

# Consolidated Financial Results for the First Quarter of the Fiscal Year Ended March 31, 2022

TSE 1<sup>st</sup> Section : Ticker 7780

Menicon Co., Ltd.  
August 12, 2021



# Table of Contents

- I. Summary of Consolidated Financial Results  
for FY2021 1Q
- II. Forecast of Consolidated Financial Results  
for FY2021
- III. Topics

# I. Summary of Consolidated Financial Results for FY 2021 1Q

## Key Factors

### ➤ Financial Results for FY2021 1Q (Apr. 1-Jun. 30)

**Net sales** : YoY **+JPY 4.31 bn / +21.8%** (increase)

✓With the addition of sales bases in China (Itabashi Trading Group), the overseas sales growth

✓Overseas sales: JPY 3.09 bn → **5.91 bn** (+91.5%)

✓Overseas sales ratio: 15.6% → **24.6%**

**Gross profit** : YoY **+JPY 2.31 bn / +22.1%** (increase)

Cost to sales ratio: 47.2% → **47.1%**

**Operating profit**: YoY **+JPY 0.56 bn / +28.5%** (increase)

Operating profit ratio: 10.0% → **10.6%**

# Key Factors

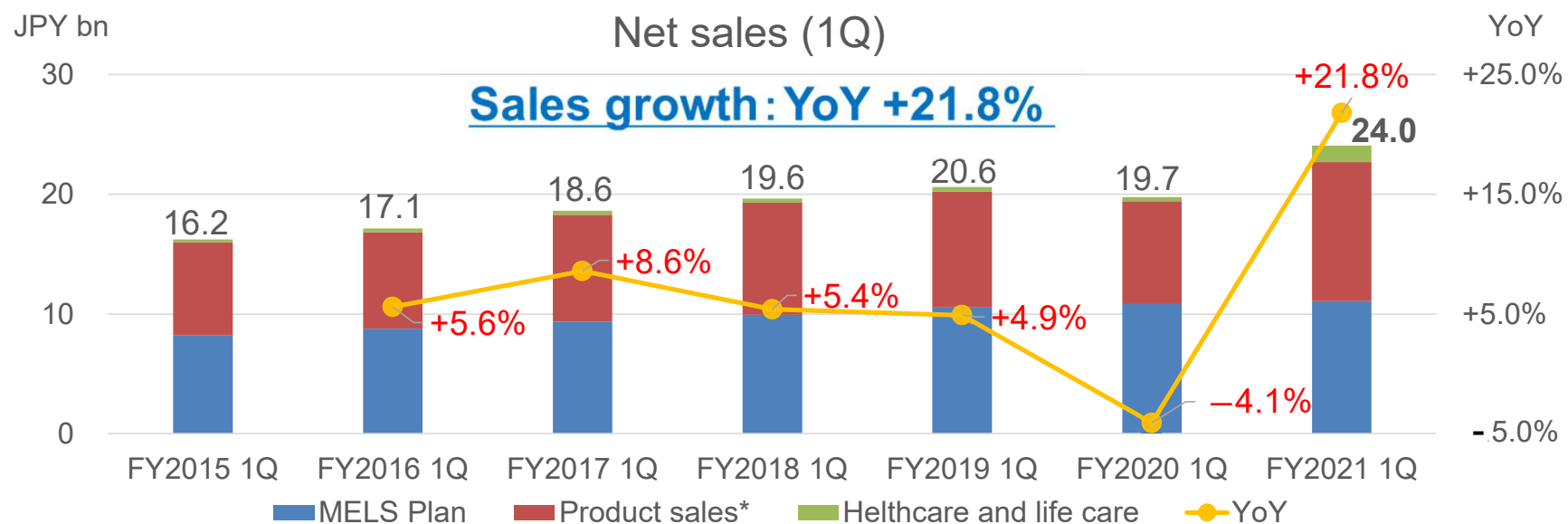
✓ Vision care sales ...

Japan : Increase in number of MELS members (1.34 millions)

Overseas: Sales growth mainly in Asia

✓ Healthcare and life care sales ...

Addition of Food business (Itabashi Trading Group became a wholly owned subsidiary in January 2021)



\*Product sales: Sales of Contact lenses and Lens care products

## Tokyo Stock Exchange New Market Segments / Stock Split

- Tokyo Stock Exchange New Market Segments
  - ✓ Menicon [received a notification of compliance with the continued listing criteria of 'Prime Market'](#) as the new market segment from Tokyo Stock Exchange, Inc.
  - ✓ A board of directors has resolved at a meeting held on August 12, 2021 to [select 'Prime Market'](#).
  
- Stock Split
  - ✓ At the meeting of the board of directors held on August 12, 2021, [a resolution was passed](#) on a stock split as follows.
    - Method of stock split            1:2
    - Effective date                    October 1, 2021

## Summary of Financial Results for FY2021 1Q

	FY 2020 1Q	FY2021 1Q	Different	YoY	JPY m
<b>Net sales</b>	<b>19,768</b>	<b>24,085</b>	<b>+4,316</b>	<b>+21.8%</b>	
Cost of sales	9,337	11,343	+2,006	+21.5%	
(Cost of sales ratio)	47.2%	47.1%	---	(-0.1pt)	
Gross profit	10,430	12,741	+2,310	+22.1%	
SGA	8,445	10,189	+1,744	+20.7%	
(SGA ratio)	42.7%	42.3%	---	(-0.4pt)	
<b>Operating profit</b>	<b>1,985</b>	<b>2,551</b>	<b>+565</b>	<b>+28.5%</b>	
(Operating profit ratio)	10.0%	10.6%	---	(+0.6pt)	
<b>Ordinary profit</b>	<b>2,118</b>	<b>2,588</b>	<b>+470</b>	<b>+22.2%</b>	
<b>Profit attributable to owners of parent</b>	<b>1,387</b>	<b>1,690</b>	<b>+303</b>	<b>+21.8%</b>	
Basic earnings per share	JPY 36.78	JPY 44.74	+JPY 7.96	---	

## Breakdown of Net Sales

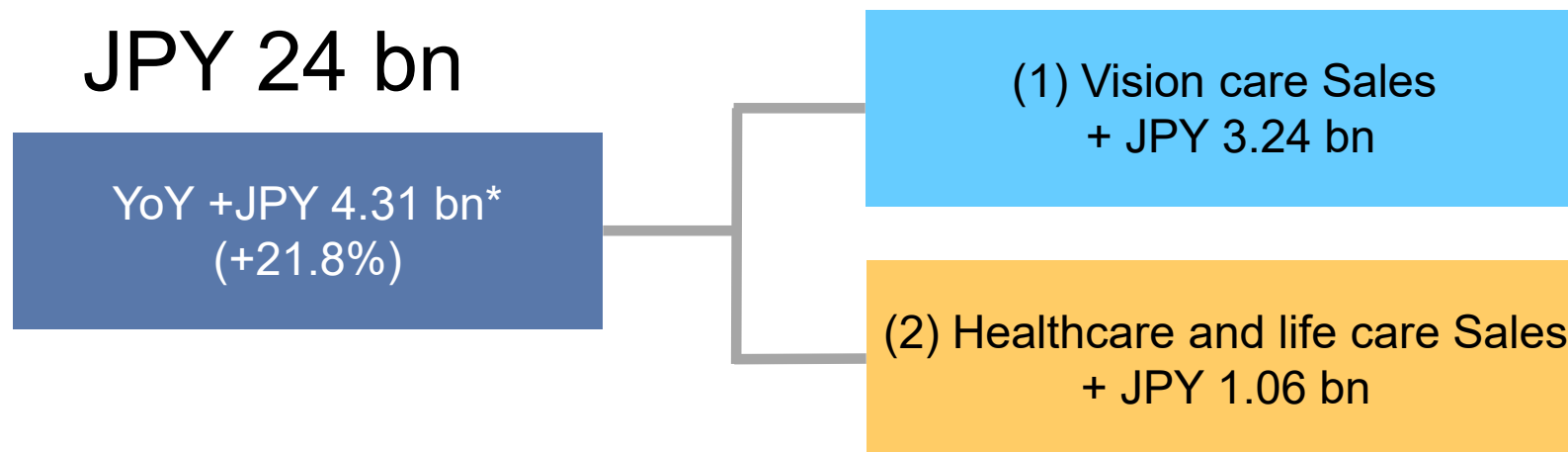
JPY m

	FY 2020 1Q	FY 2021 1Q	Different	YoY
Net sales	19,768	24,085	+4,316	+21.8%
(1)Vision care	19,441	22,689	+3,248	+16.7%
Net sales in Japan	16,358	17,477	+1,118	+6.8%
MELS Plan	10,834	11,087	+253	+2.3%
Product sales*1 and others	5,524	6,389	+864	+15.7%
Overseas sales	3,082	5,212	+2,130	+69.1%
Europe	1,611	2,220	+608	+37.8%
North America	130	253	+122	+93.2%
Asia*2	1,242	2,625	+1,382	+111.3%
Oceania and Africa, etc.	96	112	+16	+17.1%
(2)Healthcare and life care	327	1,395	+1,068	+326.8%
Net sales in Japan	318	690	+371	+116.7%
Overseas sales	8	705	+696	+8264.8%

\*1 "Product sales" refers to contact lenses and lens care products. \*2 For FY2020, "Asia" includes major exports to China through domestic distributors.



# Net Sales



\*Includes the impact of the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 issued March 31, 2020; hereinafter, "Revenue Recognition Accounting Standard"), etc.: - JPY 0.38 bn

## Key factors

- (1) Growth in overseas sales, particularly in Europe and Asia
- (2) Addition of food business by Itabashi Trading Group

# MELS Plan Sales

JPY 11 bn

YoY +JPY 0.25 bn\*  
(+2.3%)

MELS membership **1.34 millions**

(End of June 2020:1.33 millions, End of March 2021:1.34 millions)

(1) Daily disposable  
contact lenses  
+JPY 0.33 bn

(2) 2weeks disposable  
contact lenses  
+JPY 0.04 bn

Others  
-JPY 0.12 bn

\*Includes the impact of the application of Revenue Recognition Accounting Standard : -JPY 0.04 bn

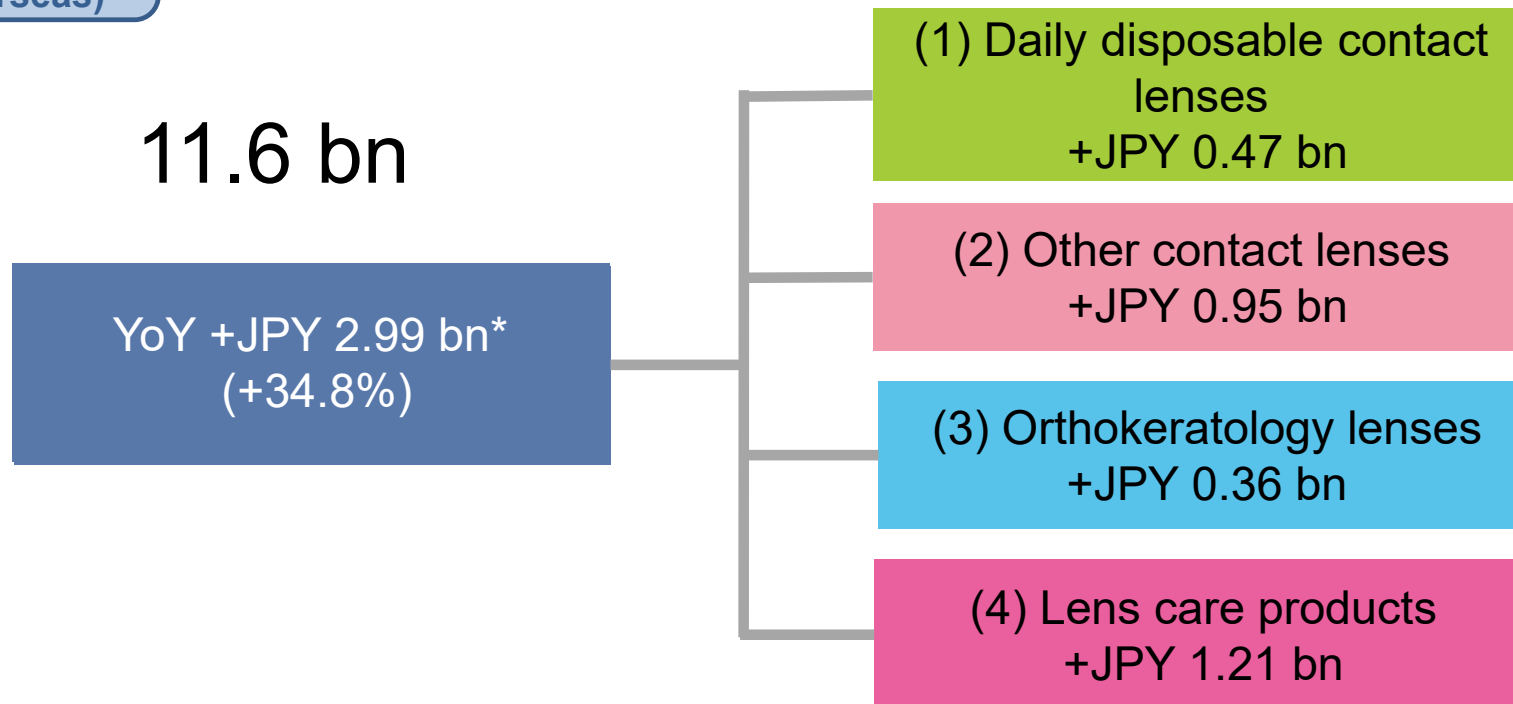
### Key factors

- (1) Increase in Daily disposable contact lenses membership
- (2) Steady growth in 2weeks disposable contact lenses membership

Vision care  
Product sales  
(Japan & Overseas)

Breakdown of  
net sales

# Contact Lenses and Lens Care Products Sales



\*Includes the impact of the application of Revenue Recognition Accounting Standard, etc.: -JPY 0.27 bn

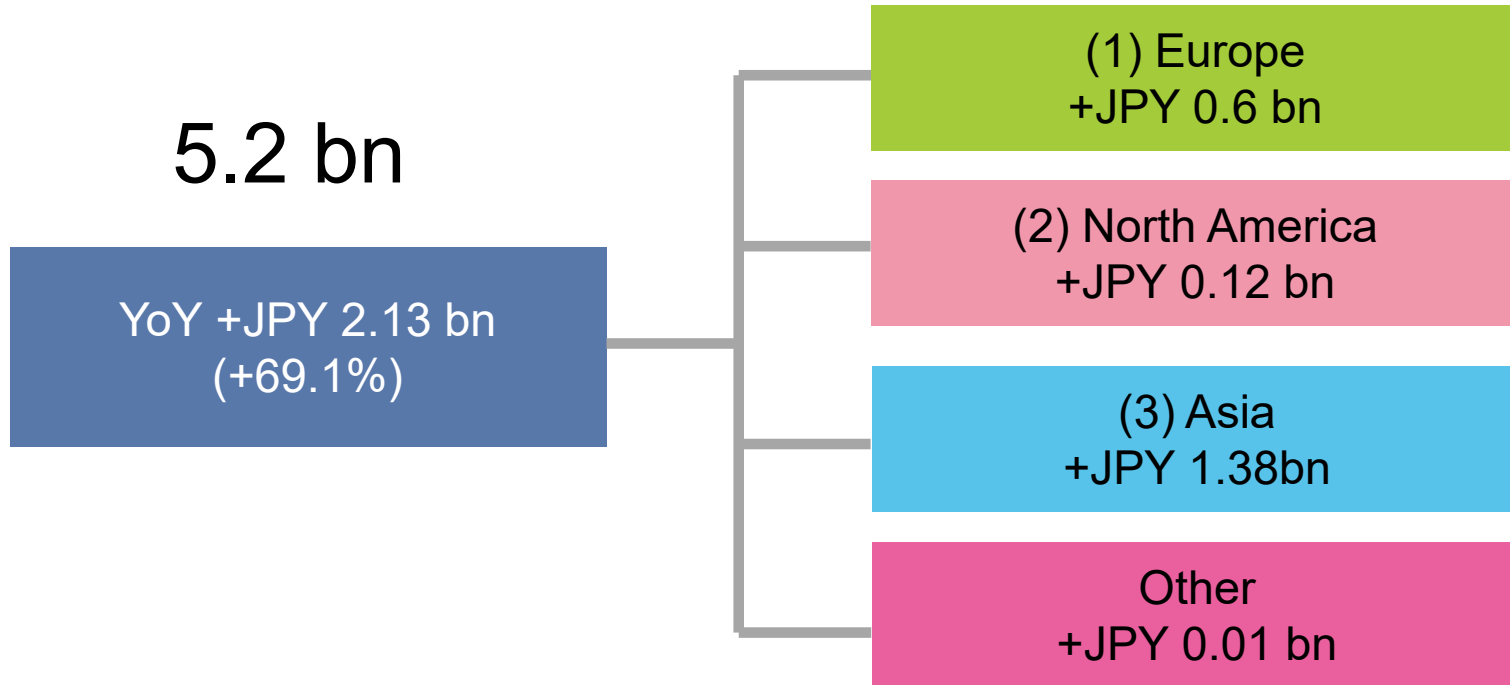
### Key factors

- (1) Sales growth due to recovery in demand in Japan and overseas
- (2) Recovery in sales of Conventional lenses, especially in Europe
- (3)(4) Strong sales in China

Vision care  
Product sales  
(Overseas)

Breakdown of  
net sales

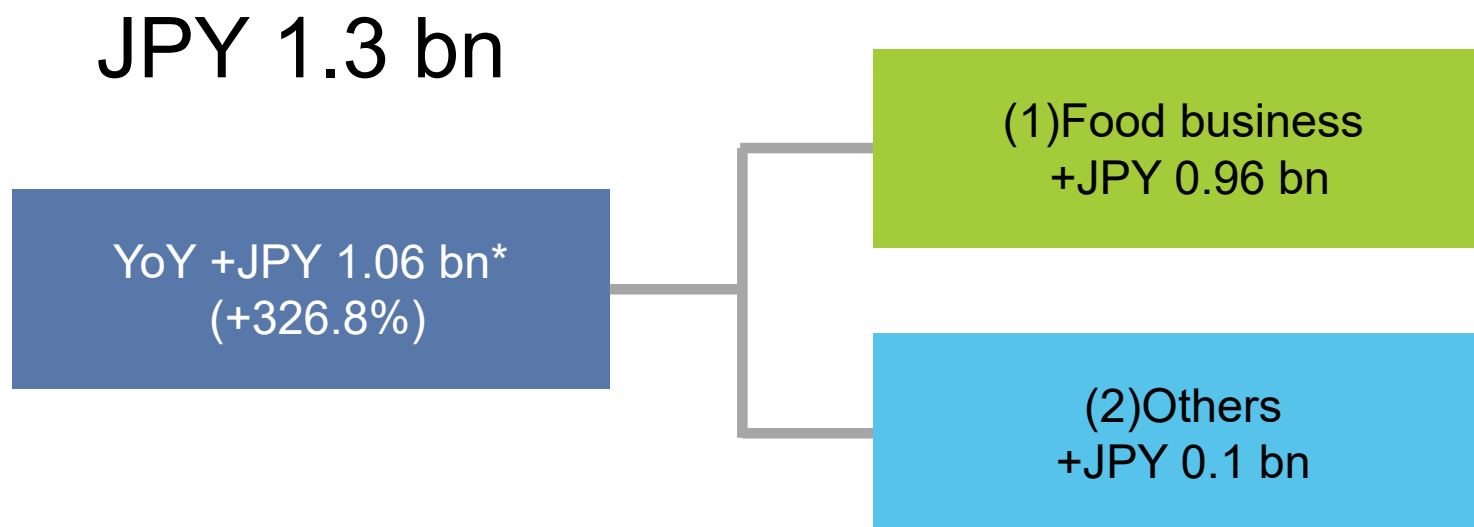
## Overseas Sales (by Region)



### Key factors

- (1) Europe: Sales recovery mainly in Conventional lenses
- (2) North America: Recovery in sales of Daily disposable lenses and Lens care products
- (3) Asia: Strong sales of Orthokeratology lenses and Lens care products

# Healthcare and Life Care Sales



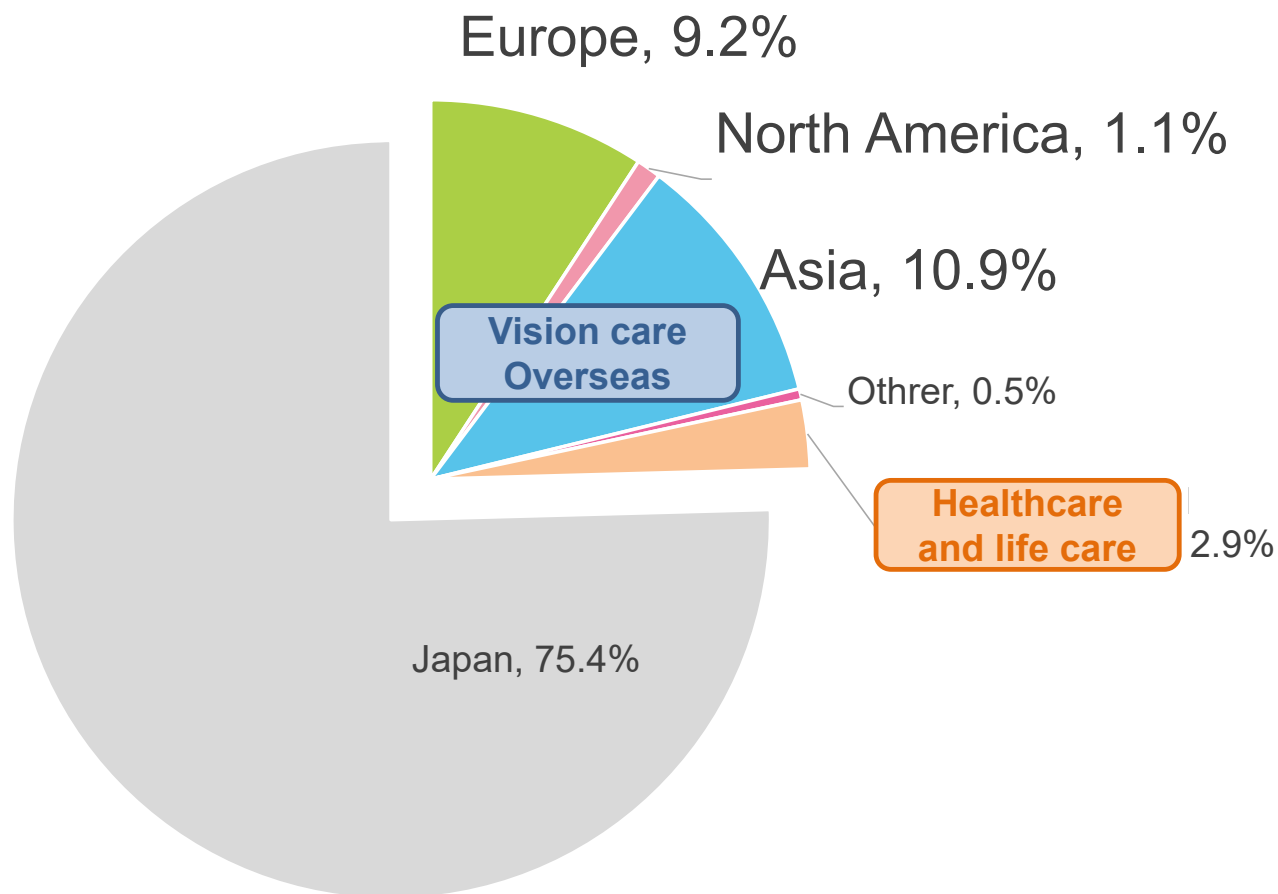
\*Includes the impact of the application of Revenue Recognition Accounting Standard : -JPY 0.04 bn

**Key factors**  
 (1) Addition of Food business by Itabashi Trading Group  
 (2) Sales growth of Veterinary Medical Business (Meni-One), etc.

Vision care

Healthcare  
and life care

# Overseas Sales Ratio



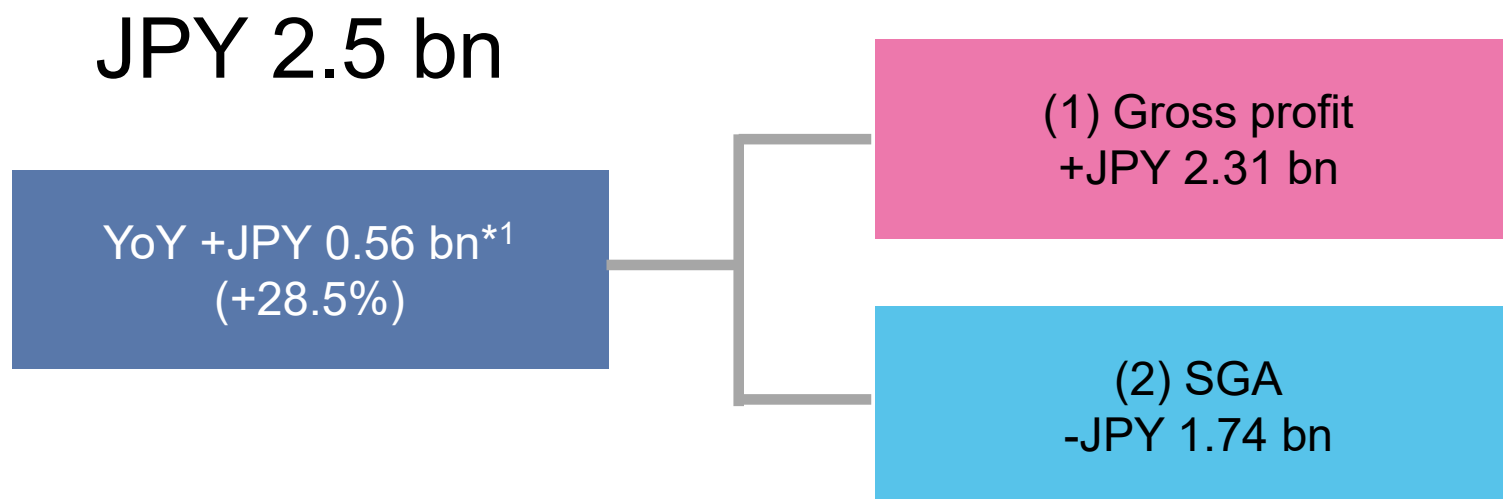
Overseas sales ratio (sales)

FY2020 1Q  
15.6% (JPY 3.09 bn)

↓ **+9.0%**

FY2021 1Q  
24.6%(JPY 5.91 bn)

## Operating Profit



\*1 Includes the impact of the application of Revenue Recognition Accounting Standard : -JPY 0.07 bn

### Key factors

(1)(2)With the addition of group companies \*2, increase in gross profit and SGA

Cost of sales ratio : YoY -0.1%, SGA ratio : YoY -0.4%

Operating profit ratio : 10.0% → 10.6%

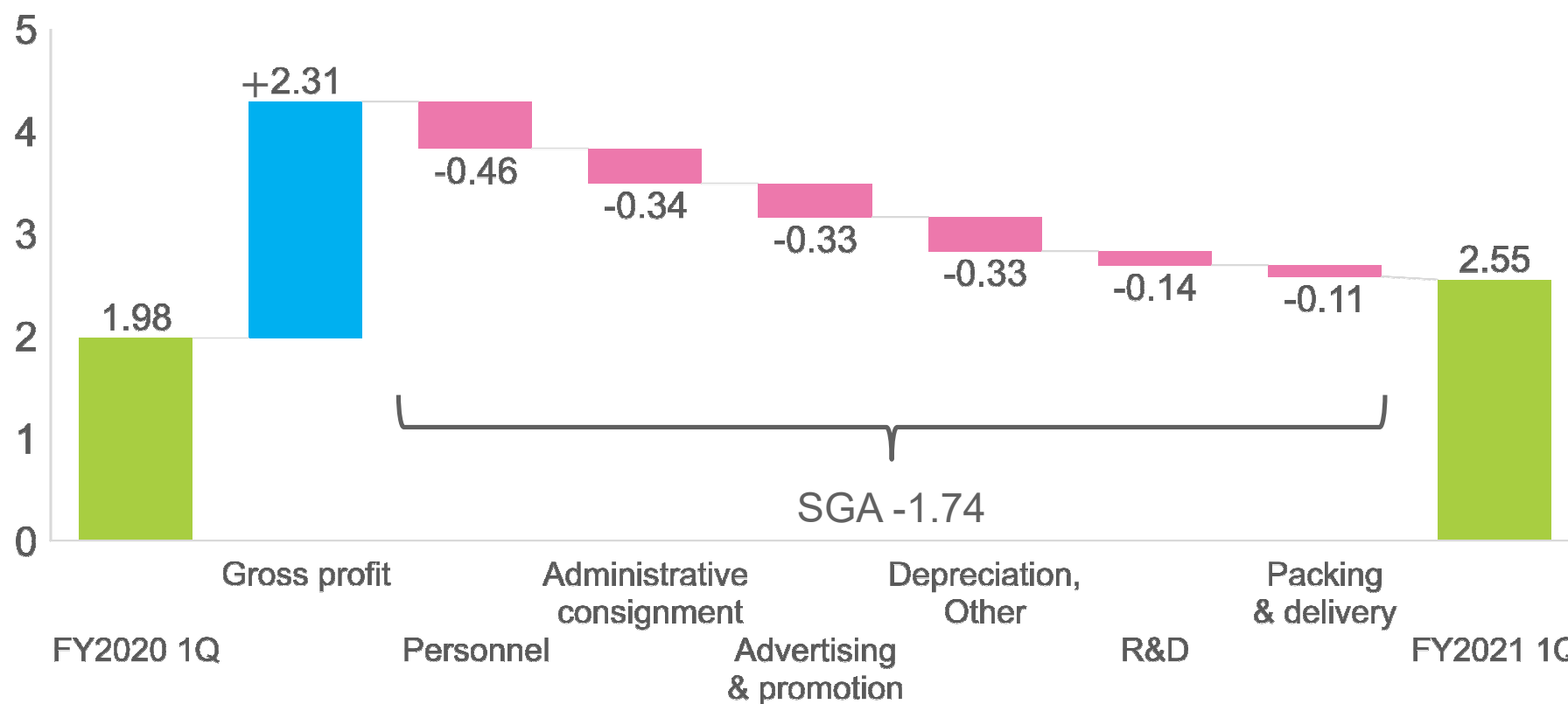
(No major change in profit ratio structure)

\*2 Hamano and Itabashi Trading Group

# Operating Profit Analysis

✓ Increase in gross profit

JPY bn





## II. Forecast of Financial Results for FY2021

## Financial Forecast (Announced on May 13, 2021)

	FY2020		FY2021 (forecast)	Different (forecast)	YoY (forecast)	JPY m
<b>Net sales</b>	<b>86,209</b>		<b>99,200</b>	+12,990	+15.1%	
Cost of sales	40,392		46,600	+6,207	+15.4%	
(Cost of sales ratio)	46.9%		47.0%	---	(+0.1pt)	
Gross profit	45,817		52,600	+6,782	+14.8%	
SGA	37,710		43,600	+5,889	+15.6%	
(SGA ratio)	43.7%	⇒	44.0%	---	(+0.3pt)	
<b>Operating profit</b>	<b>8,106</b>		<b>9,000</b>	+893	+11.0%	
(Operating profit ratio)	9.4%		9.1%	---	(-0.3pt)	
<b>Ordinary profit</b>	<b>8,348</b>		<b>8,800</b>	+451	+5.4%	
<b>Profit attributable to owners of parent</b>	<b>5,952</b>		<b>5,700</b>	-252	-4.2%	
Basic earnings per share	JPY 78.84 (JPY 157.67*)		JPY 75.39 (JPY 150.77*)	-JPY 3.45 (-JPY 6.90*)	---	

\*Reference: Figures before the stock split effective October 1, 2021

## Financial Progress

✓ Progress rate is steady

JPY m

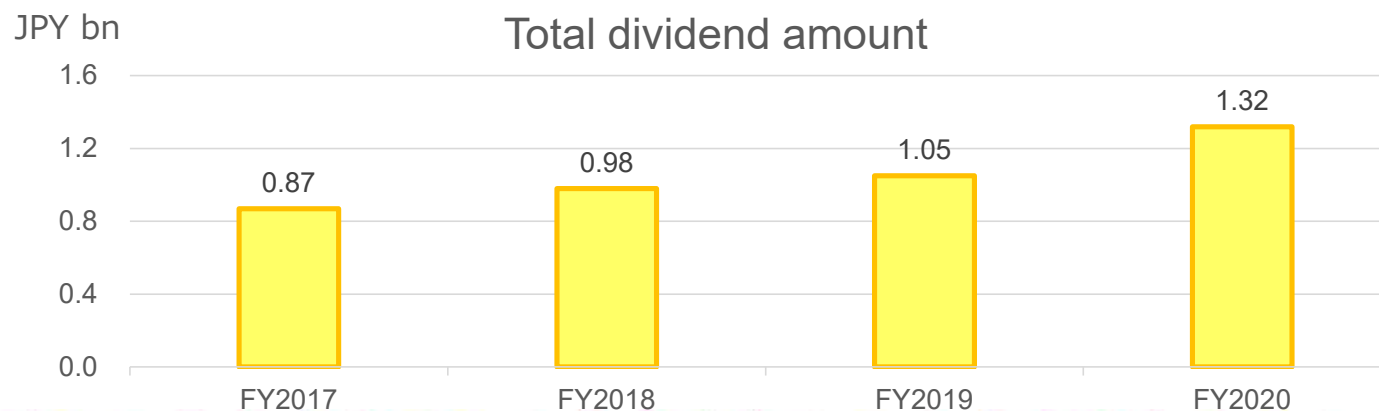
	FY2020		FY2021 1Q		FY2021 (forecast)		Progress rate
<b>Net sales</b>	<b>86,209</b>		<b>24,085</b>		<b>99,200</b>		24.3%
(Cost of sales ratio)	46.9%		47.1%		47.0%		---
Gross profit	45,817	⇒	12,741	⇒	52,600		24.2%
<b>Operating profit</b>	<b>8,106</b>		<b>2,551</b>		<b>9,000</b>		28.3%
(Operating profit ratio)	9.4%		10.6%		9.1%		---
<b>Profit attributable to owners of parent (quarterly period)</b>	<b>5,952</b>		<b>1,690</b>		<b>5,700</b>		29.7%

## Dividend Forecast

- ✓ Conducted a 1:2 stock split (2-for-1) effective October 1, 2021
- ✓ Annual dividend forecast per share for FY2021: **¥17.5** (before the split: ¥35)

	FY2017	FY2018	FY2019	FY2020	FY2021 (Forecast)
Dividend per Share*	JPY 12.5	JPY 14	JPY 14	JPY 17.5 Ordinary dividend JPY 15 Commemorative dividend JPY 2.5	JPY 17.5
Dividend payout ratio	33.0%	27.6%	24.9%	22.2%	23.2%

\*Calculations are based on assumption that the stock split was conducted at the beginning of FY2017.

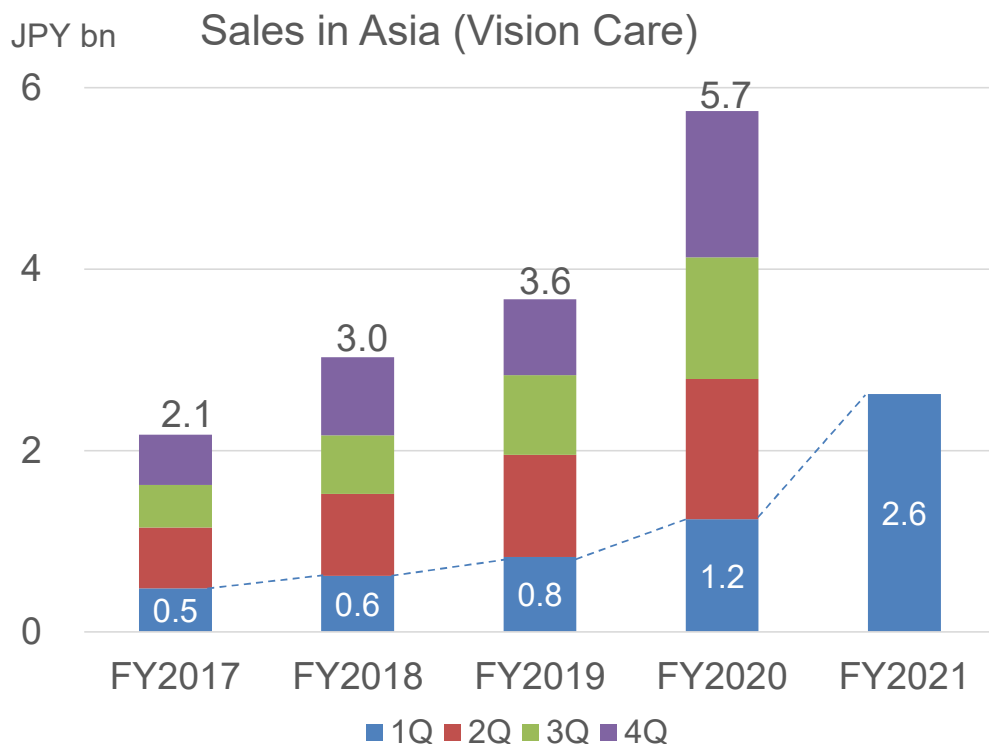


# Ⅲ. Topics

Vision care Overseas

# Sales Growth in Asia

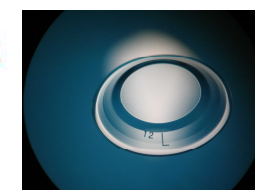
- ✓ Further growth of sales in Asia by joining the Itabashi Trading Group, which has sales offices in China
- ✓ Continue to expand sales of Orthokeratology lenses and Lens care products in China



Itabashi Trading Group became a wholly owned subsidiary in January 2021  
Sales, import and export of medical equipment



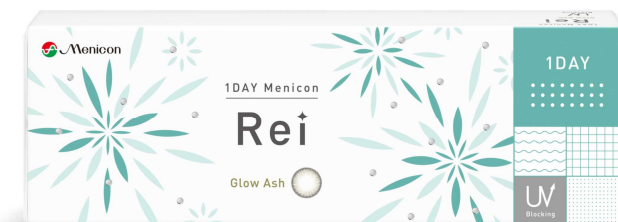
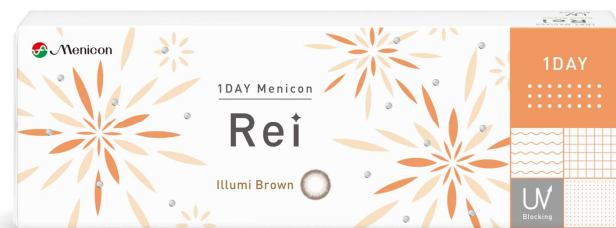
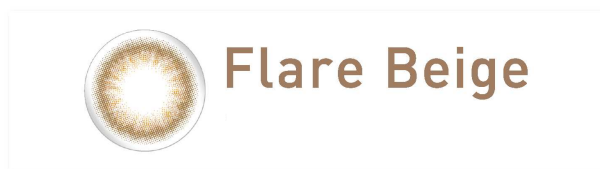
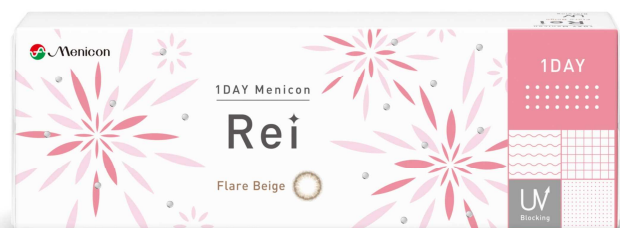
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Prior to FY2020, major exports to China through domestic distributors are included.

## Expansion of Daily disposable contact lens lineup

- ✓ Daily disposable circle lense 「1Day Menicon Rei」  
Sales to begin in May 2021 as a special product for MELS Plan

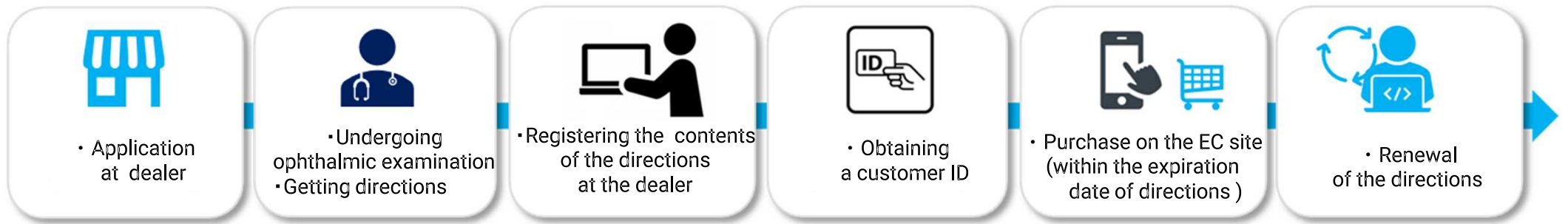


# Introduction of a Contact Lens Web Ordering System

- ✓ Start of the contact lens web ordering system "ClickMiru"
- ✓ By registering the contents of directions prescribed by ophthalmologist at the dealers, purchases can be made within the scope and expiration date

## ClickMiru

Contact lens purchase process with ClickMiru





## Food Business (Itabashi Trading Group)

- ✓ Itabashi Trading Group, which has a sales network in Asia, became a group company in January 2021.
- ✓ Further expand the food business to make it a pillar of the Healthcare and life care business



Japanese rice exported from Japan  
to China



Fresh fish exported from Japan to Asia and the U.S.

# Disclaimer on Forward-Looking Statements

- Disclaimer

- ✓ This document was created by Menicon Co., Ltd. (hereinafter referred to as the "Company") for the purpose of understanding the current situation of the Company in order to serve as a reference for investors. The contents of this document have been prepared based on the generally recognized economic and social conditions as of August 12, 2021 and certain assumptions that the Company deems reasonable. The contents are subject to change without notice due to changes in the business environment. When making an investment, please be sure to make your own judgment.

- Notes on forward-looking statements

- ✓ The document and information provided in this presentation include so-called "forward-looking statements". These are based on current expectations, forecasts and risks assumptions and contain uncertainties that could lead to results that are substantially different from these statements. These risks and uncertainties include general industry and market conditions, general domestic and international economic conditions such as interest rates and currency exchange fluctuations. Even if there is new information or future events, we are not obligated to update or revise the "outlook information" included in this announcement.

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