

SBC Medical Group Holdings, Inc.

Investor Presentation

March 2025

Disclaimer

This document contains forward-looking statements. In addition, from time to time, we or our representatives may make forward-looking statements orally or in writing. We base these forward-looking statements on our expectations and projections about future events, which we derive from the information currently available to us. Such forward-looking statements relate to future events or our future performance, including: our financial performance and projections; our growth in revenue and earnings; and our business prospects and opportunities. You can identify forward-looking statements by those that are not historical in nature, particularly those that use terminology such as “may,” “should,” “expects,” “anticipates,” “contemplates,” “estimates,” “believes,” “plans,” “projected,” “predicts,” “potential,” or “hopes” or the negative of these or similar terms. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under the heading “Risk Factors” and elsewhere in the proxy statement and other materials filed with the U.S. Securities and Exchange Commission. Forward-looking statements are only predictions. The forward-looking events discussed in this document and other statements made from time to time by us or our representatives, may not occur, and actual events and results may differ materially and are subject to risks, uncertainties and assumptions about us. We are not obligated to publicly update or revise any forward-looking statement, whether as a result of uncertainties and assumptions, the forward-looking events discussed in this document and other statements made from time to time by us or our representatives might not occur. Past performance is not indicative of future results. There is no guarantee that any specific outcome will be achieved. Investments may be speculative, illiquid and there is a total risk of loss.



SBC Medical Group Holdings, Inc.



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I. Executive Summary

FY2024 Financial Performance Highlights

- SBC demonstrated healthy growth and YoY

SBC Medical Group Holdings Key Financials (FY2024)

| | | |
|--|---|---|
| <p>Total Revenues</p> <p>\$205 M (YoY +6%)</p> | <p>EBITDA¹</p> <p>\$89 M (YoY +8%)</p> | <p>EBITDA Margin²</p> <p>43 % (YoY +1pt)</p> |
| <p>Net Income attributable to SBC Medical Group Holdings Incorporated</p> <p>\$47 M (YoY +18%)</p> | <p>ROE³</p> <p>28 % (YoY (4)pt)</p> | <p>Basic EPS⁴</p> <p>\$0.48 (YoY +14%)</p> |

¹ EBITDA = Income from operations + Depreciation and amortization expense + Impairment loss

² EBITDA Margin (%) = EBITDA / Total revenues

³ ROE = Net income attributable to SBC Medical Group Holdings Incorporated / Average of SBC Medical Group Holdings Incorporated's stockholder's equity (beginning of the period and end of the period)

⁴ EPS (basic) = Net income attributable to SBC Medical Group Holdings Incorporated / Weighted average shares outstanding

FY2024 Franchise Clinics Performance Highlights

- Strategic price revisions and clinic expansion are driving strong customer growth, particularly in aesthetic dermatology

Franchise Clinics Key Figures (FY2024)

Number of Franchise clinics¹
at the end of Dec24

251 clinics
(vs Dec23 +43 clinics / +21%)

Repeat Rate^{2 3 4}

71 %

Total Revenue ¹

\$1.12 B (YoY +1.0%)
from Existing Clinics : \$1.10B (YoY (1.4%))
from New Clinics : \$0.03B

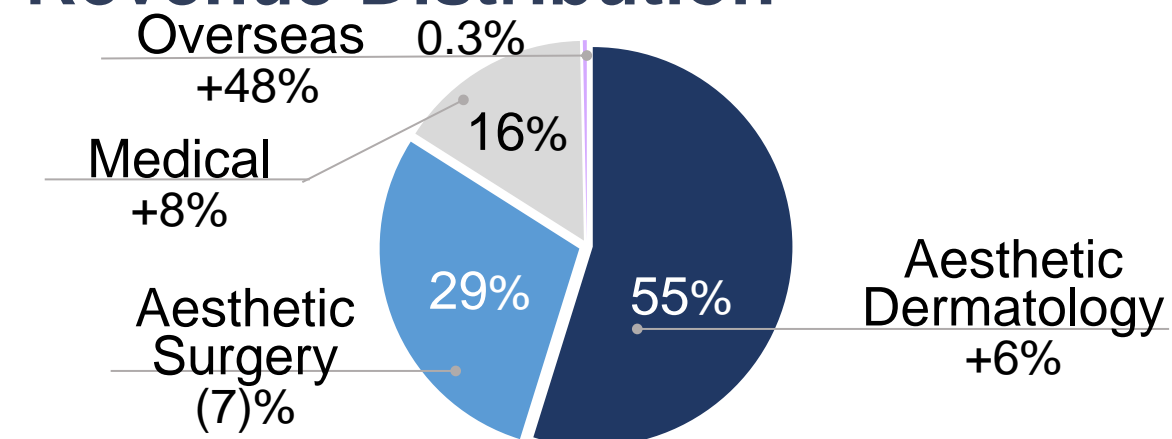
Number of Customers ^{2 3}
/Unique Number¹

6.03 M / 1.90 M
(YoY +15%) / (YoY +11%)

Revenue per Customer ^{2 5 6}

\$186 (YoY (13%))
SBC Clinics : \$218 (YoY (11%))
Rize Gorilla Clinics : \$95 (YoY (22%))

Revenue Distribution¹



¹ The figure takes into account of the franchising of SBC brand clinics, Rize Clinic, Gorilla Clinic and AHH Clinics joining the SBC group

² The figure takes into account franchising of SBC brand clinics, Rize Clinic and Gorilla Clinic

³ Excluding Free Counseling

⁴ The percentage of customers who visited our franchisee's clinics more than twice

⁵ Calculated at 151.4 JPY/1USD, 0.76USD/1SGD

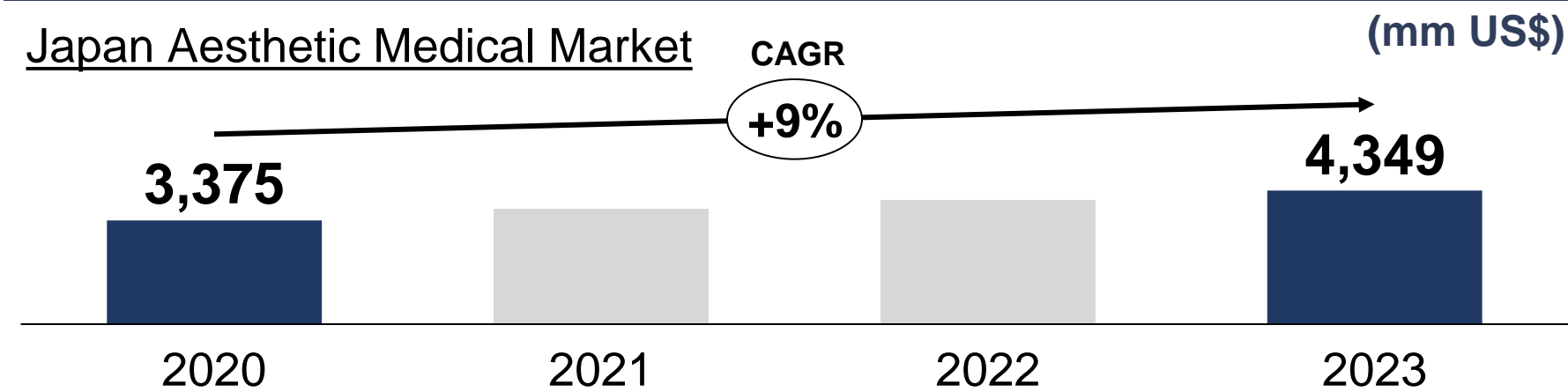
⁶ After Point/Ticket Discount

II. Financial Results in 2024

2024 Recap: Growth Despite Tougher Landscape

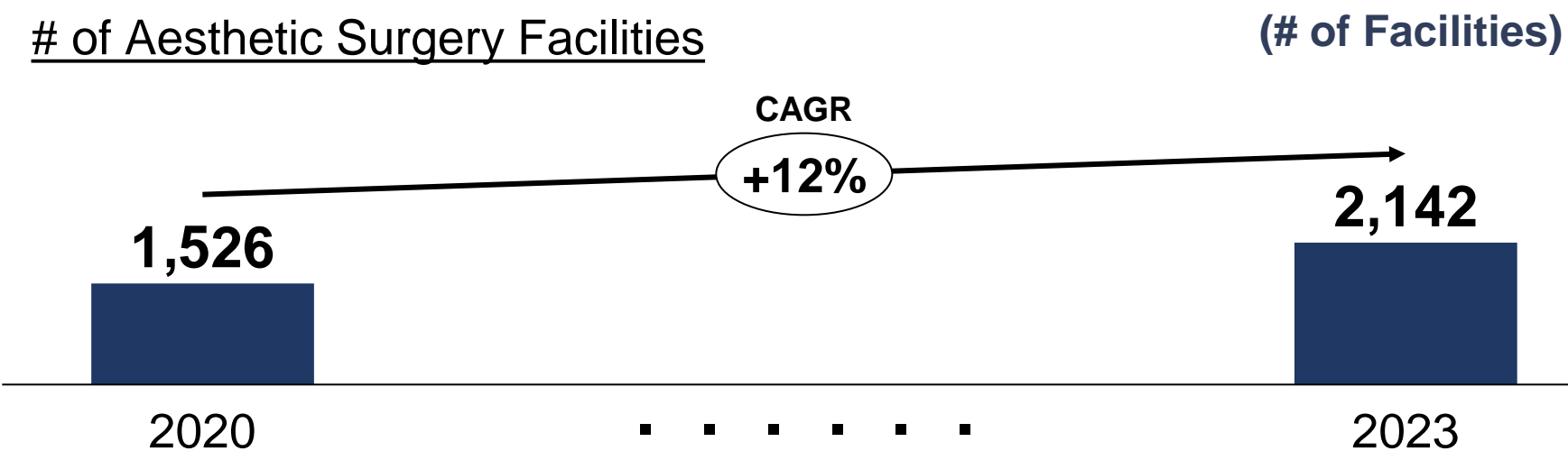
- Agile pricing strategy to expand customer base amid intensifying competition
- Proactive measures to navigate market restructuring driven by hair removal salon & clinic closures

Though the Aesthetic Medical Market is Expanding...



Source: Data Excel Pack_USA and Asia Pacific Aesthetic Medicine Market

... # of Facilities Has Outpaced Market Growth



Source: Ministry of Health, Labor and Welfare

Headwinds Against Aesthetic Medical Market

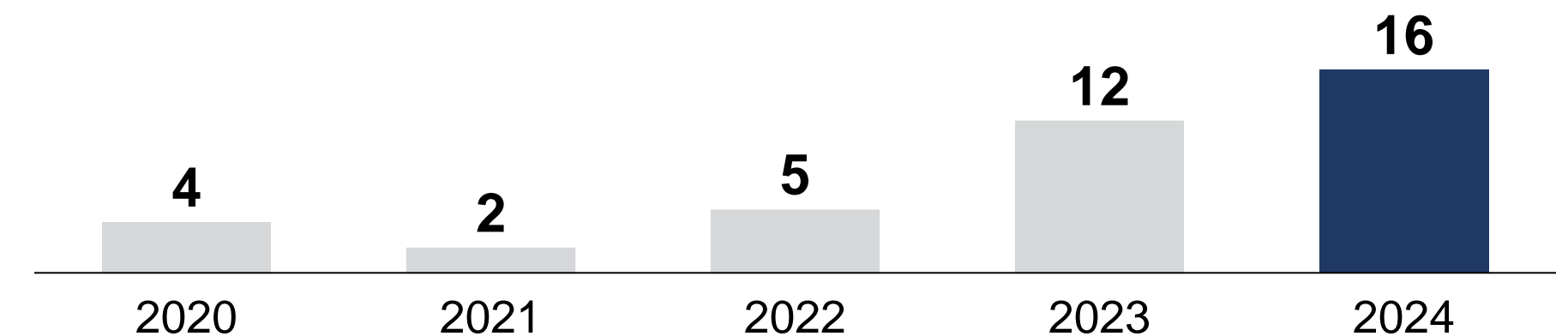
The Regulator Flags Expanding Aesthetic Medical as a Concern

- Physician shortages as many doctors move into aesthetic in urban
- Consumer complaints from aggressive sales & medical incidents

Intensifying Competition Accelerates Market Shakeout

- Major hair removal clinic chain Alicia Clinic filed for bankruptcy
- Amid price competition, hair removal clinics' bankruptcies rose

of Hair Removal Salon and Clinic Bankruptcies¹

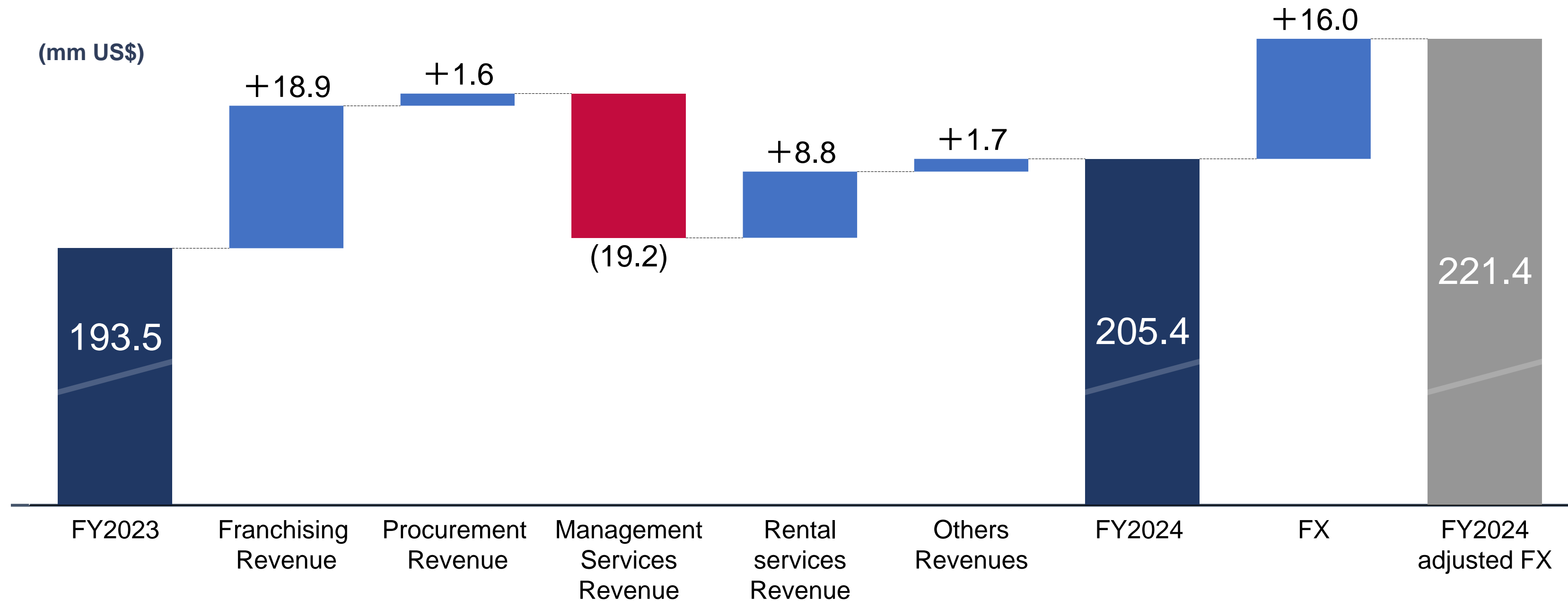


Source: TOKYO SHOKO RESEARCH, LTD.

¹ Including medical hair removal

Revenue Growth Driven by Diverse Services

- Revenue¹ has steadily increased in line with the expansion of number of clinics even under JPY depreciation
- Management services decreased mainly as a result of the termination of staffing services



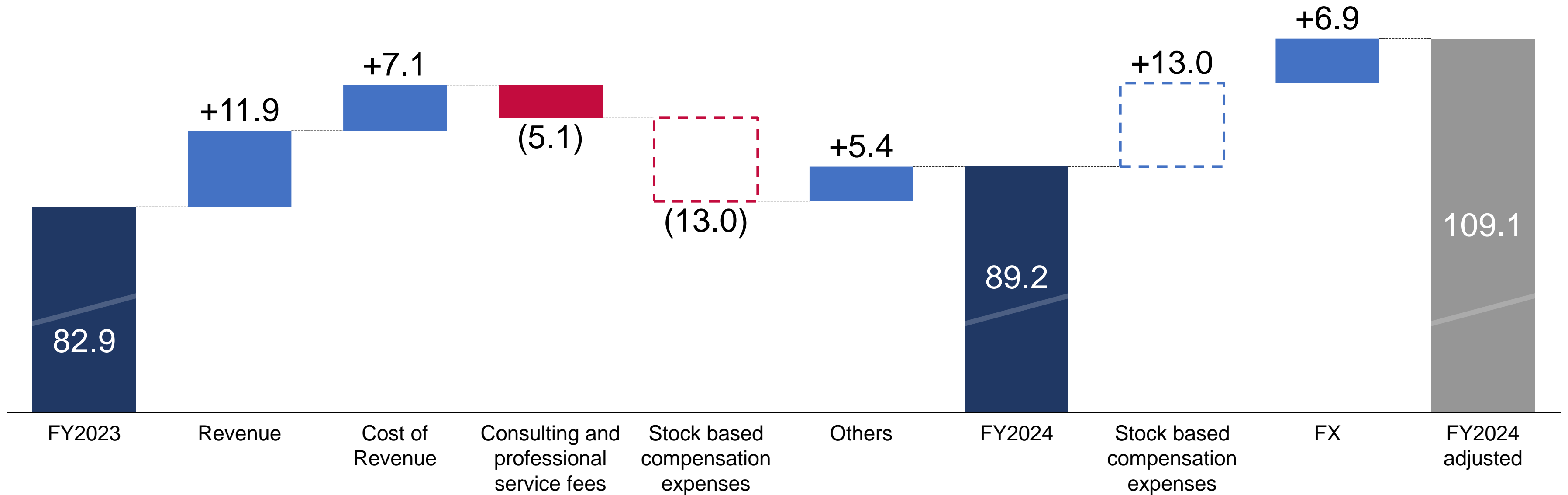
¹Exchange Rate (Year-To-Date Ave.)

FY2023 140.5 JPY/USD
 FY2024 151.4 JPY/USD

EBITDA Growth Driven by Top Line

- Core EBITDA^{1 2} shows steady growth even after one time cost of stock-based compensation stemming from IPO

(mm US\$)



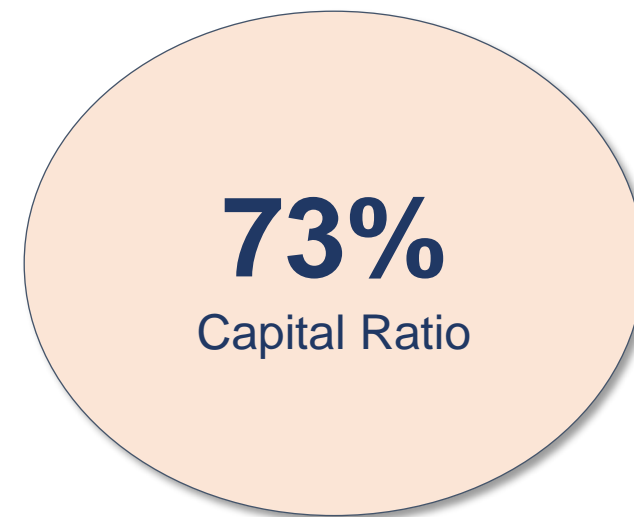
¹ EBITDA = Income from operations + Depreciation and amortizations + Impairment loss

² Exchange Rate (Year-To-Date Ave.)
 FY2023 140.5 JPY/USD
 FY2024 151.4 JPY/USD

Robust Balance Sheet Positioned for Growth

- With ample cash and minimal borrowing, funds are primarily allocated for growth investments

Key Balance Sheet Figures (as of December 31, 2024)



Selected Items from Balance Sheet

| (mm US\$) | Dec 31, 2024 | YoY | Dec 31, 2023 |
|--|--------------|------|--------------|
| | | | |
| Total assets | 266 | +7 | 259 |
| Total current assets | 184 | +19 | 166 |
| Cash and cash equivalent | 125 | +22 | 103 |
| Property and equipment, net | 9 | (5) | 14 |
| Intangible assets, net | 2 | (18) | 20 |
| Total liabilities | 71 | (44) | 115 |
| Current liabilities | 61 | (31) | 92 |
| Total Stockholder's equity | 195 | +51 | 144 |
| SBC Medical Group Holdings Incorporated's stockholders' equity | 195 | +53 | 142 |

Strategic Action for 2025 (Franchisee)

- Supporting flexible pricing strategies for franchise clinics in response to industry changes

Price Revisions in Dermatological Treatments

Dermatology clinics are shifting from insurance to self-funded aesthetics

As aesthetic dermatology becomes more common, prices are decreasing

- Due to frequent discount campaigns at some clinic brands, actual prices have diverged from list prices, making the official pricing appear less competitive
- Strategic price revisions to maintain price competitiveness for select clinic brands (March 2025)**
- Meanwhile, based on the highest-ever number of patient visits, spending on promotional activities is being reduced

Upward Revision of Medical Hair Removal Prices¹

Approximately 20% price increase in response to supply and demand changes in the hair removal market (April 2025)

| Sessions | Current Price | New Price | Rate of price increase |
|----------|---------------|--------------|--------------------------|
| 1 | ¥20,000 | ¥25,000 | + 25% |
| 3 | ¥45,000 | ¥49,500 | + 10% |
| 5 | N/A | ¥53,800 | + 19%² |
| 6 | ¥54,200 | Discontinued | |

¹Comparison of current and new prices for the full-body + VIO course (excluding some franchise clinics)

²Plan change from 6 sessions to 5 sessions, ratio calculation per session

Strategic Response for 2025 (Franchisor)

- In light of the challenging competition, we are revising franchise fees as part of our long-term growth strategy to support franchisees open new clinics, in order to expand and stabilize our business foundation

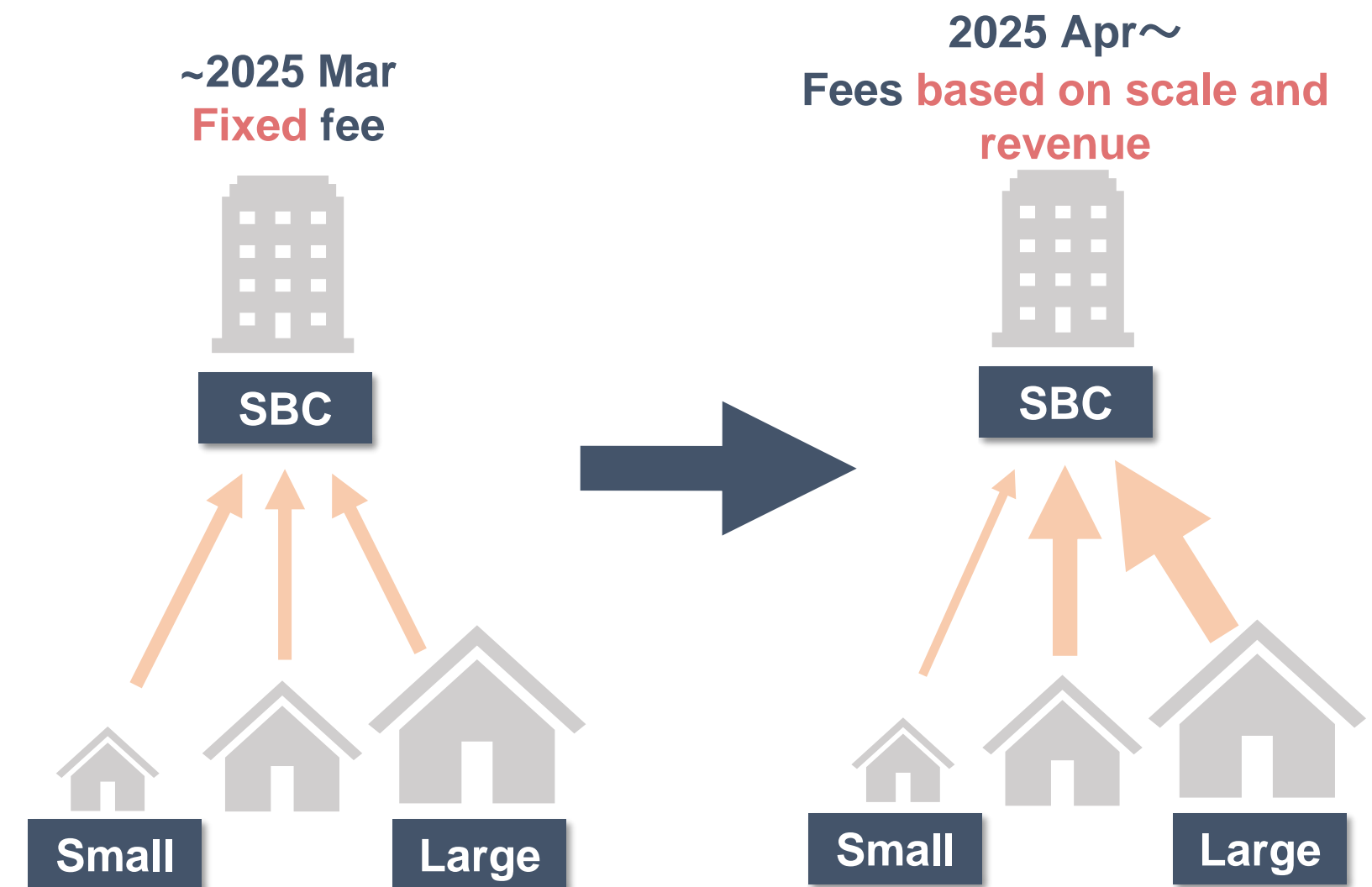
Major Revisions to the Franchise Fee

- **Fee reductions in the first year of opening**
→ Saving initial cost for new clinics with an underdeveloped customer base
- **Fees based on service scale**
→ Adjusting fees according to the scale of SBC's consulting services and the clinic's business size

Estimated Impact

- The revision will be implemented starting from April 2025
- If this revision had been applied starting in April 2024, the estimated negative impact on total revenues would have been c.10%
- The impact for the fiscal year 2025 on total revenues and income from operations remains uncertain

Optimization of Franchise Fees Concept



III. Business Strategies by Segments

Aspiration Towards 2027

Aspiration

- Become a medical service company responding to various customer needs globally, centered on aesthetic medical
- Develop a strong business foundation for overseas business areas which will accelerate our growth going forward

Priority Business Areas

Aesthetic Medical Business

Continued Market Expansion and #1 Market Leadership Positioning

- Market growth the increasing penetration Aesthetic Medical
- Accelerate multi-brand strategy

Medical Business

Growth and Diversification of Revenue Sources

- Orthopedics, Infertility Treatment / Gynecology, Ophthalmology, Alopecia (AGA) etc...

Overseas Business

Accelerating SBC's growth & Foundation building

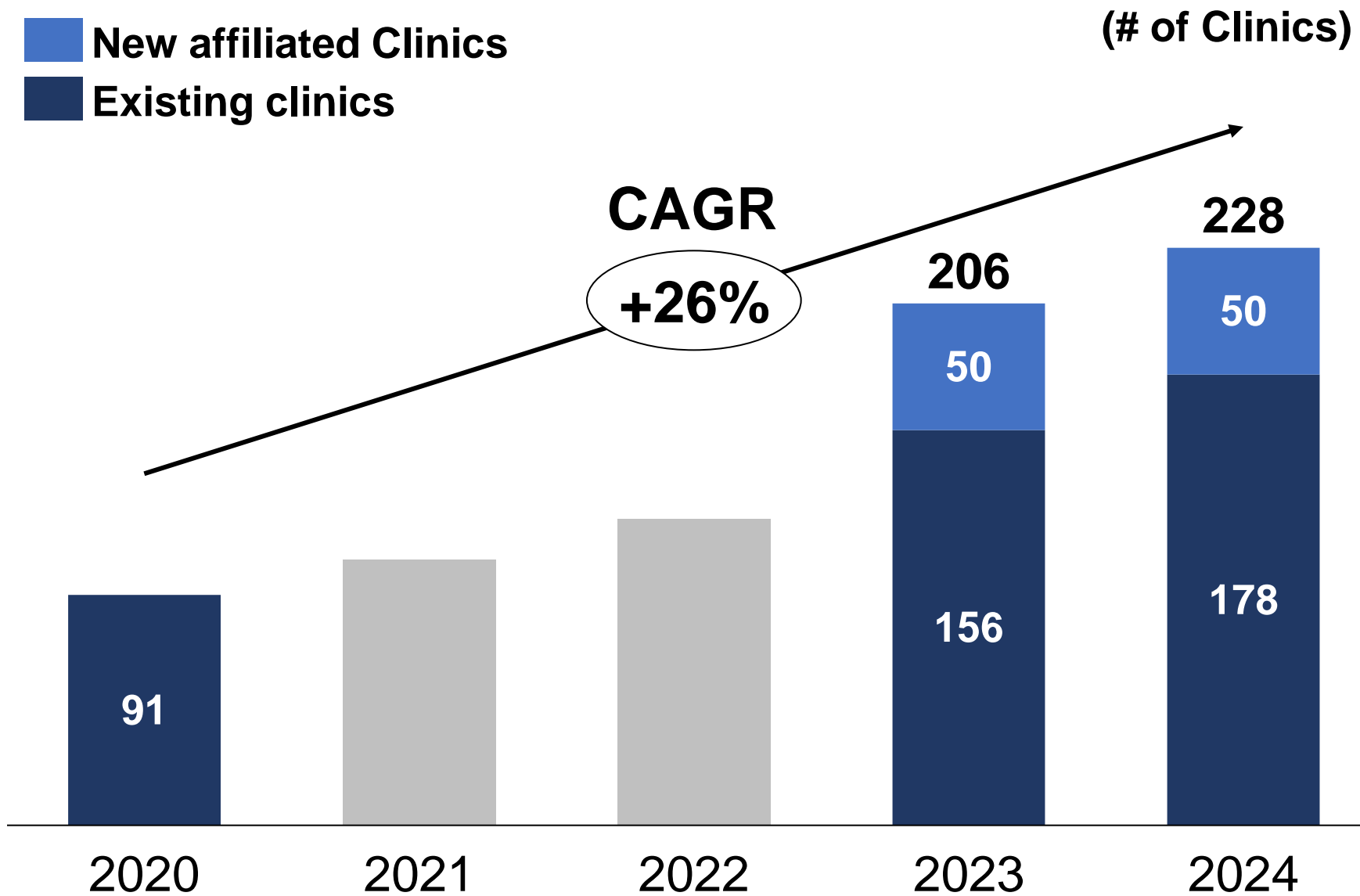
- Overseas: US and SE Asia

Platform Business (B2B Business) leads further expansion of SBC's business domain:
Enterprise services (Employee benefit program), Consulting for self-funded medical services etc...

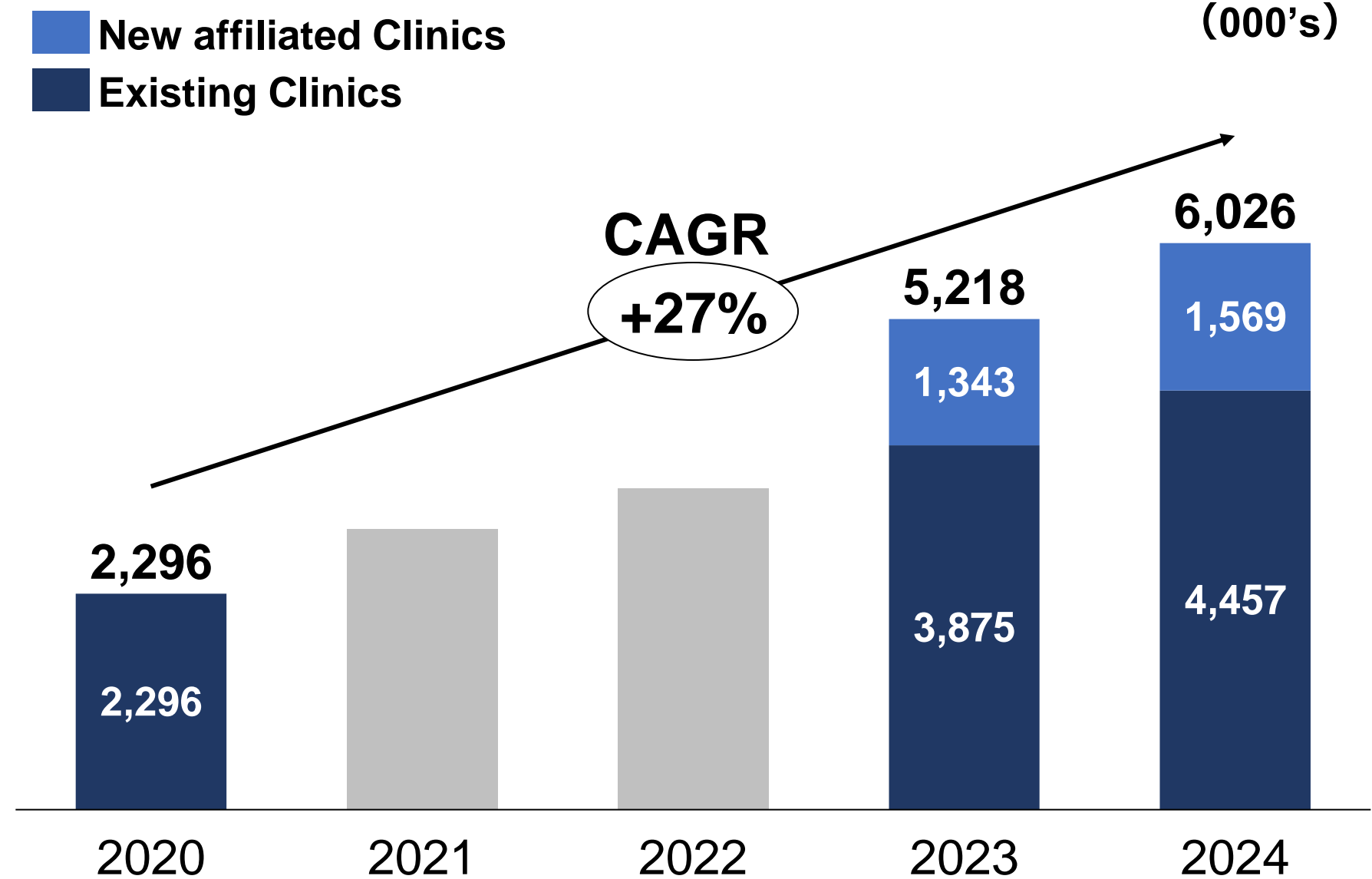
No.1 Aesthetic Medical Group in Japan

- Achieving continuous growth in both clinic and customer numbers for over 20 years
- Market leader in Japan with the largest customer base and clinic network

Historical Trend of # of Clinics¹ (as of December 2024)



Historical Trend of # of Gross Customer^{1 2}



¹ The figure takes into account franchising of SBC brand clinics, Rize Clinic and Gorilla Clinic in Japan

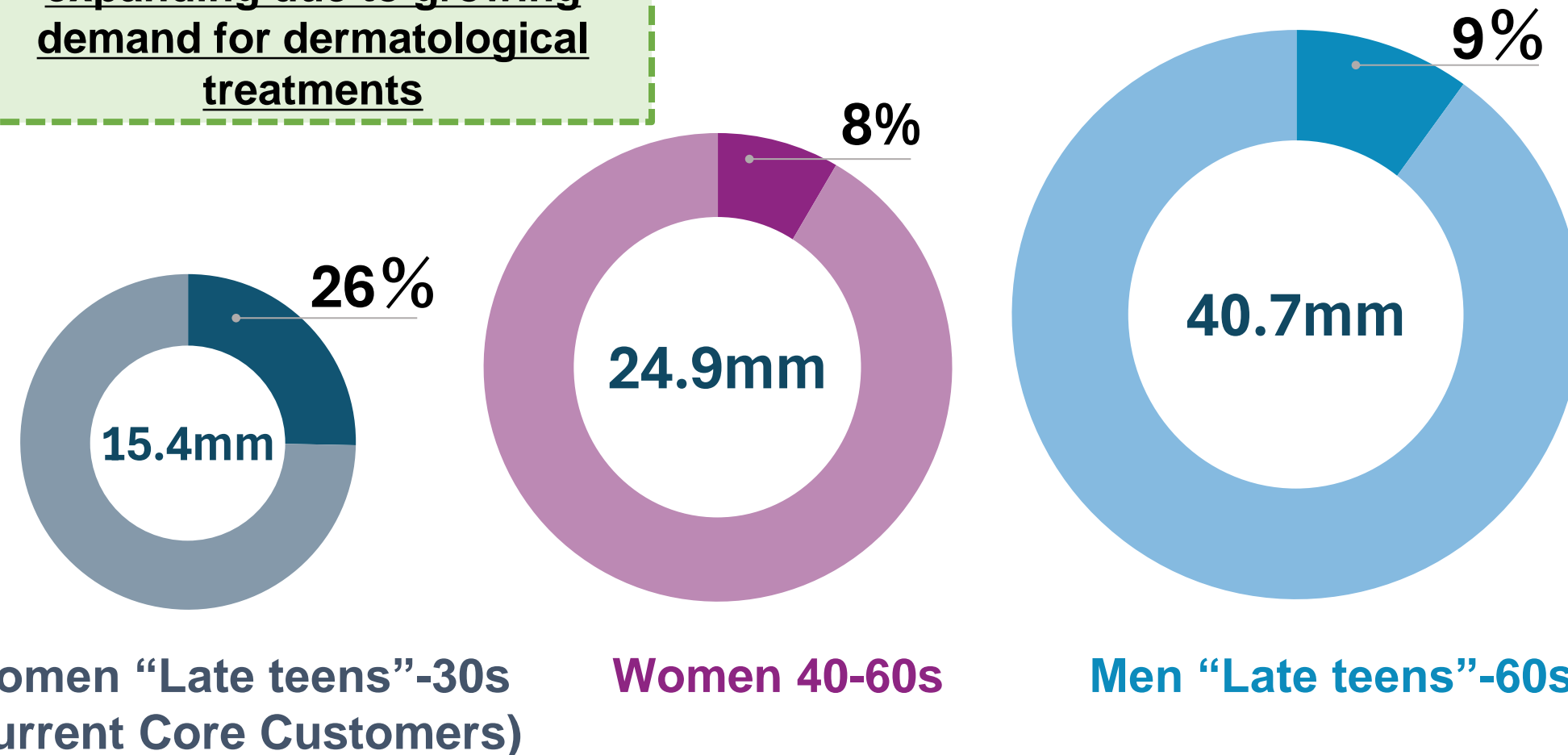
² Excluding Free Counseling

Strong Growth Potential and Room for Expansion

- Aesthetic medicine penetration continues to rise, driven by dermatological treatment growth
- With 12% market penetration, expanding to middle-aged women and men offers significant growth potential

Potential Aesthetic Medical Market/Penetration Rate(%)

Market penetration expanding due to growing demand for dermatological treatments



Source: Company estimates based on data from the Ministry of Internal Affairs and Communications and Recruit Hot Pepper Beauty Academy (Based on the # of patients treated over the last 3 years) as of December 2024

Strategic Initiatives to Expand Market Reach

- To Middle-aged Female Market**
 - Targeted marketing to reach middle-aged women
- To Male Market**
 - Gorilla Clinics for male laser hair removal
- To Capture Dermatology Market Growth**
 - Expand laser hair removal to dermatology services via Rize Clinics
 - Develop dermatology-focused clinics under the SBC brand
 - Specialize in the latest trending dermatology treatments

Location Strategy Aligned with Regional Needs

- Multi-brand strategy in core metropolitan areas to precisely meet diverse customer needs
- Leveraging the SBC brand to establish comprehensive aesthetic clinics in regional cities, catering to diverse customer needs

Core Metropolitan Areas

Multi-brand strategy

- ✓ Expanding a multi-brand strategy to capture diverse customer needs, segmenting price points and services
- ✓ Accelerating new brand launches in the high-growth dermatology sector to capitalize on market expansion

SBC
湘南美容クリニック
美容外科 / 美容皮膚科

SBC
湘南美容皮膚科

NEO SKIN CLINIC

SBC
イテウォンビューティークリニック
美容外科

りぜ

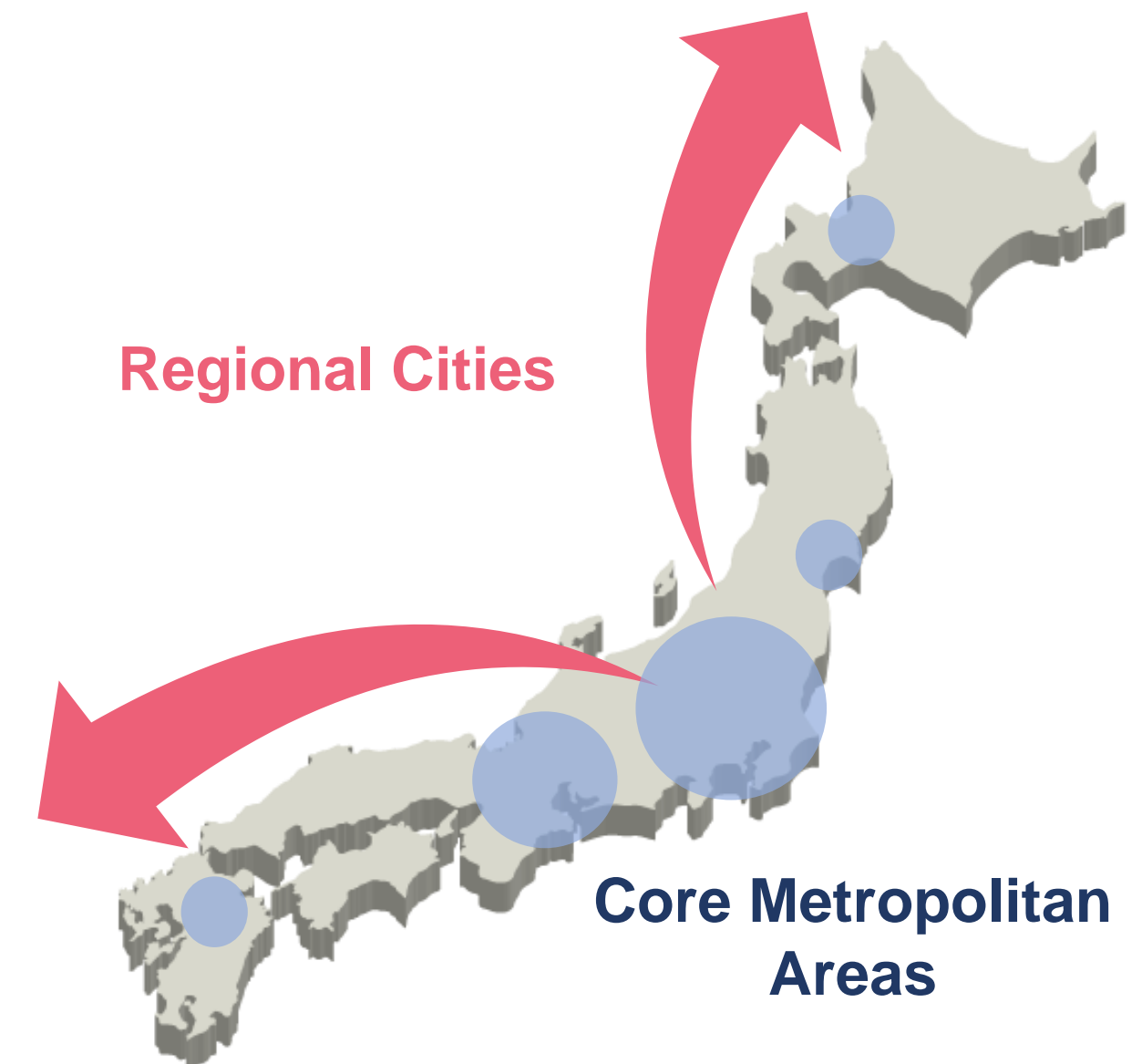
GORILLA CLINIC

Regional Cities

Comprehensive clinic brand "SBC"

Expanding regional network with comprehensive clinics leveraging the SBC brand

SBC
湘南美容クリニック
美容外科 / 美容皮膚科

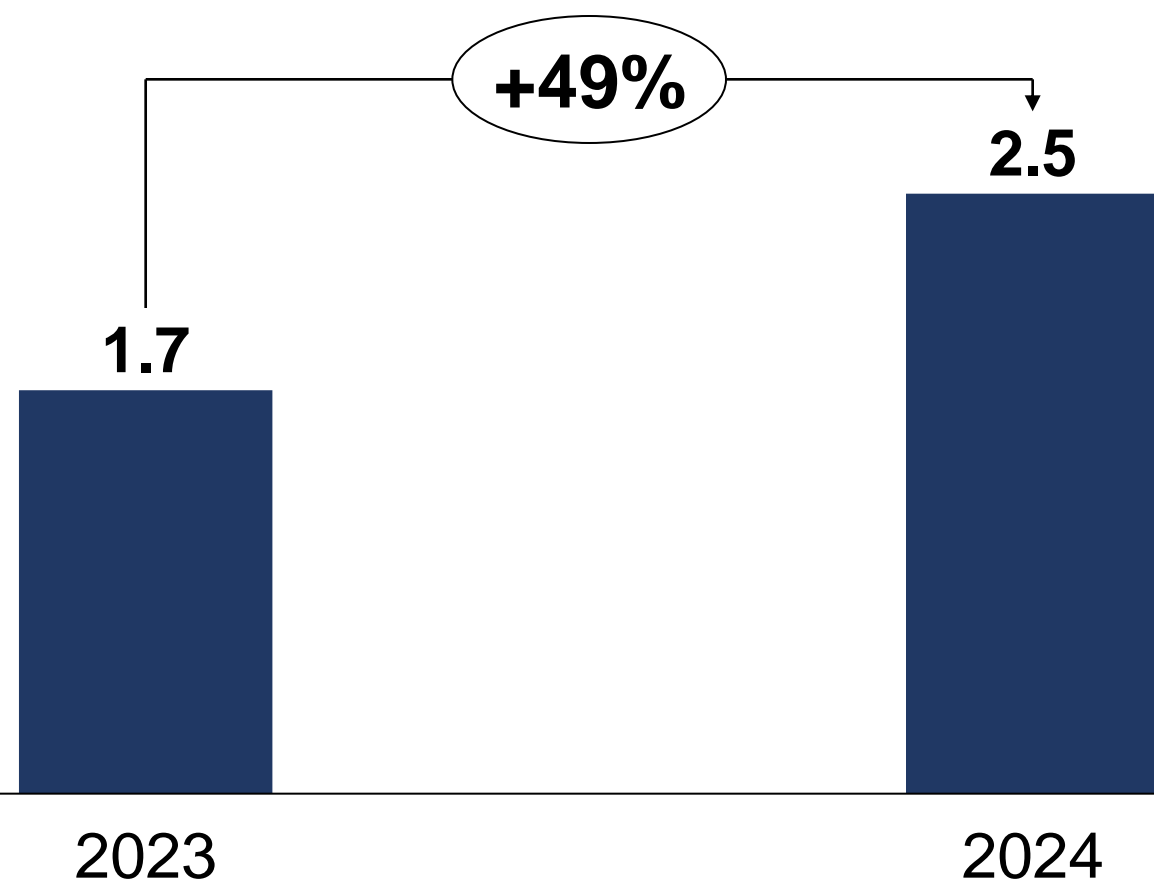


Inbound Strategy

- Driven by demand for Japan's safe, high-quality services, with strong growth led by Chinese customers
- Enhancing multilingual support and leveraging Chinese social media to accelerate customer acquisition

Strong Momentum in Inbound Revenue¹

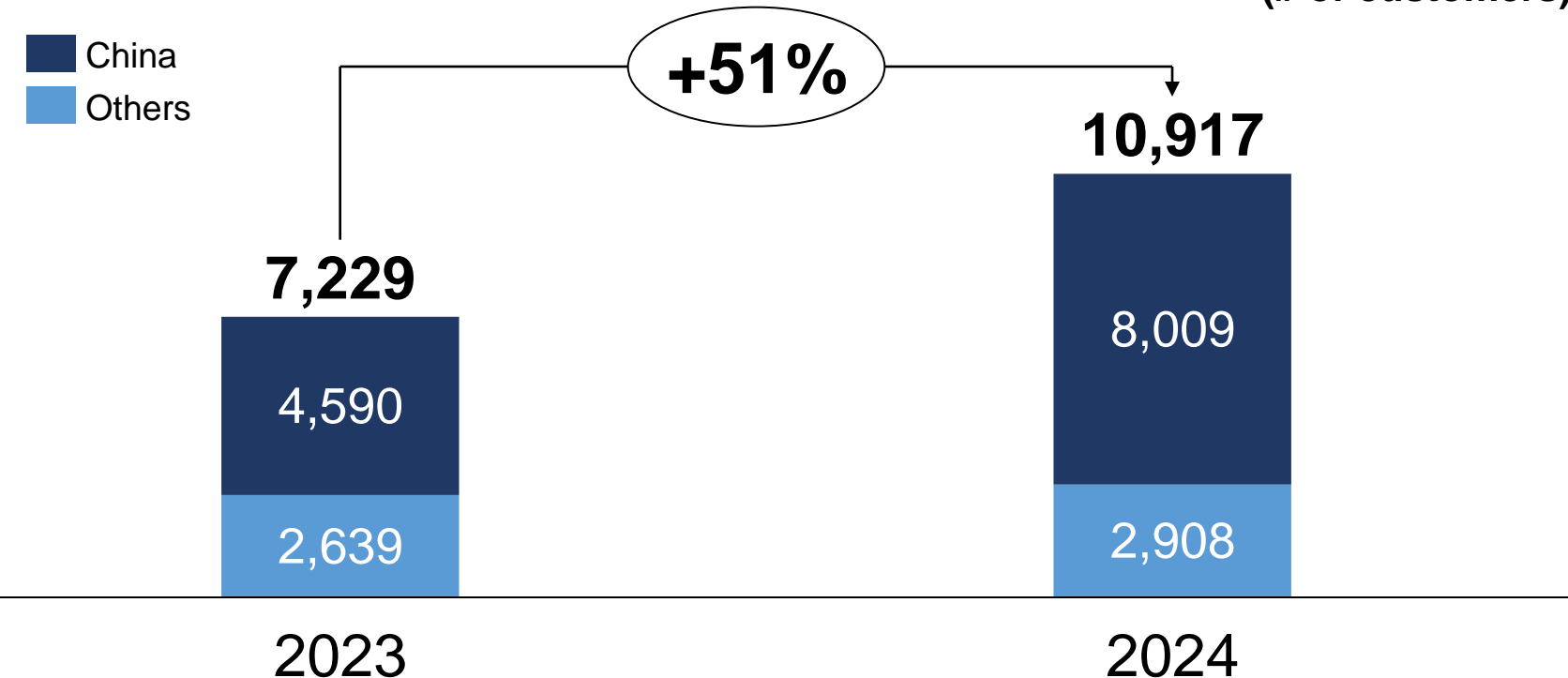
(mm US\$)



¹Calculated at 151.4JPY/1USD

Surging # of Inbound customers

(# of customers)



Key Initiatives of Inbound Strategy



- Inbound-Focused Clinics
- Translation App
- SBC Resort Kijimadaira Clinic

Medical Business Growth and Outlook

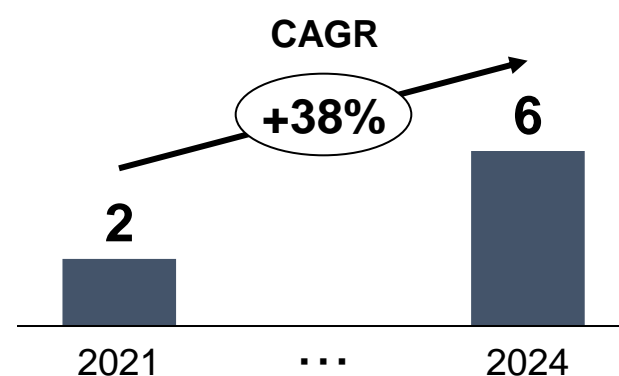
- Expanding into profitable and promising fields such as orthopedics, ophthalmology, infertility treatment / gynecology, and alopecia treatment, leveraging expertise from private healthcare to drive further growth

Growth in the Medical Business

Orthopedics

- Market-leading **short stature treatment** in Tokyo drives growth
- Leveraging expertise in aesthetic medical to expand **joint pain treatment** for further market penetration

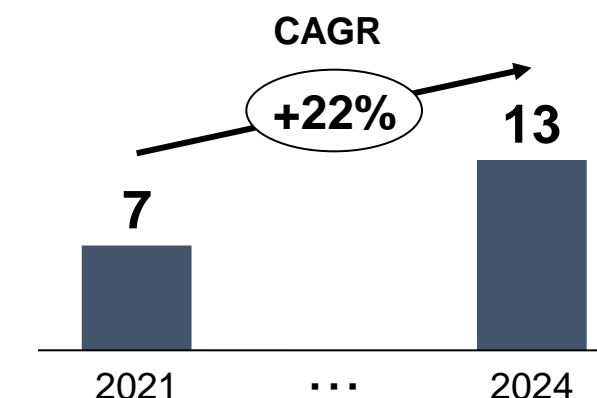
Revenue Trend (mm US\$¹)



Infertility Treatment / Gynecology

- Offering comprehensive reproductive treatments, including egg freezing and ART
- Driving growth through new clinics, with leveraging RLC platform

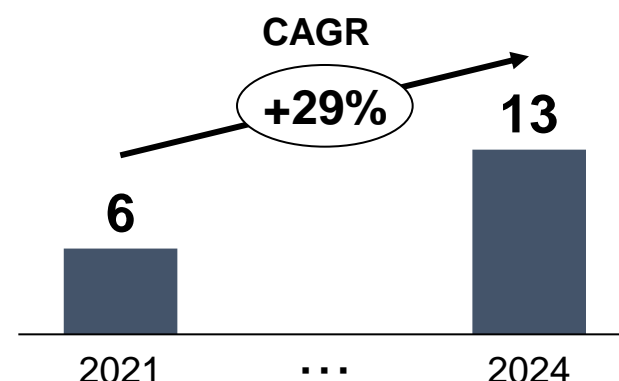
Roppongi Ladies Clinic ("RLC") Revenue Trend (mm US\$¹)



Ophthalmology

- ICL is driving growth as it replaces LASIK in the market.

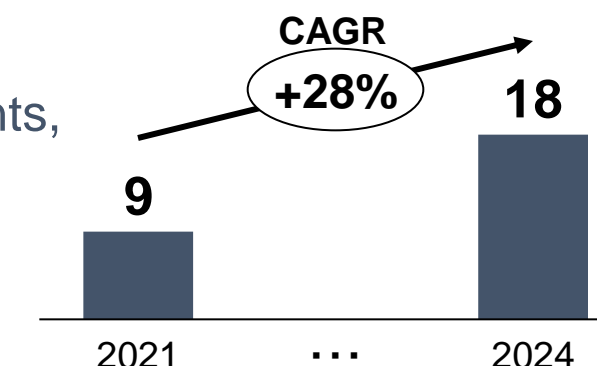
Revenue Trend (mm US\$¹)



Alopecia Treatment

- Largest multi-treatment **AGA network (11 clinics)**, offering medication, hair transplants, and lasers
- Exclusive provider of **FoLix** in Japan, the latest hair growth laser

Alopecia Treatment (Excluding Medication) Revenue Trend (mm US\$¹)



¹Exchange Rate (Year-To-Date Ave.) 151.4 JPY/USD

Future Strategies in the Medical Business

- Beyond franchise expansion, we support insurance-based clinics nationwide adopt self-funded treatments, addressing reimbursement challenges and expanding our customer base

Franchise type



Consulting type



Strategic Initiatives in Overseas Business

- In the US, Exploring a MedSpa and platform launch on the West Coast
- In Asia, Expanding our business using Singapore's AHH, acquired last year, as a regional hub

North Americas
(Mainly in USA)

Asia

Seeking to expand in North Americans

- 1 MedSpa Group Business
West Coast expansion via M&A
- 2 Expansion of Medical Operations Platform Business
Strengthening and Globalizing Franchise Services through M&A

Seeking to expand in Asia

- 1 Expanding Southeast Asia operations with AHH Inc. as a hub
 - Positioning it as our base for Asian expansion
 - This acquisition increases SBC's overseas locations to 23
- 2 Expansion of the North American platform to Asia (in the future)

Acquired Aesthetic Healthcare Holdings ("AHH") in November 2024, operating 4 beauty and aesthetic brands with 21 locations in Singapore

Chelsea
THE CHELSEA CLINIC

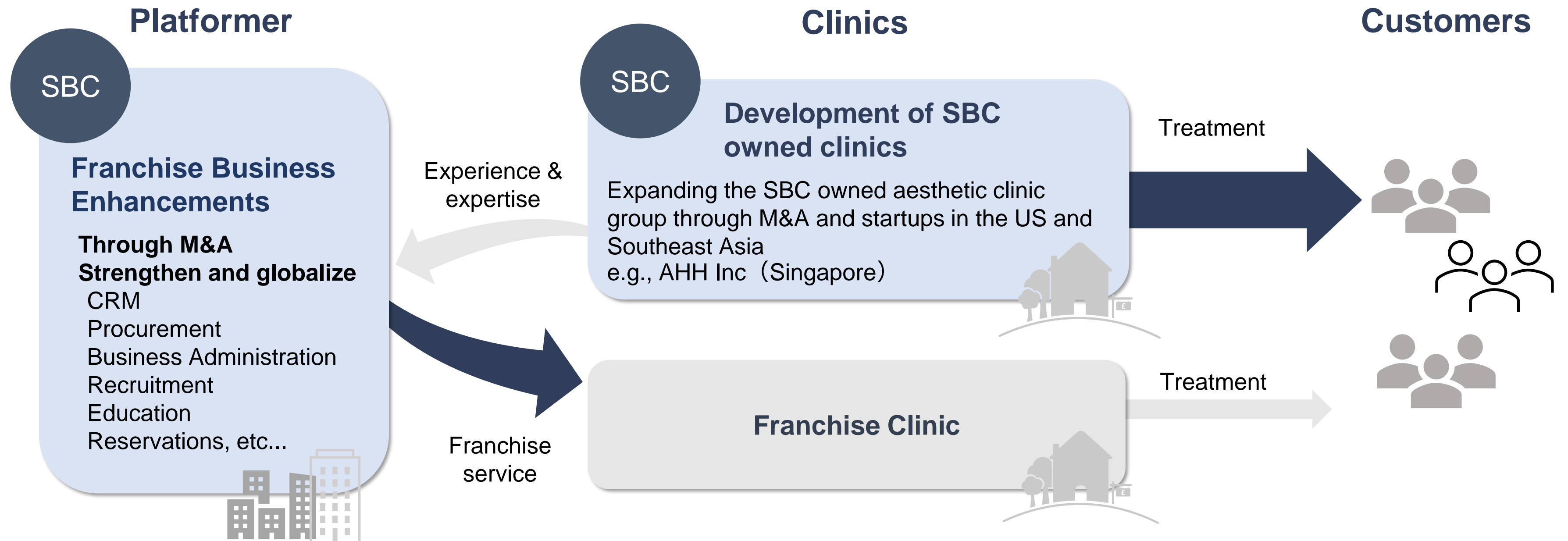
gangnam
laser clinic

SkinGO!



Overseas Business: Overall Strategy

- Build a solid business foundation by 2027, focusing on the U.S. and Southeast Asia
- Accelerating expansion via dual engines: SBC owned clinics and a high-growth franchise strategy



Recent Initiatives

- SBC accelerates growth with new initiatives: launching “SBC Wellness” and partnering with B4A Inc. to enhance franchise services

SBC Wellness (employee benefits program)

- Launched the employee benefits program 'SBC Wellness' in November 2024 with 7 partner companies
- Building on our track record in corporate health management and preventive care to offer enhanced employee support

(Example of partners)

- Apparel brand operator (# of employees c.6,600)
- Online insurance company (# of employees c.550)
- Apparel retailer (# of employees c.1,700)



of employees c.1,170



of employees c.70

Alliance with B4A Inc.,

- In September 2024, announced a business alliance with B4A Inc., a provider of DX tools for aesthetic medicine
- Promoting DX across the entire self-funded medical care area using B4A's DX technology and expertise



¹Listed on each company's website

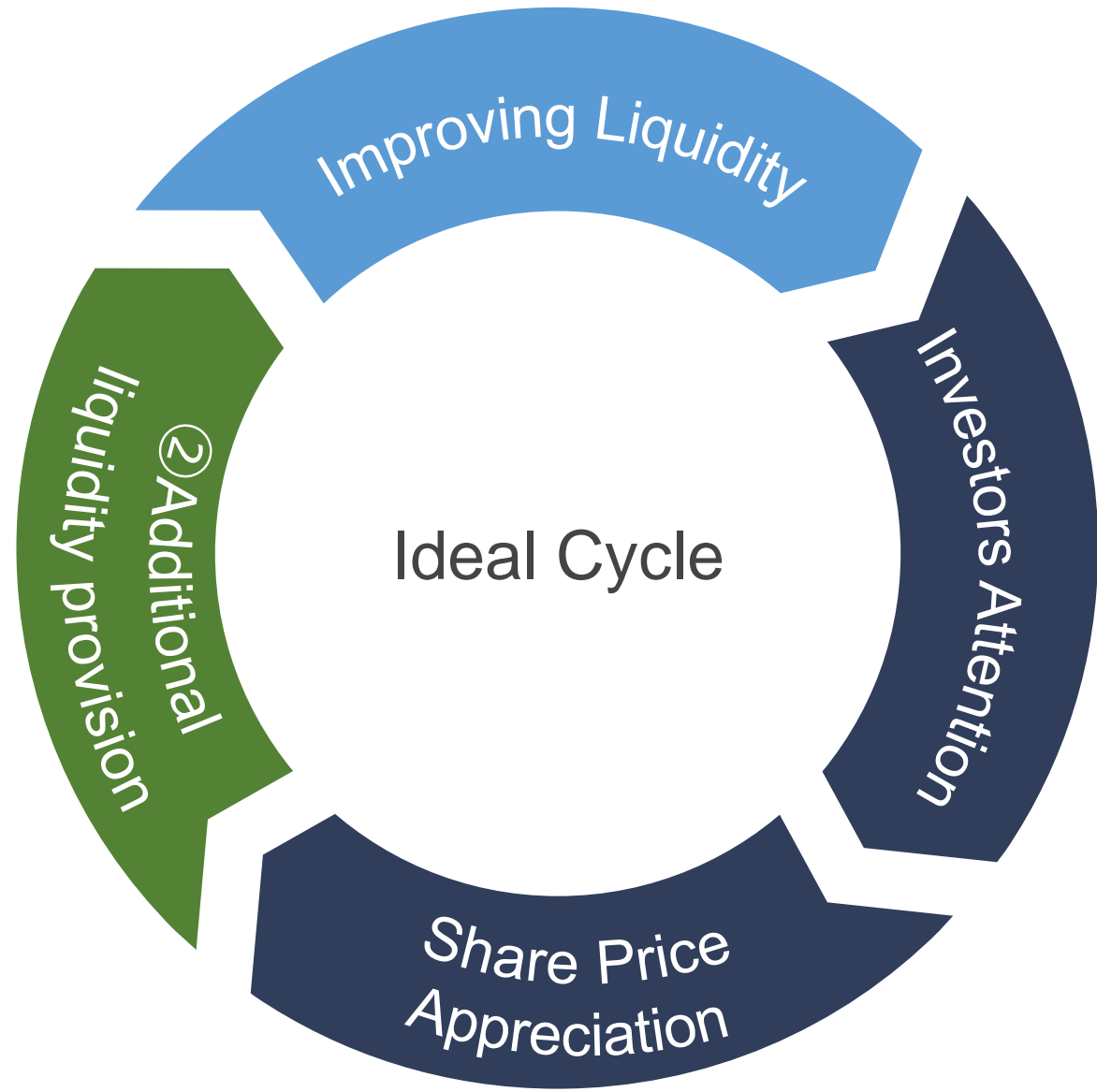
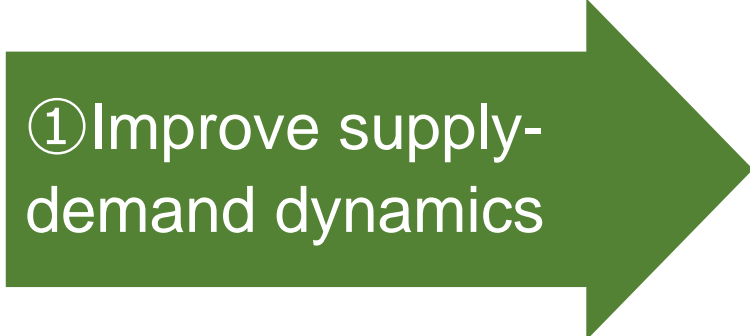
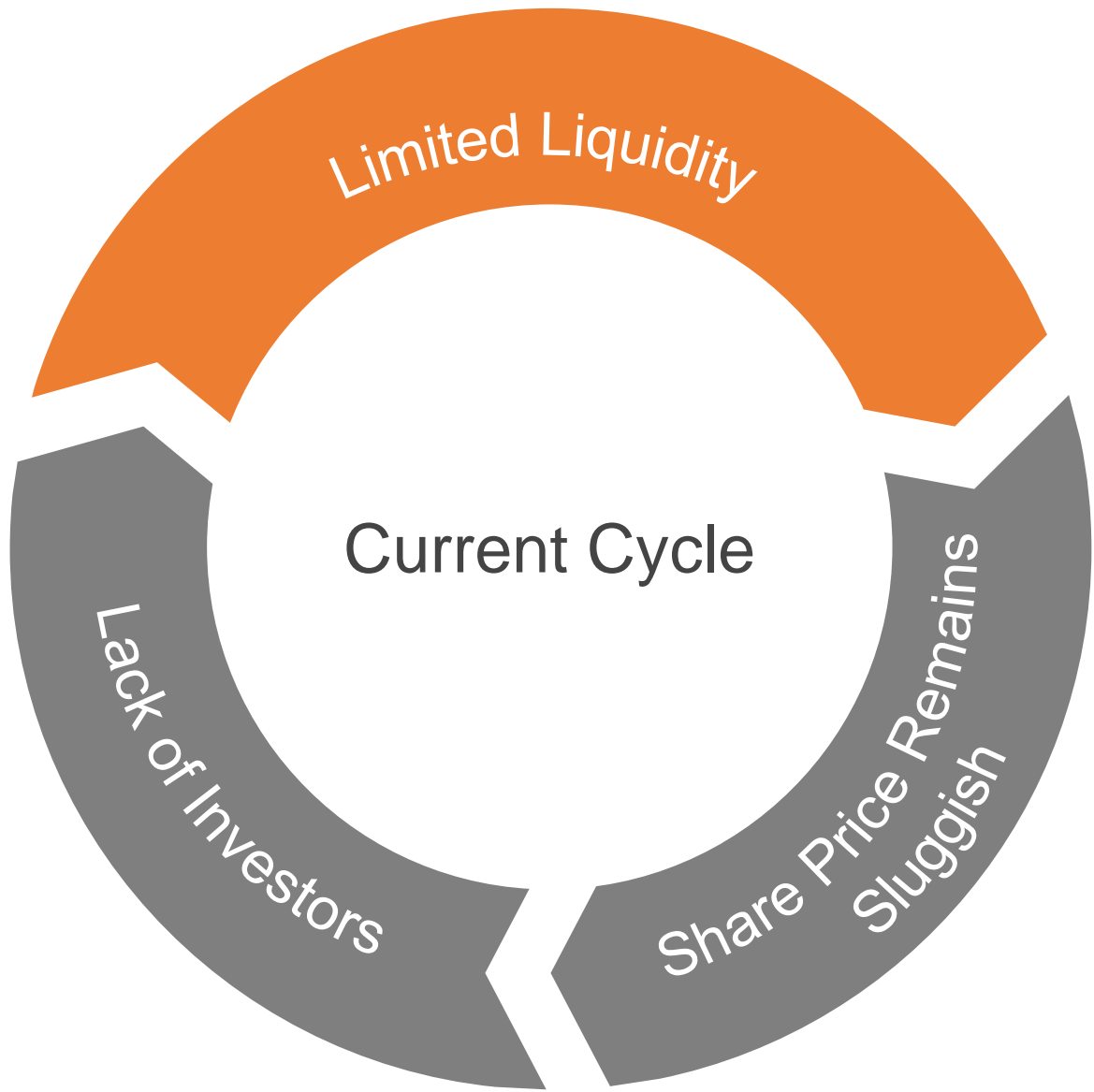
IV. Capital Strategy

Current Challenges of SBC's Shares

- Low stock liquidity makes trading difficult for institutional investors. ① Improve supply-demand dynamics and ② consider adding liquidity to ensure fair valuation

Current Challenge on SBC's Shares

Ideal Progression for our Capital Situation



Exploring Strategic Actions in Capital Markets¹

- Exploring all measures to boost liquidity and attract investor interest
- Focusing on improving both stock price and liquidity with timely and effective actions

① Efforts to improve supply-demand dynamics

- Exploring new major shareholders
- Share buybacks
- Dividends

② Efforts to additional liquidity provision

- Founder Share Sale & Block Trade
- New Share Issuance
- Warrant Exchange (Stock Consideration)

③ Virtuous cycles of stock liquidity and valuation

¹The discussion of certain capital market actions on this slide is purely illustrative and does not constitute a commitment or obligation to undertake any such actions. These references are intended solely to provide context for potential strategic considerations and may not reflect actual future decisions or outcomes. The company will explore its options based on evolving capital market needs, market conditions, and other relevant factors

Appendix

Group Structure and Business Model

- SBC provides comprehensive consulting and management services to the medical corporations and their clinics through a franchise model

US

SBC Medical Group Holdings, Inc.

Total Revenue: **US\$205mm** in FY2024

Japan

100%

SBC Medical Group Co., Ltd.

Consulting and Marketing Solutions

Administrative Services

Procurement Services

Medical Equipment Leasing

Our Major Services

Franchise fee

Management/operational services

Franchise Clinics

Total Revenue: **US\$1.1bn** in FY2024

Dermatology

Aesthetic Surgery

Hair Removal

Orthopedics

Ophthalmology

Alopecia Treatment (AGA)

Fertility Treatment

Dentistry and Others

Business Segment Overview

- SBC offers a diverse range of brands and is expanding beyond Aesthetic Medical Business into Medical Business, Overseas Business, and platform businesses.



Income Statement (Consolidated)

| Income Statement | | | | | | |
|--|------|-------|------|------|-------|------|
| (mm US\$) | FY24 | | FY23 | 24Q4 | | 23Q4 |
| | | % YoY | | | % YoY | |
| Total revenues | 205 | +6% | 194 | 44 | (29)% | 62 |
| Franchising Revenue | 61 | +45% | 42 | 16 | (6)% | 17 |
| Procurement Revenue | 55 | +3% | 53 | 11 | (43)% | 19 |
| Management Services Revenue | 53 | (27)% | 72 | 9 | (54)% | 19 |
| Rental Services Revenue | 16 | +120% | 7 | 5 | +86% | 3 |
| Other Revenues | 20 | +9% | 19 | 5 | (20)% | 6 |
| Cost of Revenues | 49 | (12)% | 56 | 11 | (44)% | 19 |
| Gross Profit | 156 | +14% | 137 | 34 | (22)% | 43 |
| Operating expenses | 86 | +29% | 67 | 29 | +50% | 19 |
| Income from operations | 70 | (1)% | 71 | 5 | (80)% | 24 |
| Net income attributable to SBC Medical Group Holdings Incorporated | 47 | +18% | 39 | 7 | (54)% | 14 |

| Operating Expenses | | | |
|--|------|-------|------|
| (mm US\$) | FY24 | | FY23 |
| | | % YoY | |
| Total operating expenses | 86 | +29% | 67 |
| Salaries and welfare | 27 | (0)% | 27 |
| Depreciation and amortization expense | 2 | (79)% | 11 |
| Consulting and professional service fees | 15 | +54% | 9 |
| Office, utility and other expenses | 7 | (24)% | 9 |
| Other | 35 | +233% | 11 |

Balance Sheet (Consolidated)

| (mm US\$) | Dec 31, 2024 | YoY | Dec 31, 2023 |
|--|---------------------|------------|-----------------|
| | Total assets | 266 | 7 |
| Total current assets | 184 | +19 | 166 |
| Cash and cash equivalent | 125 | +22 | 103 |
| Account receivable – related parties | 29 | (5) | 34 |
| Customer loans receivable | 10 | +2 | 8 |
| Other assets | 20 | (1) | 21 |
| Total non-current assets | 82 | (11) | 93 |
| Property and equipment, net | 9 | (5) | 14 |
| Intangible assets, net | 2 | (18) | 20 |
| Customer loans receivable | 5 | (1) | 6 |
| Long-term investments in MCs – related parties | 18 | (2) | 20 |
| Other assets | 48 | +15 | 33 |

| (mm US\$) | Dec 31, 2024 | YoY | Dec 31, 2023 |
|--|--------------------------|------------|-----------------|
| | Total liabilities | 71 | (44) |
| Total current liabilities | 61 | (31) | 92 |
| Accounts payable | 14 | (13) | 27 |
| Notes payable –related parties | 0 | (3) | 3 |
| Advances from customers – related parties | 12 | (11) | 23 |
| Income tax payable | 19 | +10 | 9 |
| Other current liabilities | 17 | (14) | 31 |
| Total non-current liabilities | 10 | (13) | 23 |
| Notes payable – related parties | 0 | (12) | 12 |
| Other non-current liabilities | 10 | (1) | 11 |
| Stockholder's equity | 195 | +51 | 144 |
| SBC Medical Group Holdings Incorporated's stockholders' equity | 195 | +53 | 142 |

Cash Flows (Consolidated)

| (mm US\$) | FY24 | % YoY | FY23 |
|---|---|--------|-------|
| | Net cash provided by operating activities | 21 | (59)% |
| Net cash provided by (used in) investing activities | (10) | (633)% | 2 |
| Net cash provided by financing activities | 23 | +274% | 6 |
| Effect of changes in foreign currency exchange rate | (11) | 56% | (7) |
| Net increase in cash and cash equivalents | 22 | (57)% | 51 |
| Cash and cash equivalents as of the beginning of the period | 103 | +99% | 52 |
| Cash and cash equivalents as of the end of the period | 125 | +21% | 103 |

Reconciliation Table on Non-GAAP Financials

| | (mm US\$) | <u>FY24</u> | <u>FY23</u> | <u>24Q4</u> | <u>23Q4</u> |
|------------------|--|-------------|-------------|-------------|-------------|
| (A) | Total revenues | 205 | 194 | 44 | 62 |
| (B) | Income from operations | 70 | 71 | 5 | 24 |
| (C) | Depreciation and amortization expense | 4 | 12 | 1 | 3 |
| (D) | Impairment loss | 15 | - | 15 | - |
| (E) =(B)+(C)+(D) | EBITDA | 89 | 83 | 21 | 27 |
| (F) =(E) / (A) | EBITDA Margin | 43% | 43% | 47% | 43% |

Our Philosophy

- Our purpose is to improve the well-being of people around the world with the latest medical innovations and achieve the ultimate win-win for all



Dr. Yoshiyuki Aikawa

Founder, Director (Chairman) & Chief Executive Officer



Our Vision

- To achieve further growth in Japan and overseas, we will expand our clinic network
- By continuing to focus on the research and development of new medical technologies, medical devices, and cosmetics, we aim to increase our global presence with the listing on NASDAQ and establish ourselves as a leader in the healthcare industry

2025



Achieved !

Be the aesthetic medical group with the most customers in Japan

2035



Be the medical group with the most customers in Japan

2050

Be the medical group with the most customers in the world



Thank you

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