

October 13, 2023

MANI, INC.

Notice Regarding the Construction of the Smart Factory Realizing an Innovative Factory in Takanezawa, Tochigi

MANI, INC. is pleased to announce that the Company has decided to construct a new factory (Smart Factory) in Takanezawa town, Tochigi Prefecture, where the Company was founded, for the purpose of expanding our medical instrument business globally and further improving productivity.

Background

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, our Group has started our medium-term management plan from the fiscal year ended August 31, 2022, and has engaged in realizing our corporate philosophy by reforming our business model through the globalization of our sales, production, and development functions.

One of the key measures in our medium-term management plan is to "establish a global production system that achieves high-quality and low-cost production". We will further promote high-quality and low-cost by constructing a Smart Factory in Takanezawa town, Tochigi Prefecture, where our Company was founded.

The Smart Factory is positioned as the first "pilot factory" for future overseas expansion of mass production technology of our new products and new production processes, and we aim to expand sales globally while reducing product costs¹.

By establishing a new manufacturing base in Japan, we will be able to reduce the risk of extreme concentration at the MHC factory in Vietnam, which has been an issue. In addition, we aim to contribute to the local community by promoting environmentally friendly production activities while taking advantage of the rich natural environment of Takanezawa town. We plan to install solar panels on the roof of the factory building, and will work together with local companies to promote the use of natural energy². Furthermore, we will create an innovative work environment with an emphasis on employee comfort and safety.

¹ Start from mass production of nickel-titanium file "JIZAI," followed by mass production of dental products (diamond bars, etc.)/surgical products (vitreous forceps, ophthalmic knives, etc.).

² Power purchase agreement has been concluded. A similar agreement was concluded at Kiyohara headquarters in September 2023.

Overview of the Smart Factory

Name	MANI HANAOKA FACTORY
Location	Hanaoka, Takanezawa, Shioya District, Tochigi prefecture (Site area: approx. 287,000 m ²)
Building area	Approx. 16,300 m ² Factory premises Approx. 15,600 m ² Production & common area 11,150 m ² Indoor machinery room 590 m ² Distribution center 3,860 m ²
Investment amount (Note)	Total ¥9.5 billion (Total of A and B below) (A) Factory construction ¥8.4 billion (B) JIZAI production line (partial) ¥1.1 billion
Schedule	JIZAI Production line (partial) Installation in advance: November 2024 Start of construction: October 2023 Factory completion: January 2025(scheduled)

(Note) We are considering additional capital investment for production line reinforcement in the future. We will report details as soon as they are determined.

Impact on Consolidated Financial Results

We expect an increase in capital investment-related expenses such as depreciation costs in conjunction with the start of capital investment for the construction of the Smart Factory. However, the operation will begin after the fiscal year ending August 2025. Therefore, the impact on consolidated results for the fiscal year ending August 2024 will be limited.

Takanezawa Smart Factory

Completion Image

Appearance in harmony with the natural environment of Takanezawa



Solar panels are used to take advantage of the large roof

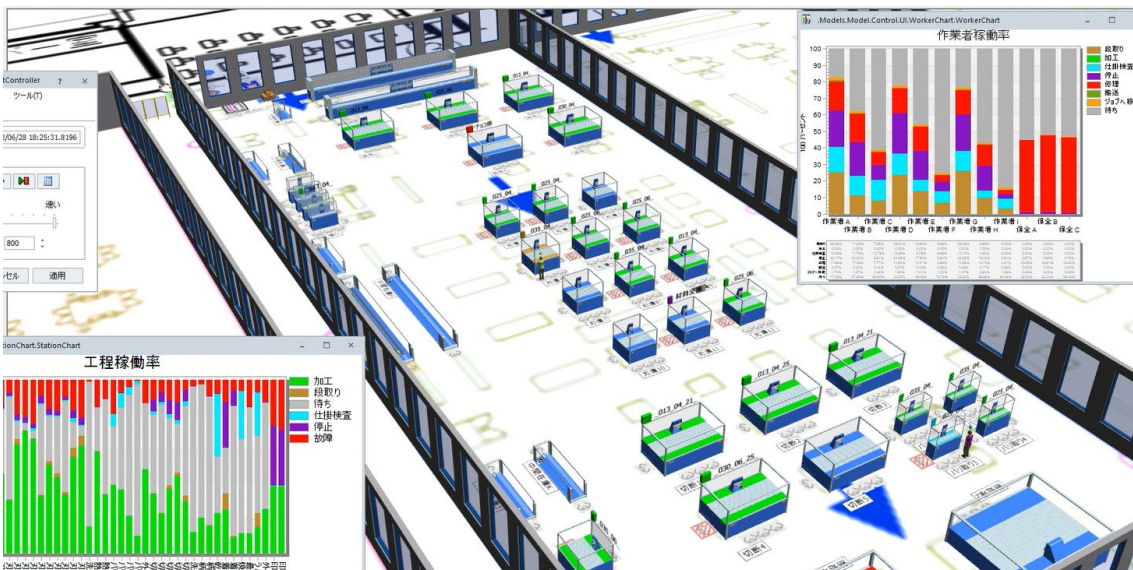
Collaboration with local companies



Unified space with column spacing and total flat room



Simulation created by digital space



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