

February 12, 2021

Menicon Co., Ltd.

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Securities Code: 7780

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Notice of Revisions to Financial Forecasts and Dividend Forecasts

Menicon Co., Ltd. hereby announces that it has revised the full-year consolidated financial forecasts and dividend forecasts for the fiscal year ending March 31, 2021, which were announced on August 11, 2020. For details, please refer to the followings.

1-1. Revised consolidated financial forecasts for the full fiscal year ending March 31, 2021.

(April 1, 2020 to March 31, 2021)

(Million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast A	84,839	6,838	6,821	4,256	JPY 112.78
Revised forecast B	85,899	8,006	8,223	5,308	JPY 140.63
Difference B—A	1,060	1,167	1,402	1,052	—
Percentage change (%)	1.2	17.1	20.6	24.7	—
(Reference) Results of the previous year (Fiscal year ending March 31, 2020)	84,519	7,033	6,554	4,060	JPY 112.25

1-2. Reason

Business results for the nine months ended December 31, 2020 saw net sales trend firmly. Profit items in the earnings hierarchy below operating profit have been increasing at a faster pace than had been expected

relative to the consolidated business results forecast for the full year released on August 11, 2020 (the “previous forecast”), which is a result of our having made more effective use of selling, general and administrative expenses than had been the case in the same period of the previous fiscal year. In the fourth quarter, contact lenses are likely to encounter consistent and constant demand given their nature as a product essential for everyday life, which holds true even if restrictions are imposed on people’s movement due to COVID-19 both in Japan and abroad. Moreover, net sales are likely to exceed the previous forecast amid a scenario of a potential increase in sales of orthokeratology lenses* and lens care products amid mounting demand for such lenses in China. In addition, whereas we plan to tap sales promotion expenses in line with our budget looking toward the spring demand season, we expect that profits at each level of the earnings hierarchy will exceed those of the previous forecast due to a rise in gross profit associated with higher net sales along with expectation of ongoing effective use of selling, general and administrative expenses. Taking into account the aforementioned scenario, we have revised the full-year consolidated business results forecast as released on August 11, 2020, as follows.

The above business results forecast is based on information currently available to the Company as of the date of publication of these materials and actual results may differ from these forecasts due to various factors including the timing of the containment of COVID-19.

* An orthokeratology lens is a hard contact lens featuring a specially designed inner surface that corrects the shape of the cornea while the user sleeps to improve vision of those who are near-sighted. Because the lens causes the cornea to retain the corrected corneal shape over a certain period of time, it enables users to go about their day without the need for eyewear or contact lenses.

2-1. Revised consolidated dividend forecasts for the full fiscal year ending March 31, 2021.

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Previous dividend forecasts (Announced on May 28, 2020)	Yen -	Yen -	Yen -	Yen 28.00	Yen 28.00
Revised forecasts	-	-	-	30.00	30.00
Current period results	-	0.00	-		
Previous period results (Fiscal year ending March 31, 2020)	-	0.00	-	28.00	28.00

2-2. Reason

With regard to dividends, the Company recognizes that the continuous return of profits to shareholders is one of our most important management objectives, and our basic policy is to make continuous and stable dividend payments. Based on the above consolidated business results forecast and the above basic policy, the Company forecasts a dividend payment of ¥30 per share, having increased by ¥2 from ¥28.

End