

# **FY2025 2Q**

# **Financial Results & Forecasts**

**MANI, INC.**

***THE BEST QUALITY IN THE WORLD, TO THE WORLD***

April 11, 2025

## Apology for the Voluntary Recall of “MANI DIA-BURS” in China

We deeply apologize for any inconvenience caused by the voluntary recall of our “MANI DIA-BURS (Generic name is Dental Diamond Burs).”

We have discovered that the product registration information submitted to the Chinese regulatory authorities was incomplete, and currently, we are taking appropriate measures. Since this matter is related to the application to the Chinese regulatory authorities, we have determined that there are no problems with the efficacy and safety of the products and that there will be no impact on patients’ health. In addition, there will be no impact on sales in other regions.

The impact on the consolidated financial results for fiscal year ending August 31, 2025, is currently under close examination, and if any matters arise that should be announced in the future, we will disclose them promptly.

Please refer to the following timely disclosure link for further details.

[April 9, 2025 “Notice Regarding Voluntary Product Recall of 'MANI DIA-BURS”](#)

## Background and Future Actions

### Background

Contents  
disclosed on  
April 9, 2025

- Discovered that the product registration information submitted to the Chinese regulatory authorities (NMPA) for two product numbers of “MANI DIA-BURS” was incomplete. Voluntarily recalled 2 LOTs (disclosed on October 31, 2024)
- Discovered that some of the product registration information for other “MANI DIA-BURS” was incomplete and needed to apply for changes. Due to this discovery, we have decided to conduct an additional voluntary recall.
- Approximately 50% of the “MANI DIA-BURS” will require changes to their product registration information, and sales of these products will be suspended until the application for changes is certified.
- Products will be back for sales after gaining approval from NMPA.

# Business Execution Structure after May 1, 2025

Chairperson of Board of Executive Officers	Masahiko Saito	Technical Fellow, <b>Department Head of Quality Assurance Department</b>
Director, President and Representative Executive Officer,	Masaya Watanabe	Chief Executive Officer
Director, Executive Vice President,	Kazuo Takahashi	Assistant to the President (Special Appointive Officer), <b>Chief Financial Officer</b> , Chief Risk Management Officer, <b>Office Head of Corporate Planning Office</b>
Senior Managing Executive Officer	Hideshi Fukumoto	Division Head of Monozukuri Division, Department Head of Research and Development Department
Senior Managing Executive Officer	Shuichi Kurita	Division Head of Business Division, Department Head of Global Sales Department
Managing Executive Officer	Tomomi Kosaka	Assistant Division Head of Monozukuri Division, Department Head of Manufacturing Department
Managing Executive Officer	Naohisa Hashimoto	Assistant to the President (Deputy Corporate Officer), <b>Office Head of Audit Office</b>
Administrative Officer	Kentaro Inatomi	President of MANI MEDICAL GERMANY GmbH
Administrative Officer	Kaoru Ogane	Department Head of Global Operations Department
Administrative Officer	Hajime Terada	Assistant to the President

# FY2025 2Q Financial Results

\*External disclosure figures are rounded down. However, some of the components in this document are rounded to the nearest whole number, and the sum of each component is adjusted to the total.

# Consolidated Financial Results

(¥ million)

- In FY25 2Q, net sales have increased while operating income remained steady**
  - Despite the negative impact of the voluntary recall of “MANI DIA-BURS,” net sales increased [up 6.5% YoY] due to strong sales in the Surgical and Eyeless Needle segments.
  - Operating income remained flat, while ordinary income and net income decreased due to reduced foreign exchange gains.

FY24 2Q Results (A)	FY25 2Q Results (B)	Changes in Amount (C=B-A)	Changes in % (C/A)	FY25 Forecasts (D)	Forecast Progress Rate (B/D)
<b>Net sales</b>	<b>13,908</b>	<b>14,810</b>	<b>+902</b>	<b>+6.5%</b>	<b>30,200</b>
<b>Cost of sales</b> [%]	<b>5,213</b> [37.5%]	<b>5,317</b> [35.9%]	<b>+103</b>	<b>+2.0%</b>	<b>10,500</b> (34.8%)
<b>SG&amp;A expenses</b> [%]	<b>4,497</b> [32.3%]	<b>5,321</b> [35.9%]	<b>+824</b>	<b>+18.3%</b>	<b>10,800</b> (35.8%)
<b>Operating income</b> [%]	<b>4,197</b> [30.2%]	<b>4,172</b> [28.2%]	<b>(25)</b>	<b>(0.6%)</b>	<b>8,900</b> (29.5%)
<b>Ordinary income</b>	<b>4,551</b>	<b>4,277</b>	<b>(274)</b>	<b>(6.0%)</b>	<b>8,850</b>
<b>Net income</b>	<b>3,191</b>	<b>2,940</b>	<b>(251)</b>	<b>(7.9%)</b>	<b>6,350</b>

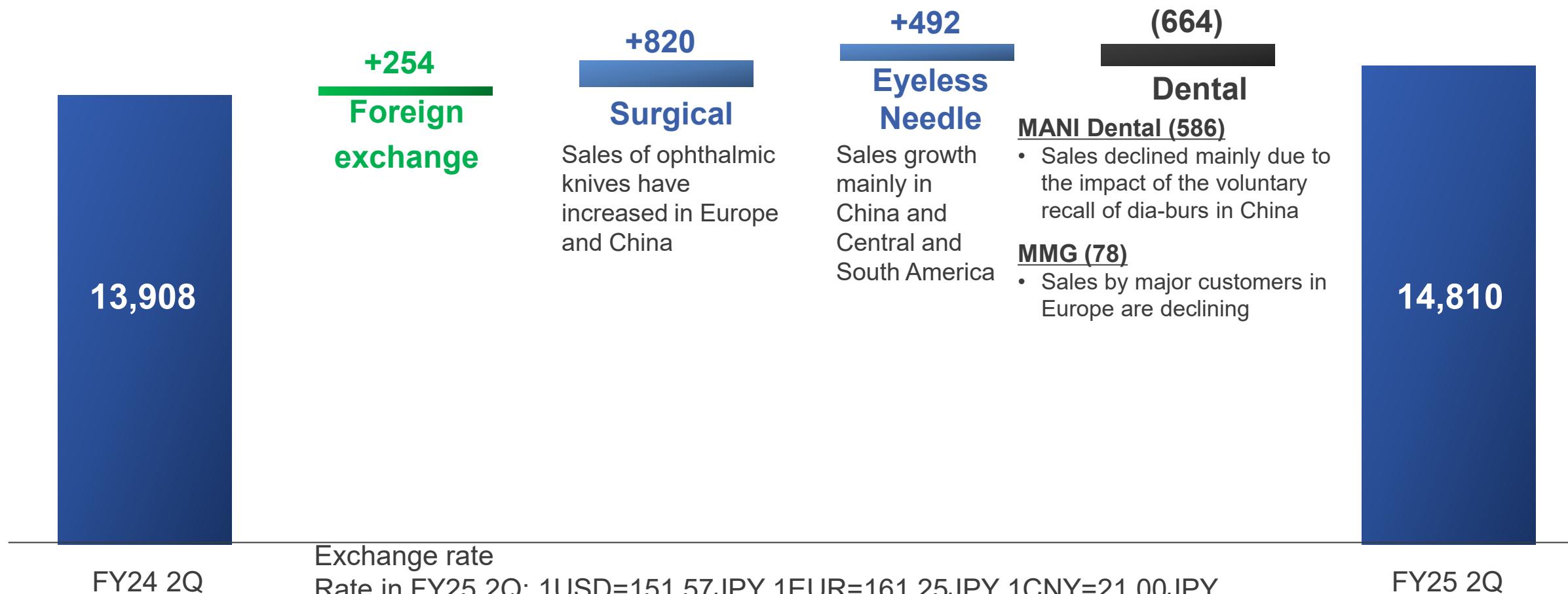
# Operating Income to Profit Before Income Taxes (Details) (¥ million)

	FY24 2Q Results	FY25 2Q Results	YoY	Notes
<b>Operating income</b>	<b>4,197</b>	<b>4,172</b>	<b>(25)</b>	
Non-operating income	371	187	(183)	
Foreign exchange gains	210	20	(189)	Foreign exchange gains decreased due to yen appreciation
Interest income	115	103	(11)	
Non-operating expenses	18	82	+64	
Depreciation costs	0	31	+31	Increase in depreciation related to Hanaoka Factory (Smart Factory) before operation
<b>Ordinary income</b>	<b>4,551</b>	<b>4,277</b>	<b>(274)</b>	
Extraordinary income	2	10	+7	Gain on sale of non-current assets (Realization of internal gain on proceeds from sale of subsidiary's production equipment of a subsidiary)
Extraordinary losses	3	16	+13	Loss on retirement of non-current assets
<b>Profit before income taxes</b>	<b>4,550</b>	<b>4,271</b>	<b>(279)</b>	

# Net Sales Status by Segment

(¥ million)

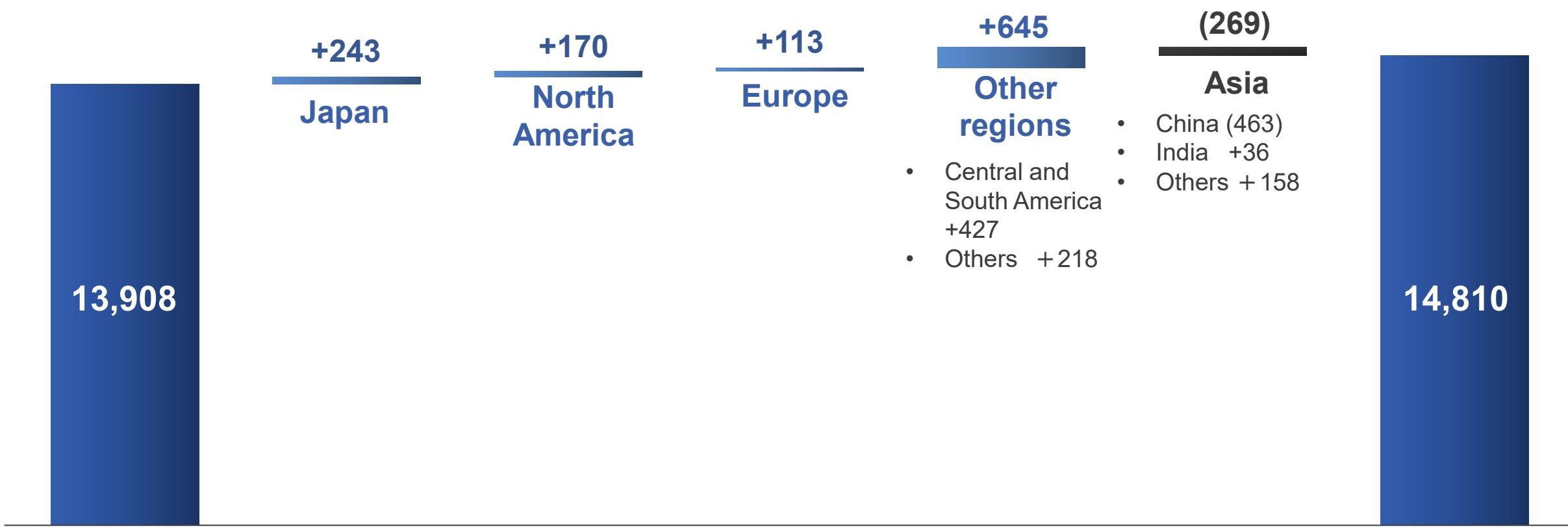
- Increase in sales YoY +¥902 million [+6.5%]
  - Sales of Surgical and Eyeless Needle segments continued to grow, while sales of Dental segment declined mainly in the Chinese market.



# Net Sales Status by Region

(¥ million)

- Reaping market growth in each region
- Emerging countries, such as Central and South America and Egypt, grew (Eyeless Needle and Dental segments)
- In China, sales of the Surgical and Eyeless Needle segments grew, however, sales declined due to the Dental segment's voluntary recall of dia-burs.



FY24 2Q

Exchange rate

Rate in FY25 2Q: 1USD=151.57JPY 1EUR=161.25JPY 1CNY=21.00JPY

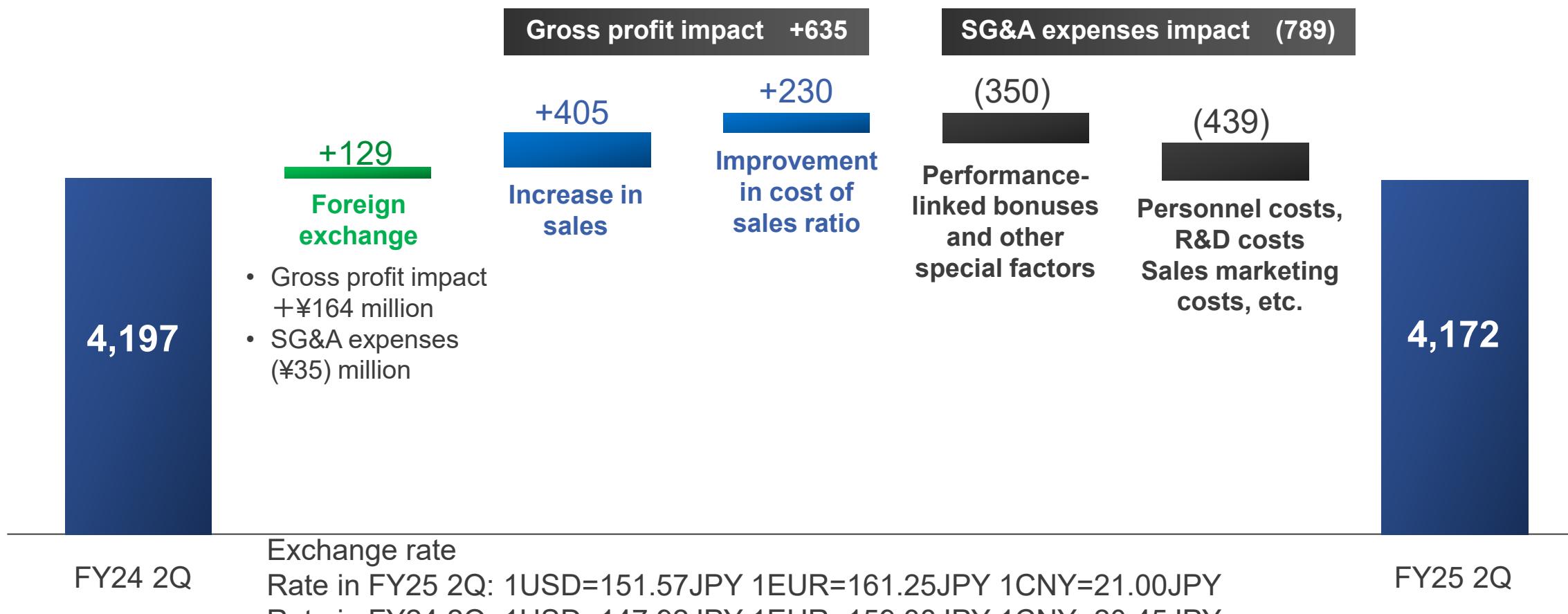
Rate in FY24 2Q: 1USD=147.92JPY 1EUR=159.38JPY 1CNY=20.45JPY

FY25 2Q

# Operating Income Status

(¥ million)

- **Operating income remained steady YoY (¥25 million) [(0.6%)]**
  - Although there was a temporary increase in costs (performance-linked bonuses) in FY25 1Q, both gross profit margin and SG&A expenses were in line with the plan in FY25 2Q



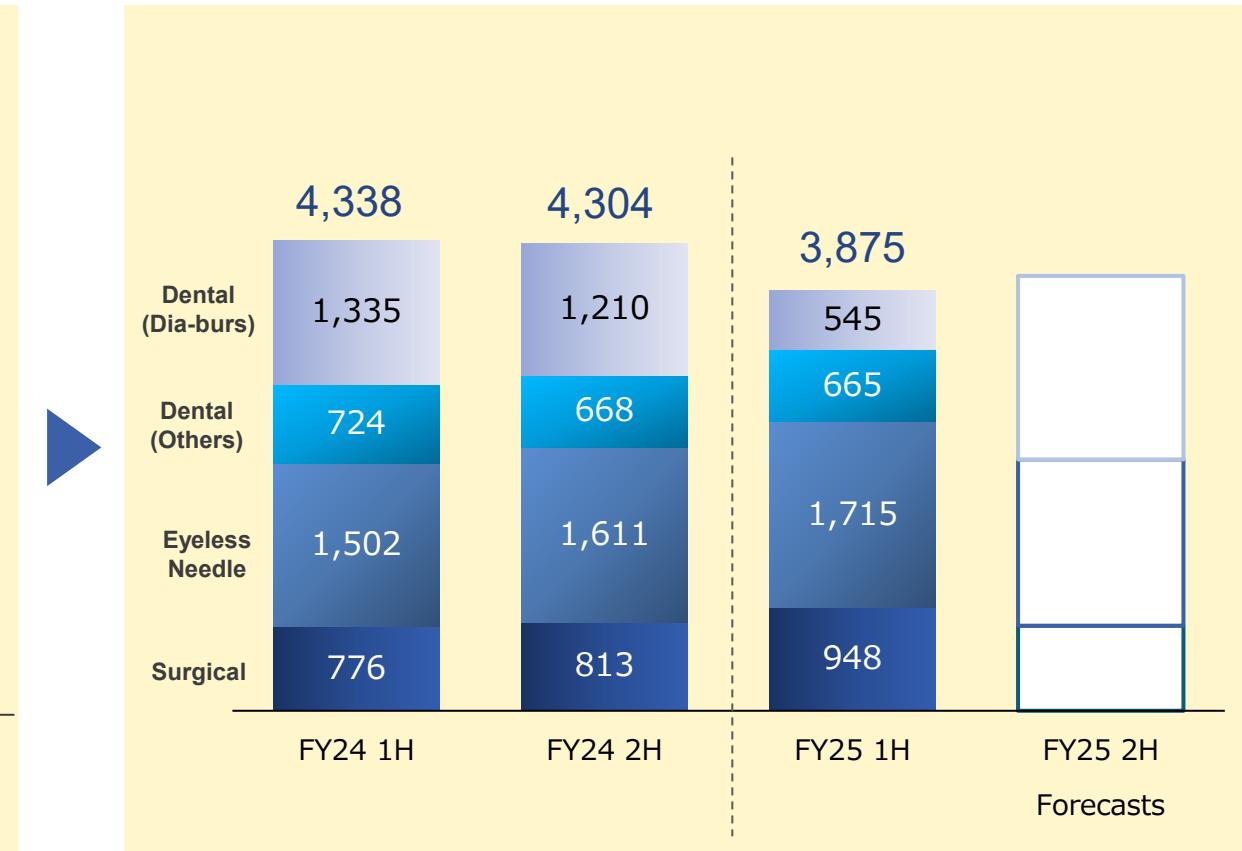
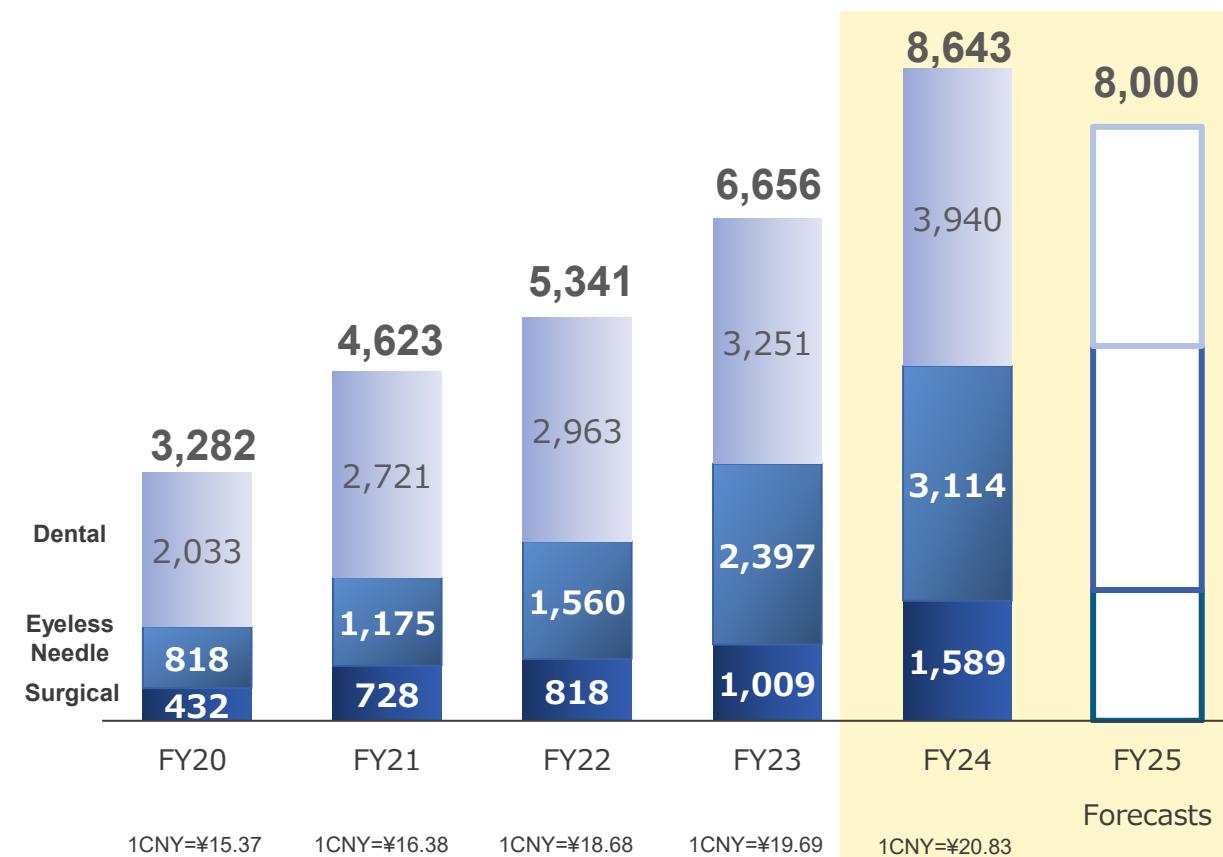
# Status of Business in China

(¥ million)

**Status of FY25 1H:** Sales of the Dental segment [down 41% YoY] voluntary recall of dia-burs had a ¥800 million negative impact on sales  
 Sales of the Surgical segment [up 22% YoY] and the Eyeless Needle segment [up 14% YoY] have increased steadily

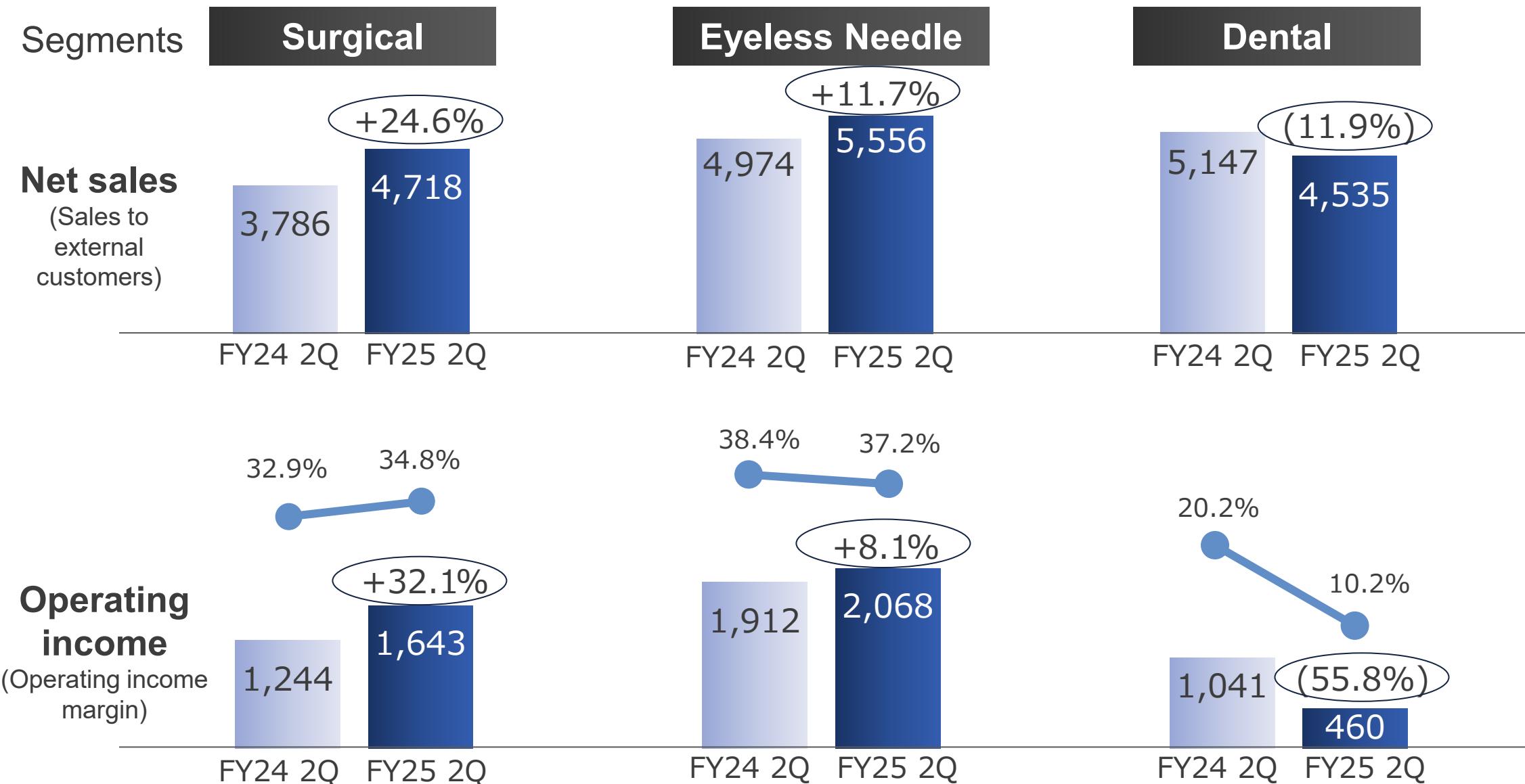
**Future outlook:** Recovery expected in FY27 with the reacquisition of dia-bur's product certification and the launch of JIZAI.

## Sales Trend in China



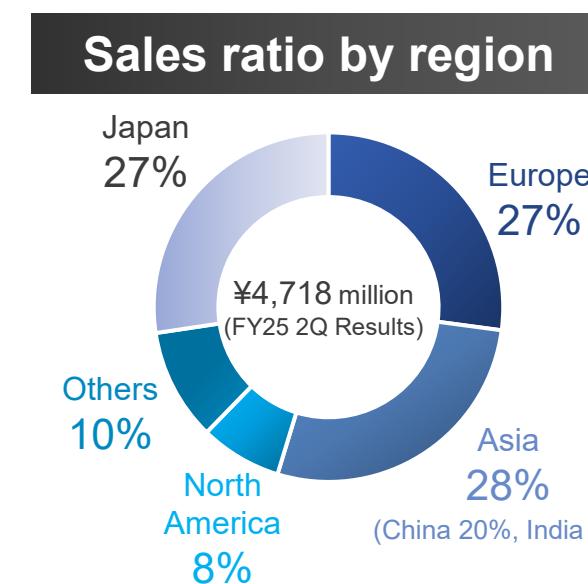
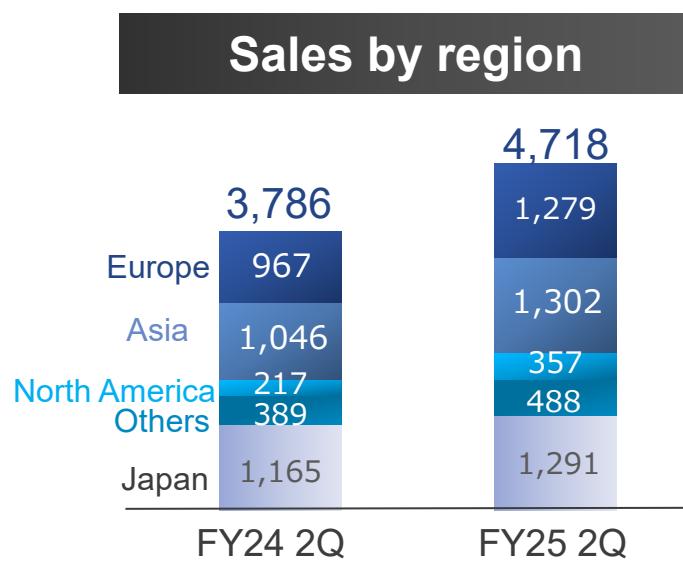
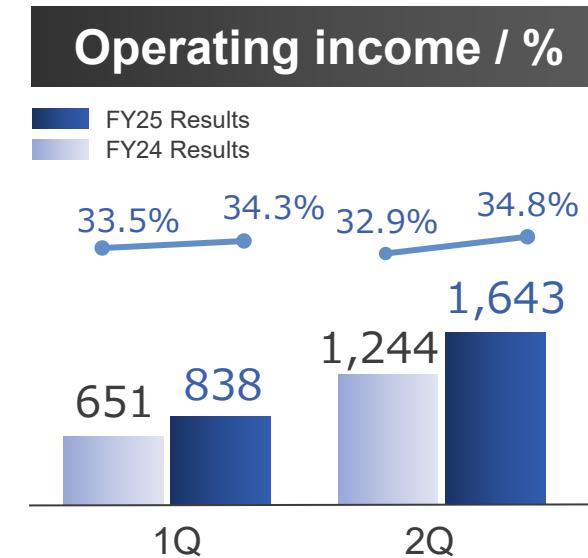
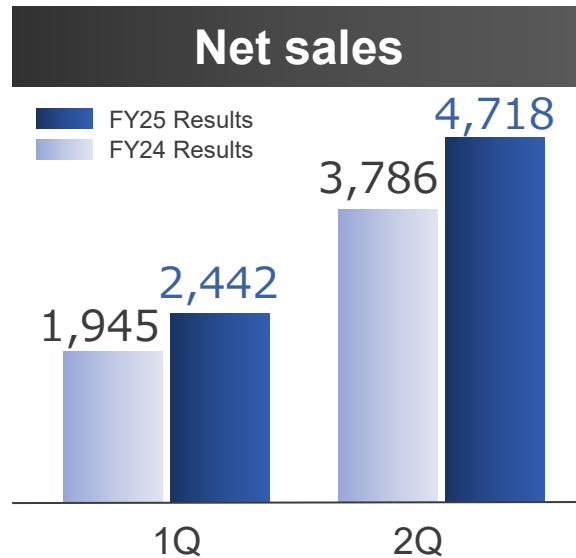
# Financial Results by Segment

(¥ million)



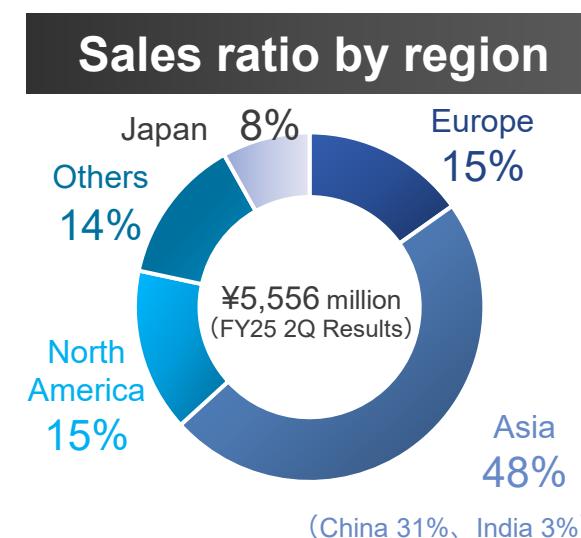
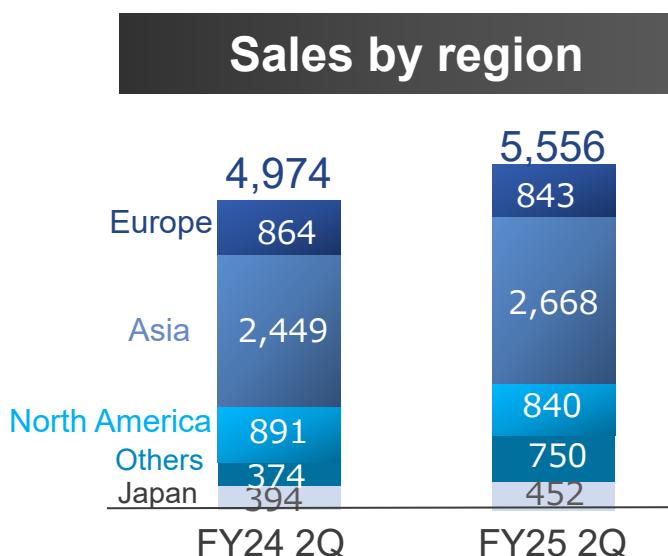
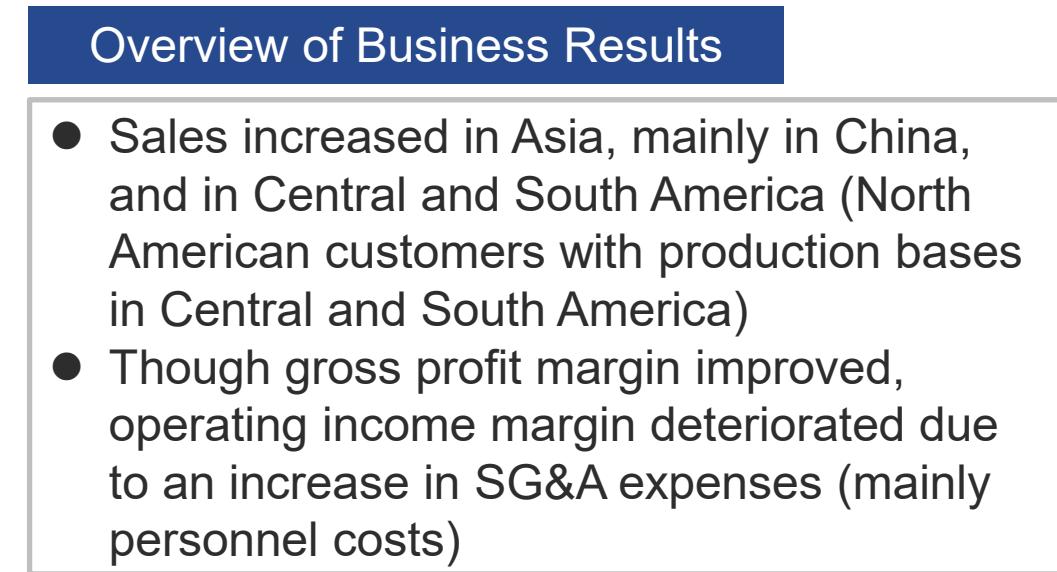
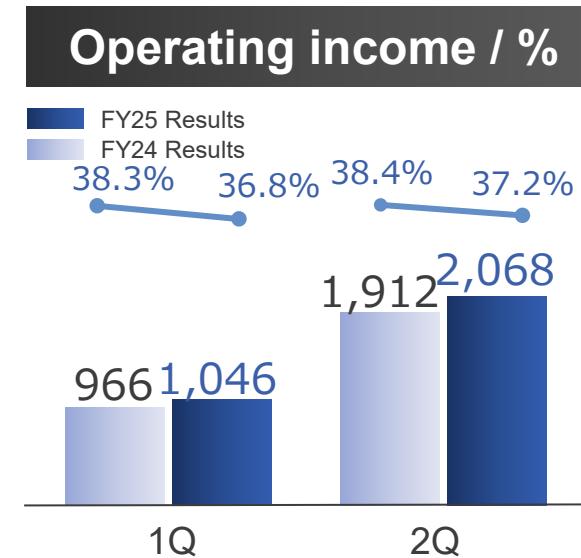
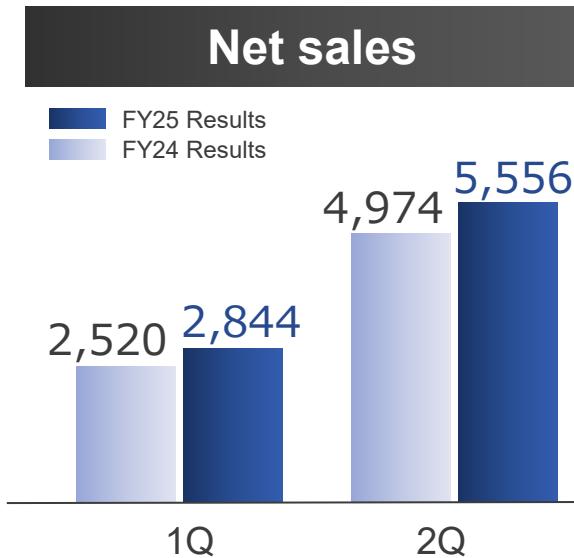
# Surgical Segment – Results Analysis

(¥ million)



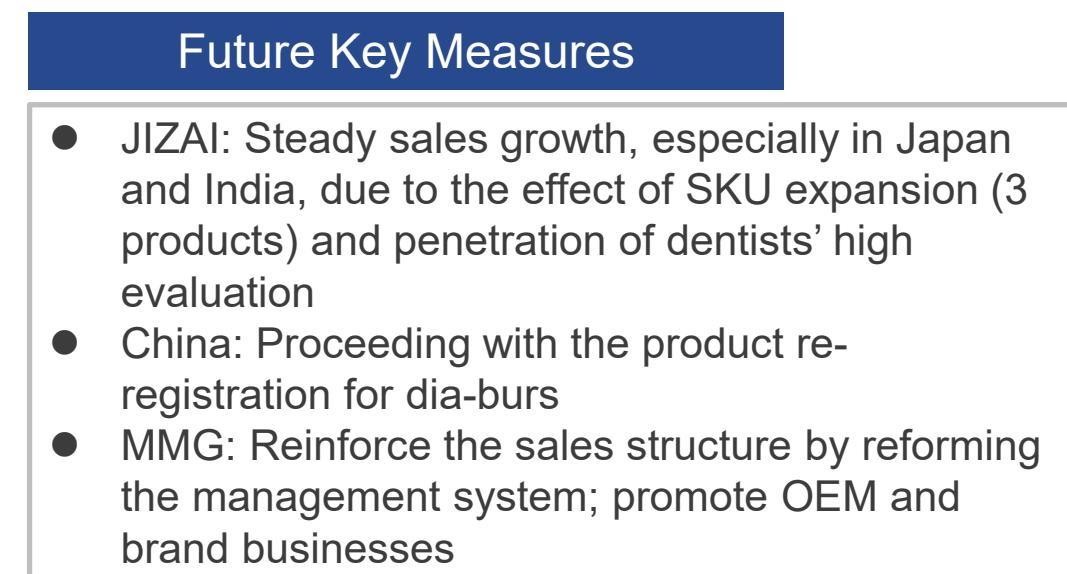
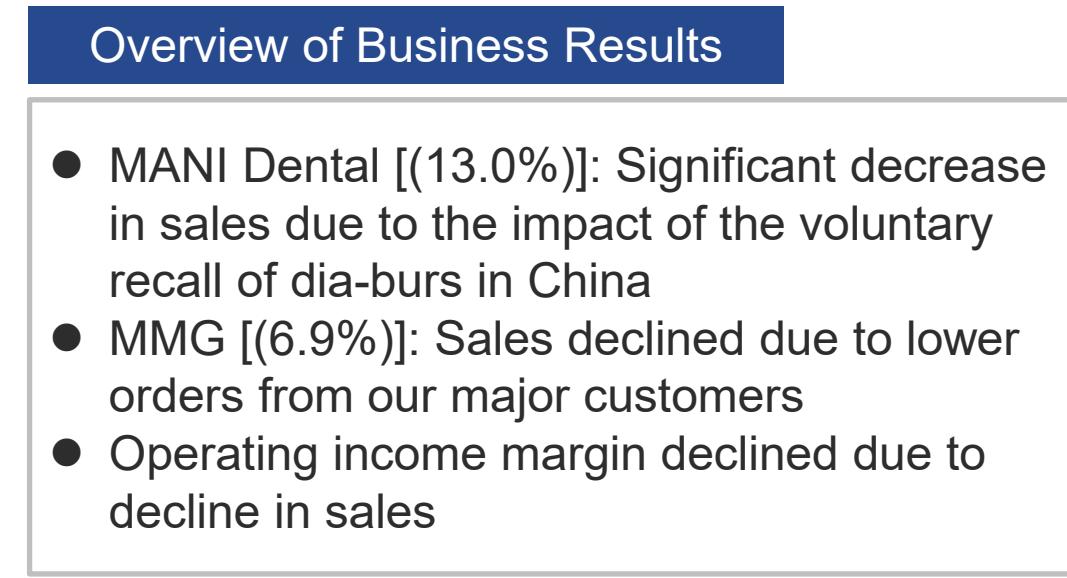
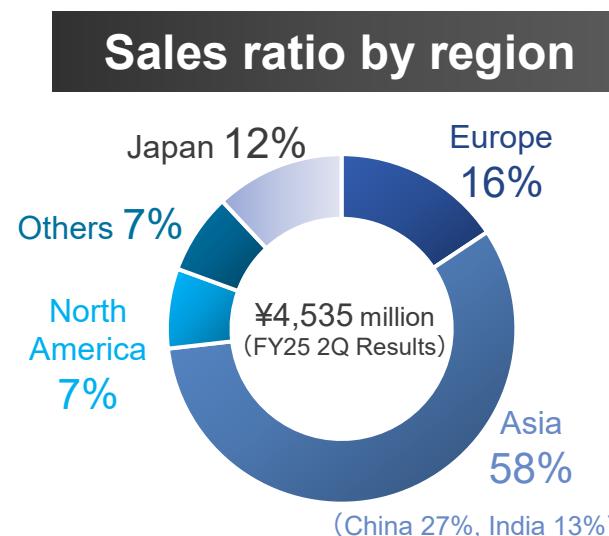
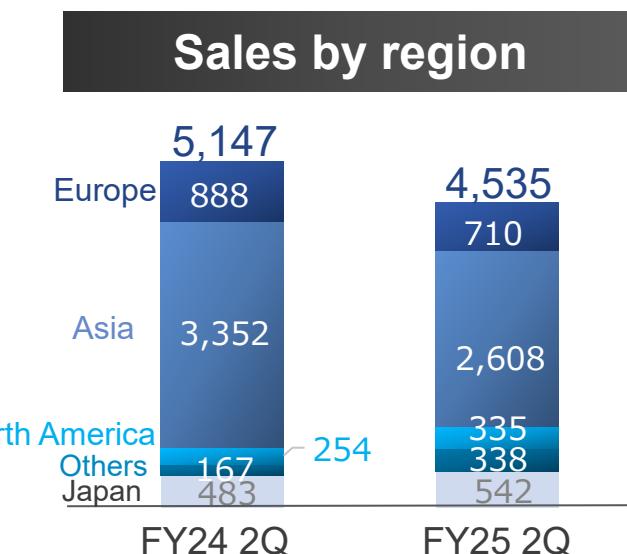
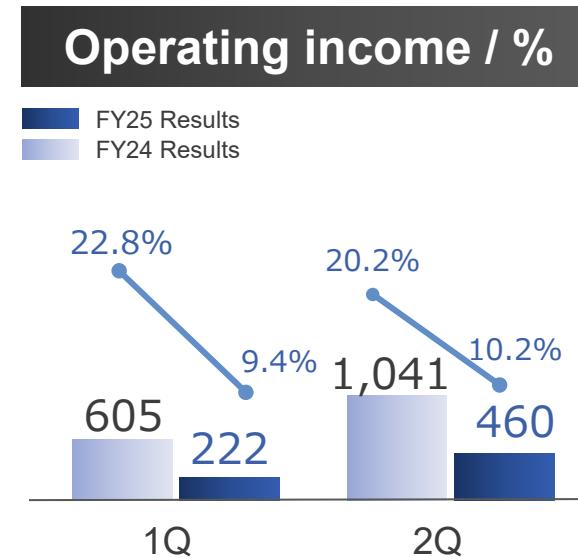
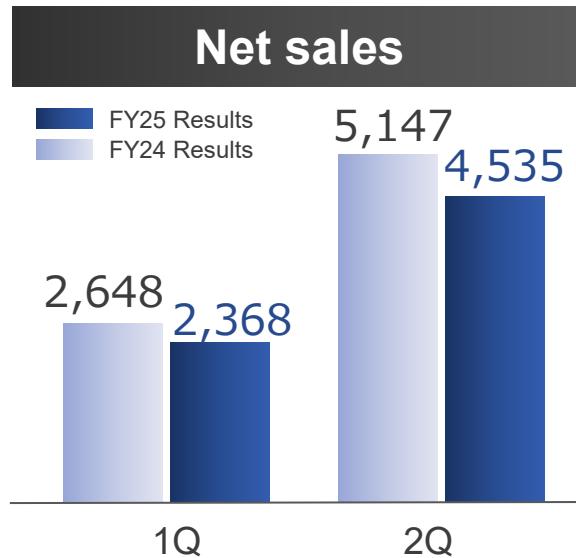
# Eyeless Needle Segment – Results Analysis

(¥ million)



# Dental Segment – Results Analysis

(¥ million)

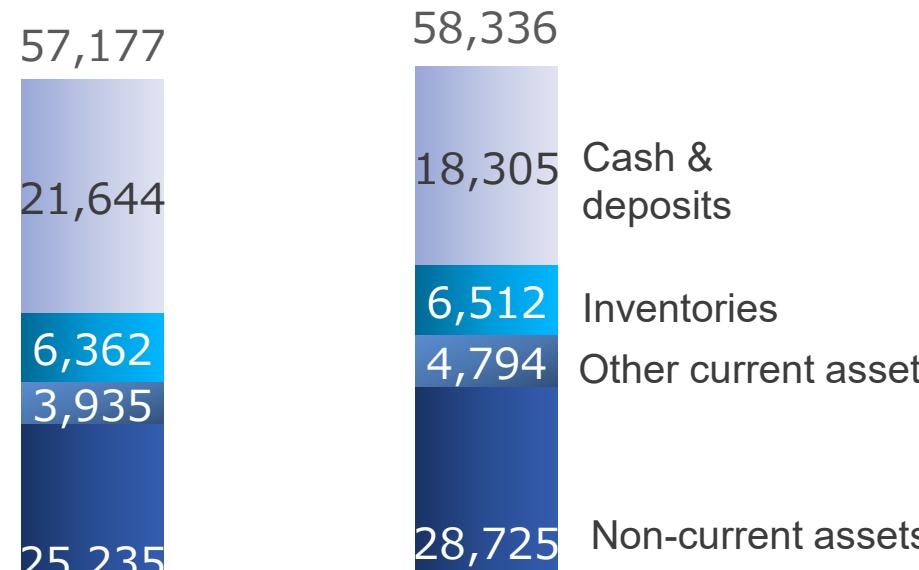


# Balance Sheet Status

(¥ million)

- Maintained strong equity capital**
  - Assets +¥1,158 million: Non-current assets increased due to investments related to the Hanaoka Factory, while cash & deposits decreased due to investing and financing activities.
  - Liabilities +¥77 million: Current liabilities increased due to an increase in accounts payable and income taxes payable.
  - Net assets +¥1,081 million: Increase in retained earnings and increase in foreign currency translation adjustments due to yen depreciation

## Assets



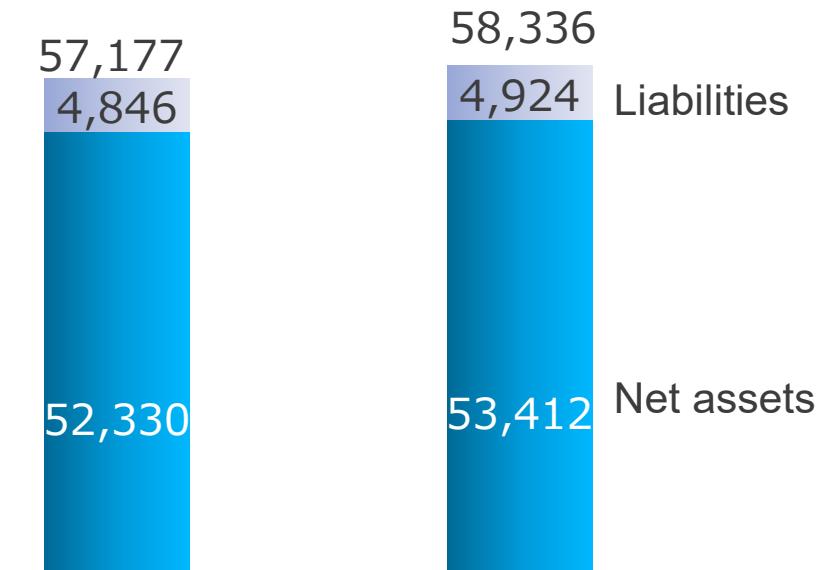
As of

August 31, 2024

As of

February 28, 2025

## Liabilities and Net Assets



As of

August 31, 2024

As of

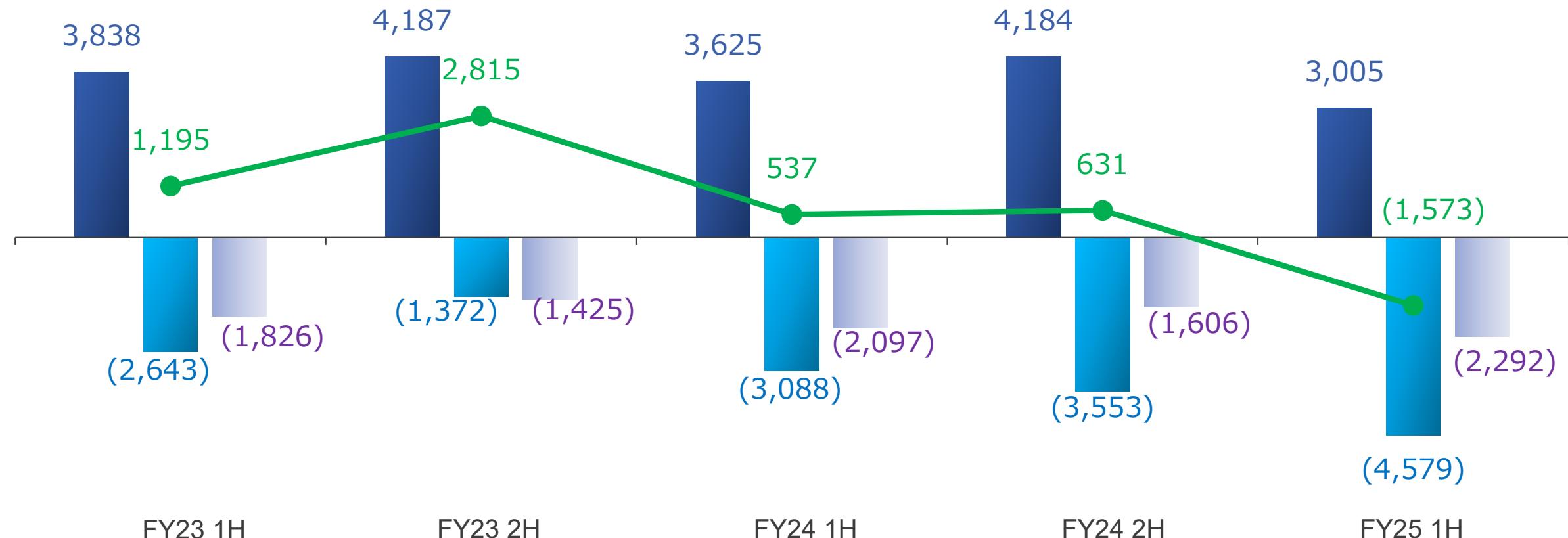
February 28, 2025

# Cash Flow Status

(¥ million)

- With the completion of the Hanaoka Factory, investments for the Smart Factory have finally settled down

█ Operating CF  
█ Investing CF  
█ Financing CF  
█ FCF (Operating + Investing)



# FY2025 Financial Forecasts

\*External disclosure figures are rounded down. However, some of the components in this document are rounded to the nearest whole number, and the sum of each component is adjusted to the total.

# Progress in Plan

(¥ million)

- Despite the negative impact of the voluntary recall of “MANI DIA-BURS” in China, the full-year forecasts (disclosed on October 8, 2024) for FY2025 remain unchanged due to the effect of yen depreciation and favorable sales in other segments.

	FY25 2Q Forecasts	FY25 2Q Results	Forecast progress rate (half year)	FY25 Forecasts	Forecast progress rate (full year)
<b>Net sales</b>	14,750	<b>14,810</b>	100.4%	<b>30,200</b>	49.0%
<b>Cost of sales</b> [%]	5,100 (34.6%)	<b>5,317</b> (35.9%)	104.3%	<b>10,500</b> (34.8%)	50.6%
<b>SG&amp;A expenses</b> [%]	5,450 (36.9%)	<b>5,321</b> (35.9%)	97.6%	<b>10,800</b> (35.8%)	49.3%
<b>Operating income</b> [%]	4,200 (28.5%)	<b>4,172</b> (28.2%)	99.3%	<b>8,900</b> (29.5%)	46.9%
<b>Ordinary income</b>	4,200	<b>4,277</b>	101.8%	<b>8,850</b>	48.3%
<b>Net income</b>	3,000	<b>2,940</b>	98.0%	<b>6,350</b>	46.3%

Exchange rate

Rate in FY25 2Q Results: 1USD=151.57JPY 1EUR=161.25JPY 1CNY=21.00JPY

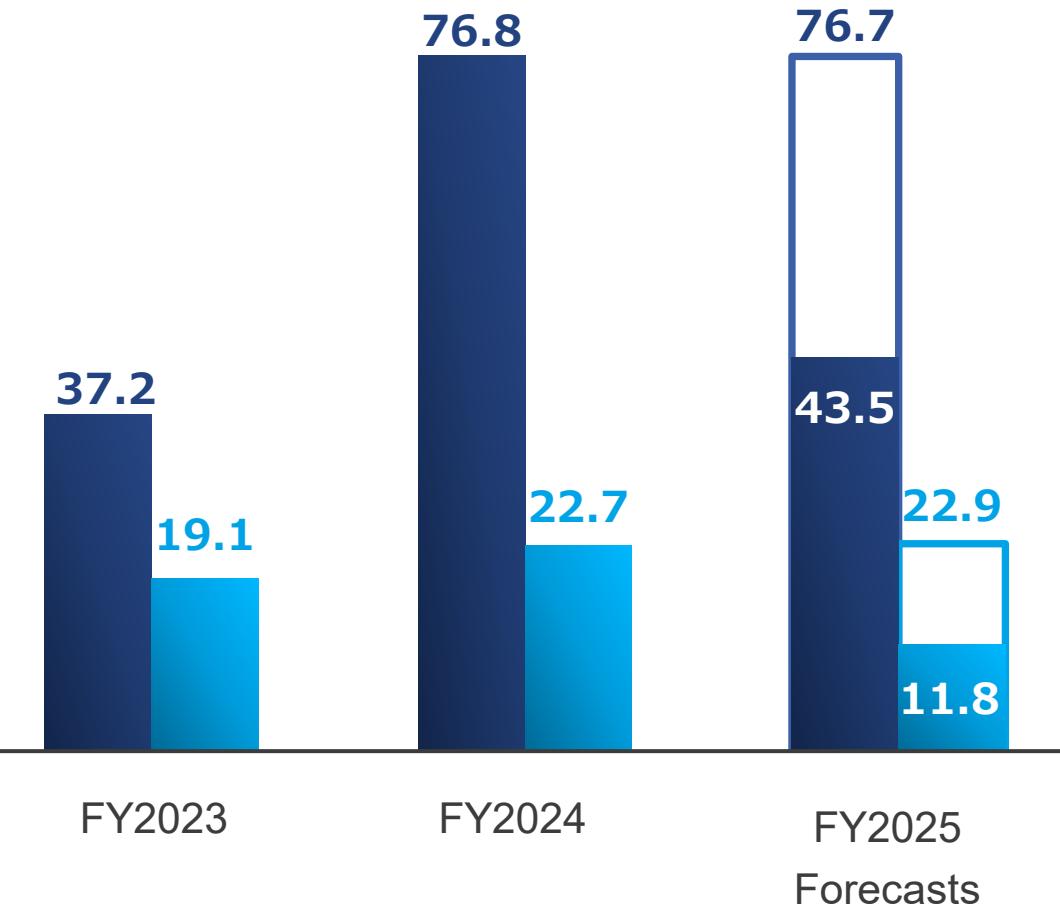
Rate in FY25 Forecasts: 1USD=136.00JPY 1EUR=147.00JPY 1CNY=19.00JPY

# Capital investment and R&D investment (FY2025)

(¥ 100 million)

## Capital investment & Depreciation

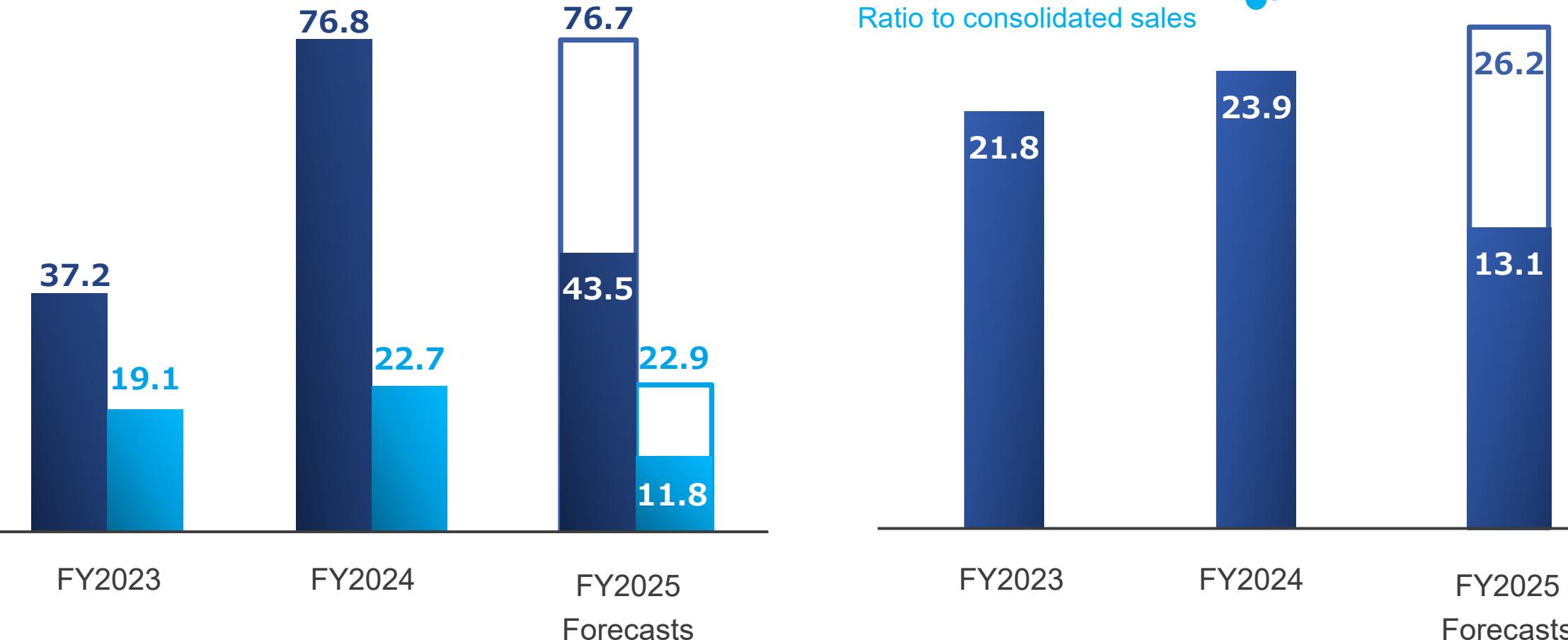
- Capital investment (based on acceptance)
- Depreciation



## R&D investment



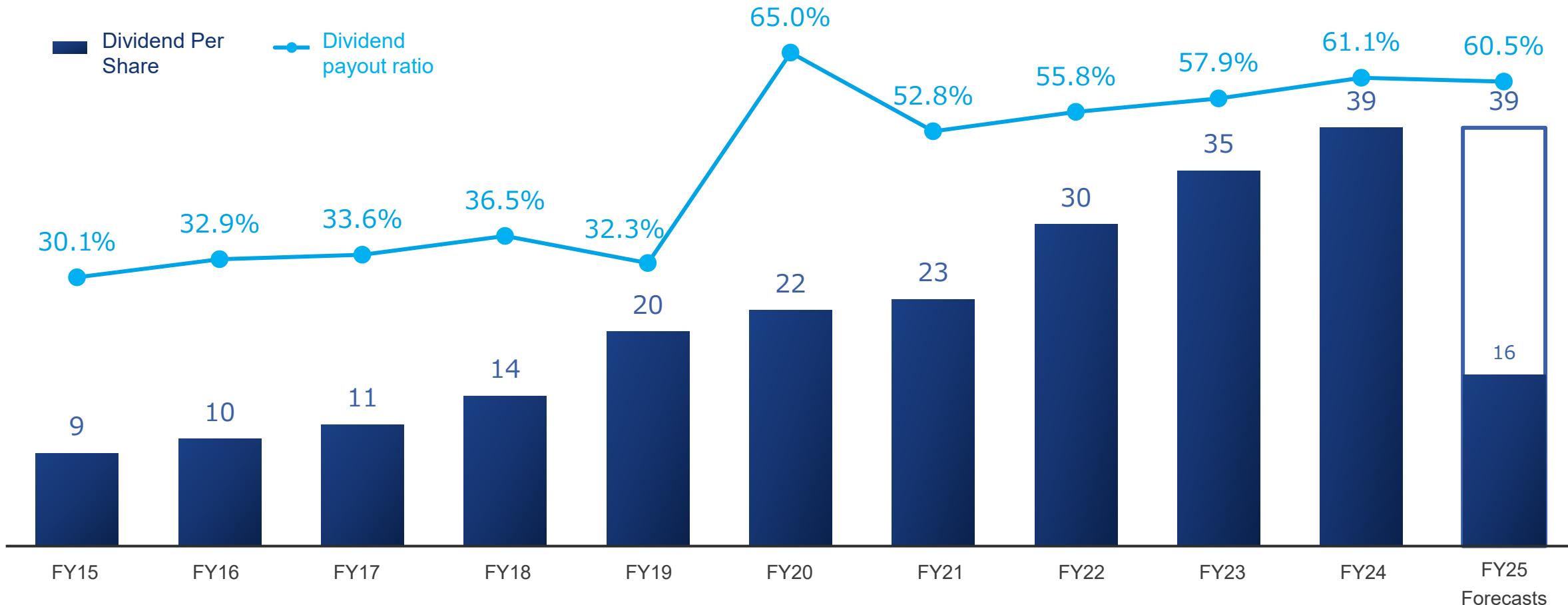
Ratio to consolidated sales



# Dividends

(Unit: ¥)

- **Maintain high level of dividend payout ratio and ensure allocation of funds for investment in growth**
  - FY2025: Pay an interim dividend of 16 yen per share and an annual dividend of 23 yen per share (as originally planned)
- **Steadily implement growth strategies to enhance corporate value**



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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

# Released the Integrated Report 2024



## Key points of the integrated report

- Interview with Masaya Watanabe, our newly appointed President and Representative Executive Officer
- Interview with Masahiko Saito, our newly appointed Chairperson of Board of Executive Officers and Technical Fellow
- Introduction of our customer bases and sales forces from a global perspective
- Messages from R&D sites in Japan and Vietnam
- Discussion with an ophthalmologist about the product value of our main product, the ophthalmic knife
- Introduction of the status of human rights policy, human rights due diligence, and other initiatives
- Visualization of discussions at board meetings

※The English version will be available around May 2025

## Exchange Rate (Average Rate for the Period)

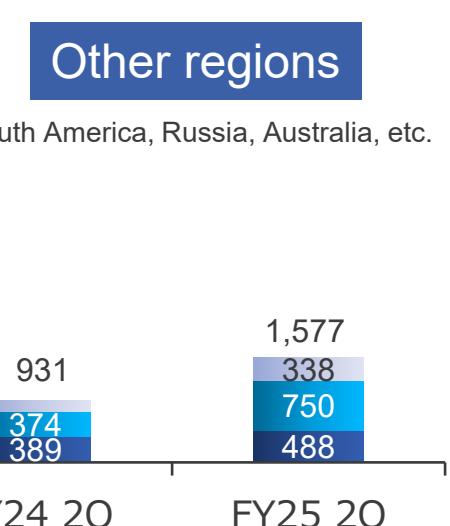
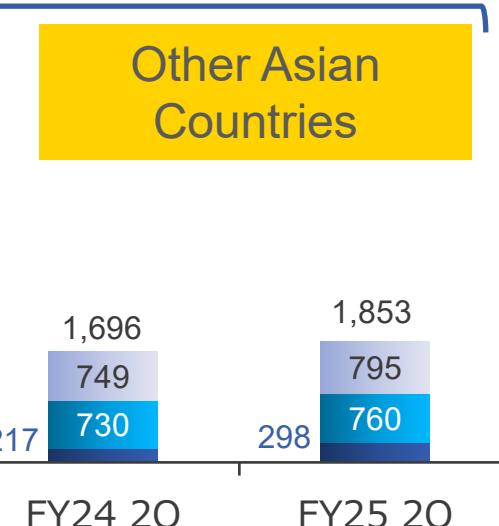
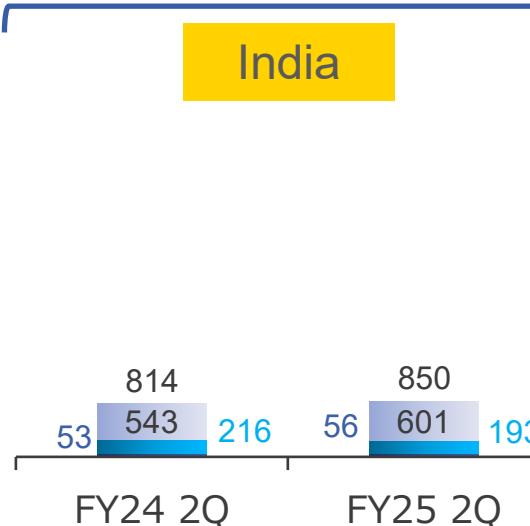
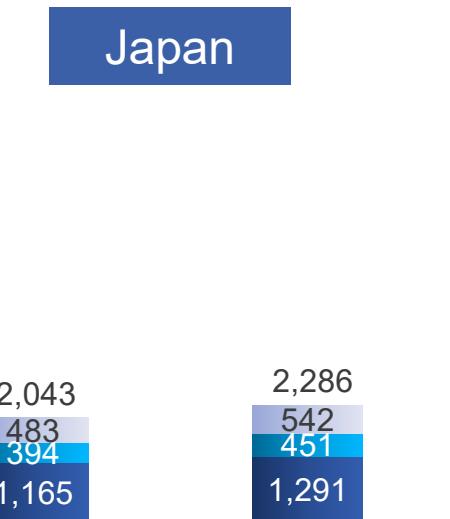
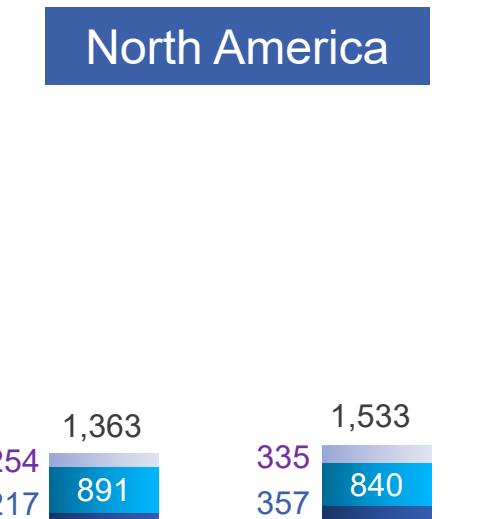
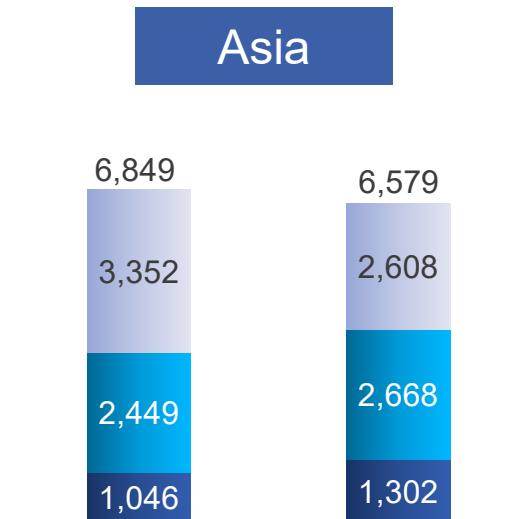
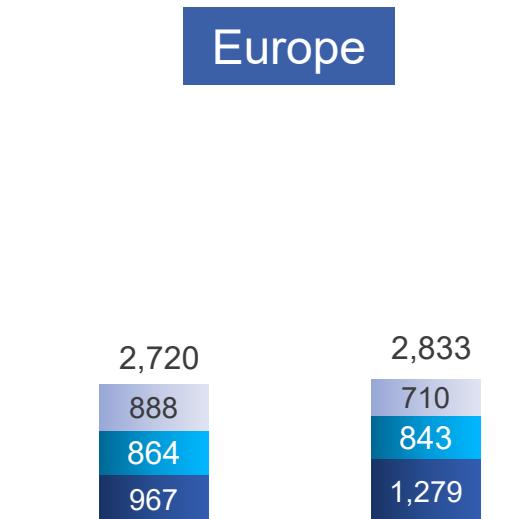
	FY24				FY25			
	1Q (3M)	2Q (6M)	3Q (9M)	4Q (12M)	1Q (3M)	2Q (6M)	3Q (9M)	4Q (12M)
USD/JPY	149.10	147.92	149.66	150.78	149.03	157.57	-	-
EUR/JPY	159.30	159.38	161.40	162.94	161.99	161.25	-	-
CNY/JPY	20.47	20.45	20.68	20.84	20.88	21.00	-	-
INR/JPY	1.79	1.78	1.80	1.81	1.77	1.78	-	-
MYR/JPY	31.95	31.35	31.78	32.28	34.36	34.47	-	-

# Segment Results (Details)

(¥ million)

	Item	FY24 2Q Results	FY25 2Q Results	Changes in Amount
Surgical Products	Net sales	3,786	4,718	+932
	Operating income	1,244	1,643	+399
	Operating income margin	32.9%	34.8%	-
	(SG&A expenses)	1,293	1,685	+392
Eyeless Needle Products	Net sales	4,974	5,556	+581
	Operating income	1,912	2,068	+155
	Operating income margin	38.4%	37.2%	-
	(SG&A expenses)	1,259	1,530	+271
Dental Products	Net sales	5,147	4,535	(611)
	Operating income	1,041	460	(580)
	Operating income margin	20.2%	10.2%	-
	(SG&A expenses)	1,944	2,104	+160

## Sales Status by Regions (Details)



※South America, Russia, Australia, etc.

# Product Segments

## Surgical

- Surgical instruments, such as ophthalmic knives and skin staplers
- Competitive advantages:
  - Superior sharpness and microfabrication technology that adapts to surgical miniaturization and precision
  - Contribution to shortening operation time, reducing the burden on the human body, and preventing postoperative complications



Ophthalmic Knives  
(used for cataract surgery)



Skin stapler

## Eyeless Needle

- Surgical suture needles, needles for surgical sutures (OEM production)
- 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)



Eyeless Needle



Eyed Needle

## Dental

- Dental instruments, dental restoration materials
- 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 shares (Top market share in Asia)



Dental Endodontic Instruments  
(Reamers/Files)



Dental Rotary and Cutting Instruments  
(Dia-burs)

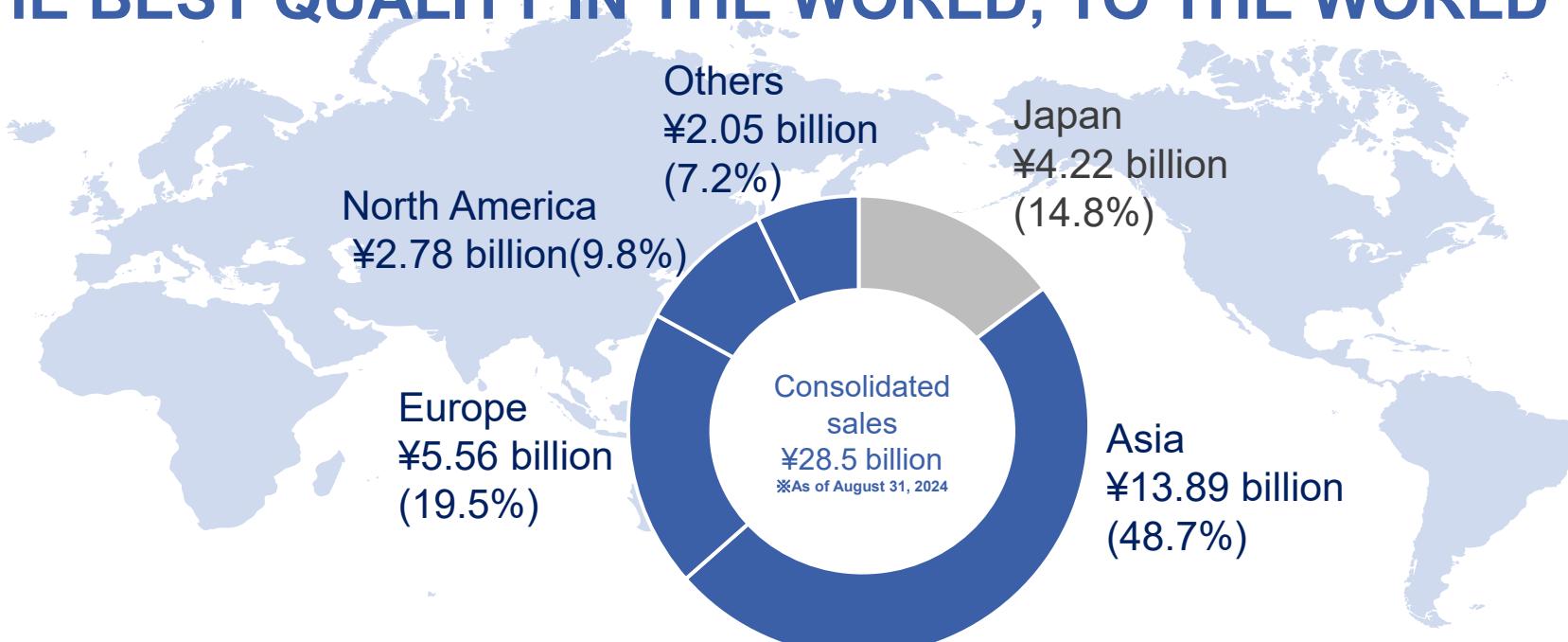


Dental Restoration Material

# Company Overview

Company Name	MANI, INC.	Representative	CEO Masaya Watanabe
Stock code	7730	Employees	403 (consolidated: 4,154) (as of August 31, 2024)
Established	1956	Capital	¥1,087 million (as of August 31, 2024)
Head Office	8-3 Kiyohara Industrial Park, Utsunomiya, Tochigi		

## THE BEST QUALITY IN THE WORLD, TO THE WORLD

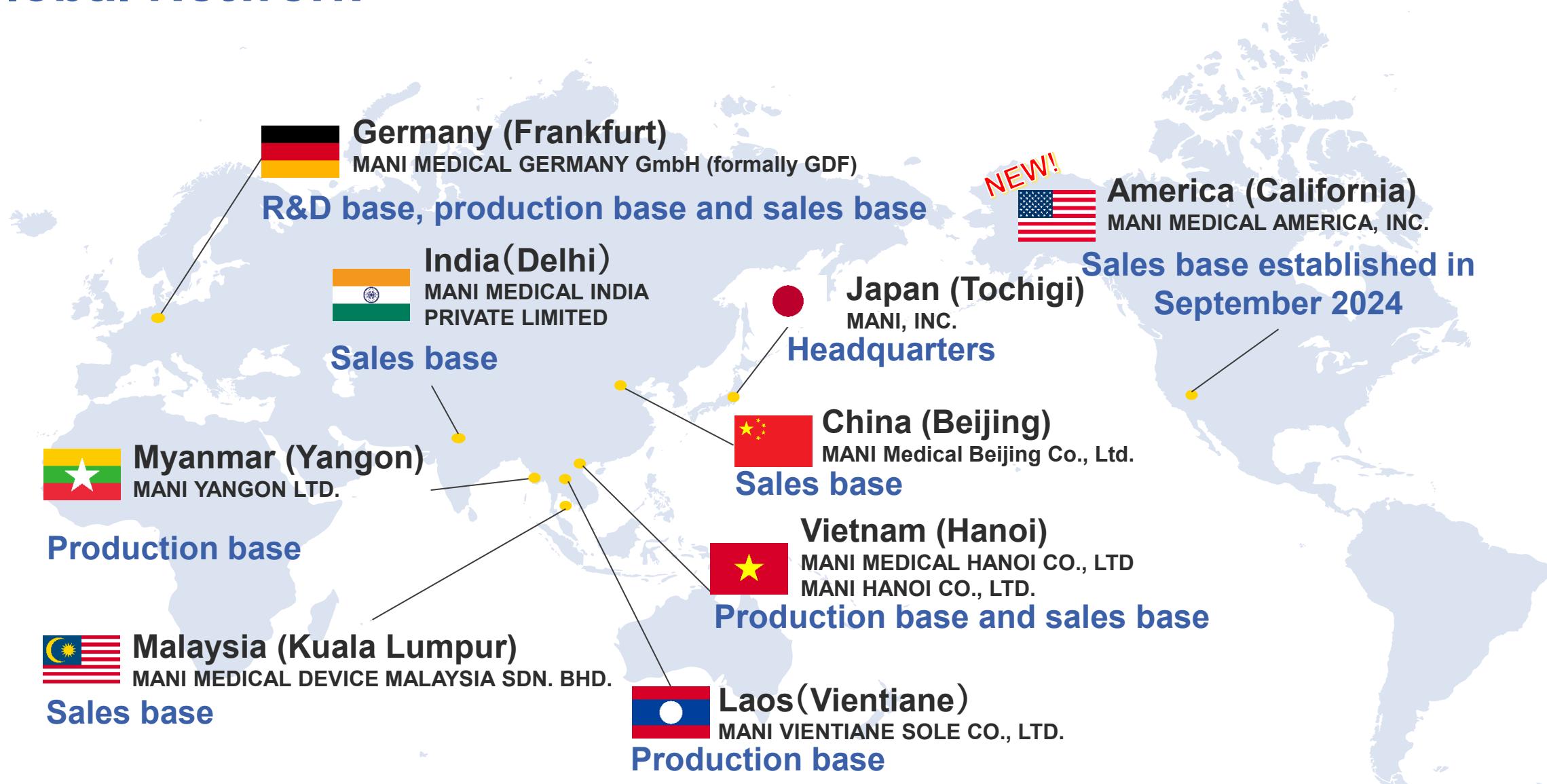


Sales region  
Over 120 countries/regions

Overseas sales ratio  
85.2%

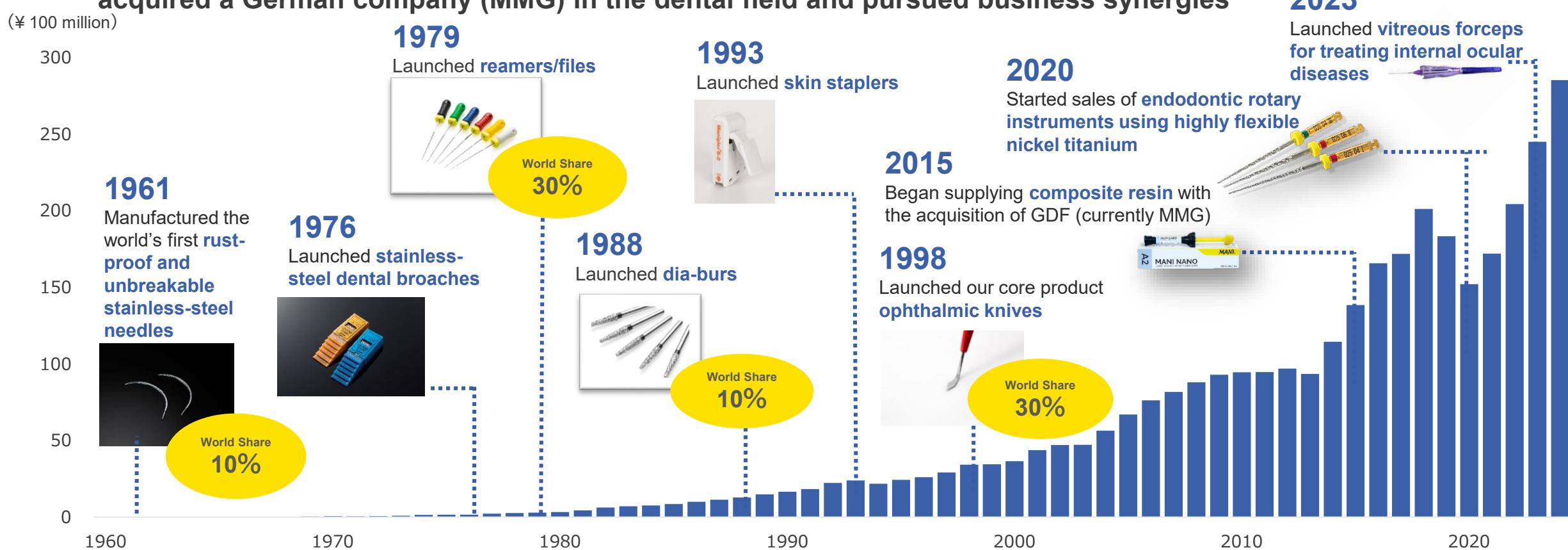
Ophthalmic knives  
global share  
approx. 30%

# 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



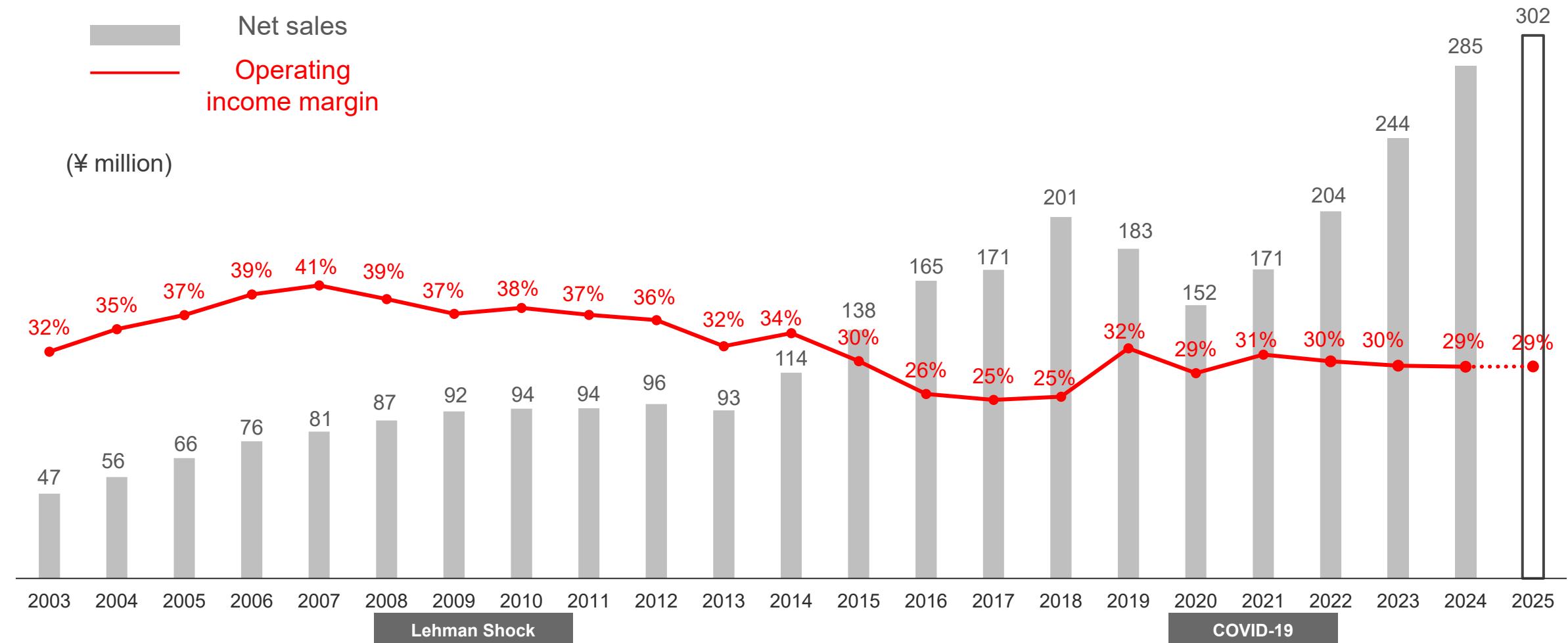
## Strategy Planning Criteria “Off-Limits” Management

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)





THE BEST QUALITY IN THE WORLD, TO THE WORLD

世界一の品質を世界のすみずみへ