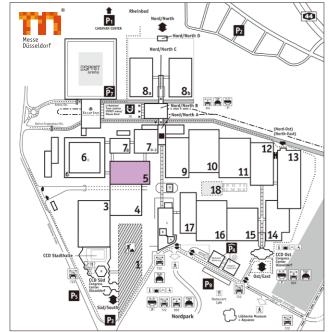
SPECIAL REPORT

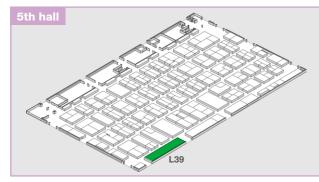


The world's most large-scale exhibition in the healthcare sector MEDICA 2018 REPORT

POLAND Minato Medical Science aims to broadly disseminate its ideal of "friendly healthcare" to medical institutions both in Japan and overseas as well as the products that have emerged from it.
As part of the efforts, we have, since 2015, been displaying our products at MEDICA, the world's largest exhibition in the healthcare field, held in Dusseldorf, Germany. We participated in this year's MEDICA 2018 for the fourth time, and Minato Medical Science's overseas activities continue to grow.







At MEDICA 2018, Minato Medical Science's theme was "Training and Relaxation," aimed at extending a person's healthy life years with a cycle of training and relaxation, in the form of two products: the Weltonic WTS-i, a series of training machines for elderly users, which comprehensively improves their muscle strength for daily living, and the Aquatizer QZ-240, a water massage bed that massages the entire body, eases fatigue, and, at the same time, increases body flexibility.

Eight demonstration models were consistently operating at full capacity.

MEDICA 2018 was held on a scale worthy of its title as the world's largest exhibition. A total of 5,273 companies from 66 countries showcased their products, of which 90 companies were from Japan. During the four-day period from Monday, November 12, 2018, to Thursday, November 15, 2018, the event drew a total of 120,000 visitors.

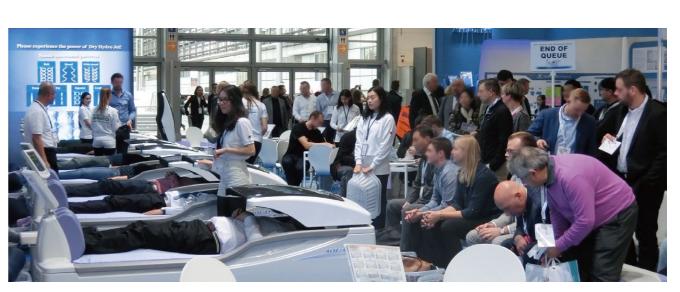
Minato Medical Science set up nine Aquatizer QZ-240 units and four fitness machines of the Weltonic WTS-i series in an approximately 180 sq. m. area in Hall No. 5 and welcomed visitors who wished to try them out.

From 10 a.m. when the exhibition opened until it closed at 6:30 p.m., Aquatizer's eight demonstration models operated at full capacity. Over 20 people sometimes waited to try out the machines. However, from the lessons of past experiences and staff members' improved skills, we have been able to reduce the waiting time each year. Compared to 2015, more than twice as many people tried out the machines.

Among the over 3,300 or so people who tested the devices during the 4-day period, many were repeat visitors from MEDICA 2017. The demonstration machine employing a soft rubber sheet made the movement of the nozzle easier to see and understand and thus drew more customers.

With the Weltonic WTS-i series, the "Interactive Mode" turned out to be hugely popular. This is a training mode that lets users follow the movement of the characters shown on the monitor screen and perform eccentric contractions* as if enjoying a game.

*A muscular activity in which a muscle demonstrates power while stretching. It characteristically puts a strong strain on a muscle, producing high training effects. Training and slow training, done under a set speed, are said to be effective for eccentric contractions.







Promoting overseas business

After participating in four overseas exhibitions, our brand recognition and evaluations/ratings have risen, with a corresponding continuous rise in the number of business negotiations. We are convinced that medical institutions around the world have high expectations from our ideal to pursue "friendly healthcare" and the technologies and products developed in Japan and that we will continue to unfailingly meet their demands and requirements.

With this background, in July 2018, we opened a local subsidiary in the German city of Dusseldorf, where MEDICA is held annually. With this company as a base, we plan to expand our sales areas and provide personalized and timely customer support.

