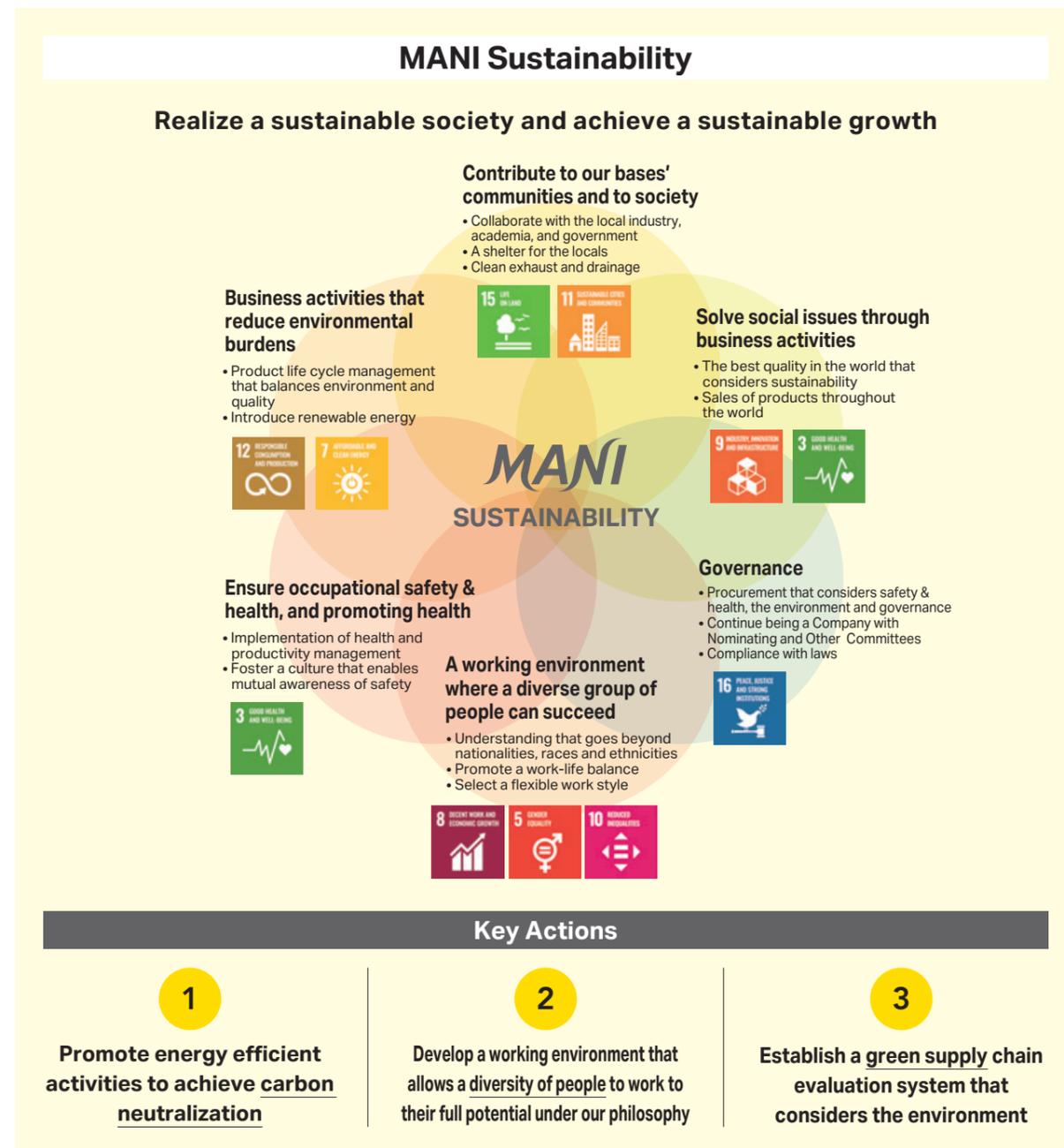


Foundation for "The Best Quality in the World" –ESG at MANI–

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 world welfare through development, production and distribution of its 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.



Environment

Basic Approach

The MANI Group has made it its 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 clean up wastewater from our factory. In 1979, MANI received the Excellent Company Award for Pollution Prevention from the governor of Tochigi Prefecture. A large part of MANI Group's products are small products made by processing stainless steel wire, with minimum energy required in processing, and they are extremely lightweight as well, so there is minimal environmental impact in the transportation of our products. In addition, the Group is working as one to disseminate "good treatment" with "good products" in medical fields around the world. For example, MMG in Germany promotes measures to reduce CO₂ emissions and the development of dental restoration materials that do not contain environmental hormones that take the impact on the human body into account. Furthermore, we are working to reduce greenhouse gas emissions by promoting MANI Sustainability while considering international frameworks related to climate change, such as the Paris Agreement adopted at the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21).

- Point 1** Coexistence with local communities by investing in environmental impact reduction measures since the founding of our Company
- Point 2** Small products, which minimizes the materials waste disposal and energy required in processing
- Point 3** Dealing in small and lightweight products, which also minimizes the environmental impact of transportation

Climate Change Response (Approach to Information Disclosure in Line with the TCFD Recommendations)

We are continually disclosing information on the four items recommended by the TCFD recommendations: (1) Governance (organizational governance regarding climate-related risks and opportunities), (2) Strategy (impact on business brought about by climate-related risks and opportunities), (3) Risk Management (methods for identifying, evaluating, and managing climate-related risks), and (4) Metrics and Targets (indicators and targets for assessing and managing climate-related risks and opportunities).

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. The content of sustainability-related reports is reported to the Board of Directors for supervisory oversight.

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

Scenario	(1) 1.5–2°C scenario	(2) 4°C scenario
Overview	Governments toughen environmental regulations and advance their response to climate change	Climate change response does not progress, and disasters intensify and increase
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.
	Physical risks	<ul style="list-style-type: none"> 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. 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 Group's product areas.

Risk Management

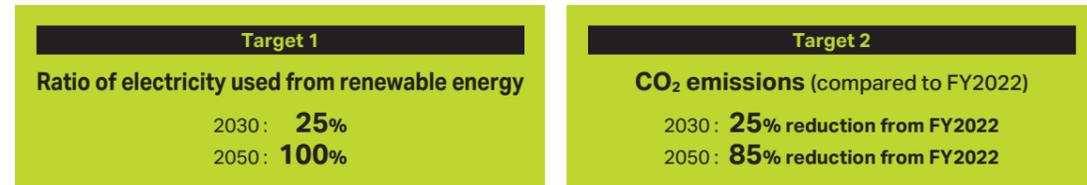
In September 2021, we have set the promotion of MANI Sustainability as a company-wide activity target, and began reviewing initiatives to achieve targets on a monthly basis and monitoring the progress of MANI Sustainability at the Board of Directors meetings.

Metrics and Targets

We have set the following metrics and targets and are working as one to achieve them.

The total greenhouse gas emissions (Scope 1 & 2) within the Group are shown below. [P. 66 Relevant data](#)

Since 2022, we switched all of the electricity used in Japan to electricity derived from renewable energy, and we have been making even further reductions in CO₂ emissions. We are currently focusing on environmental initiatives in Japan, but will gradually consider environmental measures at overseas bases, considering the status of business activities throughout the Group.



(Note) The CO₂ emission data are the aggregate values as of January 31, 2024.

CO₂ Emission Reduction Factors in FY2023

- Regarding domestic Scope 2, we have changed the electricity to 100% of purchased renewable energy, achieving zero emissions from our domestic bases
- Regarding domestic Scope 1, we have achieved net zero emissions at our domestic bases via carbon offsets through the J-Credit Scheme
- We have utilized carbon credits through the new installation of a wood biomass boiler at Ninomiyamokuzai Co., Ltd. (headquarters: Nasushiobara City, Tochigi Prefecture) to achieve the local production of energy for local consumption

Initiatives for Resource Saving

Please refer to "Initiatives to Reduce Environmental Burdens" on the next page.

Water Security

The Group has manufacturing bases in Vietnam, Laos, and Myanmar. Also, our sales subsidiary in India is expanding its local sales activities. We recognize that evaluating the risk of operating in these areas that are under water stress will be an issue in the future. Based on the global water-related information resources in the CDP Water Security Reporting Guidance and WRI's Aqueduct Water Risk Atlas, we will add medium- to long-term temperature rise scenarios and work on evaluating the water risks (water stress) by region on our assets and operations.

Feature

2

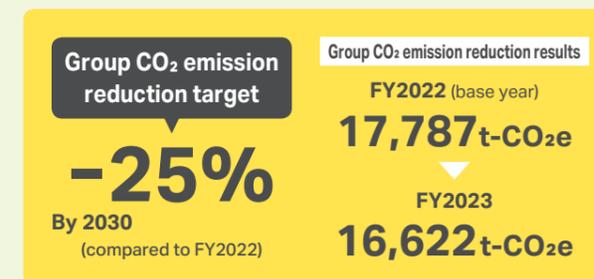
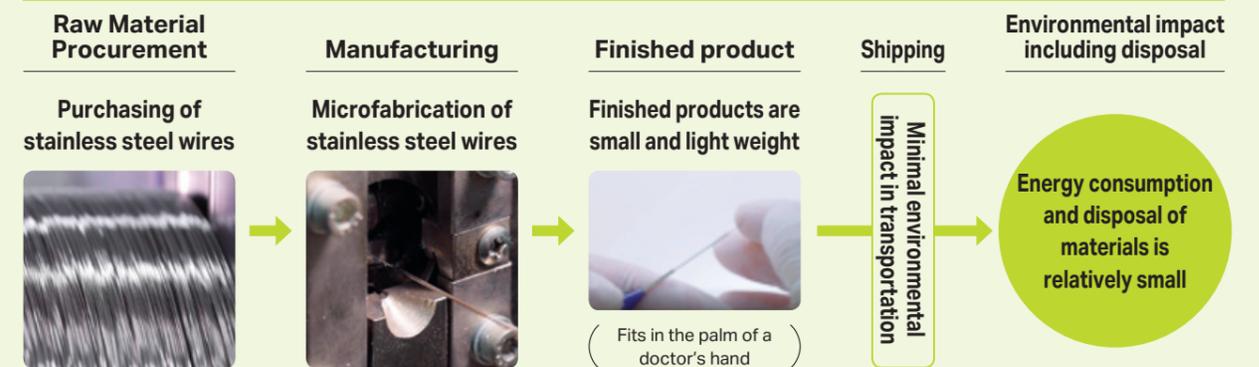
Initiatives to Reduce Environmental Burdens

MANI's Unique Business Model of Resource Saving and Low Environmental Impact

—To Achieve Good Treatment over the Long Term through Good Products—

In terms of the environment, a major characteristic of MANI is our business model of resource saving and low environmental impact. Our supply chain consists of purchasing materials in bulk in Japan, manufacturing at overseas factories mainly in Vietnam, and shipping products after final product inspection has been conducted both in Japan and overseas. We are building a sustainable business model that allows us to achieve high-quality manufacturing over the long term while keeping resource consumption throughout the supply chain relatively low, due to the extremely small size and light weight of our products.

Characteristics of the Business Model of Our Supply Chain



Initiatives Going Forward

Proactive Utilization of Solar Electricity Generation

We are introducing solar power generation and other systems at our bases in Japan, Vietnam, and Germany to promote environmentally friendly business activities.

Japan	At MANI, INC., we considered entering into a Power Purchase Agreement with a local company and signed the agreement in September 2023. We are working not just alone but together with the local region to reduce CO ₂ emissions. We also plan to introduce solar power generation to the Smart Factory that we have commenced building.
Vietnam	The Vietnam Factory emits the most amount of CO ₂ within the Group. We are aiming to drastically reduce the Group's overall CO ₂ emissions through the installation of solar panels at the Vietnam Factory.
Germany	Solar panels have been installed on the roof of the newly-completed factory. An EV charging station has also been installed on the factory's grounds, and we plan to progress the conversion of company vehicles to EVs. P. 41 "Completion of MMG's New Head Office Factory"



From Germany

Completion of MMG's New Head Office and Factory



Current Status and Outlook for MMG, Which Is Active in High-brand Markets

In 2015, we acquired a German dental treatment equipment manufacturer with the purpose of strengthening development and expanding our sales channels in Europe. Since then, initiatives such as collaborative product development with MANI in Japan and strengthening the company's in-house sales to dentists in Germany have been implemented. A new factory was completed in August 2023, following investment of approximately ¥3.0 billion, and moving forward the expansion of sales of dental restoration materials to the European, North American and Asian markets will go into full swing. We will take this opportunity to once again introduce what kind of company MANI MEDICAL GERMANY GmbH (MMG) is, and explain the business outlook in Europe and North America.

Main products are dental restoration materials targeted at niche markets

MMG's main products are dental restoration materials used in the process of restoring teeth, and they also handle bleaching materials used for tooth whitening and other materials related to dental restoration. MMG's products are private label brands that reflect various requests in their design and development, such as the requirement of medical institutions, doctors, patients, and treatments. MMG is focused on the high-priced, high-segment market, with a lot of production in small lots, and has the advantage of being able to respond flexibly to customer needs. The expanded production capacity due to the completion of the new factory has enabled the company to further strengthen its sales expansion system structure for the European, North American and Asian markets.



Installation of solar panels on the roof

New factory that considers safety and the environment

The significance of building a new factory is not only that it addresses the lack of production capacity. By relocating to a new factory, we have been able to achieve the quality required of a medical device manufacturer, including ensuring safety in handling chemicals, workplace safety, and disaster risk reduction. In terms of the environment too, we are working to be as environmentally friendly as possible, including solar power generation and reusing rainwater, and the factory's energy efficiency is greatly improved compared to before the relocation. We believe that we are contributing to the environment by having become more resource efficient than ever before.

DE&I and human rights awareness are instilled throughout society. Towards an MMG that contributes to employee motivation and to local communities

While diversity is becoming more important in Japan, it is a self-evident concept in Europe, especially in German society, where there are many immigrants. The company's 115 employees have backgrounds from dozens of countries and the ratio of men and women is almost equal. Furthermore, Germany is said to have the strictest work environment and human rights laws in Europe, and new regulations are introduced every year. Recently, there are demands to build supply chains that take human rights into consideration, and MMG will properly respond to this. The satisfaction level of employees working at the new factory has increased, which is also working positively in terms of personnel recruitment. The factory is a well-designed building that blends in with the local community, and will further contribute to revitalizing local employment as our business expands.

Introductory video of MMG <https://www.mani-germany.com/en/company/>

Society (Human Capital)

Basic Approach

The MANI Group has the corporate philosophy of "Contributing to the welfare of people worldwide through development, production and distribution of products beneficial to patients and doctors." This corporate philosophy has been the basis for decisions made in all of our Group's business activities since its founding in Takanezawa Town, Tochigi Prefecture, and has been instilled as values shared by all of our employees.

In order to achieve further growth for the Group, we will steadily implement measures based on the personnel strategy necessary to achieve the key issues set out in the Medium-Term Management Plan. We also recognize the importance of increasing the diversity in our organizations and working style and contributing to local communities.

We will also comply with human rights compliance issues as a global corporation. Our Group has manufacturing bases in Vietnam, Laos, and Myanmar, and we have continued our business activities with a deep awareness of the need to pay close attention to human rights and preventing corruption. We are currently formulating a human rights policy for the Group, which is scheduled to be completed in 2024. Moving forward, we will continue to earnestly conduct our business activities in order to provide "the best quality in the world, to the world."

Personnel Strategy

In the Medium-Term Management Plan, we have listed "establishing a high-quality, low-cost global production system," "conducting R&D with KOLs around the world," and "expanding global market shares through regional-oriented sales" as key issues [P. 25-26 Medium-Term Management Plan](#). In order to achieve the key issues listed in the Medium-Term Management Plan and ensure our "future evolution", we have set the following three themes as our personnel strategy.

Secure personnel to ensure our "future evolution"

We will focus on recruiting and training the personnel who will transform the business model and realize the evolution into a truly global company.

Secure diversity in personnel

We aim to create a structure that can grasp customer needs through the perspectives and experiences of diverse personnel and create speedy innovation.

Improve work engagement

It is essential that employees and management work together as one in order to implement the management strategies. We aim for a work environment where each employee can demonstrate their abilities.

We believe that it is important to foster an awareness of aiming for value creation and growth using individual initiative, and cooperation that leverages each individual's differences, which is directed towards our "future evolution". Against this background, we have set "value creation, autonomy, growth, and respect for diversity" as the elements we look for in all personnel. In the future, we will progress with the creation of an environment in which these four elements will be instilled throughout the company, such as creating opportunities for communication, so that each employee can embody them.

Personnel and Training Initiatives to Ensure Our "Future Evolution"

1 Policy to secure and train the personnel necessary to establish a high-quality, low-cost global production system

Construction of the Smart Factory was commenced in October 2023. In order to improve production processes using digital technology, we are hiring and training personnel with digital skills and experience in matters such as equipment maintenance and yield improvement.

In addition, we are training production technology and manufacturing technology experts to strengthen the mass production phase after product development and the rapid transfer of development technology to production subsidiaries.

2 Policy to secure and train the personnel necessary for "conducting R&D with KOLs around the world"

We recognize that specialized personnel are required for each product area and development process in order to accelerate the development of new products with "pursuing the best quality in the world" as the keyword. In order to develop such personnel, we are cultivating specialized medical and dental knowledge and the techniques and skills necessary for product development, and assigning roles with an eye to each individual's career. We are also promoting recruitment based on individual expertise and strengthening collaboration with KOL doctors.

3 Policy to secure and train the personnel necessary to expand global market shares through regional-oriented sales

We believe it is necessary to promote marketing that is tailored to the different market characteristics and needs in each country and region. We recognize the need for more strategic marketing activities, transformation to a more proactive sales style, and experts in each region and product segment, in order to quickly identify the needs of customers around the world and develop and provide products that will solve their problems and issues. In addition to recruiting such specialized personnel, we are working to strengthen in-house specialist training and OJT.

Initiatives to Secure Personnel and Diversity to Ensure Our "Future Evolution"

The following are examples of our specific initiatives taken in line with our personnel and training policy to realize our "future evolution". In terms of diversity of our personnel, we are incorporating diverse perspectives that were not previously present in our company by proactively recruiting experienced personnel. We will work to increase the ratio of female management positions, with the aim of creating an environment where both men and women can thrive. In addition, we will provide opportunities for information dissemination and training to foster a culture of accepting diversity.

Examples of initiatives	Establishing a global production system	Product development with KOLs around the world	Promoting global marketing
<ul style="list-style-type: none"> Core skills/techniques workshops Workshops in each division 	●	●	●
On-site training in overseas factories	●	●	
Recruits with experience from a variety of backgrounds	●	●	●

Internal environment development policy aimed at realizing our personnel strategy

In line with the revision of our personnel system, we have developed a company-wide education system with the aim of strengthening each employee's awareness of their role throughout the organization, and as part of this, we have begun level-based training for employees. In addition, we are developing an education system to enhance the expertise needed to advance our business operations, such as improving operational efficiency and productivity. As a specific company-wide initiative, we will advance the digitalization of our operations and implement various measures to improve the IT literacy of our employees.

Metrics and targets

Our personnel strategy and metrics, targets and results in line with each key measure are shown in the table on the right. The results are monitored periodically to achieve the targets.

(Note) The company considers the ratio of female management positions metric to be important as an initiative to promote personnel diversity, and we have set a target for the ratio of female management positions only (fiscal year ending August 31, 2026), and will monitor the other initiatives as metrics.

Non-consolidated metrics

Initiatives to achieve key measures	Metrics (Note)	FY2023 results
Mid-career recruitment that supports growth	Recruitment adequacy ratio	Target exceeded
Recruits with experience (managers)	Employment rate of managers with experience	27%
Women leaders' training	Ratio of female management positions: 15% or more	9%
Investment in personnel development	Amount invested in personnel development	¥170,000 per person annually
Operation of personnel system to promote challenge	Execution of operation advancement measures	Progressing according to plan
Improvement of work engagement	Execution of measures to improve communication	Progressing according to plan

Reference: Consolidated metrics (fiscal year ended August 31, 2023)
Ratio of female employees: 72.3% Ratio of female management positions: 28.6%

New employee training

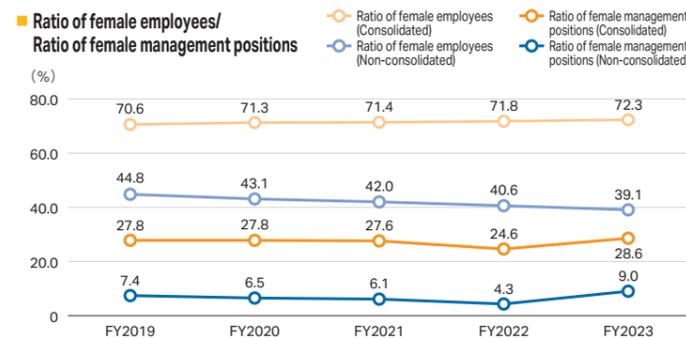
New recruits do one year of on-the-job training in manufacturing, including one month of training in Vietnam. After this basic training, each employee is assigned a theme that they follow from development to manufacturing; this lets them experience the full flow in all of processes. Currently, our production 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.

Remuneration

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.

KPIs that Are the Foundation for Vitalization of Human Capital

We are continuously and proactively implementing multifaceted measures, such as setting up systems and education support, so that our employees, each with their own career vision and background, can work with peace of mind and motivation to keep challenging themselves.

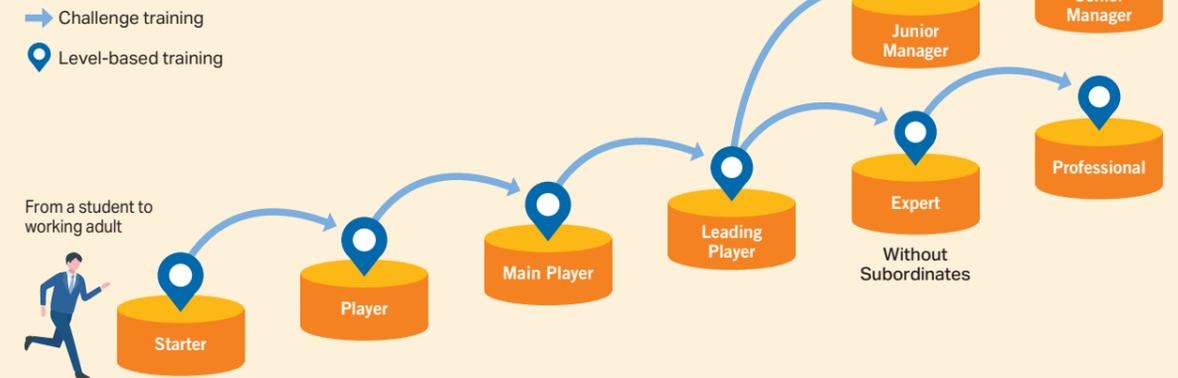


Pick UP

Introduction of Level-based Education

The new personnel system aims to create a system that allows each employee to take on challenges and achieve personal growth, thereby contributing to future development. The results of interviews conducted with all of our employees showed that many expressed a desire for education as a measure to improve job satisfaction, so we have introduced a new education system to support individual growth and increase the number of personnel who think and act autonomously, which will lead to the growth of the company.

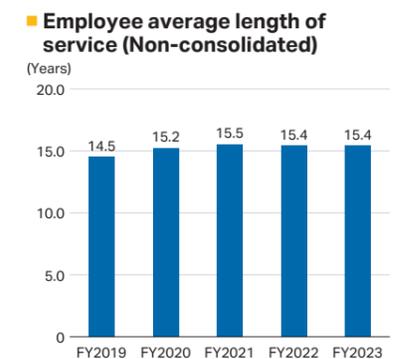
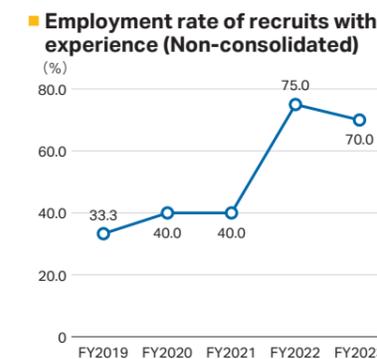
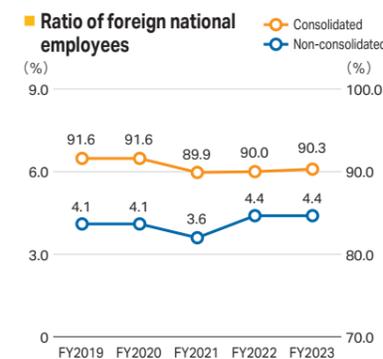
Diagram of level-based education (Challenge training, level-based training)



Category	Challenge training	Level-based training
Theme	Mindset and role awareness	Knowledge and skills acquisition
Purpose	Developing a mindset aimed towards the next stage	A reminder of the role expected at the current stage and development of the necessary skills
Post-training status	<ul style="list-style-type: none"> Changing the mindset to one aimed towards the next stage Ascertaining the employee's own issues 	<ul style="list-style-type: none"> Recognizing the role of the current stage Ascertaining the employee's own current status Creating an action plan for skill acquisition, ready to be implemented immediately

Overall view of the education system

Level	Category	OJT	OFF-JT				Self-development				
			Level-based education	Theme-based education	Specialist education						
Senior manager / Professional			Challenge training	Mentor training	Compliance and harassment training	Business skill training	Career training	Reskilling support, etc.	Development/Manufacturing/Sales/Administration/Quality	Correspondence education	Periodic internal workshops (Core skills/techniques)
Junior manager / Expert											
Leading Player		Target setting (giving a mission)	Level-based training	Language training							
Main Player		Work experience based on training plan									
Player		(Under consideration) Overseas assignments, etc.									
Starter		On-site assignment									



Maternity leave and childcare leave system to promote various easier working styles

In terms of working styles, we are considering measures that will make working at MANI even easier for all employees, so they can balance their personal life with their career. In addition, 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.

Comment from a male employee who took childcare leave

[Case] Childcare leave period ▶ Employee himself: 1 year, Wife: 2 years, child's age: 2 years old

I had a strong desire to be with my child as they grew up, so when I learned that there was a system for taking childcare leave, I wanted to take it from the beginning. After actually taking the leave, I realized that by being actively involved in childcare and housework, I was able to build a trusting relationship with my wife and child, creating the foundation for family bonds. During the childcare leave, I struggled with lack of sleep due to getting my baby to sleep and nighttime crying, which made me realize that being involved in taking care of a baby and raising a child is difficult to do alone. In addition, the reduction in income due to childcare leave and subsequent reduced working hours for childcare provided an opportunity to reconsider our family's finances and work styles. I have continued to share in the housework after the childcare leave ended. I learned a lot from this experience and feel that I want to encourage other male employees in the company to take childcare leave as well.

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 satellite offices, we have also introduced flextime and staggered working hours. In addition to Tokyo, we have also opened a satellite office in Osaka. 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.

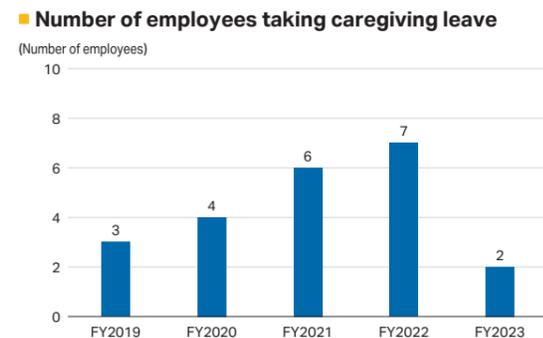
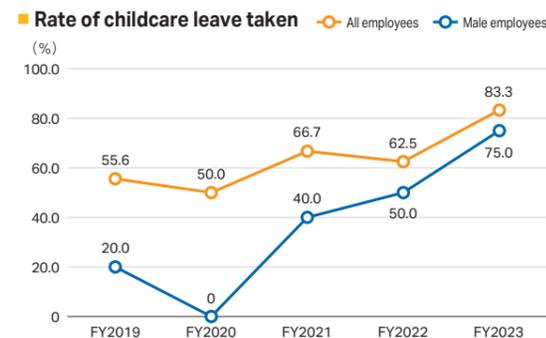
- Conditions**
- There is a balance remaining on the scholarship, and the employee is currently making repayments
 - The employee has been employed for at least 18 months and the scholarship is not more than ¥3 million

Comments from employees using the system

It has given me a feeling of wanting to give back to the company.



I planned to make repayments of ¥20,000 per month for about 20 years, but through this system more than half was waived. I am able to use the extra funds for my child's extracurricular activities and make my private life more fulfilling.



Better Health

The MANI Group 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 a nurse with ease. Also, our employee cafeteria offers nutritionally-balanced meals, with the nutritional content displayed. From the fiscal year ending August 31, 2024, we will start the "spouse medical checkup system" with the aim of preventing employees taking extended leave or resigning in the future due to having to provide nursing care. We will partially subsidize the cost medical checkups for the spouses of employees aged 40 or older.

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 October 31, 2023, 68% of MANI employees were members of the employee shareholding association.

Contributing to Local Communities and Society

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: Kanji Matsutani) 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, 2023). 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

Date	Amount (¥ million)
October 20, 2020 (First time)	¥10 million
November 30, 2021	¥10 million
May 31, 2022	¥10 million
November 30, 2022	¥10 million
May 31, 2023	¥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.

Support for victims of the 2024 Noto Peninsula Earthquake

We humbly pray for those who lost their lives in the 2024 Noto Peninsula Earthquake that occurred on Monday, January 1, 2024.

We also express our deepest sympathies to all those affected by the disaster.

MANI has made a donation of ¥10 million as a disaster relief fund, which was donated through the Japanese Red Cross Society, in the hope that it will be useful in the relief efforts and reconstruction support in the disaster-stricken areas.

We will continue to consider further support measures based on the situation in the affected areas.



A discussion with our CHRO, HR personnel and experienced recruit

MANI's Personnel Initiatives to Develop the People Who Are the Starting Point of Realizing "the Best Quality in the World"

Expert,
Human Resources and General Affairs Group,
Administration Division

Yuri Fukisawa



Executive Officer, CHRO
and Division Head of
Administration Division

Hideyuki Murai



Professional, Manufacturing
Engineering Group
Manufacturing Division

Masafumi Okukubo

What is the current status of the personnel strategy initiatives?

Murai Our Medium-Term Management Plan identifies transformation of our business model as a key issue to promote the globalization of our sales, production, and development functions. To achieve this, it is essential to bring out the full potential of our employees. We are currently working on various human resources measures to strengthen our personnel strategy that fits our organization's strategic targets. As one of our initiatives in the fiscal year ended August 31, 2023, we set "value creation, autonomy, growth, and respect for diversity" as the elements required of all personnel and implemented specific initiatives in line with the personnel development policy described on the right page, with the aim of realizing our "Future Evolution" that is the goal in the Medium-Term Management Plan.

The following introduces one of the unique initiatives among our new human resources measures. Through the newly introduced challenge system,

approximately 30 employees, who volunteered based on their achievements and recommendations from their superiors, took on the challenge over a period of one year to advance their careers. At the end of the period, those eligible for promotion were asked to give a company-wide presentation as the output of the project. We feel that by involving not only managers but also the entire company,



An internal presentation under the challenge system

Personnel training policy to ensure our "future evolution"

- 1 Secure and train the personnel necessary to establish a high-quality, low-cost global production system
- 2 Secure and train the personnel necessary for product development with KOLs around the world
- 3 Secure and train the personnel necessary to expand global market shares through regional-oriented sales

the new system is contributing to fostering a corporate culture of taking on challenges and invigorating the workplace. We will continue to focus on firmly establishing this challenge system.

Okukubo As MANI is in the process of growth, the scope of each individual's responsibilities is inevitably broad. We are attempting to introduce new digital technology and improve the production process in the Smart Factory project currently under construction, and for experienced recruits like me, it is an attractive environment where you can take on new challenges if you are motivated. My honest impression is that there is a culture of supporting those who take on challenges on their own initiative.

Fukisawa The Human Resources and General Affairs Group is working to secure and retain diverse personnel, and to create a work environment in which all personnel can thrive. We are focusing on improving the office environment and providing welfare benefits so that people like Mr. Okukubo, who have experience working at other companies, can work for us with peace of mind. From 2024, we will lengthen the period of reduced working hours for childcare to create an environment in which employees can continue to balance work and childcare. We are providing information and training to create a work environment where both men and women can thrive and foster a corporate culture that accepts diversity.

As someone hired as an experienced recruit, what do you think is MANI's appeal?

Okukubo At my previous employer, I had been promoting productivity improvement activities at manufacturing sites for many years, but I decided to join MANI because I wanted to try my hand at a production site that had not yet been established. I am currently in charge of the logistics line and layout design for the Smart Factory. The mission of the Smart Factory is to avoid the risk of production being concentrated in Vietnam, while also establishing an advanced production system that will serve as a pilot factory to eliminate waste in the production process and establish mass production technology for new products and new production processes, with an eye to subsequent overseas expansion. My goal is to spread this new, waste-free production process around the world.

Murai I believe that being able to have personnel with experience in production process improvement like Mr. Okukubo join the company and bring in knowledge, skills, and diverse perspectives that MANI was lacking, will be extremely effective in achieving the management issue of "establishing a high-quality, low-cost global production system." In addition to recruiting experienced people, talented young people are also joining the company, so I think there will be more opportunities for senior professionals like Mr. Okukubo to

pass on their skills to the next generation. We will support the development of production technology and manufacturing technology experts in order to realize the company's future sustainable growth.

Okukubo MANI is a company that pursues the best quality in the world, but we also believe developing people is important. Differentiated products will not be produced by introducing the latest production lines alone. It is important to develop the people who will design and handle these products. We have provided unique products to the world based on our overwhelming strength in metal microfabrication technology, but we have also evolved uniquely as a niche company and need to adopt new technologies for our manufacturing systems other than metal processing. We have a culture where we proactively listen to external opinions and are willing to make changes when things do not go well, and I feel a strong will to continue fulfilling our social responsibility to deliver "the best quality in the world, to the world."

On a slightly different topic, I was surprised to learn when I joined the company that there is on-site training at the Vietnam Factory, not only for new graduates but also for experienced recruits. We didn't just visit the factory and return, we also had to submit a report and present our findings. I think this is wonderful.

Murai I believe that the on-site training at the Vietnam Factory is important for understanding our manufacturing process. The investment in personnel development per employee for the fiscal year ended August 31, 2023 was approximately ¥170,000, which includes training in Vietnam, level-based training aimed at increasing each employee's awareness of their role, and also includes education to increase the specialization necessary for business innovation, such as improvements in work efficiency and productivity. In addition, in order to improve company-wide expertise regarding medical treatment, we regularly invite medical and dental experts to hold workshops. I want the investment in personnel development to increase in the future.

In closing, what are your aspirations from your respective positions?

Murai We are required to understand the differences in the background and environment of each employee and work towards our targets while maintaining a sense of unity as an organization. We will focus even more on creating an organization and environment that can actively accept diverse human resources from outside the company, without being bound by conventional wisdom.

Okukubo A little less than a year and a half has passed since I was hired as an experienced recruit, and I feel that it is a very easy company to work for. MANI is in a period of reform, so there are many opportunities to take on challenges that utilize my experience and knowledge. I think the company is also considering the various ways to support individual challenges.

Fukisawa Although messaging to promote diversity has been sent out by top management and various training has been conducted, I believe that we still need to strengthen our efforts. In particular, as we increase the number of experienced recruits, I believe that new role models will emerge who understand our company's values and can be active in a variety of roles. We would like to help these people succeed through mentoring and support. We will further strengthen our efforts to create a corporate culture and foundation in which diverse personnel can thrive.

Corporate Governance

For the reasons for appointing the Directors, please refer to the Notice of the 64th Annual General Meeting of Shareholders. <https://ssl4.eir-parts.net/doc/7730/announcement4/98336/00.pdf>

Directors (As of November 20, 2023)

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

							
Position	Director, President and Representative Executive Officer CEO, COO, CTO Member of Strategy Committee	Director, Executive Vice President CFO, CRO Vice-Chairperson of Strategy Committee	Director Vice-Chairperson of the Board of Directors Member of Nominating Committee and Compensating Committee	Outside Director Chairperson of the Board of Directors Chairperson of Strategy Committee, Member of Nominating Committee	Outside Director Chairperson of Nominating Committee Chairperson of Audit Committee	Outside Director Chairperson of Compensating Committee Member of Audit Committee	Outside Director Member of Compensating Committee, Audit Committee and Strategy Committee
Name	Masahiko Saito	Kazuo Takahashi	Toshihide Takai	Masaya Watanabe	Tatsushi Yano	Yukiko Moriyama	Yosuke Mitsusada
Main career summary	<ul style="list-style-type: none"> 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 and Representative Executive Officer, CEO, COO (present) Sept. 2021 Division Head of Quality Vigilance and Safety Division Sept. 2023 Division Head of Research and Development Division, CTO (present) 	<ul style="list-style-type: none"> Mar. 1978 Joined HOGY CO., LTD. (currently HOGY MEDICAL CO., LTD.) June 2009 Director, and General Manager of Corporate Planning Division and 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 CFO (present) Nov. 2016 Senior Vice President and Executive Officer Nov. 2018 Director, Executive Vice President and Executive Officer Mar. 2019 Division Head of Corporate Planning Division (present) Aug. 2020 Division Head of Sales and Marketing Division Nov. 2020 Director, Executive Vice President and Representative Executive Officer Nov. 2021 Director, Executive Vice President and Executive Officer (present) Jan. 2023 CRO (present) 	<ul style="list-style-type: none"> 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 and Executive Officer, General Manager of the Corporate Planning Department Nov. 2007 Senior Vice President and Executive Officer Nov. 2008 Senior Managing Executive Officer Nov. 2011 Executive Vice President and Executive Officer Nov. 2013 Director, President and Representative Executive Officer Nov. 2020 Director, Chairperson of the Board of Executives Nov. 2021 Director, Vice-Chairperson of the Board of Directors (present) 	<ul style="list-style-type: none"> Apr. 1982 Joined Hitachi, Ltd. Apr. 2014 Vice President and Executive Officer of Hitachi, Ltd., Chairman of Hitachi Information and 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 Apr. 2019 Vice President and Executive Officer, CISO and General Manager of Smart Transformation Project Initiative Division of Hitachi, Ltd. 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. July 2021 Established Pivotal Partners Co., Ltd., President and Representative Director of Pivotal Partners Co., Ltd. (present) Nov. 2022 Outside Director of MANI, INC. (present) Jan. 2023 Outside Director of CROSS SYNC, INC. (present) Aug. 2023 Member of Japan Agency for Medical Research and Development (present) Nov. 2023 Chairperson of the Board of Directors (present) 	<ul style="list-style-type: none"> 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 and Executive Officer of SANYO Chemical Industries, Ltd. June 2010 Director, Senior Vice President and 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 Outside Director of Kokusai Pulp and Paper CO., LTD. (currently KPP GROUP HOLDINGS CO., LTD.) (present) Nov. 2019 Outside Director of MANI, INC. (present) Nov. 2020 Chairperson of the Board of Directors 	<ul style="list-style-type: none"> 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 Outside Director of MANI, INC. (present) 	<ul style="list-style-type: none"> Apr. 1986 Joined the Nippon Credit Bank, Ltd. (currently Aozora Bank, Ltd.) Oct. 1999 Joined Unison Capital, Inc. May 2002 Corporate Auditor of Tohato Inc. July 2002 Director of Bolsa Co., LTD. (present) Mar. 2005 Joined Asuka Asset Management Limited. (currently Aizawa Asset Management Co., Ltd.) (present) Apr. 2007 Associate Professor of Institute of Management, SANNO University Apr. 2012 Professor of Institute of Management, SANNO University (present) July 2013 Joined Asuka Asset Management Co., Ltd. (currently Aizawa Asset Management Co., Ltd.) (present) Aug. 2013 Director and Founding Partner of Asuka Corporate Advisory Co., Ltd. (present) Nov. 2016 Outside Director of Yume no Machi Souzou linkai Co., Ltd. (currently Demae-can Co., Ltd.) June 2019 Outside Director of PHYZ, Inc. (currently PHYZ Holdings Inc.) June 2021 Outside Director of Kyodo Printing Co., Ltd. (present) Nov. 2023 Outside Director of MANI, INC. (present)
Number of the Company's shares owned	36,904	41,025	51,000	0	2,100	0	0
Number of years in position	3	5	10	1	4	3	—
Attendance at Board of Directors meetings (FY2023)	100% (14 times/14 times)	100% (14 times/14 times)	100% (14 times/14 times)	100% (11 times/11 times)	100% (14 times/14 times)	100% (14 times/14 times)	—
Committee memberships (◆Chairperson ◇Vice-Chairperson ■Member)	Nominating Committee		■		■		
	Compensating Committee		■				
	Audit Committee					◆	
	Strategy Committee	■	◇		◆		■
[Director] Skills matrix	Corporate Management	●	●	●	●	●	●
	Manufacture/Technology/R&D	●	●	●	●	●	●
	Global	●	●	●	●	●	●
	Sales/Marketing		●	●	●	●	
	Finance/Accounting		●	●			●
	Human Resources/General Affairs			●			●
	Legal Affairs/Risk Management		●	●			●
Governance	●	●	●	●	●	●	●

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, risk management, 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 20, 2023)

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

								
Position	Director, President and Representative Executive Officer CEO, COO, CTO Member of Strategy Committee, Division Head of Research and Development Division	Director, Executive Vice President CFO, CRO Vice-Chairperson of Strategy Committee, Division Head of Corporate Planning Division	Managing 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 Division Head of Dental Business Division	Executive Officer, CSO Division Head of Sales and Marketing Division
Name	Masahiko Saito	Kazuo Takahashi	Tomomi Kosaka		Hideo Matsumoto	Hideyuki Murai	Kentaro Maehara	Kentaro Inatomi
Main career summary	(Refer to P. 49)	(Refer to P. 49)	<ul style="list-style-type: none"> Apr. 1984 Joined Honda Motor Co., Ltd. Apr. 2014 President and 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 and 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 Division Nov. 2022 Managing Executive Officer, CMO (present) 		<ul style="list-style-type: none"> 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 and General Manager of Manufacturing Planning Department Oct. 2019 Executive Officer and Division Head of Manufacturing Division Nov. 2022 Executive Officer, Division Head of Quality Vigilance and Safety Division, CQO (present) 	<ul style="list-style-type: none"> 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 and Division Head of Administration Division, CHRO (present) Mar. 2022 Division Head of Quality Vigilance and Safety Division 	<ul style="list-style-type: none"> 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 and Legal Representative of MANI MEDICAL BEIJING CO., LTD. (present) Nov. 2021 Executive Officer (present) Sept. 2022 Division Head of Research and Development Division Sept. 2023 Division Head of Dental Business Division (present) 	<ul style="list-style-type: none"> 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 and Marketing Division, CSO (present) June 2023 Representative of MANI MEDICAL DEVICE MALAYSIA SDN. BHD. (present)
Number of the Company's shares owned	36,904	41,025	9,373		106,550	21,450	9,250	8,150
Number of years in position	9	9	1		5	2	2	2

(Note) At the Board of Directors meeting held on February 15, 2024, it was resolved to appoint Mr. Hideshi Fukumoto as a new Senior Managing Executive Officer, as of March 1, 2024. We have appointed him to this position in the expectation that he will contribute to the growth and development of the company by leveraging his extensive experience in the field of research and development and his outstanding insight.

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 make a more objective and in-depth examination of the effectiveness, the company's Board of Directors has introduced a method of conducting a third-party investigation (conducting and collecting questionnaires from each individual director and conducting individual interviews) and holding discussions at the Board of Directors based on the investigation results. 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 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 outside directors with a range of specialist knowledge as corporate managers, lawyers, and professors, as well as sophisticated skills in management decision making. These outside directors engage in a lively exchange of opinions from their respective specialist viewpoints, which helps to strengthen the supervisory function of management.

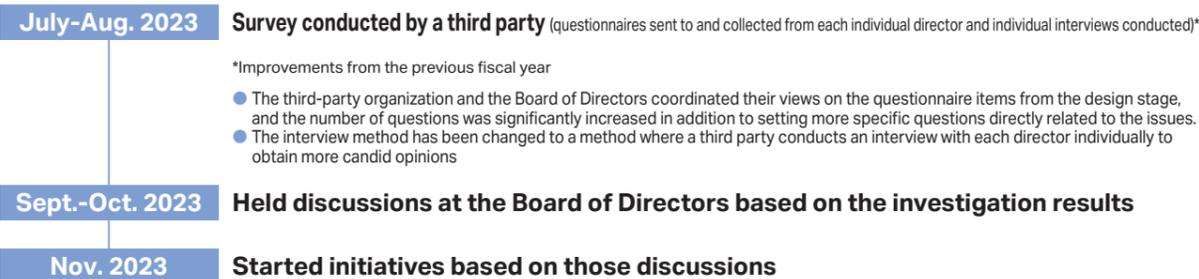
Operation

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 outside directors.

Evaluation Process



Main Evaluation Items of the Survey

- | | |
|---|--|
| <ul style="list-style-type: none"> (1) Composition of the Board of Directors, operation and discussion, and monitoring system (2) Support (including training) for directors (3) Performance of directors and executive officers | <ul style="list-style-type: none"> (4) Management and support structure of each committee (5) Dialogue with shareholders |
|---|--|

Evaluation Results for FY2023

Items with a high evaluation	Items that require improvement	Initiatives going forward
<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"> ● In addition to the "defensive governance" of strengthening the supervisory and control functions, it is also necessary to further enhance the aspect of "aggressive governance" by proactively encouraging decision-making to enhance corporate value. ● The operation of the Board of Directors need to be made more efficient while ensuring more time for important agenda items and allowing more in-depth discussions. 	<ul style="list-style-type: none"> ● To strengthen "defensive governance," enhance the group governance and risk management systems. ● To strengthen "aggressive governance," discuss important medium- and long-term issues, etc. at the Strategy Committee. ● Continue efforts to improve the efficiency of the Board of Directors. ● Visualize and share the framework for deliberations of the Board of Directors.

Activities of the Board of Directors

Main Agenda Items for the Board of Directors Meeting (FY2023)

The following discussions were held mainly for medium- to long-term growth.

- Future global production system centered on Smart Factory
- Future sales strategy and organizational structure for priority development products
- Decision to establish the Strategy Committee

Activities of Each Committee

		Number of meetings held (attendance rate)
Nominating Committee	<ul style="list-style-type: none"> ● Prepared the Criteria for Selection of Candidates for Directors and the Criteria for Submission of Proposals for Dismissal of Directors, which are reviewed and applied every term. ● With regards to the appointment of outside directors, the committee has established the criteria for selecting candidates based on their independence from the company, and in principle, candidates who have served more than six terms in office will not be appointed as candidates for outside directors for the next term. 	14 (100%)
Compensating Committee	<ul style="list-style-type: none"> ● Prepared the Policy for Determining Individual Remuneration of Directors and Executive Officers, which is reviewed and applied every term. ● Based on this policy and the remuneration levels of other companies, the committee deliberates and decides on the establishment of remuneration systems for directors and executive officers, including basic remuneration and performance-linked remuneration, as well as the amount of remuneration for each individual director and executive officer. 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). 	13 (100%)
Audit Committee	See "Effectiveness of the Audit Committee" below.	14 (100%)

Effectiveness of the Audit Committee

The Audit Committee is composed of three outside 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 regularly receives reports from directors, executive officers, employees, and other relevant personnel on the status of its establishment and operation thereof, requests explanations as necessary, expresses its opinions, and, in accordance with the audit policy, allocation of duties, and other relevant matters established by the Audit Committee, and in cooperation with the Audit Office and the company's other departments in charge of internal control, examines the process and content of decision-making at important meetings, etc., the content of major approval documents and other important documents concerning the execution of business, the status of execution of duties by executive officers and major employees, and the status of the company's business and assets. With respect to subsidiaries, the Committee communicates and exchanges information with the directors and other relevant personnel of the subsidiaries, requests business reports from the subsidiaries as necessary, and examines the status of their operations and assets. 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 Audit Office on the status of audits, and works on sharing audit information.

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 and Representative Executive Officer and appointment/dismissal, thereby ensuring objectivity and transparency. At the time of retirement of the President and Representative Executive Officer, the Nominating Committee, which has a majority of outside directors, determines content of the appointment proposal based on the Standards on the Appointment and Dismissal of Executive Officers, and selects the next President and 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"



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 outside 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

Performance-linked remuneration is calculated by multiplying the monthly basic remuneration by the sum of two coefficients: the "coefficient of average relative achievement rate of the most recent past two fiscal years" and the "coefficient of the relative achievement rate of the past highest fiscal year."

Monthly basic remuneration × (1 Coefficient of the average relative achievement rate of the most recent past two fiscal years^(Note 1) + 2 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.

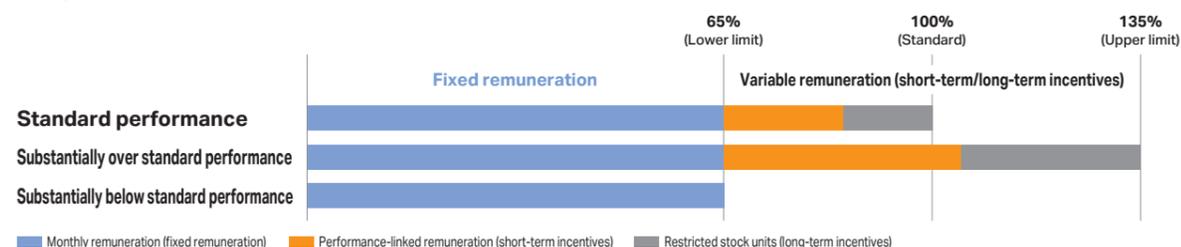
(2) Medium-Term Management Plan Intermediate Target Achievement Requirement RS

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.

https://www.mani.co.jp/pdf/ir_policy03_1.pdf (Japanese only)

Composition of Remuneration of Executive Officers



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 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). The same is also applied to overseas offices according to their functions and importance. For compliance, we have established the law-abiding spirit in the basic management policy and integrity in the Code of Conduct, and we make compliance with laws and regulations an underlying assumption for all employees' actions. In addition, a Compliance Committee has been established to continue to develop the compliance system and raise awareness within the company. In order to ensure compliance with laws and regulations in business operations, a Compliance Manual has been established and periodic training sessions are held to raise employee awareness.

As for our risk management system, the company comprehensively and generally manages the risks throughout the Group through careful deliberations and decision-making procedures at the Board of Directors, the Board of Executives, and other meeting bodies. In addition, a Chief Risk Management Officer (CRO) has been appointed as the executive officer in charge of risk management, and under the CRO, a risk management system for the entire Group, including subsidiaries, has been established and operated. In addition, a Chief Quality Officer (CQO) has been appointed as the executive officer in charge of quality control and occupational health and safety for the Group, and an ISO-compliant quality control and occupational health and safety system has been established and operated.

As part of our information management system, we store documented information (including electromagnetic media and emails) on the execution of professional duties by executive officers in accordance with laws, regulations, and internal rules such as the Rules for the Management of Documents, and directors have access to these documents at all times.

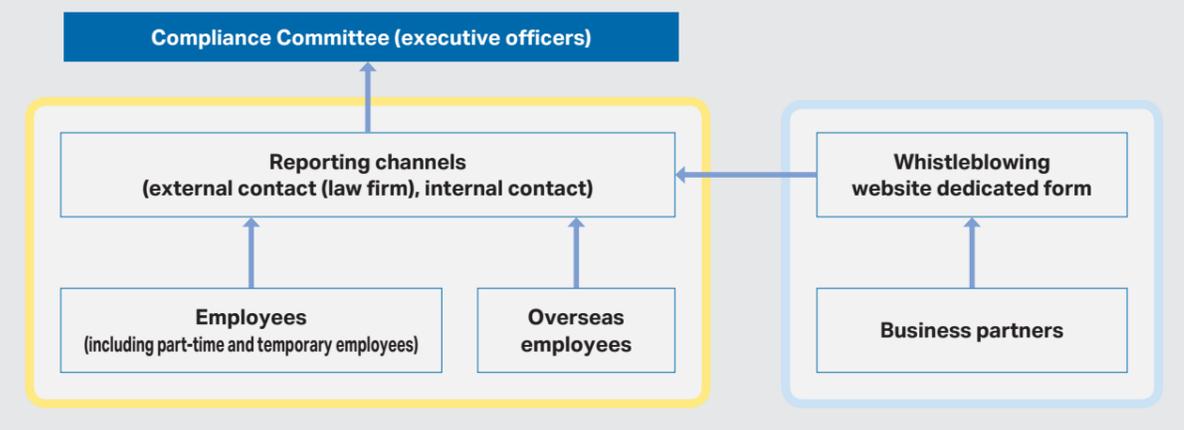
With regard to the system to ensure the appropriateness of business operations of the Group, the company stipulates the departments in charge of Group companies, the roles of those departments, matters requiring approval from and reporting to the company by Group companies, and accounting reports necessary for the preparation of consolidated financial statements, and conducts appropriate business operations as a group. In addition, executive officers are appointed for each function or business category of the Group with respective responsibilities. These executive officers are responsible for the management of the Group companies under their control and supervise the development of the legal compliance and risk management systems of the Group companies concerned. Furthermore, the Audit Office conducts internal audits of the status of management and operations for the Group companies, and the Audit Committee audits group management, including the status of internal audits on the executive side. 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.

TOPICS

Establishment of a Whistleblower Hotline

We have established a system to enable whistleblowers to report without prejudice any violations or potential violations of laws and regulations that they discover within the organization. Specifically, we have newly established a system to ensure that information received via the hotline is consolidated by the Compliance Committee, which is composed of executive officers, and new Rules Concerning Whistleblowing, which clearly prohibits dismissal or disadvantageous treatment of whistleblowers. Furthermore, a system has been established to accept reports not only from MANI's officers and employees, but also from business partners and contractors through a dedicated hotline.

Framework



Risk Management System

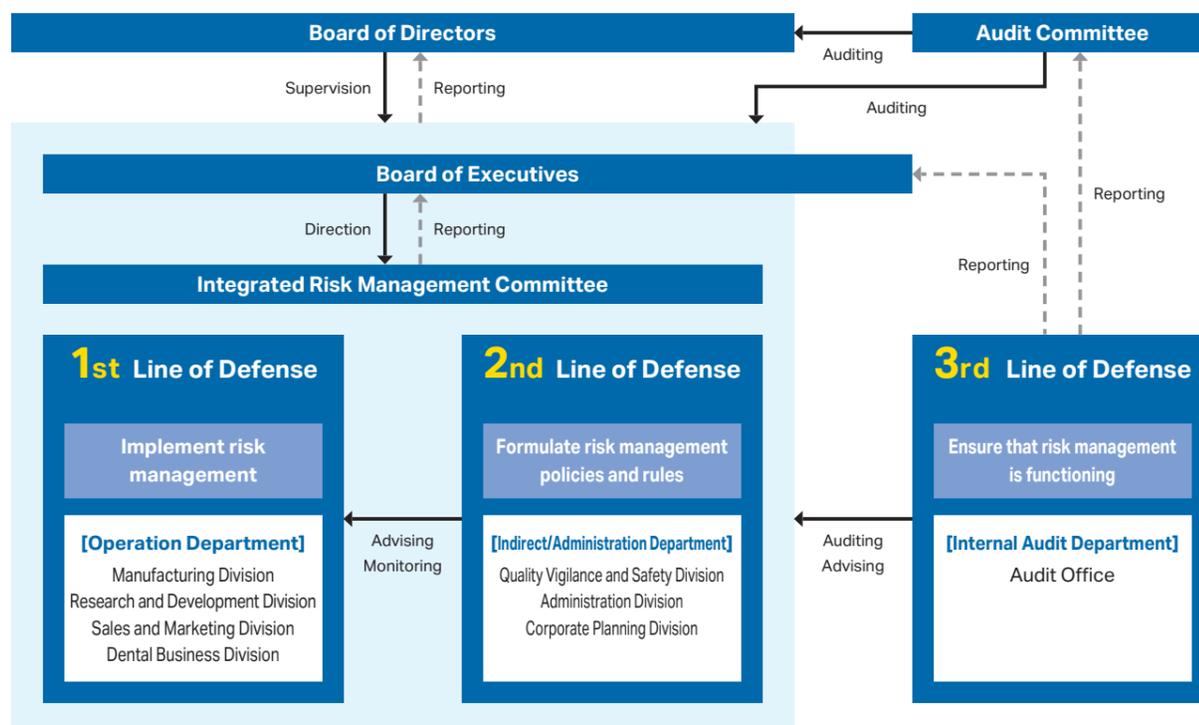
Risk Management Initiatives Implemented in Fiscal Year Ended August 31, 2023

	Specific initiatives
Establishing a risk management system at MANI, INC.	Conducted risk identification using an outside law firm in June 2022 and identified top risks
Group governance framework	Arranged the proposed roles (ideal vision) to be played by each division in relation to its overseas subsidiaries
Governance of Vietnamese manufacturing subsidiaries	Identified the company's risks through on-site interviews
Governance of Chinese sales subsidiaries	Identified the company's risks through on-site interviews

Basic Framework

Building a Three-Line Defense Model

- Three-line defense model: An organizational model in which the operation departments (first line), the indirect/administration departments (second line), and the internal audit department (third line) each play their respective roles and perform risk management in a check-and-balance relationship
- **First line:** Manufacturing Division / Research and Development Division / Division Head of Sales and Marketing Division / Dental Business Division
- **Second line:** Quality Vigilance and Safety Division / Administration Division / Corporate Planning Division
- **Third line:** Audit Office



Establishment of the Integrated Risk Management Committee

Integrated Risk Management Committee

- Established as a deliberative body of the Board of Executives
- Deliberates on the development of governance and risk management systems and operational policies for the entire Group
- Reports the results of deliberations to the Board of Executives and the Board of Directors

Name	Integrated Risk Management Committee
Purpose	Comprehensively identify and evaluate the risks faced by the MANI Group, and deliberate on risk management policies, action plans, etc.
Positioning	Report the results of deliberations to the Board of Executives as a deliberative body of the Board of Executives
Frequency	Once every six months (once each in the first and second half of the year)
Chairperson	CRO
Member	All executive officers
Agenda	Risk management policy, risk monitoring, subsidiary risk management, various rules, etc.

Identification of Business Risks

Risk Categories

- The Integrated Risk Management Committee categorizes and monitors the risks faced by the Group.

	Overview	Examples of risk manifestations
Management risks	Risks posed by mismanagement and business strategies	Insufficient market expansion in strategic areas Excessive capital investment Country risks Climate change risks Subsidiary management risks
Product risks	Risk of inadequate quality of product or inadequate quantities available	Missing or excess inventory Rapid price fluctuations Delays in new product development Recall due to insufficient quality
Financial risks	Risks related to monetary receivables and payables from purchases and sales	Uncollectible due to bankruptcy of counterparty Decrease in value of assets due to exchange rate fluctuations, etc.
Human resource risks	Risks arising from human resources, risks related to labor and occupational injury	Occupational injuries, labor issues and infectious diseases Decline in quality of human resources and difficulty in hiring
Equipment risks	Risks posed by the destruction of factory buildings and manufacturing machinery	Destruction of facilities due to natural disasters, etc. Environmental problems around the plant
Risks related to information systems	Risks arising from system infrastructure and information management	System troubles Cyberattack/information leakage
Risks related to laws and regulations and legal affairs	Risks of failure to comply with laws and regulations	Deficiencies in notifications, etc. related to the PMD Act Delayed or inadequate compliance with laws and regulations Litigation and disputes

Risk Response

The major risks that we recognize as having the potential to materially affect the Group's financial position, business performance, and cash flows are described below. Matters referring to the future in the text are based on our judgment as of November 22, 2023.

Category	Item	Risk scenario	Countermeasures
Management risks	Abnormal fluctuations in selling prices due to healthcare policy reviews	In the medical equipment business, to which the Group belongs, official price revisions (in the majority of cases, reductions) of medical treatment remuneration, drug price standards, and specified insured medical materials are conducted approximately once every two years. Moreover, the policy to curb medical expenses has become a global trend, and not limited to Japan. As a result, sales prices may fall beyond expectations, which may affect the financial position and business performance of the Group.	At our flagship factory in Vietnam, we are striving to minimize these effects by continuously reducing manufacturing costs through the promotion of process automation and by selling high-value-added products that take advantage of our microfabrication technology.
	Capital investment risks	The Group is constructing a Smart Factory in Japan and is expanding its production plants in Vietnam and other countries. Although we plan to finance all of these capital investments with our own capital, there is a possibility that investment capital will increase significantly in the course of constructing and installing facilities, due to such factors as the rising prices of materials and labor costs. In addition, the Group may have excess capacity as a result of performance growth below expectations or a downturn in business performance. These events could have a significant impact on the Group's financial position. In addition, future business performance may be affected by the results of such efforts, such as when the cost reduction effects of the Smart Factory do not materialize to the extent expected.	In making decisions on Smart Factory construction, we evaluate profitability (investment decisions based on Net Present Value) in advance. In addition, monitoring is conducted for possible risks.
	Country risks	The Group has subsidiaries in Vietnam, Myanmar, Laos, China, Germany, India, and Malaysia, which are engaged in production and sales of medical devices or their components. The outsourcing costs to each production subsidiary account for about 80% of our cost of sales in total for the three companies. In addition, unexpected changes in laws or regulations, political instability, war, terrorism, riots, or accidents caused by force majeure such as natural disasters in those countries could cause temporary delays in product supply, which could affect the financial position and business performance of the Group, including instability in the continuity of transactions. In addition, though the economic downturn, preferential policies for domestic products, and anti-corruption campaigns in China have not affected our product sales at this time, they may have an impact in the medium to long term.	We routinely check changes in laws or regulations and political situations in each country, and in the event of an emergency, we place the highest priority on ensuring the safety of human life and strive to implement appropriate countermeasures. In addition, we are promoting a plan to construct a Smart Factory in Japan to ensure a stable supply of products.
	Climate change-related risks	Given that many of our products are microscopic and the processing machines that process them are small, their environmental impact in terms of electricity consumption and transportation is minimal. However, failure to respond to changes in social infrastructure and climate change-related policies due to medium- to long-term climate change and extreme weather events, changes in financial market preferences and social conventions regarding climate change, and rapid transition to a low carbon society driven by technological innovation could affect the financial position and business performance of the Group.	The status of possible risks is regularly reported to the Board of Directors, the Board of Executives, and other relevant meetings, and decisions are made on response policies in order to minimize the impact of risk manifestations.
	Long period of commercialization and product realization for new products and technologies	The Group conducts research into the commercialization of suture needles and other medical and dental devices, as well as research and development across these areas. Although the Group's research and development focuses on applied research, as it handles medical devices, it requires manufacturing and sales licenses and approvals under the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices (hereinafter referred to as the "Pharmaceuticals and Medical Devices Act"). In these processes, in cases where unforeseen problems regarding efficacy or safety are identified or occur, a new product may not be launched at the expected time. Or even in cases where the clinical trials conducted by the Group yield positive results and an application for approval is filed, approval may be delayed or not granted, or the application may be withdrawn voluntarily, for various reasons including safety and the suitability of the manufacturing facilities. In addition, overseas, as a prerequisite for sales of our products, it is necessary to meet the quality and inspection standards specific to each country, which may take a longer period of time than anticipated. In these cases, there is a possibility of a delay in achieving the initially anticipated results of business performance, and if the Group's research and development expenses continuously increase disproportionately compared to the increase in net sales, profitability may be affected.	Under active research and development activities, the company is promoting the development of new products and technologies, and is also expanding its pharmaceutical affairs and quality control systems by appointing a full-time staff in charge of pharmaceutical affairs in the Design and Development Department. We are also striving to make effective use of development resources by strengthening development marketing and selecting and concentrating on development themes.
Product risks	Quality risks	Although the Group makes every effort to ensure the safety of its products during the design, development, and manufacturing stages of medical devices, there is a possibility that accidental defects or other problems may occur during manufacturing. In the unlikely event that a large number of products are recalled due to an unforeseen defect or suspected defect, not only would there be recall costs, regulatory action, and a decrease in sales, but the credibility of the Group could be damaged and our corporate value could be lost.	We have established a strict quality control and quality assurance system based on the Medical Device QMS Ministerial Ordinance, QMS System Ministerial Ordinance, GVP Ministerial Ordinance, and ISO standards for quality management systems, and we monitor quality not only at the manufacturing stage but also after sales. In the unlikely event of a defect, we have a system in place to respond quickly.

Category	Item	Risk scenario	Countermeasures
Financial risks	Abnormal fluctuations in exchange rates	In addition to the impact on certain foreign currency-denominated transactions in which the Group is exposed to foreign exchange risks, the Group may also be indirectly affected by requests for price reductions or other actions on yen-denominated transactions. In addition, since we purchase products, etc., in foreign currency due to the transfer of production to our overseas subsidiaries, unexpected exchange rate fluctuations may affect the financial position and business performance of the Group. In addition, financial statements of overseas subsidiaries in local currencies are converted into yen for the purpose of preparing consolidated financial statements, etc. Therefore, fluctuations in the exchange rate applied for conversion may affect the financial position and business performance after conversion into yen.	The Group's overseas sales ratio is high, and foreign currency transactions are increasing with the intention of promoting multi-currency sales. However, the Group avoids the effects of exchange rate fluctuations by selling some of its overseas transactions in yen. In addition, the company has established a system that enables prompt decision-making when risks materialize by analyzing foreign exchange sensitivity to ascertain the impact on business performance and by establishing basic policies and procedures for hedging risks.
	Infectious diseases risks	The Group's business activities and earnings may be affected by outbreaks of infectious diseases, bans on work by government and other authorities due to outbreaks of such diseases, and a decrease in the number of surgeries performed at hospitals. In addition, approximately 90% of the Group's production is at its manufacturing subsidiaries in Vietnam. If an outbreak of infectious disease occurs at a manufacturing subsidiary in Vietnam and employees are suspended from work, there is a risk that operations at the subsidiary are halted. Such a situation could cause a temporary delay in product supply, which could affect the financial position and business performance of the Group, including instability in the continuity of transactions.	We continue to introduce shift-based telecommuting and flexible work schedules. In the event of an outbreak of infectious diseases in the future, we will make it a top priority to maintain the health and ensure the safety of our employees and their families by recommending online meetings, daily temperature checks, the wearing of masks, and other measures to ensure the thorough implementation of infection prevention measures. In order to avoid risks that may occur in our production subsidiaries, we are diversifying our overseas production sites and constructing a Smart Factory in Japan so that production capacity will not be concentrated in one location.
Equipment risks	Disaster risk and supply delay risk	When the Great East Japan Earthquake struck in March 2011, the company suffered damage to its buildings and product inventory. In addition, there is a risk of fire due to aging facilities at the Vietnam Factory. Such a disaster could cause a temporary delay in product supply, which could affect the financial position and business performance of the Group, including instability in the continuity of transactions. In addition, product supply may be temporarily delayed not only in the event of a disaster, but also in the event of unexpectedly large orders.	To prevent the occurrence of disasters and minimize damage in the event that a disaster does occur, we conduct disaster drills and periodic facility inspections that simulate earthquakes and fires. In addition, we have prepared a BCP for our domestic offices and are making preparations to enable rapid restoration of business operations even in the event of a disaster. At the Vietnam Factory, experts are investigating and implementing measures to prevent electrical leakage and fire risks, and renovating aging facilities.
Risks related to information systems	Cyberattack risks	Cyberattacks, specifically malware (malicious software created with the intent to perform unauthorized and harmful actions) infections, DDoS attacks (distributed denial of service attacks), and business email fraud, have been on the rise in Japan and are becoming an increasingly significant threat to the entire financial industry. If our business activities are affected by unauthorized external access or computer virus infiltration, the Group's financial position and operating results may be affected. In addition, a cyberattack could shut down the Group's services, leak information (customer information, information on the Group's management and business operations, etc.), or destroy or falsify data, which could affect the Group's business operations, performance, and financial position.	In addition to establishing rules and regulations for information security risk management, we have introduced an EDR (Endpoint Detection and Response) system to determine suspicious program behaviors and prevent them from running. In parallel, we will periodically conduct information security training and other measures to improve employee literacy.
Risks related to laws and regulations and legal affairs	Specific legal regulations	The company is regulated by the "Pharmaceuticals and Medical Devices Act" and relevant laws and regulations in Japan, and is subject to the following licenses and approvals in the course of conducting each business activity. We are making efforts to comply with the relevant laws, regulations, and criteria to obtain these licenses and approvals, and at this time, there are no circumstances that would result in the revocation of such licenses and approvals. However, if the license or approval is revoked due to violation of laws and regulations, we may be required to recall the products subject to the regulations or discontinue their manufacture and sale, which may have a significant impact on our business activities. In addition, the company manufactures and sells medical devices upon obtaining approval under the Pharmaceuticals and Medical Devices Act and other relevant laws and regulations. Future revisions of relevant laws and regulations may affect our financial position and operating results. Meanwhile, overseas, not only the laws and regulations of Western countries but also those of China and Southeast Asian countries have become stricter in recent years, which may affect the financial position and business performance of the Group.	In order to expand our business globally, we comply with the relevant laws and regulations of the countries in which we manufacture and sell our products, conform to standards, and establish and continually improve our quality management system. In addition, through internal audits and other means, the company periodically confirms compliance with relevant laws and regulations and the status of quality control.

Interview with
an outside
Director

Toward a Business Model Innovation Focused on MANI's Future

Outside Director
Chairperson of the Board of Directors
Chairperson of the Strategy Committee

Masaya Watanabe



Thoughts as MANI's Outside Director

I have dealt with the management of companies in a variety of industries and sizes. During my eight years as an executive officer of a general electronics manufacturer, I was involved in management execution in a position head to head with the Board of Directors. Later, I joined a company that performs clinical testing and a university-based medical venture company as a director. I have also exchanged views with leading global companies on the state of their boards of directors at the global consulting firm where I serve as a senior advisor. These experiences have given me a strong sense that corporate governance is never about just putting formal requirements in place. The role played by outside directors is critical to companies. Moreover, the roles required differ depending on the company's stage, business environment, and goals. For example, in a start-up company, a well-functioning board of directors can access experience and knowledge not available in-house and make effective decisions based on a long-term view of the big picture. Outside directors are expected to perform a variety of advisory functions. As the company grows and becomes closer to being listed on the stock exchange, organizational controls will also become more important. It is this dynamism that makes effective governance management so important. As an outside director of MANI, I am constantly working to ensure effective governance.

Evaluation and Challenges to Governance

I want to make MANI a company that will last for a hundred or even two hundred years. To this end, the founding family members themselves have continued to hold the belief that the influence of the founding family on the company should be eliminated and that a system of checks by management professionals should be established so that managers cannot do as they please on their own initiative. The founding family has led the reform with high aspirations, which has led to the establishment of MANI's advanced governance structure. In 2004, the company transitioned to a company-with-committees system, which provided a high level of control and clearly demonstrated its will to further strengthen governance. MANI received the METI Minister's Award for Corporate Governance of the Year 2023 held by the Japan Association of Corporate Directors. I believe that this recognition is due to the longstanding efforts to strengthen governance. Of course, there are many issues that need to be addressed in order to build a more effective governance structure. Reviewing governance rules and procedures is one of them. Over the years, the efforts to improve the sophistication of governance have resulted in the existence of many very detailed rules and procedures, which is one of the reasons for the long hours of the Board of Directors, and we are working to optimize these rules and procedures. Another issue is that the company is lagging behind in catching up with the globalization of its business in terms of governance,

and we are asking the management team to strengthen governance in each global region and achieve more autonomous management. Furthermore, while it is important to strengthen human capital and organizations in line with business growth, I have the impression that this is being done as an afterthought. We see these as issues as well. For MANI to continue growing in the future, it is important that the management team and outside directors foster more meaningful discussions and share a common vision of the ideal company by sharing strategies and issues, and promote reforms and evolution from a long-term perspective. In the previous example, MANI still has growth potential similar to that of a start-up company at present, and we want our Board of Directors to support managers as they take on further challenges. With this in mind, I have asked the outside directors to perform an advisory function by leveraging their respective strengths and experiences.

Role as Chairperson of the Board of Directors

I have served as Chairperson of the Board of Directors since November 2023. MANI's Board of Directors has an atmosphere where opinions can be freely and openly exchanged, and we will continue to place importance on open discussions with outside directors who have diverse backgrounds and skills. At the same time, we have begun a new initiative to look back on the lack of systematic discussions on improving corporate value over the medium-to long-term as an issue to be addressed. Specifically, eight themes have been established as important management issues that significantly affect corporate value, including: capital policy, decision-making process, business risk management, human capital management, and the development of next-generation leaders. Through discussions throughout the year, we aim to provide a broad direction and create a common understanding between the Board of Directors and the management team. We also provide more opportunities for leaders of overseas offices to attend Board of Directors meetings. The Board of Directors must fulfill the following functions: to ensure accountability to shareholders by exercising control functions, to enhance corporate value over the medium to long term, and to achieve appropriate succession. With these three points always in mind, I intend to fulfill my duties as Chairperson of the Board of Directors.

Commitment to Business Model Innovation

MANI is now at a major turning point. Of course, the business model the company has built through its efforts to date is very unique and excellent. It has grown the business stably by specializing in niche markets while demonstrating its own technological capabilities and understanding its size. Meanwhile, in the Medium-Term Management Plan that started in 2021, the company has set the goal of evolving from a collection of development-based niche companies to a true global company, and are working on reforms in sales, production and development. It is also strengthening the human capital and organizational capabilities while further solidifying the corporate culture of challenge that it has cultivated over the years. To support these challenges, in November 2023, it established the Strategy Committee, which I chaired. Although it is important to first complete the current Medium-Term Management Plan by 2026, the time has come to have a robust discussion about the medium- to long-term strategy that will follow. We are determined to firmly formulate what kind of company MANI should become in the future and what direction it should take at this turning point in its history, so that we can have high-quality discussions at the Board of Directors meetings.

Winning Prize

Received the METI Minister's Award for Corporate Governance of the Year 2023

In January 2024, the company received the METI Minister's Award for Corporate Governance of the Year 2023 held by the Japan Association of Corporate Directors. We are the first mid-sized listed company in history, with sales of less than ¥50.0 billion, to receive this award.



The METI Minister's Award was established to promote corporate governance reform by selecting companies that are recognized as having achieved results through effective supervision, especially by independent nominating committees, of the appointment of presidents and CEOs and succession planning, which are fundamental to governance, and by widely publicizing their outstanding efforts. In addition to MANI's improved financial performance, the award also recognized the company's progressive approach to succession planning and effective management.



For more information on the award, please see below.

Ministry of Economy, Trade and Industry
<https://www.meti.go.jp/press/2023/01/20240111001/20240111001.html> (Japanese only)

Japan Association of Corporate Directors
<https://www.jacd.jp/en/>