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## Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

August 10, 2023

Company name: Menicon Co., Ltd.  
Stock exchange listing: Tokyo, Nagoya  
Code number: 7780  
URL: <https://www.menicon.com>

Representative: Koji Kawaura

President and COO

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Scheduled date of filing quarterly securities report: August 10, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: None

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

|                                  | Net sales       |      | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |        |
|----------------------------------|-----------------|------|------------------|--------|-----------------|--------|-----------------------------------------|--------|
|                                  | Millions of yen | %    | Millions of yen  | %      | Millions of yen | %      | Millions of yen                         | %      |
| Three months ended June 30, 2023 | 28,446          | 6.0  | 2,617            | (23.6) | 2,392           | (27.6) | 1,577                                   | (25.6) |
| June 30, 2022                    | 26,844          | 11.5 | 3,428            | 34.4   | 3,306           | 27.7   | 2,121                                   | 25.4   |

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 3,450 million [ (0.9)%]  
Three months ended June 30, 2022: ¥ 3,481 million [ 69.7%]

|                                  | Basic earnings per share | Diluted earnings per share |
|----------------------------------|--------------------------|----------------------------|
| Three months ended June 30, 2023 | Yen<br>20.75             | Yen<br>19.18               |
| June 30, 2022                    | 27.98                    | 25.84                      |

#### (2) Consolidated Financial Position

|                     | Total assets               | Net assets                | Capital adequacy ratio |
|---------------------|----------------------------|---------------------------|------------------------|
| As of June 30, 2023 | Millions of yen<br>171,871 | Millions of yen<br>76,341 | 43.1%                  |
| March 31, 2023      | 152,522                    | 74,665                    | 47.5                   |

(Reference) Equity: As of June 30, 2023: ¥ 74,155 million  
As of March 31, 2023: ¥ 72,460 million

### 2. Dividends

|                                              | Annual dividends |                 |                 |              |              |
|----------------------------------------------|------------------|-----------------|-----------------|--------------|--------------|
|                                              | 1st quarter-end  | 2nd quarter-end | 3rd quarter-end | Year-end     | Total        |
| Fiscal year ended March 31, 2023             | Yen<br>-         | Yen<br>0.00     | Yen<br>-        | Yen<br>25.00 | Yen<br>25.00 |
| Fiscal year ending March 31, 2024            | -                | -               | -               | -            | -            |
| Fiscal year ending March 31, 2024 (Forecast) | -                | 0.00            | -               | 25.00        | 25.00        |

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

|           | Net sales       |     | Operating profit |     | Ordinary profit |     | Profit attributable to owners of parent |     | Basic earnings per share |
|-----------|-----------------|-----|------------------|-----|-----------------|-----|-----------------------------------------|-----|--------------------------|
|           | Millions of yen | %   | Millions of yen  | %   | Millions of yen | %   | Millions of yen                         | %   | Yen                      |
| Full year | 116,000         | 5.3 | 12,300           | 2.0 | 12,000          | 2.1 | 7,600                                   | 3.0 | 99.94                    |

(Note) Revision to the financial results forecast announced most recently: None

\* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023  
(changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2023: 76,564,388 shares

March 31, 2023: 76,527,888 shares

2) Number of treasury shares at the end of the period:

June 30, 2023: 529,791 shares

March 31, 2023: 553,319 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 76,006,672 shares

Three months ended June 30, 2022: 75,799,006 shares

(Note) The Company's shares held by "Stock Benefit Trust (Employee Shareholder Association Purchase-Type)" are included in treasury shares, which are used in calculating the total number of treasury shares at the end of the period and deducted in calculating the average number of shares during the period.

\* **This summary of financial results is exempt from audit procedures.**

\* **Explanation regarding appropriate use of business results forecasts and other special instructions**

- Forecasts regarding future performance presented in this material include the outlook for the future, assumptions on which the plan is based, and projections as of the date of announcement of this material. Actual results may differ from the forecasts presented in this material due to various factors.
- For matters concerning the forecast of business results, please refer to "1. Qualitative Information on Quarterly Financial Results for the Period under Review (3) Explanation of Consolidated Business Results Forecast and Other Forward-looking Information" on Page 4 of the appendix.

## Table of contents of appendix

|                                                                                                       |    |
|-------------------------------------------------------------------------------------------------------|----|
| 1. Qualitative Information on Quarterly Financial Results for the Period under Review .....           | 2  |
| (1) Explanation of Business Results .....                                                             | 2  |
| (2) Explanation of Financial Position .....                                                           | 4  |
| (3) Explanation of Consolidated Business Results Forecast and Other Forward-looking Information ..... | 4  |
| 2. Quarterly Consolidated Financial Statements and Notes.....                                         | 5  |
| (1) Quarterly Consolidated Balance Sheets.....                                                        | 5  |
| (2) Quarterly Consolidated Statements of Income and Comprehensive Income.....                         | 7  |
| (3) Notes to Quarterly Consolidated Financial Statements .....                                        | 9  |
| (Notes on going concern assumption) .....                                                             | 9  |
| (Notes on significant changes in amount of shareholders' equity).....                                 | 9  |
| (Additional information).....                                                                         | 9  |
| (Segment information).....                                                                            | 10 |

## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Business Results

Under the slogan “New vision of ‘Miru’ for the world,” laid out in the current medium-term management plan, “Vision 2030,” we are forging ahead with growth strategies designed to realize “increasing overseas sales,” “increasing sales of daily disposable contact lenses,” “further expanding MELS Plan,” and “expanding the healthcare and life care business.”

Performances in each business are as follows.

#### [Domestic Vision Care Business]

The domestic contact lens market is seeing demand growing due mainly to an increase in occasions to go out as restrictions on movements were relaxed. On the back of an increase in the myopic population and other factors, demand for daily disposable contact lenses that use highly safe silicone hydrogel materials is rising, while demand for bifocal contact lenses continues to grow due to the aging of existing users.

According to the Group’s policy, in the Domestic Vision Care Business, we are aiming to expand the market share of daily disposal contact lenses, increase the number of MELS Plan members, and have our customers become loyal customers. In the growth category of daily disposable contact lenses, although the supply is remained insufficient to meet the growth in demand, we have worked to expand the supply capacities through capital investment and other measures. As for the MELS Plan, we launched a new subscription campaign for students in line with the high demand season of spring when new school year begins as well as a campaign that encourages new customers to join through referrals from existing members, in a bid to increase the number of MELS Plan members. Furthermore, we released a soft contact lens cleaning and disinfecting solution, epica Smart clean, which is also available through our care products delivery service for MELS Plan members, Care Plus, thus enhancing the value of our services for MELS Plan members through further expansion of the product line-up.

#### [Overseas Vision Care Business]

The overseas contact lens market continues to recover overall, although it is subject to prolonged inflation and the destabilization of the supply chain.

According to the policy of “increasing overseas sales” as proclaimed in the medium-term management plan, “Vision 2030,” the Overseas Vision Care Business is expediting its growth strategies through business activities that cater to the different demands in different regions.

In China, the spread of COVID-19 infections following the practical lifting of the zero-Covid policy caused economic activity to stagnate and consumption of contact lenses-related products to decline, while the impact on sales of orthokeratology lenses and care products showed signs of easing. In the Chinese market, with the main policy to strengthen the orthokeratology lenses-related business, we teamed up with distributors to expand sales and proceeded with preparations for the launch of “Menicon Z Night,” the second orthokeratology lens from the Group there.

In Europe and North America, the lingering impact of global inflation and rising energy and materials prices stemming from the Ukraine-Russia conflict left the supply chain unstable. Yet, demand continued to recover in the market of contact lenses and care products, we have advanced our growth strategies while balancing supply and demand. In Europe and North America in particular, we forged ahead with the development of new distribution channels and the strengthening of relationships with existing ones in order to increase sales of disposable contact lenses. We also focused on sales promotion and introduction of our private branded products to major mass retailers, as part of our efforts to expand sales of daily disposable contact lenses and other lines.

[Other Businesses]

The healthcare and life care businesses are working on taking up the challenge to enter new areas that create health support and joy for people through the five senses.

For the food business and composting-related business, we focused on the expansion of sales channels mainly outside of Japan. For the food business, we strengthened our sales structure to expand sales in China and achieved sales mainly for made-in-Japan products.

As a result of these efforts, the Group's consolidated business results for the three months ended June 30, 2023 were as follows.

Despite partially affected by the spread of COVID-19 infections in China, net sales increased by 6.0% year on year to ¥28,446 million, due to steady overseas sales. Operating profit decreased by 23.6% year on year to ¥2,617 million, mainly owing to a rise in the cost of sales due to soaring electricity charges and other energy prices and an increase in investment expenses for preparation of new plant operation, reinforcement of new product development, and strengthen the sales systems. Ordinary profit decreased by 27.6% year on year to ¥2,392 million mainly due to increases in interest expenses and bond issuance costs. As a result of the above factors, profit attributable to owners of parent decreased by 25.6% year on year to ¥1,577 million.

The increase in the investment expenses was in line with our schedule and will contribute to the realization of the Group's "Vision 2030" and the enhancement of our competitive edge over the long term. In addition, the consolidated business results forecast for the full year ending March 31, 2024 is unchanged from the forecast announced on May 15, 2023.

Business results by segment are as follows.

1) Vision Care Business

Sales of the Vision Care Business were ¥26,019 million, an increase of 3.7% year on year. Segment profit was ¥4,198 million, a decrease of 10.1% year on year. The details are as follows.

Sales of the Vision Care Business increased by ¥931 million year on year. Overseas sales increased by ¥715 million mainly due to expanded sales of daily disposable contact lenses in Europe and North America. Domestic sales increased by ¥216 million, mainly due to growth in the membership of MELS Plan for daily disposable contact lenses, which have higher average spending per customer.

Segment profit decreased by ¥472 million year on year, mainly due to soaring energy prices and the increase in the cost of labor.

2) Other

Sales of Other business were ¥2,427 million for the three months ended June 30, 2023, an increase of 38.1% year on year, due mainly to an increase in overseas sales in the Food Business. Segment loss was ¥156 million, compared with a segment loss of ¥149 million for the same period of the previous year.

## (2) Explanation of Financial Position

### (Assets)

Total assets at the end of the first quarter of the fiscal year under review were ¥171,871 million, having increased by ¥19,349 million from the end of the previous fiscal year. Current assets increased by ¥11,245 million to ¥88,946 million mainly owing to an increase in cash and deposits resulting from the issuance of bonds. Non-current assets increased by ¥8,104 million to ¥82,925 million primarily due to the manufacturing factory building and facilities investments in Menicon Malaysia in order to expand the product capacity for daily disposable contact lenses.

### (Liabilities and net assets)

Liabilities increased by ¥17,673 million from the end of the previous fiscal year to ¥95,530 million mainly due to the issuance of bonds. Net assets increased by ¥1,675 million year on year to ¥76,341 million mainly due to an increase in foreign currency translation adjustments related to overseas subsidiaries as a result of yen depreciation.

As a result, the capital adequacy ratio was 43.1%.

## (3) Explanation of Consolidated Business Results Forecast and Other Forward-looking Information

Business results for the three months ended June 30, 2023 saw, net sales and gross profit were generally steady relative to the consolidated business results forecast for the full year ending March 31, 2024. While sales activities of orthokeratology lens-related products stagnated due to the impact of COVID-19 infection in China, sales of disposable contact lenses and care products expanded in Europe and North America. Operating profit progressed slower than expected due to an increase in selling, general and administrative expenses, including investment expenses for the preparation of new factory operations, strengthening of new product development, and enhancement of the sales structure.

From the second quarter of the fiscal year ending March 31, 2024 and beyond, we expect sales to increase with the improvement of supply system for daily disposable contact lenses, which is a growth area, and the normalization of sales activities for orthokeratology lens-related products as the aftermath of the COVID-19 infection in China eases. As for selling, general and administrative expenses, the profit margin is expected to improve for the full year ending March 31, 2024 due to more efficient use of expenses in response to sales growth from the second quarter onward.

As such, the consolidated business results forecast for the full year ending March 31, 2024 is unchanged from the forecast announced on May 15, 2023.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

|                                            | As of March 31, 2023 | As of June 30, 2023 |
|--------------------------------------------|----------------------|---------------------|
| <b>Assets</b>                              |                      |                     |
| Current assets                             |                      |                     |
| Cash and deposits                          | 41,249               | 51,820              |
| Notes and accounts receivable - trade      | 12,411               | 12,538              |
| Securities                                 | 36                   | 18                  |
| Merchandise and finished goods             | 12,746               | 13,373              |
| Work in process                            | 1,267                | 1,329               |
| Raw materials and supplies                 | 3,404                | 3,532               |
| Other                                      | 6,746                | 6,494               |
| Allowance for doubtful accounts            | (161)                | (161)               |
| <b>Total current assets</b>                | <b>77,701</b>        | <b>88,946</b>       |
| Non-current assets                         |                      |                     |
| Property, plant and equipment              |                      |                     |
| Buildings and structures                   | 28,137               | 31,947              |
| Accumulated depreciation                   | (12,796)             | (13,180)            |
| Buildings and structures, net              | 15,340               | 18,767              |
| Machinery, equipment and vehicles          | 29,599               | 30,247              |
| Accumulated depreciation                   | (19,275)             | (20,005)            |
| Machinery, equipment and vehicles, net     | 10,324               | 10,242              |
| Tools, furniture and fixtures              | 10,367               | 10,671              |
| Accumulated depreciation                   | (8,707)              | (8,890)             |
| Tools, furniture and fixtures, net         | 1,659                | 1,781               |
| Land                                       | 4,996                | 4,850               |
| Leased assets                              | 2,217                | 2,219               |
| Accumulated depreciation                   | (742)                | (797)               |
| Leased assets, net                         | 1,474                | 1,422               |
| Right of use assets                        | 7,110                | 7,512               |
| Accumulated depreciation                   | (2,973)              | (3,314)             |
| Right of use assets, net                   | 4,136                | 4,198               |
| Construction in progress                   | 19,163               | 24,042              |
| Other                                      | 46                   | 46                  |
| Accumulated depreciation                   | -                    | -                   |
| Other, net                                 | 46                   | 46                  |
| <b>Total property, plant and equipment</b> | <b>57,143</b>        | <b>65,352</b>       |
| Intangible assets                          |                      |                     |
| Goodwill                                   | 2,368                | 2,306               |
| Patent right                               | 357                  | 335                 |
| Other                                      | 8,744                | 8,720               |
| <b>Total intangible assets</b>             | <b>11,470</b>        | <b>11,361</b>       |
| Investments and other assets               |                      |                     |
| Investment securities                      | 499                  | 573                 |
| Deferred tax assets                        | 2,567                | 2,338               |
| Other                                      | 3,140                | 3,299               |
| Allowance for doubtful accounts            | (0)                  | (0)                 |
| <b>Total investments and other assets</b>  | <b>6,207</b>         | <b>6,211</b>        |
| <b>Total non-current assets</b>            | <b>74,821</b>        | <b>82,925</b>       |
| <b>Total assets</b>                        | <b>152,522</b>       | <b>171,871</b>      |

(Millions of yen)

|                                                           | As of March 31, 2023 | As of June 30, 2023 |
|-----------------------------------------------------------|----------------------|---------------------|
| <b>Liabilities</b>                                        |                      |                     |
| Current liabilities                                       |                      |                     |
| Notes and accounts payable - trade                        | 5,609                | 5,912               |
| Short-term borrowings                                     | 126                  | 146                 |
| Current portion of bonds payable                          | 726                  | 496                 |
| Current portion of long-term borrowings                   | 1,488                | 1,362               |
| Lease liabilities                                         | 1,301                | 1,373               |
| Accounts payable - other                                  | 5,517                | 3,088               |
| Income taxes payable                                      | 1,506                | 665                 |
| Provision for bonuses                                     | 1,967                | 1,120               |
| Provision for point card certificates                     | 24                   | 18                  |
| Other                                                     | 6,084                | 8,456               |
| <b>Total current liabilities</b>                          | <b>24,352</b>        | <b>22,640</b>       |
| Non-current liabilities                                   |                      |                     |
| Bonds payable                                             | 16,500               | 36,416              |
| Convertible-bond-type bonds with share acquisition rights | 22,936               | 22,945              |
| Long-term borrowings                                      | 5,936                | 5,262               |
| Lease liabilities                                         | 4,566                | 4,547               |
| Long-term accounts payable - other                        | 1,232                | 1,255               |
| Retirement benefit liability                              | 720                  | 760                 |
| Deferred tax liabilities                                  | 1,258                | 1,352               |
| Asset retirement obligations                              | 115                  | 112                 |
| Other                                                     | 236                  | 237                 |
| <b>Total non-current liabilities</b>                      | <b>53,503</b>        | <b>72,890</b>       |
| <b>Total liabilities</b>                                  | <b>77,856</b>        | <b>95,530</b>       |
| Net assets                                                |                      |                     |
| Shareholders' equity                                      |                      |                     |
| Share capital                                             | 5,487                | 5,509               |
| Capital surplus                                           | 7,275                | 7,297               |
| Retained earnings                                         | 58,127               | 57,801              |
| Treasury shares                                           | (919)                | (813)               |
| <b>Total shareholders' equity</b>                         | <b>69,971</b>        | <b>69,794</b>       |
| Accumulated other comprehensive income                    |                      |                     |
| Valuation difference on available-for-sale securities     | 122                  | 177                 |
| Foreign currency translation adjustment                   | 2,366                | 4,184               |
| <b>Total accumulated other comprehensive income</b>       | <b>2,489</b>         | <b>4,361</b>        |
| Share acquisition rights                                  | 2,153                | 2,132               |
| Non-controlling interests                                 | 52                   | 52                  |
| <b>Total net assets</b>                                   | <b>74,665</b>        | <b>76,341</b>       |
| <b>Total liabilities and net assets</b>                   | <b>152,522</b>       | <b>171,871</b>      |

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

## Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

|                                                             | For the three months<br>ended June 30, 2022 | For the three months<br>ended June 30, 2023 |
|-------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| Net sales                                                   | 26,844                                      | 28,446                                      |
| Cost of sales                                               | 12,337                                      | 13,365                                      |
| Gross profit                                                | 14,507                                      | 15,080                                      |
| Selling, general and administrative expenses                | 11,078                                      | 12,462                                      |
| Operating profit                                            | 3,428                                       | 2,617                                       |
| Non-operating income                                        |                                             |                                             |
| Interest income                                             | 5                                           | 11                                          |
| Dividend income                                             | 7                                           | 7                                           |
| Subsidy income                                              | 5                                           | 23                                          |
| Other                                                       | 93                                          | 55                                          |
| Total non-operating income                                  | 111                                         | 98                                          |
| Non-operating expenses                                      |                                             |                                             |
| Interest expenses                                           | 88                                          | 130                                         |
| Bond issuance costs                                         | 79                                          | 101                                         |
| Share of loss of entities accounted for using equity method | 7                                           | 3                                           |
| Foreign exchange losses                                     | 50                                          | 68                                          |
| Other                                                       | 7                                           | 20                                          |
| Total non-operating expenses                                | 233                                         | 324                                         |
| Ordinary profit                                             | 3,306                                       | 2,392                                       |
| Extraordinary income                                        |                                             |                                             |
| Gain on sale of non-current assets                          | 0                                           | 97                                          |
| Total extraordinary income                                  | 0                                           | 97                                          |
| Extraordinary losses                                        |                                             |                                             |
| Loss on retirement of non-current assets                    | 2                                           | 16                                          |
| Other                                                       | -                                           | 0                                           |
| Total extraordinary losses                                  | 2                                           | 17                                          |
| Profit before income taxes                                  | 3,304                                       | 2,473                                       |
| Income taxes - current                                      | 708                                         | 619                                         |
| Income taxes - deferred                                     | 474                                         | 276                                         |
| Total income taxes                                          | 1,183                                       | 895                                         |
| Profit                                                      | 2,121                                       | 1,577                                       |
| Profit attributable to non-controlling interests            | 0                                           | 0                                           |
| Profit attributable to owners of parent                     | 2,121                                       | 1,577                                       |

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

|                                                                                      | For the three months<br>ended June 30, 2022 | For the three months<br>ended June 30, 2023 |
|--------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| Profit                                                                               | 2,121                                       | 1,577                                       |
| Other comprehensive income                                                           |                                             |                                             |
| Valuation difference on available-for-sale securities                                | (9)                                         | 55                                          |
| Deferred gains or losses on hedges                                                   | 1                                           | -                                           |
| Foreign currency translation adjustment                                              | 1,336                                       | 1,815                                       |
| Share of other comprehensive income of entities<br>accounted for using equity method | 30                                          | 1                                           |
| Total other comprehensive income                                                     | 1,359                                       | 1,872                                       |
| Comprehensive income                                                                 | 3,481                                       | 3,450                                       |
| Comprehensive income attributable to                                                 |                                             |                                             |
| Comprehensive income attributable to owners of<br>parent                             | 3,480                                       | 3,449                                       |
| Comprehensive income attributable to non-controlling<br>interests                    | 0                                           | 0                                           |

### (3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in amount of shareholders' equity)

Not applicable.

(Additional information)

(Transaction to grant the Company's shares to employees, etc. through the trust)

We conducted transactions to grant the Company's shares to the Employee Shareholder Association through the trust with the purpose of enhancing employee benefits and providing incentives for improving the Company's corporate value.

#### 1. Overview of Transaction

We introduced a "Stock Benefit Trust (Employee Shareholder Association Purchase-Type)" (hereinafter, the "Plan") in September 2021.

With the introduction of the Plan, the Company, as the settlor, entered into a "Stock Benefit Trust (Employee Shareholder Association Purchase-Type) Agreement" (hereinafter, the "Trust Agreement" ; and the trust established pursuant to the Trust Agreement is hereinafter referred to as the "Trust") with the trustee, Mizuho Trust & Banking Co., Ltd. (hereinafter, the "Trustee"). Additionally, the Trustee entered into a re-trust agreement with the Custody Bank of Japan, Ltd. regarding management of securities and other trust assets with the Custody Bank of Japan, Ltd. as the sub-trustee.

The Custody Bank of Japan, Ltd. has been entitled to collectively acquire in advance to the Trust E Account established at the Custody Bank of Japan, Ltd. a number of the Company's shares equivalent to the number of shares anticipated to be purchased by the Shareholder Association over the next five years, and then regularly sell the Company's shares when the shares are purchased by the Shareholder Association. If proceeds from sale of shares are accumulated in trust assets for the Trust up through the time of expiration of the Trust through the sale of the Company's shares from the Trust E Account to the Shareholder Association, such proceeds shall be distributed as residual assets to members of the Shareholder Association who satisfy the beneficiary eligibility requirements.

Additionally, since the Company provides a guarantee when the Trustee takes out a loan in order for the Trust E Account to acquire the Company's shares, if the Trustee has an outstanding loan balance equal to loss on the sale of shares as of the time of expiration of the Trust due to a decline in the Company's share price, etc., the Company will pay off the outstanding loan balance pursuant to the guarantee agreement.

#### 2. Residual Company's Shares Held in the Trust

The residual Company's shares held in the Trust are recorded at the book value in the trust (excluding incidental expenses) as treasury shares under net assets. The book value and number of shares of such treasury shares are ¥595 million and 133 thousand shares, respectively, for the previous fiscal year, and ¥489 million and 109 thousand shares, respectively, for the first quarter of the fiscal year under review.

#### 3. Book Value of Borrowings Recorded Through the Application of Total Amount Method

¥803 million for the previous consolidated fiscal year, ¥742 million for the first quarter of the fiscal year under review

(Segment information)

[Segment Information]

For the three months ended June 30, 2022

1. Information on net sales and profit (loss) by reportable segment

(Millions of yen)

|                                      | Reportable segment   |          | Other<br>(Note) | Total  |
|--------------------------------------|----------------------|----------|-----------------|--------|
|                                      | Vision Care Business | Subtotal |                 |        |
| Net sales                            |                      |          |                 |        |
| Net sales to external customers      | 25,087               | 25,087   | 1,757           | 26,844 |
| Inter-segment net sales or transfers | -                    | -        | -               | -      |
| Total                                | 25,087               | 25,087   | 1,757           | 26,844 |
| Segment profit (loss)                | 4,670                | 4,670    | (149)           | 4,520  |

(Note) "Other" is a business segment not included in the reportable segment and includes the healthcare and life care businesses.

2. Differences between the total amount of profit or loss of the reportable segment and the amount stated in the consolidated statement of income, and major breakdown of such differences (Reconciliation)

(Millions of yen)

| Profit                                                          | Amount  |
|-----------------------------------------------------------------|---------|
| Reportable segment total                                        | 4,670   |
| Profit of "Other" (loss)                                        | (149)   |
| Corporate expense (Note)                                        | (1,092) |
| Operating profit stated in the consolidated statement of income | 3,428   |

(Note) Corporate expenses are mainly general and administrative expenses not attributable to the reportable segment.

3. Information on impairment loss of non-current assets, goodwill, etc. for the reportable segment

(Significant impairment loss on non-current assets)

Not applicable.

(Significant change in amount of goodwill)

Not applicable.

(Significant gain on bargain purchase)

Not applicable.

For the three months ended June 30, 2023

1. Information on net sales and profit (loss) by reportable segment

(Millions of yen)

|                                      | Reportable segment   |          | Other<br>(Note) | Total  |
|--------------------------------------|----------------------|----------|-----------------|--------|
|                                      | Vision Care Business | Subtotal |                 |        |
| Net sales                            |                      |          |                 |        |
| Net sales to external customers      | 26,019               | 26,019   | 2,427           | 28,446 |
| Inter-segment net sales or transfers | —                    | —        | —               | —      |
| Total                                | 26,019               | 26,019   | 2,427           | 28,446 |
| Segment profit (loss)                | 4,198                | 4,198    | (156)           | 4,041  |

(Note) “Other” is a business segment not included in the reportable segment and includes the healthcare and the life care businesses.

2. Differences between the total amount of profit or loss of the reportable segment and the amount stated in the consolidated statement of income, and major breakdown of such differences (Reconciliation)

(Millions of yen)

| Profit                                                          | Amount  |
|-----------------------------------------------------------------|---------|
| Reportable segment total                                        | 4,198   |
| Profit of “Other” (loss)                                        | (156)   |
| Corporate expenses (Note)                                       | (1,423) |
| Operating profit stated in the consolidated statement of income | 2,617   |

(Note) Corporate expenses are mainly general and administrative expenses not attributable to the reportable segment.

3. Information on impairment loss of non-current assets, goodwill, etc. for the reportable segment

(Significant impairment loss on non-current assets)

Not applicable.

(Significant change in amount of goodwill)

Not applicable.

(Significant gain on bargain purchase)

Not applicable.