

Summary of Consolidated Financial Results for the Six Months Ended February 28, 2025 (Based on Japanese GAAP)

April 9, 2025

Company name: MANI, INC.
 Stock exchange listing: Tokyo
 Stock code: 7730 URL <https://www.mani.co.jp/en/>
 Representative: Director, President & Representative Executive Officer Masaya Watanabe
 Inquiries: Managing Executive Officer, CFO Naohisa Hashimoto TEL +81-28-667-1811
 Scheduled date to file semi-annual securities report: April 11, 2025
 Scheduled date to commence dividend payments: May 9, 2025
 Preparation of supplementary material on financial results: Yes Scheduled to be disclosed on April 11, 2025
 Holding of financial results meeting: Yes (For analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended February 28, 2025 (from September 1, 2024 to February 28, 2025)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes)

	Net Sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2025	14,810	6.5	4,172	(0.6)	4,277	(6.0)	2,940	(7.9)
February 29, 2024	13,908	15.7	4,197	21.5	4,551	29.6	3,191	24.5

Note: Comprehensive income: For the six months ended February 28, 2025 ¥3,314 million [(13.6%)]
 For the six months ended February 29, 2024 ¥3,834 million [60.1%]

	Earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
February 28, 2025	29.85	—
February 29, 2024	32.41	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio
As of	Millions of yen	Millions of yen	%
February 28, 2025	58,336	53,412	91.6
August 31, 2024	57,177	52,330	91.5

Reference: Equity
 As of February 28, 2025 ¥53,412 million
 As of August 31, 2024 ¥52,330 million

2. Cash Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended August 31, 2024	—	16.00	—	23.00	39.00
Fiscal year ending August 31, 2025	—	16.00			
Fiscal year ending August 31, 2025 (Forecast)			—	23.00	39.00

Note: Revisions to cash dividends most recently announced: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending August 31, 2025 (from September 1, 2024 to August 31, 2025)

(Percentages indicate year-on-year changes)

	Net Sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	30,200	5.9	8,900	6.1	8,850	4.6	6,350	1.0	64.45

Note: Revisions to earnings forecasts most recently announced: None

※ Notes

(1) Significant changes in the scope of consolidation during the semi-annual period: None

Newly included: –

Excluded: –

(2) Application of unique accounting methods in the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

①Changes in accounting policies due to revisions to accounting standards and other regulations: None

②Changes in accounting policies due to other reasons: None

③Changes in accounting estimates: None

④Restatement: None

(4) Number of issued shares (common shares)

①Total number of issued shares at the end of the period (including treasury shares)

As of February 28, 2025	107,003,277 shares	As of August 31, 2024	107,003,277 shares
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②Number of treasury shares at the end of the period

As of February 28, 2025	8,500,674 shares	As of August 31, 2024	8,484,606 shares
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③Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended February 28, 2025	98,497,779 shares	Six months ended February 29, 2024	98,496,973 shares
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* Semi-annual financial reports are exempt from semi-annual reviews conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

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1. Overview of Operating Results

(1) Explanation of Operating Results for the Second Quarter

MANI Group aims to contribute to the well-being of people around the world by providing our products worldwide, based on our commitment: “The Best Quality in the World, to the World.” To achieve further growth, we have started our medium-term management plan from the fiscal year ended August 31, 2022, and are engaged in realizing our corporate philosophy and evolving to “a true global company” by dramatically evolving and transforming our platforms in sales, production, and development functions. The following is a summary of major initiatives during the second quarter of the fiscal year ending August 31, 2025.

Business operations under a new organizational structure

A new management team led by Masaya Watanabe, President and Representative Executive Officer, has begun business operations. For further details, please refer to the explanatory material “Progress of the Medium-Term Management Plan and Future Management Policies” disclosed on January 9, 2025.

URL Link: https://www.mani.co.jp/en/pdf/mg_plan_2025.pdf

Voluntary product recall of “MANI DIA-BURS” in China

Regarding the “MANI DIA-BURS (Generic name is Dental Diamond Burs)” that the Company manufactures and sells, 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 (please refer to the disclosure document disclosed on April 9, 2025). The Company has 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.

The voluntary recall is a matter to be reported to the Chinese regulatory authorities and will not affect sales in other regions.

Following this decision, the Company is currently recalling the products in question and applying for changes to correct the incomplete information. Approximately 50% of the “MANI DIA-BURS” will require changes to their product registration information, and sales of these products will be suspended until the application for changes is certified. As for other products, we will take appropriate measures and continue to sell them.

The impact on the consolidated financial results for the fiscal year ending August 31, 2025, is currently under close examination, and if any matters arise that should be announced in the future, we will disclose them promptly. In addition, the annual sales of MANI DIA-BURS in China are approximately ¥2.5 billion (actual sales results for the fiscal year ended August 31, 2024).

Progress in activities of sales subsidiary MANI MEDICAL AMERICA, INC.

To expand our business globally, we established a new sales subsidiary, MANI MEDICAL AMERICA, INC., in September 2024. We are currently hiring new employees, developing new distributors and improving our distribution network. We will promote regionally oriented sales activities in medically advanced countries and expand our business in the North American market.

Launch of the new NiTi Rotary File “JIZAI 020 04”

In September 2024, we launched “JIZAI 020 04,” which is a new addition to the “JIZAI”¹ series, a series of NiTi rotary files for dental root canal treatment and is designated as a key development product to be developed in the medium-term management plan. “JIZAI 020 04” is an intermediate-sized file that many dentists have particularly requested, and we have developed this file to encourage more dentists to use “JIZAI.” Going forward, we will expand our product lineup of NiTi rotary files to accommodate a range of root canal treatments and expand the scope of treatments available with our products.

(References) ¹ A flexible nickel titanium dental endodontic instrument is used to treat an infected dental root canal in an endodontic treatment, which is one of the treatments for the dental nervous system known as pulp.

Completion of the Hanaoka Factory (Smart Factory)

Construction of the Hanaoka Factory, which began in Japan in October 2023, was completed at the end of January 2025. During the second quarter of the fiscal year ending August 31, 2025, we have been building a mass production system for ophthalmic knives and “JIZAI,” the NiTi rotary file. Mass production is scheduled to start operation in 2026.

Operating results for the second quarter of the fiscal year ending August 31, 2025

Net sales have increased mainly due to two positive factors. Firstly, there were strong sales of Surgical products, such as ophthalmic knives, in Europe, Asia, particularly in China, and North America. Secondly, there was an increase in sales of Eyeless Needle products in other regions, such as Central and South America (mainly sales by North American customers with production bases in Central and South America) and Asia, particularly in China. Despite the sales of Dental products being weak due to the impact of the slowdown in the Chinese market and the voluntary shipping suspensions of dia-burs (see below for further details), net sales were ¥14,810 million (up 6.5% year on year). The cost of sales was ¥5,317 million (up 2.0% year on year) due to an increase in manufacturing costs at production subsidiaries. While gross profit was ¥9,493 million (up 9.2% year on year), selling, general and administrative expenses were ¥5,321 million (up 18.3% year on year) due to an increase in personnel costs resulting from the posting of bonuses associated with the results of the previous fiscal year and an increase in the number of employees at the Headquarters in Japan. As a result, operating income was ¥4,172 million (down 0.6% year on year). Ordinary income was ¥4,277 million (down 6.0% year on year) and profit attributable to owners of parent was ¥2,940 million (down 7.9% year on year) due to a decrease in operating income and foreign exchange gains.

The following is an overview of financial results by segment. Segment sales figures are those from external customers.

	Net sales		Segment income (Operating income)	
	Millions of yen	Year on year	Millions of yen	Year on year
Surgical products	4,718	24.6%	1,643	32.1%
Eyeless Needle products	5,556	11.7%	2,068	8.1%
Dental products	4,535	(11.9%)	460	(55.8%)
Consolidated total	14,810	6.5%	4,172	(0.6%)

(Surgical products)

The segment sales were ¥4,718 million (up 24.6% year on year), and the segment income was ¥1,643 million (up 32.1% year on year). Segment sales and income have increased from the same period of the previous fiscal year due to an increase in demand for ophthalmic knives, which are used in cataract surgery, mainly in Europe, Asia, particularly in China, and North America.

(Eyeless Needle products)

The segment sales were ¥5,556 million (up 11.7% year on year), and the segment income was ¥2,068 million (up 8.1% year on year). Segment sales and income have increased from the same period of the previous fiscal year due to an increase in product demand and orders in other regions, such as Central and South America (mainly sales by North American customers with production bases in Central and South America) and Asia, particularly in China.

(Dental products)

The segment sales were ¥4,535 million (up 11.9% year on year), and the segment income was ¥460 million (down 55.8% year on year). Sales declined due to the impact of the slowdown in the Chinese market and the voluntary shipping suspensions of dia-burs. In addition, sales of MMG products, which are mainly dental restoration materials, were weak, especially in Europe. Segment income has decreased due to lower sales and higher selling, general and administrative expenses, including personnel expenses and sales promotion expenses at sales subsidiaries.

※Reference: Exchange rates

	Previous consolidated accounting period (Year ended August 31, 2024)				Current consolidated accounting period (Year ending August 31, 2025)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
USD/JPY	149.10	147.92	149.66	150.78	149.03	151.57	-	-
EUR/JPY	159.30	159.38	161.40	162.94	161.99	161.25	-	-
CNY/JPY	20.47	20.45	20.68	20.84	20.88	21.00	-	-
INR/JPY	1.79	1.78	1.80	1.81	1.77	1.78	-	-
MYR/JPY	31.95	31.35	31.78	32.28	34.36	34.47	-	-

(2) Explanation of Financial Position and Cash Flows**i). Financial Position**

(Millions of yen)

	As of August 31, 2024	As of February 28, 2025	Change
Total assets	57,177	58,336	1,158
Current assets	31,942	29,611	(2,331)
Non-current assets	25,235	28,725	3,489
Liabilities	4,846	4,924	77
Net assets	52,330	53,412	1,081

Total assets as of the end of the second quarter (February 28, 2025) stood at ¥58,336 million, an increase of ¥1,158 million from the end of the previous consolidated accounting period. This was primarily due to an increase of ¥3,489 million in non-current assets (increases are mainly due to the construction of the Smart Factory), despite a decrease of ¥2,331 million in current assets (mainly due to a decrease of ¥3,339 million in cash and deposits resulting from capital investments and dividend payments).

Total liabilities as of the end of the second quarter (February 28, 2025) stood at ¥4,924 million, an increase of ¥77 million from the end of the previous consolidated accounting period. This was primarily due to an increase of ¥72 million in non-current liabilities resulting from an increase in accounts payable and income taxes payable, despite a decrease in accrued expenses included in others.

Total net assets as of the end of the second quarter (February 28, 2025) stood at ¥53,412 million, an increase of ¥1,081 million from the end of the previous consolidated accounting period. This was primarily due to a decrease in retained earnings resulting from the payment of ¥2,265 million in dividends, while net income attributable to owners of the parent of ¥2,940 million was recorded, and foreign currency translation adjustments increased by ¥374 million due to the progress of yen depreciation.

ii). Cash Flows

(Millions of yen)

	Year ended August 31, 2024	Six months ended February 28, 2025	Change
Cash flows from operating activities	3,625	3,005	(17.1%)
Cash flows from investing activities	(3,088)	(4,579)	48.2%
Cash flows from financing activities	(2,097)	(2,292)	9.3%
Effect of exchange rate change on cash and cash equivalents	439	333	(24.1%)
Cash and cash equivalents at beginning of the period	23,798	21,017	(11.7%)
Cash and cash equivalents at end of the period	22,677	17,485	(22.9%)

During the six months ended February 28, 2025, the cash flows and factors contributing to those amounts are as follows.

(Cash flows from operating activities)

Cash inflows from operating activities were ¥3,005 million (down 17.1% year on year). This was primarily due to a decrease in income before income taxes and minority interests, despite an increase in operating cash inflow resulting from the collection of operating receivables such as accounts receivable.

(Cash flows from investing activities)

Cash outflows from investing activities were ¥4,579 million (up 48.2% year on year). This was primarily due to a cash outflow from an increase in purchases of property, plant and equipment related to the Smart Factory and a decrease in proceeds from the withdrawal of time deposits.

(Cash flows from financing activities)

Cash outflows from financing activities were ¥2,292 million (up 9.3% year on year). This was primarily due to a cash outflow from increased dividend payments.

(3) Explanation of Future Forecast Information including Consolidated Business Results Forecasts

Results for the second quarter of the fiscal year ending August 31, 2025, are as stated in "(1) Explanation of Operating Results for the Second Quarter." The consolidated earnings forecast for the full fiscal year remains unchanged from the figures announced in the "Summary of Consolidated Financial Results for the Fiscal Year Ended August 31, 2024" on October 7, 2024.

2. Semi-annual Consolidated Financial Statements

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of August 31, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	21,644	18,305
Notes receivable - trade	210	102
Accounts receivable - trade	2,710	2,560
Securities	18	322
Merchandise and finished goods	896	734
Work in process	3,244	3,403
Raw materials and supplies	2,221	2,373
Other	1,009	1,821
Allowance for doubtful accounts	(14)	(13)
Total current assets	31,942	29,611
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,779	14,646
Machinery, equipment and vehicles, net	4,456	4,464
Land	4,427	4,410
Construction in progress	6,290	2,371
Other, net	83	703
Total property, plant and equipment	22,669	26,597
Intangible assets		
Software	642	619
Other	696	712
Total intangible assets	1,338	1,331
Investments and other assets		
Investment securities	303	44
Deferred tax assets	593	436
Insurance funds	214	215
Other	116	101
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,228	797
Total non-current assets	25,235	28,725
Total assets	57,177	58,336

(Millions of yen)

	As of August 31, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	181	212
Accounts payable - other	1,153	1,332
Lease liabilities	39	43
Income taxes payable	996	1,127
Provision for bonuses	401	384
Other	1,139	884
Total current liabilities	3,912	3,985
Non-current liabilities		
Lease liabilities	44	32
Retirement benefit liability	583	588
Asset retirement obligations	233	246
Other	73	72
Total non-current liabilities	934	939
Total liabilities	4,846	4,924
Net assets		
Shareholders' equity		
Share capital	1,087	1,087
Capital surplus	1,134	1,160
Retained earnings	48,124	48,798
Treasury shares	(3,125)	(3,118)
Total shareholders' equity	47,220	47,926
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11	8
Foreign currency translation adjustment	5,057	5,431
Remeasurements of defined benefit plans	42	45
Total accumulated other comprehensive income	5,110	5,485
Total net assets	52,330	53,412
Total liabilities and net assets	57,177	58,336

(2) Semi-annual Consolidated Income Statements and Semi-annual Consolidated Comprehensive Income Statements

(Semi-annual Consolidated Income Statements)

(Millions of yen)

	Six months ended February 29, 2024	Six months ended February 28, 2025
Net sales	13,908	14,810
Cost of sales	5,213	5,317
Gross profit	8,694	9,493
Selling, general and administrative expenses	4,497	5,321
Operating income	4,197	4,172
Non-operating income		
Interest income	115	103
Gain on investments in investment partnerships	1	7
Foreign exchange gains	210	20
Other	44	56
Total non-operating income	371	187
Non-operating expenses		
Interest expenses	0	1
Unoperated land-related costs	12	67
Other	4	12
Total non-operating expenses	18	82
Ordinary income	4,551	4,277
Extraordinary income		
Gain on sale of non-current assets	2	10
Total extraordinary income	2	10
Extraordinary losses		
Loss on sale of non-current assets	—	0
Loss on retirement of non-current assets	3	13
Litigation expenses	—	3
Total extraordinary losses	3	16
Profit before income taxes	4,550	4,271
Income taxes - current	1,209	1,174
Income taxes - deferred	149	156
Total income taxes	1,358	1,330
Profit	3,191	2,940
Profit attributable to owners of parent	3,191	2,940

(Semi-annual Consolidated Comprehensive Income Statements)

(Millions of yen)

	Six months ended February 29, 2024	Six months ended February 28, 2025
Net income	3,191	2,940
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	(3)
Foreign currency translation adjustment	644	374
Remeasurements of defined benefit plans	3	2
Total other comprehensive income	642	374
Comprehensive income	3,834	3,314
(item)		
Comprehensive income attributable to owners of parent	3,834	3,314

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended February 29, 2024	Six months ended February 28, 2025
Cash flows from operating activities		
Profit before income taxes	4,550	4,271
Depreciation	1,113	1,187
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for bonuses	(183)	(18)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(59)	—
Increase (decrease) in retirement benefit liability	4	11
Interest and dividend income	(115)	(103)
Loss (gain) on investments in investment partnerships	(1)	(13)
Interest expenses	0	1
Foreign exchange losses (gains)	(270)	(184)
Loss (gain) on sale of non-current assets	(2)	(10)
Loss on retirement of non-current assets	3	13
Decrease (increase) in trade receivables	(122)	246
Decrease (increase) in inventories	8	(59)
Decrease (increase) in other current assets	208	(781)
Increase (decrease) in trade payables	15	32
Increase (decrease) in accounts payable - other	(426)	(519)
Increase (decrease) in other current liabilities	(109)	(269)
Other, net	39	158
Subtotal	4,655	3,962
Interest and dividends received	127	91
Interest paid	(0)	(1)
Income taxes paid	(1,156)	(1,046)
Net cash provided by (used in) operating activities	3,625	3,005
Cash flows from investing activities		
Payments into time deposits	(438)	(214)
Proceeds from withdrawal of time deposits	1,251	14
Proceeds from sale and redemption of securities	(3,803)	(4,272)
Purchase of property, plant and equipment	7	16
Proceeds from sale of property, plant and equipment	(108)	(83)
Purchase of intangible assets	—	(50)
Proceeds from distribution of investments in business partnership	2	10
Purchase of insurance funds	(1)	(1)
Other, net	1	(0)
Net cash provided by (used in) investing activities	(3,088)	(4,579)
Cash flows from financing activities		
Repayments of lease liabilities	(29)	(25)
Purchase of treasury shares	(0)	—
Dividends paid	(2,068)	(2,266)
Net cash provided by (used in) financing activities	(2,097)	(2,292)
Effect of exchange rate change on cash and cash equivalents	439	333
Net increase (decrease) in cash and cash equivalents	(1,120)	(3,532)
Cash and cash equivalents at beginning of the period	23,798	21,017
Cash and cash equivalents at end of the period	22,677	17,485

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Segment Information, etc.)

[Segment Information]

I For the six months ended February 29, 2024 (from September 1, 2023 to February 29, 2024)

1. Information on sales and income or loss by reportable segment

(Millions of yen)

	Reportable segments			Total	Adjustments	Amount on the consolidated financial statements (Note)
	Surgical products	Eyeless Needle products	Dental products			
Net sales						
Net sales to external customers	3,786	4,974	5,147	13,908	-	13,908
Intersegment sales or transfer	-	0	-	0	(0)	-
Total	3,786	4,974	5,147	13,908	(0)	13,908
Segment income	1,244	1,912	1,041	4,197	-	4,197

Note: Segment income is adjusted with operating income in the semi-annual consolidated income statements.

II For the six months ended February 28, 2025 (from September 1, 2024 to February 28, 2025)

1. Information on sales and income or loss by reportable segment

(Millions of yen)

	Reportable segments			Total	Adjustments	Amount on the consolidated financial statements (Note)
	Surgical products	Eyeless Needle products	Dental products			
Net sales						
Net sales to external customers	4,718	5,556	4,535	14,810	-	14,810
Intersegment sales or transfer	-	0	-	0	(0)	-
Total	4,718	5,557	4,535	14,811	(0)	14,810
Segment income	1,643	2,068	460	4,172	-	4,172

Note: Segment income is adjusted with operating income in the semi-annual consolidated income statements.

(Significant Subsequent Events of Going Concern)

Voluntary product recall of “MANI DIA-BURS” in China

Regarding the “MANI DIA-BURS (Generic name is Dental Diamond Burs)” that the Company manufactures and sells, it was found that part of the product registration information submitted to the Chinese regulatory authorities was incomplete. Therefore, the general marketing supervisor, the domestic quality assurance manager, and the safety control manager has resolved on March 14, 2025, to conduct a voluntary recall. This resolution was reported to the management meeting and the decision was made to conduct the recall. This decision was also reported to the Board of Directors.

The Company has 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.

The voluntary recall is a matter to be reported to the Chinese regulatory authorities and will not affect sales in other regions.

Following this decision, the Company is currently recalling the products in question and applying for changes to correct the incomplete information. Approximately 50% of the “MANI DIA-BURS” will require changes to their product registration information, and sales of these products will be suspended until the application for changes is certified. As for other products, we will take appropriate measures and continue to sell them.

The impact on the consolidated financial results for the fiscal year ending August 31, 2025, is currently under close examination, and if any matters arise that should be announced in the future, we will disclose them promptly. In addition, the annual sales of MANI DIA-BURS in China are approximately ¥2.5 billion (actual sales results for the fiscal year ended August 31, 2024).