

# MTG

We have many dreams

# VITAL LIFE

The MTG Group will help create a world  
where everyone lives a happy, beautiful, and active life.



MTG

MTG  
MTG  
MTG

Flagship Brands

*ReFa*

Core Brands


  
SIXPAD

RED

Growth Brands

 Style

 EVERING

 五島の椿

 NEWPEACE

MEGLY

MIDNA  
SKIN

STELLA  
BEAUTE

BLAZE

JST

Kirala

砥希  
TOKI

# On the Publication of MTG Integrated Report 2025

Tsuyoshi Matsushita  
President and Representative Director

MTG Integrated Report 2025 is the first integrated report published by the MTG Group. This report has been prepared to provide our shareholders, investors, and other stakeholders with a comprehensive overview of the MTG Group's value creation initiatives, integrating information on our management strategy, financial performance, and non-financial activities. Through this report, we aim to deepen stakeholders' understanding of our medium- to long-term growth story and the corporate philosophy that underpins our business.

Since our founding, we at the MTG Group have steadfastly pursued our mission to help create a world where everyone lives a happy, beautiful, and active life through initiatives that aim to realize our VITAL LIFE business vision centered on the "One shines, We shine, All shines" corporate philosophy.

At the heart of this commitment and rooted in my personal experience is the Hikari Philosophy, our guiding principles that recognize every employee as an integral part of the team and embody our belief in advancing together with all stakeholders – including business partners, customers, shareholders, and investors – to bring healthy, prosperous lives to people everywhere. This report illustrates how our philosophy is embedded in our business activities and serves as the driving force behind our value creation efforts.

In the fiscal year ended September 30, 2025, the MTG Group achieved record revenue and profits, further strengthening the foundation for growing our businesses. At the heart of our growth strategy is a commitment to strengthening the value of our brands and solidifying the foundations of our business. Building on these foundations, we intend to pursue global expansion once successful business models established in Japan can be deployed overseas with confidence. This report provides a structured overview of the thinking behind this strategy, together with the specific initiatives supporting its execution.

We also share information on key priorities for achieving sustainable growth, including our "all-involved" approach to management, which encourages all employees to have an "ownership mindset," initiatives to promote sustainability based on 16 material issues, and how we are reinforcing our management through stronger governance and digital transformation (DX) initiatives.

MTG Integrated Report 2025 has been prepared with a strong commitment to transparency and honest communication, while remaining true to the unique character of the MTG Group. We hope this report will serve as an opportunity to deepen our dialogue with stakeholders and inspire the creation of new value.

I would like to take this opportunity to thank you for your support and interest in MTG. We look forward to continuing to deliver for you.





# Table of Contents

MTG Integrated Report 2025

## Foundation of Excellence

- 2 Cover Story
- 5 Foreword
- 6 Table of Contents
- 7 At a Glance
- 8 MTG Philosophy Frameworks
- 9 Corporate Philosophy
- 10 Business Vision
- 11 MTG Group Strengths
- 12 Group Management Framework

## Our Growth is Just Beginning

- 14 Message from the President
- 18 Message from the CFO
- 21 Message from the Executive Officer in Charge of Domestic Sales
- 24 Business Model
- 25 Advantages over Competitors
- 26 Co-creation Cycle
- 27 Initiatives to Enhance Corporate Value
- 28 Growth Strategies
- 29 Growth Cycle Model
- 31 ReFa Growth Strategy
- 35 SIXPAD Growth Strategy
- 38 ReD Growth Strategy
- 40 Growth Strategy for Growth Brands
- 41 Research & Development
- 42 VITAL DX

## The MTG Philosophy in Practice

- 44 Message from the Chairperson of the Sustainability Committee
- 45 Approach to Sustainability & Promotion Framework
- 46 Materiality & Targets
- 47 One shines
- 49 We shine
- 52 All shines

## Governance for the Next Two Decades

- 55 Conversation with Outside Directors
- 58 Corporate Governance
- 62 Executives
- 63 List of Executives
- 64 Executive Skill Matrix

## Value Creation Highlights

- 66 Key Financial and Non-Financial Data for the Past Eight Years
- 67 Segment Information
- 69 Sales by Brand
- 71 Corporate Overview

## Reporting Scope

- Coverage  
To the extent possible, the MTG Integrated Report 2025 covers the results of each MTG Group company; however, some content may differ from the reporting scope.
- Period  
October 1, 2024 to September 30, 2025. The content includes some information about activities undertaken after October 2025.

- Disclaimer on Forward-Looking Statements  
The MTG Integrated Report 2025 contains forward-looking statements about the plans and strategies as well as business performance forecasts of MTG and its affiliate companies. These forward-looking statements are based on currently available information and involve risks and uncertainties about economic conditions, consumer spending, market demand, and taxation policies and regulatory frameworks. Accordingly, actual business performance may differ significantly from what is expressed or implied by such forward-looking statements.

## At a Glance

# One shines, We shine, All shines

### Key Figures & Footprint

Established

# 1996

From Nagoya to the world

Revenue (FY2025)

# ¥98.8 billion

Record annual revenue

Employees (Consolidated; as of September 30, 2025)

# 1,514

Instilling an "all-involved" management approach

New products (FY2025)

# 191

Continuously bringing new products to market

IP assets (As of September 30, 2025)

# 6,802\*

\* Includes pending patents (4,594 rights granted)

### "All-involved" management approach based on our Group Management System

The Group Management System breaks down the organization into profit centers, employing a division-level accountability framework in which each unit is responsible for its own profit and loss. This develops leaders with an ownership mindset, achieving an "all-involved" management approach in which all employees work together to manage the Company. Individual divisions function as agile, market-responsive units, cultivating a strong sense of ownership that drives organizational competitiveness.

### Branding

Centered on developing great products, our branding efforts integrate multiple dimensions, including storytelling, creative direction, intellectual property, and in-store brand experiences to design a cohesive brand universe. We strategically connect diverse customer touchpoints – spanning directly operated brand stores, e-commerce sites, salons, hotels, and retail partners – to translate brand value into tangible experience. Through this approach, we build stronger empathy and trust while driving the sustainable growth of each brand.

### Diverse sales channels to build brands

The MTG Group has positioned the ReFa GINZA flagship store as the pinnacle expression of the brand universe. The Group manages its own sales channels from end-to-end – spanning experiential touchpoints, such as beauty salons and hotels, as well as purchasing channels that include e-commerce sites, direct marketing, department stores, shopping centers, duty-free shops, specialty retailers, and drugstores. Through a unique distribution strategy that transforms "experiences" into tangible value, we aim to maximize the value of our brands.

Corporate Philosophy

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Business Vision

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MTG Group Strengths

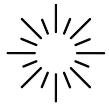
Brand Development System × Sales Channel Expansion

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Management Control Framework

Group Management System

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One shines,  
We shine, All shines

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Corporate Philosophy

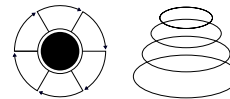


VITAL LIFE

We will help create a world where everyone  
lives a happy, beautiful, and active life.

---

Business Vision



Brand Development System × Sales Channel Expansion

We achieve sustainable growth through development  
enhancing brand identity and value alongside  
expanding sales channels.

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MTG Group Strengths



Group Management System

We develop leaders with an ownership mindset,  
achieving an "all-involved" management approach  
in which all employees work together to manage  
the Company.

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Management Control Framework

# One shines, We shine, All shines

## **One shines**

At the MTG Group, we place the highest importance on enabling each and every employee to pursue their dreams and aspirations and to lead rich, fulfilling lives, shining brightly with positivity and purpose.

## **We shine**

When each of us shines, we not only brighten the colleagues who work alongside us, we also light up our shareholders, customers, and partners, enabling all stakeholders to shine together.

## **All shines**

In addition to our commitment to a sustainable global environment, we will contribute to the advancement and development of human society, helping to enrich the lives of people around the world.

# VITAL LIFE

We will help create a world where everyone lives  
a happy, beautiful, and active life.

The MTG Group's business vision defines both our **reason for existence** and **the types of businesses we want to be**. Guided by this vision, the Group develops and operates businesses, brands, and services in the beauty and wellness categories, contributing to the realization of VITAL LIFE for people around the world.

# Branding

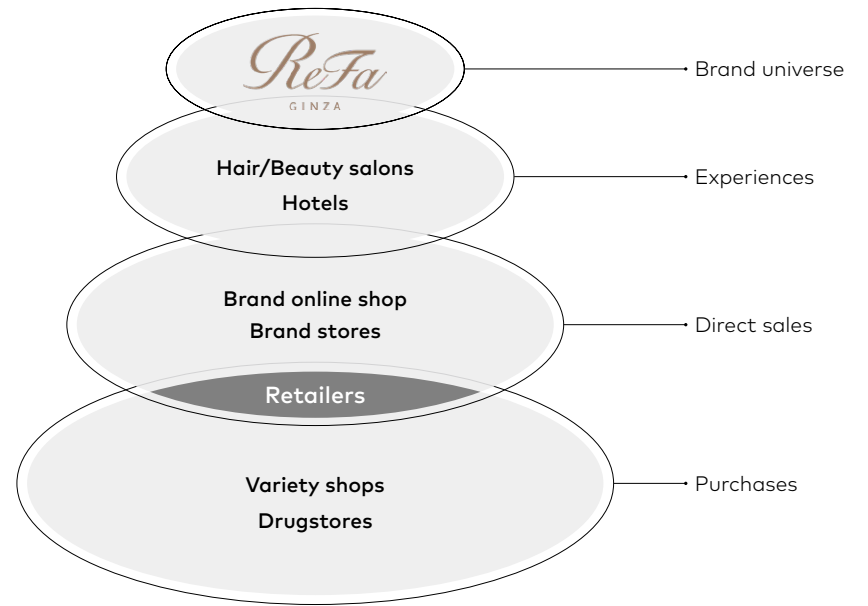
The MTG Group's strengths lie in our robust product-driven brand development and diverse sales network that delivers an exceptional purchasing experience at every customer touchpoint.

Brand Development System



Centered on product development, the MTG Group develops distinctive and innovative brands by continuously refining every aspect of the brand experience, including the evidence and intellectual property supporting our products, brand identity and creative direction, and in-store customer engagement.

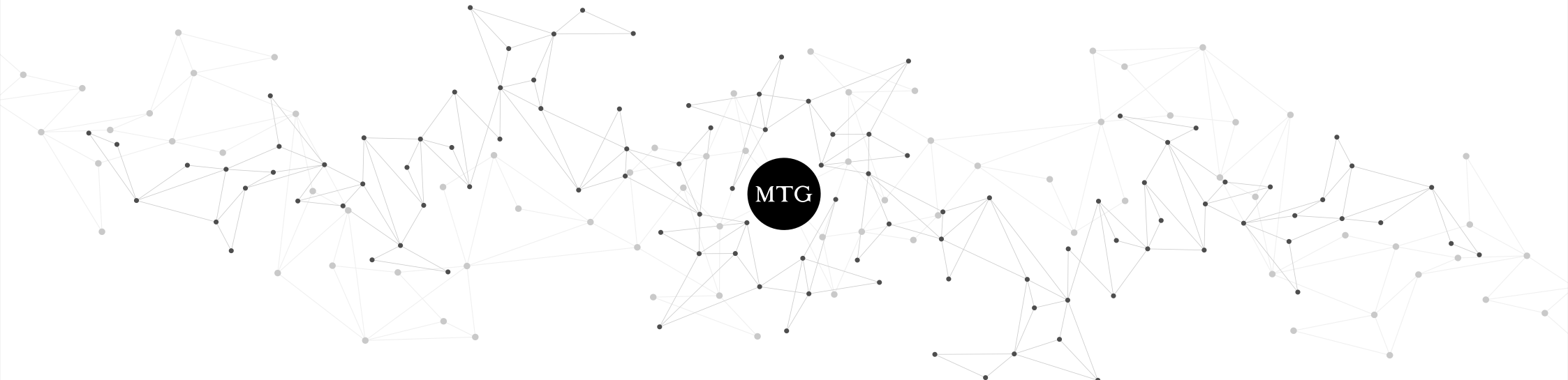
Sales Channel Expansion



We strategically tailor each customer interaction to ensure the highest quality brand experience at every single touchpoint – from those at our flagship brand and retail stores to e-commerce sites and variety shops.

# Group Management System

The MTG Group Management System is a distinctive management model founded on three core pillars: division-level profit accountability, cultivation of people with an ownership mindset, and an "all-involved" management approach. Together, these pillars form a unique management style aimed at achieving sustainable growth grounded in the Group's corporate philosophy. Rather than simply operating as a Group of separate companies, the defining feature of our management system is that each employee is encouraged to think and act with a managerial mindset, while individual divisions function as agile, market-responsive units that operate like a group of small companies.



## 1. Independent Accounting System

Division-level profit accountability

Maximizing revenue while minimizing costs – the fundamental principles of company management – are instilled across the entire organization through the adoption of a division-level profitability system in which the organization is structured into profit centers. Profitability is managed through a market-responsive approach that enables the organization to adapt quickly to shifting market trends.

## 2. Human Resource Development

Cultivation of people with an ownership mindset

We break the company down into profit centers based on organizational needs, and reconfigure these units to operate as a collection of small, independent businesses. By delegating responsibility for each profit center to its leaders, we develop people who have a strong ownership mindset.

## 3. Management by All

"All-involved" management approach

We achieve an "all-involved" management approach by having all employees work together in managing the Company and helping it grow, thereby enabling everyone to feel a sense of purpose and accomplishment in their work.

## Our Growth is Just Beginning

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- 27 Initiatives to Enhance Corporate Value
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- 35 SIXPAD Growth Strategy
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- 42 VITAL DX



## Message from the President

To realize VITAL LIFE, we will continue to take on new challenges, striving to become a globally admired company originating from Japan.

Tsuyoshi Matsushita  
President and Representative Director

### The endless gratitude at the heart of our corporate philosophy

"One shines, We shine, All shines." This is the corporate philosophy of the MTG Group. I am very passionate about our corporate philosophy, which we call the Hikari Philosophy. I was raised by the Matsushita family as their adopted son, and I cannot thank my parents enough for treating me the same as their other children. The word "Hikari" means a lot to me as it is an element of my late father's name. My goal in life is to repay my parents for their kindness, never forgetting everything they did for me. The name given to our head office, the Hikari Building, is an expression of this commitment.

The "One" in our corporate philosophy refers to every one of our employees. I believe building a workplace where everyone can reach their full potential with pride and passion is the essence

of corporate management. The growth and happiness of each individual makes our entire organization shine. This ideal is what nurtures the corporate culture of the MTG Group.

"We" represents all our stakeholders, including customers, shareholders, and business partners. By developing and delivering high-quality products and services together with our stakeholders, MTG contributes to a sustainable natural environment and leads the world toward a society where everyone lives a happy, beautiful, and active life, which is what we are referring to by "All."

Our products, from ReFa to SIXPAD, are not merely "things." They must brighten the lives of everyone who uses them. This principle is the driving force for innovation throughout the Group. Regardless of how big MTG becomes or how much our business domains evolve, my commitment to the ideals embodied in our corporate philosophy will never change. MTG began with the Matsushita



## Message from the President

family on the Goto Islands and will continue to grow throughout Japan and the rest of the world. We will continue to help every person shine to create a prosperous, bright society.

### Shared dreams and a common purpose – the driving force powering MTG's growth

"Human capital" has become a term of much interest to companies in Japan of late, with many prioritizing people as their most important asset. This is nothing new to the MTG Group. We have always considered our employees to be our most vital resource. When I established MTG BLAZE Corporation, the predecessor to MTG Co., Ltd., in 1996, the founding members and I were determined to contribute to the development of

a prosperous society and dreamed of building a group fostering sustainable growth through the power of people. Shared dreams and a common purpose are the driving force powering MTG's growth.

Revenue growth for the MTG Group is not an end in itself. Beyond strengthening our earnings base and maximizing shareholder value, our mission is to amplify our "light" – the positive impact we create through our businesses – in other words, to deliver even greater value to society. There is a profound difference between the communities we can "light up" with ¥10 billion in sales and those we can reach with ¥1 trillion, just as there is between the opportunities afforded to employees within businesses of those respective scales.

It is now 30 years since I founded MTG. From a company that started with five friends, we have

grown into an organization with more than 1,500 employees (consolidated) and roughly ¥100 billion in revenue. But we're only just getting started. Guided by our "One shines, We shine, All shines" ideals, we remain determined to steadily advance toward our goal of becoming a globally admired company originating from Japan.

### Record-breaking revenue and profits in FY2025

The MTG Group achieved record revenue and profits in the fiscal year ended September 30, 2025, reaching ¥98.8 billion in revenue, ¥10.6 billion in operating profit, and ¥7.9 billion in net profit attributable to owners of parent. The release of numerous new products that address unmet customer needs and the steady execution of effective marketing strategies tailored to the characteristics of each channel, from beauty salons to retail stores and online shops, helped to boost our sales and profits. The fact that everyone working at the company, from top management to junior employees, shares common values and goals, and is working to achieve the VITAL LIFE business vision, is a key factor behind our strong results.

The beauty and wellness industries, pivotal to the MTG Group, were the launchpads for our growth. In times like these, we are more determined than ever to bring vitality to people around the world through beauty and wellness. At the same time, we believe that showcasing dynamic, vibrant Japanese companies such as the MTG Group plays a vital role in advancing the development of these industries and markets as a whole.

### MTG Group's "all-involved" management approach: Empowering employees with the ownership mindset of a leader

I believe the MTG Group's greatest strength is its organizational capabilities. We have built a framework that transforms the strengths of each employee into the strength of the entire organization. All functions – from brand development and marketing to administration, are aligned toward a shared vision and common goals. The adoption of a division-level profitability system enhances transparency of financial performance, and the promotion of an "all-involved" management approach encourages every employee to think and act with an ownership mindset.

However, sustaining and enhancing these organizational capabilities over the medium to long term is by no means easy. The MTG Group remains in a growth phase, and we continue to bolster our workforce with new graduates and mid-career professionals. As we pursue opportunities in global markets with significant potential upside, the cultivation of global talent is a critical priority. We are strengthening talent development through flexible training programs tailored to each role and function. Concurrently, we are working to enhance working environments, as demonstrated by the new Atsuta headquarters, and build fair and transparent personnel evaluation systems. I view one of my key responsibilities as being to support the growth of our colleagues and to provide an environment in which each individual can shine.





### Japan beauty, global presence

Here, I would like to outline the MTG Group's medium- to long-term growth strategies. We achieved revenue growth of 37.5% in the fiscal year ended September 30, 2025. For the upcoming fiscal year, we forecast a 21% increase in revenue; however, this should be understood as the minimum level we aim to achieve. At present, more than 95% of the MTG Group's sales are generated in Japan.

However, to sustain a strong growth trajectory, we must expand our presence in global markets, where significant business opportunities remain. The first step toward this will be to focus over the next few years on capturing demand from inbound tourists in Japan through the ReFa brand. We will then proceed to build new sales channels tailored to market characteristics, particularly in Asia, to drive further revenue growth. In Europe and the United States, we will work to increase recognition of the ReFa brand and strengthen our position as a leading "Japan Beauty" brand on the global stage.

I am confident that our ReD recovery wear, which utilizes our proprietary VITALTECH® fiber technology to improve circulation, has the potential to become a globally recognized brand. At the same time, an increasing number of high-end hotels and other accommodation facilities are incorporating ReFa products into their offerings. We expect this trend to continue and for similar initiatives to be extended to overseas markets in the future.

A key strength of the MTG Group lies in the extensive network of salons, hotels, and other

venues where people can experience our brands firsthand. We are confident that the strong reputation and trust we have earned for our products here in Japan will translate into global markets, and that this will be the foundation of sustained, long-term growth.

### Guided by our philosophy, toward a sustainable future where everything shines

Guided by our "One shines, We shine, All shines" philosophy, the MTG Group considers contributing to the sustainability of the global environment and socioeconomic systems to be key management priorities, just as important as speeding up the development of our brands or securing outstanding human capital. As a publicly listed company, we recognize that fulfilling our social responsibilities and addressing societal challenges through our business activities are indispensable to maximizing corporate value.

We have identified 16 material issues and are implementing action plans across three areas: employee well-being, social contribution, and environmental conservation as we work toward realizing our corporate philosophy – "One shines, We shine, All shines." We have established a governance framework centered on the Sustainability Committee, chaired by myself, which monitors progress, evaluates initiatives, and reports regularly to the Board of Directors.

One example of how we contribute to society through our business is the development of the Goto no Tsubaki series. The Goto Islands, where I grew up, are home to over 10 million wild

camellia trees. Taking our cues from the inherent vitality of the camellia, we spent more than eight years researching its application in skincare and developed a "fermented camellia yeast" beauty extract, which was brought to market as the Goto no Tsubaki series. This product not only provides customers with a new skincare option, it also unlocks the potential of camellia resources in the Goto Islands, helping revitalize the local community by developing new industries and creating jobs.

### Better governance, stronger management

Alongside promoting initiatives that improve the sustainability of the environment and society, we believe that it is equally important to strengthen the sustainability of the MTG Group itself so that we can continue addressing the challenges faced by modern society well into the future. We regard this as a fundamental responsibility of a publicly listed company. Corporate governance and compliance are, without question, the foundation of a sustainable corporate group. If bold business strategies represent our "offense," then it is effective governance – combining agile decision-making with robust oversight – and a strong compliance framework that provide the "defense" that ensures those strategies can be pursued with confidence.

The Hikari Philosophy is the linchpin that balances the competing forces of these offensive strategies and defensive systems, something that I feel gives the MTG Group its unique character.

## Message from the President

### Cash allocation: Balancing growth investments and shareholder returns

With respect to our cash allocation strategy, we believe it is essential to maintain an appropriate balance between growth investments for the future and shareholder returns in order to sustainably increase our market capitalization. While returning the majority of our profits to shareholders may induce share price appreciation in the short term, if future investments are constrained, growth may slow and earnings per share – the source of sustainable dividends – may decline.

We believe that continuing to invest in a disciplined manner in response to the changing business landscape, generating stable earnings growth, and returning those profits to shareholders through consistent dividends is the best way to meet the expectations of shareholders and maintain their support. Going forward, we remain committed to maximizing shareholder value through both capital and income gains.

Maintaining close relationships with shareholders, investors, and other stakeholders, while enhancing dialogue and communication, is a key management priority. Direct engagement with institutional investors and analysts not only helps me articulate my management philosophy and businesses vision, it also provides valuable opportunities to reassess the effectiveness and appropriateness of our strategies and initiatives. Alongside ongoing dialogue with investors, we will continue to build stronger relationships with customers and business partners. Directly engaging with all stakeholders and reflecting key

takeaways and insights into our decision-making processes will lead to more objective and better-informed management decisions.

### Amplifying brand value across every channel

The MTG Group has set a bold target of achieving annual revenue growth of at least 20% each year. Some may view such a goal as overly ambitious. But throughout our history, the MTG Group has taken on seemingly impossible challenges and repeatedly defied the doubters. Together with my colleagues who share our vision and values, I am determined to "walk the talk" and lead the way in realizing this ambitious vision.

The reason I place such importance on figures such as revenue and profits is because they reflect the total "shine" that we have created and serve as a barometer of customer satisfaction. As exemplified by the popular ReFa HEART COMB Aira, renowned for its charming design, the MTG Group's brands are built around attractive product lineups that inspire excitement and emotional engagement even when not being used. We will continue pursuing further sales growth both by developing new brands and enhancing the value of existing ones.

The beauty and wellness industries in Japan are said to be looking somewhat unhealthy nowadays. The difficulty of our task is magnified by an unfavorable business environment characterized by accelerating inflation and a shrinking domestic market weighed down by population decline. Despite these challenges, we remain confident that by developing innovative products that

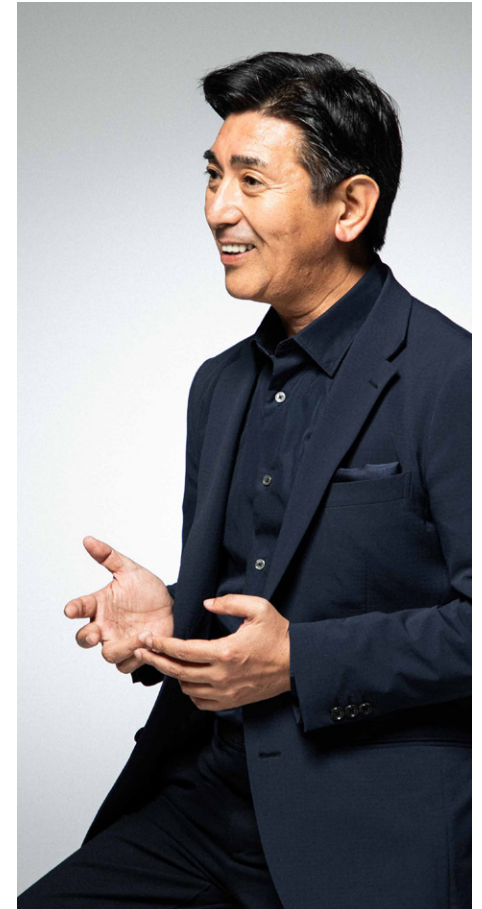
support customers' VITAL LIFE, delivering these products via a wide range of channels, and expanding MTG Group brands and products from Japan to the global stage, can achieve sustainable medium- to long-term growth.

### Exceeding expectations, trusted by all stakeholders

The MTG Group aims to be a company that every employee, from development through sales and administration, feels proud to have joined; that every beauty salon and other business partner is glad to work with; and, most of all, that every customer who uses MTG Group products experiences a brighter, more vibrant, and enriched life. That is my unwavering mission as the President of the Group.

To accomplish this, we will continue to invest in research and development while pursuing world-class quality and innovation. At the same time, we view it as a key management responsibility to refine our working environments and human resource development systems to ensure that all employees can take pride in and find meaning in their work. Together with our business partners, we will aim to build relationships grounded on deep trust and co-creation that go beyond transactional dealings to enable mutual growth.

The MTG Group will continue to uphold the venture spirit and open corporate culture it was founded with while striving to break new ground. We sincerely ask all our stakeholders for their continued understanding and support.



## Message from the CFO

# Unlocking our growth potential: Customer-centric brand creation delivering sustainable medium- to long-term growth

Akihiko Tajima

Board Member  
CFO and Executive Officer in Charge of Administration

### Decision-making to unlock our growth potential: Speed with control

As Chief Financial Officer, I oversee the MTG Group's financial strategies, aiming to balance speed with appropriate checks and balances. We take a holistic view of our business and act decisively to seize opportunities in the pursuit of our corporate philosophy. When making decisions, I rely on key performance indicators, while acting swiftly to realize our growth potential. This means carefully analyzing internal metrics — business growth stages, investment strategy progress, our current financial position, and so on — as well as external factors like rapidly evolving markets and global business conditions to make timely judgments.

For the fiscal year ended September 30, 2025, the MTG Group achieved consolidated revenue of ¥98.81 billion (up 37.5% YoY), operating profit of ¥10.6 billion (up 225.4% YoY) and net profit attributable to owners of parent of ¥7.93 billion (up 248.0% YoY). Despite these results, we cannot allow ourselves to become complacent.

The Group's strategic financial management is still only in its early stages, with market-responsive

"division-level profit accountability" and the "integrated management of accounting and control" framework only now beginning to consistently demonstrate their full effectiveness.

It is essential that management, employees, and all stakeholders share the MTG Group's corporate philosophy and business vision as we continue to pursue the creation of new value, which forms the foundation of sustainable growth. I believe this is a responsibility that must be fulfilled not only by the CFO, but by all Company executives.

### Financial position of the MTG Group and our fundamental financial strategies

Beginning with the MTG Group's financial position, in the fiscal year ended September 30, 2025, total assets were ¥75.2 billion and the equity ratio 67.8%. ROIC reached 18%, exceeding our WACC of 8%, indicating success in generating returns above our cost of capital. This transformation strengthens our ability to create value and generate profits.

While our equity ratio significantly exceeds the 50.2% average across all industries, we do not believe that



## Message from the CFO

keeping this indicator high should come at the expense of investing in corporate growth. As long as the ratio does not drop too low, pursuing an optimal capital structure – securing investment funds through bank loans and the issuing of corporate bonds – is a sensible and disciplined management approach.

The MTG Group's financial strategy is centered on establishing a cash circulation cycle that maximizes corporate value: generating profits through effective investments, strengthening internal reserves and shareholder returns, and reinvesting to achieve sustainable growth. We will continue to flexibly utilize diverse financing methods to support this cycle.

### Integrating accounting and controls: Adoption of the Group Control Package as a global standard

Strengthening internal controls is vital for pursuing further growth. Accounting, in my view, is the process of "accurately representing the condition of a company numerically" and communicating it clearly and in a timely manner to the management team and shareholders. It is critical to grasp exactly what is happening in the Group in order to reflect it accurately in financial reporting. Accordingly, accounting and controls must operate as inseparable functions, fully integrated within the management framework.

Based on this understanding, we established the MTG Group Control Package as a global standard in 2025. This framework promotes an integrated set of initiatives that extend beyond accounting controls, including the appointment of non-executive directors and a general manager in charge of auditing, standardizing accounting processes, strengthening coordination between accounting departments at MTG

and its Group companies, as well as integrating internal audits, internal reporting systems, and compliance training.

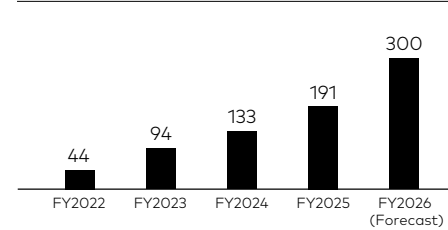
While the Group has experienced cases of improper accounting practices in the past, the adoption of this control package is designed to ensure it does not happen again and further enhances the robustness of our management structure and financial practices.

However, as companies grow and external environments continue to change, organizations must review and update control systems at the appropriate time. There is no such thing as a "finished" control framework. It is therefore important that all Group employees remain conscious of the integration of accounting and internal controls, while promoting a shared understanding of the philosophy embodied in the control package.

### Recognizing that our growth is just beginning: MTG Group's medium- to long-term financial strategy

Before outlining the MTG Group's medium- to long-term financial strategy, I would like to share my perspective on the Company's current position. At the time of the initial public offering, there was a period when you could say MTG had "all its eggs in one basket" with our business heavily dependent on facial rollers. More recently, however, we have achieved a multi-brand, multi-category business structure and built a solid foundation as a brand development company. We are now taking the first step toward the next stage in our growth and evolution, while recognizing that countless challenges still lie ahead.

### New product releases



### Prioritizing investment in superior development prowess

The first area I would like to highlight as a priority for allocating cash and other management resources is our ability to develop new brands.

The MTG Group has cultivated a diverse portfolio of brands, including ReFa, a beauty brand centered on the concept of "VITAL Beauty"; SIXPAD, a wellness brand; and the ReD recovery wear brand. Within each brand, we have expanded into multiple product categories, such as dryers, showers, and haircare products, and continue to launch more than 100 new products annually.

Maintaining a rapid pace of innovation and continuing to deliver high-quality, evidence-based, design-oriented products requires ongoing investment in world-class development prowess. To sustain our capabilities well into the future, we are investing in future-ready development infrastructure, stronger brand communication, and the acquisition of top-tier talent, with the establishment of our new headquarters in Atsuta a key part of this strategy.

### ReFa categories

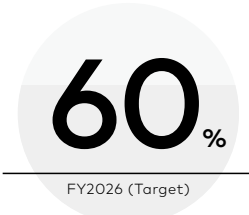
5 → 9

### SIXPAD categories

3 → 4

FY2025 (Actual)

### New product sales ratio (%)



We believe it is essential to sustain a high level of investment in development capabilities that will generate returns over the long term, without being overly influenced by short-term considerations.

### Capital allocation: Creative potential beyond what ROIC can measure

When allocating investment capital, we do not focus solely on capital efficiency. While the MTG Group has continued to launch successful new brands, categories, and products, our fundamental business model is not centered on existing markets, but rather creating new markets and capturing unmet consumer needs.

That said, if capital efficiency, near-term profitability, and short investment payback periods are the priority, the optimal approach would be to focus on mass-market products from within our established core brands that already have proven market size and sales track records. This is because new products with tremendous future potential tend to be viewed skeptically at first and can take time to gain traction.

## Message from the CFO

The pioneering spirit cultivated by our entrepreneurial culture has been a key driver of MTG's growth, and this spirit was evident in the successful launches of the ReFa HEART COMB Aira in 2024 and ReD brand in 2025. Rather than relying solely on quantitative indicators, we believe that embarking into categories where we can differentiate ourselves and creating brands and products that enrich customers' lives will ultimately translate into long-term growth that realizes our full potential.

### From best-selling products to building brand power

Simply continuing to create hit products is not enough to build a true "brand." At some point, a qualitative transformation is necessary. A true brand is one whose name itself carries meaning – trusted for its quality and instantly recognizable – creating added value that differentiates it from competitors .

For the ReFa brand, the ReFa HEART COMB Aira, released for the fall/winter 2024 season, exemplifies this kind of transformation. This single product drove rapid market expansion, turning the brush and comb market – previously limited to only a few billion yen – into a market an order of magnitude larger. It is fair to say that a product capable of reshaping an entire market demonstrates the power of the brand itself.

Furthermore, the opening of the ReFa GINZA flagship store in the fall of 2025 to communicate the brand universe worldwide, marked another milestone in the brand's evolution. The store has received high praise from investors and analysts alike, and I would encourage all shareholders to pay a visit.

We will continue to actively invest in further

strengthening the brand. Once a brand has been firmly established, it reaches a stage where the relative marketing cost for individual products gradually decreases. I believe this is the hallmark of a truly strong brand.

### Our approach to ROI metrics: Product portfolio management and multifaceted strategies

Through business portfolio analysis utilizing return on invested capital (ROIC), we have taken decisive measures, including withdrawing from businesses with limited prospects for improvement or implementing fundamental reforms to business models where necessary. We believe that effective management requires a disciplined approach that balances portfolio transformations, including brand strategies, with optimal cash allocation.

One of the secrets to the rapid growth of MTG's sales has been our multi-channel sales and multi-target strategies. To support future growth, we have also updated our global strategy and begun putting it into practice.

Going beyond conventional brand and category frameworks, we analyze our businesses from multiple perspectives to manage profitability and investment efficiency. We look forward to sharing further details on these initiatives on another occasion.

M&A represents an effective means of sustaining corporate growth, and the MTG Group has executed around one acquisition per year over the past few years. Targeting at least 20% annual revenue growth means M&A is a vital strategic tool for accelerating the acquisition of management resources. In this context, equity financing measures, including public offerings and the issuance of convertible bonds, will become

important considerations.

To ensure the success of M&A and post-merger integrations, it is essential to enhance shareholder value through consistent profit growth and strong shareholder returns. We are continuing to strengthen our M&A capabilities through the development of internal specialists and by reinforcing partnerships with external advisors in order to ensure rigorous due diligence and minimize potential risks.

### Sustainable Group growth: Ramping up human capital, environmental, and DX initiatives

To maintain and accelerate our current growth momentum, it is essential not only to strengthen brand development and marketing activities, we also need to reinforce management infrastructure by building up our human capital and enhancing IT systems. The MTG Group encourages an "all-involved" management approach, in which every employee is expected to have an ownership mindset and take the initiative in solving problems.

To put this into practice, it is essential that we provide education and training to raise awareness of the state of MTG management and the profitability of each business and brand. We are also committed to establishing fair and effective personnel evaluation systems that properly assess employees' efforts and results, while supporting individual development and growth.

Despite not owning or operating production facilities, we recognize that contributing to the sustainability of the global environment and socioeconomic systems is one of our core responsibilities in line with our "One shines, We shine, All shines" corporate philosophy. In

2025, our Carbon Disclosure Project (CDP) Score, which evaluates corporate initiatives to address environmental issues, rose two ranks from a C, indicating awareness of environmental risks, to a B (taking action to mitigate environmental impacts). Naturally, we are working to ensure we receive an A rating in the future.

Additionally, leveraging AI and other leading-edge digital technologies to increase productivity and enhance our services is an essential requirement for maintaining our position as a value-creation leader. As CFO, it is my responsibility to ensure that capital is appropriately allocated to strengthen human resources, support sustainability initiatives, and promote DX in order to enhance the MTG Group's corporate value from both financial and organizational perspectives.

### Becoming a leading company trusted by all stakeholders

The MTG Group will continue to maintain a sound financial foundation, develop brands and markets for products that resonate with consumers worldwide, further expand the competitive advantage we have in multi-channel distribution, and appropriately allocate management resources into people and sustainability. We will deliver products and services that offer value to customers, stable dividends and capital gains to shareholders, opportunities for business partners to grow, a rich natural environment to local communities, and a place for employees to reach their full potential.

We sincerely ask all our stakeholders for their continued understanding and ongoing support of the management policies and financial strategies of the MTG Group.

## Message from the Executive Officer in Charge of Domestic Sales

# The MTG Group's unique business model: Innovative brand development and end-to-end optimization of the distribution process and customer experience

Yusuke Inoue

Board Member

Executive Officer in Charge of Domestic Sales

### Driving the entire industry forward – the mission of our sales team

Guided by our "One shines, We shine, All shines" corporate philosophy, the MTG Group aims to contribute to employees, customers, business partners, shareholders, the industries we operate in, and society as a whole.

In this context, the MTG Group's marketing strategy is closely linked to our business vision of "VITAL LIFE: We will help create a world where everyone lives a happy, beautiful, and active life."

Guided by this vision, we have established an innovative brand development system and realized a unique business model predicated on providing customers with optimal purchasing experiences through multi-channel distribution and numerous opportunities to experience our products.

I am focused on making meaningful contributions across the pivotal beauty and wellness markets. I hope to devise innovative, sustainable profit models that deliver both customer satisfaction and stimulate

the industry as a whole.

The MTG Group has been ambitious in innovating not only new brands and products but also in building business models that transform markets and industries. In the past, product sales at beauty salons were mainly consumable goods such as shampoos and treatments. Our beauty rollers pioneered a retail model for hair dryers and other consumer durables. The purchasing experience – driven by professional recommendations and hands-on experiences – generated not only tremendous customer satisfaction but also revolutionized beauty salon sales.

Our recently launched Smart Plan, a pay-as-you-go model for high-end equipment, including fine bubble showerheads and professional electrical muscle stimulation (EMS) devices, minimizes upfront costs. Because customers only pay for what they use, this model is extremely popular with salon and clinic owners, who tend to be independent proprietors. The service has helped these businesses both improve the level of



## Message from the Executive Officer in Charge of Domestic Sales

customer service and achieve more stable earnings.

The MTG Group's groundbreaking initiatives now extend beyond beauty salons. ReFa products have been introduced at high-end hotels and other accommodation facilities. Hotel operators have given glowing praise for our products, noting that they help increase customer satisfaction, reservations, and average room rates.

In the e-commerce segment, the launch of Club Aira has improved customer engagement through

exclusive products, welcome gifts, and other member benefits. As membership has grown, so have repeat purchases. Shattering conventional approaches, this pioneering model defines a new industry benchmark for customer relationship management and e-commerce operations.

### Capitalizing on the MTG Group's strengths: Record revenue and operating profit in FY2025

A key strength of our marketing strategy is our ability to deploy product lines that marry innovative functions with outstanding designs across diverse channels. This generates synergies between products and markets to realize a high ratio of direct-to-consumer e-commerce sales. To achieve even greater brand penetration, we devise and execute strategies tailored to the specific characteristics of various sales channels – from direct marketing businesses such as e-commerce and online shopping to professional services for B2B2C businesses, including salons and clinics, as well as retail outlets like department stores, shopping centers, duty-free shops, big-box electronics retailers, and drugstores.

In e-commerce, rather than pursuing short-term revenue growth, we are focused on building long-term brand value. Entering into direct agreements with salons and clinics enables us to share detailed product information and effective demonstration methods that enhance the appeal of our products and services.

At department stores, shopping centers, and outlets, we tailor product configurations and

in-store displays to specific demographics, optimally differentiating channels and purchasing experiences.

At big-box electronics retailers and drugstores, we rolled out innovative displays that challenge industry conventions, further strengthening our differentiation at the point of sale.

Another strength is the network of locations where our products and services can be experienced. Available through 44,360 beauty salons and in 84,718 hotel rooms, an estimated 21.2 million hotel guests experience our products annually. These touchpoints generate substantial promotion across all markets at minimal cost, contributing to synergistic effects and achieving a high ratio of e-commerce sales.

Capitalizing on these strengths, we achieved record revenue, operating profit, and profit attributable to owners of parent in the most recent fiscal year. The ReFa brand's haircare lineup was the key driver of this growth, particularly the historic success of the HEART COMB Aira. Altogether, ReFa brand sales climbed to ¥72.8 billion, up 41.6% year on year.

Higher sales to salons, dramatic growth in new business accounts, and a steady increase in the number of ReFa Rooms at hotels, all contributed to enhancing brand recognition and driving customer traffic.

### The foundations of the MTG Group brand: The "all-involved" management approach and our outstanding people

Our exceptional brand development capabilities are

underpinned by outstanding human capital, with all employees possessing an "ownership mindset." A "division-level profitability system," in which each organization is managed as an individual "profit center," encourages employees to consider the profit and loss implications of their actions and to understand how inventory management impacts the balance sheet. Now deeply embedded in everyday operations, this thinking instills a strong commitment to organization-wide optimization.

The role of the sales division is to convert product and service development into business results. To do so, all employees must have an ownership mindset and a bias to action. Our "all-involved" management approach is not only a key management system, it can also be considered a core element of our corporate culture.

Our people are our most valuable asset and the driving force behind our growth. Hiring is conducted not only by MTG itself but also independently by MTG FORMAVITA, which recruits ReFa store staff, and by MTG PROFESSIONAL, which recruits for the professional business segment.

We provide training tailored to the characteristics, expertise, and skill requirements of each business. Store operations serve as direct customer touchpoints and here we are focused on developing "modelists," who communicate brand and product appeal to consumers.

After initial training, customer evaluations are constantly monitored using Net Promoter Score (NPS®). Based on these insights, ongoing training helps cultivate the product performance and service quality required to turn "customers" into "fans" and maximize their lifetime value. Additionally, given that women account for



## Message from the Executive Officer in Charge of Domestic Sales

more than half of Group employees, our training programs are oriented toward supporting career development and opportunities for greater advancement for women.

Through education and the active involvement of those shaping our future, we will continue to grow through the power of people.

### Partnering with stakeholders to shape new purpose and societal value

Customer relationships and brand affinity are enhanced in a variety of ways. These include following up with existing customers via the ReFa app, cultivating fans through online communities, holding in-person events, and encouraging people to join Club Aira. Feedback from customers and business partners is incorporated into product development and leveraged to improve brand value and make communication more meaningful.

For the beauty and wellness industries, we contribute to development through joint activities with business partners and job fairs for beauty salons. As part of this, we invited top stylists from famous salons in Tokyo, Nagoya, Osaka, and Kyushu to participate as development partners, helping to create reliable products.

We continue to build strong, trusting relationships through measures such as employment pathways that help students find work at beauty salons and the Management Dojo, a seminar for young salon owners conducted by President Matsushita himself.

Sustainability issues are becoming increasingly urgent. We have prioritized marketing strategies that take ESG and sustainability into account. We

have released innovative products and services with the aim of creating a society where all people can live an active life. Such products include SUIGEN, an ultra-fine bubble generator mounted on water pipes, FINE BUBBLE showerheads, and femtech products that address women's health concerns.

Going forward, we will ramp up efforts to tackle societal issues through both our products and general business activities.

### Maximizing corporate value: Medium- to long-term growth strategies

We are committed to pursuing sustainable growth and maximizing corporate value in line with our corporate philosophy. Our strategies to accomplish long-term growth involve category- and channel-specific planning, enhancing the consumables segment, and encouraging repeat business through subscription plans. The new Club Aira service aims to enhance growth by addressing the needs of brand fans.

We are creating new touchpoints in e-commerce through social media, live commerce, and other digital initiatives to drive growth in both membership and sales. By expanding business with salons and hotels – markets that have significant growth potential – the Group aims to generate synergies across all business domains.

We receive numerous offers to open brand stores and will carefully select the opportunities that maximize brand value. We also plan to roll out more displays in big-box electronics retailers and drugstores.



SIXPAD sales channels will be expanded into hospitals and product offerings in the home care market broadened.

Attracting demand from inbound tourists is a key focus. The new ReD brand is targeting rapid expansion to reach more than 4,300 stores throughout Japan, including over 1,000 hospitals and pharmacies.

AI is yet another strategic priority. In e-commerce, we will leverage AI to generate and mass produce marketing assets, as well as for initial customer support via chat, email, and phone. AI agents will be introduced into web-based customer engagement and marketing automation systems. We will also promote its use as a tool in

face-to-face sales activities.

Sales growth momentum in the domestic market is robust. While our primary focus remains on Japan in the near term, we have received numerous offers from renowned overseas hotels and are currently developing global marketing strategies that combine opportunities for people to experience our products at hotels with e-commerce initiatives.

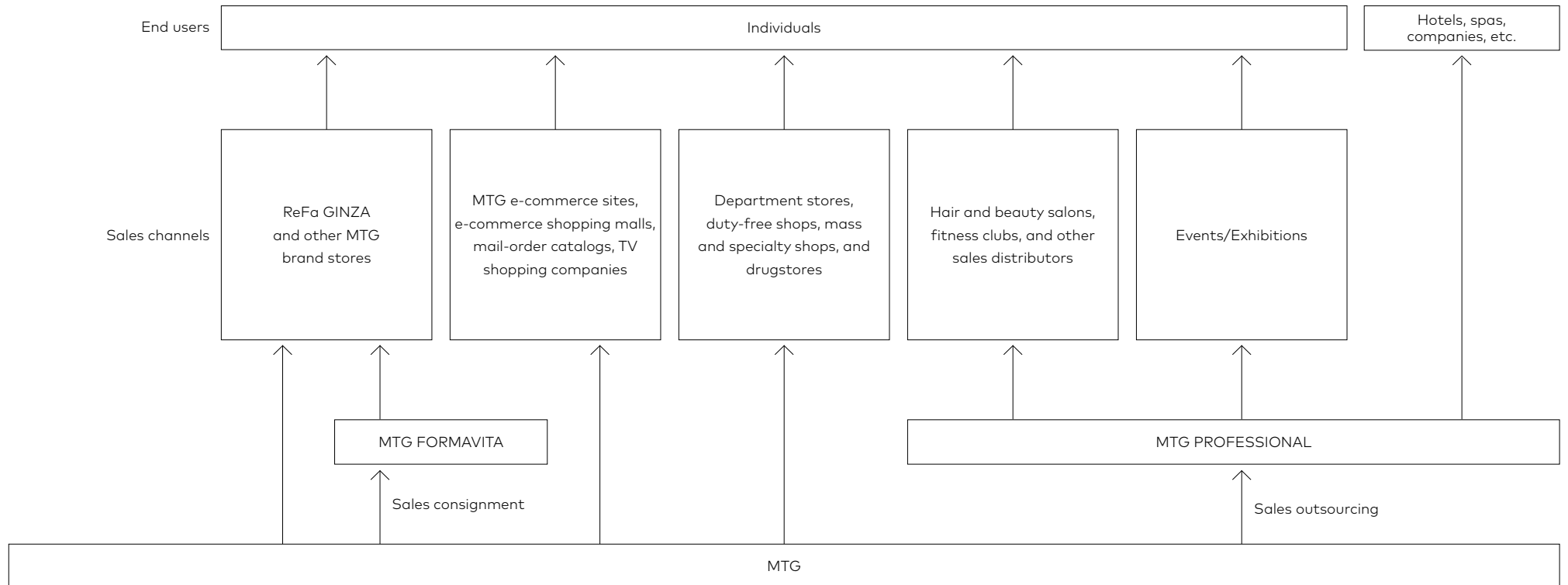
Guided by our "VITAL LIFE business vision, MTG will continue to grow while aiming help create a world where everyone lives a happy, beautiful, and active life."

We hope all stakeholders continue to have high expectations for the MTG Group's future growth.

# Diverse Sales Channels

The MTG Group outsources all manufacturing and procurement for the products we design and develop.

We deliver these products to customers through diverse sales channels, such as e-commerce sites, retailers, hair and beauty salons, department stores, and duty-free shops.



## Advantages over Competitors

# Sales Tailored to the Distinct Characteristics of Diverse Sales Channels

The MTG Group develops e-commerce sites/direct marketing, professional B2B2C businesses through hair and beauty salons, and retail businesses, such as department stores, duty-free shops and big-box retailers, while tailoring sales activities to the distinct characteristics of each channel.



### e-commerce/ Direct Marketing

Direct sales to general consumers through newspapers and e-commerce sites operated by our Group and domestic subsidiaries, sales through our Group and e-retailers/catalogs as well as wholesale sales to television home shopping companies

We are expanding venues for sales at online shops and providing information about everything from brand concepts to product functionality, while expanding convenient customer touchpoints to enable people to buy anywhere at any time.



### Hair and Beauty Salons

Distribution sales through the B happy salon-focused e-commerce platform, wholesale sales to companies operating hair and beauty salons, equipment sales to accommodation facilities, and direct sales to general consumers through shopping centers and other channels

Because our products and services are used by hairdressers and beauty therapists on their customers, people know they can use them with peace of mind. We have also built a framework for people to experience our products during treatments and services, while providing salons with seminars and sales support, to create a system where professionals can feel confident recommending our products to customers.



### Retail

Wholesale sales to commercial enterprises, primarily ReFa GINZA, department stores, shopping centers, duty-free shops, mass and specialty retailers, and direct sales to consumers through the MTG Group or in-person sales at retail outlets operated by the MTG Group

The ReFa GINZA flagship brand store cultivates the brand universe, while specialty retailers at our brand shops and department stores communicate the brand identity and philosophy. We also carry out initiatives targeting inbound tourists in Japan, primarily through ReFa GINZA, to raise brand awareness among overseas visitors to Japan. Our efforts in duty-free shops and department stores present high luxury to tourists and affluent consumers. Our initiatives in mass retail stores, variety shops, and drugstores raise awareness across generations and secure retail sales by providing an environment offering easy access to our products.

## Co-creation Cycle

# Co-creation Cycle Enhancing Value Creation Capabilities

The MTG Group strengthens its brand power, product/technical prowess, and marketing capabilities by striving to realize amazing lives for our employees grounded in the "One shines, We shine, All shines" philosophy. These efforts help increase stakeholder satisfaction, enhance social value, and drive sales and profits.

We also reinvest profits back into the development of human resources and technology to realize a "co-creation cycle" that continually enhances the MTG Group's value creation capabilities.

### Value creation capabilities



### Value provided to customers and society



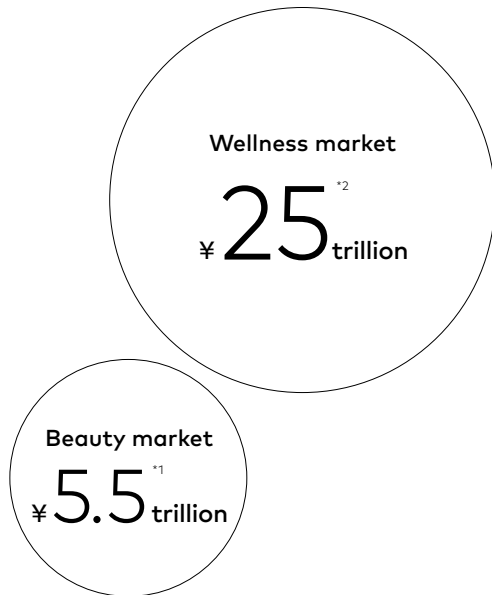
## Initiatives to Enhance Corporate Value

# Sustainable Growth and Enhanced Shareholder Returns

We are confident that the execution of our growth strategies will generate new value in the beauty and wellness markets, resulting in revenue growth of at least 20% annually.

By increasing brand value and minimizing SG&A expenses, expanding our equity spread through management centered on capital efficiency, and introducing a progressive dividend policy to realize stable and sustainable shareholder returns, we will enhance the ability of the MTG Group to create value.

### Target market size (domestic)

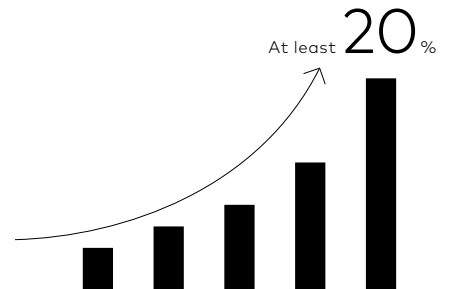


\*1 Survey Report on Trends in the Cosmetics Industry during FY2020 (National Institute of Technology and Evaluation [NITE]), p. 140 Exchange rate of 156.39 JPY for 1 USD (current as of November 28, 2025)

\*2 The "Project for Promoting the Innovation of the Healthcare Industry Infrastructure in FY2023" report below published by the Ministry of Economy, Trade and Industry, Japan, p. 6 (only in Japanese) [https://www.meti.go.jp/medi\\_lib/report/2023FY/000299.pdf](https://www.meti.go.jp/medi_lib/report/2023FY/000299.pdf)

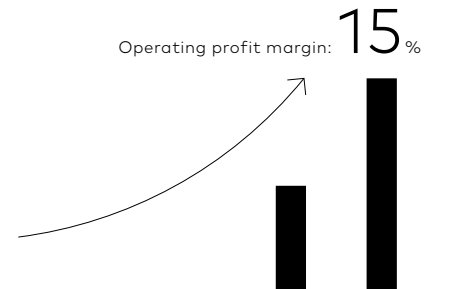
### Revenue growth rate

Achieve 20% annual revenue growth through strategic execution



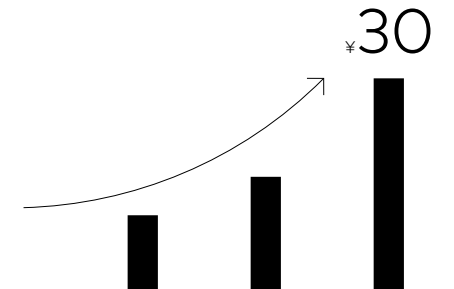
### Higher profit margins

Enhance brand strength to control SG&A costs



### Dividend policy

Aim to continually increase dividends each year



### Promotion of non-financial initiatives<sup>\*3</sup>

Strengthen corporate governance, promote sustainability, and actively engage with investors

\*3 With regard to non-financial initiatives, we established the Sustainability Committee in August 2024 and disclosed our specific action plan on sustainability in March 2025.

## Growth Strategies

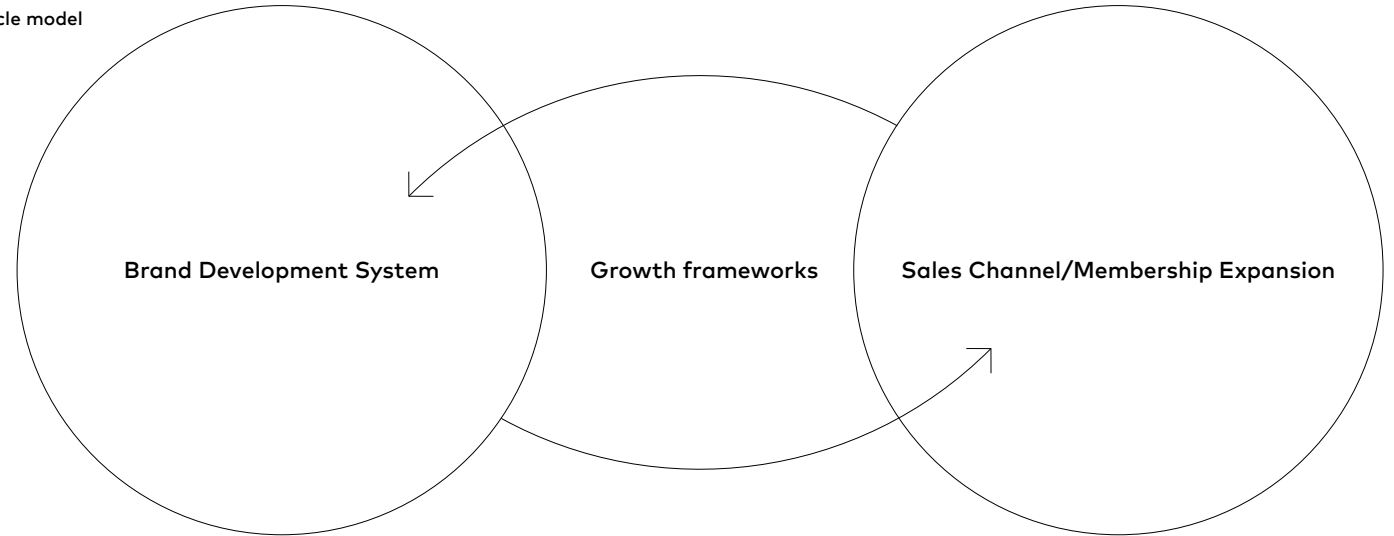
# Framework Fostering Sustainable Growth

The driving force of MTG Group growth lies in the synergistic effect between our Brand Development System that meticulously packages the brand universe, experiences, and values of our brands with Sales Channel/Membership Expansion.

By linking these two strategies, we go beyond creating products that sell to build a brand business with sustainable growth.

Using these types of growth frameworks as platforms, we can expand our customer base and actively introduce new products through strategies focusing on Japan to enhance our ability to create value and foster sustainable growth.

**Growth cycle model**



### Brand Development System

Centered on product development, we have refined a consistent brand development system that creates original and innovative brands, from the creativity backing up our brand to in-store customer services, brand aesthetics, scientific evidence, and intellectual property.

### Sales Channel/ Membership Expansion

Hair and beauty salons (target: 100,000 salons)  
Hotels (target: 300,000 rooms)  
e-commerce (target: 10,000,000 members)  
Brand stores (target: 200 stores)  
Big-box retailers and chain stores (target: 20,000 units)  
Variety shops (target: 1,500 stores)  
Drugstores (target: 24,000 stores)

# Growth Cycle Model

## Two engines central to growth

Branding driven by the Brand Development System and Sales Channel/Membership Expansion supports MTG Group growth. The Brand Development System integrates multifaceted elements, including creative direction, in-store hospitality, experiential spaces, brands you want to give to people you care about, trusted quality, intellectual property, scientific evidence, and brand development stories. This system goes beyond products to achieve brand value as a brand universe. A consistent brand universe enables us to broaden our product lineup and expand product categories.

Sales Channel/Membership Expansion plays

an important role that enables our brand value to penetrate markets. ReFa has established numerous customer touchpoints from ReFa GINZA to beauty salons, hotels, e-commerce, brand stores, mass retailers, variety shops, and drugstores to expand opportunities for people to touch, try and experience the brand in a cycle that helps shift the value of these experiences into purchases. ReFa GINZA reinforces our framework to encourage customers to make purchases through various sales channels by embodying the brand universe and letting people experience the brands at beauty salons and hotels.

We also directly share the brand value at our brand shops. Additionally, broadening our e-commerce membership base is not only an important factor for

our direct-to-consumer strategy, but it also expands the customer base through Club Aira and other e-commerce sites to help cultivate customer loyalty.

## Establishing and expanding a growth cycle model globally

We are working to maximize our growth model in the Japanese market, which is highly motivated to invest in beauty and wellness. and it harmonizes well with experiential categories. This enables the MTG Group to promote a first impression of the brand and influence purchasing behavior by more broadly establishing places where people can experience

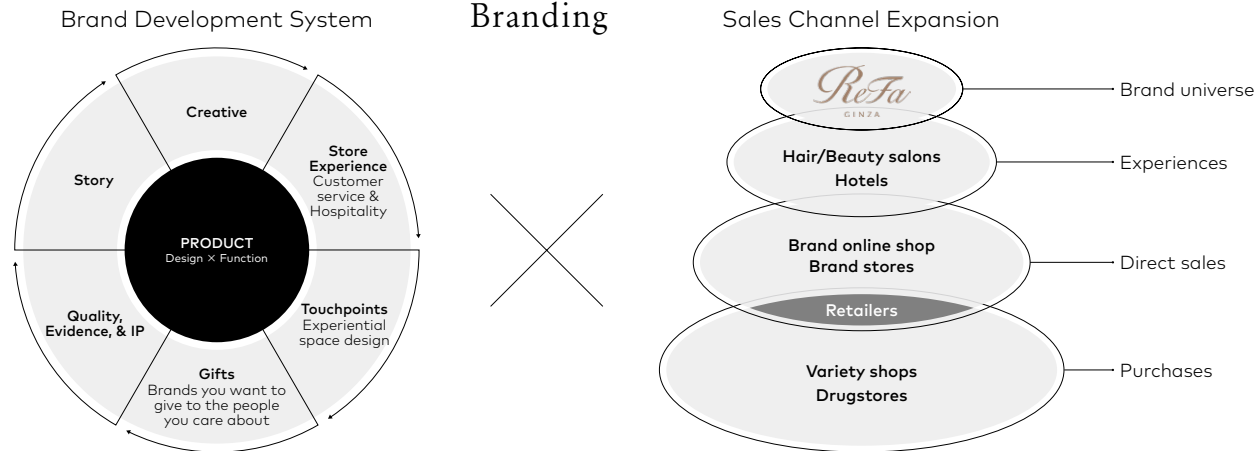
the brand, such as beauty salons and hotels. These experiences boost e-commerce and repeat purchases, serving as the driving force throughout the entire growth cycle. Going forward, we will establish growth models as business models that the MTG Group can deploy overseas.

## Introducing new products and broadening categories

The release of new products every year keeps our brands fresh and strengthens our portfolio around both iconic and standard products. Multi-category expansion builds a framework that integrates brand experiences into various daily touchpoints and responds to the diverse needs of young adults to seniors. The ReFa brand in particular helps broaden customer touchpoints, generate demand for gifts and improve the average purchase price through multifaceted expansion of haircare products, shampoos, treatments, fine bubblers, beauty devices, and other such products.

## MTG Group's value creation cycle

Ultimately, the synergy between the accumulation of brand value and broader sales channels shapes a strong growth platform resilient to changes in the business environment each year. A more sophisticated brand development system, higher experiential value, and a stronger membership base will realize a more powerful growth cycle model and higher medium- to long-term corporate value in the future.





ReFu



# Go Beyond the Boundaries of the Beauty Industry to Become a Lifestyle Brand that Makes the World Shine

### Redefining our brand value and global strategy

ReFa is a beauty brand introduced by the MTG Group to provide customers with products that are pleasant to the touch and accentuate beauty as they are used. Since releasing the ReFa beauty roller in 2009, we have combined unique technologies with high-quality designs to offer a wide range of products, including hair dryers, hair irons, shampoos, hair treatments, and fine bubble shower heads. ReFa has grown into a brand that is beloved across the world.

Now, the ReFa brand is undergoing a dramatic evolution, transforming from a beauty product brand into a lifestyle brand that will make lifestyles beautifully radiant around the world. The core of the ReFa growth strategy is to enhance brand value and expand our range of products and sales channels.

This is exemplified by the ReFa GINZA flagship store that we opened in Ginza, Tokyo. The store was created in collaboration with international creators and embodies the outstanding vision pursued by the ReFa brand. As the number of overseas visitors to Japan continues to grow rapidly, we will focus on ReFa GINZA as a location for demonstrating our brand transformation. By allowing both domestic and overseas customers to experience the ReFa brand, we will promote expansion into overseas markets.

### Omnipresent product strategy and revenue structure transformation

The sustainable growth of the ReFa brand will be supported by expanding our range of products beyond existing boundaries. In addition to refining our existing range of haircare, shampoo/hair treatment, fine bubble shower head, and beauty device products, we have launched four new product lines: ReFa HEART, ReFa MONTECATINI, ReFa VITALWEAR, and ReFa AUTHENTECH. This will enable us to provide value in the following new domains.

**1. Fragrances:** By collaborating with Mane, a French fragrance manufacturer with a history spanning 150 years, we have launched fragrances that embody the unique vision of the ReFa brand. We offer three product lines, including ReFa THE PERFUME, which focuses on gift purchases.

**2. Linen:** We have released 11 products featuring soft Egyptian cotton that protects hair and skin from abrasion, including four towels, four mats/rugs, two robes/gowns, and slippers. This will enable us to generate B2C sales from our B2B business.

**3. VITALWEAR:** All of our products use VITALTECH® fiber, including camellia oil from the Goto Islands, to promote blood circulation. This clothing supports the health and beauty of our customers.

**4. Special haircare:** We have released specialized products related to "the ultimate in hair treatment

and shampoo" that utilize rare materials from Montecatini village in Italy.

Our basic strategy is to combine devices with repeat-purchase products, such as cosmetics and linen, in order to dramatically increase the ratio of repeat-purchases to one-time purchases.

### A unique B2B2C model generating value from experiences

We have built a multi-layer sales network, with ReFa GINZA positioned at the top, and salons/hotels, the ReFa online shop, ReFa brand stores, and other retail outlets below. This unique B2B2C model enables ReFa to generate value from experiences. Real-life experiences at salons and hotels are particularly important for fostering product understanding and brand resonance, which not only improves brand recognition but also elevates consumer motivation.

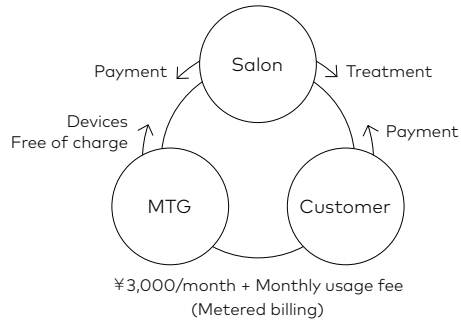
ReFa products have been adopted at as many as 84,718 rooms at 3,840 hotels, with more than 21 million guests experiencing the ReFa brand each year. We have formed an ecosystem where experiences and emotions felt during high-quality hotel stays naturally lead to purchases both online and offline, and in turn lead to continuous improvement in brand trust and loyalty.

Our sales channel strategy focuses on strengthening three key domains. With our





**Smart Plan**



professional sales channel, we will double our presence from approximately 50,000 stores currently to 100,000 stores in the future. With our retail sales channel, we will expand our number of brand stores to 200, and expand our presence in the drugstore market with 1,500 stores in 2026 and 24,000 stores thereafter. This will enable us to achieve premium-oriented expansion. In the field of residential facilities, we will adopt fine bubble technology in our SUIGEN products as we aim to achieve standard inclusion of our products in newly built residences.

**Building a stock-type revenue model**

Our sales of consumables and repeat-purchase products have more than doubled from ¥3.3 billion in the fiscal year ended September 30, 2024 to ¥7.0 billion, and we are confident of further growth.

We plan to provide beauty salons with business-use devices free of charge and to adopt the subscription-based Smart Plan that bills based on usage of various menu items. This will enable salons to reduce their initial investment while ensuring we establish a continuous revenue stream. We will also introduce a VIP membership system for our Club Aira fan community, offering limited-run products and special offers for advance purchases. By increasing engagement with existing customers, we will maximize customer lifetime value.

**Digital transformation and optimization of customer touchpoints**

A key challenge in optimizing our customer touchpoints is strengthening our presence in the digital domain. As a medium-term goal, we aim to increase the number of our e-commerce members from 2.4 million to 10 million. We will provide personalized experiences with AI-based marketing, social media, and live commerce.

**Vision of a world-renowned brand company and corporate social responsibility**

Our challenge is to elevate our brand to the next level. We will establish an unprecedented market

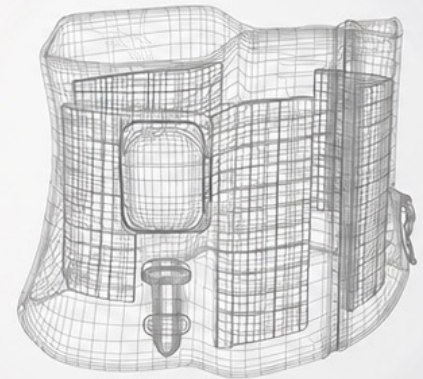
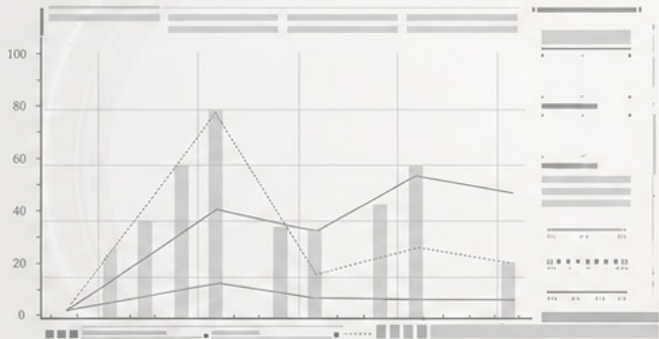
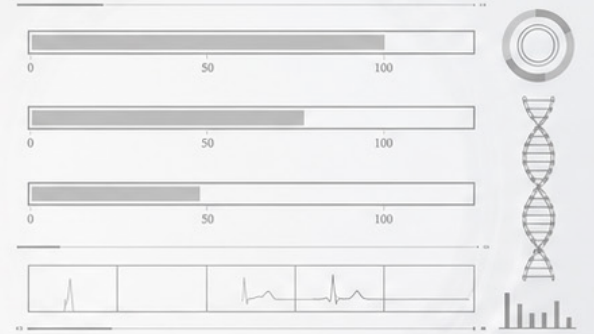
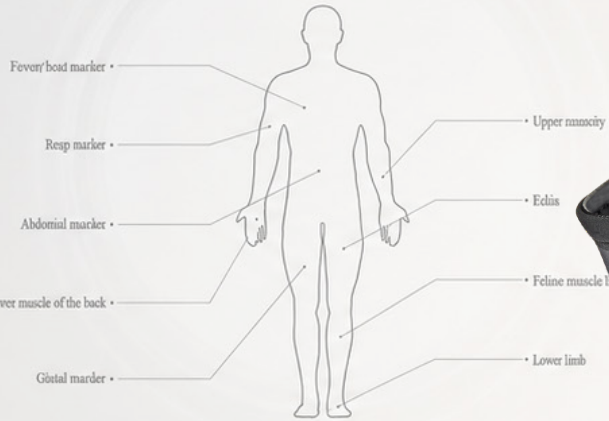
position by adopting a two-pronged strategy that improves our brand value with high-end product lines, such as ReFa AUTHENTECH, while also expanding our market presence with approachable product lines, such as ReFa HEART.

We will aim to help solve social issues as well via our businesses, based on the "One shines, We shine, All shines" philosophy as we look toward

future business expansion. By saving water with fine bubble technology and promoting healthy lifestyles with our wellness business, we will achieve both sustainability and economic growth.

As a global brand from Japan, ReFa will make its way to the major cities of the world, and then onward to make countries around the globe shine.





# Combining Technology with Wellness for a Next-Generation Healthcare Strategy

SIXPAD is a leading brand of EMS training devices released in 2015, with a mission of muscle training to achieve active lifestyles for everyone from top athletes to senior citizens.

The brand was launched through co-development with top international athletes and adopts the 20 Hz theory of efficiently stimulating muscles with electricity. The diverse lineup of training, adjustment, and recovery devices features abdominal training devices, Powersuit wearable devices, Foot Fit, and Power Gun devices to train foot muscles.

The ease of using SIXPAD products to make a habit of training either at home or outside, according to the lifestyle of the user, has helped SIXPAD grow into a popular brand that has sold a total of four million units.

## Becoming the top global wellness brand from Japan

As the brand that exemplifies the MTG Group's business vision of "VITAL LIFE: We will help create a world where everyone lives a happy, beautiful, and active life," SIXPAD achieved 8% growth year on year. In the fiscal year ending September 30, 2026, we are working on a system to increase this to double-digit growth.

As we aim to become the top global wellness brand from Japan, we will make further strides by

strengthening our brand value and expanding our presence across the markets where we are active.

In addition to providing value to sports enthusiasts and general consumers via training and recovery products, the MTG Group also focuses on the physical function support required at medical and caregiving sites. By increasing practicality in specialized domains, we will transform our products into wellness solutions that contribute to a wider range of users.

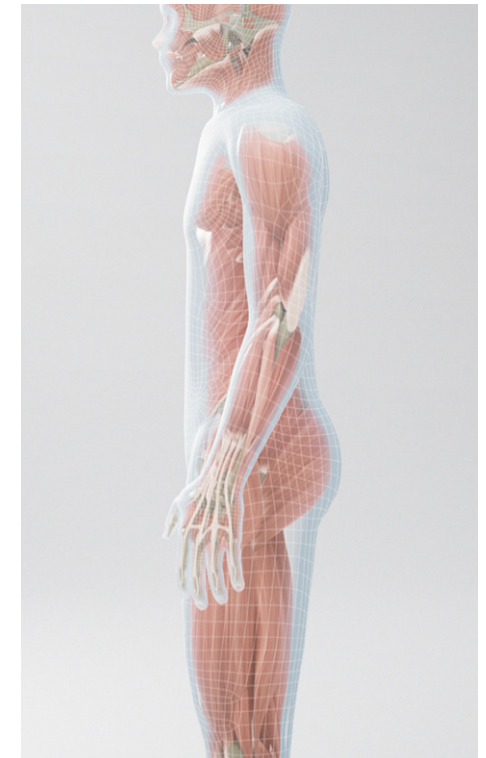
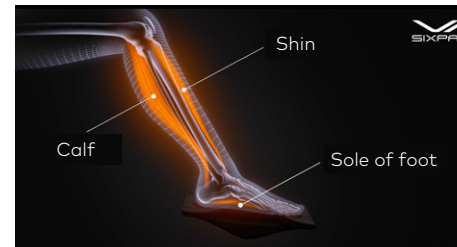
## Expanding the potential for wellness through technology

SIXPAD focuses on five core growth fields: Fitness, Medical, Support Wear, Femtech, and Gear. We will also develop new product categories to expand brand value and reach new markets.

Customers have praised the convenience of our Abs 2 and Core Belt 2 products, which feature unique EMS technology that enables EMS training without the need for a gel sheet. Medical Core has been further specialized to promote a healthy lower back through the training of inner muscles that are difficult to reach.

We have also released Foot Fit 3 Compact and Leg Belt 2 to support lower-body training and provide customers with holistic training care that covers the trunk down to the lower limbs. These products bring

the ability to efficiently train more comfortably with outstanding safety and peace of mind as a new standard in value to the EMS market.



## SIXPAD Growth Strategy

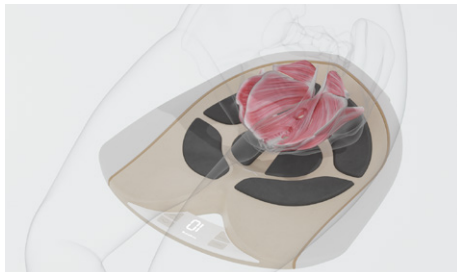
### Femtech to solve female health problems

SIXPAD products have also been launched in the femtech domain. Femtech is a concept coined to refer to a combination of "female" and "technology," and involves technology that supports women's health across areas such as menstrual health, pregnancy, menopause, and pelvic floor muscle function.

SIXPAD for Women is positioned as the femtech category within the SIXPAD brand. It aims to "train, support, promote circulation, and adjust the pelvic region, particularly the pelvic floor to address the healthcare needs of women," with products such as the Perine Fit pelvic floor EMS training device and the Pelvic Floor Care Girdle.

We also promote the idea of a Beautiful Life (combining "beautiful life" and "female"), which refers to healthcare-related femtech with a focus on psychological aspects in addition to physical symptoms. This is positioned at the core of our medium- to long-term strategy.

With a range of products that address concerns at each stage of life, we will help improve female quality of life and expand the wellness market.



### Expanding the SIXPAD ecosystem to healthcare and caregiving sectors

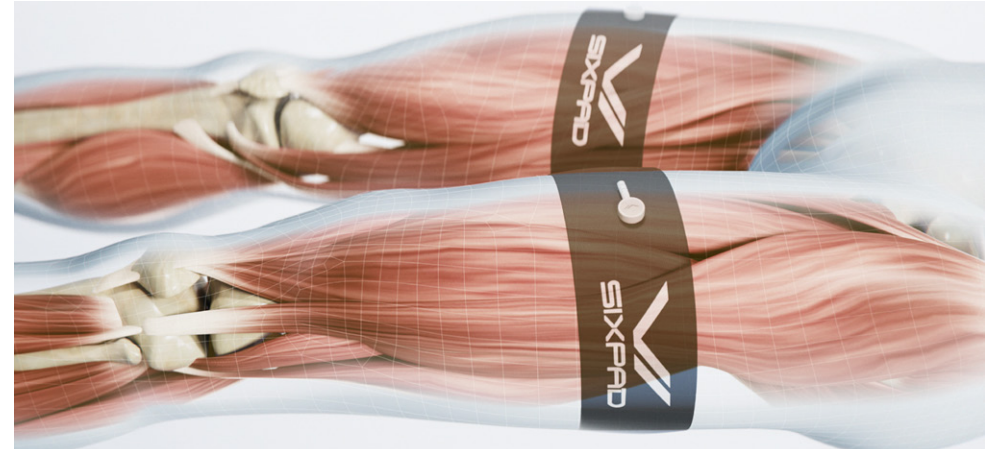
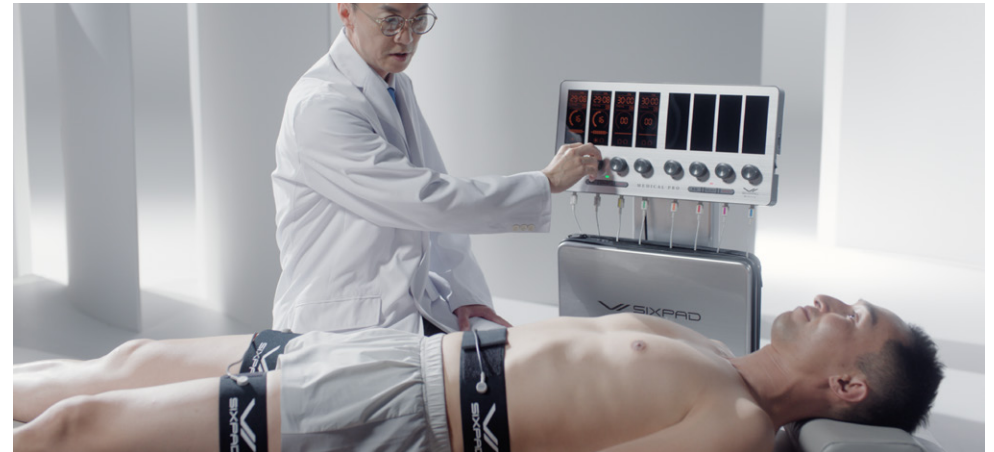
In addition to existing stores and online sales, we have also expanded into new sales channels by introducing SIXPAD products to the healthcare and caregiving sectors, including hospitals and orthopedic clinics. Together with university professors and medical practitioners, we are continuing to gather evidence on how SIXPAD can contribute to society by helping those with various illnesses or who cannot exercise.

Smart Plan is a subscription model in which we provide devices free of charge and offer metered billing, making it easier for medical institutions and salons to adopt our products. This enables us to deliver hybrid wellness experiences that connect EMS use at home with treatment received at medical institutions, and further expands our brand ecosystem. The mission of SIXPAD is to ensure that no one in the world is unable to get some exercise.

### Expanding experiential value by connecting outpatient and inpatient care

By promoting both EMS use at home and treatment at medical institutions, we have built a system that helps make training a habit and improves motivation, while at the same time providing customers with opportunities to experience the brand value of SIXPAD at home and at medical sites.

With SIXPAD, we will continue to increase the value of wellness by combining training and recovery with medical assistance. By merging innovative technology, scientific evidence, and the MTG Group design philosophy, we are well on our way to becoming the top global wellness brand from Japan.



血行促進繊維 VITALTECH<sup>®</sup>

RED

— リカバリーウェア —

血行促進

疲労回復

肩・腰のコリ改善

筋肉のハリ・コリ緩和

筋肉の疲労軽減

※上記は遠赤外線 of 血行促進作用によるものです

General medical device

# Leveraging Scientific Evidence to Rapidly Increase Our Presence in the Recovery Wear Market

## Background of brand creation philosophy and the birth of ReD

The MTG Group strives to create brands that support our business vision of "VITAL LIFE: We will help create a world where everyone lives a happy, beautiful, and active life." ReD is a new brand of recovery wear launched in July 2025, which complies with the definition of home-use far-infrared circulation-promoting clothing (a type of general medical device). ReD has been growing through a series of products that deliver reliable value backed by scientific evidence.

## Expanding market share and gaining trust as a medical device

In recent years, interest in recovery wear designed to promote blood circulation and relieve fatigue has grown rapidly. The ReD series from MTG has been developed to meet the standards for home-use far-infrared circulation-promoting clothing, and we are working hard to build trust so that consumers can select these products without concern.

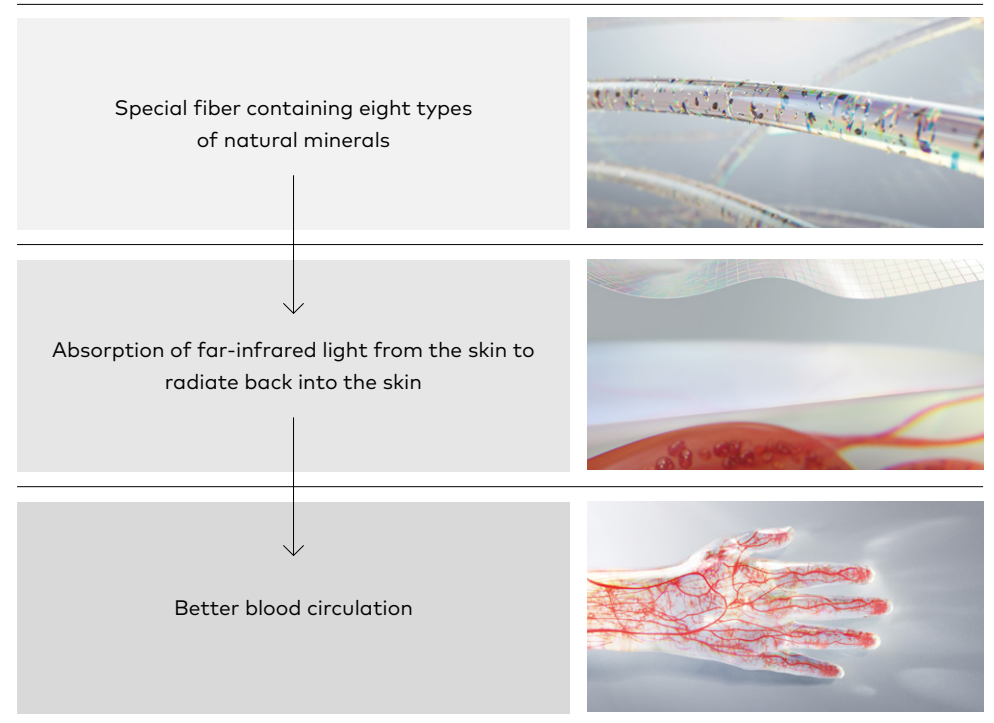
## High functionality achieved through unique VITALTECH® fiber

The most important feature of ReD is our unique VITALTECH® fiber technology. By pulverizing eight types of natural minerals at the micrometer level and evenly incorporating them into the fiber, we have created a fiber that leverages far-infrared light despite its only 1-mm thickness. This means that the fiber can radiate the body's far-infrared light back to the skin, thereby promoting blood circulation and relieving fatigue. Another advantage of VITALTECH® fiber is its ability to retain functionality even at thicknesses below 1 mm, which allows use across a wide range of clothing, from innerwear and sleepwear to casual wear.

## Increasing demand and expanding our product lineup

More than 100,000 ReD garments were sold in the first month of release, and production struggled to keep up with demand. We have expanded our product lineup to innerwear, sleepwear, and casual wear and are currently promoting the brand as recovery wear that helps wearers feel good every day by improving their circulation. The 18 products we launched to meet higher winter demand have been very popular. In 2025, we had the fastest rate

## How VITALTECH® promotes blood circulation



\* Images are for illustrative purposes only.

## ReD Growth Strategy

in MTG's history by achieving total sales of more than a million garments.

We are also developing products to swiftly respond to diversifying customer demands and expanding our product ranges to meet the needs of different seasons, such as the new colors of sleepwear we released in spring 2026 and polo shirts suitable for business and a wide range of accessory products, including eye masks and arm supporters.

### Expanding recognition via collaboration with the medical, airline, and automotive industries

We are also working to expand into diverse sales channels. VITALTECH® products are now available at more than 4,300 hospital shops and pharmacies across Japan, helping the brand build customer trust in the medical and healthcare fields. We are also working on collaborations to enhance our brand value, such as introducing sleepwear for use in the first class cabins of JAL international routes,<sup>\*1</sup> and releasing models in collaboration with Lexus.<sup>\*2</sup>

<sup>\*1</sup> June to August 2025 <sup>\*2</sup> As of October 2025

### Maximizing experiential value with a multi-channel strategy

Our multi-channel strategy involves establishing diverse customer touchpoints through the MTG online shop, variety shops, drugstores, hospital shops, pharmacies, and department stores to maximize experiential value. Shops inside hospitals

both support the lifestyles of in-patients and provide shopping opportunities to visitors, medical practitioners, and other staff. We have already introduced our products to shops in more than 1,000 hospitals, so that we can deliver VITAL to all kinds of people at medical facilities.

### Medium- to long-term growth strategy with brand value improvement and expansion into other categories

The MTG Group's medium- to long-term growth strategy involves both improving our brand value vertically and expanding horizontally into new product categories. In terms of vertical improvement, we will strengthen the brand based on its reliability and innovation as a general medical device and enhance our presence in the mass-premium market. Horizontal expansion will involve building a product lineup that covers all lifestyle scenarios, enabling the brand to evolve into one that supports the everyday lives of consumers.

### Continuous value creation with legal compliance and quality control

Looking ahead, the MTG Group will continue endeavoring to ensure legal compliance and quality control while providing safe and secure products that deliver value, so that the ReD brand can support the health and vitality of people around the world.



## Growth Strategy for Growth Brands

# Multi-Brand Strategy for the Next Generation

As we work toward realizing our VITAL LIFE business vision, we are accelerating the development of our Growth Brands, positioning them as the next pillars of earnings alongside ReFa, SIXPAD, and ReD.

Leveraging our proprietary technologies and deep market insights, we will create new value and expand these diverse Growth Brands globally. Guided by our "all-involved" management philosophy, in which every department works in unison, we will continue striving to evolve into a globally recognized brand company.



Expanding the range of Style categories and developing the health management market

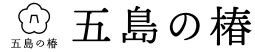
Our Style products aim to support good posture based on our vision of eliminating problems caused by poor posture around the world. We achieved dramatic year-on-year growth, with sales increasing by 30% to exceed five million units for the entire series.

In addition to our seats to place on chairs, we have expanded our product range to include the Style Chair and Style Sofa WL, which are selling well at department stores. Through joint research with universities and other institutes, we have gathered 127 pieces of evidence to quantify the effect of posture on concentration and fatigue relief. This has allowed us to establish a position as a lifestyle brand that promotes both physical and mental health, simply by sitting down.



Promoting IoT lifestyles with EVERING

Our EVERING smart ring products were released in 2024 in collaboration with NTT DoCoMo, with sales launched at DoCoMo Shops across Japan. The introduction of a subscription-based payment model starting from ¥550 per month enables customers to purchase the product with a small initial investment and has helped us rapidly expand our new customer base. The smart ring includes payment functions — a key function for linking to smart locks and support for public transport. By expanding its lifestyle infrastructure, we provide customers with a futuristic experience where a single ring can serve all facets of life.



Regional rejuvenation based on the camellia, a local resource

In November 2018, we established a business in the city of Goto to utilize the wild camellias growing on the Goto Islands of Nagasaki Prefecture. As we conduct product development based on the idea of rediscovering the camellia and harnessing its full potential, we survey and research all facets of camellia flowers and seeds, as well as Goto camellia yeast extracted from camellia leaves, twigs, skin, and flowers.

We are also assisting regional rejuvenation as a certified partner of the GOTO no TSUBAKI Project. The project is a collaboration between industry, academia, government, and the private sector to use the wild camellia native to the Goto Islands as a core resource, aiming to achieve new model cases for regional rejuvenation while creating a sustainable industry and generating employment.



Expanding wellness products as we endeavor to create a sustainable future

NEWPEACE is a total-solution sleep technology brand developed based on scientific evidence in collaboration with sleep theory specialists. It aims to promote ideal sleep with a holistic approach encompassing materials, movement, temperature, and sound. By offering NEWPEACE as a subscription service that leverages the technology to maximize each individual's sleep potential, we aim to establish a leading position in the market for sleep products.



Creating new value in the skincare market with unique carbonated mist experiences

MEGLY is a carbonated foundation skin care service that employs a combination of a physical device and special face lotion to deliver\* an ultra-fine mist of high-density carbonation and other components. The business achieves sustainability by reusing CO<sub>2</sub> emissions and provides a unique experience where a household shares a single device and uses six separate types of special face lotion. This model has generated demand from households and achieved a strong rate of retention.

We will further expand the product lineup and attract a wide range of customers as a gender-free brand, as we aim to provide new value in the skincare market, and thereby establish a strong position.

\* To the stratum corneum, or outermost layer of the skin



# Research and Development to Maximize Customer Value



Ryo Motohashi  
Senior Executive Officer  
Technology Division

The MTG Group's R&D function serves as a core driver of our business vision, VITAL LIFE. Guided by our commitment to addressing both the current and potential needs of our customers, we consistently create products that maximize value via a multifaceted approach encompassing performance, design, and price. This enables us to contribute to sustainable business growth.

Our R&D themes are closely aligned with our medium- to long-term product development roadmap. By anticipating future customer needs then determining priorities and defining product specifications accordingly, we can optimally allocate limited resources in order to develop highly competitive products.

Our development system consists of two complementary layers. R&D teams embedded within each operating division swiftly respond to market needs, driving development directly aligned with business strategy. At the same time, a cross-functional R&D team researches

cutting-edge technologies yet to be commercialized in an effort to create the technological foundation for future growth. This complementary relationship enables us to address short-term business needs while building a robust medium- to long-term growth platform.

From a talent perspective, we strategically deploy engineers and researchers across a range of disciplines, including electrical, mechanical, chemical, and software engineering, ensuring that each business has access to the technical expertise to address its unique technical challenges. We also actively promote open innovation through collaboration with universities, research institutions, and startups. By incorporating external technologies and expertise that would be difficult to develop in-house, we can ramp up our development and improve the quality of our innovations.

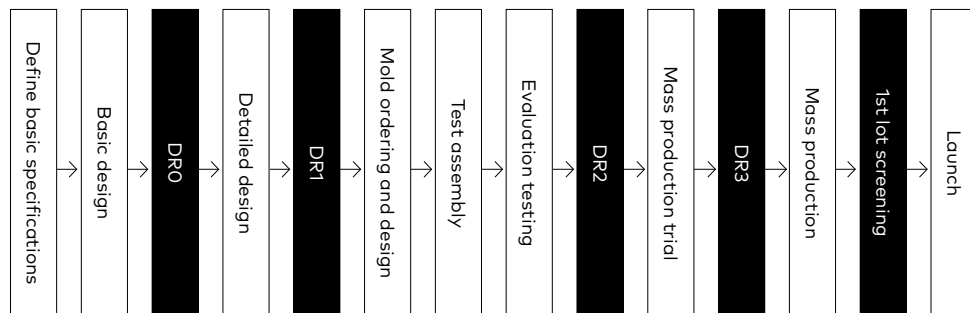
Examples of our technological achievements include the EMS technology in SIXPAD, which eliminates the need for gel sheets or water, and the recovery wear

technology used in ReD, which incorporates eight types of micro-powdered natural minerals into fabric fibers. Both innovations eliminate existing limitations and inconveniences to greatly improve the user experience.

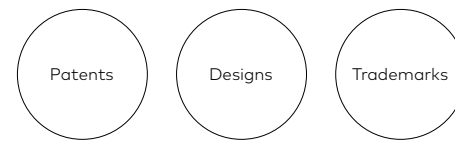
Such successes have directly contributed to our business growth. The number of new products launched increased from 44 in 2022 to 191 in 2025 – a more than four-fold increase. The ReFa brand has also expanded its brand universe through the creation of new product lines, further enhancing brand value.

We view intellectual property not merely as a means of protecting legal rights, but as a core component of our management strategy to establish market leadership and safeguard our businesses, brands, and products. As of January 31, 2026, we had filed a total of more than 7,000 patent and other intellectual property applications. Through the systematic acquisition of intellectual property aligned with our business strategy, we have built significant barriers to entry that make it difficult for competitors to imitate or challenge us. Our anti-counterfeiting measures include periodic AI-powered market monitoring, litigation, enforcement, customs controls, and coordination with online marketplaces. By rigorously implementing all available measures, we can protect both our brand reputation and customer safety.

Going forward, we will strategically promote a medium- to long-term roadmap that focuses on product innovation and the creation of new product categories, with the aim of enhancing competitiveness in the global market and establishing a foundation for sustainable growth. By continuing to develop products that inspire and excite customers around the world, we will further strengthen our corporate value and contribute to society at large.



\* DR: Design review



Applications submitted  
Over **7,000**

\* As of January 2026 (including waived rights)

# Ramping up Our "All-Involved" Management Approach through Digital Transformation



Masanori Okabe  
Senior Executive Officer  
CIO Information  
Systems Division

The MTG Group's vision for digital transformation (DX) is a business platform that supports sustainable growth while preserving the speed and "startup" spirit that have driven our success. We continue our rapid growth from Nagoya to the global stage – surpassing ¥100 billion in sales and striving to become a world-renowned brand company.

Since our listing, the ReFa brand's growth, SIXPAD's entry into the recovery category, and the launch of the ReD brand have significantly expanded our business domains and sales channels.

Against this backdrop, our existing processes and system infrastructure being unable to keep pace was a major risk. Our DX strategy addresses this challenge head on through a two-pronged approach: "defensive" platform-building measures supporting "offensive" value-creating initiatives to transform the Company from product-oriented to customer-centric.

"Defensive" measures involve integrating core business functions into a new enterprise resource planning (ERP) system. To execute our growth

strategy, including launching approximately 300 products annually, expansion of sales at drugstores, and restarting global expansion, we are shortening order-processing and inventory management lead times, improving demand forecasting accuracy, and optimizing our supply chain.

We are also standardizing and streamlining operations to enable accurate, real-time visibility of profitability across all profit centers. Digital technologies will underpin a more robust "all-involved" management approach, empowering all employees to think and act with an ownership mindset and make timely, informed decisions based on transparent data.

"Offensive" initiatives focus on achieving customer-centric management that leverages an AI-powered customer data platform. By integrating customer data from varied touchpoints, including e-commerce, brand membership programs, salons, brand stores, and contact centers, we can gain a comprehensive understanding of who our customers are, what they

purchase, when and why they purchase it, and how they feel about it. By combining these insights with data from our new ERP system, we can optimize brand investments, accelerate product development, and refine channel strategies. Maximizing customer lifetime value will further enhance brand value and drive sustainable growth.

Our new ERP system will standardize operations, becoming the "backbone" of management, while our customer data platform will deepen customer understanding and ensure insights are shared companywide. AI will enhance both the quality and efficiency of business activities while empowering individual decision-making and execution. Zero-trust security will safeguard business operations and establish a management foundation trusted on a global scale.

Technology, however, is only a means to an end. The true driving force behind our transformation is our people.

Our vision is an ambitious one: Develop beauty and wellness brands that deliver a VITAL LIFE for people all over the world. DX is a powerful enabler of this vision. Integrating our "all-involved" management approach with data-driven insights promises to deliver a management platform that marries entrepreneurial agility with operational precision. By making meaningful contributions to the VITAL LIFE of every customer, we will cultivate an organization in which every employee shines with an ownership mindset, empowered by data and technology.

Through the power of DX we will bring the "One shines, We shine, All shines" corporate philosophy to life more vividly than ever before.

Focus Area	Specific Changes	Key KPI Outcomes
Real-time management	Enable real-time visibility into profit and loss by business unit through business intelligence tools and significantly shorten monthly closing cycles	Accelerate management reporting and decision-making
Operational standardization	Establish globally standardized processes through a "fit-to-standard" approach	Shorten the time required to launch new channels and locations and reduce dependency on specific employees
Process automation	Fully automate processes from order receipt through billing and payment reconciliation	Improve SG&A efficiency and reduce human error
Data-driven management	Enhance management decision-making via integrated analysis of ERP and customer data	Improve inventory turnover, reduce stockout rates, and increase marketing ROI
Customer-centric brand strategy	Achieve a 360-degree customer view through a unified customer data platform	Increase customer lifetime value, repeat purchase rates, and cross-brand purchase rates
Sales transformation	Support sales activities through AI-powered sales agents	Improve sales productivity, proposal quality, and sales cycle speed
Supply chain optimization	Improve demand forecasting accuracy and inventory optimization	Reduce inventory days, minimize waste and disposal losses, and improve cash flow
Internal control & Governance enhancement	Embed control functions into the new ERP system and implement a zero-trust security framework	Reduce audit findings and optimize compliance costs

## The MTG Philosophy in Practice

- 44 Message from the Chairperson of the Sustainability Committee
- 45 Approach to Sustainability & Promotion Framework
- 46 Materiality & Targets
- 47 One shines
- 49 We shine
- 52 All shines



## Message from the Chairperson of the Sustainability Committee

### Corporate Philosophy

Aiming to realize our corporate philosophy of "One shines, We shine, All shines," we will contribute to the realization of a sustainable society by engaging in corporate activities that address environmental and social issues.

Tsuyoshi Matsushita

President and Representative Director  
Chairperson of the Sustainability Committee

The MTG Group aims to realize its corporate philosophy of "One shines, We shine, All shines," and will contribute to a sustainable society by actively promoting business activities aimed at helping to solve environmental and social issues.

Rapid changes to the business landscape and crises, such as climate change and the resulting natural disasters, resource issues, and the expansion of geopolitical risks, are having a significant impact on both the Japanese and global economies. At the same time, there is an increasing demand for corporate social responsibility, including decarbonization and initiatives to address human rights issues, with the aim of creating a sustainable society.

In accordance with our basic sustainability policy, which is based on our corporate philosophy, our sustainability activities identify 16 material issues with reference to the United Nations'

Sustainable Development Goals (SDGs) and other frameworks, and we have established action plans for each of these material issues.

The progress of these initiatives is monitored by the Sustainability Committee, of which I serve as chairperson, with the participation of members of the Board of Directors, and the details are reported to the Board of Directors. In particular, in the fiscal year ended September 30, 2025, we strengthened our initiatives to address environmental issues. We will continue to promote sustainability initiatives through an effective organizational framework.

Based on our corporate philosophy of "One shines, We shine, All shines," and through business activities aligned with our business vision of "VITAL LIFE: We will help create a world where everyone lives a happy, beautiful, and active life," we will strive to create a sustainable society.



# Approach to Sustainability & Promotion Framework

## Approach to Sustainability

Our corporate philosophy is "One shines, We shine, All shines." We are promoting sustainability activities with this corporate philosophy as the foundation of our basic approach to sustainability.

"One shines" aims to realize wonderful lives for employees, helping each and every employee to have dreams and to lead bright, positive, shining lives. "We shine" aims to contribute to society through our business activities, helping, create a world where everyone lives a happy, beautiful, and active life through the products and services provided by the MTG Group. "All shines" aims to contribute not only

to consideration for and preservation of the global environment and the realization of a sustainable planet, but also to the development of human society.

In addition, our policy includes systems and initiatives related to corporate governance, compliance, and group management as mechanisms that support sustainable growth.

## Sustainability Promotion Framework

In order to place sustainability at the core of management and promote it across the entire Group to enhance corporate value over the medium to long term, we established the Sustainability Committee

in August 2024.

The Board of Directors is responsible for overseeing sustainability, including risks and opportunities, and under this framework President Matsushita, executive officers in charge, and each organization under their control are responsible for execution.

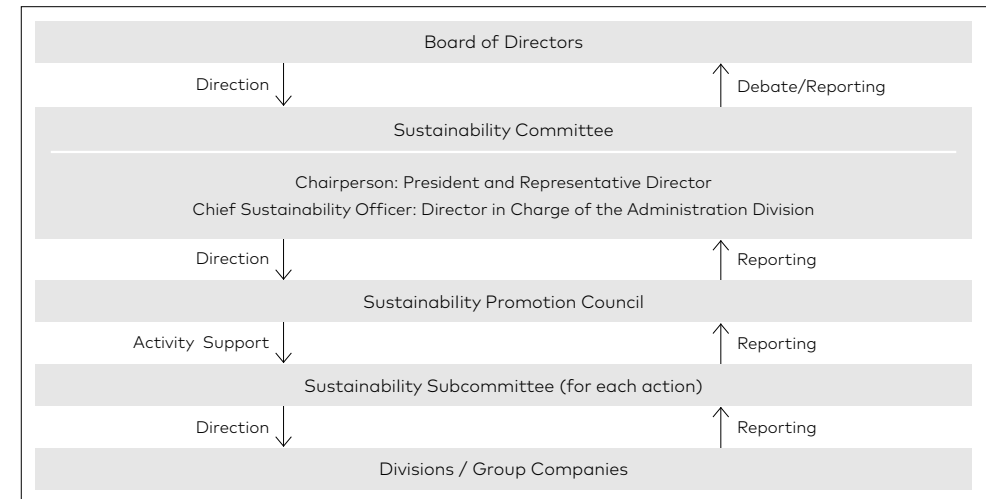
The Sustainability Committee manages and evaluates progress toward targets regarding Group-wide policies and initiatives on environmental issues, including climate change, while the Board of Directors fulfills its supervisory and monitoring functions and reflects necessary actions in strategy.

The Sustainability Committee meets and

submits agenda items and reports to the Board of Directors twice a year. To enable the Board of Directors to fully exercise its supervisory and monitoring functions, the committee conducts prior deliberations on policies and strategies to be resolved by the Board, as well as progress management and evaluation of targets and deliberations on individual measures.

In the fiscal year ended September 30, 2025, we placed particular emphasis on strengthening our initiatives to address environmental issues. We will monitor and evaluate the progress of action plans aimed at resolving material issues, including climate change issues, and continue to strengthen our sustainability response and information disclosure.

"One shines"	"We shine"	"All shines"
Realizing wonderful lives for our employees	Contributing to society through our business activities	Caring for and conserving the global environment
We aim to help each and every employee to pursue their dreams and aspirations and to lead rich, fulfilling lives, shining brightly with positivity and purpose.	We aim to help create a world where everyone lives a happy, beautiful, and active life through the products and services provided by the MTG Group.	We aim to contribute to the development of human society, as well as to the preservation of a sustainable global environment.
Building systems that support sustainable growth		



# Materiality & Targets

## Materiality Identification Process

We identified material issues by holding companywide discussions on the issues that our Group should address among a wide range of social issues.

First, we analyzed the impact on our Group of social trends such as the SDGs and the Global Risks Report. We also examined and identified expectations and calls for action from various perspectives through our engagement with stakeholders, including shareholders and investors, customers, business partners, and employees.

Furthermore, the Sustainability Promotion

Division evaluated and scored each issue from the perspectives of its impact on society and on our Group, established priorities, and, after repeated discussions with the executives in charge, mapped the key issues.

Subsequently, the key issues mapped by the Sustainability Promotion Division were submitted to and approved by the Board of Directors in August 2024. Specific action plans were then formulated and disclosed as the Company's sustainability activities in March 2025.

### Materiality

"One shines" Realizing wonderful lives for our employees	"We shine" Contributing to society through our business activities	"All shines" Caring for and conserving the global environment	Building systems that support sustainable growth
<ul style="list-style-type: none"> <li>Diversity and inclusion</li> <li>Human resource development</li> <li>Employee health and safety; rewarding workplace environment</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring product quality and safety</li> <li>Supply chain management</li> <li>Achieving healthy, prosperous lives</li> <li>Respect for human rights</li> <li>Preserving traditional culture</li> <li>Revitalizing local communities</li> </ul>	<ul style="list-style-type: none"> <li>Managing climate change</li> <li>Preventing pollution</li> <li>Reducing energy use</li> <li>Sustainable use of resources</li> <li>Maintaining and conserving water resources</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening corporate governance</li> <li>Strengthening compliance</li> </ul>
			

## Details of initiatives and indicators related to materiality

Materiality	Action Plan	Details of Initiatives	Indicators
<b>"One shines" Realizing wonderful lives for our employees</b>			
<ul style="list-style-type: none"> <li>Diversity and inclusion</li> <li>Human resource development</li> <li>Employee health and safety; rewarding workplace environment</li> </ul>	1. Promoting Diversity and Women's Empowerment	<ul style="list-style-type: none"> <li>Development of systems that make it easy to work and creation of opportunities to play an active role</li> <li>Development of a workplace environment that is worthwhile</li> </ul>	<ul style="list-style-type: none"> <li>Ratio of female managers</li> <li>Ratio of male employees taking paternity leave</li> <li>Ratio of employees with disabilities</li> </ul>
	2. Developing Our People and Their Careers	Practice of human resource development and career development	-
	3. Developing People with an Ownership Mindset	Development of human resources with a sense of management	-
	4. Health and Productivity Management Initiatives	Support for the prevention, early detection, and early treatment of mental and physical illnesses	<ul style="list-style-type: none"> <li>Number of employees requiring re-examination at regular health checkups</li> <li>Stress checks</li> </ul>
<b>"We shine" Contributing to society through our business activities</b>			
<ul style="list-style-type: none"> <li>Ensuring product quality and safety</li> <li>Supply chain management</li> <li>Achieving healthy, prosperous lives</li> <li>Respect for human rights</li> <li>Preserving traditional culture</li> <li>Revitalizing local communities</li> </ul>	5. Ensuring Product Quality and Safety	Improving quality and ensuring product safety	-
	6. Respect for Human Rights	Use of RSPO palm oil	Ratio of RSPO-certified products
	7. Realizing Healthy and Prosperous Lives	Supporting improvements in health in local communities and society	-
	8. Revitalization of Local Communities and Preservation/ Passing on of Traditional Culture	<ul style="list-style-type: none"> <li>Revitalizing the local community centered on the Goto Islands</li> <li>Implementing donation activities</li> <li>Utilizing traditional craft techniques</li> </ul>	-
<b>"All shines" Caring for and conserving the global environment</b>			
<ul style="list-style-type: none"> <li>Managing climate change</li> <li>Preventing pollution</li> <li>Reducing energy use</li> <li>Sustainable use of resources</li> <li>Maintaining and conserving water resources</li> </ul>	9. Reducing Environmental Burdens	Reduction of GHG emissions (Scope 1-3)	Carbon dioxide emissions
	10. Nature Conservation Initiatives	Nature conservation through the planting of camellia trees on company-owned farms	-
	11. Maintenance and Conservation of Water Resources	Reduction of wastewater volume through the use of fine bubbles	-
	12. Promotion of Responsible Procurement	Use of RSPO palm oil	Ratio of RSPO-certified products
<b>Building systems that support sustainable growth</b>			
<ul style="list-style-type: none"> <li>Strengthening corporate governance</li> <li>Strengthening compliance</li> </ul>	13. Strengthening Corporate Governance and Compliance Systems	Compliance with the Corporate Governance Code	-
	14. Implementing a Management System Based on Division-level Profitability	Group (unit) management	-

# One shines

Realizing wonderful lives  
for our employees



## 1. Promoting Diversity and Women's Empowerment

### Developing work-friendly systems and creating opportunities for active participation

As women account for 55.6% of employees at the three core Group companies — MTG Co., Ltd., MTG PROFESSIONAL Co., Ltd., and MTG FORMAVITA Co., Ltd. — promoting women's success is a priority for promoting the growth of the entire Group. We are therefore working to develop systems that make it easy for both men and women to work and to create opportunities for active participation.

### Creating opportunities for information sharing through events and networking sessions

Aiming to help employees "gain insights into how to 'shine' at work and thrive in their own unique way," we held networking sessions, talk events featuring female managers, and sessions with male managers, with a total of 254 participants. Attendees commented that they "gained confidence" and "broadened their perspectives." The initiative also led to inquiries from other companies. In a survey on the presence of role models, positive responses rose by 32%, confirming that the initiative provided hints for career development. We also plan to address

KPI	FY2023	FY2024	FY2025	FY2027 Goal
Ratio of female managers	10.9%	11.7%	13.6%	15%
Ratio of male employees taking paternity leave	15.4%	48.5%	45.2%	100%

women's health issues through Femtech products.

### Surveying the organization on the promotion of women's empowerment

To understand the current state of women's empowerment, we conducted surveys on the presence of career role models, willingness to take management positions, questionnaires for female managers, and the overall status of women's advancement at the Company. This enabled us to clarify challenges and strengths in promoting women's advancement and provided a baseline for future improvement.

### Supporting aspiring female managers

We are planning training programs to support female managerial candidates. Surveys on the training content and support measures will be conducted with female managers and leaders in the current fiscal year.

### Promoting paternity leave uptake

We interviewed male employees who have taken paternity leave and conducted external research to better understand the realities of taking paternity leave. Going forward, we will actively provide information on paternity leave and share updates from within the Company with employees on leave in order to create an environment in which employees



In-house talk session with female and male managers

can take paternity leave with peace of mind.

## Employment of foreign nationals and persons with disabilities

### Creating a rewarding workplace environment Promoting the employment of persons with disabilities

At the Kawagoe Farm, employees with disabilities grow herbs in an indoor cultivation room and the harvested herbs are processed into herbal tea.

Provided free of charge in the pantry areas of the Head Office/R&D Center, and Tokyo branch office, the Kawagoe Farm herbal tea is a popular employee benefit. We are bringing more operations in-house and formulating specialized teams to create a more fulfilling work environment, while aiming to raise the ratio of employees with disabilities to 2.7% by 2027.

### Framework for supporting foreign-national employees that contributes to business and corporate growth

Across the Group, employees from eight countries are employed, and the direct employment ratio of foreign nationals is 5.0%. To strengthen diversity promotion through support for foreign-national employees, we conducted surveys and are expanding support



In-house talk session with female and male managers

measures to help staff in their everyday lives, such as visa acquisition assistance, and the promotion of cross-cultural communication. These efforts promise to create a more diverse workplace that will contribute to business and corporate growth.

## 2. Developing Our People and Their Careers

### Supporting employees' self-improvement

#### Implementation of rank-based and year-based training

To help new graduates and mid-career hires quickly settle into their roles and thrive, we provide hands-on, collaborative onboarding. This is followed by year-based training and management training for managers and group leaders, thereby creating an environment in which employees can continue to take on challenges. Most recently, management training for managers and supervisors was conducted in December 2024 and March 2025 to promote a shared language across the organization.

### The Hikari Philosophy Collaborative Study Forum

We held the 16th Hikari Philosophy Collaborative Study Forum in May 2025, with the aim of improving employees' material and emotional well-being and cultivating a healthy corporate culture. This initiative provides an opportunity to share our corporate values and culture.

### Future-Focused Career Counseling

Future-Focused Career Counseling is a program through which employees can casually consult in-house counselors who are certified career consultants about their careers and ways of working.

In the fiscal year ended September 30, 2025, the program created opportunities to understand what employees' are really thinking and feeling, empathize with their concerns about life and work, and assist

them to find solutions.

## 3. Developing People with an Ownership Mindset

### Connecting everyone to management through opportunities to access management information

#### Our Group Management System

Our Group Management System divides the organization into small units for which profit and loss is measured. This encourages employees to be more aware of improving profitability. Employees also participate in profitability meetings, and we are creating an environment in which they can make comments and proposals while being exposed to management information.

### Management policy presentation meetings

To enable each employee to take ownership of management messages and policies, we hold companywide management policy presentation meetings twice a year with the participation of all employees. In addition, based on the companywide policy, each department-level headquarters holds its own policy presentation meeting once every quarter, creating opportunities for employees to come into contact with the policies of management and leaders.



At the management policy presentation and awards ceremony

### Study sessions for leaders

We regularly hold study sessions for leaders at the manager level and above, with the aim of developing true management-minded executives. Led by President Matsushita, these sessions cover topics such as how to formulate strategies and how to build trust with team members. In addition, once a year we hold a "Kickoff Convention," where each leader presents their operational policies for their respective business and organization.

## 4. Health and Productivity Management Initiatives

### Preventing mental and physical illnesses among employees

#### Promotion of follow-up examinations after health checks

Between December and February of the 2025 fiscal year, health checks were conducted and employees encouraged to seek medical follow-up and guidance based on the results. Although test results improved for 39% of those identified for re-examination, 66% were newly identified as requiring re-examination, so we are working to improve health literacy and promote self-care through the Health and Safety Committee.

KPI	FY2023	FY2024	FY2025	FY2027 Goal
Number of employees requiring re-examination at regular health checkups*	13.4%	13.6%	14.9%	11.4%
Stress checks	76	75	75	80 or below

\* MTG Co., Ltd. only



## The "shine" created by diversity is a source of organizational competitiveness

I regard the promotion of diversity as an essential management strategy for growth and innovation. Promoting women's advancement is not merely something done "just for the sake of women." Instead what matters is creating an environment in which everyone is fairly evaluated for their abilities and motivation, regardless of gender or life stage. This kind of environment is a source of organizational competitiveness.

Career decisions at turning points in life are a matter of individual choice and should never be defined by others. I myself went through a period in which my promotion was delayed because of childbirth, but I have never once considered that a burden. Rather, that experience has become a unique source of value for me in organizational management.

What drives me is the belief that my actions can expand the options available to my daughters and to younger colleagues. "One shines, We shine, All shines." In an environment where everyone can shine in their own unique way, I hope we can create new value for society together.



We shine

Contributing to society  
through our business  
activities

## 5. Ensuring Product Quality and Safety

### Activities to improve quality and ensure product safety

At the MTG Group, in order to ensure development quality and product safety, the relevant departments, including development and quality assurance, reflect past know-how and the results of risk assessments and conduct design reviews and evaluation verification at each stage of planning and concept design, mass-production design, design verification, manufacturing preparation, and mass production.

To ensure manufacturing quality, we conduct on-site inspections of manufacturing partners to identify issues and raise the level of quality control. In addition, for corrective action and prevention of recurrence, we collect and analyze defect and complaint information, thoroughly identify root causes, and implement measures to prevent recurrence.

We also share customer feedback received through inquiries and surveys to the development department and development/manufacturing partners so that the "voice of the market" is reflected in our products.

In the fiscal year ended September 30, 2025, we strengthened functions including changes to the quality assurance framework and thoroughly implemented the activities described above.

We will continue striving for further improvements in quality and the assurance of safety.

## 6. Respect for Human Rights / 12. Promotion of Responsible Procurement

### Supporting RSPO activities and promoting the use of human rights-compliant and responsibly procured resources

Surfactants, which play an important role as raw

materials for cosmetics and similar products, are made from palm oil extracted from oil palms. As a result, issues such as the cutting down of tropical rainforests and human rights problems caused by the development of oil palm plantations have become serious concerns, creating a growing need for sustainable and responsible procurement and consideration for human rights. In this context, an international organization called the Roundtable on Sustainable Palm Oil (RSPO) was created to prevent further destruction of precious tropical rainforests.

### Registration as an RSPO Supply Chain Associate Member and Green Palm member

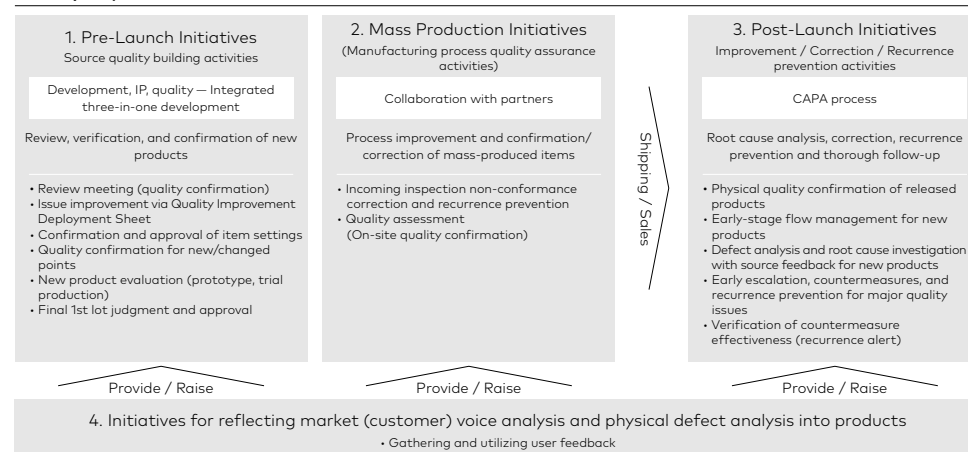
We are currently proceeding with registration as an RSPO Supply Chain Associate Member (associate member class: annual usage of 500 tons or less) and as a Green Palm member. After registration is completed, we will procure certified oil equivalent to our usage through the book-and-claim method\*.

### Preparing for procurement of palm oil through the book-and-claim method\*

Revenue from haircare items has increased rapidly, and the number of items being launched is also growing. Accordingly, we are once again clarifying the origin of raw materials and are advancing efforts to understand the amount of palm oil used, including for items under development. Through these activities, we will promote the use of resources that take environmental and human rights considerations into account and advance responsible procurement by increasing the ratio of RSPO Supply Chain Associate Member palm oil usage from the current 0% to 40% by 2027.

\* Book and Claim method: Certified credits (certificates) are issued for certified oil produced by RSPO-certified producers. By purchasing these certified credits, this mechanism supports the producers of certified palm oil.

### Quality Improvement Framework



## 7. Realizing Healthy and Prosperous Lives

### Supporting health improvement in local communities and society

#### Supporting the health of local communities in cooperation with universities, companies, and local governments

##### Donation of Foot Fit 2 and conducting of health seminars in the Noto Peninsula disaster-affected areas (Suzu/Wajima) –

We donated 200 Foot Fit 2 units to the City of Wajima, which was affected by the Noto Peninsula Earthquake in January 2024.

As Wajima suffered significant damage not only from the earthquake but also from record-breaking rainfall, we made the donation out of concern over the prolonged evacuation situation in order to support the health of disaster victims. To ensure safe use of the products, we distributed usage guides and held multiple online briefing sessions. We also donated 10 Foot Fit 3 Heat units and five Health Grip units to the City of Suzu, which were used in community salon activities.

#### Support for implementing a health-promotion and community-activation program using Foot Fit in Higashi-Izu

In Higashi-Izu, where the population is aging, measures were being considered to promote the health of local residents and revitalize the local community, and Foot Fit attracted their attention in this context. After repeated consultations, the initiative of using Foot Fit daily at home for health promotion and holding weekly group "seated training" sessions for community revitalization was implemented from June to September.

MTG supported the initiative by lending Foot Fit units and "seated training" DVDs for residents to use and also exhibited a Foot Fit experience booth at a health event held by Higashi-Izu on September 28, 2025, conducting awareness activities on the importance of training the lower limbs while allowing visitors to

experience Foot Fit firsthand.

### Participation in Yokohama City Fire Bureau awareness-raising event

At the Yokohama City Fire Bureau, the increase in emergency dispatch requests is a major issue, with 56.2% of dispatches involving the transport of elderly people and falls being a common reason for requests. The Bureau has therefore been conducting awareness-raising activities on fall prevention for elderly people, and as part of this, we were consulted about introducing Foot Fit 3, which can help strengthen lower-limb muscles. We exhibited a booth at the 2025 New Year Fire Review Ceremony. At the venue, many visitors were able to experience Foot Fit 3, helping them recognize the importance of training lower-limb muscles.

## 8. Revitalization of Local Communities and Preservation/Passing on of Traditional Culture

### Supporting people around the world to lead more VITAL lives in society

#### Donation to Wajima, Ishikawa Prefecture

Recipient: City of Wajima, Ishikawa Prefecture

Donated items: 200 SIXPAD EMS units

Date: December 2024

Purpose: With the hope of helping disaster victims recover their physical and mental health as quickly as possible, we donated EMS products that can be used to support training. The donated products have been installed at 15 evacuation centers and various care facilities in the city throughout Wajima. We also held online product usage briefing sessions for the staff of each facility to help them make the most of the products.

#### Donation to Suzu, Ishikawa Prefecture

Recipient: Suzu City Council of Social Welfare

Donated items: 10 SIXPAD EMS units, 5 training products, and 3 ReFa dryers

Date: December 2024

Purpose: We supported mental-care activities in the disaster area by having the Suzu City Council of Social Welfare use SIXPAD products in salon activities designed to prevent isolation and loneliness among disaster victims and to provide emotional care for each resident. In addition to helping participants maintain their health, the products helped encourage participation in salon activities and promote communication.

Going forward, we will continue to support our business vision of "VITAL LIFE: We will help create a world where everyone lives a happy, beautiful, and active life" by donating our products in response to the needs of recipients in disaster-affected areas, local communities, and social welfare facilities.

### Regional revitalization through the Goto camellia business

#### Developing industries that utilize camellias, a resource local to the Goto region

At the Group company Goto no Tsubaki Co., Ltd., we are developing businesses that utilize the Goto camellia, which has long grown naturally on the Goto Islands of Nagasaki Prefecture. In addition to flowers and seeds, which are limited to the annual harvest season, we are developing products that make use of leaves, branches, fruit peels, and "camellia yeast" extracted from camellia flowers. We also conduct surveys and research from a wide range of perspectives, including the history and culture of the Goto Islands, and aim to create new businesses by helping to discover the islands' unrealized potential.

#### Regional revitalization initiatives, awareness activities, and presentations through the use of the camellia farm

To carry out activities that maintain biodiversity on the farm, we held study sessions led by advisors. The farm's sustainable initiatives were also featured on a nationally broadcast television program, helping to raise awareness throughout Japan.

#### Development of new products utilizing camellia oil, a local resource

We continued the development of naturally derived ingredients and products using camellias. In addition, we expanded the product lineup by launching new gift-oriented packaged products.

#### Creating employment opportunities through collaboration with the local Senior Employment Support Center

Through the Senior Employment Support Center, we commissioned farm harvesting and management work, thereby creating jobs in which older people can work actively and with purpose.

Through these activities, we will use regional revitalization through the Goto camellia business as a role model and continue opening up possibilities for a variety of local industries in Japan.



Harvesting at the camellia farm

## Utilization of traditional craft techniques

### Promotion of collaboration between brands and traditional techniques

We will incorporate product designs and materials that make use of Japan's outstanding traditional techniques and industries and promote awareness of them both domestically and internationally. We will continue to preserve and pass on the value of traditional craftsmanship and also link it to the development of new customer segments through fusion with our brands.

As a collaboration between traditional techniques and our brand, we commercialized the "ReFa HEART KYOTO," which incorporates lacquerware techniques representative of Kyoto's traditional industries. This product has been adopted as a gift item under the City of Kyoto's hometown tax donation program and is sold through our own online shop and other channels. In addition, with the cooperation of the Kyoto Municipal Institute of Industrial Technology, we successfully formed partnerships with companies engaged in lacquerware initiatives.

For the 100% natural boar-bristle brush "ReFa BRISTLE OAK," we used brass for the brush stand,

produced using the casting techniques of Takaoka copperware — one of the traditional craft techniques of Takaoka in Toyama Prefecture. We developed a product featuring a brush handle made of natural wood, manufactured using woodworking techniques, such as cutting and laminating, that make the most of the wood's natural characteristics. This product is also available through our own online shop and duty-free stores.

The brushes developed in collaboration with artisans are also available at ReFa GINZA, our flagship store opened in November 2025. We will continue to promote Japan's unique aesthetic values by drawing on traditional craftsmanship.

## Local revitalization through MTG PARK

### Communicating the charm of Atsuta, a community centered on well-being, across Japan and around the world

#### Participation in the Atsuta Gaien Project

Through the construction of our new headquarters, we are participating in the "Atsuta Gaien Project" (Project Committee: Atsuta Miyajuku-kai, Nagoya Railroad Co., Ltd., and MTG Co., Ltd.), which

seeks to create a new chapter in the history of the area surrounding Atsuta Jingu Shrine — where history, culture, and tradition are deeply rooted — through co-creation with local residents, regional companies, industry, government, academia, and the arts.

The project was kicked off with an official announcement on July 14, 2025. By encouraging people to visit Atsuta, we aim to create a vibrant and lively area and to share Atsuta's charm as a community centered on well-being throughout Japan and around the world.

### Construction of the new headquarters and R&D center

The name "MTG PARK" has been decided for the entire site, including the new headquarters building in Atsuta where the MTG Group plans to relocate in 2027. We aim to create a place centered on well-being appeal that will attract attention from around the world, including a museum where visitors can experience the brand and purchase products, as well as cafes and restaurants. Preparations are underway to create a dynamic complex open to the local community that contributes to people's healthy lives while embodying our business vision of "VITAL LIFE: We will help create a world where everyone lives a happy, beautiful, and active life."



A brush series blending professional expertise with ReFa



Atsuta Gaien Project — Project Mark



Rendering of the new headquarters and R&D center

# All shines

## Caring for and conserving the global environment

### 9. Reducing Environmental Burdens

Based on the MTG Group corporate philosophy, "One shines, We shine, All shines," we reiterated our commitment to addressing environmental issues and conserving the global environment in our MTG Group Environmental Policy (<https://www.mtg.gr.jp/en/sustainability/initiatives/environment/>), hoping to contribute to the creation of a world where everyone lives a happy, beautiful, and active life and to societal development.

#### Efforts to address climate change

##### Disclosure of climate change-related information in line with TCFD\* recommendations

Addressing climate-related issues is an urgent priority for realizing a sustainable society. Taking into account both opportunities and risks anticipated from a long-term perspective, we are making progress on our response to climate change.

\* Task Force on Climate-related Financial Disclosures

##### Governance and risk management

The Sustainability Committee, chaired by President Matsushita, manages and evaluates progress toward targets regarding group-wide response policies and initiatives on environmental issues, including climate change. Each year, we analyze climate-related risks and opportunities, estimate their financial impact, and report the results. Meanwhile, the Board of Directors exercises its supervisory and monitoring functions by giving instructions on responses and reflecting them in strategy.

##### Strategy / Scenario analysis

We conducted qualitative and quantitative assessments of the risks and opportunities arising

from the transition to a decarbonized society and from changes in the natural environment caused by climate change, using expert scenarios such as the IEA's Net Zero Emissions (NZE) scenario and the IPCC's Representative Concentration Pathway (RCP) 8.5, including scenarios of below 1.5/2°C and 4°C.

We will continue to conduct analyses on a regular basis, deepen our understanding of the impacts that identified risks and opportunities may have on our business activities, strategies, and financial planning, and further enhance our information disclosure.

\* Information disclosure based on the TCFD framework (<https://www.mtg.gr.jp/en/sustainability/initiatives/environment/tcf/>)

#### Indicators and targets

We have established SBTi\*-based Scope 1 and 2

greenhouse gas (GHG) emission reduction targets with the aim of achieving medium- to long-term emissions reductions. Using fiscal year 2023 as the base year, we are targeting a 42% reduction in Scope 1 and 2 emissions by fiscal year 2030. For Scope 3, we are making progress on calculations and target-setting in accordance with SBTi criteria. We will continue to reduce GHG emissions through measures such as the use of renewable energy.

\* Science-Based Targets Initiative

#### Scope 1 and 2 emissions reduction initiatives

Group company Goto no Tsubaki Co., Ltd. is helping to reduce GHG emissions by using clean energy from the island's floating offshore wind power generation.

		FY2023	FY2024
		Baseline	Actual
Scope 1	Direct Emissions	185	194
Scope 2	Indirect Emissions from Energy (Market-Based)	997	1,225
	Indirect Emissions from Energy (Location-Based)	937	1,035
Scope 3	Category 1: Purchased Goods & Services	64,064	83,659
	Category 2: Capital Goods	60,879	68,821
	Category 3: Fuel- and Energy-Related Activities	193	237
	Category 4: Upstream Transportation & Distribution	7,021	8,404
	Category 5: Waste Generated in Operations	388	540
	Category 6: Business Travel	1,460	1,912
	Category 7: Employee Commuting	654	699
	Category 8: Upstream Leased Assets	-	-
	Category 9: Downstream Transportation & Distribution	-	-
	Category 10: Processing of Sold Products	-	-
	Category 11: Use of Sold Products	30,476	54,494
	Category 12: End-of-Life Treatment of Sold Products	570	789
	Category 13: Downstream Leased Assets	-	-
	Category 14: Franchises	-	-
	Category 15: Investments	-	-
	Category 16: Other	-	-
Scope 3 Total		165,705	219,556
Total emissions		166,887	220,975

Notes:

- The scope of emissions above covers consolidated Group companies.
- Categories 8, 10, 13, 14, 15, 16: No applicable activities.
- Category 9: Under consideration for future calculation.
- In connection with obtaining SBTi certification, certain figures from prior years have been partially recalculated.

Unit: t-CO<sub>2</sub>e

The MTG Group has also begun using electricity derived from renewable energy sources at our Head Office/R&D Center, and Nagoya Sales Headquarters.

#### Calculation of Scope 3 emissions

We have calculated our Scope 3 emissions, which measures total GHG emissions from raw material procurement to manufacturing, sales, consumption, and disposal of products (supply chain emissions). Scope 3 emissions in the fiscal year ended September 30, 2023 (base year), amounted to 165,705 t-CO<sub>2</sub>e.

The category with the highest GHG emissions was "Category 1: Purchased Goods & Services" We are setting targets in accordance with SBTi standards and working with suppliers and other stakeholders to find ways to further reduce emissions.

### 10. Nature Conservation Initiatives

#### Nature conservation at our camellia farm

Goto no Tsubaki Co., Ltd. owns a 4-hectare farm on the Goto Islands in Nagasaki Prefecture with 10,000 camellia trees. Through the planning, manufacturing, and sales of skincare products and foods derived from camellias, we are helping conserve the camellia, a vital resource of the island.

#### Camellia farm maintenance and development as a tourist attraction

Weeds and vines have been removed to encourage camellia growth. This has also improved the scenery, making the farm more attractive as a tourism destination. We plan to organize farm experience tours and share our sustainable activities more widely.

#### Providing seedlings to encourage tree planting

Seedlings were distributed as a gift with product purchases, and 115 seedlings were delivered to customers across Japan in the fiscal year ended September 30, 2025. A total of 519 camellia seedlings have been planted nationwide under this initiative.

#### Research on biodiversity

We are evaluating the biodiversity of the farm and continuing in-house study sessions working toward achieving the "30x30" targets. An Instagram account has also been established to promote the farm to the public.

### 11. Maintenance and Conservation of Water Resources

#### Conserving water and cutting CO<sub>2</sub> emissions — environmental benefits of fine bubble showers

The cumulative number of fine bubble shower units



Maintenance and harvesting of the camellia farm

sold through the 2024 fiscal year was approximately 2.6 million units. With each unit able to save 17,581 liters of water annually,<sup>\*1</sup> if all units are in use around 46 million tons of water — roughly the amount Japan's entire population uses in one day — would be saved each year.<sup>\*2</sup> With less gas used for water heating, a CO<sub>2</sub> reduction of approximately 50 kg per unit, and approximately 130,000 tons cumulatively, is expected.

#### Household water quality conservation through fine bubble technology

The ReFa ULTRA FINE BUBBLE SUIGEN makes ultra-fine bubble water available from every tap in the home, helping to reduce water consumption, wastewater production, and the need for cleaning agents. We will continue to work on water resource conservation and CO<sub>2</sub> reduction through wider adoption and aim to achieve a better quality of life.



Fine Bubble Shower ReFa FINE BUBBLE U

\*1 ReFa FINE BUBBLE U: Calculated based on the following spray mode ratios — Mist 30%, Pure straight 10%, Straight 50%, Point jet 10%

\*2 Calculated based on water savings per household × cumulative units sold (assuming 6 minutes of shower use per person, a flow rate of 12 L/min, an average household size of 2.23 persons, and the water savings per shower session with FINE BUBBLE U). Annual water savings from 2.6 million showerheads: approx. 46 million tonnes. Daily water consumption per capita: 286 L (Ministry of Land, Infrastructure, Transport and Tourism, 2019). Japan's population: approx. 124 million (as of October 14, 2025, based on Google search data)

Note: For details on the performance of fine bubbles, please refer to the official ReFa brand website.



## Governance for the Next Two Decades

- 55 Conversation with Outside Directors
- 58 Corporate Governance
- 62 Executives
- 63 List of Executives
- 64 Executive Skill Matrix



## Governance for Sustainable Growth and Future Value Creation

We asked Outside Directors Hironori Suzuki, Munehiro Ishida (Audit Committee Member), and Ako Iida (Audit Committee Member) about the key drivers of value creation and sustainable growth at the MTG Group.



Hironori Suzuki

Outside Director  
Expert in IT, M&A, and global management



Ako Iida

Outside Director and Audit Committee Member  
CPA and expert on internal control



Munehiro Ishida

Outside Director and Audit Committee Member  
Lawyer and expert in finance and M&A

### Roles and responsibilities as Outside Directors and Audit Committee Members

— Thank you for your time today. First, could you tell us about your roles and responsibilities?

**Iida** I strive to see things from a shareholder perspective. Outside directors with accounting backgrounds are often perceived as being "defensive" and risk-averse, but it is important not to hold back growth by being too cautious. Balancing growth and governance – or "attack and defense" – while maintaining the objectivity expected of an oversight role is important at a company with the MTG Group's "startup spirit."

**Suzuki** President Matsushita is not looking for people who simply agree with everything he says. Drawing on my experience in IT, M&A, and international business, my role is to provide objective, rigorous advice from a shareholder perspective. Successful global expansion depends on creating environments in which local talent is trusted, empowered, and able to thrive.

**Ishida** As a lawyer, candidness is important to me, but I always try to offer practical alternatives rather than simply an opposing viewpoint. Every business initiative is fueled by our employees' passion and commitment. Rather than dismissing proposals because of minor risks, I try to be constructive and move ideas forward.

### Effectiveness of the MTG Group's governance and decision-making

— Decision-making at the MTG Group is extremely swift. How effective is its governance?

## Conversation with Outside Directors

**Suzuki** I joined MTG in December 2025. I was surprised by how much preparation goes into Board discussions and the clarity with which key issues are identified and debated. It was impressive to see President Matsushita spend a full hour explaining the business at the AGM. It showed he understands the importance of shareholders.

**Ishida** Board meetings are conducted with great seriousness in an atmosphere where directors can speak candidly. Although Outside Directors do not constitute a majority of the Board, there is a strong culture of ensuring all directors' concerns are fully addressed and that decisions are not rushed.

For important matters, relevant departments brief us several days before the Board meeting, ensuring we understand the issues and can raise any concerns we have. The Audit Committee rigorously reviews risks, helping achieve both effective governance and swift decision making.

**Iida** Integrating oversight and decision-making functions creates an efficient, rational governance framework. Before Board meetings, the Audit Committee develops a shared understanding of the risks to address. Close coordination with the full-time Audit Committee Members provides valuable insights into frontline operations and practical considerations, strengthening our oversight. MTG is very transparent



in sharing information.

### Specific discussions and decision-making processes in FY2025

— **Did any discussions or decision-making processes leave an impression on you in FY2025?**

**Ishida** The M&A transaction was particularly memorable. We did our due diligence and carefully reviewed each stage of the process. Over several months, we consulted financial, taxation, and legal experts, ensuring we reached an objective, well-informed decision. Thorough preparation by the secretariat, opportunities for additional explanations, and our practice of postponing decisions that required more deliberation further enhanced the quality of Board meetings.

**Suzuki** Discussions regarding M&A stand out the most. I believe M&A can be compared to a marriage. When you acquire a company, you are embracing its people, culture, and history, so it's important to look beyond the numbers and assess values and cultural fit. The new owner should not think of themselves as superior; rather, it should approach the relationship with humility and respect. I hope we can enhance what I call "post-acquisition governance," including IT integration and the unification of security standards.

**Iida** The M&A transaction shortly after I assumed this role was particularly memorable. By reviewing processes from a shareholder perspective and doing our financial and tax due diligence, we reached an objective decision. Post-acquisition internal control was discussed in advance from the standpoint of consolidated governance, which reinforced my

confidence in the quality of the MTG Group's decision-making processes.

**Suzuki** I was also impressed by the discussions on system integration. Given the differences in business models, complete system integration may be unrealistic; but clarifying the essential systems, such as HR, for which infrastructure should be unified and security standards defined on a Group-wide basis is important for mitigating risks.

### Role of the Board of Directors in enhancing corporate value

**Iida** As an Outside Director, I draw on my expertise in finance and accounting to rigorously assess potential risks, and ensure decisions are not based on overly optimistic assumptions. I'm conscious of being supportive of the major investments being made in the MTG Group's growth, while still remaining objective. In terms of internal control, I constantly seek opportunities to improve existing frameworks and establish new ones where needed.

Going forward, I will continue to identify potential issues at an early stage and coordinate with relevant departments to help ensure ongoing growth in corporate value.

**Ishida** While remaining vigilant for compliance issues or significant



risks, I'm active in discussions on investments and new business development. Because the Company makes decisions so quickly, I also make sure to respond quickly.

At the same time, certain matters, such as major investments, require more careful deliberation. The involvement of external experts in reviewing and advising on such decisions has contributed to the success of these initiatives, something I found very rewarding.

**Suzuki** I continuously engage management by asking questions and identifying opportunities for improvements in areas such as M&A decision-making processes, IT security, and employee development. By doing so, I hope to make meaningful contributions that will be reflected in the Company's future results, without the need to draw attention to it myself.

### Future potential and value creation: The Hikari Philosophy and MTG's distinctive strengths

— **How do you view the MTG Group's future potential and the strengths that differentiate it from competitors?**

**Suzuki** The MTG Group operates in clothing, food, lifestyle, and beauty – areas that will remain fundamentally important even in the age of AI. What sets the Company apart is not only its ability to develop products, but also its proven capabilities in building sales and distribution channels with customer-facing businesses like hotels and salons, combined with sophisticated branding know-how. This is not something that can easily be replicated by

## Conversation with Outside Directors

competitors.

**Iida** The biggest strength of the MTG Group is its corporate philosophy, with the Hikari Philosophy at its core. These principles are not mere lip service; they are deeply embedded in the mindsets of employees and reflected in their day-to-day interactions. As a result, despite the rapid growth in headcount, there remains a strong sense of unity across the entire organization – almost like that of a family. I believe this is a major advantage over other companies.

**Ishida** I'm impressed that the Group Management System has fostered an ownership mindset among employees at every level. Because the Company's philosophy is translated into action with such energy and commitment, it has a remarkable ability to deliver attractive products to people everywhere.

### Communicating with stakeholders and deepening engagement

— **Outside Directors play an important role in overseeing management from the perspective of stakeholders. What are your views on communicating with stakeholders, deepening engagement, and building trust and credibility with the general public?**

**Iida** Currently, information is provided to investors primarily via disclosures. We place great importance on fair disclosure that supports informed investment decisions by communicating not only favorable information but also challenges and risks.

Looking ahead, alongside financial disclosures, I hope we can provide trusted and transparent communications by carefully explaining how our

sustainability efforts create synergies with core businesses and contribute to our competitive advantages.

**Ishida** In terms of contributing to society, I was impressed by the Company's leading role in establishing industry standards. I find great significance in its commitment to promoting the healthy development of the industry as a whole by bringing safe and effective products to market, including fine bubble technologies and recovery wear like ReD, which is classified as a general medical device.

**Suzuki** Social contribution can be difficult to define. I believe its essence lies in contributing to the local community and supporting the development of the industry.

In this sense, MTG's efforts to communicate its vision through the new headquarters being constructed in Atsuta, Nagoya, as well as its willingness to openly share its initiatives and take a leading role in advancing the industry as a whole, are very meaningful. Directors themselves are leading the way on these efforts, and I look forward to seeing them continue to evolve in the years ahead.

### Future challenges: Key management and corporate governance priorities

— **What do you see as the key management and governance challenges facing the MTG Group?**

**Iida** There are two key priorities. The first is succession planning. It is important that the Company does not become overly dependent on specific individuals and that it systematically cultivates the next generation

of leaders capable of ensuring stability and continuity. The second pertains to sustainability. While MTG is still in the process of setting targets, it will become increasingly important that all employees develop a genuine understanding of sustainability and recognize how it connects with the growth of the core business.

**Ishida** It is also important to enhance the role and visibility of corporate functions. In a fast-growing company, attention gravitates toward sales and operating departments, but corporate functions provide the foundation supporting that growth.

I hope to continue discussions with President Matsushita on how MTG can build evaluation and recognition systems that help prevent burnout among those working in corporate functions and encourage them to take greater pride in their contributions.

Regarding subsidiary management and Group governance, we need to balance head-office oversight and local autonomy.

**Suzuki** Streamlining operations through IT is also essential. Beyond the introduction of IT infrastructure, it is equally important to train employees to embrace the new systems.

Senior management should spend more time visiting corporate and administrative departments to observe operations firsthand. Such efforts contribute to effective governance and oversight.

### Message to stakeholders

— **Finally, would you like to share a message with our stakeholders?**

**Iida** The MTG Group has achieved remarkable growth, and the organization continues to evolve with each

passing day. As the Company expands, strengthening internal controls and governance becomes increasingly important. Controls are not static frameworks; they are "living organisms" that must evolve alongside the Company.

As an Audit Committee Member, I will continue to provide advice and support as needed to help build and maintain appropriate governance structures.

**Suzuki** The first time I attended a Board meeting, I was struck by President Matsushita's discussion of what the Company should look like 20 years from now. His long-term perspective on management is impressive. Drawing on my experience in IT, M&A, and international business, I hope to contribute to building a foundation for future growth. I also hope to remain healthy enough to witness the Company evolve over the coming decades.

**Ishida** I believe our priority is to establish frameworks that prevent misconduct and enable risks to be properly identified. I hope to support the Company in pursuing challenging investment opportunities by helping to weigh the impact of potential risks.

My motto is "cool head, but warm heart." I am serious about my work, but also empathetic. By balancing level-headed judgment with a human touch, I try to be a supportive presence. Underpinning this is the concept of VITAL – creating value that brings energy and vitality to people's lives.



# Management Oversight Structure and Internal Control/Risk Management

## Basic Philosophy

Guided by our corporate philosophy, "One shines, We shine, All shines," MTG aims to create a brighter society by building on the aspirations and growth of each employee, extending their positive impact throughout the organization and beyond to society as a whole. In pursuing this goal, we will continue to take on bold challenges as an outstanding venture company while building a management structure that combines transparency, integrity, and agility. Through sustained high growth, strong profitability, and maximizing corporate value over the medium and long term, we aim to earn the trust of our shareholders and all other stakeholders.

Our corporate governance framework rests on the following pillars:

- Respect for shareholders' rights and equality
- Appropriate collaboration with non-shareholder stakeholders
- Appropriate information disclosure and transparency
- Responsibilities of the Board of Directors and other governing bodies
- Dialogue with shareholders
- Characteristics as a venture company

(For details, please refer to the Corporate Governance Policy page on our website: <https://www.mtg.gr.jp/en/sustainability/policies/governance.html>)

## Compliance with the Corporate Governance Code

The Company has implemented all the basic principles of the Corporate Governance Code. For details, please refer to the Corporate Governance Report. (<https://www.mtg.gr.jp/en/ir/management/governance.html>)

## Board of Directors

In order to achieve sustained enhancement of corporate value, the Company strengthens the transparency and fairness of management, enables the Board of Directors to make prompt decisions on management's material issues, receives reports on the execution of operations at the Company and its Group companies, and supervises the performance of duties by directors and executive officers. The Company also provides appropriate information to Outside Directors — who bring diverse expertise and specialized knowledge in corporate management, IT, financial accounting, risk management, compliance, and related fields — ensuring thorough sharing and understanding among all directors on fundamental management policies and material matters. Through multifaceted deliberation and discussion, the Board strives to achieve effective decision-making, working toward a truly effective Board of Directors.

In the fiscal year ended September 30, 2025, the Board of Directors conducted appropriate deliberations and resolutions on matters relating to business plans, risk, compliance, management strategy, business strategy, marketing strategy, and other material management themes, thereby maintaining effective Board operations throughout the period.

### Policy for determining the amount of remuneration for directors

The Company has established the following policies for determining executive remuneration, resolved by the Board of Directors following deliberation and report by the Nomination and Compensation Committee.

## 1. Basic philosophy

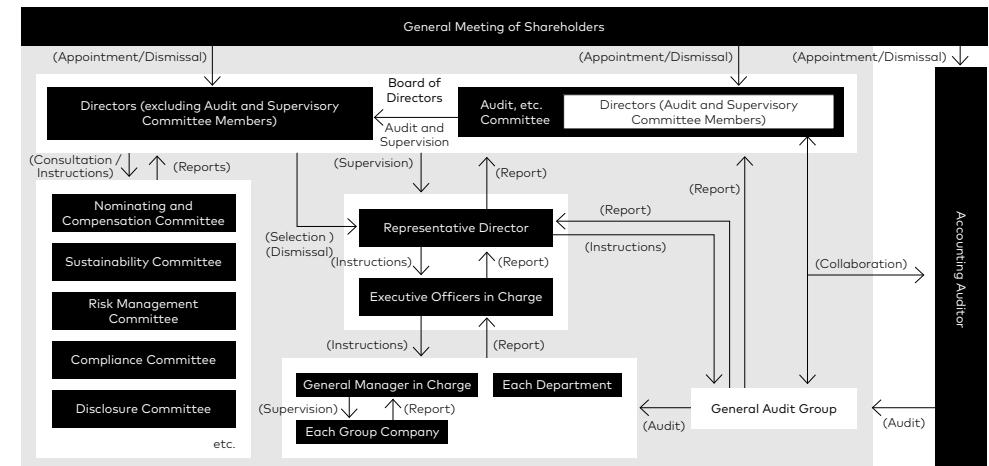
The Company conducts its corporate activities to realize our corporate philosophy "One shines, We shine, All shines." The "One" in "One shines" refers to each individual employee; we place importance on each employee having a dream and leading a bright, positive, and wonderful life. The "We" in "We shine" refers to all employees, shareholders, customers, and partner companies. The "All" in "All shines" refers to society as a whole — we aim to contribute to the progress and development of human society, enriching the lives of people around the world with health, beauty, and prosperity, while giving due consideration to a sustainable global environment. To realize this corporate philosophy,

our executive compensation system is designed to drive the sustainable growth of the business by encouraging executives to take on challenges and by strengthening corporate governance.

## 2. Policy for determining remuneration, including basic remuneration

The level of executive remuneration is set based on the basic philosophy of executive remuneration and the roles and responsibilities of each director in the management of the Company.

In reviewing remuneration levels, the Company conducts analysis using the Company's business environment and remuneration market data (peer group



## Corporate Governance

companies of similar scale) provided by external research institutions, and the appropriateness is verified by the Nomination and Compensation Committee before being finalized.

In order to promote shared awareness with all stakeholders and to structure a remuneration system that balances incentives for both short-term and medium- to long-term performance improvement, the remuneration of directors (excluding Outside Directors and directors who are Audit and Supervisory Committee Members) consists of basic remuneration, performance-linked bonuses, and share-based remuneration.

For Outside Directors and directors who are Audit and Supervisory Committee Members, in consideration of their roles in supervising management and their independence, remuneration is limited to basic remuneration only. Note that no retirement allowances are paid to directors.

### Basic remuneration

Basic remuneration is set at an appropriate level reflecting each director's position, scope of responsibilities, and duties, and is subject to revision as appropriate when any of these factors change or when external conditions shift.

Basic remuneration is paid in cash on a monthly basis.

### Performance-linked bonus

The performance-linked bonus serves as a short-term incentive. It is determined based on the achievement of the Group's consolidated annual sales and profit targets, as well as the performance of the directors. The bonus is determined within a range of 0% (not paid) to 200% relative to the median of the variable remuneration, and is paid in a lump sum in cash.

### Share-based remuneration

Share-based remuneration serves as a long-term incentive designed to promote the sustained

improvement of the Company's medium- to long-term performance and corporate value, and to foster value alignment with shareholders. A fixed proportion of total remuneration is granted in the form of restricted stock.

### **3. Remuneration determination process**

The policy for determining executive remuneration is deliberated on by the Nomination and Compensation Committee — chaired by an Outside Director (independent officer) and in which outside officers constitute a majority — and reported to the Board of Directors. The Board of Directors resolves the policy with due respect for the committee's report.

Based on this remuneration determination policy, the Nomination and Compensation Committee reviews the executive remuneration framework each fiscal year, verifying the appropriateness of the composition and calculation methodology of basic remuneration, performance-linked bonuses, and share-based remuneration against market trends and other factors.

Similarly, the remuneration of individual directors for each fiscal year is determined by the Board of Directors based on the specific remuneration framework and metrics designed in accordance with the remuneration determination policy, following deliberation and report by the Nomination and Compensation Committee. Performance evaluations and qualitative assessments required for calculating performance-linked bonuses are conducted by the Nomination and Compensation Committee.

### **Remuneration Limits for Directors**

The limits on remuneration for directors, as resolved at the General Meeting of Shareholders, were established at the Extraordinary General Meeting of Shareholders held on March 24, 2017: annual remuneration of up to ¥500 million for directors (excluding Audit and

Supervisory Committee Members) and up to ¥100 million for directors who are Audit and Supervisory Committee Members. Furthermore, at the Annual General Meeting of Shareholders held on December 22, 2022, a resolution was passed to grant restricted stock remuneration (up to ¥50 million per year; up to 50,000 shares per year in total) to directors (excluding directors who are Audit and Supervisory Committee Members and Outside Directors), for a period of between 3 and 50 years as determined by the Board of Directors.

### **Effectiveness Assessment of the Board of Directors**

In order to further substantiate corporate governance, the Company conducts an annual effectiveness evaluation of the Board of Directors. Issues are identified from the results, and ongoing efforts are made to continuously enhance Board effectiveness. The evaluation covered all seven directors (including Audit and Supervisory Committee Members) — comprising four internal and three outside directors — through a questionnaire prepared by the Board Secretariat, followed by individual interviews. External experts are engaged to ensure transparency and enhance objectivity: specifically, advice is obtained from external experts on the formulation of survey questions and analysis of results to ensure the validity of the questions and neutrality of analysis, and external experts also attended certain individual director interviews.

#### **1. Effectiveness assessment**

##### **(1) Questionnaire**

Response period: September 1 – September 15, 2025  
Format: Multiple-choice and open-ended questions  
Number of questions: 36; 5-point scale (5: Appropriate / 4: Generally appropriate / 3: Neutral / 2: Somewhat insufficient / 1: Insufficient)

Topics:

1. Board Size and Composition
2. Operation of the Board of Directors
3. Matters Deliberated by the Board of Directors
4. Support System for the Board of Directors
5. Board Materials
6. Support for Appropriate Risk Taking
7. Internal Control
8. Audit and Supervisory Committee
9. Advisory Committees (Nomination and Compensation Committees)
10. Stakeholder Engagement
11. Sustainability

##### **(2) Individual interviews**

Period: September 16 – October 22, 2025

Details: Conducted by the Board Secretariat based on questionnaire results (with partial attendance by external experts).

##### **(3) Final assessment**

After external expert review of the Board Secretariat's analysis, findings were reported to and assessed by the Board of Directors, which confirmed the direction of future initiatives to address identified issues.

#### **2. Effectiveness assessment results**

Based on the questionnaire results and individual interviews, it was determined that the Board of Directors and various committees are functioning effectively on the whole. Issues identified through analysis of the effectiveness assessment results are prioritized and addressed through implementation plans. Progress on issue resolution is reported to and shared with the Board of Directors as appropriate.

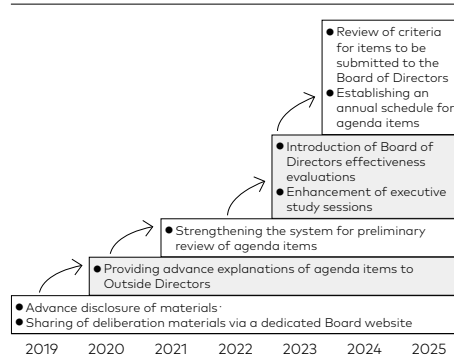
#### **3. Status of continuous improvement**

The Company has continuously conducted Board effectiveness assessment to date and has accumulated

## Corporate Governance

improvements in response to identified issues. For details on specific initiatives for each fiscal period, please refer to the diagram below. Going forward, we will continue to seek advice from internal and external experts to strengthen Board functions and enhance governance.

### Continuous initiatives to enhance the effectiveness of the Board of Directors



## Basic Policy on Internal Control System and Status of Development

### Basic Policy on Internal Control System

The Company has adopted the following Basic Policy on Internal Control System at the Board of Directors meeting and is working to further improve the company-wide control environment and promote smooth management operations. In order to realize its corporate philosophy, the MTG Group will establish a system to execute its business lawfully and efficiently by building an internal control system in accordance with the following basic policy, as a system to build the organization, establish regulations, communicate information, and monitor the execution of business operations. This basic

policy is also reviewed in response to changes in the business environment, and we continually strive to build and operate an effective internal control system.

### (1) Systems to ensure compliance with laws and the articles of incorporation, and to ensure appropriateness of operations in the corporate group

The MTG Group maintains relevant regulations, including the Board of Directors' Rules and ensures that these are thoroughly informed to directors and employees. In order to conduct business activities in compliance with laws, regulations, articles of incorporation, internal rules, and general social norms, the MTG Group has established the Compliance Charter as a code of conduct, works to instill a strong compliance mindset, and builds and operates an effective system including monitoring activities.

In accordance with the Compliance Rules, the MTG Group has established a Compliance Committee as the governing body responsible for overseeing compliance activities across the Group. The Compliance Committee reviews and maintains compliance-related regulations to manage the Group's compliance framework and promotes awareness through training. It also conducts periodic reviews, revises regulations as needed in response to legal and business changes, and reports these activities to the Board of Directors.

The MTG Group operates an internal reporting system to enhance internal checks and accountability with respect to illegal acts and fraudulent conduct.

The MTG Group has established a General Audit Group at the Company, which conducts audits covering the entire MTG Group including subsidiaries on an independent basis, while also coordinating with the Audit and Supervisory Committee and the accounting auditor. Reports on audit status and findings are submitted to the Representative Director and the Board of Directors on an ad hoc or periodic basis. The MTG Group maintains a complete separation from antisocial forces and responds resolutely to any unjust demands.

### (2) Systems for retaining and managing information related to directors' execution of duties, and systems for reporting by directors and employees of Group companies

In accordance with the Document Management Rules, the Company records and retains various minutes and information related to the execution of duties by Directors, the Audit and Supervisory Committee, and the General Audit Group may access these documents as necessary.

In accordance with the Affiliated Company Management Rules, material management decisions at Group companies are reported to and resolved by the Company's Board of Directors.

### (3) Rules and other systems for managing risks of loss within the MTG Group

In accordance with the Risk Management Rules, the MTG Group has established a Risk Management Committee as the governing body responsible for overseeing risk management activities across the MTG Group.

The Risk Management Committee systematically identifies and assesses Group-wide risks, formulates and implements countermeasures, conducts periodic reviews and reassessments in response to changing circumstances, and reports these activities to the Board of Directors on a regular basis.

### (4) Systems to ensure the efficient execution of duties by directors of the MTG Group

The Company holds Board of Directors meetings once a month as well as on an as-needed basis. Material matters are deliberated in advance as appropriate. In accordance with the Business Division Rules and Duty Authority Rules, divisional heads execute operations within their respective areas of responsibility and authority.

### (5) Systems relating to employees assigned to assist the Audit and Supervisory Committee, their independence from directors, and ensuring the effectiveness of instructions from the Audit and Supervisory Committee

At the request of the Audit and Supervisory Committee, the Company establishes a supporting organization and assigns employees to assist the Audit and Supervisory Committee. The Audit and Supervisory Committee may issue instructions to such employees on matters necessary for audit operations. Employees who have received instructions necessary for audit operations from the Audit and Supervisory Committee shall not be subject to direction or instruction from directors (excluding directors who are Audit and Supervisory Committee Members) in connection with such instructions.

Directors (excluding directors who are Audit and Supervisory Committee Members) and the Human Resources Division shall ensure that all other employees are thoroughly informed that such supporting employees are subject to the direction and instructions of the Audit and Supervisory Committee, and shall ensure that such employees have the time necessary to assist the Audit and Supervisory Committee.

In order to ensure the independence of such supporting employees from directors other than Audit and Supervisory Committee Members, and to ensure the effectiveness of instructions from the Audit and Supervisory Committee, the consent of the Audit and Supervisory Committee is required for decisions on personnel matters — including appointment, reassignment, and evaluation — of such employees in connection with their duties in supporting the Audit and Supervisory Committee and its members.

### (6) Systems for reporting to the Audit and Supervisory Committee by directors (excluding directors who are Audit and Supervisory Committee Members), employees, and directors, corporate auditors, and

## Corporate Governance

### **other persons involved in the execution of operations at Group companies, as well as persons who have received reports from them**

Directors (excluding Audit and Supervisory Committee Members), employees, and those responsible for the execution of operations at Group companies, or those who have received reports from them, shall report on the status of execution of operations through the attendance of Audit and Supervisory Committee Members at the Board of Directors and other important meetings, and shall also promptly report any other material matters as necessary.

Directors, employees, and those responsible for execution of operations at Group companies who receive a request from the Audit and Supervisory Committee for a report on matters relating to the execution of operations shall promptly provide an appropriate report. When any of the foregoing persons becomes aware of a serious violation of laws or regulations or the articles of incorporation, any fraudulent act, or any fact that may cause material damage to the MTG Group, such person shall promptly report to the Audit and Supervisory Committee.

### **(7) Systems to ensure that those who have reported to the Audit and Supervisory Committee are not subject to disadvantageous treatment**

It is prohibited to subject any person — including directors (excluding Audit and Supervisory Committee Members), employees, directors or corporate auditors of Group companies, or those responsible for execution of operations — to disadvantageous treatment on account of having made a report to the Audit and Supervisory Committee.

### **(8) Policies on procedures for advance payment or reimbursement of expenses incurred in the execution of duties by Audit and Supervisory Committee Members, and other systems to ensure that audits are conducted effectively**

Expenses arising in connection with the execution of

duties by the Audit and Supervisory Committee shall be borne by the Company and processed in accordance with pre-established procedures.

In order to ensure that audits by the Audit and Supervisory Committee are conducted effectively, the Audit and Supervisory Committee holds regular exchange of opinions sessions with the President, the Internal Audit Division, and the Accounting Auditor, respectively. Attendance by Audit and Supervisory Committee Members at various meetings is also ensured.

## Risk Management

The MTG Group engages in risk management as a means of strengthening its management structure to respond to risks — the uncertainties inherent in business operations. With the aim of enhancing company-wide risk management capabilities, the Company has established a Chief Risk Officer (CRO) in accordance with the Risk Management Rules, who oversees the appropriate and effective promotion of risk management. In addition, the Company has established a Risk Management Committee, chaired by the President and with the CRO serving as vice-chair, as the governing body for overseeing risk management activities across the MTG Group.

The MTG Group's risk management process begins with an annual review of risk items, conducting risk assessments based on analysis of past risk incidents and taking into account changes in the business environment and broader social trends.

Risk items identified as having significant potential impact or high likelihood of occurrence are proposed to the Risk Management Committee as candidates for priority risks for the MTG Group.

The Risk Management Committee selects priority risks requiring action from among the proposed candidates, based on management and business continuity

perspectives, and determines policies and initiatives for risk management activities. It also submits to the Board of Directors proposals for the establishment or revision of risk management-related regulations and the risk management promotion structure, and reports risk management activities, including priority risks, to the Board of Directors.

The Board of Directors approves the establishment or revision of risk management-related regulations, appoints the CRO, approves the risk management promotion structure and plans, deliberates on the selection of priority risks, and issues instructions to the Risk Management Committee and other relevant bodies as necessary.

Risk countermeasures for priority risks are reviewed by the Risk Management Executive Committee and implemented by the relevant departments of each division and Group company. Progress is reported to the Risk Management Committee through the Secretariat, which in turn reports to the Board of Directors.

The following are the key risks that could have an adverse effect on the MTG Group's financial condition and results of operations, and that may have a material impact on investor decisions. Note that forward-looking statements reflect judgments as of the end of September 2025, and are not limited to the items listed below.

1. Risk of failing to respond to consumer needs
  2. Risk of dependence on specific brands and products
  3. Risk of dependence on specific individuals
  4. Risks related to the supply chain
  5. Risk arising from quality issues (product safety)
  6. Foreign exchange risk
  7. Risks related to intellectual property rights
  8. Risks related to human resources
  9. Risks related to information security
  10. Risks related to compliance
  11. Risks related to natural disasters
- (For details, please refer to the Business and Other

Risks page on our website: <https://www.mtg.gr.jp/en/ir/management/risk.html>

## Compliance

### **Fostering a culture of compliance and promoting compliance activities**

In order to continue earning the trust of all stakeholders by meeting their expectations and requirements, the Company views compliance not merely as a matter of legal adherence, but through the broader lens of social norms. To conduct fair and transparent corporate activities in compliance with laws, regulations, internal rules, and social norms, the Company has established a Compliance Charter, distributes a Compliance Card bearing the Charter to all employees, and promotes the fostering of a compliance-oriented culture as well as various activities including compliance training.

#### **1. Fostering a culture of respect for compliance**

Compliance training at the Company is conducted once per year in the form of group-wider-based training and department-specific training. An annual survey is also conducted to identify trends in violations and harassment. In addition, opportunities are provided for compliance messages to be communicated from senior management, including the President and the Representative Directors.

#### **2. Promoting compliance activities**

The Company operates the Risk Management Committee and the Compliance Committee to strengthen compliance activities, and the annual activity plans and results are reported to the Board of Directors on a regular basis. The Company also operates an internal reporting system (Speak-Up System) covering Group companies, as well as a reporting system for partner companies, each with dedicated reception points.

## Executives



## List of Executives



**Tsuyoshi Matsushita**  
President and Representative  
Director  
Born September 1, 1970

- Apr. 1989 Joined Nippondenso Corporation (currently Denso Corporation)
- May 1992 Joined Yamahisa Corporation
- Jun. 1994 Established Auto Service Blaze
- Jan. 1996 Established MTG BLAZE Corporation (now MTG)  
Appointed Representative Director and President (to present)
- Nov. 2018 Established GOTO no TSUBAKI Inc. and assumed post of Representative Director



**Akihiko Tajima**  
Director  
Chief Financial Officer  
Born December 23, 1962

- Mar. 1988 Joined JEC Corporation Daiichi Education Center
- Nov. 1996 Appointed Director and General Manager of Accounting Dept. at JEC Corporation Daiichi Education Center
- Apr. 1999 Appointed Director, General Manager of Accounting Division and General Manager of Finance Department of Gakuikusha Corporation (currently Withas Corporation)
- Apr. 2005 Appointed Director, General Manager of Business Administration Division at Withas Corporation
- Oct. 2005 Appointed Director of Ken Millennium K.K.
- Mar. 2006 Appointed Director of Re-Tech Corporation
- Dec. 2009 Joined Kakuyasu Corporation, appointed Executive Officer and General Manager of Finance & Accounting Dept.
- Apr. 2010 Appointed Director of Kakuyasu Corporation
- Apr. 2011 Appointed Managing Director of Kakuyasu Corporation
- Jun. 2016 Appointed Representative Director and Vice President of Kakuyasu Corporation
- Oct. 2020 Appointed Executive Vice President and Representative Director of Kakuyasu Group Inc.
- Jun. 2022 Appointed President and Representative Director of Kakuyasu Group Inc.
- Dec. 2023 Appointed Director of MTG (to present)



**Yusuke Inoue**  
Director  
Born January 16, 1966

- Mar. 1987 Joined Grand Whisky Corporation (currently Grandware Corporation)
- Jun. 1989 Established Presto Corporation and assumed post of Director
- May 1994 Established Plex Corporation (currently Phoenix Corporation) and assumed post of Representative Director
- Aug. 1998 Established Japan Trade Ocean Corporation (now SURGIC Corporation) and assumed post of Representative Director
- Aug. 1998 Appointed Director of Presto Corporation
- Apr. 2011 Established andlive Inc. (currently MTG Professional Inc.) and assumed post of Representative Director (to present)
- Jan. 2014 Joined MTG and appointed Executive Officer
- Dec. 2015 Appointed Director of MTG (to present)
- Sep. 2020 Appointed Director of MTG FORMAVITA Co., Ltd. (to present)
- Aug. 2021 Appointed Representative Director of MTG Mediservices, Inc.
- Sep. 2025 Appointed Representative Director of MTG FORMAVITA Co., Ltd.



**Hironori Suzuki**  
Outside Director  
Born November 28, 1964

- Apr. 1986 Joined Syscon Co., Ltd. (currently CIJ Next Co., Ltd.)
- Jan. 1991 Established SY System Co., Ltd. and assumed post of President and Representative Director
- Jan. 2004 Established Shanghai Yuritsu Software Co., Ltd. and assumed post of Corporate Representative and Chairman
- Feb. 2005 Appointed Representative Director of Chubu IT Cooperative
- Mar. 2006 Established Xi'an Yurih Software Co., Ltd. and appointed Representative Director and Chairman
- Feb. 2011 Established SYI Co., Ltd. and assumed post of President and Representative Director
- Aug. 2011 Established SYS Vietnam Co., Ltd. and assumed post of Representative Director
- Apr. 2012 Established PT. SYS INDONESIA and assumed post of Komisaris (to present)
- May 2012 Appointed Representative Director and Chairman of SK Corporation
- Mar. 2013 Appointed Representative Director and Chairman of SY System Corporation
- Aug. 2013 Established SYS Holdings Corporation; Appointed Representative Director and Chairman
- Dec. 2013 Appointed Director of Shanghai Yuritsu Software Co., Ltd.
- Jan. 2014 Appointed Director of Xi'an Yurih Software Co., Ltd.
- Sep. 2014 Appointed Representative Director, Chairman, and President of SYS Holdings Co., Ltd. (to present)
- Apr. 2015 Appointed President and Representative Director of SY System Co., Ltd.
- Oct. 2018 Appointed President, Representative Director, and Executive Officer of SY System Co., Ltd.
- Oct. 2022 Appointed Chairman of the Board of Directors of SY System Co., Ltd. (to present)
- Dec. 2025 Appointed Outside Director of MTG (to present)



**Norio Hasegawa**  
Director  
Audit Committee Member  
Born November 16, 1962

- Apr. 1986 Joined INAX Corporation (currently LIXIL Corporation)
- Jan. 2001 Appointed General Manager, Intellectual Property Office, Technology Management Dept. at LIXIL Corporation
- Mar. 2011 Appointed Senior Manager, Intellectual Property Management Office, Legal Dept. at LIXIL Corporation
- Jan. 2013 Joined MTG
- Apr. 2017 Executive Officer and General Manager of Intellectual Property and Legal Division Headquarters of MTG
- Dec. 2017 Appointed Director of MTG
- Jan. 2022 Appointed Executive Officer, General Manager of Intellectual Property Division of MTG
- Mar. 2025 Appointed Director of MTG (Full-time Audit Committee Member) (to present)



**Munehiro Ishida**  
Outside Director  
Audit Committee Member  
Born February 22, 1982

- Dec. 2007 Registered as a lawyer (Tokyo Bar Association)
- Dec. 2007 Joined Miyakezaka Sogo Law Office
- Jan. 2017 Appointed Partner, Miyakezaka Sogo Law Office (to present)
- Jun. 2017 Appointed Auditor of Copa Corporation, Inc.
- May 2020 Appointed Supervisory Director of B-Lot REIT, Inc.
- Aug. 2023 Appointed Auditor of Rehab for JAPAN Inc. (to present)
- Dec. 2023 Appointed Outside Director (Member of the Audit Committee) of MTG (to present)
- Jan. 2024 Appointed Auditor of ALC Corporation (to present)
- May 2024 Appointed Auditor of Toen Co. (to present)



**Ako Iida**  
Outside Director  
Audit Committee Member  
Born April 1, 1985

- Apr. 2011 Joined KPMG AZSA LLC
- Aug. 2014 Registered as a Certified Public Accountant
- Jan. 2022 Representative of Ako Iida Certified Public Accountant Office (to present)
- Apr. 2024 Appointed Outside Director of CASA Corporation (to present)
- Mar. 2025 Appointed Outside Director (Audit Committee Member) of MTG (to present)

## Executive Skill Matrix

Name	Position	Experience (Reason for Selection)	Corporate Management/ Corporate Strategy	Development & Technology/IT	Sales & Marketing	Internationalization & Diversity	Finance & Accounting/ Capital Markets	Legal/Risk Management
Tsuyoshi Matsushita	President and Representative Director	Since establishing MTG in 1996, Tsuyoshi Matsushita has worked to build an autonomous management structure grounded in a consistent philosophy as he manages the MTG Group. Despite the rapidly changing external environment, he has managed to establish robust performance across the entire Group based on a vision of achieving VITAL LIFE for people around the world, and thereby returning the Group to a growth trajectory. His strong leadership and brand creativity are expected to enhance corporate oversight and decision-making, and to spur continuous high growth and revenue for the MTG Group.	●	●	●			
Akihiko Tajima	Director	Akihiko Tajima has held general manager and director positions at various companies, and has extensive experience and deep knowledge of corporate administration. He has experience with corporate reform and restructuring with a well-established frontline management approach across multiple industries, is well-versed in corporate management and capital policy, and has extensive experience leading M&A and stock offerings.	●				●	●
Yusuke Inoue	Director	After joining MTG in 2014, Yusuke Inoue has applied the knowledge from his past management experience to help improve corporate value by leading the development of B2B and B2B2C sales channels in many fields, including beauty salons, hotels, and residential facilities. He has worked to improve the performance of the Company, cultivate human resources, enhance our organizational capability, and help create an organization that sustains high growth and profitability.	●		●			
Hironori Suzuki	Outside Director	Hironori Suzuki has extensive management experience cultivated over more than 30 years and is well-versed in planning management strategies and organizational administration. He has a high level of expertise based on his real-world experience at IT companies and a robust track record in M&A, and he provides the MTG Group with useful advice on promoting digital transformation and M&A. Furthermore, he has been based in the Chubu region for many years, mainly in Nagoya, which will enable him to help MTG strengthen its links with companies in the area.	●	●		●		
Norio Hasegawa	Director and Audit Committee Member	Norio Hasegawa previously worked in the intellectual property and legal affairs departments at MTG, where he led efforts to rebuild MTG Group governance after our listing as a publicly traded company. He is expected to help strengthen governance at the MTG Group, leveraging his expert knowledge, experience, and track record in corporate governance.	●	●				●
Munehiro Ishida	Outside Director and Audit Committee Member	As a lawyer, Munehiro Ishida has substantial knowledge of corporate legal affairs, gained from his long years of experience as a partner at a law office specializing in corporate law. He is particularly well-versed in corporate finance, M&A, and IPOs, and has previously served as an auditor for multiple companies, leveraging his specialized knowledge and experience across a wide range of areas, including corporate governance and compliance.					●	●
Ako Iida	Outside Director and Audit Committee Member	As a certified public accountant, Ako Iida is involved in corporate governance for a large number of companies listed on the Tokyo Stock Exchange Prime Market, via her auditing work. This extensive real-world experience has enabled her to gain a high level of knowledge in account auditing and internal control.				●	●	●

1. Circles indicate the three main skills that each director is expected to demonstrate.
2. "Governance" is not listed as it is expected of all directors.

## Value Creation Highlights

- 66 Key Financial and Non-Financial Data for the Past Eight Years
- 67 Segment Information
- 69 Sales by Brand
- 71 Corporate Overview



## Key Financial and Non-Financial Data for the Past Eight Years

Unit: Million yen

		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Revenue		58,377	36,046	34,845	42,799	48,984	60,154	71,865	98,810
Gross profit		36,541	16,044	25,089	30,087	31,431	36,859	43,101	62,004
Selling, general, and administrative expenses		29,615	30,465	23,869	26,197	28,193	33,261	39,823	51,338
Operating profit (loss)		6,925	(14,421)	1,219	3,889	3,238	3,597	3,277	10,665
Ordinary profit (loss)		6,936	(14,698)	1,672	4,213	3,724	4,168	3,676	10,731
Profit (loss) before income tax		6,815	(24,752)	1,844	4,279	3,935	3,049	3,237	9,399
Profit (loss) attributable to owners of parent		4,002	(26,207)	1,525	5,592	2,685	1,984	2,279	7,934
Total assets		72,223	40,955	41,622	46,939	49,942	54,449	58,484	75,199
Net assets		58,045	31,721	33,469	38,154	41,285	42,712	44,524	50,999
Net income per share		¥116.90	(¥659.91)	¥38.44	¥141.76	¥68.50	¥50.35	¥57.68	¥201.68
Diluted net income per share		¥112.72	—	—	¥140.52	¥68.22	¥50.13	¥57.41	¥199.97
Annual dividend per share		¥1.6	—	—	¥10	¥10	¥10	¥13	¥25
Consolidated dividend payout ratio		1.0%	—	—	7.1%	14.6%	19.9%	22.5%	12.4%
ROA		—	(58.5%)	4.7%	15.7%	6.8%	4.8%	5.3%	16.6%
ROE		—	(26.0%)	4.1%	9.5%	7.7%	8.0%	6.5%	16.1%
Consolidated	No. of employees	1,205	1,170	1,146	1,011	1,084	1,143	1,275	1,514
	Ratio of female managers	8.9%	8.6%	9.2%	11.0%	8.9%	11.3%	12.6%	14.6%
Non-consolidated	Ratio of female managers (in securities report)	—	—	—	—	—	11.3%	12.6%	14.6%
	Ratio of male employees taking paternity leave (in securities report)	—	—	—	—	—	20.0%	67.0%	46.0%
Gross profit margin		62.6%	44.5%	72.0%	70.3%	64.2%	61.3%	60.0%	63.0%
Operating profit margin		11.9%	—	3.5%	9.1%	6.6%	6.0%	4.6%	10.8%
Net profit margin		6.9%	—	4.4%	13.1%	5.5%	3.3%	3.2%	8.0%
Equity ratio		80.4%	77.2%	80.1%	81.1%	81.8%	77.0%	76.0%	67.8%
Cash flow from operations		(1,219)	(11,594)	1,536	3,927	1,879	2,686	983	7,833
Cash flow from investing		(5,512)	(4,547)	(1,700)	(750)	(1,876)	(2,788)	(4,501)	(11,337)
Cash flow from financing		31,546	(55)	(183)	(779)	1,052	195	195	1,898
Balance of cash and cash equivalents		30,055	13,886	13,470	15,651	16,529	16,137	12,960	11,297
Net assets per share		¥1,462.72	¥795.76	¥843.00	¥974.25	¥1,036.89	¥1,063.78	¥1,111.65	¥1,298.25

### Remarks:

\* The number of employees includes both those employed directly and indirectly.

\* Dispatched employees are included in the totals of their destination departments.

\* "Managers" refers to division heads, general managers, department heads, officer managers, and section managers, but not directors.

\* The ratio of female managers includes only non-consolidated employees who are employed directly.

\* Some figures have been extracted from securities reports.

\* The ratio of female managers and ratio of male employees taking paternity leave calculated on a non-consolidated basis for MTG only.

\* The ratio of male to female employees for the fiscal year ended September 30, 2018 excludes some data that could not be confirmed.

## Segment Information

# Improving Performance by Creating New Products, Increasing Sales, and Adjusting to Environmental Changes

### Business performance overview

The MTG Group adapts to changes in the business environment to achieve growth and improve performance by creating new products that address consumer needs and continuing to enhance sales across its various channels.

As a result of these efforts, revenue for the fiscal year ended September 30, 2025 totaled ¥98.81 billion (up 37.5% YoY).

Operating profit was ¥10.66 billion (up 225.4% YoY), ordinary profit was ¥10.73 billion (up 191.9% YoY), and net profit attributable to owners of parent totaled ¥793 billion (up 248.0% YoY).

The performance of each segment was as follows.

### Direct Marketing

Revenue for the fiscal year ended September 30, 2025 totaled ¥37.79 billion (up 29.5% YoY) and ordinary profit was ¥10.62 billion (up 61.0% YoY).

The ReFa brand maintained high revenue growth in multiple categories, including haircare products, such as the ReFa BEAUTECH series, hair brushes, and haircare cosmetics.

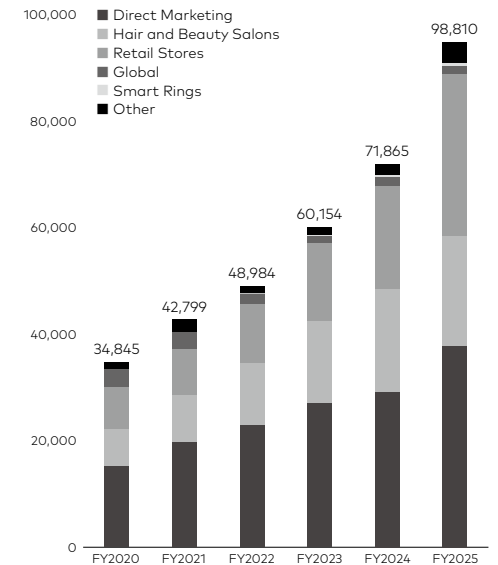
In the durable product category, the quality and user experience of our products led to robust performance, particularly with the latest ReFa POWER STRAIGHT IRON PRO product. In regard to repeat-purchase products, demand for the new ReFa STRAIGHT LOCK has been very strong with the product selling out as soon as it is restocked. Customers were very interested in ReFa MILK PROTEIN SHAMPOO ROYAL/TREATMENT ROYAL

even before launch, and the product achieved a daily ranking of No. 1 in the Rakuten haircare/styling section for pre-order. It now contributes to continuous revenue growth along with our on sale products. We began sales in TikTok Shop as well to reach new customers, particularly younger demographics. These videos have enabled us to expand our point-of-sale presence and improve our brand recognition.

The SIXPAD brand achieved sales higher than expected, particularly for the Core Belt 2 and Medical Core products, which are mainstay products driving the greatest demand during summer. In addition to such seasonal factors, the combination of product value and sales promotion helped increase sales. Our Respect for the Aged Day campaign spurred demand for the SIXPAD Foot Fit series as gifts, effectively appealing to a broad

### Consolidated sales by segment

(Million yen)



\* In October 2022, revenue for the home gym business included in the sports gym business was merged with the Hair and Beauty Salons and Retail Stores categories of the segment classification by sales channel. With this change, the revenue was switched to the Other category as the quantitative importance of the sports gym business has declined. The figures for the fiscal year ended September 30, 2022 also reflect these segment changes.

The figures for the fiscal year ended September 30, 2021 and earlier use the previous segment classification, as it is difficult to use the new calculation method for those figures.

### MTG Group consolidated

(Million yen)

	Revenue			Ordinary profit		
	FY2024	FY2025	YoY	FY2024	FY2025	YoY
Direct Marketing	29,181	37,791	+29.5%	6,598	10,625	+61.0%
Hair and Beauty Salons	19,190	24,757	+29.0%	2,538	4,407	+73.6%
Retail Stores	19,517	30,387	+55.7%	2,082	3,608	+73.3%
Global	1,666	1,471	(11.7)%	(615)	(481)	—
Smart Ring	203	539	+165.2%	(1,124)	(417)	—
Other	2,107	3,863	+83.3%	(160)	435	—

## Segment Information

range of ages.

With the new brand ReD, we launched new stores at major e-commerce malls in addition to our own online store, and the media exposure from commercials helped our smooth start from the first month. Furthermore, various awards from Rakuten and Yahoo Shopping helped us gain recognition and promoted sales.

### Hair and Beauty Salons

Revenue for the fiscal year ended September 30, 2025 totaled ¥24.76 billion (up 29.0% YoY) and ordinary profit was ¥4.41 billion (up 73.6% YoY).

The number of member stores participating in the Members Online Shop B happy — a service that enables in-store customers to purchase our products at any time through a store-specific online shop — has steadily increased to 36,657 stores. Supported by a high repeat purchase rate among members, as well as rising demand for gifts, sales have continued to perform strongly.

When giving an online presentation on the pre-release sale of new ReFa hair salon products (at department stores, our Omotesando Hills store, and four other ReFa brand shops) in September 2025, a large number of salons nationwide signed up, and the explanations given by top stylists were extremely well received. Thereafter, we held the ReFa Stylist Night premium presentation for new products at Roppongi Hills. We invited top stylists from the about 550 salons attending, giving them a chance to experience and understand the actual products. A coordinated social media campaign by top stylists also had a tremendous impact.

Haircare products continued to achieve two-digit year-on-year growth in both units sold and revenue, and we received a large number of inquiries from stores interested in adopting our products. In the past three months, the number of newly contracted salons

increased by 1,600 for a total of 44,360 stores, exceeding our target of 42,000 total stores for the fiscal year ended September 30, 2025.

Strong demand from accommodation facilities helped boost the numbers of ReFa Room, with the total number of hotels stocking our standalone and other products reaching 3,840, accounting for a total of 84,718 rooms. The estimated number of hotel guests experiencing our products in September 2025 exceeded 1.74 million, with hotel stays driving increased purchases and product reviews at e-commerce stores. This also contributed to increased sales numbers for the entire market.

Since its launch in July 2025, 942 shops inside hospitals and 1,007 pharmacies across 47 prefectures decided to offer ReD 24-hour recovery wear, and the number of shops inside hospitals has risen to over 1,000 since then. We are also seeing more inquiries from stores interested in adopting our products, and sales numbers have been extremely strong since the product launch.

### Retail Stores

Revenue for the fiscal year ended September 30, 2025 totaled ¥30.39 billion (up 55.7% YoY) and ordinary profit was ¥3.61 billion (up 73.3% YoY).

Customer numbers have grown thanks to consecutive holidays and the gift season, leading to higher sales across a wide range of high to low-cost products.

The ReFa brand held the ReFa BEAUTECH LAB event at select stores over July and August 2025, focusing on boosting brand recognition and increasing sales of haircare products, especially dryers and irons. We are also actively opening new stores as well with six stores opening in Q4 and 27 stores over the entire year, mostly in department stores, shopping centers, and outlet markets. This has enabled us to create customer contact points and enhance our revenue stream.

We also adopted a new store display design at roughly 1,800 big-box electronics retailers across Japan to improve the retail environment and enhance brand experience. This led to a dramatic increase in the number of stores offering ReFa haircare products. Store displays with enhanced visibility and engagement are helping us improve brand recognition and expand sales. We also broadened our displays at specialty and drug stores by adding hair brushes and other durable items to existing shampoo and hair treatment aisles, which has helped gain new customers and bolster repeat purchases.

The SIXPAD brand introduced a new display design combined with media exposure through TV commercials and other advertising as a way to improve brand recognition at stores and enhance experiential value. This led to higher sales of Core Belt 2 and Medical Core products with performance exceeding expectations, particularly during the summer demand peak.

We have been actively promoting the sale of the new ReD brand at MTG stores, big-box electronics and specialty retailers, and drugstores since its launch, and demand has exceeded initial projections, due to strong expectations from our business partners. This did cause a temporary inventory shortage, and we are now working on enhancing our systems to ensure a stable product supply.

### Global

Revenue for the fiscal year ended September 30, 2025 totaled ¥1.47 billion (down 11.7% YoY) and ordinary loss was ¥481 million (the previous consolidated fiscal year saw an ordinary loss of ¥615 million).

In China, sales of a special model available only to members of the Style Standard wholesale club remained robust. We also launched the new ReFa FINGER IRON ST product for the wholesale club. In South Korea, Style BX

Innerwear continued to sell well through television home shopping channels.

### Smart Rings

Revenue for the fiscal year ended September 30, 2025 totaled ¥539 million (up 165.2% YoY) and ordinary loss was ¥417 million (the previous consolidated fiscal year saw an ordinary loss of ¥1.12 billion).

Our ring designed for Expo 2025, Osaka, Kansai, Japan continued to generate robust sales. New product releases and efforts to broaden our sales channels, including the release of a new ring design, the adoption of the Hometown Tax Program in Niiza, Saitama, and the opening of stores on Rakuten and Qoo10, as well as booming social media activity underpinned these favorable sales. Our business for the OEM supply of digital wallet keys for virtual currency operators, which commenced in Q3, continued to perform strongly. Building on the results for Q3, we have achieved a new quarterly record in Q4.

### Other

Revenue for the fiscal year ended September 30, 2025 totaled ¥3.86 billion (up 83.3% YoY) and ordinary profit was ¥435 million (the previous consolidated fiscal year saw an ordinary loss of ¥160 million).

## Sales by Brand

### ReFa Brand

#### ■ Haircare

We are continuing to strengthen TV commercials for the ReFa BEAUTECH DRYER SMART W global model and deploy online ads and influencer measures for dry treatments to promote understanding of the product features and establish brand recognition. We are also bolstering advance promotions of ReFa BEAUTECH DRYER SE and ReFa BEAUTECH DRYER BX W targeting the beauty salon market, and invited about 1,000 people to a product release presentation. Our products are strongly supported by department store and retail buyers with the top three winners of the WWD<sup>BEAUTY</sup> 2025 First-Half Best Cosmetics (Truly Best-Selling) being ReFa haircare products. The brand also ranked No. 1 by number of products selected. Furthermore, a total of six ReFa LOCK series products, including ReFa LOCK OIL, captured the top brand share in Japan. Since late August 2025, we have strengthened the HEART series through advance roll out of ReFa HEART BRUSH mini to Loft, Plaza, and other such stores



Moisturization and a stylish feel  
ReFa BEAUTECH DRYER BX W

while also increasing sales through the MTG online shop.

#### ■ Shampoo, Hair Treatment, and Other Repeat-Purchase Products

We took the popular ReFa MILK PROTEIN HAIR CARE SERIES product and added protein derived from natural first milk<sup>\*1</sup> to create and release the ReFa MILK PROTEIN ROYAL LINE, which aims to deliver the finest in silky and manageable hair, on August 29, 2025. When the product launched, we held the first pop-up events for the ReFa brand at the three @cosme stores in Tokyo, Osaka, and Nagoya to create experience-based customer contact points.

To address customer concerns about the differences between hair cosmetics, we released a digital app called MIRROR ME, which provides product recommendations according to the particular style a customer wants. We were able to successfully garner attention in ReFa hair cosmetics by enhancing our OMO measures, including influencer post planning and a live event announcement by an actor on Instagram.



Protein derived from natural milk  
ReFa MILK PROTEIN ROYAL LINE

We also launched the new ReFa HARI KEEP COLLAGEN inner care drink on September 9, 2025. This collagen drink includes ReFa CP2000 collagen peptides<sup>\*2</sup> to help maintain skin elasticity and health.

<sup>\*1</sup> Bovine lactoferrin (moisturizer)  
<sup>\*2</sup> Functional ingredient

#### ■ Fine Bubble Products

We continued running TV commercials in collaboration with big-box electronics retailers as well as video advertisements in taxis to further bolster sales. We also leveraged our number one market position to promote the top Real campaign that showcased various user opinions. In regional areas where it is more challenging to improve purchase rates, we expanded the use of local TV commercials to achieve greater exposure near big-box electronics retailers. We also actively adopted in-store signage to deploy promotions more tightly coordinated with sales floors.

In addition, we strengthened media PR to coincide with our TV commercials for the ReFa ULTRA FINE BUBBLE SUIGEN central unit for the



Hair brush for detangling and adding shine  
ReFa HEART BRUSH series

residential market, using fine bubbles for the entire house as the core concept. Another initiative strove to enhance exposure of FINE BUBBLE SHOWER products in TV programs across the nation.

#### ■ Beauty Tech/Rollers

We released the ReFa CARAT LIFT beauty roller with EMS on July 9, 2025, and the ReFa HYDRA CLEAR suction follicle care product with ultra-fine bubbles on August 27, 2025. Both products combine EMS technology, fine bubble technology, waterflow design, and beauty device knowledge in the manner expected of the ReFa brand. For light-based beauty devices, we continued to raise awareness and expand into big-box electronics retailers and online sales. We also focused on the benefits of beautiful skin cooling and superior usability to boost recognition and deliver video content to men and couples, while strengthening our TVer, YouTube, and taxi advertising campaigns.



Bubbles gently washing dirt from pores  
ReFa FINE BUBBLE U+

## SIXPAD Brand

### ■ Fitness

The two new products launched in April 2025, Core Belt 2 and Abs 2 that focus on the training of abdominal muscles, were very well received thanks to how quick and easy to use they are and the fact that neither requires any gel sheets or water. We ran TV commercials for the Core Belt 2 in June and July, and they were so popular that some sizes ran out at certain stores.

We also began an infomercial for Abs 2, starting in September. For the Hip Fit product that provides focused training of the gluteus maximus, we enhanced our social media promotions to expand sales, particularly in the online market, which helped us attract women to the fitness product category.

### ■ Medical

The tribute performance held for singer/actor Yuzo Kayama in August 2025 exhibited SIXPAD products at a booth, where many fans experienced the Foot Fit 3 series.



Just put it on: An investment in better abs  
Core Belt 2

We also conducted a Foot Fit 3 sales campaign to coincide with Respect for the Aged Day from August 27 to September 16, 2025. Starting in May, we ran TV commercials for SIXPAD Medical Core, the first SIXPAD series EMS product for the lower back, which was released in April 2025. The product was in such high demand that we had a temporary supply shortage. Going forward, we will leverage this product to contribute to customer health as the second-most-important product in the healthcare category, after the Foot Fit series.

For SIXPAD MEDICAL PRO, the first SIXPAD series EMS product for commercial use, we started a pre-event seminar for orthopedic clinics in August 2025. The clinics that participated were very impressed by the product, and we received more reservations than expected after the seminar had concluded.

### ■ Recovery

For the SIXPAD Recovery Wear product line, we launched recovery wear promotions that highlight the benefit of relieving fatigue simply by wearing it. For our spring/summer series, we released a model

that can be worn as everyday wear, which was so well-received that we temporarily ran out of stock.

In September 2025, we collaborated with QVC, a popular infomercial program, and released special color products. We also announced new colors for release in October 2025 as the fall/winter model. The addition of new colors expands the possibilities for fashion coordination with casual wear, while our solution to the fatigue relief needs of a wide range of consumers creates new value in the recovery wear market.

In September 2025, we launched new femtech products with a focus on solving the health concerns facing women. The first new products, released in October 2025, were a pelvic floor care girdle that lifts up the pelvic floor simply by wearing it and the Perine Fit, which uses EMS to effectively train the difficult-to-train pelvic floor. We will combine this with the Hip Fit product as we aim to address the unique concerns facing the female body.



SIXPAD Medical Core, the first SIXPAD EMS product for the lower back  
Foot Fit 3 for training feet while sitting



Simply wear to relieve fatigue  
SIXPAD Recovery Wear



First commercial SIXPAD EMS device  
SIXPAD MEDICAL PRO

# Corporate Overview

<b>Name</b>	MTG Co., Ltd.	
<b>Address</b>	MTG No. 2 HIKARI Bldg., 4-13 Honjin-tori, Nakamura-ku, Nagoya, Aichi 453-0041, Japan	
<b>President and Representative Director</b>	Tsuyoshi Matsushita	
<b>Established</b>	January 1996	
<b>Capital</b>	¥16.7 billion	
<b>Listed exchange</b>	Tokyo Stock Exchange Growth Market	
<b>Securities code</b>	7806	
<b>Fiscal year-end</b>	September 30	
<b>Employees</b>	1,514 (As of September 30, 2025)	
<b>Website</b>	Home page	<a href="https://www.mtg.gr.jp/en/">https://www.mtg.gr.jp/en/</a>
	Sustainability	<a href="https://www.mtg.gr.jp/en/sustainability/">https://www.mtg.gr.jp/en/sustainability/</a>
	Investor Relations	<a href="https://www.mtg.gr.jp/en/ir/">https://www.mtg.gr.jp/en/ir/</a>
	Hiring	<a href="https://www.mtg.gr.jp/recruit/">https://www.mtg.gr.jp/recruit/</a>

## Major Group Companies

(As of September 30, 2025)

<b>EVERING Co., Ltd.</b>	Planning and sales of smart payment rings
<b>BLAZE Corporation</b>	EV-focused automotive sales, repair, and collision insurance
<b>Goto no Tsubaki Co., Ltd.</b>	Research and development of camellia-based materials and the planning, development, production, and sales of cosmetics
<b>MTG PROFESSIONAL Co., Ltd.</b>	Sales consignment of MTG products
<b>MTG Ventures, Inc.</b>	Operation of limited liability investment partnerships
<b>MTG FORMAVITA Co., Ltd.</b>	Sales consignment of MTG products
<b>JST Corporation</b>	Planning and sales of domestic and overseas package tours and tailored tours as well as planning and sales of overseas language study and overseas wedding ceremonies
<b>McLEAR LIMITED</b>	IoT business
<b>MTG (SHANGHAI) TRADING Co., Ltd.</b>	Sales of beauty-related devices
<b>MTG (SHENZHEN) TRADING Co., Ltd.</b>	Provision of production management and related services to partner companies
<b>MTG TAIWAN Co., Ltd.</b>	Sales of beauty-related devices
<b>MTG KOREA Co., Ltd.</b>	Wholesale sales of beauty devices and cosmetics
<b>MTG USA, Inc.</b>	Sales of beauty-related devices

## Major Shareholders

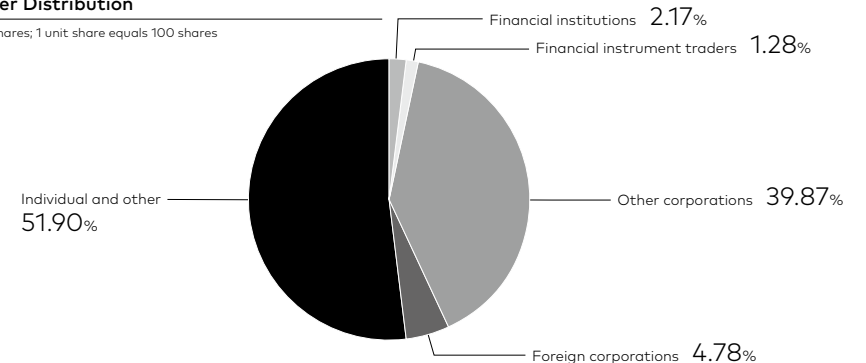
(As of September 30, 2025)

Name	Number of Shares Held (Thousands)	Shareholding Ratio*
Tsuyoshi Matsushita	10,988	27.97
M Management	8,000	20.37
M Corporation	6,360	16.19
MTG Shareholding Association	724	1.84
S Kawagoe Co., Ltd.	575	1.47
Custody Bank of Japan, Ltd. (Trust Account)	505	1.29
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE (Standing Proxy: The Bank of Mitsubishi UFJ, Ltd.)	326	0.83
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (Standing Proxy: The Bank of Mitsubishi UFJ, Ltd.)	322	0.82
Sagawa Printing Co., Ltd.	293	0.75
The Master Trust Bank of Japan, Ltd. (Trust Account)	292	0.74
<b>Total</b>	<b>28,388</b>	<b>72.27</b>

\* The shareholding ratio is calculated with treasury shares excluded (851,249 shares).

## Shareholder Distribution

Based on unit shares; 1 unit share equals 100 shares





MTG Co., Ltd.

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