

FY2024 3Q Financial Results

MANI, INC.

THE BEST QUALITY IN THE WORLD, TO THE WORLD

July 5, 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 3Q Financial Results

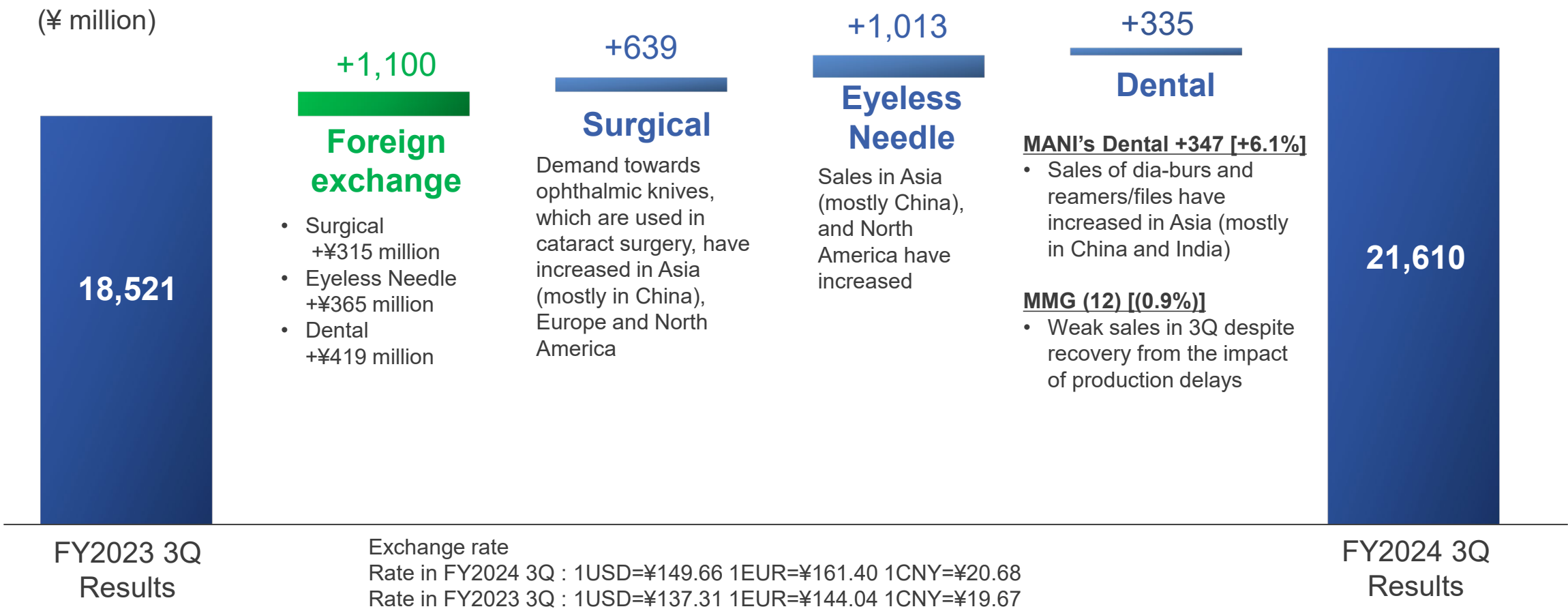
Consolidated Financial Results

- **Consolidated results were strong in FY2024 3Q; product demand continues to expand overseas**
 - Sales grew mainly in Asia and North America. All segments performed well
 - Profits increased since the previous year. Foreign exchange gains by yen depreciation contributed to the increase in ordinary income
 - Although both sales and income increased steadily and exceeded our initial forecast, our full-year plan remains unchanged in consideration of uncertainties such as forex market trends

(¥ million)	FY2023 3Q Results (A)	FY2024 3Q Results (B)	Changes in Amount (C=B-A)	Changes in % (C/A)	FY2024 Forecasts (D)	Forecast Progress Rate (B/D)
Net sales	18,521	21,610	+3,089	+16.7%	27,500	78.6%
Cost of sales (%)	7,193 (38.8%)	8,001 (37.0%)	+807	+11.2%	9,900 (36.0%)	80.8%
SG&A expenses (%)	5,899 (31.9%)	7,110 (32.9%)	+1,210	+20.5%	9,350 (34.0%)	76.0%
Operating income (%)	5,427 (29.3%)	6,498 (30.1%)	+1,070	+19.7%	8,250 (30.0%)	78.8%
Ordinary income	5,778	7,125	+1,347	+23.3%	8,250	86.4%
Net income	4,205	5,082	+877	+20.9%	5,900	86.1%

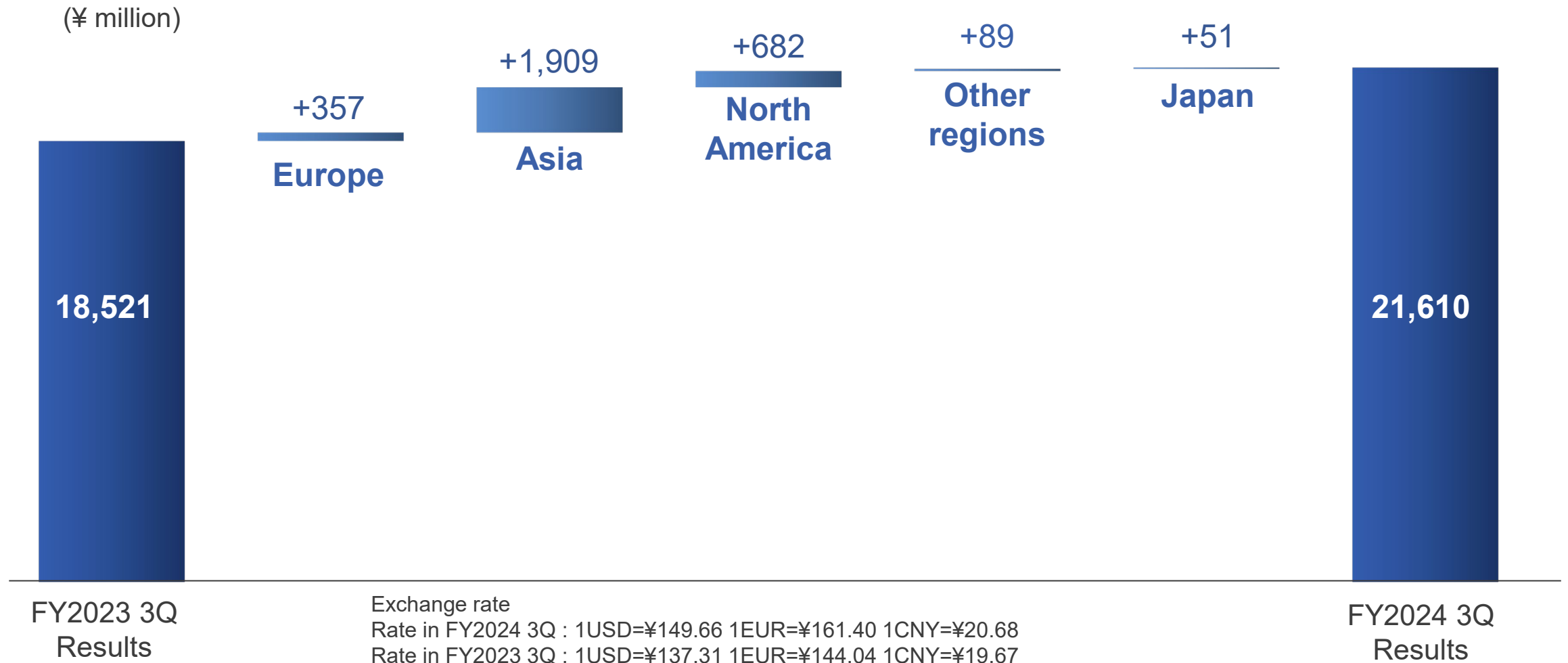
Sales Status by Segment

- **Increase in sales +¥3,089 million (+16.7%)**
 - Foreign exchange +¥1,100 million
 - All segments' sales have increased. Slight decrease in MMG's sales when excluding foreign exchange impact



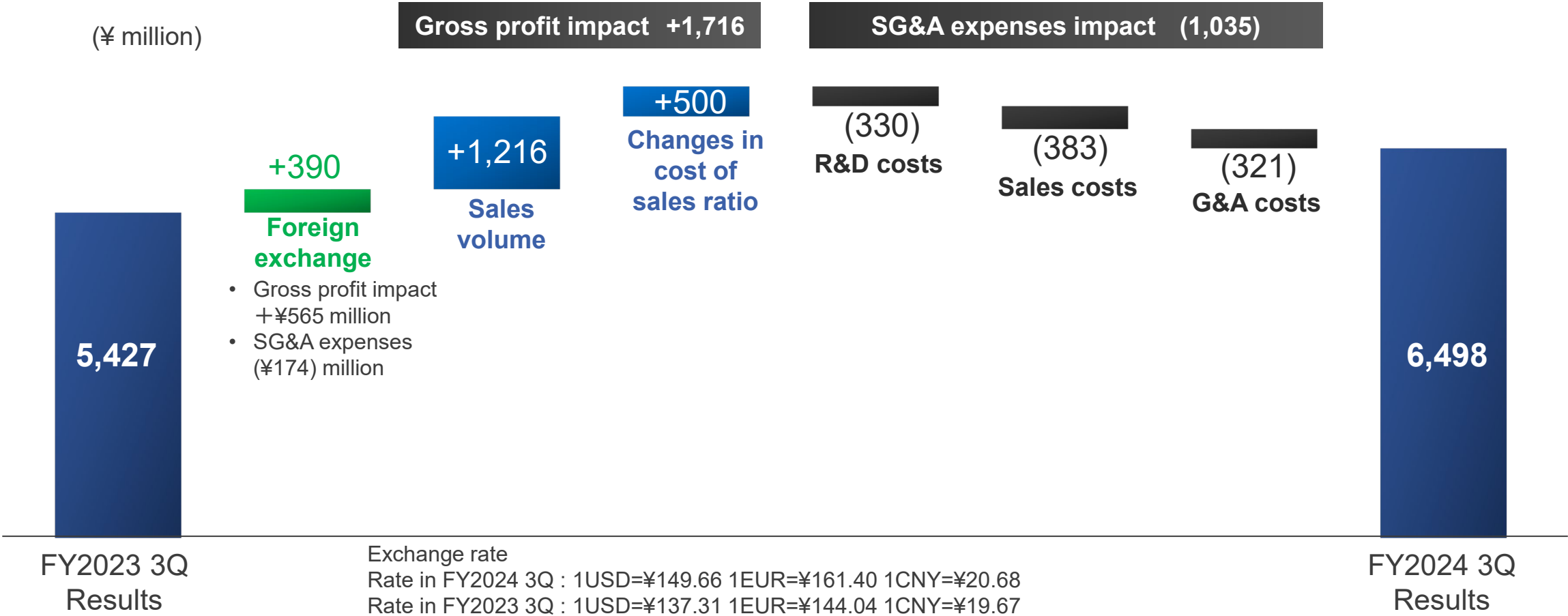
Sales Status by Region

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



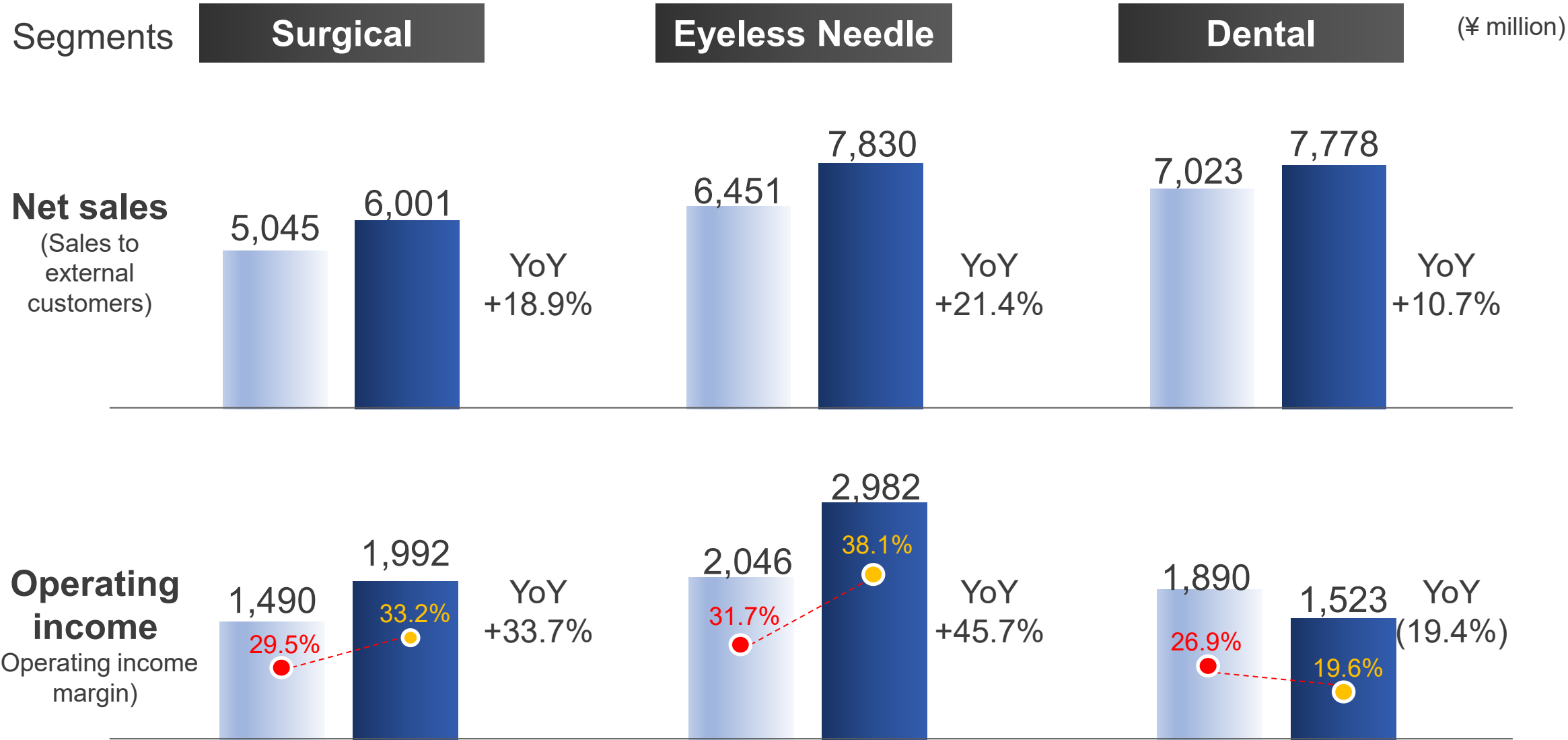
Operating Income Status

- **Increase in operating income by +¥1,070 million (+19.7%)**
 - Foreign exchange +¥390 million
 - Gross profit impact +¥1,716 million: Increase in sales due to higher demands contributed to increase in gross profit
 - SG&A expenses impact (¥1,035) million: Increase in promotion expenses due to marketing activities and administrative expenses such as personnel expenses at the Head Office



Financial Results by Segment

■ FY2024 3Q Results
■ FY2023 3Q Results

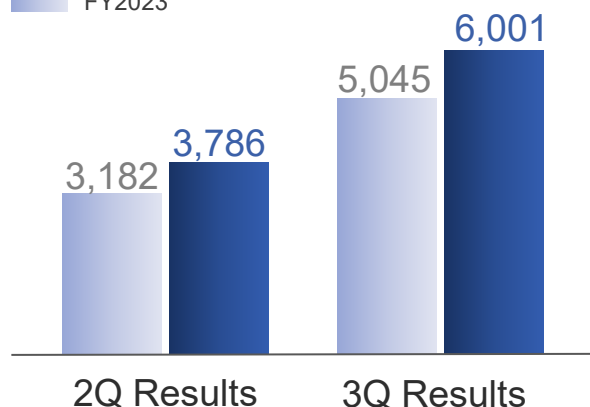


(Note) FY2023 3Q Results are calculated using the method prior to changes in SG&A expenses. Please refer to p.17 for the figures calculated using the new calculation method.

Surgical Segment – Results Analysis

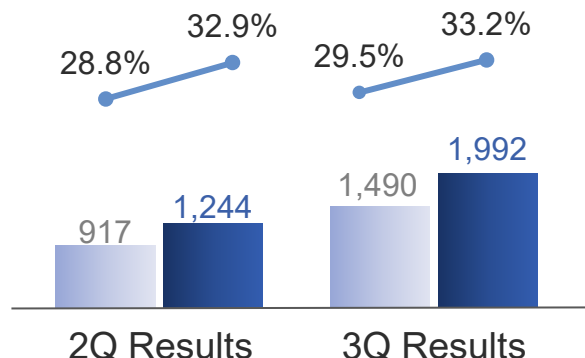
Sales

FY2024
FY2023



Operating income / %

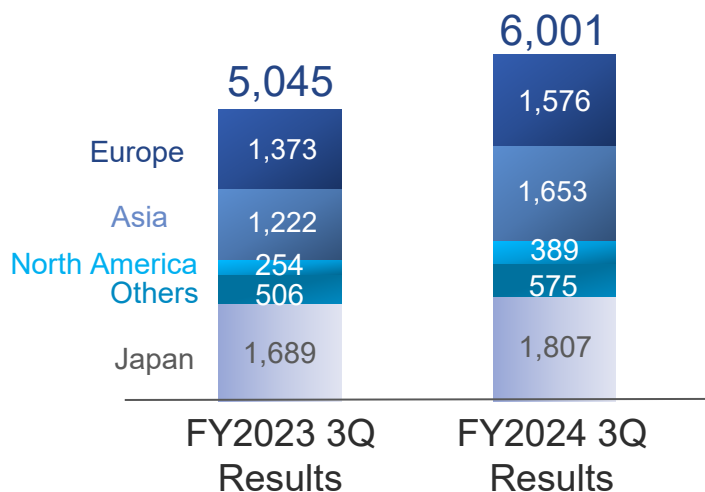
FY2024
FY2023
Operating income margin



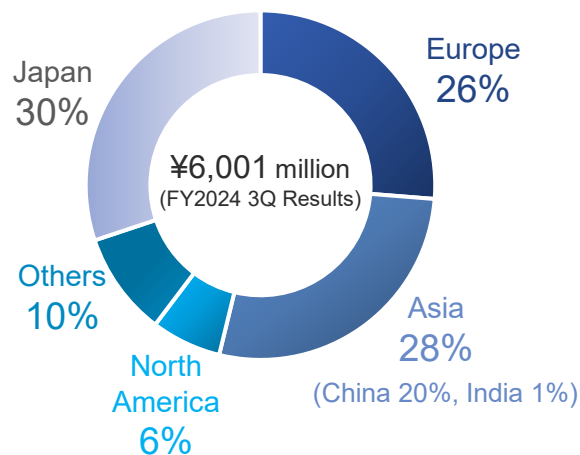
Environment recognition

- Demand for ophthalmic knives (our mainstay product) is expanding mainly in Europe and Asia
- In the future, the number of cataract patients will increase worldwide
- Next targets: Expand market share in Europe and North America
Consider how to deal with low-priced products
Expand ophthalmic surgical field (vitreous surgery)

Sales by region



Sales ratio by region



Competitive advantages

- Superior sharpness and microfabrication technology that adapts to surgical miniaturization and precision
- Contribution to shortening operation time, reducing burden on the human body, and preventing postoperative complications
- Global market share of ophthalmic knives is approximately 30% (No.1 in the Japanese market) *

Results analysis

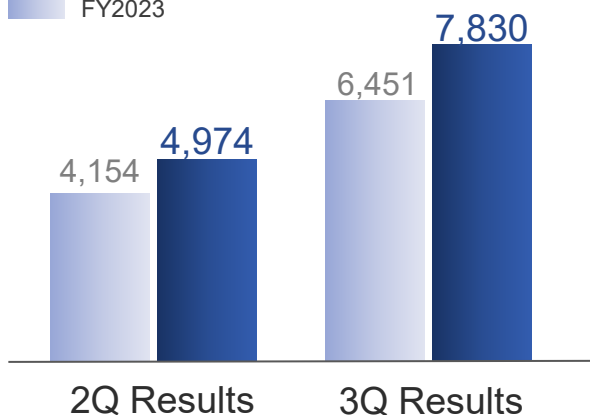
- Sales and operating income grew due to an increase in demand for ophthalmic knives in Asia (mostly in China), Europe and North America

*Global market share is our estimate (in value terms)

Eyeless Needle Segment – Results Analysis

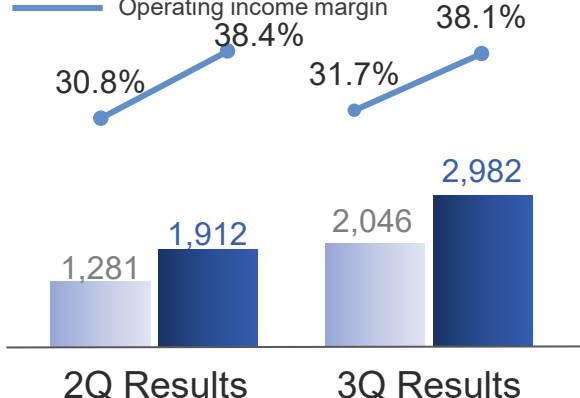
Sales

FY2024
FY2023



Operating income / %

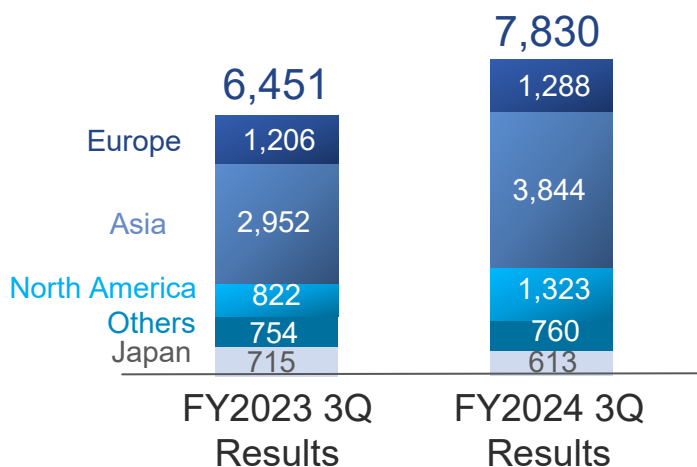
FY2024
FY2023
Operating income margin



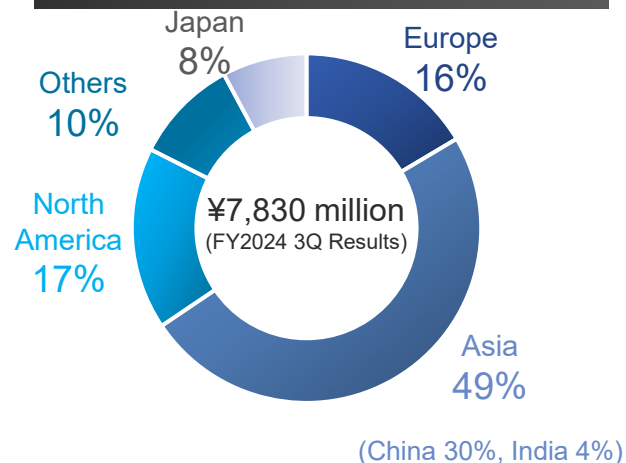
Environment recognition

- Since the end of COVID-19, the number of surgeries are recovering and gradually increasing
- Market share of North American and Chinese customers have increased, and other OEM customers are spreading (in China, we benefit from preferential policies for domestic products)
- Possibilities of applying our needle processing technology to new fields, such as robotic surgery
- Next targets : Improve accuracy in forecasting future demands

Sales by region



Sales ratio by region



Competitive advantages

- The accumulation of our microfabrication technology and our original material development
- High penetrability and resistance to breakage
- Wide variety of needles to meet customer needs (Diverse lineup of 10,000 types of needles)

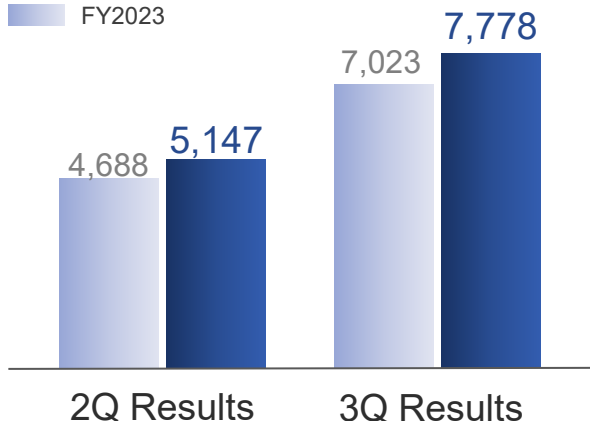
Results analysis

- Sales and operating income have continued to increase due to an increase in orders for eyeless needles, which was caused by growing demand in Asia (particularly in China) and North America
- The most profitable segment among all segments

Dental Segment – Results Analysis

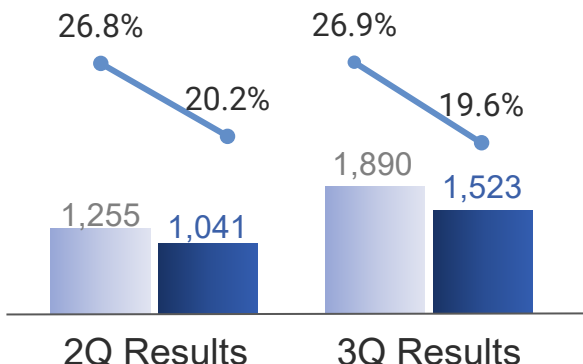
Sales

FY2024
FY2023



Operating income / %

FY2024
FY2023
Operating income margin



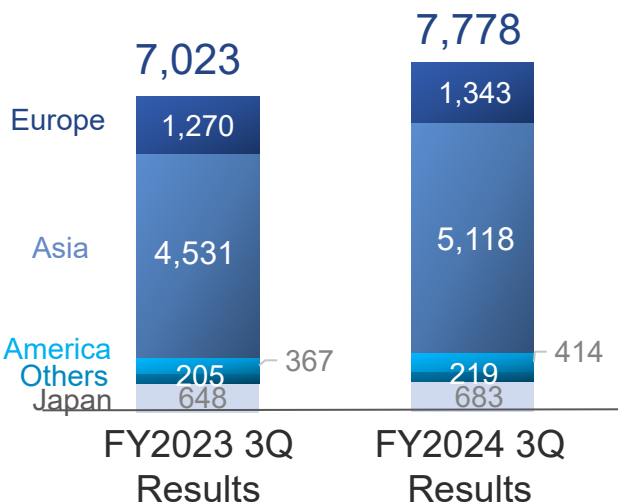
Environment recognition

- Increase in demand for dental treatment in Asia and demand for dental restorations that improve the functionality and esthetics of teeth in Europe and North America
- Next targets : Strengthen competitiveness in the root canal treatment field (including our key product JIZAI)
Expand market share and marketing in Europe and North America
Expand market share in Asia (India and Southeast Asian countries)

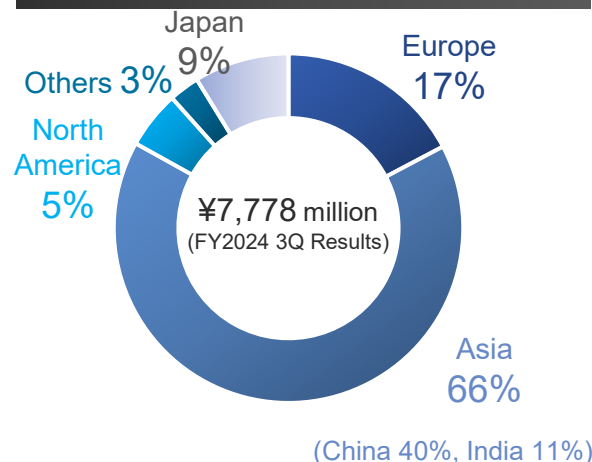
Competitive advantages

- Dental endodontic instruments' excellent durability and centering ability towards root canal
- Dental restorative materials that do not contain environmental hormones and are easy for dentists to use
- Dia-burs and reamers/files have high market share (Top market share in Asia)

Sales by region



Sales ratio by region



Results analysis

- Sales of MANI dental products (mostly dia-burs and reamers/files) were strong mainly in Asia. Sales of MMG products (mainly dental restorative materials) were weak despite the market share growth in Europe and North America
- Operating income decreased due to higher SG&A expenses resulting from marketing activities in India and Southeast Asia and higher expenses related to MMG's Head Office Factory

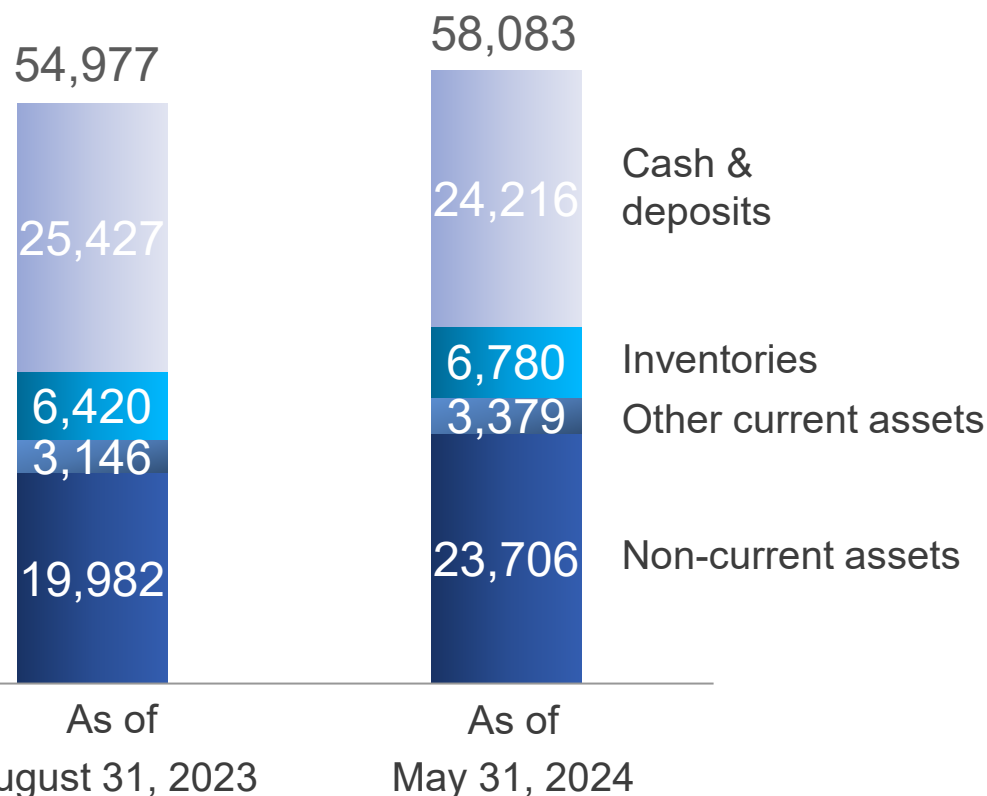
Balance Sheet Status

- **Maintained strong equity capital and non-current assets have increased due to CAPEX**

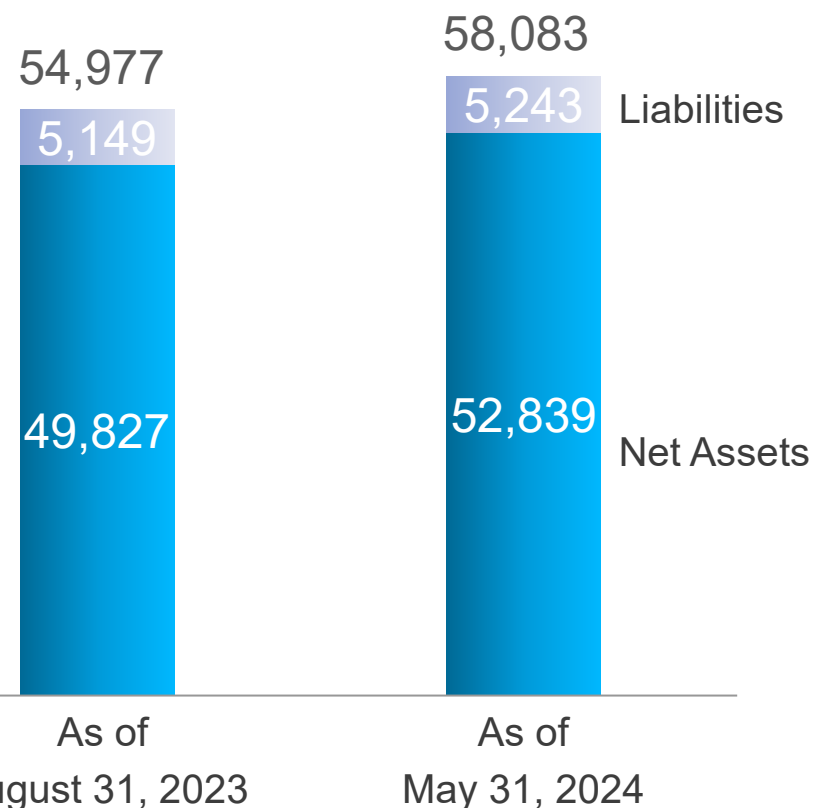
- Assets +¥3,106 million: Increase in non-current assets due to the construction of the Smart Factory
- Liabilities +¥93 million: Increase in accrued expenses included in other current liabilities despite decreases in income taxes payable and provision for bonuses
- Net assets +¥3,012 million: Increase in retained earnings and foreign currency translation adjustments

(¥million)

Assets



Liabilities and Net Assets



Topics

Establishment of the Sales Subsidiary in North America

Aiming to expand business in North America, a medically advanced region

Purpose

- Establish a new sales subsidiary in North America (scheduled around August 2024) as part of the “Promotion of Global Marketing,” which is one of our main measures in our medium-term management plan
- Full-scale entry into the North American market, strengthen marketing and build relationships with KOL doctors

Goals

Set the following three goals for future global growth

- 1. Expand sales through regional-oriented sales marketing**
- 2. Develop the market through cooperation with local KOL doctors**
- 3. Capture medical trends in the largest and most advanced market for healthcare and medical devices**

Future Initiatives

- Actively promote sales, marketing, and market research activities in North America
- Strengthen sales channels and distribution networks in each segment while differentiating ourselves from major companies in terms of quality
- Establish a system to incorporate the medical needs of the North American market into our product development process in the future

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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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Appendix

Comparisons with the new segment calculation method

	Item	FY2023 3Q Results (Previous Method)	FY2023 3Q Results※ (New Method)	FY2024 3Q Results (New Method)	Changes in Amount (New Method)
Surgical Products	Net sales	5,045	5,045	6,001	+955
	Operating income	1,490	1,456	1,992	+536
	Operating income margin	29.5%	28.9%	33.2%	+4.3%
	(SG&A expenses)	1,675	1,709	2,082	+372
Eyeless Needle Products	Net sales	6,451	6,451	7,830	+1,378
	Operating income	2,046	2,294	2,982	+687
	Operating income margin	31.7%	35.6%	38.1%	+2.5%
	(SG&A expenses)	1,849	1,602	2,015	+413
Dental Products	Net sales	7,023	7,023	7,779	+755
	Operating income	1,890	1,676	1,523	(153)
	Operating income margin	26.9%	23.9%	19.6%	(4.3%)
	(SG&A expenses)	2,374	2,587	3,012	+424

※We have established a new organization, the “Dental Business Division” from September 2023, and began its activities. As a result, it has become necessary to more appropriately reflect the fact that a large amount of selling, general and administrative expenses are incurred in the dental segment in the business results. Therefore, the method of calculating segment income (the method of calculating selling, general and administrative expenses by segment) has been newly changed.

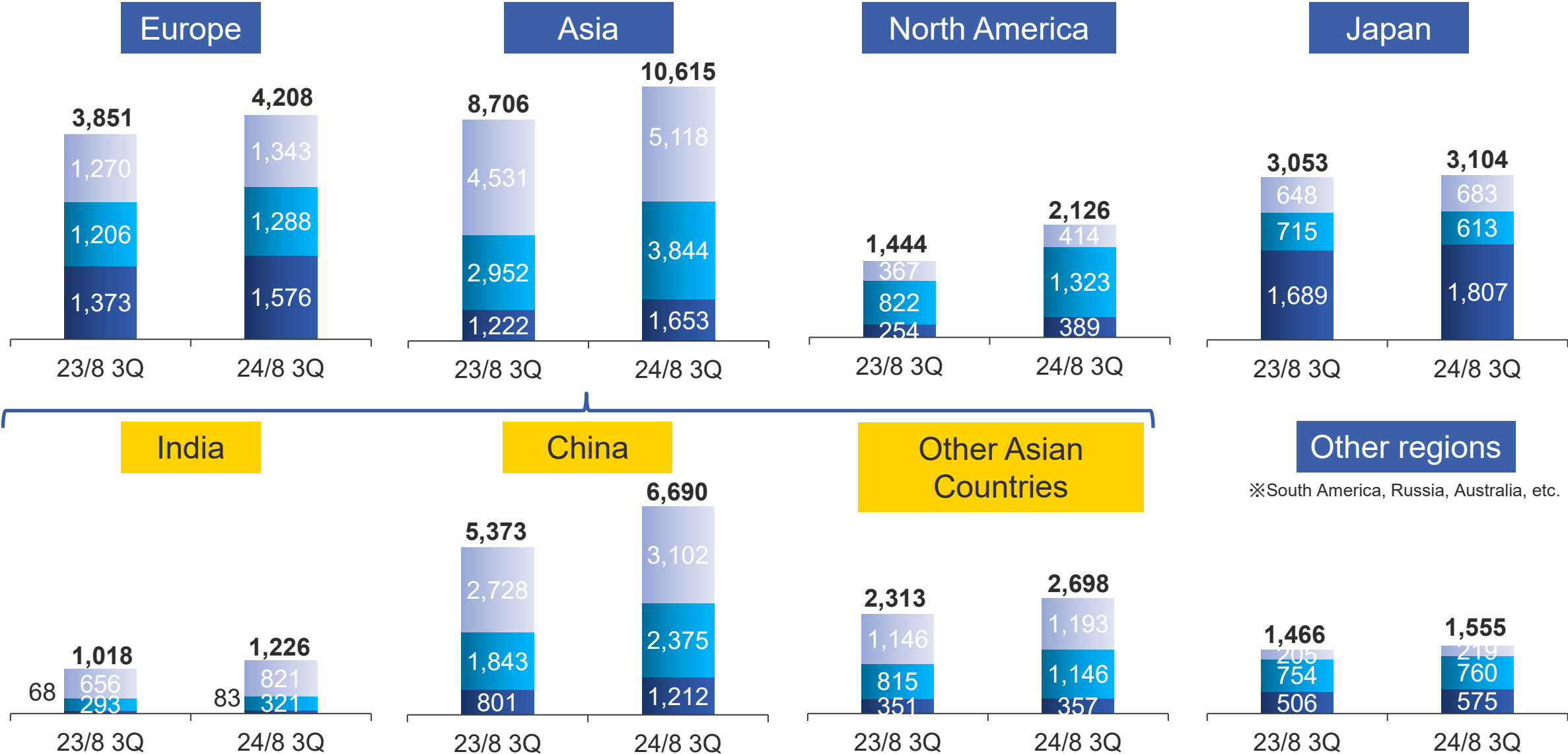
Exchange rate (average rate for the period)

	FY2023				FY2024			
	1Q (3M)	2Q (6M)	3Q (9M)	4Q (12M)	1Q (3M)	2Q (6M)	3Q (9M)	4Q (12M)
USD/JPY	144.26	138.50	137.31	138.60	149.10	147.92	149.66	
EUR/JPY	143.93	142.94	144.04	146.95	159.30	159.38	161.40	
CNY/JPY	20.22	19.77	19.67	19.69	20.47	20.45	20.68	
INR/JPY	1.78	1.70	1.68	1.69	1.79	1.78	1.80	
MYR/JPY	-	-	-	-	30.63	31.35	31.78	

Sales Status by Regions (Details)

(¥ million)

- Dental
- Eyeless Needle
- Surgical



※South America, Russia, Australia, etc.

Company Overview(as of August 31, 2023)

Company Name	MANI, INC.	Representative	CEO, COO 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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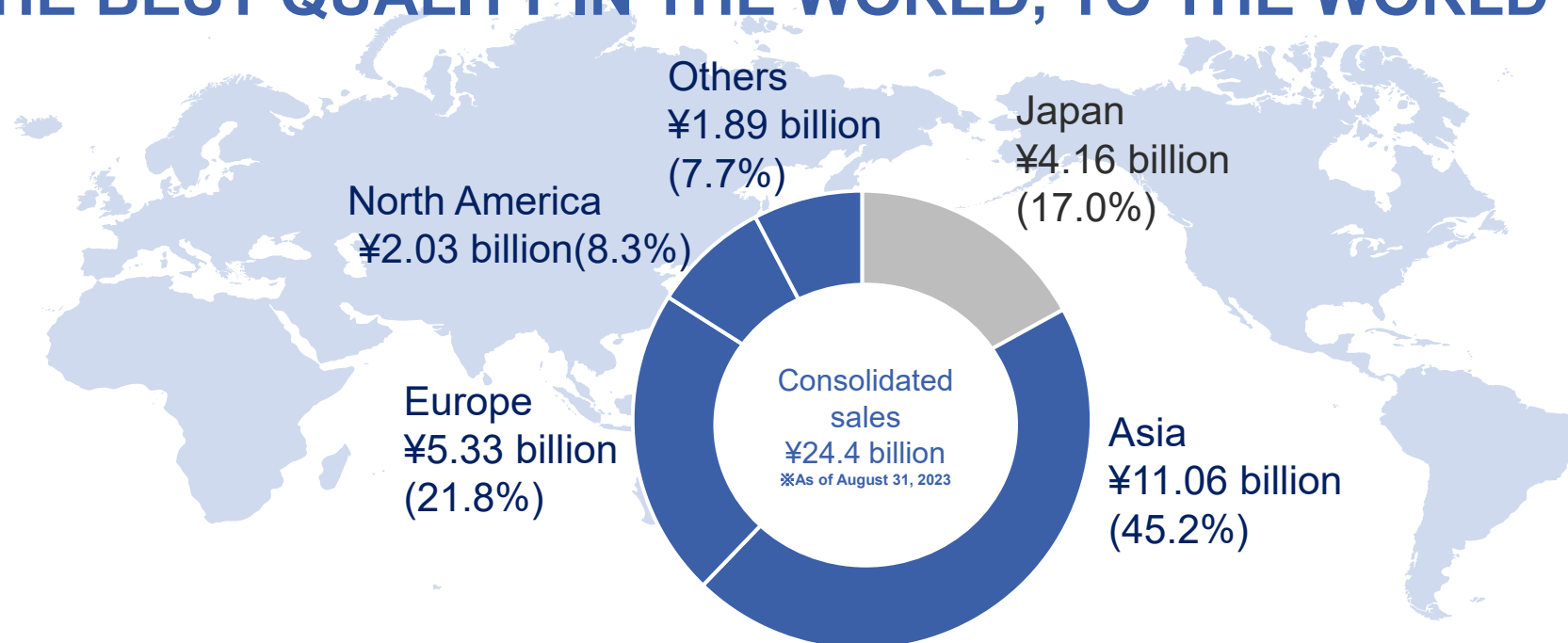
Sales region

Over **120** countries

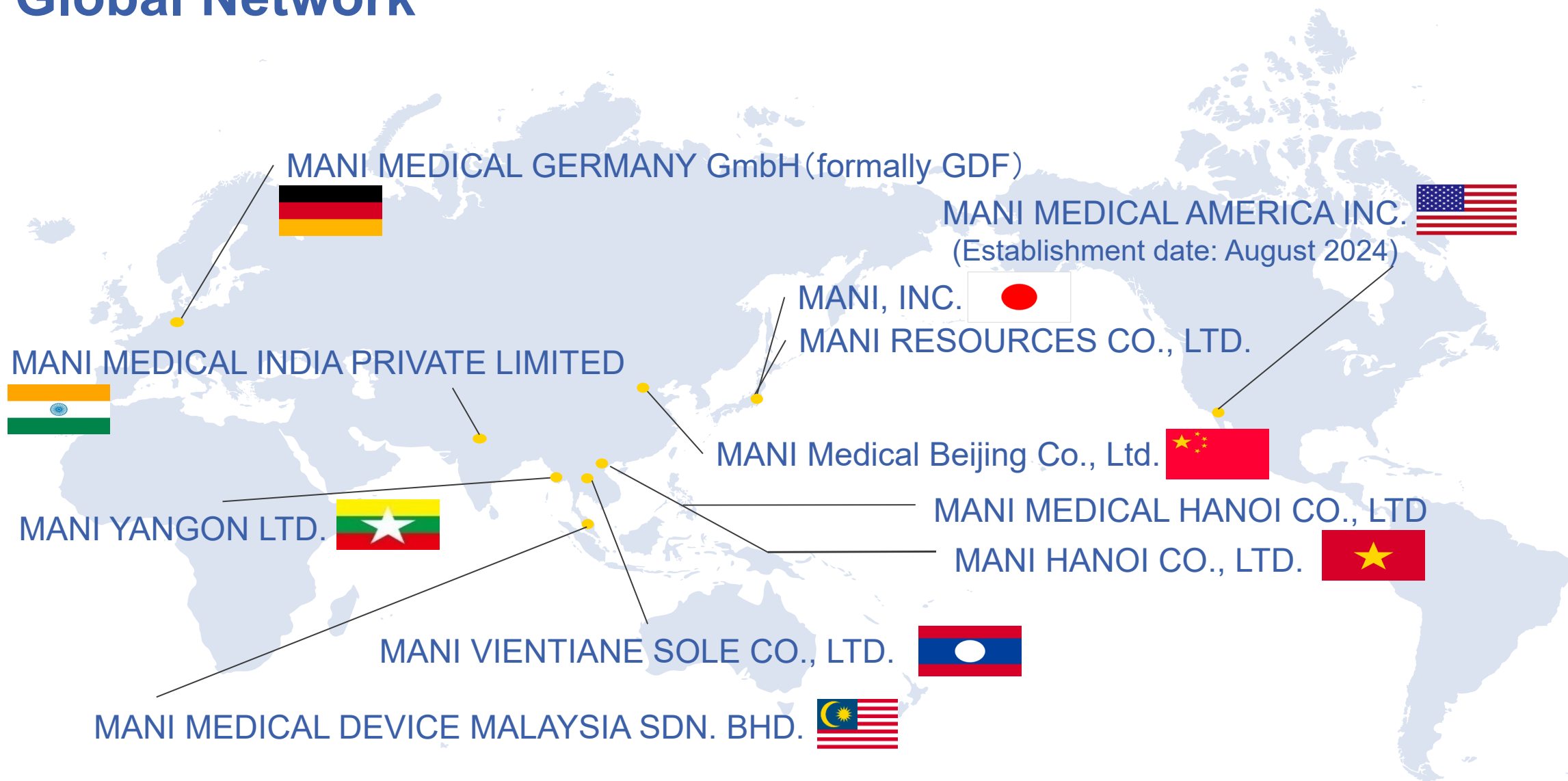
Overseas sales ratio

83.0%

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



Global Network



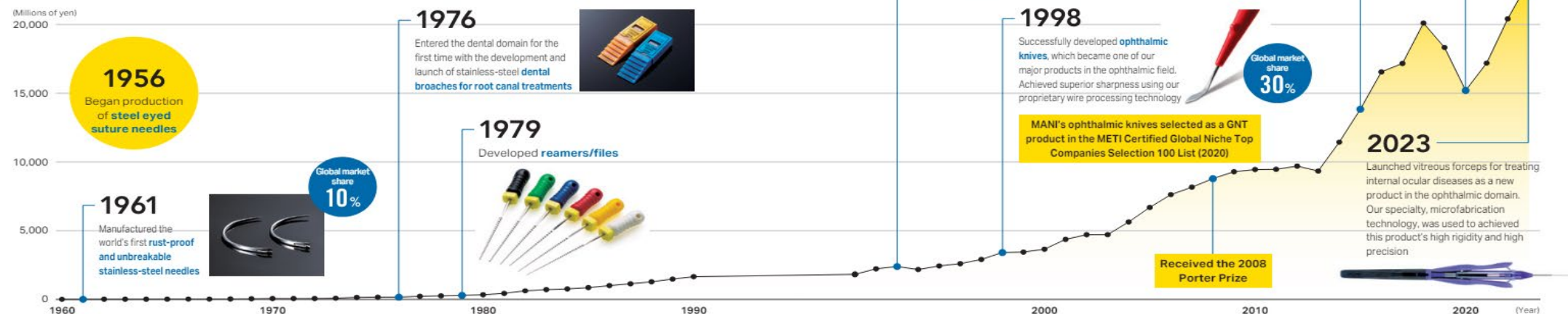
History

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

Introduction 8 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



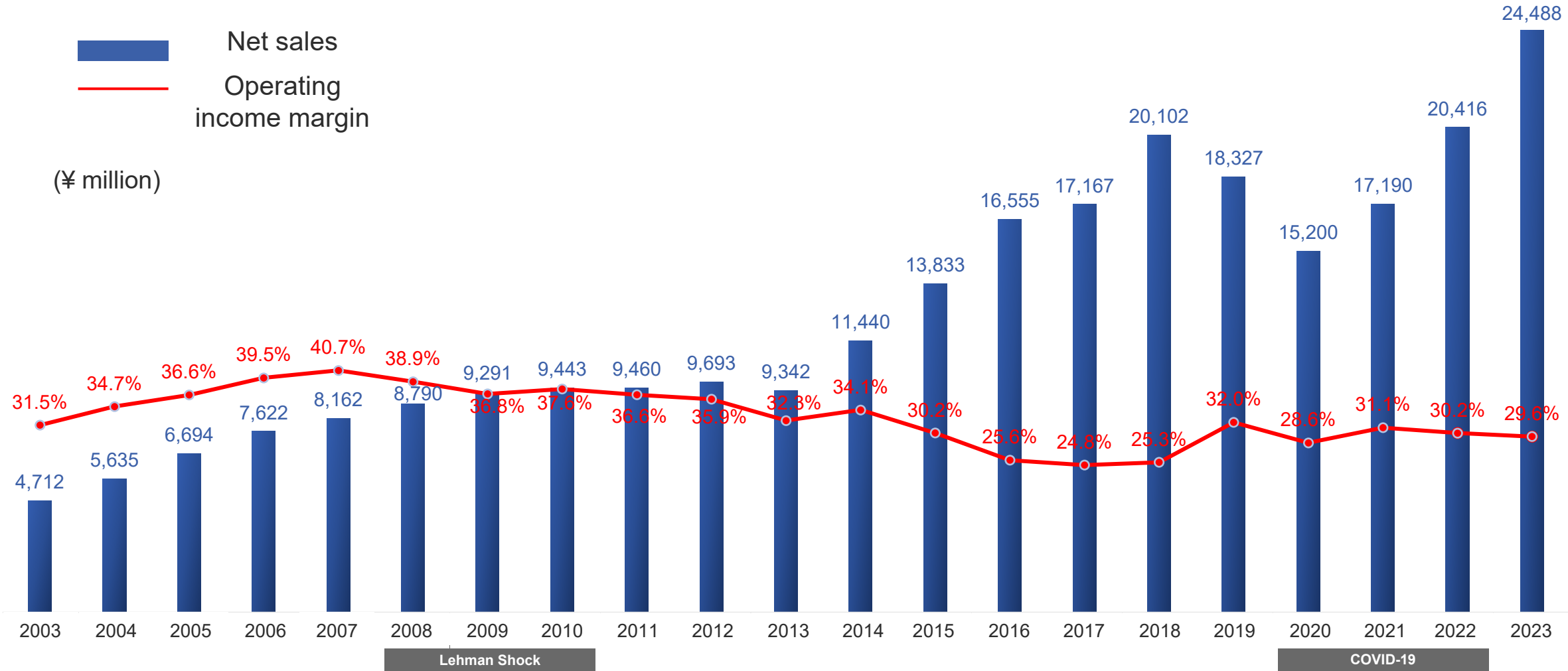
Strategy Planning Criteria “Off-Limits” Management

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)

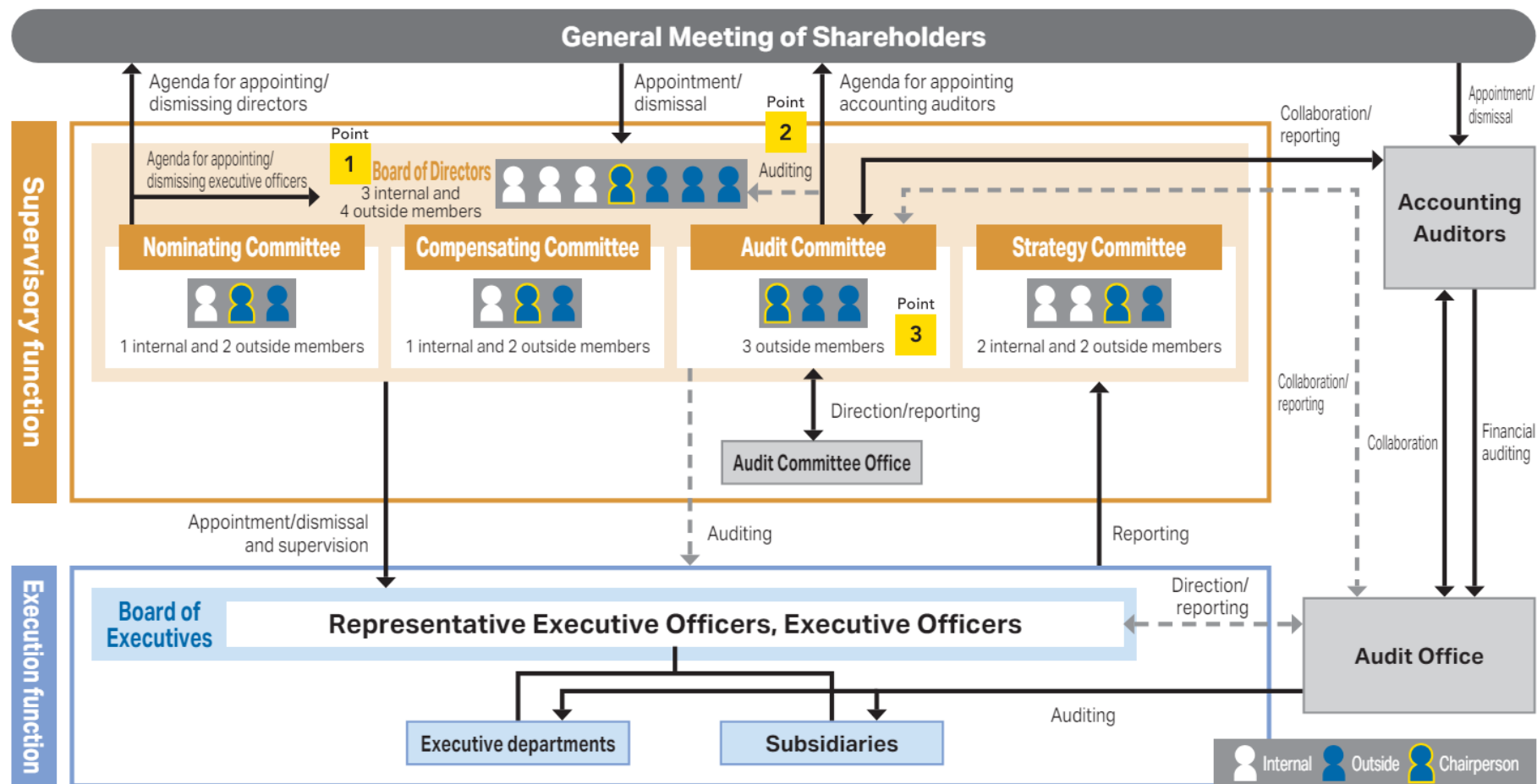
MANI's share price outperformed than TOPIX (Tokyo Stock Price Index)



(Note) This graph was on data from "Speeda"

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





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