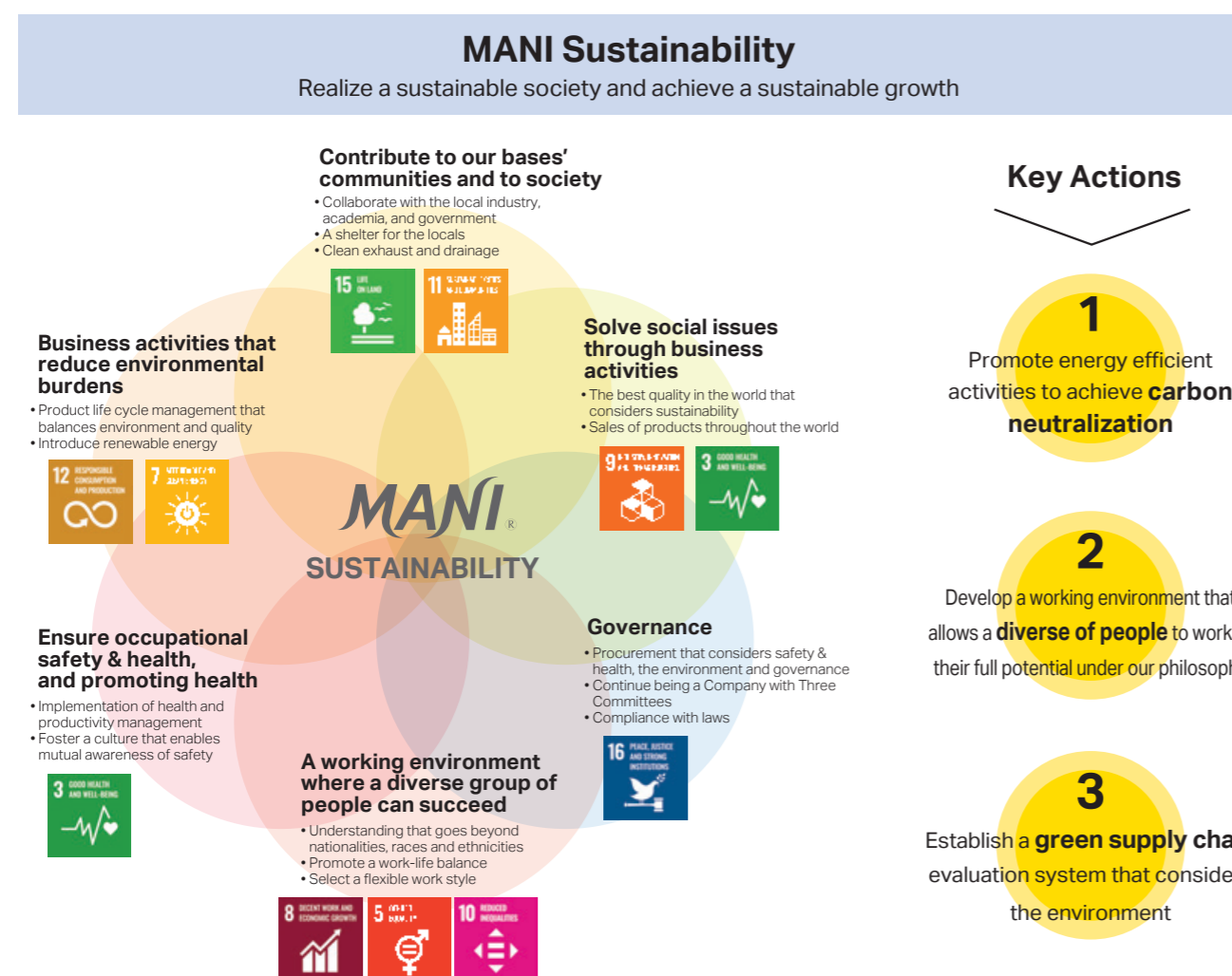


Foundation for "the Best Quality in the World"

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.



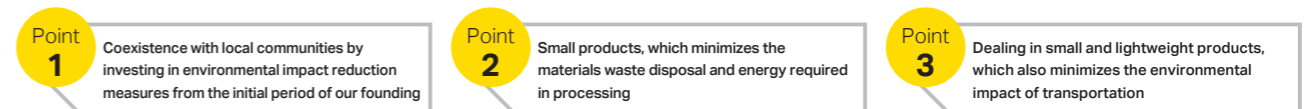
Process for Setting MANI Sustainability



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. |

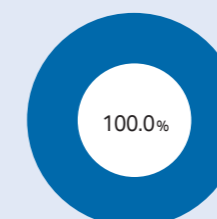
Risk Management

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.

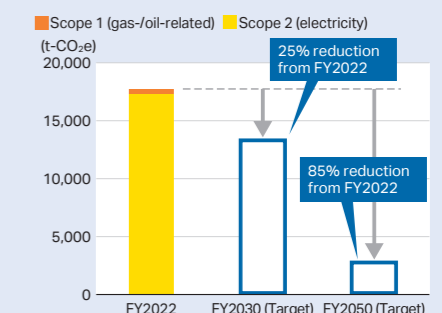
KPIs to Reduce Environmental Burdens (As of August 31, 2022)

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.

Ratio of electricity used from renewable energy (Japan)



CO₂ emissions (t-CO₂e)



▶ 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)

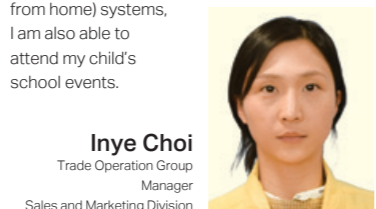
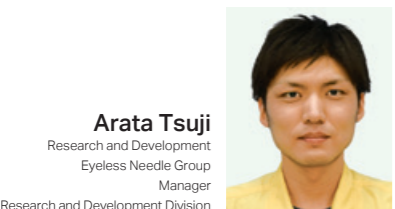
We fully understand and recognize that diversity (diverse personnel) and inclusion (mutual acceptance, understanding, and participation) are the true sources of sustainable innovation, and so we regard promoting diversity as an important management strategy. In terms of working styles, we have heard 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.

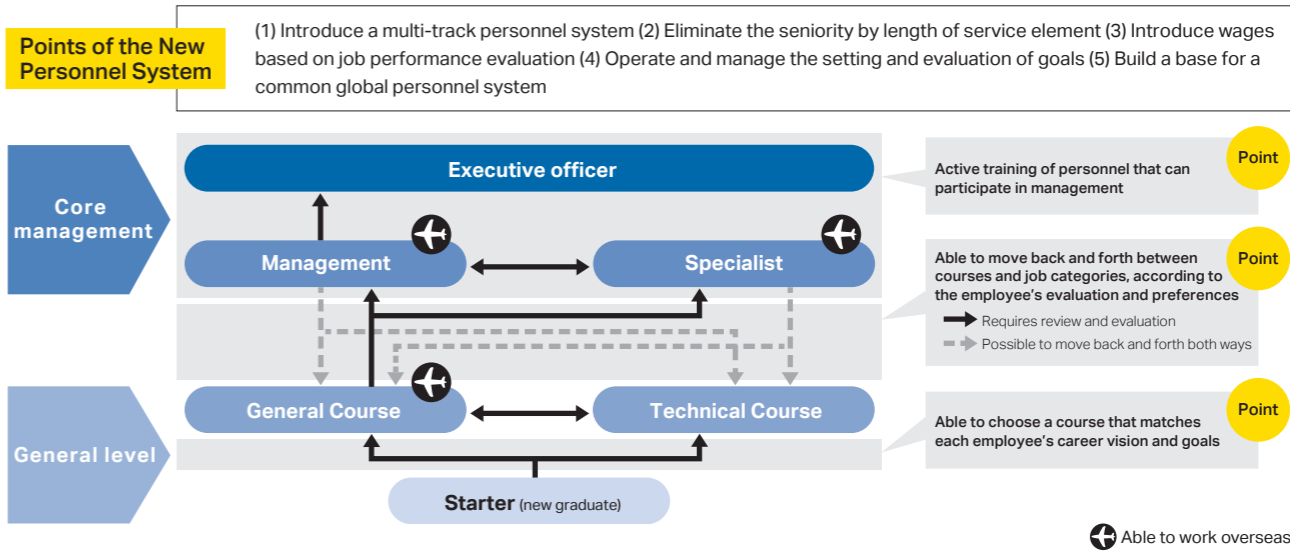


Recruitment and Training

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

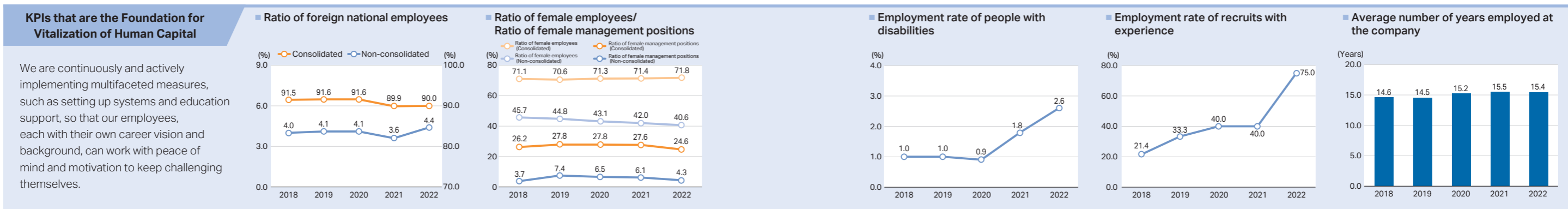
We have introduced a year-end bonus in addition to the ordinary bonus. We believe it will increase the awareness of employee participation in management. By linking this bonus to the company's results and determining the amount, it will encourage employees to also be aware of the overall management of 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

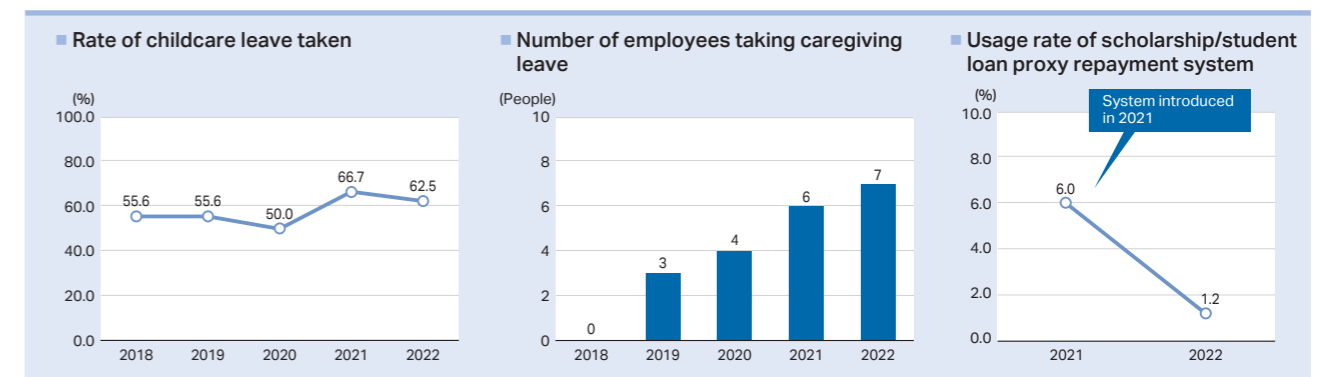
| | |
|-------------------------------|-------------|
| October 30, 2020 (First time) | ¥10 million |
| November 30, 2021 | ¥10 million |
| May 30, 2022 | ¥10 million |
| November 30, 2022 | ¥10 million |

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

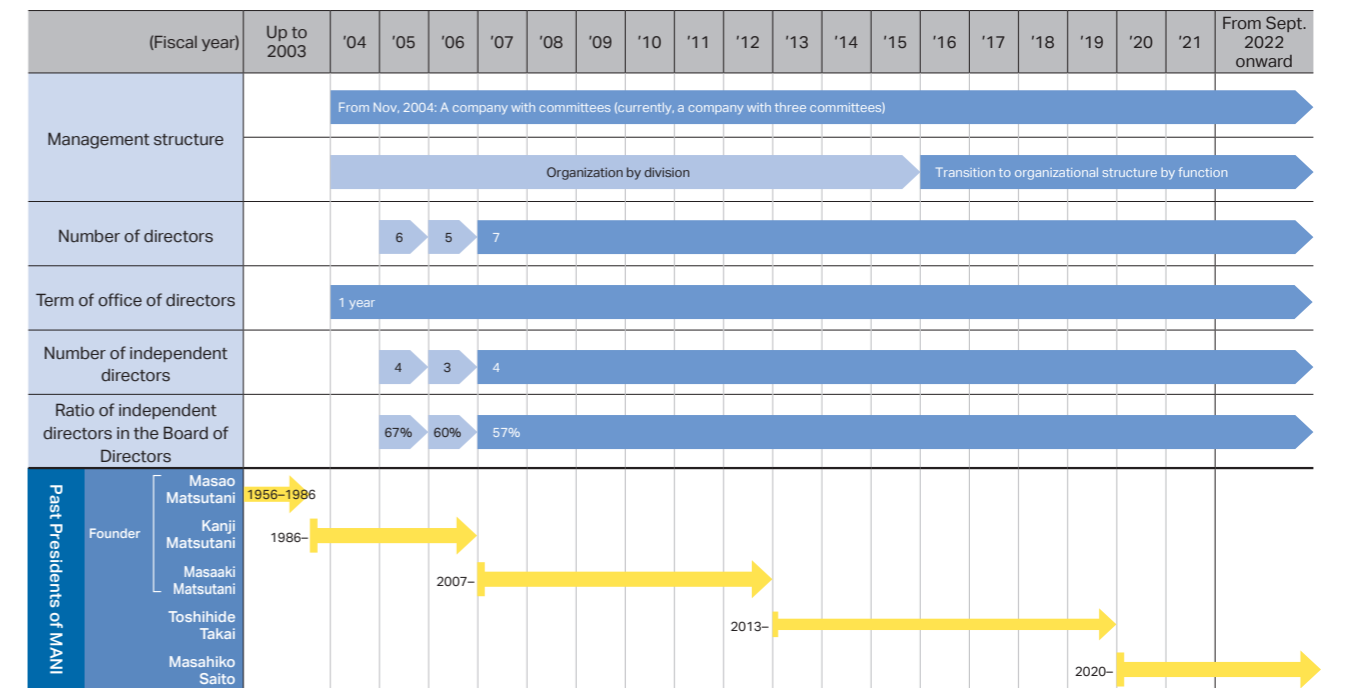
| | Role | Number of meetings held |
|-------------------------------|---|-------------------------|
| Board of Directors | Entrusts executive officers with administrative authority within the scope of laws and regulations, and focuses on the supervision of the execution of work status and decisions 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

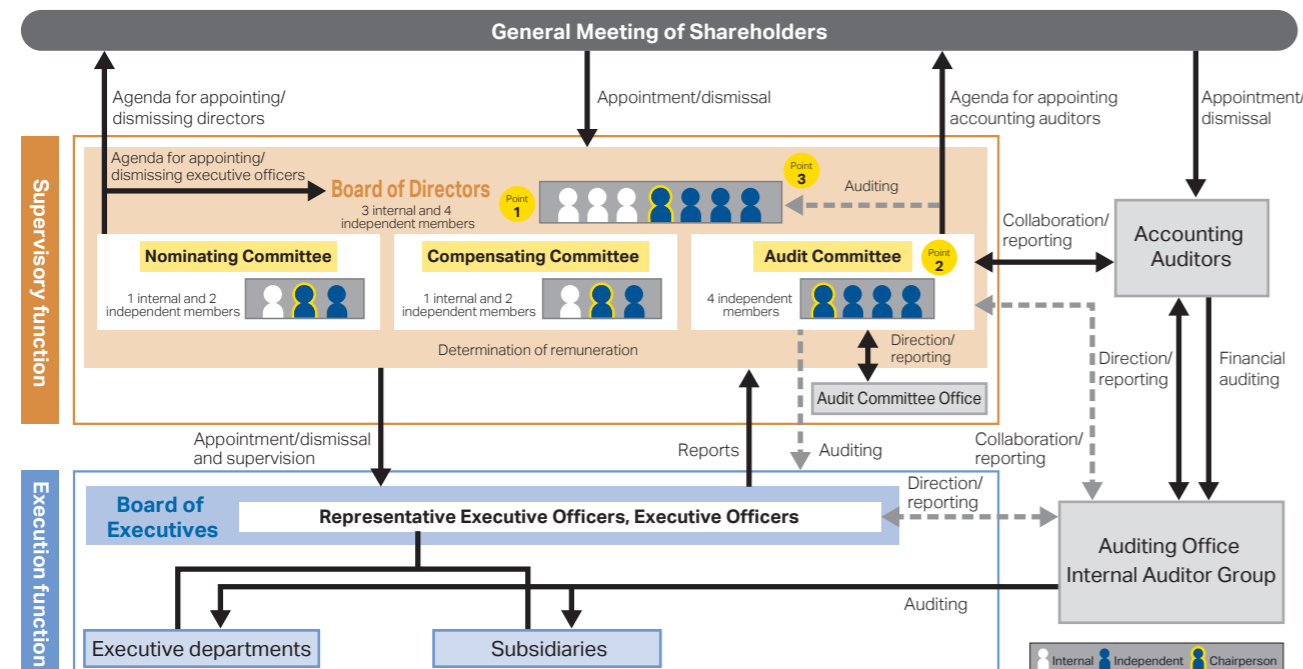
Although the company started under the ownership of the founding family, from an early stage we began to build a corporate governance system with a strong emphasis on restricting arbitrary decision making (based on favoritism, etc.). In 2020, all members of the founding family withdrew from management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

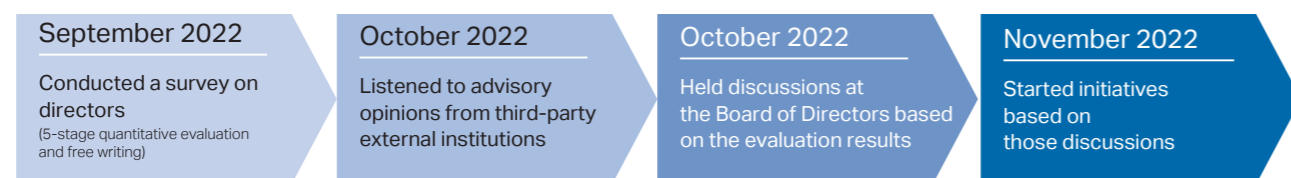
Operation

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

- | | |
|---|---|
| <ul style="list-style-type: none"> (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) | <ul style="list-style-type: none"> (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.

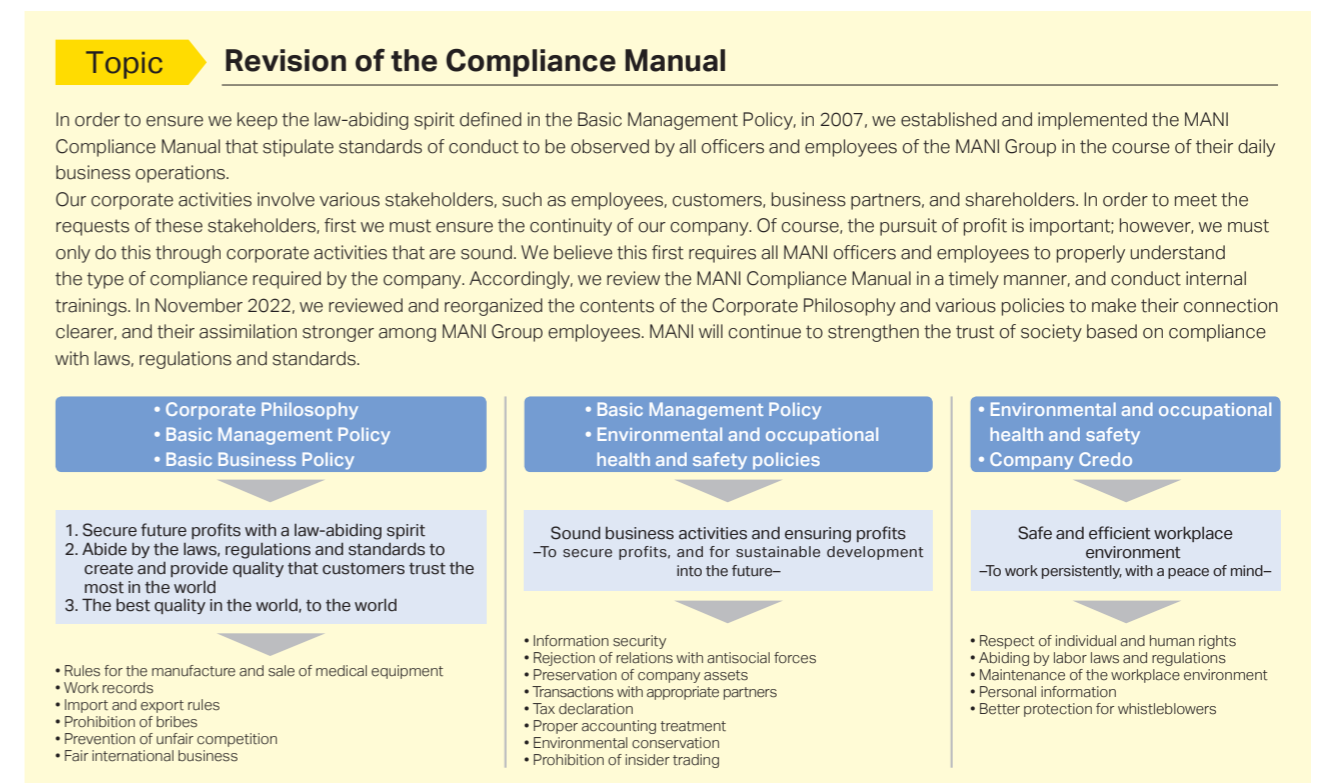
Furthermore, we have built the management systems of ISO 13485 (Quality), ISO 14001 (Environment), and ISO 45001 (Occupational Health & Safety), and have received certification from various external certification bodies, which audit the company every year. Particularly for our quality management systems, 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.

