

## **MEDIROM Healthcare Technologies Announces** **Business Transfer from Y's, Inc.**

Tokyo/July 22, 2024 - MEDIROM Healthcare Technologies Inc. (“we”, “our”, “us” or “the Company”) hereby announces that its subsidiary MEDIROM Rehab Solutions Inc. entered into an agreement to purchase a rehabilitation business from Y's, Inc., a Japanese corporation, as of July 10, 2024.

Y's, Inc. operates 10 rehabilitation facilities around Tokyo for survivors of cerebral infarction, a type of stroke, and the company does business with major private, public and university hospitals in Japan. Y's, Inc. started its Cerebral Infarction Rehabilitation Center business with an awareness that people suffering from the aftereffects of cerebral infarction are not receiving adequate rehabilitation. The goal is to create a society in which individuals and their families suffering from the aftereffects of cerebral infarction can pursue the richness of their own lives.

The number of stroke cases globally is increasing every year, with the total number expected to reach 3 million by 2025. Even if a patient is fortunate enough to survive a stroke, the rate of significant aftereffects is high. The number of juvenile cases is also increasing, and the aftereffects often hinder patients from returning to work and cause severe problems in their lives. In most cases, rehabilitation is covered by health insurance in Japan under the 150-day rule, which provides coverage for in-patient care at rehabilitation facilities for only 150 days. However, many patients require additional rehabilitation care in order to return to everyday life.

MEDIROM, which operates a diversified healthcare business based on the concept of "more health, more innovative," believes that transferring the operations of the Cerebral Infarction Rehabilitation Center business from Y's, Inc. will allow us to provide a third option to patients other than the medical and nursing care systems. We will not only improve the quality of daily life of older people who have suffered a stroke but also support working-age people who have given up on their dreams to return to work.

### **Forward-Looking Statements**

Certain statements in this press release are forward-looking statements for purposes of the safe harbor provisions under the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements may include estimates or expectations about the Company's possible or assumed operational results, financial condition, business strategies and plans, market opportunities, competitive position, industry environment, and potential growth opportunities. In some cases, forward-looking statements can be identified by terms such as “may,” “will,” “should,” “design,” “target,” “aim,” “hope,” “expect,” “could,” “intend,” “plan,” “anticipate,” “estimate,” “believe,” “continue,” “predict,” “project,” “potential,” “goal,” or other words that convey the uncertainty of future events or outcomes. These statements relate to future events or to the Company's future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, levels of activity, performance, or achievements to be different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond the Company's control and which could, and likely will, affect actual results, levels of activity, performance or achievements. Any forward-looking statement reflects the Company's current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity. Some of the factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements in this press release include:

- the satisfaction of the conditions to close the asset acquisition;
- the Company's ability to realize the anticipated benefits of the transaction;
- the Company's ability to successfully integrate the acquired business;
- the Company's ability to obtain any necessary regulatory approvals;
- potentially significant transaction costs and unknown liabilities;
- the Company's ability to achieve its development goals for its business and execute and evolve its growth strategies, priorities and initiatives;

- changes in Japanese and global economic conditions and financial markets, including their effects on the Company's expansion in Japan and certain overseas markets;
- the Company's ability to achieve and sustain profitability in its Digital Preventative Healthcare Segment;
- the Company's ability to maintain and enhance the value of its brands and to enforce and maintain its trademarks and protect its other intellectual property;
- the Company's ability to raise additional capital on acceptable terms or at all;
- the Company's level of indebtedness and potential restrictions on the Company under the Company's debt instruments;
- changes in consumer preferences and the Company's competitive environment;
- the Company's ability to respond to natural disasters, such as earthquakes and tsunamis, and to global pandemics, such as COVID-19; and
- the regulatory environment in which the Company operates.

More information on these risks and other potential factors that could affect the Company's business, reputation, results of operations, financial condition, and stock price is included in the Company's filings with the Securities and Exchange Commission (the "SEC"), including in the "Risk Factors" and "Operating and Financial Review and Prospects" sections of the Company's most recently filed periodic report on Form 20-F and subsequent filings, which are available on the SEC website at [www.sec.gov](http://www.sec.gov). The Company assumes no obligation to update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ from those anticipated in these forward-looking statements, even if new information becomes available in the future.

#### **About MEDIROM Healthcare Technologies Inc.**

MEDIROM, a holistic healthcare company, operates 308 (as of June 30, 2024) relaxation salons across Japan, Re.Ra.Ku® being its leading brand, and provides healthcare services. In 2015, MEDIROM entered the health tech business and launched new healthcare programs using an on-demand training app called "Lav®", which is developed by the Company. MEDIROM also entered the device business in 2020 and has developed a smart tracker "MOTHER Bracelet®". In 2023, MEDIROM launched REMONY, a remote monitoring system for corporate clients, and has received orders from a broad range of industries, including nursing care, transportation, construction, and manufacturing, among others. MEDIROM hopes that its diverse health-related product and service offerings will help it collect and manage healthcare data from users and customers and enable it to become a leader in big data in the healthcare industry. For more information, visit <https://medirom.co.jp/en>.

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