

FY2024 1Q Financial Results

MANI, INC.

THE BEST QUALITY IN THE WORLD, TO THE WORLD

January 12, 2024

Product Segments

Surgical

(Surgical instruments, such as ophthalmic knives and skin staplers)



Ophthalmic Knives



Skin Staplers

Eyeless Needle

(Mainly OEM products)



Eyeless Needles



Eyed Needles

Surgical Sutures

Dental Sutures etc.

Dental

(Dental treatment instruments and MMG (*)products)



Dental Endodontic Instruments
(Reamers/ Files)



Dental Rotary and Cutting Instruments
(Dia-burs)



Dental Restoration Materials

(*)MMG is the abbreviation for MANI MEDICAL GERMANY GmbH, a consolidated subsidiary in Germany that produces and sells dental restoration materials.

FY2024 1Q Financial Results

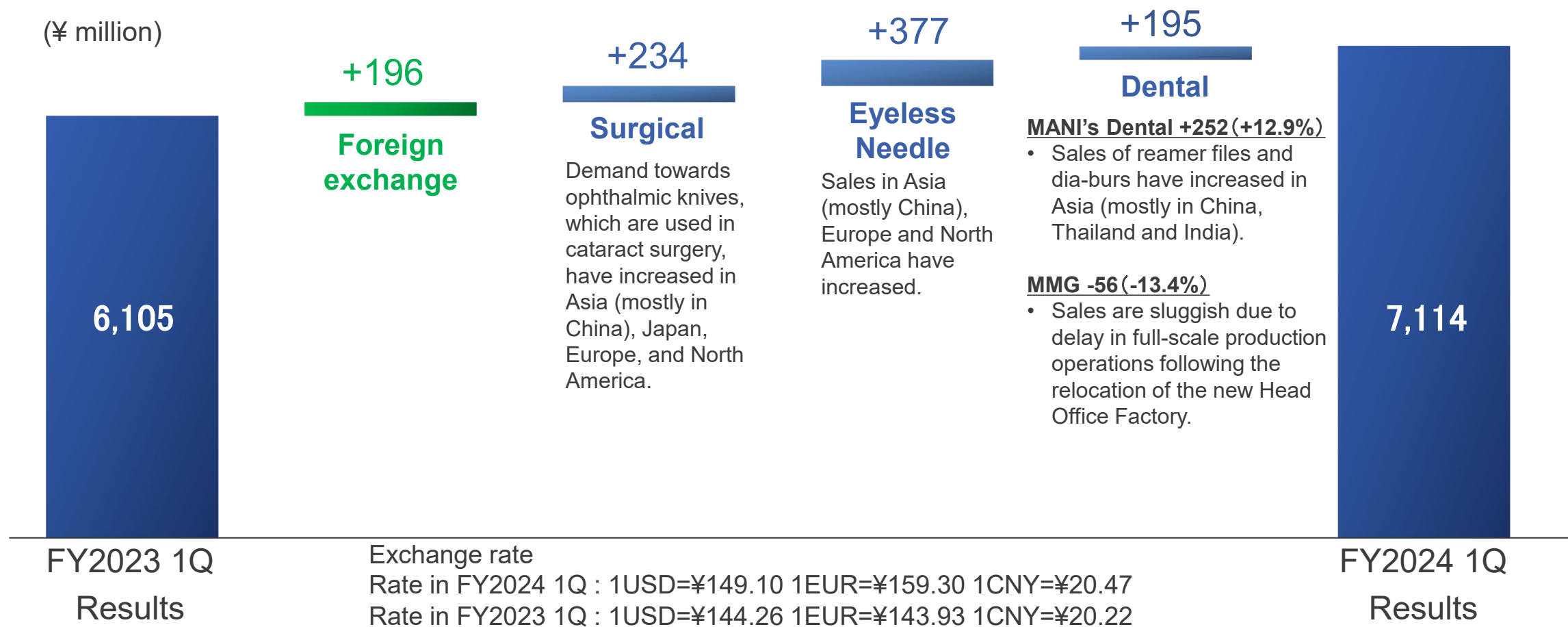
Consolidated Financial Results

- **1Q consolidated financial results were strong. Product demand in overseas continue to expand**
 - Sales grew mainly in Asia and North America. Eyeless needle segment performed well
 - Operating income, ordinary income, net income increased due to net sales growth and improvement in cost of sales ratio
 - Steady progress against our full-year plan. We will continue to keep a close watch on exchange rates and trends in China

(¥ million)	FY2023 1Q Results (A)	FY2024 1Q Results (B)	Changes in Amount (C=B-A)	Changes in % (C/A)	FY2024 Forecasts (D)	Forecast Progress Rate (B/D)
Net sales	6,105	7,114	+1,009	+16.5%	27,500	25.9%
Cost of sales (%)	2,455 (40.2%)	2,667 (37.5%)	+211	+ 8.6%	9,900 (36.0%)	26.9%
SG&A expenses (%)	1,901 (31.1%)	2,224 (31.3%)	+323	+17.0%	9,350 (34.0%)	23.8%
Operating income (%)	1,748 (28.6%)	2,223 (31.3%)	+474	+27.1%	8,250 (30.0%)	27.0%
Ordinary income	1,736	2,349	+613	+35.4%	8,250	28.5%
Net income	1,299	1,573	+274	+21.1%	5,900	26.7%

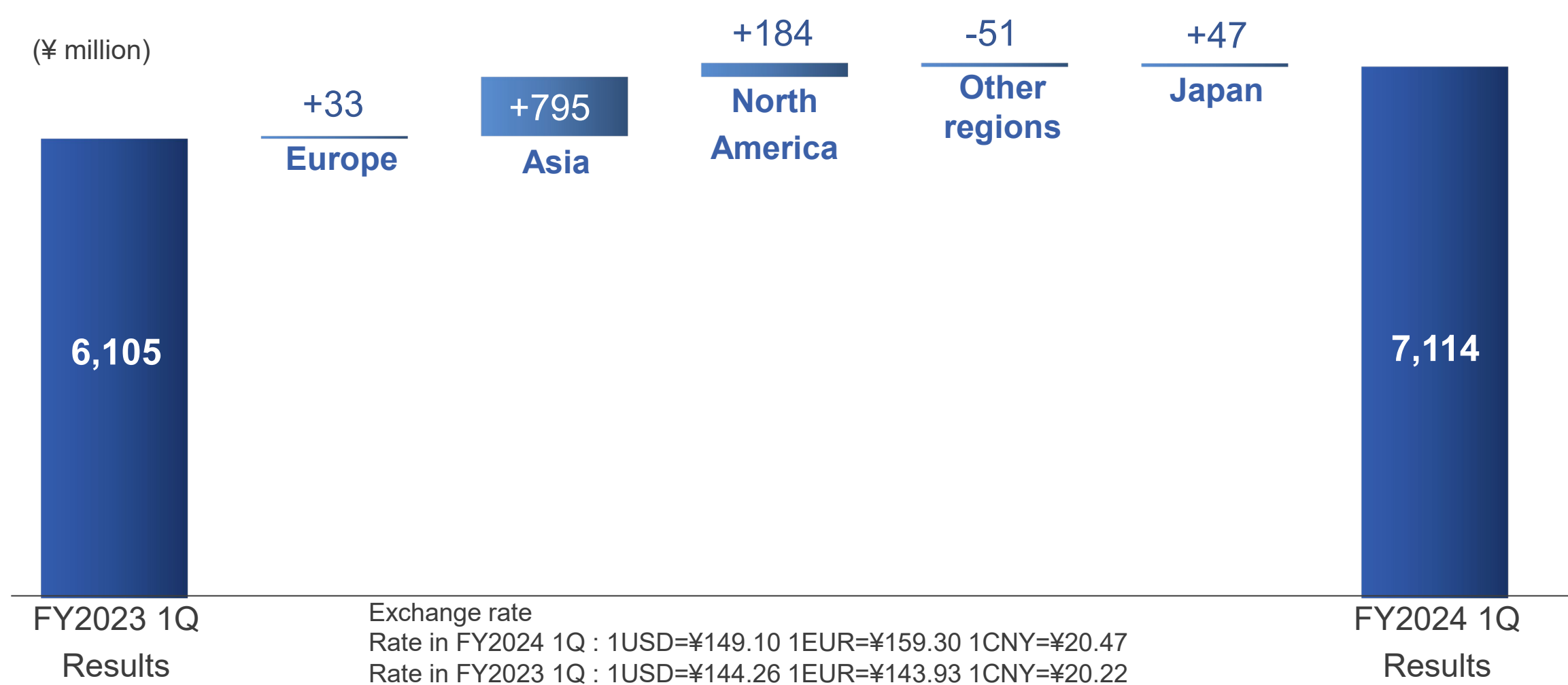
Sales Status by Segments

- **Increase in sales +¥1,009 million (+16.5%)**
 - Foreign exchange +¥196million
 - While all segments' sales have increased, sales of MMG products have decreased (due to delay in full-scale production operations following the relocation of the new Head Office Factory)



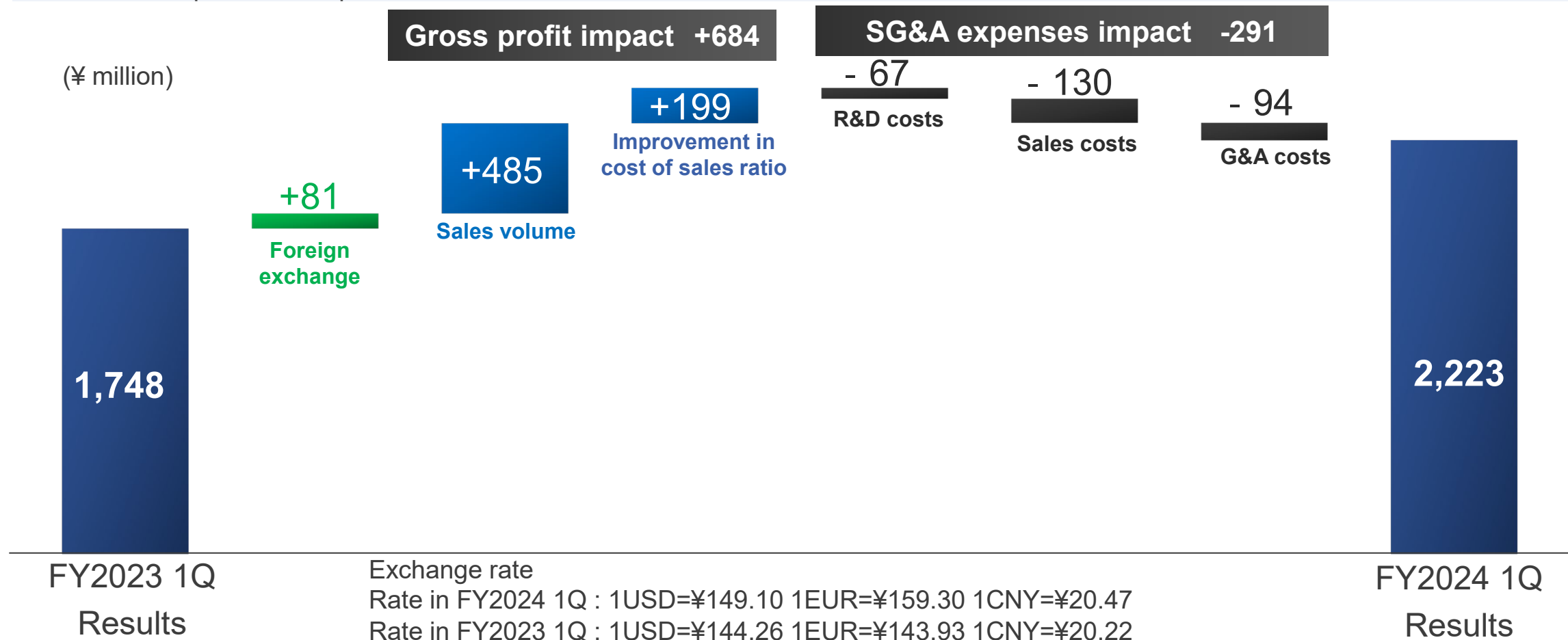
Sales Status by Regions

- **Strong product demand mainly in Asia (mostly China and India) and North America**
 - For further details, please refer to page 19 of the Supplementary Materials.

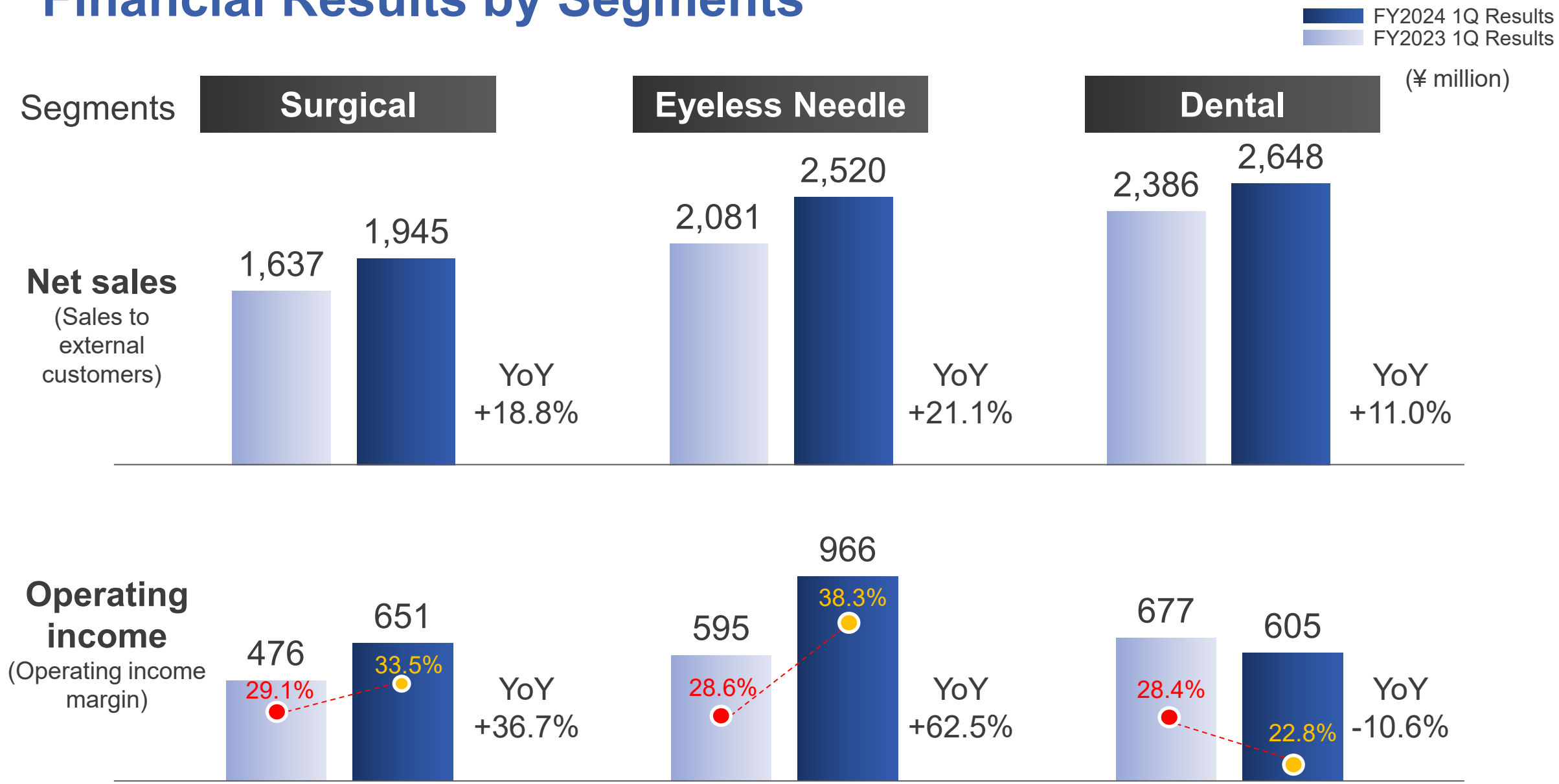


Operating Income Status

- **Increase in operating income by +¥474 million (+27.1%)**
 - Foreign exchange +¥81 million
 - Gross profit impact +¥684 million: Increased sales due to increased demand and improved cost of sales ratio contributed
 - SG&A expenses impact -¥291 million: Increase in promotion expenses due to marketing activities and administrative expenses such as personnel expenses at the Head Office



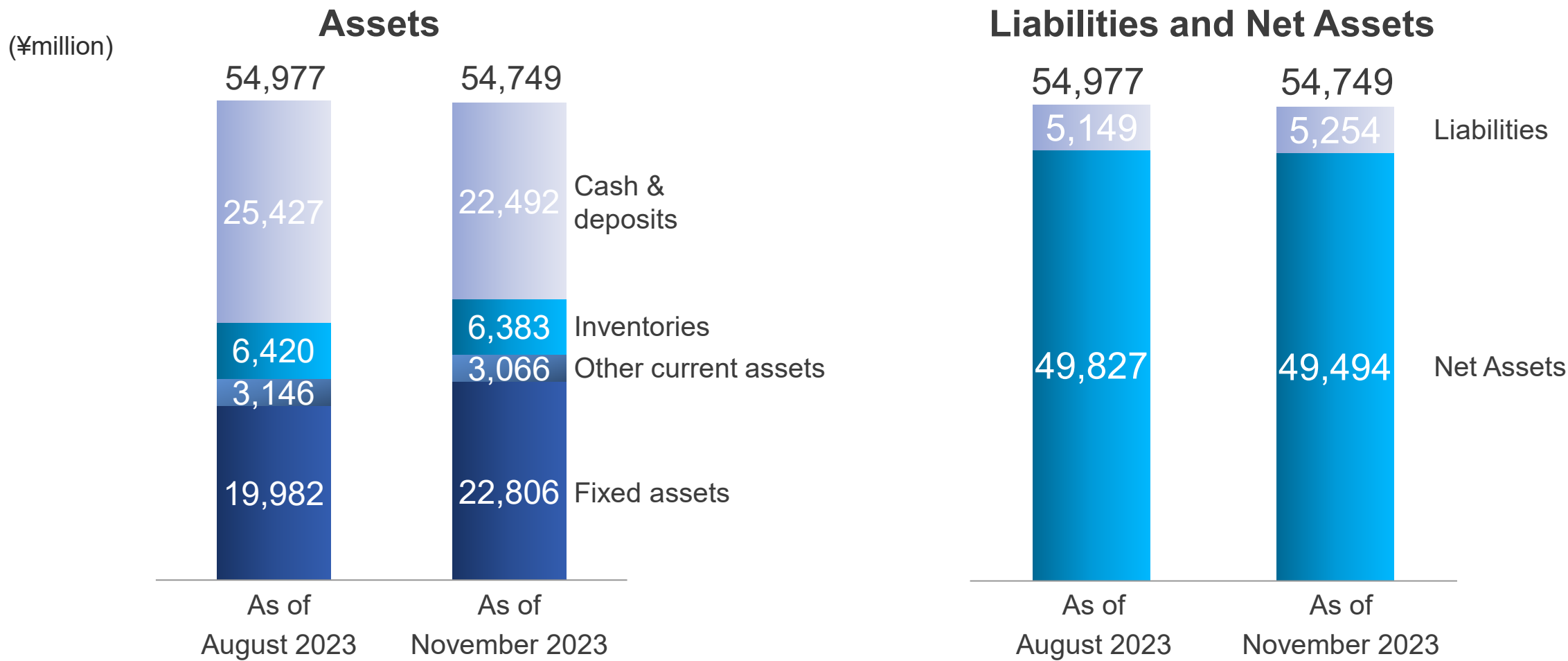
Financial Results by Segments



(Note) FY2023 1Q Results are calculated using the method prior to changes in SG&A expenses. Please refer to p.18 for the figures calculated using the new calculation method.

Balance Sheet Status

- **Maintained strong equity capital and fixed assets have increased due to CAPEX**
 - Total assets -¥227 million: Decrease in cash and deposits due to investments related to the Smart Factory and dividends
 - Current liabilities +¥105 million: Increase in trade accounts payable, deposits received(withholding tax on dividends) and provision for bonuses
 - Net assets -¥332 million: Although net income was recorded, retained earnings decreased due to dividend payments



Topics

Topics #1: Progress of sales marketing activities

Dental (World Dental Show2023)



- Exhibited at the “World Dental Show2023” held at Pacifico Yokohama from September 29 to October 1, 2023
- Three KOL dentists conducted hands-on-seminars on “JIZAI”



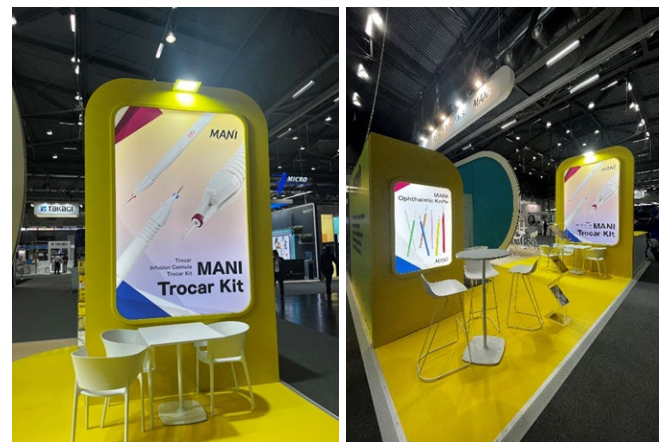
Surgical (Ophthalmology exhibition etc.)



Upper: “MEDICA 2023” held in Germany



Upper: “AAO: American Academy of Ophthalmology” held in North America



Left: The 41st Congress of the ESCRS held in Austria

Topics #2: Progress of “JIZAI” Marketing Activities

Hands-on seminars held in collaboration with KOL doctors around the world

- Actively expanding marketing activities around the world for JIZAI, our key product (In 1Q, particularly focused marketing in India)
- We will work together to overcome challenges with the goal of having as many dentists as possible to use JIZAI and experience its high quality



The workshop on JIZAI held by our KOL dentist in Dubai



The hands-on-seminar held by our KOL dentist at the European Society of Endodontology



The academic lecture in Columbia held by our Indian KOL dentist

		Number of JIZAI related events held from September to November 2023
Japan		19 times
Overseas		54 times
	Asia (of which, India)	44 times (34 times)
	Europe, North America and others	10 times
Total		73 times

Topics #3: Progress of activities of consolidated subsidiaries

MANI MEDICAL GERMANY GmbH (MMG)

- Relocated to new Head Office Factory in September, 2023 and began production
- MMG will increase its manufacturing capacity for dental restoration materials and promote sales in Europe, North America and Asia



MANI Medical Beijing Co., Ltd. (MMB)

- We will keep a close watch on the economy, regulations and future medical consumables market trends

MANI MEDICAL DEVICE MALAYSIA SDN. BHD. (MMM)

- Preparation for full-scale operation completed in November 2023
- We plan to start business activities from 2Q in Southeast Asian countries (i.e. Malaysia, Philippines, Indonesia, and Singapore)



MANI MEDICAL INDIA PRIVATE LIMITED (MMI)

- Endodontists held study sessions for general dentists



Topics #4: Establishment of a global production system

Introduce an automated ophthalmic knife production line at the Hanaoka Factory (the Smart Factory under construction)

- The number of ophthalmic surgeries is expected to increase worldwide due to the aging population and economic growth in emerging countries.
(Cataract surgeries are expected to account for more than half of the total number of ophthalmic surgeries)
- Evolve into a high-quality and low-cost production by utilizing digital technology and establishing a labor-saving production system

Investment plan for the ophthalmic knife mass production line

Investment	Equipment for ophthalmic knives: ¥920 million Equipment for sterilization ¥120 million Total ¥1.04 billion
Production capacity	2 million knives per year
Schedule	Equipment order: From January 2024 Mass production: From September 2025
Purpose	<ul style="list-style-type: none"> • Standardize production lines for mass production demonstration and future overseas production • Improve the accuracy of inspection technology and train technicians • Strengthen and speed up immediate delivery system

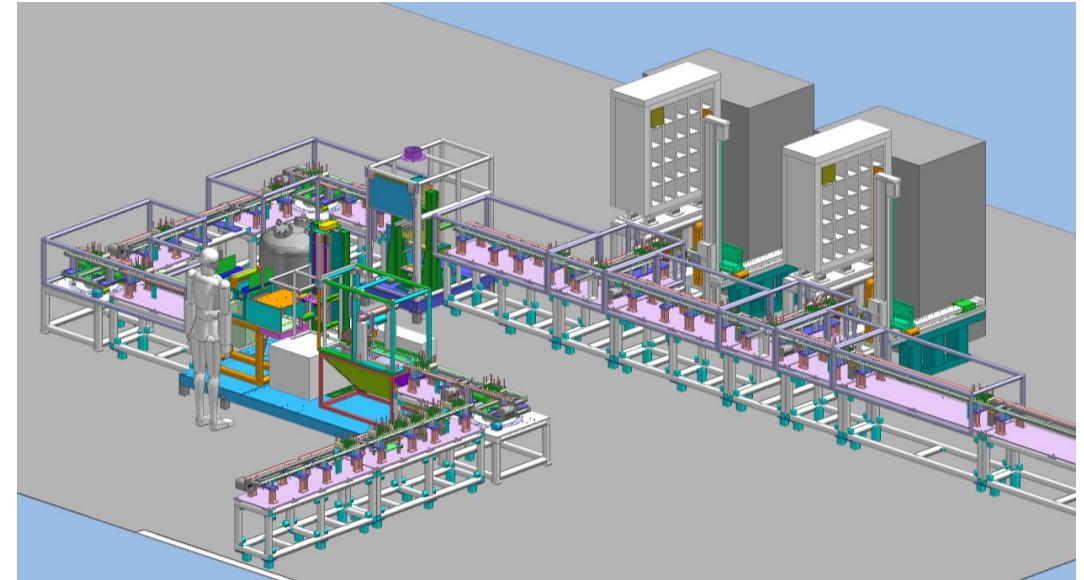


Image of the automated production line within the Smart Factory

Topics #5: Corporate Governance of the Year 2023

MANI, INC. was awarded the METI Minister's Award at the "Corporate Governance of the Year 2023" hosted by the Japan Association of Corporate Directors

- While our improved financial performance was taken into account, we were especially commended for taking advanced initiatives in the selection of presidents/CEOs and succession planning, as well as establishing and operating a well-thought-out system that are well-considered according to the company's actual situation.
- MANI, INC. is the first among mid-sized listed companies with an annual revenue below 50 billion yen to receive this prestigious award.



**Corporate Governance
of The Year**

Japan Association of Corporate Directors:
<https://www.jacd.jp/en/>

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This presentation contains forward-looking statements that were prepared based on available information and rational judgements by MANI, Inc. Readers are asked not to rely completely on the performance forecasts, and understand that results may differ from such forecasts due to a variety of risks and uncertainties.

《Inquiry》

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Supplementary Materials

Comparisons with the new segment calculation method

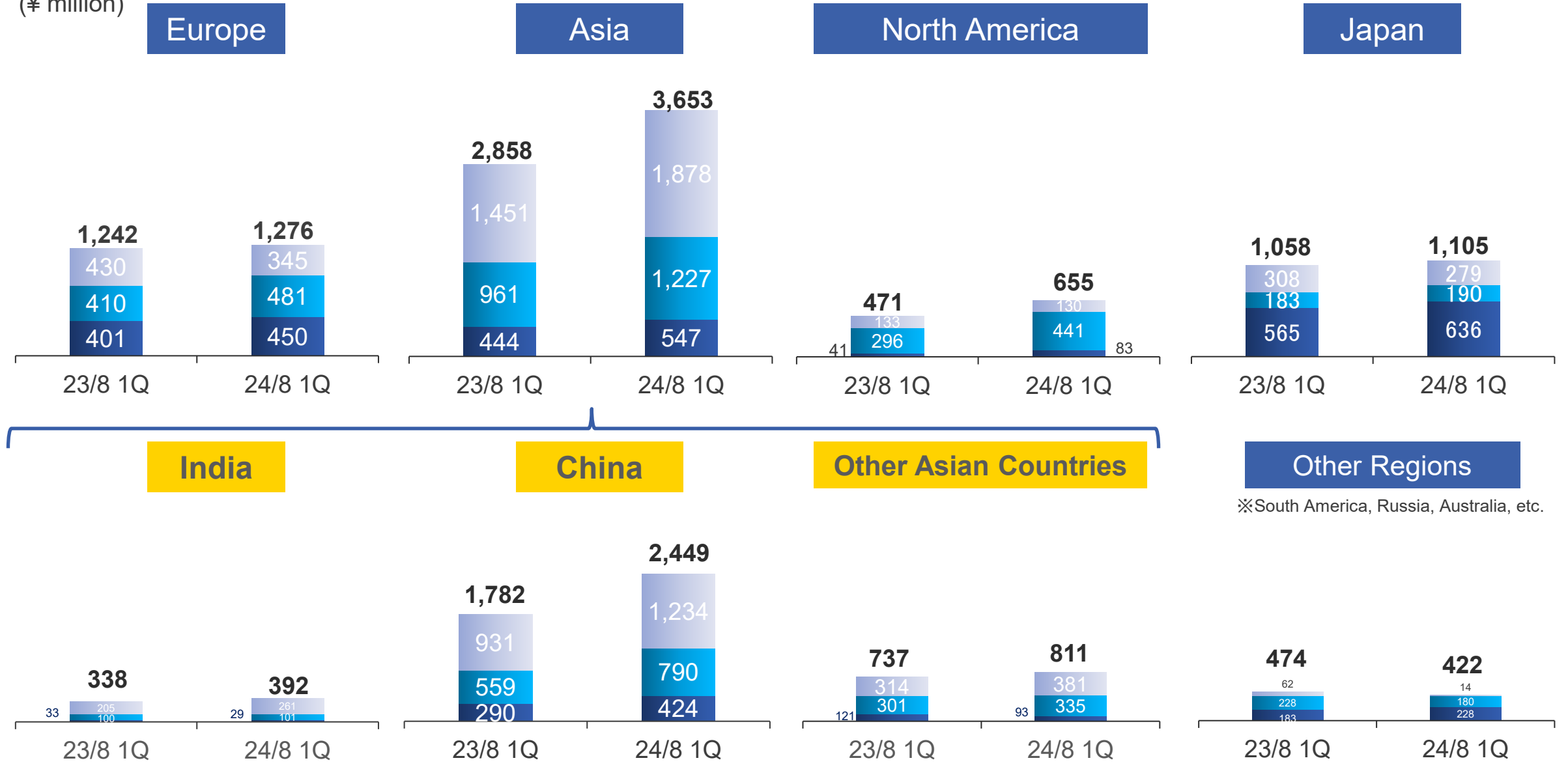
	Item	FY2023 1Q Results (Current Method)	FY2023 1Q Results※ (New Method)	FY2024 1Q Results (New Method)	Changes in Amount (New Method)
Surgical Products	Net sales	1,637	1,637	1,945	+308
	Operating income	476	453	651	+197
	Operating income margin	29.1%	27.7%	33.5%	+5.8%
	(SG&A expenses)	515	538	644	+106
Eyeless Needle Products	Net sales	2,081	2,081	2,520	+439
	Operating income	595	665	966	+301
	Operating income margin	28.6%	32.0%	38.3%	+6.4%
	(SG&A expenses)	599	529	594	+65
Dental Products	Net sales	2,386	2,386	2,648	+262
	Operating income	677	630	605	-25
	Operating income margin	28.4%	26.4%	22.8%	-3.5%
	(SG&A expenses)	785	833	984	+151

※FY2023 1Q results: Recalculated SG&A expenses for each segment using the new segment calculation method

Sales Status by Regions (Details)

Dental
Eyeless Needle
Surgical

(¥ million)



※South America, Russia, Australia, etc.

Company Overview(as of August 31, 2023)

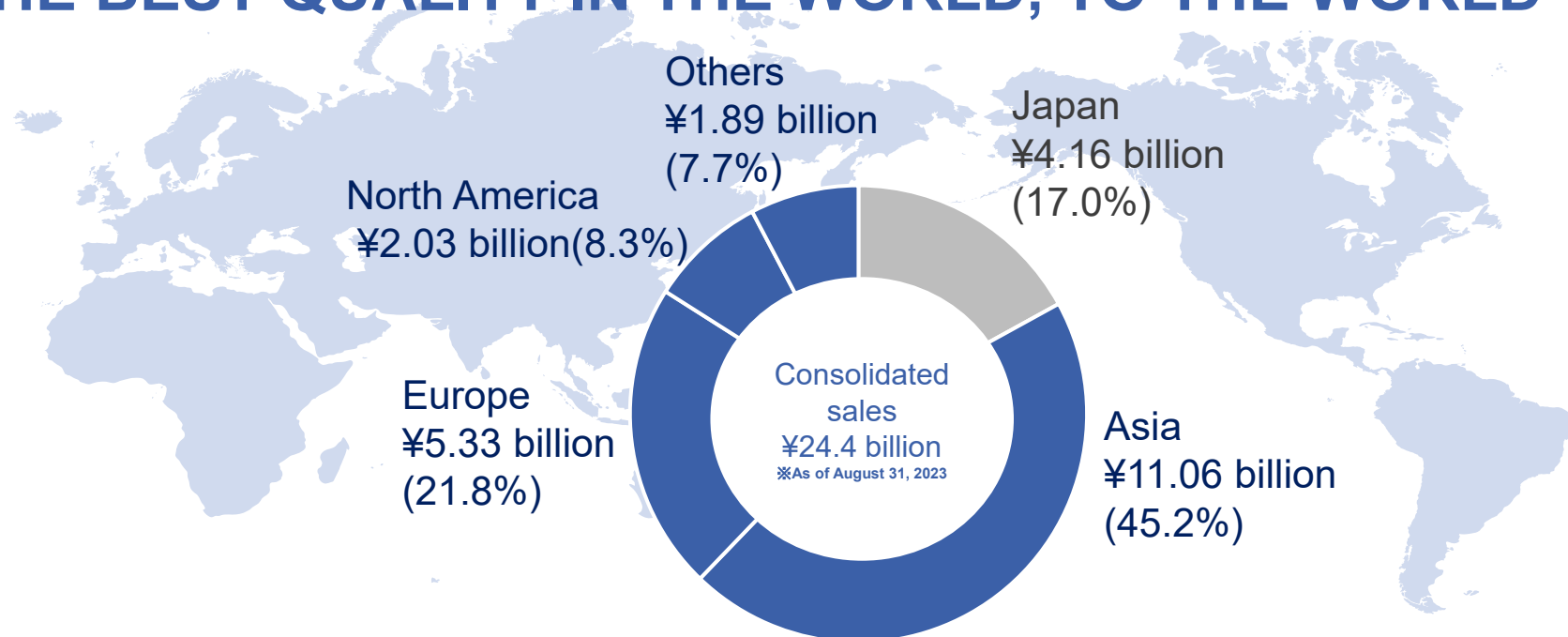
Company Name	MANI, INC.	Representative	CEO, COO, CTO Masahiko Saito
Stock code	7730	Employees	366 (consolidated: 3,685)
Established	1956	Capital	¥1,066 million
Head Office	8-3 Kiyohara Industrial Park, Utsunomiya, Tochigi		

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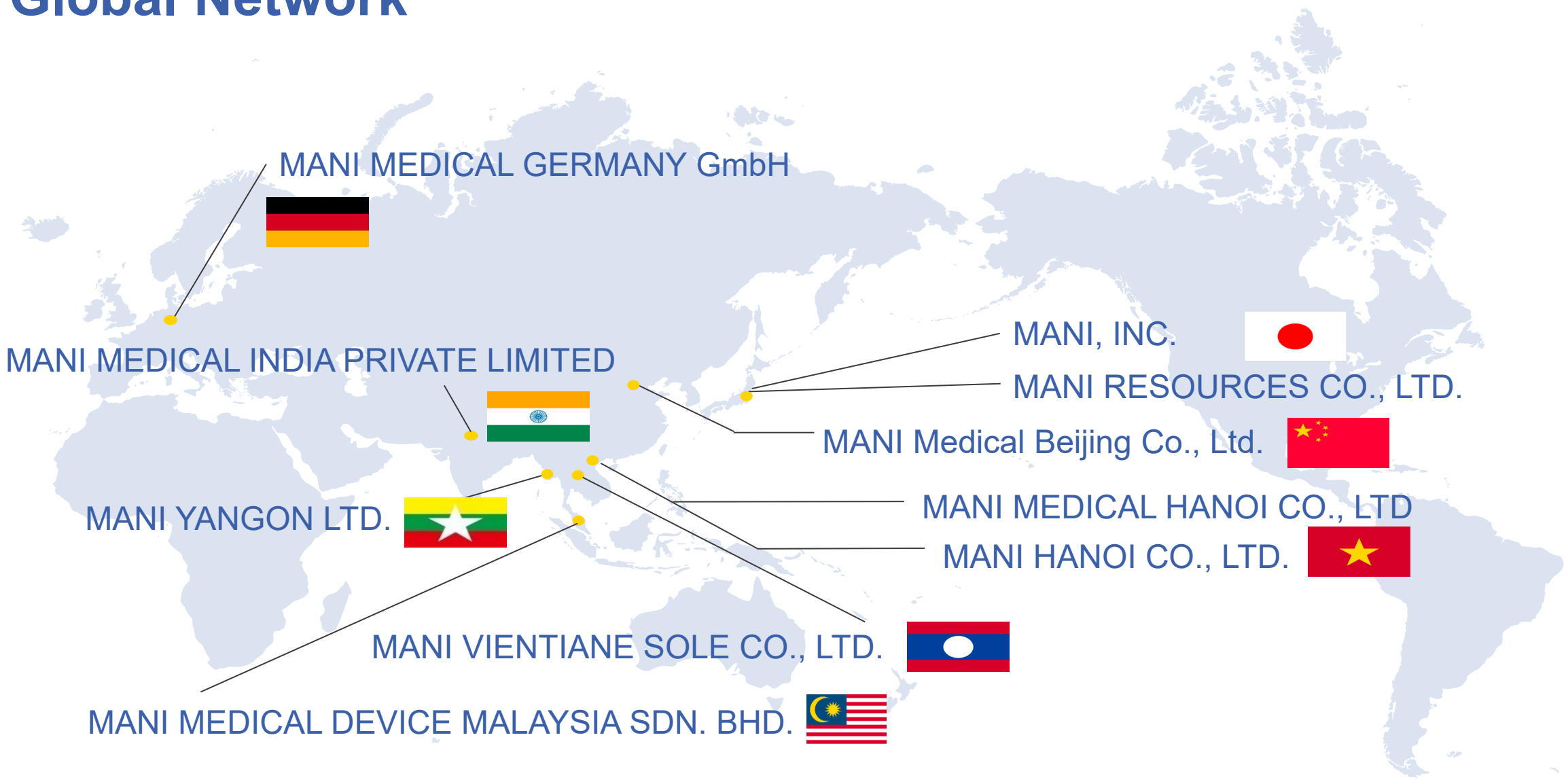
Sales region
Over **120** countries

Overseas sales ratio
83.0%

Ophthalmic knives
global share
approx. **30%**



Global Network



History

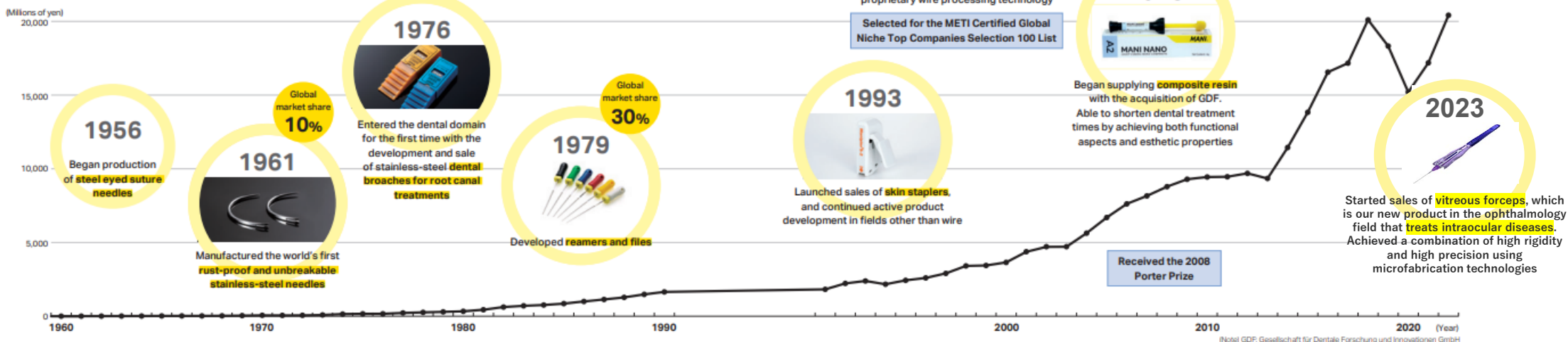
- Since its foundation, MANI has consistently worked on the development, production and sales of **small-scale consumer healthcare products**
- **Acquire a high global market share** with a business model that specializes in **niche products** (Differentiate from Johnson & Johnson, Alcon, Dentsply Sirona and other global companies)
- In addition to establishing a **high-quality, low-cost manufacturing system in Vietnam**, in recent years MANI has acquired a German company (MMG) in the dental field and pursued **business synergies**

History of MANI

Since our foundation, MANI has pursued the creation of products that are beneficial to patients and doctors. We have grown by evolving our business models and expanding globally in the domains of medical and dental instruments that require microfabrication technologies.

We will continue to strive for sustainable growth through business expansion that is fine-tuned to meet the needs of society and changes in the business environment.

History of MANI and Change in Consolidated Net Sales



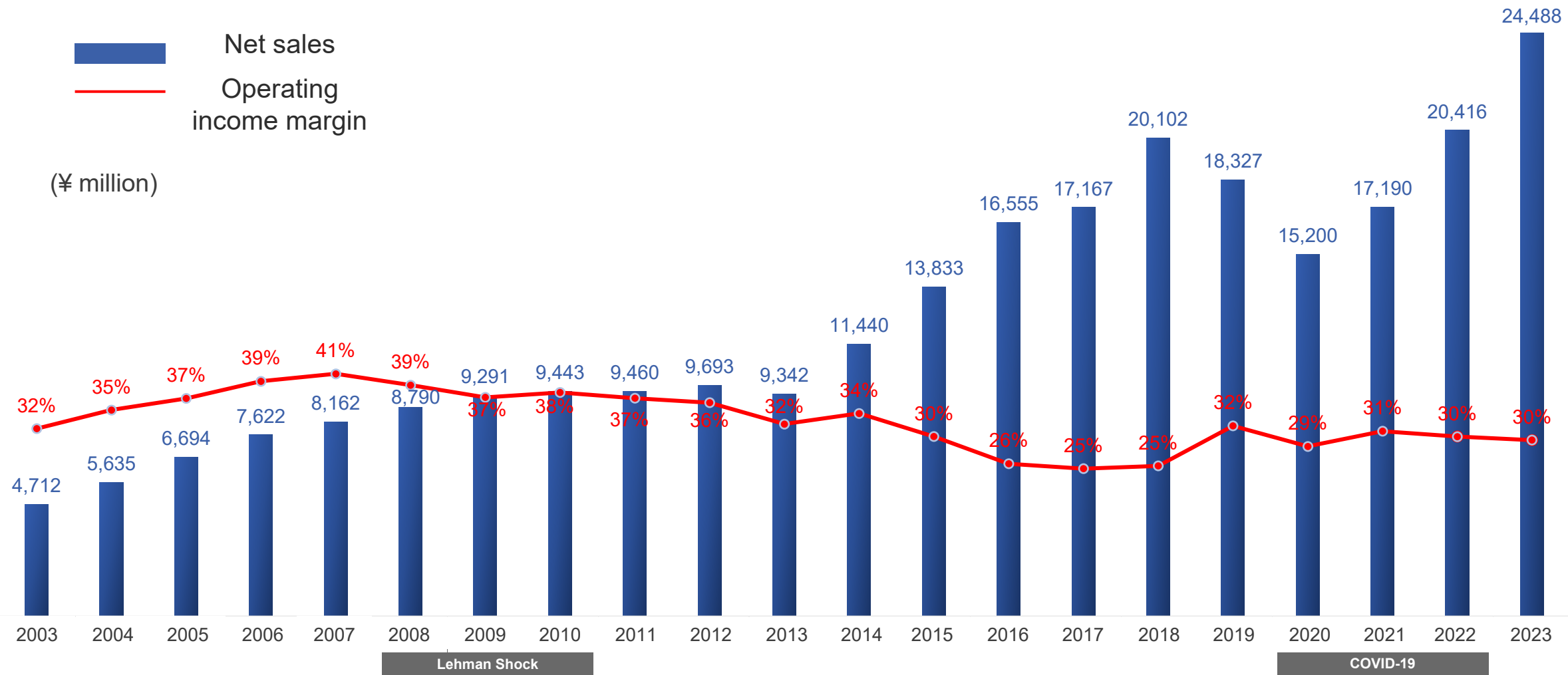
Strategy Planning Criteria “Off-Limits” Management

Clarify the trade-off (Off-Limits) and carry it out

1. We do not deal in products other than medical devices.
2. We do not aim for quality other than the best in the world.
3. We do not deal in products with a short market trend.
4. We do not enter markets other than niche markets (annual global market of around ¥500 billion or less)

Achieving Long-Term Growth (1)

- Achieve both sales growth and high profit margins
- Business model that has resilience in the recession period (high income margin even in the event of the Lehman shock and COVID-19 shock)



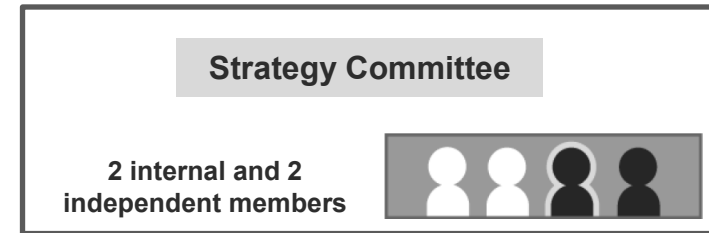
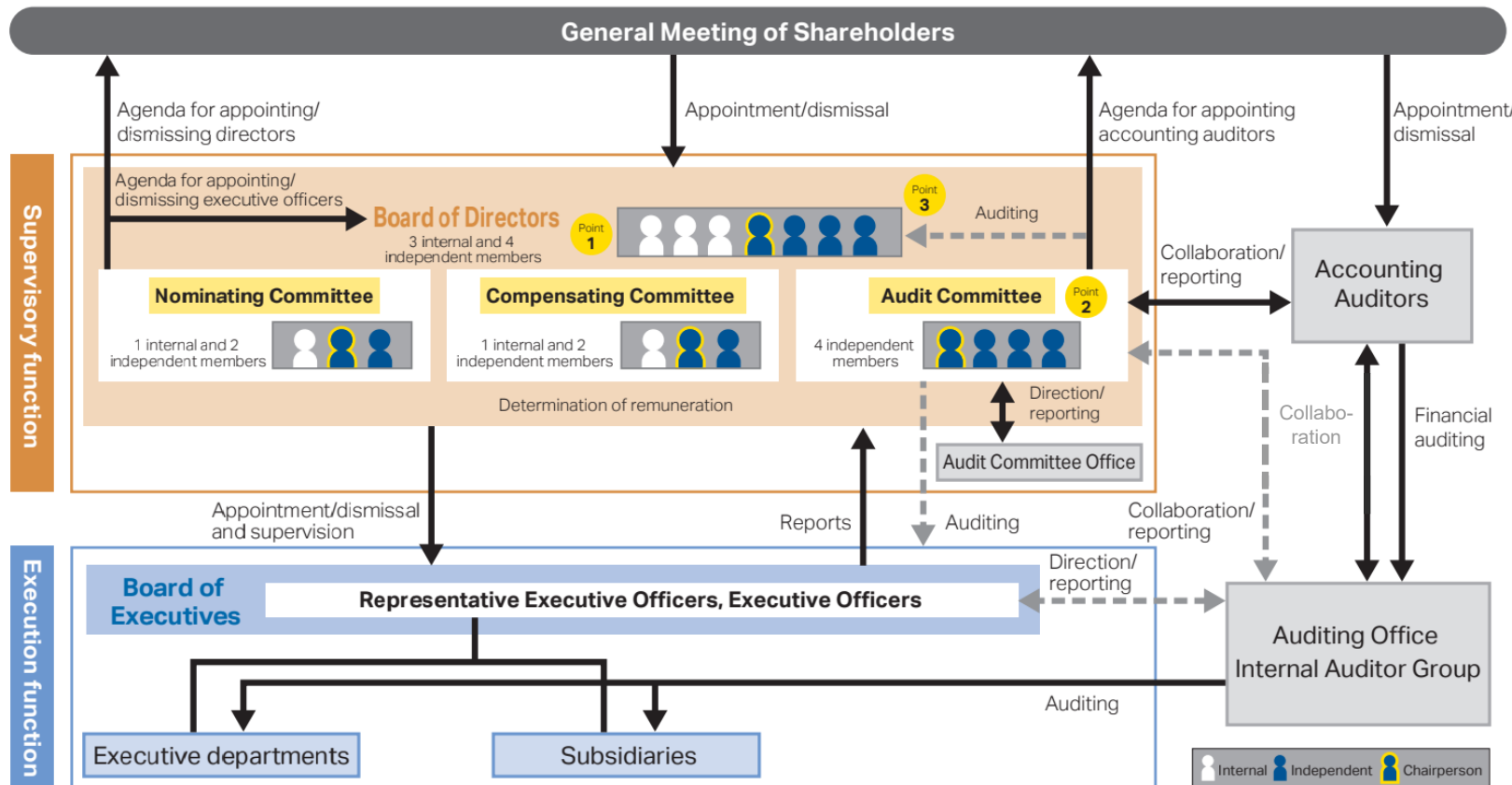
Achieving Long-Term Growth (2)

MANI's share price outperformed than TOPIX (Tokyo Stock Price Index)



Initiatives for Governance

- Transferred to a Company with Committees (currently Company with a Nominating Committee etc.) in 2004
- Majority of the members are independent outside directors
- Chairman of the Board of Directors is an outside director
- The chairman of each committee (Nominating Committee, Audit Committee, Compensation Committee, Strategy Committee) are also independent outside directors



Strategy Committee has been established within the Board of Directors (from November, 2023)



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