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August 8, 2024

TRANSLATION

Company: Macnica Holdings, Inc.
3132; TSE Prime Market
Representative: Kazumasa Hara,
Representative Director and President
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Director
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Notice of Change in Subsidiary (Change in Specified Subsidiary)

Macnica Holdings, Inc. (the "Company") announces that Macnica, Inc., a wholly-owned subsidiary, today signed an agreement with Nippon Telegraph and Telephone West Corporation regarding the investment in GAUSSIN MACNICA MOBILITY SAS ("GAMA" or "the concerned subsidiary"), a subsidiary of the Company. As a result of this investment, the capital of GAMA is expected to be 10 percent or more of the total capital of the Company, making it equivalent to a specified subsidiary of the Company.

For details of the agreement with Nippon Telegraph and Telephone West Corporation, please refer to the press release in the Appendix.

1. Reasons and background of the investment

With the aim of becoming a Services & Solutions Company as set out in Vision 2030, the Macnica Group ("the Group") is promoting business development in Smart City/Mobility as the core of its CPS solutions business. As part of this initiative, we have provided GAMA's autonomous driving EV buses to various municipalities and corporate customers in Japan and abroad.

In Japan, following the lifting of the ban on Level 4 autonomous driving, we have supported the introduction of autonomous EV buses and numerous demonstration tests in many municipalities. In this context, GAMA's autonomous driving EV bus technology was positioned as a core technology, and a joint venture, GAMA, which acquired the assets of NAVYA, was established in May 2023 between GAUSSIN SA and Macnica. In June 2024, Macnica, Inc. acquired all the shares held by GAUSSIN SA, making it a subsidiary.

The joint investment with Nippon Telegraph and Telephone West Corporation will strengthen GAMA's management capital and enable the company to continue providing autonomous driving vehicles, and implementation and operational know-how based on its extensive experience over many years to major markets around the world, including Japan.

2. Outline of the concerned subsidiary

(1)	Name	GAUSSIN MACNICA MOBILITY SAS
(2)	Location	1, rue Dr Fleury Papillon, 69100 Villeurbanne - France
(3)	Job title and name of representative	CEO, Jean-Claude Bailly
(4)	Description of business	Development of autonomous driving software and manufacture and sales of autonomous driving bus/tractor vehicles

(5)	Share capital（Number of issued shares）	€5,000,000 (50,000,000 shares)	
(6)	Date of establishment	May 2, 2023	
(7)	Major shareholders and ownership ratios	Macnica, Inc. (100%)	
(8)	Relationship between the Company and said shareholder	Capital relationship	Macnica, Inc. has a 100% stake in the company.
		Personnel relationship	One specialist director and one employee of Macnica, Inc. concurrently serve as directors.
		Business relationship	Macnica, Inc. conducts transactions with the concerned subsidiary, including the sale and purchase of products and the lending of funds.

(9) Operating results and financial position of the concerned subsidiary for the previous year

Fiscal year	Fiscal Year ended December 2023 (9 Months)
Net assets	1,130,499 €
Total assets	10,468,895 €
Net assets per share	0.022 €
Net sales	3,416,925 €
Operating income	-4,821,470 €
Ordinary income	-4,943,659 €
Net income	-3,869,501 €
Dividend per share	-

3. Details of the Contract

1. Counterparty: Nippon Telegraph and Telephone West Corporation
2. Recipient of the investment: GAUSSIN MACNICA MOBILITY SAS
3. Capital amount: €10,000,000 from Nippon Telegraph and Telephone West Corporation, €10,000,000 from the Company
4. Capital amount after investment: €25,000,000 (€4 billion if 1 € is calculated at 160 yen)
5. Contract signing date: August 8, 2024
6. Timing for Investment to be implemented: To be implemented during 2024

Macnica's loan to GAMA of €9,200,000 will be converted into capital, with the remaining €800,000 to be contributed in cash. The capital structure after the conversion to capital and the execution of the investment by Macnica, Inc. and Nippon Telegraph and Telephone West Corporation will be as follows:

Name	Number of shares	Ratio
Macnica, Inc.	250,000,000 shares	71.4%
Nippon Telegraph and Telephone West Corporation	100,000,000 shares	28.6%

4. Future outlook

The impact of GAMA's conversion to a specified subsidiary on the Group's consolidated financial results is expected to be minor. If it becomes clear that there will be a significant impact on the Group's results in the future, an announcement will be made immediately.

5. Other

GAMA is currently planning to change its trade name. The new name will be NAVYA MOBILITY SAS.

The investment by the two companies and the completion of the company name change will be formalized in

accordance with French law, following CSE (Social and Economic Committee) approval, completion of the competition law and approval by the authorities in France.