required to play central roles in business execution, including presidents of in-house division companies and general managers responsible for corporate functions. A director or executive officer may be dismissed following a comprehensive decision by the Board, taking into account the Committee's advice, if circumstances make the performance of duties difficult, including (1) misconduct or other acts contrary to public order and morals, (2) violations of laws or the Articles of Incorporation, or (3) material damage to corporate value due to neglect of duties.

Succession Plan

We regard CEO succession as one of the most critical tasks for the Board of Directors in realizing sustainable value creation through the integration of cutting-edge technology and our diverse business operations. To ensure the fairness and effectiveness of the selection process, the Nomination and Compensation Advisory Committee -comprising a majority of outside directors - conducts deliberations and evaluations from an independent standpoint following extensive discussions with management and reports its findings to the Board of Directors. In the CEO succession process, we begin by analyzing management challenges to define the required qualifications for the next CEO. Following a comprehensive assessment of candidates and their professional development, the Nomination and Compensation Advisory Committee selects a successor from a short-, medium- and long-term perspective and submits its recommendation to the Board of Directors.

CEO Succession Process

The following five-step process covers the period from defining candidate requirements through transition to the successor. The activities in each step and the continuity between them are shown below.

Talent requirement definition	Assessment	Capability development plans	Identification of successors	Transition to successor
• Analysis of management issues through interviews with directors -Ideal state -Short- and medium- to long-term strategies -Organizing organizational issues, etc. • Development of draft personnel requirements for future CEOs who will be responsible for realizing the strategy	• Selection of internal candidates • Implementation of comprehensive assessment (competency, personality traits, motivation, leadership style, etc.) • Selection of candidates and formulation of capability development plans	• Implementation of capability development plans • Monitoring progress of capability development	• Re-evaluation of candidates • Narrowing down of candidates • Discussion at the committee • Determination of candidates • Reporting to the Board of Directors	• Informal Notification of the Selected Successor • Submission to the General Meeting of Shareholders • Development of transition plan • Transition support

Executive Compensation

Decisions regarding executive compensation are deliberated by the Nomination and Compensation Advisory Committee, an advisory body to the Board of Directors; the matter is then referred to the Board of Directors, which makes the final decision within the total remuneration limit approved by the General Meeting of Shareholders. The total remuneration for directors is set at a level aimed at matching the remuneration standards (market levels) of major domestic corporations; a position-based pay scale is designed according to the significance of each director's role, and remuneration is determined in accordance with this scale. When determining the details of remuneration for individual directors, the Nomination and Compensation Advisory Committee conducts a multifaceted review of the draft proposal, including its consistency with the remuneration policy; consequently, the Board of Directors generally respects the Committee's recommendations and deems them to be in line with the remuneration policy.

Basic Design of Executive Compensation

Role		• Directors whose role is to supervise execution • Executive Officers whose role is to execute the operations of each business and administrative department
Basic Policy	Compensation Level	**Level to ensure market competitiveness: ▶Compensation levels of major Japanese companies** **Selection of benchmark companies:** • Company Size (Net Sales and Number of Employees) • Peer Companies (semiconductor trading companies, cybersecurity businesses) • Comparison by Profitability **Ensuring Internal Equity: ▶Receive greater compensation when assuming larger roles**
	Fixed-to-Variable Ratio	**Compensation that promotes short-term and medium- to long-term corporate value creation and ensures market competitiveness: ▶Fixed-to-Variable Ratio 50:50** • Aiming for a ratio of approximately 50:50 between fixed (base compensation) and variable (performance-linked remuneration) **Ensuring Internal Equity: ▶Compensation where the proportion of performance-linked remuneration increases when assuming larger roles**
	Compensation Structure	**To promote medium- to long-term corporate value creation, the proportion of share compensation is set higher than bonuses** **▶Base compensation: Bonus: Share compensation 50:20:30**

Fixed	Base compensation (50%)	A position-based compensation table reflecting the scope of each role		
Variable (performance-linked)	Bonus (20%)	Based on the overall performance of the Macnica Group, the payout rate varies from 0 to 150% according to the achievement rate of the following KPIs		
		Management Numerical Targets (Quantitative: 60%)	Strategic Targets (Qualitative: 25%)	Corporate Culture (Quantitative: 15%)
		• Consolidated net sales • Consolidated operating income margin • ROE	• Progress status of business strategy and management foundation strengthening • Expansion of the Services & Solutions Business model, growth investments, reductions in GHG emissions, etc.	• Dissemination of purpose and values • Employee engagement
	Share compensation (30%)	Design of restricted share compensation with a 3-year transfer restriction		

*The total amount of compensation by executive category, the total amount by type of compensation, and the number of eligible executives are stated in the Company's Securities Report and Corporate Governance Report.

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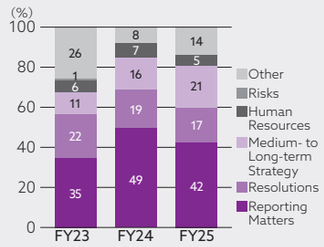
Strengthening the Functions of the Board of Directors

Activities of the Board of Directors (FY2025)

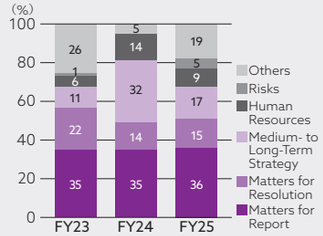
Meetings held:	Average number of agenda items:	Average meeting duration:
13	**11.8** items/meeting	**169** minutes

Activity Results	Main Discussion Topics with Executive Side
Medium- to Long-term Strategy	•Progress of the Medium-term Management Plan (FY2025-2027) •Risks in each business and measures and strategies to address them •Progress of capital allocation
Human Resources	•Changes in employee engagement results and their factors •Signs of changes in corporate culture that our Group considers important
Management Foundation	•Sustainability-related Assessments by External Organizations and Responses to Human Rights Issues in the Supply Chain •Internal whistleblowing status reports and countermeasures by the executive side against significant risks •Regular IR activity reports and comparisons with similar industries regarding cost of capital and the direction our company should aim for

Discussion Topics of the Board of Directors (Regular Board of Directors meetings only)



Board of Directors Discussion Content (including Director Meetings*)



*Board of Directors Meeting: Forum for in-depth discussions on important themes (non-regular)
*Totals may not equal 100% due to rounding.

Nomination and Compensation Advisory Committee Activities (FY2025)

Meetings Held: 7

Key Discussion and Deliberation Items:
- Prioritization of succession based on skills matrix and preparation of director candidate list
- Confirmation of CEO succession process and discussion and definition of human resource requirements
- Creation of next-generation executive candidate list and selection of candidates based on assessment results
- Confirmation of compensation levels and consideration of level changes as necessary, etc.

Audit and Supervisory Committee Activities (FY2025)

Meetings Held: 13

Priority audit items:
- Operation of the Board of Directors (including the Nomination and Compensation Advisory Committee), status of directors' duties
- Status of proper operation of core businesses and new businesses
- Status of financial management, business investment, sustainability management, global management, etc.
- Status of audits by accounting auditors

Analysis and Evaluation of Board of Directors Effectiveness

Board of Directors Effectiveness Evaluation Process (FY2025)

① Approval of evaluation process	•Confirm effectiveness evaluation policy and evaluation process with the chairperson
② Implementation of questionnaire	•Conduct a questionnaire for each director consisting of scoring evaluations and descriptive-only questions on individual items, and analyze the results
③ Reporting results to the chairperson	•External organization reports the analysis results to the chairperson
④ Result reporting by external organization	•External organization reports analysis results to the Board of Directors (in May)
⑤ Discussion at the Board of Directors: Self-evaluation and prioritization	•The Board of Directors (in June) discussed the analysis results, conducted self-evaluation, and determined the priorities and direction of initiatives for the following fiscal year

Evaluation Results

Overall Evaluation: The evaluation found that the Board broadly maintains an appropriate level of effectiveness. Directors share common values, make decisions based on high ethical standards and engage in open and candid discussion. The results also indicated that the Board maintains constructive tension in overseeing management while preserving its autonomy and independence. The size of the Board was also considered appropriate.

Board of Directors' Discussions: We recognize that the exchange of opinions at the Board of Directors has become more active, discussions have deepened, and their quality has improved. We believe this is attributable to the improvement in the information gap between internal and outside directors through the holding of preliminary briefing sessions and explanatory sessions on important matters by the executive side, advance organization of discussion points, and the chairperson's guidance in steering the discussions.

Looking Ahead: To further refine the selection of agenda items and deepen discussion, each director will prepare carefully before attending Board meetings. To enhance the effectiveness of Board deliberations, we will also reconfirm the expected role of each director and consider mechanisms and processes to ensure that the Board's input is effectively reflected in business execution. We will continue to review the form the Board should take, devote sufficient time to important themes such as human resources and strategy, and enhance the quality of discussion.

Board of Directors Management Policy (FY2026)

Key Themes for Discussion	•Strategy is the most important management issue. The Board will monitor new-business initiatives more closely and will not only support execution but also encourage greater strategic focus and, where necessary, a change in strategic direction. •Regarding the Semiconductor Business, which mainly deals with products made in the United States, we will monitor the medium-term strategy and conduct discussions based on the results while keeping geopolitical risks in mind •Deepen discussions on succession plans and development programs for management executives including the CEO
Toward Effective Operation of the Board of Directors	•Deepen understanding of the revised Corporate Governance Code and reconfirm the ideal form of the Board of Directors •Conduct seminars by external experts on specific management issues •Hold executive sessions consisting solely of outside directors (at each Board of Directors meeting) •Implementation of regular opinion exchange meetings with executive officers

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Sustainability Policy

Macnica Group Basic Sustainability Policy

At Macnica, we regard addressing global environmental and social challenges as one of the top priorities of our management policy, and we are committed to advancing activities that fulfil our 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 Key Policies

01 Identifying key issues, promoting business initiatives and managing business investments that contribute to solving social challenges and building a sustainable society.

We shall strive to contribute to society and the environment and enhance corporate value through our business activities.

02 Promoting global management that takes environmental and human rights into account and strengthening the supply chain.

We shall conduct our business with due regard for environmental conservation, human rights and fundamental labor rights. Aiming to build a supply chain in line with our Group’s approach to sustainability, we shall understand the cultures and customs of countries around the world and conduct our business activities fairly and with integrity.

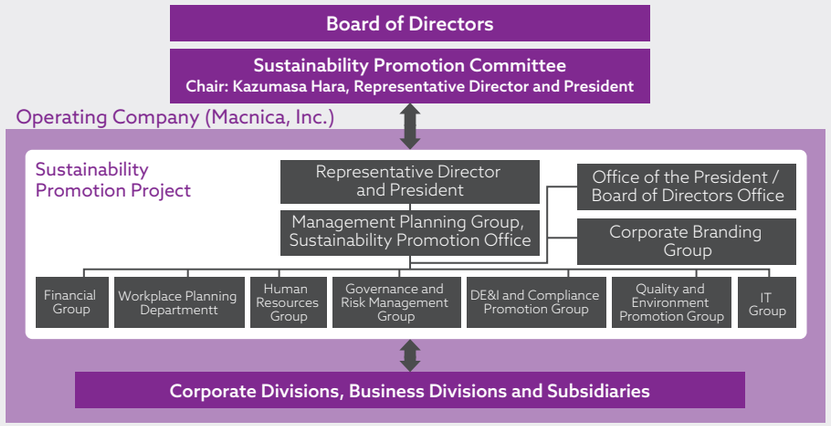
03 Earning the trust of society and strengthening our governance and risk management systems

We will disclose information accurately, clearly and in a timely manner, and promote constructive dialogue with our stakeholders. We will establish and strengthen governance frameworks to prevent misconduct and realize sustainable management.

04 Employee Training and Awareness-Raising for Sustainability Promotion

As all employees bear the responsibility for promoting sustainability, we will provide training and awareness-raising activities on sustainability to our staff.

Sustainability Promotion Framework



Various Policies, Guidelines, Certification Information, etc.

Category	Item	Policies, Guidelines, Certification Information, etc.
Sustainability Policy and Promotion Structure		Basic Sustainability Policy CSR Policy and Code of Conduct Materiality
Dialogue with Stakeholders		Stakeholder Engagement •Benefits for Employees •Consideration for Business Partners: Declaration on Building Partnerships •Initiatives Concerning Other Stakeholders •Collaboration with Local Communities
Contribution to the Global Environment	Environment Management	Environmental VISION Environmental Policy ISO Certification (Information on ISO 14001 Certification) •Effective Use of Water Resources •Waste Reduction Initiatives •Decarbonization Initiatives
	Climate Change	Disclosure Based on TCFD Recommendations Climate Transition Plan
	Biodiversity	Basic Policy on Biodiversity TNFD Disclosure
Fulfilling Social Responsibility	Human Rights	Macnica Group Human Rights Policy
	Supply Chain Management	Declaration on Building Partnerships Procurement Guidelines Green Procurement Standards Initiatives on Conflict Minerals
Approach to People	Well-Being	Approach to Health Management and Declaration on Health Management
	Employee Engagement	
	Human Capital Management	
	Diversity, Equity & Inclusion	
	Response to Customer Harassment	Basic Policy on Customer Harassment
Social Contribution Activities		
Sports Activities		
Strengthening Governance	Corporate Governance	
	Compliance	Anti-corruption Policy Proper Tax Payment Internal and External Whistleblowing
	Risk Management	
	Information Security	Information Security Policy ISO/IEC 27001 Certification Information
	Quality Management	ISO 9001 Certification Information AS 9120 Certification Information Tcertification Authentication
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*You will be redirected to the Sustainability Website.

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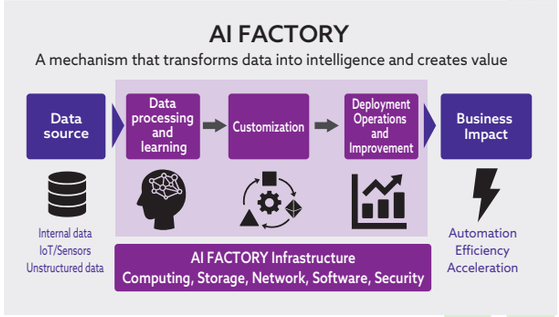
AI Frontlines

AI has evolved into a foundational technology that fundamentally transforms industrial structures and is permeating a wide range of fields. The expansion of data centers is triggering a scramble for power and resources, and securing computational power and energy has become a crucial factor that determines the competitiveness of nations and companies. The advancement of AI is transforming the structure of the entire infrastructure, including semiconductors, data centers, power, telecommunications, and software. Now, we must take a bird's-eye view not only of individual AI technologies but also of the entire industrial ecosystem behind them. This feature examines structural changes in the industries that underpin AI and the role Macnica can play in industrial AI implementation by drawing on its expertise in semiconductors, networking, and cybersecurity.

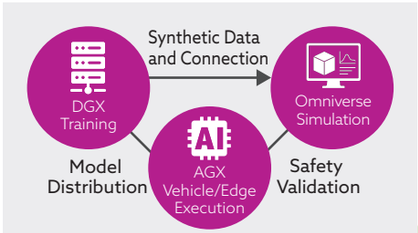
NVIDIA - Current Position and Future Vision

Any discussion of the AI market must include NVIDIA, for which Macnica is an authorized distributor. Beyond GPUs, NVIDIA has expanded into AI infrastructure spanning networking, systems, and software, providing hyperscalers and AI developers with computing platforms for training and inference in generative AI. On the other hand, in the AI market, in addition to training large-scale models, the demand for inference processing is rapidly expanding.

With the proliferation of AI agents and physical AI, the demand for inference processing is expected to expand even further. NVIDIA has proposed "AI Factory" as a new vision in anticipation of this change. This is a concept that views AI-oriented data centers as a production infrastructure that generates intellectual output from data.



In March 2026, NVIDIA announced "NemoClaw." This is being provided as official support for "OpenClaw," which has been gaining traction as an open-source AI agent, and is positioned as an enterprise-grade AI platform that streamlines everything from data collection and organization to training, inference, and operations in an integrated manner. This enables companies to more easily build high-quality AI systems that leverage their own proprietary knowledge and data, accelerating the practical implementation of generative AI. Looking ahead to the era of physical AI, NVIDIA is also working to integrate three computing domains, training, simulation, and execution, and to provide an environment that can support diverse workloads.



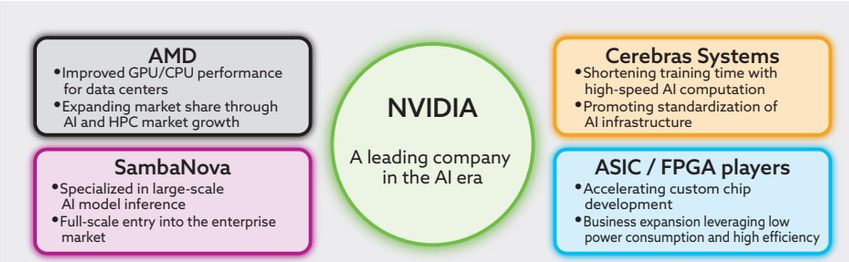
NVIDIA Revenue

Specifically, they are strengthening software stacks such as Video Search and Summarization (VSS), which performs video search, summarization, and event analysis, and Vision-Language-Action (VLA), which connects visual information and language understanding to actions. In addition, they have also released "Alpamayo," an open-source AI platform that provides advanced reasoning capabilities for autonomous vehicles. NVIDIA continues to evolve beyond being merely a hardware pioneer into a company that supports everything from AI development to operations, and even the implementation of physical AI.



The Rise of Emerging AI Companies

With the expansion of the AI market, the landscape surrounding NVIDIA is changing. AMD is increasing its competitiveness in the GPU market, and Cerebras, which pursues high-speed learning with ultra-large chips, has listed on the U.S. Nasdaq. SambaNova is enhancing inference efficiency with Dataflow architecture, and big tech companies such as Google are also working on their own optimizations using ASIC. Going forward, there is shift away from the monolithic architectures dominating the market, to using GPU, CPU, and ASIC differently according to requirements such as application, cost, power consumption, and latency.



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Lessons from AI Implementation in the United States and Europe

In the United States and Europe, companies are expanding their businesses not only by developing AI semiconductors, software, and models, but also by embedding AI into corporate and government operations. Anthropic focuses on making AI safe and suitable for enterprise use. Palantir provides a platform that connects corporate and government data and AI with operational processes and decision-making. Cohere develops generative AI platforms for enterprises, while Anduril focuses on autonomous systems for defense. While each company's business domain differs, they share the characteristic of integrating AI into specific operations and industrial systems, providing it in a form that can be operated continuously. The essence of value creation in the AI era lies not in the models themselves, but in the "implementation capability as an industrial system" that accompanies business transformation.

Company	Anthropic	Palantir	Cohere	Anduril
Product	**Claude** Safe and easy-to-use high-performance AI assistant	**Foundry** Data analytics platform for enterprises **Gotham** Analytics platform for government and defense	**Command R** High-performance model for enterprises **Cohere Platform** Infrastructure supporting development and operations	**Lattice** Command and control software **Ghost** Autonomous system **Sentry Tower** Surveillance system
Revenue FY26 Outlook*	**Approximately $65 billion**	**Approximately $8.2 billion**	**Not Disclosed**	**Approximately $4.3 billion**
Common Strengths	Embedding AI into Industrial and Business Operations	Post-Implementation Support for Operations and User Adoption	Addressing Social Challenges	Global Business Expansion

*Prepared by Macnica based on publicly available information (corporate websites, press releases, etc.)

China's AI Supply Infrastructure and Self-Reliance Strategy

In China, a unique AI supply infrastructure is expanding under its technology policies. The 15th Five-Year Plan emphasizes self-reliance and self-strengthening in science and technology, human resource development, strengthening of computing resources, and the integration of AI with the real economy, while it promotes the application of "AI+" in manufacturing, public services, and social infrastructure. Baidu, Alibaba, ByteDance, and Huawei are deploying AI models and AI clouds, while Zhipu AI is providing foundation models and APIs.

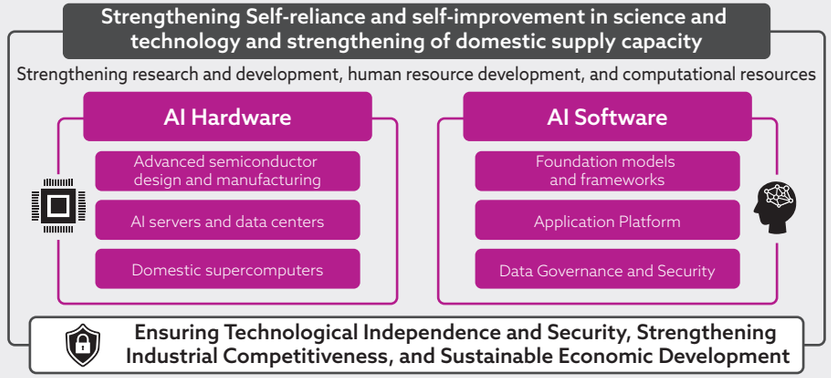
Huawei supports everything from model development to training and inference with its AI semiconductor Ascend and open AI framework MindSpore. Unitree and AgiBot are commercializing humanoid robots. While an AI supply infrastructure spanning models, cloud, semiconductors, development platforms, and robotics is being formed, constraints remain on access to advanced semiconductors and manufacturing equipment due to U.S. export controls. Against the backdrop of external constraints and expanding AI demand, China is strengthening its research and development capabilities and technology supply capacity, progress crucial in shaping future technological competition.

AI Core Technology Patent Applications

Country of Application	Number of Cases
China	101,459
United States	19,336
South Korea	10,474
Japan	3,612

Source: Survey on Application Status of AI-Related Inventions 2023 (Japan Patent Office)

Strengthening of AI Supply Infrastructure in China



Operational Infrastructure as the Key to Industrial Implementation of AI

To implement AI in industries and business operations, it is necessary to overcome multiple challenges, including economic feasibility, technology, reliability and safety, environmental impact, and compatibility with business operations. What matters is not only the performance of AI models but also building an operational infrastructure that can continuously create value. This requires organizations to develop and continually improve strategy, technology and infrastructure, data, talent and organizational capabilities, business processes, and governance as an integrated whole.

Key Challenges and Solutions for Successful AI Implementation

Economic Efficiency	Increase in computational costs accompanying the expansion of inference demand	▶	Development of inference infrastructure considering performance, latency, and cost
Technological Evolution	Industrial use of multimodal AI such as VLM	▶	Validating Accuracy, Processing Speed, and Implementation Requirements
Reliability, Safety, and Security	Growing Governance Requirements as AI Use Expands	▶	Establishing a Governance Foundation for Managing AI Risk
Sustainability	Power Demand and Environmental Impact Associated with AI Usage Expansion	▶	Efficiency of Computational Resources and Understanding/Reduction of Environmental Impact
Expertise	Expertise and Operational Knowledge for Embedding AI into Field Operations	▶	Designing Use Cases and Business Processes Based on Field Knowledge

What is important is the development of an operational foundation that includes policies and strategies

Strategic vision | Technology and infrastructure | Data and business knowledge | Talent and organization | Governance Social acceptance

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Macnica in the AI Market: Our Mission and Current State

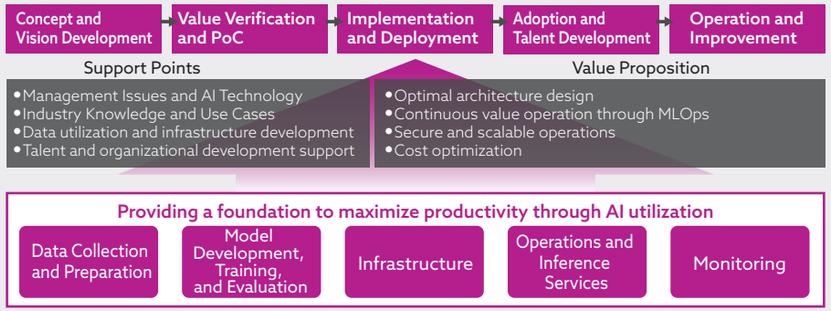
Mission Macnica's mission is to connect cutting-edge technology with solutions to social challenges. By applying expertise in semiconductors, cybersecurity, networking, AI, and related fields, we aim to continue creating new value together with our customers. Our role goes beyond supplying technologies and products. We believe AI must be implemented in ways that address social and industrial challenges. The introduction of AI into industrial systems, in particular, requires support for an increasingly diverse range of needs. Working with partners in Japan and around the world, we will contribute to a sustainable and prosperous society.

Current State Building on the global partner network and technical capabilities developed through its role as a value-added distributor (VAD), Macnica is evolving into a partner that supports AI evaluation, implementation, and operations. In NVIDIA-related business, the company received the Best Distributor of the Year 2026 award, recognizing its support for AI utilization across a wide range of industries and contribution to the partner ecosystem. Through the AI TRY NOW PROGRAM, Macnica also provides pre-implementation evaluation environments and supports performance and functionality assessments with production use in view. Going forward, we will strengthen support spanning AI implementation, data utilization, infrastructure development, operational improvement, and AI security. By drawing on our global technology-sourcing capabilities and customer relationships, we aim to create customer value and achieve sustainable business growth through the implementation of AI in society.

Supporting AI Adoption and Transformation Based on Customer Needs

Macnica is developing multifaceted support as a partner that supports customers' AI implementation. For example, in addition to initiatives such as the "AI TRY NOW PROGRAM" where customers can experience the latest computing environment, we are currently promoting the realization of the "AI Factory" concept. By connecting customer challenges with cutting-edge technologies end-to-end and providing an integrated platform for mass production and operation of AI agents, we realize an implementation-oriented approach that doesn't end with PoC, comprehensively support through to production operation, and create sustainable business value together with our customers.

Macnica's AX Accompaniment Model

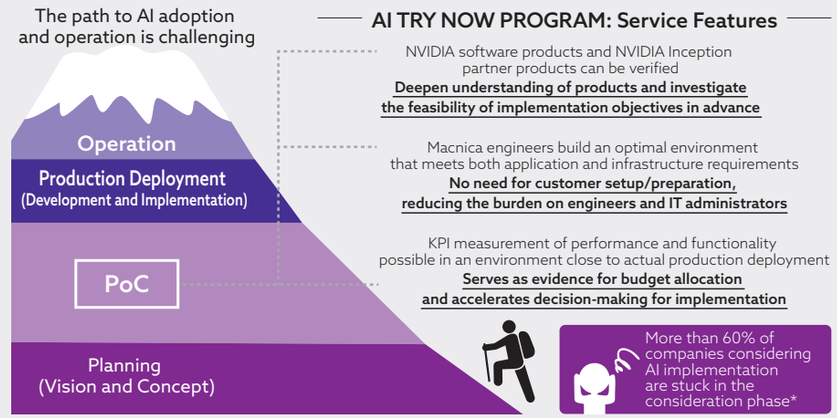


Providing AI TRY NOW PROGRAM to test the Latest AI

In 2023, Macnica launched Japan's first AI solution pre-verification program on the NVIDIA development environment, supporting customers' technology adoption.

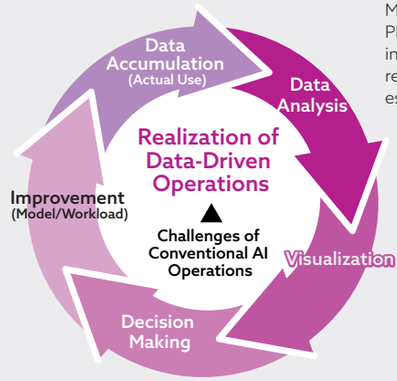


AI TRY NOW PROGRAM (Japanese Only)



*Source: Accenture survey on "AI adoption penetration"

From the introduction of data-driven operations to support improvements Macnica's AI Advisor



Macnica provides comprehensive support for the entire PDCA cycle, from data analysis to operational improvement. Leveraging advanced expertise, we realize the social implementation and operational establishment of AI systems.



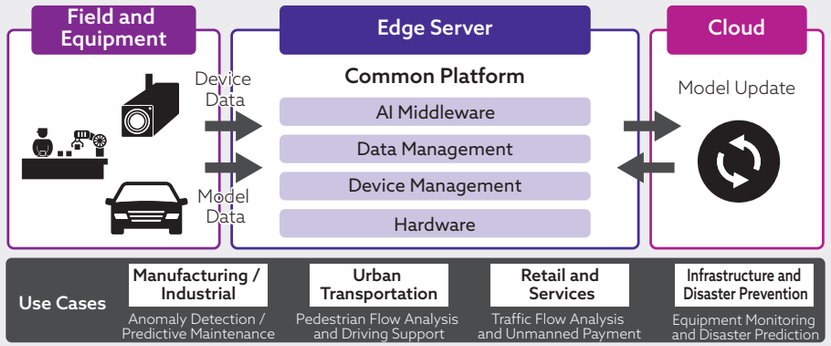
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Selecting the Right Semiconductor for Each Edge AI Application

In field environments constrained by communication infrastructure and response times, there are rising expectations for edge AI, which processes sensor data near the site and enables rapid decision-making. On the other hand, responding to the varying requirements and specifications for each application leads to increased development workloads. To minimize such custom development, it is essential to use platforms that standardize and abstract functions, such as AI middleware, data management and device management. Utilizing these frameworks significantly reduces workloads and enables rapid deployment across a wide range of industries and applications.

Moreover, it is difficult to meet all requirements with a single architecture or semiconductor. No single architecture or semiconductor can meet every requirement. The key is not a simple comparison of semiconductor performance, but a design approach that determines which component should perform each role. Options include Qualcomm, with strengths in low power consumption and scalability for high-volume production; SiMa.ai, which enables flexible software control; and Ambarella, which combines video-processing capabilities with efficiency. Macnica's ability to evaluate a diverse range of semiconductors and software and select and configure them for specific applications underpins its fit-for-purpose proposals. We will continue to accumulate knowledge of related technologies and implementation, supporting our customers in the development and implementation of their edge AI products.



VOICE

New technologies are emerging every day, and keeping up with them is not easy. Yet, the pace of technological evolution is set to accelerate even further in the future. That is precisely why, rather than merely chasing change, we strive to anticipate and capture it. Macnica will continue to pursue an environment where we ourselves master AI, ensuring that humans remain the central actors.

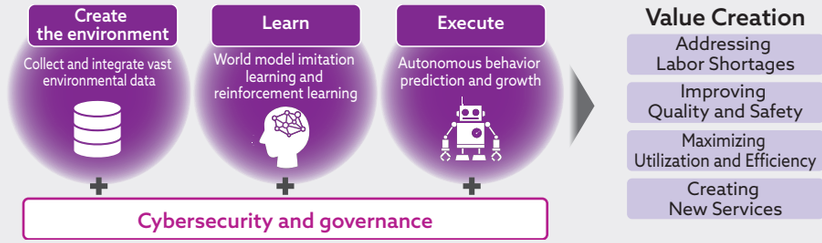


CLAVIS Company
Business Solutions
Division 2
Hirokuni Uchida

Advancing Industrial Systems through the Integrated Implementation of Physical AI

Physical AI enables robots, autonomous vehicles, drones, and other systems to perceive the physical world, make decisions, and act, and its use across industry is expected to expand. Through imitative learning, reinforcement learning in digital spaces, and the use of simulations (world models) that replicate the laws of physics, these systems can flexibly adapt and predict future scenarios even in unknown environments, while continuing to grow autonomously by accumulating vast amounts of data obtained in the field.

Macnica plays a role in the social implementation of this Physical AI that goes beyond merely providing technology. To operate AI in the real world environments, security and governance are essential, in addition to the implementation of functionality. By integrating our robust ecosystem of global partners in the DX and security domains, including Siemens and Cisco (Splunk), with Macnica's proprietary AI development capabilities, we lead the way in 'integrated implementation' which ensures safety and reliability, rather than merely deploying AI. By combining technology and trust, we aim to continuously advance our customers' industrial systems and create sustainable value.



Evolution Toward 2030: Supporting the Social Implementation of AI

As the market environment undergoes rapid change due to AI, achieving sustainable growth toward 2030 requires expanding new technologies, services, and partnerships while leveraging our current business foundation. In data centers, we will commercialize technologies and services that improve energy and cooling efficiency. In physical AI, we will strengthen capabilities for evaluating technologies under conditions close to actual operating environments and accumulate expertise in implementation and operations.

We will also enhance our technology-sourcing and assessment capabilities to identify promising technologies and bring them to market. Co-creation with our customers and partners, both in Japan and overseas, forms the foundation for these initiatives. Macnica will link these diverse technologies and expertise to provide support spanning the entire process from technology exploration to verification, implementation, and operation. Looking toward 2030, building on the exploration capabilities, technological expertise, and customer relationships cultivated as a technology trading company, we aim to evolve into a platform company that co-creates social and industrial transformation.

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Cybersecurity in the AI Era

Anticipating Change and Transforming It into Value

As the use of generative AI and AI agents rapidly advances, AI is supporting corporate business transformation while simultaneously becoming a technology that creates new attack methods for attackers. With both companies and attackers leveraging AI, the targets of cybersecurity and the nature of defense are undergoing significant changes. Companies are required to implement both security measures for the safe use of AI (Security for AI) and initiatives to enhance cybersecurity by leveraging AI (AI for Security). This feature examines how AI is reshaping cybersecurity and how Macnica identifies emerging technologies and markets and delivers their value to customers.

How Advances in AI Are Reshaping Cybersecurity

Security for AI: Using AI Securely and with Confidence

As the use of generative AI and AI agents rapidly expands in enterprises, the scope of cybersecurity is also undergoing significant changes. Traditionally, the primary focus of protection has been on devices, servers, networks, and applications. However, AI is now becoming the foundation that supports business operations, making the proper management and secure use of AI itself an increasingly important issue. As AI agents begin to perform work on behalf of people, companies need visibility into and control over which AI systems access which resources, the data they use, and the actions they take. For companies to expand the use of AI, new security and governance mechanisms are required to ensure the safe use of AI.

Point **Expanding AI Use Is Changing What Companies Need to Manage**

With the spread of generative AI, the use of AI without corporate awareness (Shadow AI) is increasing. When employees input internal documents or customer information into AI services not managed by the company, there is a risk of information leaks and governance issues. The growing use of AI agents is also driving a rapid increase in non-human identities (NHIs), including service accounts and API keys. For example, an AI agent acting on behalf of a sales representative may appropriately view information about that representative's assigned customers. However, retrieving all customer data in a single operation or changing organizational settings could result in unintended use of privileges. The expansion of AI is thus creating new management challenges that differ from those companies have faced in the past.

New Areas to Manage	Overview
AI Governance	Identify the generative AI tools and AI agents used within the company and what they connect to
AI Identity Management	Manage on whose behalf the AI agent acts and what permissions it operates with
Input/ Output Control	Control which information can be input into AI system and which information can be output externally
Runtime Control	Control what the AI agent can do against which systems and data
Continuous Assessment	Continuously verify whether there are risks in the AI's configuration, behavior, and connection relationships

AI for Security: Using AI to Strengthen Security

The evolution of AI is bringing significant changes to the nature of defense. Attackers are using AI to automate and accelerate attacks, enabling investigations, analysis, and the exploration of attack paths that once required substantial human effort to be carried out quickly and at scale. Relying on people alone for defense is therefore becoming increasingly difficult. This is driving interest in a new model of security operations supported by AI. AI can analyze vast volumes of logs and events and help improve threat identification, investigation, and response. Systems capable of making decisions and responding autonomously are also emerging. As a result, security is shifting from a model in which people provide the defense to one in which AI supports execution while people retain responsibility for judgment and control.

Point **How AI Is Advancing Cybersecurity**

~Early 2010s	2010s	Early 2020s	From 2025 onwards
Preventive	Reactive	Analytical	Preemptive
Emphasis on perimeter security	Response and recovery after an attack	Data-driven threat analysis and learning	AI-driven autonomous predictive defense

Cybersecurity measures have evolved from a preventive approach that emphasized preventing attacks at the perimeter to a reactive approach that emphasizes detection, response and rapid recovery after a breach. This was followed by broader adoption of an analytical approach that evaluates threat intelligence, attack paths, and asset criticality to identify the risks that most urgently require attention. In recent years, efforts to advance the use of AI in areas such as prevention, analysis, and detection/response have been progressing. One emerging preemptive approach combines continuous visibility and assessment of risks and attack paths through Continuous Threat Exposure Management (CTEM) with AI-assisted analysis and investigation, helping organizations identify and reduce critical risks before an attack succeeds. As cyberattacks become faster and larger in scale, the importance of not only responding after damage occurs, but proactively managing and addressing risks, is increasing.

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Advances in Cutting-Edge Technologies for Preemptive Cybersecurity

In the AI era of cybersecurity, the concept of preemptive approaches, which involve understanding and reducing risks before attacks materialize rather than merely responding after an attack, is becoming increasingly important. To realize such preemptive cybersecurity, it is essential to first (1) identify and assess risks, (2) protect against the occurrence and impact of risks, and (3) detect and respond to threats at an early stage. Against a backdrop of growing AI adoption and increasingly sophisticated attack methods, new technologies and solutions are emerging in each of these areas and helping make preemptive cybersecurity possible.

(1) Identify
(Discover and Assess Risks)

(2) Defense
(Limiting the Occurrence and Impact of Risk)

(3) Detection and Response
(Early Detection and Response to Threats)

Current State

Continuous Attack-Surface Visibility and Risk Assessment

In the identification domain, with the expanding use of cloud and SaaS, the attack surface that companies need to understand has also greatly expanded. Organizations have been working to identify enterprise-wide risk by managing configurations in cloud and SaaS environments and identifying externally exposed and internal IT assets. In recent years, the concept of CTEM has gained traction as a way to integrate this information and continuously visualize and assess risk.

Current Challenges
- Since much of remediation and verification relies on manual work, it takes time from risk identification to completion of remediation
- Inter-departmental collaboration and approval processes have become bottlenecks, leading to delays in addressing prioritized risks

Advancement of Defense Models Centered on Zero Trust

In the defense domain, under the zero trust concept, continuous trust verification at the individual, terminal, and application levels has been advanced combining SASE network protection, IDaaS authentication and authorization, and microsegmentation access control. These technologies are widely adopted as defense models for the cloud era by controlling access entities and communication paths.

Current Challenges
- With the increase in AI usage and AI agents, the management burden of access permissions and usage status is growing
- Traditional authentication and authorization alone are becoming insufficient to adequately control data usage and access by AI

Advanced Detection and Response through XDR and SecOps

In the detection and response domain, SecOps have become mainstream, combining EDR, NDR, SIEM, SOAR, and other technologies to detect indicators of compromise and perform analysis, investigation, and response. In recent years, with the widespread adoption of XDR, it has become possible to comprehensively analyze multiple data sources such as endpoints, networks, and clouds, and through understanding the overall picture of attacks and correlation analysis, improvements in detection accuracy and response speed have been progressing.

Current Challenges
- Responding to an enormous volume of alerts and incidents requires significant man-hours
- Due to a shortage of security personnel, the burden of analysis, investigation, and response is increasing

Cybersecurity Solutions for the AI Era

Automation from Risk Identification to Remediation

Solutions are emerging that autonomously perform investigation, validation, and remediation, in addition to identifying and prioritizing risk. By leveraging AI to analyze multiple security data across the board and supporting everything from identifying remediation targets and creating response plans to executing remediation processes, it has become possible to reduce risks at a speed that can counter attackers. This enables operations to go beyond risk discovery to anticipating response.

New Access Control and Usage Governance Premised on AI

In addition to mechanisms that provide visibility into and control over employees' use of AI and the data entered into and generated by AI systems, access-control solutions for AI agents are also emerging. These solutions centrally manage AI access to tools, APIs, and data; assign least-privilege credentials for each task; and continuously monitor and control access destinations and the use of privileges at runtime. In doing so, they help prevent information leakage and inappropriate access.

Autonomous SOC Operations Powered by AI

AI-SOC solutions using AI to assist with alert analysis, investigation, and prioritization are also emerging. By analyzing comprehensive multiple security data and threat information supporting alert triage, investigation, and response policy organization, AI-SOC enables rapid and high-quality incident response even with limited operational resources. Additionally, by having AI accompany advanced operations like threat hunting and detection engineering, it contributes to improving the skills of operations personnel and strengthening the response capabilities of the entire organization.

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Sourcing Beyond the Cutting Edge
Turning global technological changes into new growth opportunities

In the cybersecurity market, capturing changes before technology shapes the market leads to providing value to customers and creating future growth opportunities. Through its global sourcing activities, Macnica builds relationships that provide access to technology trends and promising companies around the world. The insights gained support Group-wide growth not only by helping identify new businesses and offerings, but also by strengthening Macnica's ability to anticipate future changes in the market.

Macnica's Sourcing Activities

Macnica has a dedicated global sourcing team in Silicon Valley in the United States. Each year, the team independently researches more than 1,200 companies and engages in ongoing dialogue with promising startups to identify technologies and new solutions that could reshape future markets. Its scope extends to highly promising seed-stage companies seeking to commercialize ideas or prototypes.

In addition to participating in international conferences such as RSA Conference and Black Hat, we gather information from diverse perspectives while leveraging networks of venture capital, researchers, industry communities, and others. Through these activities, we establish contact points with promising technologies and companies, discerning future potential and marketability through continuous dialogue. We then evaluate market fit and, where appropriate, enter into distribution agreements with promising companies and support suppliers as they develop new markets. Advances in AI have accelerated the pace of technology development, while increasing numbers of stealth companies are developing businesses and technologies without making them public. Publicly available information alone cannot provide visibility into these companies.

Therefore, what becomes important in search activities is direct dialogue with founders and management. By understanding not only the technology itself but also the issues it aims to solve and the future vision it pursues, we capture market changes and signs of growth that cannot be grasped from publicly available information alone. Through dialogue with founders, being able to grasp the vision behind the technology and the direction of the market serves as an important clue in assessing future potential.

Research	Relationship building	Evaluation	Distribution Agreements
Anticipating Emerging Trends	Deepening mutual understanding	Assessing Market Fit	Market Entry and Development
• Information gathering through global networks and international conferences • Independently researching over 1,200 vendors annually	• Conducting in-depth research and visits to over 150 vendors annually, including those in early growth stages • Building trust and mutual understanding with founders	• Collaborate with experts in various fields of technology and business • Alignment of market needs utilizing Macnica's customer network	• Make strategic investments • Targeted marketing • Establishing services and ongoing research and development

The Role of Sourcing Across the Macnica Group

(1) Discovery of products that will become future revenue pillars

One of the values gained through sourcing activities is the ability to discover new technologies and solutions that will support future markets at an early stage. In cybersecurity, a technology used today by only a small number of leading companies may become a widely adopted standard measure several years later. With future customer needs and market shifts in view, Macnica continually searches for technologies and companies that could become the next standard. We use these discoveries to add new offerings and create services. Sourcing activities are also efforts to discover products and business opportunities that will become pillars of future revenue.

(2) The ability to transform market changes into customer value

In recent years, M&A activity among cybersecurity vendors has increased. (P.42) Acquisitions can change a vendor's product portfolio, which in turn changes the solutions available to customers and how they can be used. By continually researching a broad range of vendors and technology trends, Macnica maintains a market-wide perspective on these changes. When M&A involving one of our suppliers changes its product portfolio or go-to-market strategy, we promptly assess the newly added technologies and their implications for customers and reflect our findings in proposals and implementation support. The ability to identify shifts in the external environment early and translate them into customer value is another important benefit of sourcing.

(3) Creation of business opportunities on a global scale

The insights gained from sourcing activities are shared not only within Japan but also with group companies such as Netpoleon, CyberKnight, and iSecurity. Since the cybersecurity market has different levels of maturity and customer challenges in each region, simply utilizing the insights gained in each region independently is not sufficient. At Macnica, as a global sourcing team, we share information on technological trends and market changes across the entire Group, and mutually verify promising technologies and market opportunities. (P.44) Through these activities, we discover growth opportunities that transcend regional boundaries and create new business opportunities.

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Evaluation System That Transforms Technology into Customer Value: How Macnica Identifies Technologies with Potential

(1) Assessing Threats and Technologies with Security Research Center Expertise

Technologies and solutions identified through sourcing do not automatically gain market acceptance. Macnica's Security Research Center and domain experts assess their effectiveness against real-world threats and from a technical perspective. In conducting evaluations, we verify not only the novelty of the technology, but also from perspectives such as what threats it is effective against, how it can integrate with existing security architectures, and whether it is technically feasible. Experts in fields such as cloud computing and AI also examine the technology from multiple perspectives, discussing whether it will function in real-world environments and address future threats. By assessing effectiveness and future potential alongside novelty, Macnica identifies solutions that could become future standards.

Areas of Expertise	
Threat Trends and Attack Analysis	Technology and Defense Methods
• Blue Team • Mass-Targeted Cybercrime • Red Team • General Threat Trends • Targeted Attack Trends • Incident Response • Malware Analysis, etc.	• AI/LLM • IoT • OT Security • ASM • Vulnerability Management • Web3 • Web Application Security • Email Security and BEC • Protection Technologies, etc.

(2) Assessing Implementation and Operations Based on Customer Challenges

Even a technically outstanding technology will not create value if it cannot be operated sustainably in a customer's existing environment. Through proposal activities and implementation support for customers across diverse industries and sectors, Macnica regularly grasps the challenges and operational concerns that customers face. For example, the challenges that customers face differ from company to company, such as security operations with limited personnel, management of increasingly complex IT assets, and response to increasingly sophisticated cyberattacks. We therefore assess new technologies for compatibility with existing environments, operational burden, and expected implementation benefits, and verify whether they can be used continuously in day-to-day operations. The challenges and needs identified through customer dialogue are also important inputs to our technology assessments. By combining customer and operational perspectives, we determine not only whether a technology is advanced, but also whether it can solve customer problems and deliver value in real operating environments. This helps us identify solutions that could become future standards.

Pick up

Black Hat USA 2026 – On the Front Lines of Identifying the World's Most Advanced Technologies –

What is Black Hat USA?

Black Hat USA is one of the world's largest cybersecurity conferences held annually in Las Vegas. Security vendors, researchers, and corporate representatives from around the world gather for sessions on the latest threat trends and technology trends. In the exhibition area, numerous vendors showcase their latest solutions, and the "Arsenal" is also held, where white hat hackers and security researchers demonstrate tools and technologies they have developed, allowing direct access to cutting-edge technology.

Advanced users and vendors verify the practicality of technologies

Macnica visits Black Hat USA with customers. In addition to touring exhibition booths, we hold one-on-one meetings with vendors. Companies in Japan that operate advanced security programs can explain their challenges directly to vendors and discuss whether cutting-edge technologies can address them.

For example, vulnerabilities have increased in recent years, but investigation, prioritization, and remediation still depend heavily on manual effort. Many companies must address a vast volume of risk with limited personnel. Even after critical risks are identified, dependence on manual investigation and coordination can become a bottleneck and delay remediation. In the individual meetings, discussions were held regarding new methods that utilize AI to autonomously conduct risk investigation, prioritization, and remediation in response to these challenges. Vendors demonstrated how AI can automatically analyze large volumes of vulnerability, asset, and threat information, identify the risks that genuinely require action, and generate remediation plans. Customers assessed whether these capabilities could reduce operational burden and how much automation they could entrust to the technology within their own operating structures. These discussions go beyond product introductions. They allow customers to assess specifically whether cutting-edge technologies can solve their problems, while giving vendors a valuable opportunity to understand directly the operational challenges and requirements of advanced users in Japan.



Observing a demonstration at an exhibition booth



Individual meeting with a vendor

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The answer lies in the field.

Speed and Autonomy through Empowerment

Why has Macnica continued to grow in a rapidly changing market? Part of answer lies in our philosophy of 'delegation of authority.' We give decision-making authority to the frontline teams closest to customers and suppliers, enabling them to act autonomously and capture opportunities quickly. This approach, which originated during our early expansion into Silicon Valley, has supported our growth not only as a defining element of our corporate culture, but also as part of an integrated management model that aligns corporate culture, management strategy, and talent strategy. This feature examines the origins of delegated authority, the culture that brings the Realization Cycle to life, the integrated management model that supports it, and how our approach has evolved over time.

Decisions on the Ground; Origins Cultivated in Silicon Valley

The origins of Macnica's corporate culture lie in the philosophy of making decisions at the frontline, which was cultivated during the pioneering days of Silicon Valley. By empowering those on the ground closest to customers and suppliers with decision-making authority, allowing them to make decisions and act on the spot - an approach which has become the source of our company's competitive advantage.

In the 1970s, Japan's semiconductor distribution was dominated by major trading companies, making it difficult for Macnica, then a startup, to compete on the same terms. What Macnica chose was across the ocean: Silicon Valley. Our founder, who came from an engineering background, personally visited sites on the ground, using a newsletter called the Semiconductor Industry Business Survey as a reference to discover promising startups with fresh technology, and through deep technical dialogue, accurately conveyed the needs of Japanese customers and built relationships of trust.

In collaborations with Silicon Valley startup companies, rapid decision-making is particularly important. Macnica responded to that sense of speed by leasing decision-making authority to the field. In-depth dialogue backed by technical expertise and speedy decision-making on the ground -this approach has been highly valued by suppliers and has led to the acquisition of distributorship agreements with many overseas semiconductor manufacturers. This philosophy of making decisions on the ground has become the origin of Macnica's corporate culture.

A Culture of Delegation Thriving within the Realization Cycle

At the core of Macnica's value creation is the Realization Cycle, a continuous loop of Exploration, Discernment and Implementation. Our engineers personally visit exhibitions and startups around the world to experience emerging technologies firsthand (exploration). They handle the actual equipment and assess its potential in the Japanese market (discernment). Then, they stand at the customer's site and deliver these innovations to the world (implementation). Maintaining this continuous realization cycle enables us to seize opportunities without missing a beat in a rapidly changing market. Supporting the Realization Cycle is a culture of delegation - making decisions on the ground - inherited from the pioneering days of Silicon Valley.



Trinity-Based Management Supporting Delegation of Authority

Macnica's approach to management integrates three elements that support delegated authority: corporate culture, management strategy, and talent strategy. Only when these elements work together can delegated authority function as an effective system and continue to foster speed and autonomy.

In our management strategy, we have progressively built a management structure that enables the delegation of authority. Under a decentralized model based on the company system, we were able to do business simultaneously with competing suppliers. When acquiring overseas distributors, we also respected local expertise and autonomy by entrusting management to the founders, supporting our global expansion. We are now evolving toward a transnational management model that integrates back-office functions while entrusting customer-facing operations to each region and frontline team. Furthermore, in 2024, we transitioned to a company structure with an Audit and Supervisory Committee, establishing a governance framework that enables swift decision-making through the delegation of authority to the executive side.

In terms of our Human Resources Strategy, we have developed systems to build capable, self-directed individuals and teams that can exercise delegated authority. Centered on the Response Cycle, through which employees think and act for themselves and experience growth in their day-to-day work, we introduced a mission-based human resource system in FY2024 that recognizes autonomous decision-making and results, together with a market-competitive compensation structure. In FY2025, we revamped 'Macnica University', our talent development framework designed to nurture the next generation of leaders and specialist talent.

This integration of culture, management, and talent is central to Macnica's distinctive approach, enabling speed and autonomy in rapidly changing markets. It also reflects our history over the half-century since our founding: a consistent commitment to delegated authority, supported by management structures and people systems that have evolved with the times.

How Delegated Authority Has Evolved over Time

	Founding Period (1972-1990)	Business Expansion (1991-2007)	Accelerating Global Expansion (2008-Present)
Management Strategy	Unified management that emphasizes speed of decision-making and company-wide collaboration, with prompt decisions taken even in management meetings	Introduced the company system to respond more effectively to market change and shifted to decentralized, frontline-led decision-making	Transitioning towards a more integrated management model that harnesses the Group's collective strength, whilst moving towards a transnational model that balances efficiency with the delegation of authority
Human Resources Strategy	Implementing human resources promotion by giving responsibility and authority to younger employees, and strengthening recruitment that emphasizes corporate culture	Adopted a bonus system that fostered healthy competition among companies	Established the Response Cycle around delegated authority, and revised the personnel system and human resource development framework to maximize human capital

Quick Decision & Quick Action

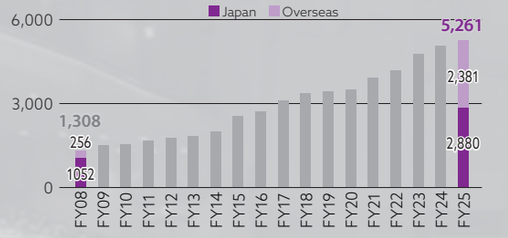
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Connecting Diverse Values and Passing On Our Corporate Culture

For the Macnica Group to achieve sustainable growth, it is crucial to continue nurturing a corporate culture in which diverse human resources share common values while each individual can demonstrate strengths. Macnica has grown significantly as a group, expanding its business domains and geographical presence through M&A in addition to organic growth (P.16). Starting with the M&A of MACNICA CYTECH (Hong Kong) in FY2008, we have expanded globally, and through the FY2015 business integration with Fuji Electronics, and the FY2024 purchase of Glosel Co., Ltd., we have expanded our business scale both domestically and internationally. As a result, the number of consolidated employees, which was 1,308 at the end of FY2008, had increased to 5,261 at the end of FY2025, approximately four times the earlier number.

Trends in the Number of Consolidated Employees



Organizational growth creates significant strengths, including new business opportunities and deeper expertise. At the same time, it brings greater diversity in perspectives, values, and ways of working. Therefore, at Macnica, rather than leaving corporate culture to develop spontaneously, we maintain and develop it by consciously continuing to share it. At our annual Management Plan Presentation, employees from Japan and overseas gather to align on management direction and values. Sharing the same time and space also helps foster a sense of unity across the organization. We further embed our culture in everyday work through daily discussions of our Core Values and ongoing internal communications that pass on our corporate culture including overseas. In FY2025, Netpoleon's Human Resources Department organized the T.E.A.M.S. Conference in Melbourne, Australia, bringing together 25 managers from across APAC to discuss the Core Values. Initiatives to advance the business around shared values are also gaining momentum across APAC, a region whose members bring diverse cultural backgrounds and perspectives. Through such dialogue, Macnica not only shares its corporate culture but also evolves the corporate culture itself by incorporating the knowledge and values of each group company. We will continue to deepen and evolve our culture so that diverse talent can thrive around a shared set of values.

Management Plan Presentation



View the Management Plan Presentation here (Japanese Only)

T.E.A.M.S. Conference



Participants (25 people in total)	
Macnica (5 people)	Executive Officer, Head of Human Resources, Corporate Planning Manager, and others
Netpoleon (20 people)	Local members from Singapore, Australia, India, New Zealand, etc.

T.E.A.M.S.

Turning Diversity into Strength ~Promoting DE&I (Diversity, Equity & Inclusion)~



DE&I Awareness Campaign Poster

Toward growth as a Services & Solutions Company, Macnica has been working to develop a workplace environment that values diversity. In this awareness survey, three years after the promotion of DE&I (Diversity, Equity, and Inclusion) began, positive responses regarding internal permeation have been steadily increasing. Clear improvements from the previous survey were confirmed, including "DE&I permeation level (56.6%)" and "elimination of gender discrimination in promotions and advancement (50.0%)". Building on this achievement, we will further advance our DE&I initiatives to enable diverse human resources to thrive and further enhance engagement.

Employee Awareness

Question	FY22	FY25	Change
Employees feel that "DE&I initiatives are being promoted"	46.8%	56.6%	+9.8pt
Female managers feel that "there is no gender difference in promotion and advancement"	25.8%	50.0%	+24.2pt
Former career-track women feel that they are "gaining the experience necessary to become a manager"	61.0%	66.9%	+5.9pt
Female managers feel that "work with discretion is being performed regardless of gender"	35.5%	61.2%	+25.7pt
Male managers feel that "it has become easier for men to take childcare leave"	16.0%	64.7%	+48.7pt

FY25 Macnica Employee Awareness Survey Results (surveyed by the 21st Century Foundation for Employment Promotion)

Future Initiatives

Macnica believes that enabling diverse talent to draw on their individual identities and shape their own careers is key to moving beyond organizational uniformity and creating innovation. Regarding our current status, we have received extremely high evaluations from an external evaluation organization, the 21st Century Foundation for Employment Promotion (a public interest incorporated foundation), in comparison with other companies; however, we have received specific recommendations toward further advancement: "elimination of fixed gender role-based consciousness and strengthening the development of women" and "transformation of work styles and improvement of ease of work for minorities and others." Going forward, under the leadership of the DE&I Promotion Committee Chair, we will steadfastly implement measures that reflect these two recommendations and promote the cultivation of a sustainable and robust expanding corporate culture.

Management Oversight	DE&I Promotion Committee (held quarterly, discussing progress)
Survey	Employee Awareness Survey (FY22, FY25)
Training	DE&I, unconscious bias, LGBTQ, career design, cross-functional exchange, collaboration with persons with disabilities, etc.
Awareness Activities	Poster displays, dissemination of information through company newsletters, web distribution, holding an internal event 'DE&I ch'

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Dialogue with Global Investors

What we saw in London, Boston, and New York

For Macnica, dialogue with investors is an important management process. It provides an opportunity not only to communicate our business strengths and growth strategies directly, but also to bring back market assessments and a clearer understanding of the issues investors see. We maintain dialogue with investors in both favorable and challenging business conditions. Building on our disclosure materials, we have conducted roadshows since FY2023, deepening understanding among investors of the management team's perspectives and decision-making criteria. In FY2025, of 285 investor meetings, 135 were with overseas investors, 74 of which took place in person.

In June 2026, management travelled to London, Boston and New York over a 10-day period and held 25 meetings. In London, Mr. Okawara (CFO) and Mr. Mano (General Manager of Management Planning Group) held discussions with European investors; Mr. Hara (CEO) joined in Boston. In FY2025, revenue from the Semiconductor Business exceeded 1 trillion yen for the first time. As such, key points included profitability in the Semiconductor Business, expanding the Cybersecurity Business, and moving the CPS Solutions Business toward profitability. Investors were asking about the earnings power of each business. This feature reports on how investors view Macnica today, drawing on the candid questions and responses exchanged during the roadshow.

Overseas Roadshows: At a Glance

Cities visited:	Duration:
3	10 days
Number of meetings:	**Total distance travelled:**
25	Approximately 30,000 km

Roadshow Diary

London

June 4–5 (2 days)
CFO and Management Planning

A European hub for investment in Japanese equities. London is home to many investors managing Japanese equity portfolios in Europe. In addition to UK-based asset managers with a long-term investment horizon, the market includes many funds that emphasize value investing in small- and mid-cap stocks and shareholder engagement. Investors in London tend to assess corporate business structures and capital efficiency over an extended period.




An Impressive office

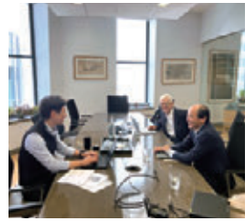
London	
Value	4
Growth/GARP*	3
Long/Short	1
Alternative	—
Total Investor Meetings	**8**

Boston

June 8–9 (2 days)
CEO, CFO, and Management Planning

A center for traditional long-term investors. Boston is a major hub for long-term investing and is home to some of the world's largest asset management firms by assets under management. Many investors focus more on corporate value five or ten years ahead than on quarterly fluctuations. The investor base tends to take a patient approach to assessing sustainable growth potential and earnings structures. Hara joined the roadshow in Boston.




Dialogue in a Relaxed Setting

Boston	
Value	5
Growth/GARP*	3
Long/Short	—
Alternative	—
Total Investor Meetings	**8**

New York

June 10–12 (3 days)
CEO, CFO, and Management Planning

The most diverse market in terms of investment styles. New York attracts investors from around the world. Among the three cities visited on the roadshow, it had the broadest range of investment approaches, from long-term asset managers to hedge funds and activist investors. We spoke with investors who examined Macnica's growth potential and corporate value from a variety of perspectives.




Recharging our energy with sweets

New York	
Value	4
Growth・GARP*	3
Long・Short	1
Alternative	1
Total Investor Meetings	**9**

* Growth at a Reasonable Price (GARP):Investment approach that emphasizes both growth potential and attractive valuation

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How Do Overseas Investors View Macnica?

How do overseas investors view Macnica? During the roadshow, we received high praise for the Semiconductor Business, high expectations for the Cybersecurity Business, and candid opinions regarding future growth and profitability. We will examine Macnica's strengths and challenges as perceived by investors based on the discussions held.

Overseas Investors' Assessment of Our Businesses

The Semiconductor Business Is Recognized as a High-value-added Business Driven by Technical Expertise

- ✓ Distribution businesses, top positions across multiple sectors, engineering and technology-oriented businesses, cash-generating businesses, and M&A strategies - all these make perfect sense. (US, Alternative Investor, Initial Meeting)
- ✓ Through this meeting, it became clear that Macnica provides added value beyond mere semiconductor distribution. Technical consulting capabilities, NVIDIA-related system integration, and relationships with emerging semiconductor vendors are making the company's business model more distinctive than expected. (US, Value Investor)
- ✓ Regarding the Semiconductor Business, it is clear that this is a very well-run business with a dominant market position. (UK, Value Investor)

Expectations Are Rising for the Cybersecurity Business as a Growth Driver

- ✓ The Cybersecurity Business appears more attractive. I think it is a business with high recurring revenue that should be valued at a higher multiple. (US, Alternative Investor, Initial Meeting)
- ✓ The Cybersecurity Business stood out as a particularly attractive growth area, with high profit margins and recurring revenue. (US, Value Investor)
- ✓ The Cybersecurity Business also appears to be a key growth driver supported by recurring revenue and high profit margins. (US, Value Investor)

*During this roadshow, questions regarding the Cybersecurity Business were raised in 24 out of 25 meetings, confirming that understanding of the growth potential and profitability of this business is progressing.

The CPS Solutions Business: Strong Future Potential, but Profitability Challenges Remain

- ✓ It is not yet fully clear how, or whether, smart manufacturing and smart cities will generate revenue (US, Alternative Investor, Initial Meeting)
- ✓ While CPS Solutions Business is still in early stages, we believe that if execution improves, this platform-based model could become a meaningful business. (US, Value Investor)
- ✓ As discussed, we believe that disclosure should be improved for the CPS Solutions Business, which is operating at a loss. (US, Alternative Investor)
- ✓ We understand the rationale behind investing in the CPS Solutions Business and believe it is worth pursuing, but we would like management to continue focusing on profitability, and a return on investment (ROI) within a reasonable timeframe. (UK, GARP)

Questions and Answers from Overseas Investors

Q Why does the operating income margin in the Semiconductor Business remain at a low level?

A Business newly reassigned to Macnica by semiconductor manufacturers initially carries relatively low margins. Following the reassignment, we build demand creation over several years to bring profitability back to its intended level. Our initial phase of investment in personnel has also largely run its course, creating greater scope for operating leverage. In addition, a recovery in Japan's industrial equipment market, where we have expanded our market share, should support steady margin improvement. (Reference: P.38)

Q Could advances in AI, including models developed by companies such as Anthropic, pose a threat to the cybersecurity business?

A We view the evolution of AI as a tailwind. Since attackers also use AI, demand for defense will increase. (AI for Security) Additionally, cybersecurity is crucial for companies utilizing AI, which we consider a factor driving demand growth. (Security for AI) (Reference: P.62)

Q Why does a single company operate such dissimilar businesses as Semiconductors and Cybersecurity?

A Both businesses are built on the same strength: "identifying promising technologies and proposing them to customers." It's a model that understands technology and adds value, not just a simple distribution channel. Supplier relationships developed through the semiconductor business provided the starting point for the cybersecurity business. In recent years, the fields of computing and security technology have become deeply intertwined, as evidenced in the acquisitions of security companies by major semiconductor manufacturers. Furthermore, we believe that knowledge in both domains is essential for success in the CPS Solutions Business.

Q How should investors view the CPS Solutions Business, which continues to post losses?

A Currently, the business is in a phase of upfront investment, and we anticipate improving profitability as the business grows. We are continuously evaluating the effectiveness of growth investments and will revise as necessary. As noted, disclosure should be improved, and we will explain the business's positioning and profitability more clearly. (Separate segment disclosure began in FY2026 Q1.)

Insight The Next Challenge Revealed Through Dialogue

Investor interest has expanded from viewing Macnica primarily through the semiconductor business to assessing the earnings power supported by multiple businesses. At the same time, the dialogue highlighted the need to communicate each business's profitability and growth more clearly. We will respond to the questions raised one by one.

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IT & DX Strategy



Keigo Ando
Executive Officer
Macnica, Inc.
General Manager, IT Group

In today's rapidly changing environment, the ability to execute digital transformation at exceptional speed is increasingly decisive to a company's competitive advantage, with AI emerging as a central driver. Macnica aspires to become an AI-native company in which work flows naturally with AI embedded as a matter of course and new value is created continuously. To realize this vision, we will use AI as a catalyst to redesign workflows, processes, and organizational structures, driving step-change improvements in productivity and quality, creating new value, and strengthening competitiveness across the Company. The IT Division will bring together expertise and technology across business boundaries to lead this AI-enabled transformation.

IT & DX Strategy

By making full use of IT and digital technologies, we will strengthen resilience to ensure business stability and enhance agility to create value rapidly and flexibly. In doing so, we will build the conditions for innovation and support Macnica's transformation into the service and solutions company envisioned in Vision 2030.

Medium-Term Management Plan (FY2025–FY2027)

Under the Medium-Term Management Plan, we will establish an IT Ecosystem that enables IT/DX talent, expertise, data assets, and other resources to be shared and connected globally across locations and organizational boundaries.

We will develop and deploy IT/DX talent, build a global IT support structure, and make greater use of the expertise and data assets we have accumulated. By combining these resources with the IT and digital environment established under the previous medium-term plan, we aim to accelerate DX and AI initiatives across the Group and achieve sustainable growth in corporate value.

For further details, please visit Macnica's IT/DX Strategy on our website.

Evolving into an AI-Native Company

In FY2026, we will focus on executing five priority strategies to accelerate our evolution toward the AI-native company described on (P.72), create the next generation of digital services, and deliver dramatic gains in productivity. Our initiatives are organized around three pillars: Transformation, which accelerates DX across the Company through the full use of IT and digital technologies; Growth, which strengthens existing businesses through higher productivity; and Foundation, which supports both.

Under Transformation, we will strengthen efforts to redesign business processes around the use of AI as we evolve toward an AI-native company. Our priorities are to (1) accelerate company-wide transformation through generative AI and (2) support the creation and expansion of services and solutions through digital technologies by promoting use of our digital co-creation platforms and accelerating the development of customer-facing services.

Under Growth, we will (3) improve productivity by rolling out core systems globally and applying digital solutions. By scaling standard templates and proven practices from Japan across our global locations, we will help raise productivity throughout the Group, centralize management information, and speed decision-making.

Under Foundation, we will (4) develop IT/DX talent by building the capabilities and support needed for people to use IT and digital technologies independently to transform the business. To (5) ensure business continuity through greater resilience, we are complementing preventive measures with stronger response capabilities for cyberattacks, natural disasters, and other disruptions. Building on our implementation of internal rules and business continuity plans, in FY2026 we will strengthen supply chain security measures covering business partners and visualize and optimize our systems architecture based on the potential impact of disruptions.

Key Strategies for FY2026

Three Pillars	Key Strategies	Major Initiatives
Transformation ▶P.73	①Company-wide Business Transformation through Generative AI	• Establishing development and data environments to utilize AI • Providing learning content and community support • Utilizing AI-powered interviews to gather feedback from the field
	②Supporting the creation and expansion of services and solutions through digital technologies	• Promotion of usage and enhancement of development capabilities of digital co-creation infrastructure • Streamlining external service development and improving development speed
Growth ▶P.74	③Improving productivity through the global rollout of core systems and digital solutions	• Deployment of standard templates for business processes and data • Global deployment of successful models cultivated domestically
Foundation ▶P.74	④Developing IT/DX talent	• Fostering an organizational culture where all employees utilize digital technologies • Developing human resources capable of independently driving DX
	⑤Ensuring business continuity through greater resilience	• Strengthening supply chain security measures including those involving business partners • Visualization and optimization of system architecture

Creating Next-Generation Digital Services

Evolution to an AI-Native Company ▶P.72

Delivering dramatic gains in productivity

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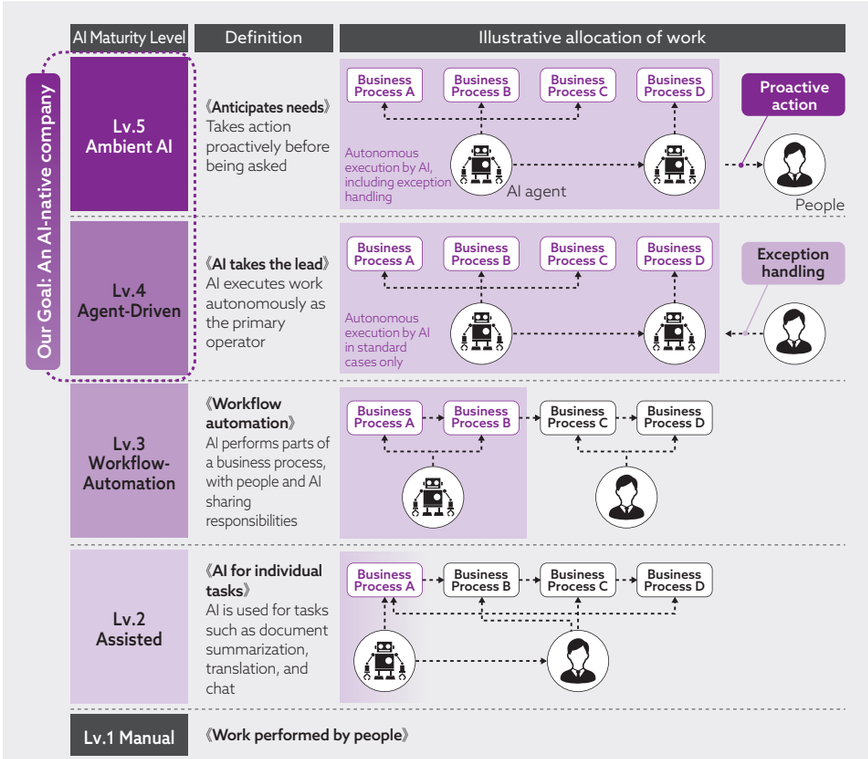
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IT & DX Strategy: AI-Native Company

Our Vision and AI Maturity Model

We define an AI-native company as one in which AI performs work autonomously, anticipates needs, and creates value, and this is the model we are working to realize. Our proprietary AI maturity model comprises five levels. At Lv.2 Assisted, all employees use AI for tasks such as document summarization, translation, and chat. At Lv.3 Workflow Automation, AI performs parts of business processes and people and AI share responsibilities. At Lv.4 Agent-Driven, multiple AI agents work together to execute processes autonomously, while people focus on oversight and exception handling. At Lv.5 Ambient AI, AI is embedded seamlessly in the work environment and takes necessary action proactively, before being asked. For example, ahead of a meeting with a business partner, AI might automatically prepare and deliver a report covering the partner's business strategy, trends in transaction value, and brief biographies of the participants. Macnica will have reached its vision of an AI-native company when it is generating use cases at Lv.4 or Lv.5.

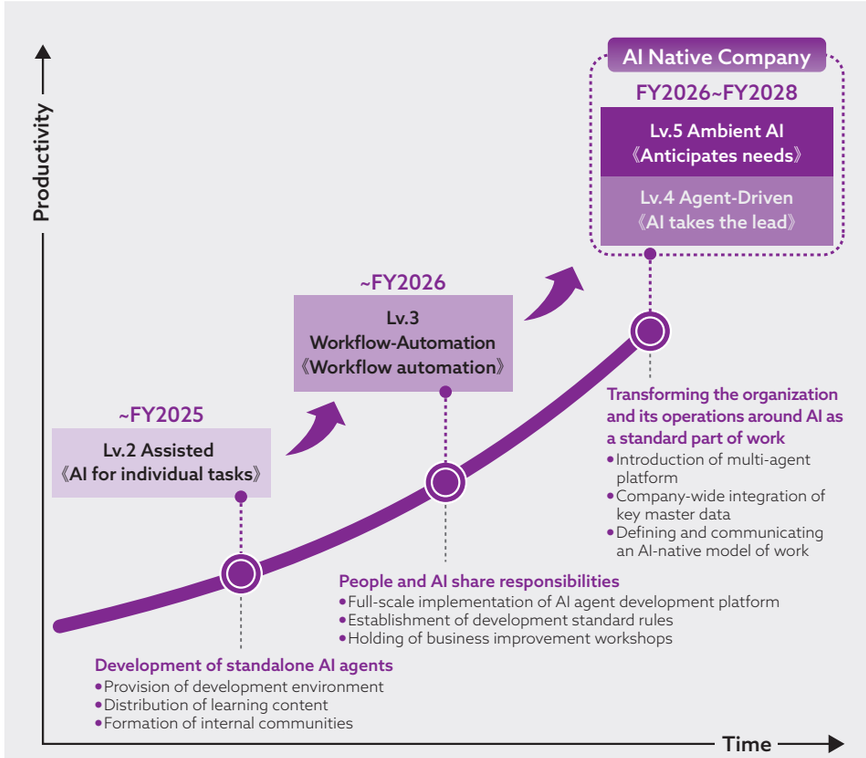


Roadmap to an AI-Native Company

In FY2025, we worked to embed Lv.2 Assisted across the Company by providing secure development environments, delivering learning content, building internal communities, and developing standalone AI agents.

In FY2026, we aim to progress to Lv.3 Workflow Automation by fully introducing an AI agent development platform, establishing development standards, and holding business improvement workshops. In selected early-adopter functions, we will also develop Lv.4 Agent-Driven use cases.

By FY2028, we plan to introduce a multi-agent platform, integrate key master data across the Company, and define and communicate an AI-native model of work. We aim to create Lv.4 Agent-Driven use cases across the Company and transform how we work, while developing Lv.5 Ambient AI use cases in selected functions before scaling them more broadly.



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IT & DX Strategy: Key Strategies for FY2026 ▸P.71

Transformation ① Company-wide transformation through generative AI: priorities and targets

To transform operations across the Company through generative AI, we will redesign business processes around AI. We will advance three priorities, Build (creating the environment), Learn (sharing knowledge), and Discover (identifying opportunities in the workplace), to scale the development and deployment of AI agents, share best practices, and create use cases in which AI operates autonomously.

	Build: Create an environment in which anyone can use AI effectively	Learn: Create opportunities to learn and connect	Discover: Turn frontline insights into AI use cases
Key Policies and Main Initiatives for FY2026	• Provide development environments suited to different requirements and skill levels • Build an AI-ready data environment • Share templates and expertise and promote their use	• Deliver learning content and practical tips • Run Q&A communities	• Gather ideas from business teams through AI-led interviews • Develop AI agents based on frontline ideas • Scale best practices • Redesign business processes around AI
FY2026 Targets	Scale the development and deployment of AI agents		Creating use cases where AI operates autonomously

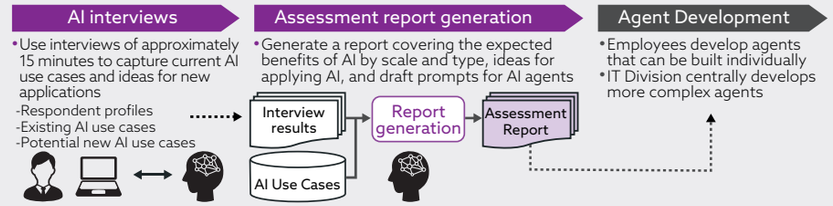
KPIs and Target

We aim to identify 3,500 use cases, equivalent to one for every employee in Japan, and put 10,000 AI agents into operation, equivalent to three per employee. By expanding autonomous AI use cases across the Company, we will raise awareness and AI literacy throughout the organization and target annual work-hour savings of 500,000 hours.

	KPI	Target Value (FY2026)
Adoption	Number of Use Cases	3,500 (all domestic employees)
	Number of Agents	10,000 (3 per person)
Impact	Annual work hours saved	500,000 hours per year

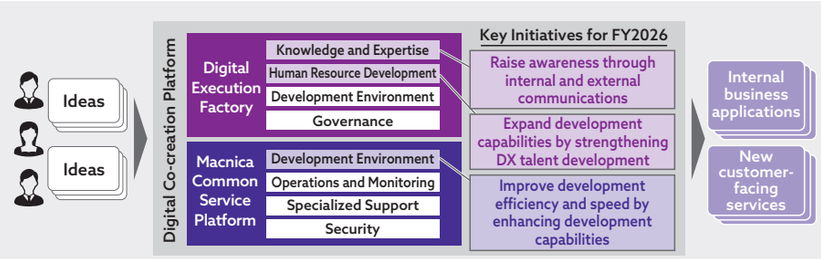
Using AI-led interviews to identify use cases faster and more accurately and accelerate company-wide transformation

To gather ideas for using AI faster and more accurately, we introduced AI-led interviews in which AI identifies employees' challenges and proposes potential solutions. As of March 2026, we had interviewed 319 employees and identified 1,281 use cases. To gather ideas for using AI faster and more accurately, we introduced AI-led interviews in which AI identifies employees' challenges and proposes potential solutions. As of March 2026, we had interviewed 319 employees and identified 1,281 use cases.



Transformation ② Supporting the creation and expansion of services and solutions through digital technologies

Macnica established the Digital Execution Factory in FY2024 to turn DX ideas from across the Company into reality faster, more easily, and more securely. Working across organizational boundaries, it supports the development of digital services for internal and external use by providing development environments, governance, expertise, and talent development. In FY2025, it delivered 25 application development projects. In FY2026, we aim to increase adoption by raising awareness through internal and external communications and strengthening DX talent development to expand development capabilities. The Macnica Common Service Platform provides shared development and operating infrastructure, common functions, and specialist support for customer-facing digital services, helping accelerate service development in the CPS Solutions Business. In FY2026, we will enhance the platform's capabilities to meet growing development needs, further improve efficiency, and shorten development lead times.



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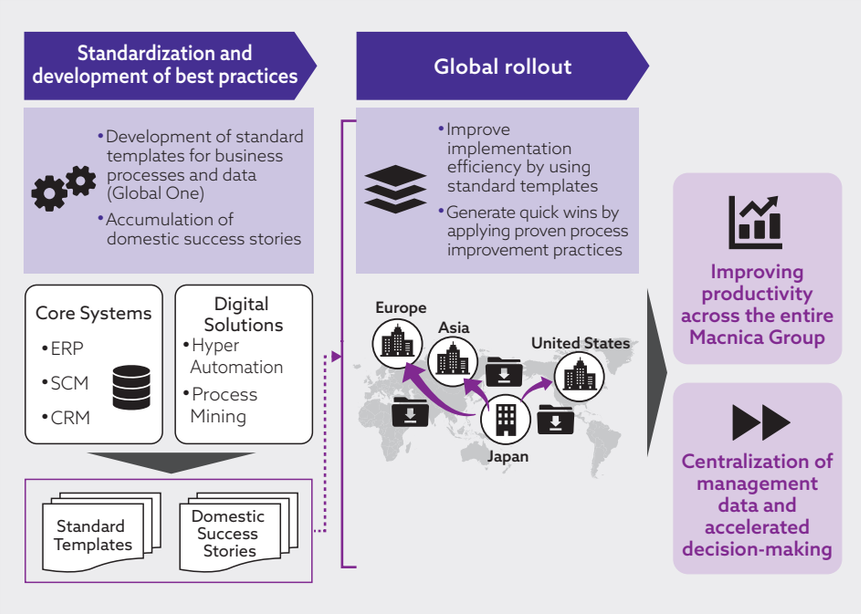
IT & DX Strategy: Priority Strategies for FY2026 ▸P.71

Growth ③ Improving productivity through the global rollout of core systems and digital solutions

Macnica is driving Group-wide productivity gains, centralizing management information, and accelerating decision-making by rolling out core systems, including ERP, SCM, and CRM, globally and introducing advanced digital solutions.

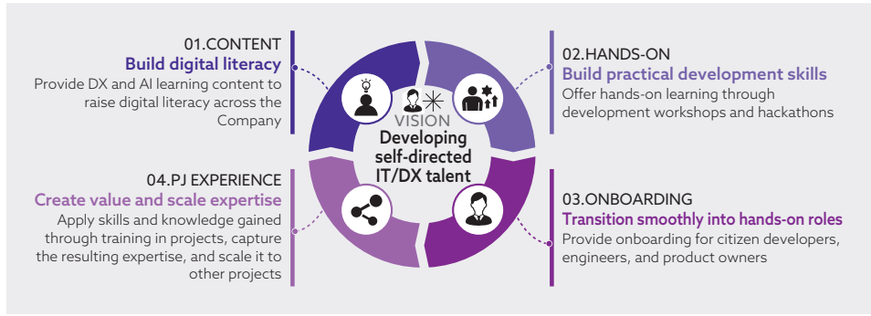
In Japan, the introduction of core systems has enabled us to standardize business processes and data across the value chain and improve productivity. We have also applied process mining to visualize and analyze process data from business system logs, allowing us to address inefficiencies that core systems alone cannot resolve. In parallel, we have pursued hyperautomation to automate manual work extensively through IT and digital technologies. Through these efforts, we have built a portfolio of proven use cases that can support further productivity gains.

We are now rolling out the standard templates and proven practices developed in Japan to locations worldwide. ERP was introduced in the United States in FY2024 and Europe in FY2025, and we aim to complete deployment to all overseas locations, including Asia, by FY2030. We will also scale successful SCM, CRM, and digital solution practices from Japan to help overseas locations generate results quickly. Through these initiatives, we will standardize and advance operations across the Macnica Group, establish a data-driven management foundation, accelerate decision-making, and realize Global One Macnica.



Foundation ④ Developing IT/DX talent

To transform into the service and solutions company envisioned in Vision 2030, Macnica has made strengthening digital capabilities across the workforce a top priority. Our approach is not to rely solely on specialists to drive DX, but to empower every employee to use digital technologies to transform the business. We are therefore building a culture in which people throughout the organization can use IT and digital technologies independently. Our continuous development cycle begins with stronger digital literacy, advances through hands-on experience in real development projects, and then scales the skills and knowledge gained to other projects. Specific initiatives include DX and AI learning content, development workshops and hackathons, and onboarding for citizen developers, engineers, and product owners. By enabling IT/DX talent to lead projects independently within and across functions, we aim to sustain DX across the Company.



Foundation ⑤ Ensuring business continuity through greater resilience

Macnica has implemented a range of measures to address cyberattacks and raise security standards across the Group, including establishing global security rules, introducing security scorecards, and rolling out the ISMS across the Company. Cyberattacks have nevertheless become increasingly sophisticated, and serious incidents continue to affect even companies that invest substantially in security. In response, we have identified stronger cyber resilience, the ability to maintain and rapidly restore operations across the supply chain, as a critical priority and have developed a business continuity plan for the early recovery of critical operations. We test the plan through scenario-based exercises involving management and conduct recovery drills based on detailed response manuals for each internal system. In FY2026, we will strengthen security measures across our own operations and those involving business partners, while optimizing system and data architectures based on the potential impact of disruptions. Through these efforts, we aim to establish business continuity capabilities that remain robust as the operating environment changes.

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Human Resources Strategy



Hikaru Moriyama
Macnica, Inc.
General Manager,
Human Resources Group

People grow when they are trusted and empowered. A culture of trust and empowerment has been passed down throughout Macnica's history and lies at the heart of who we are. Everyone asks what truly matters, speaks up, and takes action. One employee in their 20s, in only their third year at Macnica, brought together HR leaders from our overseas group companies and led a meeting from start to finish. At Macnica, we entrust people with responsibility based not on how much experience they have, but on the potential we see in them. Being trusted gives people the resolve to take on challenges, find new ways forward, and gain a tangible sense of progress and achievement. This cycle is where people find genuine fulfillment in their work. Our OpenWork ratings provide evidence of this: Macnica ranks in the top 1%, with scores of 4.5 for growth opportunities for employees in their 20s, 4.5 for open communication, and 4.2 for employee morale. Yet we aspire to go further. We want to combine this strong sense of ownership with even greater creativity. We want more people to move beyond conventional boundaries, develop new approaches, and pursue challenges with creativity and determination. To continue developing people who will shape Macnica's future, we will place ourselves at the forefront of change by reforming our people practices, advancing talent development, and modernizing our HR systems.

Group Employees

Number of Group Employees

5,261

Number of Employees by Job Category

Sales	Engineering	Administrative
2,242	1,741	1,278
43%	33%	24%

Ratio by Hiring Type (Domestic)

New Graduates	Mid-Career Hires
40%	60%

Ratio of Management Positions (Domestic)

Management Positions	Staff
22%	78%

Diversity (Domestic)

Ratio of Female Managers	Percentage of Employees with Disabilities	Number of Foreign National Employees in Japan
9.7%	2.5%	73 persons

Initiatives

Employee Engagement Survey Score (out of 6 points)

4.33
(FY2025)

Dialogue Sessions between Management and Employees

85 sessions / 1,450 participants
(Cumulative number of participants in "Career Follow-up Training" as of March 2026)

New Employee Interview Tour Meetings

1,873 times / 810 people
(Number of interviews conducted in FY2025/ Number of senior employees interviewed)

Training Completion Rate on Working Hours and Childcare Leave

100%
(FY2025 Target: Management personnel)

Permanent Employee Turnover Rate

6.4%
(As of the end of March FY2025)

External Evaluation

Career Ownership Management Award Received for 4 Consecutive Years

2026 Career Ownership Management Award
Excellence Award
(Large Enterprise Category)

Ranked Among the Top 50 in OpenWork's Employee Motivation Ranking for Two Consecutive Years



KENKO Investment for Health — FY2025

Kurumin — FY2025

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Human Resources Strategy Aimed at Maximizing Corporate Value

Transforming Human Capital Management to Unlock Our People's Full Potential

By providing every employee with diverse opportunities for growth, Macnica develops what we call "strong individuals": self-directed people who think independently, challenge the status quo, and seek to drive change. As employees experience fulfillment through their daily work and the challenges they take on, they grow as individuals. When they bring their strengths together as one organization, we can maximize our collective capacity to create value. Since its founding, Macnica has firmly believed that its people are the source of its ability to enhance corporate value. Through five key initiatives designed to realize Vision 2030, we are transforming our approach to strategic human capital management. Our goal is to further strengthen the "strong individuals and organization" at the core of our competitiveness and create economic and social value on a sustainable basis.



Five Key Initiatives to Develop "Strong Individuals" and Build a Strong Organization

	Objective	Key Actions
Developing "Strong Individuals"		
1 Reforming Our Human Resources Framework	• Develop people who drive change and people who enhance value, thereby strengthening our market competitiveness	• Transition to career tracks based on clearly defined role missions • Eliminate the previous general employee category and the requirement to step down from managerial roles at age 55
2 Talent Development Framework: Macnica University	• Create an environment in which "strong individuals" can grow, and accelerate organizational transformation by bringing their strengths together	• Establish a talent development framework based on the concept of "building a strong company by developing its people" • Triple investment in employee development
Building a "Strong Organization"		
3 Building a Stronger Foundation for HR Operations	• Drive further business growth by placing the right people in the right roles	• Manage and visualize Group-wide workforce data on a single platform
4 Building Internal and External Trust and Enhancing External Recognition	• Enhance management objectivity and strengthen the organization from within through active engagement with society	• Continuously enhance external recognition and use the insights gained to drive internal organizational transformation
5 Building a Stronger Organizational Culture	• Use objective data to visualize the current state of the organization, narrow perception gaps between management and employees, and strengthen engagement	• Conduct company-wide employee surveys, analyze and share the results with senior management, and develop and implement improvement initiatives

Developing "Strong Individuals"

1 Reforming Our Human Resources Framework

To foster the "strong individuals" who will drive the realization of our Purpose, we comprehensively revised our human resources framework in FY2024. We replaced our previous dual-track employment categories with two career tracks organized around clearly defined role missions: the Value Enhancement Track (Q Course) and the Change Creation Track (R Course). We also introduced a market-competitive compensation framework aligned with the level of contribution expected in each role. In addition, we are creating an environment in which employees can continue applying their advanced expertise regardless of age by expanding our Expert Track and eliminating the uniform age at which employees were required to step down from managerial roles. Together, these reforms support employees' self-directed career development, accelerate organizational transformation, and contribute to the sustainable enhancement of corporate value.

2 Talent Development Framework: Macnica University

We established Macnica University as a new company-wide talent development framework and launched training programs that closely connect our human resources framework, employee development, and on-the-job learning. To support self-directed development over the medium to long term, we offer programs tailored to different career stages, together with selective development programs that prepare employees for their next roles. Early-career employees build foundational business skills, mid-career employees prepare for management responsibilities, and managers develop organizational leadership skills and a broader enterprise-wide perspective. Macnica University also offers in-house technical training and roundtable discussions with senior management. A particular strength of the framework is the participation of managers who have completed selective development programs as internal trainers. They pass on the skills, experience, and values they have developed directly to the next generation of employees. The cross-functional format also strengthens internal networks and fosters collaboration and innovation across the company. More than 3,000 employees are expected to participate in programs tailored to their career levels during the three-year period beginning in 2025. More than 2,000 have already participated, and all employees in Japan are scheduled to take part within the next two years.

Manager Development Programs

Frontline managers are expected not only to lead their teams toward organizational goals and manage day-to-day operations, but also to motivate team members and support their career development. Under Macnica University, we consolidated our manager development programs and redesigned the curriculum around the capabilities required at each management level and career stage. The sessions are discussion-based, with managers from different departments bringing organizational issues and team-development challenges from their own workplaces. By sharing experiences and perspectives, participants look beyond the boundaries of their own departments and consider what Macnica as a whole should become. This broader perspective also helps them think more deeply about the issues they need to address within their own teams.


Management training session

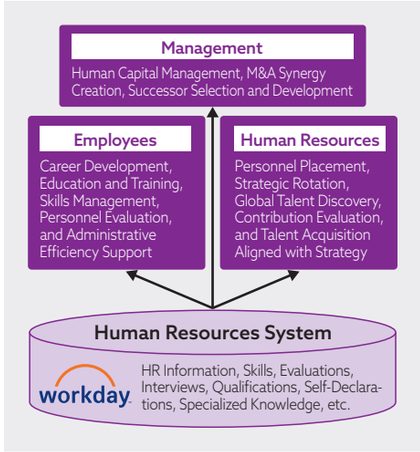
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Building a "Strong Organization"

3 Building a Stronger Foundation for HR Operations

By integrating and visualizing workforce data from across the Group within a single platform, we aim to strengthen human capital management and support sustainable business growth. This initiative is about more than improving operational efficiency. By consolidating information currently dispersed across separate systems, we will create an integrated data foundation that supports management decision-making and enables HR to evolve from an administration-focused function to a more strategic role. By substantially reducing the time and effort required for routine administrative work, we will enable HR professionals and managers to focus on the areas where they can add the greatest value: talent development and organizational strategy. Using a platform widely adopted by companies around the world, we will build a strong foundation that supports employees' self-directed career development and enables our people and organization to grow together.



4 Building Trust Internally and Externally and External Recognition

The reason we continue to focus on improving external recognition is not merely to obtain awards, but to ensure objectivity in management, transform the organization from within, and maximize human capital. Objectively assessing the company's position in society both internally and externally and continuing to evolve has earned a high level of trust. Reflecting these efforts, Macnica was named one of the top 50 in OpenWork's ranking of companies with high employee motivation for the second consecutive year in 2025, helping to raise external awareness of its high level of employee engagement and open corporate culture. This external recognition helps attract outstanding talent, contributing to strong employee retention and organizational stability. Furthermore, receiving the Career Ownership Management AWARD for four consecutive years provides external validation that Trust & Empowerment and the Response Cycle are embedded in our management practices and translated into concrete action rather than mere slogans. Furthermore, our initiatives to promote employee health and well-being and support work-life balance, including our Kurumin certification, provide a strong foundation for a DE&I culture in which employees from diverse backgrounds can realize their full potential and work together with mutual respect.

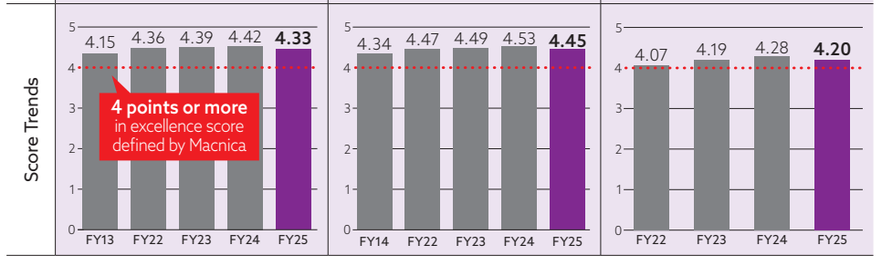

Management Plan Presentations

5 Building a Stronger Organizational Culture

Macnica has conducted a company-wide employee engagement survey for 13 consecutive years. The survey covers three areas: "Workplace Assessment," "Core Values," and "Purpose." A score of 4.0 or higher on the six-point scale is considered favorable and serves as an internal benchmark for improvement. Following record-high results in several key measures in FY2024, scores declined across all three areas in FY2025. We take these results seriously, and senior management and business unit leaders are now leading a range of improvement initiatives.

FY2025 "Building a Strong Company Survey" Overall Score

	Workplace Assessment	Core Values	Purpose
Assessment Categories	• Departmental Mission and Objectives • Work and Task Design • Human Resource Development • Knowledge and Skills for Job Performance • Motivation • Willingness • Leadership • Workplace Norms and Communication • Performance and Results	• Trust • Excitement (Bright, Fun, and Energetic) • Aggressiveness (Relentless Pursuit of Victory) • Move (Driving Change) • Stretch (Growth through Challenge)	• Explain in One's Own Words • Dialogue as a Team • Be Conscious of Leading Change • Embodiment by Management • Embodiment by Supervisors • Create Jobs • Pride



Challenges for FY2025 and Future Countermeasures

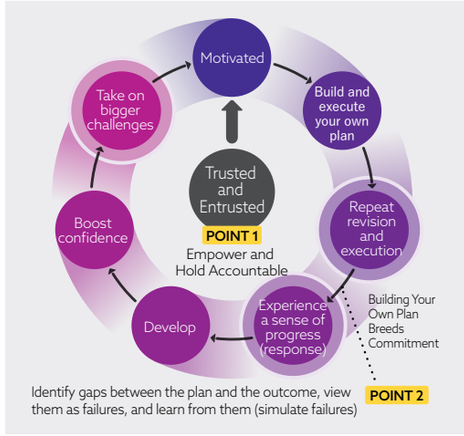
Since its founding more than 50 years ago, Macnica has expanded both the scale and scope of its business. In recent years, our workforce has also grown, including through M&A. Against this backdrop, we consider it a key priority to renew and strengthen our organizational culture and create new opportunities for employees to connect with one another and take on challenges. Specifically, we are expanding and enriching opportunities for interaction through divisional kickoff meetings, company-wide events, and other initiatives, with the aim of strengthening collaboration among employees and fostering a greater sense of unity across the organization. We are also reviewing and developing programs that broaden employees' skills and experience, including internal job postings, job rotations, and support for professional certification. By providing meaningful opportunities for employees to take on new challenges, we aim to promote skill development, support self-directed career development, and enhance employee engagement.

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The "Response Cycle" is the Source of Corporate Growth

The Response Cycle is a reinforcing cycle of trust, ownership, challenge, and growth. It begins not with an employee's motivation alone, but with a manager's commitment to entrusting that employee with genuine responsibility and authority. Knowing that someone believes in them sparks a strong sense of ownership. Employees develop their own plans and put them into action, committing wholeheartedly because the plans are their own. When they encounter obstacles, they engage in dialogue, think deeply, adjust their approach, and try again. Thoughtful questions, rather than ready-made answers, open up new perspectives. When employees see a challenge through, they gain a tangible sense of achievement and progress. That experience builds confidence, and confidence inspires the next challenge. As employees demonstrate what they can achieve, they earn greater trust and are entrusted with more demanding responsibilities. With each turn, the cycle creates an upward spiral that strengthens both individuals and the organization as a whole.



Why does Macnica place the Response Cycle at the core of its management? Our Management Policy states: "People grow most when they take on new assignments or challenging goals." People feel most fulfilled and happy when their value is recognized and they are able to make full use of their abilities. Our founder, Haruki Kamiyama, expressed this belief through the metaphor of sowing seeds. We sow seeds where we stand, provide them with water and sunlight, and nurture them patiently. In time, employees take root and blossom through their own efforts. If no seeds are sown, no flowers can bloom.

At Macnica, employees are entrusted with challenging assignments regardless of seniority. No one can clear two meters on their first attempt. As in the high jump, the bar is raised gradually: first to one meter, then to 1.2 meters, and then to 1.3 meters. By continuing to reach for a bar set just above their current level, employees eventually achieve heights they never imagined possible. It starts with trying. Success builds confidence, while failure creates opportunities to learn. Managers assume responsibility when things do not go as planned and evaluate employees fairly, recognizing not only outcomes but also the process of taking on a challenge. This dual sense of security gives employees the confidence to reach the next level. This enables early-career employees to gain frontline experience from the outset and develop at an exceptional pace. The Response Cycle is more than a philosophy. It is a growth engine embedded in our everyday work.

Process-Based Evaluation That Encourages Employees to Take on Challenges

The system that supports these challenges is Macnica's performance evaluation framework. Macnica uses the P(OST)DC framework to evaluate the process by which employees pursue a challenge. In the Plan phase, we assess whether employees have maintained a clear focus on the Objective, thought through the Strategy needed to achieve it, and translated that strategy into concrete Tactics. In the Do phase, we consider whether they have worked collaboratively with others toward the Objective, continually adjusted their approach through short cycles of action and review, and taken sustained action. In the Check phase, we assess whether they have evaluated the results accurately, identified the underlying issues, and applied what they learned to the next Plan. We look beyond numerical outcomes to assess whether employees thought deeply, acted decisively, and saw the challenge through. Managers are responsible for delivering results and driving organizational performance. For early-career employees, however, we place particular emphasis on giving them opportunities to take on challenges and fairly recognizing the quality of those challenges. This system gives employees the confidence to take on the next challenge without fear of failure.

P	❶	Were the OST clearly defined?
D	❷	Was there a spirit of challenge in addressing the task?
	❸	Did you spend time on actions that lead to results?
	❹	Did you increase the total volume of activities?
	❺	Did you clarify the purpose of your actions?
	❻	Did you coordinate with others?
	❼	Did you run PDC in fast, short cycles?
C	❽	Did you correctly grasp the results?
	❾	Did you grasp the essence of the problem?
	❿	Had reviews of the plan been conducted?

Process Evaluation Ratio — General Positions 80% — Management Positions 10%

*P(OST)DC: P=Plan, O=Objective, S=Strategy, T=Tactics, D=Do, C=Check

Voice

Finding Confidence Through a Challenge Just Beyond My Reach

During my first year at Macnica, I was given full responsibility for developing and delivering a customer seminar from the ground up. The topic was measures to address insider threats. With only six months of experience, it felt like reaching for a bar set just above my current level. Even so, once I had been entrusted with it, I wanted to rise to the challenge. I did not want simply to explain that our technology could detect suspicious activity. I wanted to consider what the people responsible for making difficult decisions about potential misconduct truly needed. I repeatedly tested my ideas with more experienced colleagues. Was my argument persuasive? Did I have sufficient evidence? I continued refining the presentation materials until the morning of the seminar. On the day of the seminar, I sat alone in a conference room, facing the screen. The moment I finished speaking and ended the Zoom session, survey responses began arriving one after another. "Very satisfied." "Easy to understand." Each comment made all the effort feel worthwhile. I thought, "I was the one who made this happen." At the same time, I knew that others had given me perspectives I would not have discovered on my own. Who are we doing this for, and why? The sense of achievement and purpose I found that day remains the foundation of how I approach my work.



Webinar session

His manager reflects: "The sales team responsible for this product consists of just two people. That is precisely why I want each team member to develop into a versatile professional capable of handling a broad range of responsibilities. I believe that the best way to develop people is to give them real responsibility early and allow them to learn through experience. Those who can speak to customers in their own words will undoubtedly grow into the next pillars of the team."



Miu Nishijima
Networks Company
(Photo, right)

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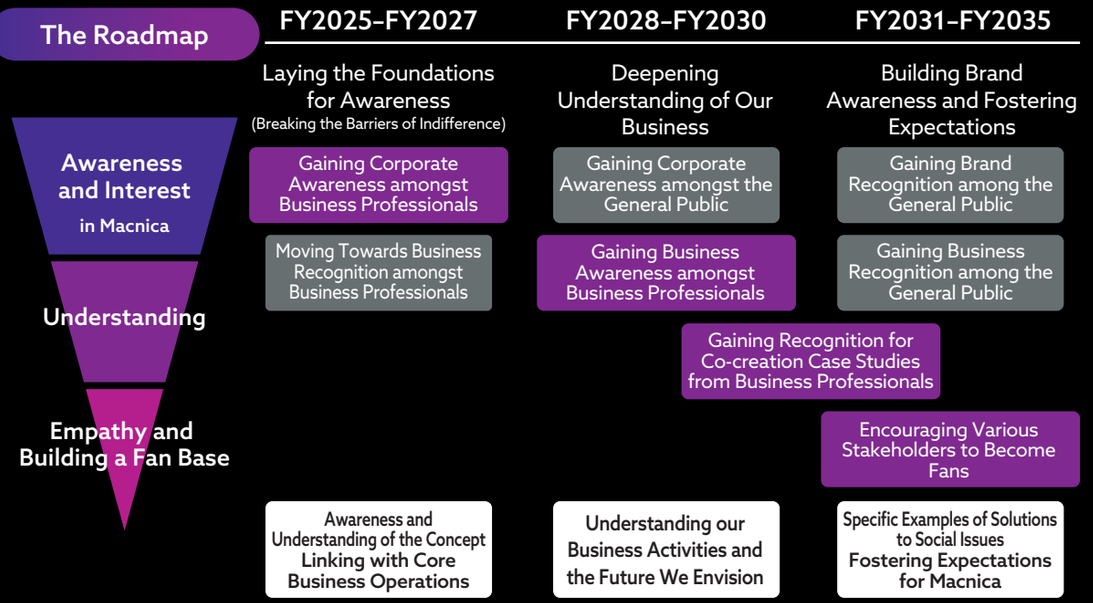
Brand Concept

Technological transformation for all. The seeds of tomorrow.

In recent years, Macnica has expanded its business scope into diverse fields, including semiconductors, cybersecurity, smart cities / mobility, smart manufacturing, healthcare, the circular economy, and food & agritech. However, the public still perceives us as a 'semiconductor trading company,' creating a disconnect between this perception and our current business areas and future vision. To bridge this gap and communicate Macnica's value more accurately, we have formulated the brand concept 'Technological transformation for all. The seeds of tomorrow.' - a concept that underpins all our business activities and the day-to-day actions of our employees.

We believe that cutting-edge technology is not the preserve of a select few companies or experts; its true value is realized only when it is utilized by a diverse range of people across society. To this end, we are committed to identifying, at the earliest possible stage, technologies that have the potential to improve people's lives and society in the future, nurturing that potential and facilitating their implementation in society. This approach embodies the values that Macnica has cherished since its foundation. Our brand concept at Macnica encapsulates in a single phrase both our aspiration for 'Technological transformation for all' and our commitment to sowing 'the seeds of tomorrow' into a single phrase.

The Roadmap



Key Visual





Over the next ten years, Macnica aims to become a company that meets the ever-higher expectations of our customers, partner companies and society at large. 'You can count on Macnica' and 'We want to support them' - this roadmap sets out the path to fostering such relationships.

Our first step is to work on raising awareness of our company, with the aim of fostering an understanding of our business and, ultimately, building empathy. For a B2B company, trust is not something that can be built overnight. That is precisely why we will communicate Macnica's values and the future we aspire to achieve, using two key pillars: reaching out to society at large and creating opportunities for co-creation with our customers. Moving forward, we will continue to cherish sowing 'the seeds' as we expand the circle of expectation and empathy.

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Pick up Initiatives to Expand Corporate Awareness

Enhancing Corporate Awareness through the Utilization of Diverse Advertising

From FY2025, we have commenced the broadcasting of television commercials with the objective of enhancing corporate awareness among a broad demographic. Actor Jun Kaname and entertainer Kintaro. Together with child actor Akira Kanai, they portrayed an employee couple working at Macnica and their child (the Macnica Family), expressing Macnica's corporate culture and attitude toward pioneering advanced technologies within a comical worldview. Additionally, to help those encountering Macnica's name for the first time gain a deeper understanding, we launched a dedicated TV commercial website concurrent with the broadcast, featuring content that introduces Macnica in an accessible manner.



Dedicated TV Commercial Website

In addition to this, we are rolling out creative campaigns that capitalize on the unique characteristics of each medium, such as radio adverts on Nippon Broadcasting System's 'All Night Nippon' and poster advertisements on Shinkansen platforms. Our radio adverts - with their unique content - have attracted significant attention, including winning an ACC Award, and have helped to create new touchpoints with audiences, particularly among younger demographics, whilst boosting brand awareness. Furthermore, the poster advertisements on Shinkansen platforms are helping to expand brand awareness by continuously reaching business travelers and others whilst they are on the move.

Please view our various TV commercials here. (Japanese Only)

Please listen to our various radio commercials here. (Japanese Only)

A Revamp of the Recruitment Website to Ensure a Steady Supply of Talent

In FY2025, we also revamped our recruitment website to ensure a steady flow of talented new recruits. Under the tagline 'Every future starts with a seed', we showcase the seeds of the future that each and every employee helps to nurture, while publishing interview articles and videos that offer a glimpse into the daily lives and personalities of Macnica employees.


Careers Website

Company Introduction Video: What Sort of Company is Macnica? (Japanese Only)

Pick up Initiatives to Identify Examples of Co-creation

Macnica-Organized Tech Conference: Macnica Exponential Technology 2026

Once a year, Macnica hosts 'Macnica Exponential Technology (MET)', a tech conference where it invites customers to showcase cutting-edge technologies gathered from around the world. In February 2026, the event moved to Takanawa Gateway Station, where MET 2026 was held under the theme 'All technology is a work in progress'. At the venue, Macnica exhibited 86 cutting-edge technologies it had sourced from around the world and hosted presentations by guest speakers, including Hiroshi Ishiguro and Akihide Iriyama, attracting 731 attendees. The exhibition featured 'seeds of seeds' with the potential to lead to future business ventures and societal applications, such as fragrance creation and odor-sensing technologies utilizing AI through the 'GROW WONDER' platform, and the 'Shiitake Mycelium Memristor', which explores the potential of shiitake mycelium as a next-generation memory material. These attracted a high level of interest from both visitors and employees, as indicated by the visitor survey.



MET Special Website (Japanese Only)

Furthermore, as part of a new initiative, we unveiled a 'Vision Map' outlining a vision of the future made possible by cutting-edge technology. This visualized the kind of value and society that could be realized by utilizing the technologies on display, and we also exhibited prototypes of some of these ideas. For example, we envisaged future services that utilize embroidered electrode technology as a daily health monitor, and by exhibiting prototypes based on this technology, we shared with our visitors the future that cutting-edge technology can bring. Furthermore, to provide an opportunity not only to 'see' the technology but also to 'touch' and 'experience' it, we held test rides on the 'Navya' autonomous electric bus, a collaboration with Yokohama FC, a football club sponsored by Macnica. We transformed the interior of the bus into a space reminiscent of a journey to a stadium and provided items such as a sound-producing towel scarf utilizing the embroidered electrode technology exhibited as a prototype, allowing visitors to experience cutting-edge technology firsthand. Through these exhibitions and hands-on experiences, we are deepening dialogue with our customers whilst sharing our vision of the future, thereby opening new possibilities for co-creation and opportunities for business development.


MET2026 Introduction Video (Japanese Only)

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Risk Management



Daisuke Hayashi
Executive Officer,
General Manager of
Governance & Risk
Management Group,
Macnica, Inc.

In an increasingly complex business environment, preparing for diverse risks that could lead to supply chain disruptions or business interruptions, and establishing highly effective systems to overcome them, are critical management issues for the sustainable growth of our company. To realize Vision 2030, we manage the risks and opportunities facing the Group in an effective manner. By achieving an optimal balance between offense and defense through a flexible system, we will build an organization that is resilient to change and create an environment where employees can focus on business with peace of mind.

Basic Approach to Risk Management

The Macnica Group is working to strengthen its risk management framework by closely linking management strategy and risk management toward the realization of Vision 2030. Under the leadership of senior management, we conduct enterprise-level risk assessments aligned with key management issues, focus resources on important risks, and respond quickly and flexibly to changes in the operating environment. Through management decisions that incorporate uncertainty and appropriate risk-taking, we have built a framework that supports transformation and sustainable growth.

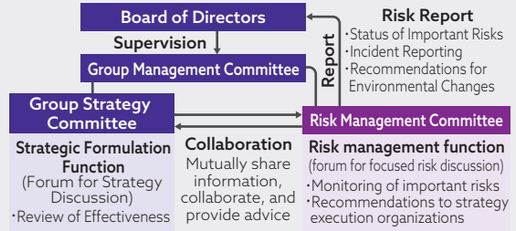
Risk Management Framework

Our risk management framework is supported by the Risk Management Committee and risk management officers. The Committee members are selected from management personnel with expertise in business divisions and corporate departments, and are responsible for determining response policies for critical risks and conducting continuous monitoring. Risk management officers assigned to each department report risk events arising in day-to-day operations and respond promptly.

Risk Management Committee

The Risk Management Committee is held four times a year with the Representative Director serving as the chairperson. Risk owners take the lead in implementing measures for each important risk, while the Committee monitors implementation progress.

Risk Management Framework



Important Risk Management Process

The important risks of the Macnica Group are selected through the creation of a risk list based on interviews with management, linkage with management strategies, suggestions from external experts, and other factors, with those deemed important being selected based on discussions at the Committee. For each selected important risk, a risk owner is appointed, and responses to risks are implemented through the PDCA cycle. Risk owners report progress status to the Risk Management Committee. Important risks are reviewed regularly, and sudden risks are handled flexibly, thereby enhancing effectiveness and implementing risk management that contributes to improving corporate value.

Cycle for Identifying and Responding to Important Risks

Continuing identification, monitoring, and improvement of key risks based on the PDCA cycle

- **P** Phase 1: Identification of important risks (risk collection and prioritization)
- **P** Phase 2: Development of response plans (setting risk owners and developing response plans)
- **D** Phase 3: Implementation of countermeasures
- **C** Phase 4: Monitoring (management of KRI, progress, and effectiveness)
- **A** Phase 5: Development of next year's plan (improvement based on internal and external environment and previous year's results)

Group Important Risks and Risk Overview

Group Important Risks	Risk Overview
Supply Chain Disruption	Disruption of semiconductor supply networks due to geopolitical factors and disasters
New Business Risk	Enhancement of corporate value through new businesses aimed at realizing Vision 2030
Export Control	Obstacles to business continuity due to inadequate response to the increasing complexity and stringency of export control regulations
Cyberattack/IT Risk	Business disruption due to cyberattacks
Human resources related	Impact on sustainable growth due to delays in succession planning for key positions
Delays in responding to AI and new technologies	Enhancing competitiveness through internal utilization of AI and new technologies

Security Export Control Initiatives

We are strengthening our export control system to respond to changes in the international situation surrounding export control and the strengthening of regulations in each country. We are implementing thorough export control reviews and business process revisions at our head office, as well as audits and investigations of overseas bases, information sharing, support, and educational initiatives, striving to strengthen the system across the entire group and working to reduce the risk of violations.

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Compliance



Miki Sakakibara
General Manager,
DE&I and Compliance
Promotion Group,
Macnica, Inc.

To reinforce our commitment to compliance-based management, we established the DE&I and Compliance Promotion Group in October 2025. We have introduced a cycle that connects the clear commitment of senior management with the capabilities of frontline personnel, further strengthening governance. In addition, we will foster an open culture of mutual respect by embedding a speak-up culture grounded in psychological safety, thereby reinforcing the management foundation that supports sustainable growth.

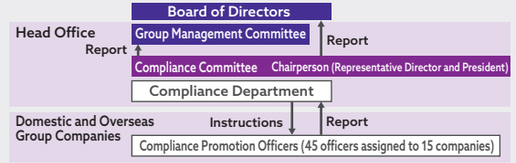
Macnica Group's Compliance Activities

Since its founding, the Macnica Group has upheld "fair and principled management" as a core management stance. In order to fulfill our accountability to all stakeholders, including customers, shareholders, suppliers, and employees, we act in accordance with the Macnica Group Code of Conduct, comply with laws and social norms worldwide, and deliver cutting-edge technologies to customers with the highest ethical standards. In doing so, we contribute to the realization of a sustainable society.

Compliance Committee

We have newly established the Compliance Committee as an advisory body to the Group Management Meeting to serve as a forum for approving strategies focused on promoting compliance. Based on compliance violations and other incidents within the Group, the Committee approves the measures to be taken. The Compliance Regulations formalize a cycle that links these measures to the activities of compliance promotion officers at the frontline, enabling continuous improvement.

Compliance Framework



Global Promotion System

In order to address the diversification and globalization of our business, we have established a system for sharing and discussing compliance issues with management at overseas group companies and compliance promotion officers in Japan and overseas. Every May, compliance issues are shared at the Management General Meeting for overseas executives, while a separate Global Meeting provides overseas compliance promotion officers with a forum to discuss practical matters.


Global Meeting May 21, 2026

Compliance Supported by Awareness, Knowledge, and Systems

Embedding compliance requires not only greater awareness, but also stronger knowledge of fundamental laws and regulations and systems designed to prevent violations. Therefore, we are implementing detailed knowledge improvement programs targeting all levels both in Japan and overseas. In addition, we are promoting the development of mechanisms to prevent violations, such as responding to applicable laws using management systems and thoroughly screening new customers and suppliers.

Key Initiatives and Achievements in FY2025

Dialogue — Compliance Discussion


Participation from all 25 departments (total of 3,176 people)

Discussion on Risk Management and DE&I

- 100% completion report submission
- High interest in "information leakage"

Training — Harassment and Labor Management


Target: Managers, 371 participants (99% participation rate)

Co-hosted by Human Resources and Compliance Group

- Learning that the standard for power harassment is "the sense of an average worker"

Communications — Information Portal in Japan and Newsletters for Overseas Employees


・Information Portal (8,086 total views, 29 posts)
・Email newsletter (quarterly, in English and Chinese)

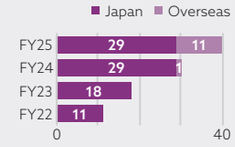
Regular communications to reinforce awareness

Japan: Economic security, Foreign Exchange and Foreign Trade Act, etc.
Overseas: Conflict of interest, anti-corruption, etc.

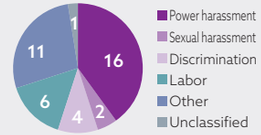
Internal Whistleblowing System

The Macnica Group operates a global whistleblowing hotline at headquarters. Reports from overseas Group companies are accepted in multiple languages, and reports are also accepted from external stakeholders, including business partners. In FY2025, there were 40 internal whistleblowing cases for a consolidated workforce of approximately 5,000 employees. In particular, reports from overseas have increased, and awareness and utilization of the contact point have been progressing. Meanwhile, the proportion of reports in which the alleged facts were substantiated declined from the previous year. We are therefore strengthening communications to promote appropriate use of the system.

Whistleblowing Reports



Breakdown of Whistleblowing Reports (FY25)



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Sustainability Initiatives

Sustainability Promotion Committee

Macnica holds the Sustainability Promotion Committee meeting about once every six months as a forum to discuss policies and directions for sustainability management. Accounting for changes in social and business environments, we carefully examine and discuss a wide range of issues, including climate change response, ESG management, human capital, human rights issues in the supply chain, and responses to various evaluation agencies.

Sustainability Promotion Project

Under the policy of the Sustainability Promotion Committee, representatives from each department gather once a month to share information and discuss environmental and human rights issues, focusing on climate change response. We are also actively engaged in the latest information disclosure and regulatory compliance, including calculating GHG emissions, introducing renewable energy, and complying with CDP, TCFD, TNFD compliance, climate transition planning, and SSBJ compliance. We are also advancing discussions on reviewing ESG data, formulating procurement guidelines, advanced case studies, SDGs activities, and medium- to long-term plans, striving to enhance the Group's overall responsiveness.



Global Sustainability Meeting

In May 2026, sustainability officers from overseas group companies gathered to share information on sustainability policies, initiatives, and the situation in each country. We will continue to deepen our global collaboration.



Supply Chain Engagement

Climate Change

At Macnica, approximately 97% of our total GHG emissions are Scope 3 Category 1 (purchased products and services), and since FY2024, we have been working to understand the actual situation by using the CDP Supply Chain Program. We verify the accuracy and reliability of primary data provided by suppliers, and when necessary, utilize sector-specific secondary data from CDPs. Before conducting surveys, we prepare explanatory materials and request letters detailing our policies and customer requests, and send them to suppliers, thereby promoting engagement in climate change response.

Human Rights Due Diligence

To identify and address human rights risks within our supply chain, we utilize external assessment bodies to evaluate and manage our key suppliers' initiatives to respect human rights on an evidence-based basis. Each year, with the cooperation of suppliers accounting for over 90% of our procurement spend, we strive to achieve responsible procurement practices.



Establishment and Distribution of Procurement Guidelines

We have established the Macnica Group Procurement Guidelines, based on basic policies such as legal compliance, respect for human rights, and environmental consideration, and have distributed them to 193 major suppliers both domestically and internationally, aiming to build a responsible supply chain. We will continue to distribute them once a year, and from 2026 onward, we plan to roll out to contractors.

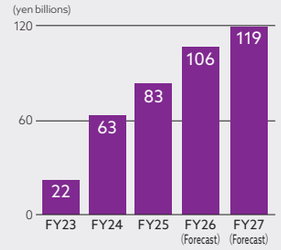
Revisions to Template Contract Clauses

We have revised the standard provisions of the Supply Chain Code of Conduct for outsourcing contracts and agency contracts to require compliance with procurement guidelines. We will continue to make use of this contract.

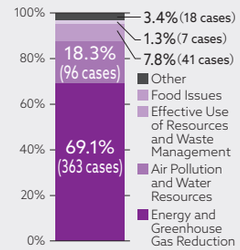
Expansion of Environmentally Beneficial Business

We utilize the ISO14001 framework to continuously monitor the number of projects and sales of products and services that contribute to the environment. In addition to direct contributions such as the AiryQonnect air quality monitor, autonomous EV buses, and the Macnicut thermal insulation coating, we also include indirect contributions through semiconductors and IT solutions for EVs and solar power generation. We will continue to work to reduce environmental impact through our business going forward.

Sales Scale of Environmentally Beneficial Business



Composition by Category (FY2025)



Pick up

Improving Evaluation in CDP 2025

In the 2025 scores published by CDP, an international nonprofit organization evaluating environmental initiatives, we received an A- rating for climate change, B for water security, and A for supplier engagement. We will steadily continue working toward realizing our environmental vision and environmental policy.

Macnica	2022	2023	2024	2025
Climate Change	C	B	B	A-
Water Security	-	-	B-	B
Supplier Engagement	D	B-	A-	A

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Daijiro Mano
General Manager,
Management Planning
Department

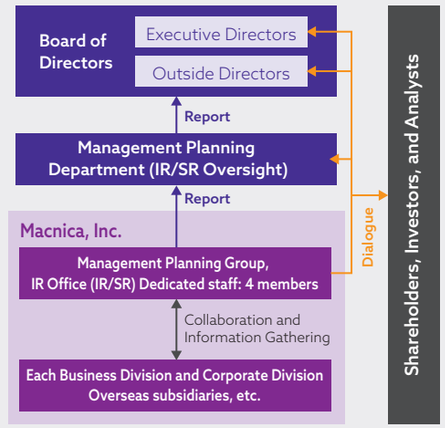
Evolving into a Strategic Function Connecting Management with the Capital Markets

FY2025 was a year that deepened dialogue with shareholders and investors from mere explanations into opportunities for insights to enhance corporate value. As opportunities for dialogue, in addition to individual meetings with shareholders and investors, we expanded investor events such as LIMITLESS Dialogue and Investor Day and actively conducted overseas non-deal roadshows and shareholder meetings. We also promoted fair disclosure for overseas investors by simultaneously publishing the Japanese and English versions of the Integrated Report and, from June 2026, the Annual Securities Report. Opinions and concerns received through dialogue have been continuously shared with management and the Board of Directors, leading to improvements in disclosure materials and the organization of management issues. Looking ahead to FY2030, we will evolve Investor Relations (IR) and Shareholder Relations (SR) functions beyond mere information dissemination into strategic functions that connect management with the capital market. We aim to be an organization that clearly communicates our growth story, refines management decision-making through dialogue, and supports sustainable enhancement of corporate value.

Establishing and Advancing Our IR/SR Framework

We regard constructive dialogue with our shareholders and investors as a vital management process that contributes to the enhancement of corporate value over the medium to long term, and we are working to develop and enhance our IR and SR frameworks under the oversight of the Board of Directors. Led by the dedicated IR function, Corporate Planning, Accounting and Finance, Legal, and other relevant departments collaborate to respond appropriately to the themes raised through dialogue. We strive to enrich this dialogue through ensuring senior management, including the CEO and CFO, actively participate in investor meetings, with outside directors attending meetings and investor events when appropriate. Opinions and areas of concern gathered through these dialogues are shared with the Board of Directors and relevant departments in a timely and appropriate manner and are used to improve management decisions and the content of our disclosures. Rather than limiting ourselves to formal disclosure, we place great importance on providing information that assists investors in making informed investment decisions, and we proactively create opportunities for dialogue. At the same time, we strive to achieve a balance between highly transparent disclosure and constructive dialogue by enhancing our disclosure practices - including strengthening our English-language disclosure – while ensuring the strict management of inside information and the thorough implementation of fair disclosure.

IR/SR Framework



Dialogue with Shareholders and Investors

Individual Meetings*1	FY2024 Results	FY2025 Results
Meetings with Institutional Investors	308 times	285 times
of which Japan / Overseas	159 times/149 times	150 times/135 times
of which CEO / CFO Participation	101 times/214 times	56 times/152 times
Meetings with Sell-side Analysts	24 times	23 times
Meetings for Proxy Voting Representatives	0 times	9 times
Briefings and Events		
Financial Results Briefings	2 times	2 times
Other Briefings and IR Events	2 times	4 times
Overseas Roadshows/Conferences*2		
Overseas Roadshows	3 times	4 times
Conferences	3 times	2 times

*1 Total number of companies from April 1, 2025 to March 31, 2026. (Including overseas roadshows and conferences)
*2 Overseas roadshows held in the US, the UK, and Singapore, while the conferences were held in Japan and Hong Kong. Participate in the event.

Key Dialogue Themes and Areas of Interest

- Sustainability of Semiconductor Business growth and profitability with a backdrop of expanding AI demand
- The feasibility of medium- to long-term profit growth, taking into account the increasing reassignment of distribution business to Macnica and the recovery of Japan's industrial equipment market
- Changes in the semiconductor supply-demand balance, including memory products
- Growth prospects and changes in the competitive environment for the Cybersecurity Business, impact of generative AI evolution, and the "death of SaaS" thesis
- Challenges of the CPS Solutions Business and roadmap to profitability
- Confidence in achieving the FY2027 operating income target and the key growth drivers
- Capital allocation policy including growth investment, M&A, and shareholder returns

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Feedback to Management

Opinions received from shareholders and investors are regularly reported to the Board of Directors and other management bodies. The reports are not limited to IR, but to a wide range of topics including capital markets and share prices of Macnica and various other companies.

Items Reported	Reported To	Frequency
Share Price Trends, Opinions and Matters of Interest from Shareholders and Investors.	Board of Directors	Quarterly
Shareholder Composition and Other Important Matters	Board of Directors	As needed
IR Strategy and Semi-annual Plan and Progress Report on Activities	President and CEO, Vice President and COO, CFO	Semi-annually

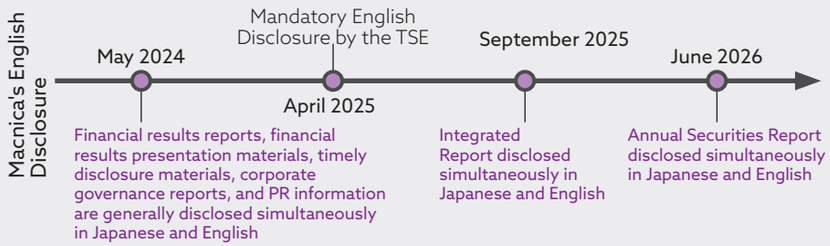
Improvement of IR Activities Based on Dialogue and Feedback

① Enhancement of Information Disclosure

Based on suggestions received from our shareholders and investors, we have enhanced our information disclosure. In our financial results materials, we had previously included the CPS Solutions Business in our reporting segments, but in consideration of the importance and scale of this business, we have changed our disclosure to three segments. Additionally, from FY2025, we have disclosed frequently asked questions from investors and their answers, adding depth to our disclosure. In addition, we have expanded the content of our convocation notices to promote the exercise of voting rights and have strengthened the disclosure of sustainability information and other relevant matters.

② Strengthening English Disclosure

In response to the Tokyo Stock Exchange's mandate for English disclosure, since FY2024, the Company has been disclosing not only financial results summaries and timely disclosure materials, but also financial results briefing materials, Corporate Governance Reports, PR information, and other materials in principle simultaneously in Japanese and English. By simultaneously disclosing the Integrated Report in September 2025 and the Securities Report in June 2026 in both Japanese and English, we are striving to provide fair information to overseas investors as well.



Pick up — Enhancing Opportunities for Dialogue with Shareholders and Investors

We are working to enhance opportunities for dialogue with our shareholders and investors. In FY2025, we held various briefings and events in addition to the general shareholders' meeting, individual meetings, and financial results briefings. Each briefing and event can be viewed on our website.

Macnica President and CrowdStrike Chairman Discuss the Future of the Growing Cybersecurity Market



Presentation Materials
Archived Videos (Japanese Only)
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LIMITLESS Dialogue: An Interactive IR Event Commemorating the Publication of the Integrated Report



Presentation Materials
Archived Videos (Japanese Only)
Transcript

Macnica Investor Day 2025



Presentation Materials
Archived Videos
Transcript

Investor Briefing for Individual Investors



Presentation Materials (Japanese Only)
Archived Videos (Japanese Only)

Pick up — Towards Further Advances in IR Activities

We are working continuously to improve the quality of our information disclosure and to advance IR activities. As a result of these efforts, evaluations of our activities have steadily improved, including our selection for "Highly Improved Sustainability Disclosure" by the Government Pension Investment Fund (GPIF). In addition, we received the Grand Award for Overall IR Site in the '2025 Corporate Website Quality Ranking of All Listed Companies' by Nikko IR, and a bronze award in the 'Gomez IR Site Ranking 2025' by Gomez. We have also been actively engaged in sharing best practices with IR personnel from other companies, incorporating new insights and initiatives to advance our IR activities and contributing to the improvement in IR literacy among Japanese companies on the whole.

企業ホームページ 最優秀サイト 2025 日興アイ・アール 総合部門

Gomez IR Site Ranking IRサイト 総合ランキング 銅賞 2025年

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Financial Summary

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Operating Results (Million yen)											
Net Sales	405,315	398,503	504,085	524,235	521,193	553,962	761,823	1,029,263	1,028,718	1,034,180	**1,214,196**
Gross Income	44,287	46,269	56,094	61,061	59,891	64,835	90,718	125,903	129,617	121,252	**130,438**
Operating Income	9,729	10,473	15,163	15,324	14,447	18,769	36,707	61,646	63,733	39,649	**41,950**
Operating Income Margin	2.4%	2.6%	3.0%	2.9%	2.8%	3.4%	4.8%	6.0%	6.2%	3.8%	**3.5%**
Ordinary Income	10,176	9,635	14,937	13,101	11,072	16,399	35,487	56,832	61,966	37,318	**37,392**
Net Income Attributable to Owners of Parent	7,285	6,534	11,412	8,883	5,633	10,875	25,798	41,030	48,069	25,279	**27,765**
Cash Flows from Operating Activities	△ 1,208	3,169	△ 28,595	△ 30,173	45,770	38,076	△ 15,534	38,896	39,949	24,232	**18,774**
Cash Flows from Investing Activities	△ 1,460	△ 1,083	△ 1,804	△ 7,251	△ 8,919	△ 2,181	△ 1,653	△ 869	△ 18,457	△ 9,573	**△ 1,306**
Cash Flows from Financing Activities	2,942	△ 8,322	43,699	21,916	△ 35,797	△ 26,189	14,368	△ 27,100	△ 23,014	△ 4,229	**△ 15,158**
Financial Position (Million yen)											
Total Assets	201,171	215,158	266,738	299,259	263,247	269,590	362,584	517,620	552,244	556,438	**700,887**
Net Assets	107,620	104,769	128,213	135,399	135,551	146,010	179,764	207,762	256,420	261,477	**289,115**
Per Share Information *1 (Yen)											
Net Assets	603.51	626.22	669.97	705.32	713.87	763.19	911.52	1,099.75	1,357.63	1,414.76	**1,562.10**
Net Income	41.57*2	38.10*2	68.69	47.34	30.05	58.46	138.30	221.63	264.88	140.93	**155.54**
Annual Dividend	13.33	11.67	16.67	16.67	16.67	16.67	33.33	46.67	66.67	70.00	**70.00**
Key Financial Indicators											
Equity Ratio	52.6	47.9	47.1	44.2	50.2	52.7	46.9	38.6	44.2	45.4	**39.8**
Return on Equity (ROE)	6.9	6.3	10.0	6.9	4.3	7.9	16.5	22.2	21.6	10.2	**10.5**
Dividend on Equity Ratio *3 (DOE)	2.2	1.9	2.5	2.4	2.3	2.2	3.7	4.2	4.9	5.0	**4.5**
Total Payout Ratio	32.3	113.1	44.3	35.3	88.8	28.6	24.1	35.6	35.5	61.5	**45.0**

*1 The Company conducted a 3-for-1 share split of its common stock on October 1, 2024. Per share information (net assets, net income, and annual dividends) is calculated assuming that the stock split had been conducted at the beginning of FY2015.
*2 Diluted net income per share
*3 Dividend on Equity Ratio (DOE) = Total Annual Dividends / Shareholders' Equity (Net Assets less Stock Acquisition Rights and Non-Controlling Interests, at FY-end)

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Social Data

	FY2023	FY2024	FY2025
Human Resources			
Number of Consolidated Employees	4,768	5,071	5,261
Number of Consolidated Employees Male/Female	67%/33%	67%/33%	67%/33%
Macnica Inc. (Non-consolidated)			
Employees			
Number of Employees*1	2,661	2,845	2,864
Gender Ratio	71%/29%	72%/28%	74%/26%
Average Years of Service	10.3	10.7	11.2
Average Age	38.6	38.9	39.4
Number of Temporary Employees	235	202	222
Recruitment and Employment			
Number of Full-time Employees	298	254	232
Gender Ratio	77%/23%	80%/20%	78%/22%
New graduate/Mid-career hire ratio New graduate/Mid-career	31%/69%	32%/68%	40%/60%
Number of re-employed persons Number of re-employed/mandatory retirees	12/15	26/28	34/36
Re-employment Rate	80%	93%	94%
Turnover Rate within 3 years for new graduate employees* 2	6.0%	6.6%	8.6%
Full-time Employee Turnover Rate	4.3%	4.4%	6.4%
Management position/Staff position	0.5%/3.8%	0.8%/3.6%	2.1%/4.3%
Full-time Employee Turnover Rate due to personal reasons	3.1%	3.2%	5.2%
Management/Staff	0.4%/2.7%	0.4%/2.8%	1.3%/3.9%
DE&I			
Percentage of women in management positions	6.2%	8.8%	9.7%
Gender wage gap All workers	60.8%	62.2%	63.3%
Full-time Employees/Non-regular Employees	65.4%/46.7%	67.3%/51.2%	67.2%/48.3%
Employment rate of persons with disabilities*3	2.52%	2.60%	2.50%
Number of employees with disabilities working outside facilities (persons)	0	0	0
Well-being			
Total working hours (annual/per person average/h)	1,827	1,821	1,821
Prescribed working hours (annual/per person average/h)	1,800	1,800	1,800
Paid leave usage rate	75%	69%	69%
Childcare leave take-up rate Male/Female	61%/152%	63%/117%	85%/100%
Return-to-work rate of childcare leave takers Male/Female	100%/100%	100%/97.6%	100%/100%
Number of employees working shortened hours for childcare	65	63	94
Number of work-related accidents (lost worktime accidents)	0	0	1
Number of occupational accidents (fatal accidents)	0	0	0
Health checkup participation rate	87.9%	89.2%	98.7%
Stress check response rate	91.2%	94.3%	97.3%
Remote work adoption rate	66%	64%	63%
Percentage of employees eligible for work from home*4	100%	100%	100%

*1 Direct employees only *2 Past figures have been revised due to a change in the calculation method. *3 As of March 1, 2026 *4 Since the spread of COVID-19, in principle, all employees have been able to use the work-from-home system, although the frequency of use varies.

Environmental Data

GHG Emissions ($t\text{-}CO_2$)*1

Item	Scope*2	Emission Results ($t\text{-}CO_2$) FY2022 (Base Year)	FY2023	FY2024	FY2025	Compared to base year	Year-on-year
Scope1*3	Including overseas consolidated subsidiaries	752.20	896.95	162.08	137.54	△81.7%	△15.1%
Scope2	Same as above (Market Basis)	1,544.56	1,193.69	1,291.85	1,222.55	△20.8%	△5.4%
	Same as above (Location Basis)	2,806.77	3,112.76	3,501.02	3,127.87	+11.4%	△10.7%
Scope3	① Data calculated using the CDP Supply Chain Program for Category 1 products*4	—	1,567,341.03	1,231,878.24	1,387,195.08	—	+12.6%
	② Using conventional input-output tables	5,033,963.58	4,416,150.02	4,008,371.59	4,847,784.62	△3.7%	+20.9%
Total emissions	Total emissions for Scopes 1–3 based on the above Scope 3 categories (Scope 2: market-based) ①	—	1,569,431.67	1,233,332.17	1,388,555.17	—	+12.6%
	②	5,036,260.34	4,418,240.66	4,009,825.52	4,849,144.71	△3.7%	+20.9%

Energy consumption*1

Total electricity consumption (kWh)	5,931,598.41	6,340,172.49	6,761,539.25	6,556,539.13	+10.5%	△3.0%
Renewable energy consumption (kWh)	2,882,636.00	4,058,238.89	3,965,444.29	4,034,094.98	+39.9%	+1.7%
Renewable Energy Usage Rate	48.60%	64.01%	58.65%	61.53%	+12.9%	+2.9%

*1 Third-party assurance has been obtained from the Japan Management Association Sustainability Center for GHG emissions from FY2023 onward and for energy consumption from FY2025 onward.
*2 GHG emissions are reported on a consolidated basis, including overseas consolidated subsidiaries
*3 For Scope 1, we have revised part of the classification method from FY2024.
*4 Since FY2023, we have been calculating GHG emissions for Scope 3 Category 1 using the CDP Supply Chain Program, and our company considers the Scope 3 emissions calculated by this method as official data.

•GHG Emissions Indicators and Targets (Reference)

Indicator	Base Year	Target Year	Target
Scope 1, 2 Reduction Rate	FY2022	2030	△42.0%
		2050	△100%
Scope 3 Reduction Rate	FY2022	2030	△25.0%

Governance Data

Board of Directors Composition	2024/6	2025/6	2026/6
Directors (Audit & Supervisory Committee Members)			
Internal Directors	6	5	5
Outside Directors	6	6	6
Audit & Supervisory Committee Members/ Number in parentheses indicates outside directors	3(2)	3(2)	3(2)
Ratio of Outside Directors	50.0%	54.5%	54.5%
Ratio of Female Directors	25.0%	18.2%	18.2%

Activity Status*1		FY2023	FY2024	FY2025
Board of Directors, Audit & Supervisory Committee (Audit & Supervisory Board), Nomination and Compensation Advisory Committee				
Board of Directors	Number of Meetings Held	13	13	13
	Attendance Rate	100%	99.4%	100%
Audit & Supervisory Board	Number of Meetings Held	13	3	—
	Attendance Rate	100%	100%	—
Audit & Supervisory Committee	Number of Meetings Held	—	10	13
	Attendance Rate	—	100%	100%
Nomination and Compensation Advisory Committee	Number of Meetings Held	6	7	7
	Attendance Rate	100%	100%	95.2%

*1 Following approval at the 9th Annual General Meeting of Shareholders held on June 26, 2024, the Company transitioned from a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee, and the data as of the end of March for each is provided.

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Business Model

Ⓜ Value-Added Distribution	A business model that promotes sales by adding our company's unique value - such as marketing, new market development, technical proposals and support - in addition to normal agency operations (sales, credit management, inventory management).
Ⓜ Services & Solutions	A business model that generates revenue by providing proprietary services and solutions. Services refer to the provision of professional or operational support, while solutions are approaches designed to address specific challenges.
Ⓜ CPS Solutions (Cyber-Physical System Solutions)	A general term for products and services, as well as the name of a business, that collects real-world data with sensors, analyzes it and converts it into knowledge in cyberspace, feeds it back to the real world, and aims to revitalize industry and solve social issues.
Ⓜ Demand Creation	The creation of new demand, or activities aimed at doing so. Drawing on an understanding of cutting-edge technologies and market trends, Macnica identifies solutions and opportunities that address customers' latent challenges. The term is used in contrast to fulfillment.
Ⓜ Global Franchise	Whereas distribution agreements are generally limited to specific countries or regions, a global franchise refers to distribution agreements covering multiple countries or regions.

Semiconductor Business

EDA (Electronic Design Automation)/ IP (Intellectual Property)	EDA is a group of software tools that automate semiconductor design. IP is a pre-designed circuit block that shortens development time through reuse.
Foundry	A company that specializes in the contract manufacturing of semiconductors. Foundries manufacture wafers in front-end processes on behalf of fabless companies and other customers that design semiconductors.
OSAT (Outsourced Semiconductor Assembly and Test)	A company that specializes in outsourced semiconductor assembly and testing, collectively known as back-end processes. OSAT providers complement foundries, which handle front-end wafer fabrication.
Ⓜ Core Devices	Key semiconductor devices that are central to achieving the intended performance of a customer's product, such as CPUs and FPGAs.
Signal Chain	The complete path of a signal, from the amplification, conversion, and processing of an analog signal captured by a sensor through to its final output, together with the semiconductor devices that make up that path. Macnica proposes solutions covering the entire signal chain, from core devices to peripheral components.
Ⓜ Internal Company System	An organizational structure in which the company is divided into independent "companies (internal companies)" by business domain or supplier, with each given authority for agile operation. In Macnica's Semiconductor Business, four domestic internal companies (Altima, Clavis, TecStar, and Finesse) serve as supplier contact points.
Ⓜ Product Sales / Account Sales	Product Sales serves as the product-focused point of contact organized around suppliers, namely semiconductor manufacturers. Account Sales serves as the relationship-focused point of contact organized around customers. By collaborating from these two perspectives, the dual-axis sales structure provides support tailored to each customer.
Ⓜ Multi-Socket Proposal	An approach that proposes a package of devices handled by Macnica for multiple mounting locations, or sockets, on a single customer product or circuit board. By addressing opportunities across the board comprehensively, Macnica seeks to increase the transaction value of each project.
Ⓜ Broad Market	A market segment comprising many diverse companies with specialized needs, although each individual project is relatively small. Because manufacturers may find it difficult to cover this segment through direct-sales resources alone, Macnica can differentiate itself through advanced technical support. It is a focus area in which the Company seeks to develop highly profitable business.
Fulfillment	The logistics and operational processes required to ensure reliable product supply, from order receipt through inventory management, shipment, and delivery. In Macnica's earnings structure, fulfillment is positioned as a foundational function supporting the reliable supply of devices.
WMS (Warehouse Management System)	A system that manages warehouse operations including receiving, shipping, inventory, and storage locations. It provides a foundation for stable product supply.
PIM (Product Information Management)	A system that centrally integrates and manages product information that would otherwise be dispersed across departments. It consolidates up-to-date information and enables employees to access the information they need efficiently.
S&OP/SOP (Sales and Operations Planning)	A framework for integrated planning and coordination across demand and supply and across sales and operations. At Macnica, S&OP/SOP is also the name of a department that leads the optimization and standardization of business processes.

Cybersecurity Business

CTEM (Continuous Threat Exposure Management)	A program for continuously scoping, discovering, prioritizing, validating, and mobilizing action on an organization's exposures. Gartner introduced CTEM in 2022. The approach helps organizations prioritize the exposures that present the most material risk.
CNAPP (Cloud Native Application Protection Platform)	A platform that integrates capabilities for protecting cloud-native applications across the development lifecycle and runtime, including the management of misconfigurations, vulnerabilities, and runtime threats.
CAASM (Cyber Asset Attack Surface Management)	An approach that continuously identifies and manages an organization's cyber assets, including endpoints, servers, cloud resources, and SaaS, and provides visibility into exposures from an attacker's perspective. It supports asset inventory, vulnerability management, and practices such as CTEM and ASM/EASM.
ASM／EASM ((External) Attack Surface Management)	An approach that continuously identifies externally exposed assets and internal IT assets from an attacker's perspective, visualizes their risks, and prioritizes action. Macnica's proprietary Macnica ASM has evolved into ANTERAS.
Zero Trust	A security model based on the principle of never trusting implicitly and always verifying. Rather than relying on perimeter defenses, it continuously evaluates users, devices, and applications and applies strict controls to access from inside and outside the organization.
Microsegmentation	An approach that divides a network into fine-grained segments and controls communications between them to limit lateral movement and contain the impact of a breach.
SASE (Secure Access Service Edge)	An architecture that converges network and cloud-delivered security capabilities to provide secure access regardless of location. Gartner introduced the SASE concept in 2019. It is widely associated with implementing zero-trust access.
IDaaS (Identity as a Service)	A cloud-delivered service that provides identity management, authentication, and authorization. In a zero-trust architecture, it helps verify the identity requesting access.
RaaS (Ransomware as a Service)	A criminal business model that provides ransomware tools and infrastructure as a service. It separates developers from affiliates who conduct attacks, lowering the technical barriers to entry and contributing to the proliferation of ransomware.

Ⓜ: Macnica Terms

XDR (Extended Detection and Response)	A solution that integrates and correlates data across multiple domains, such as endpoints, networks, cloud environments, and email, to provide broader visibility into attacks and support detection and response. XDR extends the principles of endpoint detection and response across multiple security layers.
SecOps (Security Operations)	An operating framework that combines technologies such as EDR, NDR, SIEM, and SOAR to detect signs of compromise and support analysis, investigation, and response. It is a widely used model for security detection and response operations.
NDR (Network Detection and Response)	A solution that monitors and analyzes network traffic to detect, investigate, and respond to signs of compromise and suspicious behavior.
EDR (Endpoint Detection and Response)	A solution that monitors the internal behavior of endpoints such as PCs and servers, and detects, investigates, and responds to suspicious activities after intrusion. Prevents the expansion of damage on the premise of intrusion.
SIEM (Security Information and Event Management)	A platform that centrally collects and correlates logs from various IT devices, detects signs of cyberattacks, and issues alerts. It is a core analytical capability in security operations.
SOC (Security Operation Center)	A specialized organization or team that monitors an organization's systems and networks around the clock and handles threat detection, analysis, and response. A SOC uses tools such as SIEM and EDR through defined people and processes.
Security for AI/ AI for Security	Two complementary perspectives on security in the AI era. Security for AI covers measures and governance for using AI securely, while AI for Security uses AI to strengthen detection, analysis, and response. Organizations need to advance both in parallel.

CPS Solutions Business

Digital Triplet (D3) / Digital Twin (D2)	A digital twin (D2) uses data from physical equipment and processes to create a virtual representation in cyberspace, enabling simulation, prediction, and optimization. A digital triplet (D3) adds a third layer, the world of intellectual activity, including human judgment and tacit knowledge. The concept was proposed by Professor Yasushi Umeda of the University of Tokyo and is intended to turn human knowledge into a source of competitive advantage.
Level 4 Automated Driving	Automated driving in which the system performs the entire dynamic driving task within defined operating conditions and does not require a human driver to intervene, including when the system reaches its operational limits. In Japan, provisions establishing a permit system for Level 4-equivalent driverless operations took effect in April 2023 under the amended Road Traffic Act.
On-road/Off-road	On-road refers to automated driving on public roads and expressways, where systems must coexist with a wide range of road users, including conventional vehicles and pedestrians. Deployment is progressing in mobility services such as automated taxis and buses. Off-road refers to automated driving in controlled or restricted environments such as factories, logistics facilities, ports, mines, and farmland. Because operating conditions can be constrained more readily, practical deployment is progressing for purposes including labor savings and improved safety.
The Third Basic Plan for Transport Policy	Japan's national transport policy plan, approved by the Cabinet on January 16, 2026, for the period through FY2030. It includes a government KPI of 10,000 automated-driving service vehicles by FY2030. The Japanese source also links this target to the Japan Growth Strategy and Mobility Roadmap 2026 under the Basic Policy on Economic and Fiscal Management and Reform 2026; those cross-references require confirmation against the final official documents.
PHR (Personal Health Record)	A system through which individuals collect, manage, and use data relating to their own health, medical care, and long-term care. Social infrastructure that supports the acquisition of vital data in everyday environments.

*Terms not listed on this page may also be explained on the glossary page of the Macnica Holdings website.

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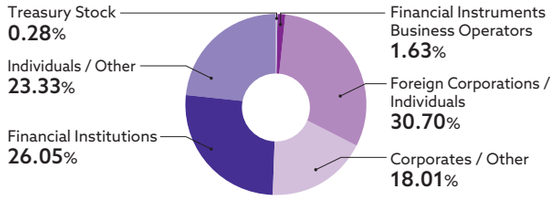
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Company Overview (as of March 31, 2026)

Company Name	MACNICA HOLDINGS, INC.
Established	April 1, 2015
Capital	¥14 billion
Number of Consolidated Employees	5,261
Head Office Address	1-6-3 Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa Prefecture
Business Description	Management and ancillary or related operations of a company engaged in the import, export, and sales of electronic components such as semiconductors and integrated circuits, and network and network-related equipment

Stock Information (as of March 31, 2026)

Listed Market	Tokyo Stock Exchange, Prime Market
Securities Code	3132
Total Authorized Shares	600,000,000 shares
Total Issued Shares	179,072,146 shares
Number of Shareholders	35,063
Shareholders by Ownership Ratio	



Major Shareholders (Top 10)

Shareholder	Number of shares held (Thousands of shares)	Shares Held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	23,577	13.2
Kamiyama Foundation (General Incorporated Foundation)	18,000	10.1
The Custody Bank of Japan, Ltd. (Trust Account)	13,896	7.8
Seeds Technology, Inc.	10,500	5.9
Haruki Kamiyama	9,600	5.4
JP MORGAN CHASE BANK 380055 (Standing Proxy: Mizuho Bank, Ltd.)	7,021	3.9
STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Mizuho Bank, Ltd.)	3,040	1.7
Yuko Kamiyama	2,940	1.6
The Nomura Trust and Banking Co., Ltd. (Trust Account)	2,579	1.4
STATE STREET BANK AND TRUST COMPANY 505233 (Standing Proxy: Mizuho Bank, Ltd.)	2,469	1.4

(Note) The shareholding ratio is calculated after deducting treasury stock.

External Ratings and Recoginitions

CDP Climate Change A-

CDP Supplier Engagement Leader

Career Ownership Management AWARD 2026

Kurumin Certification

Certified Health & Productivity Management Outstanding Organization 2026

OpenWork Ranking of Companies with High Employee Motivation 2026

Noteworthy DX Companies 2026

ISO 9001, ISO 14001 and ISO/IEC 27001 Excellence Activity Award 2026

JPX-Nikkei Index 400

Nikkei 500 Stock Average

Sources and References

Charts/graphics created by Macnica based on Gartner research. Calculations performed by Macnica

P.17 *1, *2, P.33 *2
Gartner®, Market Share: Semiconductor Distributors, Worldwide, 2025, Masatsune Yamaji, 21 February 2026, Revenue Basis.

P.17 *3
Gartner®, Forecast: Semiconductors and Electronics, Worldwide, 2024-2030, 2Q26, Ben Lee, Guy Robertson et al., 26 June 2026 Revenue Basis.

P.17 *4
Gartner®, Forecast: Information Security, Worldwide, 2024-2030, 2Q26, Shailendra Upadhyay, Christian Canales et al., 25 June 2026 Cybersecurity Market = Network Security, Security Software, Macro Market=Business, End-User Spending Constant Currency basis.

P.20 *1, P.34
Gartner®, Forecast: Semiconductors and Electronics, Worldwide, 2024-2030, 2Q26, Ben Lee, Guy Robertson et al., 26 June 2026, Device Units Revenue basis. Industrial equipment=Industrial and Military/ Civil Aerospace Electronics, Automotive=Automotive Electronics, Communication equipment=Communication Electronics, Consumer equipment=Consumer Electronics, Servers & PCs,etc. =Data Processing Electronic

P.20 *2, P.44
Gartner®, Forecast: Information Security, Worldwide, 2024-2030, 2Q26, Shailendra Upadhyay, Christian Canales et al., 25 June 2026 Cybersecurity = Network Security, Security Software, Macro Market=Business, Japanese Market =Japan (Region), Asia-Pacific Market =Mature Asia/Pacific + Emerging Asia/Pacific, End-User Spending Constant Currency basis.

P.40 *1
Gartner®, Forecast: Information Security, Worldwide, 2024-2030, 2Q26, Shailendra Upadhyay, Christian Canales et al., 25 June 2026 Cybersecurity =Network Security, Security Software, Macro Market=Business, Europe=Europe, North America=North America, Japan=Japan(Region), Global=total, End-User Spending Constant Currency basis.

P.40 *3
Gartner®, Forecast: Information Security, Worldwide, 2024-2030, 2Q26, Shailendra Upadhyay, Christian Canales et al., 25 June 2026 Cloud security = Security Software, Subsegment=Cloud Security, Macro Market=Business, Region=Japan(Region), End-User Spending Constant Currency basis.

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LIMITLESS 2026: Message from the Project Team



A Company-Wide 'Woven' Integrated Report - Macnica, Engaging Everyone, Crafted in the Words of Those on the Front Line

LIMITLESS 2026 is not a publication produced by the Investor Relations department. Led by a group of 18 members selected from across the company, those on the front line themselves worked together to 'weave each page' in their own words. Working groups in each division then reviewed the drafts, so that each page carried the division's collective view - it is this 'company-wide weaving' process that constitutes the greatest unique feature of our integrated report. It is precisely because we bring together the language of management and the language of the front line that we can convey not only the granularity of our strategy and our structural strengths, but also the very pulse of Macnica lying behind the figures. We believe this provides investors with the valuable first-hand information. At the same time, the production of this report serves as an opportunity for those involved to re-examine strategy, capital policy and governance from a company-wide management perspective, and to translate insights from the front line into the language of management - it is a chance to unite management and the front line, and to re-examine how our daily work contributes to the creation of corporate value. We begin by engaging ourselves first and foremost. This is a publication in which the culture of co-creation truly comes to life.

Integrated Report LIMITLESS 2026 Project Team Members

Management Planning Group
1 Daijiro Mano 2 Tomoisa Arai 3 Toshihiro Koga
4 Yuya Takahashi 5 Noriyuki Sato

Board of Directors Office
6 Tomohisa Asano

Corporate Branding Group
7 Ayumi Yokokura

Human Resources Group
8 Yu Uyama

Information Technology Group
9 Yoshifumi Suzuki

DE&I and Compliance Promotion Group
10 Kohei Hayakawa

Business Operations Group
11 Maki Goto

Financial Group
12 Chiori Toyama

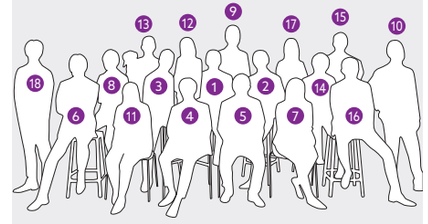
Clavis Company
13 Hirokuni Uchida

Networks Company
14 Yusaku Tanaka 15 Keisuke Sano

New Business Group
16 Yuta Yano

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17 Haruna Sanjoba

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18 Shusuke Baba



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Medium-Term Management Plan
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FAQ
Glossary

The seeds of tomorrow.

MACNICA

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