

# **Consolidated Financial Results for the Year Ended March 31, 2023**

Securities Code : 7780

Menicon Co., Ltd.

May 15, 2023

- I . Summary of Consolidated Financial Results  
for FY2022
- II . Forecast of Consolidated Financial Results  
for FY2023
- III . Progress of the Medium-Term Management Plan
- IV . Growth Strategies

# I . Summary of Consolidated Financial Results for FY2022

## ➤ Consolidated Financial Results for FY2022

Net Sales : JPY **110.1 bn** / YoY **+10.0%** (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 : JPY 25.72 bn → 33.35 bn (+29.7%)**

Impact of JPY depreciation + 12.0%

Growth in local currency + 17.7%

**Overseas sales ratio : 25.7% → 30.3% (+4.6pt)**

Gross profit : JPY **58.4 bn** / YoY **+10.6%** (increase in profit)

Cost of sales ratio : 47.2% → **46.9%** (-0.3pt)

Operating profit : **12.0 bn** / YoY **+21.1%** (increase in profit)

Operating profit ratio : 9.9% → **10.9%** (+1.0pt)

# Summary of Financial Results for FY2022

	JPY m		
	FY2021	FY2022	YoY
<b>Net sales</b>	<b>100,172</b>	<b>110,194</b>	<b>+10.0%</b>
Cost of sales	47,293	51,719	+9.4%
(Cost of sales ration)	47.2%	46.9%	(-0.3pt)
Gross Profit	52,879	58,474	+10.6%
SGA	42,922	46,411	+8.1%
(SGA ratio)	42.8%	42.1%	(-0.7pt)
<b>Operating profit</b>	<b>9,957</b>	<b>12,062</b>	<b>+21.1%</b>
(Operating profit ratio)	9.9%	10.9%	(+1.0pt)
<b>Ordinary profit</b>	<b>10,055</b>	<b>11,755</b>	<b>+16.9%</b>
<b>Profit attributable to owners of parent</b>	<b>6,481</b>	<b>7,377</b>	<b>+13.8%</b>

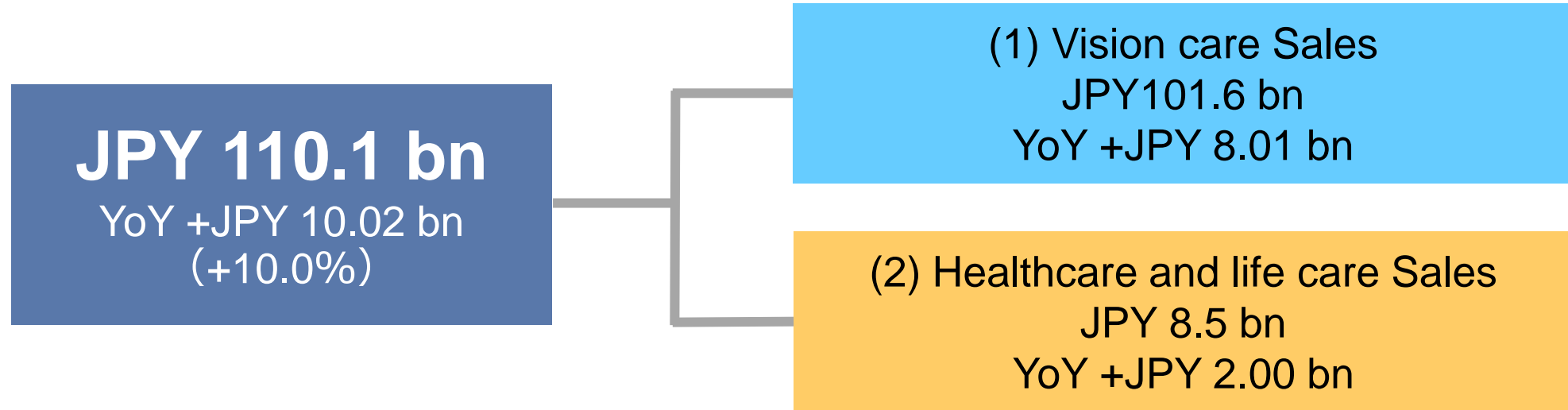
# Breakdown of Net Sales

**JPY m**

	FY2021	FY2022	YoY
Net Sales	100,172	110,194	+10.0%
(1) Vision Care	93,639	101,652	+8.6%
Net sales in Japan	71,404	73,105	+2.4%
MELS Plan	44,639	45,491	+1.9%
Product sales* and Others	26,765	27,613	+3.2%
Overseas sales	22,234	28,547	+28.4%
Europe	9,052	10,869	+20.1%
North America	1,126	1,390	+23.4%
Asia	11,554	15,648	+35.4%
Oceania and Africa. Etc.	501	639	+27.7%
(2) Healthcare and life care	6,533	8,541	+30.7%
Net sales in Japan	3,045	3,729	+22.5%
Overseas sales	3,487	4,811	+38.0%

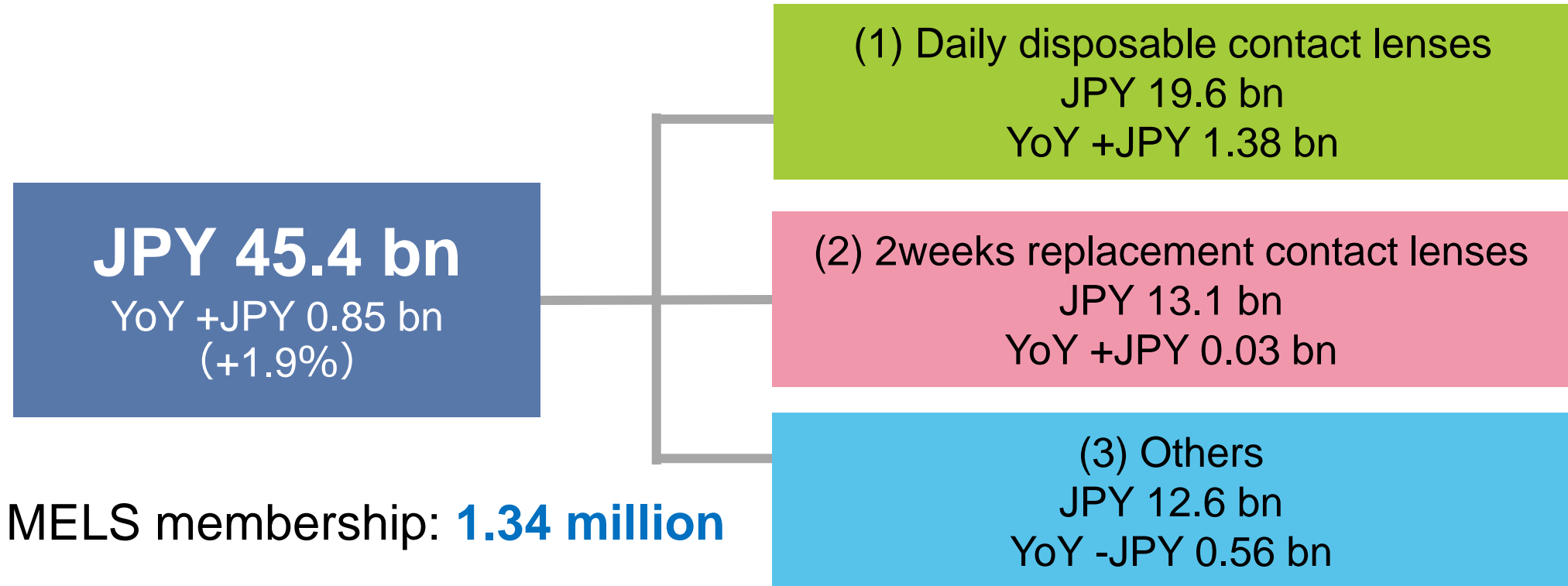
\* "Product sales" refers to contact lenses and lens care products.





## 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

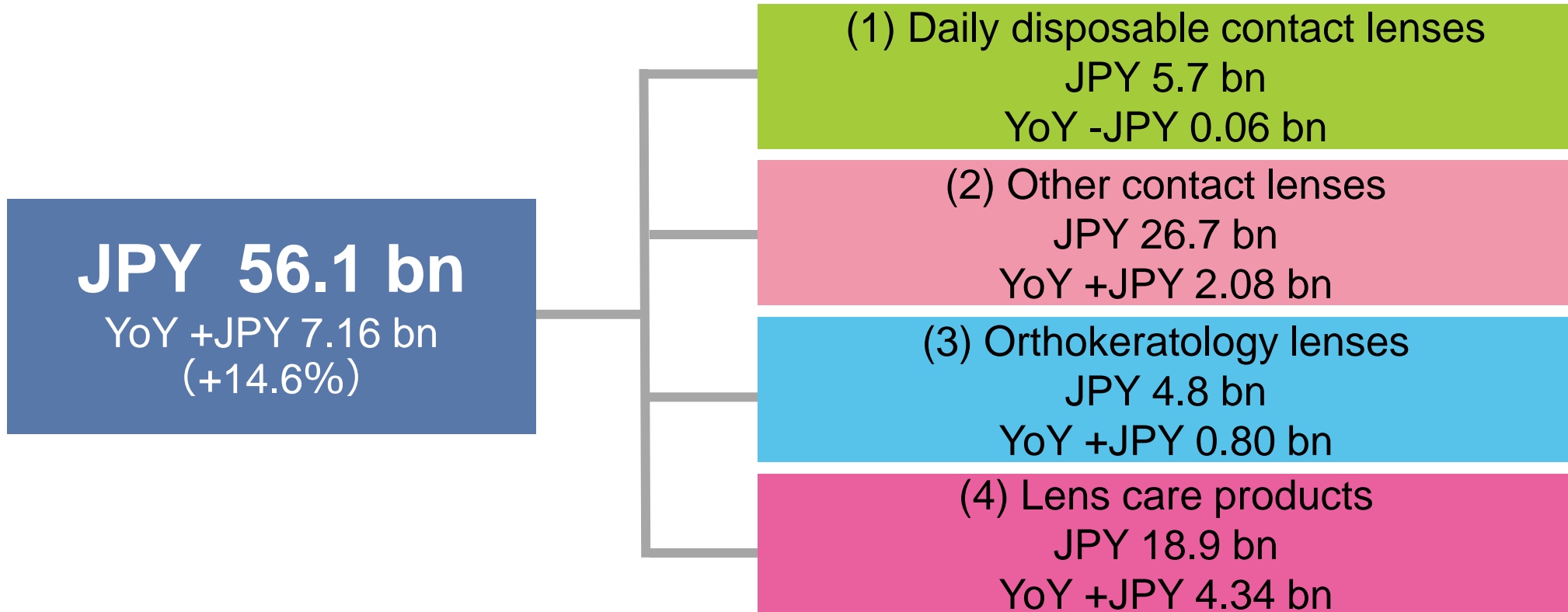


### Key factors

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



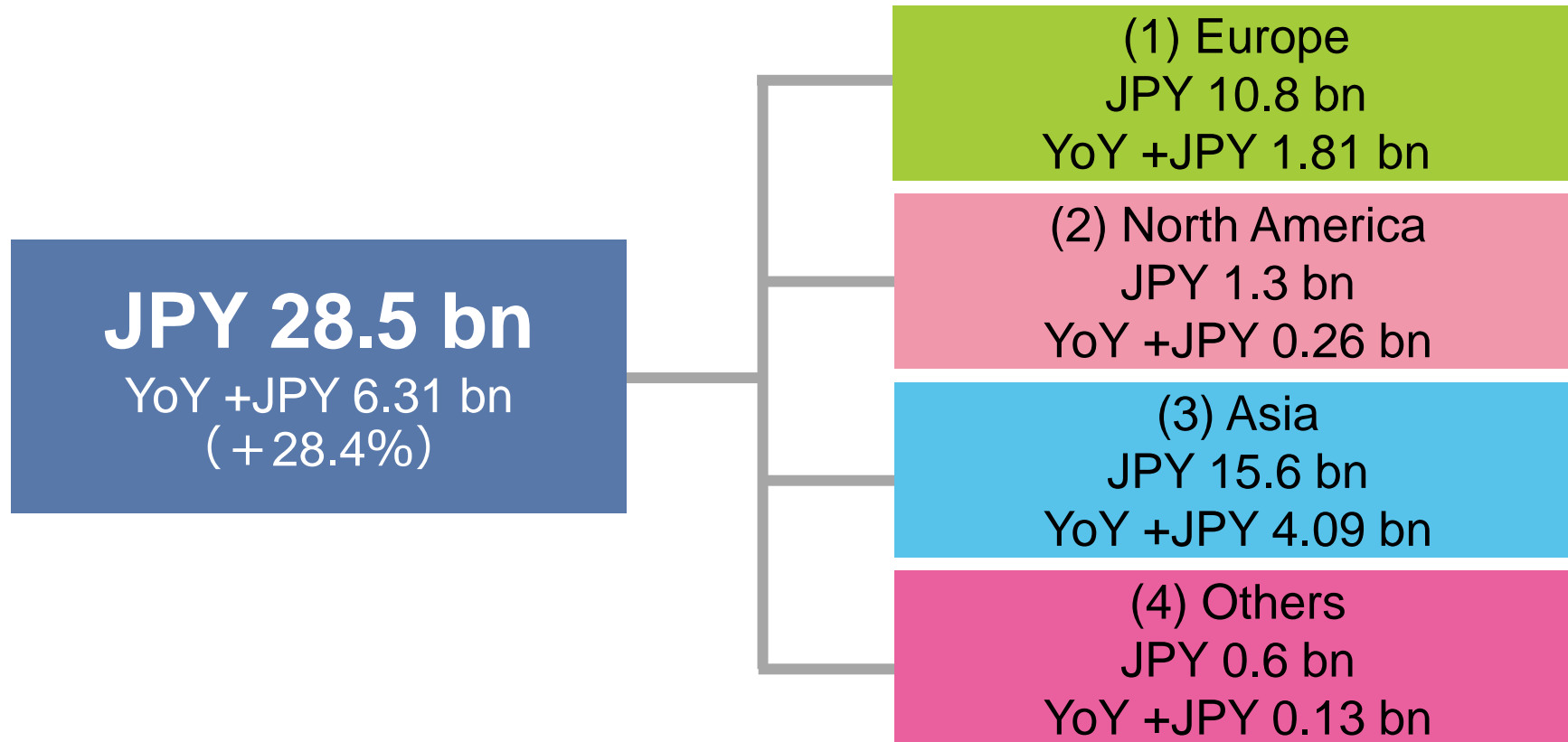
# Contact Lenses And Lens Care Products Sales



## Key factors

- (1) Japan : - JPY 0.25 bn / Product sales decreased, but MELS Plan sales increased(+JPY 1.38 bn / see previous page).  
Overseas: +JPY 0.19 bn / Sales growth due to OEM supply to major mass retail chain stores in Europe
- (2) Sales growth due to recovery in Japan and overseas demand
- (3)(4) Sales growth mainly in Asia

# Overseas Sales (by Region)



## Key factors

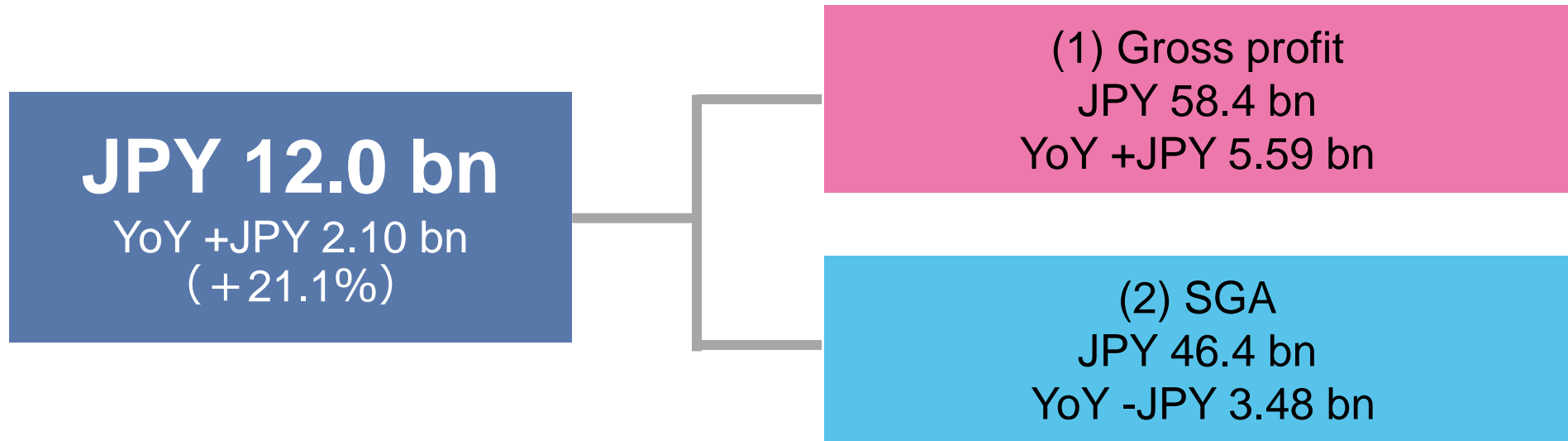
- (1) Europe: Sales growth in Disposable contact lenses (Daily and 1month) and Lens care products
- (2) North America: Sales growth in Lens care products
- (3) Asia: Sales growth in Orthokeratology lenses and Lens care products

\* Since the fiscal year end of Menicon Japan and the Chinese subsidiary is different, Menicon Japan's full-year financial results (Apr. to Mar.) include full-year financial results (Jan. to Dec.) of the Chinese subsidiary.



### Key factors

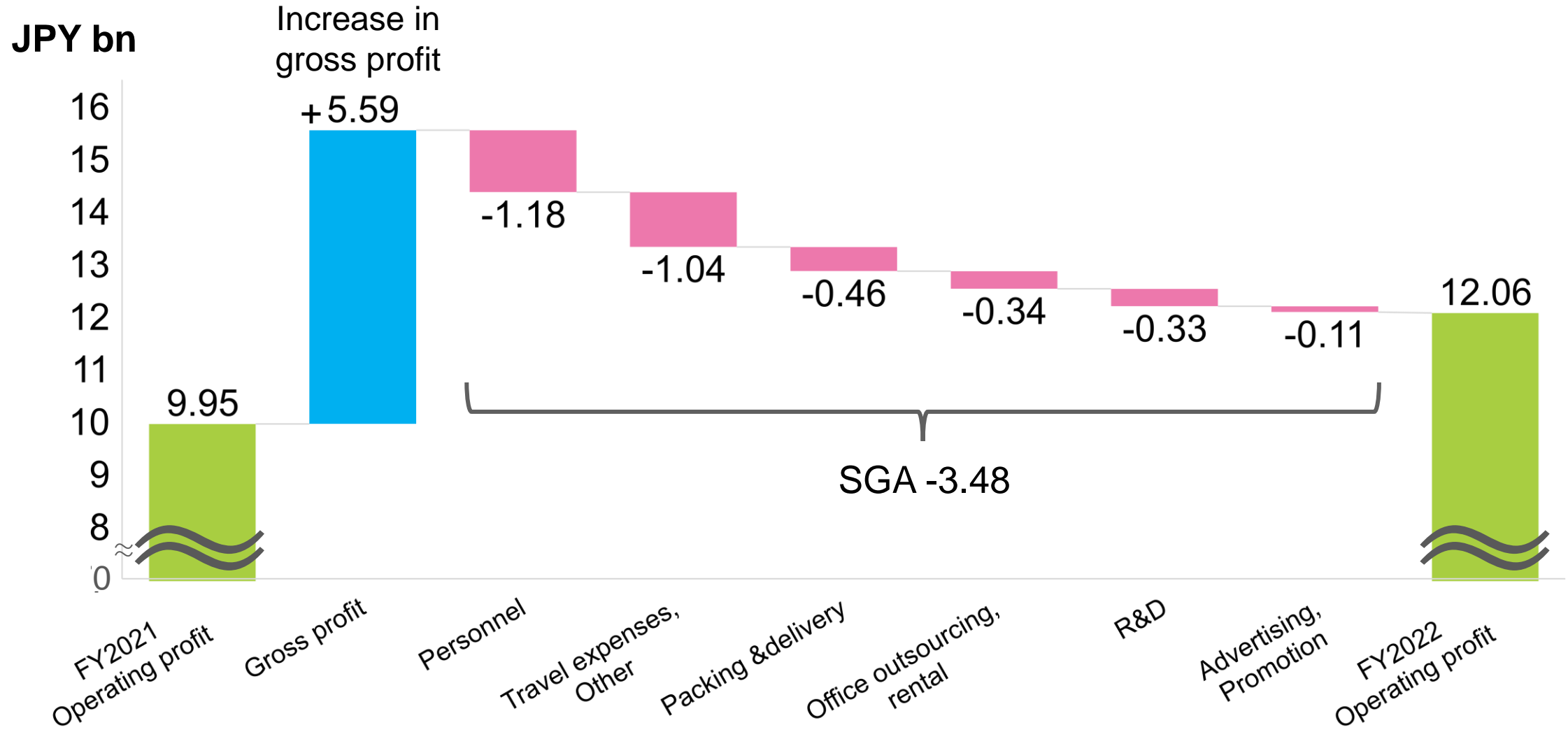
- (1) Sales growth due to sales expansion in export business (Fresh fish, etc.) and import business (Dried foods, etc.)
- (2) Sales growth in Environmental and bioscience business



## Key factors

- (1) Increase in gross profit due to increased sales and reduced cost of sales ratio
  - (2) Decrease in SGA sales ratio
- Operating profit ratio increased : 9.9% → 10.9% YoY +1.0pt

# Operating Profit Analysis



# Summary of Balance Sheet

	Mar. 31, 2022	Mar. 31, 2023	Difference
Cash and deposits	33,046	41,249	+8,202
Notes and accounts receivable—trade	11,269	12,411	+1,141
Inventories	15,785	17,418	+1,633
Other	4,086	6,622	+2,536
<b>Total current assets</b>	<b>64,188</b>	<b>77,701</b>	<b>+13,512</b>
Property, plant & equipment	49,421	57,143	+7,722
Intangible assets	11,601	11,470	-131
Investments and other assets	5,767	6,207	+440
<b>Total non-current assets</b>	<b>66,790</b>	<b>74,821</b>	<b>+8,031</b>
<b>Total assets</b>	<b>130,978</b>	<b>152,522</b>	<b>+21,544</b>

Increase due to issuance of bonds, etc.

Capital Investment in Daily disposable contact lens plants, etc.

	Mar. 31, 2022	Mar. 31, 2023	Difference
Notes and accounts payable - trade	4,894	5,609	+714
Short-term debt	4,800	3,643	-1,157
Accounts payable - other	4,748	5,517	+768
Other	8,244	9,582	+1,338
<b>Total current liabilities</b>	<b>22,688</b>	<b>24,352</b>	<b>+1,664</b>
Long-term debt	14,735	27,003	+12,267
Convertible Bonds with stock acquisition rights	22,902	22,936	+34
Other	3,606	3,563	-42
<b>Total non-current liabilities</b>	<b>41,244</b>	<b>53,503</b>	<b>+12,259</b>
<b>Total liabilities</b>	<b>63,933</b>	<b>77,856</b>	<b>+13,923</b>
<b>Total net assets</b>	<b>67,045</b>	<b>74,665</b>	<b>+7,620</b>

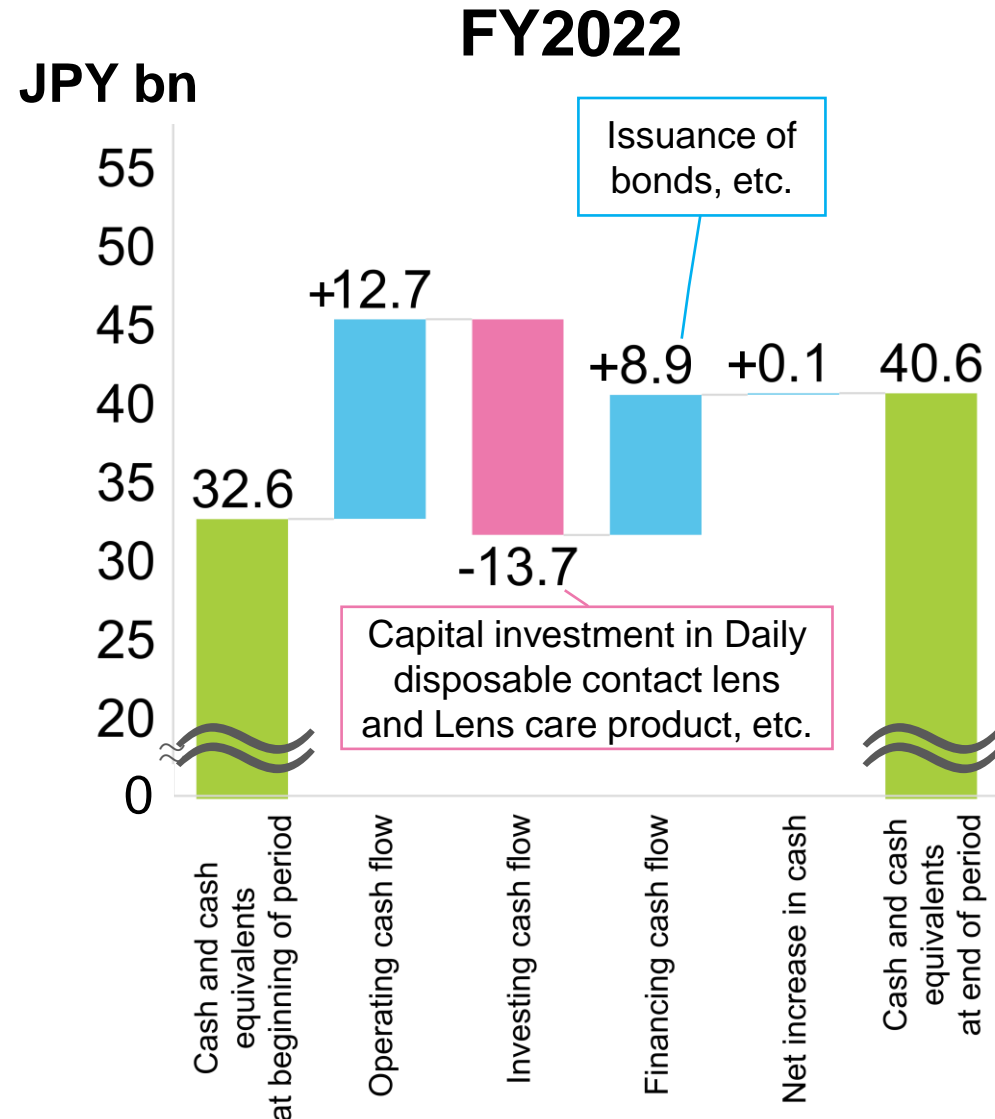
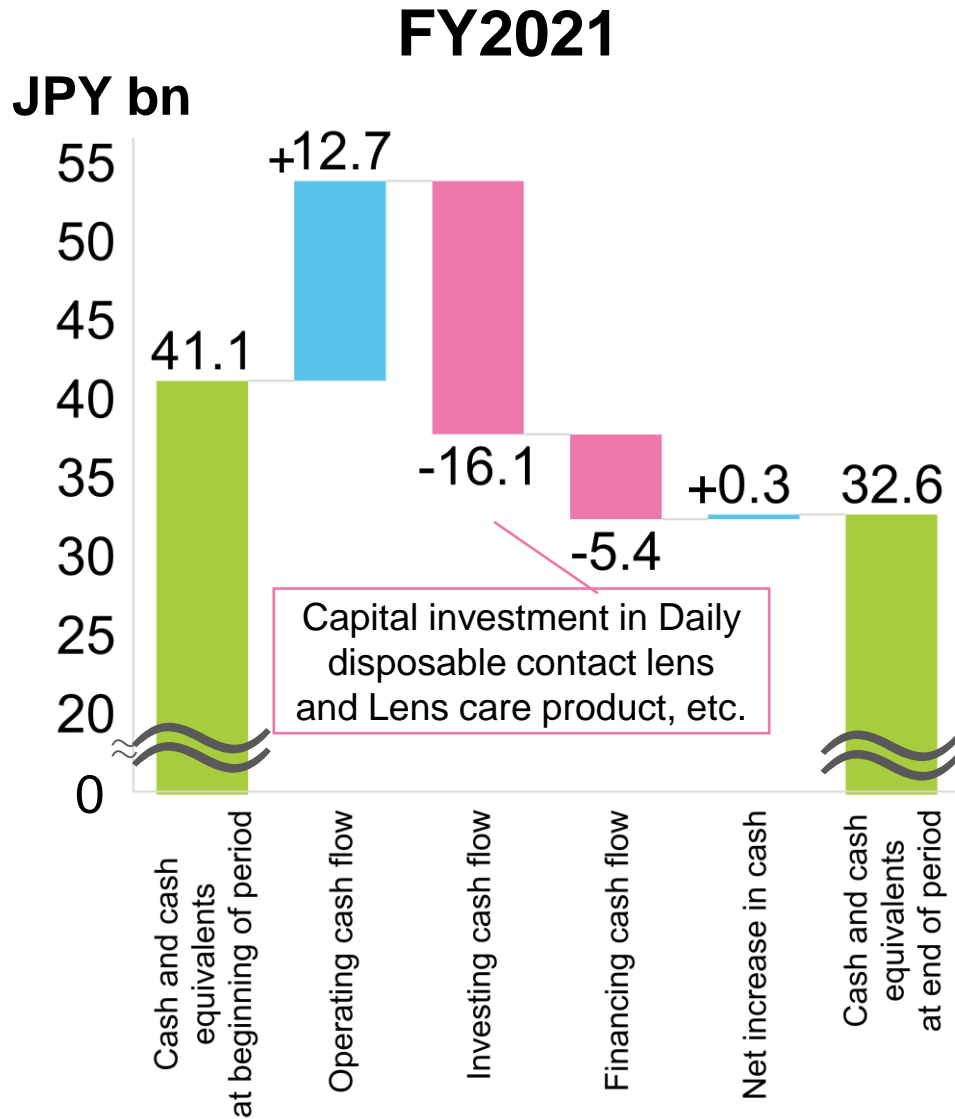
JPY m

Issuance of bonds, etc.

Mar. 31, 2023

Capital ration	47.5%
Cash and deposits	41,249
Total debt	53,583

# Cash Flow Comparison



## Ⅱ . Forecast of Consolidated Financial Results for FY2023



Net sales : Full-year forecast JPY 116.0 bn

YoY: **+JPY 5.8 bn / +5.3%**

- MELS Plan:

Total number is expected to reach 1.36 million members.

- Contact lenses and Lens care products :

Sales Growth of “Daily disposable contact lenses” in Japan and Europe, “Orthokeratology lenses” and “Lens care products” in Asia is expected.

Gross profit : Full-year forecast JPY 61.8 bn

YoY **+JPY 3.3 bn / +5.7%**

Operating profit : Full-year forecast JPY 12.3 bn

YoY **+JPY 0.2 bn / +2.0%**

# Financial Forecast

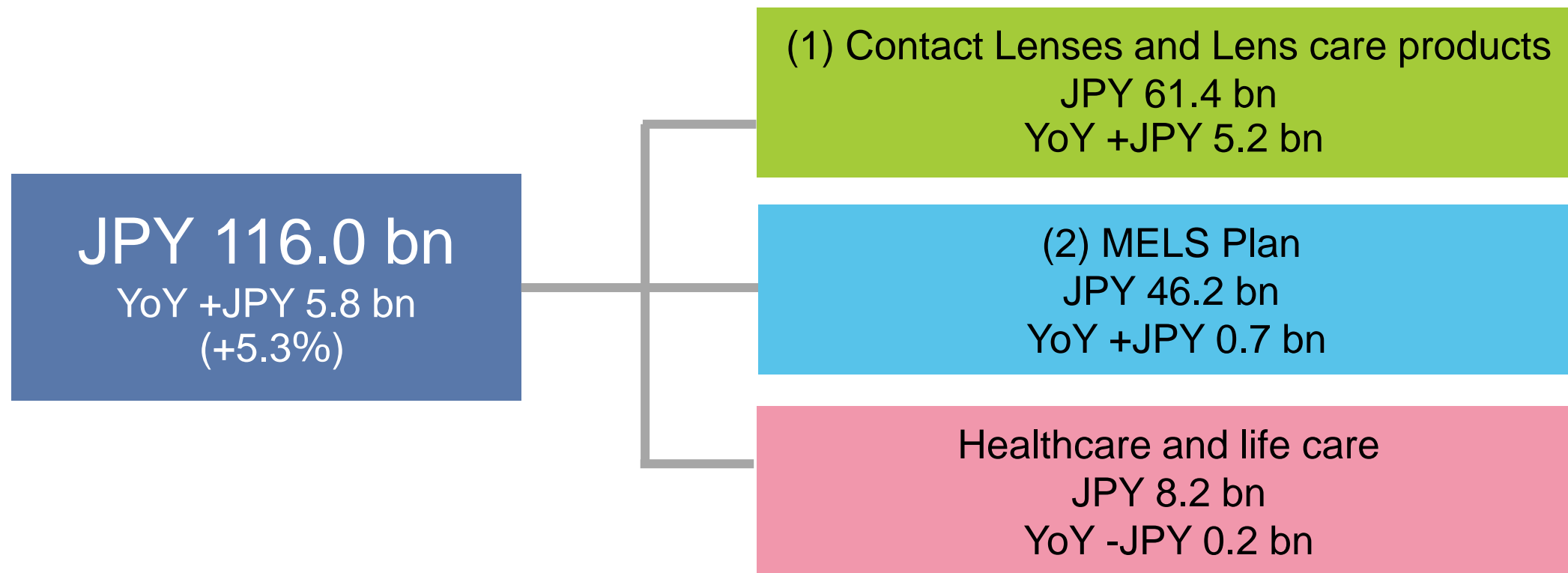
	FY2022		FY2023 (Forecast)	YoY	JPY m
<b>Net sales</b>	<b>110,194</b>		<b>116,000</b>	+ 5.3%	
Cost of sales	51,719		54,200	+4.8%	
(Cost of sales ratio)	46.9%		46.7%	---	
Gross profit	58,474		61,800	+5.7%	
SGA	46,411	⇒	49,500	+6.7%	
(SGA ratio)	42.1%		42.7%	---	
<b>Operating profit</b>	<b>12,062</b>		<b>12,300</b>	+2.0%	
(Operating profit ratio)	10.9%		10.6%	---	
<b>Ordinary profit</b>	<b>11,755</b>		<b>12,000</b>	+2.1%	
<b>Profit attributable to owners of parent</b>	<b>7,377</b>		<b>7,600</b>	+ 3.0%	

※Exchange rate in FY2022

EUR:JPY 141.6, USD:JPY 136.0, CNY:JPY 19.5

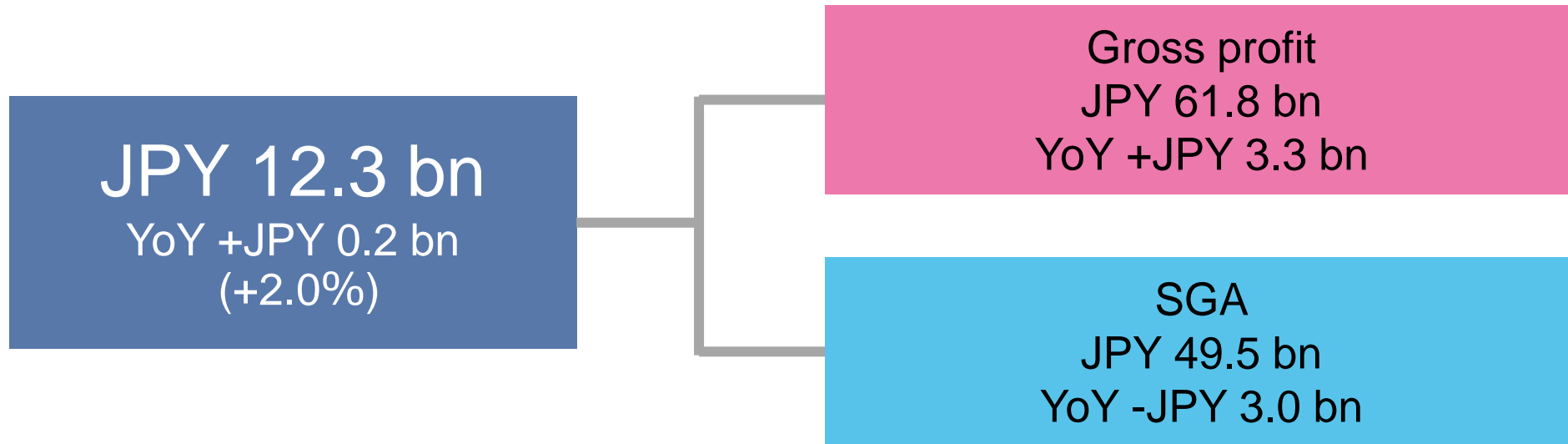
Exchange rate in financial forecast FY2023

EUR:JPY 148.0, USD:JPY 134.0, CNY:JPY 19.4



## Key factors

- (1) Sales growth of Orthokeratology lenses related products mainly in Asia is expected
- (2) Increase in the number of MELS Plan members, mainly Daily disposable contact lenses, is expected



## Key factors

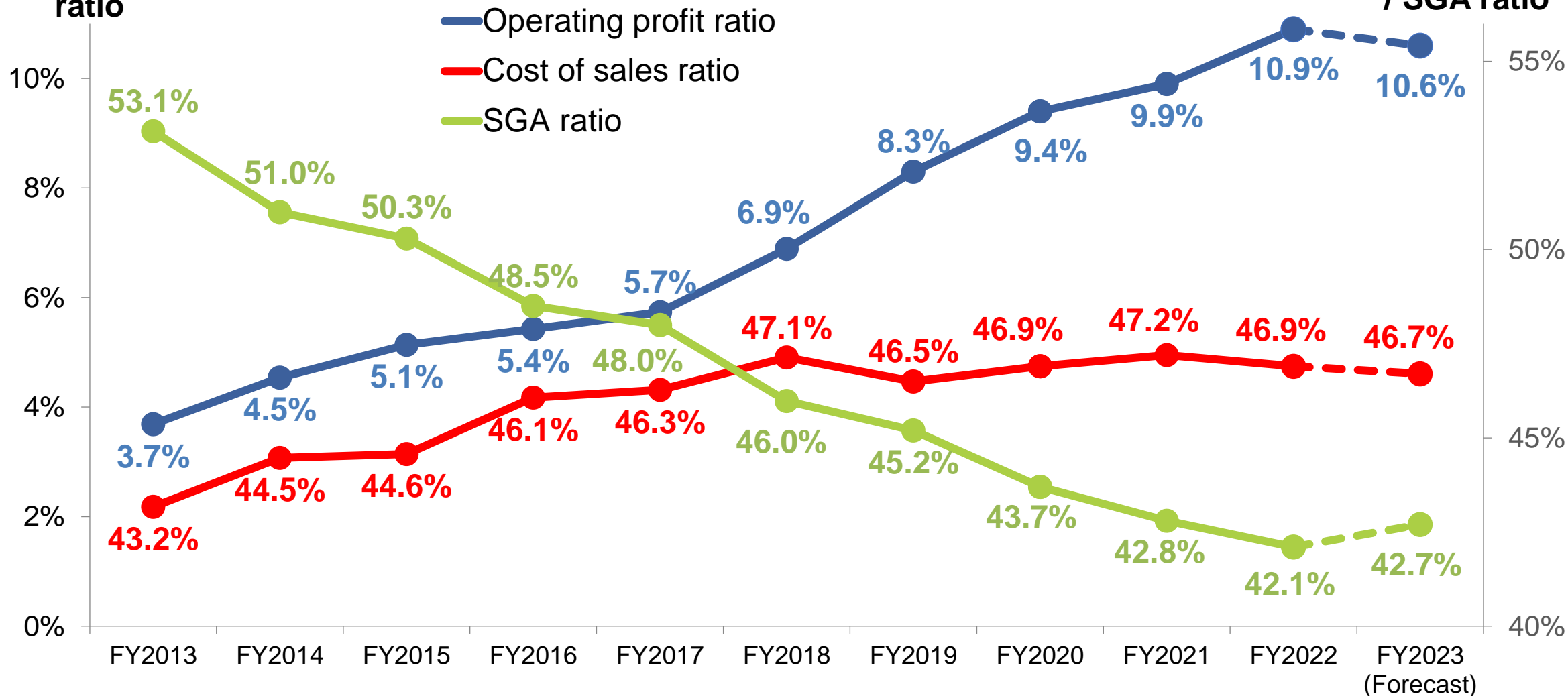
- Gross profit is expected to increase in line with sales growth
- Expenses for future growth such as strengthening new product development and preparing for the operation of new plants is expected to increase

# Cost of Sales Ratio / SGA Ratio / Operating Profit Ratio



Operating Profit ratio

Cost of sales ratio / SGA ratio

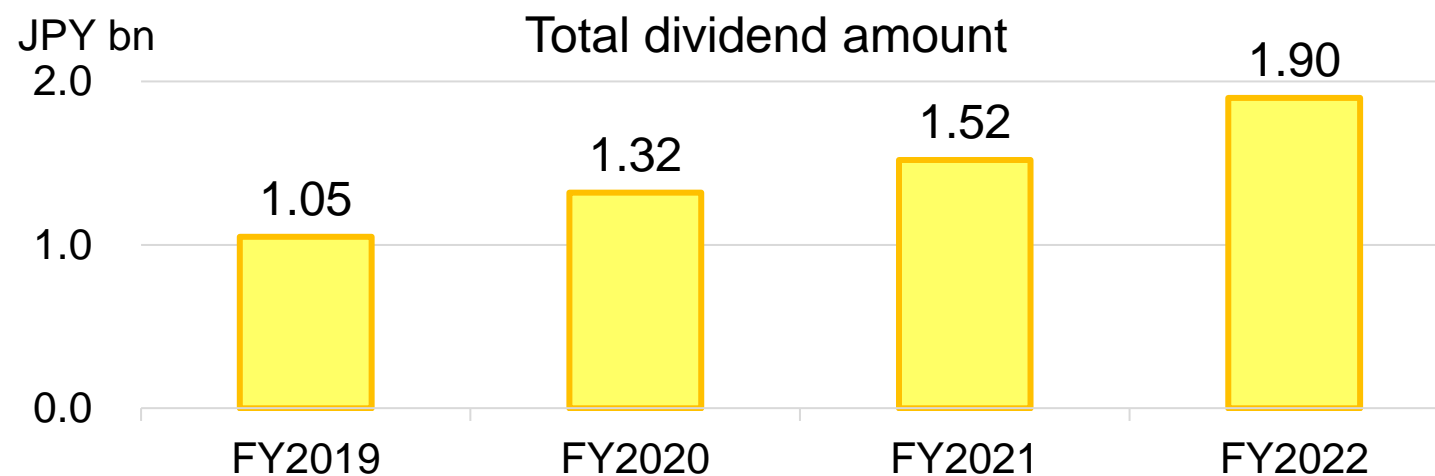


# Dividend Forecast

- ✓ Annual dividend per share for FY2022: **JPY 25**
- ✓ Annual dividend forecast per share for FY2023: **JPY 25**

	FY2019	FY2020	FY2021	FY2022	FY2023 (Forecast)
Dividend per Share*	JPY 14	JPY 17.5 Ordinary dividend JPY 15 Commemorative dividend JPY 2.5	JPY 20	JPY 25	JPY 25
Dividend payout ratio	24.9%	22.2%	23.3%	25.7%	25.0%

\*Calculations are based on assumption that the stock split was conducted at the beginning of FY2019.

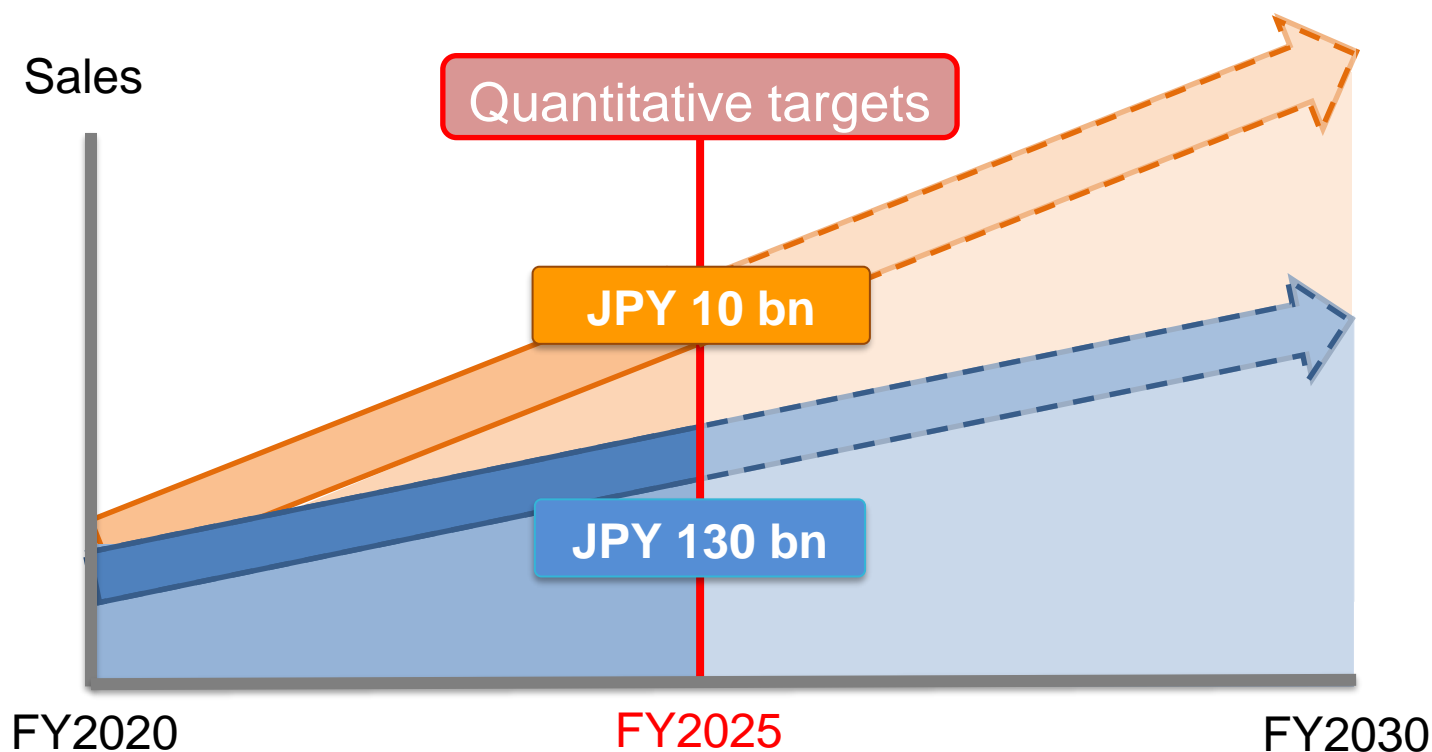


## Ⅲ. Progress of the Medium-Term Management Plan

## 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

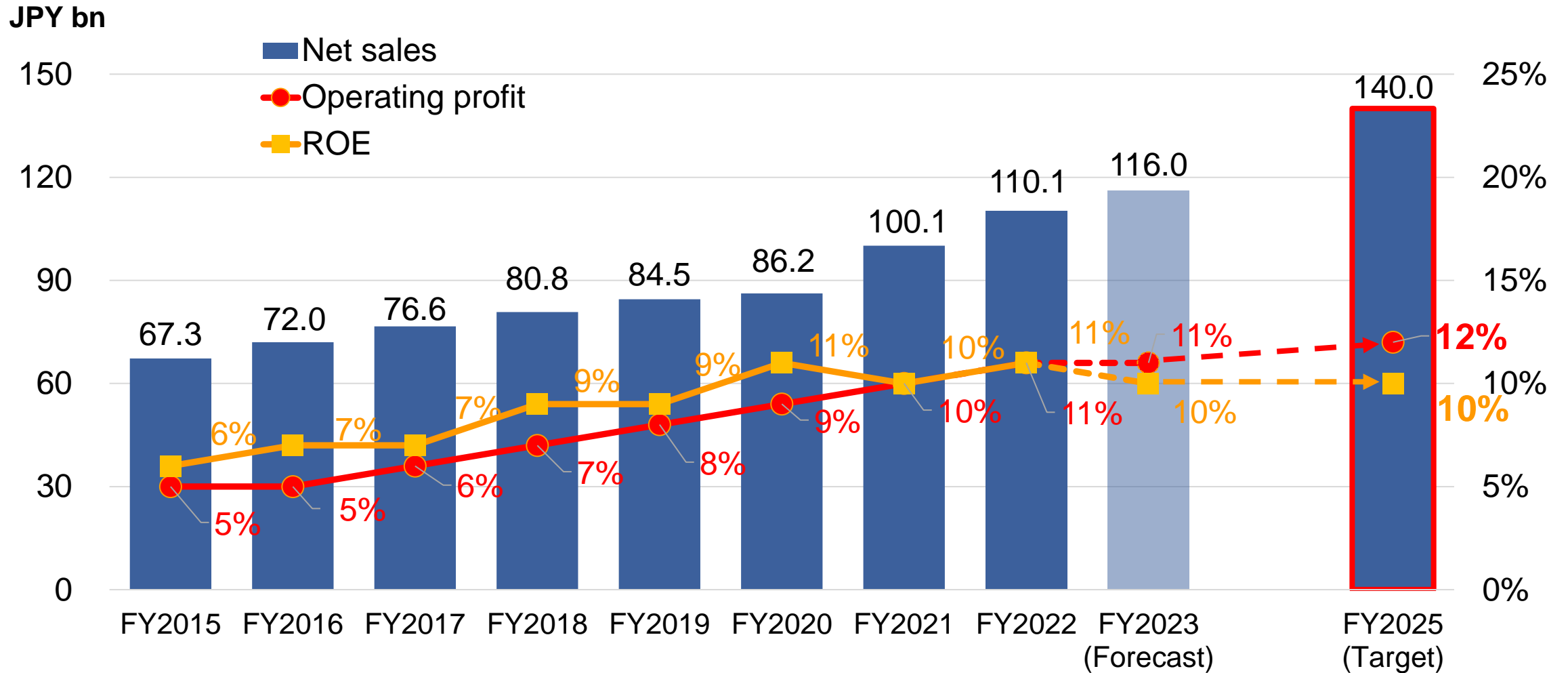
**[Vision care]**  
 Contact lenses and further expansion of the lens care business

- (1) Overseas sales expansion
- (2) Sales expansion of Daily disposable contact lenses
- (3) Expansion of MELS Plan



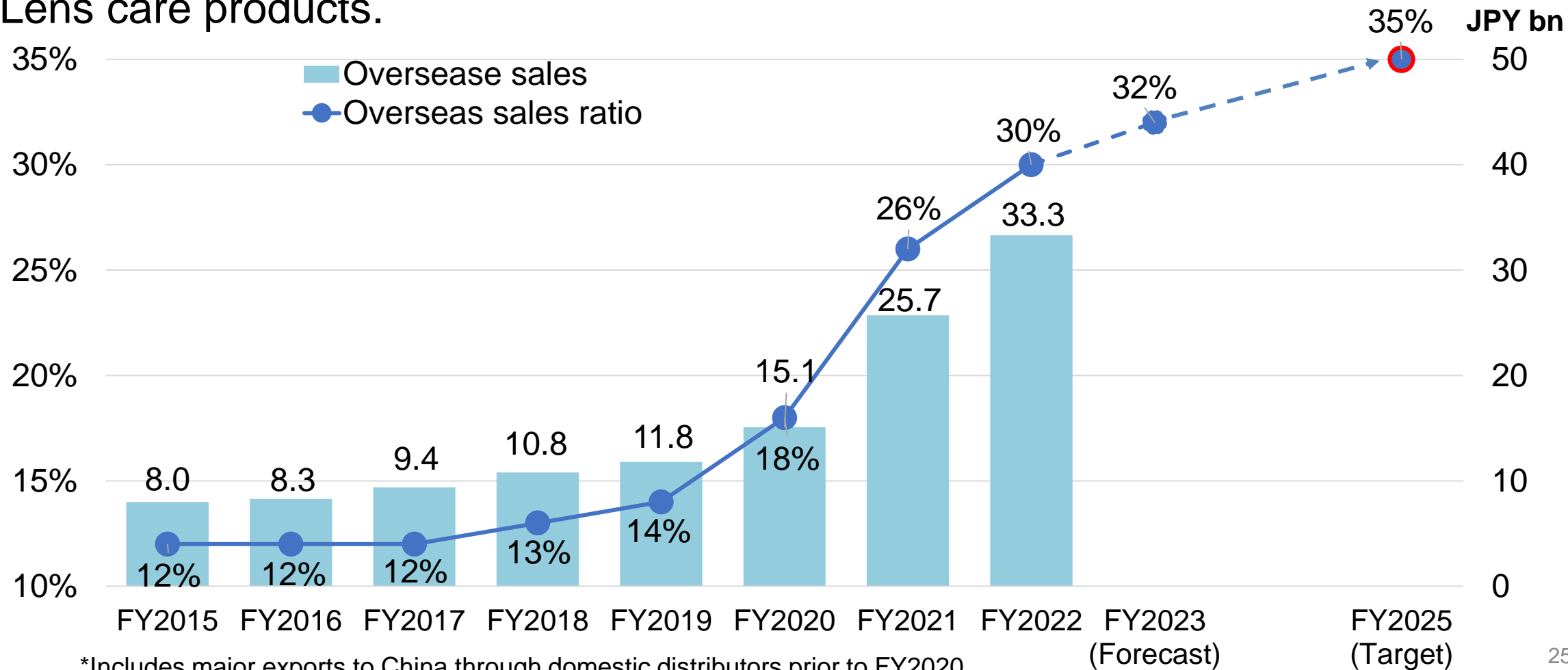
# Quantitative Targets FY2025

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



# (1) Overseas Sales Expansion (increase ratio)

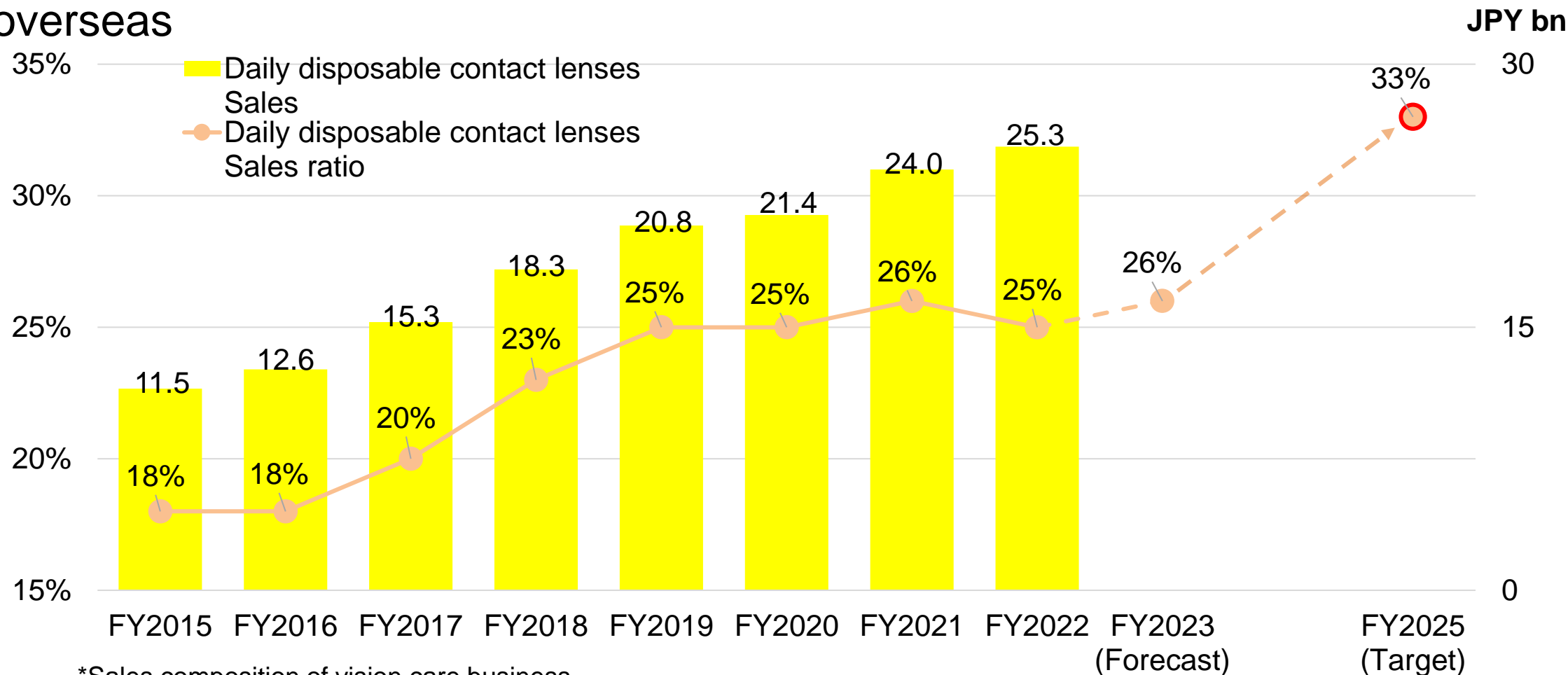
- ✓ FY2022(Actual) : **30%** FY2025(Target) : **35%**
- ✓ Expand sales of Daily disposable contact lenses and Orthokeratology lenses, Lens care products.



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

# (2) Daily Disposable Contact Lenses Sales Expansion (increase ratio)

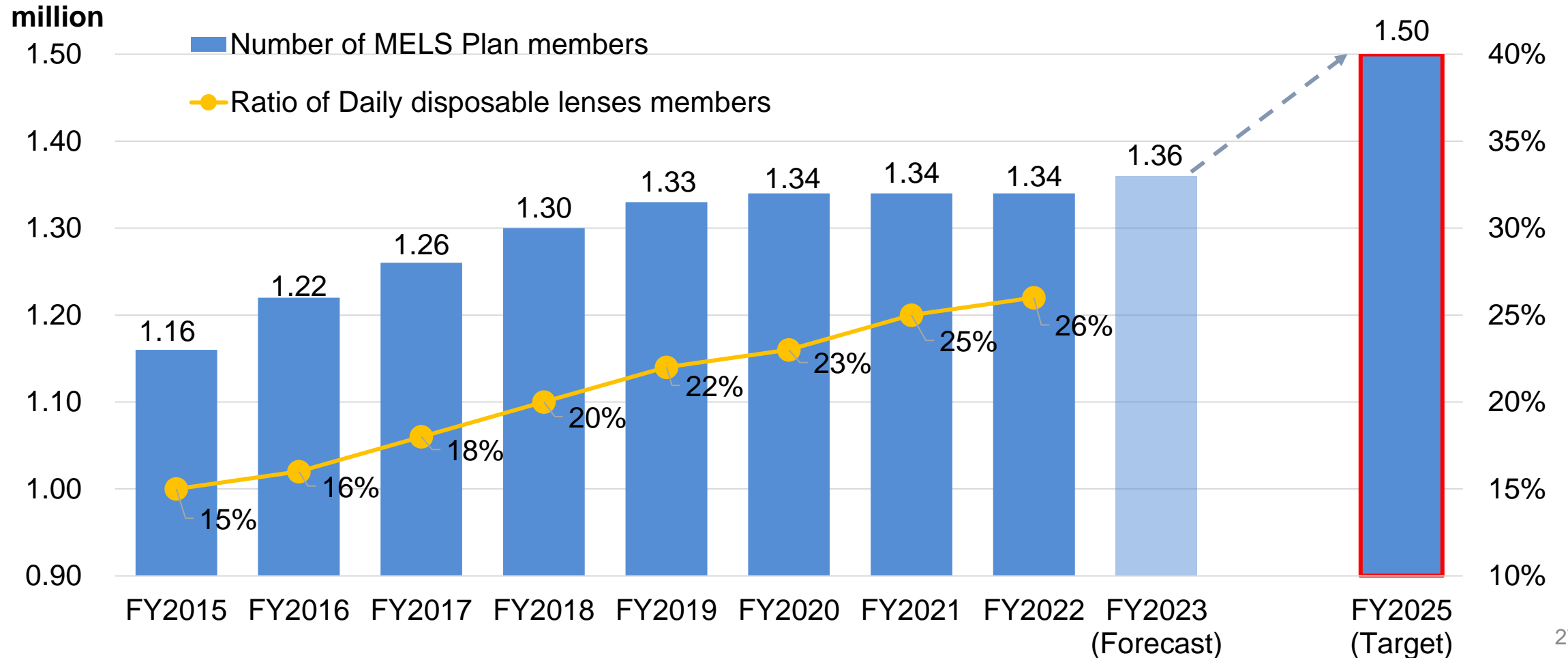
- ✓ FY2022(Actual) : **25%**    FY2025(Target) : **33%**
- ✓ Acquire MELS Plan members in Japan, and users at major mass retail chains in overseas



\*Sales composition of vision care business

### (3) Expansion of MELS Plan

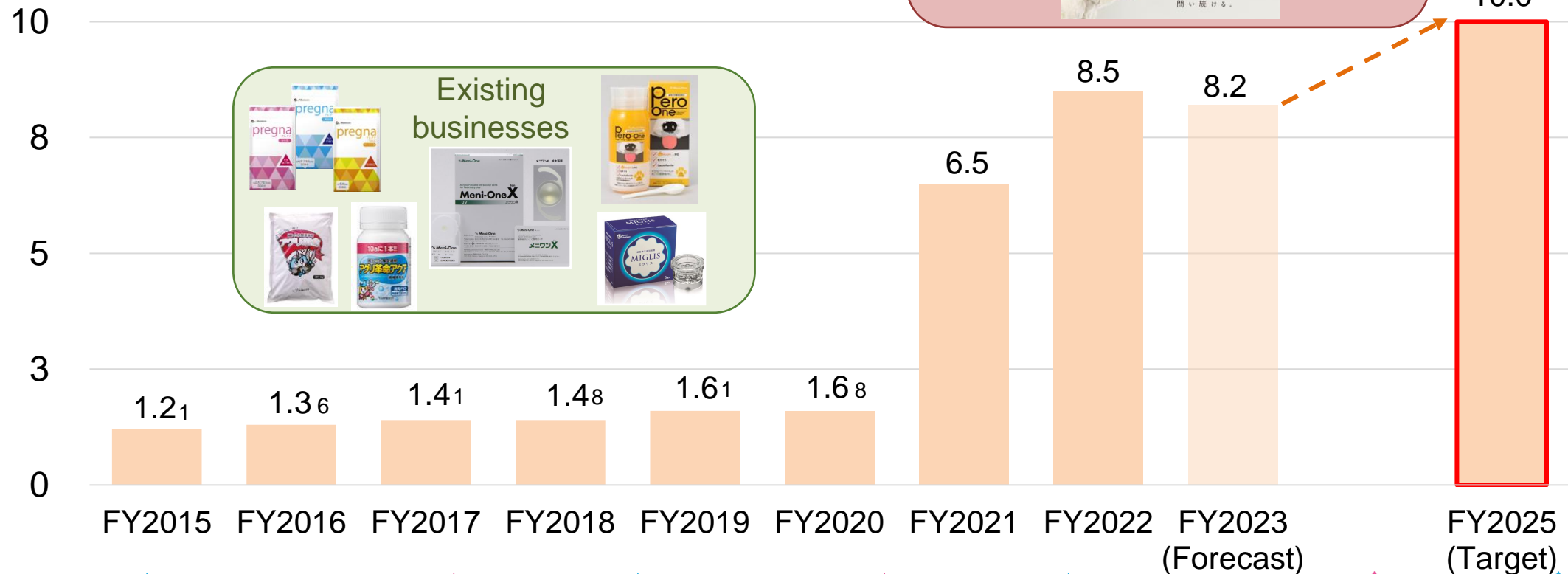
- ✓ FY2022(Actual) : **1.34 million members**    FY2025(Target) : **1.50 million members**
- ✓ Expansion of product lineup and sales promotion activities



# Expansion of Healthcare and Life Care Business

- ✓ FY2022(Actual) : **JPY 8.5 bn**    FY2025(Target) : **JPY 10.0 bn**
- ✓ Further expansion of business domain

JPY bn



## IV. Growth Strategies

- ✓ Aim to expand the membership base and increase the life time value of contact lens users by developing products and promotions for each generation (30s and beyond, 10s-20s)

30s and beyond



2weeks replacement multifocal colored contact lens  
 “2WEEK Menicon Rei multifocal”  
 Lineup from February 2023

遠近両用コンタクトレンズ  
 ラクティブ

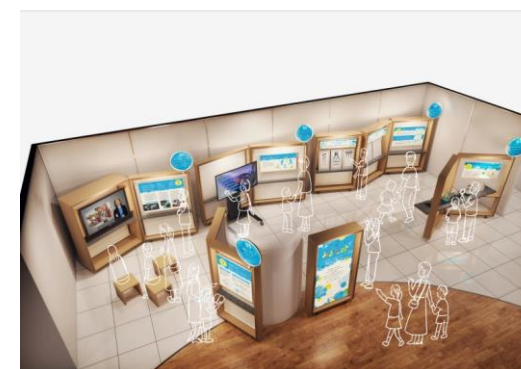
# Lactive

Promotion activities  
 for Multifocal contact lenses

10s-20s



Daily disposable colored contact lenses  
 “1DAY FRUTTIE”



Hands-on exhibits for parents and children to learn about children's eye health and myopia



# Expansion of Production Capacity and Sales Area

✓ Expansion of production capacity for Daily disposable contact lenses and sales area to mainly Japan, Europe and North America

## Production



**Singapore Plant**

**Product: Magic**



**Kakamigahara Plant**

**Product: 1DAY Menicon premiO**

**New line at both plants scheduled to be in operation in FY2023**

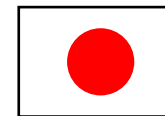


**Malaysia Plant**

**Product: Daily disposable contact lenses**

**Scheduled to be in operation in 2025**

## Sales



Japan

**Expansion of sales on mainly 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)



✓ Strengthening business related to Orthokeratology lenses

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

\*Other Asia: excluding China and Japan

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

## Assisted reproductive technology



Development / Sales

Sperm preparation equipment  
(For clinics)

Promotion of product recognition degree

## 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

- 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 May 15, 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.

Menicon Co., Ltd.

Finance & Investor Relations Team, Corporate Planning & Controlling Dept.

E-mail: [menicon-ir@menicon.co.jp](mailto:menicon-ir@menicon.co.jp)

[www.menicon.co.jp/company](http://www.menicon.co.jp/company)