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Consolidated Interim Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

October 28, 2024

Company name: Macnica Holdings, Inc.
Listing: TSE Prime
Securities code: 3132
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Scheduled date of filing interim securities report: November 14, 2024
Scheduled date to commence dividend payments: December 3, 2024
Preparation of supplementary material on financial results: Yes
Holding of interim financial results briefing: Yes (For institutional investors and analysts)

1. Consolidated interim financial results for the six months ended September 30, 2024

(April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

Yen rounded down to millions, % indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	518,960	△5.1	22,377	△41.1	21,099	△42.5	15,243	△41.1
September 30, 2023	546,961	11.0	38,000	41.8	36,667	54.7	25,864	53.8

Note: Comprehensive income For the six months ended September 30, 2024: 11,031 million yen [(69.1)%]
For the six months ended September 30, 2023: 35,677 million yen [27.7%]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
September 30, 2024	84.68	—
September 30, 2023	142.32	—

Note: The Company conducted a 1-for-3 share split of its common shares, effective on October 1, 2024. Net income per share is calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year. Diluted net income per share is stated as "-" because there are no latent shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	545,485	256,690	45.5
March 31, 2024	552,244	256,420	44.2

Reference: Equity as of September 30, 2024: 248,132 million yen; as of March 31, 2024: 244,314 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2024	—	80.00	—	120.00	200.00
Fiscal year ending March 31, 2025	—	105.00			
Fiscal year ending March 31, 2025 (Forecast)			—	35.00	—

Note: 1. Revisions to the forecast of cash dividends most recently announced: None

2. The Company conducted a 1-for-3 share split of its common shares, effective on October 1, 2024. The annual dividend for the year ending March 31, 2025 (forecast) takes the share split into account and the annual dividend per share is shown as "-". If the share split weren't accounted for, the year-end dividend for the year ending March 31, 2025 (forecast) would be 105 yen per share and the annual dividend would be 210 yen per share.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025

(April 1, 2024, to March 31, 2025) % indicate changes from the same period of the previous fiscal year

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Mill yen	%	Mill yen	%	Mill yen	%	Mill yen	%	yen
Fiscal year ending March 31, 2025	1,040,000	1.1	44,500	△30.2	42,000	△32.2	30,000	△37.6	166.65

Note: 1. Revisions of the forecast most recently announced: Yes

2. Net income per share for the year ending March 31, 2025 (full year) reflects the amount adjusted for the share split noted in "1. Consolidated interim financial results for the six months ended September 30, 2024." If the share split were not taken into account, net income per share for the year ending March 31, 2025 (full year) would be 499.96 yen.

Notes

(1) Significant changes in the scope of consolidation during the interim period: None

Newly included: None

Excluded: None

(2) Adoption of accounting procedures specific to the interim consolidated financial statements: Yes (Please refer to page 10 for details.)

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None (Please refer to page 10 for details.)

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	182,572,146 shares
As of March 31, 2024	182,572,146 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2024	2,478,804 shares
As of March 31, 2024	2,616,330 shares

(iii) Average number of shares outstanding during the interim period

Six months ended September 30, 2024	180,013,938 shares
Six months ended September 30, 2023	181,730,677 shares

Note: The Company conducted a 1-for-3 share split of its common shares, effective on October 1, 2024. Number of issued shares (common shares) is calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year.

* Interim financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Disclaimer regarding forward-looking statements and other special notes

  Forward-looking statements in this document such as financial forecasts are based on assumptions available to management and considered reasonable at the time of publication. The Group does not guarantee the achievement of projections. Actual performance may differ materially from these projections due to various factors. Please see "1. Operating Results (3) Consolidated Earnings Forecasts and Other Forward-Looking Statements" on page 4 for more information regarding the assumptions used and matters to be noted when relying on profit projections.

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1. Operating Results

(1) Interim Operating Results

During the current consolidated interim period, the Japanese economy has been recovering gradually, with personal consumption picking up due to factors such as rising wages and inbound demand. In the global economy, the outlook remains uncertain, with factors such as the delayed recovery of the Chinese economy and sharp fluctuations in exchange rates.

In the electronics industry, to which we belong, demand for high-performance semiconductors is recovering due to rising demand for generative AI. In the industrial equipment market, a wide range of sectors, including FA equipment, machine tools, medical equipment and measuring equipment, entered an adjustment phase affected by the stagnation in the Chinese market, despite signs of market recovery, and inventory adjustments. In the automotive market, semiconductor volume per vehicle is increasing due to advanced control systems for improved safety and automation, and the shift to EVs (electric vehicles) for decarbonization.

In the IT industry, the environment for IT investment by companies remains favorable. With regard to security, as cyber-attacks such as ransomware have caused enormous damage, including the leakage of corporate information and the business suspension, an increasing number of companies view this as a management challenge. In recent years, corporate IT systems have also seen an increase in the number of points that need to be addressed along with the increase in external connections due to the use of cloud computing and remote working, among others. There is also a growing interest in Zero Trust, which assumes that users and devices—even those within internal systems—cannot be trusted from the outset, as well as in Attack Surface Management (ASM), which evaluates and manages the risks of information assets.

For the Group to further expand its business and increase its corporate value in the future, it is essential to acquire human capital such as human resources and engineers with technical knowledge and expertise in semiconductors and electronic devices as well as sales skills in ICs, electronic devices, etc. Therefore, in January 2024, a wholly owned subsidiary of the Company (Macnica, Inc.) conducted a tender offer for the shares of Glosel Co., Ltd. and made it a specified subsidiary from March 2024. By enhancing human capital within the Group, we will expand our semiconductor business and new businesses and create business synergies.

As a result of the above, net sales for the current consolidated interim period amounted to 518,960 million yen, down 5.1% YoY (year on year). Operating income was 22,377 million yen, down 41.1% YoY, due to the impact of a decrease in the relatively high-profit margin business for industrial equipment, and an increase of 4,925 million yen in selling, general & administrative expenses, compared to the same period last year, due to factors such as an increase in personnel expenses and the consolidation of Glosel Co., Ltd. Ordinary income was 21,099 million yen, down 42.5% YoY, and net income attributable to owners of the parent amounted to 15,243 million yen, down 41.1% YoY.

Results by segment are as follows.

ICs, Electronic Devices and Other Business

In this business segment, demand for semiconductors is increasing in the automotive market due to advanced control systems for improved safety and automation, such as ADAS (Advanced Driver Assistance Systems), and the continuing trend toward hybrid cars and EV (Electric Vehicles) for decarbonization. In addition, the addition of Glosel Co., Ltd. to the Group has led to an increase in sales in the automotive, consumer electronics, and OA and peripherals markets compared to the previous year. In the industrial equipment market, however, despite corporate willingness to invest in plant and equipment, prolonged stagnation in the Chinese market and inventory adjustments affected a wide range of markets, including semiconductor production equipment, FA equipment, industrial robots, and medical equipment. In the computer market, although there was rising demand for AI servers, there was a decrease due to the absence of large server projects recorded in the previous year. The telecommunication infrastructure market was weak due to a slowdown in domestic capital investment.

As a result, net sales and operating income in this business segment for the interim period were 445,504 million yen, down 9.6% YoY, and 16,321 million yen, down 52.8% YoY, respectively.

Network business

In this business segment, the importance of security measures for client terminals has become widely recognized, and major domestic companies that have already introduced security solutions are expanding the target users within the group, leading to significant growth in endpoint security-related products. In addition, sales of data analysis-related products and cloud security gateway-related products have grown significantly due to large-scale projects at government agencies and financial institutions. In addition, the overseas network business, mainly in Southeast Asia, has also grown.

As a result, net sales in this business segment for the interim period were 73,461 million yen, up 35.0% YoY, and operating income was 6,055 million yen, up 75.9% YoY.

Reference: Consolidated Net Sales by Product

			Apr 1 – Sept 30 2023	Apr 1 – Sept 30 2024	Y/Y change (%)
			Millions of yen	Millions of yen	
IC, Electronic Devices and Other Businesses			492,544	445,504	△9.6
	IC		441,930	394,478	△10.7
		PLD	64,222	36,830	△42.7
		ASIC	11,194	9,331	△16.6
		ASSP	65,214	52,438	△19.6
		Analog	135,350	119,439	△11.8
		Memory	25,194	34,238	35.9
		Other Standard IC	140,755	142,199	1.0
	Electronic Devices		28,184	34,527	22.5
	Other		22,429	16,499	△26.4
Network Business			54,416	73,456	35.0
	Hardware		7,237	7,093	△2.0
	Software		38,448	56,362	46.6
	Service		8,731	10,000	14.5
Total			**546,961**	**518,960**	**△5.1**

Note: Amounts are sales to external customers, excluding internal sales or transfers.

(2) Interim Financial Position

Total assets at the end of the current consolidated interim period amounted to 545,485 million yen, a decrease of 6,759 million yen compared to the end of the previous consolidated fiscal year.

Current assets decreased by 7,053 million yen compared to the end of previous consolidated fiscal year. This was mainly due to decreases of 8,177 million yen in electronically recorded receivables and 5,072 million yen in other current assets, despite an increase of 6,338 million yen in notes, accounts receivable and contract assets.

Fixed assets increased by 294 million yen compared to the end of the previous consolidated fiscal year. This

was primary due to increases of 124 million yen in buildings and structures, 200 million yen in other tangible fixed assets, 348 million yen in goodwill and 247 million yen in investments and other assets, respectively, despite a decrease of 752 million yen in investment securities.

Current liabilities decreased by 7,097 million yen compared to the end of the previous fiscal year. This was mainly due to decreases of 5,371 million yen in short-term loans payable, 3,689 million yen in accrued income taxes, 1,147 million yen in accrued bonuses and 2,041 million yen in other current liabilities, respectively, despite an increase of 5,216 million yen in notes & accounts payable.

Long-term liabilities increased by 68 million yen compared to the end of the previous fiscal year. This was mainly due to a 47 million yen increase in liabilities for retirement benefits and a 20 million yen increase in other long-term liabilities.

Net assets increased by 270 million yen compared to the end of the previous fiscal year. This was mainly due to an increase of 8,045 million yen in retained earnings, despite decreases of 4,231 million yen in translation adjustments and 3,548 million yen in non-controlling interests.

Cash Flows

Cash and cash equivalents at the end of the consolidated interim period decreased by 2,722 million yen to 35,901 million yen, compared to 38,623 million yen at the end of the previous fiscal year.

Cash flow from operating activities

Cash flow provided by operating activities increased by 18,548 million yen, compared to an increase of 22,729 million yen in the same period of the previous year. This was mainly due to the recording of income before income taxes of 21,843 million yen and an increase in trade payable, despite an increase in inventories and corporate tax payment.

Cash flow from investing activities

Cash flow used in investing activities decreased by 7,934 million yen, compared to a decrease of 2,953 million yen in the same period of the previous year. This was mainly due to disbursements of loans, purchases of intangible assets, payments for transfer of business, and purchases of shares of affiliate.

Cash flow from financing activities

Cash flow used by financing activities decreased by 12,193 million yen, compared to a decrease of 26,986 million yen in the same period of the previous year. This was mainly due to a net decrease in short-term loans and cash dividends paid.

(3) Consolidated Earnings Forecasts and Other Forward-Looking Statements

Regarding our outlook, 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. For details, please refer to the "Regarding Revisions to the Earnings Forecast and Medium-Term Management Plan Targets" released today.

2. Consolidated Interim Financial Statements and Major Notes

(1) Consolidated Interim Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
ASSETS		
Current assets		
Cash and deposits	38,710	35,984
Notes, accounts receivable and contract assets	194,361	200,699
Electronically recorded receivables	13,129	4,952
Product	234,001	236,610
Other	39,005	33,932
Allowance for doubtful accounts	△459	△483
Total current assets	518,749	511,696
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	2,290	2,415
Tools, furniture and fixtures, net	1,795	1,809
Machinery, equipment and vehicles, net	141	150
Land	3,558	3,559
Other, net	1,241	1,441
Total tangible fixed assets	9,027	9,376
Intangible fixed assets		
Goodwill	1,049	1,398
Other	5,995	6,096
Total intangible fixed assets	7,044	7,494
Investments and other assets		
Investment securities	8,223	7,471
Other	9,219	9,466
Allowance for doubtful accounts	△21	△20
Investments and other assets	17,421	16,916
Total fixed assets	33,494	33,788
Total Assets	552,244	545,485

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
LIABILITIES		
Current liabilities		
Notes & accounts payable	151,126	156,343
Short-term loans payable	60,587	55,215
Accrued income taxes	9,641	5,951
Accrued bonuses	5,946	4,798
Provision for directors' bonuses	83	19
Other current liabilities	63,673	61,631
Total current liabilities	291,058	283,960
Long-term liabilities		
Long-term debt	3,000	3,000
Liability for retirement benefits	386	434
Other long-term liabilities	1,378	1,399
Total long-term liabilities	4,765	4,833
Total liabilities	295,824	288,794
NET ASSETS		
Shareholders' Equity		
Paid-in capital	14,040	14,040
Additional paid-in capital	36,764	36,771
Retained earnings	171,537	179,582
Treasury share	△5,714	△5,411
Total shareholders' equity	216,627	224,983
Other Comprehensive Income		
Unrealized holding gains on securities	501	△44
Gain (loss) on deferred hedge	△93	146
Translation adjustments	27,279	23,047
Total comprehensive income	27,686	23,149
Non-controlling interests	12,106	8,557
Total net assets	256,420	256,690
Total Liabilities & Net Assets	552,244	545,485

(2) Consolidated Interim Statements of Income and Comprehensive Income

Consolidated Interim Statements of Income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	546,961	518,960
Cost of sales	475,995	458,692
Gross profit	70,966	60,268
Selling, general & administrative expenses	32,966	37,891
Operating income	38,000	22,377
Non-operating income		
Interest income	141	336
Dividend income	44	92
Equity in net gain of affiliates	9	―
Other	184	367
Total non-operating income	380	795
Non-operating expenses		
Interest expense	1,208	888
Equity in net loss of affiliates	―	7
Foreign exchange losses	99	873
Loss on transfer of receivables	304	247
Other	100	57
Total non-operating expenses	1,712	2,073
Ordinary income	36,667	21,099
Extraordinary income		
Proceeds from sale of investment securities	777	239
Gain on negative goodwill	―	612
Other	6	7
Total extraordinary income	784	859
Extraordinary losses		
Loss on valuation of investment securities	383	33
Loss on termination of ESOP trust	―	74
Other	41	7
Total extraordinary losses	425	115
Income before income taxes	37,026	21,843
Corporate, inhabitant and enterprise taxes	10,895	5,873
Total corporate tax	10,895	5,873
Net income	26,131	15,970
Net income attributable to non-controlling interests	266	726
Net income attributable to owners of parent	25,864	15,243

Consolidated Interim Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net income	26,131	15,970
Other comprehensive income		
Unrealized holding gains on securities	138	△592
Gain (loss) on deferred hedge	△377	240
Translation adjustments	9,759	△4,555
Other comprehensive income of entities under equity method	26	△30
Total comprehensive income	9,546	△4,938
Comprehensive income	35,677	11,031
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	34,932	10,706
Comprehensive income attributable to non-controlling interests	744	325

(3) Consolidated Interim Statements of Cash Flow

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Operating Activities		
Income before income taxes	37,026	21,843
Depreciation and amortization	1,759	1,807
Gain on negative goodwill	―	△612
Interest and dividend income	△186	△428
Interest expense	1,208	888
Equity in net loss (gain) of affiliates	△9	7
Loss (gain) on translation	△834	523
Proceeds from sale of investment securities	△777	△239
Loss on valuation of investment securities	383	33
Loss on termination of ESOP trust	―	74
Change in notes and accounts receivable	△19,223	△1,388
Change in inventories	2,922	△5,033
Changes in trade payable	2,369	7,833
Other	13,134	926
Sub-total	37,773	26,234
Interest and dividends received	192	406
Interest paid	△1,194	△868
Corporate tax payment (refund)	△14,041	△7,224
Net cash provided by (used in) operating activities	22,729	18,548
Investing Activities		
Disbursement of loans	△670	△1,585
Proceeds from collection of loans	371	692
Purchases of property and equipment	△805	△672
Proceeds from sales of property and equipment	7	13
Purchases of intangible assets	△362	△986
Purchases of investment securities	△349	△41
Proceeds from sales of investment securities	2	287
Purchases of shares of affiliate	△1,133	△172
Payments for transfer of business	―	△2,237
Proceeds from purchases of shares of affiliates	―	△3,194
Other	△13	△37
Net cash provided by (used in) investing activities	△2,953	△7,934

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Financing Activities		
Change in short-term loans	△20,980	△3,866
Repayment of long-term debt	―	△206
Purchase of treasury shares	△1	△1
Cash dividends paid	△4,539	△7,192
Dividends paid to non-controlling interests	△1,118	△500
Proceeds from purchases of shares of affiliates not resulting in change in scope of consolidation	△0	―
Other	△345	△426
Net cash provided by (used in) financing activities	△26,986	△12,193
Translation adjustments on cash and cash equivalents	2,415	△1,142
Net increase (decrease) in cash and cash equivalents	△4,793	△2,722
Cash and cash equivalents at beginning of the year	37,492	38,623
Cash and cash equivalents at end of the interim period	32,698	35,901

(4) Notes to Consolidated Interim Financial Statements

Notes on going concern assumption

Not applicable

Notes on significant changes in shareholders' equity

Not applicable

Adoption of accounting procedures specific to the consolidated interim financial statements

Tax expenses

The Company adopted a procedure for reasonably estimating the effective tax rate after applying tax effect accounting to income before taxes for the consolidated fiscal year, including the current consolidated interim period, and multiplying interim income before income taxes by the estimated effective tax rate.

Changes in accounting policies

Application of Accounting Standards for Corporate, Inhabitant and Enterprise Taxes

The Accounting Standards for Corporate, Inhabitant and Enterprise Taxes (ASBJ Statement No.27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standards 2022") have been adopted since the beginning of the current consolidated interim period ended June 30, 2024.

The amendment to categories in which Corporate, Inhabitant and Enterprise Taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standards 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the interim consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted since the beginning of the current consolidated interim period ended June 30, 2024. This change in accounting policies was applied retrospectively. Hence, the consolidated financial statements for the same

interim period of the previous fiscal year and the consolidated financial statements for the previous fiscal year have been modified retrospectively. This change in accounting policy has no impact on the consolidated financial statements of the same interim period in the previous fiscal year or the consolidated financial statements for the previous fiscal year.

Segment information

1. Previous Consolidated Interim Period (April 1, 2023 – September 30, 2023)

(1) Sales and profit (loss) by segment (Millions of yen)

	Reportable segment			Other	Total
	ICs, electronoic devices and other business	Network business	Sub-total		
Sales					
1) Sales to external customers	492,544	54,416	546,961	—	546,961
2) Internal sales, segment transfers	—	18	18	—	18
Total	492,544	54,435	546,980	—	546,980
Operating income by segment	34,556	3,443	37,999	—	37,999

(2) Income (loss) by segment & consolidated interim statements of income (reconciliation) (Millions of yen)

Income	Amount
Total segment income	37,999
Elimination of intersegment income	0
Operating income in the consolidated interim statement of income	38,000

(3) Impairment losses on fixed assets, information concerning goodwill by reportable segment
Not applicable

2. Current Consolidated Interim Period (April 1, 2024 – September 30, 2024)

(1) Sales and profit (loss) by segment (Millions of yen)

	Reportable segment			Other	Total
	ICs, electronoic devices and other business	Network business	Sub-total		
Sales					
1) Sales to external customers	445,504	73,456	518,960	—	518,960
2) Internal sales, segment transfers	—	5	5	—	5
Total	445,504	73,461	518,965	—	518,965
Operating income by segment	16,321	6,055	22,376	—	22,376

(2) Income (loss) by segment & consolidated interim statements of income (reconciliation) (Millions of yen)

Income	Amount
Total segment income	22,376
Elimination of intersegment income	0
Operating income in the consolidated interim statement of income	22,377

(3) Impairment losses on fixed assets, information concerning goodwill by reportable segment
(Significant gain on negative goodwill)

In the ICs, electronic devices and other business, the Group acquired additional shares in consolidated subsidiary Glosel Co., Ltd. As a result, a gain on negative goodwill of 612 million yen was recorded in

the current consolidated interim period.

Important subsequent events

Share Split, Partial amendment to the Articles of Incorporation due to the share split
Macnica Holdings, Inc. (the "Company") hereby announces that the company conducted a share split, and partially amended the Articles of Incorporation based on a resolution of the Board of Directors on May 7, 2024.

1. Share split

(1) Purpose of the share split

By reducing the price per investment unit, the Company aims to create a more investor-friendly environment for individual investors, against the backdrop of the introduction of the new NISA system and other factors, and improve market liquidity.

(2) Overview of the share split

1) Method of the share split

With September 30, 2024 (Monday) as the record date, the Company conducted a 1-for-3 share split of the Company's common shares held by shareholders listed or recorded in the final shareholder list on that date.

2) Increase in the number of shares due to the share split

Total number of issued shares before the share split	60,857,382 shares
Increase in the number of shares due to the share split	121,714,764 shares
Total number of issued shares after the share split	182,572,146 shares
Total number of authorized shares after the share split	600,000,000 shares

3) Schedule of the share split

Date of public notice of the record date	September 13, 2024 (Friday)
Record date	September 30, 2024 (Monday)
Effective date	October 1, 2024 (Tuesday)

4) Impact on per share information

The impact on per share information is stated in the relevant section.

2. Partial amendment to the Articles of Incorporation due to the share split

(1) Reason for the amendment

In accordance with the share split, the Company amended the total number of authorized shares in Article 6 of the Company's Articles of Incorporation effective October 1, 2024, pursuant to the provision of Article 184, paragraph 2 of the Companies Act.

(2) Details of the amendment

Details of the amendment are as follows.

(Underlined portions indicate amended sections.)

Before amendment	After amendment
(Total Number of Authorized Shares) Article 6. The total number of shares authorized to be issued by the Company shall be <u>200,000,000</u> shares.	(Total Number of Authorized Shares) Article 6. The total number of shares authorized to be issued by the Company shall be <u>600,000,000</u> shares.