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## **Q&A for the 66th Annual General Meeting of Shareholders**

This document provides a summary of the questions and answers addressed at the 66th Annual General Meeting of Shareholders held on November 19, 2025. All questions were answered by the Chairman of the Meeting, Masaya Watanabe.

Date	Wednesday, November 19, 2025
Venue	Medium-Size Hall (East side), Light Cube Utsunomiya 3F
Respondents	Masaya Watanabe (Director, President and Representative Executive Officer)

### **【Q&A during the Annual General Meeting of Shareholders】**

No.	Question/Answer
<b>Q1</b>	<b>Why are past financial results briefing videos not available on the website? In addition, why are the Q&amp;A sessions being cut from the videos?</b>
A1	We hold quarterly earnings briefings and meetings for institutional investors. Transcripts and videos of these financial results briefings, including past sessions, are available on our website under "IR Information." Additionally, we hold briefings for individual investors once or twice a year. Currently, individual investors account for over 90% of our shareholders. We aim to expand activities targeted at individual investors going forward actively. Regarding the Q&A session, we provide a full text transcript as "Earnings Presentation Materials (Summary)" on our website. However, videos are not published due to privacy considerations. We consider information disclosure to our shareholders to be of utmost importance. Moving forward, we will continue to improve our IR website based on feedback from our shareholders.

【Reference】

Full Transcript of the FY2025 Financial Results Briefing:

[https://ssl4.eir-parts.net/doc/7730/ir\\_material2/262692/00.pdf](https://ssl4.eir-parts.net/doc/7730/ir_material2/262692/00.pdf)

Past financial results briefing videos and transcripts are also available on our IR website.

- Financial Results Briefing video: SmartVisionIR Library  
(Available through the "Library" button at the bottom right of the image below.)



- Full Transcript of the Financial Results Briefings:

[https://www.mani.co.jp/en/ir/ir\\_02.html](https://www.mani.co.jp/en/ir/ir_02.html)

Please also refer to the "Script for Financial Results Briefing" on the link above for the transcripts of each quarterly financial results, including the Q&A sessions.

**Q2 Recruitment has become increasingly challenging in recent years. How does MANI handle recruitment for new graduates and experienced professionals, and what are the results?**

A2 We are strengthening our workforce across all areas.

At the executive level, over the past few years, we have successfully recruited highly skilled individuals from outside the company with management experience in specific fields, enhancing our overall management capabilities.

Among employees, the number of mid-career hires at our domestic headquarters has increased significantly in recent years. Bringing in new talent has improved the overall capabilities of the organization.

We are particularly focusing on our "training programs" and the "Ideal Individual that MANI seeks." Through our "training programs", we established the MANI Training Institute to actively provide education for employees and management. Additionally, by defining the "profile of the talent" we seek, we are fostering a corporate culture that encourages employees to take on challenges and grow.

**Q3 Could you tell us about MANI's cybersecurity measures?**

A3 We consider cybersecurity measures to be a critical initiative. As part of our security efforts, we have implemented EDR (Endpoint Detection and Response), a program that continuously monitors our systems, and deployed incident response procedures across the entire Group. In addition, we have formalized BCP (Business Continuity Planning) procedures for production, ensuring that management can recover operations in the event of a disruption. We will continue to promote initiatives aimed at further enhancing our cybersecurity measures.

**Q4 How does MANI plan to advance alliances and M&A in the future?**

A4 MANI is already pursuing several alliances. In the ophthalmology field, we are jointly developing a glaucoma surgical knife with Santen Pharmaceutical Co., Ltd. We have also established a partnership with MicroSurgical Technology (MST), a North American ophthalmic medical device company, and are selling our surgical knife as part of their kit packs. Alliances are essential for business expansion, and we will continue to use them appropriately and proactively. Regarding M&A, as part of our Medium-Term Management Plan 2029, we have set an investment framework of 20 billion yen, which serves as a guideline for our activities. As a global company, we view M&A as a valuable growth strategy to create new value. For example, acquisitions that help secure sales channels in Europe and the U.S. are among the potential options. Ten years ago, we acquired a group company of our German subsidiary, MMG, and we leverage that experience when considering M&A strategies. Currently, however, these initiatives are still in the planning stage.

**Q5 Regarding MANI's business expansion in China, how are you preparing for potential risks in the future?**

A5 During the fiscal year ending August 2025,, we discovered that part of the product registration information submitted to the Chinese regulatory authorities for the "MANI DIA-BURS was incomplete and conducted a voluntary recall to correct the issue. As a medical device company, compliance with each country's regulatory requirements is fundamental to our business. Regulatory standards in China are particularly strict, and we are strengthening our efforts to ensure full compliance.

China's market policies, including domestic preference and centralized procurement initiatives, present potential risks, especially as nearly 30% of our sales come from China. We recognize that smooth operations in China are crucial for the company as a whole.

To address future regulatory and market requirements, we plan to establish a local production facility in China to better respond to domestic needs. At the same time, we will continue to strengthen our presence in other countries, aiming to build a well-balanced global business portfolio.

**Q6 Could you explain MANI's approach to managing foreign exchange risks?**

A6 Over the past four years, the yen depreciation has had a positive impact on our financial results. Looking ahead, however, it is difficult to predict exchange rate trends over the next four years, so our plans assume that current levels will continue. As a result, we expect an average annual growth rate of approximately 11%.

Regarding our foreign exchange risk management, our revenue and cost structure is diversified and well-balanced across currencies. Therefore, we do not consider it necessary to hedge individual currencies separately. For the time being, we will continue to monitor exchange rate trends closely and respond appropriately as needed.

**Q7 With a DOE of 8%, the payout ratio would be around 50%. Will the dividend payout ratio decrease going forward?**

A7 As noted, the payout ratio relative to net income would be about 50%. We aim to maintain stable dividend growth and increase the total dividends to shareholders as net income grows.

**Q8 Could you explain MANI's sales strategy in North America?**

A8 MANI has primarily grown its sales in Asian markets such as Japan, China, and India, while sales in North America currently account for only about 10% of total revenue. We aim to expand sales in North America through focused investment.

In September 2024, we established MANI MEDICAL AMERICA, INC., a sales subsidiary in North America, and began direct sales activities. In April 2025, we concluded an alliance with MST, a local ophthalmic medical device company, to expand sales of our ophthalmic knives.

Furthermore, we consider M&A to be a promising option for further sales expansion and will continue to evaluate opportunities that fit MANI's scale and strategy.

**Q9 Is MANI using AI systems to enhance efficiency in its operations?**

A9 The use of generative AI is highly advanced, and we are currently introducing it into our internal operations.

For employees' daily tasks, an environment that enables the use of generative AI is already being established. Going forward, we aim to apply it across the company to contribute to greater efficiency.

For example, in the creation and management of our regulatory documents, other companies are already using generative AI. We are preparing the necessary framework to implement its use at MANI as well.

**Q10 Over the next four years, MANI aims to maintain the No. 2 global position for eyeless needles. Does this mean that the No. 3 competitor is catching up?**

A10 MANI currently holds approximately a 20% market share in the Eyeless needle market, securing the No. 2 global position.

The No. 3 competitor is a local manufacturer from India, holding about a 10% market share. They compete on price for standard needles, not on the high-value-added needles that we offer.

In light of this, we will continue to steadily implement our growth strategy for eyeless needles.

**Q11 MANI is recognized as having a high cash ratio. What are your plans for managing this?**

A11 As of the end of August 2025, MANI holds cash and deposits of 18.4 billion yen. As explained in our Medium-Term Management Plan, we will utilize this cash for growth investments. As part of this strategy, we have allocated 20 billion yen for M&A activities.

Half of our cash is held in Japanese yen, while the remaining half is held in the currencies of our overseas subsidiaries. We will continue to strengthen our global cash management.

**Q12 Is MANI considering offering factory tours at the Hanaoka Factory for individual shareholders?**

A12 The Hanaoka Factory was completed in January 2025, with production audits finished by October. From that point, external visits have been possible, and we plan to offer tours to individual shareholders once preparations are ready.

**Q13 As 2026 marks the 70th anniversary of the company's founding, I would be delighted if a special dividend were considered for shareholders. What are your thoughts on this?**

A13 We appreciate your valuable feedback.

**Q14 Executive compensation currently consists of 65% fixed compensation and 35% variable compensation, which appears higher than the average of around 50% fixed compensation at other listed companies. What is your perspective on this structure?**

A14 Performance-based variable compensation for executive officers is now common, and proposals are currently under consideration by the board. We consider this as an important issue from both management and operational perspectives.

**Q15 While operating profit is emphasized as a basis for executive compensation, why is TSR (Total Shareholder Return) not included?**

A15 We recognize that using TSR as a measure of shareholder returns would be very useful. Thank you for your valuable input.

**Q16 Profit growth was 21% in FY2021, but it declined by 18% in FY2025. Could you explain the reasons for the strong profit growth around FY2021 and the factors behind the slowdown in FY2025?**

A16 From FY2020 to FY2022, our business was affected by the COVID-19 pandemic. However, starting in FY2021, MANI recovered from the impact and was able to increase both sales and profits. The speed of our recovery was notably faster than that of our industry peers.

In recent years, the depreciation of the yen has provided a slight positive impact on profits. Looking ahead, our basic policy is to achieve profit growth that aligns with medium to long-term sales.

**Q17 Mr. Sasa, a candidate for Director, concurrently serves as an outside director at four companies, including MANI. Will he be able to effectively fulfill his role as an outside director at MANI?**

A17 The Board of Directors discussed the potential time constraints due to Mr. Sasa's concurrent positions and concluded that he will be able to manage his responsibilities adequately.

He made significant contributions to the turnaround of Olympus in his previous

role and possesses deep expertise in the medical device industry.

Both the Board of Directors and the executive members look forward to his contributions and active involvement moving forward.

**Q18 Director Matsui holds only 100 shares. Isn't this a relatively small amount?**

A18 All our outside directors are dedicated to offering diverse perspectives and actively participating in management discussions.

We thank you for your valuable feedback regarding the number of shares held by outside directors.

## **【Q&A after the Annual General Meeting of Shareholders】**

**Q1 Given that some shareholders participate from outside Tochigi, we hope that weekday daytime, Saturday, or hybrid online options will be considered for future shareholders' meetings.**

A1 We appreciate your valuable feedback.

**Q2 While some companies offer factory tours following their general meetings, we also hope to provide a similar experience at MANI.**

A2 We appreciate your valuable feedback.  
We recognize that a post-meeting factory tour is something shareholders wish to have.

**Q3 The Hanaoka Factory is located on the former Kirin Brewery site. How do you plan to utilize the unused space on the site?**

A3 We will consider how to utilize the unused site over the medium to long term, including the roles of our Kiyohara and Takanezawa factories.  
We sincerely ask for your continued support.

**Q4 Please consider strengthening IR communications by utilizing YouTube and social media.**

A4 In today's era of advanced digital marketing, we recognize that our company has fallen behind. We aim to strengthen our public relations activities moving forward.

**Q5 Please explain the cause of the voluntary recall of MANI DIA-BURS in China. What exactly was the deficiency in the documentation?**

A5 Regarding the "MANI DIA-BURS (Generic name is Dental Diamond Burs)" that we manufacture and sell, it was found that part of the product registration information submitted to the Chinese regulatory authorities was incomplete. Therefore, we have decided to conduct a voluntary recall of the products in question. This voluntary recall was due to errors in the regulatory registration documentation. Therefore, we determined that there are no problems with the quality, efficacy, or safety of the product and that there is no risk of harm to patients' health.  
We have taken this situation with utmost seriousness. To clarify supervisory and management responsibilities, the Board of Directors resolved to return a portion of executive remuneration. To prevent recurrence, we will re-establish our product registration document preparation process, strengthen our



pharmaceutical affairs system, and enhance employee training.

To restore trust, we will thoroughly implement these preventive measures and continue to strengthen regulatory compliance.

**【Disclaimer】**

This English translation has been prepared for general reference purposes only.

In the event of any discrepancy between the English translated document and the original Japanese document, the original document shall prevail.

The forward-looking statements, including earnings forecasts, contained in this disclosure are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company, and do not constitute guarantees of future performance. Please be aware that a variety of factors may cause actual results to differ materially from those discussed in the forward-looking statements.