

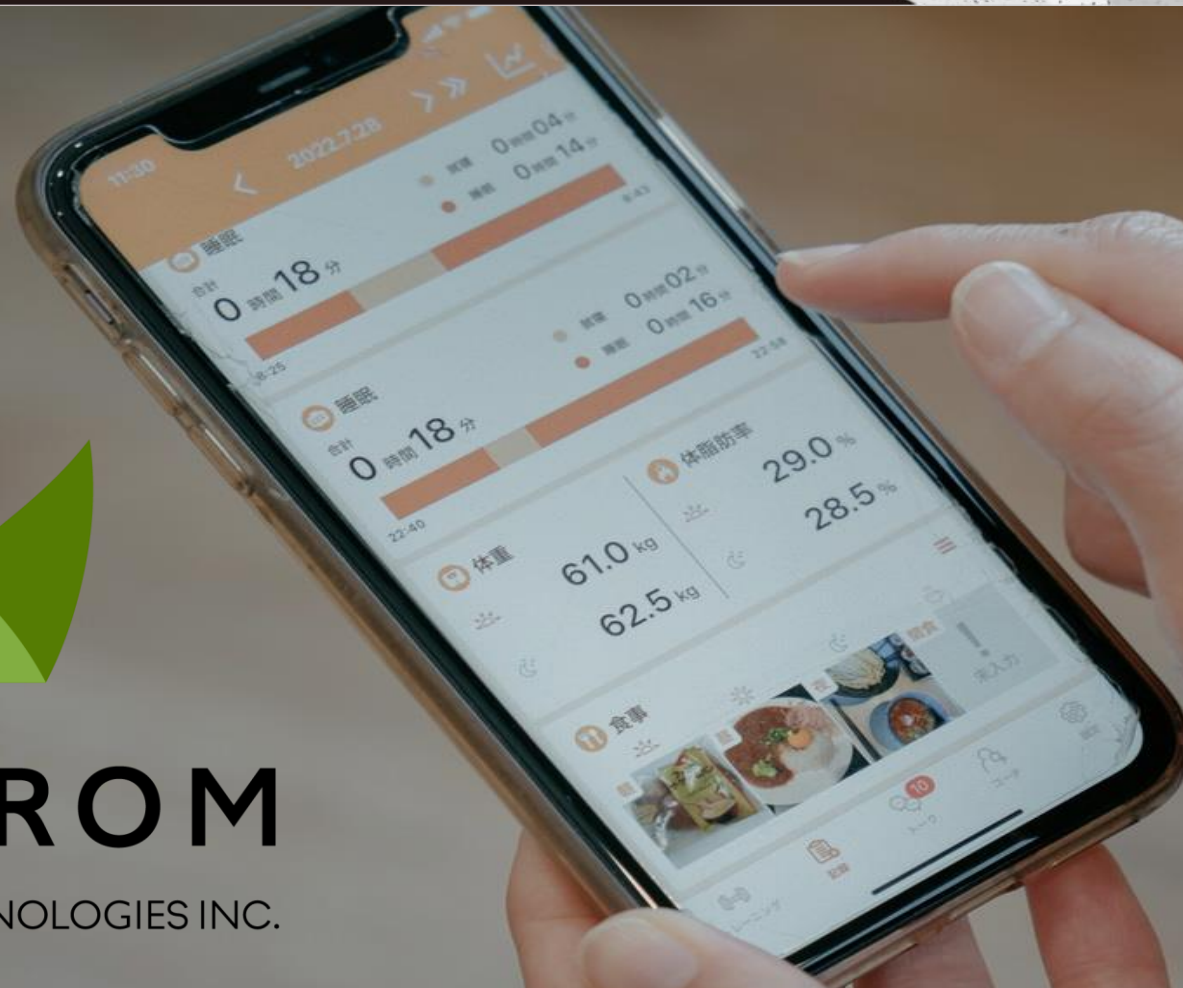
MOTHER

BRACELET

SELF-CHARGING
FITNESS TRACKER



 **Lay**
Lifestyle Assist for Vitality.



MEDIROM

HEALTHCARE TECHNOLOGIES INC.



RevRaKu
design studio of healthy life

RevRaKu
design studio of healthy life
肩甲骨から
しっかりと。

NASDAQ: MRM
December 2024

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Non-GAAP Financial Measures

This 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 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 on page 27 of this 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.

Company Highlights

Wellness Salon Business

➤ Re.Ra.Ku®¹

- Wellness care focusing on improving mental and physical well-being for customers
- 308 stores throughout Japan
 - Directly-owned salons -155 salons
 - Franchise salons - 93 salons
 - Investor-owned salons - 60 salons
- Winner of several industry awards in Japan

➤ ZACC

- High-end hair salon company recognized in the Japanese beauty industry for more than 30 years for its high level of professional skill and customer tailored service

Digital Preventative Healthcare Technology

➤ MOTHER Bracelet®

- Health monitoring wearable device “Mother Bracelet” was launched in 2020.
- MOTHER Bracelet® fitness device is designed to track and collect the health data of the wearer, such as calorie consumption, activity and sleep patterns

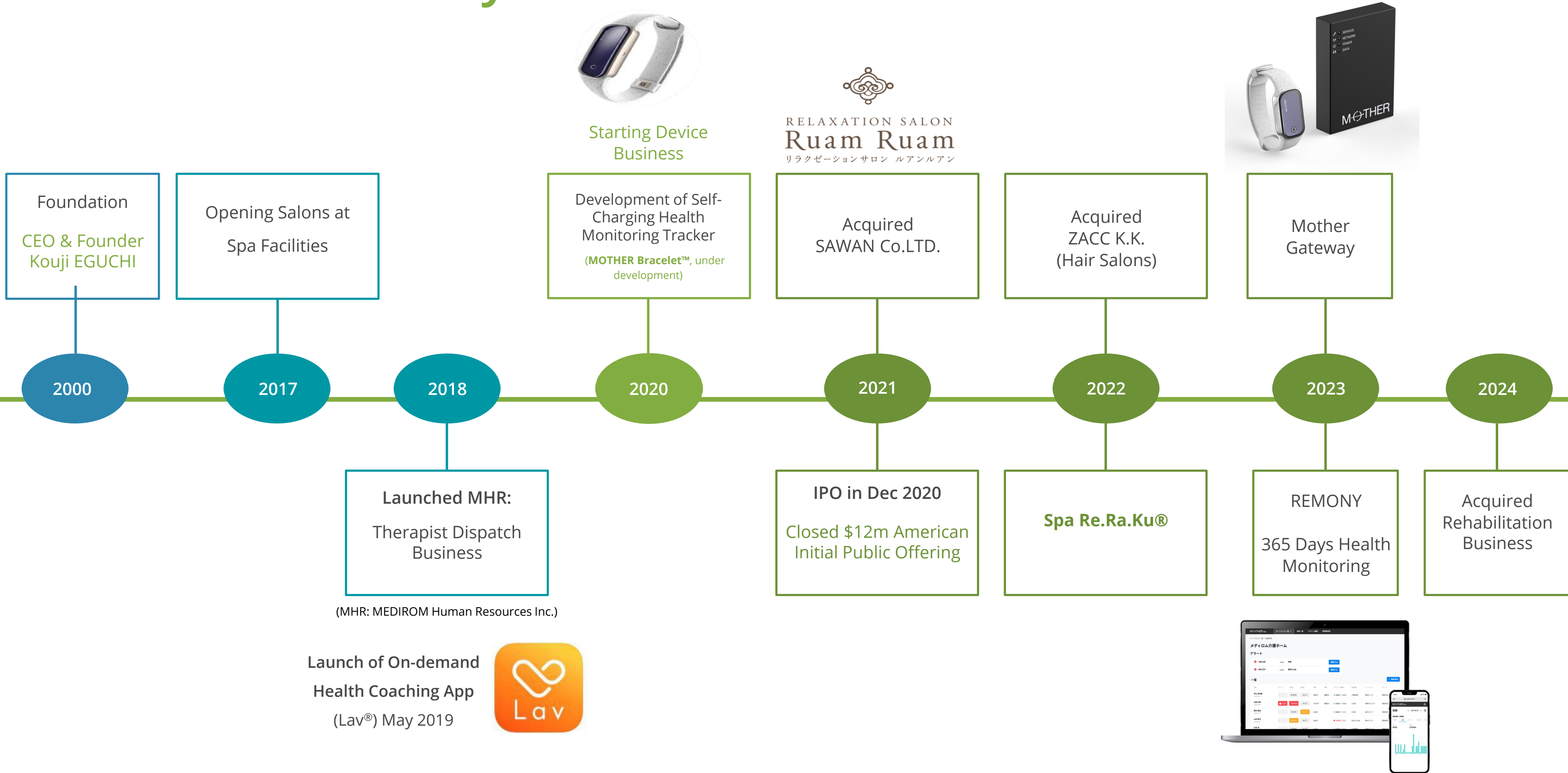
➤ Lav®

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



1) Statistics from Re.Ra.Ku as of June 30, 2024

MEDIROM History










Wellness Salon Business

PROVIDING THE HIGH QUALITY, INNOVATIVE PREVENTIVE SOLUTIONS



Wellness Salon Business Overview

-  Holistic and preventative healthcare services
-  High brand recognition throughout Japan
-  Specialty services for each specific branch
-  High repeat customer ratio
-  Scalable platform with focus on expansion and brand building



Wellness Salon Business Snapshot



308 Stores

Total of directly managed, franchised and investor-owned salons



Avg. \$44(JPY7,089Yen)/customer in 2024
Avg. \$42(JPY6,768Yen)/customer in 2023



75.6% repeat rate

High repeat customer ratio
Excluding aggregate of spa facilities



82K customers / month

Average number of customers per month
Served 979,252 customers in 2023



Focus on High Density Areas

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



6.5 unit / store

Average beds per store
Excluding aggregate of spa facilities

Extensive Training Program & Partnerships

- ▼ **Established One Of The Largest Vocational Schools for Relaxation Therapists In Japan**
 - Strong in-house training program ensures comprehensive training, and developing individuals to run wellness salons
 - Professional lecturers that specialize in their area of expertise
 - Provide over 120 in-depth courses that range from techniques to salon management
 - Therapists support customers in salons and after their appointments through health management tailored individually
- ▼ **Partnerships Tailored for Specific Areas Across Japan**

SPA FACILITIES



- Strong Synergies
- High Entry Barrier/Low Capital Investment
- Higher Sales Per Customer
- New spa Facilities in the Kanto Region*

COMMERCIAL COMPLEXES



- High Entry Barrier
- Shopping Mall: High density areas
- Strong Brand Recognition

STAND ALONE SALONS



- Local Customer Base
- Local Community-Based
- Higher Retention Ratio and Unit Sales

*Kanto Region Tokyo, Kanagawa, Saitama, Chiba, Gunma, Ibaraki and Tochigi

Re.Ra.Ku APP

App Downloads 162K



- Released January 2022
- Reservations
- Coupons

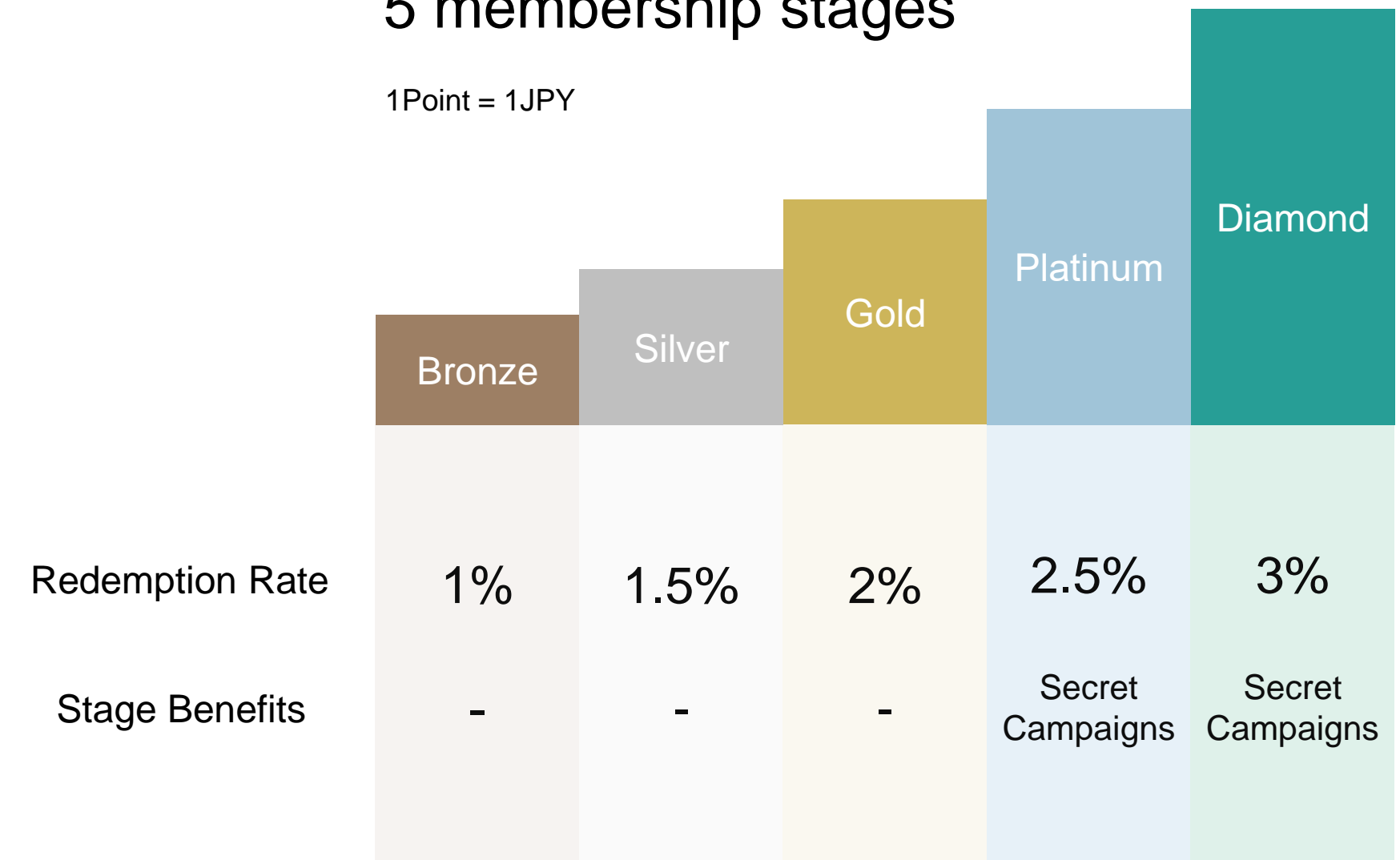


Re.Ra.Ku PAY

With Re.Ra.Ku Pay, customers can earn up to 3% back in points on every purchase, which can be redeemed for discounts and secret campaigns.

5 membership stages

1Point = 1JPY



Salon Growth Strategy

✔ Store Investment Model

- As of June 2024 we managed 60 investor-owned salons that were previously directly operated salons
- Continue to maximize the return on capital investment in our relaxation salon segment

✔ Acquisition of Wellness Salons/Competitors

- Proved track record of acquisitions: Joyhands , Bellepoc and SAWAN
- Continue to expand wellness salon locations across Kanto region* in Japan and potentially acquire additional salons overseas for expansion

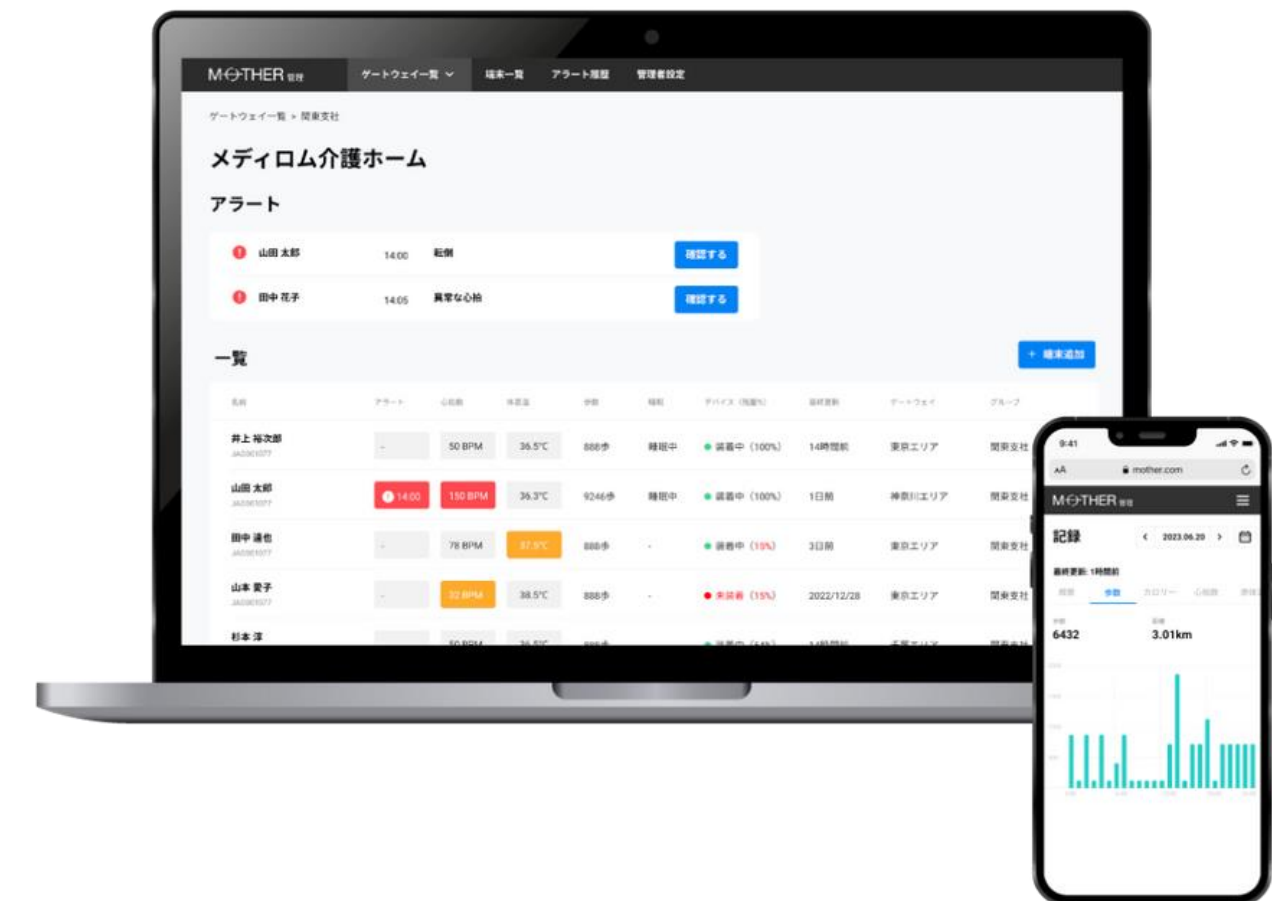
✔ Vocational Training Facilities

- Teaching high quality bodywork techniques, customer services
- The LAV app coach saves coach resource expenses
- Well managed therapists maintain the quality of our services at our salons and through our 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®

Innovative Fitness Tracker that does not Require Recharging

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



FEATURES

- Steps
- Sleep/Sleep Cycle
- Heart rate
- Activities
- Surface Body Temperature
- Security
- Waterproof

TECHNOLOGY

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

FEATURE-RICH & USER FRIENDLY

- Pedometer
- SDK (Software Development Kit)
- Open to Third Parties

TARGET MARKET

- Hospitals, Nursing Homes and Gyms
- Logistics and Transportation Industry (Drivers' Health Monitoring Needs)

HealthTech Platform Product



US \$399*

Japan 40,000 Yen

MOTHER Bracelet

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

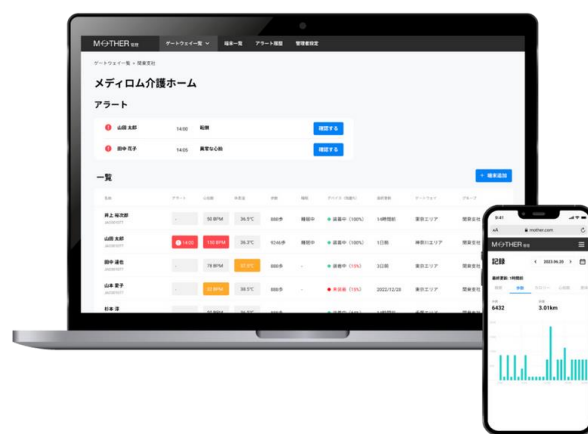


US \$200*

Japan 27,000 Yen

MOTHER Gateway

- MOTHER Bracelet is automatically paired via Bluetooth
- Up to 20 units can be paired
- The acquired data is centrally managed by the operator on the REMONY system



Monthly Subscription Fee

US \$9.99*

Japan 1,280 Yen

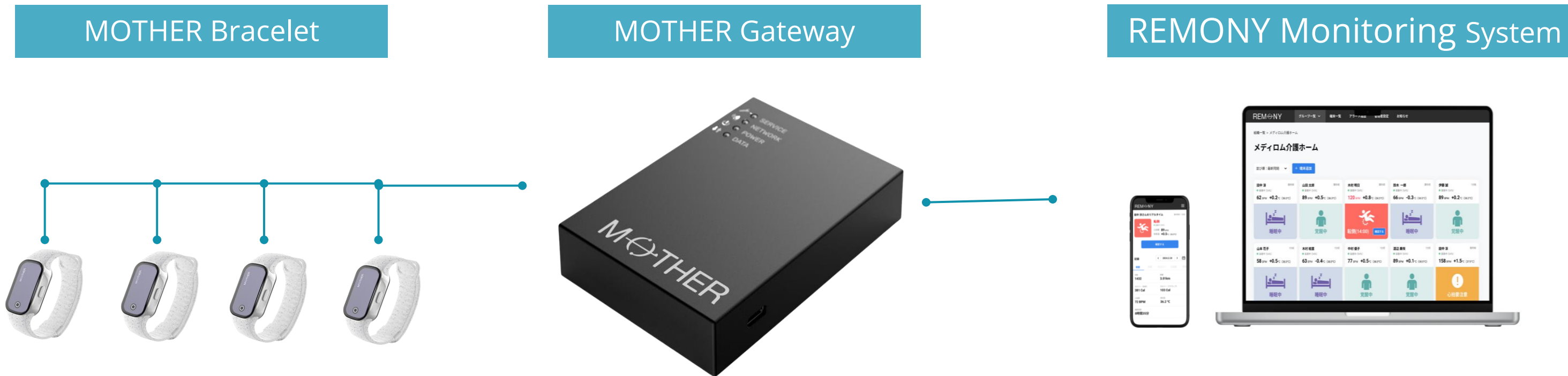
REMONEY Monitoring System

- Vital data monitoring dashboard (sleep, steps, heart rate, body temperature)
- Reliable alert notification
- Monthly subscription

*Prices in US dollars reflect our current pricing for sales in the US, which differ from prices for sales in Japan

MOTHER GATEWAY Automatic Sync with MOTHER Bracelet and Monitoring individuals

The data measured by MOTHER Bracelet is automatically sent to the server, so there is no need to worry about forgetting to synchronize. The power is turned on simply by connecting to a power outlet or USB port, so there is no need for installation work.



※ Up to 20 units can be connected.

01 Collect Vital Data

The device is automatically synchronized within the Bluetooth communication range (30m to 50m)

02 Gateway LTE

The SIM is built into the Gateway
The data acquired by LTE

03 Vital Data Monitoring Dashboard

Monitoring vital data (sleep, steps, heart rate, body temperature)

Case Study - Elderly Nursing

Market trend




Increased number of monitoring sensors and care system

Issue

No service that combines 24-hour monitoring and privacy controls in Japanese market

Strength

24-hour monitoring without the need for installation work. Cost advantage

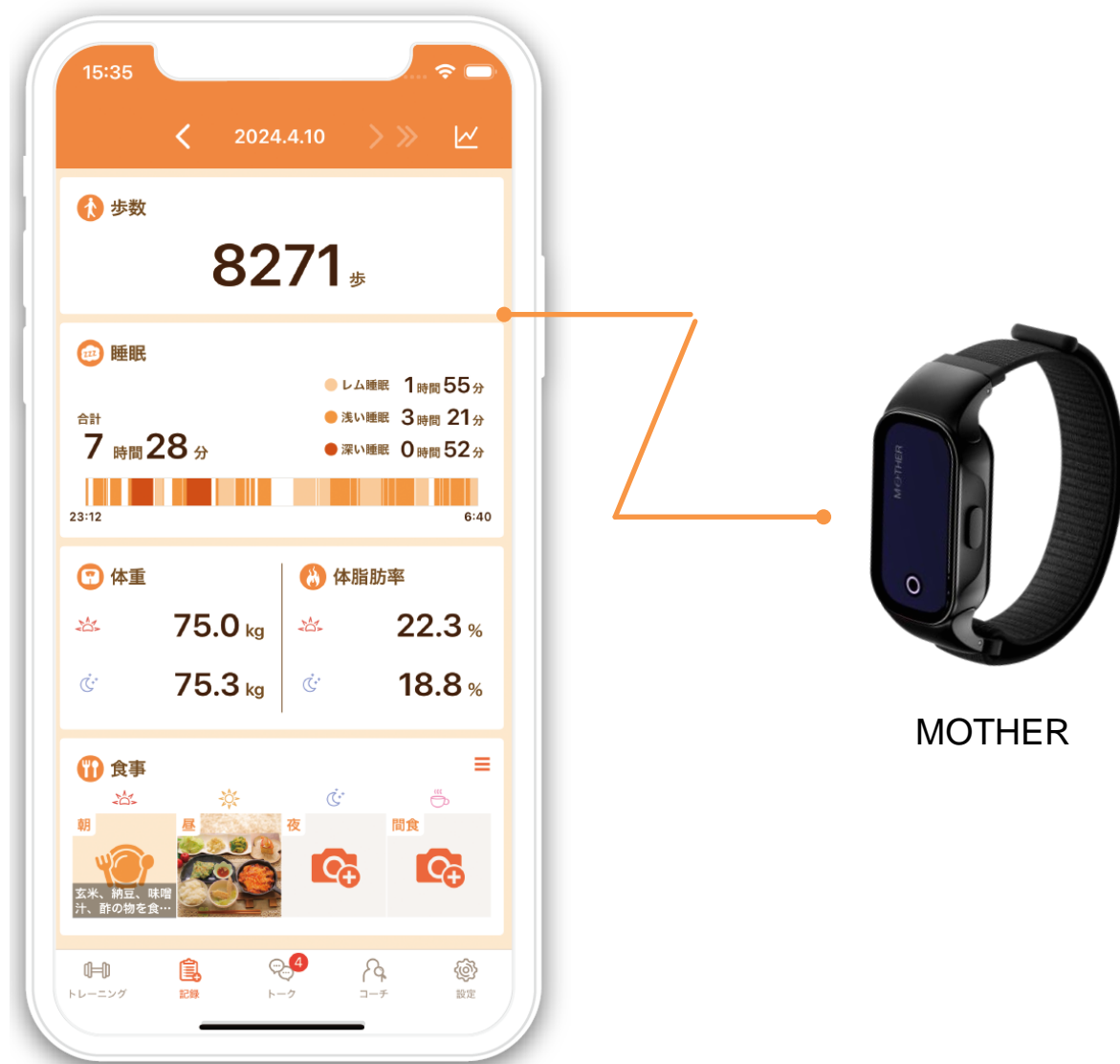
Device	Wearable Vital Sensor	Bed Sensor (Bedpad)	Room Monitoring Sensor (Camera)
Service			
Solution / Strength	<ul style="list-style-type: none"> ✓ 24/7 monitoring ✓ Clear privacy controls ✓ Also function in bathroom (Waterproof) 	<ul style="list-style-type: none"> ✓ Focused on the bed ✓ Reduced privacy 	<ul style="list-style-type: none"> ✓ monitoring via Camera enables users in need of assistance to be identified easily without visiting
Issue	<ul style="list-style-type: none"> ✓ A certain number of Gateway units are required to be introduced to monitor entire facilities 	<ul style="list-style-type: none"> ✓ Requires wifi and installation work, which adds to cost ✓ Not available away from the bed 	<ul style="list-style-type: none"> Reduced privacy ✓ Requires wifi and installation work, which adds to cost
Price	<p>\$24.73 ~ (¥3,980)</p> <p>※ 24 month subscription</p>	\$2,000 ~	\$1,000 ~ \$4,000 or more

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

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

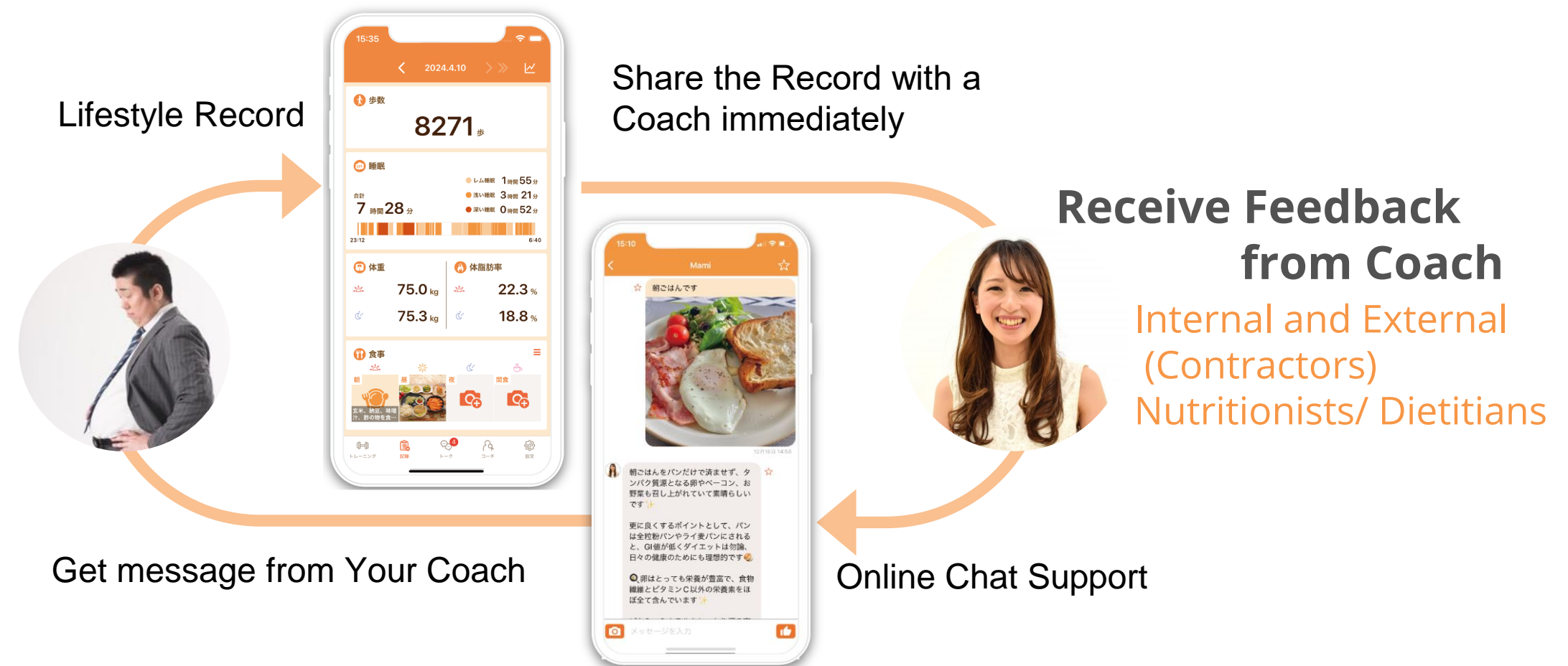
- ✓ Activities, Sleep, Weight, Meals
- ✓ Wearable Device

252% Client Growth YoY (2020-23)



- ✓ On-Demand Training

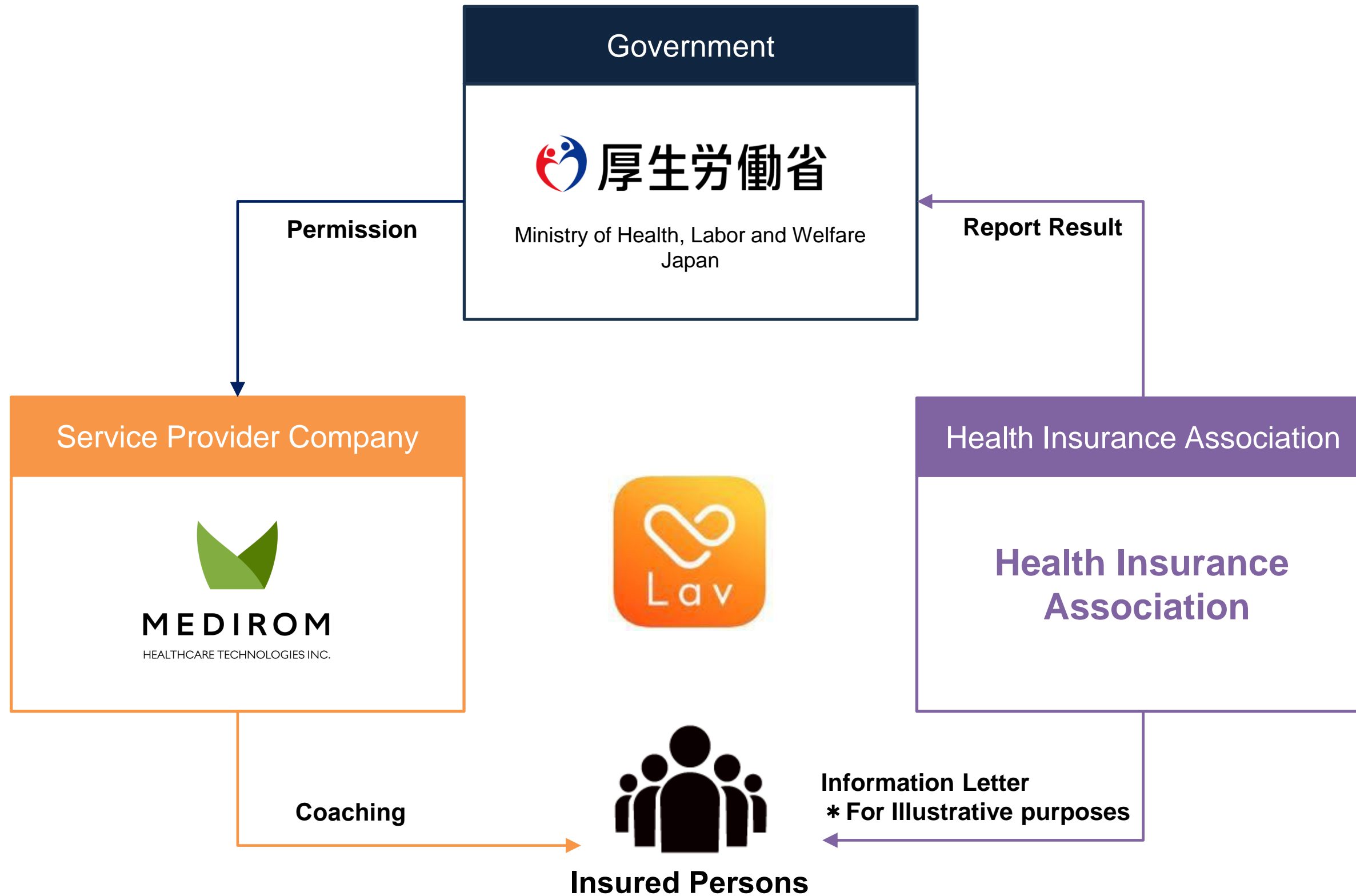
Continuing Support + Final Review



*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

SUBARU

FUJITSU GENERAL JAPAN
DAIKIN
KOKUYO

Healthcare Technology Growth Strategy

▼ All in One MOTHER PLATFORM (Mother Bracelet, Mother Gateway and REMONY)

- B2B Business. Focus on drivers and 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 patients with lifestyle related disease, such as diabetes, high blood pressure and heart failure
- Target hospitals, nursing homes and health check up companies and install our LAV® solutions
- Potential to be implemented by Fortune 500 and health well being companies in Japan



Proposed acquisition of Japan Gene Medicine Corporation*

Cutting Edge Devices For NIPT**



About Japan Gene Medicine Corporation

The company is engaged in the prenatal diagnosis business, providing genetic testing and analysis

- **Market Potential:**

Low current adoption in Japan (7.2% in 2016)***

Increasing childbearing age and declining birthrate in Japan and Asia

Significant growth potential due to demographic trends

- **Strategic Benefits:**

Competitive position in genetic testing and analysis

Target age group alignment (20s to 40s)

- **Strategic Objectives:**

Expansion of holistic healthcare services

Enhanced presence in Japan's healthcare technology industry

- **Addition to HealthTech solutions portfolio:**

On-demand training application "Lav®"

Smart tracker bracelet "MOTHER Bracelet®"

Device-based monitoring system "REMONY"

* <https://medirom.co.jp/en/ir/news/20240711/5771>

** Noninvasive prenatal testing

*** Source: Aiko Sasaki, Haruhiko Sago et al: Trends in prenatal genetic testing in Japan 1998-2016, Journal of Japan Society of Perinatal and Neonatal Medicine 2018; 54:101-107.

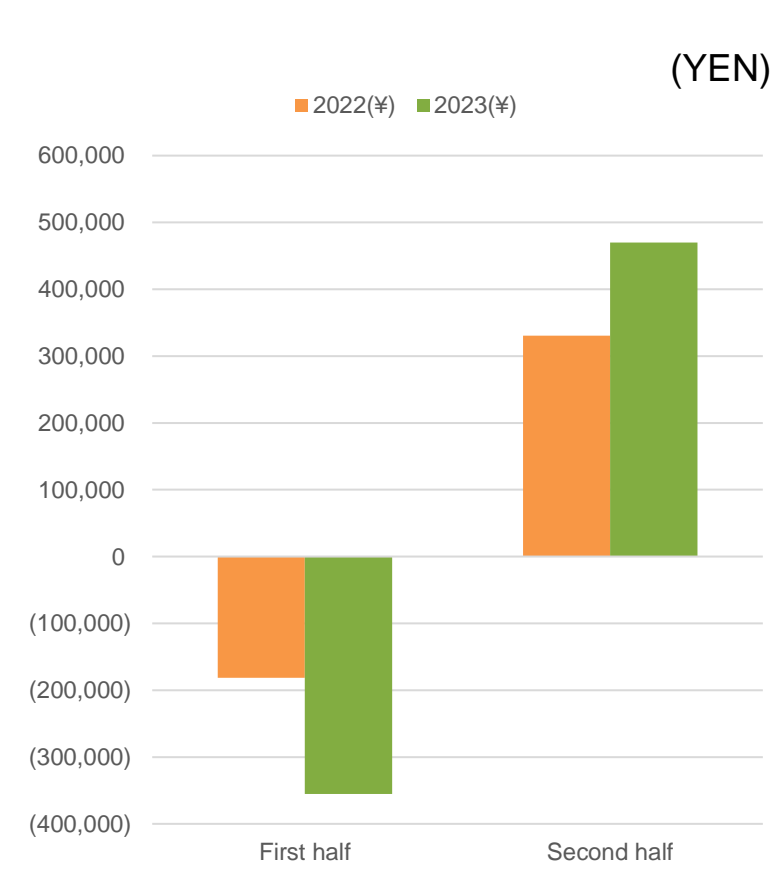
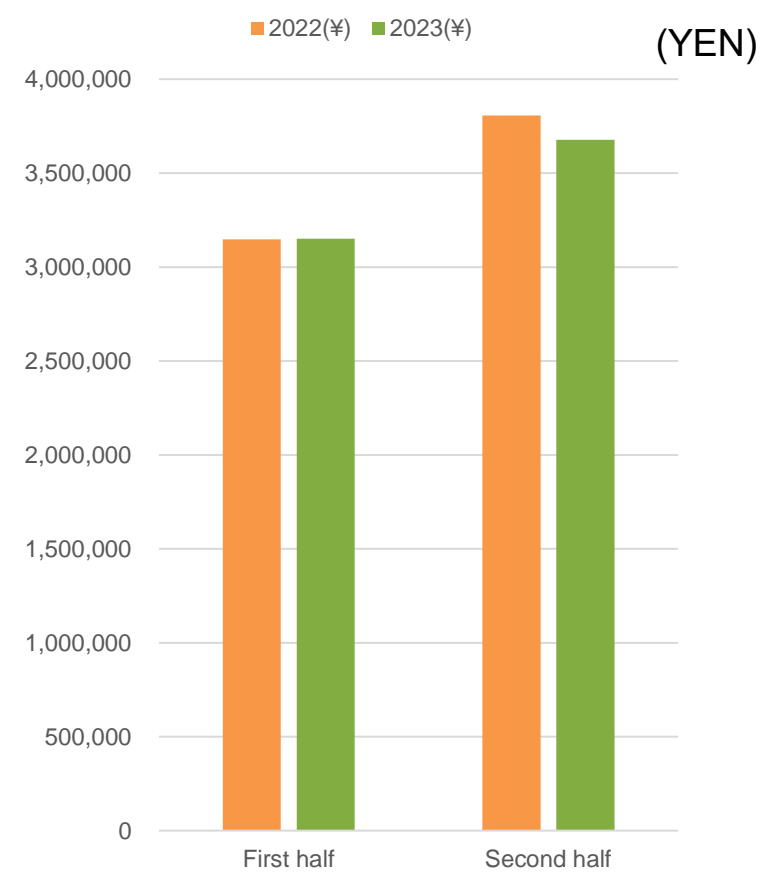
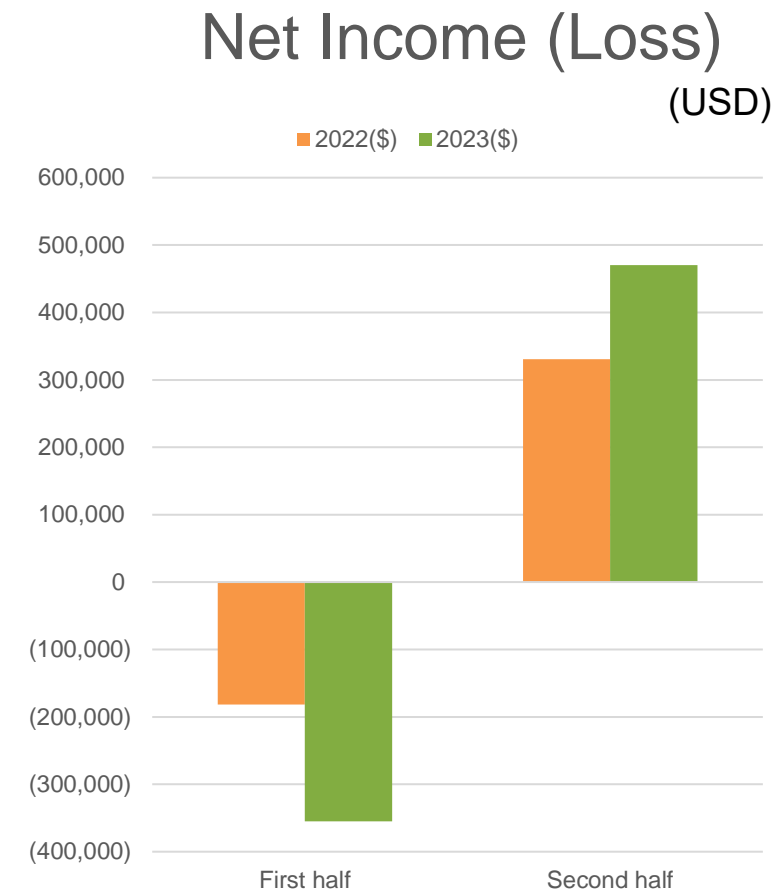
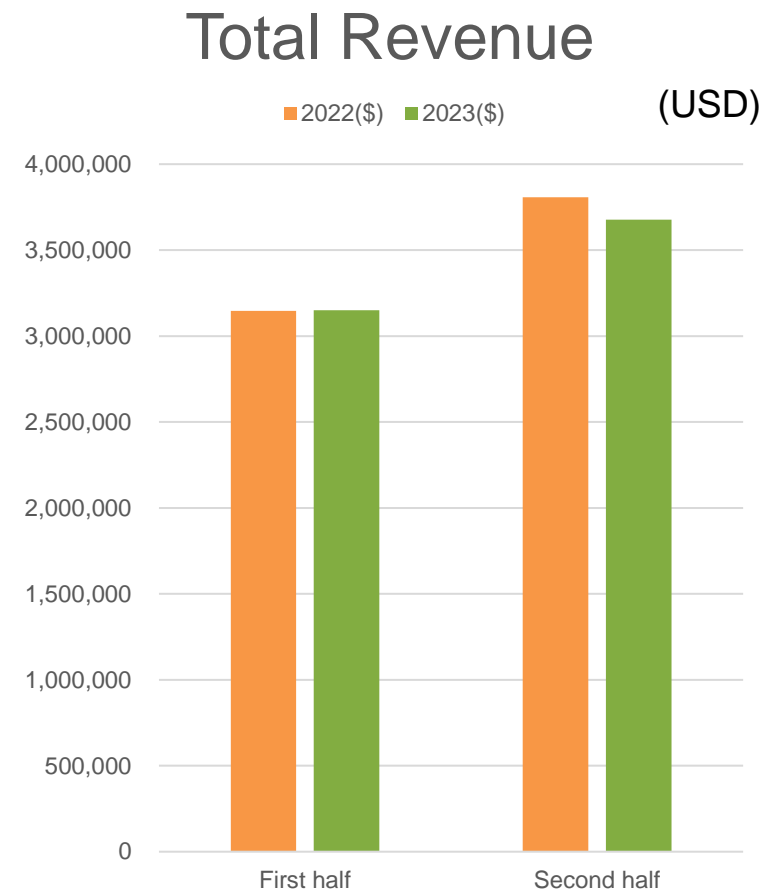


Financial Highlights

COMPANY YEAR END: DECEMBER 31



Historically Stronger Performance in Second Half



Why Second Half?

Hiring Therapists in First Half

Store Revenue Seasonality

- More National Holidays in Second Half
- Warm Climate

Seasonal Business

More store investment model transactions in Second Half

Our functional currency and reporting currency is the Japanese yen (which we refer to as "JPY" or "¥").

Income Statement

(in thousands of USD)

	6 months ended June 2024	6 months ended June 2023	FY 2023	FY 2022
Net sales	21,602	19,585	42,441	43,225
Cost of goods sold	18,018	15,792	32,689	31,400
Gross profit	3,584	3,793	9,752	11,825
Total Operating Expenses	7,542	6,149	12,186	11,223
Operating Income	(3,958)	(2,356)	(2,434)	603
Total Other Income Expense	323	172	2,562	515
Net Income	(3,657)	(2,207)	715	926
Adjusted EBITDA	(2,512)	(1288)	2,173	2,365

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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 Re.Ra.Ku
 (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

Company Highlights

- ✔ **Extensive Wellness Salon Brand Recognition across Japan**
- ✔ **Proven Track Record of M&A ,and many wellness targets in Japan**
- ✔ **Favorable conditions for acquisition financing in Japan**
- ✔ **Expending into high growth Technology space**
- ✔ **Company with innovative Technology and significant growth opportunities**



MEDIROM

HEALTHCARE TECHNOLOGIES INC.

NASDAQ: MRM

December 2024

Thank You!

MEDIROM Healthcare Technologies Inc.

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www.medirom.co.jp/en/ir



Appendix

FOR ADDITIONAL INFORMATION

Reconciliation of Adjusted EBITDA

<i>(in thousands of USD)</i>	6 months ended June 2024	6 months ended June 2023	FY 2023	FY 2022
Net income (loss)	(3,657)	(2,207)	715	926
Dividend income and interest income	(0)	(0)	(7)	(38)
Interest expense	128	105	229	61
Other, net	(253)	151	—	—
Income tax expense (benefit)	22	23	(587)	192
Depreciation and amortization	1,219	627	1,570	1,144
Losses on disposal of property and equipment, net and other intangible assets, net	29	14	(16)	80
Adjusted EBITDA	(2,512)	(1,288)	2,173	2,365
Adjusted EBITDA Margin	(11.6) %	(6.6) %	4.5 %	5.5 %

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Convenience Translations

Total Revenue

	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	YE 2021	YE 2022	YE 2023
Yen (in thousand)	3,147,045	3,807,012	3,150,790	3,677,153	3,475,281	5,409,825	6,954,057	6,827,943
USD	19,561,443	23,663,675	19,584,722	22,856,496	21,601,697	33,626,461	43,225,118	42,441,217

Directly-Operated Salon Revenue

	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	YE 2021	YE 2022	YE 2023
Yen (in thousand)	2,524,149	2,872,145	2,598,467	3,058,052	3,015,663	4,006,834	5,396,294	5,656,519
USD	15,689,638	17,852,716	16,151,585	19,008,279	18,744,797	24,905,731	33,542,355	35,159,864

Franchise Revenue

	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	YE 2021	YE 2022	YE 2023
Yen (in thousand)	580,859	583,139	489,593	481,434	415,923	1,359,026	1,163,998	971,027
USD	3,610,511	3,624,683	3,043,219	2,992,504	2,585,300	8,447,452	7,235,194	6,035,722

Directly-Operated Salon Gross Profit

	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	YE 2021	YE 2022	YE 2023
Yen (in thousand)	522,228	744,826	383,267	720,844	380,238	725,053	1,267,054	1,104,111
USD	3,246,072	4,629,699	2,382,316	4,480,632	2,363,488	4,506,794	7,875,771	6,862,948

Franchise Gross Profit

	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	YE 2021	YE 2022	YE 2023
Yen (in thousand)	301,636	216,629	220,364	227,333	259,909	667,740	518,265	447,697
USD	1,874,913	1,346,525	1,369,741	1,413,059	1,615,546	4,150,547	3,221,438	2,782,801

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Convenience Translations

Operating Expense (ex. Impairment)

	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	YE 2021	YE 2022	YE 2023
Yen (in thousand)	969,503	835,987	989,222	971,225	1,213,238	1,822,787	1,805,490	1,960,447
USD	6,026,249	5,196,339	6,148,819	6,036,953	7,541,261	11,330,103	11,222,588	12,185,772

Net Income (Loss)

	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	YE 2021	YE 2022	YE 2023
Yen (in thousand)	(181,541)	330,506	(355,066)	470,115	(588,375)	(990,731)	148,965	115,049
USD	(1,128,425)	2,054,364	(2,207,024)	2,922,147	(3,657,229)	(6,158,199)	925,939	715,123

Cash

	June 2024
Yen (in thousand)	144,648
USD	899,105

Sales Per Customer

	22-Jul	22-Aug	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Yen	6,668	6,705	6,505	6,630	6,717	6,913	6,624	6,612	6,680	6,669	6,660	6,801	6,985	6,946	6,991	6,891	7,045	7,271	7,147	7,099	7,190	7,143	6,964	7,061
USD	41	42	40	41	42	43	41	41	42	41	41	42	43	43	43	43	44	45	44	44	45	44	43	44

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