



MANI[®]
<https://www.mani.co.jp>

THE BEST QUALITY IN THE WORLD, TO THE WORLD

MANI, INC. Integrated Report
Integrated Report 2022

MANI[®]

Contributing to the welfare of people worldwide through the development, production and distribution of products beneficial to patients and doctors.



THE BEST QUALITY IN THE WORLD, TO THE WORLD



Ardent, tenacious and persistent efforts with a scientific mind

Since it is scientific analysis that identifies the root cause of problems and leads to the right solution, our company credo combines a scientific approach and an aspirational attitude with passionate and committed efforts.

Code of Conduct (I.P.C.)

Integrity

To act with Integrity in all facets of our work. It is only with Integrity that we can successfully enforce compliance and internal controls to prevent fraud and misconduct. It is Integrity that will ensure the continued business growth of the Mani group.

Passion

To engage in work with Passion, doggedly pursuing our goal and refusing to give up until it is achieved. It is Passion that improves business performance.

Communication

It is necessary to establish relationships of trust and mutual understanding, regardless of gender, age, religion, nationality, race and ethnicity. Communication facilitates smooth interactions among the various levels of a company and allows for a more effective management system. It is Communication that energizes an organization.

The **MANI** Group continues to transform, and pursue interests of all stakeholders through the provision of medical equipment.

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MANI

Our Origin



Started business in a stable in the corner of a farm



Kanji Matsutani (Second President)

"We created something that didn't exist in the world, so surely we can take the next step to become number one in the world"



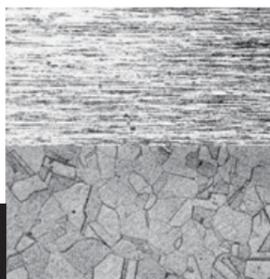
Masao Matsutani (Founder, First President)

Our products will be beneficial for patients when our quality is the Best in the World

Our founder, Masao Matsutani, started working on a prototype of the suture needle that would become the origin of MANI at a stable in Naka-akutsu, Takanezawa Town, Shioya District in Tochigi Prefecture, which he moved to for evacuation during World War II. Later, in 1959, he established MATSUTANI SEISAKUSYO CO., LTD., the predecessor company of MANI, and in 1961, it became the first company in the world to succeed in producing 18-8 stainless-steel suture needles. At that time, suture needles made of steel were widely used in the medical field, however, needles' rust caused inconvenience at the medical frontline. This problem caught Matsutani's eyes, and he created his invention of stainless-steel needles because he thought that he could contribute to society by creating rust-proof stainless-steel needles. Creating something that didn't exist in the world, but would make society better if it did. Masao Matsutani came to believe in the philosophy of "When we create something that doesn't exist in the world, it will be the only one of its kind in the world. If that invention spreads, we can be number one in the world."

Currently MANI manufactures about 10,000 types of products, all of which are used by doctors to improve the health of patients. The second president of MANI, Kanji Matsutani, believed that if there were products that were "better than MANI products," the spread of those products would benefit the welfare of society. The company's credo and basic business policy was to pursue the goal of becoming "the best in the world," and to pursue what is truly beneficial for patients. By realizing this policy, we will be able to further strengthen our efforts that aim for the best quality in the world and delivery of original technologies, which are the basis of our business, and to differentiate MANI from our competitors. Our focus on being number one is the origin of MANI, and has continued since our foundation. It is also linked to our current corporate philosophy of "Contributing to the welfare of people worldwide through the development, production and distribution of products beneficial to patients and doctors."

The world's first rust-proof and unbreakable austenite suture needles



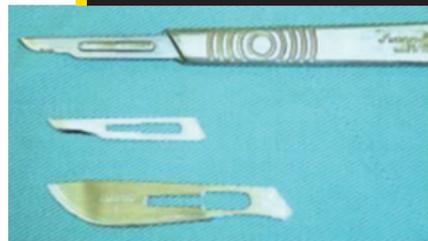
Successfully developed rust-proof stainless-steel needles and eyed suture needles



MANI

Our Origin

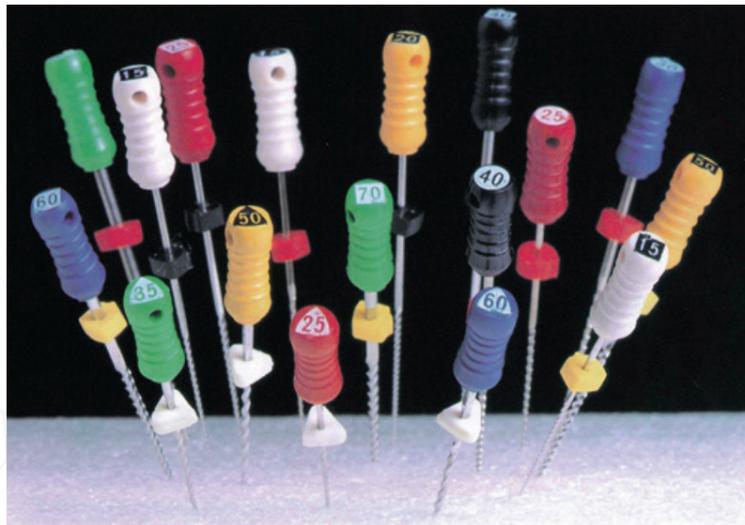
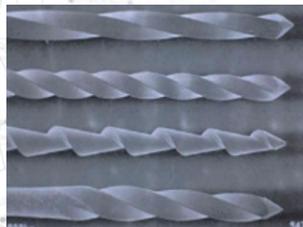
Challenging and withdrawing from new fields and surgical scalpels with replacement blades



Successfully developed laser processing technology for making microdepth holes



Breakthrough in the development of endodontic instruments for root canal treatment such as reamers and files



Takanezawa Factory, the production site of eyed and eyeless needles that became main products of MANI



Actively started using visual presentations, based on the experience of exhibiting at the International Exhibition, Tsukuba Japan 1985

Ardent, tenacious, and persistent efforts. Evolution born from a Scientific Mind

Kanji Matsutani built the foundation of our business model, which has continued from the time of our founding up to the present day. In the 1960s, we entered the global market with our stainless-steel eyeless needles, and later we successfully developed our proprietary laser-drilled eyeless needle, which is currently one of the main products of MANI. The initial eyeless needles had some risk of breaking, due to thread being attached to an eyeless needle with a pipe attached by welding technology. We started looking for technology to directly open microholes in the needle itself, which was difficult to achieve. We then came across lasers for manufacturing use, which was a cutting-edge technology in the United States at that time. We worked with a manufacturer in Japan and jointly developed proprietary laser technology, which we used to create laser-drilled eyeless needles. This was a revolutionary product for both the market and MANI, which came about as the result of continual and concerted research and development that began with the initial technology of pipe-attached needles.

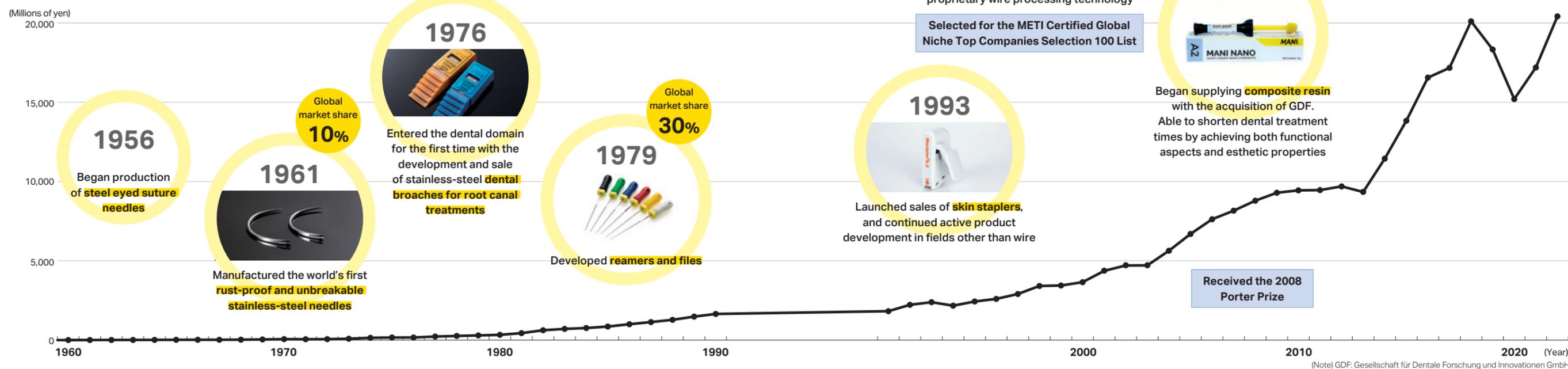
Technological revolution in the medical & healthcare industry, the market that MANI operates in, represents both business opportunity and risk for us. We worked to cultivate new fields and improve the performance of existing products, and in the 1970s we diversified into the dental and ophthalmic business domains. "Surgical scalpels with replacement blades" was a new field we challenged ourselves to enter. This was not one of our specialty fields like stainless wire; as it involved the processing of plates. In the end, we were unable to break into the existing market and eventually decided to withdraw from the field. Meanwhile, our continual and concerted research and development to improve the performance of needles led to successful development of new products, including barbed and smooth broaches, reamers, files, and ophthalmic knives. Our company credo of "Ardent, tenacious and persistent efforts with a scientific mind" is an approach that lies at the heart of MANI, the system of continuous evolution we have created, and the way of thinking that comes from what history has taught us about the importance of research and development in basic technologies.

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



Business Expansion and Evolution of Governance



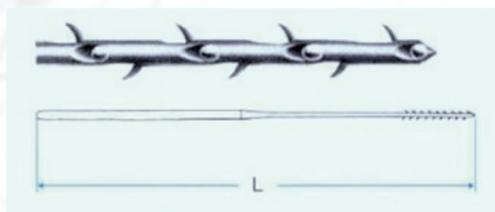
Historical Background and Needs of Key Opinion Leaders (KOL)





Strengths We Have Built

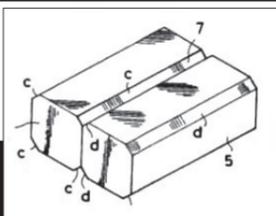
In 2003, we established our current main production plant, MANI HANOI CO., LTD., in Hanoi, Vietnam



Manufacturing technology for barbed broaches, which spearheaded our entry into the dental field



As we continued to acquire many patents, we won comprehensively in the patent trials on "manufacturing methods for eyed needles' blade-types" against later-developed similar products



Our continual pursuit of technology for press needles helped with our victory in the subsequent patent trials



THE BEST QUALITY
IN THE WORLD, TO THE WORLD.
MANI®

Improving our Creative Technologies

One of the strengths of MANI is our creative technologies, such as microfabrication technologies, which are difficult for competitors to copy. We believe it is important to maintain and improve our high level of technical capabilities in the medical equipment market, where global competition is intense. "The Best in the World or Not" conference, which is held in the company once every six months, supports our commitment to continual improvement. Our approach is to do a comparative evaluation of the performance of MANI products with competitors' products for each of the required product features. If there are any items where MANI products fall short of competitors' products, the personnel in charge of development and management meet to discuss ways to improve our products. We then focus our management resources on making these improvements, and work on improving our products' performance and refining our unique technologies, so that we can provide high-quality products that will enable even better treatments.

Outside of Japan, we currently have four overseas production bases in Vietnam, Myanmar, Laos, and Germany; this has helped us to expand our overseas production ratio to over 90%. We are also training many non-Japanese engineers, and currently we have local employees who are also working on the design, modification, and improvement of production machinery and other tasks. This international approach to production is the cornerstone of our organizational structure that achieves high quality and high income margins. However, technology is evolving daily. We will continue to use our abundant development capabilities to develop new technologies and products that will generate profits going forward. While emphasizing the patent system to secure profits in the future, we will strive to enhance our reputation in the medical field by probing our performance even up to the area where sensations are transmitted to the fingertips through medical equipment.



Our Evolution



Plan to build a new Head Office and R&D Center (conceptual drawing) at the founding site of Takanezawa



Deliver the Best

Quality in the World,
to the World

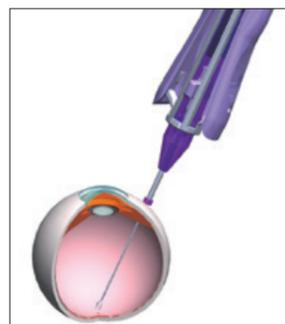
Work with KOLs around the world to develop advanced implements for root canal shaping and enlargement



Conceptual image of new Head Office and Factory for GDF (scheduled for completion in August 2023)



Aim to penetrate into the domains of prosthetic and esthetic dental treatments with the sale of MANI brand dental restoration materials



Move forward with product development in the domain of vitreous and glaucoma surgeries



In order to achieve further dramatic growth, we will aim to grow into a "true global company" by evolving our platforms for development, production, and sales. Specifically, we will establish overseas sales bases and strengthen our global marketing, work with key opinion leaders (KOLs) around the world on product development, and open up a new Head Office and Factory for our German subsidiary, among other initiatives. We are also planning to build a new Head Office, Smart Factory, and R&D

Center at the founding site of Takanezawa Town (Tochigi), to support the company's growth in the next 10 to 20 years from now.

Setting up a Smart Factory that will allow us to achieve high-quality production and low-cost. In addition, building an R&D Center will also allow us to speed up our development and strengthen our development capabilities, as we aim to launch the new products on the market that will support the future of MANI.

MANI will continue to evolve and deliver "the best quality in the world, to the world," as we strive to realize our corporate philosophy of "Contributing to the welfare of people worldwide through the development, production and distribution of products beneficial to patients and doctors."

Global Business Expansion

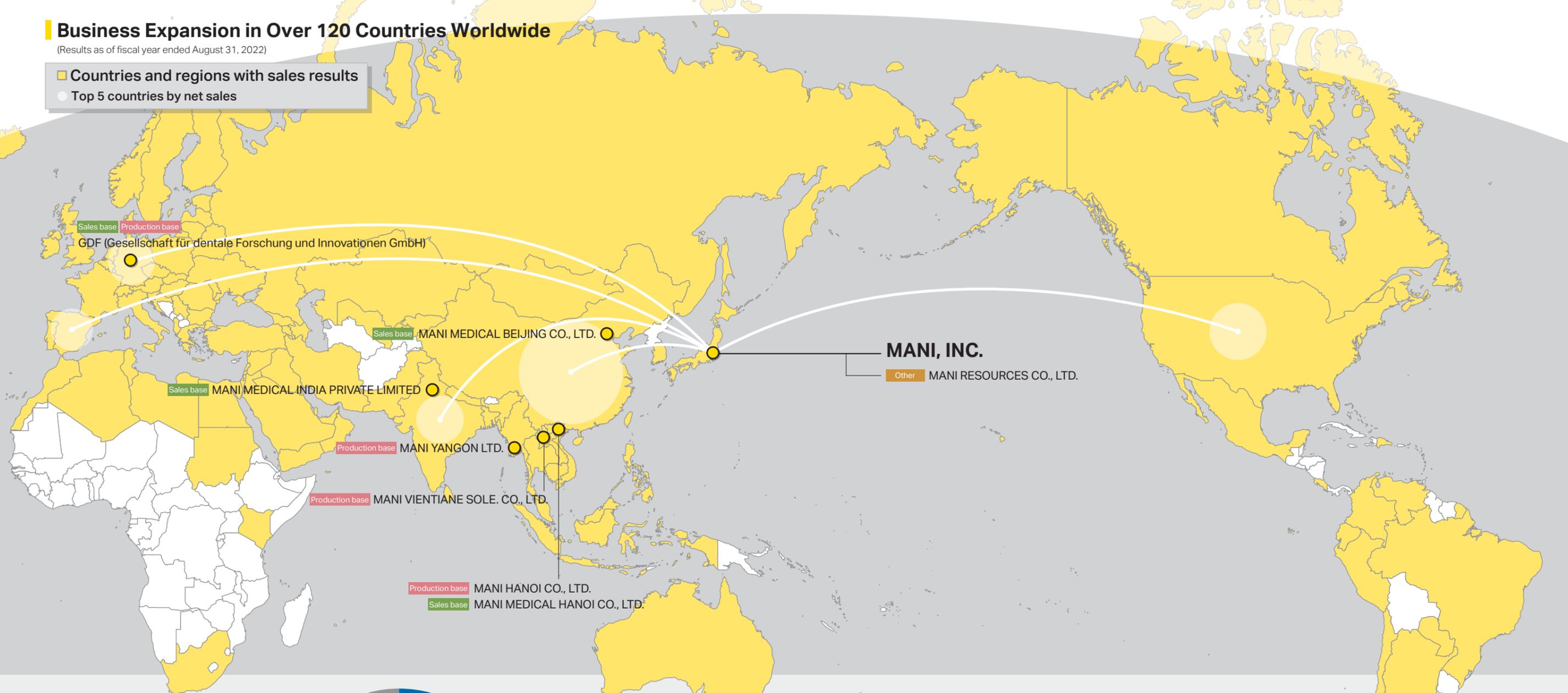
THE BEST QUALITY IN THE WORLD, TO THE WORLD

MANI contributes to the welfare of people around the world by providing safe and high-quality medical equipment, which are produced using our microfabrication technologies, to the medical field in over 120 countries around the world. In particular, we have a high market share both domestically and globally for ophthalmic knives that are used in cataract surgeries.

Business Expansion in Over 120 Countries Worldwide

(Results as of fiscal year ended August 31, 2022)

- Countries and regions with sales results
- Top 5 countries by net sales



Sales Ratio by Region

(Results as of fiscal year ended August 31, 2022)

North America & Others

17.5%

Europe

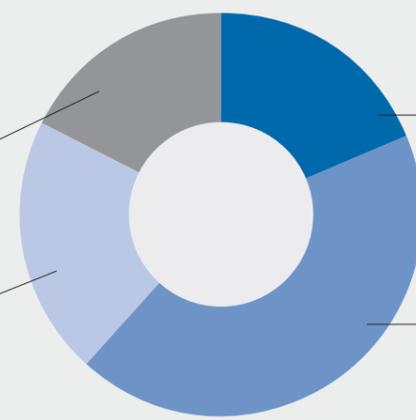
20.6%

Japan

18.9%

Asia

43.1%



Sales regions

Over **120** countries

Overseas sales ratio

81.1%

Ophthalmic knives

Global market share About **30%**

Domestic market share **No.1**

Message from our CEO

Masahiko Saito

President & Representative Executive Officer



Continue Delivering the Best Quality in the World, to the World

Since our founding, MANI has pursued "the best quality in the world" in the manufacture of medical equipment in specific domains, and built solid and reliable platforms for development, production, and sales. We will continue to evolve these platforms even further and aim to be a truly global company.

Our Mission

The origin of MANI is in our hope for "a peaceful and happy society."

The founding family worked in the military industry during the war, but the founder of MANI, Masao Matsutani, held a hope in his heart for a peaceful life working to benefit the health of people. MANI began with the start of the manufacture of medical equipment in Takanezawa Town (Tochigi) where the founding family had been evacuated during the war. Our corporate philosophy of "Contributing to the welfare of people worldwide through the development, production and distribution of products beneficial to patients and doctors" expresses the significance of the existence of MANI, which is to create products for good treatments for the benefit of all patients and to create products that are easy for all doctors to use. Good treatment is about more than just creating products with superior performance; products must also be easy to use for doctors. This is the basic approach of MANI.

In addition, the expression "through the development, production and distribution" means that we consistently and comprehensively carry out all of these processes. In order to continue creating high-quality products, first we have doctors use our products and then receive detailed feedback through close communication. This allows us to further improve the quality of MANI products. It also requires that we consistently carry out every process, from development to sales. Quality is something that can only be achieved by being built into products from the start, and it is essential to keep making honest improvements. These short and simple words are imbued with our hope for creating high-quality products through this approach and contributing to the welfare of people worldwide. The MANI corporate

philosophy is clearly written on the ID cards that our employees carry with them, so it is always close at hand as they perform their daily work activities.

We have adopted "the best quality in the world, to the world," as our basic business policy. "The best quality in the world," which we value, refers to the high-quality products that are beneficial to all patients and doctors. It is not easy to proudly and confidently proclaim "the best quality in the world." That is why it is vital for our employees working in development to have a strong commitment to quality, and a persistent approach to manufacturing. Simply saying "just do your best" does not resonate with employees, and it does not lead to results either. The MANI company credo of "Ardent, tenacious and persistent efforts with a scientific mind" envisions the importance of using accurate data to understand phenomena correctly, thinking logically, and then working ardently, tenaciously and persistently. Both the MANI corporate philosophy and company credo were created from the experiences of the founding family, and they are all very meaningful and inseparable.

Our Efforts and Evolution So Far

In April 2021, we announced our medium-term management plan (MTMP) for the first time to the public. The background to our decision to announce the MTMP, which focuses on the next five years, is our belief that we are now able to truly realize our desire to deliver "the best quality in the world, to the world." I will now talk about our efforts and evolution so far, which have brought us to where we are today.

1. Establishment of a Development Platform

At the time of our founding, when embarking on development of medical equipment, we had a strong desire to create needles that do not easily break or

Message from our CEO

rust. At that time, stainless-steel that was soft and easy to process was widely available, however, there was a lack of stainless steel that was hard and difficult to break. This gave us the idea of creating a material that did not yet exist in the world. We worked tirelessly with a wire manufacturer to develop a stainless-steel that was hard and difficult to break. We even had to develop methods to process this type of material. Through these efforts, we have acquired the development platform for the "best quality in the world," which includes our proprietary stainless-steel material and our microfabrication technologies that are the origins of MANI manufacturing.

2. Establishment of a Manufacturing Platform

At the time of our founding, we carried out production in Japan. However, from 1996 we started full-fledged overseas production, and we chose Vietnam as our production base. Our top priority was to ensure that the quality of MANI products remained the same. We sent our engineers from Japan to work at our overseas production bases, and over several decades, we focused on transferring our production technologies to those local production bases overseas. Over time, the costs of local labor also skyrocketed, and costs started to rise, so we concentrated on thoroughly improving productivity and introducing automation. This allowed us to establish the manufacturing platform we have today that provides high-quality manufacturing at low-cost.

3. Establishment of a Sales Platform

There was a time when we believed that if we created good products, they would definitely sell; therefore we left sales up to our sales agencies. However, this belief

does not hold true. Even good products do not sell themselves. We set up sales companies in Vietnam, China, and India, and worked on establishing a sales platform. Thanks to the earnest efforts of MANI employees, who carefully and courteously explained in person to our customers about how to use MANI products, we earned the trust and confidence of many customers and were able to build a strong sales platform.

Through these cumulative efforts and the evolution of MANI, we have set up the foundation for achieving our goal of delivering "the best quality in the world, to the world." The Medium-Term Management Plan outlines our growth strategy for the evolution of MANI going global.

Delivering the Best Quality in the World, to the World

[Moving Forward with the Medium-Term Management Plan]

Since our founding, we have made full use of the development, production, and sales platforms we have established to date. Now we are moving forward with transforming our business models to transform MANI from a collection of development-based niche companies into a true global company.

1. Evolution of the Development Platform - Product Development with Key Opinion Leaders (KOLs) Around the World -

Establishing sales bases worldwide has allowed us to build relations with global key opinion leaders (KOLs) around the world. In the past, we have mainly been communicating with doctors in Japan and meeting

their medical needs. Going forward, we will expand our efforts worldwide and talk with doctors around the world in an effort to identify and understand medical needs on a global level. With this comprehensive customer-oriented approach, we will forge ahead with product development that is based on doctors and surgical techniques worldwide.

In addition, we will establish a new Head Office and R&D Center at our founding site of Takanezawa Town (Tochigi), so that employees from our overseas Group bases can gather and work on even more innovative value creation. By consistently carrying out all processes from basic research to product development and studies on mass production, we will improve the mobility and speed of development, and achieve to supply highly competitive new products to the market in a timely manner.

2. Evolution of the Manufacturing Platform - Building a Smart Factory -

Until now, we have primarily concentrated our production base in Vietnam, but we will once again set up a production base in Japan to prepare for an increase in demand for production. Specifically, we will build a "Smart Factory" that incorporates artificial intelligence (AI) testing and digital transformation (DX) to fully automate the production process. With this Smart Factory, we are aiming to improve and speed up our production capabilities. In this way, we will avoid the risk of overconcentrating our production in Vietnam, while also evolving manufacturing capabilities at MANI to a more sophisticated system.

We are also moving forward with the construction of a new Head Office and Factory for our Group company GDF (Germany), which will further enhance our

presence as a manufacturing base outside of Vietnam.

3. Evolution of the Sales Platform - Global Marketing -

We will set up new sales bases in Europe and South-East Asia in the surgical and dental domains and promote the regional-oriented sales system we have had success with at our sales bases in Vietnam, China, and India. Although we will not achieve "to the world" all at once, we will steadily increase our sales regions and market share. At the same time, we will grasp needs in relation to medical equipment, and use this information to improve product quality and develop new products. In addition, for eyeless needles, we will coordinate closely and carefully with original equipment manufacturers (OEM) and use our relations of trust with them to expand and strengthen our business.

We must bring out the best in our people and use their skills and capabilities to make steady progress toward achieving the MTMP. This requires each employee to completely understand where the MANI Group is heading and what we are trying to achieve, and then connect that to their individual actions. Therefore, in order to communicate my thoughts directly to MANI employees, and make them perceive the MTMP as their own plan, I have also been continuing the "interview with five," initiative in which I talk with five employees. The reason why I talk with five employees at a time is to have a dialogue with a small number of people in order to create an atmosphere that makes it easier to hear the opinions of each person in the group and easier for them to express their own opinions. These "interviews with five" allow employees to ask me questions about the MTMP, and to freely and frankly

Medium-Term Management Plan P. 25-26

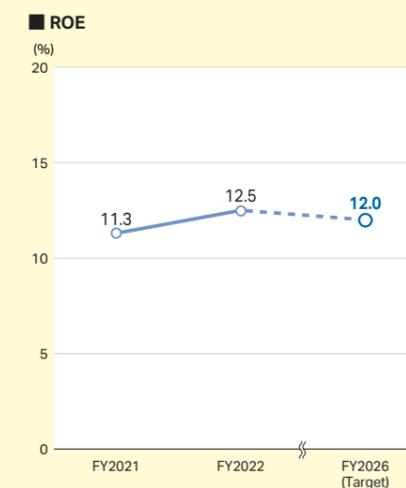
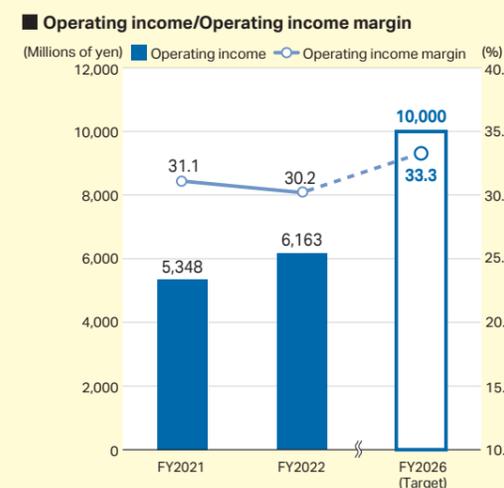
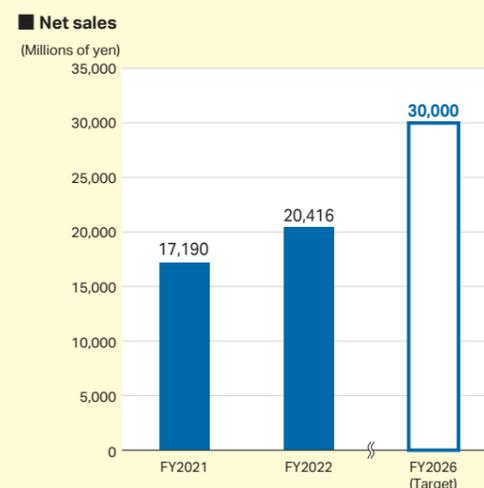
Outline of the Medium-Term Management Plan

Corporate Philosophy

Contributing to the welfare of people worldwide through the development, production and distribution of products beneficial to patients and doctors.

Corporate Policy

<p>1 Business model innovation</p> <p>2 R&D with KOLs in the world</p> <p>3 Expand global market shares through regional-oriented sales</p>	<p>4 Global production system: High-quality and low-cost production</p> <p>5 Introduce a new personnel system</p> <p>6 Promote MANI sustainability</p>
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Message from our CEO



"Interview with five" carried out directly by President Saito with employees

discuss matters such as their individual work-related issues and requests to management.

4. Looking Back on the Fiscal Year Ended

August 31, 2022

From here on, I would like to look back on the results of the fiscal year ended August 31, 2022, which is the first fiscal year of the MTMP, and the progress and initiatives of the first fiscal year of the MTMP. In the fiscal year ended August 31, 2022, we greatly benefited from the weaker yen. However, due to a recovery in product demand, net sales, operating income, and ordinary income were able to record their highest levels ever, giving us a smooth start.

Since I was appointed as president in 2020, the COVID-19 pandemic has run rampant around the world. One of the impacts of this is the successive cancellation and postponement of non-emergency procedures, such as cataract surgeries and dental treatments, at many medical institutions around the world. Our results were also significantly impacted by this trend, but we kept our focus on a full-fledged post-COVID-19 recovery in the market, which appears to be happening from 2022. India and other emerging

markets are showing substantial growth from the previous fiscal year, and we intend to continue our charge forward to further increase our market share. We were able to actively "promote global marketing," which is one of the key measures in the MTMP, in both developed nations and emerging countries. As for our activities in developed nations, we have started marketing activities using our subsidiary GDF (Germany) as a base, with the aim of increasing the market share of MANI products in Europe. Although the European market is crowded with competitors, we are highlighting the quality of MANI products with a particular focus on increasing our presence and market share in the dental segment. As for our activities in emerging countries, we have opened up a representative office in Malaysia. In the future, we will promote the establishment of a sales company in Malaysia, and increase sales in Indonesia and other promising countries in South-East Asia.

As part of "building a global production system," we have put together a project team for the construction of the Smart Factory, and the concept has generally been finalized. Construction of the new Head Office and Factory for GDF is also proceeding smoothly, with full-scale operations scheduled to begin in August 2023. This will substantially expand our production capabilities there.

Regarding "product development with KOL worldwide," we are partnering with KOLs both in Japan and around the world while developing the new product JIZA, so that we can launch it worldwide. We have also set up a new business development group, to strengthen our research and marketing functions and review new development themes.

Also, in the fiscal year ended August 31, 2022, we

promoted MANI Sustainability as a theme of strengthening ESG management and introduced the use of renewable energy domestically. We are continuing to recruit and appoint exceptional personnel, while making working styles more diverse through initiatives such as setting up a satellite office in Tokyo.

Striving to Be Highly Appraised by Society as a Good Company

We anticipate that our target markets, most of which are in Asia, will continue to expand. From a long-term perspective, the world is heading toward an aging society, and so the need for medical treatments is growing, primarily in emerging countries such as China and South-East Asia. As for potential long-term risks, we assume that the progression of preventative medicine will reduce the occurrence of diseases themselves, and consequently the need for medical treatments will also decline. However, we do not expect the expansion of the global market for medical equipment suddenly slow down as it heads towards this possible risk.

It is important that MANI continues to actively contribute to building a sustainable society, as we strive to achieve sustainable growth as a company. MANI products can be characterized as having quite delicate structures, and consequently also having low environmental impact. In the future, we will actively work to resolve the environmental and social issues that our company is deeply involved in, for example, by promoting business activities that reduce environmental impact. As for our initiatives on human capital, we will also support the personal growth of Group employees through our new personnel system,

as well as by creating a working environment that allows diverse human resources to play an active role. At the same time, when considering the social responsibility MANI has to deliver "the best quality in the world, to the world," our management must also be sustainable. When the founding family retired from management, our basis became extremely cautious to not fall into single-person management. We have chosen the "Company with Three Committees" system, which is an advanced governance system, and we are working hard to make our governance more sophisticated. Members of the Board of Directors, many of whom are independent outside directors, are all reliable and possessing of a high level of awareness and are able to engage in sophisticated discussions.

Although we are already highly appraised by our shareholders and investors as the as the company with high technical capabilities, we are also striving to become known as a "good company" by distributing our products globally and contributing to medical care around the world, as well as making those efforts widely known by disclosing information to our stakeholders and having honest dialogue with them. Please look forward to the future of MANI, as we continue to deliver the best quality in the world, to the world.



December 2022
Masahiko Saito
President & Representative
Executive Officer
MANI, INC.

Medium-Term Management Plan

Looking back on the fiscal year ended August 31, 2022

Key Measures	Progress in the Fiscal Year Ended August 31, 2022	Evaluation
Promote global marketing	<ul style="list-style-type: none"> Expand dental products in the Indian market Open up a representative office in Malaysia ⇒ Plan to set up a sales company in 2023 Start marketing MANI products made at the GDF base 	Excellent
Establish a global production system	<ul style="list-style-type: none"> Start construction of a new Head Office and Factory for GDF Finalize the Smart Factory concept, and start working on a design to materialize it 	Excellent
Develop products with KOLs around the world	<ul style="list-style-type: none"> Launch new products (vitreous forceps) on the market in the ophthalmic domain Set up a new business development group to strengthen our research (R) function Continue to review the R&D Center concept 	Good
Introduce a new personnel system	<ul style="list-style-type: none"> Set up a satellite office in Tokyo to make working styles more diverse Introduce a broad-based open recruitment system to support independent career choice Build an education and training system to support roles required for new qualification ratings 	Good
Promote MANI Sustainability	<ul style="list-style-type: none"> Registered in the "Tochigi SDGs Promotion Company Registration System" in January 2022 Introduce renewable energy domestically 	Excellent

Pick Up

New Head Office, R&D Center, and Smart Factory Concept

We are currently reviewing the construction concept and other matters for establishing an R&D Center in the founding site of Takanezawa Town (Tochigi). In order to develop innovative new products, we are aiming to set up a research and development base where engineers and other employees from overseas Group bases can gather, and where we can combine the technologies and know-how we have acquired over time with the latest technologies. We are also aiming for this center to be a location for joint development with KOLs around the world.



Construction of a New Head Office and Factory for GDF

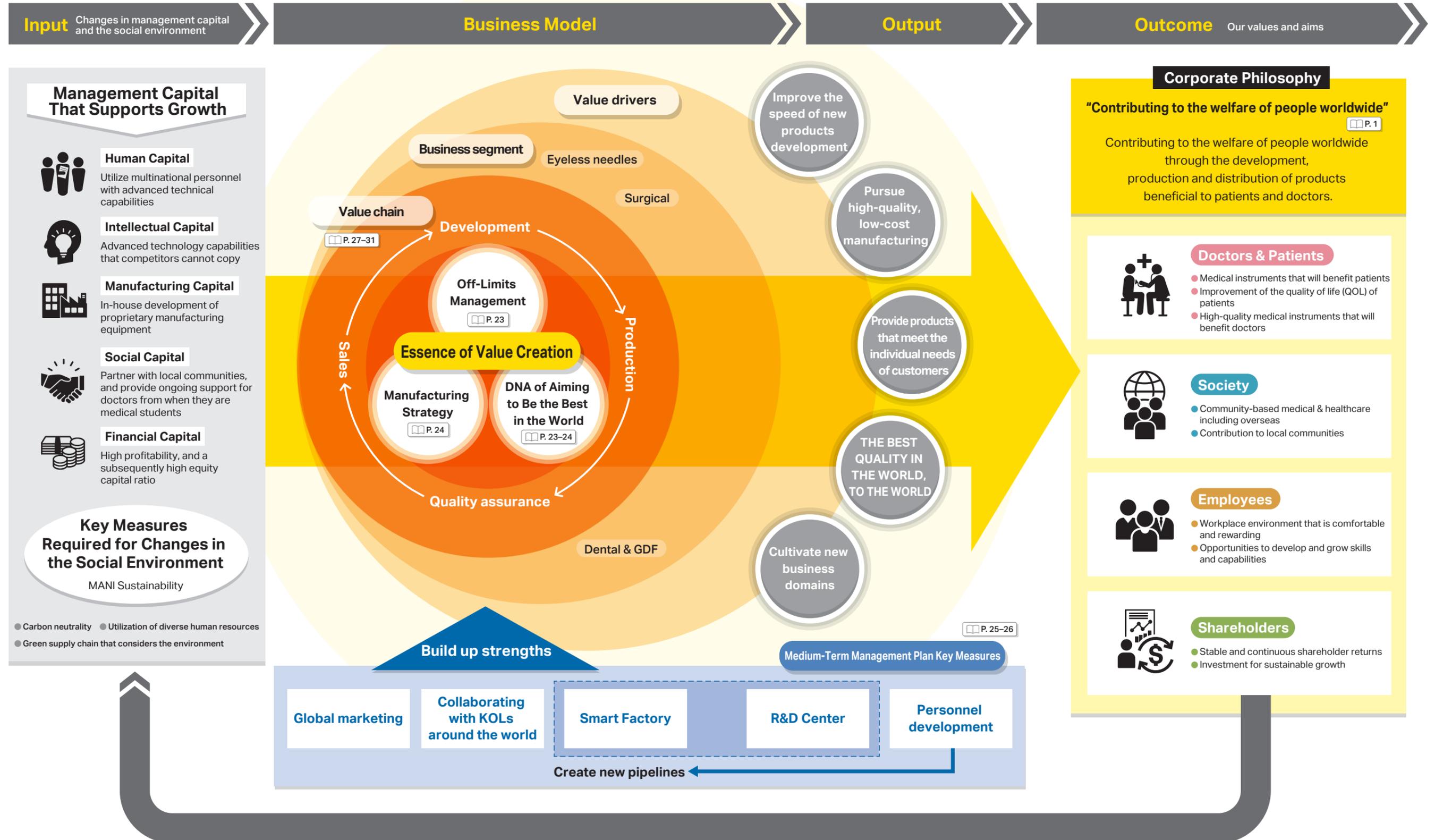
We have acquired land in Hessen State to build a new Head Office and Factory for GDF, our subsidiary in Germany. Construction has already started, with a scheduled completion date of August 2023. These new facilities will strengthen the production system of GDF products, and also function as a base for promoting the marketing and sales of MANI products in Europe.



MANI Value Creation

MANI has been leveraging the management capital we have accumulated over many years to provide high-quality products based on our strengths in three areas: "Off-Limits Management," "Manufacturing Strategy," and "DNA of Aiming to Be the Best in the World." We will continue to build on these strengths and provide high added value MANI products around the world, as we aim to contribute to the welfare of our stakeholders including doctors and patients, society, employees, and shareholders, and of people worldwide.

Value Creation Story



Essence of MANI Value Creation

—Off-Limits Management, Manufacturing Strategy, DNA of Aiming to Be the Best in the World—

In our product strategy, we are clarifying and implementing the trade off, or the “Off-Limits” fields in R&D. This “Off-Limits Management” derives the company’s notable strengths, that is an extremely high operating income margin and equity capital ratio. While it is important to adapt technology strategies in accordance with technological changes in the markets we face, we will continue to inherit the core concept of our management, and aim for sustainable growth. In the technical field where we excel, we will continue to produce “the world’s highest quality products.” We believe this is the one way in which we can contribute to society, and is also the significance of our existence.

We do not deal in products other than medical equipment

In 1961, MANI successfully produced the world’s first stainless-steel surgical needles. Since we achieved “rust-proof suture needles,” which was an issue in the medical equipment industry at that time, we have adopted a consistent strategy. This means that medical equipment, which is small and consumable and has a long product life, is made “the best quality in the world” with its original technology centered on microfabrication technologies for wires and sold in global niche markets. We have arrived at this strategy by learning from our past failures. In the 1970s we developed surgical scalpels; however, as they were inferior in quality to the scalpels made by our competitors, we failed to enter the market. This was not one of our specialty fields like wire, and the scalpels used plates that involved materials and processing technologies that were completely different to those used for wire. That was what caused our failure. This experience taught us the importance of competing on the technologies that MANI excels at; therefore, we have been specializing in the development of instruments with delicate structures and that are made from wire.



Products created based on “Off-Limits Management”

From the development failure of scalpels to success in the dental instrument’s domain

From the development failure of surgical scalpels, we started to specialize in the development of instruments with delicate structures and that are made from our specialty field of wire; this resulted in the emergence of a new business in dental instruments. In 1976, we launched barbed and smooth broaches. Since then, we have deepened our technologies, and also developed reamers, files, and diamond burs that are currently some of the main products of MANI.

Off-Limits Management

We do not aim for quality other than the best in the world

The basic business policy of MANI is “THE BEST QUALITY IN THE WORLD, TO THE WORLD.” All MANI Group employees carry this policy with them as they do their daily work. As part of our efforts to realize this policy, we hold a “The Best in the World or Not” conference once every six months, and run programs aimed at being the best in the world for each required characteristic of quality. We segmentize each product and scrutinize each characteristic to determine if we are the best in the world or not, and then we make improvements. If a competitor’s product is superior to a MANI product, the sale of the superior product is for the benefit of patients and the world. We make every effort to pursue high-quality products that are well received by as many users as possible, and we strive to bring profits to all relevant parties by delivering these products to the world.

DNA of Aiming to Be the Best in the World

We do not deal in products with a short product lifecycle

Manufacturing Strategy

MANI develops and produces only basic medical equipment with a long product lifecycle. This allows us to achieve cumulative quality improvements and cost reductions over a long term. It also generates the unique technologies to achieve the particular level of quality required in medical equipment, and allows us to establish even more efficient production technologies. This is how we are maintaining an organizational structure that achieves high quality and high income margins. MANI also develops in-house machines for evaluating the quality of our production machinery and products, and through this in-house development system we are refining our specific technologies.



Original structure from the “Off-Limits Management”

In-house development of production machinery and machinery for evaluating the quality of products

Our engineers, who are very knowledgeable about the wire developed at MANI and the machinery to process and evaluate that wire, work daily on making improvements so that we can provide even better quality. Currently we are training many engineers both in Japan and at our overseas production bases, and it is the MANI employees at overseas bases that are playing a central role at present.

We do not enter markets other than niche markets

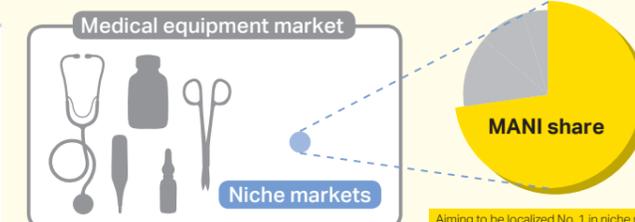
(annual global market scale of around ¥500 billion or less)

Manufacturing Strategy

As a manufacturer of instruments with delicate structures, we do not have special resources compared to our large rival companies located overseas. We maximize the limited resources we have in our company, and so rather than directly competing with these large companies, we are aiming to be number one in the world in the niche markets where we can leverage our core technologies. By specializing in products where added value is required so as to avoid unnecessary price competition, and by patenting the creative technologies we have developed from our accumulated technologies, we are striving to secure both immediate and future profits.

“Niche Markets” Approach

We do not enter markets with an annual global market scale of **around ¥500 billion or more**. **We also do not develop large-sized products and instruments that have no connection with MANI products or our proprietary technologies.**

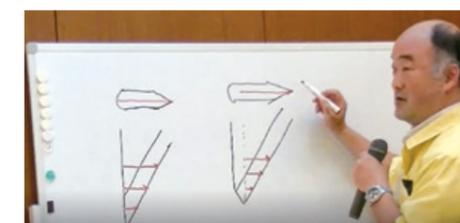


Aiming to be localized No. 1 in niche markets

Proprietary verification system to support MANI quality

“The Best in the World or Not” conference

To evaluate if a product is the best in the world or not, we look at more than just the product’s performance; we also score aspects such as market price and availability, and then compile objective data that is used to do comparisons and data verification with competitors’ products. We formulate action programs for the characteristics that need improvement and use it as we strive to provide high-quality products to realize even better treatments. We ask ourselves if the products that were once best in the world are really still the best, and the reasons why we can say so. While asking ourselves these harsh questions, we have been working enthusiastically and persistently to develop products, with a healthy sense of urgency.



“The Best in the World or Not” conference

Medium-Term Management Plan —Business Model Innovation—

In April 2021, we announced MANI Group’s Medium-Term Management Plan ending August 31, 2026. This plan is for the Group’s sustainable growth and strengthening the business base to support that. The outline of this plan is achieving our corporate philosophy of “Contributing to the welfare of people worldwide through the development, production and distribution of products beneficial to patients and doctors.” We will move forward with the six corporate policies of **(1) Business model innovation, (2) R&D with key opinion leaders (KOLs) in the world, (3) Expand global market shares through regional-oriented sales, (4) Global production system: High-quality and low-cost production, (5) Introduce a new personnel system, and (6) Promote MANI Sustainability.**

Progress in the Fiscal Year Ended August 31, 2022

Recovery from the impact of the COVID-19 pandemic and the effect of a weaker yen resulted in net sales, operating income and ordinary income all reaching their highest ever levels. We have also been making steady progress in our key measures.

- Expanded dental products in the Indian market (the market itself has expanded, and at the same time we have added more sales staff and carried out an aggressive sales strategy. Subsequently, we have succeeded in cultivating customers and increasing market share.)
- Began construction of a new Head Office and Factory for GDF

- Doing what we say of delivering “the best quality in the world, to the world” → **Achieving the MANI corporate philosophy**
- Transforming MANI from a collection of development-based niche companies into a true global company that meets the demands of customers worldwide

		FY2022 (Results)	FY2026	FY2031
Numerical targets	Profitability	Operating income ROE ¥6.1 billion 12.5%	¥10.0 billion 12%	¥15.0 billion 16%
	Growth	Net sales ¥20.4 billion	¥30.0 billion	¥50.0 billion
	Shareholder returns	Dividend per share ¥30.0	Stable increase in dividends	Stable increase in dividends



Key Policies for Our Future Evolution

Pursue customer orientation by collaborating with KOLs around the world P. 31

In our conventional product development, we have been focusing our development of MANI products with doctors in Japan, who are quite fastidious about the tools and instruments they use. This was based on our belief that if we can produce quality products that satisfy doctors in Japan, then doctors around the world will also use those products. However, as we strengthened our regional-oriented sales worldwide, it became clear that the way our products are used and the needs associated with them vary by country and region. Therefore, we have been collaborating with KOLs around the world, and creating policies in the MTMP for product development that is based on doctors and surgical techniques worldwide. By utilizing the network of global sales bases that we have built, and meeting the various needs of doctors worldwide that are funneled through this network, we are aiming to achieve a system where MANI products are used in even more places in the world.

Aim for a much faster development of new products at the R&D Center P. 20

The R&D Center aims to create more innovative value by bringing together employees from bases in each country under with the keyword of aiming for the best quality in the world. By bringing together our various functions, we believe that we will not only further promote our conventional development projects, but also accelerate the cycle of product development and production manufacturing by taking on the challenge of entering new minimally invasive treatment domains and developing new technologies.

Establish a high-quality, low-cost global production system P. 29

With a focus on the company’s further growth from here on, we are also planning to build a new Head Office, R&D Center, and Smart Factory in Takanezawa, our founding site. At the Smart Factory, we will start using automated lines for each process to achieve manufacturing that maintains high quality without being affected by labor costs. We are also implementing the MANI Production System (MPS), which are activities to improve production efficiency, so as to achieve further cost price reductions at the Vietnam Factory. And at our German subsidiary GDF, we are scheduled to complete the construction of a new Head Office and Factory in 2023 and build a system for the increased production of dental restoration materials.



Development Capabilities that Support the Best Quality in the World

MANI has successfully developed the world's first Austenite stainless steel (an alloy including 18% chrome and 8% nickel) suture needles, which are made from "MANI hard-fiber stainless steel." These needles do not easily rust, and they are tough, hard, and sharp. Based on this new material, we developed micron-unit ultra microfabrication technologies and nano-level surface treatment technologies. We are delivering over 10,000 types of medical equipment in the dental, ophthalmic, and surgical fields worldwide. We are also focusing on the development of new technologies and products based on the innovations of nano-level materials engineering and ultra microfabrication technologies, including dental treatment products made of NiTi (nickel-titanium) alloy with excellent flexibility, high strength, and shape memory. Also, dental caries restoration products made of (organic/inorganic) composite materials that polymerize and cure under ultraviolet (UV) light.

At the same time, thanks to recent advancements in medical technologies, minimally-invasive treatments are now a reality and a global trend, allowing for reliable surgeries with superior safety and excellent efficacy using endoscopes and surgical robots.

MANI will continue to develop equipment for minimally-invasive treatment through the development of ultra microfabrication technologies and next-generation, innovative metal materials and composite materials.

▶ What Makes MANI Development Distinctive

Strength 1

Development of Proprietary Materials

MANI developed the world's first Austenite stainless steel medical-use suture needles. We developed a new material to realize creating rust-proof and unbreakable suture needles. We have also created original and optimal processing methods, even for materials that are unsuitable for processing, which we use to make these materials into products. Within the company, we refer to that material as "MANI hard-fiber stainless steel."

Now we have products that are made not only of stainless steel, but also of tungsten carbide (super steel), nickel titanium, and multiple types of metal materials, as well as products made of composite resins. We use multiple types of materials and processing methods to develop a diverse range of products.

Materials with high strength and superior flexibility

Materials that do not break easily, even when they are twisted

Strength 2

Microfabrication Technologies for Metals

An increase in the use of minimally-invasive treatments is also facilitating an expansion of the areas where MANI's specialty of microfabrication technologies are used. The core of MANI's manufacturing and processing equipment is our proprietary development and design. Due to this, we were able to make materials into products, carry out high-mix production, achieve a stable level of high quality, and realize cost competitiveness and mass production. MANI products are also distinctive for their long product life, and the continual improvements we make to the products are also our major competitive strength. We will continue the challenge of incorporating advanced technologies that are one step ahead, and continually evolving our microfabrication technologies.

Ultra-microfabrication technologies that enables a 30-micron hole to be made in a 70-micron wire

Processing technology that enables the free cutting of the difficult-to-process material NiTi into any shape

Strength 3

Culture that Values Customer Satisfaction

We hope to advance the progression of minimally-invasive treatment through the development of products that are easy to use for doctors, and medical equipment that can reduce the physical burden on patients as much as possible. In hand-held medical equipment, there are also various needs depending on the doctor and treatment method. In the development of such products, we are collaborating with KOLs and other partners around the world to acquire detailed information on these various needs, and building a system for low-volume high-mix product development.

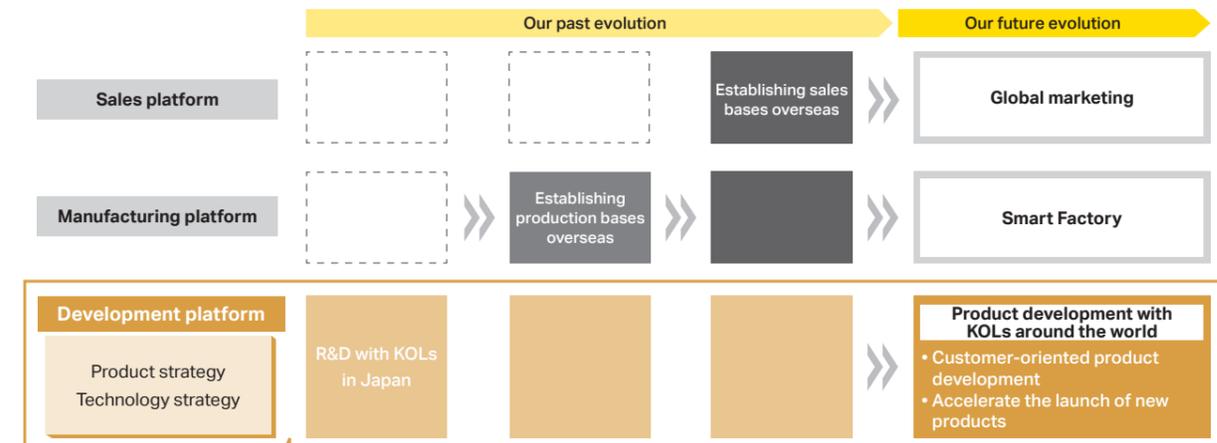
Seminar on surgical techniques using MANI products

▶ Growth Strategy

We are taking on a new challenge of entering the minimally-invasive treatment domain, with the keyword of "the best quality in the world." We will move forward with expanding new business domains through challenging product development by deepening our joint development with KOLs around the world, industry-academia collaboration, and medicine-engineering collaboration. Additionally, we will strengthen initiatives, including research new materials and processing technologies.

We will also accelerate the cycle of product development and production in Japan by investing in R&D centers. And we will step up the training of development personnel to support these initiatives.

■ Positioning in the Medium-Term Management Plan



Key Measures

Create new development themes	<ul style="list-style-type: none"> Expand joint development with KOLs in the domain of dental, ophthalmic, and medical-use suture needles, where we have the resources of customers, technologies, and products, and deepen our product range and businesses Make more active use of external resources, such as industry-academia collaboration, medicine-engineering collaboration, and companies that have other technologies, and promote the development of new domains and technologies, as well as create new products and businesses
Speed up development	<ul style="list-style-type: none"> Create a roadmap of businesses, products, and technologies, based on changes in society and medical & healthcare Actively introduce new elemental technologies, use Finite Element Analysis (FEA) and other technologies in product design, develop an original analysis and evaluation system, strengthen the foundation for the creation of prototypes and processing technologies Strengthen management of the product development process
Human Resource Development	<ul style="list-style-type: none"> Strengthen skills in personal relations, specializations, commercialization promotion, and management Accelerate growth by building a structured education and training system, providing planned opportunities for growth, and creating a culture that enables for scientific discussions The new Head Office will organically link the R&D Center and Smart Factory to provide a place for learning and practice



Manufacturing for the Best Quality in the World

MANI's production activities are mainly characterized by how we utilize the long product life of our products, make continual improvements to our proprietary equipment that we have developed, and keep working on increasing production efficiency over the long term.

In ordinary manufacturing industries, equipment needs to be modified and updated every few years when new products are developed; this makes it difficult to continue using original equipment. As for MANI, since we can continue to produce the same products for a decade and longer, we are able to use our original equipment over a long period while continually updating it. Continual use also creates many opportunities for improvements, which leads to improvements in production efficiency as well. Such an approach means we can also enjoy for a long period the benefits of progressive increases in efficiency, and this also contributes greatly to cost price reductions.

Furthermore, we have made the Vietnam Factory our main manufacturing base, and incorporated labor-intensive aspects as well. This allows us to also maintain a precise production and a quality assurance system, which leads to balancing sustained high quality with low-cost production.

► Policies going forward

We will promote the following three key measures going forward, to further improve efficiency and quality, and strengthen collaborations with other departments.

1 Build a Smart Factory

With a focus on further growth in the future, first we will build a Smart Factory in Japan to achieve efficient production that maintains high-quality and is not affected by labor costs. At the Smart Factory, we will start using automated lines to enable the manufacture of products of the same quality, regardless of which country they are manufactured in and without being affected by labor costs. In the future, we are also considering the possibility of building smart factories in multiple regions, so as to keep up with the expansion of our sales regions.

The R&D Center and Smart Factory will first integrate development and production in Japan, and facilitate our aim of setting up a system for a speedy cycle of development to production.

2 Promote the MANI Production System (MPS)

Even as we move forward with the Smart Factory concept, the existing Vietnam Factory will continue to function as our main factory, and we will focus once again on achieving cost price reductions in the Vietnam Factory.

So far, we have focused on cost price reductions, mainly through automation in the production processes. However, as an effort to reduce losses overall, we will also pursue efficiency in other areas, such as the management of labor time, overhead expenses, and costs associated with the purchase of consumable items.

3 Strengthen the Supply Chain Management

Since all of the MANI products are small-sized items, storage costs can be contained even if we storage large amounts of stock. This also means that if we secure a large inventory of stock, we do not need to keep a close eye on lead times up to the completion of manufacturing.

However, as we aim to improve development speed of new products and to further raise productivity as outlined in the MTMP, we will also continue to update the ERP (core system) and shorten the lead time for commercialization. To achieve that as well, we will strengthen the collaboration between the Sales and Marketing Division and Production Division, and move forward with optimizing the balance of production and sales volumes.

Furthermore, we will introduce logistics centers in main sales bases, such as Asia and Europe, and finally work on optimizing product commercialization and delivery in each sales area.



Quality Assurance That Supports the Best Quality in the World

MANI regularly undergoes inspections and reviews by third party certification institutions. We have acquired and are maintaining various certifications, such as ISO 13485 and MDSAP.

As for the quality assurance system, we reflect the three elements of the medical device regulations (MDR), which are "product safety and efficacy," "quality management system," "post-market safety management," to maintain and improve the company's internal standards: Through these mechanisms, we are able to launch on the market safe and effective medical equipment. This includes working with various divisions to try and obtain the latest information on the medical device regulations of other countries.

The Quality Vigilance and Safety Division provides support to other divisions that manage the design and development, manufacturing, logistics, and post-market processes, and helps to ensure their work proceeds smoothly.

► Policies going forward

The MANI quality policy also includes the Quality Assurance activity (duty) of all employees to ensure the quality of their own post, and the method of abiding by the laws, regulations, and standards to create and provide quality that customers trust the most in the world. To achieve this, we are educating and training each department and employee level about the medical device regulations and other measures that are applied in the company. We are striving to strengthen the company-wide quality assurance system including in development, production, and sales, by seeking a mutual understanding and deeper awareness of the quality assurance work done among each division.

From Vietnam

MPS Activities in MANI HANOI CO., LTD.

MANI HANOI CO., LTD. is the company's main production base, and it is also much more than just a production base. It is where we proactively carry out activities aimed at improvement, including updating manufacturing equipment and reviewing the production processes using automation, etc. Since 2021 we have been working on a productivity-improvement initiative called the MANI Production System (MPS), which is being promoted mainly by the department managers and leaders at MANI HANOI CO., LTD. By repeatedly identifying the issues in each segment and making improvements, visualizing results of these activities, we are ensuring the quality of MANI products while also achieving continuous cost price reductions.



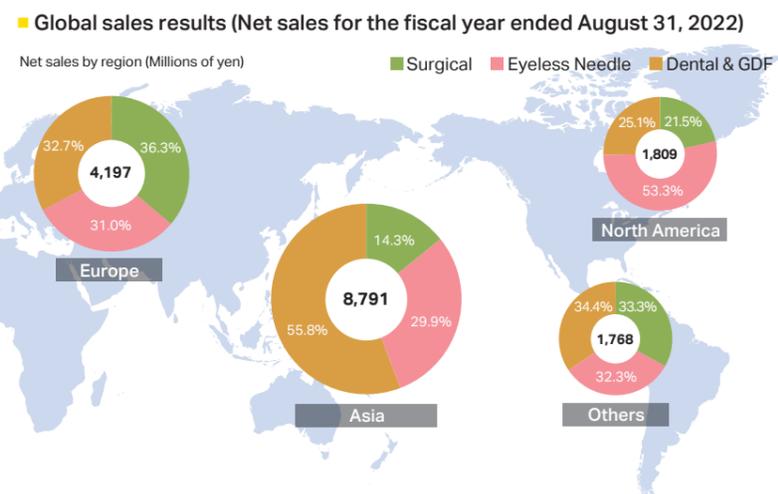
Sales Capabilities That Spread the Best Quality in the World

The strengths of MANI include our development capabilities and microfabrication technologies in metal materials, which we use to develop even more minimally-invasive medical instruments. Minimally-invasive treatments reduce the burden on a patient's body, more than conventional treatments do. These treatments are a major trend for their ability to increase the efficacy and safety of treatments.

Micro-sized medical instruments are used particularly in delicate medical procedures done under microscopes and endoscopes. When these instruments become micro size, the metal materials tend to lose their strength, and it is no longer possible to make use of the instruments' inherent performance and features. To resolve this issue, we developed proprietary metal materials, and used microfabrication technologies and a special design to manufacture the materials into products. Going forward, as we keep in line with the trends in the medical equipment industry, we will continue to develop our regional-oriented sales worldwide to accurately and promptly grasp the needs of doctors and patients in each country and region, and strive to expand sales and market share.

Activities in 2022

FY2022 was a year of resuming the marketing activities that had dropped off during the COVID-19 pandemic, such as seminars, academic meetings, and exhibitions, and strengthening systems in our existing sales bases. It was also possible to make some business trips overseas, so we actively worked on strengthening direct sales overseas as well, including opening a new representative office in Malaysia for the South-East Asia region. And in GDF in Europe, we set up the MANI European Business Development Division to drive forward sales of GDF products and MANI products.



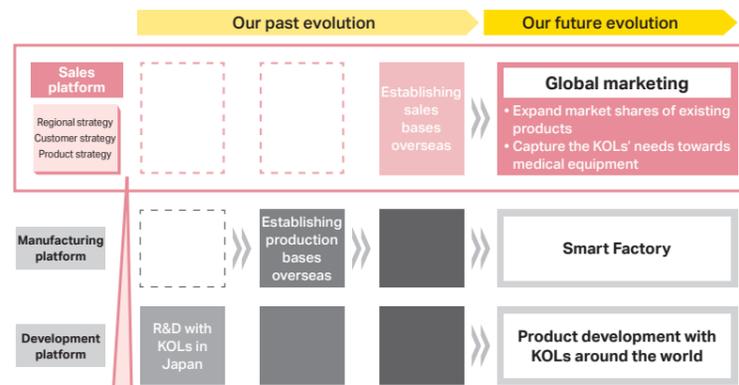
Policies going forward

Develop Regional-Oriented Sales in South-East Asia and Europe

With the keyword of global regional-oriented sales, we are increasing the opportunities to communicate with doctors in various regions, and expand the range of direct sales. The mainstream treatment methods, easy-to-use products, and other aspects differ by region, so we are using feedback from KOL doctors to promote sales of products tailored to each region. As a new step toward achieving that, we have opened sales bases in South-East Asia and Europe.

We are also moving forward with global personnel development, so that it is possible to autonomously operate the sales bases as they expand, using both regional and product strategies.

Positioning in the Medium-Term Management Plan



Key Measures

Europe	<ul style="list-style-type: none"> Using the China sales system as a model, we established the MANI European Business Development Division in GDF's new Head Office Expand sales of mainly existing products 	Asia	<ul style="list-style-type: none"> Grasp the local medical & healthcare needs in bases in China and India Set up new sales bases in South-East Asia, and organize logistics Expand sales of dental root canal treatment devices and dental rotary cutting devices
North America	<ul style="list-style-type: none"> Explore the full-scale entry into advanced medical & healthcare needs 	Japan	<ul style="list-style-type: none"> Expand sales of ophthalmic products with the launch of new products Expand the market share of sales of NiTi files in the dental domain

Feature 1

Medium-Term Management Plan

Key Development Products

In order to further evolve new minimally-invasive treatments in domains such as dental and ophthalmology, we are carrying out joint development with KOLs around the world, and currently focusing on product development particularly in the following three domains.

Develop Products by the Expansion of Business Domains

1 NiTi rotary files for dental and root canal treatment/ root canal shaping and expansion

Product name: JIZAI



This dental treatment instrument is used in root canal shaping and expansion for removing caries-damaged dental pulp and cleaning the infected root canal area. This tool makes it possible to remove infected dental pulp and dentine, even in root canals that are curved and have complex formations. With the design of this product that uses NiTi material, we have achieved better flexibility to follow the curvature of the root canal, while minimizing cutting of the dentine.



Domains so far

We have mostly dealt in manual root canal treatment instruments so far, and now we have produced new motorized root canal treatment products.

Policies going forward

These products are being increasingly used in university hospitals and other institutions, primarily in Japan. We believe that acquiring cases of these products being used in treatments will lead to even further expansion of their usage in other countries and clinics. We are carrying out joint development with KOLs around the world, and working on developing and enhancing advanced root canal formation and expansion instruments.

2 Ophthalmic and retinal vitreous surgeries/ vitreous forceps

Product name: MANI Micro Forceps



This surgical instrument is used in internal ocular procedures such as treatments for retinal detachment and diabetic retinopathy. Internal ocular diseases can substantially affect visual acuity, so such treatments are extremely important in improving patients' quality of vision (QOV). These surgeries require extremely delicate techniques, as the procedures are performed on the internal ocular tissues using small diameter surgical instruments. In this instrument, we have achieved a combination of high rigidity and high precision using microfabrication technologies and a product design for precise operation.

Domains so far

So far, we have mostly dealt in products in the domain of cataract surgeries, and now we are expanding into the domain of surgical instruments for procedures for vitreous and glaucoma surgeries.

Policies going forward

The vitreous forceps have acquired pharmaceutical certification, and it is undergoing clinical evaluation. We will move forward with product development in the domain of vitreous and glaucoma surgeries, where we expect an expansion of the market particularly in advanced countries.

3 Dental restoration treatments/ composite resins

Product name: MANI EG Composite



The most commonly used dental restoration materials are restoration and filling materials made from composite resins. We have developed products that are made using materials free of environmental hormones. These products can easily create shapes and color tones, and have even higher esthetic properties. These products shorten treatment time, and add a sense of reassurance to materials that remain in the oral cavity for a long period.



Domains so far

We have mostly sold composite resins in GDF to original equipment manufacturers (OEM).

Policies going forward

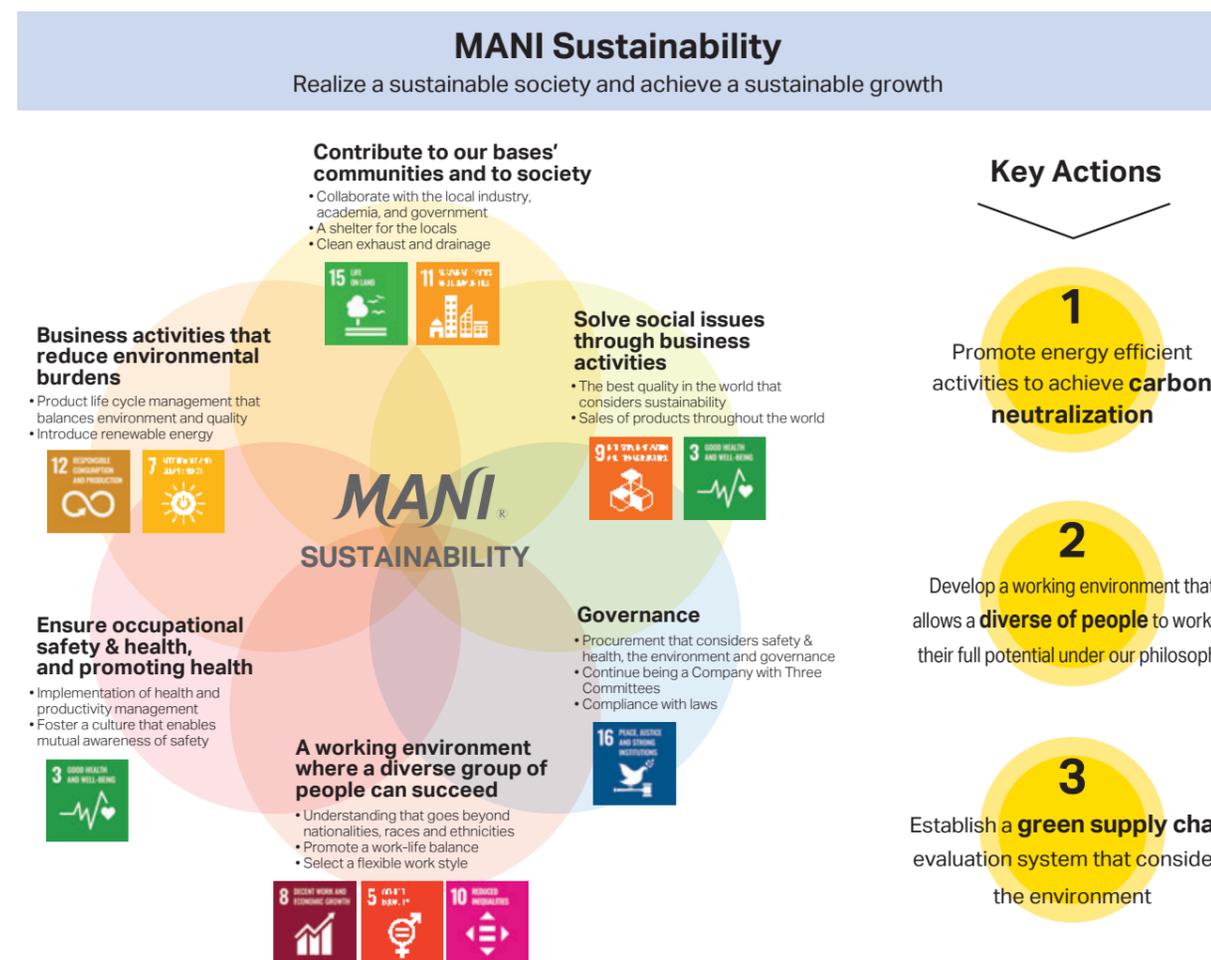
We will move forward with the development of new composite resins. In December 2022, we acquired European Union Medical Device Regulation (MDR) certification for this material. We are planning advance sales in Europe. We will successively launch sales in Vietnam and India in the Asia region, and once we acquire regulatory approval, we plan to introduce this material in Japan and China as well.

Foundation for "the Best Quality in the World"

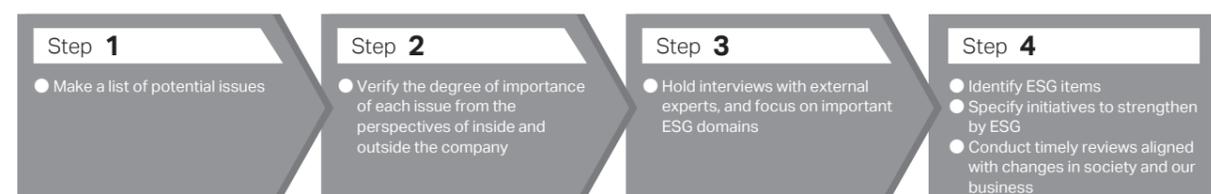
MANI Sustainability Overview

In the Medium-Term Management Plan formulated in April 2021, we set the key issues (materiality) in sustainability as MANI Sustainability. The Corporate Philosophy of MANI is "Contributing to the welfare of people worldwide through the development, production and distribution of products beneficial to patients and doctors." We believe the development and distribution of high added value products with the best quality in the world will contribute to solving a range of issues in society, including medical issues that affect patients, medical & healthcare workers, and other consumers.

To achieve sustainable growth of the company's businesses and through that create sustainable value in society, we have set individual targets to work on and are moving forward with initiatives to achieve sustainability. In particular, we are promoting matters related to carbon neutrality, the active participation of diverse personnel, and supply chain evaluation as key measures in the Medium-Term Management Plan.



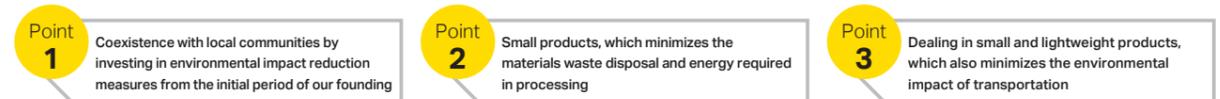
Process for Setting MANI Sustainability



Environment

Policy

We have made it our basic stance to balance reducing environmental impact with business growth. Since our founding when we located our factory in the countryside, MANI has been striving to coexist with local communities by investing from an early stage to reduce the environmental impact of our activities. During the period of rapid economic growth, we put in place equipment to cleanup wastewater from our factory. In 1979, MANI received the Excellent Company Award for Pollution Prevention from the governor of Tochigi Prefecture. Many of MANI products are small items made by processing stainless steel wire, and a lot of the machines that are used to process them are also small. This means we are able to minimize the electric power consumption, cutting oil usage and materials waste disposal in these processes. As MANI products are extremely lightweight, there is minimal environmental impact in the transportation of our products as well. With this kind of corporate culture and business structure, we are promoting consideration for the environment through the product lifecycle management, while also accelerating the initiatives to visualize and reduce CO₂ emissions at MANI bases, as we strive to achieve a sustainable society.



Governance

With the Executive Vice President of the company as the MANI Sustainability Promotion Officer, we report on important sustainability-related matters such as climate change and hold discussions by each meeting body.

Strategy

As a strategy for responding to climate change, based on the two future scenarios we have formulated, we have organized the major risks, opportunities, and financial impact in each scenario as shown in the table below.

Scenario Overview (1) 1.5–2°C scenario: Governments toughen environmental regulations and advance their response to climate change
(2) 4°C scenario: Climate change response does not progress, and disasters intensify and increase

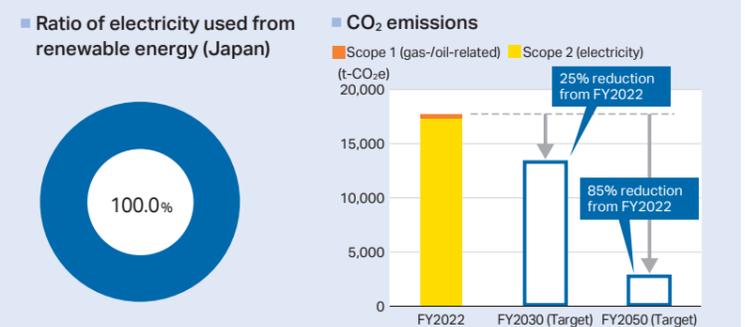
		(1) 1.5–2°C scenario	(2) 4°C scenario
		Overview of risks and opportunities for the company	Overview of risks and opportunities for the company
Risks	Transition risks	Although our procurement product costs are expected to rise due to the introduction of policies to control greenhouse gas emissions, the financial impact will be limited due to the low material cost ratio in the cost structure of our products.	Although our procurement product costs are expected to rise due to the introduction of policies to control greenhouse gas emissions, the financial impact will be limited due to the low material cost ratio in the cost structure of our products.
	Physical risks	<ul style="list-style-type: none"> There is a risk of an increase in damage to business locations and disruption of logistics networks due to typhoons and heavy rain. This also causes a significant impact on finances. Although there is a risk of an increase in sea level and flooding, our main manufacturing location in Vietnam is located inland, and therefore the impact will be limited. 	<ul style="list-style-type: none"> There is a risk of a further increase in damage to business locations and disruption of logistics networks due to typhoons and heavy rain. This also causes an extremely significant impact on finances. Although there is a risk of an increase in sea level and flooding, our main manufacturing location in Vietnam is located inland, and therefore the impact will be limited.
Opportunities	Market	There are no changes expected for the time being in the medical & healthcare market in MANI product areas.	There are no changes expected for the time being in the medical & healthcare market in MANI product areas.

Risk Management

In September 2021, we have set the promotion of MANI Sustainability as a company-wide activity target, and began reviewing initiatives to achieve targets on a monthly basis and monitoring the progress of MANI Sustainability at the Board of Directors meetings.

KPIs to Reduce Environmental Burdens (As of August 31, 2022)

The total Scope 1 & 2 greenhouse gas emissions for the company overall are shown in the diagram on the right. Since 2022, we switched to renewable energy for all of the electricity used in Japan, and we have been making even further reductions in CO₂ emissions.



► Contribution to Human Capital and Local Communities

Policy

In operating a global business with a high overseas net sales ratio, we believe it is important to continue providing an appealing workplace so that we can recruit and train next-generation leaders and personnel with a high level of knowledge and extensive experience. In March 2022 we opened a new satellite office in Tokyo, and we have been actively recruiting a wider range of personnel. We will continue to focus on strengthening our human resources capabilities, and strive to improve external competitiveness and corporate value. Additionally, in recent years we have expanded our activities contributing to local communities, and will continue to conduct our business activities to satisfy all stakeholders involved with the company.

Diversity and Inclusion (D&I)

We fully understand and recognize that diversity (diverse personnel) and inclusion (mutual acceptance, understanding, and participation) are the true sources of sustainable innovation, and so we regard promoting diversity as an important management strategy. In terms of working styles, we have heard from employees who are trying to balance childcare, caregiving, medical treatments, and other personal commitments with work. We are using this information to consider measures that will make working at MANI even easier for all employees, so they can balance their personal life with their career. In addition, to ensure that the values of managers are also in line with the approach of D&I, we provide diversity management training not only for employees who are already working in management positions, but also for young employees who are considered to be next-generation leaders. In recent years, there have been more cases of male employees taking long-term childcare leave and making use of reduced working hours.

■ Maternity leave and childcare leave system to promote various easier working styles - Employees' voices

I work as a manager, and I also took three months of childcare leave as a male employee. My colleagues easily and readily covered for me during the time I was on childcare leave, and that was a huge help for me. Using this system of leave and with the understanding of those around me, I was able to acquire an awareness of what it takes to balance work with childcare. This experience has helped me to maintain my motivation and positive attitude, and to balance my on-off stance.

During and after my pregnancy, I took a total of 12 months leave, combining leave before and after the birth of my child and childcare leave. After returning to work, I made use of the reduced working hours system while aligning it with my work duties; this helped me to balance my work with childcare. I also challenged myself to be promoted, and I was able to actively create and follow a career plan. Now I am working as a manager while raising my child, who is in elementary school. Thanks to the flextime and telecommuting (work-from home) systems, I am also able to attend my child's school events.

I'm currently raising my child, who is in elementary school, while trying to balance work and childcare; it is a daily struggle of juggling my time. I took a one year of maternity and childcare leave during and after my pregnancy, and then I returned to work on reduced working hours. At first when I returned to work, I was filled with concerns about how I would balance work with childcare, which was new to me. But with the understanding of my workplace, I was able to continue with my work. Now I am working fulltime as a manager. I'm using flextime, telecommuting (work-from home) and other systems, while working to build a more efficient workplace environment.

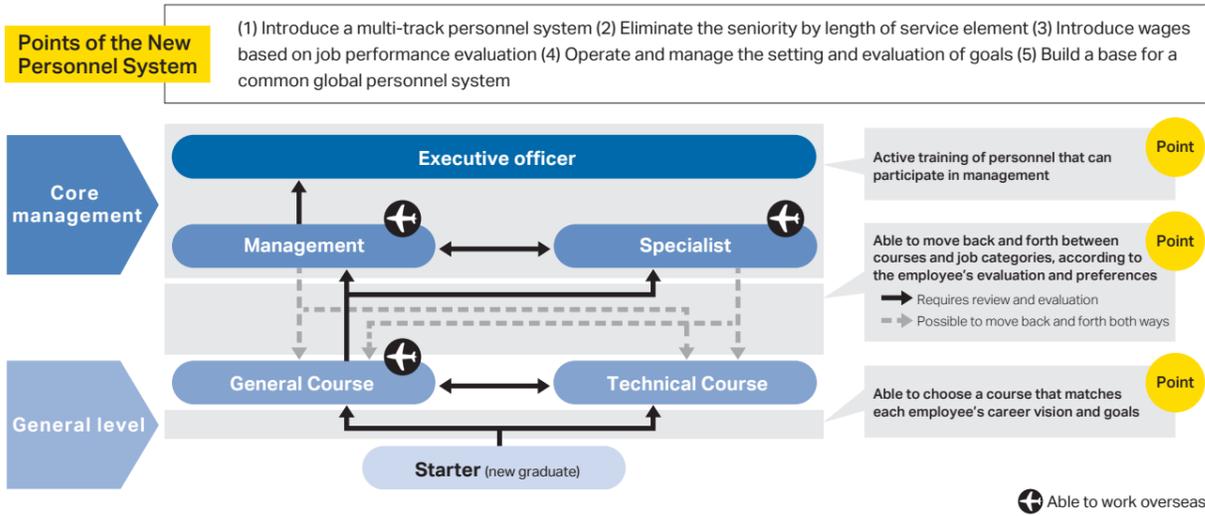


Recruitment and Training

New recruits do one year of on-the-job training in manufacturing, including one month of training in Vietnam. After this basic training, each employee is assigned a theme that they follow from development to manufacturing; this lets them experience the full flow in all of processes. Currently, our production bases are centered in overseas factories. However, we believe that incorporating new ideas from fresh perspectives creates innovation in the development of new products, and leads to "the best quality in the world." Through the on-site training in manufacturing, employees can understand the background of each operating by knowing the overall image of manufacturing. Therefore, even if they are assigned to departments outside of development, they will be able to work more proactively.

New Personnel System

Implementing a new personnel system is one of the key policies in the Medium-Term Management Plan (⇒ P. 25), which aims to transform our business models. We are aiming to encourage the personal growth of Group employees, and to achieve the sustainable growth of the MANI Group. The personnel system we had been using was to train generalists that we assumed would work for a long period at the company, basically until retirement. However, in 2021 we started to substantially revise the personnel system, so that we can recruit and train exceptional personnel who will become next-generation leaders. The new personnel system moves away from a uniform approach to managing all employees. It allows employees to choose their desired course of career development to match their motivation and skills, and provides opportunities for them to take on challenges regardless of their age. We also appropriately manage and evaluate the goals of these challenges, pay high remuneration to employees who produce results, and actively appoint employees in suitable positions.



Remuneration / Education and Training

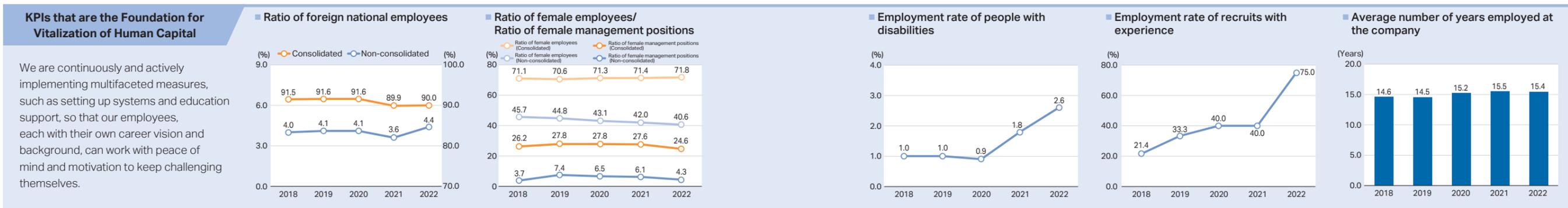
We have introduced a year-end bonus in addition to the ordinary bonus. We believe it will increase the awareness of employee participation in management. By linking this bonus to the company's results and determining the amount, it will encourage employees to also be aware of the overall management of MANI. In addition, we will encourage employees to work on self-improvement, and also provide assistance for them to take courses on management, strategies, and other business skills.

Use of In-house Recruitment System

We have introduced an in-house recruitment system for employees who would like to use their accumulated experience to work in new fields. This system is for first recruiting existing employees to fill new and necessary internal positions through a selection process of interviews and other steps, before seeking new applicants from outside the company. We are using the in-house recruitment system to also fill management positions, such as the president of an overseas subsidiary, as well as to replace personnel in charge who are transferred. This system allows motivated employees to actively apply for new internal positions.

Pick Up **What is the In-house Recruitment System?**

We have introduced an in-house recruitment system to fill management positions including that of president, as a way of encouraging employees to be more independent and proactive. Using this system, we have successfully appointed employees in manager positions, including the president of an overseas subsidiary. With the new personnel system, we are aiming to also expand the range of in-house recruitment to go beyond management positions, and train leaders who will become role models for younger employees.



Improve the well-being and performance of each employee, with the chance to choose their own working style

Hideyuki Murai
CHRO
Executive Officer/
Division Head of Administration Division



Background to the Introduction of a New Personnel System

—Increasing crisis awareness of the conventional personnel system—

So far MANI, which provides medical equipment (consumable items in the medical field), has been focusing on the stable supply of safe and high-quality products. All MANI employees have been committed to that aim, and they have been taking the time to enhance their skills in the pursuit of the best quality in the world. These activities have been supported by the company's personnel system, which emphasizes seniority based on equality.

In 2021, MANI announced the Medium-Term Management Plan, with policies aimed at speedily delivering the best quality in the world, to the world. We decided that to put this plan into practice, we needed to make major changes to the personnel system we had been using so far. A major reason for this decision was a recognition that the previous personnel system did not properly evaluate and treat our highly motivated employees for the great results they produced. Also, this system did not make it easy for employees to choose working styles that emphasized a work-life balance. We believed that MANI employees, who have individual and varied values, would not work happily at the company if we continued to use the existing system as it was.

What We Hope to Achieve with the Introduction of a New Personnel System

—Higher motivation and easier working styles—

In 2021, we introduced a new personnel system, with the following three aims. First, as a global company, we want to introduce a system that allows motivated and capable employees to challenge themselves to play a greater role in the

company, regardless of their gender, age, religion, nationality, race, and ethnicity. Second, we want to introduce ways for employees to choose their careers based on their lifestyle, approach to work, and life stage. Third, we want to build a base for a personnel system that focuses on global working styles. The in-house recruitment system, which we have continued to use, will be the underlying support for employees to challenge themselves further. This system has made it possible for employees to nominate themselves as candidates for executive (core management) positions they aspire to. Of course, not all candidates are able to be assigned to their desired position. I used the in-house recruitment system myself 20 years ago, and I was successfully appointed as vice president at an overseas company. Looking back, I feel that experience of working overseas was an important cornerstone that helped to shape my career at MANI. This time, we have modified the system so that all employees have a chance to challenge themselves further. The career choice system has two courses: The General Course for employees who set high goals to achieve, and the Technical Course for employees who want to demonstrate their skills but have limited time because they are at a life stage of focusing on achieving a work-life balance. About one third of MANI employees have chosen the General Course, and they are working enthusiastically toward achieving the high goals they have set for themselves. The employees who have chosen the Technical Course are seeking a better working style that suits their lifestyle and personal responsibilities, such as childcare and caregiving. Employees are able to go back and forth between these two courses, based on their review and evaluation. Going forward, we hope to also build this into a global personnel system, as a common base for the MANI Group. It has been one year since we introduced the new personnel system, and there are still several issues to address such as following up in detail on those employees who have set goals for themselves. We will work on resolving these issues one by one, and evolving the personnel system so that it supports the company in achieving the Medium-Term Management Plan.

Employee Welfare

Systems and Environments for Diverse Working Styles

In addition to letting employees choose the workplace according to their situation, including working from home or at the Tokyo satellite office, we have also introduced flextime and staggered working hours. We are also expanding various leave systems, including support for balancing childcare and caregiving with work. Understanding for balancing childcare commitments with work has become ingrained as a part of corporate culture, and the percentage of female employees returning to work after childcare leave has been 100% since 2011 on a non-consolidated basis.

Scholarship/Student Loan Proxy Repayment System

With the launch of the Corporate Scholarship Repayment Support (Proxy Repayment) System in 2021 by the Japan Student Services Organization (JASSO), in FY2021 we also established and started operating the rules for repayment of scholarships on behalf of employees.

● **Conditions:** The remaining balance that the employee is paying him or herself (Limits on number of years worked and amount of repayment apply)

Better Health

MANI is promoting a better quality of life (QOL) for patients through our products, as well as maintaining the health of our employees. We have established an in-house public health nurse consultation service that allows employees to consult with customers with ease. Also, our employee cafeteria offers nutritionally-balanced meals (with the nutritional content displayed).

Employee Shareholding Association

To raise each employee's awareness of participation in management, we have established employee shareholding association. With this association, when employees purchase company shares, the company will cover 20% of the purchase cost. As of August 31, 2022, 69% of MANI employees were members of the employee shareholding association.

Contribution to Local Communities

Giving Back to Local Communities by Providing Education and Training Opportunities

The Matsutani family, the founding family of MANI, established the MANI Matsutani Medical Scholarship Foundation (Representative Director: Matsutani Kanji) in October 2019. The human resources that support medical & healthcare are important in the advancement of this field. This Foundation aims to contribute to the development and improvement of medical & healthcare around the world, and the training of skilled human resources who can contribute to that. Keeping in mind how MANI was founded in Tochigi Prefecture, the Foundation provides financial assistance in the form of scholarships to medical students with a connection to Tochigi Prefecture and who are studying for a Doctor of Medicine degree to become doctor, dentist, nurse, or dental hygienist. We also support the activities of the MANI Matsutani Medical Scholarship Foundation, and donate funds for its activities. (¥20 million was donated in the fiscal year ended August 31, 2022).

MANI MEDICAL HANOI CO., LTD. in Vietnam also provides educational assistance in the form of scholarships to Thai Nguyen Medical University students of surgery and dentistry, who are experiencing economic hardship. The establishment of a network with medical universities through scholarship support has also led to the introduction of MANI products in university practical training, creating a favorable cycle for future sales activities.

Donations to the MANI Matsutani Medical Scholarship Foundation

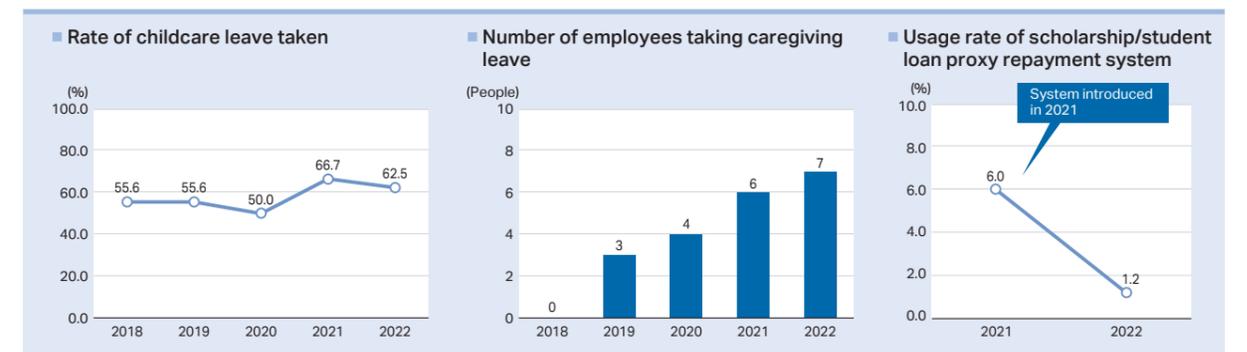
October 30, 2020 (First time)	¥10 million
November 30, 2021	¥10 million
May 30, 2022	¥10 million
November 30, 2022	¥10 million

Sponsorship of UTSUNOMIYA BREX

Since the 2019-20 season, MANI has signed an official sponsorship agreement for the Japanese B League basketball team Utsunomiya Brex. Going forward, we will actively participate in the revitalization of local communities and the promotion of sports.



© TOCHIGI BREX INC.



Corporate Governance

Directors (As of November 24, 2022)

								
Position	Director, President and Representative Executive Officer CEO, COO, CRO	Director, Executive Vice President and Executive Officer, CFO Division Head of Corporate Planning Division	Director Vice-Chairman of the Board of Directors Member of Nominating Committee and Compensating Committee	Independent Director Chairman of the Board of Directors Member of Audit Committee	Independent Director Chairman of Nominating Committee Chairman of Audit Committee	Independent Director Chairperson of Compensating Committee Member of Audit Committee	Independent Director Member of Nominating Committee, Compensating Committee, and Audit Committee	
Name	Masahiko Saito	Kazuo Takahashi	Toshihide Takai	Michiharu Matsuda	Tatsushi Yano	Yukiko Moriyama	Masaya Watanabe	
Main career summary	Apr. 1990 Joined MANI, INC. Sept. 2010 General Manager of Business Development Department July 2013 Director and President of MANI HANOI CO., LTD. Nov. 2014 Executive Officer Sept. 2016 Executive Officer and Division Head of Manufacturing Division Oct. 2019 Senior Managing Executive Officer and Division Head of Corporate Planning Division Nov. 2020 Director, President & Representative Executive Officer, Division Head of Research and Development Division Sept. 2021 Director, President & Representative Executive Officer, Division Head of Research and Development Division & Quality Vigilance and Safety Division Mar. 2022 Director, President & Representative Executive Officer, Division Head of Research and Development Division Sept. 2022 Director, President and Representative Executive Officer (present)	Mar. 1978 Joined HOGY CO., LTD. (currently HOGY MEDICAL CO., LTD.) June, 2009 Director and General Manager of Corporate Planning Division & Product Management Division of HOGY CO., LTD. Aug. 2013 Advisor of MANI, INC. Nov. 2013 Vice Chairman of MANI HANOI CO., LTD. Nov. 2014 Executive Officer Nov. 2016 Senior Vice President & Executive Officer Nov. 2018 Director, Executive Vice President & Executive Officer Nov. 2020 Director, Executive Vice President & Representative Executive Officer, Division Head of Corporate Planning Division & Sales Division Nov. 2021 Director, Executive Vice President & Executive Officer, Division Head of Corporate Planning Division (present)	Apr. 1977 Joined the Nippon Fudosan Bank, Ltd. (formerly The Nippon Credit Bank, Ltd.; currently Aozora Bank, Ltd.) Oct. 2006 Advisor of MANI, INC. Nov. 2006 Senior Vice President & Executive Officer, General Manager of the Corporate Planning Department Nov. 2007 Senior Vice President & Executive Officer Nov. 2008 Senior Managing Executive Officer Nov. 2011 Executive Vice President & Executive Officer Nov. 2013 Director, President & Representative Executive Officer Nov. 2020 Director, Chairman of the Board of Executives Nov. 2021 Director, Vice-Chairman of the Board of Directors (present)		Apr. 1983 Joined Japan Finance Corporation For Small and Medium Enterprise (currently Japan Finance Corporation) Apr. 1992 Joined Aoyama Audit Corporation Jan. 1998 Joined Tohmatsu Audit Corporation (currently Deloitte Touche Tohmatsu LLC) June, 2006 Became a partner of Deloitte Touche Tohmatsu Sept. 2017 Established Matsuda certified public accountants' office (present) Nov. 2017 Independent Director of MANI, INC. (present) Nov. 2018 Independent Director, member of audit & supervisory committee at Saizeriya Co., Ltd. (present) June, 2019 Independent Auditor at Open Door Inc. (present) Nov. 2022 Chairman of the Board of Directors of MANI, INC. (present)	Apr. 1974 Joined TOMEN Corporation June, 2003 Executive Officer, General Manager of North America and President of TOMEN U.S.A. Apr. 2006 Director of SANYO Chemical Industries, Ltd. (Transferred) June, 2006 Director & Executive Officer of SANYO Chemical Industries, Ltd. June, 2010 Director, Senior Vice President & Executive Officer of SANYO Chemical Industries, Ltd. June, 2012 Director, Senior Executive Officer of SANYO Chemical Industries, Ltd. June, 2016 Advisor of SANYO Chemical Industries, Ltd. June, 2019 Independent Director of Kokusai Pulp & Paper CO., LTD. (currently KPP GROUP HOLDINGS CO., LTD.) (present) Nov. 2019 Independent Director of MANI, INC. (present) Nov. 2020 Chairman of the Board of Directors of MANI, INC.	Dec. 2008 Registered as an attorney. Belonged to a law firm in Tokyo Oct. 2010 Assistant Counselor of Cabinet Office (Preparatory Office for the Revised Information Disclosure Law) Jan. 2015 Participated in Waseda Legal Commons Law Office, Partner Lawyer (present) July, 2020 Member of the Personal Information Protection Examination Committee in Wakou City (present) Nov. 2020 Independent Director of MANI, INC. (present)	Apr. 1982 Joined Hitachi, Ltd. Mar. 2009 Director and Chief Strategist of Hitachi Global Storage Technologies, Inc. (U.S.) Apr. 2012 Vice President and Executive Officer, CSO and CIO of Information & Telecommunication Systems Company, Hitachi, Ltd. Apr. 2014 Vice President and Executive Officer of Hitachi, Ltd., Chairman of Hitachi Information & Telecommunication Systems Global Holding Corp., Chairman of Hitachi Consulting, Inc. (U.S.) Apr. 2015 Vice President and Executive Officer of Hitachi, Ltd., President of Health Care Company, Hitachi, Ltd. June, 2017 Chairman of The Japan Federation of Medical Devices Associations June, 2020 Director, Executive Vice President and Representative Executive Officer, Chief Operating Officer, Chief Officer of Miraca Holdings Co., Ltd. (currently H.U. Group Holdings, Inc.) June, 2021 Supreme advisor of H.U. Group Holdings, Inc. (present) July, 2021 Established Pivotal Partners Co., Ltd., President and Representative Director of Pivotal Partners Co., Ltd. (present) Nov. 2022 Independent Director of MANI, INC. (present)
Number of the Company's shares owned	19,600	28,400	51,000	300	1,400	0	0	
Number of years in position	2	4	9	5	3	2	—	
Attendance at Board of Directors meetings (FY2022)	100% (15 times/15 times)	100% (15 times/15 times)	100% (15 times/15 times)	100% (15 times/15 times)	100% (15 times/15 times)	100% (15 times/15 times)	—	
Committee memberships (◆ Chairperson ■ Member)	Nominating Committee		■		◆		■	
	Compensating Committee		■			◆	■	
	Audit Committee			■	◆	■	■	
Director Skills matrix	Corporate Management	●	●	●		●	●	
	Manufacture/Technology/R&D	●	●			●	●	
	Global	●	●	●		●	●	
	Sales and Marketing		●	●		●	●	
	Finance and Accounting		●	●	●			
	Human Resources/General Affairs			●			●	
	Legal Affairs/Risk Management		●	●	●		●	
Governance	●	●	●	●	●	●	●	

CEO: Chief Executive Officer, CFO: Chief Financial Officer, COO: Chief Operating Officer, CRO: Chief Risk Management Officer

For the reasons for appointing the Directors, please refer to the Notice of the 63rd Annual General Meeting of Shareholders. https://ssl4.eir-parts.net/doc/7730/ir_material/193945/00.pdf

Definition of skills

Corporate Management	Management experience as a representative, executive director, titled executive officer
Manufacture/Technology/R&D	Experience and knowledge as an officer in charge or a person involved in the management or practical work relating to technical strategies, technology and product development, production, procurement, logistics, and quality, etc.
Global	Management experience at an overseas company
Sales/Marketing	Experience and knowledge as an officer in charge or a person involved in the management or practical work relating to domestic and overseas sales and marketing, technical services, etc.

Finance/Accounting	Experience and knowledge as an officer in charge or a person involved in the management or practical work relating to account management, finance, accounting, business management, etc.
Human Resources/General Affairs	Experience and knowledge as an officer in charge or a person involved in the management or practical work relating to human resources, labor, training of personnel, diversity, etc.
Legal Affairs/Risk Management	Experience and knowledge as an officer in charge or a person involved in the management or practical work relating to legal affairs, compliance, etc.
Governance	Experience in management or supervision in a Board of Directors, etc., to ensure the sound management of companies and organizations.

Executive Officers (As of November 24, 2022)

								
Position	Director, President and Representative Executive Officer CEO, COO, CRO	Director, Executive Vice President and Executive Officer, CFO Division Head of Corporate Planning Division	Senior Vice President and Executive Officer, CMO Division Head of Manufacturing Division		Executive Officer, CQO Division Head of Quality Vigilance and Safety Division	Executive Officer, CHRO Division Head of Administration Division	Executive Officer, CNBO, CTO Division Head of Research and Development Division	Executive Officer, CSO Division Head of Sales Division
Name	Masahiko Saito	Kazuo Takahashi	Tomomi Kosaka		Hideo Matsumoto	Hideyuki Murai	Kentaro Maehara	Kentaro Inatomi
Main career summary	(Refer to P. 39)	(Refer to P. 39)	Apr, 1984 Joined Honda Motor Co., Ltd. Apr, 2014 President & CEO of Honda of America Mfg. Inc. (Operating Officer of Honda Motor Co., Ltd.) Apr, 2017 Vice President of Fuel Cell System Manufacturing LLC. (Operating Officer of Honda Motor Co., Ltd.) Apr, 2019 President & Representative Director of Honda Engineering Co., Ltd. (Operating Officer of Honda Motor Co., Ltd.) Jan, 2022 Joined MANI, INC. Mar, 2022 Assistant Division Head of Manufacturing Department Nov, 2022 Senior Vice President and Executive Officer, Division Head of Manufacturing Division (present)		Apr, 1991 Joined MANI, INC. Sept, 2010 General Manager of Business Administration Department July, 2016 President of MANI HANOI CO., LTD. Sept, 2016 General Manager of Manufacturing Planning Department Nov, 2018 Executive Officer & General Manager of Manufacturing Planning Department Oct, 2019 Executive Officer & Division Head of Manufacturing Division Nov, 2022 Executive Officer & Division Head of Quality Vigilance and Safety Division (present)	Apr, 1997 Joined MANI, INC. Jan, 2005 President of MANI YANGON LTD. July, 2016 General Manager of New Business Department Sept, 2019 General Manager of Research and Development Planning Department May, 2020 General Manager of Human Resources and General Affairs Department Nov, 2021 Executive Officer & Division Head of Administration Division Mar, 2022 Executive Officer & Division Head of Administration Division & Quality Vigilance and Safety Division Nov, 2022 Executive Officer & Division Head of Administration Division (present)	Apr, 1999 Joined Kyoto Daiichi Kagaku Co., Ltd. (currently ARKRAY, Inc.) Dec, 2008 General Sales Manager of ARKRAY Marketing Shanghai, Inc. Feb, 2015 Joined MANI, INC. Sept, 2015 Executive Director of MANI MEDICAL BEIJING CO., LTD. Jan, 2018 Executive Director & Legal Representative of MANI MEDICAL BEIJING CO., LTD. (present) Nov, 2021 Executive Officer Sept, 2022 Executive Officer & Division Head of Research and Development Division	Apr, 1991 Joined Pioneer Electronic Corporation (currently Pioneer Corporation) May, 2011 Vice President of Business Planning of Pioneer Electronics (USA) INC. Apr, 2015 Managing Director of Pioneer Electronics Australia PTY LTD. Aug, 2017 Senior General Manager of Pioneer Electronics Asia Centre PTE. LTD. Nov, 2019 Joined MANI, INC. Nov, 2021 Executive Officer & Division Head of Sales Division
Number of the Company's shares owned	19,600	28,400	0		97,800	13,300	1,100	0
Number of years in position	8	8	—		4	1	1	1

CEO: Chief Executive Officer, CFO: Chief Financial Officer, CQO: Chief Quality Officer, CSO: Chief Sales Officer, CNBO: Chief New Business Officer
COO: Chief Operating Officer, CMO: Chief Manufacturing Officer, CHRO: Chief Human Resources Officer, CTO: Chief Technical Officer
CRO: Chief Risk Management Officer

Corporate Governance Basic Policy

—Pursuing the Interests of All Stakeholders—

Our basic corporate governance policy is to "pursue the interests of all stakeholders." We aim to increase sales and income by pursuing the improvement of customer satisfaction by providing customers with good products at reasonable prices. We aim to achieve efficient corporate activities by improving employee satisfaction by providing employees with an excellent working environment and performance-based system that provides sufficient compensation and enable them to produce results.

The Board of Directors supervises the direction of executive action and evaluates executive officers. Through this governance system, we aim to increase shareholder interests and secure shareholder satisfaction.

"Pursuing the interests of all stakeholders" means that the interests of our customers are the interests of our employees and shareholders, the interests of our employees are the interests of our customers and shareholders, and the interests of our shareholders are also the interests of our customers and employees. We believe that the basis of corporate governance is to prevent executive officers from running things on their own, and to prevent the interests of one stakeholder causing the loss of interests of other stakeholders.



■ Corporate Governance Report (November 25, 2022)
https://www.mani.co.jp/pdf/ir_policy03_1.pdf

Role of the Board of Directors and the Three Committees

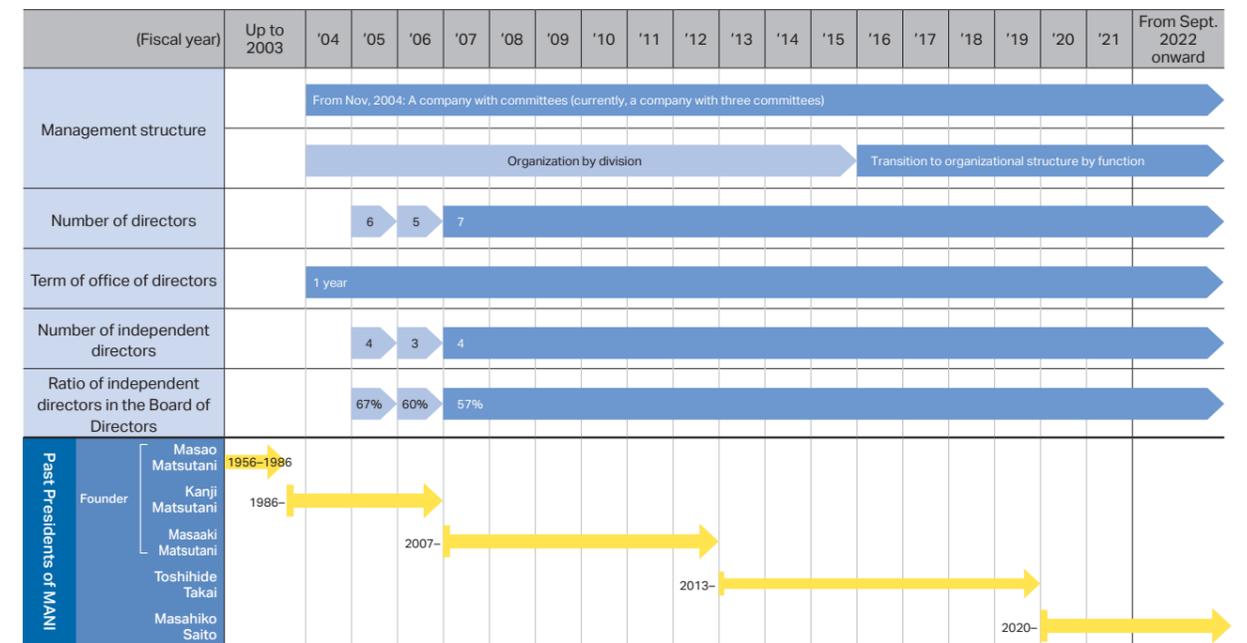
	Role	Number of meetings held
Board of Directors	Entrusts executive officers with administrative authority within the scope of laws and regulations, and focuses on the supervision of the execution of work status and decisions on important matters associated with the basic policies of management, including the Medium-Term Management Plan and Corporate Policy.	15
Nominating Committee	Makes decisions on proposals relating to the appointment and dismissal of directors for presentation at the General Meeting of Shareholders, and decisions on proposals relating to the selection and dismissal of representative executive officers and titled executive officers, and the appointment and dismissal of executive officers for presentation at the Board of Directors.	14
Compensating Committee	Makes decisions on policies relating to determining the individual remuneration for directors and executive officers, and decisions on individual remuneration, etc.	16
Audit Committee	Audits and compiles audit reports on the execution of the professional duties of directors and executive officers, and makes decisions on the content of proposals relating to the appointment and dismissal of accounting auditors for presentation at the General Meeting of Shareholders, and also on the non-reappointment of accounting auditors.	14

Initiatives to Strengthen Corporate Governance

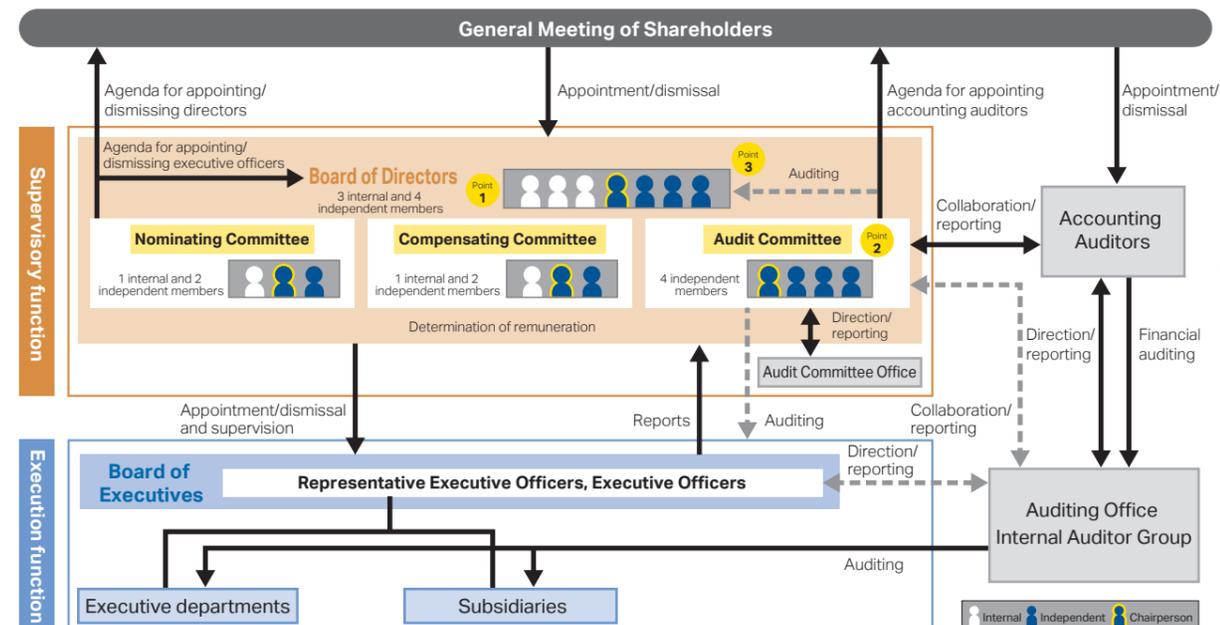
Although the company started under the ownership of the founding family, from an early stage we began to build a corporate governance system with a strong emphasis on restricting arbitrary decision making (based on favoritism, etc.). In 2020, all members of the founding family withdrew from management roles, passing the role on to the next generation of management.

A highly transparent corporate governance system is essential to enable the continuous development of a company. We have adopted the system of a Company with Three Committees. Directors that are members of the three board committees have voting rights, which help to strengthen the audit and supervisory functions of the Board of Directors, and also improve the transparency and objectivity of management. The appointment of independent outside directors further strengthens and improves the supervisory functions of the Board of Directors. Executive officers are also delegated with tasks to facilitate decision making on business execution and respond quickly to changes in the business environment.

The current management structure is as follows: Seven directors (including four independent directors), five of the directors (including four independent directors) who are members of the three board committees, seven executive officers (including two who are also directors).



Corporate Governance: System and Features



As a Company with Three Committees Division of Duties and Collaboration of Board of Directors and Executive Divisions

Decisions on matters are made at the Board of Directors meeting, and discussions toward their actual execution occur at the Board of Executives. All matters on reports and resolutions are thoroughly discussed at the Board of Directors meeting. For example, even at the reporting stage, the direction of an M&A project may change according to the opinions of independent directors, and resolutions may also be vetoed. If the independent directors point out that risk management is weak, this may lead to the company promoting risk management measures.

- Point 1 Independence of the Board of Directors and Transparency of Management**
 - Transition to being a Company with Committees in 2004 (currently: a Company with Three Committees)
 - Set up three board committees
 - The chairperson of each committee is an independent director
 - Four of the seven directors are independent directors
 - The chairperson of the Board of Directors is an independent director that does not hold a concurrent position as an executive officer
 - Division of supervision and execution
 - Matters concerning the disposal and transfer of important property and assets are discussed at the Board of Directors meeting
- Point 2 Effectiveness of Audits**
 - The Auditing Office (including Internal Auditor Group) and each division hold regular reporting sessions
 - The Audit Committee holds regular meetings with accounting auditors, and reviews the status of their audits
- Point 3 Update of Governance System**
 - Since 2018, an independent outside director has been serving as the chairperson of the Board of Directors

► Evaluation of the Effectiveness of the Board of Directors

Basic Approach

So as to promote management focused on improving corporate value, since FY2015 the company has been conducting an annual evaluation of the Board of Directors and Committees. In order to confirm the effectiveness of the Board of Directors, which is focused on the appropriate supervision of the execution of work of executive officers from an objective position, all Board of Directors members undergo a survey for self-evaluation. We also listen to the advisory opinions of third-party external institutions, and all directors actively discuss and state their views on the outcomes of these initiatives at the Board of Directors meeting.

The Board of Directors will continue to undergo regular evaluation, and the company will use the views and other feedbacks obtained from the process and results of evaluating the effectiveness of the Board of Directors and Committees to continuously improve their performance, as we strive for the continual improvement of corporate value.

Overview of Effectiveness Evaluation

Composition

The Board of Directors is generally of an appropriate scale and ratio of independent outside directors, and composed of members that have been selected to achieve a balance of knowledge, experience, skills, gender, and age, etc. From the perspective of diversity, we have independent directors with a range of specialist knowledge as corporate managers, accountants, and lawyers, as well as sophisticated skills in management decision making. These independent directors engage in a lively exchange of opinions from their respective specialist viewpoints, which helps to strengthen the supervisory function of management.

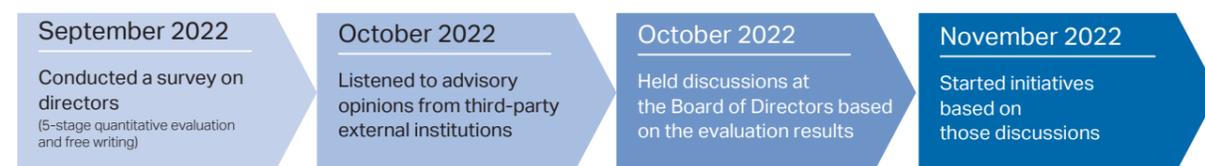
Operation

The members are provided with materials in advance so they can thoroughly discuss the topics of the Board of Directors meeting. To further improve the effectiveness of these meetings, we are also making improvements to the way the meetings are operated, such as providing the materials earlier on, organizing the main points of the meeting materials, narrowing down the agenda items, and ensuring there is sufficient time to discuss important topics. We are also carrying out initiatives to invigorate discussions, such as holding meetings only for independent outside directors.

Status of Topics and Discussions

Sufficient time is allocated to discuss topics scheduled for the Board of Directors meeting, and each director strives to understand the topics in advance and provide information on them, using their knowledge and experience with the topics to engage in appropriate discussions. An independent outside director also serves as the Chairperson of the Board of Directors, which is another way of creating an atmosphere that respects open, frank, and constructive discussions. For important matters concerning management, we conduct transparent and fair decision making, which also incorporates the objective and rational opinions of independent directors.

Evaluation Process



■ Main Evaluation Items of the Survey

- (1) General questions (contribution to improving corporate value, ensuring effectiveness, etc.)
- (2) Discussions and operation of the Board of Directors, and the Nominating, Compensating, and Audit Committees (quality of discussions and supervision of topics)
- (3) Transparency toward stakeholders (shareholders, customers, employees)
- (4) Environment and support systems of the Board of Directors and Committees

■ Evaluation Results for FY8/2022

Items with a high evaluation	Items that require improvement
<ul style="list-style-type: none"> ● Creates an atmosphere that respects open, frank, and constructive discussions ● The Board of Directors and Committees consider diversity, and the members actively share opinions and make decisions from their respective specialist viewpoints ● Acknowledges the fiduciary responsibility to shareholders, and makes transparent and fair decisions for the interest of all stakeholders (employees, customers, shareholders) 	<ul style="list-style-type: none"> ● The lively discussions make the meetings continue for a long time, so it is better to increase efficiency by streamlining the agenda and focusing more on important proposals ● Internal controls and other risk management systems should be continuously and better maintained

Effectiveness of the Audit Committee

The Audit Committee at MANI is composed of four independent directors selected by the Board of Directors. We have also set up the Audit Committee Office (one member) as an audit organization; this Office ensures the independence of the Audit Committee, by being independently (from an executive role) in charge of secretariat work to assist in the professional duties of the Audit Committee. The Audit Committee reads through the minutes of important meetings, listens to reports from directors and executive officers on matters relating to the execution of their professional duties, reads through important official documents, and investigates the status of operations, property and assets. The Audit Committee also conduct interviews with representative executive officers and audits their work. Additionally, the Committee holds meetings with accounting auditors on the policies and methods of audits, receives explanations and reports on the implementation status and audit results, and exchanges opinions on these matters. The Committee also verifies the consolidated financial statements, financial statements and supplementary schedule, and business reports. Furthermore, it receives reports as required from the Auditing Office and Internal Auditor Group on the status of audits, and works on sharing audit information.

The main considerations of the Audit Committee in FY2022 include matters, such as formulating audit policies and audit implementation plans, confirming the status of maintenance and operation of internal control systems and the status of the execution of professional duties by directors and executive officers, confirming the appropriateness of the methods and results of audits done by accounting auditors, deciding on the evaluation, reappointment, and non-reappointment of accounting auditors, and approving decision about the audit remuneration of accounting auditors.

► Succession Plan (Successor Training Plan)

Basic Approach

The “Standards on the Appointment and Dismissal of Executive Officers,” as stipulated by the Board of Directors, states the requirements relating to the attributes of the President & Representative Executive Officer and appointment/dismissal, thereby ensuring objectivity and transparency. At the time of retirement of the President & Representative Executive Officer, the Nominating Committee, which has a majority of independent directors, determines content of the appointment proposal based on the Standards on the Appointment and Dismissal of Executive Officers, and selects the next President & Representative Executive Officer in accordance with that proposal. In order to continually improve our corporate value, and fulfill our duty to society as a company, we have formulated a “Plan for Training the Next CEO” at the Board of Directors meeting, and we are systematically training candidates as potential successors.

Evaluation Process in the “Plan for Training the Next CEO”



■ Training of Candidates

As for an image of the ideal CEO, this is discussed and determined at the Board of Directors meeting, based on the MANI Corporate Philosophy, management strategies, and succession period, etc. The training plan for future CEO candidates is also determined at the Board of Directors meeting, based on reports and recommendations from representative executive officers and the Nominating Committee. This plan provides these candidates with opportunities to take on the challenges they need to grow based on their respective issues and tasks, and allows them to accumulate experience and results. It also offers the candidates necessary recommendations and other advice for their growth, based on an assessment of their potential as a CEO candidate.

■ Evaluation of Candidates

CEO candidates are evaluated every year. As for the status of their experience, results and growth during the training period, the candidates report on the results of their dedicated study and training, and this information is provided to the Nominating Committee along with evaluation comments from representative executive officers. The Board of Directors approves the candidates’ evaluation results based on reports from the Nominating Committee and through individual interviews with the candidates (twice yearly: interim and year-end).

▶ Remuneration of Officers

Basic Approach

The amount of remuneration for officers of the company and the policy for determining the calculation method of that amount is stipulated below. The Compensating Committee, which has a majority of independent directors, has the authority to determine this policy. Based on this policy, the Compensating Committee discusses and determines the individual remuneration amount and builds and reviews systems of remuneration, such as for the basic remuneration of directors and executive officers and performance-linked remuneration. The individual remuneration of directors and executive officers for this fiscal year is also determined in accordance with this policy.

Along with giving incentives for the continual improvement of MANI's corporate value, with the aim of further promoting the sharing of value with shareholders, at the Compensating Committee meeting held on October 26, 2022, the company decided to abolish the retirement benefits for directors (and other officers) system and performance units that were paid to officers, and introduce a new remuneration of restricted stock (RS). Accordingly, from FY2022, the policy and methods for determining the remuneration of officers has been amended as follows.

Policy on the Remuneration of Directors

The remuneration of directors is composed of basic remuneration (fixed remuneration). The basic remuneration is an amount equivalent to the workload of each director, and there is no retirement benefits system in place. If a director holds a concurrent position as an executive officer, then he/she is not paid as a director.

Policy on the Remuneration of Executive Officers

The remuneration of executive officers is composed of basic remuneration (fixed remuneration) and variable remuneration in the general ratio of 65%:35% (during standard performance). The basic remuneration (fixed remuneration) takes into consideration factors, such as the management environment of the company and the levels at other companies, and is set at an amount that is necessary and sufficient for doing one's work. The variable remuneration is composed of performance-linked remuneration (short-term incentives) and restricted stock units (long-term incentives, non-residents of Japan are handled separately).

■ Calculation Methods of Performance-linked Remuneration

1 Monthly basic remuneration

×

Coefficient of the average relative achievement rate of the most recent past two fiscal years (Note 1)

+

2 Monthly basic remuneration

×

Coefficient of the relative achievement rate of the past highest fiscal year (Note 2)

Achievement rate (%)	Achievement rate coefficient
Up to 130	3.70
125	3.08
120	2.47
115	1.85
110	1.23
105	0.62
100	0.00

(Note 1) Coefficient of the average relative achievement rate of the most recent past two fiscal years: Calculated from the achievement rate (growth rate) of the consolidated operating income of the said fiscal year relative to the average consolidated operating income of the previous two fiscal years of the executive officer's term of service, based on the table on the right.

(Note 2) Coefficient of the relative achievement rate of the past highest fiscal year: Calculated from the achievement rate (growth rate) of the consolidated operating income of the said fiscal year relative to the consolidated operating income of the highest fiscal year of the most recent previous four periods, based on the table on the right.

(Note 3) If the abovementioned achievement rate (%) is under 100%, then the achievement rate is set at zero.

■ Calculation Method of Restricted Stock (RS)

(1) Medium-Term Management Plan Achievement Requirement RS

In the first fiscal year of the Medium-Term Management Plan, RS of an amount of 15% of the remuneration amount (100%), with 65% as fixed remuneration, will be granted in a single amount in accordance with the Medium-Term Management Plan period (expected to be five years). In the final fiscal year of the Medium-Term Management Plan, if all targets have been reached for the three indexes of consolidated net sales, consolidated operating income, and share price, and if the requirement of service at the company has also been satisfied, then the restriction on transfer of the granted stock (RS) will be lifted. In all other cases, the company will acquire all of the granted stock (RS) at no cost.

(2) Medium-Term Management Plan Intermediate Target Achievement Requirement RS

In each fiscal year during the Medium-Term Management Plan, for the portion that exceeds 100% of the weighted average of the achievement rate of the three indexes of consolidated net sales, consolidated operating income, and share price, based on a calculated achievement rate of up to 200% maximum, RS of an amount from 0 to 15% of the remuneration amount (100%), with 65% as fixed remuneration, will be granted. In the final fiscal year of the Medium-Term Management Plan, if the requirement of service at the company has been satisfied, then the restriction on transfer of the granted stock (RS) will be lifted. In all other cases, the company will acquire all of the granted stock (RS) at no cost.

■ For details on the system for the remuneration of officers, please refer to the Corporate Governance Report (November 25, 2022). https://www.mani.co.jp/pdf/ir_policy03_1.pdf

Activities of the Compensating Committee in the Process of Determining the Amount of Remuneration, etc., of Officers in This Fiscal Year

The Compensating Committee held 16 meetings in this fiscal year, and the directors, who are members of the Compensating Committee and in service at the company in this fiscal year, attended all of the Compensating Committee meetings held during their term of office. As for the basic remuneration in the said fiscal year, the individual remuneration of directors and executive officers is determined at the Compensating Committee meeting that is held after the Annual General Meeting of Shareholders, and takes into consideration factors such as the level of remuneration of other companies. At the Compensating Committee meeting that is held in October in each fiscal year, a decision is made on whether or not performance-linked remuneration will be paid by referring to the calculation standards for performance-linked remuneration and the performance in the said fiscal year, and the individual amount to be paid to executive officers is determined.

▶ Compliance and Risk Management

We recognize that the building and improvement of effective internal controls by the key management of directors and executive officers helps to make management sounder, maintain the corporate governance system, and improve corporate value. To achieve that, we have set up a structure that emphasizes risk management, and we are focusing on internal audits and other measures to confirm the effectiveness of compliance systems to ensure that the internal rules we have prepared and the laws and regulations are followed. We have set up a Compliance Committee and compiled a Compliance Manual, and we are conducting training to make employees familiar with the Manual.

We have also built a system of internal controls for financial reports, as well as a system for setting up, operating, and evaluating an organizational structure that is compatible with the Japanese-version of the Sarbanes-Oxley Act (SOX Act). For compliance, the President & Representative Executive Officer and other executive officers repeatedly communicate at company-wide meetings and other events the attributes of a law-abiding spirit in the Basic Management Policy and integrity in the Code of Conduct, and ensure that all Group employees are thoroughly aware of abiding by laws and regulations as an underlying assumption of all corporate activities. We have also set up a Compliance Committee and compiled a Compliance Manual, and we are conducting training to make employees familiar with the Manual. Additionally, we have prepared and are operating and managing the "Rules for Operation of the Internal Reporting System," "Rules of Internal Audits," and "Rules of Administrative Authority," based on the scale, business category, and other features of subsidiaries.

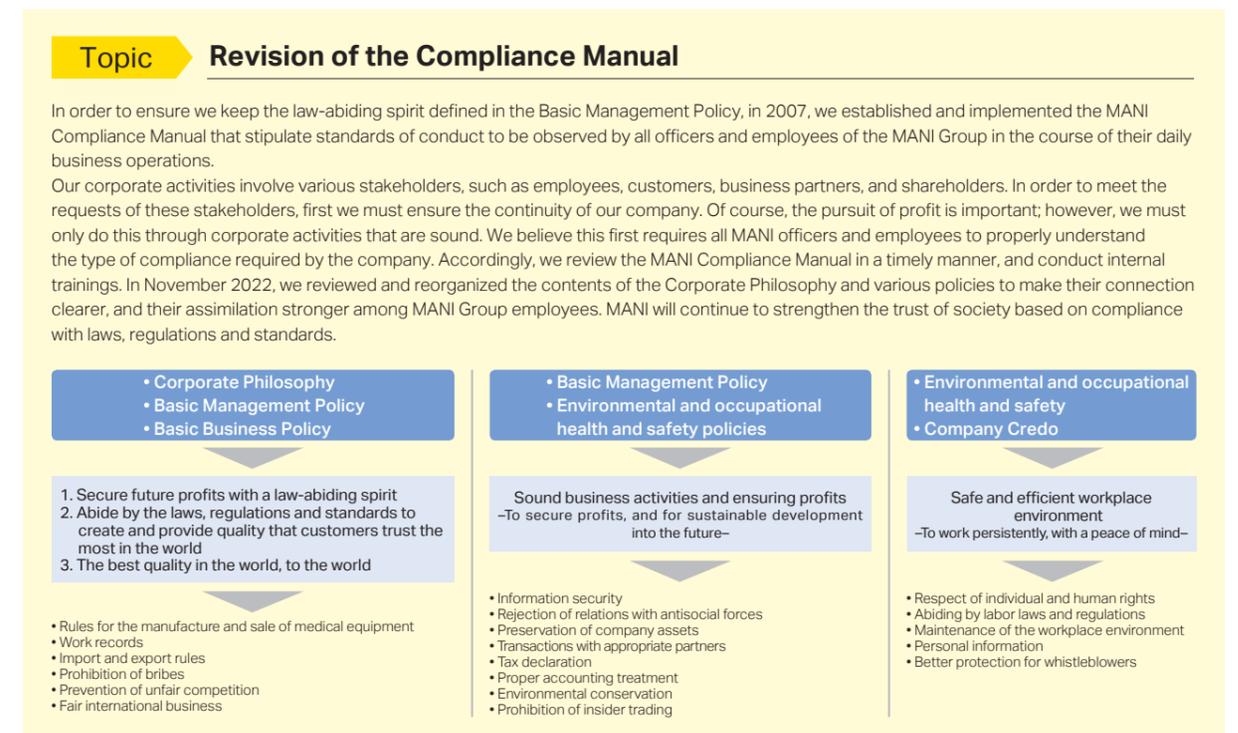
Furthermore, we have built the management systems of ISO 13485 (Quality), ISO 14001 (Environment), and ISO 45001 (Occupational Health & Safety), and have received certification from various external certification bodies, which audit the company every year. Particularly for our quality management systems, we undergo external audits from various requesting clients. Also, the quality assurance department conducts an internal audit at least once a year.

As for our risk management system, we have appointed an executive officer in charge of crisis management, and prepared an emergency system and methods for communicating appropriate information so as to comprehensively and generally manage risks throughout the company. The departments in charge handle the risk management associated with the work under the control of each department. Additionally, we are operating and managing the company based on crisis management-related rules, etc., in the "Rules for Operation of the Internal Reporting System," "Rules for Operation of the Internal Reporting System in Overseas Subsidiaries," "Rules of Internal Audits," ISO 13485 (Quality), ISO 14001 (Environment), and ISO 45001 (Occupational Health & Safety).

As a part of our information management system, we are storing documented information (including electromagnetic media and emails) on the execution of professional duties by executive officers. The directors can read through these documents at any time. This information is used and managed in accordance with the "Rules of Executive Officers" and "Rules for the Management of Documents."

As for the system to ensure the appropriateness of our work, we carry out audits as required on the head office Audit Committee, Auditing Office, and Internal Auditor Group, and provide guidance and support on measures to improve internal controls. The sharing of, instructions on, and communication of information within the company is ordinarily done by email, and subsidiaries are required to regularly report to the company on their financial status and other important information.

As a part of our internal controls, the Audit Committee has set up meetings to confirm accounting audits with accounting auditors, as well as the Audit Committee Office as a supervisory execution organization under the Audit Committee.





Interview with an Independent Director

Improving the Strong Governance System, a Legacy of the Founding Family

Michiharu Matsuda

Independent Director
Chairperson of the Board of Directors
Member of Audit Committee

MANI is taking on the challenge of breaking free from its existing business model

It has been five years since I was appointed as an independent director of MANI. My background is in auditing through working at auditing companies, and my specialty fields are accounting, taxation, and auditing. I also have experience working in government-affiliated financial institutions and as a consultant. So far, at the Board of Directors meetings, I have boldly and freely commented on matters that have caught my attention, from various perspectives that aren't limited to my specialty fields. Thanks to the diligence and tireless efforts of the founding family, MANI has ardently, tenaciously, and persistently worked on improving the quality of its products, and produced many products that boost the best quality in the world. MANI's company credo is based on the words of the second president of MANI, Kanji Matsutani, of “Ardent, tenacious and persistent efforts with a scientific mind.” My personal interpretation is that he also applied these words to strengthening governance. Kanji Matsutani was thinking of the future of MANI after he was gone, and so he left to the succeeding generations mechanisms for an advanced level of governance that daringly keeps the company bound to follow. MANI has chosen an advanced governance system of a Company with Three Committees. Even now, there are not many Japanese companies at all with such a governance system, so you can really understand the strong intentions of the founding family in deciding to choose such a system. Now the company is aiming to break free from its own business model, which was built under this advanced governance system. In the first Medium-Term Management Plan that MANI announced in 2021, the company indicated its aim to change from an existing development-led business model to a business model that will make the company a true global company using global marketing. MANI is not settling simply for immediate growth; rather, the company is creating future-focused growth strategies, and taking steps to radically transform its business model.

Role as Chairperson of the Board of Directors

As the company greets this major turning point, it needs to start acting toward also evolving its governance even further. The strong governance system that the founding family built is worthy of high appraisal. Yet, there are also issues with this system. At this major turning point MANI is currently in, now more than ever, the company needs to increase the opportunities for independent directors to firmly state their views at the Board of Directors meeting, about important topics concerning the medium-to-long term growth of MANI. I have been serving as the Chairperson of the Board of Directors since November 2022, and when I was appointed, I declared at the Board of Directors meeting that I will prioritize discussions on important and medium-to-long term issues. Taking care to use time efficiently, I want to increase the opportunities for independent directors to state a range of opinions on the reports from executive officers on the status of such issues, which will hopefully bring insights and awareness to the executive officers. When discussing such serious topics, it is important to not just take a longer time, but to have more in depth discussions as well. A specific idea is to distribute early on the presentation materials of such issues, before the Board of Directors meeting separately from other proposals. This will allow questions on these materials to be collected in advance and given to the executive officer presenters before their presentation, so they can smoothly and succinctly answer those questions at the Board of Directors meeting, which will facilitate further discussion. The term of service of MANI independent directors is six years (cannot be appointed for more than six years in a nine-year period). As for myself, this is the final year of serving as an independent director of MANI. As the Chairperson of the Board of Directors, I hope to lay the groundwork for evolving the governance system left by the company's predecessors, and set a solid foundation for the medium-to-long term growth of MANI.

Interview with an Independent Director

We Need to Make the Governance System Functional, and Promote Diversity

Yukiko Moriyama

Independent Director
Chairperson of Compensating Committee
Member of Audit Committee

Importance of understanding the essence of the governance system, and being “on the ball”

It has been two years since I was appointed as an independent director of MANI. As a legal expert, I have been using the experience and knowledge I have acquired through my deep involvement in the legal affairs of companies to state my opinion as required as an independent director at the Board of Directors meeting, as I work hard to fulfill my duties of monitoring and supervision. In 2004, MANI transitioned to being a Company with Committees, or the current system of a Company with Three Committees. The company had just set up the system of a Company with Committees, so this gives you a sense of their resolve toward governance at that time. In addition to the use of such an institutional design, the current system of a Company with Three Committees is also quite advanced in how it is firmly addressing governance, such as by appointing an independent director as the Chairperson of the Board of Directors, having a Board of Directors with a majority of independent directors, and appointing two female independent directors so far, myself being the second. Of course, simply having the right form is not enough to actually strengthen governance. It goes without saying that once the company is “on the ball” about governance is when the system will really start to function well. This requires steady efforts. Particularly in a Company with Three Committees, legally it is not necessary to have a full-time audit committee. Therefore, if MANI has a suitable internal control system that is being constantly reviewed and updated, and the company is working continuously to make the Board of Directors function more effectively, then I believe it can set up a governance system that is “on the ball.” MANI is committed to delivering its high-quality products to the world, so that patients around the world will feel truly happy that they had a surgical procedure using MANI products. From my position as an independent director with monitoring and supervisory functions, I will steadfastly support the creation of governance and compliance mechanisms and help to facilitate the company's sustainable growth, so that it can continue to supply its high-quality products to the world.

Making promoting diversity the foundation of MANI

Against the background of the importance of diversity in modern society, many people are beginning to realize that society as a whole will not function without the participation of people with various attributes. Diversity is essential in companies as well, to acquire various perspectives and realizations and facilitate further development. MANI Sustainability has raised the goal of achieving a working environment that allows diverse human resources to play an active role. Specifically, the first step was to avoid employees having to quit their job due to childcare or caregiving. Currently at MANI, the rate of taking childcare leave and then returning to work is generally 100% for female employees, and the rate of childcare leave taken by male employees is over 65%. The company is also aiming for the rate of childcare leave taken by male employees to reach 80%. With the Tokyo satellite office and other initiatives, MANI has set up an infrastructure to secure the diversity of employees. The company operates in the manufacturing industry, so there is slow growth in the employment rate of women in the manufacturing and development departments. Furthermore, the ratio of female employees in management positions is 10% (as of December 2022); however, there are also many women among the candidates for management positions, and I believe this rate and trend will keep growing from hereon. MANI has several overseas subsidiaries, and the company has been actively appointing employees from those overseas subsidiaries in head office positions. MANI is moving forward with its smart factory project with a team of diverse personnel of various backgrounds, including employees from Vietnam and mid-career recruits. I believe that MANI will continue to grow as a company that can contribute even more to society, by realizing a working environment where a diverse group of people can succeed.



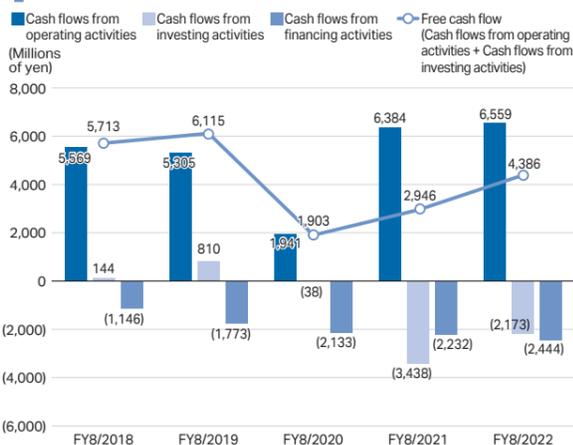
Financial & Non-Financial Data

Financial/Non-Financial Highlights

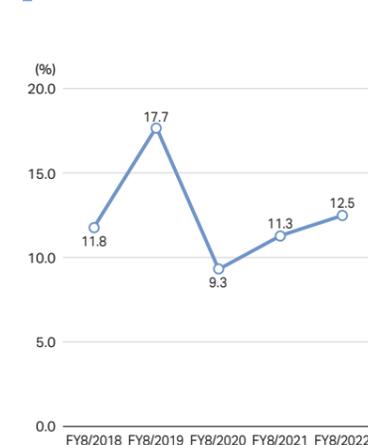
Net sales/Operating income/Operating income rate



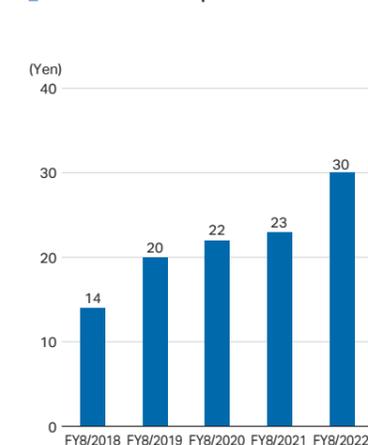
Cash flow



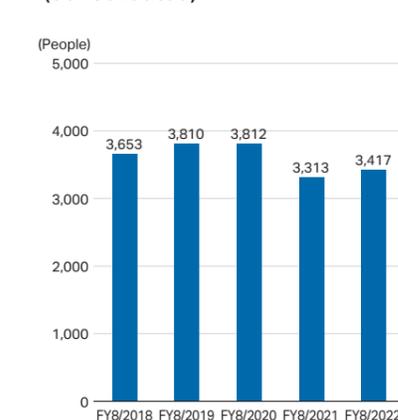
ROE



DPS Dividend per share



Number of employees (consolidated)



Financial & Non-Financial Changes (11 Years)

11 Years' Data	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
(Millions of yen)											
Net sales	9,693	9,342	11,440	13,833	16,555	17,167	20,102	18,327	15,200	17,190	20,416
Operating income	3,480	3,017	3,900	4,178	4,245	4,261	5,080	5,865	4,340	5,348	6,163
Operating income rate	35.9%	32.3%	34.1%	30.2%	25.6%	24.8%	25.3%	32.0%	28.6%	31.1%	30.2%
Ordinary income	3,518	3,271	4,040	4,346	4,055	4,624	5,221	5,688	4,424	5,679	7,544
Net income attributable to owners of parent	2,179	2,180	2,606	2,932	3,005	3,315	3,770	6,101	3,329	4,291	5,290
ROE	11.7%	10.9%	11.8%	11.6%	11.1%	11.6%	11.8%	17.7%	9.3%	11.3%	12.5%
(Millions of yen)											
Cash flows from operating activities	2,895	2,077	3,417	2,923	3,567	4,793	5,569	5,305	1,941	6,384	6,559
Cash flows from investing activities	(288)	(614)	(1,677)	(3,974)	(2,605)	(2,230)	144	810	(38)	(3,438)	(2,173)
Cash flows from financing activities	(1,150)	(1,666)	(707)	(860)	(1,488)	(1,052)	(1,146)	(1,773)	(2,133)	(2,232)	(2,444)
(Yen)											
EPS Earnings per share	21.3	21.7	26.2	29.5	30.4	33.7	38.3	62.0	33.8	43.6	53.8
DPS Dividend per share	6.9	6.9	8.0	8.9	10.0	11.3	14.0	20.0	22.0	23.0	30.0
Dividend payout ratio	32.4%	31.8%	30.5%	30.1%	32.9%	33.6%	36.5%	32.3%	65.0%	52.8%	55.8%
(Millions of yen)											
Total assets	21,242	23,019	26,285	30,940	29,922	34,542	37,683	39,813	39,289	42,693	50,113
Total liabilities	2,094	2,156	2,915	3,605	3,140	4,063	4,136	4,486	2,723	3,490	4,698
Total equity	19,148	20,862	23,370	27,334	26,781	30,478	33,546	35,327	36,566	39,202	45,414
Equity capital ratio (%)	90.1%	90.6%	88.9%	88.3%	89.5%	89.0%	89.0%	88.7%	93.1%	91.8%	90.6%
(Employees)											
Number of employees (consolidated)	2,581	2,621	2,919	3,229	3,266	3,230	3,653	3,810	3,812	3,313	3,417
Number of employees (non-consolidated)	324	326	326	334	325	315	302	315	320	333	350
Ratio of female employees (non-consolidated)	56.7%	55.2%	53.1%	52.4%	50.5%	48.9%	45.7%	44.8%	43.1%	42.0%	40.6%
Ratio of female managerial employees (non-consolidated)	0.0%	0.0%	0.0%	4.0%	4.0%	4.0%	3.7%	7.4%	6.5%	6.1%	4.3%
Ratio of R&D staff (non-consolidated)	16.0%	18.9%	24.2%	23.1%	23.6%	24.6%	27.7%	34.0%	32.9%	33.1%	30.1%
Ratio of R&D expenses to net sales	9.1%	8.6%	9.3%	8.8%	7.7%	7.1%	8.0%	9.3%	10.7%	8.7%	7.6%
Total number of patents owned	239	291	310	333	359	400	429	443	480	468	464
Number of patents owned in Japan	67	82	89	87	89	90	90	90	84	78	82
Number of patents owned overseas	172	209	221	246	270	310	339	353	396	390	382

(Note) The Company implemented a 1:3 share split on common shares on September 1, 2015, and also on September 1, 2019.
Earnings per share and Dividend per share shown in this page are calculated under the assumption that this share split was conducted at the beginning of FY2012 (September 2011).

Stock Information

Basic information (as of August 31, 2022)

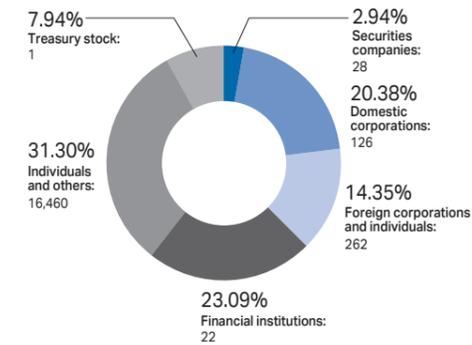
Total number of authorized shares	356,400,000
Total number of shares outstanding	106,911,000
Number of shareholders (excluding holders of shares less than one unit)	14,794

(Note 1) On December 23, 2022, the company issued 62,000 common shares as restricted stock. As of the date of issue of this report, the current total number of shares outstanding is 106,973,000.

Major shareholders (as of August 31, 2022)

Excluding MANI	Name of shareholder	Number of shares held (thousand shares)	Shareholding/ownership ratio
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	13,367	13.58%
2	Manix Co., Ltd.	11,100	11.28%
3	Matsutanigiken Co., Ltd.	5,084	5.17%
4	Custody Bank of Japan, Ltd. (Trust Account)	4,334	4.40%
5	Mani Matsutani Medical Scholarship Foundation	2,700	2.74%
6	Kanji Matsutani	2,269	2.31%
7	Masamitsu Matsutani	2,264	2.30%
8	CEPLUX THREADNEEDLE (LUX)	2,048	2.08%
9	Masamitsu Co., Ltd.	2,048	2.08%
10	Masaaki Matsutani	2,011	2.04%

Distribution of shares by shareholder type (as of August 31, 2022)



Share price (indexed with September 2011 share price treated as 100)



(Note 2) The Company implemented a 1:3 share split on common shares on September 1, 2015, and also on September 1, 2019. The share price movement shown in this page is calculated under the assumption that this share split was conducted at the beginning of FY2012 (September 2011).

Company Information

Consolidated subsidiaries



Company overview

Company name	MANI, INC.
Founded	December 24, 1959
Representative	CEO, COO Masahiko Saito
Capital	JPY 988 million (as of August 2022)
Employees	350 (as of August 2022)
URL	https://www.mani.co.jp
Listing	The Tokyo Stock Exchange (Prime Market) Securities code: 7730
Fiscal year	From September 1 to August 31 of the following year
Business outline	<ul style="list-style-type: none"> Manufacturing and distribution of medical devices Import and sale of medical devices Subsidiary businesses



Communication with Stakeholders —MANI IR

IR Activities: Basic Policy

The company has positioned “the building of long-term relations of trust with all stakeholders, including shareholders and investors” as one of its key management matters. The company will do so through timely, appropriate, and fair disclosure of necessary and sufficient information for making investment decisions.

In addition to the disclosure of information in accordance with the Companies Act, Financial Instruments and Exchange Act, and Timely Disclosure Rules stipulated by the Tokyo Stock Exchange, the company is also endeavoring to actively disclose information that is outside of this scope to enable a deeper understanding of MANI, and to acquire an appropriate appraisal of the company through constructive dialogue with all shareholders and investors, which will lead to improving corporate value in the medium to long term.

Measures for investors

Measures for domestic investors

- Timely and appropriate disclosure, enhancement of materials for disclosure
- Financial results briefings for analysts held by President & Representative Executive Officer
- On-demand distribution of results briefings video
- Meetings held for individuals and small groups
- Enhancement and timely update of the IR site

Measures for overseas institutional investors

- Enhancement of English materials for disclosure
- On-demand distribution of results briefings video (English version)
- Meetings held for individuals and small groups
- Enhancement and timely update of the IR site (English version)

Measures for individual investors

- Timely and appropriate disclosure, enhancement of materials for disclosure
- Enhancement of the IR site
- Participation in events for individual investors
- Daily response to questions



Results of IR activities

	FY8/2026	FY8/2021	FY8/2022
Face-to-face meetings with institutional investors	206	172	203
Financial results briefings for analysts	0 (Note)	1 (Note)	2
Briefings for individual investors	0 (Note)	0 (Note)	2

(Note) In the fiscal years ended August 31, 2020 and August 31, 2021, due to the spread of COVID-19, videos of these meetings were distributed instead of in-person meetings being held.

Policy for Compilation of the Integrated Report

Basic approach

This report mainly covers the results of MANI and the Group companies (eight consolidated subsidiaries) in the fiscal year ended August 31, 2022 (from September 1, 2021 to August 31, 2022). It also includes some information directly before and after this period.

Matters for attention concerning future forecasts

Any statements in the contents of the MANI® Integrated Report 2022 that are not historical facts are forward-looking statements based on the forecasts and plans concerning the future of MANI, INC. These forward-looking statements include risks, uncertainties, and other factors, and the actual results and performance, etc., may vary from these forward-looking statements.

• Date of issue: May 2023