



Consolidated Financial Results for the Nine Months Ended December 31, 2022

Securities Code : 7780



Menicon Co., Ltd.

February 10, 2023

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for FY2022 3Q

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I . Summary of Consolidated Financial Results for FY 2022 3Q

Key Factors

➤ Consolidated Financial Results for FY2022 3Q

Net Sales : JPY **82.4bn** / YoY **+10.4%** (increase in sales)

- ✓ Total number of MELS Plan Members: **1.34million**
Daily disposable contact lenses membership increased

- ✓ Overseas sales growth mainly in Asia

Overseas sales : JPY19.07bn → 24.62bn (+29.1%)

Impact of JPY depreciation + 12.6%

Growth in local currency + 16.5%

Overseas sales ratio : 25.5% → 29.9% (+4.4pt)

Gross profit : **JPY 44.3bn** / YoY **+12.7%** (increase in profit)

Cost of sales ratio : 47.3% → **46.2%** (-1.1pt)

Operating profit : **10.5bn** / YoY **+31.7%** (increase in profit)

Operating profit ratio : 10.8% → **12.8%** (+2.0pt)

Summary of Financial Results for FY2022 3Q

JPY m

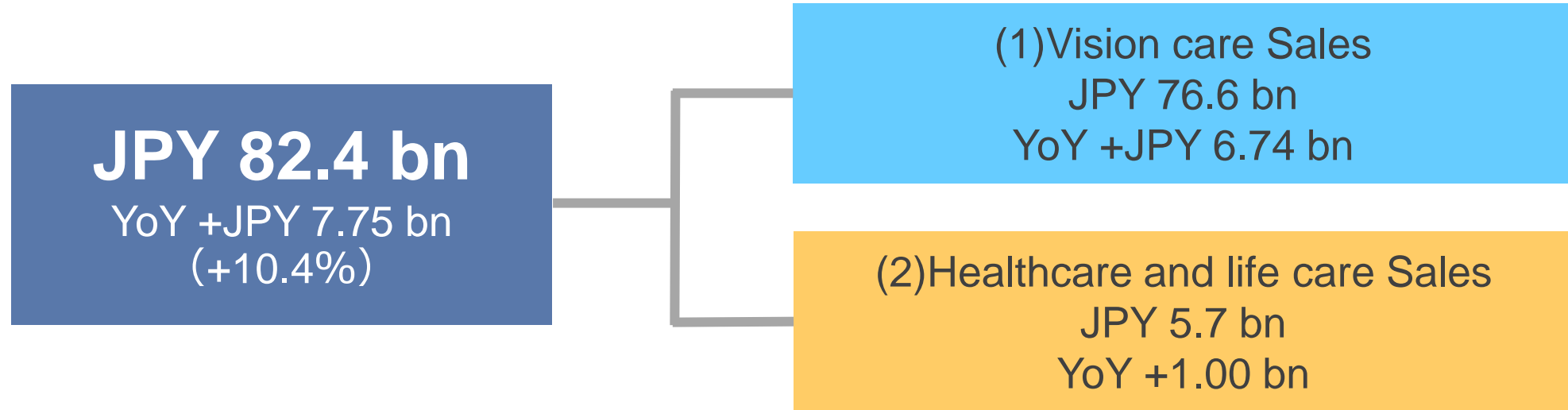
	FY2021 3Q	FY2022 3Q	YoY
Net Sales	74,705	82,463	+10.4%
Cost of sales	35,318	38,091	+7.9%
(Cost of sales ratio)	47.3%	46.2%	(-1.1pt)
Gross Profit	39,386	44,372	+12.7%
SGA	31,348	33,786	+7.8%
(SGA ratio)	42.0%	41.0%	(-1.0pt)
Operating profit	8,038	10,585	+31.7%
(Operating profit ratio)	10.8%	12.8%	(+2.0pt)
Ordinary profit	8,093	10,411	+28.6%
Profit attributable to owners of parent	5,358	6,858	+28.0%

Breakdown of Net Sales

	FY2021 3Q	FY2022 3Q	YoY	JPY m
Net Sales	74,705	82,463	+10.4%	
(1) Vision care	69,945	76,693	+9.6%	
Net sales in Japan	53,366	55,107	+3.3%	
MELS Plan	33,420	34,211	+2.4%	
Product sales* and others	19,945	20,896	+4.8%	
Overseas sales	16,578	21,586	+30.2%	
Europe	6,696	7,944	+18.6%	
North America	887	1,031	+16.3%	
Asia	8,614	12,155	+41.1%	
Oceania and Africa, etc.	381	454	+19.4%	
(2) Healthcare and life care	4,760	5,769	+21.2%	
Net sales in Japan	2,267	2,731	+20.4%	
Overseas sales	2,492	3,038	+21.9%	

* "Product sales" refers to contact lenses and lens care products.

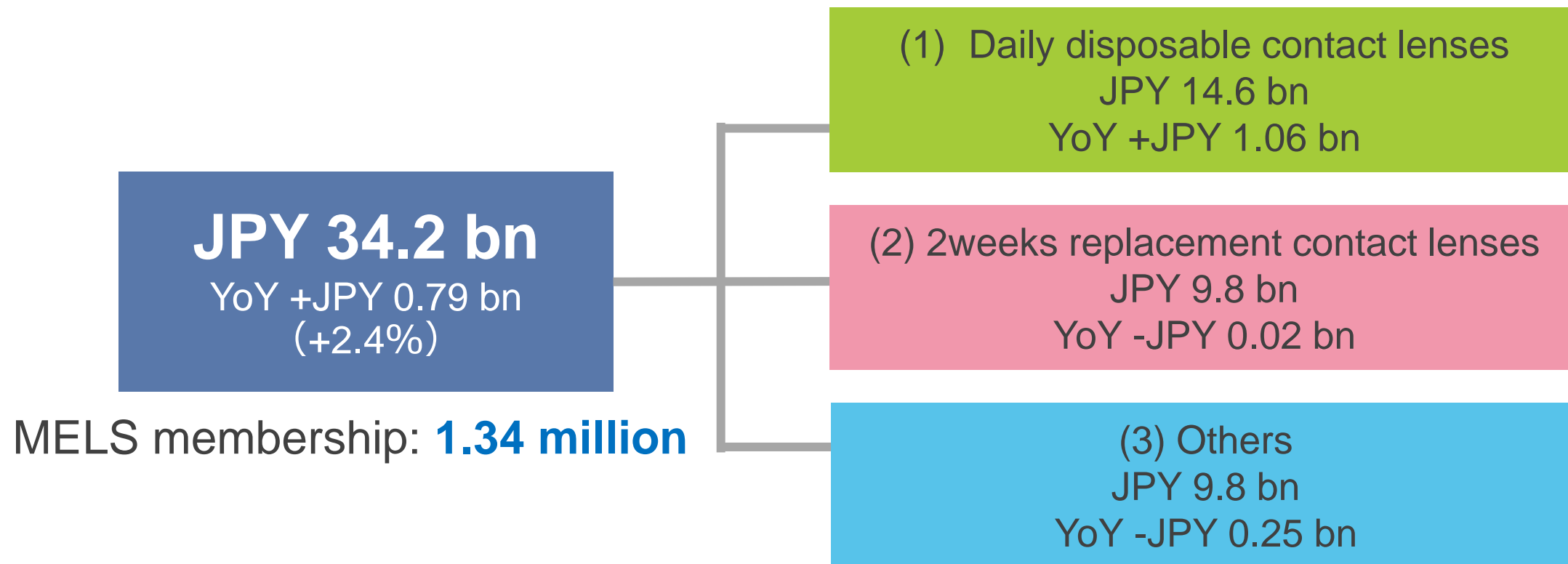
Net Sales



Key factors

- (1) Growth in domestic sales, particularly in Daily disposable contact lenses and in overseas sales mainly in Asia
- (2) Sales growth in Food business and Environmental and bioscience business

MELS Plan Sales



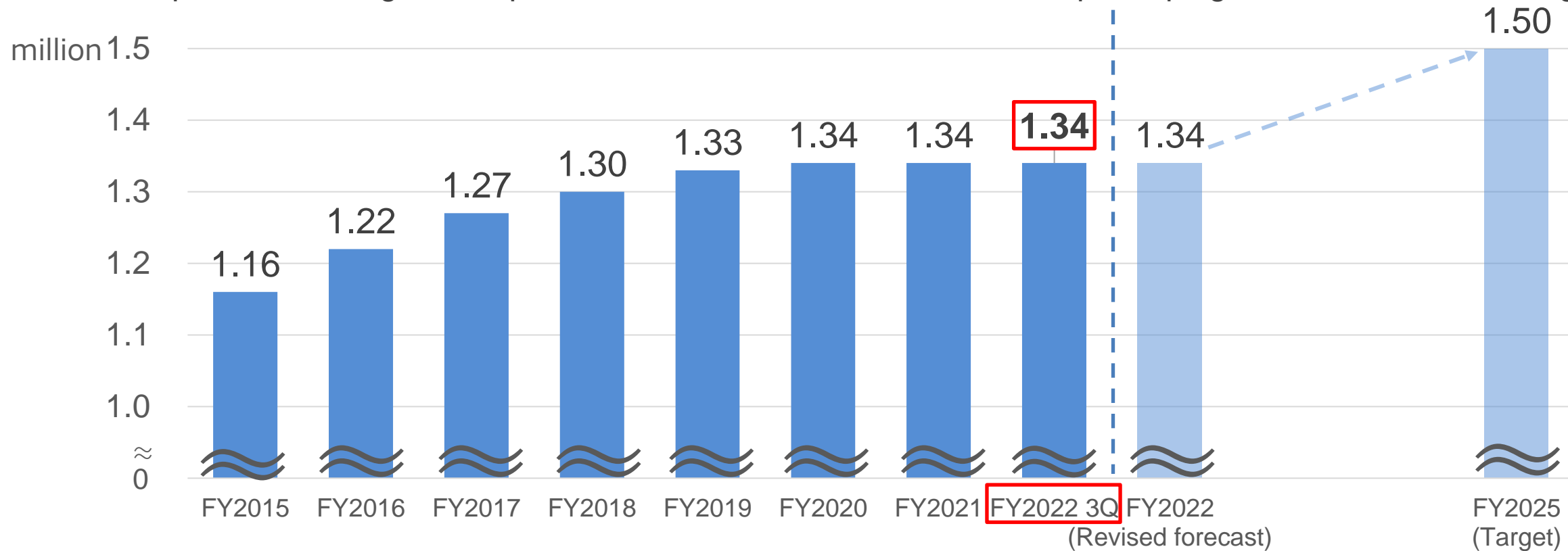
Key factors

- (1) Increase in the number of Daily disposable contact lenses members
- (3) Decrease in the number of Conventional contact lenses members

Vision care
MELS Plan(Japan)

Total Number of MELS Plan Members

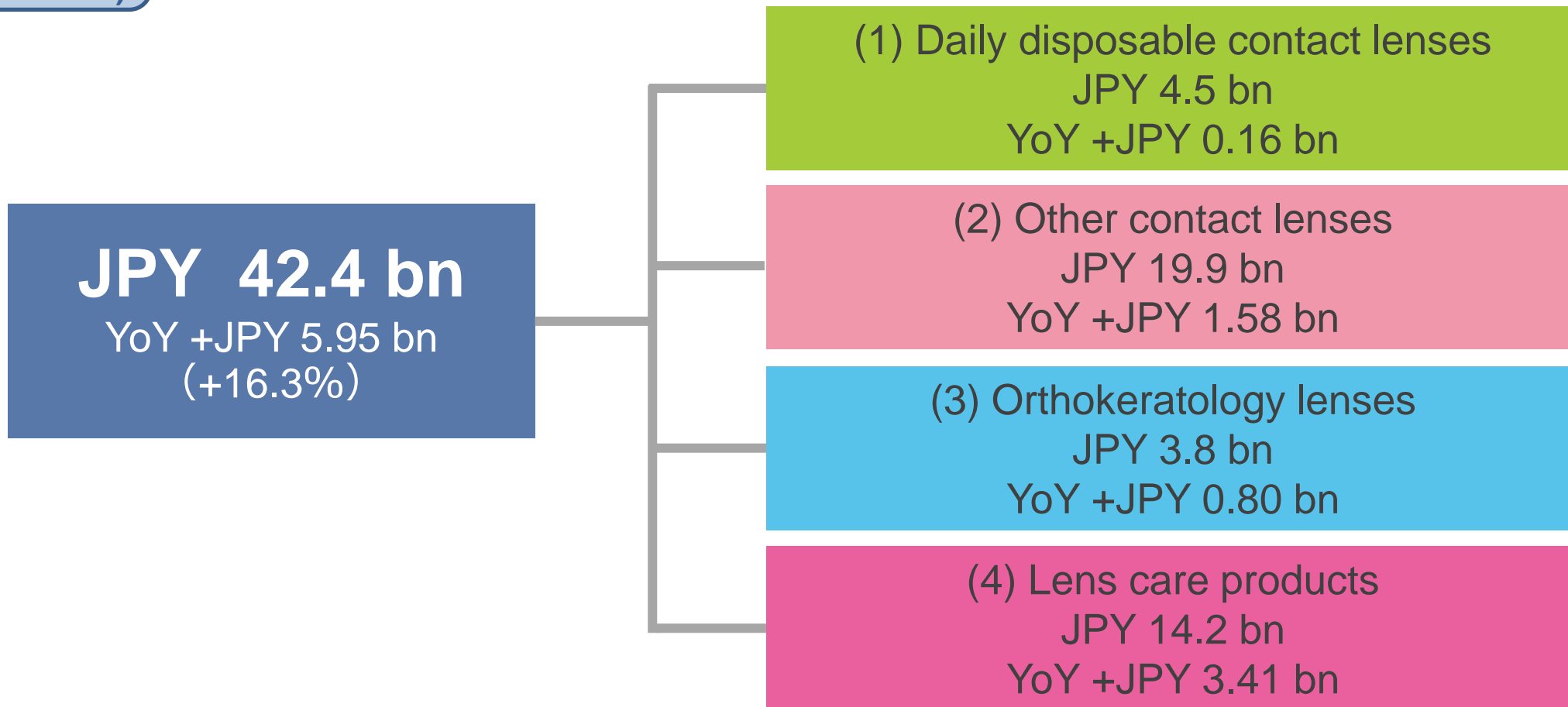
- ✓ FY2022 3Q(Actual) : 1.34 million / FY2022 (Revised Forecast) : 1.34 million
- ✓ Reason: Demand exceeding global supply of Daily disposable contact lenses affected membership acquisition.
- ✓ Measure : Expansion of product lineup like 2WEEK Menicon Rei multifocal and promotion of membership with other products through sales promotion activities such as membership campaigns and mass advertising.



Vision care
Product sales
(Japan & Overseas)

Breakdown of
net sales

Contact Lenses and Lens Care Products Sales



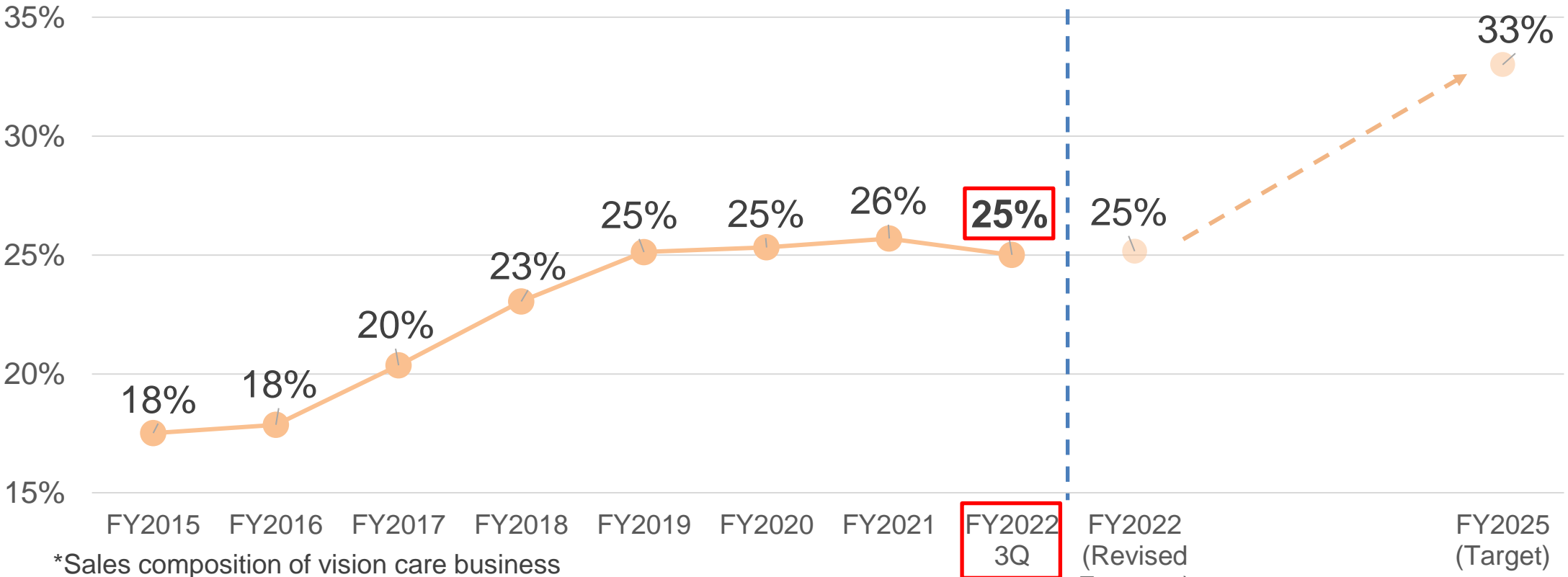
Key factors

- (1)(2) Sales growth due to recovery in domestic and overseas demand
- (3)(4) Sales growth in Asia

Vision care
Daily disposable

Daily Disposable Contact Lenses Sales Ratio

- ✓ FY2022 3Q(Actual) : 25% FY2022(Revised Forecast) : 25%
- ✓ Reason: Although net sales increased YoY, the sales ratio remained unchanged due to lens care sales growth.
- ✓ Measure: Continue to acquire MELS Plan members in Japan, and users at major mass retail chains in overseas.

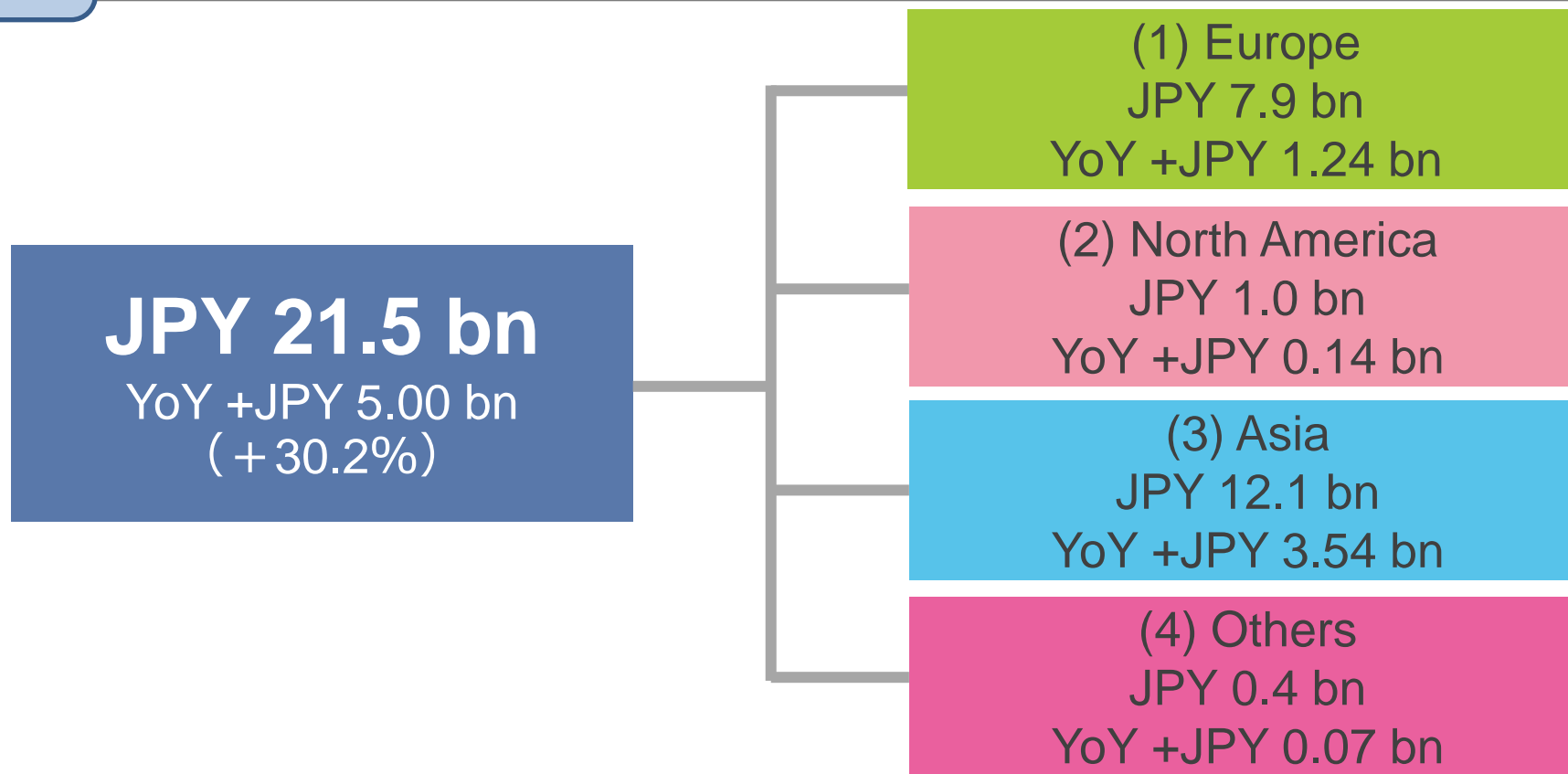


*Sales composition of vision care business

Vision care
Product sales
(Overseas)

Breakdown of
net sales

Overseas Sales (by Region)



Key factors

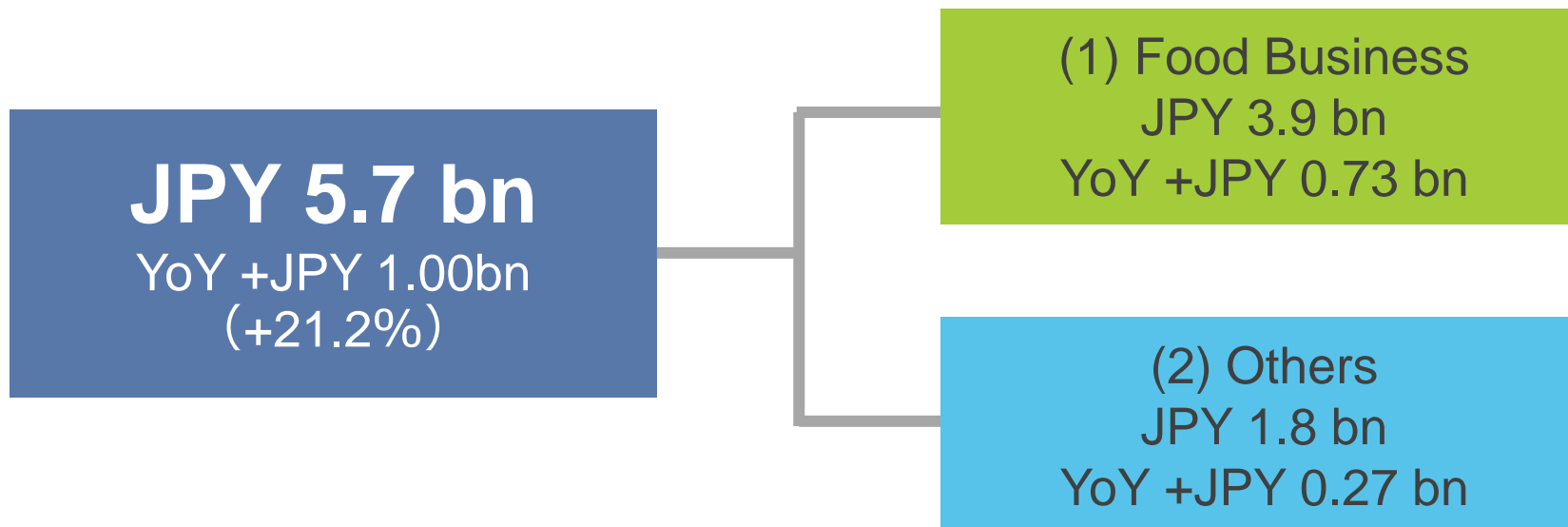
- (1) Europe: Sales growth in Disposable contact lenses (Daily and 1month) and Lens care products
- (2) North America: Sales growth in Lens care products
- (3) Asia: Sales growth in Orthokeratology lenses and Lens care products

* Since the fiscal year end of Menicon Japan and the Chinese subsidiary is different, Menicon Japan's third quarter results (Apr. to Dec.) include the third quarter results (Jan. to Sep.) of the Chinese subsidiary.

**Healthcare
and life care**

Breakdown of
net sales

Healthcare and Life Care Sales



Key factors

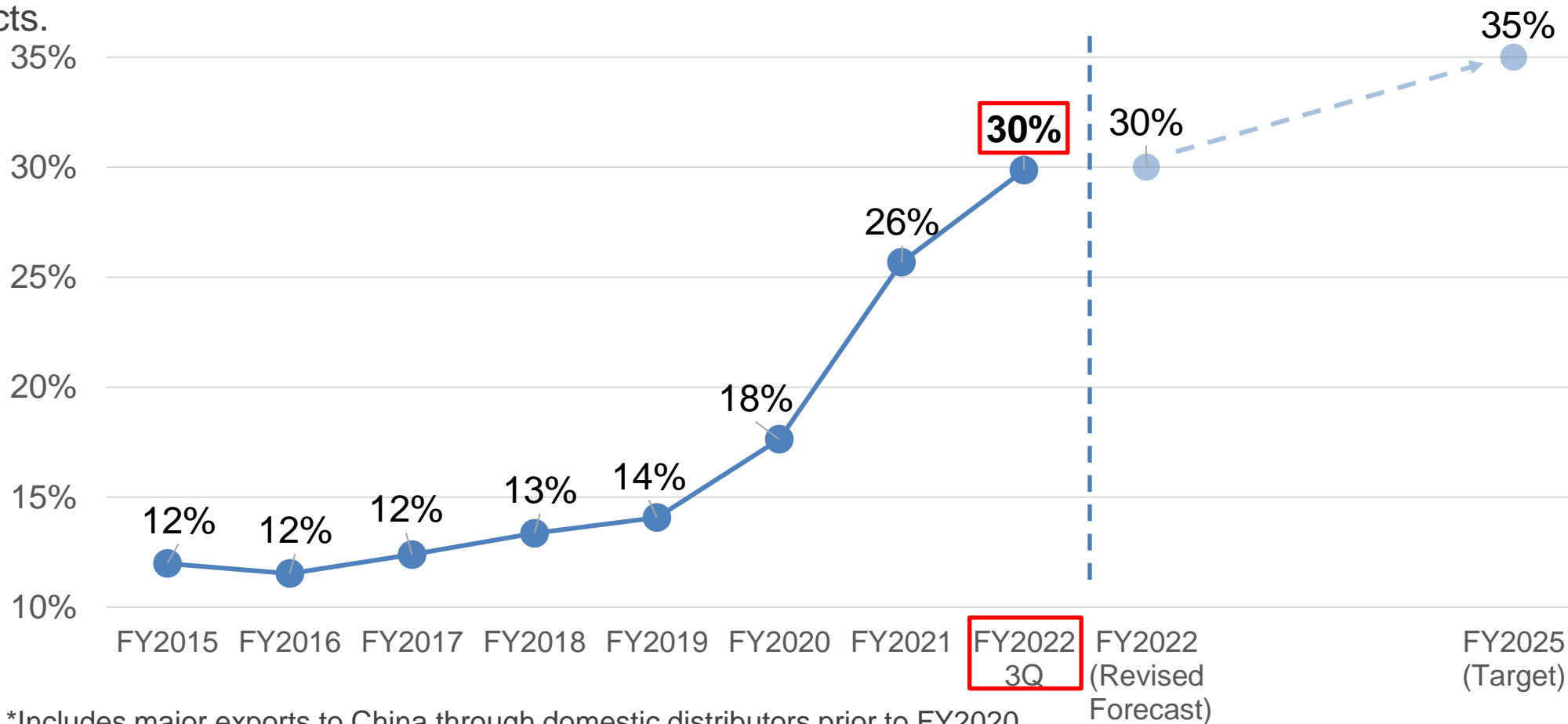
- (1) Sales growth in export business (Fresh fish, etc.) due to increased transaction volume to existing customers
- (2) Sales growth in Environmental and bioscience business

Vison care

Healthcare
and life care

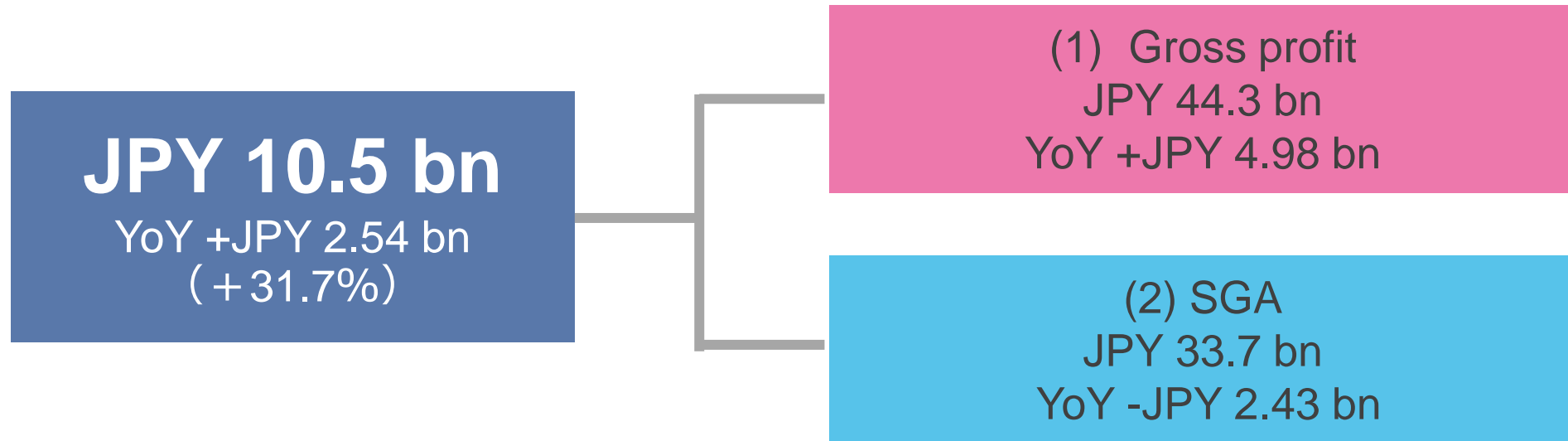
Overseas Sales Ratio

- ✓ FY2022 3Q(Actual) : 30% FY2022(Revised Forecast) : 30%
- ✓ Reason: Increase sales, mainly in Asia.
- ✓ Measure: Continue to expand sales of Daily disposable contact lenses and Orthokeratology lenses, Lens care products.



*Includes major exports to China through domestic distributors prior to FY2020.

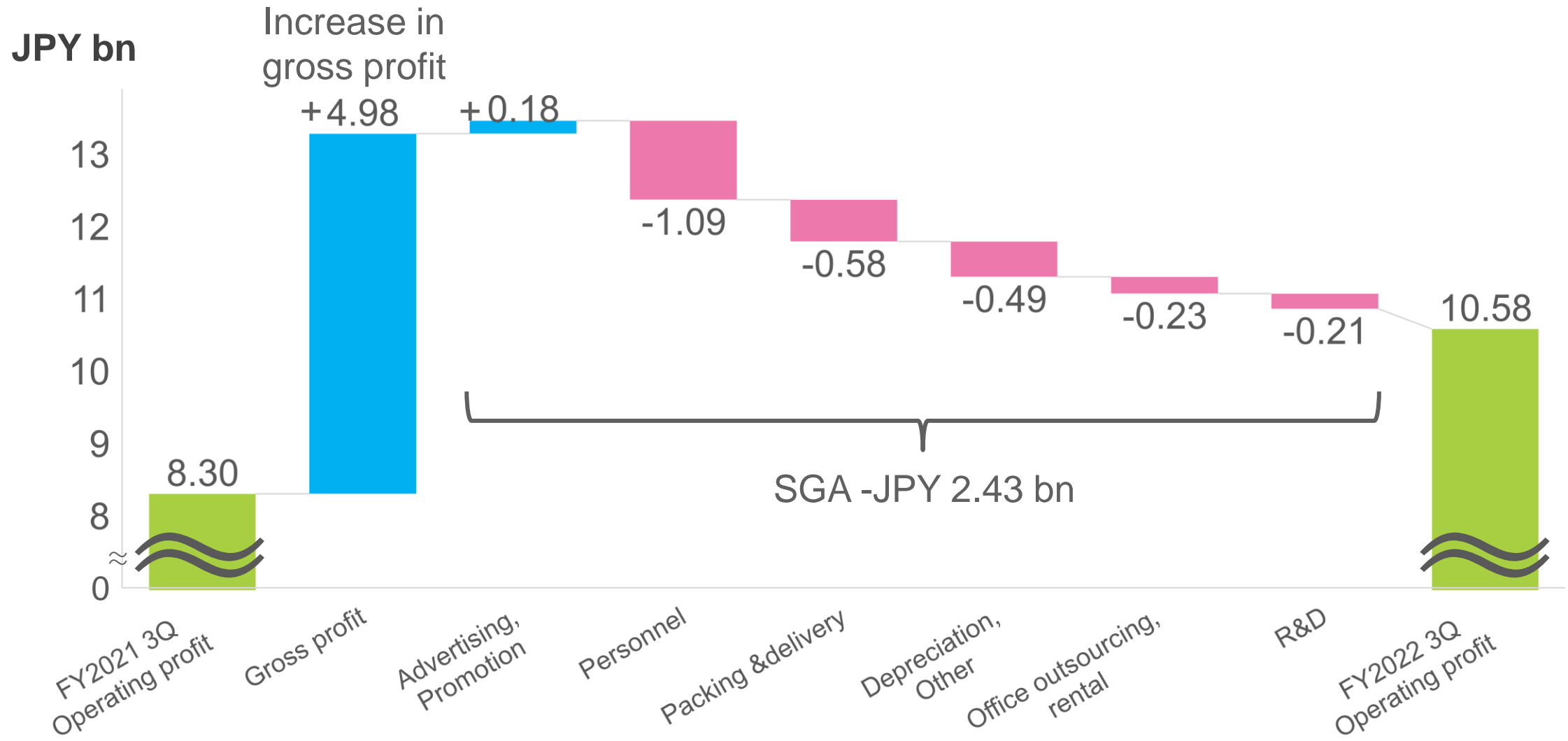
Operating Profit



Key factors

- (1) Increase in gross profit due to increased sales and reduced cost of sales ratio
 - (2) Increase profit margin due to efficient use of SGA
- Operating profit ratio : 10.8% → 12.8% YoY +2.0pt

Operating Profit Analysis



Ⅱ . Revised Forecast of Consolidated Financial Results for FY2022

Financial Forecast (February 10, 2023 announcement)

➤ Consolidated performance forecast for FY2022 → **Upward revision of financial forecast**

Net Sales Forecast JPY 108.5 bn / **+0.6%** (Different from previous forecast)

- MELS Plan:
 - 1.34 million members expected
(Demand exceeding global supply of Daily disposable contact lenses impacted membership acquisition.)
- Contact lenses and Lens care products :
 - Sales of orthokeratology lens-related products in Asia are strong
- Foreign Exchange Rates:
 - Revised exchange rate assumptions for FY2022

Operating Profit Forecast JPY 11.7 bn / **+12.5%** (Different from previous forecast)

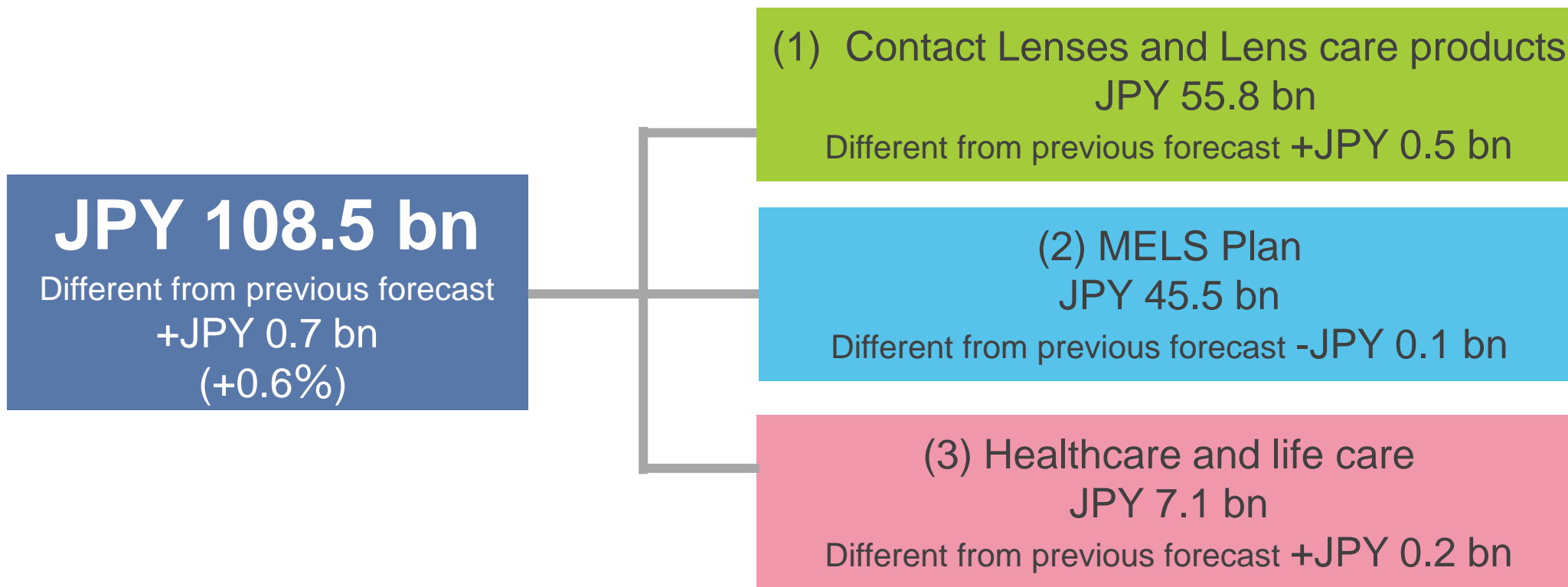
- In the Fourth Quarter:
 - Expenditures are expected in order to Implement measures...
to attract customers during Japan's period of highest demand in the spring (Japan)
to expand sales of Daily disposable contact lenses, and to improve the corporate brand awareness overseas (Overseas)
- In Full-year:
 - SGA ratio to net sales is expected reduction due to efficient use of SGA

Financial Forecast (Announced on February 10, 2023)

			JPY m	
	FY2022 Previous Forecast		FY2022 Revised Forecast	Different from previous forecast
Net sales	107,800	⇒	108,500	+0.6%
Cost of sales	50,500		50,400	-0.2%
(Cost of sales ratio)	46.8%		46.5%	---
Gross profit	57,300		58,100	+1.4%
SGA	46,900		46,400	-1.1%
(SGA ratio)	43.5%		42.8%	---
Operating profit	10,400		11,700	+12.5%
(Operating profit ratio)	9.6%		10.8%	---
Ordinary profit	10,100		11,200	+10.9%
Profit attributable to owners of parent	6,800		7,400	+8.8%

※Exchange rate in revised financial forecast for FY2022
 EUR : JPY 141.0, USD : JPY 136.0, CNY : JPY 19.5

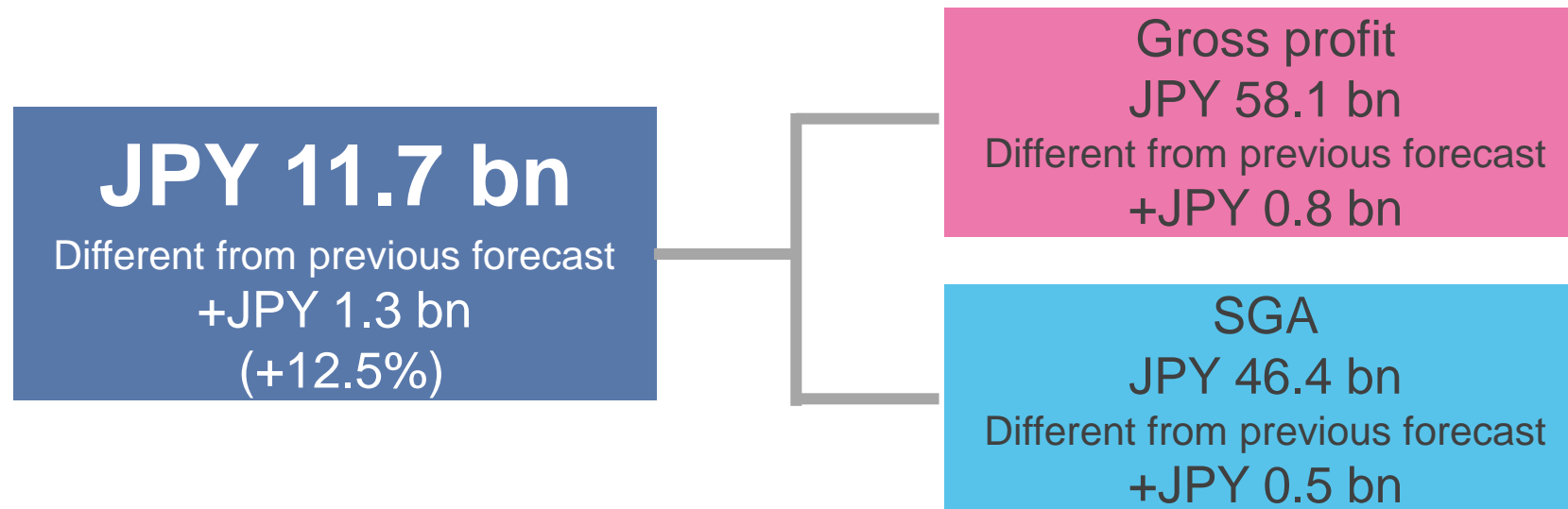
Net Sales Forecast



Key factors

- (1) Strong sales of Orthokeratology lens-related products in Asia is expected
- (2) Demand exceeding global supply of Daily disposable contact lenses impacted membership acquisition
- (3) Steady sales in food business

Operating Profit Forecast



Key factors

- Gross profit is expected to increase due to increase
- Full-year operating profit is expected to increase due to lower SGA to sales ratio (4Q will use expenses for sales expansion)

Financial Progress

✓ Progress rate is steady

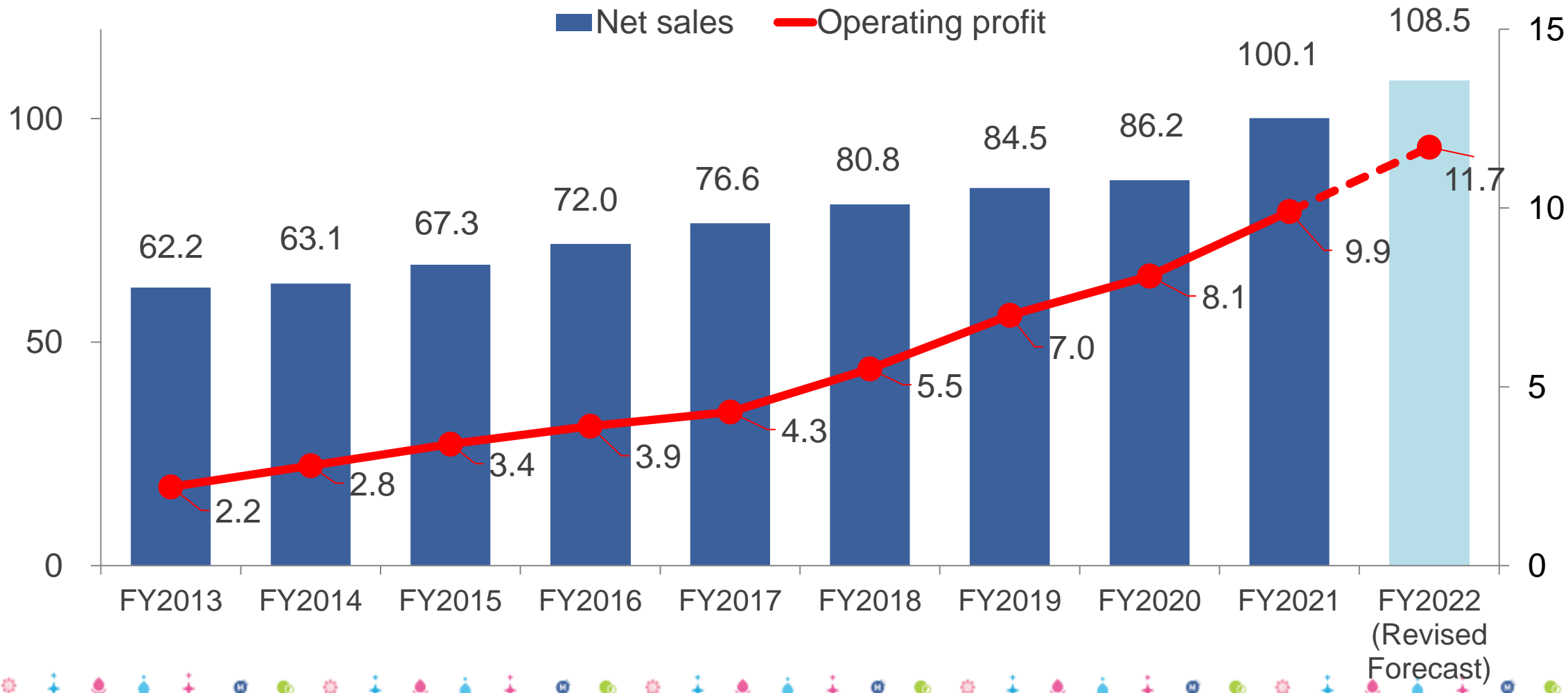
	JPY m						
	FY2021		FY2022 3Q		FY2022 Revised Forecast		Progress rate
Net sales	100,172		82,463		108,500		76.0%
(Cost of sales ratio)	47.2%		46.2%		46.5%		---
Gross profit	52,879	⇒	44,372	⇒	58,100		76.4%
Operating profit	9,957		10,585		11,700		90.5%
(Operating profit ratio)	9.9%		12.8%		10.8%		---
Profit attributable to owners of parent (quarterly period)	6,481		6,858		7,400		92.7%

※Exchange rate in revised financial forecast for FY2022
 EUR : JPY 141.0, USD : JPY 136.0, CNY : JPY 19.5

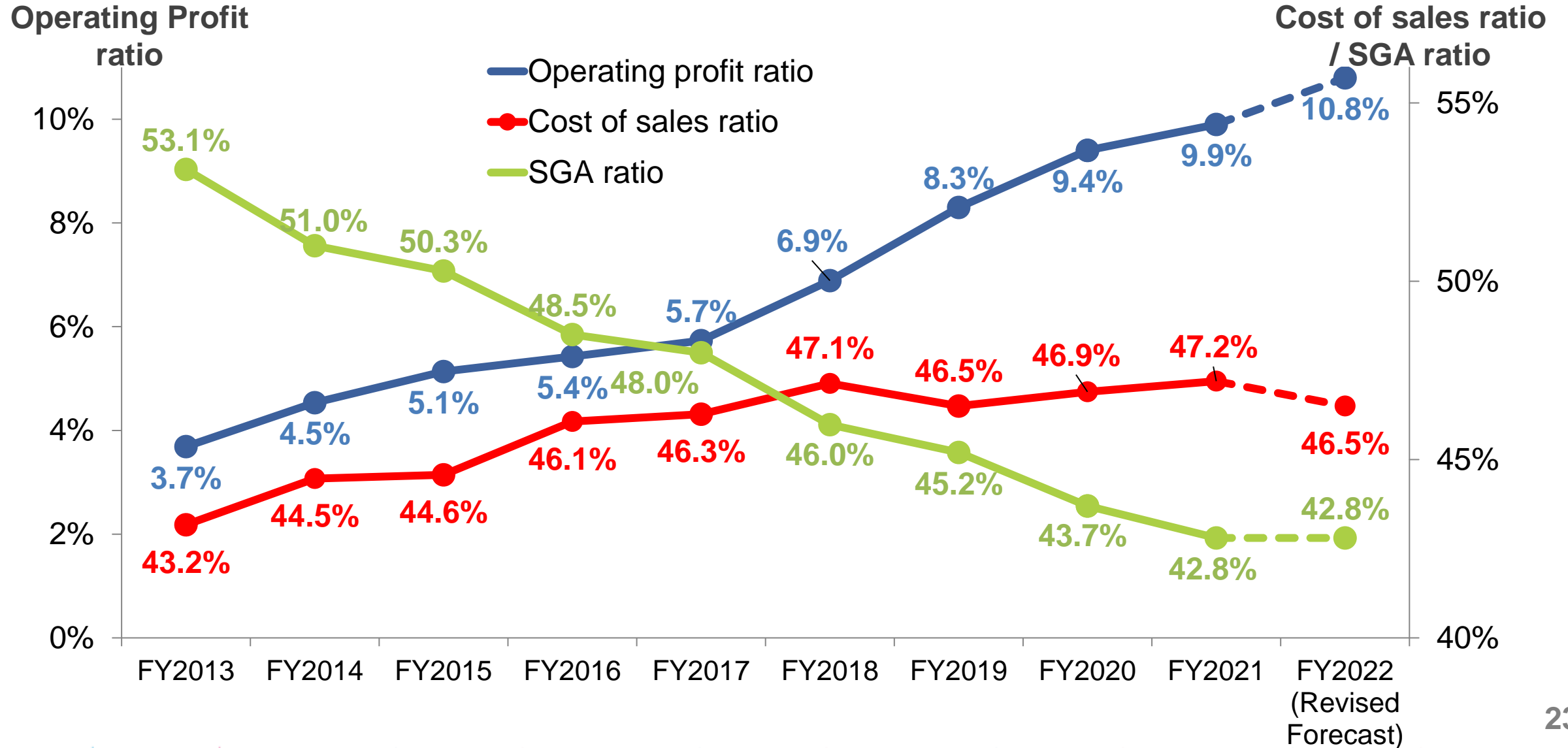
Net Sales / Operating Profit Trends

Net sales
(JPY bn)

Operating profit
(JPY bn)



Cost of Sales Ratio / SGA Ratio / Operating Profit Ratio

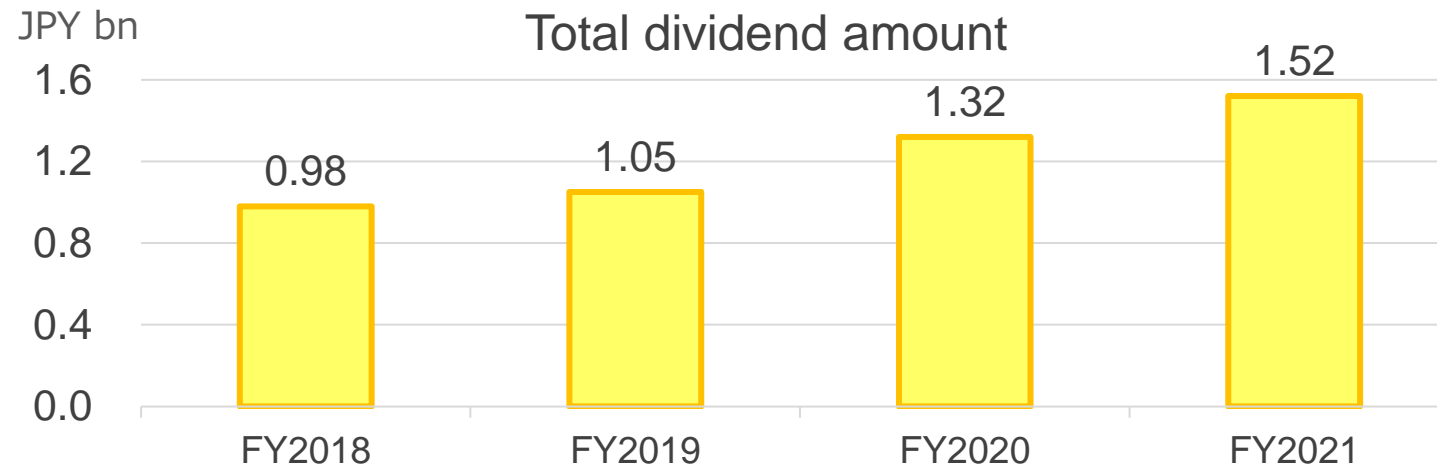


Dividend Forecast (unchanged from the May 12, 2022 announcement)

✓ Annual dividend forecast per share for FY2022: **JPY 20.0**

	FY2018	FY2019	FY2020	FY2021	FY2022 (Forecast)
Dividend per Share*	JPY 14.0	JPY 14.0	JPY 17.5 Ordinary dividend JPY 15.0 Commemorative dividend JPY 2.5	JPY 20.0	JPY 20.0
Dividend payout ratio	27.6%	24.9%	22.2%	23.3%	20.5%

*Calculations are based on assumption that the stock split was conducted at the beginning of FY2018.



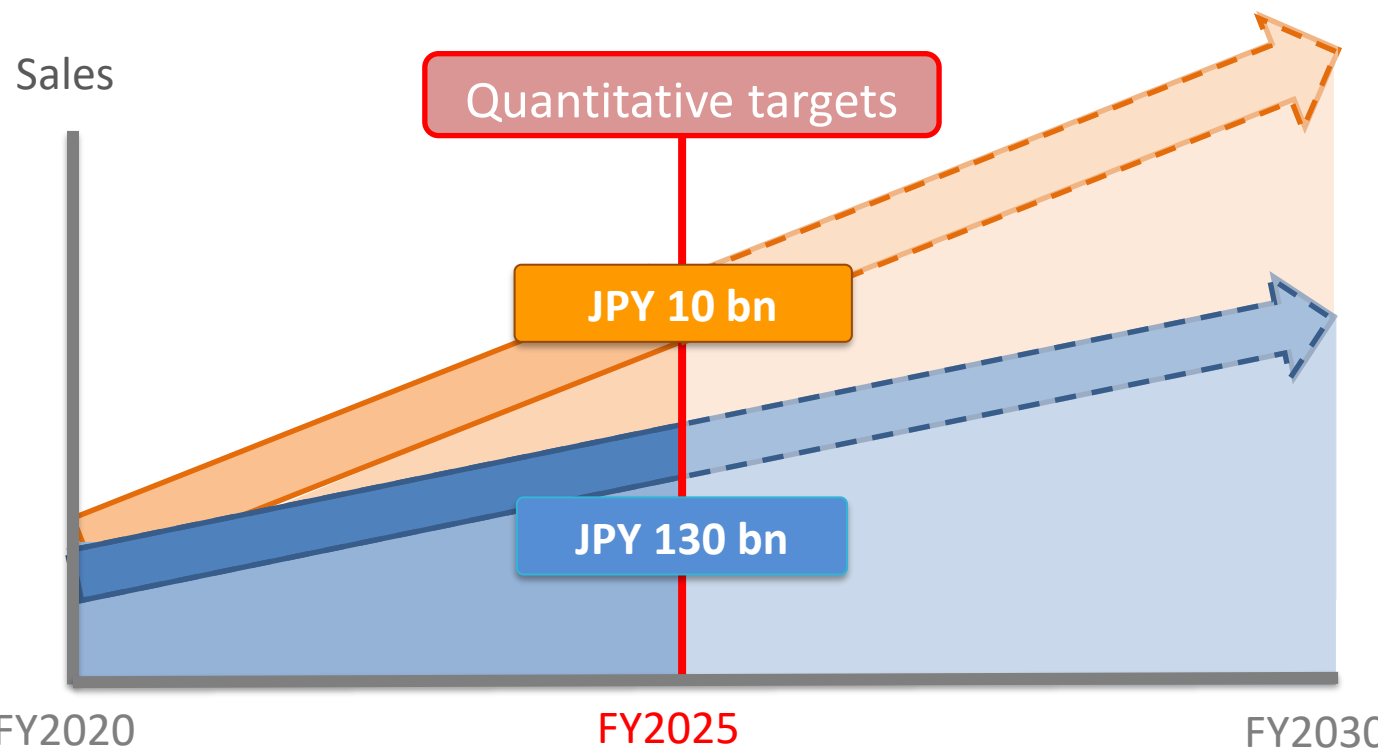
Ⅲ. Topics

Medium-Term Management Plan “Vision 2030”

New Vision of Miru for the World

Quantitative Targets FY2025

Net sales: **JPY 140 bn** Operating profit ratio: **12%** ROE: **10%**



[Healthcare and life care]
 Developing new businesses

- Pet life
- Health / Food business
- Environmental business

[Vision care]
 Contact lenses and further expansion of the lens care business

- Overseas sales expansion
- Expansion of MELS Plan
- Sales expansion of Daily disposable contact lenses

Multi/Bi focal Contact Lens Series

- ✓ 2weeks replacement multifocal colored contact lens
“ 2WEEK Menicon Rei multifocal” newly added to the lineup
- ✓ The new products was added to the Multi/Bi focal contact lens series "Lactive" and further strengthening of promotions mainly targeting people in their 30s and older

Lactive

Daily disposable contact lenses	2weeks replacement contact lenses	3months replacement contact lenses (RGP)	Conventional contact lenses (RGP)	Colored contact lenses
				 <p style="text-align: center;">From Feb. 2023 line-up</p>

Vision care

Expansion of Production Capacity and Sales Territories

✓ Expansion of production capacity of Daily disposable contact lenses and sales territories to centered on Japan, Europe, North America

Production



Singapore Plant
Product: Magic

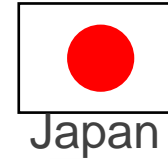


Kakamigahara Plant
Product: 1DAY Menicon premiO



Malaysia Plant
Product: Daily disposable contact lenses
Scheduled to be in operation in 2025

Sales

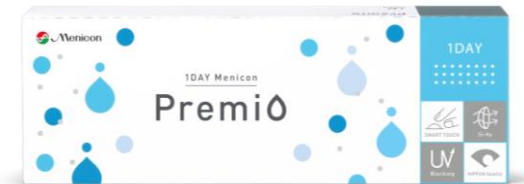


Japan

Expansion of sales centered on MELS Plan



Magic



1DAY Menicon premiO



Europe • USA

Expansion of sales through OEM supply of our products for major mass retailers



Miru 1day Menicon Flat Pack
(Brand name of "Magic" for overseas)



Miru 1day UpSide
(Brand name of "1DAY Menicon premiO" for overseas)

Promotion of Initiatives to Address the Growing Myopia Population

✓ Expansion of sales territories of Orthokeratology lenses

Product	 Alpha Corporation (Producing Country : Japan)	 Menicon B.V. (Producing Country : Netherlands)	Menicon Bloom Night  Menicon B.V. (Producing Country : Netherlands)
Feature	Sales in China since 2011	High oxygen permeability	CE-approved specifically for myopia control
Future (provisional)	Production to begin in China in 2024	Sales to start in China in 2023	Expansion of sales countries in Europe and other regions
Main sales territories	China, Japan, Other Asia* Oceania	Europe, China(Introduction to China in 2023(provisional), Other Asia*, Oceania	Europe, Other Asia*, Oceania

*Other Asia: excluding China and Japan

**Healthcare
and life care**

Expansion of Business Domain

✓ Provide products and services that enable all people to experience happiness and affluence

Assisted reproductive related device



Development / Sales

Sperm preparation equipment
(For clinics)

Promotion of product awareness

Supplement



Development / Sales

Supplements for pre-pregnancy / healthcare / beauty care, etc.
(For clinics / EC / sales stores)

Development of original products and services

Environmental and bioscience



Development / Sales

Composting promotion system / degradation-accelerating agent for rice straws, etc.
(For farmers / livestock farmers)

Development and sales promotion of related products

Food



Sales

Export of fresh fish / rice
Import of dried food, etc.
(For supermarkets / distributors)

Increase in profitability through expansion of transaction volume

Veterinary medical



Development / Sales

Intraocular lenses / contact lenses / supplement for animals, etc.
(For veterinary clinics)

Sales promotion of supplement

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 February 10, 2023 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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