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Corporate Governance Report

Corporate Governance

Last Update: June 24, 2026
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I. Overview of Corporate Governance, Capital Structure, Corporate Data and Other Information

1. Basic Views

The Macnica Group ("Macnica," or the "Company") is structured so that the Company assumes responsibility for corporate governance across the entire Group, for the basic management policy, and for the formulation of strategy based thereon, while the Group's operating companies execute such strategy. The Group's basic policy is, in order to fulfill the expectations of stakeholders, including customers, shareholders, and employees, and to achieve sustainable growth and improvement of corporate value, to make prompt and decisive decisions and conduct business execution while securing transparency and fairness through management oversight.

Macnica has adopted the corporate governance system of a company with an Audit and Supervisory Committee. The purpose of this transition is to further accelerate decision-making and business execution by delegating authority for important operational decisions from the Board of Directors to Directors. At the same time, the Board of Directors strengthens its supervisory function by focusing discussions and policy decisions on key management issues, such as strategy, human resources, and risk, and by monitoring the execution of operations by the management. Through the twin pillars of supervision and execution, Macnica seeks to strengthen its competitiveness and enhance corporate value.

Reason for Not Implementing Principles of Corporate Governance Code

Macnica implements all principles of the Corporate Governance Code.

Disclosure Based on Principles of Corporate Governance Code

[Principle 1-4] Cross-Shareholdings

As a pure holding company, Macnica's principal role is the management and oversight of the Group as a whole, and the Company itself does not hold shares for strategic investment purposes. However, within the Group, primarily through its consolidated subsidiary Macnica, Inc., shares may be held on an exceptional basis only when such holdings are deemed to contribute to the enhancement of the Group's medium- to long-term corporate value. These holdings are intended not only to maintain and strengthen relationships with business partners, but also to facilitate capital and business alliances and participation in, or creation of, new business fields.

Decisions regarding the acquisition and disposal of shares are made by the Management Committee, the Board of Directors, or other authorized decision-making bodies following deliberation and review by the Business Investment Committee and other relevant committees. In addition, each year the Group reviews the necessity of continuing to hold individual shares by comprehensively assessing factors such as the costs and risks associated with shareholdings, as well as their medium- to long-term economic rationale.

As of the fiscal year ended March 31, 2026, the Group held six listed shares classified as strategic shareholdings, with a total book value of ¥1,683 million, representing 0.6% of net assets (all held by Macnica, Inc.).

With respect to the exercise of voting rights associated with strategic shareholdings, the Group's basic policy is to exercise voting rights for all proposals. In exercising such rights, the Group takes into consideration the business performance of the investee company and determines, on a comprehensive basis, whether each proposal contributes to the enhancement of the investee company's corporate value and the potential impact on the Group.

[Principle 1-7] Related Party Transactions

In the event of transactions with related parties, such transactions are subject to approval by the Board of Directors, excluding the interested Directors, in accordance with the Companies Act and the Board of Directors Regulations. The rationality of the transaction and the appropriateness of its terms and conditions are carefully reviewed during the deliberation process.

[Supplementary Principle 2-4-1] Disclosure of Macnica's Approach to Securing Diversity in Core Human Resources: Appointing Women, Foreign Nationals and Mid-Career Hires to Management Positions

1. Approach to Ensuring Diversity (Basic Policy for Promoting Diversity)

Based on the principle that people are assets ("human resources"), the Group positions human resources as "the driving force for realizing its Vision, increasing competitiveness and continuing sustainable growth, and as important capital for value creation" and continues to invest in maximizing the value of human resources. As part of our human resource development efforts, we promote Diversity, Equity & Inclusion (DEI), or securing and utilizing diverse human resources, and have established a human resource development policy aimed at fostering an environment where diverse human resources can thrive and their value can be fully realized.

◎ Purpose of promoting DEI: enhancing Macnica's competitiveness and maximizing economic and social value

・Creating innovation and fostering growth of existing personnel by accepting diverse experiences

・Evolving the corporate culture by incorporating different cultures

・Solving future challenges such as severe labor shortages (in Japan)

◎ Human resource utilization:

・Since Macnica's founding, priority has been placed on promoting human resources under the policies of "fairness," "meritocracy," "promotion by selection," and "empowerment"

・A culture and foundation for promoting capable people regardless of gender, nationality, race, religion, age, disability, or sexual orientation

◎ Policy:

・Improving the workplace environment (both physical and non-physical) to accommodate diversity

・Building an environment in which various employees can autonomously and proactively think, choose, and decide, and fully demonstrate their individual capabilities

2. Status of Ensuring Diversity

The calculation for Management Positions has been revised based on the provisions of the Act on Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

As of March 2026, the status of female, foreign nationals, and mid-career hires is as follows:

・ Total employees: 3,225 (including 908 women, 73 foreign nationals, and 2,018 mid-career hires).

・ Management: 698 (including 68 women, 3 foreign nationals, and 416 mid-career hires).

As of March 2025, the status of female, foreign nationals, and mid-career hires is as follows:

・ Total employees: 2,845 (including 804 women, 68 foreign nationals, and 1,873 mid-career hires).

・ Management: 625 (including 55 women, 1 foreign national, and 375 mid-career hires).

* These figures are the number of individuals directly employed by the main operating subsidiary, Macnica, Inc.

A five-year trend of the number of female employees, foreign nationals, and mid-career hires is provided on the last page of this report for reference.

Appointment of Women to Management Positions:

・ As of March 2026, women accounted for 28.2% of all employees and 9.7% of Management Positions.

・ As of March 2025, women accounted for 28.3% of all employees and 8.8% of Management Positions.

Appointment of Foreign Nationals to Management Positions:

・ As of March 2026, 73 foreign nationals were employed at domestic Group companies, of whom three held a management position. At overseas subsidiaries, management roles are entrusted to local personnel with deep knowledge of regional conditions, and the number of seconded employees from Japan is kept to a minimum.

Appointment of Mid-Career Hires to Management Positions:

・ Mid-career hiring, primarily targeting so-called "second-time graduates," has been conducted continuously. As of now, 59.6% of management positions are held by mid-career hires.

* These figures are for the main operating subsidiary, Macnica, Inc.

3. Voluntary Targets for Diversity

・ Women’s Empowerment

As of FY2021, there were 26 female managers among our domestic full-time employees, accounting for 5% of all Management Positions. The Group aims to increase this number to 90-100 and raise the ratio of female managers to 10% by FY2030. To accelerate progress toward achieving the FY2030 target, we are actively promoting initiatives in FY2026. These include expanding the pool of managerial candidates, identifying high-potential talent, and proactively providing opportunities such as early participation in management training and selective promotions.

・ The Advancement of Foreign Nationals

With respect to foreign nationals, the Group is primarily focused on appointing them to professional and technical positions, and the target includes those in Management-Level Positions. The Group has consistently recruited individuals with the necessary skills regardless of nationality. As of now, 73 foreign nationals are employed in Japan, of whom three hold a Management Position (13 if Management-Level Positions are included).

The Group aims to appoint 30 foreign nationals to Management Positions, including those in Management-Level Positions, by FY2030, with a focus on acquiring highly skilled talent, particularly in professional and technical positions. To accelerate progress toward achieving the FY2030 target, we are actively promoting initiatives in FY2026. In addition, the Group will maintain its stance of transferring the minimum number of personnel, especially at the management level, from Japan to overseas locations. Each country will be managed by local human resources, with the goal of having all major overseas operating companies effectively managed by local personnel. Macnica is committed to and will continue to appoint the best individuals for business expansion, regardless of nationality.

・ The Advancement of Mid-Career Hires

The Group has established a culture of appointing competent individuals regardless of their career stage, be they mid-career hires or new graduates. Recently the ratio of mid-career hires in Management Positions has consistently remained around 60%. The Group also maintains a recruitment policy of hiring new graduates and mid-career professionals at a 50/50 ratio and will continue to uphold this approach to ensure the balance does not change significantly.

Macnica will also consider securing talent such as management personnel, specialists for new business initiatives, and individuals who will contribute to strengthening DEI, notably women and foreign nationals.

* These figures are for the main operating subsidiary, Macnica, Inc.

4. Initiatives to Promote DEI: Policies for Human Resource Development and Internal Environment Improvement

Under the Basic Policy on the Promotion of Diversity, Macnica promotes initiatives that empower all employees, not only women, foreign nationals, and mid-career hires, but also the elderly, LGBT, sexual minorities, the physically challenged, and others, to thrive in the workplace.

Specifically, we will:

- provide systems and a workplace environment that support diversity and enable all employees to fully demonstrate their individual capabilities;
- enhance the content of diversity management training for Management Positions and continuously raise their awareness;
- strengthen the recruitment of human resources and increase the number of management career track employees eligible for Management Positions; and
- identify high-potential talent and proactively encourage early participation in management training and selective promotion. By fostering an “open” and “fair” corporate culture, where opinions that are good are expressed without hesitation and listeners actively engage, we aim to gather input from all employees, including women and foreign nationals, and continuously improve our initiatives.

[Principle 2-6] Asset Owners

The Group manages retirement benefit plans at its operating companies with the objective of securing the required long-term returns while taking into account associated risks, in order to ensure stable pension payments to future beneficiaries. A Pension Management Committee, comprising officers and employees from the finance, accounting, and human resources departments, has been established to serve as an advisory and deliberative body regarding the administration of the retirement benefit system. The Committee monitors outsourced asset managers to confirm whether investment targets are being adequately achieved, whether asset allocations are reviewed as needed, and whether conflicts of interest are appropriately managed. All of the Group’s outsourced asset managers have accepted Japan’s Stewardship Code. The Group monitors stewardship activities through constructive dialogue with these managers, confirming whether there have been any changes in their stance. To ensure that its corporate pension funds fulfill the roles expected of asset owners, the Group is also committed to human resource development through participation in various training programs.

[Principle 3-1] Enhancement of Information Disclosure

For more information on the Group's disclosure, please refer to the Integrated Report:
https://holdings.macnica.co.jp/en/investors/library/integratedreport/

1. Macnica is responsible for corporate governance, basic management policies, and the formulation of strategies based on those policies, as well as for supervising business execution across the entire Group, while the Group’s operating

companies are responsible for executing those strategies. The Group is committed to responding to the trust placed in it by customers, shareholders, employees and other stakeholders, to achieving sustainable growth and increasing corporate value, while appropriately addressing social issues. This fundamental approach is outlined in Macnica's Code of Conduct, which is publicly disclosed.

2. For Directors' remuneration, please refer to II.1, "Incentive System" and "Remuneration for Directors."

3. The selection and dismissals of the management team are as follows. Regarding candidates for Directors, Macnica's policy is to select Directors who have the knowledge and experience that will enable them to enhance corporate value. The Nomination and Compensation Advisory Committee, which comprises a majority of Outside Directors, confirms and examines the selection details, etc., before the Board of Directors deliberates and decides on the candidates. As for candidates for Outside Directors, from the perspective of strengthening the supervision function of the Board of Directors, Macnica appoints individuals who have insight and a high level of expertise that cannot be obtained from Internal Directors alone. The Representative Director and President is decided after deliberation by the Board of Directors, based on the report of the Nomination and Compensation Advisory Committee. Executive Officers, such as Company Presidents of business divisions and General Managers in charge of various functions, who have the knowledge, ability, and experience to play a leading role in business execution, are selected by the Board of Directors after deliberations.

The Board of Directors makes a comprehensive decision on the dismissal of Directors based on the advice of the Nomination and Compensation Advisory Committee, in the event of (i) fraud or other offences against public order and morals, (ii) violation of laws, articles of incorporation or other regulations, or (iii) significant damage to corporate value due to negligence or other reasons that make it difficult for the Directors to carry out their duties. Macnica's policy for the selection of candidates for Directors who are the Audit and Supervisory Committee Members is that they have the necessary ability and insight to serve as members of the Audit and Supervisory Committee. After confirming and reviewing the details of the selection by the Nomination and Compensation Advisory Committee, the Board of Directors deliberate and decide on the selection with the consent of the Audit and Supervisory Committee. In particular for Outside Directors, candidates serving as Audit and Supervisory Committee Members, Macnica selects individuals with a high level of expertise in areas such as finance, accounting, and legal affairs, from the standpoint of enhancing the effectiveness of the Committee.

4. The reasons for the nomination of current Directors are provided in the Proposals of the Notice of the Annual General Meeting of Shareholders.
https://ssl4.eir-parts.net/doc/3132/announcement5/121533/00.pdf

[Supplementary Principle 3-1-3] Sustainability Initiatives

1. Sustainability Initiatives

The Group recognizes that responding to sustainability-related issues is an important management challenge. To this end, the Sustainability Promotion Committee, chaired by Representative Director and President, was established in FY2021 to formulate the Policy on Sustainability and identify material issues (materiality).
https://ssl4.eir-parts.net/doc/3132/tdnet/2113978/00.pdf [Japanese Only]

The Sustainability Promotion Committee formulates the Group's policies on environmental issues and monitors the status of their progress. Based on the policies and direction established, the Sustainability Promotion Project and Sustainability Promotion Office of the operating company, Macnica, Inc., are responsible for formulating and implementing specific plans. These plans and policies are deliberated and resolved by the Group Management Committee and subsequently

reported to the Board of Directors. The Board of Directors discusses and supervises the reported matters and works to strengthen sustainability management across the entire Group.

The Sustainability Promotion System is provided on the last page of this report for reference.

2. Investments in Human Resources and Intellectual Property

The Group has traditionally considered human resources to be the core competence of its business and has addressed this as a key management challenge.

Human Resource Development Policy

◎ Supporting each individual's career design and providing educational opportunities that foster career ownership

◎ Promoting individual performance and accelerating growth by trusting and entrusting individuals

◎ Implementing merit-based promotion by selection, irrespective of age or experience

Specific Measures

◎ Developing an environment in which people can flourish regardless of gender, nationality, race, religion, age, disability, sexual orientation, status, or position

・Continuous awareness-raising of employees using e-learning and leadership by example from management

◎ Promotion of Health & Productivity Management and Well-Being Management

・Enhancement of health promotion measures in cooperation with the health insurance association

・Strengthening labor management and overtime countermeasures

◎ Promotion of Work-Style Reform

・Continued operation of a work style in which each organization or team autonomously and proactively decides on the methods and locations that maximize productivity

◎ Enhancement of Employee Engagement

・Holding the "Management Plan Presentation" (held annually, bringing together Group employees from Japan and overseas to share policies and strategies and present awards)

・Setting "Action Themes" (or slogans for employees to bear in mind during the fiscal year to align vectors)

・Conducting the "Building a Strong Company Questionnaire" (for over 10 years, based on employee- survey results, every department has set issues and countermeasures to improve the organization)

◎ Development of Human Resource Systems and Compensation Frameworks

・Reviewing systems to make the workplace comfortable for diverse human resources

・Reviewing compensation levels so that employees can work with peace of mind

We have made a declaration on Health and Productivity Management. Please refer to the following URL for the Health and Productivity Management declaration: https://holdings.macnica.co.jp/en/sustainability/human/wellbeing/

3. Disclosure Based on the TCFD Framework

The Group recognizes the need to accelerate its response to environmental issues, including climate change, by establishing a clearer vision and implementing more effective policies. In February 2023, we formulated our Environmental Vision and Environmental Policy. For more information, please refer to the following URL:
https://holdings.macnica.co.jp/en/sustainability/environment/management/

Macnica also participates in the TCFD consortium and is working to enhance its disclosure regarding its response to climate change. For more information, please refer to the following URL:

https://holdings.macnica.co.jp/content/dam/holdings/en/sustainability/environment/climate/20250624_TCFD_update_EN.pdf
https://holdings.macnica.co.jp/content/dam/holdings/en/sustainability/environment/climate/Notice%20of%20Updated%20Disclosure%20Based%20on%20TCFD%20Recommendations.pdf

[Supplementary Principle 4-1-1] Criteria for Submission to the Board of Directors

Macnica has adopted the structure of a Company with an Audit and Supervisory Committee and delegates decisions related to the execution of operations from the Board of Directors to Directors to the extent permitted by law. The Board of Directors is responsible for making decisions on basic management policies, including the Group's Purpose, Vision, and Values, as well as its medium- to long-term management strategy. It also makes decisions on important matters as stipulated by laws and regulations, the Articles of Incorporation, and the Board of Directors Regulations. Furthermore, the Board engages in focused discussions on key management issues for the Group, such as strategy, human resources, and risk. Regarding business execution by management, the Board requires the management team to submit regular reports, on a quarterly, semi-annual, and other periodic basis, on the status of operations, and supervises management based on these reports.

[Supplementary Principle 4-1-3] Succession Planning

For succession planning, the Nomination and Compensation Advisory Committee, a voluntary advisory body to the Board of Directors, deliberates and confirms the basic policy and program for the plan, and reports to the Board of Directors. The status of implementing succession and executive talent development plans is also reported to the Board of Directors as appropriate.

[Principle 4-9] Criteria and Qualifications for Determining the Independence of Independent Outside Directors

To ensure transparency and objectivity in governance, Macnica has established its own criteria for determining the independence of Outside Directors in addition to the independence criteria stipulated by the Tokyo Stock Exchange:

The Board of Directors considers an Outside Director to be sufficiently independent of Macnica if, in addition to the criteria for independence set out by Tokyo Stock Exchange, Inc. the Director is deemed to meet the requirements set out below (Macnica includes Group companies).

1. The person does not currently or in the past year fall into any of the following categories:

(1) Business Executive Officer[2] of a major shareholder[1] of Macnica Holdings

(2) Business Executive Officer of a major business partner of Macnica Holdings[3] or Business Executive Officer of a company which is a major business partner of Macnica Holdings

(3) Business Executive Officer of our suppliers (including overseas headquarters and local subsidiaries) with which we have concluded distributor agreements, etc.

(4) Business Executive Officer of Macnica Holdings' major borrowers[4].

(5) Business Executive Officer of the audit corporation that conducts the statutory audit of Macnica Holdings, or a person in charge of the auditing operation of Macnica Holdings.

(6) Consultants, accounting experts or legal experts (or Executive Officer of a legal entity or association, etc.) who receive a large amount[5] of monetary remuneration from Macnica Holdings other than executive remuneration.

(7) Directors (limited to Executive Officer) of organizations (e.g. Public Interest Incorporated Foundation, Public Interest Incorporated Association, Non-Profit Corporation, etc.) that have received donations or grants of more than ¥10 million from Macnica Holdings or its subsidiaries, or other business executors thereof.

2. The person's close relatives[6] do not currently or in the past year fall into any of the following categories 1 to 7.

3. The person must not be an Executive Officer, Corporate Auditor or Accounting Advisor of a company or its parent or subsidiary that accepts Directors (whether full-time or part-time) from Macnica Holdings or its subsidiaries.

4. Any person falling under any of the categories 1 to 7 above may be appointed as an Outside Officer of Macnica Holdings if Macnica Holdings considers that the person is suitable as an Outside Officer of Macnica Holdings, on condition that the reason the person is suitable is explained to the public.

5. The person is not likely to have a conflict of interest with Macnica Holdings' general shareholders on a permanent basis for reasons other than those considered in 1 to 7 above.

Notes

1- Major shareholders directly or indirectly hold more than 10% of the total voting rights at the end of the fiscal year.

2- Executive Officers refer to important employees including Business Executive Directors, Executives or Executive Officers (Corporate Auditors, Audit and Supervisory Committee Members and Accounting Advisors are not considered Executive Officers).

3- Major business partners refer to business partners of Macnica Holdings whose annual sales exceed 2% of consolidated net sales of Macnica Holdings or the other party.

4- Major borrowers are defined as the top three borrowers of Macnica Holdings in terms of outstanding loans in the most recent fiscal year.

5- A large amount refers to consideration received from Macnica Holdings in excess of ¥10 million per year.

6- Close relatives refer to the spouse or relatives within the second degree of kinship of the person or relatives living with the person.

[Supplementary Principle 4-10-1] Our Approach to the Independence of Any Nomination and Compensation Advisory Committee, its Authority and Role

1. Our Approach to Independence

Macnica's Nomination and Compensation Advisory Committee consists of five Independent Outside Directors and one Internal Director (Non-Executive). The majority of the members are Independent Outside Directors, and no Business Executive Director is included as a member of the committee, ensuring its independence and objectivity.

2. Authority and Role

The Nomination and Compensation Advisory Committee has been established to provide reports on matters consulted by the Board of Directors. In terms of nominations, the Committee handles the appointment of the Representative Director and President, and the confirmation and review of candidates for Director and Audit and Supervisory Committee Member. With regard to remuneration, the Committee is consulted on policies for determining Director and Executive Officer compensation, KPIs for performance-based remuneration, and individual remuneration packages. The Board of Directors makes final decisions based on and with due respect to the Committee’s recommendations.

[Supplementary Principle 4-11-1] Policies and Procedures for the Appointment of Directors, Our Approach to Diversity

1. Given the scale of its operations, Macnica has set the maximum number of Directors at 15, of whom no more than 5 may serve as Audit and Supervisory Committee Members. When nominating candidates for Director, the Nomination and Compensation Advisory Committee deliberates and verifies the candidates and nomination process based on the policy outlined below. Final decisions are made by the Board of Directors. With respect to Internal Director candidates, Macnica

selects individuals primarily from among those responsible for business execution, ensuring diversity in areas of expertise and experience, and placing emphasis on a deep understanding of Macnica's business environment and management issues. For candidates for Outside Director, Macnica selects individuals with backgrounds that differ from those of Macnica, and whose experience and insight are expected to contribute to the oversight of management from an objective and neutral standpoint. Candidates for Directors who serve as Audit and Supervisory Committee Members are selected based on a policy requiring them to possess the necessary capabilities and knowledge to fulfil the role. Their nomination is determined with the consent of the Audit and Supervisory Committee. In the case of Outside Directors who serve as Audit and Supervisory Committee Members, Macnica seeks to enhance the effectiveness of the Committee by appointing individuals with high levels of expertise in areas such as finance, accounting, and legal affairs. Through this approach, Macnica ensures that the Board of Directors as a whole is structured to comprehensively oversee the management of Macnica.

2. Currently, Macnica's Board of Directors includes two female Directors (both Outside Directors), and there are no Directors of foreign nationality. However, one Director is a former Chinese national, and another has spent a significant period of time living abroad and pursuing academic studies. Macnica recognizes that diversity in terms of gender, nationality, and other attributes is essential for enhancing corporate value and remains committed to promoting diversity.

3. In managing the Group, the experience and expertise of Macnica’s Directors are compiled in a skills matrix.
The purpose of this matrix is to serve as a guide to ensure that the Board of Directors possesses the necessary skills, such as expertise, experience, competencies, etc., to effectively fulfil its functions to realize Macnica’s management strategy.

Specifically, the skills required to address the following key management issues have been considered:

(1) Deepening Core Businesses (Deepening)
Expansion of global business operations, enhancement of productivity and capital efficiency in the Semiconductor business, strengthening and expanding the scope of the Cybersecurity Business.

(2) Strengthening the Services & Solutions Business
Developing service models for existing and new businesses, integration of core and new businesses, strengthening DX co-creation initiatives through collaborative consulting, exploring the next core technologies and creating new business models.

(3) Strengthening the Management Base and Increasing Corporate Value
Promoting ESG management (including SDGs), strengthening corporate divisions and related functions, establishing new HR and organizational structures, establishing branding strategies.

As a result, Macnica has identified the following 14 key skill areas.
Corporate Management, Corporate Governance, Long-term Strategy, Risk Management, Human Resources & Corporate Culture, Capital Market & Finance, Global Business Management, Innovation, Business Investment & M&A, Industry Knowledge, DX & Technology, Branding, Compliance & Legal Affair, Sustainability

From the perspective of the skills matrix, Macnica has determined that the Board of Directors currently possesses a well-balanced set of skills aligned with key management challenges. Macnica will continue to identify the skills required to realize its management strategy in a timely manner and reflect them in the selection and succession planning of Directors, thereby enhancing the effectiveness of the Board of Directors.

The skill matrix is shown on the last page of this report.

[Supplementary Principle 4-11-2] Directors’ Concurrent Positions at Other Listed Companies

When Directors serve concurrently as Directors of other listed companies, Macnica ensures that the number of such concurrent positions is within a reasonable range so as not to interfere with the conduct of Macnica's business. At present, Directors holding concurrent positions are fully attending all Board meetings, and such concurrent roles have no impact on the execution of their duties as Directors of Macnica.

The status of the Directors' important concurrent positions is stated in the Notice of the Annual General Meeting of Shareholders and in the Annual Securities Report.

[Supplementary Principle 4-11-3] Evaluation of the Effectiveness of the Board of Directors

Macnica plans to conduct a third-party evaluation by an external organization approximately once every three years. For FY2025, as in the previous year, Macnica conducted a questionnaire survey administered by an external organization and carried out a self-evaluation based on the results of the analysis. The evaluation method and results are as follows.

1. Evaluation Method

The evaluation was conducted through the following process.

(1) The evaluation policy and process for assessing the effectiveness of the Board were confirmed with the Chairperson.

(2) Each Director was asked to complete a questionnaire consisting of both quantitative ratings for individual items and written response only questions. The responses were then analyzed.

(3) The analysis results were reported by an external organization to the Chairperson. Following their review, the results were presented by the external organization at the Board meeting held in May. Based on these results, a discussion and self-evaluation were conducted at the Board meeting in June, and the Board identified priority areas and determined the direction of initiatives to be undertaken in FY2026.

2. Evaluation Results

The overall evaluation concluded that the effectiveness of the Board of Directors is generally well maintained. The Board remains recognized for consistently making decisions based on shared values and strong ethical standards, and for fostering open and candid discussions. The current size and composition of the Board were also viewed as appropriate. The evaluation likewise affirmed, with strong positive recognition, that the Board possesses the expertise and experience necessary to address risk and that, while placing trust in management, it maintains a sound and constructive tension in exercising oversight, preserves its autonomy, and acts independently of management.

With respect to the Board's discussions, Macnica recognizes that, overall, the exchange of opinions has become more active and that discussions have deepened and improved in quality. This is attributed to the narrowing of the information gap between Internal Directors and Outside Directors through measures such as advance briefings and explanatory sessions on important matters provided by the executive side, as well as the prior organization of points of discussion and the Chairperson's direction-setting of deliberations. On the other hand, Macnica also recognizes the need for each Director to be conscious of further refining the selection of agenda items and to prepare for Board meetings so as to deepen discussions, and, from the perspective of enhancing the effectiveness of the Board’s deliberations, has reaffirmed the roles expected of individual Directors and to create mechanisms and processes that make effective use of input to the executive side. Macnica will continue to confirm on an ongoing basis the ideal form of its Board of Directors and will devote sufficient time to important themes such as human resources and strategy in order to enhance the quality of discussions.

3. Operational Policy in FY2026

There is a shared understanding that “strategy” should be addressed as the most important management issue. In particular, the Board will conduct more focused monitoring of medium-term initiatives for new businesses and recognizes that its

role is not only to support the executive side but also, as necessary, to encourage selection and concentration and shifts in strategy. In addition, with respect to existing businesses, particularly the semiconductor business, which mainly handles products made in the US, the Board will monitor the medium-term strategy while keeping geopolitical and other risks in mind and hold discussions based on the results. Regarding human resources as well, the Board recognizes this as a key issue and plans to devote more time to deepening discussions on the succession plans for management executives, including the CEO, and their development plans.

To further enhance the effectiveness of Board discussions, Macnica will continue to uphold a Board culture grounded in its core values of being simple, open, and fair, while deepening its understanding of the planned revisions to the Corporate Governance Code, reassessing the ideal form of the Board and striving to improve the quality of deliberations. In addition, Macnica will pursue more effective Board operations by: (1) conducting seminars led by external experts on specific management issues; (2) holding executive sessions (meetings composed solely of Outside Directors) following each Board meeting; and (3) facilitating regular opinion exchange meetings between Executive Officers and Non-Executive Directors.

[Supplementary Principle 4-14-2] Policy to Provide Necessary Training for Directors
Macnica provides tours of its offices and other facilities, as well as information on its operations, to Outside Directors, particularly newly appointed ones, to help them acquire knowledge about Macnica. In addition, Macnica holds seminars and other events as necessary for all Directors, including Outside Directors, and encourages them to participate in external training courses.
Furthermore, the Board of Directors holds meetings with outside experts and information-sharing sessions with Outside Officers.

[Principle 5-1] Policy of Constructive Dialogue with Shareholders
1. The Management Planning Department is in charge of IR and is overseen by the Director in charge of the Management Planning Department.

2. In order to enhance dialogue, the Corporate Planning & Investor Relations Officer serves as a secretariat for the departments in charge of corporate strategy, planning, accounting & finance and legal affairs to closely exchange information and prepare the necessary materials.

3. Macnica holds a financial results briefing every half-year, which is attended by the President to explain the Macnica's performance and answer questions, and was rated as “informative” by the investors in attendance.
Financial results briefing materials and video clips: https://holdings.macnica.co.jp/en/investors/library/earning/

Small group meetings are held in the first and third quarters. In addition, the IR team, led by the President and the Director in charge of Accounting & Finance, holds one-on-one meetings with institutional investors to obtain their understanding of Macnica's management strategies, progress in the Medium-Term Management Plan, and the business environment. The main questions from investors include trends in the semiconductor market and the Group's performance, the impact of international economic friction, the growth potential of the Cybersecurity Business, and confirmation of the direction and progress of the new business model, the Services & Solutions model.

4. The Board of Directors provides feedback on opinions expressed at meetings with investors, etc., which are actively used to develop Macnica's business over the medium- to long-term and to enhance its corporate value.

5. Insider information is properly managed, and not only the director in charge of IR and IR staff, but also officers, including the President, who engage in dialogue with investors are aware of the importance of information management and strive to facilitate dialogue with investors.

Status of Dialogue with Shareholders

Regarding the status of dialogue with shareholders and investors, please refer to [Principle 5-1] “Policy of Constructive Dialogue with Shareholders” above, “2. Investor Relations (IR) Activities” under “III. Implementation of Initiatives Concerning Shareholders and Other Stakeholders” in this report, and Macnica's website.

Measures to Conduct Management with Awareness of Capital Costs and Share Prices

Content	Disclosure of initiatives (Update)
English Disclosure	Yes
Update date	September 30, 2025

Supplementary Explanation for Applicable Items

Macnica has established specific Long-Term Management Targets and Medium-Term Management Plan to realize its Long-Term Management Concept. In particular, we set ROE (return on equity) as a key management target for capital profitability. Details of Macnica’s Long-Term Management Concept, Long-Term Management Targets, and Medium-Term Management Plan are disclosed through the Integrated Report, financial results briefings, and other explanatory materials, as well as on Macnica’s website.

- Integrated Report: https://holdings.macnica.co.jp/en/investors/library/integratedreport/
- Financial Results Briefing Materials: https://holdings.macnica.co.jp/en/investors/library/earning/
- Long-Term Management Concept & Long-Term Management Targets: https://holdings.macnica.co.jp/en/company/plan/longterm/
- Medium-Term Management Plan: https://holdings.macnica.co.jp/content/dam/holdings/ja/company/plan/midterm/mid-term_plan_2025-2027_en.pdf

2. Capital Structure

Foreign Shareholding Ratio	30% or more

Major Shareholders

Name	Shares (‘000)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	23,577	13.20
Kamiyama Foundation (General Incorporated Foundation)	18,000	10.08
Custody Bank of Japan, Ltd. (Trust Account)	13,896	7.78
Seeds Technology Inc.	10,500	5.88
Haruki Kamiyama	9,600	5.38
JP MORGAN CHASE BANK 380055 (Standing proxy: Mizuho Bank, Ltd.)	7,021	3.93
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.)	3,040	1.70
Yuko Kamiyama	2,940	1.65
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2,579	1.44
STATE STREET BANK AND TRUST COMPANY 505223 (Standing proxy: Mizuho Bank, Ltd.)	2,469	1.38

Has a controlling shareholder	—
Has a parent company	No

Supplementary Explanation for Applicable Items

The number of shares held in the above trusts is as follows:
- The Master Trust Bank of Japan, Ltd. (Trust Account) 23,484,000 shares
- The Custody Bank of Japan, Ltd. (Trust Account) 12,896,000 shares
- The Nomura Trust and Banking Co., Ltd. (Investment Trust Account) 2,579,000 shares

Sumitomo Mitsui Trust Asset Management Co., Ltd. and its joint holders filed an amendment report dated September 19, 2025 (reporting obligation date: September 15, 2025), reporting the shareholdings shown below. However, as the actual shareholdings as of March 31, 2026, could not be confirmed, these holders are not included in the list of major shareholders above.
- Sumitomo Mitsui Trust Asset Management Co., Ltd. 4,603,000 shares
- Amova Asset Management Co., Ltd. 8,002,000 shares

Columbia Wanger Asset Management, LLC and its joint holders filed an amendment report dated February 5, 2026 (reporting obligation date: January 30, 2026), reporting the shareholdings shown below. However, as the actual shareholdings as of March 31, 2026, could not be confirmed, these holders are not included in the list of major shareholders above.
- Columbia Wanger Asset Management, LLC 0 shares
- Threadneedle Asset Management Ltd. 2,370,000 shares
- Columbia Management Investment Advisers, LLC 8,786,000 shares
- Columbia Threadneedle Management Ltd. 23,000 shares

Dalton Investments, Inc. filed an amendment report dated March 18, 2026 (reporting obligation date: March 11, 2026), reporting the shareholdings shown below. However, as the actual shareholdings as of March 31, 2026, could not be confirmed, this holder is not included in the list of major shareholders above.
- Dalton Investments, Inc. 14,653,000 shares

3. Corporate Data

Stock listings and markets	Tokyo (Prime)
Fiscal year-end	March 31
Business type	Wholesale
Number of employees (Consolidated) as of the end of the previous fiscal year	1,000 or more
Net sales (Consolidated) for the previous fiscal year	¥1,000 billion or more
Number of consolidated subsidiaries as of the end of the previous fiscal year	10 or more but less than 50 companies

4. Policy Concerning Protection of Minority Interests when Transacting with Controlling Shareholder

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5. Other Special Circumstances that could Materially Affect Corporate Governance

There are no special notes.

II. Management Organization and Other Corporate Governance Systems Concerning Management Decision-Making, Execution and Supervision

1. Matters Concerning Organizational Form and Organizational Management

Organizational Structure	Company with Audit and Supervisory Committee

Directors

Number of Directors in Articles of Incorporation	15
Term of Office for Directors in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	11
Appointment of Outside Directors	Yes
Number of Outside Directors	6
Outside Directors Designated as Independent Directors	6

Relationships with Macnica Holdings (1)

Name	Attributes	Relationships with Macnica Holdings (*)										
		a	b	c	d	e	f	g	h	i	j	k
Shinichiro Omori	Current or former employee of another company								△			
Tsunesaburo Sugaya	Current or former employee of another company											
Yasuaki Mori	Current or former employee of another company				△							
Shinichi Abe	Current or former employee of another company											
Kay Miwa	Current or former employee of another company											
Yukie Sugita	CPA						△					

*Categories for "Relationship with Macnica"
(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

a. Business Executive Officer of the listed company or its subsidiary
b. Business Executive Officer or Non-Executive Director of the parent company of the listed company
c. Business Executive Officer of a sister company of the listed company
d. Person for whom the listed company is a major business partner, or a Business Executive Officer thereof
e. Major business partner of the listed company, or a Business Executive Officer thereof
f. Consultants, accounting experts or legal experts who receive a large amount of monetary remuneration from the listed company other than executive remuneration
g. Major shareholder of listed company (in cases where shareholder is a corporation, Business Executive Officer thereof)
h. Business Executive Officer of a business partner of the listed company (other than those falling under d, e, or f above) (individual only)
i. Business Executive Officer of an entity that holds cross-directorships/cross-auditorships with Macnica (individual only)
j. Business Executive Officer of an entity receiving donations from the listed company (individual only)
k. Other

Relationships with Macnica Holdings (2)

Name	Audit & Supervisory Committee Member	Independent Director	Supplementary explanation of the relationship	Reason for appointment
Shinichiro Omori		○	Hitachi, Ltd., Hitachi Metals, Ltd. (currently Proterial, Ltd.) and Hitachi High-Tech Corporation, where he worked in the past, have transactions with the Group, but as the scale of these transactions is insignificant, accounting for less than 1% of the consolidated net sales of Macnica Holdings, he is considered to meet Macnica's independence criteria.	Mr. Shinichiro Omori possesses a wealth of knowledge and extensive experience in management. Macnica has determined that he is suitable to serve as an Outside Director who is not an Audit and Supervisory Committee Member, with the expectation that he will provide effective advice on global management, IT strategy, and digital transformation management. He also meets the independence criteria established by Macnica and has no special interests in relation to Macnica. He has therefore been designated as an Independent Director, as he is deemed to possess a high level of independence and does not present any risk of conflict of interest with general shareholders.
Tsunesaburo Sugaya		○	—	Mr. Tsunesaburo Sugaya possesses extensive experience and a high level of expertise cultivated through the management of overseas investment businesses. Macnica has determined that he is suitable to serve as an Outside Director who is not an Audit and Supervisory Committee Member, with the expectation that he will provide effective advice on new business investments and overall corporate management. He also meets the independence criteria established by Macnica and has no special interests in relation to Macnica. He has therefore been designated as an Independent Director, as he is deemed to possess a high level of independence and does not present any risk of conflict of interest with general shareholders.
Yasuaki Mori		○	Mr. Yasuaki Mori served as President and Representative Director, Infineon Technologies Japan K.K., a major customer of Macnica, until 2018, after which he held executive positions at start-ups and other companies that have no business relationship with the Company. Based on the period after his retirement from the position of President and Representative Director, Infineon Technologies Japan K.K. and his subsequent career history, he is deemed to have no independence issues according to Macnica's independence criteria.	He works for one of the world's leading semiconductor manufacturers. He possesses not only extensive experience and knowledge of the semiconductor industry, but also experience in overall management as the person in charge of a Japanese subsidiary, as well as providing advice as an advisor to cutting-edge technology venture corporations, etc. globally. Macnica has determined that he is suitable to serve as an Outside Director who is not an Audit and Supervisory Committee Member, with the expectation that he will provide oversight and advice from an independent and objective standpoint, not only with respect to the Group's core semiconductor and cybersecurity business , but also in areas such as strategic direction and business investments in the new CPS solutions business. He also meets the independence criteria established by Macnica and has no special interests in relation to Macnica. He has therefore been designated as an Independent Director, as he is deemed to possess a high level of independence and does not present any risk of conflict of interest with general shareholders.

Name	Audit & Supervisory Committee Member	Independent Director	Supplementary explanation of the relationship	Reason for appointment
Shinichi Abe		○	—	Mr. Shinichi Abe possesses in-depth knowledge and insight into the IT and network industry, with particularly strong expertise in the areas of the advancement of digitalization, the use of AI technologies, and the promotion of digital transformation. He also has international business experience and a global perspective. Macnica has determined that he is suitable to serve as an Outside Director who is not an Audit and Supervisory Committee Member, with the expectation that he will provide valuable advice leveraging his experience and expertise, not only in the Group's AI- and digital-driven businesses, but also in further enhancing competitiveness as the Group pursues strategic expansion in global markets. He also meets the independence criteria established by Macnica and has no special interests in relation to Macnica. He has therefore been designated as an Independent Director, as he is deemed to possess a high level of independence and does not present any risk of conflict of interest with general shareholders.
Kay Miwa	○	○	—	Ms. Kay Miwa has acquired extensive knowledge and experience in the areas of legal affairs, cross-border M&A, and corporate governance, having previously practiced as a lawyer in China and subsequently served as in-house lawyer at multiple companies. She also possesses valuable insights into matters related to China, which is a key market for the Group. Macnica has determined that she is suitable to serve as an Outside Director who is an Audit and Supervisory Committee Member, expecting that she will contribute to appropriate auditing and oversight. She also meets the independence criteria established by Macnica and has no special interests in relation to Macnica. She has therefore been designated as an Independent Director, as she is deemed to possess a high level of independence and does not present any risk of conflict of interest with general shareholders.
Yukie Sugita	○	○	Ms Yukie Sugita served as an executive of Ernst & Young Shin Nihon LLC until September 2018; however, she was not involved in accounting audits of Macnica (including its subsidiaries) during her tenure at the firm. Taking into account the period that has elapsed since her departure from Ernst & Young Shin Nihon LLC, as well as her subsequent professional experience, Macnica has determined that she satisfies its independence criteria.	She possesses professional expertise and extensive experience as a certified public accountant. She also has experience supporting corporate listings and serving as an Outside Officer. Macnica has determined that she is suitable to serve as an Outside Director who is an Audit and Supervisory Committee Member, with the expectation that she will contribute to appropriate auditing and oversight. She also meets the independence criteria established by Macnica and has no special interests in relation to Macnica. She has therefore been designated as an Independent Director, as she is deemed to possess a high level of independence and does not present any risk of conflict of interest with general shareholders.

Audit and Supervisory Committee

Details of Members and Attributes of Chairperson

	All Members	Fulltime Members	Internal Directors	Outside Directors	Chairperson
Audit and Supervisory Committee	3	1	1	2	Internal Director

Has Directors and Employees to assist Audit and Supervisory Committee in duties	Yes

Matters Concerning the Independence of Such Directors and Employees from Business Execution Directors

Macnica has designated the Corporate Audit Department as personnel to assist the Audit and Supervisory Committee in the performance of its duties. The Corporate Audit Department conducts audits and gathers information as instructed by the Audit and Supervisory Committee and reports the results to the Committee. To ensure the independence of the Corporate Audit Department from Executive Officers, the Department performs its duties under the direction and supervision of the Audit and Supervisory Committee in relation to these tasks, and no other Business Executive Officer performs personnel evaluations.

Cooperation between Audit and Supervisory Committee, Accounting Auditor and Internal Audit Department

Directors who serve as Audit and Supervisory Committee Members hold regular meetings and exchange opinions with the Accounting Auditor in order to maintain close coordination, during which the Accounting Auditor reports on audit procedures and the results of their implementation. In addition, they discuss status and issues relating to internal controls, as necessary, to enhance the effectiveness and efficiency of audits. Directors who serve as Audit and Supervisory Committee Members receive reports at the Audit and Supervisory Committee meetings on the results of internal audits conducted by the Internal Audit Department and work together by holding regular meetings to exchange opinions.

Voluntary Committees

Has a Voluntary Committee Equivalent to the Nomination Committee or the Remuneration Committee	Yes

Details of Establishment, Members, and Attribute of Chairperson

	Committee's Name	All Members	Fulltime Members	Internal Directors	Outside Directors	Outside Experts	Others	Chair-person
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Compensation Advisory Committee	6	0	1	5	0	0	Internal Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Compensation Advisory Committee	6	0	1	5	0	0	Internal Director

Supplementary Explanation for Applicable Items

Macnica has established the above-mentioned Nomination and Compensation Advisory Committee as an advisory body to the Board of Directors. The committee members are appointed by resolution of the Board of Directors and comprise five Independent Outside Directors (of these, one is an Outside Director who is an Audit and Supervisory Committee Member) and one (Non-Executive) Internal Director. The purpose of this Committee is (i) to report on the appointment and dismissal of the Representative Director and President, the formulation and promotion of the Succession Plan and the confirmation of the selection of candidates for the Board of Directors, and (ii) to examine the system and decision-making process and report on the remuneration and bonuses of Macnica's Directors.

In FY2025, the Committee met seven times. Its main activities during the fiscal year included confirming the expiration of each Director’s term of office and mandatory retirement, prioritizing succession based on the skills matrix, organizing the list of Director candidates, and conducting interviews with candidates in preparation for the future. Furthermore, with respect to CEO succession, the Committee confirmed the succession process as well as the long- and medium-term strategy and organizational issues and discussed and defined the requirements for the CEO based thereon. Drawing on the list of next-generation management executive candidates and the assessment results provided by the executive side, the Committee narrowed down and selected candidates and discussed their future development plans. With respect to remuneration, the Committee confirmed the levels of officer remuneration, revised those levels as necessary, and began examining a remuneration structure better suited to the roles that officers should fulfill.

Independent Directors

Number of Independent Directors	6

Other matters concerning Independent Directors

There are no special notes.

Incentive System

Initiatives to Offer Incentives to Directors	Introduction of performance-based remuneration system

Supplementary Explanation for Applicable Items

1. Bonuses (Performance-Based Remuneration)

In order to raise awareness of the need to improve Macnica's performance in each fiscal year, bonuses (performance-based remuneration) are set as KPIs for three financial items (consolidated net sales, consolidated operating income margin, and ROE), the progress of the Medium-Term Management Plan and annual key policies, and an employee survey aimed at building a strong organization. Each item is weighted, and the amount is calculated according to the degree of achievement of each target. The reason for selecting these performance indicators is to encourage Directors to ensure the scale of Macnica's performance, to secure profit levels and realize its strategies, and to enhance human capital. The performance indicators are set based on the current Medium-Term Management Plan (FY2025–FY2027). The actual results for the main performance indicators in the fiscal year under review were consolidated net sales of ¥1,214,196 million, consolidated operating income margin of 3.5%, and ROE of 10.0% (consolidated equity at the end of the period).

2. Share-based Remuneration (Non-Monetary Compensation)

Share-based remuneration is granted as restricted share remuneration with transfer restrictions for a certain period for the purpose of providing medium- to long-term incentives and sharing shareholder value.

Stock Option Eligibility	

Supplementary Explanation for Applicable Items

—

Remuneration for Directors

Status of Disclosure of Individual Directors' Remuneration	Individual remuneration is not disclosed.

Supplementary Explanation for Applicable Items

In FY2025, executive compensation at Macnica was as follows:

- ¥202 million for 5 Directors (excluding Audit and Supervisory Committee Members and Outside Directors)
- ¥22 million for 1 Director who is an Audit and Supervisory Committee Member (excluding Outside Directors)
- ¥49 million for 5 Outside Directors (excluding Audit and Supervisory Committee Members)
- ¥24 million for 2 Outside Directors who are Audit and Supervisory Committee Members

Disclosure of Policy to Determine Remuneration & Calculation Methods	Yes

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The determination of Directors' remuneration is deliberated by the Nomination and Compensation Advisory Committee, an advisory body to the Board of Directors, and resolved by the Board within the total remuneration amount approved at the General Meeting of Shareholders. The Nomination and Compensation Advisory Committee comprises five Outside Directors who are Independent Officers and one Non-Executive Business Director. The policy for determining Directors' remuneration is as outlined below and has been approved by resolution of the Board of Directors. The total amount of Directors' remuneration is set with reference to the remuneration levels (market level) of major domestic companies. Based on the level of responsibility assigned to each Director, Macnica has designed a role-based compensation table, which serves as the basis for determining individual remuneration amounts. Director remuneration consists of base compensation, bonuses (performance-based remuneration), and share remuneration, with a standard allocation ratio of 50:20:30, respectively. Base compensation is paid monthly at a fixed rate, bonuses are paid in July of the following year, and share remuneration is also granted in July. In determining individual remuneration for Directors, the Nomination and Compensation Advisory Committee conducts a multifaceted review of the draft proposals, including consistency with the policy. The Board of Directors generally respects the Committee's recommendations and considers them to be in line with the approved policy. Remuneration for Outside Directors consists of base compensation (fixed remuneration) only.

Support System for Outside Directors

The Office of the President serves as the primary point of contact in supporting Outside Directors with regard to the scheduling of Board of Directors and other meetings, as well as the communication of important matters. In addition, relevant departments coordinate to support the collection and provision of internal materials requested by Outside Directors or required for audits by the Audit and Supervisory Committee. Furthermore, the Board of Directors Office has been established to strengthen the support system. This includes setting discussion themes for Board meetings, coordinating the schedule for such discussions, and providing advance explanation to Outside Directors on agenda items as necessary.

Status of Retired Executives Who Previously Served as Representative Director and President

Names, positions, and other information related to retired executives currently serving in advisory positions

Name	Job title/ position	Responsibilities	Terms of Employment (Full/part time, with/ without remuneration)	Date former role as president ended	Term
Kiyoshi Nakashima	Special Advisor	Advises at the request of Macnica, does not directly participate in management of Macnica	Part-time, with remuneration	June 25, 2019	1 year

Number of retired executives currently serving in advisory positions	1

Other Related Matters

Following his resignation as Representative Director and President of Macnica, he served as Chairman and Representative Director until June 24, 2021, and subsequently as Chairman of the Board of Directors until June 25, 2025. His appointment as Special Advisor was determined by the Board of Directors following deliberation by the Nomination and Compensation Advisory Committee, in accordance with internal regulations.

2. Matters Concerning Business Execution, Audit and Supervision, Nomination, Remuneration and Other Functions (Outline of the Current Corporate Governance System)

Macnica has made continuous efforts to enhance and strengthen Corporate Governance in order to become a more competitive company and to improve its corporate value over the medium- to long-term. Macnica has adopted the structure of a Company with an Audit and Supervisory Committee. The purpose of this transition is to further accelerate decision-making and business execution by delegating authority for important operational decisions from the Board of Directors to Directors. At the same time, the Board of Directors strengthens its supervisory function by focusing discussions and policy decisions on key management issues, such as strategy, human resources, and risk, and by monitoring the execution of operations by the management. Through the twin pillars of supervision and execution, Macnica seeks to strengthen its competitiveness and enhance corporate value.

Macnica's basic management and administrative structures are the Board of Directors, the Group Management Committee, the Audit and Supervisory Committee, and the Nomination and Compensation Advisory Committee.

1. Board of Directors

Macnica's Board of Directors consists of 11 members in total: 8 Directors (excluding Directors who are Audit and Supervisory Committee Members) (of whom 4 are Outside Directors), and 3 Directors who are Audit and Supervisory Committee Members (of whom 2 are Outside Directors).

Adopting the Monitoring Model, the Board of Directors makes decisions on basic management policies such as Macnica's Purpose, Vision, Values, and medium- to long-term management strategies and plans based on the Board of Directors Regulations and other related rules, and focuses on discussing important management issues such as strategy, human resources, and risk, while strengthening the oversight function over business execution by management. The Board of Directors is held in principle once a month.

2. Group Management Committee

Macnica has adopted the structure of a Company with an Audit and Supervisory Committee, under which authority over significant business execution decisions has been delegated by the Board of Directors to Directors. The Group Management Committee, chaired by the Representative Director, President and Executive Officer, to whom such authority has been delegated by the Board of Directors, is composed of Business Executive Directors and Executive Officers and deliberates on and decides matters relating to business execution within the Group. The Committee aggregates and analyzes information and makes decisions regarding issues related to the progress of the Group's annual key policies, as well as challenges and other matters raised by Group companies. In addition, with respect to important matters relating to the medium- to long-term strategies of each business segment, members of the Group Management Committee hold management retreats three times a year to engage in more extensive and focused discussions.

3. Audit and Supervisory Committee

The Audit and Supervisory Committee consists of 3 Directors who are Audit and Supervisory Committee Members (of whom 2 are Outside Directors). The Committee audits the Directors' execution of duties and performs other duties prescribed by laws, regulations, and the Articles of Incorporation based on the Audit and Supervisory Committee Regulations and internal rules regarding audit and supervision by the Audit and Supervisory Committee. The Committee meets monthly to share information and check the progress of the audit plan, and also regularly holds information exchanges and meetings with the Corporate Audit Department and the Accounting Auditor.

In addition, by selecting a full-time Audit and Supervisory Committee member and providing opportunities for departmental heads to report to the Audit and Supervisory Committee, a mechanism is built to fulfil the audit function over business execution, enhancing the effectiveness of the Audit and Supervisory Committee.

4. Nomination and Compensation Advisory Committee

As an advisory body to the Board of Directors, Mcnica has established the Nomination and Compensation Advisory Committee, composed of 5 Outside Directors (including 1 Outside Director who is an Audit and Supervisory Committee Member) and 1 Non-Executive Director with the aim of emphasizing procedures and deliberations with a high degree of independence, objectivity and transparency. The Committee deliberates and submits recommendations to the Board of Directors regarding the appointment of the Representative Director and President, the review and examination of matters such as the selection of candidates for Directors (excluding Audit and Supervisory Committee Members) and for Directors who are Audit and Supervisory Committee Members, and the compensation of each Director and Executive Officer (including share remuneration). In addition, by appointing one Outside Director who is an Audit and Supervisory Committee Member as a member of the Committee, a mechanism is in place to enable the Audit and Supervisory Committee to form its opinions after confirming the appropriateness of the Committee's deliberations.

3. Reason for Selecting Present Corporate Governance System

Macnica has adopted the structure of a Company with an Audit and Supervisory Committee. Under this structure, the Board's authority is delegated to directors within the scope permitted by law and the Articles of Incorporation, enabling faster decision-making than before; the Board of Directors has as its primary role the determination of basic management policies and important matters for enhancing corporate value, as well as the monitoring of management, while management is tasked with appropriately executing business in accordance with such policies.

The Board of Directors functions as a framework that contributes to enhancing corporate value by supervising the execution of duties by the management team, while ensuring objectivity and fairness through the insights of Independent Outside Directors. The Board is composed of eleven Directors, including six highly independent Outside Directors. By incorporating external perspectives and receiving advice based on diverse experience and broad expertise, Macnica believes that it is able to ensure fairness in corporate management and make appropriate, well-informed decisions. Directors who serve as Audit and Supervisory Committee Members hold voting rights at Board meetings and, as members of the Committee, have the right to express opinions at the General Meeting of Shareholders regarding the election and remuneration of Directors. This structure is expected to further strengthen the supervisory function over Business Executive Directors.

In addition, Macnica has established a Nomination and Compensation Advisory Committee as an advisory body to the Board of Directors, thereby enhancing the governance structure by complementing the functions of the Board.

III. Implementation of Initiatives Concerning Shareholders and Other Stakeholders

1. Ensuring an Active Ordinary General Meeting of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanation
Early Notification of General Shareholder Meeting	
Scheduling AGMs Avoiding the Peak Day	The basic policy is to set the date of the meeting to avoid Peak Days so that more shareholders can attend.
Allowing Electronic Exercise of Voting Rights	To ensure that shareholders have time to consider proposals and to facilitate the exercise of voting rights, voting via the internet was introduced.
Participation in Electronic Voting Platform and Others to Encourage Institutional Investors to Exercise Voting Rights	Participation in voting platforms to improve voting environment for institutional investors.
Providing Convocation Notice (Summary) in English	English translation of the Provision of Notice (or Summary of Notice) has been prepared and is available on Macnica's website.
Other	At General Meetings of Shareholders, Macnica provides easy-to-understand explanations, including business reports with narration and projection of graphs and other materials to deepen shareholders' understanding.

2. Investor Relations (IR) Activities

	Supplementary Explanation	Presentation
Preparation and Publication of Disclosure Policy	The Information Disclosure Policy is available on Macnica's website.	
Regular Briefings for Individual Investors	We hold regular briefings for individual investors and distribute archived videos. We organize an Investor Day and integrated report briefings to provide opportunities for dialogue with management, enhancing understanding of our company. We strive to maintain and strengthen information disclosure for individual shareholders and investors.	Held
Regular Briefings for Analysts and Institutional Investors	Financial results on same day as announcement of the full-year and second quarter results, and small group meetings are held when first and third quarter results are announced. Individual meetings held at the request of analysts and institutional investors for quarterly results.	Held
Posting of IR Materials on Website	Macnica's website contains financial statements (English disclosure), supplementary materials (English disclosure), provision of notice of General Meeting of Shareholders (English disclosure), annual securities reports and other timely disclosure materials (with English disclosure).	
Establishment of Department and/or Manager in Charge of IR	The Management Planning Department is in charge of IR.	

3. Measures Concerning Respect of the Standpoint of Stakeholders

	Supplementary Explanation
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Code of Conduct stipulates that Macnica respects the position of its stakeholders, including customers and employees, and is published on the Company website.
Implementation of Environmental Activities, CSR Activities	Macnica has established greenhouse gas (GHG) emissions reduction targets and has obtained SBT certification. In addition, Macnica has formulated a Climate Transition Plan to achieve these reduction targets. Moreover, Macnica strives to protect the environment through environmental management based on the ISO 14001 standard, for which certification has been obtained by its subsidiary.
Development of Policies on Information Provision to Stakeholders	The Code of Conduct stipulates that Macnica discloses its activities in a positive and fair manner. The Information Disclosure Policy sets out the basic policy and methods of disclosure.

IV. Matters relating to Internal Control System

1. Basic Stance Regarding Internal Control System and Status of Establishment

Macnica is committed to strengthening and thoroughly implementing its Internal Control System in accordance with the basic policy on the Internal Control System adopted by the Board of Directors.
The basic policy for the development of the Internal Control System in accordance with Article 362 of the Companies Act and Article 100 of the Enforcement Regulations of the Companies Act, resolved by the Board of Directors, follows.

1. System to ensure that the execution of duties by directors and employees complies with laws, regulations and the Articles of Incorporation

(1) Based on the recognition that compliance with laws and regulations is a fundamental premise of corporate activities, directors, executive officers, and employees shall take the initiative in ensuring thorough compliance with laws and regulations throughout the Company and the Group as a whole. Directors shall, in principle, attend Board of Directors meetings held monthly in accordance with the Board of Directors Regulations and other relevant rules, fostering mutual communication among directors and mutually monitoring and supervising the execution of their duties.

(2) As the foundation of the compliance framework, the Compliance Regulations shall be established. The Executive Officer in charge of compliance shall be responsible for promoting compliance across the Company and the Group, while the Compliance Committee, chaired by the President, shall deliberate on and approve issues and corresponding measures.

(3) The Company works to build a system to exclude antisocial forces and ensures that all officers and employees of the Group adopt a resolute posture toward antisocial forces and refuse to respond to unjust or improper demands.

(4) The Company develops and operates internal controls for ensuring the reliability of financial reporting, and evaluates their effectiveness appropriately.

(5) The Corporate Audit Department, which is responsible for internal audits, shall audit the status of compliance with laws and regulations and submit a report to the Board of Directors. A copy of the report shall also be submitted to the Audit and Supervisory Committee.

(6) The Company and its Group companies shall establish and operate an internal reporting system for matters concerning violations of laws and regulations and other compliance-related issues. In addition to an internal reporting desk, the system shall include an internal reporting system through which reports are received directly by a third-party organization or similar entity. The Compliance Committee shall monitor the operation of this system.

(7) If the Audit and Supervisory Committee recognizes an issue with the compliance system or the operation of the internal reporting system of the Company and the Group, it may express its opinion and may request the Board of Directors to formulate remedial measures.

2. System for preservation and management of information relating to the execution of duties by directors
Information relating to the execution of duties by directors shall, pursuant to the "Document Management Regulations," be preserved and managed appropriately and reliably depending on the preservation medium in a highly searchable state, and be maintained in a state that allows inspection for a certain period.

3. Regulations and other systems for management of the risk of loss

(1) In order to establish a risk management framework, the Risk Management Regulations shall be established, and a Risk Management Committee shall be set up to conduct various risk management activities. The Committee shall monitor

the progress of risk management initiatives, formulate necessary measures, and report regularly to the Board of Directors and the Group Management Committee.

(2) The Company establishes a cross-company management system capable of prompt response, including the establishment of a response headquarters and information management at the occurrence of a risk, to prevent the expansion of secondary damage and recurrence.

4. System to ensure that the execution of duties by directors is performed efficiently

(1) The Board of Directors shall, in principle, hold regular meetings once a month and convene extraordinary meetings as necessary. The Company delegates a portion of its important business execution authority from the Board of Directors to certain directors, enabling prompt decision-making at the Group Management Committee chaired by the Representative Director. Important matters are reported to the Board of Directors, which exercises oversight under this framework.

(2) With respect to the execution of duties based on decisions of the Board of Directors, the Company aims for efficient execution through the allocation of duties and command-and-control relationships in accordance with the "Regulations on Division of Duties" and "Regulations on Authority."

5. System to ensure appropriateness of business in the corporate group comprising the Company and its subsidiaries

(1) The Group management philosophy applies to all Group companies. Group companies establish their own rules based on this philosophy. Important matters of Group companies are subject to the Company's approval or reporting pursuant to business management agreements concluded with direct investee companies, so that the Company appropriately manages Group companies.

(2) Pursuant to the "Group Company Management Regulations," the Company manages and monitors Group companies as necessary.

(3) When a director of the Company discovers in a Group company a violation of laws and regulations or other material compliance-related matter, the director reports to the Audit and Supervisory Committee.

(4) The Corporate Audit Department, in accordance with the "Internal Audit Regulations," performs internal audits of Group companies as necessary. With respect to internal audits performed by Group companies, the Office receives copies of the reports and conducts monitoring.

6. Items concerning employees assisting in the duties of Audit and Supervisory Committee and items concerning their independence from directors

(1) Upon request by the Audit and Supervisory Committee, the Company appoints an Audit and Supervisory Committee support staff (Audit and Supervisory Committee staff) from among the Company's employees. Personnel evaluation of the staff is carried out by the Audit and Supervisory Committee; appointment, dismissal, personnel transfers, and salary revisions of the staff are decided by the Board of Directors with the consent of the Audit and Supervisory Committee, thereby ensuring independence from directors.

(2) If such staff concurrently serve in other departments, they shall give priority to their duties relating to the Audit and Supervisory Committee.

7. System for directors and employees to report to the Audit and Supervisory Committee

(1) Upon request by the Audit and Supervisory Committee, directors and employees report to the Audit and Supervisory Committee from time to time important matters that affect the business or results of the Company or the Group. In addition, the Audit and Supervisory Committee may at any time, as necessary, request directors and employees to report. Internal

audit results conducted by the Corporate Audit Department and the status of reports under the "Macnica Group Internal Reporting Regulations" are reported to the Audit and Supervisory Committee.

(2) If a director or employee discovers facts that may cause significant damage to the Company, they shall immediately report to the Audit and Supervisory Committee.

(3) When a director, employee or the like reports to the Audit and Supervisory Committee, they shall not be subject to any disadvantageous treatment on the grounds of having made such report.

8. Other systems to ensure that audits by the Audit and Supervisory Committee are conducted effectively

(1) In carrying out audits of the business and asset position of the Company and the Group, as well as other audit duties, the Audit and Supervisory Committee shall receive reports from the Corporate Audit Department on the results of internal audits and other matters, and may request the Corporate Audit Department to conduct investigations as necessary. The Audit and Supervisory Committee shall maintain close coordination with the Ccorporate Audit Department and the Accounting Auditor to ensure a framework for conducting efficient audits.

(2) The Representative Director holds regular meetings with the Audit and Supervisory Committee and exchanges opinions on issues facing the Company and the Group. The Company also cooperates so that the Audit and Supervisory Committee can coordinate with outside legal advisors and the like.

(3) The Company bears the expenses necessary for the execution of the duties of the Audit and Supervisory Committee.

2. Basic Policies to Protect against Entities Engaged in Unlawful Activities and Status of Establishment

Macnica’s basic policy is to deal with antisocial forces and groups in a resolute and organized manner, in active cooperation with the police, lawyers and other external professional bodies.

Antisocial forces and groups shall be met resolutely; employees shall be made aware and the Compliance Department shall be put in charge of collecting information.

V. Other Matters

1. Matters Concerning Anti-Takeover Measures

Matters concerning anti-takeover measures	No

Supplementary Explanation for Applicable Items

2. Other Matters Concerning the Corporate Governance Framework

Macnica recognizes that maintaining a high level of Corporate Governance contributes to gaining the trust of shareholders, business partners and other stakeholders and, in turn, to increasing corporate value. From this perspective, the Company is committed to further enhancing its Corporate Governance, strengthening its Internal Control System and increasing management transparency through timely and appropriate information disclosure. The following is a description of the Company's system for the timely disclosure of corporate information.

Status of Development and Operation of Timely Disclosure System

1. Efforts to Develop a Timely Disclosure System
Macnica regards the enhancement of its system for the timely disclosure of corporate information as part of its Corporate Governance and promptly and properly discloses information that is deemed important for investors to make investment decisions. In addition, properly disclosed corporate information is disclosed on the Company's website.

The handling of information is regulated by the “Information Handling Regulations,” which unify the contact point for enquiries (department in charge of timely disclosure) in the event of material facts and clarify the roles and responsibilities of each department. Information collected is promptly reported to the person responsible for information handling, and information to be released is published in a timely manner in accordance with the rules on timely disclosure of Company Information set out by the Stock Exchange.

2. Department in Charge of Timely Disclosure
Management Planning Department

3. Internal Procedures for Timely Disclosure

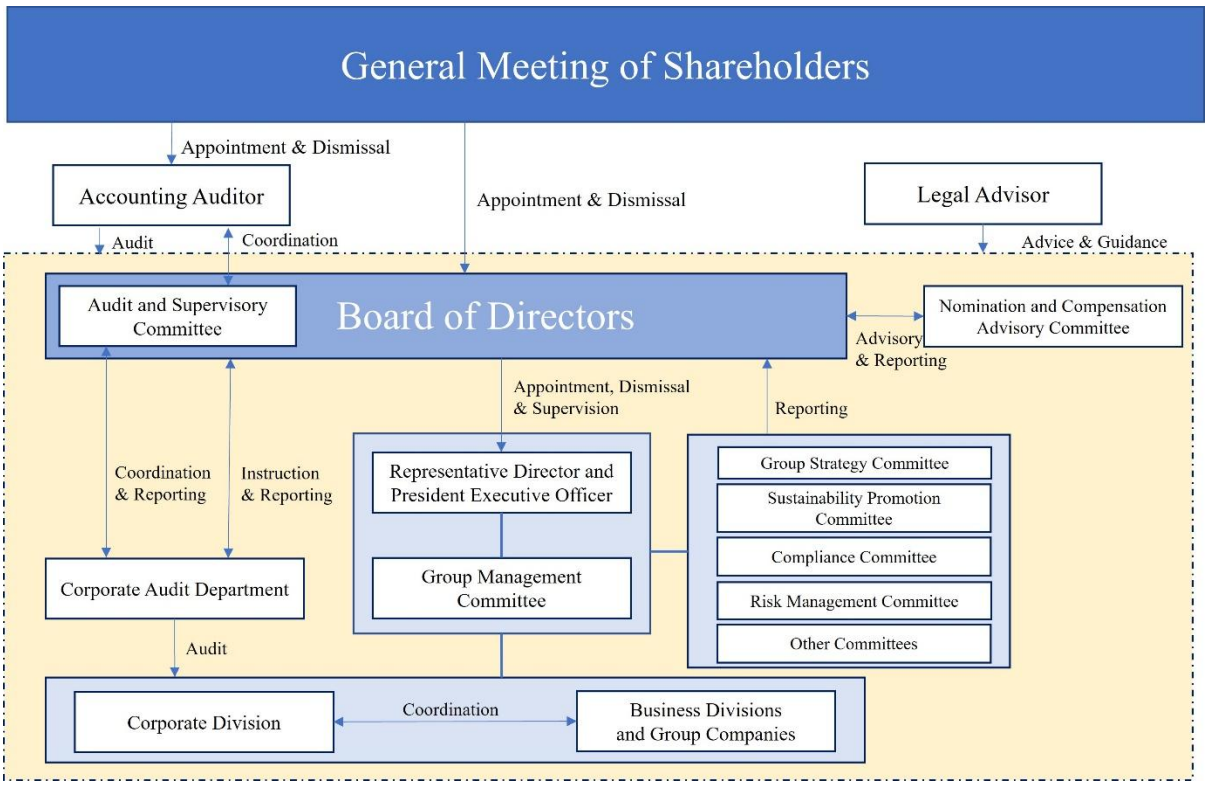
(1) Important corporate information of the Group is reported as an agenda item to the Group Management Committee (Chairperson: Representative Director and President), which deliberates on the content and whether or not timely disclosure is necessary. Of the material corporate information reported, matters requiring a decision by the Board of Directors shall be submitted to the Board of Directors.

(2) The Management Planning Department shall endeavor to ascertain the facts of the decision as well as the facts of the occurrence and shall discuss with the relevant parties whether the information complies with the information to be disclosed in a timely manner.

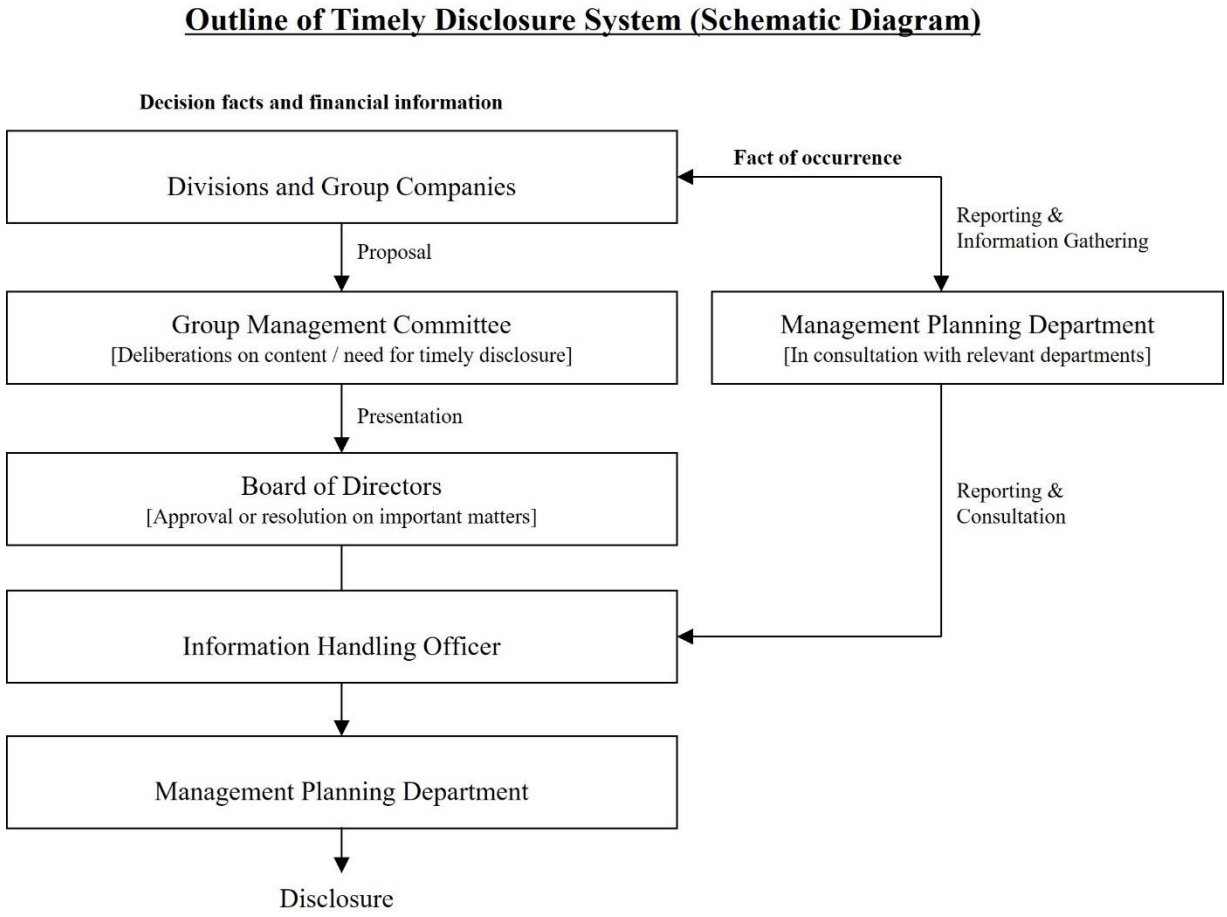
(3) In accordance with the Financial Instruments and Exchange Act, government orders under the Act and the Regulations on Timely Disclosure of Corporate Information, the Management Planning Department will release corporate information that falls under the category of information to be disclosed in a timely manner at the appropriate time in accordance with the instructions of the person responsible for handling the information.

(4) The Management Planning Department, in cooperation with the relevant internal departments, will work to accelerate the announcement of the financial results for each quarter and for the full year.

Corporate Governance System (Schematic Diagram)



Outline of Timely Disclosure System (Schematic Diagram)

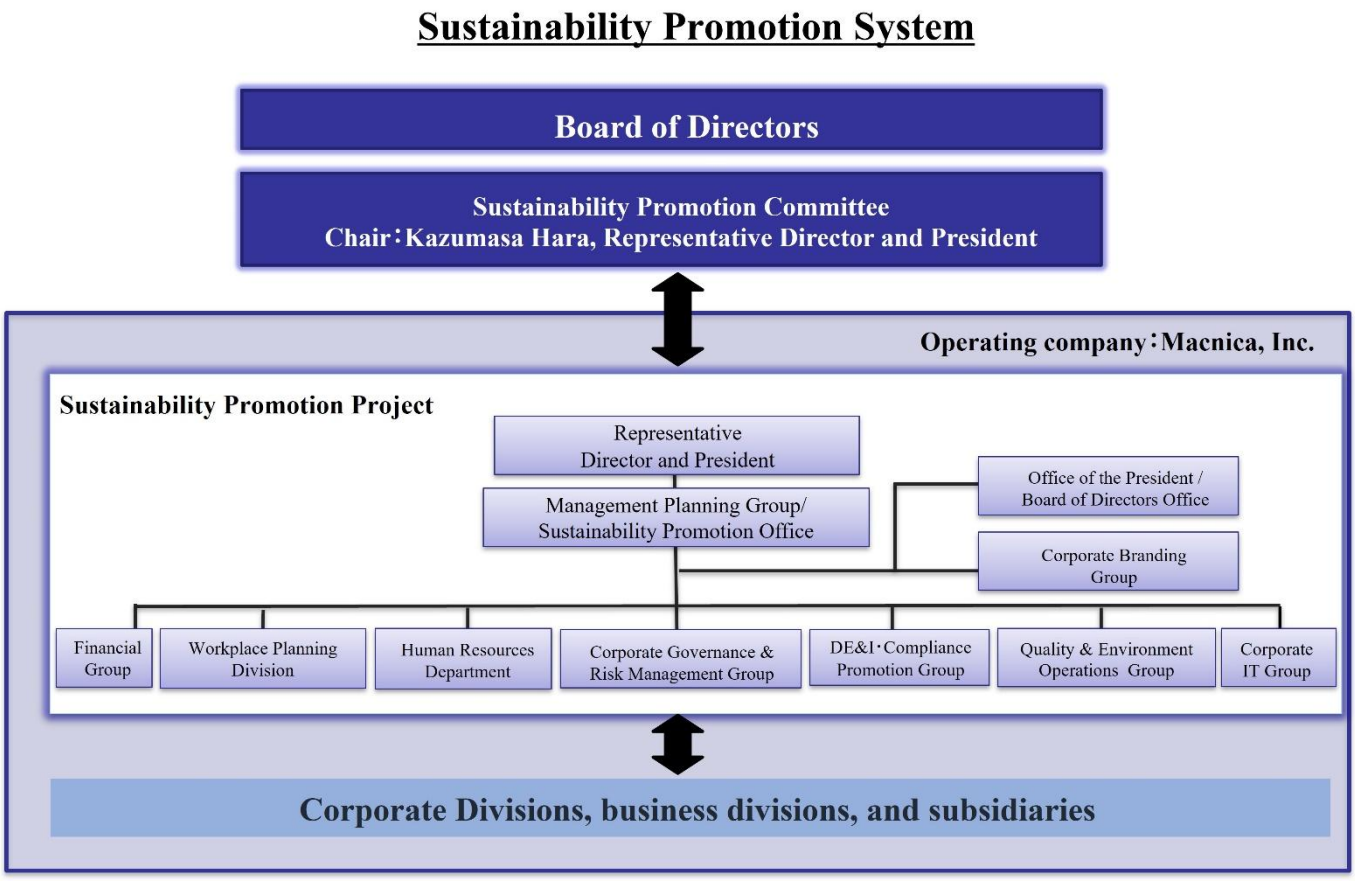


Women, Foreign Nationals and Mid-Career Hires

* Trends in Direct Employment at Macnica, Inc., the Main Operating Subsidiary

		Mar-22	Mar-23	Mar-24	Mar-25	Mar-26
All Employees		2,322	2,454	2,661	2,845	3,225
Management		521	553	580	625	698
Including Women	Employee	650	712	760	804	908
	Management	26	29	36	55	68
Including Foreign Nationals	Employee	39	38	55	68	73
	Management ( ) Includes Management-Level Positions	2 (7)	1 (6)	1 (9)	1 (10)	3 (13)
Including Mid-career Hires	Employee	1,473	1,574	1,736	1,873	2,018
	Management	311	329	344	375	416

Sustainability Promotion System



List of Experience and Expertise Possessed by Directors (“Skills Matrix”)

This table highlights the primary "knowledge, experience, skills, etc." possessed by directors. It does not encompass all their attributes. The assessment of skills is based on "experience" and "expertise" derived from work history, which can be evaluated and explained objectively to a certain degree.

Name	Position (Outside)	Since	Skills required to fulfill the functions of the board (including expertise, experience, competencies)													
			Corporate Management	Corporate Governance	Long-term Strategy	Risk Management	Human Resource & Corporate Culture	Capital Market & Finance	Global Business Management	Innovation	Business Investment & M&A	Industry Knowledge	DX & Technology	Branding	Compliance & Legal Affair	Sustainability
Kazumasa Hara	Representative Director	2019	●	●	●	●	●	●	–	●	●	Semiconductor & NW	●	●	–	●
Akinobu Miyoshi	Representative Director	2019	●	–	●	–	●	–	●	●	–	Semiconductor & NW	–	–	–	–
Makoto Okawara	Director	2024	●	–	–	●	–	●	●	–	●	Trade company	–	–	–	–
Eiichi Nishizawa	Director (Non-executive)	2015	–	●	–	●	–	●	–	–	●	Semiconductor	–	–	–	–
Shinichiro Omori	Outside Director	2022	●	●	–	●	–	–	●	–	●	Electrical machinery, etc.	●	–	–	–
Tsunesaburo Sugaya	Outside Director	2019	●	●	–	–	–	●	●	●	●	Investment	–	–	–	–
Yasuaki Mori	Outside Director	2024	●	●	●	●	●	●	●	–	●	Semiconductor & AI, etc.	●	–	–	–
Shinichi Abe	Outside Director	2025	●	●	●	●	●	–	●	●	–	IT & NW	●	–	–	–
Shinichi Onodera	Director (Audit and Supervisory Committee Member)	2024	–	●	–	●	–	●	●	–	●	Semiconductor	–	–	–	–
Kay Miwa	Outside Director (Audit and Supervisory Committee Member)	2024	–	●	–	●	–	–	●	–	●	Automobile, etc.	–	–	●	–
Yukie Sugita	Outside Director (Audit and Supervisory Committee Member)	2024	–	●	–	●	–	●	–	–	–	Accounting	–	–	–	–