



December 8, 2025

## Press Release

Company name: SEED Co., Ltd.

Representative:

Takao Sato, President, & CEO, Representative Director  
(Stock Code: 7743; Tokyo Stock Exchange Prime Market)

Inquiries:

Tetsuya Sugiyama, Executive Vice President,  
Representative Director and General Manager of  
Administration Division  
TEL 03-3813-1111 (main)

### **Measures to realize management that takes into account capital costs and stock prices (Update)**

At the Board of Directors meeting held today, the Company once again analyzed and evaluated the status of “Measures to realize management that takes into account capital costs and stock prices” and updated its policies and initiatives for improvement.

For details, please refer to the attached document “Measures to realize management that takes into account capital costs and stock prices (Update).”

As per the “In the prime market Plan for compliance with listing maintenance standards” disclosed on June 24, 2025, the Company is working toward compliance with listing maintenance standards. However, if the Company is unable to confirm compliance within the improvement period ending on March 31, 2026, the Company's shares may be designated as a Security to Be Delisted and the Company's shares may be delisted.

To prevent such a situation, we will strive to continuously improve our corporate value and maintain a stable listing, with a view to flexibly changing market segments. As a backup plan, the Company has started preparations for applying for a change of market segment to the Tokyo Stock Exchange Standard Market from the perspective of ensuring liquidity for investors and shareholders and achieving sustainable growth in corporate value.

	Number of Shareholders	Number of shares outstanding	Tradable stock Market value	Tradable stock Ratio
Status of the Company (as of March 31, 2025)	53,094	155,955 Unit	7.91 billion yen	51.5%
Criteria for maintaining listing on the prime market	800 or more	20,000 Unit	10 billion yen	35%
Compliance status as of the latest record date	Compliance	Compliance	Nonconformity	Compliance
Planning period (improvement period)	-	-	Up to March 31, 2026	-

\*The status of compliance by the Company is calculated based on the distribution of the Company's share certificates, etc., as known by the Tokyo Stock Exchange as of the record date.

Note) This is an English translation of the Japanese original prepared for readers' convenience. Should there be any inconsistency between the translation and the original Japanese text, the latter shall prevail.

**SEED Co., Ltd.**

# **Measures to realize management that takes into account capital costs and stock prices (Update)**

December 8, 2025

(Securities code: 7743)

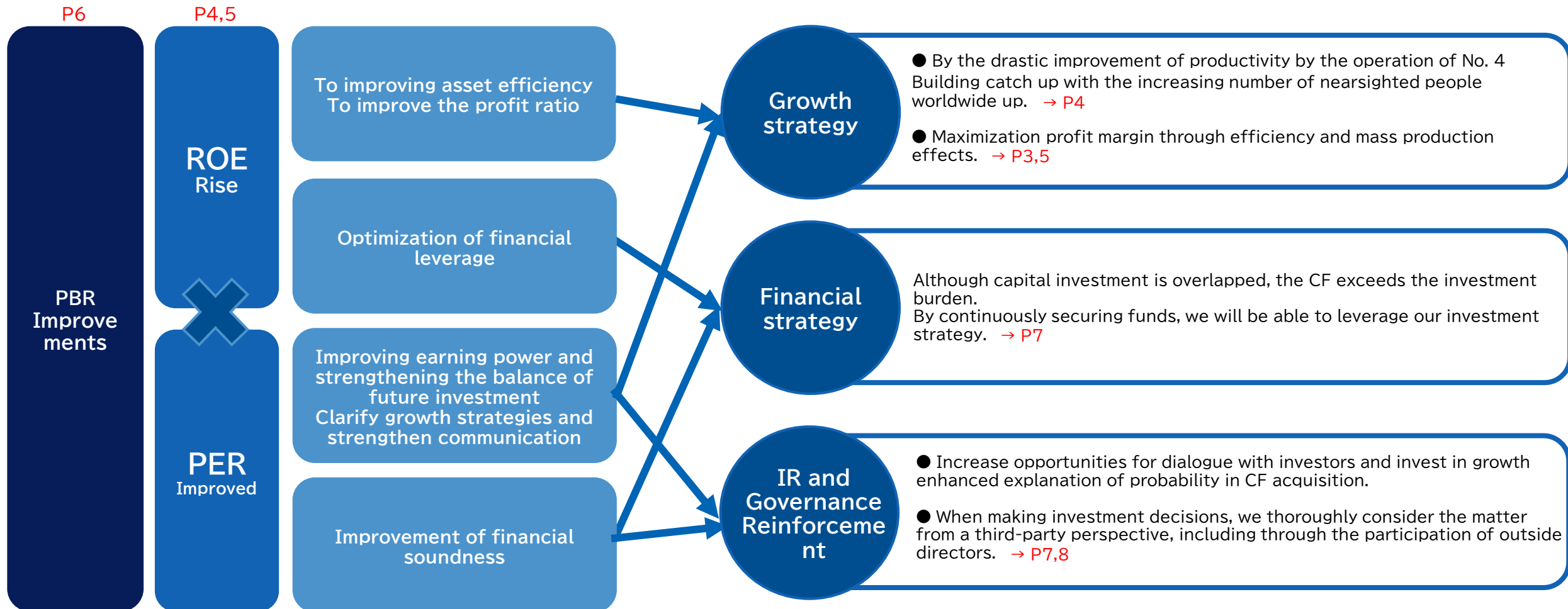
Discover the beauty of the world  
with your eyes



# Issues and policies for measures to improve corporate value

In November 2024, we disclosed our "Measures to Realize Management with Awareness of Cost of Capital and Stock Price."

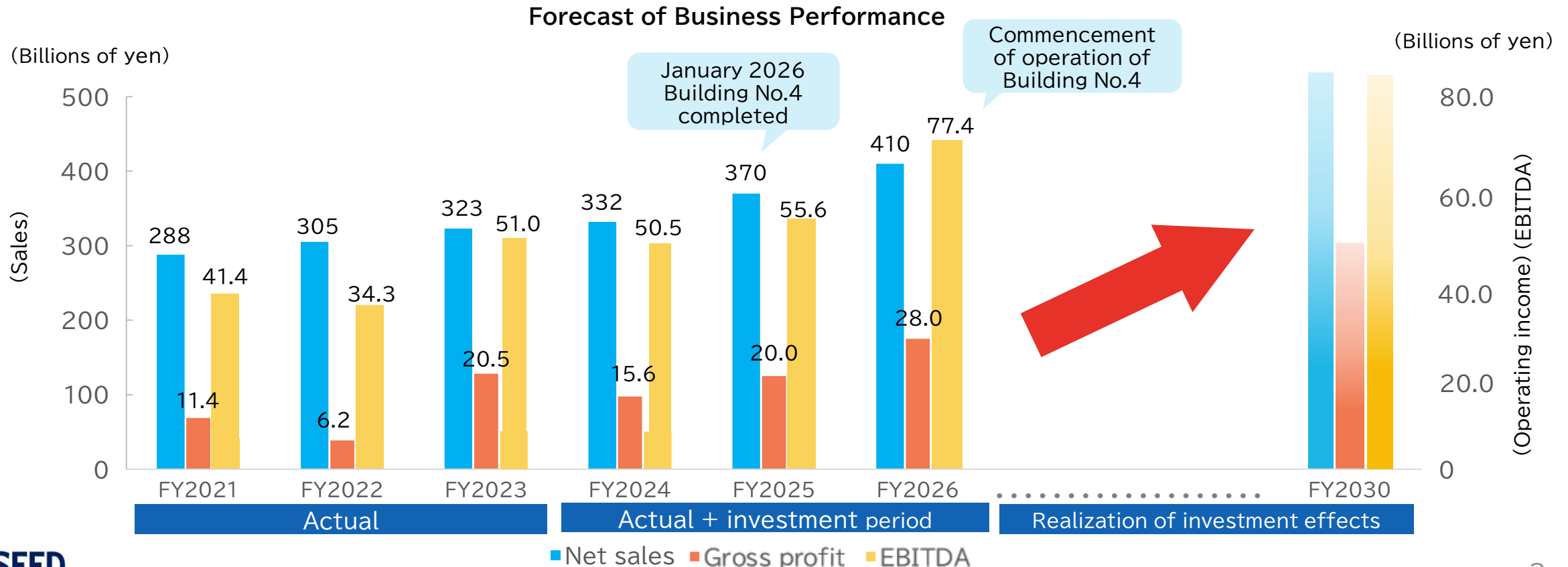
We are actively pursuing initiatives that not only help us achieve the goals of the Medium-Term Management Plan but also anticipate future growth.



# Performance and future performance

The potential for demand for correcting myopia in Japan and overseas is very high, and demand for contact lenses (hereinafter, CL) is expected to increase (see the next page for an overview of future market forecasts). With strong CL demand as a backdrop, we are working to significantly improve production capacity and aim to achieve a dramatic improvement in performance.

We are currently increasing our production capacity to meet domestic and international demand, and by the fiscal year ending March 2027, when the first phase of the production line at Konosu Research Institute Building No.4, scheduled for completion in January 2026, begins operation, our maximum monthly production capacity is expected to increase from 65 million sheets to 79 million sheets. Furthermore, the second phase of production line will be operational in the fiscal year ending March 2028, raising the maximum monthly production capacity further to 89.5 million lenses, and the effects of capital investment are expected to become apparent.

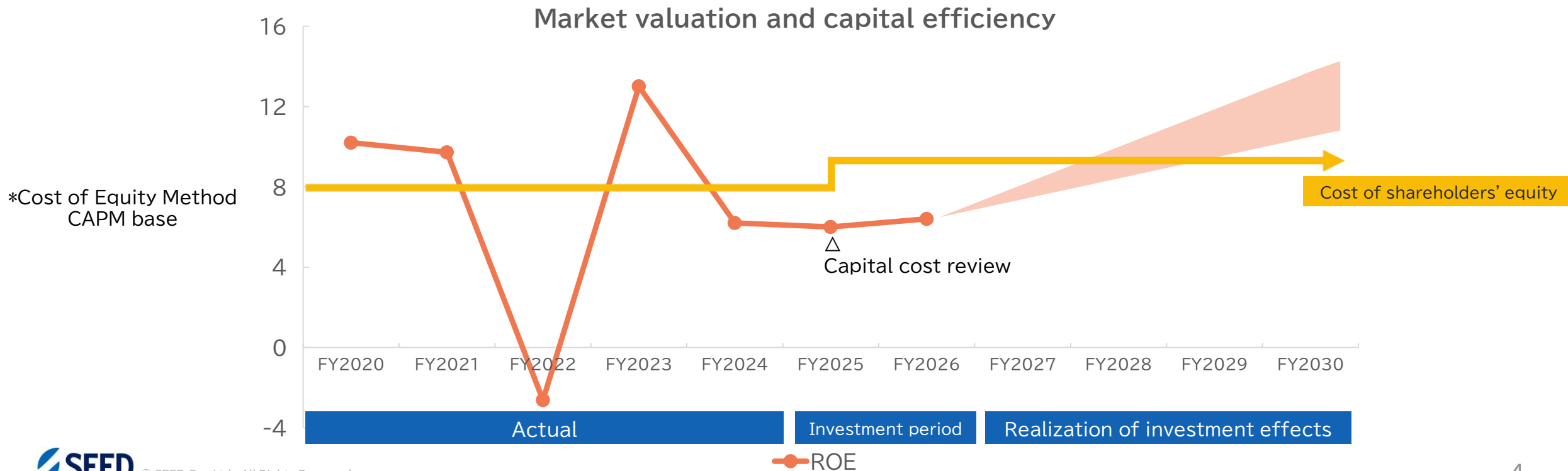


# Future market forecasts and changes in capital efficiency and market valuation

**Domestic contact lens market:** The number of people with myopia is increasing significantly due to the younger age at which they become nearsighted, and the range of target ages is expanding significantly due to the expansion of technical lenses such as bifocals and astigmatism lenses, so despite the declining population, the number of people is expected to increase by 4 to 5% annually in the future. In addition to demand for myopia correction, it is estimated that demand for myopia progression prevention among young people will also increase.

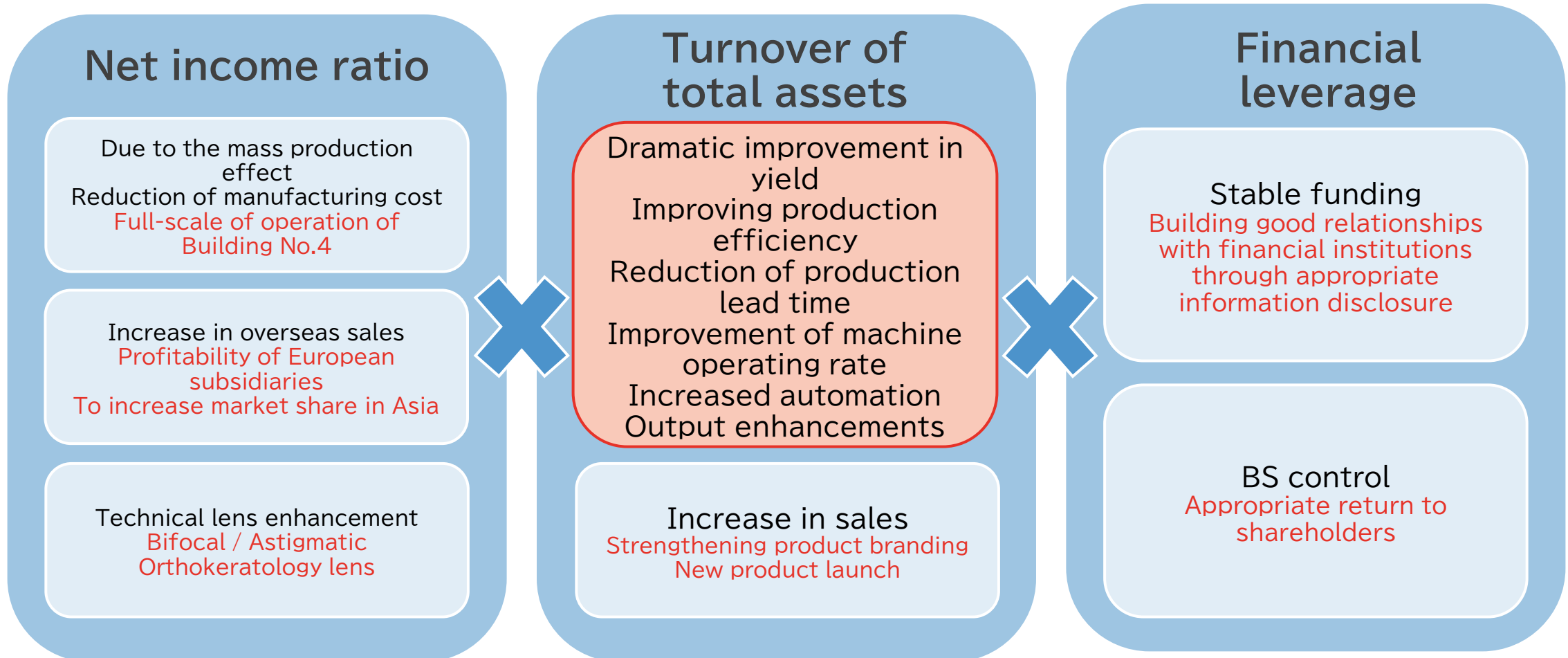
**Overseas contact lens market:** In Asia in particular, the rate of myopia is rising, the age of people becoming younger, and disposable income is increasing, making this a market where stable, high market growth can be expected in the future.

**ROE:** In the fiscal year ending March 2025, the cost was below the cost of shareholders' equity, but from the fiscal year ending March 2027, the company aims to improve profitability by reducing manufacturing costs through increased production capacity and raising sales prices through the launch of new products.



# Measures and initiatives to improve capital efficiency (DuPont Analysis)

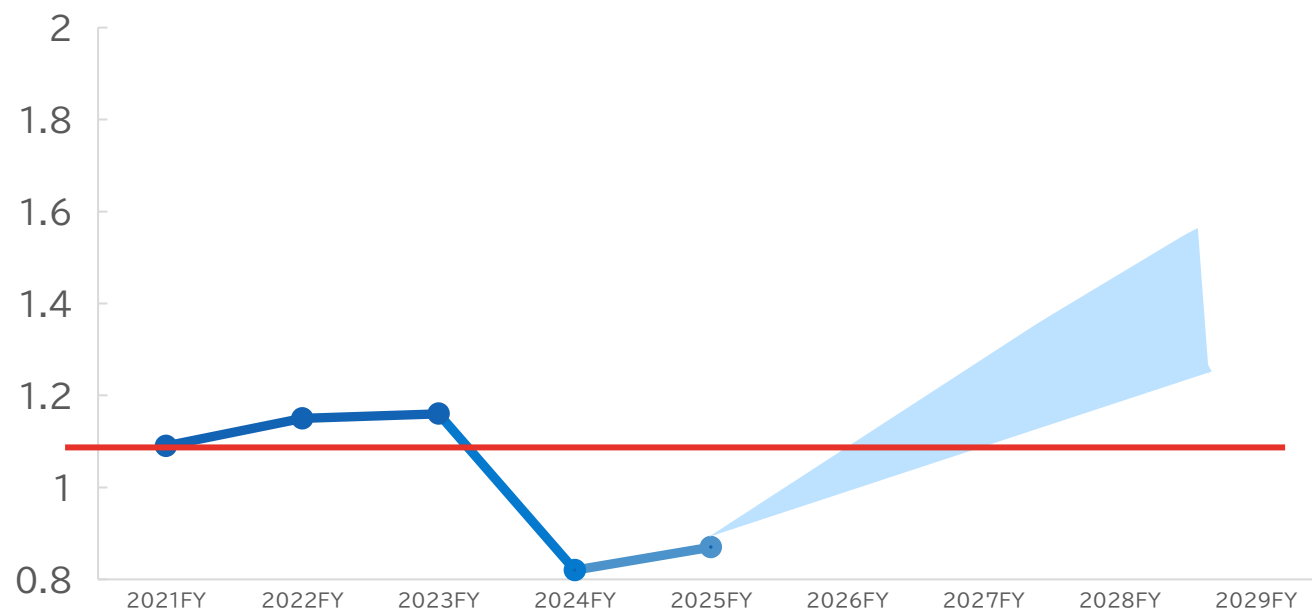
## Improvement in ROE



# PBR

The PBR remained at 1.0 times or more until the fiscal year ending March 2024. The current multiple is below 1.0 x due to dilution from the capital increase and a time lag before the capital investment effect (the purpose of the capital increase) materializes. The PBR is expected to rise as the effects of capital investment become apparent.

It is important to steadily realize the effects of capital investment and to develop new products (lenses made of new materials, anti-myopic lenses, DDS, smart contact lenses, etc.) and to launch them as soon as possible.



# Capital allocation and shareholder return policy

## Investment for growth

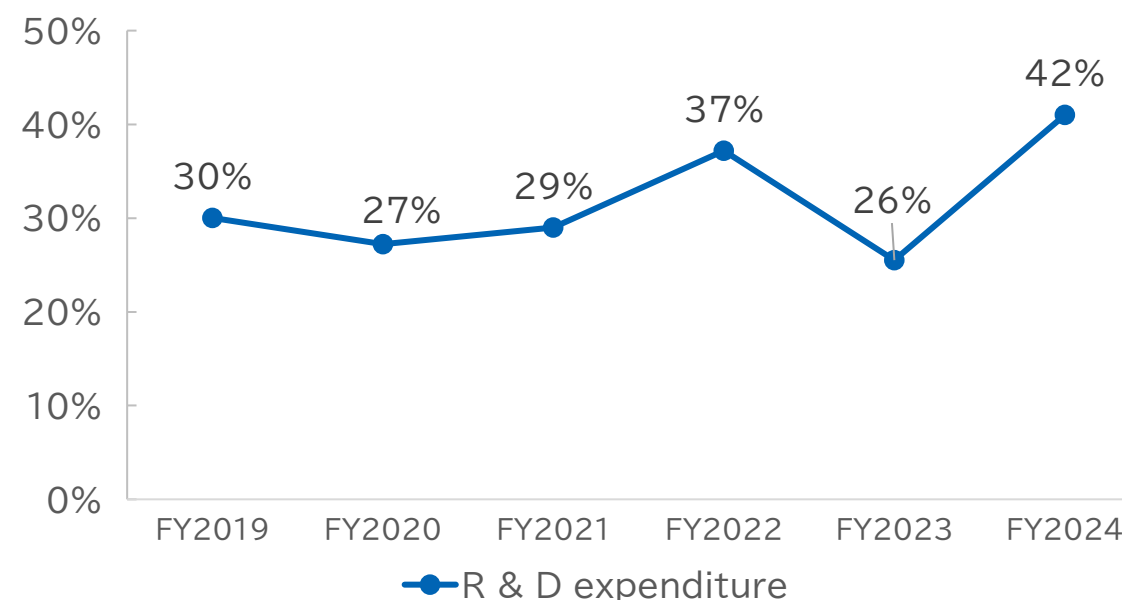
We continue to invest at a high level in research and development to support our competitive edge in the market. As a result, EBITDA and operating income levels have increased. We will continue to invest in the future to further improve market confidence and reputation and achieve sustainable growth.

[Millions of yen]  
Amounts less than  
one million yen are  
rounded down.

\*R & D ratio calculation method: R & D expenses  
/ CF before R & D expenses

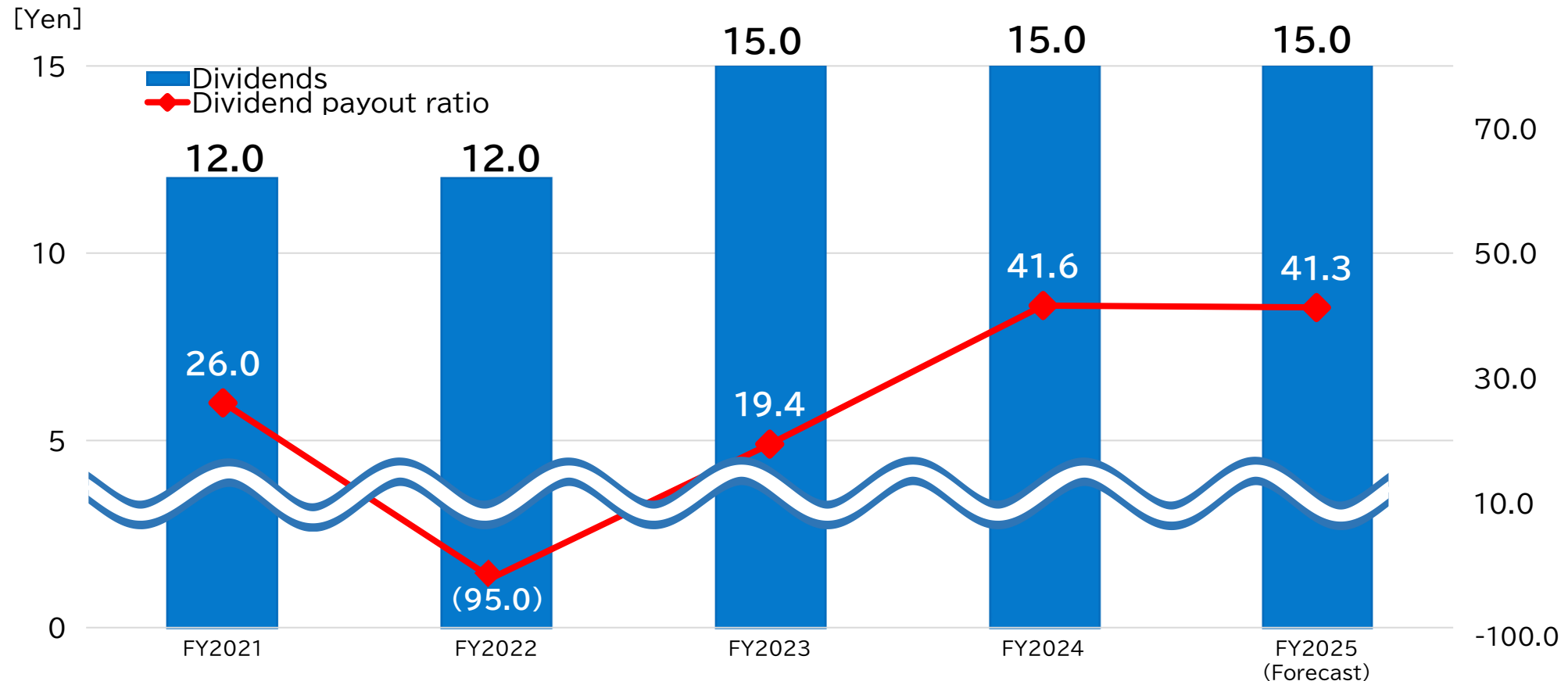
	2020 works March	2021 works March	2022 works March	2023 works March	2024 works March	2025 works March
R & D expenses	1,672	1,381	1,334	1,921	2,063	2,156
R & D Operating cash flow before deduction	5,569	5,071	4,601	5,268	8,086	5,134
R & D ratio	30%	27%	29%	37%	26%	42%

	2020 works March	2021 works March	2022 works March	2023 works March	2024 works March	2025 works March
Capital expenditures	3,317	3,252	2,632	1,199	7,519	7,277



# Shareholder return

To implement appropriate dividend policy, we aim to continue dividend payments with a target payout ratio of 30-40%.



Comprehensive consideration of future growth strategies and the continuation of stable return of profits to shareholders

Annual dividends per share  
15 yen per share

Dividend yield: 2.8%  
\* September 30, 2025 Share price  
(closing price): 534 yen

Discover the beauty of the world  
with your eyes

