

MOTHER

BRACELET

SELF-CHARGING
FITNESS TRACKER



 **Lay**
Lifestyle Assist for Vitality.



MEDIROM

HEALTHCARE TECHNOLOGIES INC.



NASDAQ: MRM
September, 2023

Important Notices

IMPORTANT NOTICES AND DISCLAIMERS

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Forward Looking Statements

Certain statements included in this Investor Presentation are not historical facts but are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may include projections and estimates concerning our possible or assumed future results of operations, financial condition, business strategies and plans, market opportunity, competitive position, industry environment, and potential growth opportunities. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "design," "target," "aim," "expect," "could," "intend," "plan," "anticipate," "estimate," "believe," "continue," "predict," "project," "potential," "goal" or other words that convey the uncertainty of future events or outcomes. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These forward-looking statements include, but are not limited to, statements regarding future revenue, Adjusted EBITDA, Adjusted EBITDA Margin, debt, capital expenditure and cash flow estimates and forecasts of other financial and performance metrics (including key performance indicators), and projections of market size and opportunity. These statements are based on various assumptions and on the current expectations of the Company and its management and are not predictions of actual performance. While our management considers these assumptions and expectations to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, including continuing impact of the COVID-19 pandemic, and other risks, most of which are difficult to predict and many of which are beyond our control. If the risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that the Company currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward looking statements reflect the Company's expectations, plans or forecasts of future events and views as of the date of this Investor Presentation. The Company anticipates that subsequent events and developments will cause these assessments to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's assessments as of any date subsequent to the date of this Investor Presentation.

Market and Industry Data

This Investor Presentation contains references to industry market data and certain industry forecasts. Industry market data and industry forecasts are obtained from publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of that information is not guaranteed. Although we believe industry information to be accurate, it is not independently verified by us. Some data is also based on our good faith estimates, which are derived from our review of internal surveys or data, as well as the independent sources referenced above. Assumptions and estimates of our and our industry's future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause future performance to differ materially from our assumptions and estimates.

Non-GAAP Financial Measures

This Investor Presentation includes key performance indicators and non-GAAP financial metrics that we use to help us evaluate our business, identify trends affecting our business, formulate business plans, and make strategic decisions. Adjusted EBITDA and Adjusted EBITDA Margin are financial measures that are calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles in the United States of America ("GAAP"). Any non-GAAP financial measures used in this Investor Presentation are in addition to, and not meant to be considered superior to, or a substitute for, the Company's financial statements prepared in accordance with GAAP. A reconciliation of each of these non-GAAP measures to their nearest GAAP measure is set forth in page 28 of this Investor Presentation.

The Company believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to our financial condition and results of operations. The Company's management uses these non-GAAP measures to compare our performance to that of prior periods for trend analyses and for budgeting and planning purposes. These measures are used in monthly financial reports prepared for management and our board of directors. We believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in and in comparing our financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. Management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in our financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. Undue reliance should not be placed on these measures as the Company's only measures of operating performance, nor should such measures be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP. Non-GAAP financial measures as used in respect of the Company may not be comparable to similarly titled amounts used by other companies.

Additional information with respect to the Company is contained in its filings with the SEC and is available at the SEC's website, <http://www.sec.gov>, and on the Company's website, <https://medirom.co.jp/en/>.

Products and Services



Re-Ra-Ku
design studio of healthy life

Relaxation Salon

started 2003



MOTHER
BRACELET

Hardware

released 2020



Lav

Software

launched 2019

Company Highlights

Wellness Salon Business

➤ Re.Ra.Ku®

- Over 312 stores throughout Japan (December 31, 2022)
- Directly-owned salons – 199 salons (December 31, 2022)
- Franchise salons – 113 salons (December 31, 2022)
- Winner of several industry awards in Japan

➤ ZACC

- High-end hair salon company recognized in the beauty industry for more than 30 years for its high level of professional skills, customer-oriented services, and brand recognition
- Acquired 60% of the ownership interest in ZACC in October 2021 and subsequently acquired the remaining 40% in January 2022

Digital Preventative Healthcare Technology

➤ MOTHER Bracelet®

- Health monitoring wearable device “Mother Bracelet” was launched in 2022.
- MOTHER Bracelet™ fitness device is designed to track and collect the health data of the wearer, such as calorie consumption, activity and sleep patterns

➤ Lav®

- Medirom’s internally developed on-demand health monitoring smartphone application
- Remote weight loss program with ties to benefits from government insurance programs
- Digital platform that connects individuals with healthcare professionals



Extensive vocational Facilities & Partnerships

✔ We Have Established One Of The Largest Educational Schools In Japan

- Re.Ra.Ku® therapists support customers in our salons and after their appointments through health management tailored for each customer.
- Provide over 120 in-depth curriculums that range from techniques to salon management.
- Teach not only relaxation customer services but also LAV app services.
- Professional lecturers that specialize in their area of expertise.



Spa Re.Ra.Ku

Strong affinity between bodywork and spa facilities.

Entry Barrier
Value Added Services

Higher Sales per Customer
New bathing facilities in the Kanto region are increasing



Re.Ra.Ku
design studio of healthy life

Only major companies can enter the market.

High Entry Barrier
Value Added Services

Consistent with our Dominant Strategy in Metropolitan Area



Re.Ra.Ku
design studio of healthy life

Higher repeat ration and unit sales
Local community-based
Loyal Customer Base

Brand Recognition

MEDIROM History



Starting Device Business



Acquired SAWAN Co.LTD.

Acquired ZACC K.K. (Hair Salons)

Mother Gateway

Foundation
CEO & Founder
Kouji EGUCHI

Opening Salons at
Spa Facilities

Development of Self-Charging Health Monitoring Tracker
(MOTHER Bracelet™, under development)

Acquired SAWAN Co.LTD.

Acquired ZACC K.K. (Hair Salons)

Mother Gateway

2000

2017

2018

2020

2021

2022

2023

Launched MHR:
Therapist Dispatch Business

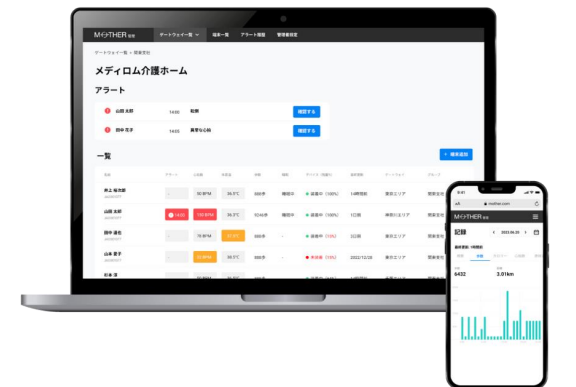
(MHR: MEDIROM Human Resources Inc.)

IPO in Dec 2020
Closed \$12m American Depository Shares Offering

312 Salons
Latest Opened Salon
Spa Re.Ra.Ku®
* # Salons as of December 31, 2021

REMONY
365 Days Health Monitoring

Launch of On-demand Health Coaching App
(Lav®) May 2019





Wellness Salon Business

PROVIDING THE HIGH QUALITY, INNOVATIVE PREVENTIVE SOLUTION



Relaxation Salons & Hair Salon Component:

Business Snapshot

Bodywork Excellence

- Holistic and preventative healthcare services
- Recognized therapist training platform

Specialty

- Focus on a shoulder blade body work
- Weight loss body work

Brands

- ReRaKu & ReRaKu Spa & Bell Epoc: Standard body works
- ReRaKu Pro: For athlete

Recurring Fee Model

- Royalty fees, monthly education fees, management fees and system fees from Franchise salon owners. Franchise salon owners are contracted to use our services.

Acquisition of ZACC Hair Salons

- Further, to support the opening of new ZACC brand salons by sharing the Company's expertise in franchising, employee independence programs, etc.



80%+ in 2022

High Repeat Customer Ratio



Focus on High Density Areas

Retail metros/subways, malls, plazas
Major cities (Tokyo, Nagoya, Osaka)



\$62/customer in 2022 vs. the industry standard of ~\$56*



826K

Served 826,231 customers in 2022



Salon Growth Strategy

✔ Conversion of Directly-Operated Salons to a Store Investment Model

- As of December, 2022 we have entered into Salon Sales Agreements to sell 28 previously directly operated salons. .
- The Company believes this model will maximize the return on capital investment in its relaxation salon segment.

Acquisition of Relaxation Salons/Competitors

- Already successfully acquired three competitors/relaxation salon brands: Joyhands , Bellepoc and Sawan.
- ✔
- We are one of the top three companies, on a consolidated basis, in the Kanto region, in terms of the number of salons.*

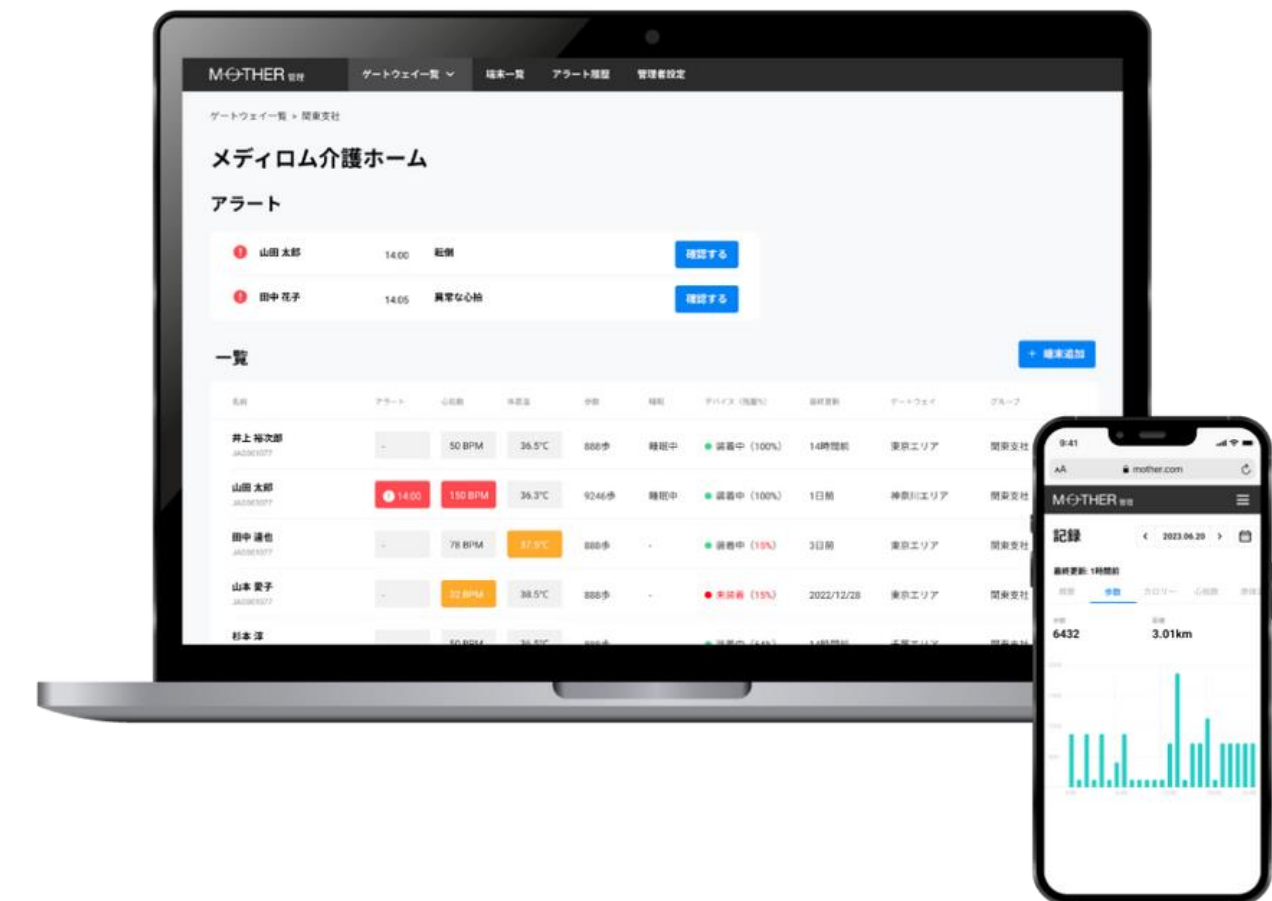
Vocational Training Facilities

- Teaching bodywork techniques, customer services, and LAV app treatment.
- ✔
- Use well trained therapists as LAV app coach. That saves coach resource expenses.
 - Controllable and well managed therapists keep good quality services both salon and LAV coaching app.



Digital Preventative Healthcare Technology

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)
SOLUTION WITH APP, WEARABLE & RE.RA.KU® TRAINED
THERAPISTS



Digital Preventative Healthcare Technology: MOTHER Bracelet™

SELF-CHARGING FITNESS TRACKER “MOTHER BRACELET™” UNDER CO-DEVELOPMENT WITH MATRIX INDUSTRIES, INC.



TECHNOLOGY

- MATRIX's Patented Technologies
- Thermoelectric Module & Boost Converter



FEATURE-RICH & USER FRIENDLY

- Pedometer
- Fitness Tracking
- Pulse and Body Temperature
- Sleep Pattern
- SDK (Software Development Kit)
- Open to Third Parties
- Waterproof



TARGET MARKET

- Hospitals, Nursing Homes and Gyms
- Logistics and Transportation Industry (Drivers' Health Monitoring Needs)
- Retail Sale with Crowd-Funding

Innovative Fitness Tracker that does not Require **Recharging**

- ▼ **We believe our Mother Bracelet is the only fitness tracker that requires no electric charging as it utilizes innovative technology**

Thermoelectric generation and combined with Solar power generation combo: a thermoelectric generator converts temperature differences directly into electrical energy. In other words, it is recharged just by being worn. Continuous 24/7 health data tracking.

- ▼ **Providing SDKs for more flexible data linkage**

In addition to common API integration, the MOTHER-SDK enables direct linking and transferring data from each MOTHER Bracelet to corporate's own applications & database.



Suggested Retail Price : USD399

- Water Resistance
- Gyroscope
- PPG Heart rate sensor
- Temperature sensor
- LED & Vibration Motor

Three Reasons for being **Recharge-Free**

✔ Empowered With Innovative Thermoelectric Generator

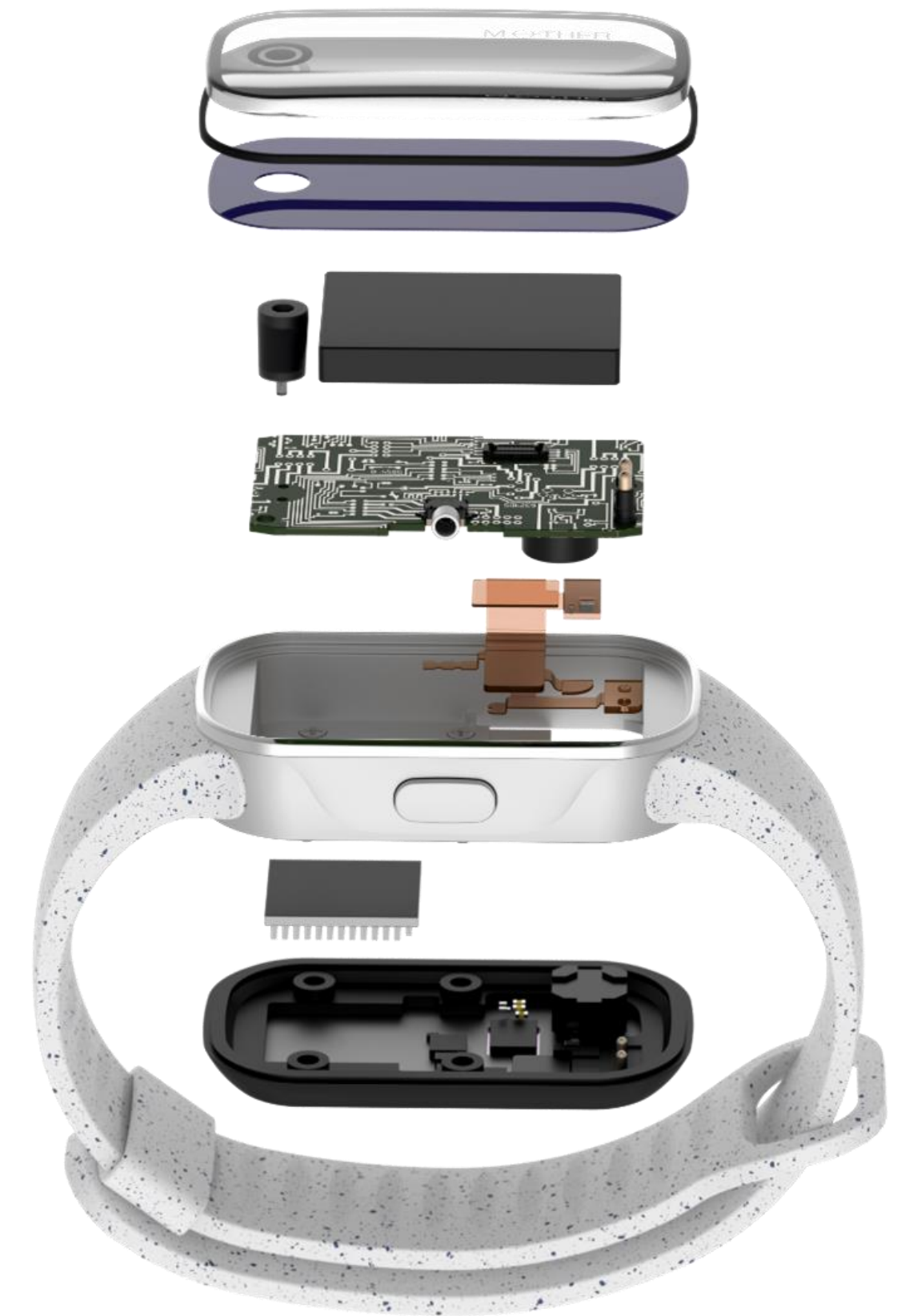
Exclusive utilization of the thermoelectric power generation technology developed by Matrix Industries, Inc. in the United States (Silicon Valley). The temperature difference between the body skin and the outside air enables constant power generation.

✔ Combined With Solar Power Generator

Mounted with a TDK's PV (Solar Panel) on the surface, which mutually complements thermoelectric power generation. It enables an alternative charging in environments with little temperature difference. Power generation even by indoor lighting (200Lx~).

✔ High Performance At Low Power

Unique algorithm that maximizes performance as an smart health tracker with minimum power consumption.

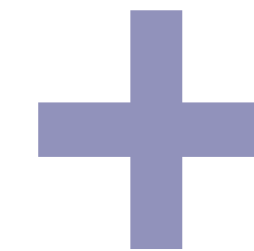


Required Equipment for Installation



MOTHER Bracelet

- Enables 24-hour monitoring
- Solving the problem of running out of battery charge to the nursing care market
- One unit is required to watch over one person



MOTHER Gateway

- MOTHER Bracelet is automatically acquired via Bluetooth
- Up to 5 units can be paired
- The acquired data is centrally managed by the operator on the REMONEY system



Monthly fee

Suggested Monthly Fee
\$9.99*

MOTHER System



✘Includes Gateway
LTE communication fees, server
usage fees (held for one month), and other
administrative fees.

REMONEY Management Screen With Alert Function

Mother Bracelet > Mother gateway > REMONEY

1 Reliable Alert Notification

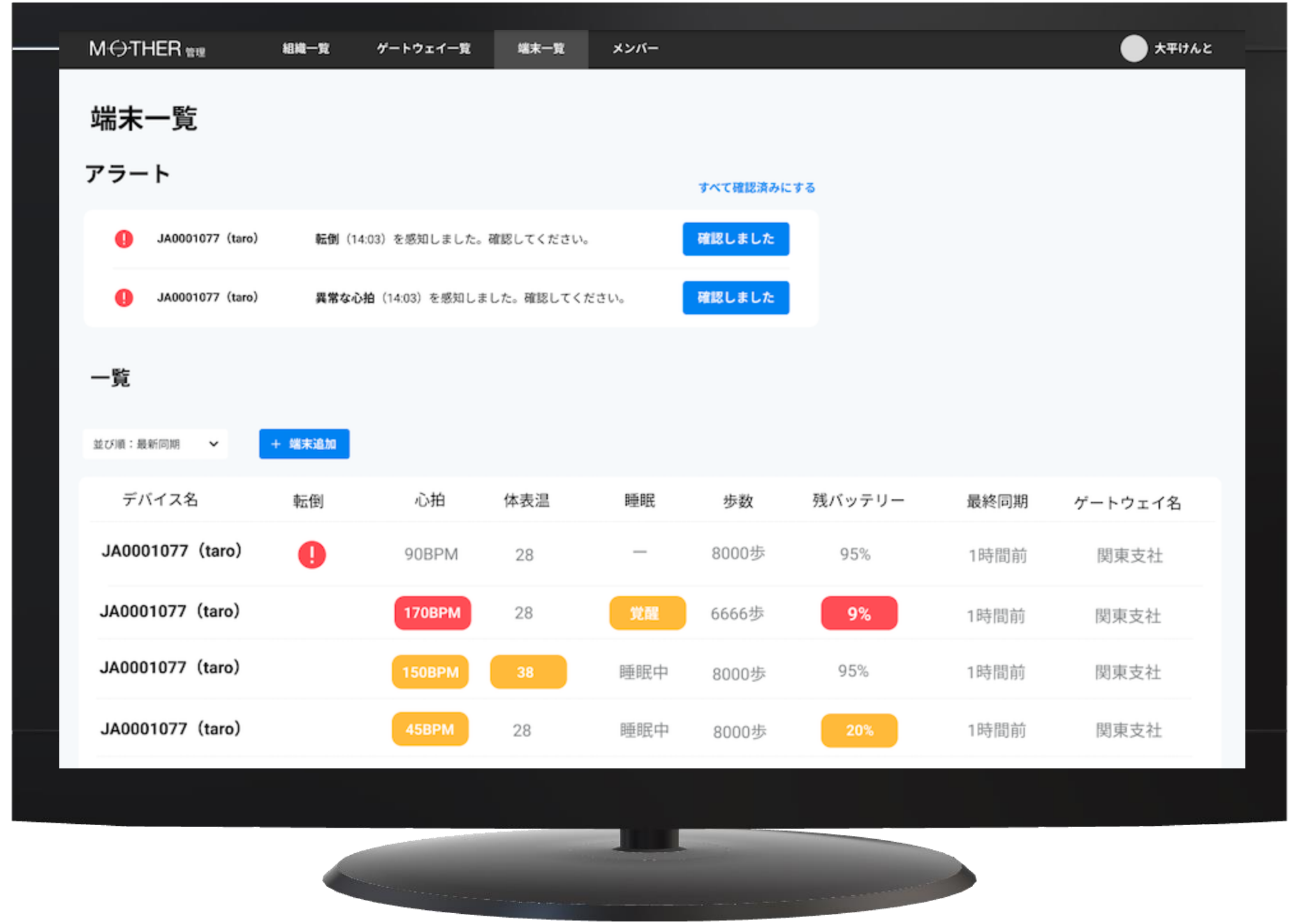
Fall Detection & Heart Rate Alert via System Dashboard: for accidents prevention and rapid response in case of the emergency.

2 SOS Notification (supported by the end of 2023)

Accident prevention and prompt medical response by directly detecting the SOS call sent by a user himself/herself.

3 Customized Dashboard

Possibility to develop a personalized management dashboard that meets client's requirements and is tailored to the specific needs.



24 Hours x 365 Days Health Monitoring: Introduction In Various Sectors



Physician Rounds



Nursing Rounds/
Temperature Checks



Drivers' Health Status Real-Time Monitoring



Clinical Trials Progress/
Real-Time Monitoring

~And many other inquiries from various businesses

Wearable Device Features Comparison & Market*

Brands	A	O	MOTHER
Style	Watch	Ring	Bracelet
Continuous Use w/o recharge	Within 1 Day	4-7 Days	Unlimited
Sleep	●	●	●
Heart Rate	●	●	●
Steps Count	●	●	●
Activity (Calories)	●	●	●
Surface Body Temperature	●	●	●
Waterproof	●	●	●
NFC	FeliCa	---	Mifire

*Source: IDC Market Forecast – Worldwide Quarterly Wearable Device Tracker
<https://www.idc.com/getdoc.jsp?containerId=prJPJ47221920>

Digital Preventative Healthcare Technology: Coaching App "Lav[®]"

REMOTE WEIGHT LOSS PROGRAM WITH TIES TO BENEFITS FROM GOVERNMENT INSURANCE PROGRAMS

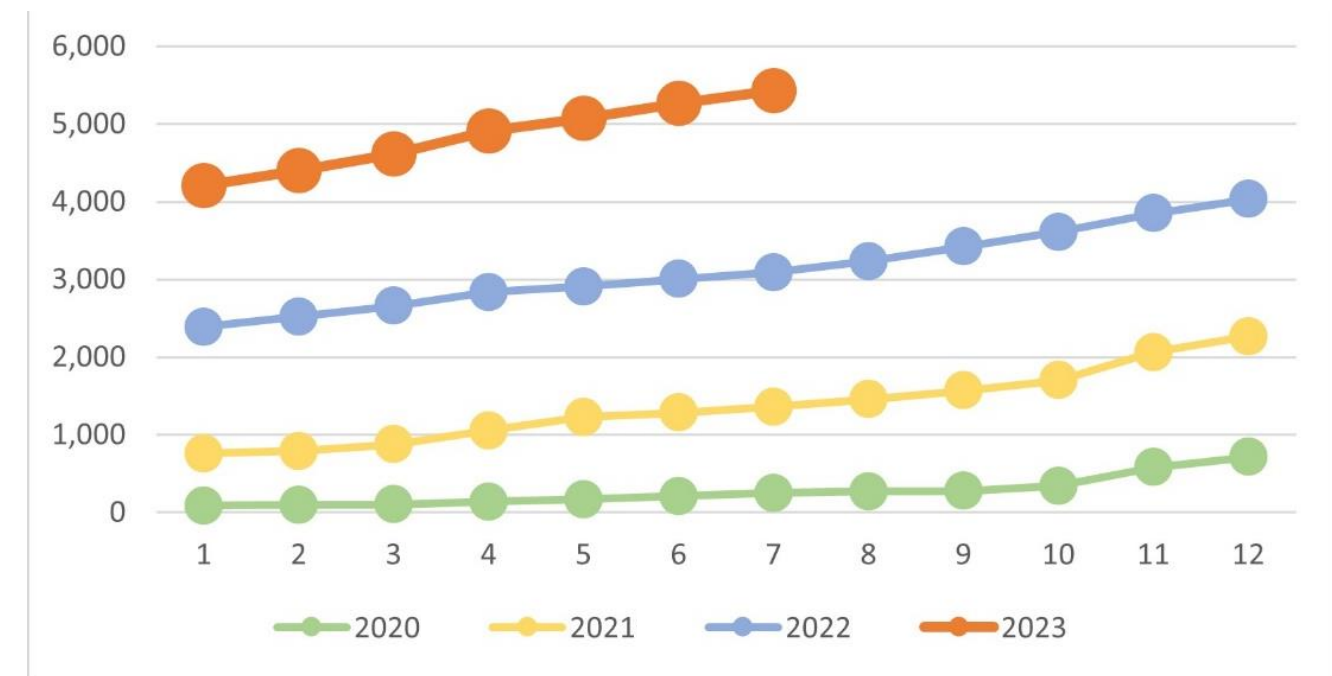
✓ Activities, Sleep, Weight



✓ Wearable Device



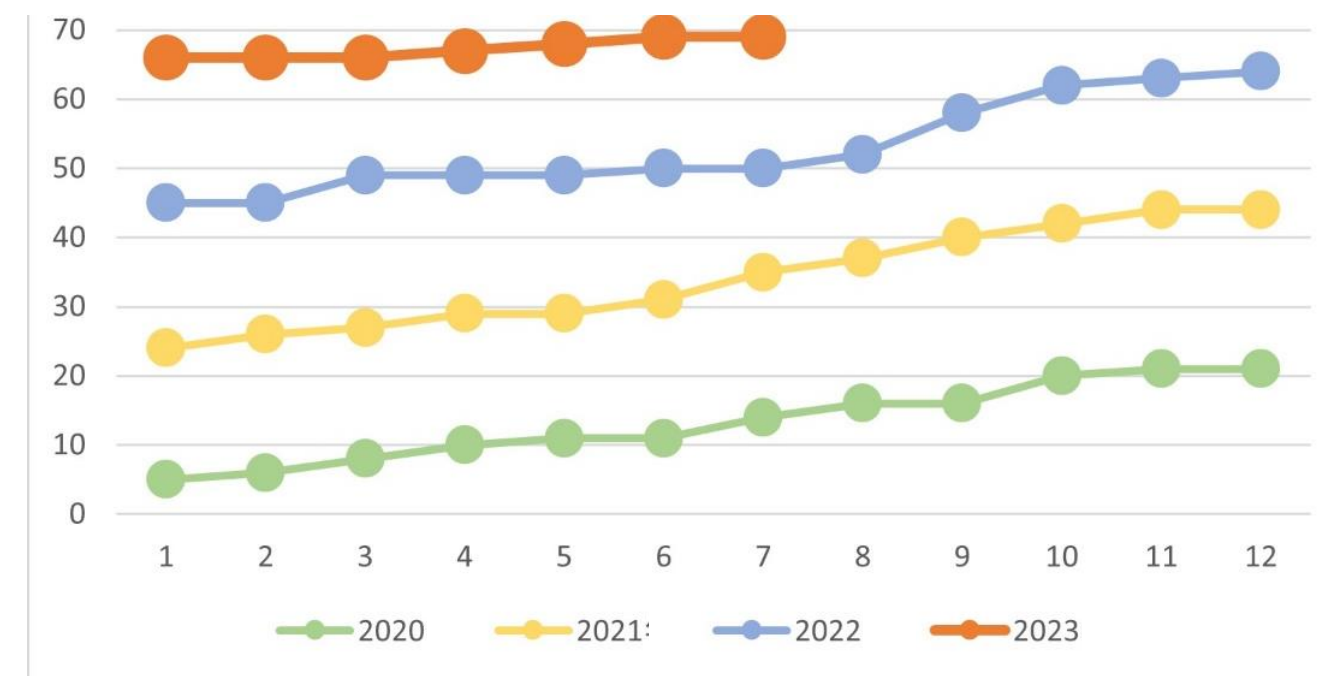
User Growth



✓ On-Demand Training



Client Growth



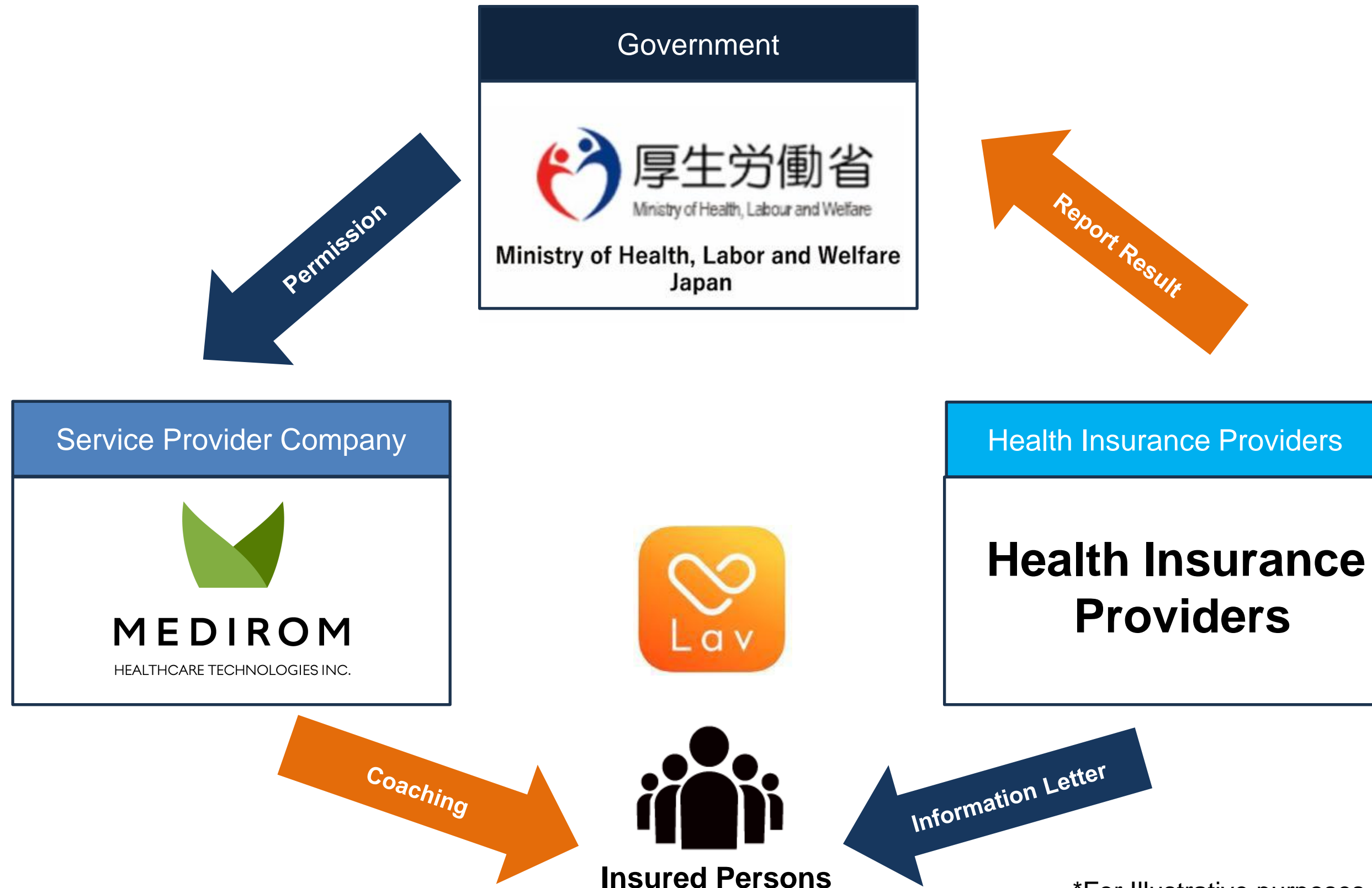
*In August 2020, we started releasing "Lav[®]" application directly to consumers.

Digital Preventative Healthcare Technology: Specific Health Guidance Business

GOVERNMENT SUPPORTED HEALTH GUIDANCE PROGRAM

Engaged partners include blue chip corporations and governmental bodies

MEDIROM HEALTHCARE TECHNOLOGIES INC.



- Engaged partners include blue chip corporations and governmental bodies
- FUJITSU GENERAL JAPAN**
 - DAIKIN**
 - KOKUYO**

Future growth
Acquire health check up companies



*For Illustrative purposes

Healthcare Technology Growth Strategy

All in One Package (Mother Bracelet, Mother Gateway and REMONEY)

- Focus on the 3M drivers and 10M patients in Japan.
- Partnership with strong and well trusted sales companies.
- Potential expansion to global market.



Specific Health Guidance Business with Coaching App “Lav®”

- Focus on 30M patients with lifestyle related disease, such as (Diabetes, High blood pressure and heart failure.)
- Target the hospital, nursing homes and health check up companies and install the LAV solutions.
- Potential with the Fortune 500 and health well being companies in Japan.





Financial Highlights

COMPANY YEAR END: DECEMBER 31



Income Statement

(in thousands, except change % data and Adjusted EBITDA margin)

Consolidated Statement of Operations:

	Year ended December 31,		
	2022(\$)	2022(¥)	2021(¥)
Revenues:			
Relaxation Salon	\$ 45,315	¥ 5,972,913	¥ 5,196,540
Luxury Beauty	4,512	594,761	169,320
Digital Preventative Healthcare	2,931	386,383	43,965
Total revenue	52,758	6,954,057	5,409,825
Cost of revenues and operating expenses:			
Cost of revenues	38,325	5,051,600	3,994,414
Selling, general and administrative expenses	13,698	1,805,490	1,822,787
Impairment loss on long-lived assets	—	0	63,211
Total cost of revenues and operating expenses	52,023	6,857,090	5,880,412
Operating income (loss)	\$ 736	¥ 96,967	¥ (470,587)
Other income (expenses):			
Dividend income	—	2	2
Interest income	46	6,072	839
Interest expense	(74)	(9,800)	(11,950)
Other, net	656	86,533	67,215
Total other income	628	82,807	56,106
Income tax (benefit) expense	234	30,809	576,250
Net income (loss)	1,130	148,965	(990,731)
Adjusted EBITDA(1)	\$ 2,230	¥ 293,931	¥ (77,974)
Adjusted EBITDA margin(2)	4.2 %	4.2 %	(1.4)%

Our functional currency and reporting currency is the Japanese yen (which we refer to as "JPY" or "¥"). The terms "dollar," "USD," "US\$" or "\$" refer to U.S. dollars, the legal currency of the United States. Convenience translations included in this annual report of Japanese yen into U.S. dollars have been made at the exchange rate of ¥131.810 = US\$1.00, which was the foreign exchange rate on December 30, 2022 as reported by the Board of Governors of the Federal Reserve System

(1) For a reconciliation of Adjusted EBITDA to net loss, the most comparable U.S. GAAP measure, see the following page.

(2) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA for a period by total revenue for the same period.

Reconciliation of Adjusted EBITDA

Reconciliation of non-GAAP measures:

(in thousands, except Adjusted EBITDA margin)

	Year ended December 31,		
	2022(\$)	2022(¥)	2021(¥)
Net income (loss)	\$ 1,130	¥ 148,965	¥ -990,731
Dividend income and interest income	-46	-6,074	-841
Interest expense	74	9,800	11,950
Other, net	-656	-86,533	-67,215
Income tax expense (benefit)	234	30,809	576,250
Operating income	\$ 736	¥ 96,967	¥ -470,587
Depreciation and amortization	1,396	184,056	126,243
Losses on sales of directly-owned salons to franchisees	—	—	2,692
Losses on disposal of property and equipment, net and other intangible assets, net	98	12,908	3,614
Impairment loss on long-lived assets	—	—	63,211
Stock-based compensation expense	—	—	196,853
Adjusted EBITDA	\$ 2,230	¥ 293,931	¥ -77,974
Adjusted EBITDA margin	4.2 %	4.2 %	-1.4 %

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Capitalization

Data as of 8/11/2023	
Market Cap	USD \$30.7 million
Stock Price 52-Week Range*	\$6.30 \$4.01 - \$7.40
Basic Shares Outstanding	4.88 million
Management Ownership	39.65%

* Represent the market price of the American Depositary Shares, each representing one common share.

Key Management Team and Board



Kouji Eguchi
 Founder, CEO and Director

1996 Joined Jack Co.,
 1999 Served as executive managing director at Pricedown.com, Inc.
 2000 Established Reraku (current MEDIROM Healthcare Technologies Inc.)
 Became Representative Director (present post).
 2010 Director of the Association of Japan Relaxation Industry (present post).



Fumitoshi Fujiwara
 CFO and Director

2000 Executive Officer and CFO in Spiral Star Co., Ltd.
 2002 Established AC Capital, Inc.
 Representative Director Managing Partner
 2009 Established Eaglestone Capital Management Inc.
 Representative Director Management Partner (present post).
 2017 Executive officer in MEDIROM Healthcare Technologies Inc.



Tomoya Ogawa
 Outside Director

2007 Abe, Ikubo & Katayama Law Firm
 2010 General manager at DeNA Inc.
 2012 Director of Akatsuki Inc.
 2014 Independent director & board of directors



Akira Nojima
 Outside Director

1997 Recruit Co., Ltd
 2014 Director of Academy of Beauty Business
 2020 Independent director & board of directors

Investment Highlights

✔ **Accretive M&A with Low-Hanging Fruit – Proven Track Record of M&A**

- Targeting M&A opportunities with both direct and indirect financing (not hostile mergers) with strategy of full integration of corporate functions (back-office operations etc.).
- Located in Japan, MEDIROM is the first publicly listed Japanese company in the industry.
- MEDIROM intends to leverage its experience from successful M&A historical acquisition.

✔ **Extensive Education Facilities**

- Operate one of the largest vocational schools in Japan.
- Teach bodywork techniques, customer services, and LAV app treatment.

✔ **Further Enhance Relationships & Capabilities**

- Government-sponsored Specific Health Guidance Program.
- Engaged partners include blue chip corporations and governmental bodies for LAV.
- MOTHER Patient Monitoring System for Health Care Facilities.

✔ **Technological Advancement**

- Experienced engineers for Apps, back-end server, AWS.
- Telemedicine System. Develop efficient core chat system.
- MATRIX's Patented Technologies: Thermoelectric Module & Boost Converter.



MEDIROM

HEALTHCARE TECHNOLOGIES INC.

NASDAQ: MRM

September, 2023

Thank You!

MEDIROM Healthcare Technologies Inc.

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www.medirom.co.jp/en/ir



Appendix

FOR ADDITIONAL INFORMATION