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Menicon Co., Ltd.

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Securities Code: 7780

TSE, 1<sup>st</sup> section, NSE, 1<sup>st</sup> section

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**Announcement on Disposition of Treasury Shares by Third Party Allotment**  
**with “Stock Benefit Trust (Employee Shareholder Association Purchase-Type)”**

Menicon Co., Ltd. (hereinafter, the “Company”) hereby announces that at the meeting of the board of directors held today, a resolution was passed on the disposition of treasury shares by third-party allotment (hereinafter, the “Treasury Shares Disposition”) with “Stock Benefit Trust (Employee Shareholder Association Purchase-Type)”.

1. Overview of Disposition

(1)	Date of Disposition	Friday, September 10, 2021
(2)	Class and Number of Shares to be Disposed	78,000 common shares
(3)	Disposition Price	8,750 yen per share
(4)	Total Amount of Disposition	682,500,000 yen
(5)	Allottee	Custody Bank of Japan, Ltd. (Trust E Account)
(6)	Other	The disposition of treasury shares is subject to the effectiveness of the registration statement filed under the Financial Instruments and Exchange Act.

2. Purpose and Reason for Disposition

The Company passed a resolution at the board of directors meeting held in May 13, 2021 on introducing a “Stock Benefit Trust (Employee Shareholder Association Purchase-Type)” (hereinafter, the “Plan”) for the purpose of enhancing employee benefits, raising employees’ awareness of stock prices, and increasing their motivation for work through the steady provision of the Company’s shares to the Company’s employee shareholder association, Menicon Employee Shareholder Association (hereinafter, the “Shareholder Association”), and distribution of profits generated by trust property management in order to increase the Company’s corporate value. The details were resolved at the board of directors meeting today. (see today’s Announcement on Introduction of “Stock Benefit Trust (Employee Shareholder Association Purchase-Type)” (Decision on Details) for an overview of the plan).

With the introduction of the Plan, the Company, as the settlor, will enter into a “Stock Benefit Trust (Employee Shareholder Association Purchase-Type) Agreement” (hereinafter, the “Trust Agreement”); and the trust established pursuant to the Trust Agreement is hereinafter referred to as the “Trust”) with the trustee, Mizuho Trust & Banking Co., Ltd. (hereinafter, the “Trustee”). Additionally, the Trustee will enter into a re-trust agreement with the Custody Bank of Japan, Ltd. regarding management of securities and other trust assets with the Custody Bank of Japan, Ltd. as the sub-trustee.

The Treasury Shares Disposition shall be a disposition of treasury shares by third-party allotment to the Trust E Account which will be established at the Custody Bank of Japan, Ltd. upon the introduction of the Plan and will hold or dispose of the Company’s shares.

The quantity of shares to be disposed of shall be within the scheduled quantity that the Shareholder Association

will purchase from the Trust during the trust term over the next five years, which will be 0.20% of 38,077,444 shares, the total number of issued shares as of March 31, 2021 (0.21% [rounded off to two decimal places in either case] of 377,833, the total number of voting rights as of March 31, 2021).

#### Overview of Trust

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|------------------------------------|---|
| (1) Purpose of Trust               | For the steady provision of the Company's shares to the Shareholder Association, and the provision of profits to beneficiaries generated by trust property management and disposition                                   |
| (2) Settlor                        | The Company   |
| (3) Trustee                        | Mizuho Trust & Banking Co., Ltd.<br>Mizuho Trust & Banking Co., Ltd. shall enter into a comprehensive trust agreement with the Custody Bank of Japan, Ltd., and the Custody Bank of Japan, Ltd. shall be the retrustee. |
| (4) Beneficiary                    | Members of the Shareholder Association who satisfy the beneficiary eligibility requirements   |
| (5) Date of Establishment of Trust | September 10, 2021 (tentative)  |
| (6) Term of Trust                  | From September 10, 2021 to September 10, 2026 (tentative)   |

#### 3. Basis for Calculation of Disposition Price and Its Details

The disposition price has been set as the closing price at the Tokyo Stock Exchange, Inc. on the business day immediately preceding the date of the board of directors resolution on the Treasury Shares Disposition.

The reason the price was set as the closing price of the business day immediately preceding the date of the board of directors resolution is that that represents the reasonable corporate value of the Company at the stock exchange and it has been determined to be rational.

The disposition price of 8,750 yen is the result of multiplying 8,249 yen (rounded off to the nearest yen), the average closing price over one month starting from the business day immediately preceding the date of the board of directors resolution, by 106.07%; the result of multiplying 7,715 yen (rounded off to the nearest yen), the average closing price over three months starting from the business day immediately preceding the date of the board of directors resolution, by 113.42%; and the result of multiplying 7,175 yen (rounded off to the nearest yen), the average closing price over six months starting from said date by 121.95%. Considering the above, the disposition price in regard to the Treasury Shares Disposition has been determined to be rational and not especially advantageous to the allottee.

Furthermore, the audit committee has expressed the view that the above-mentioned disposition price is not especially advantageous to the allottee.

#### 4. Matters Related to Procedures under the Corporate Code of Conduct

The Treasury Shares Disposition 1) will result in a stock dilution of less than 25% and 2) will not result in a change in controlling shareholders; therefore, procedures to obtain the opinion of an independent third party and confirm the intent of shareholders as stipulated in Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. is unnecessary.

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