

February 20, 2025

Menicon Co., Ltd.

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Our Views on Questions from Shareholders and Investors

The following are the company's views to the main questions that the company have received from shareholders and investors regarding our business performance for the nine months ended December 31, 2024, initiatives, etc..

This disclosure is being made voluntarily by our company with the aim of further deepening the understanding of our shareholders and investors. The content is based on information at the time of disclosure.

Q1. Regarding the sales destination of the 1DAY-lens produced in increased quantities at the new Malaysia plant

The global market for daily disposable contact lenses (hereinafter "1DAY-lens") is expanding, and demand for "silicone hydrogel 1DAY-lens" is increasing, especially. The company produces "silicone hydrogel 1DAY-lens" at the Kakamigahara plant in Japan, but at present demand exceeds supply, so the company restricts sales in Japan and sells on a regional basis in major mass retailers in Europe, North America, etc., and sells mainly "non-silicone hydrogel 1DAY-lens" to meet the excess demand. To this end, the company will gradually lift the global sales restrictions by increasing the production capacity of "silicone hydrogel 1DAY-lens" at the Kakamigahara and Malaysia plants, and the company will also expand sales of 1DAY-lens by increasing the number of new sales partners. In order to meet demand, the company expects that the planned expansion of facilities by the second half of the fiscal year ending March 2027 will be essential.

Q2. Outlook for orthokeratology-related business in China in the future

In China, due to the impact of the economic stagnation, the intensifying competitive environment, and the penetration of alternative products centered on eyeglasses, our estimates show that the orthokeratology lenses market has shrunk in 2024 compared to 2023, and the company expect the current uncertain situation to continue. On the other hand, orthokeratology lenses have a wealth of evidence and a long track record of being prescribed by doctors, and we believe that the market will gradually expand again in the medium to long term.

Q3. Regarding shareholder returns

At present, the company is in the “Investment phase” mainly focusing on our Malaysia plant, and the company is mainly allocating funds to capital investment, so there are no plans to acquire treasury stock. As a shareholder return measure, the company has set a policy of “Dividend payout ratio of approx. 30%” and will continue to pay stable dividends. The company has also reintroduced contact lens care products, which were frequently requested by shareholders, to the shareholder benefit lineup.

<https://www.menicon.co.jp/company/ir/yutai.html>

*In Japanese only.

Q4. Regarding sustainability initiatives

In September 2024, the company conducted a risk assessment and disclosed information regarding water, which is an essential raw material for manufacturing of contact lenses and care products. In addition, the company set a target for reducing CO2 emissions (Scope 1 and Scope 2) in January 2025. The company will continue to promote our sustainability initiatives and report on the details of these initiatives on our website and in Menicon Report, etc.

- Our company's website

[Investors](#)

- Water Risk Evaluation

[Water Risk Evaluation](#)

- Initiatives related to climate change

[Disclosure in Line with TCFD Recommendations](#)

- Menicon report

[Menicon report](#)

Q5. Regarding the reason for the submission of the change report submitted by Mami Co., Ltd. (joint holder: Hidenari Tanaka)

The reason for the submission of the change report submitted by Mami Co., Ltd. on November 20, 2024 is that the shareholding ratio of Mr. Hidenari Tanaka has changed (increased) by 1% or more from the shareholding ratio stated in the change report submitted immediately before (July 4, 2023), due to the sale of shares (off-market transaction) from Mami Co., Ltd. to Mr. Hidenari Tanaka, Director, Chairman and CEO of Menicon Co., Ltd.

Although the shareholding ratio of Mami Co., Ltd. has decreased due to the relevant transactions, etc., the total shareholding ratio of Mami Co., Ltd. and joint holder, Hidenari Tanaka, has not decreased from the shareholding ratio stated in the immediately before (July 4, 2023) change report, as the shareholding ratio of Hidenari Tanaka has increased.

End