

Supplementary Material for Results of Operations for the

Second Quarter of the Fiscal Year Ending
March 31, 2025

NIHON TRIM CO., LTD.
Securities Code: 6788 (TSE Prime)

NOVEMBER 12, 2024

Overview of Q2 FY3/25 Results

Record semi-
annual high

Net sales

11,361 million yen

Up 8.7% YoY

Record semi-
annual high

Ordinary profit

1,949 million yen

Up 10.5% YoY

**Profit attributable to owners of
parent**

1,306 million yen

Up 9.4% YoY

Record-high semi-annual net sales, operating profit, and ordinary profit!

- **EHW apparatus**

Our mainstay workplace sales division achieved net sales of 2,632 million yen (up 6.8% YoY). The number of cases of total introduction to workplaces centered on health and productivity management increased. Sales efficiency has improved through development into the sports and beauty care fields. Focus has been placed on increasing personnel.

- **Water purification cartridges**

Net sales were 2,947 million yen (up 4.5% YoY). A stable revenue base has been established through periodic cartridge replacement as a result of enhanced customer follow-up.

- **Indonesia Bottled water business**

Net sales were 1,531 million yen (up 59.0% YoY). Reached a new record semi-annual high. Enhanced marketing measures in TV commercials, advertisements on social networking services, etc. were successful.

- **Electrolyzed water hemodialysis business**

Nine abstracts related to electrolyzed water hemodialysis were featured at the 69th Annual Meeting of the Japanese Society for Dialysis Therapy in June this year.

- **StemCell Institute**

Net sales, operating profit, ordinary profit, and profit achieved a new record semi-annual high. Gain on sales of investment securities of 136 million yen was recorded as extraordinary income in April 2024.

Consolidated Earnings Summary for Q2 FY3/25

(Millions of yen) (Rounded down to nearest million yen)	Q2 FY3/24 Results		Q2 FY3/25 Results		Change (Amount)	Change (%)
	Amount	% of Total	Amount	% of Total		
Net sales	10,452	100.0%	11,361	100.0%	908	8.7%
Cost of sales	3,082	29.5%	3,383	29.8%	301	9.8%
Gross profit	7,370	70.5%	7,978	70.2%	607	8.2%
SG&A expenses	5,684	54.4%	6,121	53.9%	437	7.7%
Operating profit	1,686	16.1%	1,856	16.3%	170	10.1%
Ordinary profit	1,764	16.9%	1,949	17.2%	185	10.5%
Profit attributable to owners of parent	1,193	11.4%	1,306	11.5%	112	9.4%
Net income per share (Yen)	155.76	—	170.40	—	14.64	9.4%

Key points in net sales

- Achieved a new record semi-annual high
- Nihon Trim: Growth in EHW apparatus and cartridges
- Group companies: Growth in StemCell Institute and SWT

Major factors affecting gross profit margin

- Improvement in SWT's non-consolidated profit margin (+)
- Change in composition due to SWT's increased sales (-)

Key points in SG&A expenses

- Increase in variable costs +118 million yen
- Advertising expenses +111 million yen
⇒ TV commercial expenses for Nihon Trim and SWT
- Personnel costs +91 million yen
⇒ Increase due to regular pay increase and headcount increase

Key points in extraordinary income and losses

- Gain on sale of investment securities 149 million yen
(Breakdown)
Nihon Trim 12 million yen
StemCell Institute 136 million yen

Q2 FY3/25 Results: Sales by Business Segment

(Millions of yen) (Rounded down to nearest million yen)		Q2 FY3/24 Results		Q2 FY3/25 Results		Change (Amount)	Change (%)
		Amount	% of Total	Amount	% of Total		
Water Healthcare Business	One-time-fee business						
	DS Division (workplace sales)	2,465	23.6%	2,632	23.2%	+167	+6.8%
	HS Division (installation and referral sales)	811	7.8%	778	6.9%	(32)	(4.0)%
	SS Division (store event sales)	267	2.6%	284	2.5%	+16	+6.3%
	MS Division (OEM and wholesale sales)	672	6.4%	533	4.7%	(138)	(20.6)%
	Maintenance Department	172	1.7%	178	1.6%	+6	+3.6%
	Replacement Department	173	1.7%	220	1.9%	+46	+26.8%
	Web-based sales	245	2.3%	242	2.1%	(3)	(1.2)%
	EHW apparatus, total	4,808	46.0%	4,871	42.9%	+63	+1.3%
	Recurring revenue business						
	Cartridges	2,820	27.0%	2,947	25.9%	+127	+4.5%
	Sales of subsidiaries						
	TRIM (Guangzhou) Water & Health Co., Ltd.	80	0.8%	62	0.5%	(18)	(22.8)%
	PT. SUPER WAHANA TEHNO	963	9.2%	1,531	13.5%	+568	+59.0%
	Others	487	4.7%	529	4.7%	+42	+8.7%
Medical Business	Subtotals	9,160	87.6%	9,943	87.5%	+782	+8.5%
	Regenerative medicine	1,248	11.9%	1,408	12.4%	+160	+12.8%
	Electrolyzed water hemodialysis	44	0.4%	9	0.1%	(34)	(77.7)%
	Subtotals	1,292	12.4%	1,418	12.5%	+125	+9.7%
Consolidated, total		10,452	100.0%	11,361	100.0%	+908	+8.7%

Nihon Trim

EHW apparatus sales

- DS Division (workplace sales)
Increase in cases of total introduction at workplaces. Development in sports and beauty care fields accelerated.
- MS Division (OEM and wholesale sales)
Sales decreased YoY relative to the significant increase in sales from campaigns by OEM agents in the previous fiscal year.
Overseas sales increased. Currently in negotiations with new potential customers.

Cartridges

- Sales grew steadily due to enhanced customer follow-up.

PT.SUPER WAHANA TEHNO

Bottled water business

- Upfront investments in marketing through TV commercials, advertisements on social networking services featuring influencers, etc. in FY3/24 paid off with record-high semi-annual net sales.
- FY3/24 TV commercials (aired from February-March and July-August)
FY3/25 TV commercials (scheduled to air from May-September)

Regenerative medicine business

StemCell Institute

- The number of specimens stored (total of umbilical cord blood and umbilical cord) reached a semi-annual record high and net sales achieved a new record semi-annual high.

Status of Progress Toward Performance Forecast

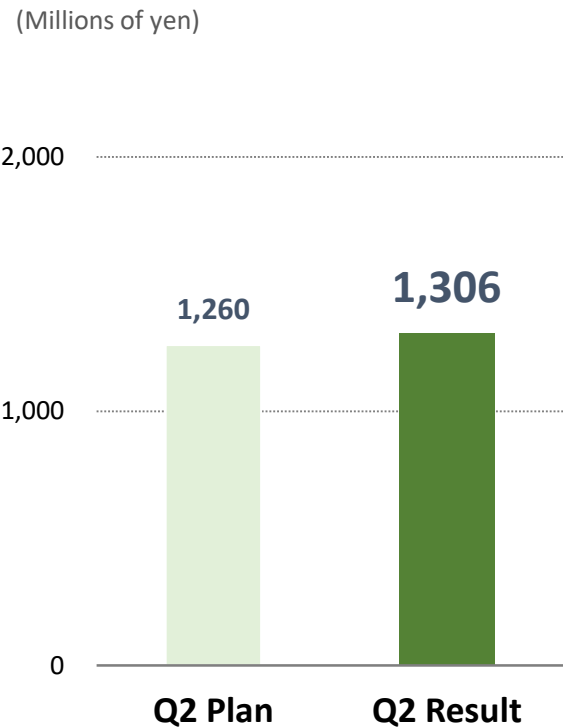
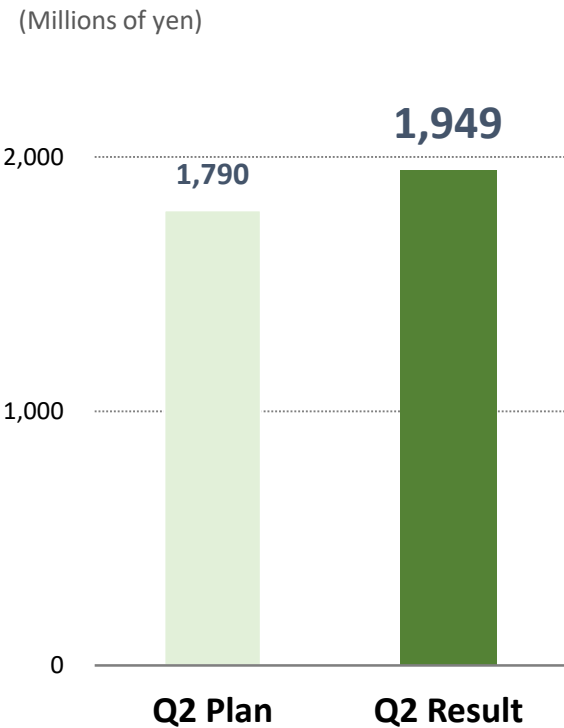
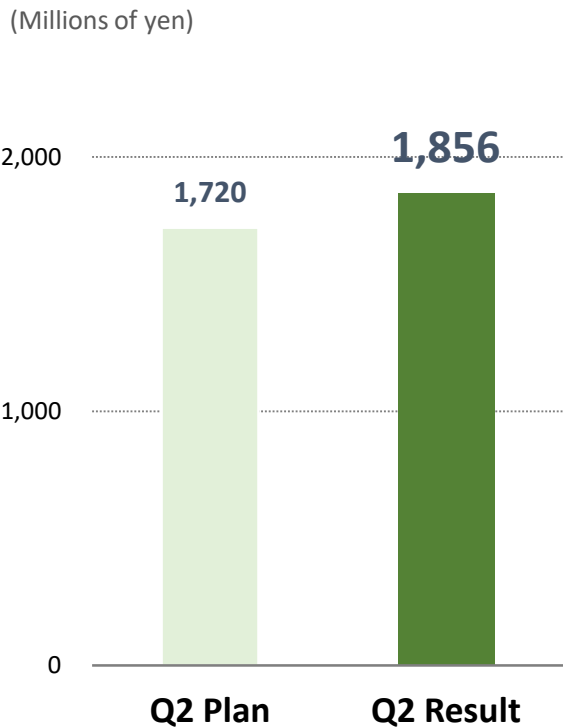
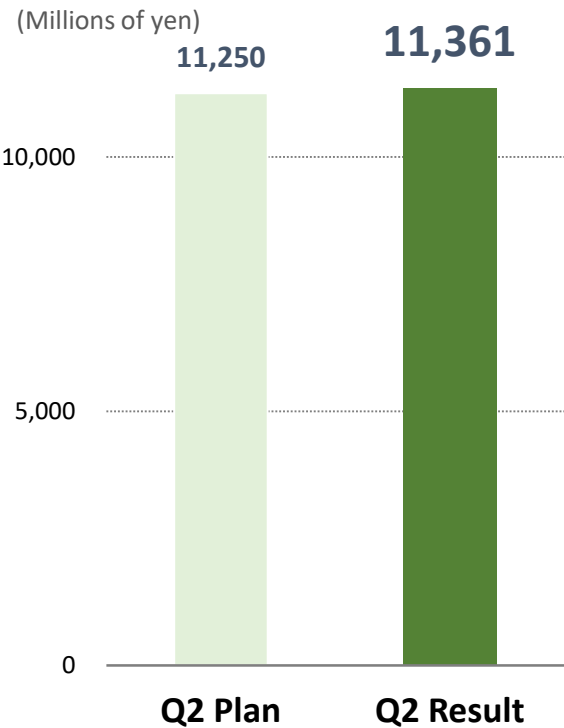
Both sales and profit targets have been achieved ahead of the semi-annual performance forecast.

■ Net sales 101.0%

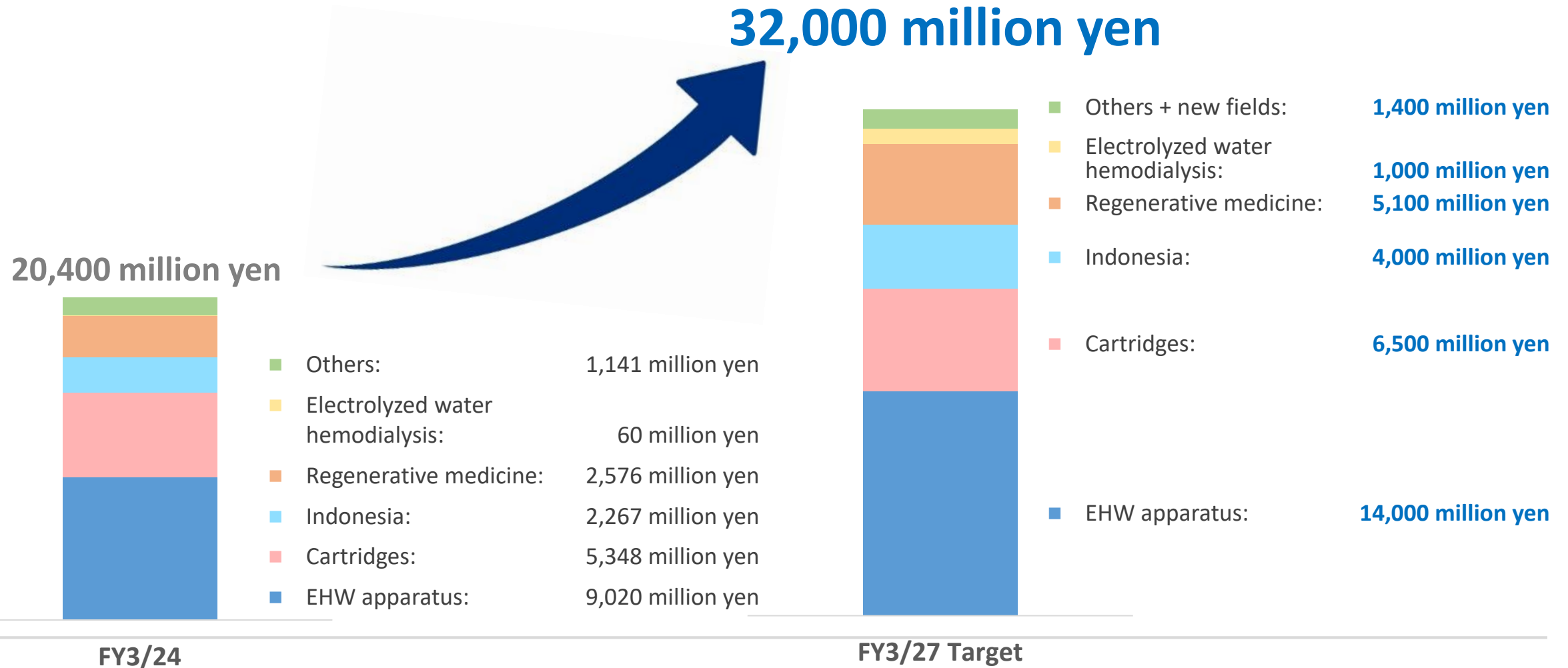
■ Operating profit 107.9%

■ Ordinary profit 108.9%

■ Profit 103.7%



Net Sales Target for FY3/27



Basic Capital Policy

Aim for a sustainable increase in shareholder value by achieving a solid balance of capital efficiency, shareholder returns and financial soundness

(Revised on November 8, 2022)

Current Perceptions & Future Initiatives

- 1 Capital cost perceived to be **approx. 7.5% in general** ▶ ROE for FY3/24 of **9.9%**
- 2 PBR of 1.32x at the end of FY3/24

- 1) ROE remains stable at a level that exceeds capital cost, with ROE for FY3/24 of 9.9% and an average of 9.5% for the past three years.
- 2) Although PBR remains at a level surpassing 1x, the current stock price is perceived to be undervalued.
- 3) We will first strive to achieve the medium-term target of 32,000 million yen in net sales then proceed to engage in investment in new businesses through M&As, strengthening IR activities to improve our market valuation, and enact further shareholder return policies to further enhance our corporate value.

Capital Policy and Shareholder Returns

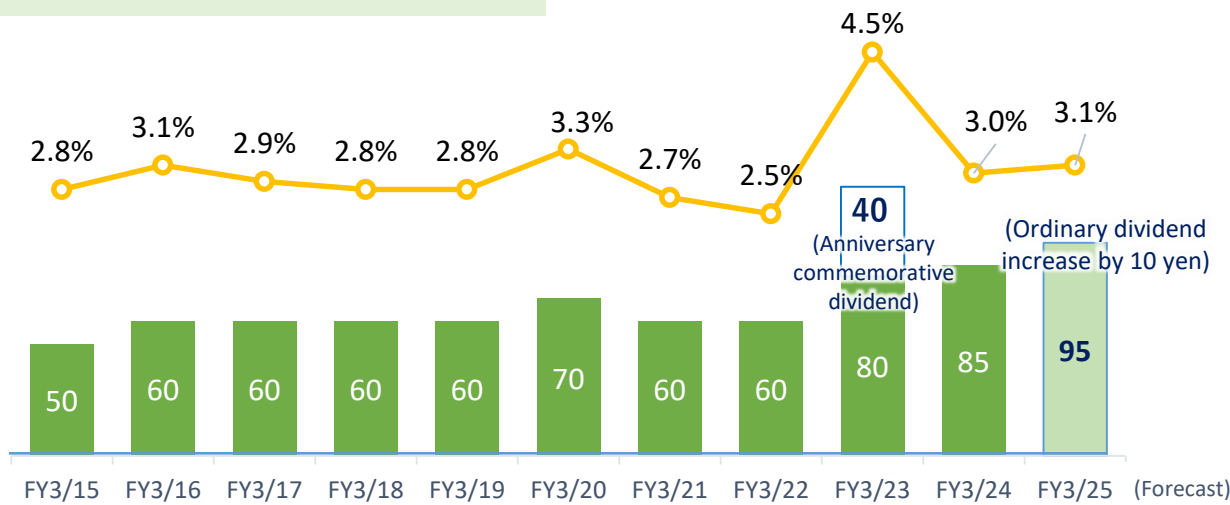
Specific Target Figures

- 1 Improve capital efficiency with ROE of at least 10% as a target indicator
- 2 Strengthen shareholder returns with a baseline DOE of 3%

* ROE (Return on Equity)

* DOE (Dividend on Equity) = ROE x Dividend Payout Ratio

Trends in DOE



Year-end dividend forecast for FY3/25 **95 yen** Increased by **10 yen**

DOE **3.1%** Dividend payout ratio **29.5%**

*Based on the Company's forecast

Shareholder special benefit plan

*The plan was expanded upon decision of the Board of Directors meeting in June 2024

40% discount for EHW apparatus
30% discount for water purification cartridges

Trends in ROE

FY3/24 Result
9.9%

FY3/25 Target
10.6%

Disclaimer Regarding Forward-Looking Statements

The earnings forecasts and forward-looking statements described in this document are based on information currently available to the Company, and involve potential risks and uncertainties. Accordingly, the Company cautions you that actual results may differ materially from those discussed in the forward-looking statements as a result of changes in various factors.