

# **Consolidated Financial Results for the Year Ended March 31, 2025**

Securities Code : 7780

Menicon Co., Ltd.  
May 16, 2025

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My name is Koji Kawaura, and I am President and CEO of Menicon Co., Ltd.

Thank you all for attending our financial results briefing today.  
Now, let's begin the presentation.

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These are the topics we will be covering today.

## I . Consolidated Financial Results Summary for FY2024

I will start with the summary of consolidated financial results for FY2024.

## Consolidated Financial Results Summary for FY2024



(JPY mn)	FY2023	FY2024	YoY
<b>Net sales</b>	<b>116,192</b>	<b>121,491</b>	<b>+4.6%</b>
Cost of sales	55,181	56,411	+2.2%
(Cost of sales ratio)	47.5%	46.4%	(-1.1 pt)
<b>Gross profit</b>	<b>61,010</b>	<b>65,080</b>	<b>+6.7%</b>
SGA	52,058	55,028	+5.7%
(SGA ratio)	44.8%	45.3%	(+0.5 pt)
<b>Operating profit</b>	<b>8,951</b>	<b>10,051</b>	<b>+12.3%</b>
(Operating profit margin)	7.7%	8.3%	(+0.6 pt)
<b>EBITDA*</b>	<b>16,900</b>	<b>18,502</b>	<b>+9.5%</b>
(EBITDA margin)	14.5%	15.2%	(+0.7 pt)
<b>Ordinary profit</b>	<b>8,225</b>	<b>9,607</b>	<b>+16.8%</b>
<b>Profit attributable to owners of parent</b>	<b>4,538</b>	<b>5,621</b>	<b>+23.8%</b>

\* EBITDA is calculated from operating profit, depreciation, and amortization of goodwill.

(Reference) Past figures are available in the following databook. <sup>3</sup>  
<https://www.menicon.com/corporate/ir/databook>



In FY2024, we were able to achieve increases in both sales and profit.

Net sales increased 4.6% year on year to JPY 121.4 bn.

All line-item profits increased year on year.

Specifically, gross profit increased 6.7% to JPY 65.0 bn, operating profit increased 12.3% to JPY 10.0 bn, and profit attributable to owners of parent increased 23.8% to JPY 5.6 bn.

## Key Factors

1-DAY lens sales grew due to increased sales in Japan, while Ortho-K-related remained largely unchanged due to factors such as China's economic stagnation and the intensifying competitive environment.

Profit grew due to the effect of price revisions in Japan and streamlining activity expenses, even after investments for future growth.

**Net sales** JPY 121.4 bn **YoY** +4.6%

**Vision Care Business** **Net sales** JPY 112.3 bn **YoY** +5.1% (growth in local currency: +3.6%)

↑ 1-DAY lens: Increased the number of MELS Plan members/Increased sales in Japan, effect of revenue growth due to price revisions in Japan.

→ Ortho-K-related: Remained largely unchanged due to factors such as the intensifying competitive environment in China.

**Healthcare and Life Care Business** **Net sales** JPY 9.1 bn **YoY** -1.5% (growth in local currency: -1.9%)

↑ Effect of price revisions in Japan, expanded sales channels in U.S. ↓ Downsized the Food business in China.

**Gross profit** JPY 65.0 bn **YoY** +6.7%

• ↑ Effect of revenue growth due to increasing 1-DAY lens sales, profitability improved due to price revisions in Japan.

**Operating profit** JPY 10.0 bn **YoY** +12.3%

• Strengthened investments for future growth (new plants, personnel reinforcement, and R&D).

**EBITDA** JPY 18.5 bn **YoY** +9.5%

• ↑ Profit grew due to the effect of price revisions in Japan and streamlining activity expenses.

**Profit attributable to owners of parent** JPY 5.6 bn **YoY** +23.8%

• JPY 1.6 bn gain on reversal of stock acquisition rights associated with convertible bond redemption.

• JPY 1.8 bn in extraordinary losses and other expenses associated with structural reforms.

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Now, we continue with the key factors behind our financial results.

In the Vision Care Business, net sales were JPY 112.3 bn, an increase by 5.1% year on year due to factors such as sales expansion of 1-DAY lens in addition to the effect of price revisions in Japan.

The business also achieved revenue growth of 3.6% year on year on a local currency basis.

Meanwhile, net sales of the Healthcare and Life Care Business decreased 1.5% year on year to JPY 9.1 bn due to reduced revenues of the Food Business in China, despite the effect of price revisions in Japan.

As for line-item profits, gross profit increased due mainly to sales expansion of 1-DAY lens, which has a higher unit selling price, along with the effect of price revisions in Japan.

Operating profit increased as a result of streamlining activity expenses, despite strengthening investments for growth, which include the preparation for a new plant opening and development of new products.

In addition to a JPY 1.6 bn gain on reversal of share acquisition rights due to redemption of convertible bonds as extraordinary income, we recorded JPY 1.8 bn in extraordinary losses related to structural reforms.

## Breakdown of Net Sales



(JPY mn)	FY2023	FY2024	YoY
<b>Net sales</b>	<b>116,192</b>	<b>121,491</b>	<b>+4.6%</b>
<b>Vision Care</b>	<b>106,887</b>	<b>112,327</b>	<b>+5.1%</b>
<b>1-DAY lens</b>	<b>28,429</b>	<b>30,940</b>	<b>+8.8%</b>
Japan_MELS Plan <sup>*1</sup>	20,740	22,458	+8.3%
Japan_Product sales <sup>*2</sup>	4,711	5,740	+21.9%
Overseas	2,977	2,742	-7.9%
<b>Orthokeratology-related</b>	<b>15,001</b>	<b>14,889</b>	<b>-0.7%</b>
Ortho-K (Global)	5,537	5,748	+3.8%
Lens care products (Asia)	9,463	9,141	-3.4%
<b>Other Contact lenses and Lens care products</b>	<b>63,456</b>	<b>66,496</b>	<b>+4.8%</b>
MELS Plan <sup>*1</sup>	25,718	27,325	+6.2%
Contact lenses	27,405	28,458	+3.8%
Lens care products (Other than Asia)	10,332	10,713	+3.7%
<b>Healthcare and Life Care</b>	<b>9,304</b>	<b>9,163</b>	<b>-1.5%</b>

\*1 FY2024 MELS Plan net sales: JPY 49,783 mn (YoY +7.2%).

\*2 "Product sales" refers to contact lenses and lens care products.

(Reference) Past figures are available in the following databook. 5

<https://www.menicon.com/corporate/ir/databook>

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This is the breakdown of net sales.

Net sales in the Vision Care Business increased year on year, thanks to increased net sales in the 1-DAY lens and Other Contact Lenses and Lens Care Products.

While overseas sales of 1-DAY lens declined due to factors such as switching of suppliers in China, sales in Japan remained strong due to expanded sales of MELS Plans and product sales, as well as the effect of price revisions.

In Orthokeratology-related products, despite growth in orthokeratology lenses in regions outside of China, sales declined year on year due to the stronger impact of economic stagnation and an increasingly competitive environment in China on lens care products.

## Consolidated Net Sales

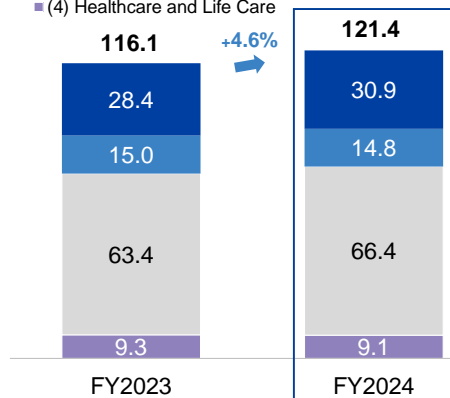
**Net sales grew due to the increased sales of 1-DAY lens in Japan and 1-MONTH lens in Europe, in addition to the effect of price revisions in Japan.**

(JPY bn) ■ (1) 1-DAY lens

■ (2) Ortho-K-related

■ (3) Other Contact lenses and Lens care products

■ (4) Healthcare and Life Care



**Vision Care (YoY: JPY +5.44 bn +5.1%)**

**1 1-DAY lens (YoY: JPY +2.51 bn +8.8%)**

- Increased 1-DAY lens sales mainly in Japan.
- Effect of price revisions in Japan.\* (JPY +1.24 bn)

**2 Orthokeratology-related (YoY: -0.11 bn -0.7%)**

- Increased Ortho-K sales in Japan, Singapore and Korea.
- Impact due to factors such as the intensifying competitive environment in China, etc.

**3 Other Contact lenses and Lens care products (YoY: JPY +3.04 bn +4.8%)**

- Effect of price revisions in Japan.\* (JPY +2.58 bn)
- Increased 1-MONTH lens sales in Europe.

**4 Healthcare and Life Care (YoY: JPY -0.14 bn -1.5%)**

- Effect of price revisions in Japan and expanded sales channels in U.S.
- Downsized the Food business in China.

\* Total effect of price revisions in Japan: JPY +3.83 bn

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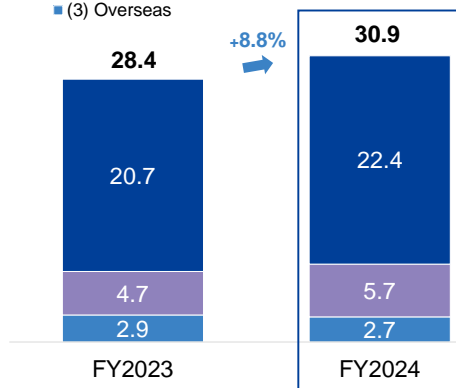
From here, we show the breakdown of consolidated net sales. Net sales in the Vision Care Business was JPY 112.3 bn, an increase of JPY 5.4 bn year on year.

The increase in net sales was driven not only by the effect of price revisions for MELS Plan and product sales in Japan, but also the expansion of 1-DAY lens sales in Japan and 1-MONTH lens sales in Europe.

## 1-DAY Lens Net Sales (Breakdown of Sales)

Net sales grew due to increased number of 1-DAY lens users and increased sales in Japan, in addition to the effect of price revisions in Japan.

(JPY bn) ■ (1) Japan\_MELS Plan  
■ (2) Japan\_Product sales  
■ (3) Overseas



### ① Japan\_MELS Plan (YoY: JPY +1.71 bn +8.3%)

- Increased the number of members by increasing supply.
- Effect of price revisions (JPY +1.12 bn)

### ② Japan\_Product sales (YoY: JPY +1.02 bn +21.9%)

- Increased sales due to increased supply.
- Effect of price revisions (JPY +0.11 bn)

### ③ Overseas (YoY: JPY -0.23 bn -7.9%)

- Controlled sales volume due to supply shortages.
- Sales fell temporarily associated with the switchover to a new sales outlet in China.

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Net sales of 1-DAY lens was JPY 30.9 bn, an increase of JPY 2.5 bn year on year.

Net sales in Japan rose due to increased supply by the expansion of production lines and the effect of price revisions, despite the continued tight supply of silicone 1-DAY lens, which is in strong demand globally.

Sales of MELS Plan in Japan increased by JPY 1.7 bn, and product sales in Japan increased by JPY 1.0 bn.

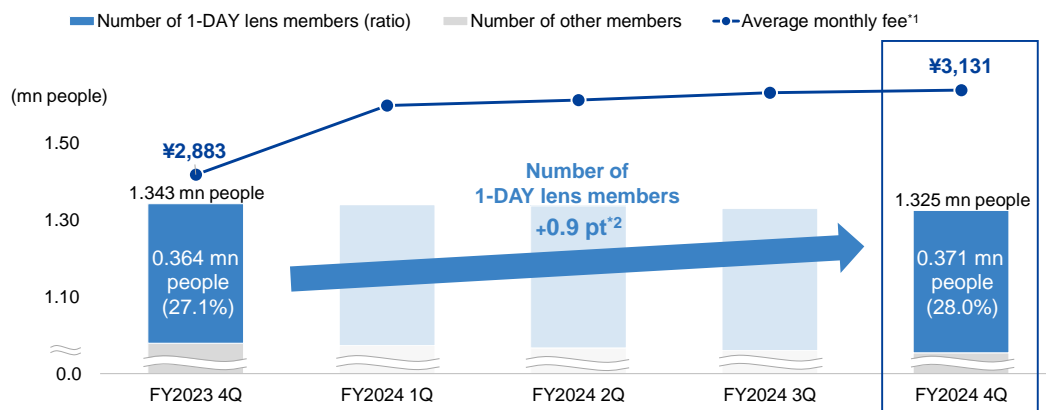
In particular, product sales in Japan grew by a high 21.9% year on year.

On the other hand, overseas sales decreased by JPY 0.2 bn. This was affected not only by curbing sales of silicone 1-DAY lens, for which the balance of supply and demand is tightening, but also a temporary decline in sales of non-silicone 1-DAY lens due to a switchover of suppliers in China.



## Total Number of MELS Plan Members

The average monthly fee increased due to a higher ratio of high-unit-price 1-DAY lens and bifocal types, as well as price revisions.



\*1 Average monthly fee = MELS Plan net sales ÷ Number of fiscal months ÷ MELS Plan members

\*2 +1.1 pt when including Magic members of Miru First Contact Lenses.

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This chart shows the total number of MELS Plan members. While the total number of MELS Plan members slightly decreased from the end of the previous fiscal year, we were able to boost memberships for 1-DAY lens by expanding production lines and supplying more silicone 1-DAY lens, resulting in a total of 0.371 mn people.

Supply constraints for silicone 1-DAY lens continue to affect growth in MELS Plan members.

However, thanks to the lack of supply constraints for non-silicone 1-DAY lens, we launched Miru First Contact, a fixed price service, in the 3rd quarter and are expanding sales.

This service provides non-silicone 1-DAY lens at a special price to contact lens beginners, which is leading to an increase in the number of members.

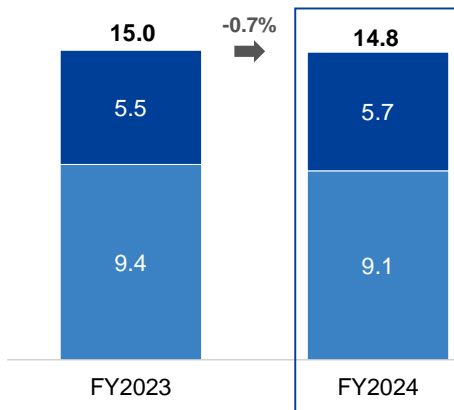
This service is limited to two years, after which we expect users to transition to a MELS Plan membership.

The average monthly fee rose due to factors such as the higher ratio of high-unit-price 1-DAY lens members and the price revisions.

## Orthokeratology-related Net Sales (Breakdown of Sales)

While sales increased in Japan, Singapore and Korea, Ortho-K-related remained largely unchanged due to factors such as China's economic stagnation and the intensifying competitive environment.

(JPY bn) ■ (1) Ortho-K (Global)  
■ (2) Lens care products (Asia)



### ① Ortho-K (Global) (YoY: JPY +0.21 bn +3.8%)

- Japan: Expanded the number of handling facilities. (JPY +0.12 bn)
- Singapore & South Korea: Increased sales. (JPY +0.06 bn)
- China: Sales fell due to factors such as the penetration of alternative products because of economic stagnation. (JPY -0.02 bn)

### ② Lens care products (Asia) (YoY: JPY -0.32 bn -3.4%)

- China: Decreased sales price per unit due to the effect of economic stagnation and the prolonged intensifying competitive environment. (JPY -0.40 bn)

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Orthokeratology-related net sales were JPY 14.8 bn, nearly on par with the same period of the previous year.

Orthokeratology lenses have been affected by an increasingly competitive environment in China, where, in addition to the increase in competing companies, economic stagnation has led to the proliferation of inexpensive alternatives such as eyeglasses for myopia control.

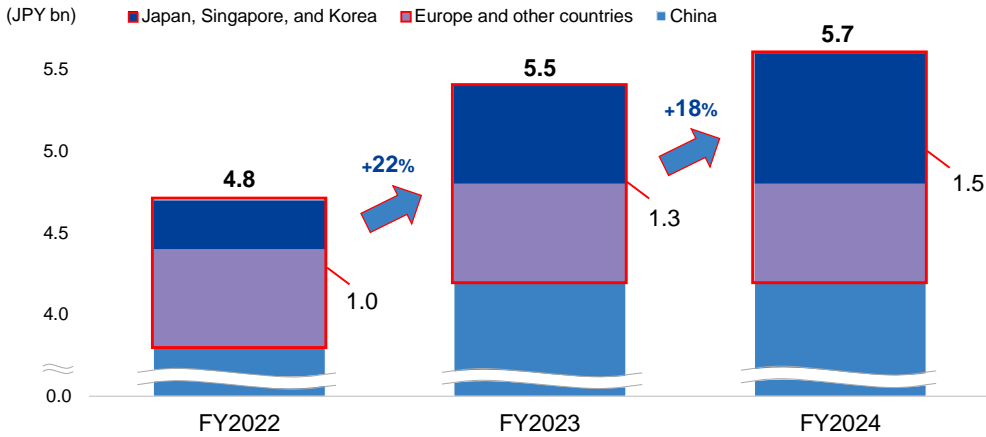
Despite this, we have maintained our sales volume at a similar level to the previous year by strengthening sales activities in cooperation with our sales channels.

In addition, we have increased the sales volume in Japan through more facilities handling our products, and the growing penetration of the product mainly in Singapore and South Korea also contributed to an increase in sales.

Lens care product sales declined in China due to economic stagnation and an increasingly competitive environment.

# Orthokeratology Lenses Net Sales

Net sales continue to grow significantly mostly in Japan, Singapore and Korea due to the increase in the number of handling facilities for our products and the expanding market.



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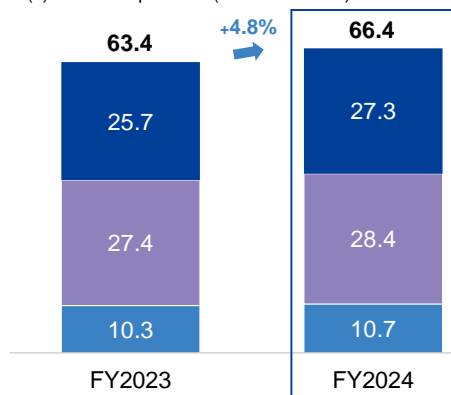
This chart shows orthokeratology lens net sales trends by region.

Though net sales had grown alongside growth in China, shown in light blue, there has been significant growth in regions outside China lately, especially Japan, Singapore, and South Korea, which are shown in dark blue.

## Other Contact Lenses and Lens Care Products (Breakdown of Sales)

**Net sales grew due to the increased sales of 1-MONTH lens in Europe, in addition to the effect of price revisions in Japan.**

(JPY bn) ■ (1) MELS Plan  
■ (2) Contact lenses  
■ (3) Lens care products (Other than Asia)



### 1 MELS Plan (YoY: JPY +1.6 bn +6.2%)

- Grew due to the effect of price revisions. (JPY +2.27 bn) despite a decrease in the number of members.
- Increased the number of members for high-unit-price bifocal types.

### 2 Contact lenses (YoY: JPY +1.05 bn +3.8%)

- Japan: JPY +0.03 bn (JPY 19.8 bn → JPY **19.8** bn +0.2%)  
Effect of price revisions (JPY +0.3 bn)
- Overseas: JPY +1.01 bn (JPY 7.5 bn → JPY **8.5** bn +13.4%)  
Expanded 1-MONTH lens sales due to expansion of sales channels in Europe.

### 3 Lens care products (other than Asia) (YoY: JPY +0.38 bn +3.7%)

- Japan: JPY +0.28 bn (JPY 4.8 bn → JPY **5.1** bn +5.9%)  
Increased sales of high-unit-price products.
- Overseas: JPY +0.09 bn (JPY 5.5 bn → JPY **5.6** bn +1.7%)  
Expanded sales in North America.

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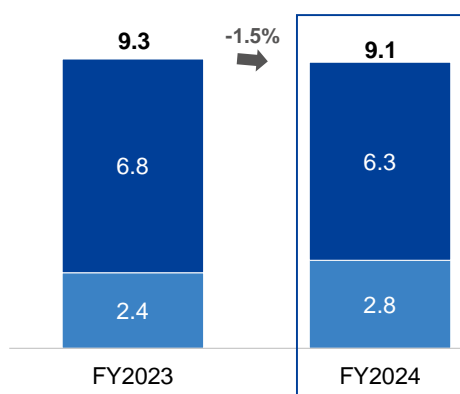
Net sales of Other Contact Lenses and Lens Care Products, excluding 1-DAY lens and Orthokeratology-related, were JPY 66.4 bn, an increase of JPY 3.0 bn year on year.

The increase in sales was mainly a result of the effect of price revisions for MELS Plan, expanded sales for 1-MONTH lens in Europe for contact lenses, and expanded sales for high-unit-price hydrogen peroxide-type in Japan as well as expanded sales in North America for lens care products.

## Healthcare and Life Care Net Sales

Net sales were largely unchanged due to shrinking scale of the Food business in China, despite increased net sales in environment-related offerings, etc.

(JPY bn) ■ (1) Food business ■ (2) Other



### 1 Food business (YoY: JPY -0.46 bn -6.9%)

- Japan: Grew due to the effect of price revisions, etc.
- U.S.: Expanded sales channels.
- China: Downsized the business of importing food from Japan.

### 2 Other (YoY: JPY +0.32 bn +13.1%)

- Increased net sales in Environment-related offerings and the Animal Medical Care Business, etc.

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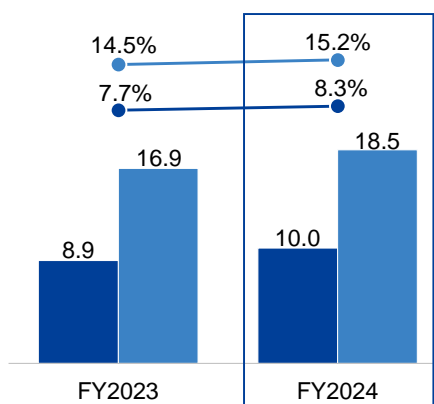
Net sales of Healthcare and Life Care Business were JPY 9.1 bn, a decrease of JPY 0.1 bn year on year.

This was mainly due to decreasing net sales in China in the business of imported foods from Japan, resulting from the discharge of ALPS treated water, despite net sales increasing in Environment-related offerings and the Veterinary Medical Business.

## Operating Profit and EBITDA

Profit increased due to the effect of price revisions in Japan and efficient advertising and sales promotion activities while investing for future growth.

(JPY bn) ■ (1) Operating profit ■ (2) EBITDA  
 ● (1) Operating profit margin ● (2) EBITDA margin



**1 Operating profit** (YoY: JPY +1.09 bn +12.3%)  
**Operating profit margin** (YoY: +0.6 pt)

- Gross profit: JPY +4.06 bn (JPY 61.0 bn → JPY 65.0 bn)  
Grew due to increased sales for 1-DAY lens, etc., and the effect of price revisions in Japan.
- SGA: JPY +2.96 bn (JPY 52.0 bn → JPY 55.0 bn)  
Strengthened investment for growth (new plants, personnel reinforcement and R&D) while streamlining activity expenses.

**2 EBITDA** (YoY: JPY +1.60 bn +9.5%)  
**EBITDA margin** (YoY: +0.7 pt)

- Depreciation: JPY +0.38 bn (JPY 7.55 bn → JPY 7.93 bn)  
Increase due to 1-DAY lens investment, Malaysia factory building, etc.

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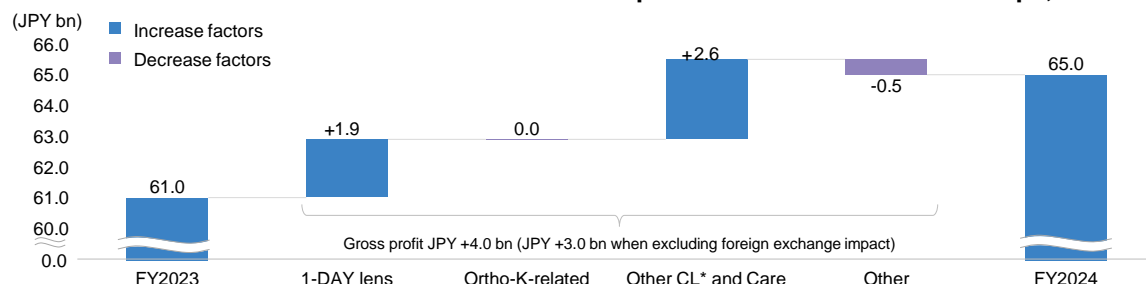
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Now let me explain the details of operating profit.

Operating profit increased year on year as a result of solid growth in gross profit from the sales expansion of 1-DAY lens and other products and the effect of price revisions in Japan, while, as for SGA expenses, activity expenses such as for sales promotion were streamlined despite ongoing investments for growth.

## Analysis of Changes in Consolidated Gross Profit

**The Vision Care Business except for Ortho-K-related in China remained firm, which included increased sales of 1-DAY lens in Japan and 1-MONTH lens in Europe, etc.**



• Main reasons for increase/decrease \*Including foreign exchange impact

Items	
1-DAY lens	Increased the number of MELS Plan 1-DAY lens members, increased product sales and the effect of price revisions in Japan.
Ortho-K-related	Remained largely unchanged due to factors such as China's intensifying competitive environment while sales increased in Japan, Singapore and Korea.
Other CL* and Care	Increased 1-MONTH lens sales in Europe and the effect of price revisions in Japan.
Other	Factors such as the impact from lower sales of Healthcare and Life Care and higher cost of sales ratio in the Food business

\* Abbreviation for contact lenses

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This slide shows the factors for changes in gross profit compared with the previous fiscal year.

Profits increased for 1-DAY lens thanks to an increase in the number of MELS Plan 1-DAY lens members, the expansion of product sales in Japan, and the effect of price revisions.

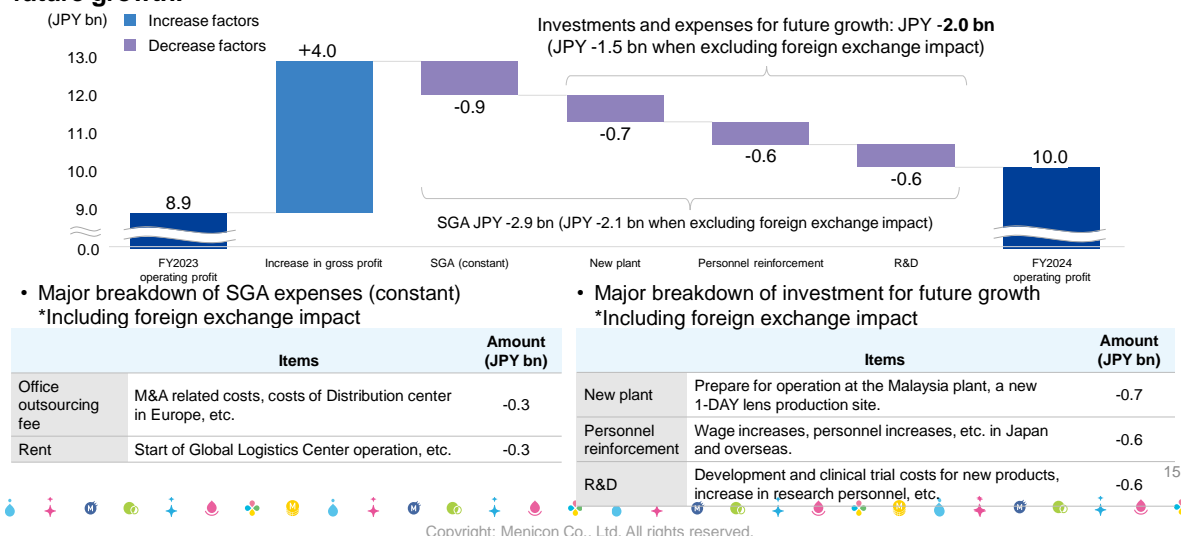
Furthermore, Orthokeratology-related maintained profit due to sales expansion in non-China regions even amid the intensified competitive environment in China.

As for Other Contact Lenses and Lens Care Products, profit increased due to sales expansion in Europe and the effect of price revisions in Japan.

As a result, gross profit increased by JPY 4.0 bn in total.

## Analysis of Changes in Operating Profit

**Profit increased due to efficient advertising and sales promotion activities while investing for future growth.**



This chart shows the factors of changes in operating profit compared to the previous fiscal year.

SGA are shown separately as constant expenses and investments and expenses for future growth.

Constant expenses increased mainly due to M&A-related expenses for sales companies in Asia and enhancement of the logistics system.

Factors for an increase in investments and expenses for future growth include preparation for the operation of the Malaysia plant, personnel reinforcement including wage increases and personnel increases, development and clinical trial expenses for new products, and increase in research personnel.

Efficient advertising and sales promotion activities also contributed to the increase in profit.



## Consolidated Balance Sheet Summary

(JPY mn)	March 31, 2024	March 31, 2025	Change		(JPY mn)	March 31, 2024	March 31, 2025	Change	
Cash and deposits	46,911	42,046	-4,865		Notes and accounts payable - trade	6,181	6,419	+238	
Notes and accounts receivable - trade	13,340	13,641	+300		Short-term interest - bearing debt	26,217	3,234	-22,983	Redemption of convertible bonds, etc.
Inventories	18,803	21,218	+2,415		Accounts payable - other	7,338	7,381	+42	
Other	6,716	5,762	-953		Other	10,316	9,457	-858	
Current assets	85,771	82,669	-3,102	Capital investment for 1-DAY lens plants, etc.	Current liabilities	50,053	26,492	-23,561	Issuance of straight bonds and syndicated loans, etc.
Property, plant and equipment	75,508	83,064	+7,556		Long-term interest - bearing debt	44,580	71,857	+27,276	
Intangible assets	11,668	15,287	+3,618		Other	3,372	2,778	-594	
Investments and other assets	6,863	6,261	-601		Non-current liabilities	47,953	74,635	+26,682	
Non-current assets	94,040	104,613	+10,572		<b>Total liabilities</b>	<b>98,007</b>	<b>101,127</b>	<b>+3,120</b>	
<b>Total assets</b>	<b>179,812</b>	<b>187,282</b>	<b>+7,470</b>		<b>Total net assets</b>	<b>81,804</b>	<b>86,154</b>	<b>+4,349</b>	
Equity ratio		45.5%			March 31, 2025				
Net D/E ratio		0.4			Cash and deposit balance	42,046			To be used mainly for capital investment funds for 1-DAY lens plants.
					Interest-bearing debt	75,091			

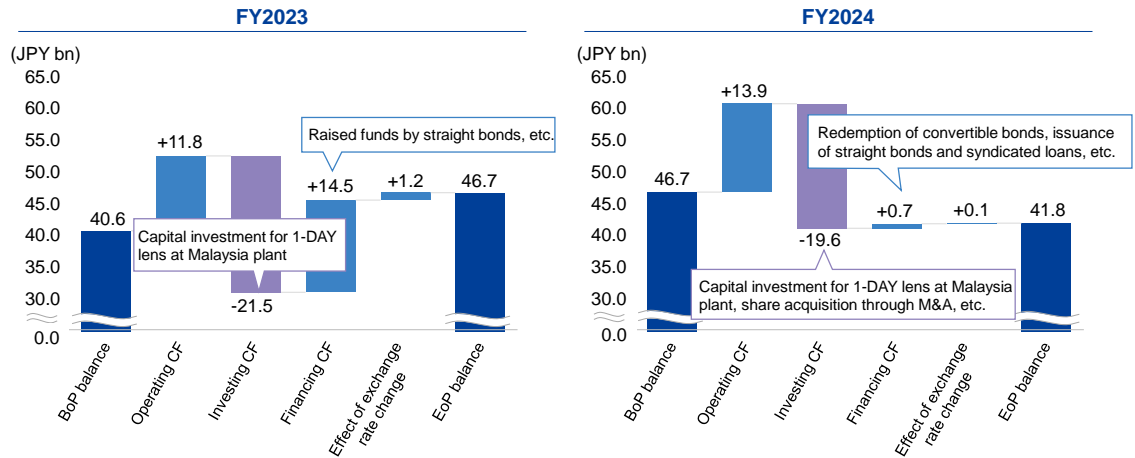
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This slide shows the balance sheet.

Cash and deposits are to be used for capital investment for enhancing production facilities mainly at 1-DAY lens manufacturing plants, such as the Malaysia plant.

Short-term interest-bearing debt decreased due to the redemption of convertible bonds in January 2025, but long-term interest-bearing debt increased due to the issuance of straight bonds in October 2024 and a syndicated loan in November 2024, both as refinancing.

## Consolidated Cash Flow Comparison



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This shows the consolidated cash flows.

Operating cash flow is at an all-time high.

Cash flow from operations and funds raised up to the previous fiscal year were used mainly for capital investment in the Malaysia plant, the manufacturing base for 1-DAY lens.

## Ⅱ . Consolidated Financial Results Forecast for FY2025

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From here, I will present our forecast of consolidated financial results and outlook for FY2025.

## Financial Results Forecast

(JPY mn)	FY2024	FY2025 Forecast	YoY
<b>Net sales</b>	<b>121,491</b>	<b>125,000</b>	<b>+2.9%</b>
Cost of sales	56,411	58,900	+4.4%
(Cost of sales ratio)	46.4%	47.1%	(+0.7 pt)
<b>Gross profit</b>	<b>65,080</b>	<b>66,100</b>	<b>+1.6%</b>
SGA	55,028	55,900	+1.6%
(SGA ratio)	45.3%	44.7%	(-0.6 pt)
<b>Operating profit</b>	<b>10,051</b>	<b>10,200</b>	<b>+1.5%</b>
(Operating profit margin)	8.3%	8.2%	(-0.1 pt)
<b>EBITDA</b>	<b>18,502</b>	<b>19,200</b>	<b>+3.8%</b>
(EBITDA margin)	15.2%	15.4%	(+0.2 pt)
<b>Ordinary profit</b>	<b>9,607</b>	<b>9,500</b>	<b>-1.1%</b>
<b>Profit attributable to owners of parent</b>	<b>5,621</b>	<b>5,800</b>	<b>+3.2%</b>

(Reference) When excluding foreign exchange impact, net sales are expected to increase by 4.4%.

\* Prevailing exchange rates in FY2024

EUR: JPY 163.7, USD: JPY 152.6, CNY: JPY 21.1

Assumed prevailing exchange rates for FY2025 (forecast) EUR: JPY 161.2, USD: JPY 142.6, CNY: JPY 19.0

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We expect net sales to increase 2.9% to JPY 125.0 bn, gross profit to increase 1.6% to JPY 66.1 bn, operating profit to increase 1.5% to JPY 10.2 bn, and profit attributable to owners of parent to increase 3.2% to JPY 5.8 bn.

In the assumed prevailing foreign exchange rates for our forecast, we have set a stronger yen than in the previous fiscal year.

Excluding foreign exchange rate impact, net sales are expected to increase by 4.4%.

The appreciation of the yen is also expected to have a downward impact on profits at each stage of earnings.

The figure for profit attributable to owners of parent includes expenses related to restructuring, such as business reorganization in Europe.

As we plan to continue to review our business portfolio, we will provide an explanation as appropriate in the event of any events that may have a significant impact on our business performance.

## Breakdown of Net Sales

(JPY mn)	FY2024	FY2025 Forecast	YoY	YoY (No foreign exchange impact)
<b>Net sales</b>	<b>121,491</b>	<b>125,000</b>	<b>+2.9%</b>	<b>+4.4%</b>
<b>Vision Care</b>	<b>112,327</b>	<b>116,100</b>	<b>+3.4%</b>	<b>+4.9%</b>
<b>1-DAY lens</b>	<b>30,940</b>	<b>34,700</b>	<b>+12.1%</b>	<b>+12.6%</b>
Japan_MELS Plan	22,458	23,300	+3.7%	-
Japan_Product sales	5,740	7,000	+21.9%	-
Overseas	2,742	4,400	+60.5%	+65.3%
<b>Orthokeratology-related</b>	<b>14,889</b>	<b>12,500</b>	<b>-16.0%</b>	<b>-8.1%</b>
Other Contact lenses and Lens care products	66,496	68,900	+3.6%	+4.3%
<b>Healthcare and Life Care</b>	<b>9,163</b>	<b>8,900</b>	<b>-2.9%</b>	<b>-1.7%</b>
(Reference)				
1-DAY lens + Other Contact lenses and Lens care products	97,437	103,600	+6.3%	+6.9%
<b>MELS Plan</b>	<b>49,783</b>	<b>51,100</b>	<b>+2.4%</b>	<b>-</b>

\* Prevailing exchange rates in FY2024 EUR: JPY 163.7, USD: JPY 152.6, CNY: JPY 21.1  
 Assumed prevailing exchange rates for FY2025 (forecast) EUR: JPY 161.2, USD: JPY 142.6, CNY: JPY 19.0

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The expected net sales breakdown is as follows.

The Vision Care Business is expected to generate JPY 116.1 bn, including JPY 34.7 bn from 1-DAY lens and JPY 12.5 bn from Orthokeratology-related products.

While sales of Orthokeratology-related products are expected to decline, net sales growth is expected to be driven by the expansion of 1-DAY lens sales, leading to higher sales overall.

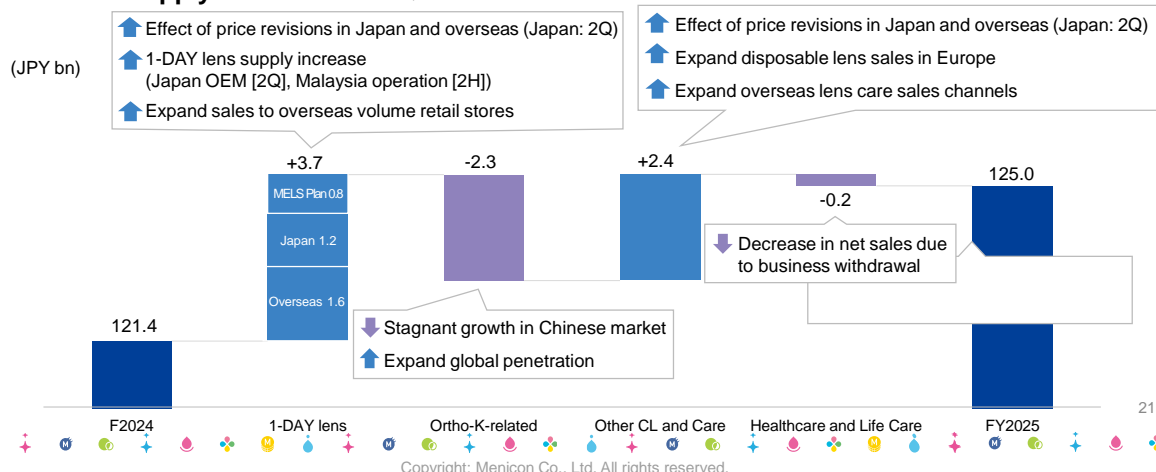
Excluding Orthokeratology-related products, net sales in the Vision Care Business are expected to grow 6.3% year on year, or 6.9% excluding foreign exchange rate impact, which is on par with the industry.

Net sales of the Healthcare and Life Care Business are expected to be JPY 8.9 bn

## Net Sales Outlook for FY2025

**Net sales outlook takes into account foreign exchange impact (estimated at approx. JPY -1.9 bn) and economic stagnation in China.**

**It is expected to increase net sales due to the effect of price revisions in Japan and increase in 1-DAY lens supply volume from 2Q and thereafter.**



This slide shows the year-on-year changes in our net sales forecast.

The forecast takes into account the assumed appreciation of the yen against the previous year, which is expected to depress overall net sales by approximately JPY 1.9 bn, as well as the continued economic stagnation in China.

In addition to the effect of price revisions, we expect an increase in sales of 1-DAY lens due to an increase in the supply of silicone 1-DAY.

We expect to increase the supply of silicone 1-DAY lens by introducing OEM products in Japan and increasing production at Malaysia plant and other countries to acquire new MELS Plan members and expand sales to overseas volume retail stores.

In the Orthokeratology-related business, sales are expected to decline due to economic stagnation in China, but we will continue to expand penetration and market share in regions such as non-China parts of Asia.

Other Contact Lenses and Lens Care Products, which includes contact lenses and lens care products other than 1-DAY lens, is expected to see increased sales.

In addition to the effect of price revisions, we expect sales of 1-MONTH lens and other products to remain strong in Europe, and an increase in sales volume in North America due to the introduction of care products into new channels.

Sales in the Healthcare and Life Care business are expected to decrease due to the withdrawal from some businesses in the previous fiscal year.

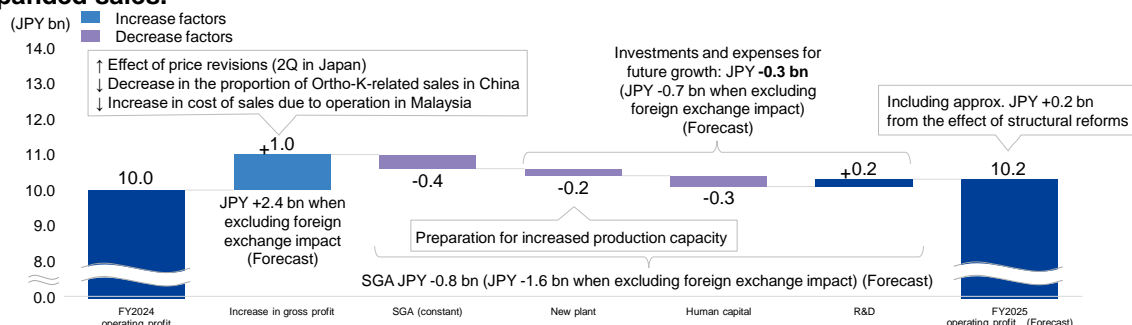
The impact of the Trump tariffs has not been factored into the forecast.

Since net sales in North America accounted for only approximately two percent of our total net sales in FY2024, we expect this impact to be extremely limited.

However, we will closely monitor the situation, including its impact on the global economy, and take necessary measures.

## Analysis of Changes in FY2024 Results and FY2025 Forecast (Operating Profit)

**Despite upfront expenses in the first half, profits expected to grow from the second half due to expanded sales.**



- Investments and expenses for future growth, etc.

	Items	Amount (JPY bn)
New plant	Prepare for operation at the Malaysia plant, a new 1-DAY lens production site.	-0.2
Human capital	Investing in personnel, such as through wage increases	-0.3
R&D	Increase the number of countries where our products are sold and develop new products	+0.2

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Now let me explain our operating profit forecast for FY2025.

Gross profit growth is expected to be small due to a decline in the composition of highly profitable ortho-related sales in China and the limited production volume of the Malaysia plant, which is scheduled to start operations in the second half of the fiscal year, in contrast to an increase in cost of sales, including depreciation, despite the contribution from the effect of price revisions.

In addition, foreign exchange rate fluctuations were a suppressing factor, on the scale of approximately JPY 1.4 bn.

Regarding the use of SGA, we expect to continue to make investments and expenses for future growth, although new plant-related expenses will be shifted to the cost of sales as the Malaysia plant comes online in the second half of the fiscal year.

As for expenses related to new plant operation, we expect a year-on-year increase in the first half of the fiscal year due to an increase in depreciation related to the building of the Malaysia plant and expenses related to preparing for its operation.

Expenses related to strengthening human capital are expected to increase year on year, mainly due to wage increases. R&D expenses are expected to be slightly lower than in the previous year, although we expect to record clinical trial expenses and other expenses associated with the expansion of the number of countries where products are sold and the development of new products.

Factors that may affect operating profit include the progress of capital investment in facilities such as the Malaysia plant and changes to sales promotion measures in response to sales performance in addition to changes in economic trends/national policies/competitive environment in China, as well as foreign exchange fluctuations.

### III. Medium-term Management Plan (Update)

- Milestone 2027 (no changes)
- Growth strategy targets (changes)
- Measures to improve PBR  
(Improvement of return on capital through structural reforms)

The Medium-term Management Plan is available on the following page.  
<https://www.menicon.com/corporate/ir/mid-term-management-plan>

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In May 2024, we announced Milestone 2027, our new Medium-term Management Plan, and since that time we have observed changes in our business environment, especially in China.

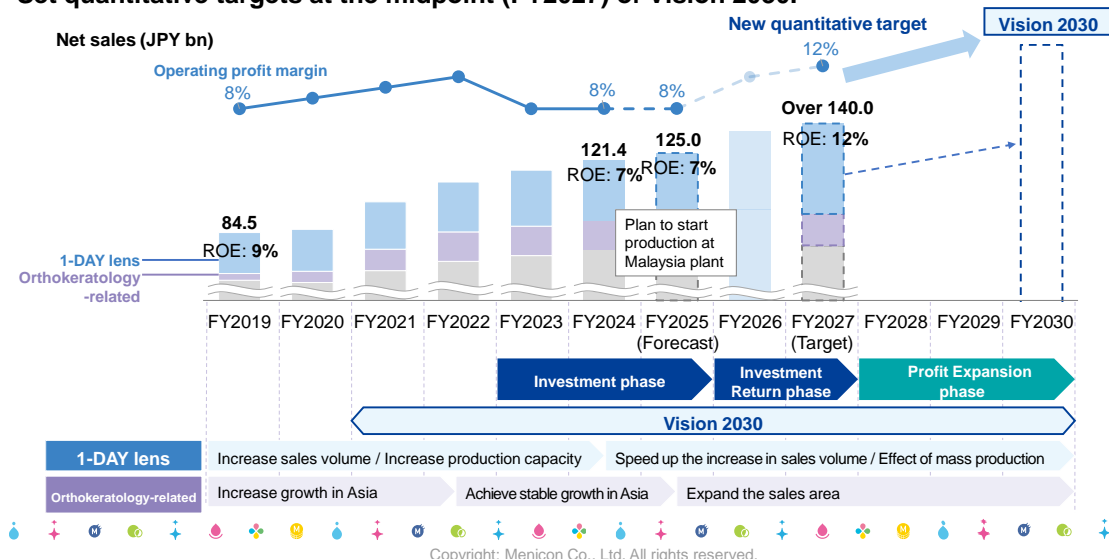
We have updated some of our strategic objectives accordingly, which I will focus on now.



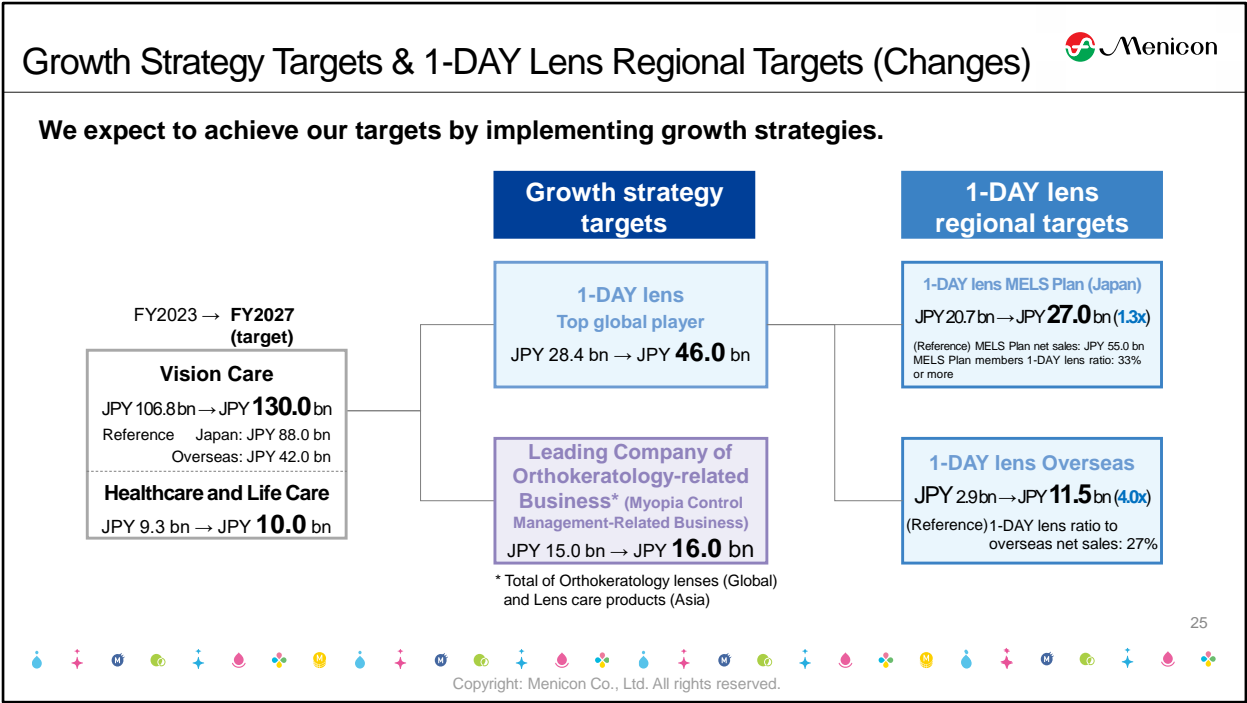
## Progress in Milestone 2027 (No Changes)



Set quantitative targets at the midpoint (FY2027) of Vision 2030.



There is no change to the quantitative targets set in the Medium-term Management Plan announced in May 2024, Milestone 2027, which are net sales of over JPY 140.0 bn, operating profit margin of 12%, and ROE of 12%.



As a growth strategy target to achieve Milestone 2027, we had set net sales targets for 1-DAY lens and Ortho-K-related, but we have changed the target values.

The 1-DAY lens strategy target was revised upward by JPY 4.0 bn to JPY 46.0 bn, while the Orthokeratology-related target was revised downward by JPY 4.0 bn to JPY 16.0 bn for the total of orthokeratology lenses (global) and lens care products (Asia).

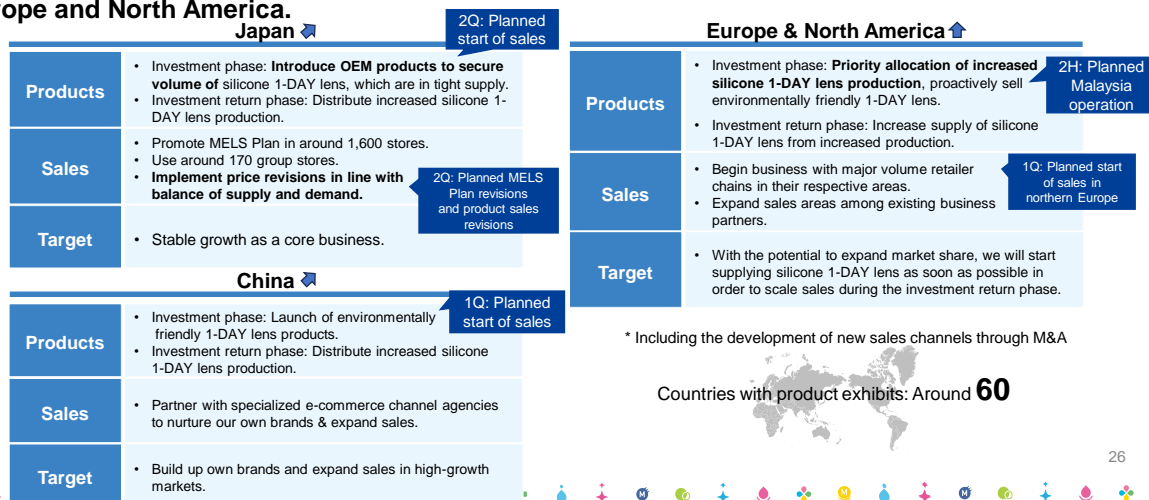
For 1-DAY lens, we have revised downward by JPY 2.0 bn for MELS Plan in Japan, upward by JPY 1.0 bn for product sales in Japan, and upward by JPY 5.0 bn for overseas, indicating a significant expansion in sales overseas versus initial expectations.

The target value for Orthokeratology-related products was lowered in anticipation of the impact of economic stagnation and an increasingly competitive environment in China on both orthokeratology lenses and lens care products.

The following pages present the context to these new changes.

## Sales Strategy

In the investment phase, sales volume in Japan will be boosted by strengthening the supply chain, and sales expansion will be accelerated toward the investment return phase, mainly in Europe and North America.



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Demand for 1-DAY lens is strong globally, and the supply of silicone 1-DAY lens in particular continues to be outpaced by demand, so increasing supply is essential to expanding sales.

To increase this supply, though we are working to strengthen production facilities and make preparations for production at the Malaysia plant, in order to make up for the shortfall in supply during the investment phase, we plan to introduce OEM products in Japan in parallel with the increase in production.

In the investment phase, we plan to acquire new MELS Plan members and expand product sales in Japan, focusing on silicone 1-DAY lens OEM products, and in Europe and North America, we plan to allocate the increased production at the Malaysia plant to major volume retail chains on a priority basis.

We will continue to expand sales of non-silicone 1-DAY lens in Japan, Europe, and North America, leveraging the feature a SMART TOUCH function that allows the wearer to wear them without touching the inner surface and features of these environmentally friendly products that use less plastic.

In China, we will continue to cultivate our own brand in e-commerce channels through non-silicone 1-DAY lens.

In the investment return phase, which comes after the structure for increasing production in Malaysia is in place from FY2026 onward, we expect sales expansion through supply meeting demand on a global basis.

In particular, we expect sales expansion through increased transactions with major overseas volume retail chains to drive our 1-DAY lens sales strategy forward.

# 1-DAY Lens Production System Reinforcement

Strengthen production systems for 1-DAY lens, in anticipation of increases in medium- to long-term demand.

## Silicone materials



**Kakamigahara Plant**  
Products: 1DAY Menicon PremiO  
Sales area: Global  
2H of FY2026: Plan to operate  
production line No. 12.



**Malaysia Plant**  
Products: 1-DAY lens  
Sales Area: Global  
2H of FY2025: Plan to operate production line No. 1.  
Plan to expand up to production line No. 5 by 2H of FY2026.  
Plan to expand up to production line No. 8 by 2H of FY2027.



## Environmentally-friendly/non-silicone materials



**Singapore Plant**  
Products: Magic  
Sales area: Global  
2H of FY2025: Plan to operate  
production lines No. 9 to 10.



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Since increasing production capacity in response to demand is a prerequisite for realizing our growth strategy, we will continue to make capital investments and strengthen our production system to meet demand and optimize supply volume.

As mentioned already, demand for silicone 1-DAY lens is particularly strong on a global scale, and we are currently curtailing sales in Japan and limiting overseas sales to a limited number of customers and countries.

Therefore, the expansion of facilities at our plant in Malaysia offers great anticipation for us.

Production at the Malaysia plant, as we have reported, is scheduled to start in the second half of FY2025.

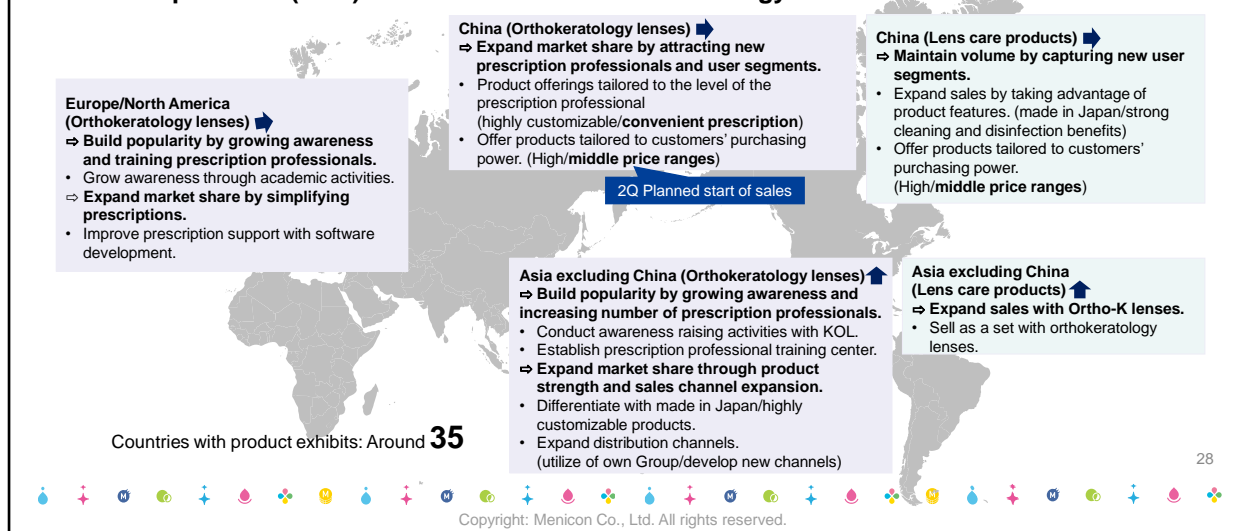
We plan to add five production lines by the second half of FY2026, and we are planning for three more lines by the second half of FY2027 in light of the supply-demand situation ahead.

As for non-silicone 1-DAY lens, sales are expected to expand mainly overseas, and we plan to start operation of a new line at an existing plant in the second half of this fiscal year.

## Orthokeratology-related Sales Strategy

**Orthokeratology lenses (Global): Promote sales with multiple products in multiple countries.**

**Lens care products (Asia): Sell as a set with orthokeratology lenses.**



As for Orthokeratology-related strategies, we aim to expand sales by growing our target user segments and through global expansion by harnessing the unique features of multiple products.

In China, where market growth had been anticipated, we expect lingering uncertainty due to the economic slowdown and an increasingly competitive environment.

In the meantime, we will expand sales of orthokeratology lenses and lens care products to a wide range of eye care practitioner and customer segments by introducing products in the middle price ranges in addition to existing products in high price ranges.

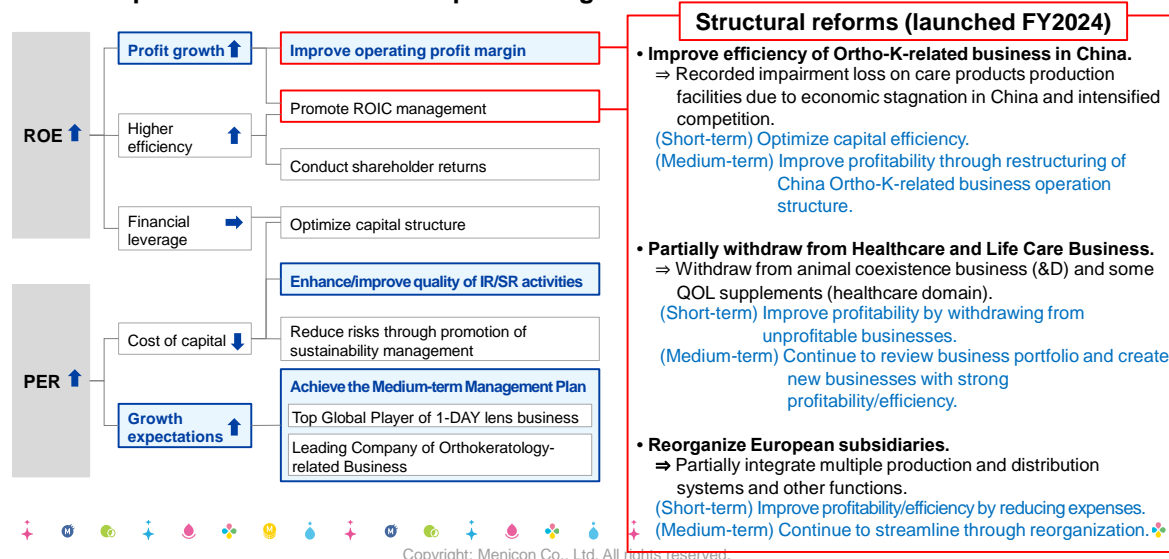
The market has been growing in recent years in Asia, excluding China, and is expected to grow in the future because of the large potential demand due to the large population of genetically myopic people.

We will work to expand the market through promotional activities such as increasing awareness through key opinion leaders, and grow our sales by harnessing our own Group to expand our sales channels.

In Europe and North America, we will work to expand markets through promotional activities to spread awareness.

# Measures to Improve PBR

Promote improvement of return on capital through structural reforms.



To improve PBR, the Company is working to practice management with an awareness of improving ROE and reducing the cost of shareholders' equity.

In order to improve ROE, we believe it is necessary to improve the operating profit margin mainly through the effect of 1-DAY lens mass production at the Malaysia plant, while at the same time, we believe that ROIC-conscious management is necessary to successfully improve our capital efficiency.

In the previous fiscal year, we implemented three main initiatives.

In light of the current situation in the Ortho-K-related business in China, the Company reviewed the asset efficiency of its production facilities for lens care products and recorded an impairment loss.

We believe this will optimize future capital efficiency.

In the Healthcare and Life Care business, we intend to improve profitability by withdrawing from businesses where said improvement cannot be expected, and to improve profitability and efficiency thanks to partial integration of production and logistics systems and other functions of our European subsidiaries.

We will continue to examine and invest in business portfolio with an eye to improving profitability and ROIC.

In addition, as part of our efforts to reduce the cost of capital, we increased opportunities for communication with investors in the previous fiscal year by holding quarterly financial results briefings and conducting individual interviews.

Going forward, we will continue to strengthen our communication so that we can help deepen investors' understanding of our management strategy, current situation, and future growth potential, including the approach of our management team.

## IV. Shareholder Return Policy and Dividend Forecast

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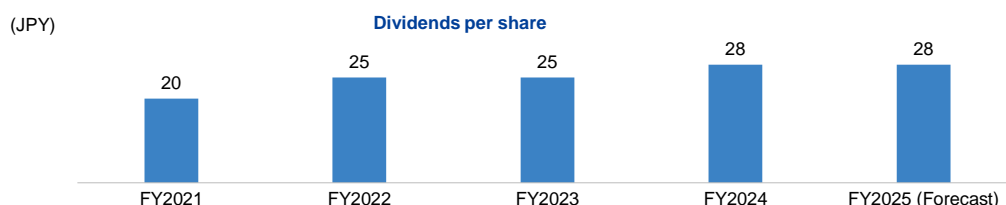
Finally, I would like to explain our shareholder return policy and dividend forecast.

## Shareholder Return Policy and Dividend Forecast



**Dividends:** In accordance with the dividend policy (payout ratio of around 30% and stable dividend), JPY 28/share is forecast for FY2025.

**Share buyback:** Will flexibly consider depending on stock price levels, etc.



	FY2021	FY2022	FY2023	FY2024	FY2025 (Forecast)
Total dividend amount	JPY 1.5 bn	JPY 1.9 bn	JPY 1.9 bn	JPY 2.1 bn	JPY 2.1 bn
Dividend payout ratio	23%	26%	42%	38%	37%

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In addition to the existing policy of maintaining a dividend payout ratio of approximately 30% as a continuous stable dividend, we have announced a new policy of stable dividends starting from the dividend to be paid for FY2024.

This policy is a result of our belief that one of the important objectives of management is to achieve both stable and continuous expansion of business earnings and return of profits, even during an investment phase.

For the dividend to be paid for FY2024, we have opted for JPY 28, as initially forecasted.

The dividend forecast for FY2025 is the same as that for FY2024, at JPY 28, with a payout ratio of approximately 37%.

In addition, with respect to share buyback, our basic policy is to use funds for investments for growth since we are in an investment phase.

However, we will consider these purchases in a flexible manner depending on factors such as stock price level, given our desire to manage our business with an even greater awareness of the stock price.

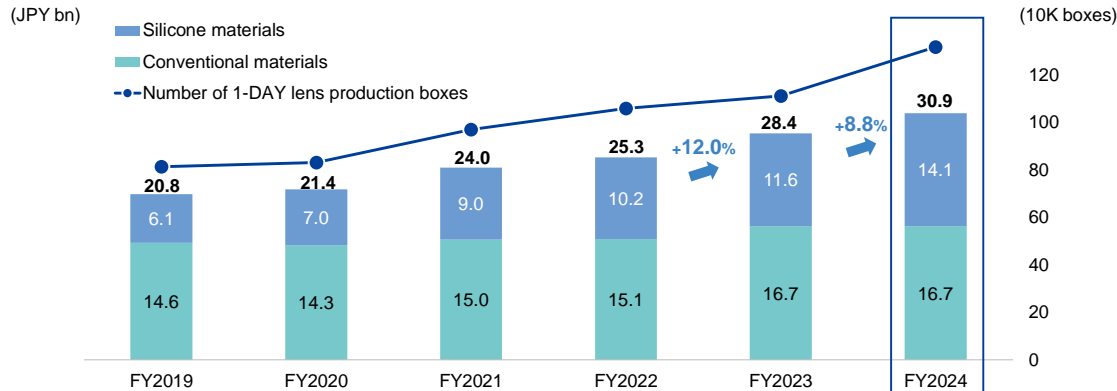
This concludes our presentation for this briefing.



## Reference Material

# 1-DAY Lens Sales Trends

Net sales have increased due to the increase in production capacity.



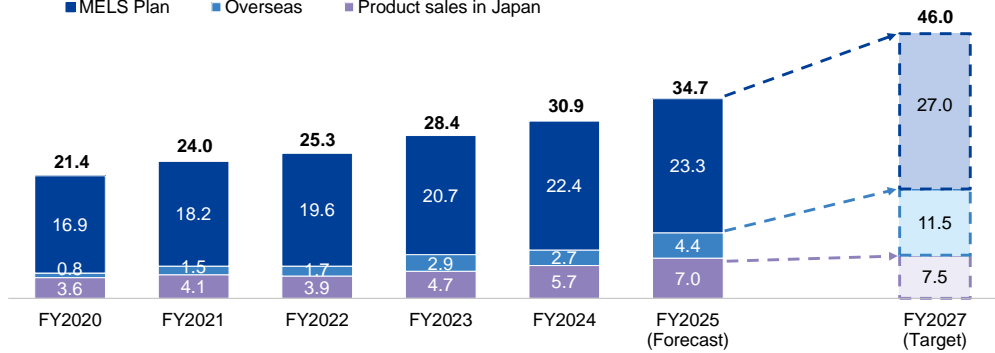
\* 1-DAY lens net sales: Includes products supplied by other companies on an OEM basis.

# 1-DAY Lens Net Sales Forecast (Breakdown of Net Sales)

Net sales are expected to grow in the MELS Plan (increase in number of 1-DAY lens members) and overseas (increase in sales mainly in Europe and North America) because of the introduction of OEM products in Japan and increase in production capacity.

(JPY bn)

■ MELS Plan   ■ Overseas   ■ Product sales in Japan

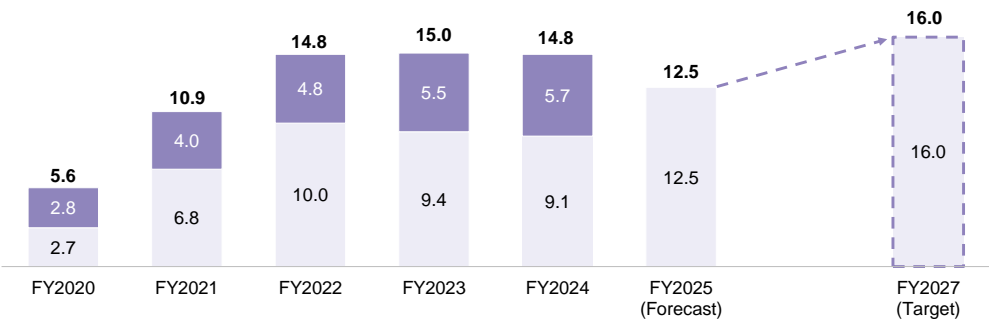


# Orthokeratology-related Sales Forecast (Breakdown of Sales)



Sales decline due to stagnant growth in the Chinese market, but growth is expected in other regions.

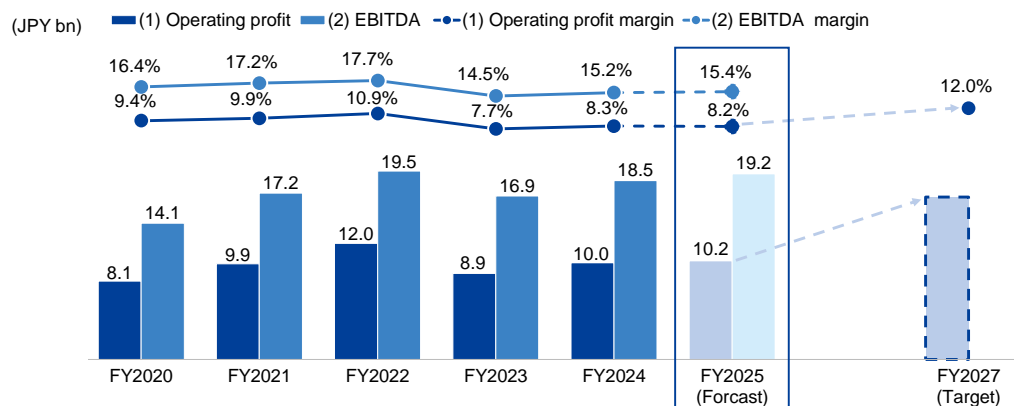
(JPY bn)    ■ Ortho-K (Global)    ■ Lens care products (Asia)



# Operating Profit / EBITDA Forecast



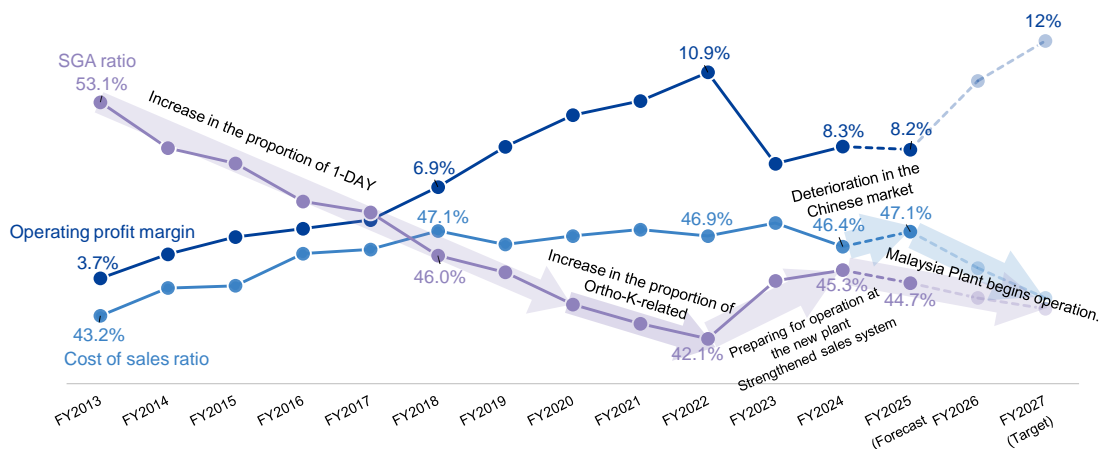
**EBITDA margin is expected to increase due to expected depreciation of the Malaysian plant, etc.**



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# Cost of Sales Ratio / SGA Ratio / Operating Profit Margin



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# Expanding Our Business Domain

In FY2024, we reviewed the business portfolio from the perspective of growth, profitability, and efficiency.

Going forward, we will aim to create a second pillar of business while remaining conscious of capital profitability.

Healthcare	Life Care	Veterinary Medical	Food
			
Assisted reproductive medicine-related	Femtech offerings	Environment-related	Green infrastructure
Development and Sales	Development and Sales	Development and Sales	Development and Sales
For clinics <ul style="list-style-type: none"><li>Motile sperm isolation device</li></ul>	Clinics, electronic commerce retailers, etc. <ul style="list-style-type: none"><li>Pregnancy supplements</li><li>Other femtech offerings, etc.</li></ul>	For farming and stockbreeding <ul style="list-style-type: none"><li>Compost accelerator</li><li>Rice straw decomposition facilitator, etc.</li></ul>	For hardware stores, e-commerce sales, etc. <ul style="list-style-type: none"><li>Lawns, etc.</li></ul>
Development and Sales	Development and Sales	Development and Sales	Development and Sales
For veterinary hospitals and electronic commerce retailers, etc. <ul style="list-style-type: none"><li>Intraocular lenses, contact lenses and surgical equipment for animals</li><li>Supplements for animals, etc.</li></ul>			
Sales			
For food supermarkets and wholesalers <ul style="list-style-type: none"><li>Fresh fish and rice (exported)</li><li>Dry goods, etc. (imported)</li></ul>			

## Disclaimer and Cautions for Forward-Looking Statements

### Disclaimer

- This document was created by Menicon Co., Ltd. (hereinafter referred to as the "Company") for the purpose of understanding the Company's current situation in order to serve as a reference for all investors.
- The contents of this document have been prepared based on the generally recognized economic and social conditions as of May 16, 2025 and certain assumptions that the Company deems reasonable. The contents are subject to change without notice due to factors such as changes in the business environment.
- Investors should always rely upon their own judgment when making an investment.

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- Even if there is new information or future events, the Company is not obligated to update or revise the "forward-looking statements" included in this presentation.

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