Financial Results Briefing

FY2023 Presentation

Macnica Holdings, Inc.

May 7, 2024

AGENDA

01. Results

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2. Results for FY2023 (Consolidated)
3. Quarterly Results

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3. Network Business
4. CPS Solutions Business
5. Strengthening the Management Base

*In this presentation, "ICs, Electronic Devices and Other Business" is referred to as Semiconductor Business. In the reportable segment, the figures for the "CPS Solutions Business" are included in the Semiconductor Business and Network Business, and the figures overlap.

01. Results

❶ Business Performance Highlights for FY2023

Business Performance Highlights for FY2023

Yen billion	Q4 Results	Q4 Y/Y change		Q4 Q/Q change		FY23 Results	FY23 Y/Y change		FY24 Planned	FY24 Y/Y change	
Net Sales	228.4	▲32.8	▲13%	▲24.9	▲10%	1028.7	▲0.5	▲0%	1,100	+71.3	+7%
Semiconductor Business	194.2	▲37.5	▲16%	▲26.9	▲12%	907.8	▲21.2	▲2%	960	+52.2	+6%
Network Business	34.2	+4.7	+16%	+2	+6%	120.9	+20.7	+21%	140	+19.1	+16%
Operating Income	12.4	▲3.9	▲24%	▲0.9	▲7%	63.7	+2.1	+3%	64	+0.3	+0%
Semiconductor Business	10.5	▲4	▲28%	▲1	▲9%	56.7	+1.3	+2%	51	▲5.7	▲10%
Network Business	1.9	+0.1	+5%	+0.1	+8%	7	+0.8	+12%	13	+6	+84%
Net Income attributable to Owners of Parent	12.9	+1.2	10%	+3.6	+39%	48.1	+7.0	+17%	42	▲6.1	▲13%
Cash Flows from Operating Activities						39.9	+1	+3%			
Average exchange rate (JPY/USD)	146.76 yen					143.31 yen			145 yen (FY24 Planned)		

- **In FY2023, semiconductor business continued to undergo an adjustment phase in 2H, while network business remained strong with double-digit business growth in both domestic and overseas markets.**
  Semiconductor business growth -21.2 b/-2% YoY due to continued market adjustment, while automotive market growth of 37.8 b/+23% YoY
  Network business growth was up 20.7 billion/+21% YoY on growth in endpoint security-related products, resulting in double-digit growth.
- **In FY2024, semiconductor business is expected to be affected by the slow market recovery, but recovery is expected to begin in 2H. Network business growth is expected both domestically and overseas, centered on endpoint security.**
  Aim to realize synergies early by making GLOSEL Co.,Ltd a wholly owned subsidiary
- **Upwardly revised year-end dividend to 120 yen for FY2023, and plans to increase dividend by 10 yen for FY2024**
  1-for-3 share split with an effective date of October 1, 2024, and abolition of the Shareholder Benefit Plan

Dividends (per share, before stock split)

	Mid	End	Annual	Payout Ratio
FY2022	65 yen	75 yen	140 yen	21%
FY2023	80 yen	120 yen	200 yen	25%
FY2024	105 yen*1	105 yen*2	210 yen*2	30% *3

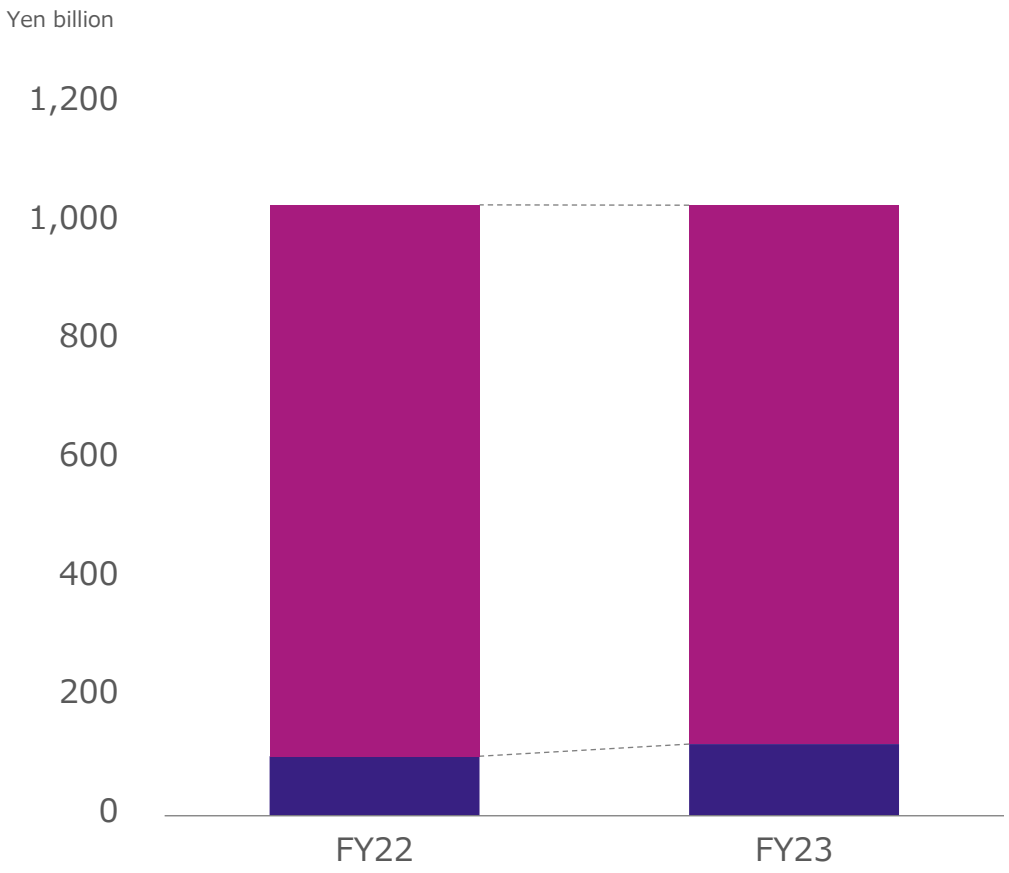
*1 Est. *2 Est. before stock split *3 Est.

01. Results

❷ Results for FY2023 (Consolidated)

Net Sales by Segment

1,028.7 billion Y/Y Change ▲0.1%

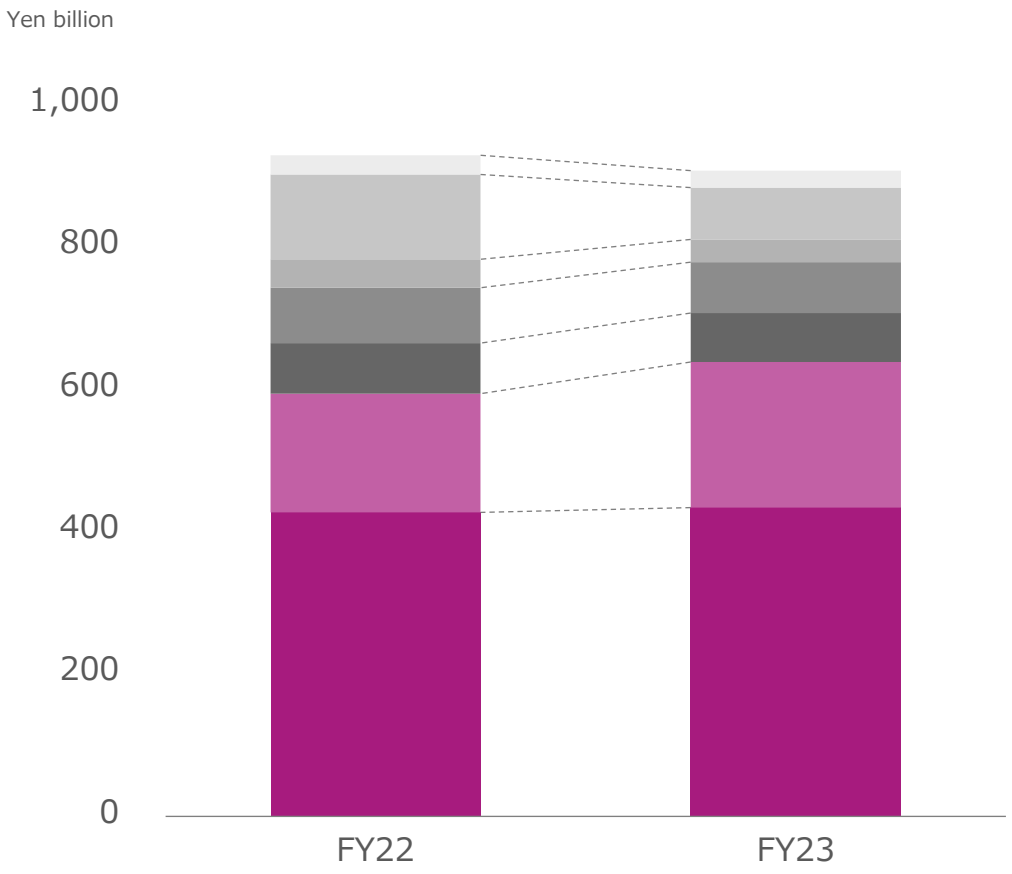


Y/Y Change ▲0.1%

(Yen billion)	FY22 Results	FY22 Ratio	FY23 Results	FY23 Ratio	Y/Y Change	Y/Y Change%
Semiconductor	929	90%	907.8	88%	▲21.2	▲2%
Network	100.3	10%	120.9	12%	+20.7	+21%
Total	**1,029.3**	**100%**	**1,028.7**	**100%**	**▲0.5**	**▲0.1%**

Semiconductor Business by Application: Net Sales

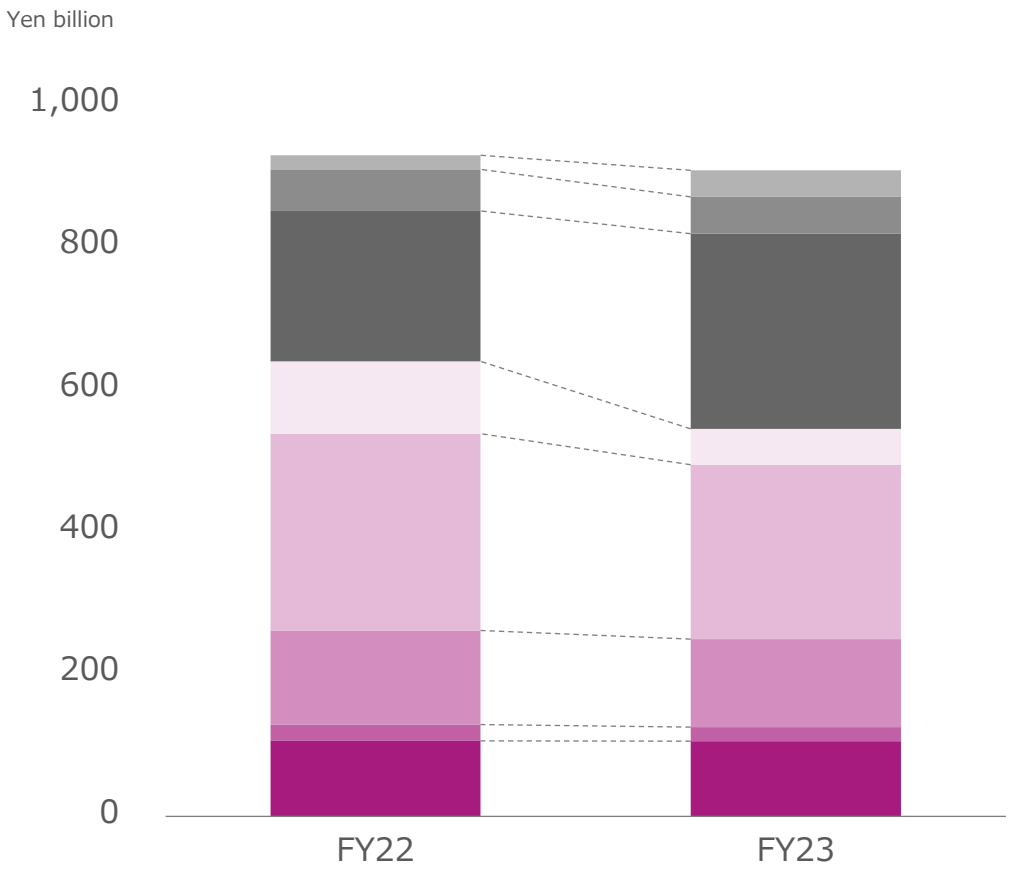
907.8 billion Y/Y Change ▲2.3%



(Yen billion)	FY22 Results	FY22 Ratio	FY23 Results	FY23 Ratio	Y/Y Change	Y/Y Change%
Telecom Terminals	27	3%	24	2%	▲3	▲11%
Telecom Infrastructure	119.2	13%	72.7	8%	▲46.5	▲39%
OA/Peripherals	39.9	4%	32.1	4%	▲7.8	▲20%
Computers	77.7	8%	71.4	8%	▲6.2	▲8%
Consumer Products	71.2	8%	69.1	8%	▲2.1	▲3%
Automotive Products	166.8	18%	204.6	22%	+37.8	+23%
Industrial Equipment	427.2	46%	433.9	48%	+6.6	+2%
Total	**929**	**100%**	**907.8**	**100%**	**▲21.2**	**▲2.3%**

Semiconductor Business by Product: Net Sales

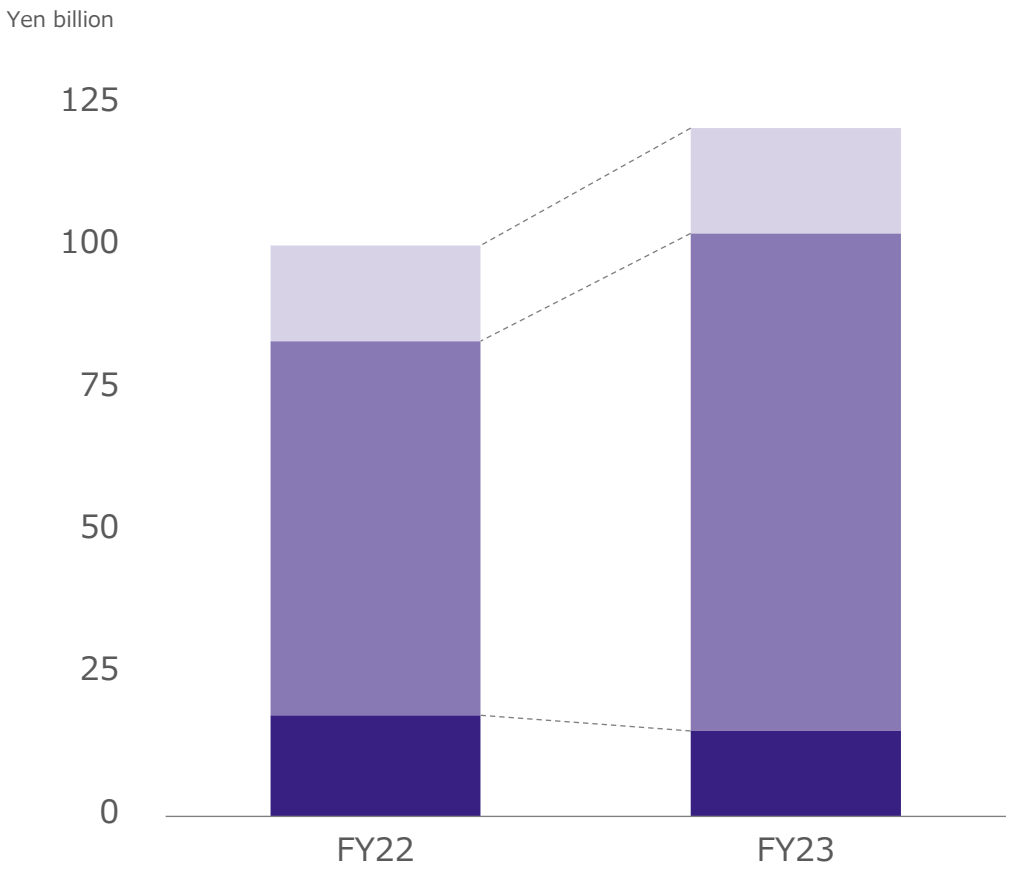
907.8 billion Y/Y Change ▲2.3%



(Yen billion)	FY22 Results	FY22 Ratio	FY23 Results	FY23 Ratio	Y/Y Change	Y/Y Change%
Other	19.9	2%	37.1	4%	+17.2	+87%
Electric Devices	58.5	6%	51.7	6%	▲6.8	▲12%
Other Standard IC	211.1	23%	274.3	30%	+63.1	+30%
Memory	101.6	11%	50.3	5%	▲51.3	▲51%
Analog	276.5	30%	245.2	27%	▲31.3	▲11%
ASSP	132.2	14%	123.8	14%	▲8.4	▲6%
ASIC	22.9	3%	19.6	2%	▲3.3	▲14%
PLD	106.3	11%	105.8	12%	▲0.5	▲1%
Total	**929**	**100%**	**907.8**	**100%**	**▲21.2**	**▲2.3%**

Network Business by Product: Net Sales

120.9 billion Y/Y Change +20.6%

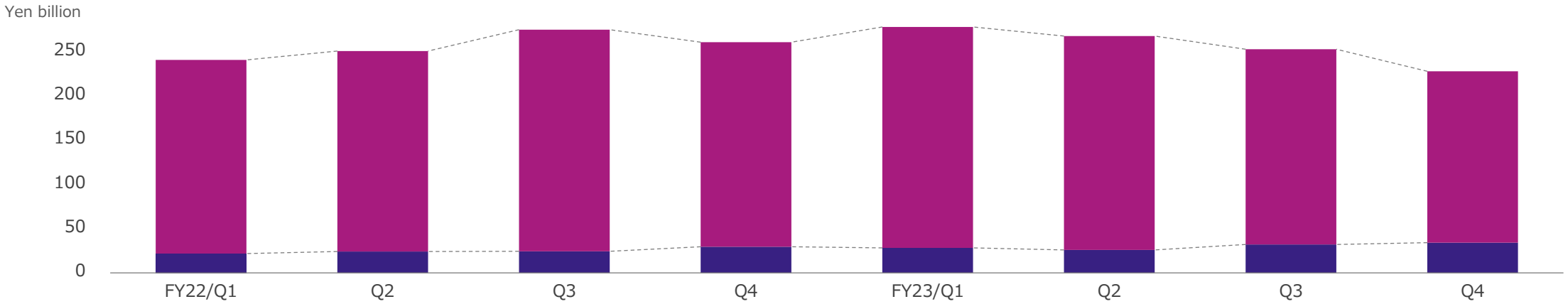


(Yen billion)	FY22 Results	FY22 Ratio	FY23 Results	FY23 Ratio	Y/Y Change	Y/Y Change%
Hardware	16.8	17%	15	13%	▲1.7	▲10%
Software	65.7	65%	87.4	72%	+21.7	+33%
Service	17.8	18%	18.5	15%	+0.7	+4%
Total	**100.3**	**100%**	**120.9**	**100%**	**+20.7**	**+20.6%**

01. Results

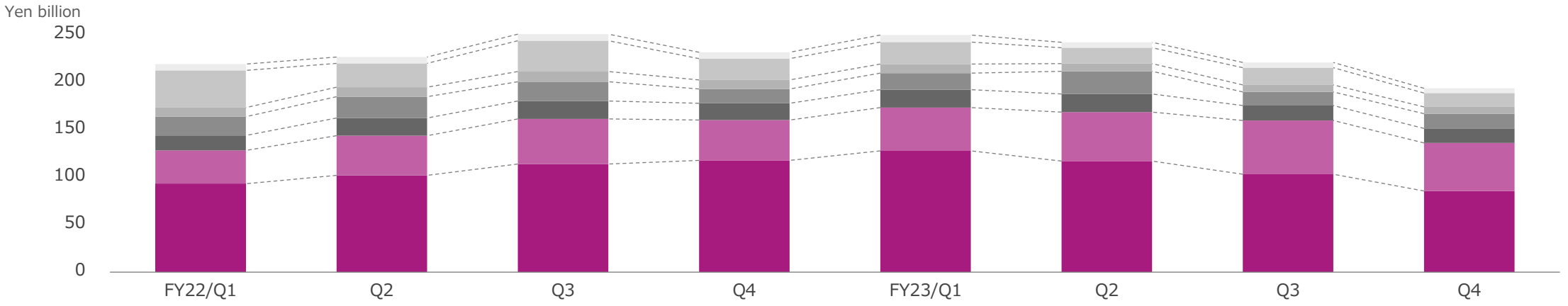
❸ Quarterly Results

Quarterly Net Sales by Segment



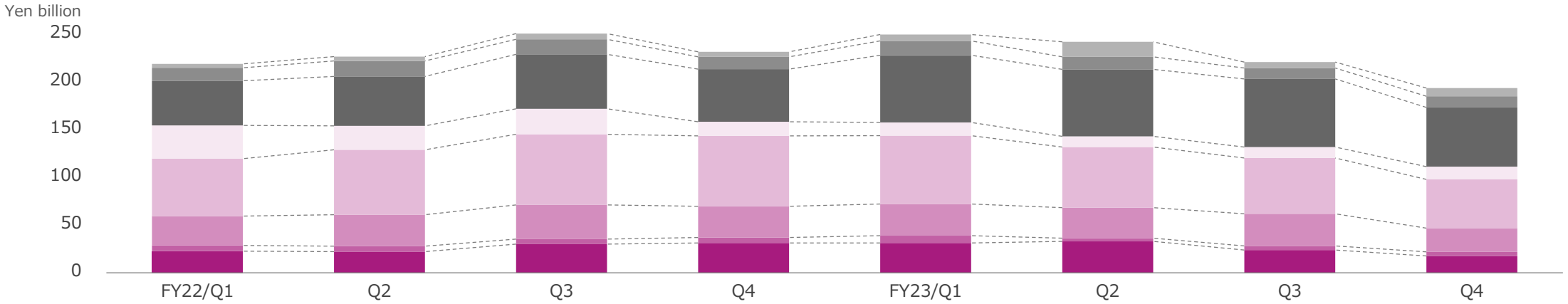
		FY22/Q1		Q2		Q3		Q4		FY23/Q1		Q2		Q3		Q4	
Result / Ratio (B¥|%)	Semiconductor	219.3	91%	227	90%	251	91%	231.7	89%	250.1	90%	242.4	90%	221	87%	194.2	85%
	Network	22	9%	24.2	10%	24.4	9%	29.6	11%	28.4	10%	26	10%	32.3	13%	34.2	15%
YoY / QoQ	Semiconductor	+38%	22%	+37%	+4%	+45%	+11%	+28%	▲8%	+14%	+8%	+7%	▲3%	▲12%	▲9%	▲16%	▲12%
	Network	+18%	▲9%	+27%	+10%	+14%	+1%	+22%	+21%	+29%	▲4%	+7%	▲9%	+32%	+24%	+16%	+6%

Quarterly Semiconductor Business by Application: Net Sales



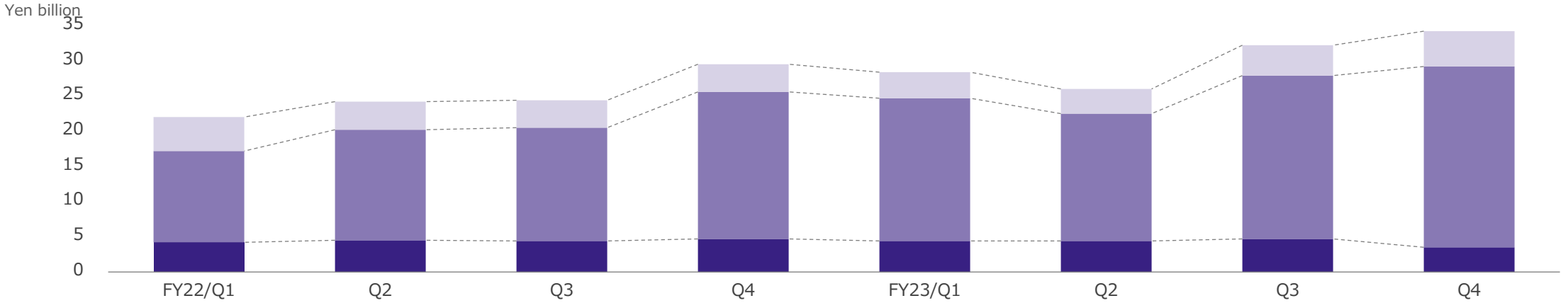
		FY22/Q1		Q2		Q3		Q4		FY23/Q1		Q2		Q3		Q4	
Result / Ratio (B¥|%)	Telecom Terminals	6.7	3%	6.8	3%	7	3%	6.5	3%	7.5	3%	5.9	2%	5.5	2%	5.1	2%
	Telecom Infrastructure	39.1	18%	25.2	11%	32.4	13%	22.5	10%	23.2	9%	16.6	7%	18.2	8%	14.7	8%
	OA/Peripherals	9.5	4%	10	4%	10.8	4%	9.6	4%	9.5	4%	8.1	3%	7.4	3%	7.1	4%
	Computers	19.9	9%	22.5	10%	20.2	8%	15.2	7%	17.5	7%	24.1	10%	14.3	6%	15.6	8%
	Consumer	15.9	7%	18.7	8%	19	8%	17.6	8%	18.9	8%	19.1	8%	15.9	7%	15.2	8%
	Automotive	35	16%	41.7	18%	47.5	19%	42.6	18%	45.7	18%	51.6	21%	56.6	26%	50.8	26%
	Industrial	93.3	43%	102.1	45%	114.1	45%	117.8	51%	127.8	51%	117.1	48%	103.3	47%	85.7	44%
YoY / QoQ	Telecom Terminals	+28%	+28%	+26%	+2%	+16%	+3%	+24%	▲7%	+12%	+16%	▲14%	▲22%	▲22%	▲7%	▲21%	▲6%
	Telecom Infrastructure	+65%	+50%	▲9%	▲36%	+24%	+29%	▲14%	▲31%	▲41%	+4%	▲34%	▲29%	▲44%	+10%	▲34%	▲20%
	OA/Peripherals	+32%	+17%	+34%	+6%	+34%	+8%	19%	▲11%	+1%	▲1%	▲19%	▲15%	▲32%	▲9%	▲26%	▲4%
	Computers	+5%	▲13%	+24%	+13%	▲3%	▲10%	▲34%	▲25%	▲12%	+15%	+7%	+38%	▲29%	▲41%	+3%	+9%
	Consumer	+6%	+19%	+27%	+18%	+41%	+2%	+32%	▲8%	+19%	+7%	+2%	+2%	▲16%	▲17%	▲13%	▲4%
	Automotive	+49%	+27%	+75%	+19%	+88%	+14%	+54%	▲10%	+31%	+7%	+24%	+13%	+19%	+10%	+19%	▲10%
	Industrial	+42%	+21%	+50%	+10%	+56%	+12%	+53%	+3%	+37%	+9%	+15%	▲8%	▲9%	▲12%	▲27%	▲17%

Quarterly Semiconductor Business by Product: Net Sales



		FY22/Q1		Q2		Q3		Q4		FY23/Q1		Q2		Q3		Q4	
Result / Ratio (B¥|%)	Other	4	2%	4.6	2%	6.1	2%	5.2	2%	6.7	3%	15.7	6%	6.2	3%	8.5	4%
	Electric Devices	13.6	6%	16.3	7%	15.7	6%	12.9	6%	15.1	6%	13.1	5%	11.5	5%	12	6%
	Other Standard IC	46.9	21%	52	23%	57.1	23%	55.2	24%	70.4	28%	70.3	29%	71.5	32%	62	32%
	Memory	35	16%	25	11%	26.8	11%	14.8	6%	13.9	6%	11.3	5%	11.5	5%	13.6	7%
	Analog	60.2	27%	68.2	30%	74.2	30%	73.9	32%	71.8	29%	63.6	26%	58.7	27%	51.1	26%
	ASSP	30.7	14%	32.9	15%	35.8	14%	32.8	14%	33.2	13%	32	13%	33.7	15%	24.9	13%
	ASIC	6.1	3%	5.7	3%	5.4	2%	5.7	2%	7.6	3%	3.5	1%	4.1	2%	4.3	2%
	PLD	22.7	10%	22.3	10%	30	12%	31.3	14%	31.3	13%	32.9	14%	24	11%	17.6	9%
YoY / QoQ	Other	+19%	+18%	+59%	+13%	+55%	+33%	+53%	▲14%	+67%	+29%	+245%	+134%	+2%	▲61%	+63%	+38%
	Electric Devices	+31%	+27%	+94%	+20%	+67%	▲4%	+20%	▲18%	+11%	+17%	▲20%	▲13%	▲27%	▲12%	▲7%	+4%
	Other Standard IC	+38%	+11%	+46%	+11%	+46%	+10%	+30%	▲3%	+50%	+28%	+35%	▲0%	+25%	+2%	+12%	▲13%
	Memory	+40%	+11%	▲17%	▲29%	▲12%	+7%	▲53%	▲45%	▲60%	▲6%	▲55%	▲19%	▲57%	+2%	▲8%	+19%
	Analog	+38%	+29%	+57%	+13%	+60%	+9%	+58%	▲0%	+19%	▲3%	▲7%	▲11%	▲21%	▲8%	▲31%	▲13%
	ASSP	+36%	+33%	+46%	+7%	+73%	+9%	+42%	▲8%	+8%	+1%	▲3%	▲4%	▲6%	+5%	▲24%	▲26%
	ASIC	+118%	+63%	+17%	▲6%	+29%	▲7%	+51%	+6%	+25%	+35%	▲38%	▲54%	▲24%	+15%	▲23%	+7%
	PLD	+31%	+22%	+29%	▲2%	+56%	+35%	+68%	+4%	+38%	+0%	+48%	+5%	▲20%	▲27%	▲44%	▲26%

Quarterly Network Business by Product: Net Sales



		FY22/Q1		Q2		Q3		Q4		FY23/Q1		Q2		Q3		Q4	
Result / Ratio (Bil / %)	Hardware	4.8	22%	4	17%	3.9	16%	3.9	13%	3.7	13%	3.5	13%	4.3	13%	3.5	10%
	Software	13	59%	15.7	65%	16.1	66%	20.9	71%	20.3	71%	18.1	70%	23.2	72%	25.7	75%
	Service	4.2	19%	4.5	18%	4.4	18%	4.7	16%	4.4	15%	4.4	17%	4.7	15%	5	15%
YoY / QoQ	Hardware	+13%	+6%	▲9%	▲17%	▲13%	▲2%	▲14%	▲0%	▲23%	▲5%	▲13%	▲7%	+8%	+22%	▲11%	▲18%
	Software	+56%	▲1%	+76%	+22%	+51%	+2%	+61%	+30%	+57%	▲3%	+15%	▲11%	+45%	+28%	+23%	+11%
	Service	▲30%	▲36%	▲20%	+6%	▲29%	▲1%	▲29%	+6%	+4%	▲7%	▲2%	+0%	+7%	+8%	+7%	+6%

02. Mid-Term Management Plan (FY2022-2024)

❶ Company-wide

Revised Mid-Term Management Plan (FY2022-2024)

	FY24 Management Targets (FY ending Mar 31, 2025)		
	Announced May 9, 2022	Announced May 8, 2023	Revised Target
Consolidated Net Sales	Over 970 bil yen	Over 1.2 tril yen	1.1 tril yen
Consolidated Operating Income	Over 48 bil yen	Over 67 bil yen	64 bil yen
Consolidated Operating Income Margin	Over 5 %	Over 5.6 %	5.8 %
Consolidated Net Income	Over 30 bil yen	Over 50 bil yen	42 bil yen
Consolidated ROE[1]	Over 15 %	Over 15 %	Over 15 %
Working Capital Turnover[2]	Over 3.8 x	Over 3.8 x	Over 3.8 x

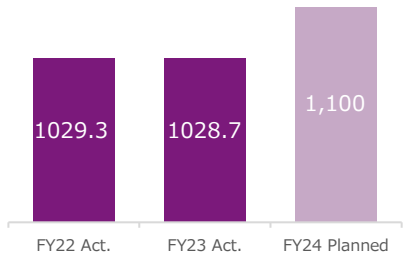
1. Consolidated ROE = Consolidated Net Income attributable to Owners of Parent / Consolidated Shareholders' Equity (Net Assets less Non-Controlling Interests, at end of the period)
2. Working Capital Turnover = Annual Sales / Working Capital (Accounts Receivables + Inventories - Accounts Payable, at end of period)

Mid-Term Management Targets (FY2022-2024)

Group Consolidated

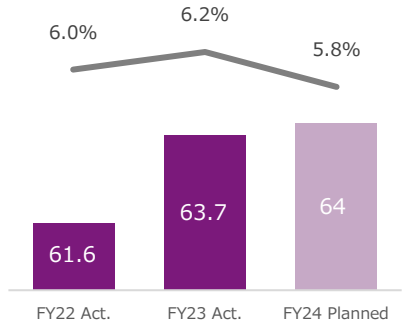
Net Sales

Yen billion



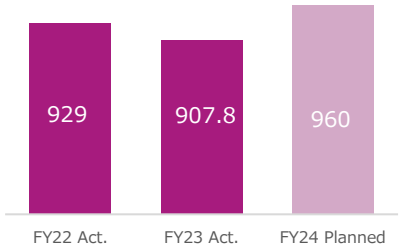
Operating Income

Yen billion

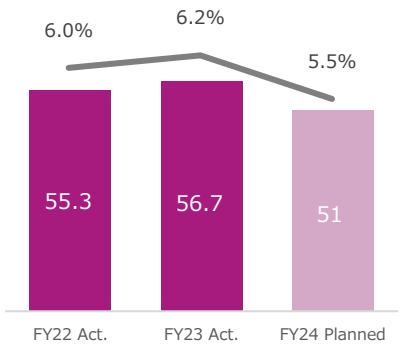


Semiconductor Business

Net Sales

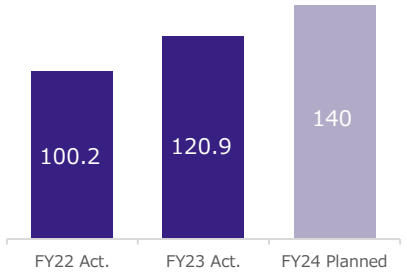


Operating Income

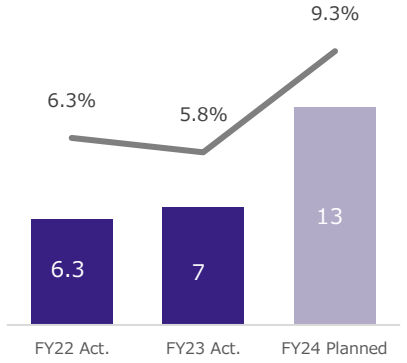


Network Business

Net Sales

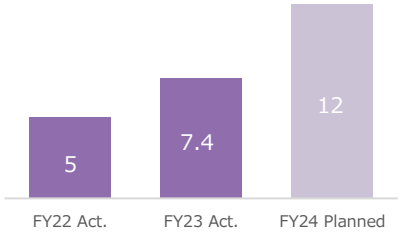


Operating Income

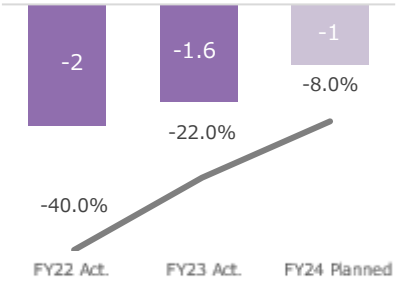


CPS Solutions Business*

Net Sales



Operating Income



*In the reportable segment, the figures for the "CPS Solutions Business" are included in the Semiconductor Business and Network Business, and the figures overlap.

Mid-Term Management Plan: Company-wide

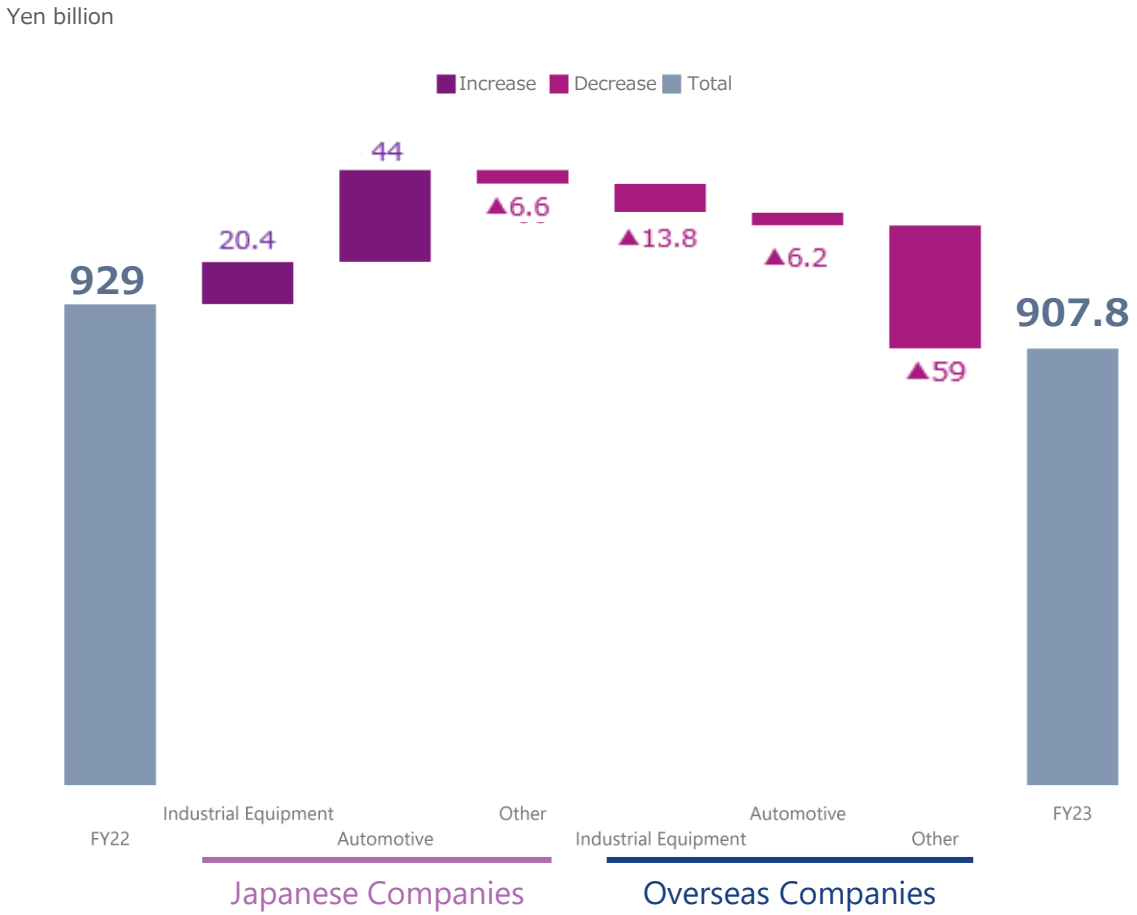
	Business Strategy	Strengthen Management Base
Semiconductor Business	● Expand market share in growth domains ● Expand high value-added solutions ● Explore commercial products for long-term growth ● Global strategy	● Strengthen risk management ● Strengthen IT and DX Strategy ● Maximize human capital ● Strengthen financial strategy
Network Business	● Expand security business ● Grow Big Data business ● Expand application business ● Global strategy	
CPS Solutions Business	● Business development for social issues in 6 themes ● Expand CPS platforms ● Strengthen capabilities for long-term growth	

02. Mid-Term Management Plan (FY2022-2024)

❷ Semiconductor Business

Growth Factor for Semiconductor Business

-21.2 billion (▲2.3%) y/y change Despite overall decline, growth in focus areas Industrial Equipment and Automotive for Japanese companies



For Japanese Companies

Industrial Equipment: Market trending downward, growth through increased market share.

Automotive: Increased shipments due to improved delivery times, growth through increased market share

Others: Increase products for generative AI, demand decreased in telecom and OA markets

For Overseas Local Companies

Industrial Equipment : Decreased demand in FA equipment due to the slowdown in the Chinese market

Automotive : Inventory adjustments due to improved semiconductor delivery times, sluggish EV market

Others : Significant decline in memory sales due to sluggish server market

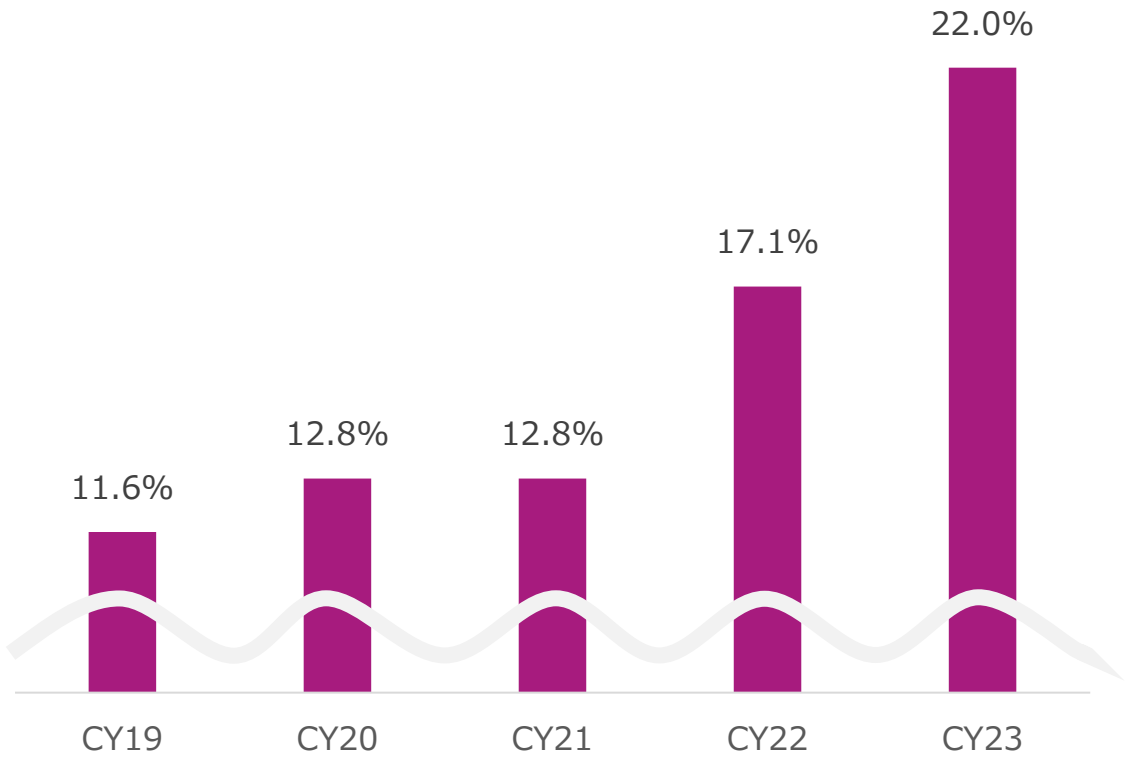
Overall Impact

Foreign exchange impact due to yen depreciation

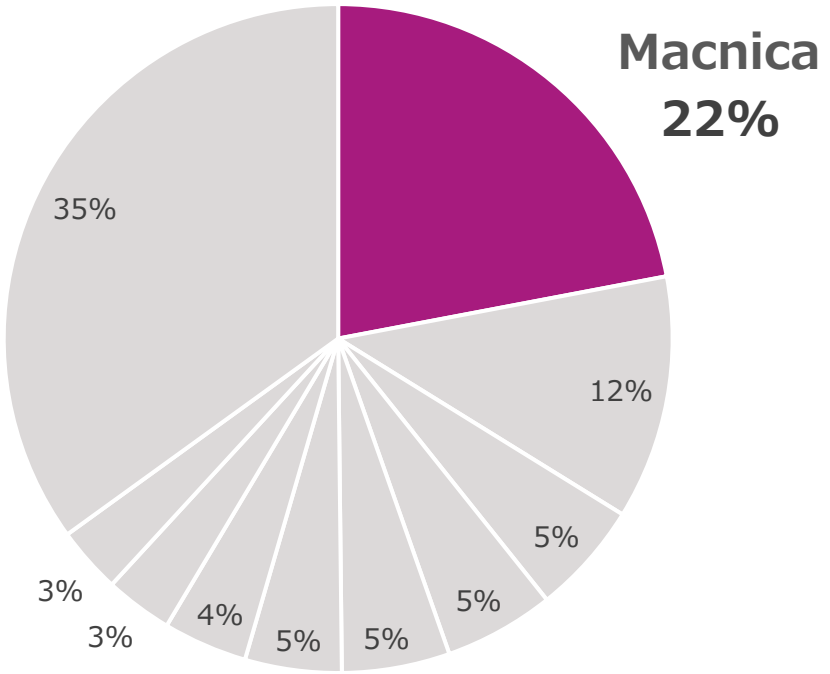
Domestic Semiconductor Trading Company Market

Domestic market share has grown by approx. 10 percentage points to 22% over two years

Domestic market share in Japan



Domestic share in CY23



Charts/graphics created by Macnica based on Gartner research. Calculations performed by Macnica
Source : Gartner®, Market Share: Semiconductor Distributors, Worldwide, 2023, Masatsune Yamaji, 12 March 2024, Revenue Basis
CY19: Gartner®, Market Share: Semiconductor Distributors, Worldwide, 2019, Masatsune Yamaji, 2 March 2020 (Listed as Macnica Fuji in this research.)
CY20: Gartner®, Market Share: Semiconductor Distributors, Worldwide, 2020, Masatsune Yamaji, 2 March 2021
CY21: Gartner®, Market Share: Semiconductor Distributors, Worldwide, 2021, Masatsune Yamaji, 9 March 2022
CY22: Gartner®, Market Share: Semiconductor Distributors, Worldwide, 2022, Masatsune Yamaji, 10 March 2023

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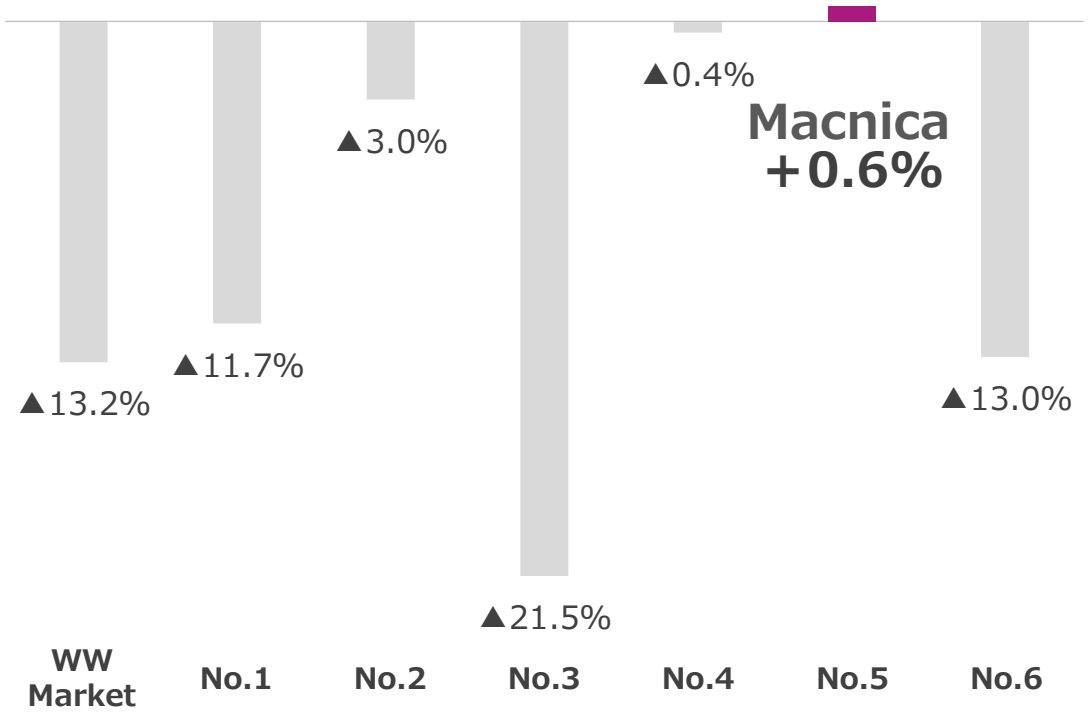
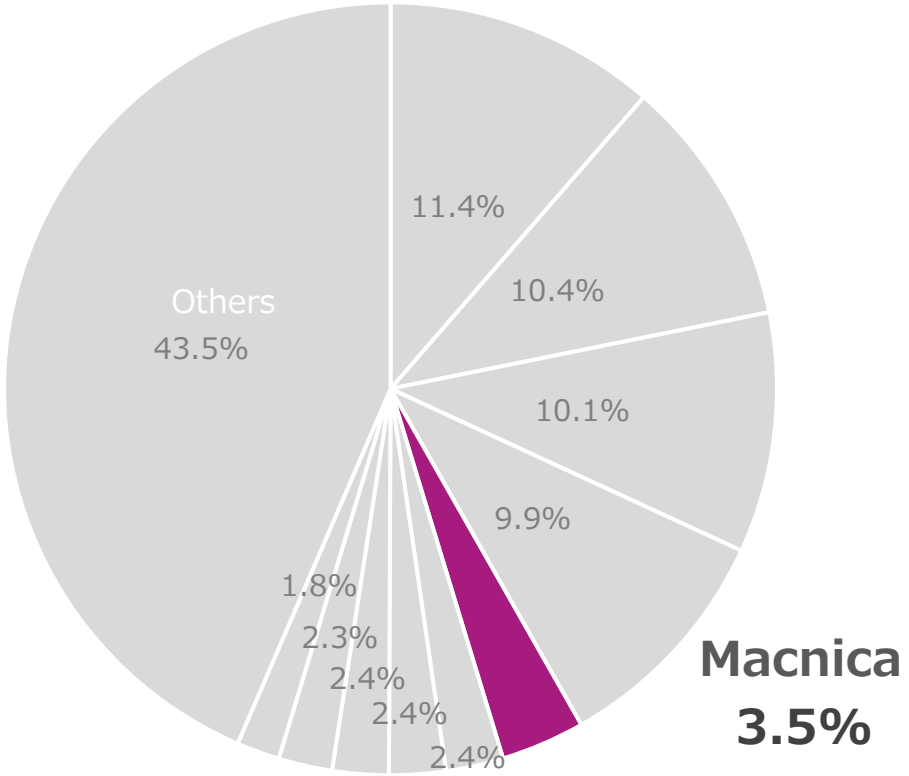
Worldwide Semiconductor Trading Market

Only company among the top 6 worldwide semiconductor trading companies with positive growth

Top 6 Worldwide Companies Y/Y Growth Rate
(CY23/CY22)



Worldwide Share in CY23



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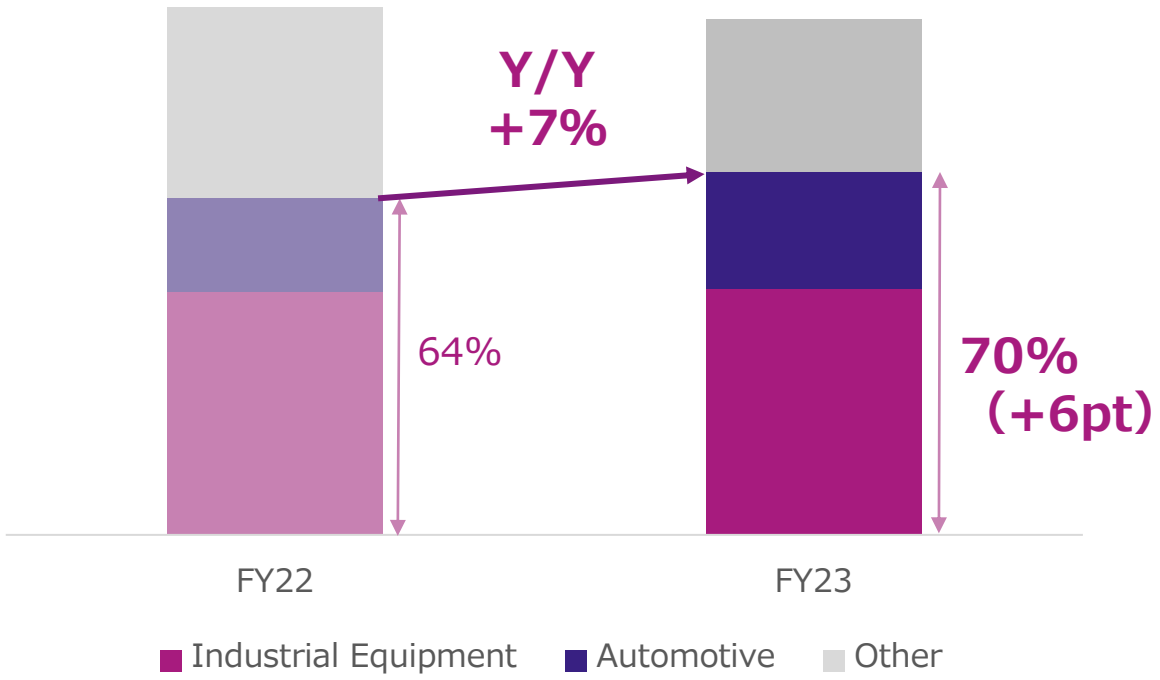
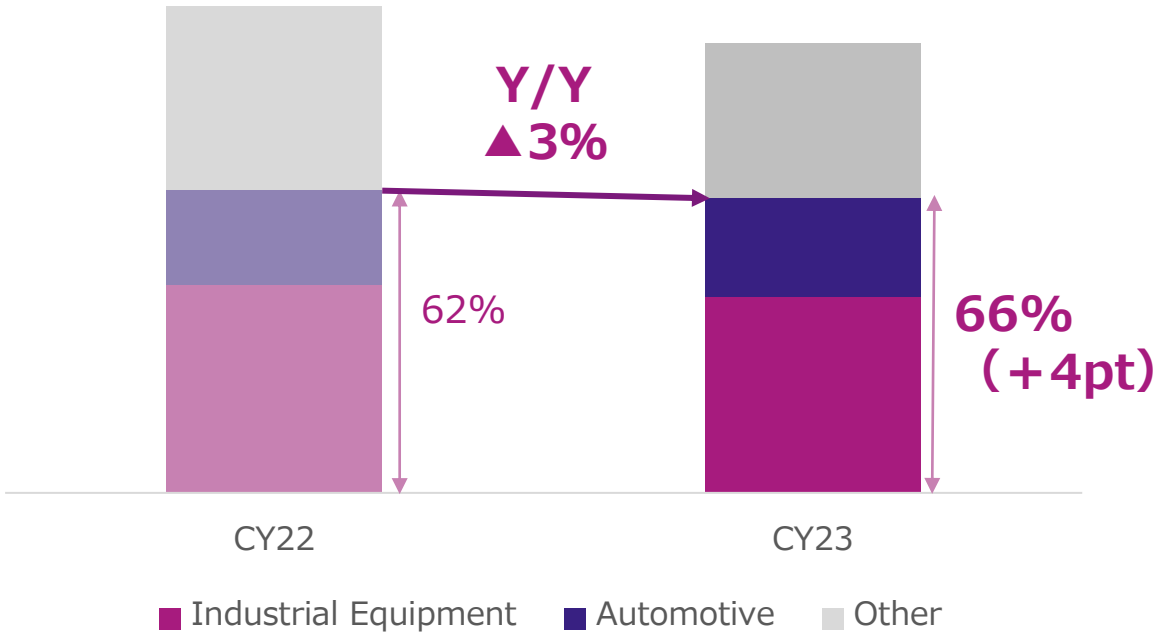
Focus on Industrial Equipment and Automotive Markets

Achieving growth above market average in our focus markets Industrial Equipment & Automotive

Macnica Y/Y



Japan Market Y/Y



Charts/graphics created by Macnica based on Gartner research. Calculations performed by Macnica
Source : Gartner®, Semiconductors and Electronics Forecast Database, Worldwide, 1Q24 Update, Rajeev Rajput et al., 28 March 2024, Revenue basis.
Industrial Equipment= Industrial and Military/Civil Aerospace Electronics, Automotive= Automotive Electronics
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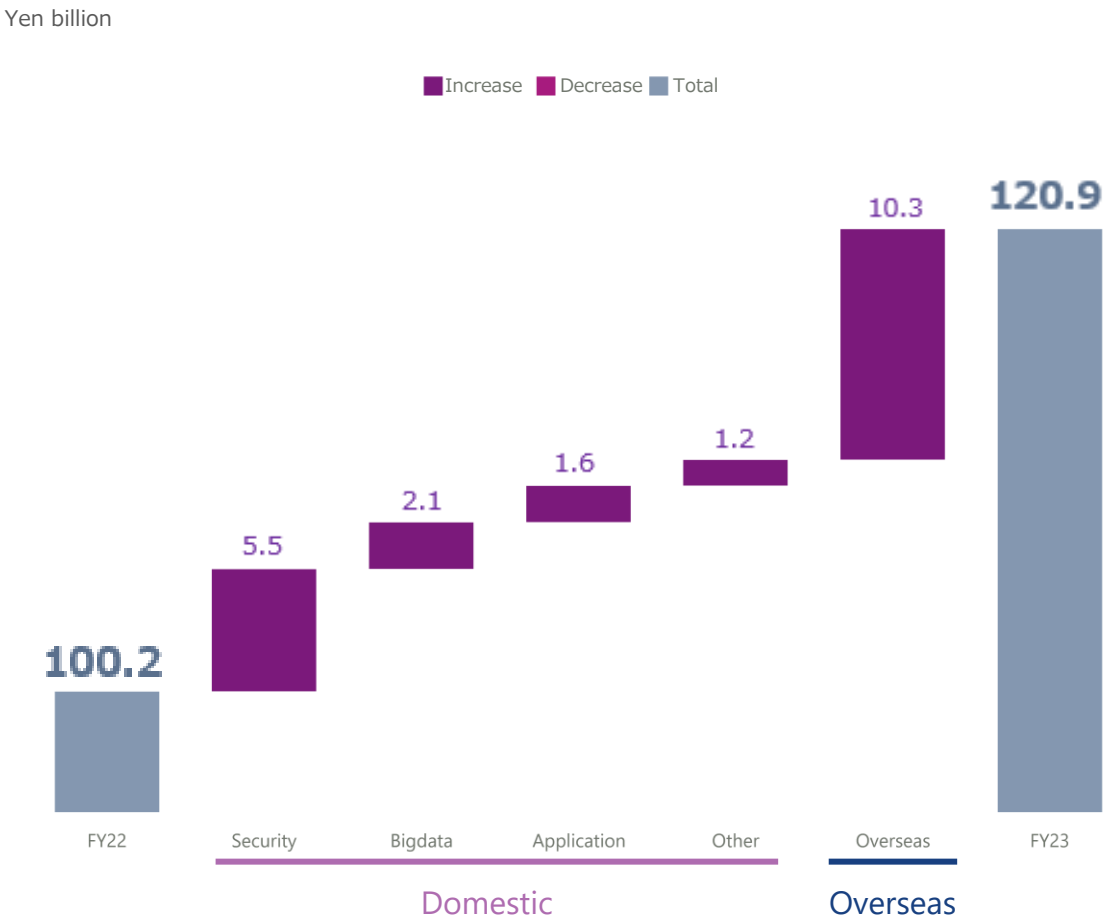
02. Mid-Term Management Plan (FY2022-2024)

❸ Network Business

Growth Factor for Network Business

+20.7 billion (+21%) y/y change Growth in all focus areas



Domestic : Y/Y Change +¥10.4 billion (+15%)

- Security (+12%)
  Growth mainly in endpoint, cloud security
- Big Data (+29%)
  Growth mainly in data analysis infrastructure & in-house services
- Application (+18%)
  Growth mainly in cloud applications

Overseas : Y/Y Change +¥10.3 billion (+33%)

Growth in all countries

Growth Strategies in Security Business

Growth in all focus markets

Y/Y / Our Share

1 Cyber Security Tools Market, Expanding Share in SAM

+12% — Our share : 21%
Steady growth in endpoint security

2 Cyber Security Tools Market, Expanding SAM

+64% — Our share : 69%
Steady growth in security measures when using cloud computing

3 Strengthening Cyber Security Services

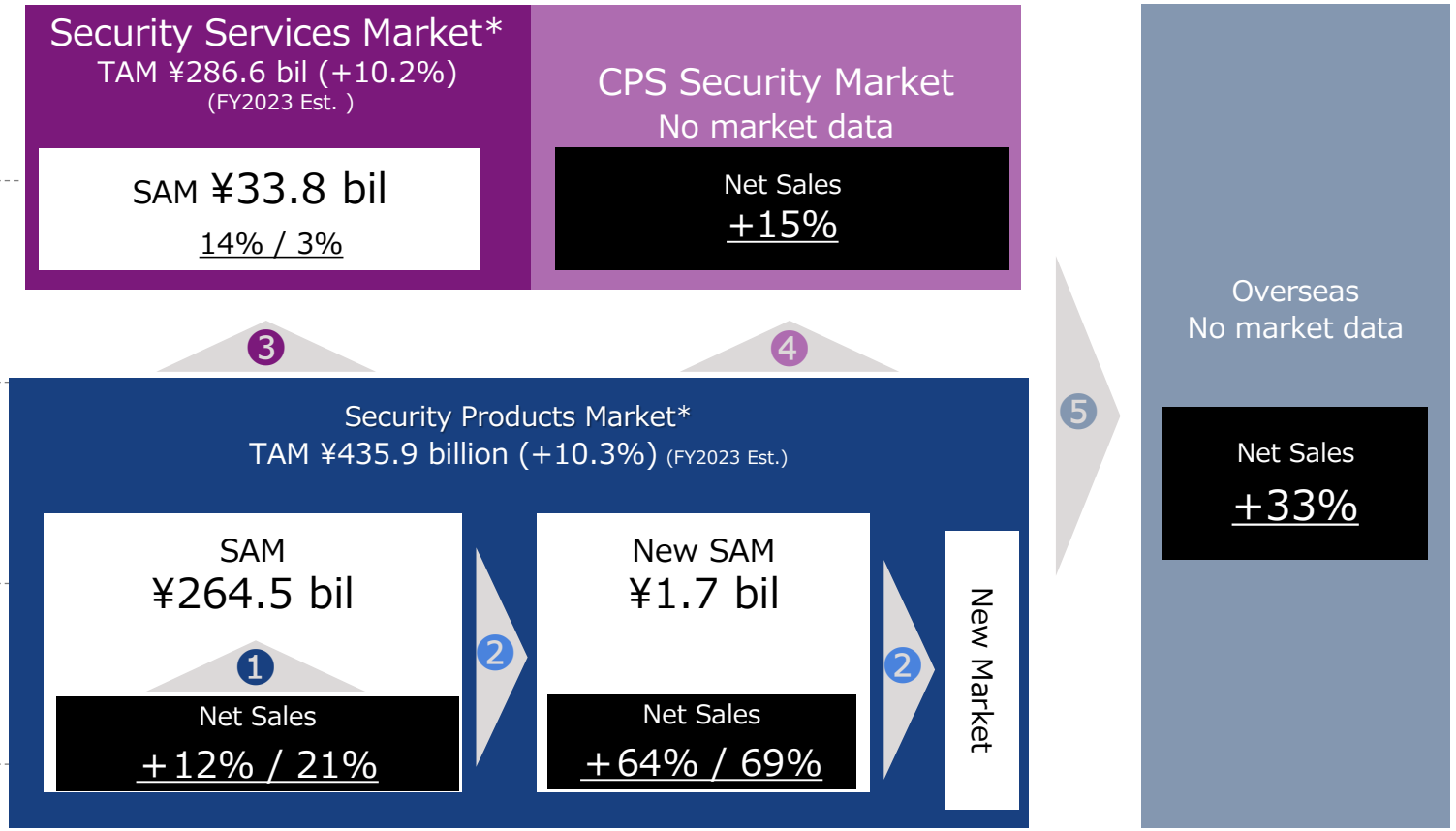
+14% — Our share : 3%
Increased orders for ASM and integrated monitoring services

4 Promoting Commercialization of CPS security

+15% — Growth in IoT and OT device management products

5 Strengthening Overseas Expansion

+33% — Growth in all countries



*Source: Fuji Chimera Research Institute's "2023 Network Security Business Survey" "Security Service Market" and "Security Product Market"
(SAM calculated by the Company)

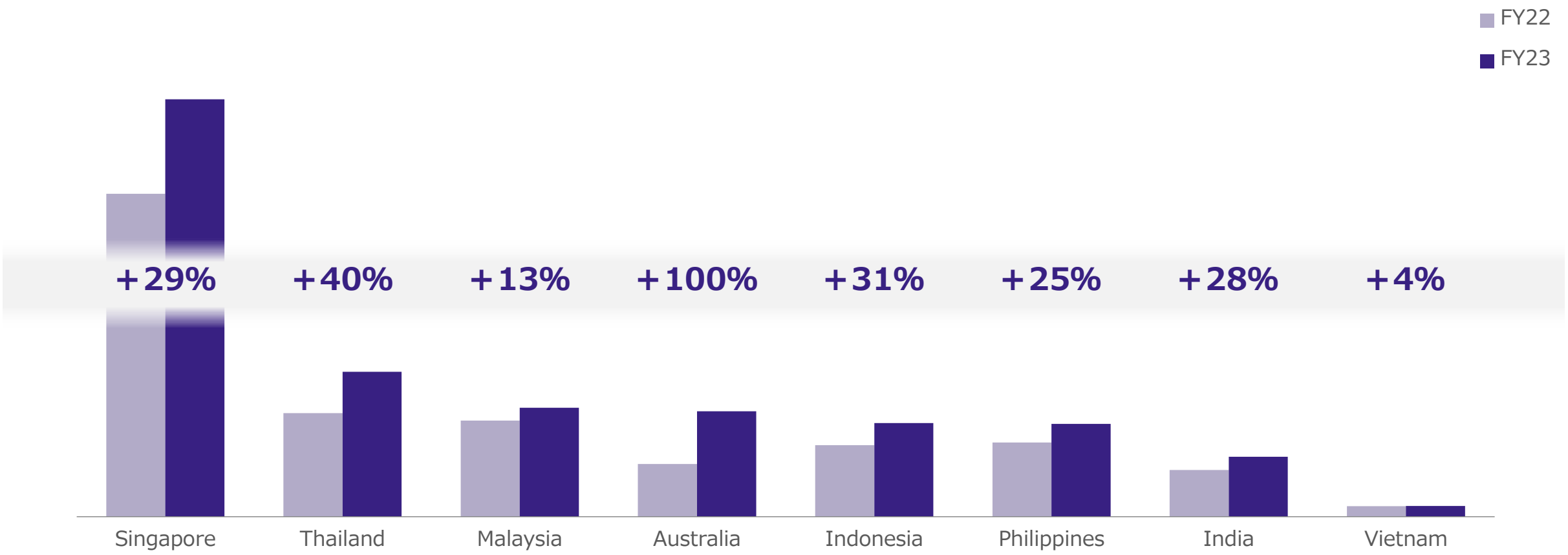
Expanding Big Data domain and in-house services

Expanding distribution domain and in-house services

	Existing Business Areas	New Business Areas
Services & Solutions Model	Y/Y ＋545% Data Utilization Application Data Utilization Platform	In-house services and application development in progress Generative AI Platform Pharma Manufacturing and Sales Approval Document Check System
High Value-added Distribution Model	Y/Y ＋32% Data Analysis Platform	Supplier 2 ➡ 7 Integrated Data Infrastructure AI TRiSM, AI Learning and Inference Multimodal Data Preparation

Overseas Network Business

+10.3 billion（+33%）y/y change　Growth in all countries



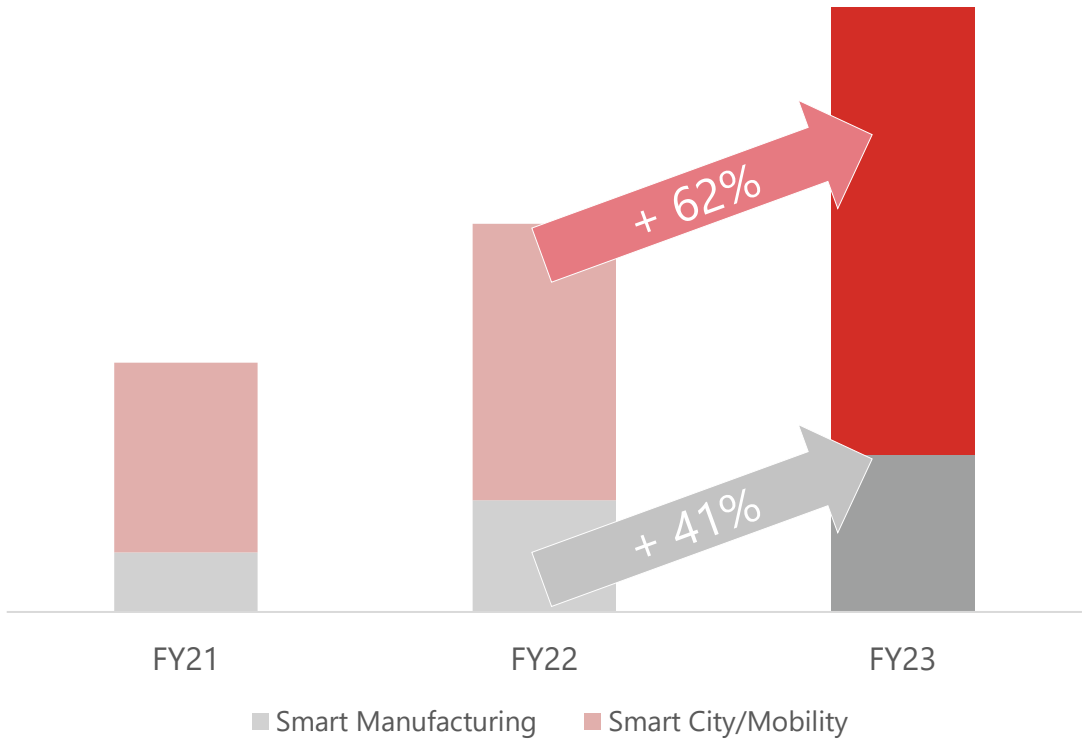
*Percentages represent comparisons with the previous year.

02. Mid-Term Management Plan (FY2022-2024)

❹ CPS Solutions Business

Leading CPS Solutions Business

Combined growth of 56% for Smart City/Mobility & Smart Manufacturing



Smart City/Mobility

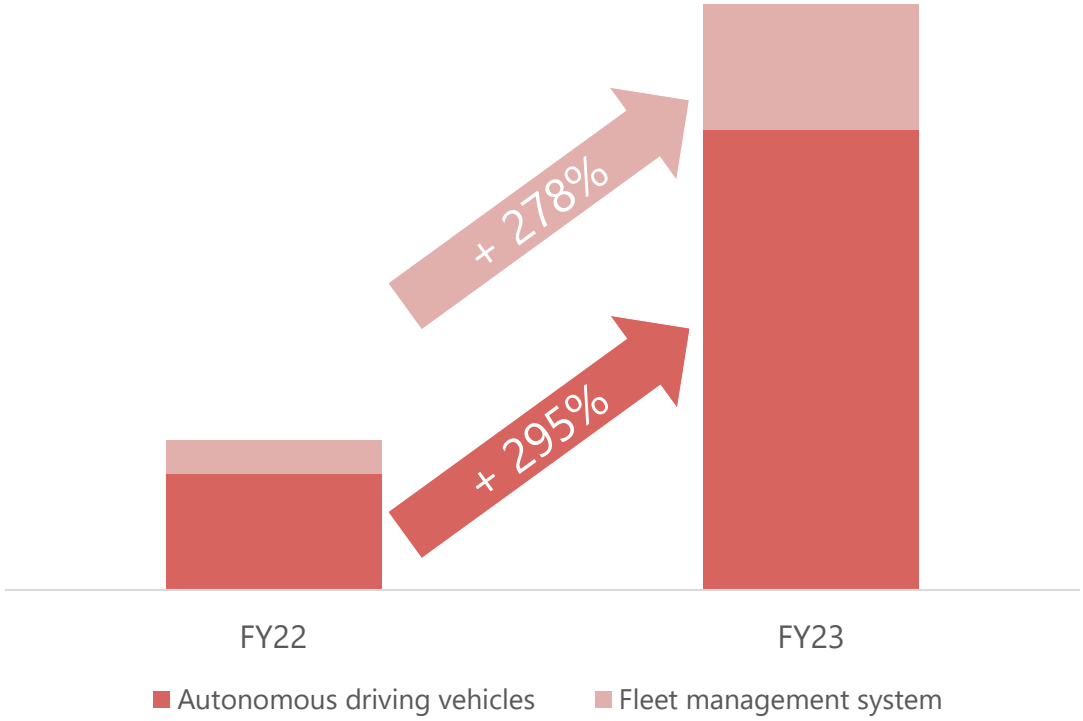
Y/Y Change +62%
In-house Services & Solutions ratio : 44%
Growth in FMS (Fleet Management Systems)

Smart Manufacturing

Y/Y Change +41%
In-house Services & Solutions ratio : 44%
Growth in consulting and system integration

Leading CPS Solutions Business: Smart City/Mobility

Steady sales from the combination of autonomous vehicles and fleet management systems



Significant growth in in-house autonomous driving services

Steady sales from the combination of autonomous vehicles and in-house developed fleet management systems

Autonomous driving vehicles Y/Y +295%

Fleet management systems Y/Y +278%

Spreading use of NAVYA autonomous Driving buses in Japan

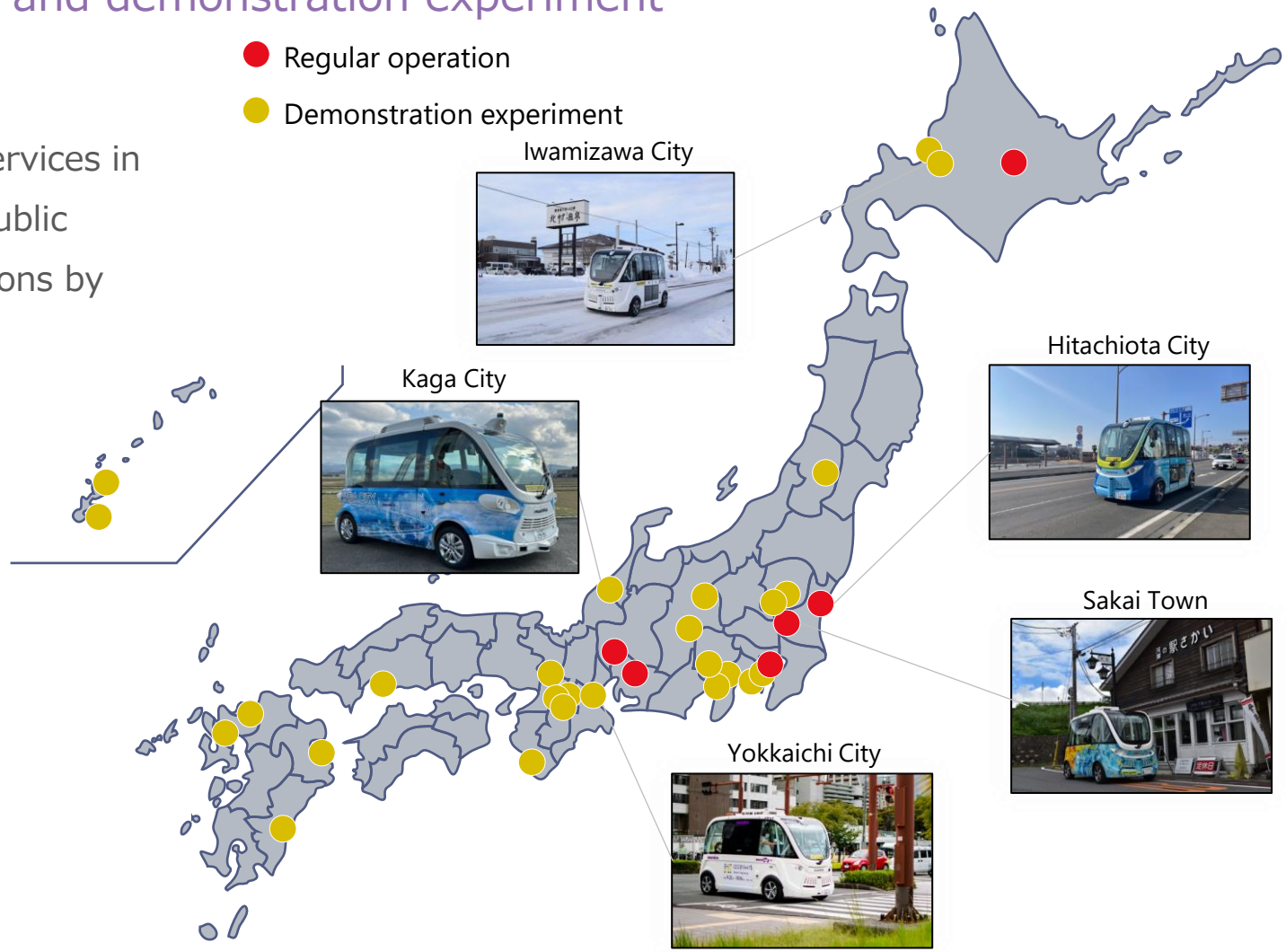
Steady increase in both regular operation and demonstration experiment

RoAD to the L4

We aim to implement autonomous driving mobility services in 50 locations by FY2025, and to maintain driverless public transportation through Level4 operation in 100 locations by FY2027.

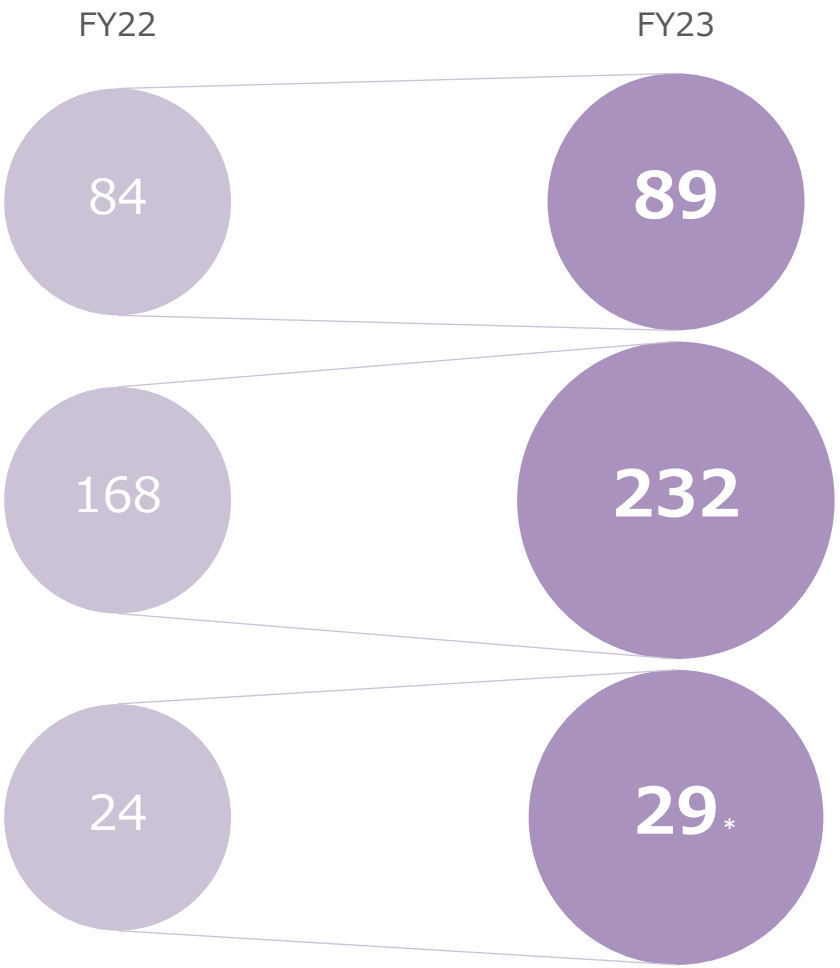
Regular operation **6**

Demonstration experiment **36**



The Process of Developing In-House Services

From distribution to in-house service



- Market entry with advanced products has been generally successful
- Distribution moving to a more focused stage

- Steady accumulation of intelligence for Services & Solutions development
- Eco-partners continue to expand selectively

- Software business is on the rise in in-house services

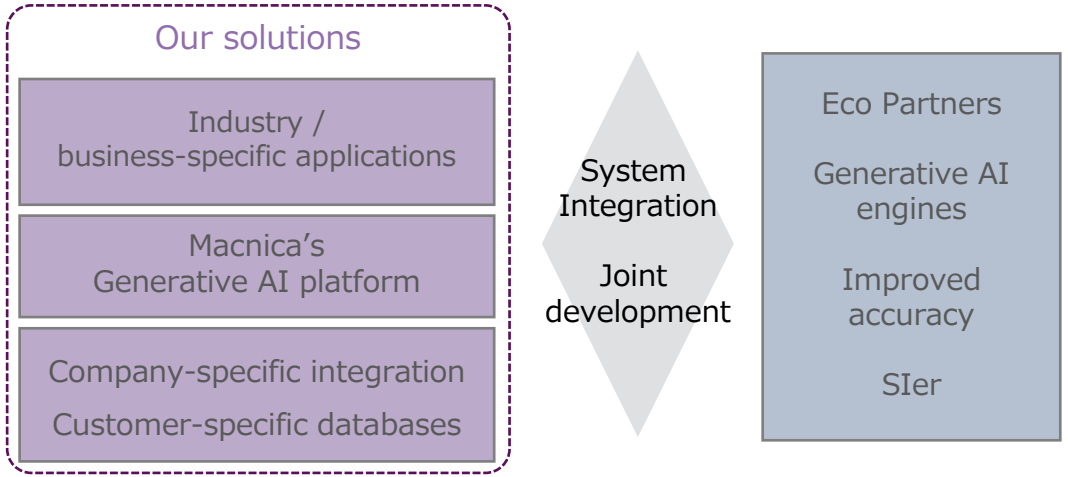
* Including some under development

In-house services related to generative AI

Generative AI Platform & Pharma Manufacturing, Sales Approval Document Check System to be released

Generative AI Platform

- Use of Generative AI with customers' internal data
- Ready-to-use industry/business-specific applications
- High response accuracy (Best of Breed)
- Advanced access control considering confidentiality obligation and confidential information, etc.



Pharmaceutical Manufacturing and Sales Approval Document Check System

- Ministry of Health, Labor and Welfare (MHLW) requests strict matching of manufacturing and sales approval documents with actual manufacturing practices
- Increased administrative sanctions against generic drug manufacturers
- System to support the matching of manufacturing and sales approval documents with actual manufacturing practices
- Fits customers' operational processes (3 pilot customers)



02. Mid-Term Management Plan (FY2022-2024)

❺ Strengthening the Management Base

Promotion of Sustainability Management

Further strengthening the foundation for sustainable growth

[NEW] MSCI ESG Ratings BB → BBB

ENVIRONMENT

- **[NEW] B Rank in CDP**
- Participation in TCFD Consortium
- Formulation of Environmental VISION and environmental policy
- Aqua de Power Kanagawa Certified
- ISO14001

SOCIETY

[NEW] EcoVadis (Human rights risk monitoring)
[NEW] Career Ownership Management Award 2024 Finalist
[NEW] New HR Systems
[NEW] Excellent Health Management Corporation 2024
[NEW] International Women's Day: Macnica Diversity FES

- Formulation of multi-stakeholder policy
- Formulation of DEI Statement
- Formulation of Macnica Group Human Rights Policy
- Health Management Declaration
- Declaration of Partnership Building
- Career Ownership Management Award 2023 – Award for Excellence

GOVERNANCE

- **[NEW] Change in institutional design of Directors (Planned)**
- **[NEW] AS9120 Aerospace Industry Quality standard**
- Group-wide risk visualization
- Risk management regulations
- Establishment of CSIRT system
- ISO9001 (Quality)
- ISO/IEC 27001

Strengthening Financial Base

- Minimize foreign exchange risk
- Strengthen global cash flow management
- Thorough management of working capital turnover

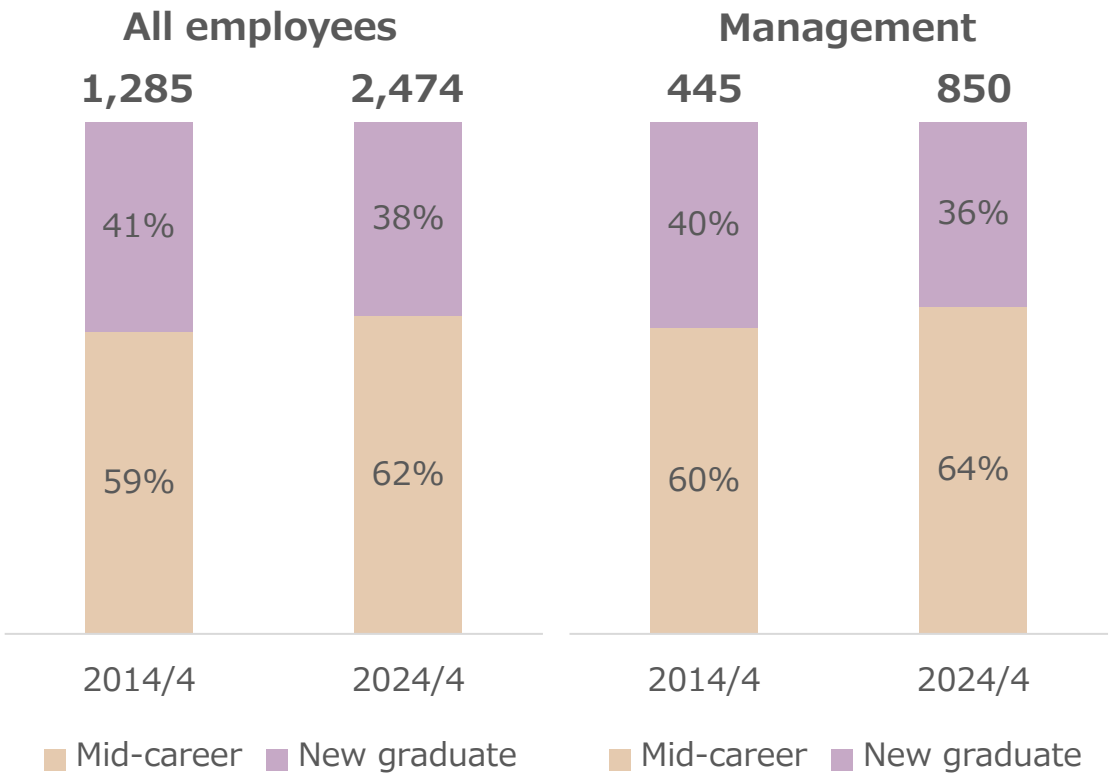
Strengthening IT Infrastructure

- **[NEW] Process mining implementation (Implementation starts)**
- **[NEW] Zero Trust full-scale adoption (domestic implementation in FY23, overseas expansion in FY24)**
- DX Certified Operator
- CRM Best Practices Award

Maximizing human resources

Pursuing workplace satisfaction under a fair organizational culture

New graduate /mid-career hire ratio



- **Accession rate in FY24** **13.4%** ※1
- **Resignation rate in FY24** **3.6%** ※2
- **New HR System**

  Job mission-based course structure

  Course framework designed for expert and professional roles

  Revision of remuneration levels (base salary up 7.5%)

- **Career Ownership Management Award 2024 Finalist**

2024 Career Ownership Management Award ファイナリスト

*1 "Number of new hires between 4/1/2023 and 3/31/2024" / "Number of employees as of 4/1/2023 (excluding those who joined on 4/1/2023)" x 100
*2: "Number of employees who retired between 4/1/2023 and 3/31/2024 (excluding those who reached retirement age)" / "Number of employees as of 4/1/2023" x 100
All figures, including the graphs, are calculated based on "domestic full-time employees.

Strengthening IT infrastructure

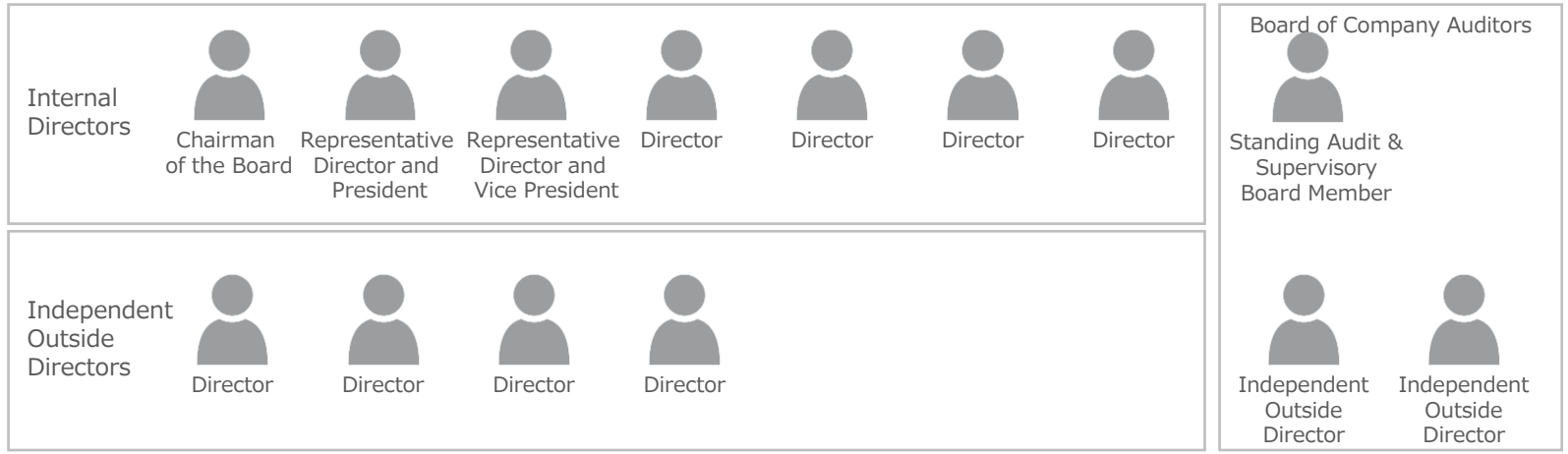
Accelerating DX to further improve productivity

	Theme	Measures	Status
Transformation			
Value Creation	Strengthening customer contact	Promoting CRM utilization	Deployed in all businesses
		Centralizing customer information	All deployed/Extended functionality
		Process mining (Sales)	FY23 implementation/Improvement measures identified
Growth			
Increased Profitability	Advanced inventory management	Promoting SCM utilization	Demand forecast accuracy within ±10%
		Process mining (Operations)	FY23 implementation/Improvement measures identified
	Promoting data utilization	Introduction of data virtualization tools	Data assets visualization
Foundation			
Transformation to growth foundation	Strengthening IT policy, planning, execution capabilities	Strengthening organizational structure	Continued recruitment efforts
		Promoting DX projects	FY23: 28 POCs, 7 DX projects
	Strengthening IT risk, response, capabilities	Strengthen security measures and operational structure	FY23: Starting implementation of Zero Trust Security

Strengthen Corporate Governance

Strengthening Governance by Changing the Institutional Design

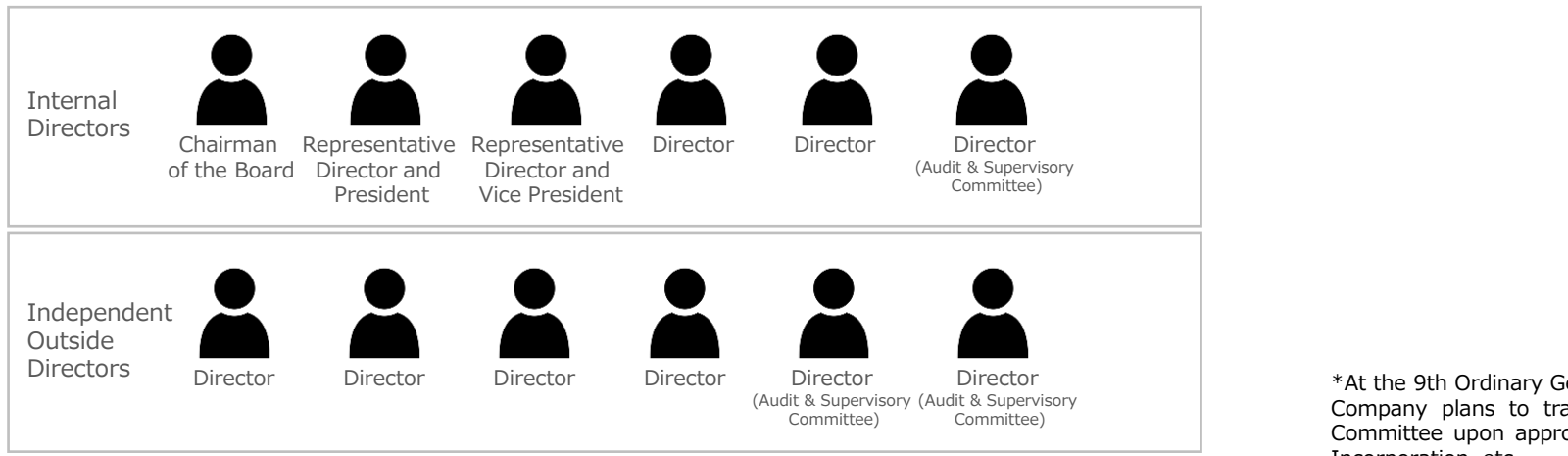
Company with a Board of Company Auditors



11 Directors	Internal Directors	7
	Independent Outside Directors	4
3 Audit & Supervisory Board Member	Standing Audit & Supervisory Board Member	1
	Audit & Supervisory Board Member	2

*1 female Director

Company with an Audit and Supervisory Committee



12 Directors	Internal Directors	6
	Independent Outside Directors	6
	(3 Audit & Supervisory Committee Members)	

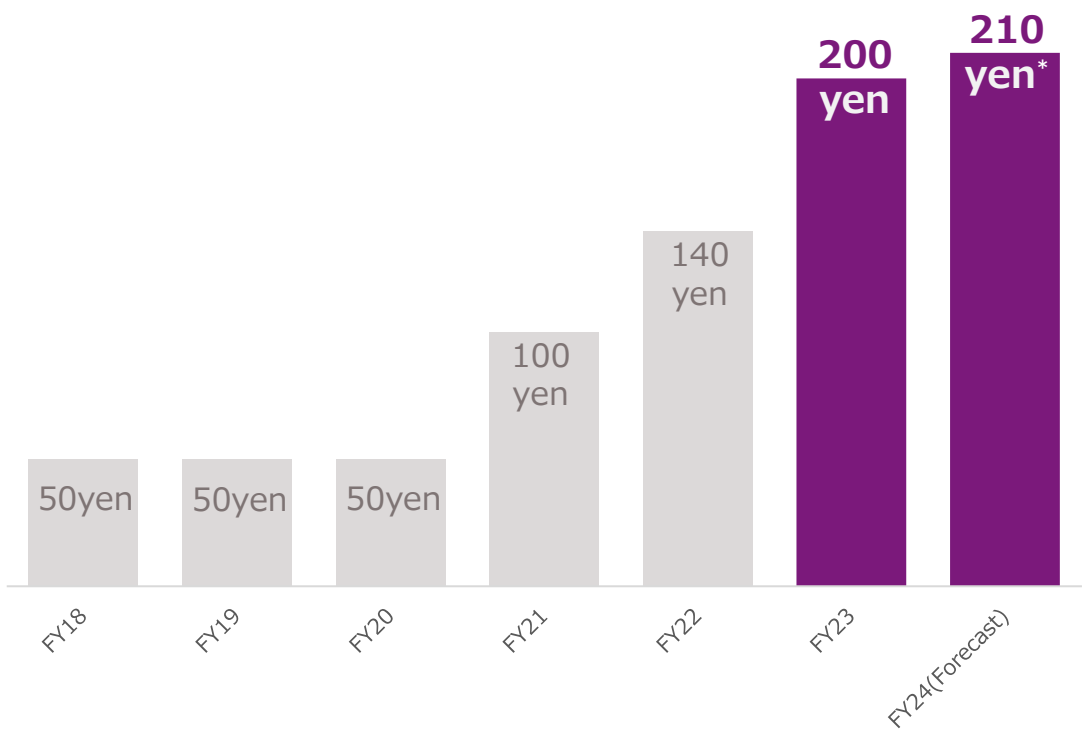
*3 female Directors

*At the 9th Ordinary General Meeting of Shareholders to be held in June, the Company plans to transition to a Company with Audit and Supervisory Committee upon approval of the necessary amendments to the Articles of Incorporation, etc.

Shareholder return, etc.

Ensuring stable and fair shareholder returns

Annual Dividend per Share



Dividends

FY23 year-end dividend increased by 10 yen from the actual forecast (annual dividend: 190 yen → 200 yen)

FY24 full-year (forecast) dividend increased by 10 yen from FY23 (annual 200 yen → 210 yen*)

Stock Split

1-for-3 share split scheduled for October 1

Abolition of Shareholder Benefit Plan

Implementation of fair shareholder return

* FY24 (forecast) dividend per share is the amount before the stock split.

