

Summary of Consolidated Financial Results for the Three Months Ended November 30, 2024 (Based on Japanese GAAP)

January 8, 2025

Company name: MANI, INC.
 Stock exchange listing: Tokyo
 Stock code: 7730 URL <https://www.mani.co.jp/en/>
 Representative: Director, President & Representative Executive Officer Masaya Watanabe
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (Scheduled to hold a presentation on management policy on January 9, 2025)

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended November 30, 2024 (from September 1, 2024 to November 30, 2024)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes)

	Net Sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended November 30, 2024	7,655	7.6	2,107	(5.2)	2,298	(2.2)	1,598	1.6
Three months ended November 30, 2023	7,114	16.5	2,223	27.1	2,349	35.4	1,573	21.1

Note: Comprehensive income:
 For the three months ended November 30, 2024 ¥2,280 million [31.4%]
 For the three months ended November 30, 2023 ¥1,735 million [28.7%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended November 30, 2024	16.23	—
Three months ended November 30, 2023	15.98	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
As of November 30, 2024	57,334	52,345	91.3
As of August 31, 2024	57,177	52,330	91.5

Reference: Equity
 As of November 30, 2024 ¥52,345 million
 As of August 31, 2024 ¥52,330 million

2. Cash Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended August 31, 2024	—	16.00	—	23.00	39.00
Year ending August 31, 2025	—				
Year ending August 31, 2025 (Forecast)		16.00	—	23.00	39.00

Note: Revisions to the forecasts of dividends most recently announced: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending August 31, 2025 (from September 1, 2024 to August 31, 2025)

(Percentages indicate year-on-year changes)

	Net Sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter	14,750	6.1	4,200	0.1	4,200	(7.7)	3,000	(6.0)	30.45
Full year	30,200	5.9	8,900	6.1	8,850	4.6	6,350	1.0	64.45

Note: Revisions to earnings forecasts most recently announced: None

※ Notes

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

Newly included: –

Excluded: –

(2) Application of special accounting methods in the preparation of quarterly consolidated financial statements: None

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

①Changes in accounting policies due to revisions to accounting standards and other regulations: None

②Changes in accounting policies due to other reasons: None

③Changes in accounting estimates: None

④Restatement: None

(4) Number of issued shares (common shares)

①Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2024	107,003,277 shares	As of August 31, 2024	107,003,277 shares
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②Number of treasury shares at the end of the period

As of November 30, 2024	8,517,206 shares	As of August 31, 2024	8,484,606 shares
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③Average number of shares during the period (cumulative from the beginning of the fiscal year)

As of November 30, 2024	98,488,661 shares	As of November 30, 2023	98,496,979 shares
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Disclosure regarding quarterly review procedures

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

* Upon the completion of the review (voluntary) of the Japanese-language originals of the quarterly consolidated financial results by certified public accountants or an audit firm, the Company will disclose the Japanese-language originals of the quarterly consolidated financial results with the review report.

Scheduled date of disclosure: January 14, 2025

* The English translation of the quarterly consolidated financial results will not receive a quarterly review by certified public accountants or an audit firm.

Proper use of earnings forecasts, and other special matters

* The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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1. Overview of Operating Results

(1) Explanation of Operating Results for the First Quarter

MANI Group aims to contribute to the well-being of people around the world by providing our products worldwide, based on our commitment “The Best Quality in the World, to the World.” To achieve further growth, we have started our medium-term management plan from the fiscal year ended August 31, 2022, and are engaged in realizing our corporate philosophy and evolve to “a true global company” by dramatically evolving and transforming our platforms in sales, production, and development functions.

The following is a summary of major initiatives during the first quarter of the fiscal year ending August 31, 2025.

Business Operations under a New Organizational Structure

A new management team led by Masaya Watanabe, President and Representative Executive Officer, has begun business operations. Please refer to the material scheduled to be released on January 9, 2025 for our progress of the medium-term management plan announced on April 8, 2021 and future management policies.

Established sales subsidiary MANI MEDICAL AMERICA, INC. in California, United States

To expand our business globally, we established a new sales subsidiary, MANI MEDICAL AMERICA, INC., in September 2024, and commenced sales activities. We will promote regional-oriented sales activities in medical advanced countries and expand our business in the North American market.

Launch of the new NiTi Rotary File “JIZAI 020 04”

In September 2024, we launched “JIZAI 020 04,” which is a new addition to the “JIZAI”¹ series, a series of NiTi rotary files for dental root canal treatment and is designated as a key development product to be developed in the medium-term management plan. “JIZAI 020 04” is an intermediate sized file that has been particularly requested by many dentists, and we have developed this file to encourage more dentists to use “JIZAI.” Going forward, we will expand our product lineup of NiTi rotary files to accommodate a range of root canal treatments and expand the scope of treatments available with our products.

The Smart Factory

The Smart Factory, which began construction in Japan in October 2023, is scheduled to be completed at the end of January 2025. During the first quarter of the fiscal year ending August 31, 2025, we have been preparing to build a mass production system for ophthalmic knives, which are used in cataract surgery, and “JIZAI,” the NiTi rotary file. The mass production line is scheduled to start operation from 2026.

(References)

¹ A flexible nickel titanium dental endodontic instrument used to treat an infected dental root canal in an endodontic treatment, which is one of the treatments for the dental nervous system known as pulp.

Operating Results for the First Quarter of the Fiscal Year Ending August 31, 2025

Net sales were ¥7,655 million (up 7.6% year on year), mainly due to strong sales of Surgical products in Europe and an increase in sales of Eyeless Needle products in Asia, particularly in China, despite a decrease in sales of Dental products in China. The cost of sales was ¥2,653 million (down 0.5% year on year), and the selling, general and administrative expenses were ¥2,893 million (up 30.1% year on year) due to the posting of bonuses associated with the results of the previous fiscal year and an increase in personnel costs. As a result, operating income was ¥2,107 million (down 5.2% year on year). Though ordinary income was ¥2,298 million (down 2.2% year on year), profit attributable to owners of parent was ¥1,598 million (up 1.6% year on year) due to a decrease in income taxes-deferred.

The following is an overview of financial results by segment. Segment sales figures are those from external customers.

	Net sales		Segment income (Operating income)	
	Millions of yen	Year on year	Millions of yen	Year on year
Surgical products	2,442	25.5%	838	28.8%
Eyeless Needle products	2,844	12.9%	1,046	8.2%
Dental products	2,368	(10.6%)	222	(63.2%)
Consolidated total	7,655	7.6%	2,107	(5.2%)

(Surgical products)

The segment sales were ¥2,442 million (up 25.5% year on year) and segment income was ¥838 million (up 28.8% year on year). Segment sales and income have increased due to an increase in demand for ophthalmic knives, which are used in cataract surgery, mainly in Europe and Asia, particularly in China from the same period of the previous fiscal year.

(Eyeless Needle products)

The segment sales were ¥2,844 million (up 12.9% year on year) and segment income was ¥1,046 million (up 8.2% year on year). Segment sales and income have increased from the same period of the previous fiscal year, mainly due to an increase in sales in Asia, particularly in China.

(Dental products)

The segment sales were ¥2,368 million (down 10.6% year on year), and segment income was ¥222 million (down 63.2% year on year). Sales declined due to the deterioration in the dental market caused by the stagnant Chinese economy, the impact of the voluntary recall of dental rotary and cutting instruments (dia-burs), and changes in procedures in dental root canal treatment. Segment income has decreased due to a decrease in net sales and an increase in selling, general and administrative expenses, including personnel expenses.

※Reference: Exchange rates

	Previous consolidated accounting period (Year ended August 31, 2024)				Current consolidated accounting period (Year ending August 31, 2025)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
USD/JPY	149.10	147.92	149.66	150.78	149.03	-	-	-
EUR/JPY	159.30	159.38	161.40	162.94	161.99	-	-	-
CNY/JPY	20.47	20.45	20.68	20.84	20.88	-	-	-
INR/JPY	1.79	1.78	1.80	1.81	1.77	-	-	-
MYR/JPY	31.95	31.35	31.78	32.28	34.36	-	-	-

(2) Explanation of Financial Position for the First Quarter**Financial position**

(Millions of yen)

	As of August 31, 2024	As of November 30, 2024	Change
Total assets	57,177	57,334	157
Current assets	31,942	32,122	179
Non-current assets	25,235	25,212	(22)
Liabilities	4,846	4,989	142
Net assets	52,330	52,345	14

Total assets as of the end of the first quarter (November 30, 2024) stood at ¥57,334 million, an increase of ¥157 million from the end of the previous consolidated accounting period. This was primarily due to an increase of ¥179 million in current assets (mainly an increase in inventories).

Total liabilities as of the end of the first quarter (November 30, 2024) stood at ¥4,989 million, an increase of ¥142 million from the end of the previous consolidated accounting period. This was primarily due to an increase in current liabilities such as accrued expenses and accounts payable, despite a decrease in income taxes payable.

Total net assets as of the end of the first quarter (November 30, 2024) stood at ¥52,345 million, an increase of ¥14 million from the end of the previous consolidated accounting period. This was primarily due to an increase of ¥1,598 million in retained earnings resulting from the recording of profit attributable to owners of parent and an increase in foreign currency translation adjustments, despite a decrease in retained earnings due to the payment of cash dividends of ¥2,265 million.

(3) Explanation of Future Forecast Information including Consolidated Business Results Forecasts

Results for the first quarter of the fiscal year ending August 31, 2025, are as stated in "(1) Explanation of Operating Results for the First Quarter." The consolidated earnings forecast for the full fiscal year remains unchanged from the figures announced in the "Summary of Consolidated Financial Results for the Fiscal Year Ended August 31, 2024" on October 7, 2024.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of August 31, 2024	As of November 30, 2024
Assets		
Current assets		
Cash and deposits	21,644	21,214
Notes receivable - trade	210	131
Accounts receivable - trade	2,710	2,931
Securities	18	314
Merchandise and finished goods	896	856
Work in process	3,244	3,469
Raw materials and supplies	2,221	2,292
Other	1,009	926
Allowance for doubtful accounts	(14)	(14)
Total current assets	31,942	32,122
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,779	6,789
Machinery, equipment and vehicles, net	4,456	4,611
Land	4,427	4,423
Construction in progress	6,290	6,550
Other, net	714	718
Total property, plant and equipment	22,669	23,093
Intangible assets		
Software	642	663
Other	696	661
Total intangible assets	1,338	1,324
Investments and other assets		
Investment securities	303	45
Deferred tax assets	593	424
Insurance funds	214	214
Other	116	110
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,228	794
Total non-current assets	25,235	25,212
Total assets	57,177	57,334

(Millions of yen)

	As of August 31, 2024	As of November 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	181	215
Accounts payable - other	1,153	1,355
Lease liabilities	39	38
Income taxes payable	996	533
Provision for bonuses	401	308
Other	1,139	1,593
Total current liabilities	3,912	4,043
Non-current liabilities		
Lease liabilities	44	36
Retirement benefit liability	583	590
Asset retirement obligations	233	245
Other	73	72
Total non-current liabilities	934	945
Total liabilities	4,846	4,989
Net assets		
Shareholders' equity		
Share capital	1,087	1,087
Capital surplus	1,134	1,134
Retained earnings	48,124	47,456
Treasury shares	(3,125)	(3,125)
Total shareholders' equity	47,220	46,552
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11	9
Foreign currency translation adjustment	5,057	5,739
Remeasurements of defined benefit plans	42	43
Total accumulated other comprehensive income	5,110	5,792
Total net assets	52,330	52,345
Total liabilities and net assets	57,177	57,334

(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Comprehensive Income Statements
 (Quarterly Consolidated Income Statements)
 (For the three months ended November 30, 2023 and November 30, 2024)

(Millions of yen)

	Three months ended November 30, 2023	Three months ended November 30, 2024
Net sales	7,114	7,655
Cost of sales	2,667	2,653
Gross profit	4,447	5,001
Selling, general and administrative expenses	2,224	2,893
Operating profit	2,223	2,107
Non-operating income		
Interest income	32	33
Foreign exchange gains	88	144
Gain on sale of scraps	9	18
Other	5	12
Total non-operating income	135	209
Non-operating expenses		
Interest expenses	0	1
Unoperated land-related costs	8	14
Other	0	2
Total non-operating expenses	9	18
Ordinary profit	2,349	2,298
Extraordinary income		
Gain on sale of non-current assets	0	12
Total extraordinary income	0	12
Extraordinary losses		
Loss on sale of non-current assets	—	0
Loss on retirement of non-current assets	3	0
Other	—	3
Total extraordinary losses	3	4
Profit before income taxes	2,347	2,306
Income taxes - current	561	538
Income taxes - deferred	211	169
Total income taxes	773	708
Profit	1,573	1,598
Profit attributable to owners of parent	1,573	1,598

(Quarterly Consolidated Comprehensive Income Statements)
 (For the three months ended November 30, 2023 and November 30, 2024)

(Millions of yen)

	Three months ended November 30, 2023	Three months ended November 30, 2024
Net income	1,573	1,598
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(1)
Foreign currency translation adjustment	161	681
Remeasurements of defined benefit plans	1	1
Total other comprehensive income	162	682
Comprehensive income	1,735	2,280
(item)		
Comprehensive income attributable to owners of parent	1,735	2,280

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable.

(Notes on Significant Changes in the Amounts of Shareholders' Equity)

Not applicable.

(Notes on Quarterly Consolidated Statements of Cash Flows)

The quarterly consolidated statement of cash flows for the first quarter of the fiscal year ending August 31, 2025 has not been prepared. Depreciation and amortization (including amortization of intangible assets excluding goodwill) for the first quarter is as follows.

	Three months ended November 30, 2023	Three months ended November 30, 2024
Depreciation and amortization	557 million yen	569 million yen

(Segment Information, etc.)

[Segment Information]

I For the three months ended November 30, 2023 (from September 1, 2023 to November 30, 2023)

1. Information on sales and income or loss by reportable segment

(Millions of yen)

	Reportable segments			Total	Adjustments	Amount on the consolidated financial statements (Note)
	Surgical products	Eyeless Needle products	Dental products			
Net sales						
Net sales to external customers	1,945	2,520	2,648	7,114	-	7,114
Intersegment sales or transfer	-	-	-	-	-	-
Total	1,945	2,520	2,648	7,114	-	7,114
Segment income	651	966	605	2,223	-	2,223

Note: Segment income is adjusted with operating income in the quarterly consolidated income statements.

II For the three months ended November 30, 2024 (from September 1, 2024 to November 30, 2024)

1. Information on sales and income or loss by reportable segment

(Millions of yen)

	Reportable segments			Total	Adjustments	Amount on the consolidated financial statements (Note)
	Surgical products	Eyeless Needle products	Dental products			
Net sales						
Net sales to external customers	2,442	2,844	2,368	7,655	-	7,655
Intersegment sales or transfer	-	0	-	0	(0)	-
Total	2,442	2,845	2,368	7,655	(0)	7,655
Segment income	838	1,046	222	2,107	-	2,107

Note: Segment income is adjusted with operating income in the quarterly consolidated income statements.

(Revenue Recognition)

Breakdown information of revenue from contracts with customers

For the three months ended November 30, 2023 (from September 1, 2023 to November 30, 2023)

Breakdown of revenue by region

(Millions of yen)

	Reportable segments			Total
	Surgical products	Eyeless Needle products	Dental products	
Japan	636	190	279	1,105
Asia	547	1,227	1,878	3,653
Europe	450	481	345	1,276
North America	83	441	130	655
Others	228	180	14	422
Revenue from contracts with customers	1,945	2,520	2,648	7,114
Other income	—	—	—	—
Net sales to external customers	1,945	2,520	2,648	7,114

For the three months ended November 30, 2024 (from September 1, 2024 to November 30, 2024)

Breakdown of revenue by region

(Millions of yen)

	Reportable segments			Total
	Surgical products	Eyeless Needle products	Dental products	
Japan	643	222	287	1,152
Asia	660	1,351	1,428	3,440
Europe	682	445	373	1,500
North America	151	433	175	760
Others	305	391	103	800
Revenue from contracts with customers	2,442	2,844	2,368	7,655
Other income	—	—	—	—
Net sales to external customers	2,442	2,844	2,368	7,655

(Significant Subsequent Events)

Not applicable.