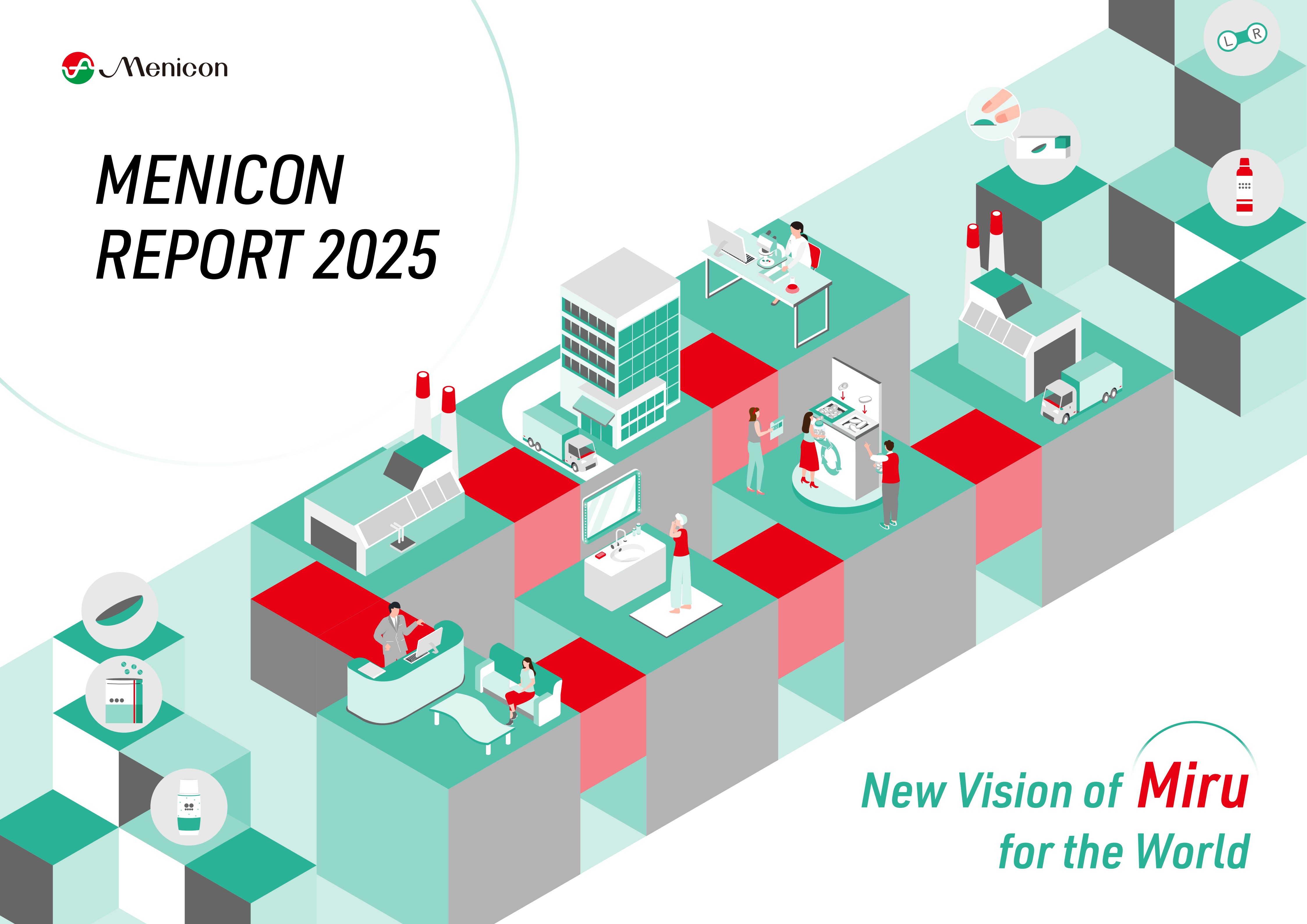
Menicon

MENICON REPORT 2025



New Vision of *Miru* for the World

Corporate Slogan

Contributing to society by providing superior visual correction.

Management Principles

Values

Values

Creation | Originality | Challenge

To take up the bold challenge of accomplishing what no one else has, by creating new values from nothing.

Mission

The enterprise we want to be

To use technology and human resources developed through contact lenses to continue to provide the world with products and services needed by society as a creative specialist company.

Vision

The dream that we want to achieve

To be the number one, the paramount enterprise respected and loved by all stakeholders.

Our Mission with Regard to Stakeholders

To End Users	As a pioneering company, to utilize our superior technology to provide the joy of sight and living to our customers, thereby improving their satisfaction; to be regarded by "End Users" as a company they want to continue to use in the future.
To Industry Participants	To boost satisfaction among outside researchers, clients, business partners, and other collaborators by contributing proactively to the growth of the industry as a corporate leader, and to be regarded by all other members of the industry as a "Partner" with which they want to continue to do business in the future.
To Our Employees	To heighten employee satisfaction by providing a rewarding work environment that permits self-actualization as a company respectful of individuals, and to be regarded by all employees as an enterprise where they want to continue working as "Family."
To Our Shareholders	To increase shareholder satisfaction through an unwavering spirit of legal compliance and robust corporate performance as a company respectful of morality, and be regarded by all shareholders as an enterprise they want to back as "Supporters" in the future.
To Society	To show respect to all living things and the environment and to all cultures and histories as a global citizen, to enhance satisfaction among all members of society, and to be an enterprise regarded as a "Good Neighbor" by all living things.

CONTENTS

Introduction

"Miru" Value

"Miru" Business

"Miru" Foundation

Corporate Data

Editorial Policy

This report provides an overview of the company's management and strategy, and reports on creation of mid-to-long term value, process that implements sustainable growth, as well as financial and non-financial information etc., in order to provide stakeholders with a deeper understanding of Menicon. Latest information not contained in this report and more detailed information on individual activities can be found on website.

Covered Period

FY2024 (April 1, 2024 to March 31, 2025) Includes some reports outside the covered period.

Covered Organizations

References to organizations covered by this report are as follows. Any differences in scope are listed separately.

- Company (non-consolidated): Menicon Co., Ltd.
- Group (consolidated): Menicon Co., Ltd. and Japanese and overseas subsidiaries
- Group in Japan: Menicon Co., Ltd. and Japanese subsidiaries

Published

October 2025 (Previous report published October 2024.
Next report scheduled for September 2026.)

Referenced Guidelines

- The IFRS Foundation's SASB Standards
- The IFRS Foundation's International Integrated Reporting Framework
- The Ministry of Economy, Trade and Industry's Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0
- The GRI Sustainability Reporting Standards
- The TCFD's Recommendations of the Task Force on Climate-related Financial Disclosures Final Report

Information Disclosure System

	Financial Information	Financial & Non-Financial Information	Non-Financial Information
Reports	Presentation Materials for Financial Results Medium-Term Management Plan Databook	MENICON REPORT ESG Data Annual Securities Report (in Japanese only)	Corporate Governance Report
WEB	IR Information		Sustainability & CSR Company Introduction

How to use the navigation buttons

Move to CONTENTS | Return to the page you were just viewing | Move to previous page | Move to next page

Forward-looking Statements

Information and statements contained within this report reflect Menicon's current plans, earnings forecast, and strategies, which are forecast at the time of disclosure. They are thus subject to inherent risks and uncertainties. Since actual results may differ, these statements are not guarantees of future performance and undue reliance should not be placed on them.

CEO Message

To Become a Company Where Innovation Breathes

We will continue to contribute to our customers' "Miru" through the inheritance of Menicon Culture, which creates 0-to-1, and steady progress on "Milestone 2027."

Koji Kawaura
Director, President and CEO

CEO Message

Inheriting the Founding Spirit and Aiming for Further Enhancement of Corporate Value

Our group had previously been managed under a two-person management structure consisting of former Chairman and CEO Hidenari Tanaka (hereinafter, Mr. Hidenari) and myself. However, from April 2025, we transitioned to the current structure with one President and CEO. In March 2024, founder Kyoichi Tanaka (hereinafter, Mr. Kyoichi) passed away, and Mr. Hidenari succeeded him as Honorary Chairman.

This time, I have received the baton of management from the founding family, but our corporate slogan is "Contributing to society by providing superior visual correction." , and the ideas of "Creation, Originality, Challenge" also found in our management principles remain unchanged. When we examine the strengths of our group, it can be said that they are "technological capability" and "MELS Plan," but fundamentally, "technological capability" was created by Mr. Kyoichi who developed contact lenses, and the "MELS Plan" was an innovation born from Mr. Hidenari; our group has developed through these innovations. In other words, the innovation born from boldly challenging accomplishing what no one has done before—creating new value out of nothing—is the element that characterizes our group. It is not an overstatement to say that in order for our group to continue being Menicon-like, it depends on whether we employees can keep practicing the creation of breakthrough innovations that should also be called "Menicon's culture." We will inherit the philosophy of "Creation, Originality, Challenge," and serve as a guiding principle for our group. We will continue to challenge ourselves with original value creation in Menicon's unique style and strive to enhance corporate value.

Contributing to Society through Efforts Related to 1-DAY lens and myopia control

Our group has contributed to society and grown as a company by providing contact lenses to the world through the development of the contact lenses subscription system "MELS Plan" and business expansion through M&A, based on our corporate slogan. Based on the recent business environment, our group is currently working not only to ensure a stable supply of daily disposable contact lenses (hereinafter, 1-DAY lens) but also to address myopia control managemen in order to protect children's eyes, aiming for further contributions to society and expansion of social value.

As the business environment surrounding our group, we believe that the contact lens market will continue to grow against the backdrop of social issues such as epidemiological data predicting that approximately half of the world's population will become nearsighted by 2050* due to recent proliferation of digital devices, an increase in myopic populations in developing and emerging countries, a global trend toward younger age at onset of myopia, and an increase in high myopia. Currently, approximately 60% of the global contact lens market is held by 1-DAY lens, and it is expected that with the continued increase in myopic population, the adoption of 1-DAY lens will expand further and demand will rise even more. We see this as an opportunity to further expand the sales of 1-DAY lens, and moving forward, we will also promote the strengthening of our sales structure.

Furthermore, we will also focus on myopia control-related business. Originally, vision deterioration caused by myopia can be corrected with contact lenses and other methods, but it does not cure the myopia itself. High myopia is considered a factor that increases the risk of eye diseases such as glaucoma and retinal detachment, and various studies have shown that the more myopia progresses, the higher the likelihood of developing these diseases. Therefore, our group is working on myopia control through orthokeratology lenses (hereafter, Ortho-K), aiming to reduce the risk of various eye diseases that young people, mainly children and adolescents, may develop in the future. At the same time, by expanding our myopia control-related business, we will also contribute to further growth of our group.

* Source: World Health Organization "THE IMPACT OF MYOPIA AND HIGH MYOPIA"

Towards the Transition from the Investment Phase to the Investment Return Phase

In fiscal year 2024, both domestic price revisions and the expansion of 1-DAY lens sales driven by rising demand contributed to increased revenue and profit. However, the

CEO Message

environment surrounding our group is changing significantly, and we expect that especially in China, uncertain conditions such as economic stagnation and intensified competition will continue. Based on this situation, we have decided to update some of the target values for "Milestone 2027" outlined in our Medium-term Management Plan.

There are no changes to the quantitative targets for net sales, operating profit, and ROE set in "Milestone 2027," but the sales target for the growth strategy goals related to 1-DAY lens and Ortho-K-related has been changed. Regarding 1-DAY lens, we revised the sales forecast upward to ¥46.0 billion from the initial estimate of ¥42.0 billion due to expected sales expansion overseas, while Ortho-K-related was revised downward to ¥16.0 billion from ¥20.0 billion. This revision is based on the impact of an increasingly competitive environment in the Ortho-K-related business environment. In China, the economy is slowing down, and the competition is intensified due to the increased competitors and the spread of inexpensive substitutes. Although stable growth is expected in the medium- to long-term due to the increasing adoption of Ortho-K in Japan and other Asian countries outside China, the initial target setting anticipated the greatest market expansion in China, which led to this downward revision.

Although there was an update on the numerical targets related to 1-DAY lens and Ortho-K-related, there has been no change in the measures our group should focus on moving forward. The fiscal year 2025 is the final year of the period designated as the "Investment Phase" in our medium-term management plan, and we believe it is important to steadily progress toward the "Investment Return Phase" starting from fiscal year 2026. In particular, for 1-DAY lens, which is expected to continue significant growth and expansion in the future, increasing production capacity is our top priority. We are advancing investments in equipment to increase production lines at existing plants and to commence operations at the Malaysia Plant. In fiscal year 2024, due to production capacity constraints for 1-DAY lens within our group, we prioritized providing our 1-DAY lens to existing MELS Plan members, while suppressing new member acquisition and domestic sales, and limiting shipments to mass retail chains overseas. Therefore, starting from the commencement of operations at the Malaysia Plant scheduled for the second half of fiscal year 2025, we plan to expand sales overseas by increasing sales in regions where growth has been restrained due to production capacity limitations, initiating transactions with new major mass merchandisers, and increasing sales volumes to existing clients. In addition, to compensate for the domestic supply shortage, we introduced OEM* products of 1-DAY lens. We will continue to strengthen the production capacity of 1-DAY lens and aim to achieve the goals set forth in "Milestone 2027."

On the other hand, regarding Ortho-K-related products, although growth in China has slowed down, demand is expanding in Asian countries outside of China. China remains an important target in the future as well, but we will work on balanced global growth without favoring specific regions by offering a comprehensive lineup of multiple products.

* Abbreviation for Original Equipment Manufacturing. Manufacturing products of other companies' brands on consignment

Further Internationalization of the Business Centered on the Start of Operations at the Malaysia Plant

We believe that further internationalization of our business activities is essential to realize the slogan "New Vision of 'Miru' for the World" outlined in our Medium-term Management Plan "Vision 2030" and to achieve the growth strategy goals set in "Milestone 2027." Furthermore, the international expansion of our group is an initiative that Mr. Hidenari has actively promoted so far, and as president, I intend to inherit his vision and further develop it.

The core of our international expansion will be the Malaysia Plant, which is scheduled to start operations in the second half of fiscal year 2025. Our group has taken steps to construct the Malaysia Plant to increase production capacity for 1-DAY lens and has been preparing for its operation. At the Malaysia Plant, we will focus on the production of silicone-based 1-DAY lens, which are in high demand globally, to further expand overseas sales. We plan to increase production lines even after starting operations, so that we can respond quickly to the strong demand for 1-DAY lens and enhance our group's competitive advantage in the market.

Furthermore, in establishing new production bases overseas, I plan to leverage my past experience of being involved in the launch of the Singapore Plant and aim to lead further growth of our overseas business. I feel that the launch of the Malaysia Plant has many similarities in operations with the Singapore Plant. Usually, when launching a new plant, many engineers are dispatched from Japan to provide technical training to local employees, so the ratio of Japanese personnel tends to be higher before operations commence. However, in the case of establishing the Singapore Plant, we acquired a local company that already possessed know-how, and Japanese employees such as myself and engineers joined there. As a result, the proportion of Japanese people remained at about one-fifth of the total, and it became a highly diverse composition centered around Singaporeans, including employees from the UK and Australia. At the Malaysia Plant, most of the employees are local people, and Japanese are in the minority. Therefore, the operations from the start of construction to the commencement of operation at the new plant are very similar to those at the Singapore Plant.

Furthermore, as we promote the internationalization of our

CEO Message

business activities, we believe that diversification of employees within the company is also an important factor. At the Singapore and Malaysia Plants, employees of diverse races and backgrounds are already active, and team building and work style innovations are being practiced in such environments. In the future, we will expand such initiatives throughout our entire group and promote the creation of an organization that respects diversity. We believe that employees with different cultures and values working together will lead to new perspectives and value creation, contributing to the sustainable growth of our group.

Building an Organization that Continuously Creates 0-to-1

As mentioned earlier, in order for our group to continue being Menicon-like, it is crucial that we employees can continue to create breakthrough innovations. Since our group was founded, the founding family has been creating 0-to-1 through innovation, and employees have played the role of expanding those ideas. Furthermore, fortunately, the two founding family members have been close to us for many years and have worked together with us, so perhaps we had come to believe that creating innovation itself is part of the culture of the founding family. Looking back myself, I have only thought about expanding the ideas generated by the founding family. Now that Menicon has been inherited from the founding family, we believe it is essential for each employee to reconsider what Menicon should be, and to reaffirm that creating 0-to-1, which was part of the culture of the founding family, is a core aspect of Menicon's culture. We also see it as crucial for us to transform into an organization where employees can actively practice this mindset.

To achieve such organizational reform, we will first work on "workplace environment reform" and "personnel system reform." In workplace environment reform, we aim to create new value by changing the office layout and utilizing different perspectives. We have already completed the free address system at our head office through the traditional work style reform project "Smart Creation," and we expect that employees who do not usually have contact with each other will communicate, creating an active exchange of ideas and generating new ideas. In addition, we are promoting free address systems at other business locations as well, and we would like to spread this concept.

In the reform of the personnel system, we are mainly reviewing the evaluation system and actively investing in human capital. Regarding the evaluation system, we have incorporated a mechanism that not only evaluates based on achievements and goal setting as before but also assesses the process in which each employee utilizes their individuality and other qualities to create innovation. As the saying goes, "One win nine losses," I believe that there is a chance of victory precisely in repeatedly challenging and accumulating failures. Even if the results do not meet expectations, we will highly evaluate the attitude and efforts of challenge during the process. Of course, successful employees should be recognized, but I believe that unless we foster an organizational culture that tolerates failure and praises challenge, our group will not become the organization we aim to be.

In addition, as part of proactive human capital investment, we implemented wage increases exceeding 5% for two consecutive years in fiscal year 2023 and 2024. We are planning a similar wage increase for fiscal year 2025, aiming to maintain and improve employee motivation.

Towards the Realization of Sustainable Business Management

In addition to strengthening our management foundation through personnel system reforms and human capital investments, we are also actively working on climate change response and resource circularity. In response to climate change, our group has set a reduction target of over 43% for Scope 1 + 2 by fiscal year 2030, based on the fiscal year 2023. In the future, we will set targets beyond fiscal year 2030, expand the number of group companies subject to Scope 3 calculation and grasp actual figures, aiming to reduce emissions throughout the entire supply chain.

In terms of resource circularity , we are advancing efforts to address social issues related to waste plastics. Starting from fiscal

CEO Message

year 2024, we will begin joint research with Tohoku University on plastic resource circularity, and as a foundation for this, we have established the "Menicon x Tohoku University Menicon Future Device Laboratory" within Tohoku University. Here, we are promoting research activities that lead to resource circularity of plastics used in the manufacturing and distribution of contact lenses. Even if we say plastic in general, there are various types such as PET and PP, so high-quality recycling cannot be achieved unless each type is properly sorted. Furthermore, the purity of recycled plastic materials is inferior to the quality of the plastics used by our group as raw materials, making it difficult to reuse them for contact lenses at this time. Therefore, in joint research with Tohoku University, we are promoting research activities aimed at creating higher-quality recycled materials. If we can achieve certain results in this research, I believe we will be able to contribute to society even more than before.

Furthermore, starting in fiscal year 2024, we will launch the "1Case Project" and collect used contact lens cases. This initiative is based on the recognition of the issue that, with the expansion of 1-DAY lens sales, the usage of contact lens cases has increased, leading to an increase in plastic consumption. The collection boxes are installed in all of our directly managed facilities and group stores, and additionally, through demonstration projects with local governments, they are also installed in public facilities such as ward offices and science museums. As of the end of May 2025, we have installed collection boxes at approximately 700 facilities, and going forward, in addition to deploying them throughout all stores within our group sales outlets "Miru," we will also expand collection points by developing facilities such as MELS Plan member facilities and schools.

Building a Presence that Is Respected by Stakeholders

In August 2024, we disclosed information about "Management mindful of capital costs and stock prices." Among the goals of "Milestone 2027," we aim to achieve an ROE of 12%, and in addition, we want to improve the PER and work on enhancing the PBR. We recognize that, in addition to achieving the growth strategy policies related to 1-DAY lens and Ortho-K-related outlined in the Medium-term Management Plan "Vision 2030," it is also important to review our business portfolio with a focus on profitability and efficiency of our business activities. In fiscal year 2024, we took structural reforms aimed at improving future capital efficiency, and going forward, we will continue to review our business portfolio with the goal of enhancing capital profitability. We recognize that communication with investors is very important, and we will continue to actively increase opportunities for dialogue with management, including myself. We will thoroughly share the opinions received during the dialogue within our company and provide feedback, leading to further growth of our group.

Furthermore, regarding global health issues such as myopia control, we aim to make a significant impact on solving social challenges by steadily accumulating results. Our group is recognized as a major contact lens manufacturer domestically, but globally, it has only just begun to be recognized in some countries and regions. However, by sincerely continuing our activities such as myopia control, we aim to build a presence that is respected by a broader range of stakeholders.

Therefore, each employee will embody the spirit of "Creation, Originality, and Challenge," which is the foundation of our group, and continue to generate breakthrough innovations. In particular, the generation that has had direct guidance or worked together with our founder, Mr. Kyoichi, will be the last of my generation. I feel that passing down the culture inherited from the founding family to the younger generation is also an important responsibility of mine. We will continue to contribute to our customers' "Miru" by establishing systems within organizations and teams to foster innovation, as well as promoting awareness of the Menicon culture.

—— All began here in 1950.

Menicon's founder, Kyoichi Tanaka, had a fateful encounter at the eyeglasses store "Tamamizuya" located at the Sakae intersection in Nagoya.

One day, the wife of a regular American military officer told Kyoichi, "I have contact lenses." Kyoichi, who was very curious, repeatedly asked the officer's wife to show him, but she would never show it to him because it was extremely expensive and valuable. Kyoichi, unable to see the actual object, decided that "if they won't show me, I will make it myself no matter what," and began research on contact lenses. By becoming the test subject themselves and repeatedly trialing and error, they completed Japan's first corneal contact lens and brought it into practical use. It took only three months from the start of the research for Kyoichi to complete the corneal contact lens, and the corneal contact lens that feels better to wear and provides clearer vision than the world standard scleral contact lenses became a new value and led to its recent widespread adoption. It was the moment when Kyoichi's experience of "because I didn't know, I could do it" gave rise to Menicon's characteristic of not imitating others and continuously challenging everything.

Kyoichi and the wife of an officer from a nearby American military base and a regular customer of Tamamizuya optical shop. Kyoichi's encounter with contact lenses was the catalyst for their development and a fateful meeting that determined the course of his life thereafter.

01 The Founder's Philosophy on Manufacturing

I want to create something new that no one has ever worked on. It is this relentless passion that has illuminated the path where there was no way. Kyoichi says that because he loves manufacturing, it sparks his imagination and eventually creates the power to turn the impossible into possible. It seems that the roots lie in childhood when it was natural not to buy what you want, but to make it yourself. Furthermore, we take pride in our culture of prioritizing safety above all else in our product development, and it is also said that the spirit of wanting to contribute broadly to society through contact lenses is part of Menicon's DNA.

Kyoichi's Research Notebook

02 What the Founder Conveyed to Employees and What Employees Received

Kyoichi, aiming to create contact lenses with higher safety, independently discovered a method to produce pure PMMA (Polymethyl Methacrylate) material himself, instead of conventional acrylic resin. And we focused on developing rigid gas permeable materials that are essential for maintaining eye health by supplying oxygen to the cornea, launching Menicon O_2 and Menicon EX, and thereafter dedicated ourselves to researching and developing comfortable materials and designs that improve QOV*. From the many histories built by Kyoichi like this, we employees have received a mindset of safety philosophy, commitment to quality, and creating new value that has never been seen before.

* QOV: Abbreviation for Quality of Vision

03 Originality that Has Been Inherited Even Across the Generations

Challenges in Handling Contact Lenses

In the 1990s, price competition intensified due to the spread of daily disposable contact lenses. Retailers prioritized profit, and contact lenses, which are originally classified as high-risks medical devices, were treated like inexpensive daily necessities, leading to an increase in eye disorders caused by improper use. Hidenari Tanaka, the second generation who followed, felt a strong sense of crisis about the industry situation.

Development of MELS Plan

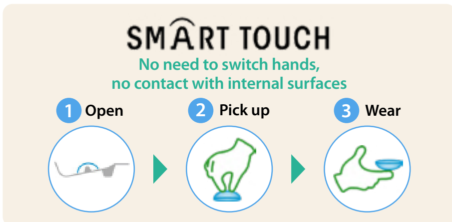
Hidenari devised the membership system "MELS Plan" based on monthly fees. This system was able to establish a win-win-win relationship among the three parties of manufacturer, retailer, and user by reversing the flow of money compared to general retail sales, breaking through industry common sense. Since becoming president in 2000, Hidenari has demonstrated strong top-down leadership and promoted the MELS Plan. Not only did it serve as a mere customer retention strategy, but it also significantly transformed our business model and brought about innovation in industry distribution.

MonthWear Release

We have instructed the development of products that will represent a major shift in direction, aiming for our company to compete not only in Japan but also worldwide. Utilizing the technology we have cultivated, we launched Menicon's first monthly replacement contact lens "Month Wear," aligning with the Japanese lifestyle where a monthly calendar is mainstream.

SMART TOUCH Devised

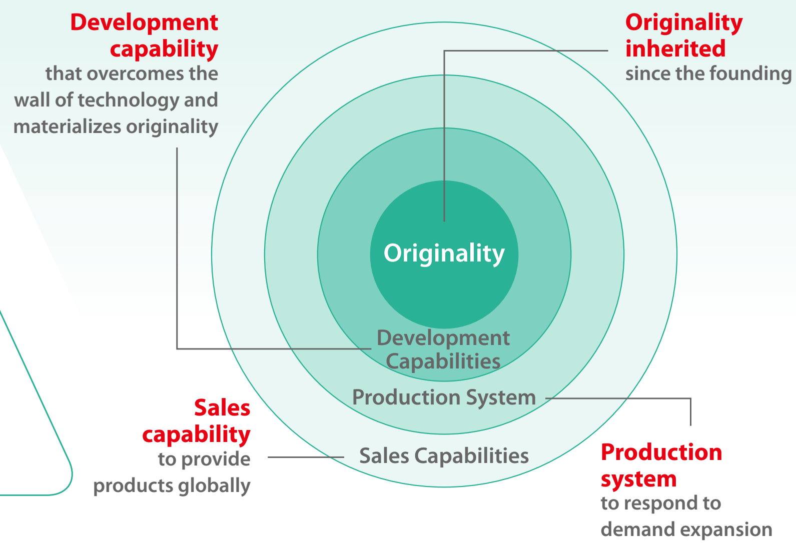
Due to the specifications of the storage shape, it was necessary to touch the inside of the contact lens that contacts the eye with fingers. You shouldn't have to dirty contact lenses with your fingers before using them; that's not true cleanliness. Based on this idea, in cooperation with the development site, our "Magic" and "1DAY Menicon PremiO" have been designed with the convex surface of the lens facing upward.



Within this history, the organizational culture of the Menicon Group has been formed, and the founding philosophy of "To take up the bold challenge of accomplishing what no one else has, by creating new values from nothing." is reflected in our management principles. The "Creation, Originality, Challenge" listed at the top of our management principles as "Values" are not just slogans; they have been continuously inherited and nurtured since our founding. We will continue to practice the values backed by our company's history, not only as individuals but also as teams and organizations, and keep growing both domestically and internationally.

Lecture Scene by Hidenari Tanaka at Aoi LAB

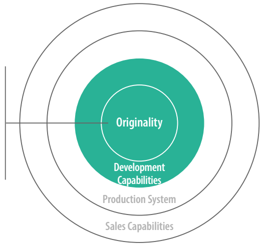
The Four Strengths of the Menicon Group



The Path of Challenge and Creation

Product development, under the founding spirit of prioritizing safety, has created numerous "Japan-first" and "world-first" innovations over the past. Menicon is supported by a challenging corporate culture that creates products and services useful to society from nothing.

- **Originality inherited** since the founding
- **Development capability** that overcomes the wall of technology and materializes originality



1951 Menicon's founder Kyoichi Tanaka developed Japan's first corneal contact lenses

1953 Launch of the first commercialized product, "M.T. Contact Lenses"

1973 Launch of Japan's first soft contact lenses, "Menicon Soft"

1979 Launch of Japan's first oxygen permeable hard contact lenses, "Menicon O_2"

1986 Launch of "Menicon EX," the world's first hard contact lenses that can be worn for seven consecutive days

1997 Launch of "Meni-One Lens," an intraocular lenses for dogs to insert to replace the cloudy crystalline lens caused by cataracts

2001 Launch of the contact lenses subscription system "MELS Plan" that breaks through existing common sense for contact lenses

MELS PLAN

2005 Launch of "Agri Kakumei," a rice straw decomposition accelerator utilizing enzymes discovered through lens care research

2011 Launch of 1-DAY lens "Magic"

Environmentally friendly product that reduces plastic use in lens containers by approximately 80% (compared to our conventional products)

2016 Adoption of the "SMART TOUCH" package that can be worn without touching the inside

簡単&清潔 SMART TOUCH

Release of "1DAY Menicon PremiO" with high oxygen permeability using silicone hydrogel

2018 Launch of World's first* disposable RGP Lenses "Four Seasons"

* The world's first mass production of replacement hard contact lenses achieved by molding method

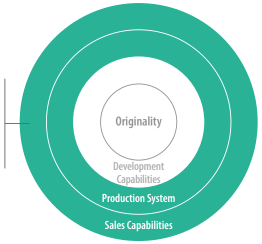
2022 Start composting consulting for livestock farmers utilizing the manufacturing and sales know-how of "resQ45"

2023 Launch of "epica Smart clean," a disinfectant solution for soft contact lenses with "SMART TOUCH" specifications

Development of Business that Enriches the Five Senses

Continuing to create original products and services, we are expanding our Healthcare and Life Care Business in new areas beyond the solid Vision Care Business, promoting businesses that satisfy the five senses of sight, hearing, smell, taste, and touch.

- **Production system** to respond to demand expansion
- **Sales capability** to provide products globally

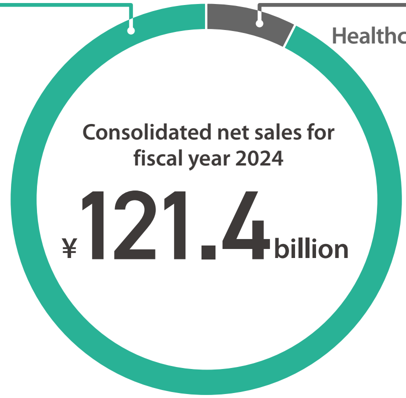


Vision Care Business

Business Content

Our core business is to pursue the creation and evolution of comfortable and convenient contact lenses while sticking to safety. We listen to our customers' voices, expand the scope of products and services from their perspective, respond to new needs, and deliver a lifelong sense of joy in seeing that is suitable for each individual.

Vision Care Business
92.5%
Consolidated net sales for fiscal year 2024
¥112.3 billion

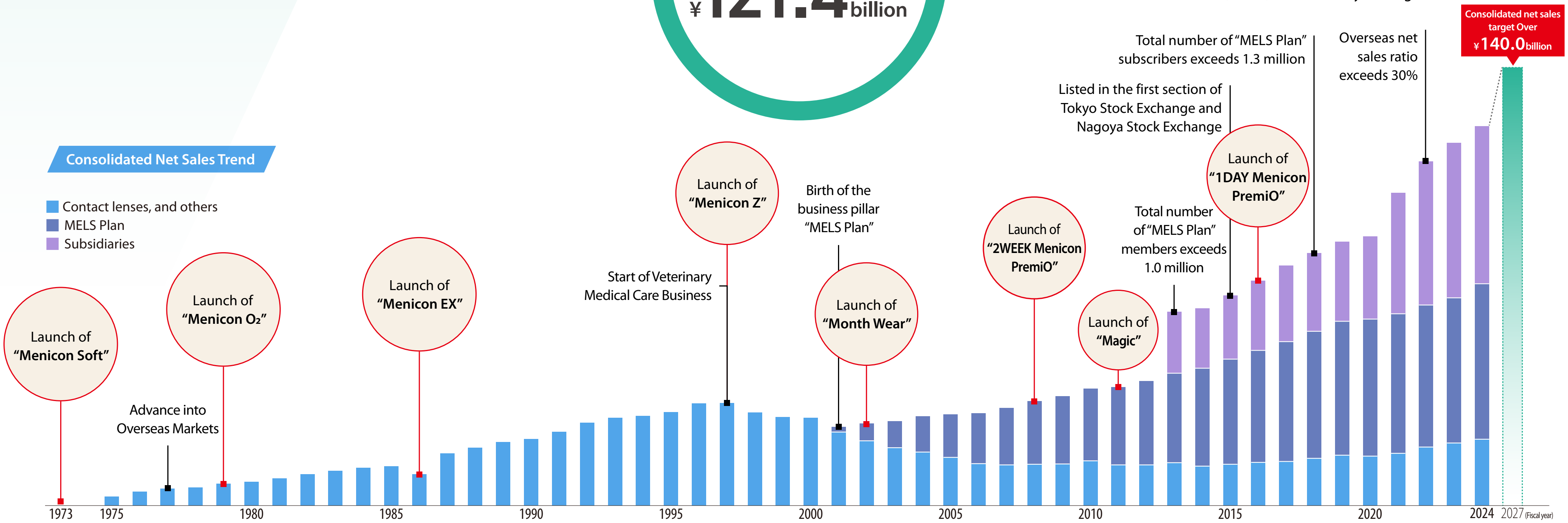


Healthcare and Life Care Business
7.5%
Consolidated net sales for fiscal year 2024
¥9.1 billion

Healthcare and Life Care Business

Business Content

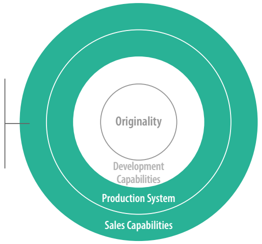
The healthcare, life care, and veterinary medical fields we are engaged in continue to develop by leveraging the technology, know-how, and commitment to safety cultivated through R&D and manufacturing of contact lenses. Furthermore, we are expanding our business to satisfy the five senses of sight, hearing, smell, taste, and touch by adding the food business.



Menicon Group Expanding Globally

The Menicon Group includes Menicon Co., Ltd. and 39 Japanese and overseas subsidiaries. Group products are sold in more than 80 countries and regions worldwide.
We are strengthening our global presence by expanding our production capacity and sales areas.

- **Production system** to respond to demand expansion
- **Sales capability** to provide products globally



Key Bases (As of March 31, 2025)

Production | Sales | Logistics

Europe

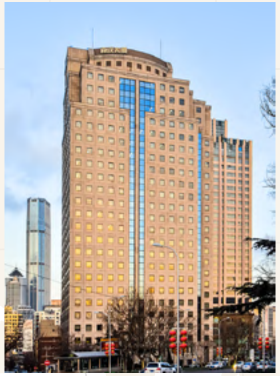
14 bases

- Menicon GmbH(Germany)
- Menicon B.V.(Netherlands)
- SOLEKO S.p.A(Italy)
- Menicon SC GmbH(Germany)

China

5 bases

- Itabashi Medical (Dalian) Co., Ltd.
- Alpha (Wuxi) Co., Ltd.



Japan

10 bases

- Menicon Co., Ltd. (Headquarters)
- Menicon Nect Co., Ltd.
- W.I. System Co., Ltd.
- Alpha Corporation Inc.

Asia

9 bases

- Menicon Singapore Pte. Ltd. (Singapore)
- Menicon Singapore Sales Pte. Ltd. (Singapore)
- Menicon Malaysia Sdn. Bhd. (Malaysia)

North America

1 bases

- Menicon America, Inc.

Value Creation Process

INPUT → BUSINESS MODEL → OUTPUT → OUTCOME

External environment awareness


Creation of a Circular Society


Progress of digitization


Decreasing birthrate and aging population


Climate change


Respect for human rights


Increase in myopic population

INPUT

- Financial capital
- Manufacturing capital
- Intellectual capital
- Human capital
- Social and relationship capital
- Natural capital

P.14 Six Capitals

BUSINESS MODEL

Growth Strategy

- Medium-Term Management Plan P.18 Progress of Vision 2030

Management Base

- Materiality P.15 Materiality
- Quality Policy, Safety Philosophy Charter
- Menicon Group Human Rights Policy
- Governance P.34 ~ P.45 “Miru” Foundation

OUTPUT

FY2024 Results

Products and Services

Net sales of Vision Care Business	¥112.3 billion
Core products	
▶Net sales of 1-DAY lens	¥30.9 billion
• Net sales of MELS Plan	¥22.4 billion
• Net sales overseas	¥2.7 billion
▶Net sales of orthokeratology-related	¥14.8 billion
Net sales of Healthcare and Life Care Business	¥9.1 billion

Environment and Society

GHG emissions Scope 1 and 2 (consolidated)	22.54 kt CO_2
Scope 3 (manufacturing sites*)	204.90 kt CO_2
Total waste generated	1.77 kt
Employee engagement (non-consolidated)	48.0 (Figures are expressed as deviation values)
Mid-career recruitment (non-consolidated)	129 employees
Client training satisfaction (non-consolidated)	98.0 %

* Menicon Co., Ltd., Menicon Nect Co., Ltd., Alpha Corporation Inc., Menicon SAS, Menicon Pharma SAS, Menicon Limited, Menicon Singapore Pte. Ltd., Menicon B.V., SOLEKO S.p.A., Wenzhou FocuSee Vision Care Technologies Co., Ltd.

OUTCOME

Sustainability Policy

Our Vision

To achieve a healthy and spiritually rich society

P.46 Sustainability Promotion System

Vision2030

New Vision of “Miru” for the World

New Vision of Miru for the World

Vision2030

Initiatives towards reducing environmental burden

- Contribution to the Realization of a Decarbonized Society P.47 Tackling Climate Change
- Contribution to the Realization of Recycling of Waste Generated from Products P.50 Sustainable Resource Consumption

Corporate Slogan

Contributing to society by providing superior visual correction.

P.01 Management Principles

Six Capitals

“Contributing to society by providing superior visual correction.” To adopt as the corporate slogan, inheriting the originality of the founder who developed Japan’s first corneal contact lens, and “To take up the bold challenge of accomplishing what no one else has, by creating new values from nothing.” are our values. The six types of capital are what we emphasize to put that value into practice and improve corporate value. While mutually activating each source of diverse value creation, we aim to create new value for global environmental and social issues through our business and contribute to societal development. We will continue to propose a New Vision of “Miru” for the World so that all people can feel happiness and abundance.

As of the end of March 2025

	Financial Capital	Manufacturing Capital	Intellectual Capital	Human Capital	Society and Relational Capital	Natural Capital
Source of Value Creation	● Creating stable operating cash flow through the “MELS Plan” ● Optimizing capital structure for sustainable enhancement of corporate value ● Building trust with the capital markets through creating opportunities for dialogue with investors and shareholders	● A production system capable of manufacturing a wide range of lineups ● Thorough quality control system for safe and secure product manufacturing ● Implementation of regular improvement activities to lead to more efficient production	● R&D system that creates unique products ● Efforts to strengthen intellectual property capabilities and strategies that support technology and products ● Promotion of innovation through joint research with partners	● Employees who sympathize with and practice the management principles ● Establishment of training for developing management personnel ● A system where personnel with various specializations can thrive	● A network of bases expanding globally ● Continuous support for regions, arts, culture, and sports ● Support system to contribute to improving contact lens knowledge for customers	● Application of technology cultivated through contact lens development ● Initiatives towards reducing environmental burden
Indicators	● Total number of MELS Plan members 1.325 million ● Net DER 0.4 times ● Equity ratio 45.5% ● Number of meetings with institutional investors by management 27 times	● Capital expenditure ¥16.7 billion ● Manufacturing site 4 in Japan, 6 overseas ● Number of companies acquiring ISO* 11 companies ● QC Circle Participation Rate 70% * ISO13485/EN ISO13485: International standard for quality management systems of medical devices	● R&D expenses ¥5.8 billion ● Number of patents held 662 cases ● Research base 4 in Japan, 2 overseas ● Number of joint research projects with partners 22 cases	● Number of Employees (consolidated) (consolidated) 4,325 people ● Annual training hours (non-consolidated) 12,229 hours ● Menicon Business College Number of graduates 40 people ● Mid-career employee recruitment ratio 79.7%	● Number of subsidiaries 9 in Japan, 29 overseas ● Number of interactions with local communities 3 times ● Menicon Cup 2024 Live Broadcast View Count 189,501 plays ● Customer Training Satisfaction 98.0%	● Amount of water intake 34.5 ten thousand m^3 ● Plastic reuse volume 1.1t ● GHG emission reduction amount 2.7 thousand tons-CO_2 ● Healthcare products 20 types ● Life care products 12 types ● Compost Consulting 5 consults ● Veterinary Medical Products 23 types
Reference	P.18 Vision 2030	P.20 Strengthening of the 1-DAY lens production system	P.31・P.32 R&D / Intellectual Property	P.51 Human Capital	P.12 Menicon Group Expanding Globally P.54 Supply Chain Management P.55 Activities contributing to society	P.47 ~ P.50 Climate Change Response and Sustainable Resource Consumption P.29 Healthcare and Life Care Business

Materiality

Our Approach to Materiality

We have identified four material issues that we will prioritize to realize our vision—"To achieve a healthy and spiritually rich society"—outlined in our Sustainable Procurement Policy.
We will address each of the identified material issues through dedicated initiatives, aiming to both contribute to solving social challenges and enhance the sustainable growth and value of our Group.

Identification Process of Materiality

STEP 01

Identification of social issues

Extraction of social issues by referring to international sustainability guidelines

Referred guidelines

- International Integrated Reporting Framework
- GRI Standards
- SASB Standards
- Global Risks Report
- 10 Principles of the United Nations Global Compact

STEP 02

Priority setting for social issues

We evaluate individual social issues based on two axes: "importance to the Company" and "importance to stakeholders." Identify opportunities and risks in the value chain, and set priorities

STEP 03

Confirmation of relevance and identification of themes of initiatives

Confirm the relevance between the prioritized social issues and Management Principles, Vision 2030, Medium-Term Management Plan, and extract the themes of initiatives

STEP 04

Identification of materiality

Identify materiality and themes of initiatives through discussions with executive officers

STEP 05

Approval of materiality

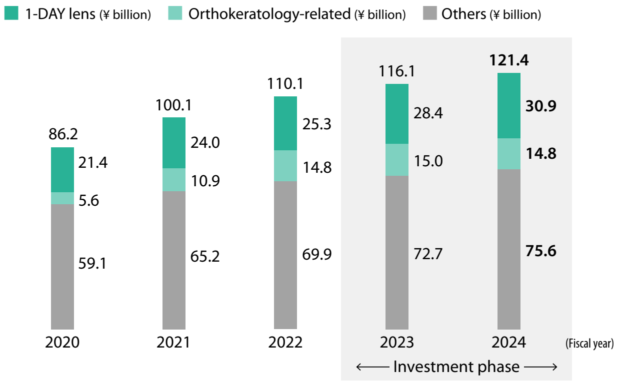
Discussion with the Sustainability Committee, and reporting to the Board of Directors upon approval

Overview of Materiality

Materiality		Initiative Theme	Relevant Pages
Business (Financial and Manufacturing Capital)	Providing a lifestyle that stimulates the five senses	• Developing products and services with a focus on safety and security • Strengthening efforts for myopia control	P.27 Vision Care Business Orthokeratology-related Customer Service (In Japanese only)
Environment & Society (Natural and Social Capital)	Reducing impact on the global environment	• Promoting efforts to combat climate change • Using renewable energy	P.47 Tackling Climate Change
		• Improving the efficiency of raw material use and reducing waste • Effective use of reusable resources	P.50 Sustainable Resource Consumption
	Contributing to a Happy Society	• Revitalizing local communities • Promoting arts, culture, and sports	P.55 Activities contributing to society
Management Infrastructure (Human/Intellectual/Social Capital)	Building a corporate infrastructure that will last 100 years	• Pursuit of customer safety, security, and trust • Thorough quality management	Quality Policy, Safety Philosophy Charter (In Japanese only)
		• Diversity of human resources and human resource development • Creating a comfortable working environment for employees and improving employee satisfaction and engagement	P.51 Human capital
		• Strengthening R&D infrastructure and functions	P.31 R&D and Intellectual Property
		• Promoting sustainable procurement	P.54 Supply Chain Management
		• Respect for human rights	P.53 Respect for Human Rights
		• Anti-corruption	P.43 Compliance
		• Strengthening cybersecurity measures	P.44 Risk Management

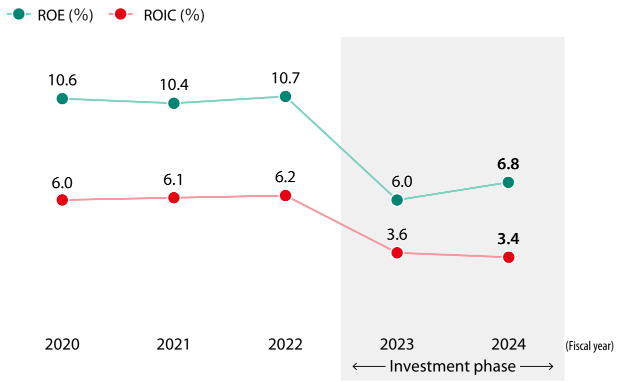
Financial Highlights (Consolidated)

Net sales



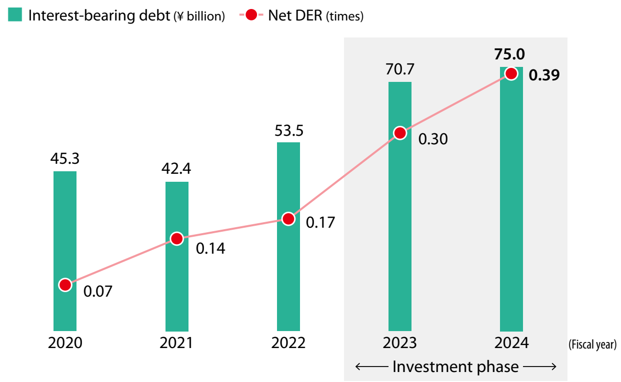
1-DAY lens expanded due to the effect of price revisions in Japan, as well as an increase in MELS Plan members and expansion of sales through product sales in Japan. Ortho-K-related business experienced growth in regions outside China, but remained flat due to economic stagnation and intensified competition environment in China.

Return on Equity (ROE), Return on Invested Capital (ROIC)



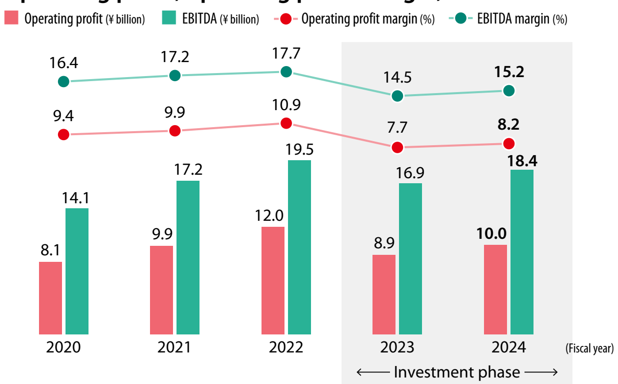
ROE increased due to the rise in net income attributable to an increase in operating profit due to increased sales of 1-DAY lens and other products and efficient use of SGA. While operating profit increased, ROIC remained flat due to the increase in interest-bearing debt resulting from the issuance of straight bonds and the execution of syndicated loans.

Interest-bearing debt, Net DER



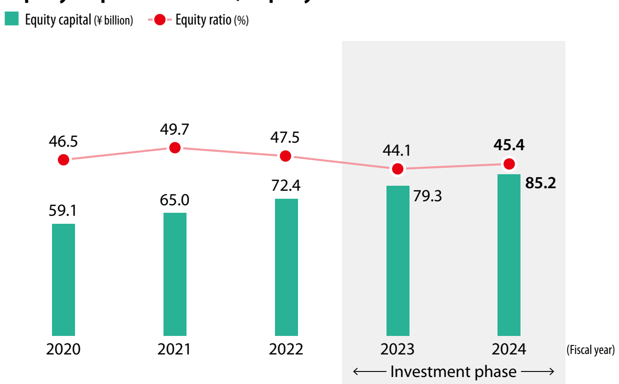
While the amount of equity capital increased, interest-bearing debt also increased due to the rise in lease liabilities related to Kakamigahara Plant equipment, and cash and deposits decreased due to investments for expanding 1-DAY lens manufacturing facilities mainly at the Malaysia Plant, resulting in an increase in the Net DER.

Operating profit, operating profit margin, EBITDA



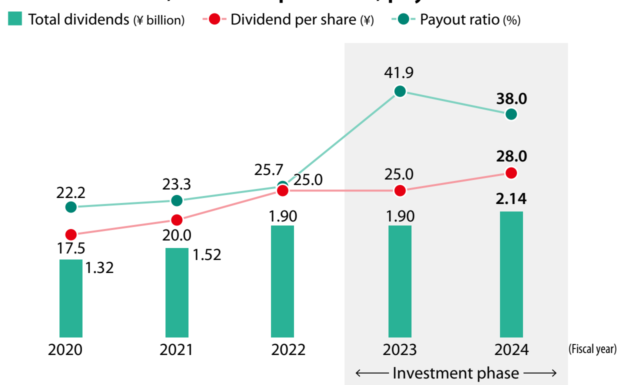
The gross profit increased due to the expansion of sales of products like 1-DAY lens and the effect of price revisions domestically, while SGA also increased as we continued investments for growth but optimized activity costs such as advertising and promotion, leading to an increase in both operating profit margin and EBITDA margin.

Equity capital amount, Equity ratio



Although there was an increase in liabilities due to the issuance of straight bonds and the execution of syndicated loans, total equity increased due to recording net income for the period and an increase in foreign currency translation adjustments related to overseas subsidiaries, resulting in a rise in the equity ratio.

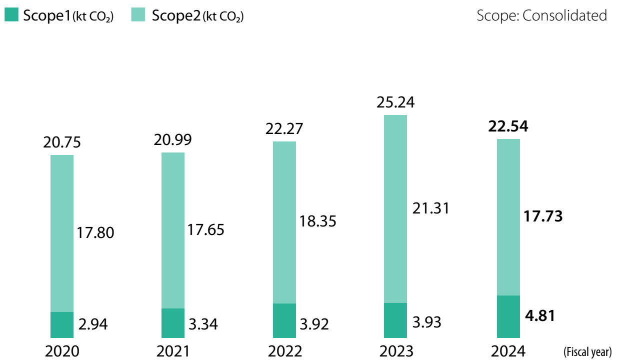
Total dividends, dividend per share, payout ratio



From fiscal year 2023 onward, we have adopted a dividend policy aiming for a payout ratio of approximately 30% as a means of providing stable dividends continuously. From fiscal year 2024, we have added a progressive dividend policy to further enhance transparency regarding future dividend levels.

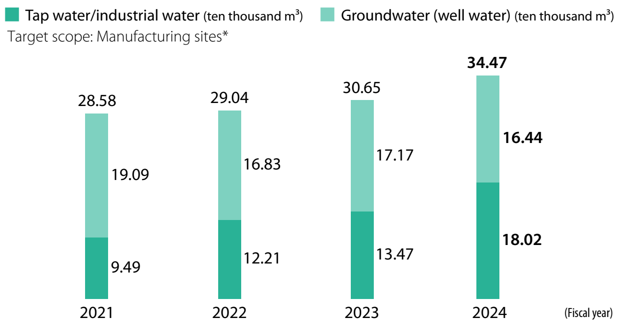
Non-Financial Highlights

Amount of GHG Emissions (Scope 1 + 2)



By introducing renewable energy at both Kakamigahara and Seki Plants in November 2024,we contributed to reducing Scope 2 emissions. We will continue to expand the introduction of renewable energy and work on reducing Scope 2 emissions.

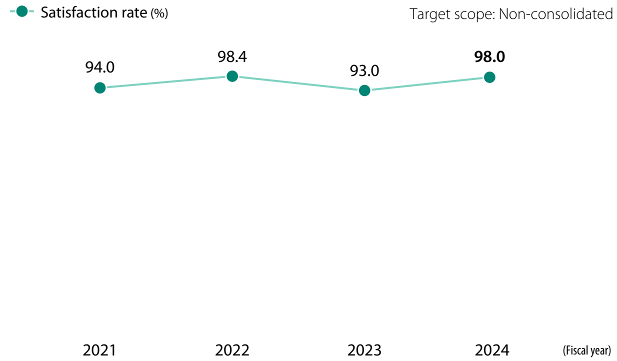
Amount of water intake



* Menicon Co., Ltd., Menicon Nect Co., Ltd., Alpha Corporation Inc,, Menicon SAS, Menicon Pharma SAS, Menicon Limited, Menicon Singapore Pte. Ltd., Menicon B.V., SOLEKO S.p.A.

With the increase in production volume of 1-DAY lens, water usage for products has increased, and the amount of water intake has also risen. At the Seki Plant, we are conscious of water conservation by utilizing some of the water discharged during the production process as toilet water.

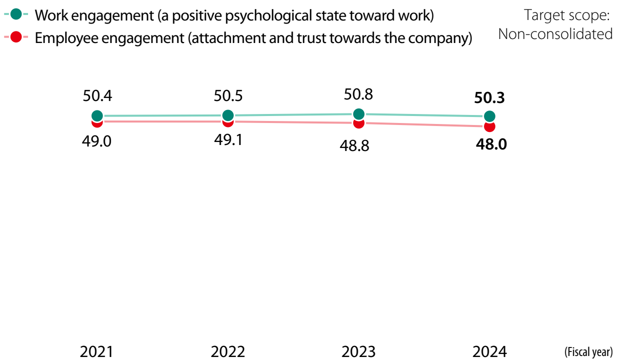
Client Training Satisfaction



We are maintaining high satisfaction results in client training. Based on over 50 years of training experience, we continuously support the improvement of the overall response capability of our facilities by providing training not only on contact lenses but also on customer service.

Employee Engagement Index *

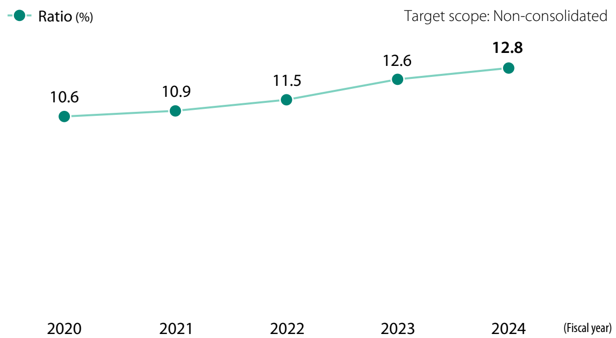
*The figures are expressed in deviation values



We have been conducting employee engagement surveys since fiscal year 2021. Starting in FY 2025, We will monitor the changes resulting from the revision of the personnel system and implement initiatives to strengthen employee engagement.

Proportion of female executives*

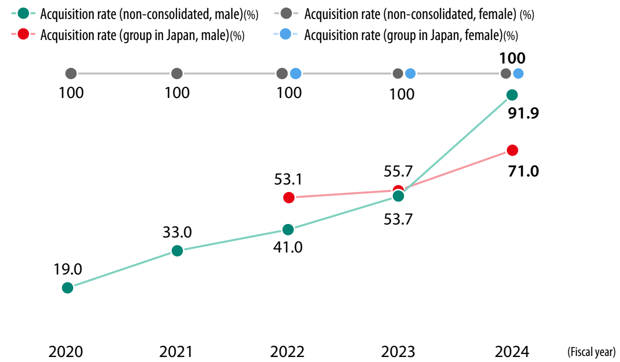
* Executives refer to leaders and managerial positions (supervisors at the section chief level or higher).



*The figures at the end of each fiscal year

In appointing core personnel, the company selects suitable candidates in terms of ability and motivation, in a transparent and fair manner. We strive to improve the quality of our human resources and ensure diversity through internal education and training.

Childcare leave acquisition rate



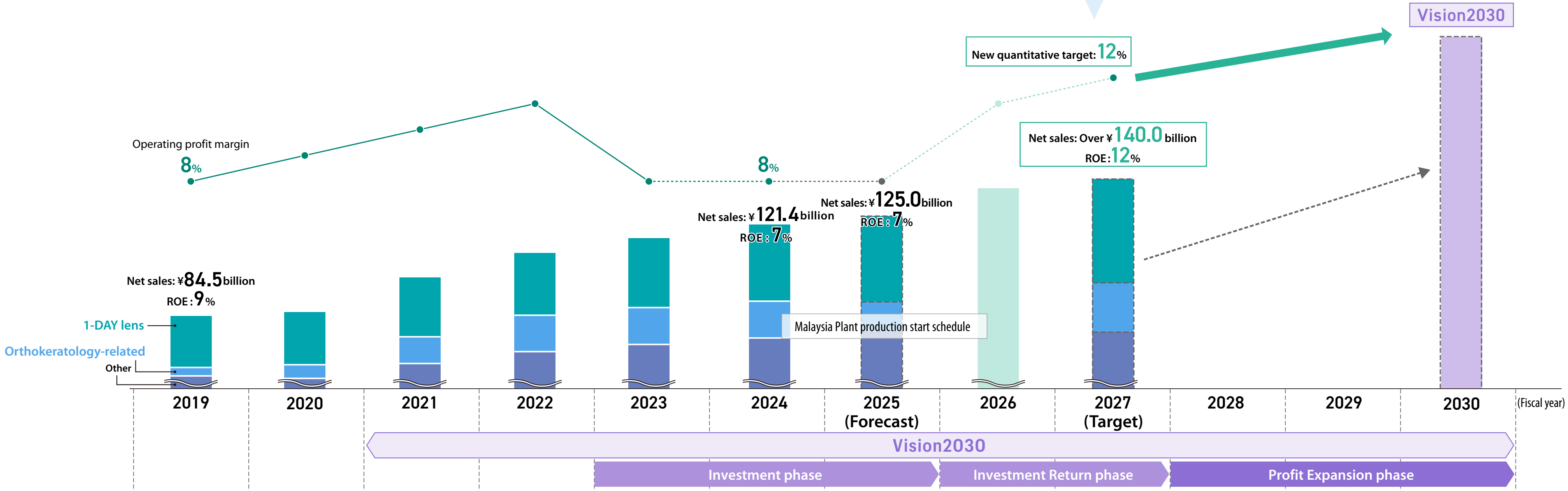
We have introduced various systems to support balance between work and childcare, continuously reviewing them, and raising awareness of these systems has led to an increase in the male childcare leave acquisition rate. The average number of days men take for childcare leave at our company is 51.8 days.

Progress of Vision 2030

The medium-term management plan "Vision 2030," which started in fiscal year 2021, takes into account changes in the business environment, and sets a new quantitative target called "Milestone 2027," which we set in fiscal year 2024, accelerating efforts toward further corporate growth. We will inform you of the progress of our group's efforts to further strive toward realizing the "Top Global Player of 1-DAY lens Business" and "Leading Company of Orthokeratology-related business," which are positioned as growth strategy policies for Vision 2030.

Milestone 2027

- Net sales over ¥140.0 billion
  - Vision Care Business ¥130.0 billion
  - Healthcare and Life Care Business ¥10.0 billion
- Operating profit margin 12%
- ROE 12%



1-DAY lens

Expansion of sales volume / Expansion of production capacity
- Increase in the number of MELS Plan members in Japan and expansion of sales to major mass merchandisers overseas
- Preparation for expanding production lines at existing plants and starting operations at new production sites

Acceleration of sales volume expansion / effects of mass production
- Increase in production volume due to the start of operations at a new manufacturing site and expansion of sales mainly overseas
- Increase in net sales through expanded sales and reduction of cost of sales ratio and SGA ratio due to mass production

Orthokeratology-related

Asia growth expansion
- Expansion of Ortho-K adoption against the backdrop of national policy implementation in China
- Expansion of lens care product sales accompanying the spread of Ortho-K

Stable growth in Asia
- Stagnation of growth due to intensifying competition environment in China
- Stable growth through expansion and dissemination in regions excluding China

Expansion sales area
- Expansion of sales channels globally
- Promotion of market expansion through the promotion of awareness activities and dissemination activities

Progress of Vision 2030

Growth Strategy Goals toward Achieving “Milestone 2027”

As a growth strategy goal toward achieving the new “Milestone 2027,” which we set in fiscal year 2024, we have established net sales targets for each of the 1-DAY lens and orthokeratology-related businesses and have been working on them. However, in response to the subsequent changes in the business environment surrounding our group, we have updated some of our growth strategy goals while maintaining “Milestone 2027.”

The Vision Menicon Aims for (Growth Strategy Policy)	Aim to be **Top Global Player of 1-DAY lens Business** with original products and services			Aim to be **Leading Company of Orthokeratology-related (Myopia Control-related) Business** by creating new value related to myopia control
Result in Fiscal Year 2024	Net sales of ¥30.9 billion (¥2.5 billion increase compared to the previous year)	Regional targets MELS Plan sales in Japan revenue of ¥22.4 billion ● Increase in the number of members due to increased supply resulting from expansion of production lines ● Increase in net sales due to price revisions	Regional targets Overseas net sales of ¥2.7 billion ● Suppression of sales due to supply and demand tightness ● Temporary decrease in sales due to switching business partners in China	¥14.8 billion in net sales ● Ortho-K: Decrease in sales due to economic slowdown and the spread of substitute products in China, increase in sales driven by the growth of facilities in Japan and expansion into Singapore and Korea ● Lens care products: Decreased due to economic stagnation and intensified competition environment in China
Fiscal Year 2027 Part of the Growth Strategy Goals Update	Net sales of ¥46.0 billion Initial target ¥42.0 billion +4.0 billion	Regional targets MELS Plan net sales in Japan of ¥27.0 billion Initial target ¥29.0 billion −¥2.0 billion ● Supply constraints of silicone-based 1-DAY lens are affecting the increase in membership	Regional targets Overseas net sales of ¥11.5 billion Initial target ¥6.5 billion +¥5.0 billion ● We will allocate the increased production volume centered on the Malaysia Plant to overseas markets	Net sales of ¥16.0 billion Initial target ¥20.0 billion −¥4.0 billion ● Assuming growth in regions outside China, but expecting that the impact of economic stagnation and intensified competition environment in China will affect both Ortho-K and lens care products
Initiatives from fiscal year 2025 Based on the Updated Targets	● MELS Plan: To compensate for the supply shortage during the investment phase, we will introduce OEM products of silicone-based 1-DAY lens to acquire new members : After stabilizing production at the Malaysia Plant, expanding sales of our 1-DAY lens through proactive promotion ● Overseas: The increased production mainly at the Malaysia Plant will be prioritized and expanded primarily through major retail chains in Europe and North America to increase sales			● China: Expanding sales to a wide range of eye care professionals and customer segments by introducing new products that meet the diversifying needs of users ● Asia excluding China: Expanding the market through utilizing group companies for sales channels and promoting awareness and dissemination activities

P.26 Progress of growth strategy based on the Medium-term Management Plan: 1-DAY lens

P.27 Progress of growth strategy based on the Medium-term Management Plan: Orthokeratology-related

Progress of Vision 2030

Strengthening of the 1-DAY lens Production System — Production Capacity Has Expanded by Approximately 1.5 times —

Regarding the high demand for 1-DAY lens worldwide, our group is working on increasing supply further by expanding production capacity. Due to the construction of the Malaysia Plant which serves as a new production base and an increase in the number of production lines at each plant, our production capacity is planned to be approximately 1.5 times greater by fiscal year 2026 compared to fiscal year 2024. This will contribute to the improvement of net sales and profits, helping to achieve “Milestone 2027” and further growth beyond that. Furthermore, we will continue to invest in facilities and strengthen our production system, while also working to optimize the supply volume of 1-DAY lens.

	 Singapore Plant	 Kakamigahara Plant	 Malaysia Plant
Efforts to Expand Production Products and Production Capacity	**Number of production lines** Fiscal Year 2024: 8 lines → Fiscal year 2025 (planned): 10 lines We manufacture environmentally friendly products called “Magic” with a slim package that uses less plastic, and we have the latest manufacturing technology as a base for technological development. We plan to start operation of two new production lines in fiscal year 2025.	**Number of production lines** Fiscal Year 2024: 11 lines → Fiscal year 2026 (planned): 12 lines We manufacture the silicone material product “1DAY Menicon PremiO,” which continues to have excess demand globally, using our proprietary molding technology. We plan to start operation of a new production line in the 2nd half of fiscal year 2026.	**Number of production lines** Fiscal Year 2024: Under construction → Fiscal Year 2027 (planned): 8 lines We are preparing to start manufacturing “1DAY Menicon PremiO,” which is our group's largest and most advanced plant. We plan to start operating one production line in the second half of fiscal year 2025, and by the 2nd half of fiscal year 2027, a total of eight production lines will be in operation.
Main Shipping Regions	We mainly ship to Japan, Europe, and North America. Starting from fiscal year 2025, we will begin transactions with online contact lens specialty stores in China and mass retail chains in Scandinavia, expanding our shipping regions. 	We mainly ship to Japan and Europe. We will continue to focus on shipments to Japan centered on the MELS Plan. While continuing, the increased production will be prioritized for distribution to overseas markets, mainly in Europe and North America. 	The destination of shipment is undecided, but we plan to expand globally, including within Japan. We will focus on overseas markets, particularly in Europe and North America, where there is potential for market share expansion, and contribute to expanding transactions with major retail chains in each area as well as broadening sales coverage with existing clients.

CFO Message

Hideki Koga

Senior Executive Officer of Corporate Management Head Office CFO

We will enhance the predictability and stability of shareholder returns alongside sustainable growth, aiming to maximize corporate value and improve our evaluation in the capital markets.

Connecting Stories of Challenge and Growth through Finance

Our group's Medium-term Management Plan, "Vision 2030," is a story of significant change and challenge that goes beyond the extension of the past. Myself and CEO Koji Kawaura have both been trained in overseas markets and on-site, and through that experience, we have painfully realized what it means to compete with the world and what measures must be taken at what times to achieve that. Because we share this kind of on-site awareness and sense of issues, we see "Vision 2030" not as an ideal but as a goal that must be achieved. And what has been entrusted to me is to respond concretely from a financial perspective to the question of how to realize that future. Under these assumptions, the focus for fiscal year 2024 was on investments for growth and structural reforms that would lay the groundwork for the future.

Review of fiscal year 2024

● Investment for Growth
— Preparations for Medium- to Long — term Growth

The main focus of investments for growth is a large-scale investment in the Malaysia Plant. It was a very bold decision for our group, but it was not merely a scale-based "dream," rather it was a "judgment" based on clear market opportunities and a calm, strategic growth scenario. As CFO, I have been thoroughly confronting the question of how to make the most of limited capital and time so that this decision-making does not end as just a "dream."

Furthermore, transforming from within the organization is also essential to realize "Vision 2030." We consider the design from a financial perspective, such as transforming into a system that can quantify human capital investments like wage increases, individual idea creation, and innovation process evaluation mechanisms, and linking the quality and returns of human capital to an indicator called ROIC. We see this as part of the CFO's role in supporting the CEO's vision realization and are committed to it responsibly.

● Fundraising and Structural Reform

First and foremost, the important source of funds to support these investments for growth is the creation of capital through sales activities. In this regard, in fiscal year 2024, net sales reached ¥121.4 billion (a 4.6% increase from the previous year), operating profit was ¥10.0 billion (a 11.8% increase), and operating cash flow increased by 17.5% compared to the previous year to a record high of ¥13.9

CFO Message

billion. This is proof of our group’s stable cash generation capability, and it is because of this foundation that we can confidently accelerate without hesitation in our investment decisions.

On the other hand, in order to respond to the growth of the global market for 1-DAY lens, it is essential not only to secure profits from existing businesses but also to reallocate resources. Under this awareness of issues, in fiscal year 2024, we will undertake structural reforms such as impairing the production facilities for lens care products mainly intended for China, reorganizing the organization to improve business efficiency at our European subsidiary, and withdrawing from some parts of our Healthcare and Life Care Business. These reforms were painful choices, but in terms of considering and implementing a business portfolio focused on ROIC, as well as laying the foundation for sustainable growth, they were unavoidable. And this structural reform is not the “end” but the “beginning.” Because we must continue to make investments for growth from now on. We are now re-examining all business activities from the perspective of whether they can generate returns exceeding the cost of capital, and we continue to consider ways to simultaneously enhance profitability, growth potential, and business resilience (resistance).

Medium- to Long-term Growth Scenario

● Malaysia Plant Unleashes the Next Growth

The reason why acquiring further growth resources and reallocating resources is an urgent task lies in the increasing global demand for 1-DAY lens. The inquiries from overseas for our group's 1-DAY lens, which have high quality, originality, and environmental considerations such as “SMART TOUCH” and “thin packaging,” are increasing. And, sales agreements with major mass merchandisers overseas are already in place with several companies. The reason why supply has not started to these customers is solely because of the constraint in our production capacity. Furthermore, even within Japan, there is a clear potential to increase the proportion of 1-DAY lens members among MELS Plan members.

The demand already exists, and as long as the supply capacity is in place, growth can be fully realized; it is precisely because of such a situation that the Malaysia Plant is important. Once the production capacity at this plant is fully established, we will be able to intensify our sales promotion activities both domestically and internationally, which have been restrained so far, aiming for further sales growth — I personally understand the significance of lifting this supply constraint better than anyone else because I have experience negotiating on-site as an overseas salesperson and building distribution channels one by one.

In the buildings constructed during this first phase, there is space to produce up to 500 million units annually, and we will proceed with increasing production capacity to meet demand. Starting with the commencement of operations in the 2nd half of fiscal year 2025, we believe that from fiscal year 2026 onwards, this supply capacity will gradually contribute to sales and profits, becoming a steady foundation for growth.

● Risk Management — To Maximize Growth Potential

While grasping the solid progress toward growth, as CFO, I must also pay close attention to risk management.

The first point of risk management is meticulous sales planning. Because the plant line startup will be carried out in phases, it is necessary for the time being to make detailed adjustments to demand on the retail side in conjunction with the plant line’s progress.

The second point is the cash flow strategy. In the fiscal years 2025 and 2026, we expect investment cash flows of approximately ¥15.0 billion to ¥20.0 billion each year, with this period being the peak of our investments. While looking ahead to future growth, I understand the importance of first maintaining financial soundness

and a strong cash generation capability, and steadily managing current cash to earn trust from the capital markets.

Furthermore, as part of our risk management, we are actively addressing ESG issues. In particular, addressing climate change and strengthening the management foundation are important themes to prevent damage to corporate value, and we are reinforcing our efforts as part of strengthening the foundation for sustainable growth.

● Shareholder returns: As an Option for Capital Reallocation

In June 2025, we decided on a share buyback of up to ¥2.4 billion. This is based on our company’s stock price at the time of decision, aiming to achieve the optimal balance between investment timing and shareholder returns. The scale of this share buyback is kept at a level that does not impair future investments for growth or the soundness of our financial foundation, and we are solely utilizing our own funds.

CFO Message

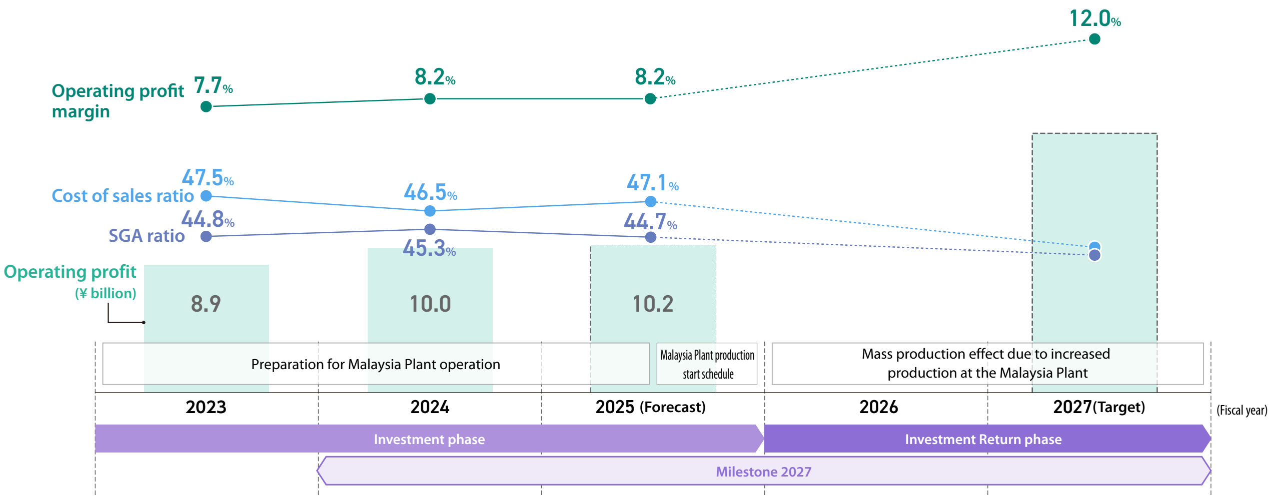
Regarding the dividend policy , in addition to the conventional stable dividend policy based on a standard payout ratio, we are also introducing a new concept called “progressive dividends” starting from fiscal year 2024. We aim to enhance shareholders’ sense of security and predictability by generally not lowering dividends once increased, and gradually raising them in accordance with accumulated profits from growth. We will steadily implement the growth strategies outlined in our Medium-term Management Plan and manage our finances to ensure that we can reliably share the results with all shareholders.

● Medium- to Long-term Cash Flow Scenario

The fiscal year 2025 is the final implementation year of the “Investment Phase,” and cash flows from investments amounting to approximately ¥15.0 to ¥20.0 billion, including the launch of the Malaysia Plant, are expected. While operating cash flow is expected to remain at a similar level to fiscal year 2024, the free cash flow (FCF) is still planned to continue being negative. In fiscal year 2026, mass production at the Malaysia Plants is expected to contribute throughout the entire period, leading to a significant improvement in operating profit margin and a recovery trend in cash generation capacity. FCF will also lead to improvement, and ROIC is expected to rise. Achieving the target ROE of 12% for fiscal year 2027 is realistic and well within our scope. As CFO, I believe it is my responsibility to accurately understand the changes in circumstances over these three years and to connect them from “investment to recovery” and then from “structure to results.”

However, we must also look ahead to “the future.” The first line of the Malaysia Plant will begin operation, and as the CEO has also stated, this plant has room to quickly increase production in response to the expanding global demand. The necessity of fundraising is clear, and considering the current situation where only “when and at what timing to take the next step” remains an issue, it is natural for me as CFO to prepare for this. At this point, we have not explicitly stated a policy focused on either capital or liabilities, but we will make judgments with a sense of balance by comprehensively considering factors such as cash flow conditions, investment timing, and the financial market environment to control capital costs and optimize our capital structure.

● Profitability Improvement Due to Mass Production Effects of 1-DAY lens at the Malaysia Plant



Finance Is the “Execution Device” that Creates the Future

As of 2025, unfortunately, our company’s stock price has not reached a sufficient valuation, and we sincerely accept this reality. On the other hand, as CFO, I am confident that in 2 to 3 years, a turning point — the full-scale operation of the Malaysia Plant and improvements in capital efficiency through structural reforms — will definitely arrive, leading to an evolution of our business structure and making the vision outlined in “Vision 2030” a reality. I have looked at Menicon from the outside through my experience in overseas sales and other areas. What I felt on the front lines challenging the world is that our strength is not limited to innovation and technological capabilities, but also includes the ability to persistently and sincerely see things through. As CFO, I believe that supporting our group’s challenges from a financial perspective and leading them to create solid value is the mission entrusted to me. And, the “fruits of growth” born in this way are by no means only ours. We will aim for continuous enhancement of corporate value while sharing the results with all stakeholders, including our shareholders. We sincerely ask for your continued understanding and support.

Business Overview

The target of over ¥140.0 billion in sales, as outlined in “Milestone 2027,” aims to be achieved through the expansion of each business: the Vision Care Business centered on 1-DAY lens and Orthokeratology-related products, and the Healthcare and Life Care Business leveraging our group’s unique academic R&D approach.

	Business Content	Main Products	Sales Revenue for fiscal year 2024

Vision Care

1-DAY lens P.26

Orthokeratology-related P.27

Business Content

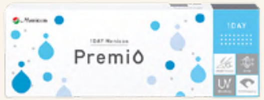
1-DAY lens

1-DAY lens is leading the overall contact lens market, and our group is working to seize growth opportunities with 1-DAY lens by expanding production capacity of in-house manufactured products and introducing OEM products on the supply side, as well as expanding MELS Plan sales in Japan and increasing sales mainly through major mass retail chains overseas on the sales side.

Orthokeratology-related

With increasing expectations for efforts for myopia control, stable growth is anticipated mainly in Asia for Ortho-K and the associated lens care products, and our group aims to expand sales by leveraging the features of multiple products and expanding globally.

Main Products



1DAY Menicon PremiO

Magic

1DAY Menicon MelsME

1DAY FRUTTIE

Alpha Ortho-K


Menicon Z Night


Menicare Plus

Progent

Sales Revenue for fiscal year 2024

Vision Care ¥112.3 billion

1-DAY lens ¥30.9 billion

Orthokeratology-related ¥14.8 billion

Healthcare and Life Care

P.29

Business Content

We are building a business model centered on technologies and know-how with competitive advantages and uniqueness to create the second pillar of our business following the Vision Care Business.

Main Products

Motile sperm isolation device “Miguris”

Dog intraocular lens “Meni-One X (Ten)”

Easy-maintenance Zoysia grass “Naruoturf”


Composting Facilitating System “resQ45”

Sales Revenue for fiscal year 2024

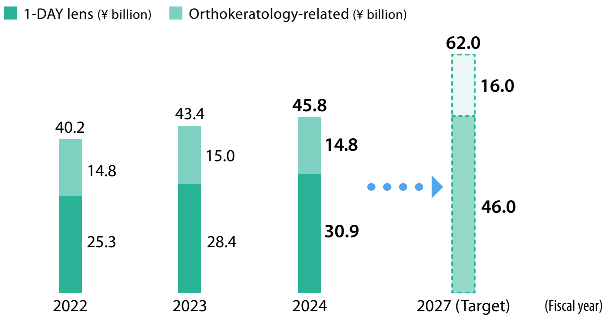
¥9.1 billion

Vision Care Business

Senior Executive Officer of Japan Sales Management Head Office
Kenji Takeshita

Senior Executive Officer of International Business Head Office
Remco Engelhart*

1-DAY lens & Orthokeratology-related net sales



Growth Strategy

1-DAY lens

- Aim to be **Top Global Player of 1-DAY lens Business** with original products and services

Orthokeratology-related

- Aim to be **Leading Company of Orthokeratology-related (Myopia Control-related) Business** by creating new value related to myopia control

Opportunities and Risks in the Business Environment (Global Market)

1-DAY lens

Business Environment

- Increase in myopic population due to the proliferation of digital devices
- Growth in the global contact lenses market
- Increase in 1-DAY lens ratio in the contact lenses market
- Increase in 1-DAY lens ratio of silicone materials within the 1-DAY lens market

1-DAY lens market

- Driving steady growth in the contact lenses market against the backdrop of rising demand for convenience and cleanliness
- We anticipate increased demand, particularly for silicone materials with excellent oxygen permeability

Opportunities

- Global myopic population growth and increased demand for contact lenses
- Diversification of strategies accompanying the enhancement of production capacity through the operation of existing and new plants

Risks

- The need to secure supply volumes to meet robust demand, and the risk of delays or shortages in procuring raw materials and other inputs
- Increased costs in raw material procurement and logistics due to ongoing inflation

Orthokeratology-related

Business Environment

- Myopia at earlier ages around the globe
- Increased demand in Japan, Singapore, Korea, and other markets
- Increased percentage of people suffering from high myopia due to myopia at earlier ages
- Raising global awareness about myopia control

Ortho-K market

- While the Chinese market is being affected by an economic slowdown, markets in Japan and other Asian countries continue to expand
- Against the backdrop of an increasing myopic population and younger onset, stable growth is expected in the medium to long term

Opportunities

- Scope for global market expansion driven by the lowering of the age at which myopia is caused, and an increase in population with high myopia
- Increase in lens care products sales volume associated with increased Ortho-K users

Risks

- Impact of economic stagnation in China on market growth
- Intense competition from new competing manufacturers, mainly in China
- Widespread use and acceptance of new devices for myopia control, such as eyeglasses and eye drops

*In this report, Mr. Engelhart’s alias is used. In statutory documents such as timely disclosure materials and notice of convocation, his official name, Nicolaas Johannes Adrianus Engelhart, is used.

Vision Care Business

Progress of Growth Strategies Based on the Medium-term Management Plan

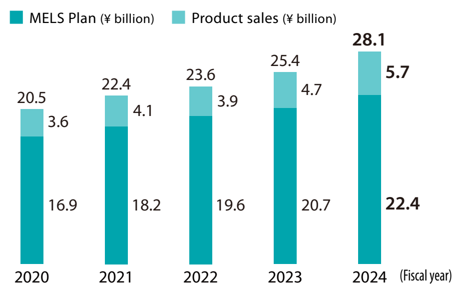
1-DAY lens

Progress of the 1-DAY lens Strategy

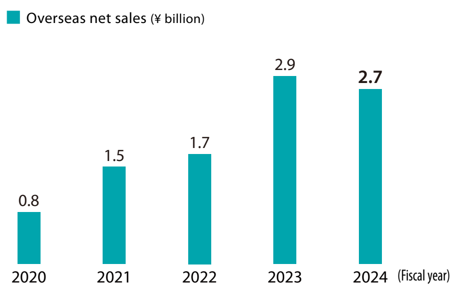
In fiscal year 2024, the overall net sales of 1-DAY lens expanded due to increased supply volume and price revisions. Overseas, net sales decreased due to restrained sales of silicone-based 1-DAY lens amid global supply-demand constraints, as well as a temporary decline in sales associated with the shift to a new trading partner in China and other factors. In Japan, net sales increased due to higher supply from production line expansions and price revisions.

The 1-DAY lens market continues to grow, against the backdrop of a growing number of people with myopia. In order to meet growing demand, we are continuing efforts to strengthen our supply capacity for 1-DAY lens by adding production lines at the Kakamigahara and Singapore Plants and preparing for production at the Malaysia Plant. At the same time, in Japan, we are expanding sales, triggered by the introduction of OEM products, which is driving growth in the MELS Plan and product sales. In Europe and North America, we are strengthening collaboration with major retail chains with a view to medium- to long-term sales expansion. Through these initiatives, we will expand sales globally.

Net sales of 1-DAY lens (Japan) ¥28.1 billion +10.8% YoY



Net sales of 1-DAY lens (Overseas) ¥2.7 billion -7.9% YoY



Increase in Production Capacity

Expanding production capacity for silicone-based 1-DAY lens, for which demand is particularly high, is an urgent issue.

That is why in addition to adding production lines at the Kakamigahara Plant, we have started production at our Malaysia Plant in anticipation of future demand, further strengthening our supply capacity.

P.20 Enhancing Production of 1-DAY lens Products

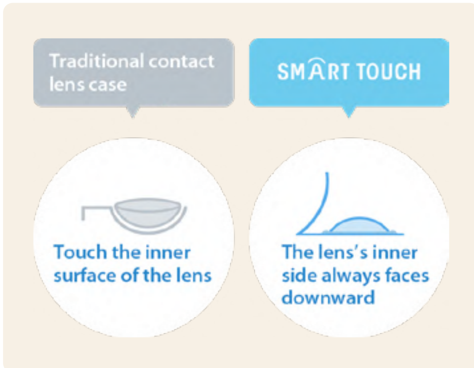
1-DAY Lens Differentiation Strategy

To expand global sales of the increased-production 1-DAY lens, the distinctiveness unique to our company is indispensable. Our Group is implementing a differentiation strategy in both products and sales methods.

Our Group’s 1-DAY lens products employ distinctive packaging technology based on the concept of simplicity and cleanliness. Traditional contact lenses required determining whether the lens was inside-out by its shape because of the case structure, but with SMART TOUCH the case is designed so the lens’s inner side always faces downward, allowing you to open, pinch, and wear in three steps without any uncertainty about which side is which. It also allows removal without touching the inner surface of the lens, so dust or dirt on your fingers won't transfer to the lens, enabling hygienic wear.

To expand sales of 1-DAY lens products adopting SMART TOUCH, in Japan we are promoting sales mainly through our proprietary membership service, the MELS Plan, which is offered at approximately 1,600 stores. Overseas, we will expand the range of products handled through strengthened partnerships with major mass-retail chains and broaden the countries in which we operate, deploying sales strategies tailored to regional characteristics.

P.28 Aiming to Be the Top Global Player of 1-DAY lens Business



Vision Care Business

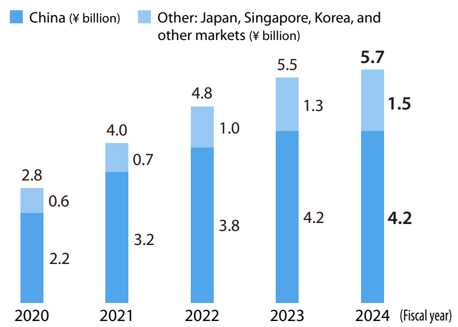
Orthokeratology-related

Progress of Orthokeratology-related Strategy

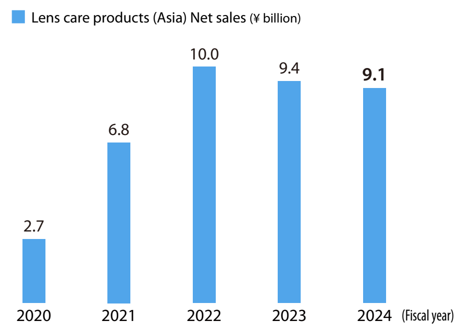
In fiscal year 2024, Ortho-K (Global) was affected by a market slowdown in China, but net sales increased overall, driven by sales expansion in other Asian countries. In China, the growing number of competitors and the wider adoption of inexpensive alternatives such as eyeglasses for myopia control, against the backdrop of a stagnant economy, had an impact. Meanwhile, in Asian countries excluding China, net sales increased thanks to further market penetration and, in particular, a rise in the number of facilities in Japan mainly for the Group's products. Lens care products (Asia) saw a decline in net sales, impacted by the prolonged stagnation of the economy and the prolonged intensification of competition in China, as well as lower unit prices.

Ortho-K and the associated lens care products, which are expected to help control the progression of myopia, are expected to see growing demand globally, driven by the earlier onset of myopia and the increasing number of people with high myopia. Looking ahead to market expansion, our Group will continue to focus on enhancing global awareness and strengthening sales.

Ortho-K (Global) Net sales ¥5.7 billion +3.8% YoY



Lens care products (Asia) Net sales (¥ billion) ¥9.1 billion -3.4% YoY



Sales Strategy for Orthokeratology-related

Our orthokeratology-related products are widely deployed in Asian countries including China and Japan, as well as in Australia, Europe, North America, and other regions. We market multiple types of Ortho-K and pursue sales strategies that leverage the unique characteristics of each product.

In Japan and other Asian countries, sales of Alpha Ortho-K have remained steady. In Europe and Asian countries, we are expanding sales of Menicon Z Night, which can be used in combination with prescription support software. In addition, our lineup includes Menicon Bloom Night, certified with the CE mark for myopia control, which is expected to see sales growth mainly in Europe.

In China, where growth has recently slowed, we aim to secure market share by flexibly and proactively implementing marketing initiatives to enhance competitiveness, including the introduction of new products designed to meet the diversifying needs of users.

Globally, we are working to expand sales by promoting multiple types of Ortho-K together with lens care products, enhancing awareness, and actively expanding sales channels.

TOPIC **MOU Concluded with India's Largest Ophthalmology Group to Promote Research in Myopia Control**

We have entered into a Memorandum of Understanding (MOU) for the research and development of myopia control with Dr. Agarwals Eye Hospital, a leading ophthalmic hospital group in India. In India, the spread of myopia control and Ortho-K is still in its infancy, but through this partnership we will cooperate with Dr. Agarwals Eye Hospital to promote research and dissemination to address the problem of myopia progression in India.

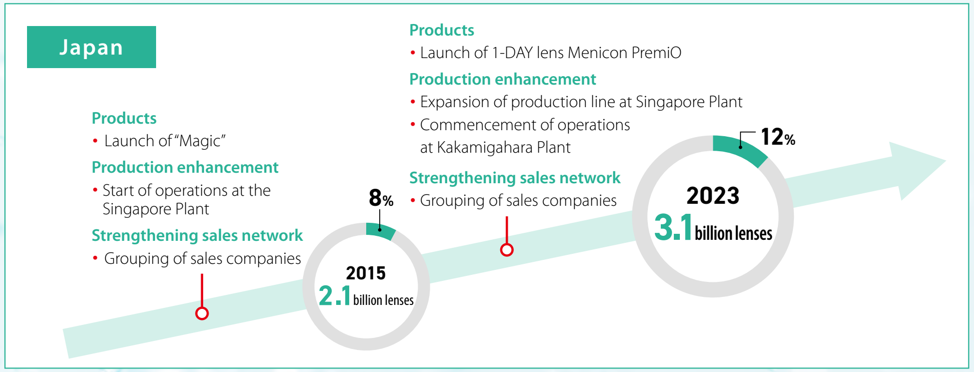
Signing of MOU (Memorandum of Understanding) with Dr. Agarwals Eye Hospital

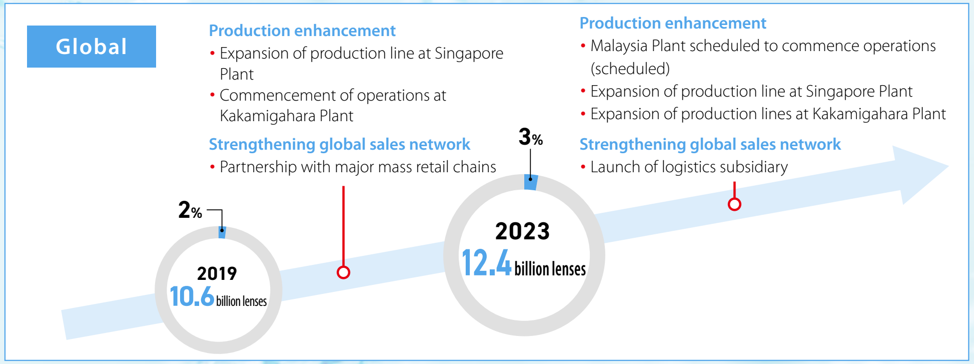
SPECIAL FEATURE

Aiming to Become the Top 1-DAY lens Player Globally

The Company Group has expanded its 1-DAY lens share in Japan through in-house development of 1-DAY lens products, increased production capacity at each plant, and establishing a sales network by grouping sales companies. In addition to improving production capacity at existing plants and commencing operations at the Malaysia Plant, we will work to expand our market share overseas by building global logistics and sales networks. In the following, we present the regional strategies the Group is pursuing.

1-DAY lens Market and Menicon's Share





Japan — Newly introduced 1DAY Menicon MelsME to strengthen the foundation for growth

We have a sales system based on the MELS Plan, which is deployed at approximately 1,600 stores nationwide, and we have a track record of increasing the number of 1-DAY lens subscribers mainly through our products such as "Magic" and "1DAY Menicon PremiO." Currently, supply and demand for silicone-based 1-DAY lens is tight, and to avoid lost opportunities, the "1DAY Menicon MelsME" (OEM product) using that material was introduced to the MELS Plan in July 2025. This not only supplements the shortfall, but also helps strengthen the service foundation by expanding the MELS Plan lineup. Going forward, we will strengthen sales of our inhouse 1-DAY lens as production capacity increases, aiming for stable growth as a core business.

Europe and North America — Accelerating the expansion of 1-DAY lens products through strengthening collaboration with the world's largest sales network

Against the backdrop of strengthening the supply system for silicone-based 1-DAY lens at the Malaysia Plant, we will promote a sales strategy centered on major mass retail chains in Europe and North America to expand sales. We are working to expand both sales volume and markets in Europe and North America by building long-term partnerships with major retail chains. Recently, we have also increased partnerships with new retail chains. Furthermore, in Europe we established a new company in Germany to handle logistics to build a prompt-delivery system, and are advancing the strengthening of our supply system and the execution of our sales strategy in an integrated manner. Going forward, incremental production from the Malaysia Plant and other plants will be preferentially allocated mainly to major mass-retail chains, accelerating sales expansion through strengthened relationships and driving the 1-DAY lens sales strategy.

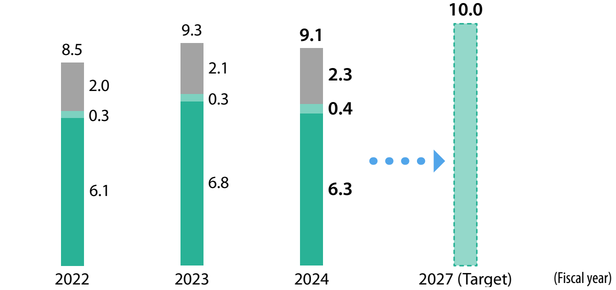
Asia — Accelerating Growth in Asian Markets through E-Commerce Partnerships in China and Strengthening Southeast Asia Operations

In Asia, we are aiming for further growth, and we are working to develop the Group brand and increase net sales. To this end, we have entered into a new partnership in China with a contact lens e-commerce retailer. Through this partnership, we will enhance our ability to deliver high-quality products to a greater number of consumers in the rapidly expanding online market. In addition, to reinforce our business foundation in Asia, we acquired three retail companies in Southeast Asia, thereby strengthening our regional presence. As such, we will enhance the Group brand value, earn the trust of local consumers, and achieve sustained sales growth.

Healthcare and Life Care Business

Senior Executive Officer of Miru
Mirai Head Office
Kensuke Muraki

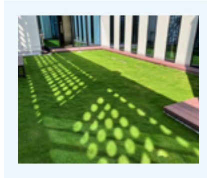
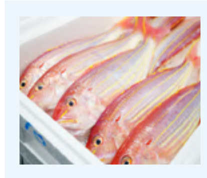
Net sales



Policy

Creation and cultivation of new businesses as the second pillar

Business fields

Healthcare		Life Care		Veterinary Medical	Food
					
Assisted reproductive medicine-related	Femtech products	Environmental-related	Green Infrastructure		
Development and Sales	Development and Sales	Development and Sales	Development and Sales	Development and Sales	Sales
For clinics • Motile sperm isolation devic	Clinic / e-commerce sales, etc. • Pregnancy supplements • Other femtech offerings, etc.	For farming and stockbreeding • Composting Facilitating Material • Rice straw decomposition accelerator, etc.	For hardware stores, e-commerce sales, etc. • Lawns, etc.	For veterinary hospitals / EC sales, etc. • Intraocular lenses, contact lenses and surgical equipment for animals • Supplements for animals, etc.	For food supermarkets/ wholesalers • Fresh fish and rice (exported) • Dried foods, etc. (imported)

Opportunities and Risks in the Business Environment

Business Environment

- Promoting efforts for the environment such as combating climate change
- Decreasing birthrates and aging population in developed countries
- Promoting the advancement of women in Japan
- The "family-ization" and "aging" of pets

Opportunities

- Increase in demand for agricultural and environmental protection materials
- Increased awareness and demand for femtech products and services
- Rising health awareness for pets
- Increased sales opportunities due to the diversity of food culture and the popularization of Japanese food overseas

Risks

- Rise in purchase prices and sharp increase in transportation costs due to changes in international affairs among other factors
- Entry of similar products into the market and excessive competition
- Sudden changes in market needs and competitive environment due to the introduction of new technologies
- Decrease in demand due to reduction in economic activity in sales regions

Healthcare and Life Care Business

Progress of Growth Strategies Based on the Medium-term Management Plan

Healthcare

In the healthcare field, we are focusing on the femtech sector, which is rapidly expanding due to the advancement of women in workforce and growing health awareness. As part of these efforts, we have been developing and marketing femtech-related products such as the "Pregna" series, which are supplements that support assisted reproductive technology and preconception support. In fiscal year 2024, in addition to expanding supplement sales through medical institution sales channels, we also developed and launched new products.

Furthermore, we have continued collaborative research with various universities into the development and application of the novel material, "self-assembling peptide." Self-assembling peptides form a hydrogel with a three-dimensional network structure when dissolved in water. We have investigated their application in the medical field due to their high stability and transparency in neutral pH, as well as their biocompatibility. In June 2024, the first medical device to use a self-assembling peptide gel developed by the Company was approved in Japan. This product improves visibility in the surgical field during glaucoma surgery and is expected to contribute to improving the quality of medical care. Going forward, we will continue to work on the development of new medical devices that use peptide gels.

Life Care

In the life care field, we have leveraged in-house developed enzymes to expand initiatives that contribute to reducing environmental impact, such as through the development, production, and sale of agricultural materials, including the "resQ" composting promotion system, which contributes to circular agriculture, and Agri Kakumei, a rice straw decomposing accelerator. The agricultural material "Genki Supplement Atsuminori" that was launched commercially in March 2024 by Watanabe Pipe Co., Ltd., is expected to reduce high-temperature damage to crops when used during their growing phase. This product was independently developed by the Company, and we are offering it on an OEM basis. In fiscal year 2024, we conducted trials to expand the range of crops it can be used with.

Additionally, we entered the green infrastructure sector in February 2025, with the launch of the Low-maintenance Zoysia grass, "Naruoturf®." This new product will contribute to the environmental greeting. By increasing sales of these products, we aim to not only enhance revenue but also solve environmental and social issues, and ultimately contribute to the realization of a sustainable society.

In addition, we are continuing to leverage the Company's proprietary technology to develop new applications in the hope of reducing CO_2 emissions across society as a whole.

Veterinary Medical

In the Veterinary Medical business, we are applying our expertise and technology in the development and manufacture of human contact lenses to veterinary ophthalmology. Starting with the launch of Japan's first intraocular lens for animals, we have worked to advance veterinary ophthalmology by collaborating with veterinarians to develop bandage contact lenses, inspection equipment, and supplements, along with holding seminars and training sessions. In fiscal year 2024, we worked to strengthen relationships with veterinarians and to promote sales of medical devices for veterinarians through initiatives such as hosting seminars and exhibiting at academic conferences. We are also working on expanding our range of products for veterinarians outside of ophthalmology.

We also have expanded our lineup of mass-market UniOne supplements for cats and dogs. Going forward, we will work to provide services and develop safe and high-quality products that contribute to improving animal quality of life.

Business Portfolio Review

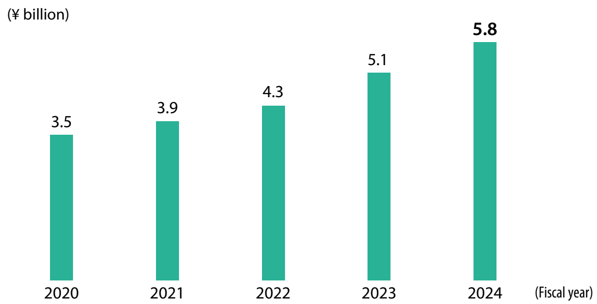
In fiscal year 2024, following a comprehensive assessment of long-term growth potential and profitability, we decided to withdraw from certain businesses in the animal symbiosis and QOL supplement segments. In our aim to establish a second business pillar alongside the Vision Care Business, we will continue reassessing our existing businesses while pursuing new business opportunities. As part of these efforts, in February 2025, we became a partner company at Japan's largest open innovation base in Tsurumai, Nagoya, "STATION Ai." With a view to co-creation with startups and companies in different industries, we are actively pursuing the creation of promising new businesses.

R&D/Intellectual Property/ Production and Logistics

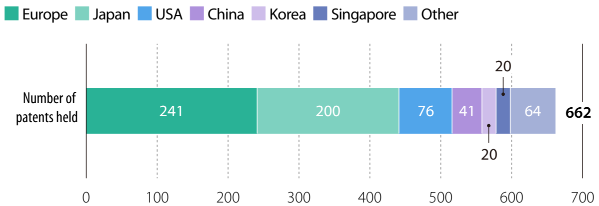
Senior Executive Officer of
Manufacturing and R&D Headquarters

Motonari Watanabe

● **R&D expenses**



● **Number of patents held by region (as of the end of March, 2025)**



Opportunities and Risks in Business Environment

Business Environment

- Increase in myopic population globally
- Greater demand for myopia control products and technology
- Expectations for high-value-added products beyond vision correction
- Stricter regulations and approval processes for medical devices

R&D and Intellectual Property

Opportunities

- Establishment and development of myopia control technology for younger demographics
- More room for lineup expansion and new product development due to market expansion
- Innovation in next-generation products through collaboration with research institutions

Risks

- Extended time-to-market and rising costs
- Delays in approval for product development schedules due to stricter regulations
- Litigation risks due to patent infringement and rights disputes
- Loss of future market competitiveness due to delays in technological innovation

Production Logistics

Opportunities

- Enhancement of production capacity and logistics networks due to market expansion
- Optimization and quality enhancement of production and logistics flows using digital technologies

Risks

- Impact on production and supply activities due to natural disasters, regional conflicts, etc.
- Rising raw material and logistics costs following changes in the external environment

R&D

Contact Lens Development

R&D System

Product development	Development of contact lens materials, and development of optical design and product design
Analysis and evaluation	Analysis and evaluation of the physical properties and safety of developed products from physical, chemical, and biological standpoints
Clinical Research	Clinical assessments on eye safety, along with product efficacy and comfort
Production Technology Research	Development of material-appropriate manufacturing methods and mass production research aimed at the mass production of new products

R&D Fields

1. Vision correction lenses (innovative materials and manufacturing methods)
2. Myopia control (developmental mechanism, role of contact lenses as preventive medicine)
3. Next-generation contact lenses (smart contact lenses, etc.)
4. Fundamental and collaborative research into the creation of new concepts

R&D/Intellectual Property/Production and Logistics

Review of fiscal year 2024 and Future Policies

As part of our R&D policy to achieve "Milestone 2027," we have set goals for the development and introduction of new products, and from a medium- to long-term perspective, we are working on developing elemental technologies and integrating market needs, and improving production efficiency and lowering manufacturing costs. In recent years, we have also been actively pursuing joint research with external partners centered on our core technologies, and we plan to continue to actively expand investment in joint research in the future.

Intellectual Property

Intellectual property in the form of patents and trademarks is an important management resource and a competitive source for the group's business operations. In line with these "Milestone 2027" and "R&D policies," we will keep strengthening our intellectual property capabilities and intellectual property strategy to support our robust technologies and products. In addition, we will maximize our corporate value through the active creation and utilization of intellectual property to contribute to the resolution of social issues.

Intellectual Property and Governance System

In our the Group's patent applications, each business is working to develop an intellectual property portfolio in line with its business strategy. As the Group's overseas net sales ratio now exceeds 30%, we are increasing the ratio of patent applications filed in the U.S and China to support our future global strategy. The number of patent applications in fiscal year 2024 was approximately double that of fiscal year 2023, driven by enhanced efforts in our priority areas of 1-DAY lens and Orthokeratology-related. We will continue to enhance our efforts in these areas, with a plan to file approximately 35 patent applications annually by fiscal year 2028.

Regarding the number of patents held, we are expecting a temporary decrease. However, it is expected to increase again as the number of patent applications in priority fields will gradually increase in line with the creation of new inventions.

Furthermore, we are a Company with Nomination Committee, etc., and the Board of Directors delegates decisions on business execution to the Executive Officers. We have established a transparent governance structure for our intellectual property practices under the supervision of the Executive Committee, and our intellectual property strategy and other major decisions are supervised and advised by the Executive Committee.

Three Pillars of Intellectual Property Strategy

Our intellectual property strategy consists of three pillars: 1 building a foundation for business expansion, 2 cultivating an environment where intellectual property can be generated, and 3 promoting innovation. Also, we have set KPI regarding intellectual property strategy for fiscal year 2028.

Intellectual Property Strategy, KPI for fiscal year 2028

Number of patents held	Approximately 600 patents
Percentage of inventors	40%

1 Building a Foundation for Business Expansion

Regarding Group businesses, we will leverage priority fields (1-DAY lens, orthokeratology-related, lens care products) as growth drivers for business expansion, and we are focusing our resources on producing intellectual property in these fields.

1-DAY lens: contact lens materials, business models, packaging technologies, and production technologies have been deemed as the Group's technological advantage, and we intend to focus our intellectual property resources on them. In introducing new products, we not only secure intellectual property related to areas where we have a technological advantage, but also pursue multifaceted protection, such as contact lens preservation solution and lens design technology. Some patents in this field have expired, but we expect that we will be able to prevent imitation products from entering the market by creating new patents (some of which have already been created) and the strict safeguarding of confidential information.

- **Contact lens materials:** We have become the industry leader with the introduction of silicone hydrogel lenses "2WEEK Menicon PremiO" in 2008 and "1DAY Menicon PremiO" in 2016, as well as toric and multifocal types. We have recently developed a number of elemental technologies and have made steady progress in patent applications. We believe this will enable our Group to further enhance its presence in the field.
- **The business model:** MELS Plan is our core technological strength and the backbone of the vision care business. The Group has been striving to acquire patents on MELS Plan ahead of other companies to protect this business model. Additionally, we expect to expand our services and introduce new sales methods in the future to further secure the business model.

R&D/Intellectual Property/Production and Logistics

- **Packaging technology :** SMART TOUCH has clear characteristics as a unique package, serves as a differentiator from competitors' products, and is highly competitive. Therefore, we will focus intellectual property resources on this field for further advancement and the enhancement of advantages.
- **Production technology :** Reducing manufacturing costs and improving production efficiency are a key issue for the Group from both a short and medium- to long-term perspective. Therefore, we are developing a system to generate innovations that will serve as a source of further competitiveness.

Orthokeratology-related field and lens care products field: In the Orthokeratology-related field, we have technological capabilities that surpass our competitors, such as high customizability of our products and software to support prescriptions. In the lens care products field, we have established our group's competitive advantage with highly effective cleaning and disinfecting preservative solution and protein remover. We will create new intellectual property through further inventions, and make our position unassailable in the future.

2 Cultivating an environment where intellectual property can be generated

Going forward, we will raise the proportion of inventors among researchers (percentage of inventors) to 40% in four years, thereby strengthening our research and development capabilities. In fact, the percentage of inventors in fiscal year 2024 has increased by approximately 9% compared with fiscal year 2023, and steady results are beginning to appear. In addition, in fiscal year 2025, we introduced a new invention reward system, and we hope that this will encourage the creation of new production technology.

Regarding intellectual property education, in addition to existing initiatives, we plan to enhance the content of training on intellectual property by adding practical content such as curriculum-based programs and on-the-job training (OJT). We will continue to aim to achieve a 40% percentage of inventors through both the invention reward system and intellectual property education, and build a solid R&D capability.

3 Promoting Innovation

Based on the Group's Management Principles of "Creation, Originality, and Challenge," we are promoting the application of core technologies and innovation for the next generation through partnerships with external research partners. In recent years, we have also been actively utilizing generative AI to enhance productivity in areas such as Selective Dissemination of Information (SDI) searches and patent monitoring operations. In addition, we are also collaborating with related departments to promote the creation of new inventions and new businesses.

Furthermore, we are working on developing technology and systems that promote the re-use of plastic generated during the production and consumption process, the aim of which is to realize resource circularity in the contact lenses field.

Production Logistics

Review of Fiscal Year 2024

Regarding production, based on the 1-DAY lens Strategic Policy outlined as a growth strategy in the Medium-term Management Plan, we have started operations of a new production line at the Kakamigahara Plant for the "1DAY Menicon PremiO" to meet the current increased demand for 1-DAY lens. Additionally, as we anticipate strong medium- to long-term growth in the 1-DAY lens segment, we are constructing a new plant in Malaysia. We are preparing to start production in the 2nd half of fiscal year 2025.

In logistics, we established a new "Global Logistics Center," serving as a distribution hub for contact lenses, in Yachiyo City, Chiba Prefecture, and began full-scale operations in May 2024. To respond to the increased demand for 1-DAY lens in Japan and overseas, the Center is equipped to handle the largest logistics volume of the Group, and achieves efficient operations through automation and man power reduction. The Center is mostly responsible for distribution to Kanto and regions further north, along with overseas exports. The center contributes to improving our services in the Kanto region and strengthening international logistics.

Future Policy

For production in fiscal year2025, we will continue to focus our efforts on enhancing our production capacity for 1-DAY lens. We will continue capital investment in the Singapore, Kakamigahara, and Malaysia Plants, and will work to build a stable supply system for 1-DAY lens. At the Malaysia Plant in particular, we plan to start production by the 2nd half of fiscal year 2025, and based on future demand trends, we plan to increase this to a total of eight lines by fiscal year 2027. Through strategic capital investment aimed at meeting increasing demand, we will strive to achieve both sustainable growth and a stable supply.

In logistics, we are expecting a major increase in logistics volume with the improvement of production 1-DAY lens capacity, centered on the Malaysia Plant. Therefore, we are strengthening our logistics networks to create a system that can realize the stable supply and distribution. At the Global Logistics Center, we are preparing to address potential issues, such as maintaining and improving operational quality amid labor shortages and increased volume, along with maximizing the efficiency of inventory areas. Going forward, we will work to build an optimal logistics network in line with our sales strategy.

Corporate Governance

Progress in Strengthening the Corporate Governance System

The Company has been working on reforming the corporate governance system even before its listing on the stock exchange in fiscal year 2015. Since we transitioned to a Company with Nomination Committee, etc. in fiscal year 2010, we have been making efforts to maintain transparency by increasing the ratio of outside directors. In fiscal year 2025, we elected an external director as Audit Committee Chair, further strengthening our governance system.

	2010 2011	2015 2016	2020 2021 2022 2023	2025
	Began governance reform, separation of executive and supervisory functions	Building a transparent and effective system	Enhancing supervisory functions through the appropriate composition of personnel	Separating ownership and management
Changes in the Company's Corporate Governance Environment and Policies		**Fiscal year 2015** Menicon newly listed in the First Section of the Tokyo Stock Exchange and the Nagoya Stock Exchange **Fiscal year 2015** Establishment of the Basic Policies Concerning Corporate Governance, together with the establishment of the Corporate Governance Code		
Bodies established	**Fiscal year 2010** Transitioned to a Company with Nomination Committee, etc., where outside directors constitute a majority in all the Nomination, Audit, and Remuneration Committees. **Fiscal year 2010** Outside director is made Nomination Committee Chair	**Fiscal year 2015** Outside director is made Remuneration Committee Chair		**Fiscal year 2025** Outside Director is made Audit Committee Chair. All three committees are now chaired by outside directors.
Chairman of the Board of Directors		**Fiscal year 2015** Separated the roles of President and Chairman of the Board and made a non-executive director Chairman of the Board		
Board composition, representative executive officer system	**Fiscal year 2010** Increased the ratio of outside directors (5/8 directors are external directors)		**Fiscal year 2022** Change in directors (6/9 directors are outside directors) **Fiscal year 2021** Disclosed skill matrix **Fiscal year 2023** Transitioned to a dual representative executive officer system	**Fiscal year 2025** Change in Board of Directors (5/8 directors are outside directors)
Officer's remuneration	**Fiscal year 2011** Introduced stock options as an incentive to drive continued corporate performance improvement from a medium- to long-term perspective			
Effectiveness evaluation		**Fiscal year 2016** Started questionnaire survey to evaluate the effectiveness of the Board of Directors		

Corporate Governance

Basic Policies Concerning Corporate Governance

One of our basic policies is to carry out our corporate activities with the aim of being a company that is respected and loved by all stakeholders, including shareholders, investors, customers, and employees. To achieve this, we will implement various measures to enhance good corporate governance by positioning sound corporate management that is fair, transparent, and trusted by stakeholders as a materiality.

Basic Policies Concerning Corporate Governance (Full Document) (In Japanese only)

Summary of Corporate Governance System

Menicon is a Company with Nomination Committee, etc. The Board of Directors delegates decision-making authority for the execution of business operations, except for matters that are legally subject to the sole discretion of the Board of Directors, dedicating itself to the function of overseeing management and business operations. Our management and execution system consists of eight directors (including five independent outside directors) and six executive officers (including one concurrent director) (as of June 26, 2025). Outside directors supervise and provide advice on the management practiced by executive officers from an objective, big-picture point of view that aims to enhance the corporate value of the company.

The supervision structure for the execution of business operations is such that the Board of Directors, which is composed of the directors elected in a general meeting of shareholders, supervises major decision-making processes, oversees the execution of professional duties of the executive officers, and monitors business operations. The executive officers appointed by the Board of Directors execute business operations promptly and efficiently with their enhanced authority on each of their respective operations.

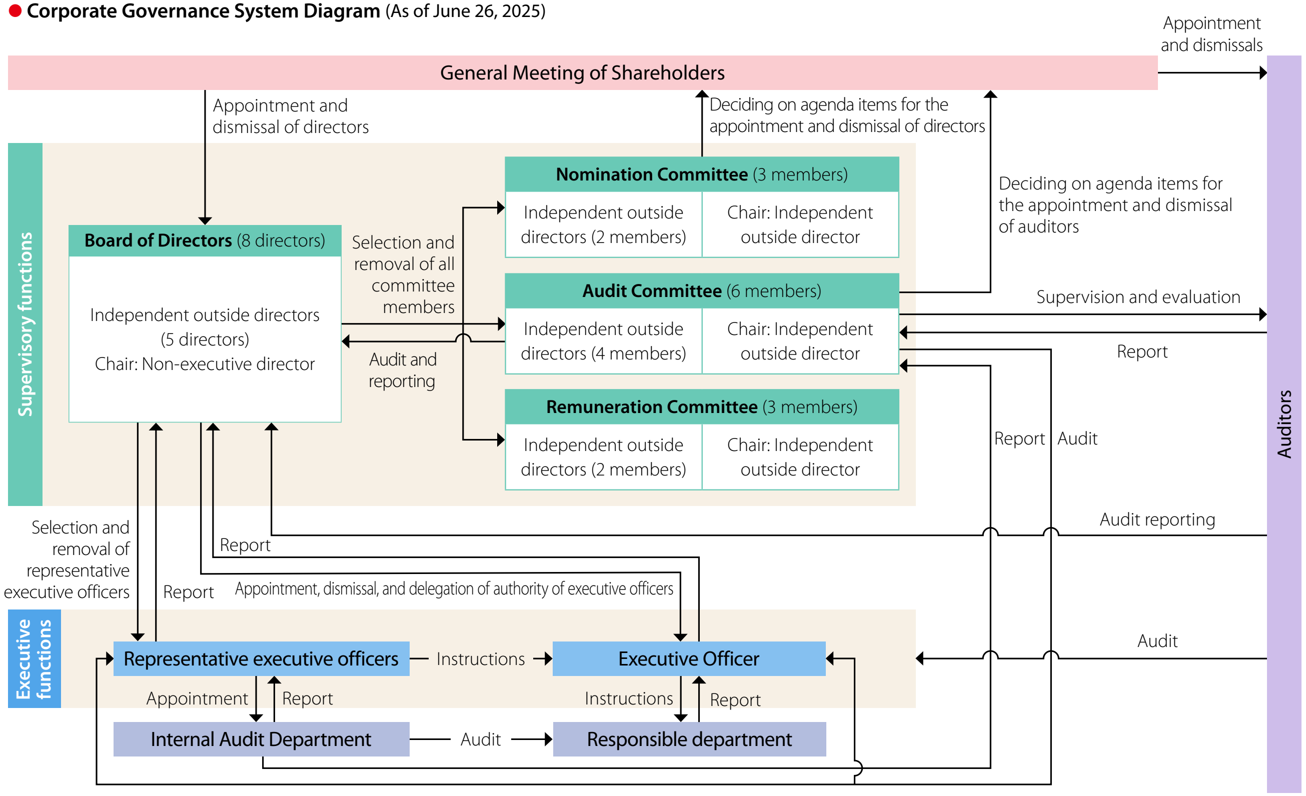
To ensure independence, the members of each committee (Nomination Committee, Audit Committee, Remuneration Committee) are selected by the Board of Directors, and the majority of the members are outside directors. In addition, no executive officer, operating officer, employee, or executive director of the Company or any of its subsidiaries may concurrently serve on the Nomination Committee and Remuneration Committee, and on the Audit Committee or as a director executing the business operations Company or any of its subsidiaries.

Corporate Governance Report

Key Points of the Governance System

- **Transparency in management**
  In fiscal year 2010, we transitioned to a Company with Nomination Committee, etc. and established the Nomination, Audit, and Remuneration Committees. All the committees are chaired by, and made up of, a majority of outside directors.
- **Independence of the Board of Directors**
  We made five of the eight members of the Board of Directors outside directors to separate executive and supervisory functions and strengthen supervisory functions Also, the Chairman of the Board of Directors is a non-executive director
- **Diversity of the Board of Directors**
  In fiscal year 2010, we installed a female director, and have maintained a female representation on the Board since. In fiscal year 2024, we added another female director, bringing the ratio of female directors to 25%.

Corporate Governance System Diagram (As of June 26, 2025)



Corporate Governance

Composition (fiscal year 2025) and Attendance (fiscal year 2024) of Governance Bodies

Directors Outside Director ★Chair

	Composition (fiscal year 2025)	Role	Attendance (fiscal year 2024)	
			Times held	Attendance rate
Board of Directors		Matters stipulated by law and other important matters related to Group business are deliberated and decided upon in accordance with the rules of the Board of Directors. The Board regularly receives reports on the status of business execution from executive officers and supervises the execution of duties.	17	100%
Nomination Committee		The committee decides proposals for the general meeting of share holders regarding the appointment and dismissal of directors. The Committee also has the authority to formulate proposals for the appointment and dismissal of executive officers. Following each meeting, the committee submits matters for deliberation to the Board of Directors.	7	100%
Audit Committee		Conducts audits based on the basic audit and implementation plan. It discusses and determines matters concerning the appointment, dismissal, and reappointment of accounting auditors to be submitted to the general meeting of shareholders, matters related to the remuneration of the accounting auditor, and the audit report.	13	100%
Remuneration Committee		The Committee determines the remuneration system and amount for directors and executive officers. Remuneration is designed to improve corporate governance by maintaining rationality and transparency, and is determined at an appropriate level after considering the business environment, business performance, and the standards of other companies.	4	100%

Message from the Nomination Committee Chair

Independent Outside Director
Nomination Committee Chair

Ryutaro Honda

- **1970:** Joined FM Aichi Broadcasting
- **1996:** Appointed as Director and General Manager of Program Development Office at FM Aichi Broadcasting
- **1998:** Appointed as Managing Director at FM Aichi Broadcasting
- **2004:** Appointed as Representative Director and President at FM Aichi Broadcasting
- **2009:** Appointed as Representative Director and President at Central Japan Multimedia Broadcasting
- **2017:** Appointed as Chairperson of the Board of Directors at FM Aichi Broadcasting
- **2019:** Appointed as Company Director (present post)

Enhancing Governance Through Organizational Structure and Personnel Appointments That Accelerate Corporate Growth

The main responsibilities of the Nomination Committee are deciding on agenda items regarding the appointment and dismissal of directors to be submitted to the general meeting of shareholders, along with submitting agenda items regarding the appointment and dismissal of executive officers to the Board of Directors. To enhance transparency in management and in accordance with the requirements for a Company with Nomination Committee, etc., the term of office for both directors and executive officers is set at one year, and candidates are selected annually through an objective and fair process. The Nomination Committee is comprised of three members (two outside directors, one internal director) and utilizes our specialist and external perspectives to rigorously evaluate candidates’ qualities and track record.

In fiscal year 2024, we deliberated on the suitability of candidates in preparation for a proposal on the new executive officer system. Also, with a view to the realization of the Medium-term Management Plan, I believe that we were able to make proposals that could turn system changes into strengths for the Group, such as holding discussions on appointments to further the business globalization.

In fiscal year 2025, we will evaluate whether the recent system changes have brought about organizational structure and personnel appointments that contribute to accelerating the Group’s growth. Regarding directors, we will continue to review the appropriateness of the skill balance and work on finding potential talent for the future. When evaluating director and executive officer performance, we emphasize long-term perspectives in addition to short-term perspectives. Also, with our sights on the improvement of medium- to long-term corporate value, we keep a constant focus on diversity when appointing necessary personnel in response to emerging issues.

Corporate Governance

Message from the Audit Committee Chair

Independent Outside Director
Audit Committee Chair

Katsuhiko Yanagawa

1979: Joined Fuji Xerox Co., Ltd.
2005: Appointed as Vice President of Marketing (Shanghai) at Fuji Xerox China
2006: Appointed as Representative Director and President (Taipei) of Fuji Xerox Taiwan
2008: Appointed as President & CEO of Fuji Xerox Asia Pacific (Singapore)
2012: Appointed as Director and Managing Executive Officer of Asia and China Businesses and Manager of Headquarters at Fuji Xerox Co., Ltd.
2014: Appointed as Director and Managing Executive Officer and Manager of Headquarters at Fuji Xerox Co., Ltd.
2021: Appointed as Company Director (present post)

The Role and Outlook for the Audit Committee Under the New Management Structure

In June 2025, I was appointed Audit Committee Chair. The Audit Committee is responsible for ensuring the legality and appropriateness of the execution of duties by directors and executive officers, and for preparing audit reports. To ensure independence, and in accordance with the requirements for a Company with Nomination Committee, etc., the Audit Committee is composed of six members (four outside directors and two internal directors), with outside directors forming a majority in its deliberations. I believe that my appointment as Audit Committee Chair as an outside director will contribute to further enhancing transparency and independence.

In April 2025, the founding family stepped away from management, and the Company shifted to a new management system. In light of this, the Audit Committee is shifting its focus to the evaluation and supervision of the continuity of the Management Principles and the progress of globalization under the corporate strategy. In particular, we provide accurate oversight of processes for realizing the Management Principles and strategy, grounded in a solid understanding of both. Also, we are continuing to closely monitor the development of a workplace environment that enables employees to work autonomously. In addition, to enhance the effectiveness of audits and supervision activities, Audit Committee members—primarily outside directors—deepen their understanding of the business through site visits and ongoing communication with each business division.

The Audit Committee encourages management to appropriately communicate policies and issues both internally and externally, provides support from the perspective of governance, and will continue to meet shareholder expectations by conducting supervisory functions from an independent standpoint.

Message from the Remuneration Committee Chair

Independent Outside Director
Remuneration Committee Chair

Yoshimi Horinishi

2000: Registered as a lawyer, joined the Nagoya Bar Association
2004: Joined the Asahikawa Bar Association
2007: Rejoined the Aichi Bar Association (formerly the Nagoya Bar Association)
2014: Member of the Nagoya City Construction Dispute Arbitration Committee
Nagoya Summary Court Civil Conciliator
2016: Appointed as Company Director (present post)
2024: Outside Director of the Audit and Supervisory Committee at Hoshizaki Corporation (current position)
2025: Outside Director of Okuma Corporation (incumbent)

Reviewing the Remuneration System for Stronger Management Infrastructure

The Remuneration Committee is responsible for determining the remuneration system and amount for directors and executive officers. We believe that appropriately setting compensation, particularly for executive officers, increases motivation, leads to improved performance, and ultimately produces positive effects for stakeholders such as employees, shareholders, and investors. The Remuneration Committee, in accordance with applicable laws and internal regulations, comprises three members (two outside directors, one internal director) who deliberate on matters, thereby ensuring transparency and objectivity in the remuneration process. The Remuneration Committee values utilizing the independence of its members to conduct open and rigorous discussions.

In fiscal year 2024, we revised the remuneration system. Previously, we used various KPIs for evaluation. However, as some items were not aligned with the management policies, such as the Medium-term Management Plan, we revised these items to be in alignment with management policies. Also, I believe that a remuneration system for executive officers that is in line with their role, responsibilities, and level of contribution will improve their motivation. In light of this, by adopting an evaluation system that is easy to understand for both executive officers and stakeholders, we sought to create a remuneration system that is fair and that all parties can feel satisfied with.

In fiscal year 2025, we will hold discussions centered on monitoring the new remuneration system. In addition, from the perspective of succession, it is also important to design a remuneration system that supports the acquisition of top talent, and we will continue to examine this issue further.

Corporate Governance

Evaluation of the Effectiveness of the Board of Directors

We get each director to perform a self-evaluation every year and based on that, we evaluate the effectiveness of the Board of Directors and each committee. We confirm the issues identified through this analysis, and we work to improve the effectiveness of the Board of Directors and committees through planning and implementing a PDCA (Plan-Do-Check-Act) cycle.

In fiscal year 2024 effectiveness evaluations, no issues of importance were identified, and the Board of Directors was given an assessment that it is performing its role effectively. We will work to rectify the newly identified issues by continuing to implement necessary initiatives.

Overview of fiscal year 2024 Effectiveness Evaluation

Subjects and respondents	All 9 directors responded
Survey method and frequency	Questionnaire format conducted once a year
Main evaluation items	Composition, operation, and structure of the Board of Directors, discussions at the Board of Directors, monitoring, committee operations, dealing with stakeholders (investors and shareholders), degree of own contribution, overall evaluation

PDCA Cycle for Effectiveness Evaluation

Issues identified in the fiscal year 2023 effectiveness evaluation

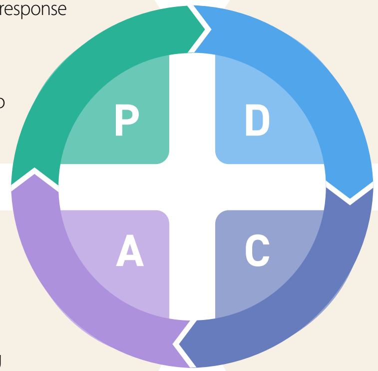
- Further enhancement of discussions at Board of Directors’ meetings
- Further enhancement of monitoring function
- Strengthen engagement with stakeholders

Fiscal year 2024 Action plan

- Select material issues related to the long-term improvement of corporate value and sustainable growth and improve the quality of discussions
- Strengthen monitoring of the execution status of the Medium-term Management Plan and analysis of and response to market trends, competition, geopolitical risks, etc.
- Deepen communication and mutual understanding with executive officers, leading to constructive dialog with stakeholders

Fiscal year 2024 Initiatives

- Enhanced meetings with outside directors by providing materials and explanations in advance
- Held lively discussions and dialog between outside directors and executive officers
- Conducted monitoring of the implementation status of the Medium-term Management Plan
- Fostered a greater understanding of IR activities



Future Initiatives

- Strive to further enhance the quantity and quality of discussions at the Board of Directors
- Review the further enhancement of monitoring functions (sharing methods and results)
- Strengthen engagement with stakeholders through timely and appropriate communication

Analysis of Fiscal Year 2024 Effectiveness Evaluation

Summary

It was confirmed that all directors are providing insights drawn from their diverse experience and that the Board of Directors is effectively and appropriately fulfilling its role

Corporate Governance

Executive Training

The Company provides outside directors with opportunities to deepen their understanding, such as by sharing information about the issues unique to our company in preparation for Board of Directors meetings, and by holding briefing sessions to understand the actual state of the Group.

We held two comprehensive study sessions for directors and executive officers in fiscal year 2024. In addition, we held a study session led by external lecturers to promote greater understanding of sustainability management. We also held Newly Appointed Director Training for the two newly appointed directors to deepen their understanding of the Company's executive operations and to reinforce collaboration, thereby establishing a framework capable of addressing management challenges.

Diversity of the Board of Directors

In fiscal year 2024, the company increased the number of female directors to two, further advancing our efforts to secure diversity.

Also, regarding the expertise and experience of outside directors, we have appointed individuals such as attorneys, certified public accountants, and holders of doctoral degrees in medicine, with the aim of incorporating diverse perspectives into decision making.

Skills Required of Directors

The Company has clearly stated the skills it requires of directors in order to increase corporate value, strengthen corporate governance, and realize the Management Principles.

● Required skill definition

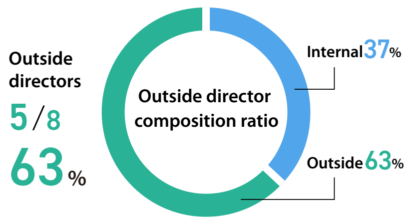
Skill	Skill definition
Overall management	Has the expertise and experience necessary to build and formulate management strategies and can appropriately supervise corporate strategy, corporate decision making, and the execution of business operations
Global experience	Has wide-ranging knowledge and experience regarding corporate management from a global perspective, and can provide appropriate advice and supervision on global business development and strategy
Sales and marketing	Has expertise and experience regarding sales and marketing, and can provide advice and supervision, drawing on their insights and global perspectives in marketing
Manufacturing R&D	Has awareness of issues and expertise in development and manufacturing, and can provide appropriate advice and supervision on industry and technological trends
Law	Has specialized legal knowledge and can supervise the development and operation of systems for legal expertise, compliance, and risk management
Finance and accounting	Has expertise in financial strategy and accounting, and can provide advice, opinions, and supervision on financial strategy when developing business globally as an expert in finance and accounting
Academic	Can provide advice on academic research in the medical industry and supervision of related communications based on wide-ranging expertise and insights in the ophthalmology and medical fields

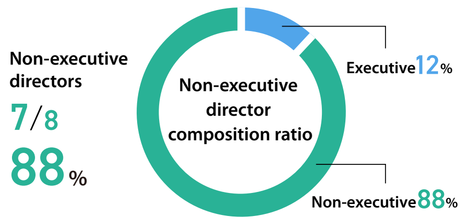
Corporate Governance

The Company appointed two new directors and became an eight-director board following a resolution at the General Meeting of Shareholders held in June 2025. From the perspective of ensuring transparency, independence, and diversity, the Board of Directors currently comprises eight members: five outside directors, seven non-executive directors, and two female directors.

Within the Board of Directors, each director draws on their knowledge, experience, and specialized expertise to conduct appropriate deliberations and to contribute to the improvement of corporate value.

Board composition ratios





Skill Matrix (as of June 26, 2025)

Name	Gender	Position	Executive	Tenure	Affiliated committees (◎Chair / Committee Chair)				Skills						
					Board of Directors	Nomination Committee	Remuneration Committee	Audit Committe	Overall management	Global experience	Sales and marketing	Manufacturing R&D	Law	Finance and accounting	Academic
Koji Kawaura	Male	Directors	Executive	Newly appointed	○				○	○					
Yoshiyuki Takino	Male	Directors	Non-executive	7 years	◎	○		○	○			○		○	
Hiroki Shinoda	Male	Directors	Non-executive	Newly appointed	○		○	○	○		○				
Yoshimi Horinishi	Female	Independent Outside Director	—	9 years	○		◎	○					○		
Shingo Watanabe	Male	Independent Outside Director	—	7 years	○			○		○				○	
Ryutaro Honda	Male	Independent Outside Director	—	6 years	○	◎	○		○						
Katsuhiko Yanagawa	Male	Independent Outside Director	—	4 years	○	○		◎	○	○					
Hiroko Terasaki	Female	Independent Outside Director	—	1 year	○			○				○			○

Corporate Governance

Directors

1 Director, President and CEO
Koji Kawaura

2 Chairman of the Board, Audit Committee Member, Nomination Committee Member
Yoshiyuki Takino

3 Audit Committee Member, Remuneration Committee Member
Hiroki Shinoda

4 Remuneration Committee Chairman, Audit Committee Member
Yoshimi Horinishi

5 Audit Committee Member
Shingo Watanabe

6 Nomination Committee Chairman, Remuneration Committee Member
Ryutaro Honda

7 Audit Committee Chairman, Nomination Committee Member
Katsuhiko Yanagawa

8 Audit Committee Member
Hiroko Terasaki

Executive Officers

9 Director of Corporate Management Head Office; CFO
Hideki Koga

10 Director of Manufacturing and R&D Head Office
Motonari Watanabe

11 Director of Japan Sales Management Head Office
Kenji Takeshita

12 Director of International Business Head Office
Remco Engelhart*

13 Director of Miru Mirai Head Office
Kensuke Muraki

* In this report, Mr. Engelhart’s alias is used. In statutory documents such as timely disclosure materials and notice of convocation, his official name, “Nicolaas Johannes Adrianus Engelhart,” is used.

Compliance

Basic Approach

All Group employees will comply with social rules, such as Japanese and international laws and regulations, to constantly improve corporate ethics and carry out business activities aimed at sustainable growth. The Basic Compliance Policy has been established to serve as a guideline.

Basic Compliance Policy

Compliance System

The Sustainability Committee is responsible for strengthening internal control functions and promoting CSR activities. The committee strives to reduce various business risks by developing internal controls, managing risks affecting the Group's business, and establishing a compliance system for legal compliance and corporate ethics. The Board of Directors receives regular reports on matters such as corporate ethics and prevention of corruption and bribery, and supervises the management system and compliance status.

In addition, the Company strives to maintain and improve compliance within the Group by posting an electronic version of the "Compliance Guide," produced independently for the Company and its Japanese subsidiaries, on the intranet, and by preparing compliance regulations for overseas subsidiaries.

Implementation of Internal Control Systems and Processes

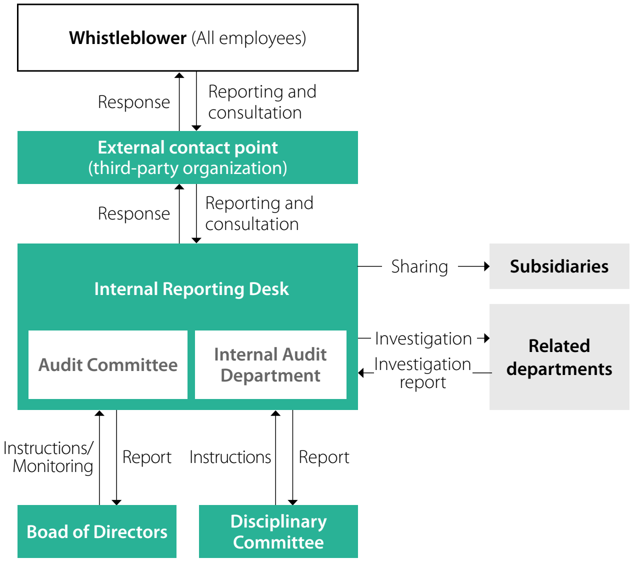
We have established and are internally operating the systems and processes necessary to properly and efficiently conduct our business, based on the recognition that those should be actively utilized to ensure business continuity. All officers and employees of the Company shall autonomously establish and operate the promotion systems necessary to achieve the objectives of compliance with laws and ethics, ensuring the effectiveness and efficiency of business, preserving assets, and ensuring the reliability of financial reporting, and shall strive to improve the effectiveness of the system by conducting periodic evaluations and improvements.

Whistleblowing System

We have introduced a whistleblowing system for the purpose of prevention, early detection, and correction of misconduct by our employees and officers, and have set up a "Menicon Group Whistleblowing Hotline" outside the company (a specialized third-party organization). In order to protect whistleblowers, we have established internal regulations that allow anonymous reporting to ensure that whistleblowers will not be adversely affected because of their reporting.

Menicon conducts factual investigations in a fair, impartial and sincere manner, while giving due consideration to the protection of whistleblowers and confidentiality. If the results of the investigation confirm that misconduct has occurred, the matter is handled appropriately in accordance with employment regulations. Even when no acts of misconduct are identified, if there are signs of potential risks—such as a high volume of reports from certain departments—we provide guidance for corrective action and take proactive measures. If the reported content or misconduct pertains to a subsidiary, we share the relevant information with the subsidiary and request corrective action.

Menicon Group Whistleblowing Hotline



- Target: All employees of the Group (full-time employees, temporary employees, part-time employees, etc.) and those designated by law
- Contents of consultation: Matters that may violate the Basic Compliance Policy (fraud, anti-competitive behavior, corruption/bribery, human rights violations, including harassment, etc.)
- Method of consultation: Website (24 hours), telephone (Monday to Friday: noon to 9:00 p.m., Saturday, Sunday, and holidays: 9:00 a.m. to 5:00 p.m.), or by mail.
- Languages: Japanese, English, Chinese, German, Italian, Dutch, Spanish

Compliance

● Number of internal whistleblowing cases Scope: Consolidated

	FY2020	FY2021	FY2022	FY2023	FY2024
Reporting and consultation (cases)	20	32	29	31	55

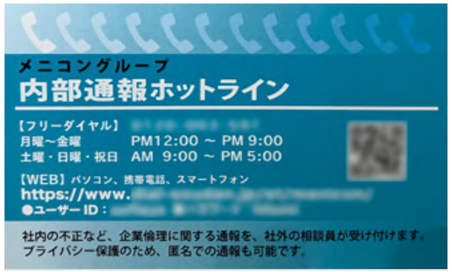
Note: There were no reports that had a significant impact on management in any fiscal year.

● Breakdown of whistleblowing cases in FY2024 Scope: Consolidated

	Harassment	Labor Environment	Human relationships	Fraud Suspicion	Other	Total
Number of cases	19	20	8	0	8	55

Raising Awareness of the Whistleblowing System

We are informing employees on how to use the whistleblowing system and relevant contact information during compliance training. Also, we are increasing awareness by handing out Whistleblowing Hotline Cards listing whistleblowing contact information to all employees. We have produced Japanese, Chinese, and English versions of the Whistleblowing Hotline Cards.



Whistleblowing Hotline Card

Prevention of Corruption and Bribery

In order to conduct fair and transparent corporate activities in accordance with the "Basic Compliance Policy," the Group strives to build highly transparent relations by prohibiting all Group employees from engaging in any behavior that could be suspected of corruption or bribery with all business partners, including public servants and government-related agency officials. In addition, we strive to prevent corruption and bribery by clearly stating that we do not accept any benefits such as improper gifts of money or goods in our work rules and regulations, as well as in our procurement and purchase management rules and procurement purchasing manual for suppliers. Employees who receive or have received hospitality or gifts from interested parties (trading companies, advertising agencies, customers, etc.) are required to report to the relevant head office, office, or business manager by way of the Hospitality and Gifts Acceptance Report through the line of command. In FY2024, there were no cases of suspected corruption or bribery, and no employees were disciplined, penalized, or fined for corruption or bribery.

Spreading Awareness of Compliance

The Group provides company-wide compliance training to all employees every year to raise compliance awareness among employees and prevent violations of laws and regulations.

In FY2025, we plan to incorporate anti-corruption content into our training on the Promotion Code of the Medical Device Industry* for all employees.

* A code of conduct defined by the Japan Federation of Medical Devices Associations that specifies standards to be followed when promoting medical devices.

FY2024 compliance training results

- Frequency: 6 times
- Themes: Harassment education, personal data protection, etc.
- Implementation method: e-learning
- Participants: All Japan Group employees
- Attendance rate: 100%

Political Donations

When making donations to political parties or politicians, the Company ensures proper management in accordance with the relevant laws and regulations and prohibits donations to specific political organizations or parties in amounts exceeding those permitted by law.

We made no political donations in FY2024.

ESG Data: Compliance

Risk Management

Basic Approach

The Group has established a risk management system and procedures, and ensures their operation in order to avoid or reduce losses, preserve company assets, ensure the safety of stakeholders, and ensure the stable continuation of the business. In addition, to reduce the risk of information leaks, we have established the Menicon Group Information Security Policy and Privacy Policy.

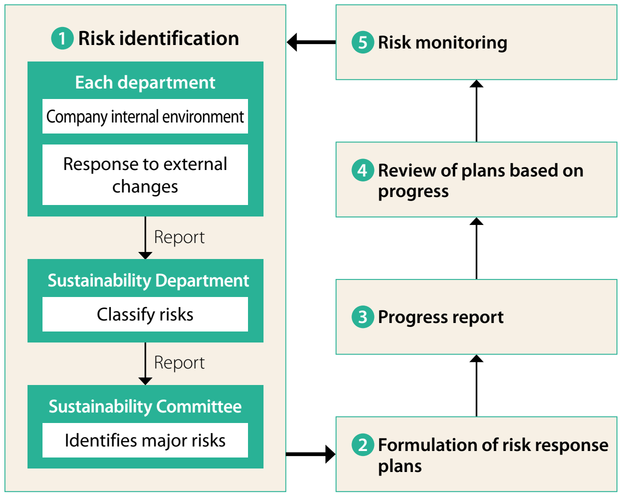
Menicon Group Information Security Policy

Privacy Policy

Risk Management Structure

The Group has appointed the President and CEO as the person responsible for risk management and has established a Sustainability Committee to promote risk management company-wide and to share information necessary for risk management. The Sustainability Committee will analyze anticipated risks and implement necessary preemptive measures regarding risk avoidance, mitigation, transfer, and acceptance. Regulations stipulate and implement measures to be taken in the event of accidents and other incidents, reporting after handling, reporting routes in the event of life-threatening emergencies, handling complaints, and complying with the Pharmaceuticals and Medical Devices Act and other relevant laws and regulations. In addition, "Quality Assurance and Safety Management Committee", "PLD Committee, the Personal Information Protection Committee," and "Menicon Fair Trade Management Committee" have been established to manage risks in various areas. A procedure has also been established for any risks that arise to avoid or reduce losses by (1) identifying the risk, (2) risk response planning, (3) progress report, (4) review, and (5) risk monitoring.

● Risk Management Structure and Procedure

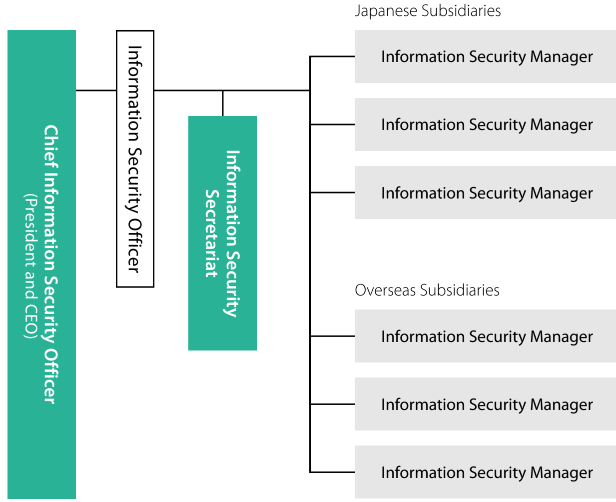


Information Security

Information Security Management

We have established an information security management organization that oversees information security for the Menicon Group, as well as an in-house information security organization and administrator at each subsidiary to promote information security measures. In the event of an information leak, the organization responds in accordance with the "Computer Security Incident Response Team (CSIRT) Manual." CSIRT drills are also regularly conducted to prepare for the unlikely event of an information leak. As a preventive measure, we also use a security check sheet to confirm and report on the status of security measures for the Group every year and provide information security training to all Japan Group employees.

● Information Security Management System Chart



Information Security Initiatives

Cybersecurity Measures

In FY2024, we implemented penetration testing on major Company systems to assess their resilience against cyberattacks. We also introduced a new web vulnerability assessment tool utilizing AI and RPA, resulting in more efficient security inspections.

We also established new security standards to be achieved by all Group companies, thereby raising the overall security level across the Group.

Risk Management

Information Security Education and Training

Information security training is conducted annually for all Japan Group employees. Separate information security training is provided for new employees and newly appointed managers.

In FY2024, we conducted the CSIRT drill based on the scenario of a potential cyberattack targeting critical servers. This drill was an expanded version of the same drill carried out in FY2022, and we held it to enhance our ability to respond to various security incidents, including information leaks and cyberattacks.

Privacy

Based on our Privacy Policy, we appropriately use, manage, and protect personal information entrusted to us by our customers and all those involved with the Group. In addition, we comply with the GDPR (EU General Data Protection Regulation) and have also established the “Menicon Group Personal Data Protection Regulations.” Furthermore, in order to ensure that our services and those of Group sales companies can be used with peace of mind, we have acquired the “Privacy Mark,” provide regular training for all employees, guide our business partners (subcontractors), and have posted information on our website for inquiries regarding personal data.

We are happy to report that there were no incidents related to personal data in FY2024.

Business Continuity Plan (BCP)

Basic Approach

As part of our BCP, the Group takes preventive measures to ensure that critical operations are not interrupted due to natural disasters or other such events. In addition, our BCP focuses on the three points below, so that critical operations can resume within the target recovery time in the event they are interrupted.

- Keep our employees and their families safe
- Continue to provide services and vision solutions to contact lens users
- Minimize damage and loss

Formulation of BCP

The Group has formulated a BCP based on four key points to ensure the safety of our employees and the early recovery of our business in the event of a disaster or other emergency. We are also working to strengthen the BCP in procurement.

Key BCP Points

(1) Prioritize continued service to customers
(2) Establish a task force at the headquarters, consolidate information, and issue appropriate instructions
(3) Prioritize restoring our vital services, which include MELS Plan service, orders, and shipments
(4) Provide substitute products in the event of product shortages

P.54 **Strengthening BCP in Procurement**

Emergency Response Structure

In the event of a large-scale natural disaster, the Group CEO, acting as an overall supervisor, will activate the BCP and establish a task force. To assess the damage, we have established a system in which the response leaders for corporate management, manufacturing and R&D, Japan business, overseas business, and new business gather information and report it to the task force, after which a decision is made on how to handle the situation. In addition, we have introduced a safety confirmation system to ensure the safety of employees in the event of an emergency.

Disaster Preparedness

In preparation for emergencies, the Group has established emergency contact information for the Company, Japan and overseas subsidiaries, and expatriate employees. Also, each business site prepares disaster prevention stockpiles and conducts regular inspections and maintenance of these items in accordance with our Risk Management Regulations.

Disaster prevention drills are conducted twice a year at the headquarters and major business sites, and once a year at other business sites.

Sustainability Promotion System

Our group reviewed our sustainability policy and materiality and developed a sustainability promotion system in FY2022 in order to contribute to social issue resolution through the products and services contributing to society. With a more strengthened system, we will strive "To achieve a healthy and spiritually rich society" through our sustainability activities.

Sustainability Activity Policy

Our Vision To achieve a healthy and spiritually rich society

Sustainability Policy

The Menicon Group's Mission is to continue to provide the world with products and services required by society. Harmony with the global environment and society is essential for achieving this mission over the long term. The Menicon Group plans to create new value in response to global environmental and social issues and contribute to the development of society through its business.

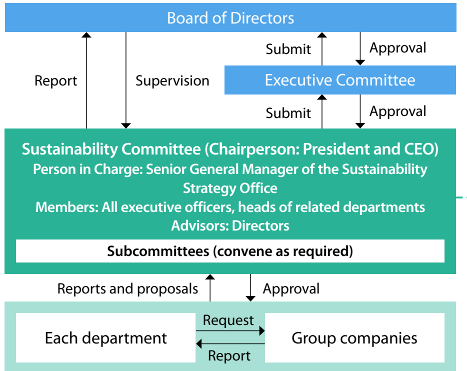
1. We aim to achieve a sustainable society by harmonizing people, society, and the global environment, and providing products and services that are useful to society.
2. We shall consider all living beings and the global environment, and act proactively to protect and preserve them.
3. We will respect the culture and history of each country and region, and contribute to the development of a rich life and society.
4. We will respect the individuality of our employees and work to cultivate human resources by developing a working environment that allows them to achieve their potential.
5. We will comply with social rules such as Japanese and international laws and regulations, to constantly improve corporate ethics, and carry out sustainable business activities.
6. By communicating broadly and deeply with stakeholders, we aim to be a company that is loved by society.

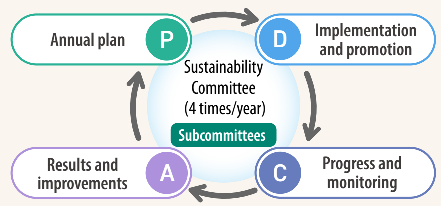
Promotion System

The Sustainability Committee, which is responsible for promoting Group sustainability, is composed of all executive officers and heads of related departments. The committee holds regular meetings (four times a year) to consider the progress of materiality, matters to be considered by each subcommittee, and future directions, and regularly reports to the board of directors.

Main Discussion Themes in FY2024		
	Meeting 1	Report on the operation of the internal control system, reports on risk investigation results
	Meeting 2	Proposal on reducing the impact on the global environment, report regarding disclosure of the Menicon Report
	Meeting 3	Report on disclosure details based on transparency guidelines, information sharing regarding corporate misconduct
	Meeting 4	Report on the results of human rights due diligence, setting KPIs for sustainability disclosure

Sustainability Promotion System Chart





KPIs for materiality have been set, and initiatives are underway while seamlessly implementing the PDCA cycle.

Progress in Sustainability Promotion

FY2022

- Revised the CSR Policy as the Sustainability Policy
- Established the Sustainability Committee
- Redefined our Materiality
- Formulated the Human Rights Policy
- Formulated the Sustainable Procurement Policy
- Expressed support for TCFD

FY2023

- Implemented due diligence for human rights
- Expanded coverage of Scope 1, 2, and 3 to the entire Group

FY2024

- Established the Sustainable Procurement Guidelines
- Implemented due diligence for human rights on a global scale
- Set emission reduction targets for Scope 1 and 2
- Analyzed water risks

Environmental Management

Basic Approach

Through environmentally conscious business activities based on the Menicon Declaration on Environment, we will reduce environmental impact for conservation of nature capital by responding to climate change, using raw materials more efficiently, and reducing waste.

Menicon Declaration on Environment

We at Menicon wish for "Bright Eyes Forever" and looking to the future of the earth, we want to be "A global company that is kind to people, animals, and the environment." And we dream that the technology and wisdom we have developed can give back to all of the earth, and the entire group will take up the challenge.

Menicon Declaration on Environment

System for Management of Toxic Substances

We have set routine examinations and discharge standards for toxic substances, and specialists examine the water quality at each plant every two months. Moreover, we have entered into a Pollution Prevention Agreement with Seki City, where the Seki Plant is located, and Sakahogi Town, where the Kiso River, into which the water is drained, flows, and they have confirmed that it is complying with the standards based on the agreement.

In fiscal year 2024, the Group did not violate any laws or regulations and did not receive any related fines or sanctions.

Tackling Climate Change

Information Disclosure Based on TCFD Recommendations

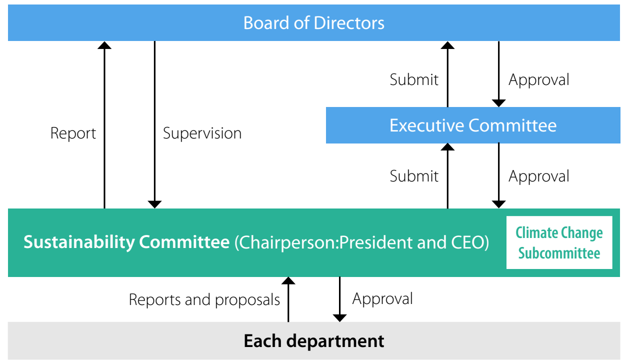
The Group considers climate change as a key management issue. We announced support for the TCFD recommendations in July 2022 and have since been advancing initiatives in line with the TCFD framework. Climate-related risks and opportunities identified through scenario analysis are reflected in our corporate strategy and risk management processes in order to strengthen our medium- to long-term resilience.

Information Disclosure Based on TCFD Recommendations

Governance

We deliberate on Group climate-related issues at the Sustainability Committee. The Sustainability Committee is chaired by the President and CEO, and it consists of all executive officers, internal directors, and heads of related departments. In order to have more focused discussions, we have established subcommittees that gather information from each department and review and discuss matters to be deliberated by the Sustainability Committee. Also, measures and policies that will have a significant impact on management will be approved by the Executive Committee and the Board of Directors. Other matters deliberated are also regularly reported to the Board of Directors, enabling sustainability management to be promoted under the Board's supervision.

Environmental Management Structure Diagram



Risk Management

The Group has established a risk management system and procedures to not only protect corporate assets by avoiding or reducing losses, but also with the aim of business continuity by ensuring security for stakeholders.

P.44 Risk Management Structure

Indicators and Targets

Since fiscal year 2020, we have been calculating our Group's greenhouse gas (GHG) emissions (Scope 1 and 2) and have also begun calculating Scope 3 emissions across our supply chain, encompassing both upstream and downstream activities. For our GHG emissions reduction targets, we have set a Scope 1 and 2 target of reducing GHG emissions by at least 43% by fiscal year 2030, compared with fiscal year 2023 levels.

For our Scope 3 target, we plan to conduct reviews based on the results of our calculations.

Tackling Climate Change

Strategy

The Group has set its key risks and opportunities for all Japan and overseas businesses and supply chains in reference to the IEA's Net Zero by 2050 (1.5°C Scenario) and the IPCC SSP5-8.5 (4°C Scenario). We categorized time frames as short term (present to 2027), medium term (2028 to 2030) and long term (2031 onward).

Key risks and opportunities

Risk categories		Risk factors		Indicators	Time frame	Anticipated measures
Transition risks	Political and legal	Tightening of GHG emission regulations	Strengthening of GHG emissions regulations requiring investment in renewable power and high efficiency production equipment, leading to higher capital expenditures	Cost	Medium-term to long-term	• Capital investment in high efficiency thermal devices and production equipment upgrades • Promotion of renewable energy procurement through PPA models • Introduction of an investment evaluation framework incorporating carbon pricing
Physical Risks	Acute	Increasing severity of extreme weather events such as cyclones and floods	Plants affected by disasters, resulting in production stagnation or suspension and decreased net sales	Revenue	Short-term to long-term	• Reevaluating plant location using hazard maps for high-risk areas • Strengthening of flood and wind resistance measures for plant buildings and equipment (e.g., floodwalls, rooftop water storage) • Establishing of Japan/overseas backup sites and BCP training for operational transfer in disasters
			Supplier plants affected by disasters, causing stagnation or suspension in the supply of components or raw materials, impacting Company production and leading to decreased net sales	Revenue	Short-term to long-term	• Location risk assessment of key suppliers and promotion of multi-sourcing • Secure inventory of key components and materials (review standards for safe inventory)
	Chronic	Drastic changes in precipitation or weather patterns	Increased water usage costs due to heightened risk of water resource depletion or revision of water tariffs	Cost	Medium-term to long-term	• Reduce dependence on external water utilities by utilizing recycled water and rainwater • Monitor water usage in the manufacturing process and set KPIs • Introduce water stress evaluations when selecting plant locations

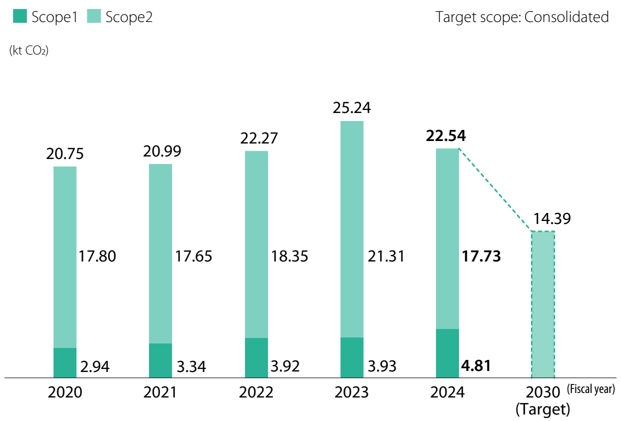
Opportunity categories		Opportunity factors		Indicators	Time frame	Anticipated measures
Opportunities	Products and services	Expansion of water stress regions	Increase in net sales of low-water-usage 1-DAY lens due to expansion of water stress regions	Revenue	Medium-term to long-term	• Enhanced communication of the water-reduction effects of 1-DAY lens • Expanded sales channels into high water stress markets (Asia, Middle East, etc.) • Develop 1-DAY lens that reduce water usage at the production stage
		Change in consumer tastes	Shift to remote working and decreased outdoor activities due to frequent irregular weather, causing greater eye strain, and an increase in the myopic population and demand for myopia control, resulting in higher sales		Medium-term to long-term	• Enhancement of lineup of myopia control lenses • Awareness-raising activities for parents of school-age children
		Promulgation of products and businesses that reduce environmental burden	Increased sales through promoting product design based on Resource circularity (circular economy), such as closed loop recycling and upcycling of packaging, which enables resources to be utilized as products through the development of renewable systems		Medium-term to long-term	• Development of closed-loop recycling designs for products, including recovery schemes • Deployment of upcycled products utilizing materials recovered through the 1Case project • Social implementation of recycling models in collaboration with partner companies
	Market	Development and/or expansion of low-emission products and services	Increased sales through the expansion of sales volume to environmentally conscious customers by providing eco friendly products and services		Medium-term to long-term	• Rollout of promotion campaigns for ethical B2C purchasing (utilizing social media and video) • Rollout eco friendly products that use recycled materials and have resource efficient designs • Introduction of product level carbon footprint labeling for Scope 3 emissions

Tackling Climate Change

Initiatives for Reducing Scope 1 and 2 Emissions

The Group's Scope 1 and 2 emissions for fiscal year 2024 were 4.81 kt CO_2 and 17.73 kt CO_2, respectively. As a result of introducing renewable energy and initiatives to reduce emissions, such as installing efficient air conditioning equipment, emissions for Scope 1 and 2 were reduced by 10.7% compared to fiscal year 2023.

GHG Emissions (Scope 1 and 2)



Scope 1 and 2 Reduction Measures

Reducing the Amount of Energy Used	• Improving the energy efficiency of equipment • Increasing the efficiency of products and production methods • Efficient operation of energy-consuming equipment • Usage of heatpumps
Expanded use of renewable energy	• Introduction of renewable energy source power generation systems (PPA) • Switching to renewable energy source power generation contracts • Conversion of business vehicle to EVs/FCVs • Introduction of biomass boilers

Promoting Renewable Energy Usage

Among the Group's Scope 1 and 2 emissions, Scope 2 from energy consumption accounts for approximately 80% of the total. To achieve our emission reduction targets, we are promoting the switch to renewable energy for the power used in our plants, which accounts for the majority of Scope 2 emissions.

In fiscal year 2024, we used electricity generated by solar power at the Kakamigahara Plant in a donation-type corporate PPA that began last year. In addition, since November, our Seki and Kakamigahara Plants are 100% powered by renewable Gifu Seiryu Green Electricity.

The Gifu Seiryu Green Electricity plan uses renewable energy produced by hydroelectric plants in Gifu Prefecture. By introducing this plan, we are working so that we can reduce the environmental burden by consuming electricity that was produced in the same region as our plants.

In fiscal year 2025, we will further introduce renewable energy at the plants of our Japan subsidiaries and continue our activities toward decarbonization.

Initiatives for Reducing Scope 3 Emissions

Category 1 accounts for approximately 70% of the Group's Scope 3 emissions. We will promote the dissemination of the "Sustainable Procurement Guidelines," which will be formulated in fiscal year 2024, ask suppliers to cooperate in reducing emissions, and aim to reduce Category 1 emissions.

GHG emissions (Scope3)

Subject scope: The Company + Five subsidiaries*1

(kt CO_2)

Scope/Category*2		Fiscal year 2022	Fiscal year 2023	Fiscal year 2024
Scope 3 (indirect emissions other than Scope 1 and 2)		178.75	192.22	204.90
Category 1	Purchased goods and services	116.70*3	130.15*3	137.74
Category 2	Capital goods	35.34	28.74	30.46
Category 3	Fuel- and energy-related activities not included in Scope 1 or 2	4.02	4.30*3	4.15
Category 4	Upstream transportation and distribution	7.52	10.49	12.41
Category 5	Waste generated in operations	0.41	0.48	0.51
Category 6	Business travel	1.86	4.12	3.84
Category 7	Employee commuting	1.10	1.14	1.27
Category 11	Use of sold products	1.46	1.37	2.50
Category 12	Disposal of sold products	10.34	11.44	12.01

*1 Five subsidiaries in the subject scope include, W.I. System Co., Ltd., Menicon Nect Co., Ltd., Menicon Singapore Pte. Ltd., Itabashi Trading Co., Ltd., and Itabashi Medical (Dalian) Co., Ltd.
*2 Categories 8, 9, 10, 13, 14, and 15 are out of scope
*3 We revised the calculation method, and therefore recalculated emissions for fiscal year 2022 and 2023.

Sustainable Resource Consumption

Plastic Resource Circularity

The waste generated in the Group's plants is managed and disposed of appropriately in accordance with the laws and regulations of each country and the Menicon Declaration on Environment. In recent years, demand for daily disposable contact lenses has been increasing, and usage is expected to rise further going forward as the myopic population continues to grow. As a result, since the amount of plastic used in manufacturing and distribution will also increase, we recognize the importance of properly managing plastic waste. We are focusing on building an ecosystem that promotes resource circularity in order to prevent plastic waste generated after the use of our Group's products from being simply discarded.

ESG Data (Waste)

Initiatives Regarding Products and the Production Process

The Magic 1-DAY lens, manufactured at our Singapore Plant, reduces plastic usage in lens containers by 80% compared with our conventional products, and its packaging is produced entirely from plastic recycled from the lens manufacturing process.

Contributing to the Plastic Circular Economy

The Company is part of a Cabinet Office-led program that aims to solve the social issue of plastic waste. As a joint research facility, we opened the "Menicon x Tohoku University Menicon Future Device Laboratory" in April 2024 to promote research activities into resource circularity for plastic in the manufacture and distribution of contact lenses.

Establishment of the Menicon x Tohoku University Menicon Future Device Laboratory

1Case Project

In October 2024, we launched the Menicon 1Case Project to promote resource circularity by recycling cases for disposable soft contact lenses. We are setting up collection boxes at all Miru stores of the Menicon Group, and we are also establishing collection points at MELS Plan-affiliated facilities. Additionally, we are actively promoting pilot projects with local governments, and have set up collection boxes at a city office in Sendai, where the joint research facility is located, and at the HOKUSHU Sendai City Science Museum. Supplier companies have also announced their support for the project, and as of May 2025, we have established collection points at 700 facilities. Looking ahead, we will promote the expansion of new collection points at schools and various locations.

Collection box at the HOKUSHU Sendai City Science Museum

Menicon 1Case Project (In Japanese only)

Safety of Water Resources

We use a lot of water resources in the manufacturing process for contact lenses. To reduce the amount of water intake, the Group has installed a water purifying apparatus at the Kakamigahara Plant that achieves a 50% reduction in water use compared with conventional systems, while at the Seki Plant, we utilize some of the water discharged during the production process of soft contact lenses, as waste water for toilets in the plant.

● Fiscal Year 2024 Water Intake/Drainage

Amount of water intake	34.5 ten thousand m^3 (12.4% YoY increase)
Drainage	26.2 ten thousand m^3 (11.0% YoY increase)

* Companies covered: Menicon Co., Ltd., Menicon Nect Co., Ltd., Alpha Corporation Inc., Menicon SAS, Menicon Pharma SAS, Menicon Limited, Menicon Singapore Pte. Ltd., Menicon B.V., SOLEKO S.p.A., Wenzhou FocuSee Vision Care Technologies Co., Ltd. (excludes the amount of water intake)

Response to Water Risk

Freshwater is an essential resource for the manufacture of contact lenses and lens care products. At the same time, only about 0.8% of the Earth's water is available as freshwater, and given its uneven distribution, conditions vary greatly by region. In this context, to ensure the sustainability of our business activities, it is essential to identify potential water risks at each site and implement appropriate measures. Based on this approach, we conducted an evaluation of water risk at Group plants and other facilities. We identified sites where we should prioritize our response as "Priority Plants," and we are formulating policies targeted at reducing water risk.

Evaluation of Water Risk

Water Risk in Regions Where we Operate

Using the Aqueduct, one of the leading water risk assessment tools developed by the World Resources Institute (WRI), we assessed the water risk conditions in the regions where our plants and other facilities are located.

Overall water risk	Region
High	Italy
Medium-High	China
Low-Medium	Japan, France, UK

Identified Water Risks

Using Aqueduct, we identified the following four water risks as requiring particular focus.

Risk items
Water stress
Flooding
Drought
Water quality

Human capital

Basic Approach

The Group is creating a corporate culture in which every employee can actively and fearlessly take on new challenges to create new value. Menicon will not only create an environment where individuals can work actively and be themselves, but will also enhance its systems to support self-growth. We seek to create a future in which both people and companies can continue to grow by harnessing their diversity.

Human Resource Strategy

The Group has linked its Management Principles (values), Sustainability Policy, and its basic approach to human resources, and from fiscal year 2025, has set the key points of the human resources strategy as "promotion of 0-to-1 creation thinking", "agility in taking on unknown fields," and "developing leadership based on a global perspective." By promoting each of these key points, we aim to address our materiality of "building a corporate infrastructure that will last 100 years."

Key Points of Human Resource Strategy

Promotion of 0-to-1 creation thinking

- Strengthening employment competitiveness to acquire talent with diverse expertise and values
- Promoting internal collaboration and integration of knowledge through office reforms
- Fostering an organizational culture that encourages initiative and generates new ideas from failure, along with a renewal of our HR systems

Agility in taking on unknown fields

- Optimizing hierarchical and selective training to support strategy promotion and building an open-application training framework to advance DX.
- Maximizing performance by improving engagement
- Activating communication within the company by improving psychological safety

Developing leadership based on a global perspective

- Developing next-generation management talent candidates to enable them to compete in the global market
- Promoting organizational renewal by appointing younger employees in line with our transition to a job based HR system
- Enhancing visibility of human resources across the Group through the development of a global talent management system

Promotion of 0-to-1 creation thinking

Human Resources Recruitment

Each fiscal year, the Group formulates a recruitment plan in line with its business plans and hires all positions without regard to nationality or gender. As our business expands, we are enhancing recruitment in manufacturing technology and production by expanding our 1-DAY lens workplace experience program. In addition to continuing to recruit students from overseas universities to promote globalization, we have also strengthened our mid-career recruitment, and hope to create new value through diverse human resources and have varied expertise. The mid-career recruitment ratio for fiscal year 2024 was 80%, higher than the ratio of new graduates.

- **Enhancing Employment Competitiveness by Raising Compensation Levels**

To remain an attractive company, we continuously strive to create a workplace that is both supportive and rewarding. In parallel, with the transition to a job-based HR system, we are revising our compensation framework to reflect roles and raise overall pay levels. Our aim is to build a system that enables the ongoing attraction and retention of diverse talent, which serves as a source of new ideas and value creation.

Active Participation of Diverse Talent

The Group promotes the creation of an environment where individuals can fully demonstrate their abilities regardless of gender or disability. To support better work-life balance, we are working to reduce overtime hours and have introduced programs such as location-specific employment options and career return schemes that help employees balance work with child-rearing responsibilities. In addition, under an action plan*1 developed in line with Japan's Act on the Promotion of Female Participation and Career Advancement in the Workplace, we have set a target of increasing the ratio of women in leadership positions*2 to 20%. This ratio rose from 12.6% in fiscal year 2023 to 12.8% in fiscal year 2024.

*1 Plan period April 1, 2024 to March 31, 2028
*2 Female managers, store managers and section chiefs

ESG Data (Diversity)

Office Reform

To encourage smarter and more creative ways of working, the Company has introduced the concept of Activity-Based Working (ABW), in which the workplace environment is changed to match the nature of the task. Through office design that fosters interaction across organizational boundaries, we are advancing workplace innovation aimed at facilitating knowledge sharing and integration, and creating opportunities for generating new value.


Office floor


Open corner: "Hidamari Spot"

Human capital

Introduction of a New HR System that Encourages Initiative

The Company introduced a new evaluation system in fiscal year 2025. Whereas our previous framework placed emphasis primarily on results, the new system evaluates both outcomes and the processes that lead to them. Based on the belief that repeated trial and error can give rise to new value, the system is designed to recognize the effort and learning involved in taking on challenges, thereby cultivating a corporate culture where failures are accepted as part of growth. We define behaviors that generate new ideas as key competencies, and are working to deepen understanding of the new system so that it contributes to embedding our Management Principles and fostering an organizational culture that encourages innovation.

Agility in taking on unknown fields

Optimizing Talent Development to Support Capability Building

We have positioned "General Training", "Specialist Training," and "Practical Training" as three core pillars of human resource development. By providing these education programs in a focused and planned manner, we aim to develop the "initiative/autonomy" of each employee to think and act independently, and to enhance their "high level of expertise" to continue providing original and attractive products and services, leading to sustainable improvements in corporate value and the creation of a corporate foundation. General education programs are available to all employees, including those at Japan Group companies, regardless of grade, qualifications, or age. In fiscal year 2024, we took into consideration educational programs with the focus on promoting voluntary learning and developing IT talent, to improve the IT literacy of each employee in order to promote DX.

12,229 hours of training in total, including general training, etc., was given in fiscal year 2024, with 7.2 hours given on average, 0.9 days on average at an investment of ¥54,049 per employee. We will optimize our human resource development in light of changes in the external environment and strategic policies, as well as future predictions.

General Training
Nurturing proactive human resources

×

Specialist Training
Nurturing human resources with a high level of expertise

×

Practical Training
Nurturing of employees by leaders who assign roles (OJT)

Nurturing "Core Human Resources" and "Global Human Resources" that improve corporate value through strengthening and implementing the three pillars

Enhancing Employee Engagement

We provide opportunities such as internal job postings and self-nomination systems that enable employees to proactively pursue career changes and take on new roles. In addition, through our self-development grants, we offer financial support for individual career development and skills improvement. To monitor the degree of fit between employees and their work, as well as their engagement with the company, we conduct an annual engagement survey of all employees, including contract staff.

● Fiscal Year 2024 Employee Engagement Survey

Scope: Full-time employees, special employees, contract employees, and part-time employees of the Company
Survey results*1: Work engagement*2 50.3(50.8)
: Employee engagement*3 48.0(48.8)

*1 Figures are expressed as deviation values, and the figures in parentheses ( ) represent the previous year's figures
*2 A positive psychological state toward work
*3 Sense of attachment and trust towards the company

Strengthening Psychological Safety

Ahead of introducing our new evaluation system, we have been working to foster a culture that encourages risk-taking and values initiative. To this end, we provide regular training for managers on the importance of giving positive feedback to members' ideas and proposals, as well as on engaging in constructive dialogue that drives stronger results. We are also creating a workplace environment where even new employees feel comfortable voicing their opinions, while cultivating open communication and strong relationships between supervisors, colleagues, and team members.

Developing leadership based on a global perspective

Developing the Next Generation of Management Talent

Through our Menicon Business College (MBC) selective training program, we are fostering future leaders with a management perspective. Over the course of more than six months, approximately 10 participants selected from the Japan group companies through a selection test as future executive candidates engage in intensive training designed to cultivate the mindset and skills required of senior management. Instructors are invited from within as well as outside the Company, and participants learn a wide range of mindsets and skills. Internships are also conducted overseas, providing an opportunity to consider management from a global perspective. Ten people participated in the training in fiscal year 2024.

Direction of HR System Reform

Following the introduction of our new evaluation system, we plan to renew our grading and compensation structures in fiscal year 2026. The revised framework will move away from a seniority-based model toward a system in which ranks and compensation are determined by job content and level of responsibility. This approach will also enable the early promotion of younger employees, allowing them to gain hands-on management experience and thereby accelerating the development of effective leadership. By revitalizing the organization in this way, we aim to increase opportunities for value creation and for employees to take on new opportunities and initiatives.

Global Talent Management System

To maximize the effective use of our human resources, the Group is working to establish an integrated global talent management system. As a first step, we are advancing the centralized management of employee information across our company and Japan and overseas Group companies, while strengthening collaboration among Group entities.

Respect for Human Rights

Basic Approach

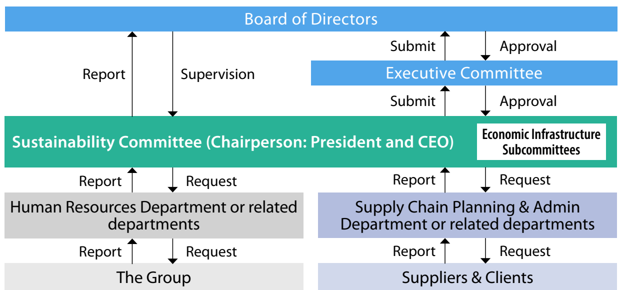
The Group's human rights policy is based on the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights, and does not tolerate discrimination based on race, religion, age, sexual orientation, nationality, or disability.

Menicon Group Human Rights Policy

Promotion System

The promotion of respect for human rights is led by the Management Foundation Subcommittee, which brings together related departments including the Sustainability Committee Office, the Human Resources Department., and the Supply Chain Planning and Management Department, and regularly formulates strategies, checks progress, reports the progress to the Sustainability Committee, and reports to the Board of Directors as necessary. Issues that will have a significant impact on management will be approved by the Executive Board and the Board of Directors and then addressed.

System Chart



Risk Assessments and Countermeasures for Human Rights

The Group has established a process for human rights due diligence*. In FY2023, we launched initiatives to identify human rights risks. In FY2024, we expanded the scope of these initiatives to cover overseas employees and started mapping human rights risks on a global scale. We will review the identified human rights risks in light of changes in the business environment and societal trends.

* A continuous process that proactively investigates and identifies potential negative impacts on human rights that the company may have on society, prevents or mitigates those impacts, takes appropriate corrective action, and discloses the progress and results externally.

1 Investigations into Group companies

We selected the 11 largest group companies by revenue and conducted interviews and questionnaires.

2 Identification and assessment of actual human rights risks

We determined the severity and likelihood of the human rights risks that were brought to light by the investigation. We plotted the risks on a map with these two factors as axes and identified human risks that were of a high level for both factors.

High-level human rights risks

- Right to access remedy
- Human rights issues within the supply chain
- Information Security
- Excessive or unfair working hours
- Occupational Health and Safety

3 Verification of countermeasures

For high-level human rights risks, we will assess and clarify the status of our countermeasures within the Group, as well as our policies for future response. We will take steps to address areas where countermeasures are deemed to be insufficient. In FY2025, we will expand our whistleblowing system for suppliers.

P.54 Supply Chain Risk Management | P.44 Information Security Initiatives

Establishment of a Contact Point

The Group has introduced a whistleblowing system that allows whistleblowers to report matters concerning human rights violations as well as matters concerning compliance violations. When reporting, whistleblowers will not suffer any disadvantage. In FY2024, there were 13 reports of human rights violations, which were properly investigated and handled.

P.42 Whistleblowing System

Human Rights Education

The Group explains the importance of human rights to all employees and ensure that they understand the "Menicon Group Human Rights Policy." In addition, we are working to improve human rights education within compliance training. The Group holds regular training sessions to encourage employees to view human rights as a personal and relevant issue, and to put this awareness into practice in their actions.

FY2024 human rights training

Subject	Themes and key content	Frequency (times)	Participation rate (%)
All Japan Group employees	Compliance training (human rights)	1	100
(Non-consolidated) New managers	New manager training (harassment)	1	100
(Non-consolidated) New employees	New employee training (harassment)	1	100
(Non-consolidated) Applicants	Career design training	1	—*

* Participation rate not recorded as participation is voluntary.

Supply Chain Management

Basic Approach

To continue to provide the world with products and services required by society, the Group has established a Sustainable Procurement Policy. We share the details of the policy with our business partners to build fair and equitable business relationships and contribute to the realization of a sustainable society.

Sustainable Procurement Policy
Sustainable Procurement Guidelines

Management System

In line with the quality management system, the Company has prepared a procedure manual for procurement and purchasing, and is managing operations accordingly. We have established a Supply Chain Management Department for the integrated management of everything from the procurement of materials for manufacturing to product logistics, thereby enabling the stable procurement, manufacture, and sale of products. Raw materials are procured mainly from Japanese trading companies or manufacturers. In particular, we make efforts to ensure the stable procurement of key raw materials by providing forecasts. The procurement of raw materials by overseas subsidiaries is managed independently by each subsidiary, and the delivery date and quality of purchased products are managed by each purchasing department.

In the future, we aim to establish an inter-group procurement system to achieve joint procurement, role-sharing, and other forms of synergies among overseas manufacturing bases.

Supply Chain Risk Management

Supplier Engagement

To assess the suitability of business partners, the Company conducts annual evaluations for existing business partners, and, as necessary, for new business partners on factors such as quality, financial standing, and compliance. In addition to conducting regular on-site audits of key suppliers, top management visits suppliers to exchange opinions so that we can build a mutually cooperative system for stable procurement.

Sustainable Procurement Survey

In FY2024, based on the "Sustainability Procurement Guidelines," the Company is requesting Group companies and suppliers to reduce risks related to human rights, environment, corporate governance, legal compliance, respect for international norms, ensuring quality, safety, and information management in the supply chain. At the same time, we conducted a survey based on these guidelines among all 85 suppliers involved in product manufacturing and materials procurement. From FY2025 onward, we will conduct interviews with suppliers deemed to be high-risk and work with them to determine solutions.

Concerning human rights, we will require all suppliers to comply with anti-corruption measures and pay fair wages in line with these guidelines.

Strengthening BCP in Procurement

We are working to strengthen relationships with suppliers to ensure the stable delivery of products to our customers. Regarding the procurement of key materials, including lenses, we purchase from multiple suppliers and have developed a system to address risks in emergencies. Furthermore, we have introduced tools to collect information on disasters to accurately and promptly monitor disaster-related risks and incidents in our Japanese and international supply chains, thereby strengthening our initial response capabilities in the event of a disaster.

P.45 Business Continuity Plan (BCP)

Implementation of Trainings and Seminars

In line with the purchasing organization chart, we provide purchasing manager training once a year for purchasing managers. The training is designed to help employees understand the purpose, roles, and responsibilities of purchasing activities, to convey the essence of purchasing rules, and to ensure that these rules are thoroughly understood.

Strengthening Partnership with Suppliers

To strengthen our relationships with suppliers, the Company holds an annual "Menio Club" event with the participation of our key suppliers. In FY2024, 88 suppliers attended, and lively discussions were held. Also, "Technical Meetings" are held about three times a year between the Company, a raw material manufacturer, and a trading company to deepen mutual understanding of key raw materials.

Training for Clients (Menicon Academy)

In 1972, the Company established a full-scale contact lens training center in Nagoya, contributing to the training and development of personnel at our client companies. Since 2020, we have expanded and centralized our information outreach for medical professionals into "Menicon Academy." Currently, we operate training facilities at four locations: Nagoya, Tokyo, Osaka, and Fukuoka.

Training at Menicon Academy covers everything from basic knowledge about contact lenses to customer service skills in the medical field, offering programs that support the development of our clients' facilities. In addition to group training at each location, we also offer a range of training formats, including on-site seminars and online programs, which are widely used by our clients.

Social Contribution Activities

Basic Approach

- In addition to our customers and other stakeholders, we broadly promote initiatives aimed at enabling everyone—including many members of the public whom we cannot directly reach through our business activities—to lead happy lives.
- To maximize the impact of our efforts, we are proactively collaborating with organizations in other fields, including companies, local governments, NPOs/NGOs, and educational institutions.

Local Community Involvement

Under our policy to make "Contributing to a Happy Society" one of our material issues, the Group will make efforts to solve social issues through establishing four focus areas: 1) The arts and culture, 2) Sports, 3) Local communities, and 4) Education. Furthermore, by engaging in efforts to solve social issues, we will connect these efforts to the growth of our employees—broadening their perspectives and aspirations, and fostering qualities such as originality, creativity, a spirit of challenge, curiosity, and compassion.

Main Activities for fiscal year 2024

Main activities	Number of visitors	Number of attending employees
Held an eye health event	683	45
Participated in a local event	1,940 (over three sessions)	24
Held a workplace experience event	28 (students)	22

Support for Event Held by Nagoya City Higashi Ward

In July 2024, we supported the Higashi Ward Office of Nagoya City to hold "Learn How the Eye Works With Pinhole Cameras!"—an event for local elementary students and their parents. The event provided an opportunity for participants to learn how vision works and the importance of sight by making pinhole cameras and through explanations about myopia and the mysteries of the eye.

Many families took on the challenge of making pinhole cameras

Community-Building through Collaboration: Aoi Machiage

We moved our headquarters to the Aoi district of Nagoya City more than 40 years ago. In fiscal year 2024, to promote activities for creating a more liveable district through cooperation between local residents, retail associations, and other organizations, we launched the Aoi District Area Management Council together with other companies in the district. In the same year, the Council held the social experiment "Aoi Machiage," where local elementary school students and their parents explored the community on foot to uncover and rediscover the appeal of the Aoi district. The event was attended by approximately 1000 people, mostly local residents.

We also held a dance event drawing on Nagoya's performing arts heritage

Supporting Arts, Culture, and Sports

Menicon Cup 2024

We wanted to convey "the wonder of seeing" through the sport of soccer, which is considered to be "fought with sharp eyesight," and to do this, we have specially sponsored the "Menicon Cup Japan Club Youth Soccer East-West Competition (U-15)" since 1995. This, the 30th anniversary of the Menicon Cup, was held at the Maruyasu Okazaki Ryuhoku Stadium, in Okazaki City, Aichi Prefecture, with many spectators cheering on the teams in the stadium and via online streaming. Former Japan national team soccer player, Yoshito Okubo provided commentary, while popular soccer influencer, Unparunpa, was also present at the stadium, both helping to create a lively and exciting atmosphere. At halftime, we introduced the current state of myopia in children and prevention methods, and the importance of vision in sports, helping to raise awareness of the connection between sports and vision.

Menicon Cup, held in Sept. 2024

Consolidated Financial Data

	(Fiscal year)	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Business Performance	Net sales (¥ million)	63,131	67,332	72,052	76,672	80,898	84,519	86,209	100,172	110,194	116,192	**121,491**
	Operating profit (¥ million)	2,863	3,457	3,910	4,394	5,571	7,033	8,106	9,957	12,062	8,951	**10,012**
	Operating profit margin (%)	4.5	5.1	5.4	5.7	6.9	8.3	9.4	9.9	10.9	7.7	**8.2**
	EBITDA*1 (¥ million)	7,061	7,822	8,564	9,402	10,213	12,455	14,135	17,251	19,511	16,900	**18,457**
	EBITDA margin (%)	11.2	11.6	11.9	12.3	12.6	14.7	16.4	17.2	17.7	14.5	**15.2**
	Profit attributable to owners of parent (¥ million)	1,431	2,224	2,543	2,657	3,576	4,060	5,952	6,481	7,377	4,538	**5,597**
	Capital investment (¥ million)	4,780	2,256	4,729	4,474	6,560	9,991	12,726	15,838	14,549	24,229	**16,782**
	Depreciation (¥ million)	3,186	3,349	3,635	3,966	3,656	4,486	5,286	6,394	7,035	7,551	**7,960**
	R&D expenses (¥ million)	2,755	3,459	3,497	3,398	3,656	3,813	3,598	3,942	4,325	5,140	**5,892**
Management Indicators	Equity capital ratio (%)	50.0	55.8	52.0	55.9	54.3	61.2	46.5	49.7	47.5	44.1	**45.4**
	Net D/E ratio	0.33	0.11	0.19	(0.02)	(0.03)	(0.07)	0.07	0.14	0.17	0.30	**0.39**
	ROE (%)	4.3	6.2	6.7	6.8	8.7	8.5	10.6	10.4	10.7	6.0	**6.8**
	ROIC (%)	2.8	3.8	4.2	4.9	5.9	7.2	6.0	6.1	6.2	3.6	**3.4**
	ROA (%)	2.1	3.3	3.6	3.7	4.8	4.9	5.6	5.0	5.2	2.7	**3.0**
	DOE (%)	1.5	1.4	1.8	2.3	2.4	2.1	2.3	2.4	2.8	2.5	**2.6**
Stock-Related Information*2	Total dividends (¥ billion)	0.49	0.54	0.66	0.87	0.98	1.05	1.32	1.52	1.90	1.90	**2.14**
	Dividend per share (¥)	7.5	7.5	9.5	12.5	14.0	14.0	17.5	20.0	25.0	25.0	**28.0**
	Total shareholder return*3 (%)	—	—	91.2	142.2	172.9	260.6	352.6	320.1	308.9	182.1	**149.4**
	Payout ratio (%)	34.3	24.0	26.5	33.0	27.6	24.9	22.2	23.3	25.7	41.9	**38.0**
Cash Flows	Cash flows from operating activities (¥ million)	4,233	7,859	5,197	7,857	7,023	8,712	10,628	12,719	12,749	11,866	**13,944**
	Cash flows from investing activities (¥ million)	(3,525)	(3,293)	(6,065)	900	(4,951)	(7,656)	(15,629)	(16,149)	(13,776)	(21,575)	**(19,661)**
	Cash flows from financing activities (¥ million)	(422)	(851)	(271)	(4,196)	1,825	(3,438)	28,913	(5,402)	8,900	14,554	**714**
	Free cash flows (¥ million)	707	4,566	(868)	8,757	2,071	1,055	(5,000)	(3,429)	(1,026)	(9,709)	**(5,716)**

Note 1: The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of FY2018. The main management indicators for FY2017 have retrospectively reflected the application of the aforementioned standard, etc..
Note 2: Provisional accounting for business mergers was finalized in FY2021. Figures for FY2020 reflect the details of finalized accounting.
Note 3: In the first quarter of FY2025, the Company finalized the provisional accounting treatment for the business combination, and each figure for FY2024 reflects the details of the finalization of the provisional accounting treatment.

*1. EBITDA is calculated from operating profit, depreciation, amortization of goodwill.
*2. The Company conducted a 2-for-1 stock split of common shares on January 1, 2018 and October 1, 2021. Share-related information is calculated on the assumption that such stock splits were conducted at the beginning of FY2013.
*3. The Company has been listed on the First Section of the Tokyo Stock Exchange since June 25, 2015, and nothing is applicable to stock prices prior to that date.
*4. Total shareholder returns and comparative indicators for FY2013, FY2014, and FY2015 are not stated as the Company was listed on the First Section of the Tokyo Stock Exchange on June 25, 2015. Gross shareholder returns and comparative indicators for FY2016 and beyond are calculated based on FY2015.

Corporate Information & Stock Information

Corporate Information (as of March 31, 2025)

Corporate Profile

Company name	Menicon Co., Ltd.
Representative (as of June 26, 2025)	Koji Kawaura Director, President and CEO
Headquarters	21-19 Aoi 3, Naka-ku, Nagoya, 460-0006 Japan
Phone	(+81)-52-935-1515
Founded	February 1951
Established	July 1957
Capital	JPY 5.535 billion
Number of employees	4,325 (consolidated), 1,894 (non-consolidated)
Business	Contact lenses, lens care products business and other businesses
Clients	Hospitals, ophthalmological clinics, contact lens vendors, optical shops, and pharmaceutical wholesalers throughout Japan, and overseas sales companies (exporting to more than 80 countries around the world)
Banking partners	MUFG Bank, Mizuho Bank, Resona Bank, Shizuoka Bank, and others
Websites	https://www.menicon.co.jp (Japanese website) https://www.menicon.com/corporate (Global website)

Bases and Subsidiaries

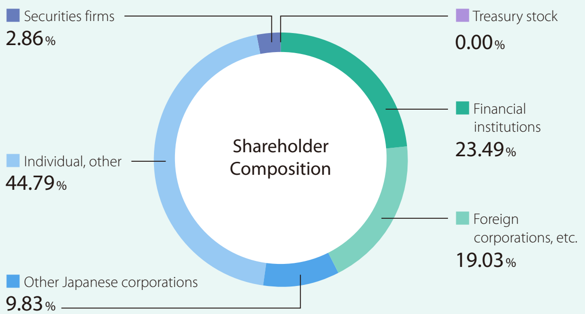
Japan bases	Research laboratories and plants: 4 Logistics centers: 4 Customer centers: 4 Training centers: 4 Sales offices: 17 Direct sales stores: 69
Subsidiaries	Japan: 9 Overseas: 29 Main subsidiaries • W.I. System Co., Ltd. • Menicon Nect Co., Ltd. • Alpha Corporation Inc. • AIP Co., Ltd. • Hamano Contact Co., Ltd. • Itabashi Trading Co., Ltd. • Menicon America, Inc. • Menicon SAS • Menicon Singapore Pte. Ltd. • Menicon B.V. • Menicon GmbH • Menicon Limited • SOLEKO S.p.A. • Les Laboratoires Dencott SAS • Menicon SC GmbH • Menicon Singapore Sales Pte. Ltd. • Oculus (M) Sdn. Bhd. • PT Oculus Indonesia
Bases and Subsidiaries Details	https://www.menicon.com/corporate/about/global-presence

Stock Information (as of March 31, 2025)

Stock Status

Total number of authorized shares	124,368,000
Total number of outstanding shares	76,645,888
Number of shareholders	42,318
Total number of voting rights	766,088
Shareholder registry administrator	1-4-5, Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation
Stock exchange listings	Tokyo Stock Exchange and Nagoya Stock Exchange
Securities code	7780

Shareholder Composition



Note: As the figures are rounded off, the total composition ratio may not add up to 100%.

Major Shareholders

	Number of shares held (thousand)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	9,412	12.28
Toyotomi Co., Ltd.	3,964	5.17
Custody Bank of Japan, Ltd. (trust account)	2,827	3.68
Hidenari Tanaka	2,435	3.17
Kazuko Tsukamoto	2,266	2.95
The Nomura Trust and Banking Co., Ltd.	2,000	2.60
Menicon Group Employee Shareholder Association	1,803	2.35
Mami Co., Ltd.	1,747	2.27
STATE STREET BANK AND TRUST COMPANY	1,253	1.63
Yasunori Tanaka	1,145	1.49

Note: Shareholding ratio is calculated excluding treasury stock. Treasury stock does not include the Company’s shares held by the Custody Bank of Japan, Ltd. (trust account) as trust assets under “the Share Benefit Trust plan (employee stock ownership plan).”