June 24, 2020

Menicon Co., Ltd.
President and CEO: Hidenari Tanaka
Securities Code: 7780
TSE, 1st section, NSE, 1st section
Contact:
Motonari Watanabe
Senior Executive Officer,
Corporate Management, CFO
Phone: +81-52-935-1646

Announcement on Granting Share Remuneration-Type Stock Options (Share Acquisition Rights) to Domestic Subsidiaries' Directors

Menicon Co, Ltd. (hereinafter, the "Company") hereby announces that a resolution was passed as follows at a meeting of the board of directors held on June 24, 2020 on the specific details of the share acquisition rights to be issued as share remuneration-type stock options with approval by the 62nd annual general meeting of shareholders, pursuant to the provisions of Article 236, Article 238, and Article 239 of the Companies Act.

1. Reason for issuing share acquisition rights with particularly favorable conditions
   The Company has decided to issue stock options (share acquisition rights) to domestic subsidiaries' directors (excluding those serving concurrently as executive officers or employees of the Company) as outlined below, with the goal of further enhancing incentive and motivation to contribute to sustained improvement in business performance of the Company Group, as well as further promoting management that aims to enhance corporate value.

2. Outline for issuing share acquisition rights
   (1) Title of share acquisition rights 12th Share Acquisition Rights

   (2) Recipients of share acquisition rights, number of recipients, and number of share acquisition rights to be allocated
   Domestic subsidiaries' directors: 6 persons, 21 units
   The number of allocations stated above is a projected number, and in the case where the number of subscription applications is less than the projected number, the number of these applications shall be the number of allocations.

   (3) Class and number of shares for the purpose of share acquisition rights
   The shares shall be 2,100 shares of common shares of the Company. However, if the number of granted shares is to be adjusted as described below, the number of shares will be adjusted to equal the number of granted shares after adjustment multiplied by the total number of share acquisition rights.
   The number of shares for the purpose of one unit of share acquisition rights (hereinafter, the "Number of Granted Shares") shall be 100 common shares of the Company. In the event that the Company performs a stock split (including the gratis allotment of common shares of the Company. The same applies below.) or stock consolidation after the date on which the share acquisition rights are allocated (hereinafter, the "Allocation Date"), the Number of Granted Shares shall be adjusted by the following formula. This adjustment shall be applied to the Number of Granted Shares for share acquisition rights which will have

not yet been exercised at the relevant point of time, and any fractions less than one share resulting from the adjustment shall be rounded down.

$$\text{Number of Granted Shares after adjustment} = \text{Number of Granted Shares before adjustment} \times \text{Ratio of stock split or stock consolidation}$$

If a situation arises in addition to the above in which the Number of Granted Shares requires adjustment, the Number of Granted Shares shall be adjusted to an extent considered reasonable.

(4) Total number of share acquisition rights
The total number shall be 21 units.

(5) Cash payment for share acquisition rights
No cash payment is required.

(6) Value of property contributed upon the exercise of share acquisition rights
The amount of payment per share granted through the exercise of share acquisition rights (hereinafter, the "Exercise Value") shall be 1 yen. The value of property to be contributed upon the exercise of each share subscription right shall be the amount obtained by multiplying 1 yen by the Number of Granted Shares.

(7) Effective period of share acquisition rights
Share acquisition rights are exercisable from August 4, 2020 to August 3, 2050. (hereinafter, the "Exercise Period")
However, if the final day of the Exercise Period falls on a holiday of the Company, the previous business day before the said day shall be considered the final day.

(8) Conditions required to exercise share acquisition rights
1) The recipients of allocations of share acquisition rights (hereinafter, the "Holders of Share Acquisition Rights") may only exercise their share acquisition rights on a lump-sum basis within a limited period of 10 days (if the 10th day falls on a holiday, then the next business day) from the day following the date on which they left their position as subsidiaries' director.
2) Share acquisition rights shall not be inherited.
3) Partial exercise of one unit of a share acquisition right is not allowed.

(9) Increase in capital stock and legal capital surplus through the issuance of shares upon exercise of share acquisition rights
1) The increased amount of capital stock through the issuance of shares upon exercise of share acquisition rights shall be 50% of the maximum amount of capital increase, etc., calculated in accordance with Article 17, Paragraph 1 of the Rules of Corporate Accounting, and any fractional amount of less than 1 yen resulting from this calculation shall be rounded up.
2) The increased amount of legal capital surplus through the issuance of shares upon the exercise of share acquisition rights shall be the maximum amount of capital increase, etc., mentioned in 1) above minus the increased amount of capital prescribed in 1) above.

(10) Restriction on acquisition of share acquisition rights by transfer
The acquisition of share acquisition rights by transfer is subject to approval by the board of directors.

(11) Events and conditions for acquisition of share acquisition rights

In the event that a proposal for the approval of a merger agreement whereby the Company is to be dissolved, a proposal for the approval of an absorption-type company split agreement or an incorporation-type company split plan whereby the Company is to become a splitting company, or a proposal for the approval of a share exchange agreement or share transfer plan whereby the Company is to become a wholly owned subsidiary is approved at a general meeting of shareholders (or resolved by the board of directors should no resolution at a general meeting of shareholders be required), the Company may acquire the share acquisition rights gratis on a date separately determined by the board of directors.

(12) Treatment of share acquisition rights in the event of structural reorganization

If the Company is to engage in a merger (limited to cases where the Company is to be dissolved as a result of the merger), an absorption-type company split or a incorporation-type company split (each limited to cases where the Company is to become a splitting company as a result), or a share exchange or share transfer (each limited to cases where the Company is to become a wholly-owned subsidiary as a result); (hereinafter referred to collectively as "Structural Reorganizations"), share acquisition rights in the new entity specified under Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act (hereinafter, the "Reorganized Company") are to be issued to Holders of Share Acquisition Rights who hold share acquisition rights that remain in effect immediately before the effective date of the Structural Reorganizations (the date on which absorption-type merger comes into effect; the date on which a new entity is established as a result of incorporation-type merger; the date on which absorption-type company split comes into effect; the date on which a new entity is established as a result of incorporation-type company split; the date on which share exchange comes into effect; and the date on which an owning parent company is established as a result of share transfer; The same applies below.) (hereinafter, the "Remaining Share Acquisition Rights"). In this case, the Remaining Share Acquisition Rights shall lapse and the Reorganized Company shall issue new share acquisition rights. However, the foregoing shall be limited to cases where it is indicated in an absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan that share acquisition rights of the Reorganized Company are to be provided in accordance with the following conditions.

1) Number of share acquisition rights of the Reorganized Company to be provided
   Holders of Share Acquisition Rights are to be provided the same number of share acquisition rights of the Reorganized Company as their Remaining Share Acquisition Rights.
2) Class of shares of the Reorganized Company for the purpose of share acquisition rights
   These shares shall be common shares of the Reorganized Company.
3) Number of shares of the Reorganized Company for the purpose of share acquisition rights
   The number of shares shall be determined in consideration of the conditions, etc., of the Structural Reorganizations in accordance with (3) above.
4) The method for calculating the value of property contributed upon the exercise of share acquisition rights
   The value of property to be contributed upon the exercise of each share acquisition right shall be the amount obtained by multiplying the amount of payment after restructuring by the number of shares of the Reorganized Company to be issued for the purpose of the share acquisition right as determined in accordance with 3) above. The amount of payment after restructuring shall be 1 yen per share of the Reorganized Company to be provided upon the exercise of each share acquisition right.
5) Effective period of share acquisition rights
   Share acquisition rights are exercisable over a period that begins on either the first day of the Exercise Period specified in (7) above or the effective date of the Structural Reorganization, whichever is later, and ends on the last day of the same Exercise Period specified in (7) above.
6) Conditions for the exercise of share acquisition rights

To be determined in accordance with (8) above.

7) Increase in capital stock and legal capital surplus from the issuance of shares due to the exercise of share acquisition rights
To be determined in accordance with (9) above.

8) Restriction on acquisition of share acquisition rights by transfer
The acquisition of share acquisition rights by transfer is subject to approval by the board of directors of the Reorganized Company.

9) Events and conditions for acquisition of share acquisition rights
To be determined in accordance with (11) above.

(13) Treatment of fractions of shares resulting from the exercise of share acquisition rights
If the exercise of share acquisition rights results in a fractional share of less than one share, that fractional portion shall be rounded down.

(14) Allocation date of share acquisition rights
August 3, 2020

(15) Issuance of share option certificates
Share option certificates shall not be issued.