



Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

July 28, 2025

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 Listing: TSE Prime
 Securities code: 3132
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of quarterly financial results briefing: None

1. Consolidated financial results for the three months ended June 30, 2025

(April 1, 2025 to June 30, 2025)

(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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	281,613	9.9	8,198	△32.0	5,082	△57.5	5,091	△36.6
June 30, 2024	256,330	△8.0	12,047	△41.7	11,947	△39.1	8,030	△40.9

Note: Comprehensive income For the three months ended June 30, 2025: 4,465 million yen [△72.6%]
 For the three months ended June 30, 2024: 16,310 million yen [△23.1%]

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2025	28.54	—
June 30, 2024	44.63	—

Note: The Company conducted a 1-for-3 share split of its common shares, effective 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	%
June 30, 2025	548,514	259,697	45.7
March 31, 2025	556,438	261,477	45.4

Reference: Equity as of June 30, 2025: 250,618 million yen; as of March 31, 2025: 252,413 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, 2025	—	105.00	—	35.00	—
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		35.00	—	35.00	70.00

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 October 1, 2024. The year-end dividend per share for the year ended March 31, 2025 reflects the impact of the share split. Taking the share split into account, the dividend per share at the second quarter-end of the fiscal year ended March 31, 2025 was 35.00 yen, and the annual dividend was 70.00 yen.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026

(April 1, 2025 to March 31, 2026)

% indicates year-on-year change for the fiscal year and quarter-on-quarter change for the quarter

	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 Sept 30, 2025 (cumulative)	507,500	△2.2	19,200	△14.2	17,500	△17.1	12,300	△19.3	68.94
Fiscal year ending March 31, 2026	1,050,000	1.5	42,000	5.9	38,500	3.2	27,000	6.8	151.33

Note: Revisions of the forecast most recently announced: None

Notes

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

Newly included:

None

Excluded:

None

(2) Application of accounting procedures specific to the quarterly consolidated financial statements: Yes

Note: Please see "2. Quarterly Consolidated Financial Statements and Key Notes, (4) Notes to Consolidated Financial Statements: Application of accounting procedures specific to the consolidated financial statements" on page 10.

(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: None

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2025	179,072,146 shares
As of March 31, 2025	179,072,146 shares

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

As of June 30, 2025	657,485 shares
As of March 31, 2025	657,485 shares

(iii) Average number of shares outstanding during the period (cumulative from beginning of the fiscal year)

Three months ended June 30, 2025	178,414,661 shares
Three months ended June 30, 2024	179,954,385 shares

Note: The Company conducted a 1-for-3 share split of its common shares, effective October 1, 2024. The "average number of shares outstanding during the period (cumulative from beginning of the fiscal year)" for the first

quarter of the fiscal year ended March 31, 2025 was calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year.

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* 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. Overview of 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. Overview of Operating Results

(1) Consolidated Operating Results

During the first quarter of the current consolidated fiscal year the Japanese economy continued in a gradual recovery, supported by solid improvements in corporate earnings. Globally, concerns over trade friction arising from U.S. policy changes and exchange rate fluctuations contributed to an ongoing uncertain outlook.

In the electronics industry, to which the Company belongs, capital investment in generative AI increased. In the automotive market, although the market itself remained sluggish, the number of semiconductors installed per vehicle continued to rise due to the adoption of advanced control systems for improved safety and automation, and the ongoing shift toward EVs (electric vehicles) to support decarbonization. On the other hand, the industrial equipment market entered an adjustment phase across a wide range of fields—including factory automation, machine tools, medical equipment, and measuring instruments—due to the stagnation of the Chinese market and prolonged inventory adjustments.

In the IT industry, the IT investment environment remained favorable for enterprises. In terms of security, there has been a surge in cyber-attacks such as ransomware and those targeting the supply chain, resulting in serious damage including information leaks and business disruptions. As a result, more companies are recognizing cybersecurity as a critical management issue. In addition, the widespread adoption of cloud computing and remote work has increased external connectivity, expanding the areas that require protection. Consequently, there is growing interest in zero trust—which assumes no inherent trust in users or devices within internal systems—and attack surface management (ASM), which visualizes and manages risks to information assets.

As a result of the above, net sales for the first quarter of the fiscal year were 281,613 million yen, up 9.9% YoY. However, the gross profit margin declined due to foreign exchange fluctuations in Japan and Taiwan, leading to operating income of 8,198 million yen, down 32.0% YoY, ordinary income of 5,082 million yen, down 57.5% YoY due to foreign exchange losses, and net income attributable to owners of parent of 5,091 million yen, down 36.6% YoY.

Results by segment are as follows. The segment name “Network Business” has been changed to “Cybersecurity and Other IT Solutions Business” effective from the fiscal year ending March 31, 2026. This is a change in name only; there are no changes in segment classification, scope, or measurement method.

ICs, Electronic Devices and Other Business

In this business segment, the computer market saw increased demand both domestically and internationally for high-performance servers used in AI servers. In the automotive market, although the market itself remained stagnant, our sales activities were recognized and led to a shift in sales channels. On the other hand, in the industrial equipment market, prolonged inventory adjustments led to an overall adjustment phase across various sectors including factory automation equipment, industrial robots, semiconductor manufacturing equipment, and medical devices.

As a result, net sales in this business for the first quarter were 239,974 million yen, up 9.7% YoY, and operating income was 3,955 million yen, down 54.5% YoY.

Cybersecurity and Other IT Solutions Business

In this business segment, awareness of the importance of endpoint security measures continued to deepen, and even major domestic companies that had already implemented solutions expanded their internal deployment. As a result, endpoint security-related products performed steadily. In addition, supported by the expansion of cloud services and growing adoption of zero trust security, there was significant growth in cloud security gateway-related products and SASE (Secure Access Service Edge) solutions. Furthermore, overseas cybersecurity operations, especially in Southeast Asia, also grew steadily.

As a result, net sales in this business for the first quarter were 41,693 million yen, up 10.8% YoY, and operating income was 4,242 million yen, up 26.1% YoY.

Reference: Consolidated Net Sales by Product

		Apr 1 – Jun 30, 2024	Apr 1 – Jun 30, 2025	Y/Y change (%)
		Millions of yen	Millions of yen	
IC, Electronic Devices and Other Businesses		218,702	239,974	9.7
	IC	194,495	199,993	2.8
	PLD	18,071	27,809	53.9
	ASIC	4,127	4,485	8.7
	ASSP	26,946	22,166	△17.7
	Analog	58,319	61,134	4.8
	Memory	18,083	12,403	△31.4
	Microcontroller	36,018	37,849	5.1
	Power and Other ICs	32,928	34,143	3.7
	Electronic Devices	17,270	19,375	12.2
	Other	6,936	20,606	197.1
Cybersecurity and Other IT Solutions Business		37,628	41,639	10.7
	Hardware	3,572	3,889	8.9
	Software	29,464	31,550	7.1
	Service	4,591	6,199	35.0
Total		256,330	281,613	9.9

Note: 1. Amounts are sales to external customers, excluding internal sales or transfers.

2. Starting from the first quarter of the fiscal year ending March 31, 2026, we revised the item classifications by separating "Other Standard ICs" into "Microcontroller" and "Power and Other ICs." Accordingly, figures for the fiscal year ended March 31, 2025 have also been retroactively adjusted.

(2) Consolidated Financial Position

Total assets at the end of the consolidated first quarter amounted to 548,514 million yen, a decrease of 7,923 million yen compared to the end of the previous fiscal year.

Current assets decreased by 8,197 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 29,079 million yen in product, despite increases of 10,727 million yen in notes, accounts receivable and contract assets, 8,651 million yen in electronically recorded receivables, and 980 million yen in other current assets.

Fixed assets increased by 273 million yen compared to the end of the previous fiscal year. This was mainly due to increases of 60 million yen in tools, furniture and fixtures, net, and 480 million yen in investment securities, despite decreases of 73 million yen in buildings and structures, net, 88 million yen in goodwill, and 98 million yen in other intangible fixed assets.

Current liabilities decreased by 5,810 million yen compared to the end of the previous fiscal year. This was mainly due to decreases of 2,139 million yen in notes and accounts payable, 7,137 million yen in short-term loans payable, and 2,417 million yen in accrued bonuses, despite an increase of 6,005 million yen in other current liabilities.

Long-term liabilities decreased by 333 million yen compared to the end of the previous fiscal year. This was

due to decreases of 54 million yen in liability for retirement benefits and 279 million yen in other long-term liabilities.

Net assets decreased by 1,779 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 1,152 million yen in retained earnings, 115 million yen in gains on deferred hedge, and 936 million yen in translation adjustments, despite an increase of 409 million yen in unrealized holding gains on securities.

Cash Flows

Cash and cash equivalents at the end of the current consolidated first quarter was 49,089 million yen, an increase of 636 million yen from 48,452 million yen at the end of the previous fiscal year.

Cash flow from operating activities

Net cash provided by operating activities increased by 16,395 million yen, compared to an increase of 8,951 million yen in the same period of the previous fiscal year. This was mainly due to the recording of 5,178 million yen in income before income taxes and a decrease in inventories, despite an increase in notes and accounts receivable.

Cash flow from investing activities

Net cash used in investing activities decreased by 513 million yen, compared to a decrease of 941 million yen in the same period of the previous fiscal year. This was mainly due to disbursement of loans and purchases of intangible assets.

Cash flow from financing activities

Net cash used in financing activities decreased by 14,224 million yen, compared to an increase of 2,041 million yen in the same period of the previous fiscal 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

Looking ahead, the electronics industry continues to face an uncertain outlook due to the impact of geopolitical changes on tariffs and exchange rates, as well as ongoing inventory adjustments for semiconductors and electronic components. However, a gradual market recovery is anticipated in the second half of the fiscal year. In the IT industry, as the adoption of digital technologies continues to expand and the volume of information assets requiring protection increases, demand for security-related products is expected to remain steady. Additionally, with a growing recognition of the value of data in corporate business activities, data analysis-related products are expected to continue growing.

Based on these business conditions, we have maintained our previously announced forecasts for the six-month and full-year consolidated results for the fiscal year ending March 31, 2026, as published in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Japanese GAAP)” released on May 7, 2025. Should any revisions become necessary, they will be disclosed promptly.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2025	As of June 30, 2025
ASSETS		
Current assets		
Cash and deposits	48,530	49,172
Notes, accounts receivable and contract assets	205,967	216,694
Electronically recorded receivables	9,215	17,866
Product	234,549	205,469
Other	27,130	28,110
Allowance for doubtful accounts	△456	△575
Total current assets	524,936	516,739
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	2,444	2,371
Tools, furniture and fixtures, net	1,730	1,791
Machinery, equipment and vehicles, net	497	475
Land	3,563	3,563
Other, net	1,213	1,245
Total tangible fixed assets	9,450	9,448
Intangible fixed assets		
Goodwill	579	491
Other	6,318	6,219
Total intangible fixed assets	6,898	6,711
Investments and other assets		
Investment securities	7,958	8,439
Other	7,419	7,402
Allowance for doubtful accounts	△224	△224
Investments and other assets	15,153	15,616
Total fixed assets	31,502	31,775
Total Assets	556,438	548,514

	(Millions of yen)	
	As of March 31, 2025	As of June 30, 2025
LIABILITIES		
Current liabilities		
Notes & accounts payable	147,887	145,747
Short-term loans payable	74,728	67,590
Accrued income taxes	1,984	1,849
Accrued bonuses	6,123	3,706
Provision for directors' bonuses	41	54
Other current liabilities	62,297	68,302
Total current liabilities	293,061	287,251
Long-term liabilities		
Liability for retirement benefits	427	373
Other long-term liabilities	1,471	1,192
Total long-term liabilities	1,899	1,566
Total liabilities	294,961	288,817
NET ASSETS		
Shareholders' Equity		
Paid-in capital	14,040	14,040
Additional paid-in capital	30,671	30,671
Retained earnings	182,406	181,253
Treasury share	△1,330	△1,330
Total shareholders' equity	225,788	224,635
Other Comprehensive Income		
Unrealized holding gains on securities	323	732
Gain (loss) on deferred hedge	132	17
Translation adjustments	26,169	25,232
Total comprehensive income	26,625	25,982
Non-controlling interests	9,063	9,079
Total net assets	261,477	259,697
Total Liabilities & Net Assets	556,438	548,514

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income		(Millions of yen)
	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	256,330	281,613
Cost of sales	224,774	253,342
Gross profit	31,556	28,271
Selling, general & administrative expenses	19,508	20,073
Operating income	12,047	8,198
Non-operating income		
Interest income	142	138
Dividend income	52	56
Foreign exchange gains	35	—
Other	186	256
Total non-operating income	416	451
Non-operating expenses		
Interest expense	394	534
Equity in net loss of affiliates	4	11
Foreign exchange losses	—	2,841
Loss on transfer of receivables	107	125
Other	10	54
Total non-operating expenses	517	3,567
Ordinary income	11,947	5,082
Extraordinary income		
Gain on sales of non-current assets	7	—
Proceeds from sale of investment securities	—	134
Other	—	6
Total extraordinary income	7	140
Extraordinary losses		
Loss on valuation of investment securities	2	31
Loss on termination of ESOP trust	74	—
Other	3	11
Total extraordinary losses	80	43
Income before income taxes	11,873	5,178
Corporate, inhabitant and enterprise taxes	3,396	839
Total corporate tax	3,396	839
Net income	8,477	4,339
Net income (loss) attributable to non-controlling interests	446	△752
Net income attributable to owners of parent	8,030	5,091

Consolidated Statement of Comprehensive Income		(Millions of yen)
	Three months ended June 30, 2024	Three months ended June 30, 2025
Net income	8,477	4,339
Other comprehensive income		
Unrealized holding gains on securities	△111	410
Gain (loss) on deferred hedge	1	△115
Translation adjustments	7,906	△151
Other comprehensive income of entities under equity method	36	△17
Total comprehensive income	7,832	126
Comprehensive income	16,310	4,465
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	15,445	4,449
Comprehensive income attributable to non-controlling interests	864	15

(3) Consolidated Cash Flow Statements

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Operating Activities		
Income before income taxes	11,873	5,178
Depreciation and amortization	911	1,133
Interest and dividend income	△194	△195
Interest expense	394	534
Equity in net loss (gain) of affiliates	4	11
Loss (gain) on translation	△398	788
Proceeds from sale of investment securities	—	△134
Loss on valuation of investment securities	2	31
Loss on termination of ESOP trust	74	—
Change in notes and accounts receivable	3,437	△18,916
Change in inventories	△11,820	29,593
Changes in trade payable	4,621	△2,470
Other	8,597	1,941
Sub-total	17,503	17,498
Interest and dividends received	168	215
Interest paid	△400	△590
Corporate tax payment (refund)	△8,320	△727
Net cash provided by (used in) operating activities	8,951	16,395
Investing Activities		
Disbursement of loans	△505	△373
Proceeds from collection of loans	418	270
Purchases of property and equipment	△350	△254
Proceeds from sales of property and equipment	9	0
Purchases of intangible assets	△307	△340
Purchases of investment securities	△30	△0
Proceeds from sales of investment securities	—	247
Purchase of shares of subsidiaries and associates	△172	—
Other	△2	△62
Net cash provided by (used in) investing activities	△941	△513
Financing Activities		
Change in short-term loans	9,432	△7,917
Repayment of long-term debt	△148	—
Purchase of treasury shares	△1	—
Cash dividends paid	△7,024	△6,113
Dividends paid to non-controlling interests	△0	△0
Other	△216	△193
Net cash provided by (used in) financing activities	2,041	△14,224
Translation adjustments on cash and cash equivalents	2,172	△1,020
Net increase (decrease) in cash and cash equivalents	12,224	636
Cash and cash equivalents at the beginning of the year	38,623	48,452
Cash and cash equivalents at end of the period	50,848	49,089

(4) Notes to Consolidated Financial Statements**Application of accounting procedures specific to the consolidated 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 first quarter, and multiplying quarterly income before income taxes by the estimated effective tax rate.

Segment information**1. Previous Consolidated First Quarter (April 1 – June 30, 2024)**

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

	Reportable segment			Other	Total
	ICs, electronic devices and other business	Cybersecurity and Other IT Solutions Business	Sub-total		
Sales					
1) Sales to external customers	218,702	37,628	256,330	—	256,330
2) Internal sales, segment transfers	—	5	5	—	5
Total	218,702	37,634	256,336	—	256,336
Operating income by segment	8,684	3,363	12,047	—	12,047

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

Income	Amount
Total segment income	12,047
Elimination of intersegment income	0
Operating income in the consolidated statement of income	12,047

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

Not applicable

2. Current Consolidated First Quarter (April 1 – June 30, 2025)

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

	Reportable segment			Other	Total
	ICs, electronic devices and other business	Cybersecurity and Other IT Solutions Business	Sub-total		
Sales					
1) Sales to external customers	239,974	41,639	281,613	—	281,613
2) Internal sales, segment transfers	—	54	54	—	54
Total	239,974	41,693	281,668	—	281,668
Operating income by segment	3,955	4,242	8,197	—	8,197

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

Income	Amount
Total segment income	8,197
Elimination of intersegment income	0
Operating income in the consolidated statement of income	8,198

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

Not applicable.

(4) Changes in reportable segments

From the first quarter of the fiscal year ending March 31, 2026, the reportable segment previously referred to as the “Network Business” has been renamed the “Cybersecurity and Other IT Solutions Business.” This change is in name only and does not affect the segment information. The segment information for the first quarter of the previous fiscal year has also been presented using the new segment name.

Notes on significant changes in shareholders' equity

Not applicable.

Notes on going concern assumptions

Not applicable.