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October 28, 2024

TRANSLATION

Company: Macnica Holdings, Inc.
3132; TSE Prime Market
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Regarding Revisions to the Earnings Forecast and Medium-Term Management Plan Targets

Based on recent trends in business performance, we revised the consolidated earnings forecast for the year ending March 31, 2025 (April 1, 2024 to March 31, 2025) announced on May 7, 2024 as follows. Additionally, we hereby announces that on October 28, 2024, its Board of Directors resolved to revise the numerical management targets of the Medium-Term Management Plan (FY 2022-2024) announced on May 7, 2024, as follows.

1. Revision of the full-year consolidated earnings forecast

(1).Revision of consolidated earnings forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

	Net sales	Operating income	Ordinary income	Net income attributable to owners	Net income per share
Previously announced forecast (A)	Million of yen 1,100,000	Million of yen 64,000	Million of yen 60,500	Million of yen 42,000	yen 233.39
Revised forecast (B)	1,040,000	44,500	42,000	30,000	166.65
Change (B – A)	△60,000	△19,500	△18,500	△12,000	
Percent change (%)	△5.5%	△30.5%	△30.6%	△28.6%	
(Ref.) Results for the previous fiscal year (FY2023)	1,028,718	63,733	61,966	48,069	794.64

*Net income per share for the fiscal year ending March 31, 2025 (full year) takes account of the share split effective October 1, 2024. Excluding the share split, net income per share for the year ending March 31, 2025 (full year) would be 499.96 yen.

(2). Reasons for the revision of the earnings forecast

With regard to business performance for the year ending March 31, 2025, we expect a slower recovery for ICs, Electronic Devices and Other business in the industrial equipment market, the Group's main focus area, due to prolonged stagnation in the Chinese market and inventory adjustments. In the Network business, security-related products are expected to continue performing well. In addition, data analysis-related products are expected to remain firm, with growing recognition of the effectiveness of data utilization in the process of utilizing digital technology. In light of these business conditions and our earnings situation, we have revised the full year forecast for the year ending March 31, 2025.

2. Revised Targets for the Medium-Term Management Plan (FY2022-2024)

(1). Revised Medium-Term Management Plan (FY2022-2024)

	FY 2024 Numerical management targets (Year ending March 31, 2025)		
	Announced May 9, 2022	Announced May 7, 2024	Revision
Consolidated net sales	Over 970 billion yen	1,100 billion yen	1,040 billion yen
Consolidated operating income	Over 48 billion yen	64 billion yen	44.5 billion yen
Consolidated operating income margin	Over 5.0%	5.8%	4.3%
Consolidated net income	Over 30 billion yen	42 billion yen	30 billion yen
Consolidated ROE *1	Over 15.0%	Over 15.0%	Over 15.0%
Working capital turnover *2	Over 3.8	Over 3.8	Over 3.8

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

(2). Reasons for the revision of the earnings forecast
The Medium-Term Management Plan, which ends in FY2024 (ending March 31, 2025), revised management targets announced on May 7, 2024, in accordance with the revised consolidated earnings forecast for FY2024, as stated in "1. Revision of the full-year consolidated earnings forecast." The consolidated ROE for the full year 2025 was expected to be around 12%, which will not be achieved. The numerical target of 15.0% or more will be maintained as a target to be achieved from a medium- to long-term perspective.

*The above forecast data is based on information available at the time of publication, and involve various uncertainties. Actual results may differ from these forecasts due to changes in performance and other factors.