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Our Views on Questions from Shareholders and Investors
for the Three Months Ended June 30, 2025

The following are the company's views on the main questions that the company has received from shareholders and investors regarding our business performance for the three months ended June 30, 2025, initiatives, etc.

This disclosure is being made voluntarily by our company with the aim of further deepening the understanding of our shareholders and investors. The content is based on information at the time of disclosure.

Q1. Progress of the first quarter of FY2025 Results and Outlook for the Full Year

In the first quarter of FY2025, the Vision Care business recorded a year-on-year revenue increase of 0.6%, while consolidated operating profit declined year-on-year. Both sales and profit were temporarily soft, primarily due to supply constraints for our high-demand silicone-based daily disposable contact lenses, upfront costs associated with the Malaysia plant—currently under preparation for the start of operations in the second half of FY2025—and the slowdown in growth in the orthokeratology-related market in China. Overall, results were broadly in line with our initial expectations.

Looking ahead, we expect profitability to be supported by multiple factors, including the effect of the domestic price revision, as well as a practical expansion of supply capacity through the introduction of OEM daily disposable contact lenses in Japan. In addition, strengthening of our in-house production system—including the Malaysia plant scheduled to commence operations in the second half of FY2025—is expected to drive a gradual increase in supply volume. Particularly in overseas markets, the easing of supply constraints for major retail chains in Europe and North America is expected to lead to expanded transactions from the third quarter onward. Based on these factors, we continue to expect to achieve our full-year consolidated performance forecast as initially planned.

Q2. Outlook for Orthokeratology-related Business

In China market, conditions remain uncertain due to factors such as an economic slowdown and intensified competition. Nevertheless, these developments are broadly within the range anticipated at the beginning of the fiscal year, and at present, there is no change to our full-year forecast for orthokeratology-related business performance.

We maintain a leading market position in both orthokeratology lenses and their associated lens care products in China. Going forward, we plan to introduce new products that address the diversifying needs of users, while implementing competitive and flexible marketing initiatives to secure market share for our product portfolio.

Outside of China, including other parts of Asia and our domestic market, we continue to anticipate market growth. We will focus on activities to expand market awareness, training prescription professionals, and leverage our group sales network to increase sales, ensuring that we capture growth opportunities in the orthokeratology-related market.

Q3. Impact of Tariffs Related to Trump-era Policies

Regarding potential impacts from the U.S. government's tariff policy revisions, we currently assess the effect on our business performance as limited. This is because our North American sales accounted for only around 2% of total revenue in FY2024, thus minimizing the direct financial impact.

Furthermore, for some products, we are able to pass on the increased tariff costs to selling prices, thereby partially mitigating the impact on our profitability.

That said, we will continue to monitor developments closely, especially concerning potential impacts on our U.S.-based competitors, and respond as needed.

Q4. Our Shareholder Return Policy

We view improving ROE through better operating margin as our highest management priority in pursuit of long-term corporate value enhancement. In addition, we are actively working to improve capital efficiency through enhanced shareholder returns.

As part of these initiatives, in April 2025 we introduced a progressive dividend policy. In June 2025, we also announced a share buyback program to acquire up to 2.3 million shares (equivalent to 3.0% of total issued shares) using internal funds. As of the end of July, we have acquired approximately 940,000 shares and continue to implement the program.

This initiative reflects our belief that the current share price is undervalued relative to our performance and long-term growth potential, and was undertaken as part of our broader capital strategy.

We remain committed to ensuring sound cash flow generation and balancing growth investments, while pursuing management that emphasizes capital efficiency.

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