



Consolidated Financial Results for the Year Ended March 31, 2020

TSE 1st Section: Ticker 7780



Key reason

➤ For the Year Ended March 31, 2020

Net sales : Year on year change **+4.5%**

The total number of members in MELS Plan **1.33millions**

Gross profit : Year on year change **+5.7%**

Improvement cost of sales ratio

cost of sales ratio: 47.1% → **46.5%**

Operating profit : Year on year change **+26.2%**

An increase of gross profit
and improvement of SGA ratio

Operating margin : 6.9% → **8.3%**

Summary

Fiscal year ended	March 31, 2019	March 31, 2020		JPY m
			YoY change	
Net sales	80,898	84,519	+4.5%	
Cost of sales	38,129	39,291	+3.0%	
(Cost of sales ratio)	47.1%	46.5%	(0.6pt)	
Gross profit	42,768	45,227	+5.7%	
Selling, general and administrative expenses	37,196	38,194	+2.7%	
(SGA ratio)	46.0%	45.2%	(0.8pt)	
Operating profit	5,571	7,033	+26.2%	
(OP margin)	6.9%	8.3%	+1.4pt	
Ordinary profit	5,645	6,554	+16.1%	
Profit attributable to owners of parent	3,576	4,060	+13.5%	
Basic earnings per share	JPY 101.63	JPY 112.25	---	

Net sales

JPY 84.5 bn

YoY change +JPY 3.6 bn
+4.5%

① MELS Plan sales
+JPY 2.2 bn

② Contact lens/Care products
+JPY 1.4 bn

Key reason

- ① An increase of membership, especially Daily disposable contact lens.
- ② Expanding Daily and orthokeratology lens sales.

Operating profit

JPY 7.0 bn

YoY change +JPY 1.4 bn
+26.2%

Gross profit
+JPY 2.4 bn

Selling, general and administrative
expenses
(JPY 1.0 bn)

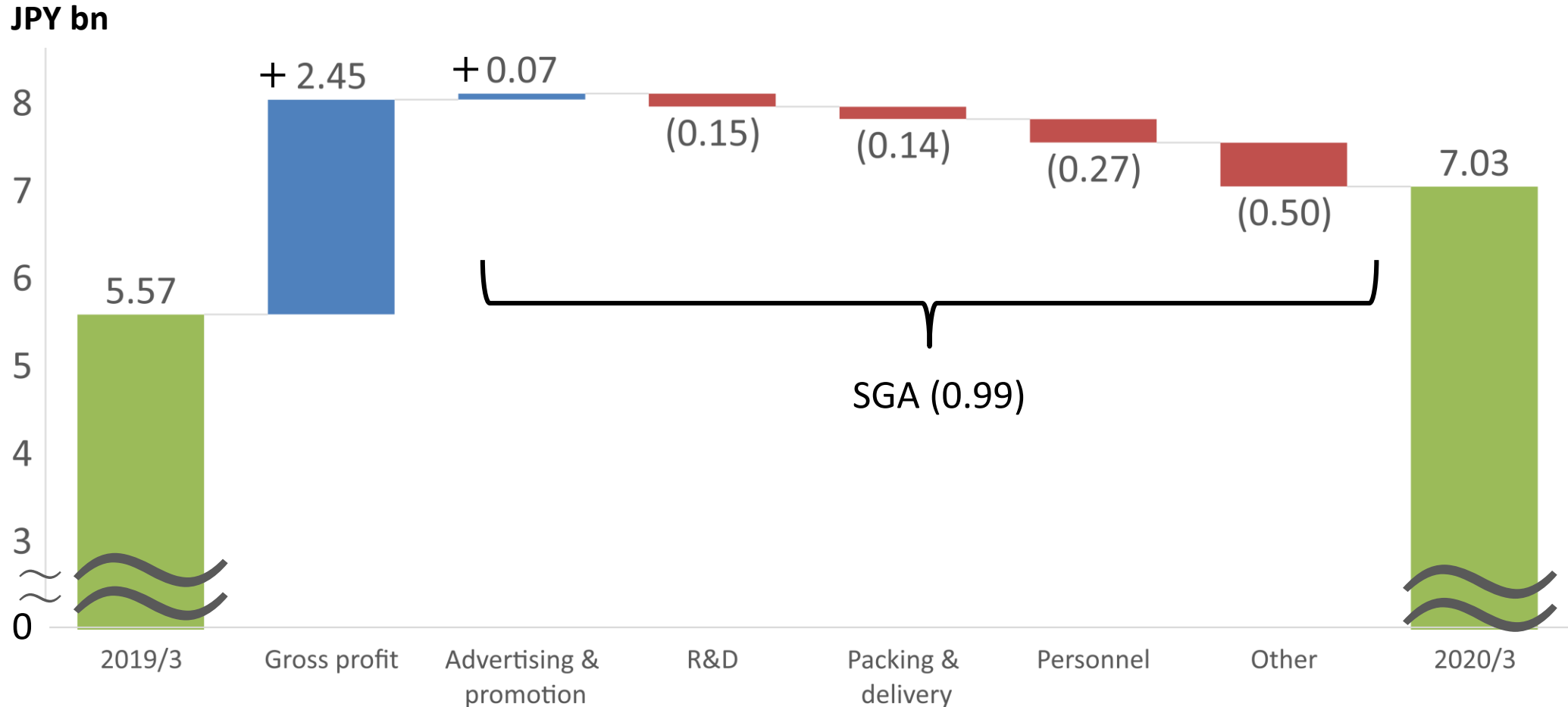
Key reason

An increase of gross profit due to curbed manufacturing cost of sales ratio and sales growth.

A decrease of SGA ratio.

Operating profit break down

✓ Operating profit increased, which is attributable to the increase of gross profit.



Net Sales break down

By Product/service

JPY m

Fiscal year ended		March 31, 2019	March 31, 2020	
				YoY change
Net sales		80,898	84,519	+ 4.5%
Product/ service	Contact lens / Care products	38,172	39,555	+ 3.6%
	MELS Plan	40,615	42,806	+ 5.4%
	Other	2,110	2,157	+ 2.2%

(Note)The amount of “Other” includes the amount of new businesses.

Contact lens and Care products

JPY 39.5 bn

YoY change +JPY 1.4bn
+3.6%

① Daily
+JPY 0.7 bn

② 2weeks · 1month
+JPY 0.3 bn

③ Care products
+JPY 0.5 bn

Other
(JPY 0.1bn)

Key reason

- ① Sales of daily disposable contact lens was robust.
- ② Sales of 2weeks contact lenses in domestic market, and sales of 1 month contact lens in overseas market were robust.
- ③ Mainly sales in China were robust.

MELS Plan

JPY 42.8 bn

YoY change +JPY 2.2 bn
+5.4%

① Daily
+JPY 1.8 bn

② 2weeks
+JPY 0.4 bn

Key reason

- ① Membership of daily disposable contact lens has increased.
- ② "2WEEK Menicon PremiO" series were robust.

Net Sales break down

Geographical information

JPY m

Fiscal year ended	March 31, 2019	March 31, 2020	
			YoY change
Net Sales	80,898	84,519	+4.5%
Japan	70,091	72,622	+3.6%
Overseas Total	10,806	11,896	+10.4%
Europe	6,431	6,615	+2.8%
North America	997	1,231	+23.4%
Asia ※ ₁	3,056	3,687	+20.6%
Other ※ ₂	320	362	+13.0%

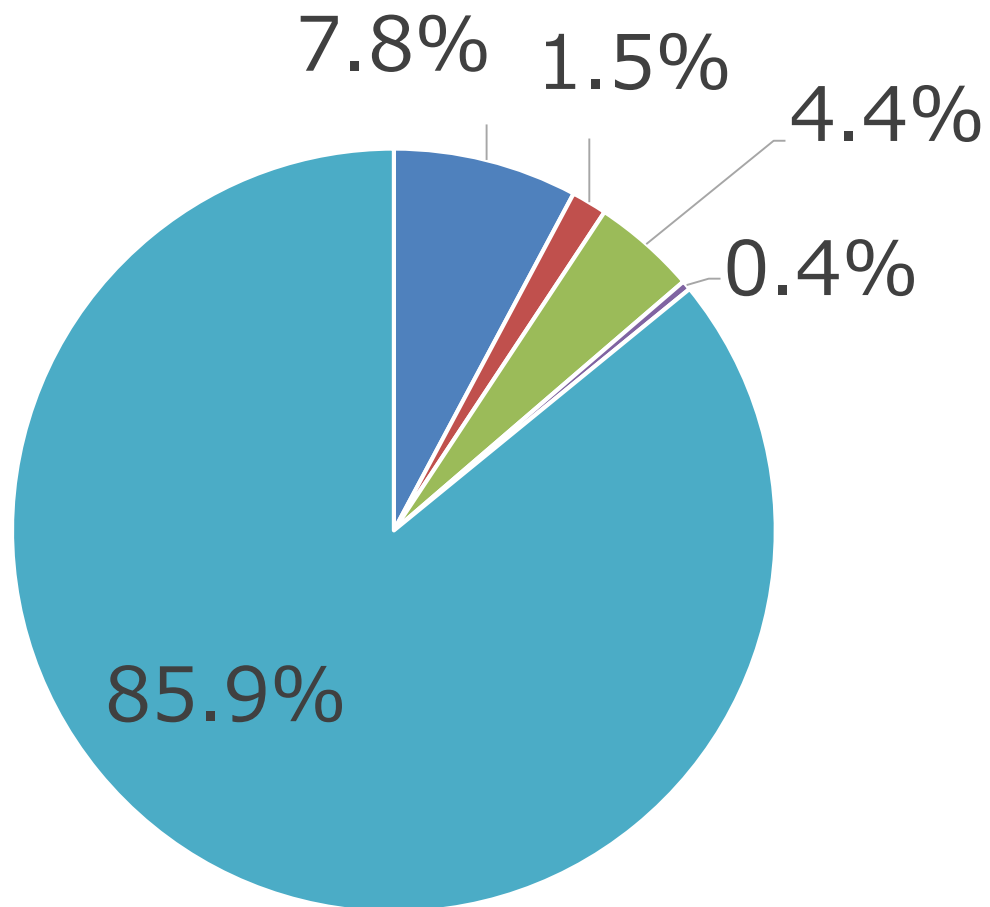
Average exchange rate JPY

	2019/3	2020/3
EUR	128.26	120.85
USD	111.07	108.95

※ 1 "Asia" includes sales through domestic sales agencies.

※ 2 "Other" includes Oceania.

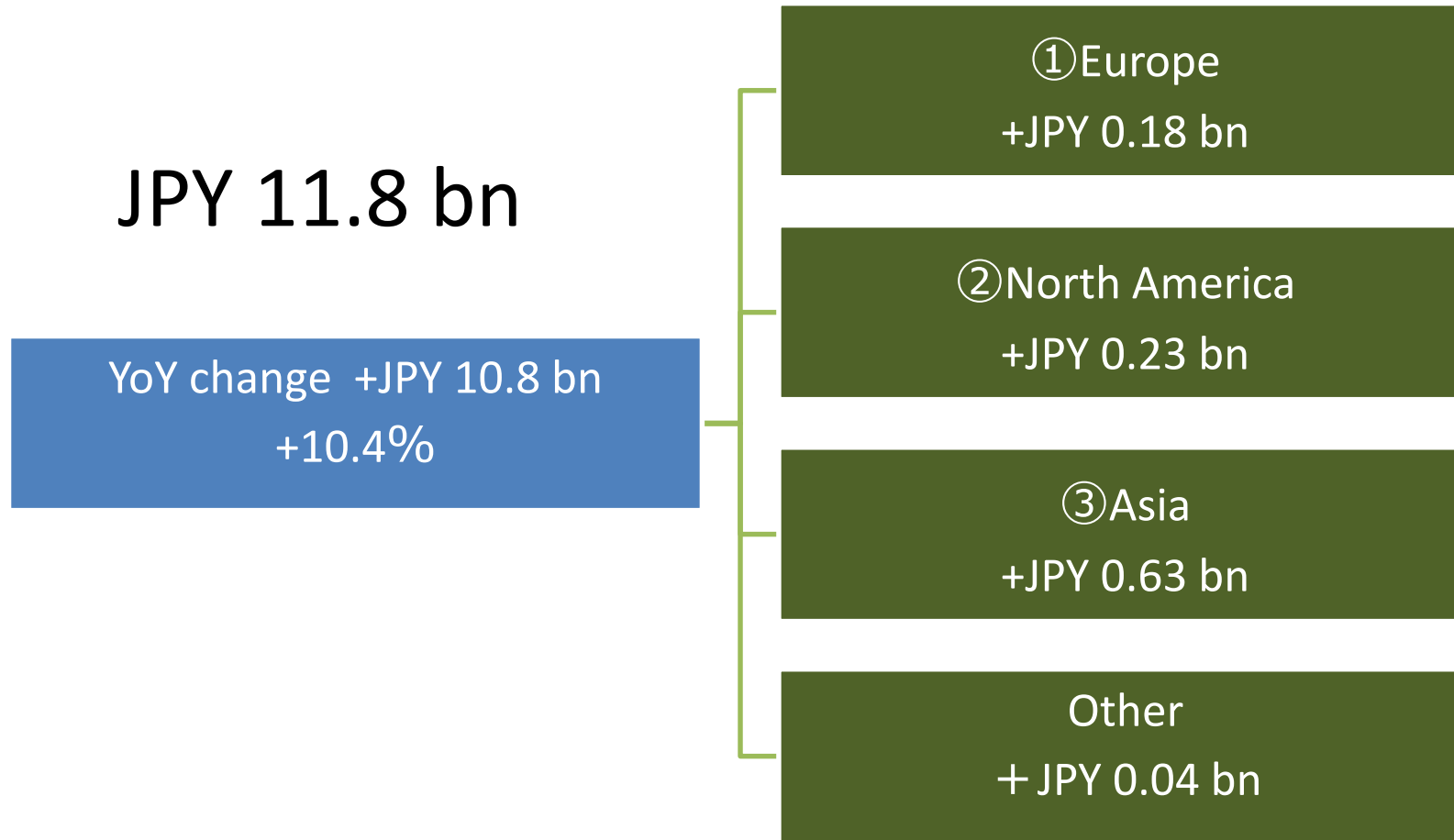
Overseas sales ratio



Overseas sales ratio
14.1%

■ Europe
 ■ North America
 ■ Asia
 ■ Other
 ■ Japan

Overseas sales



Key reason

- ① Europe: The Group included SOLEKO S.p.A. in Italy.
- ② North America: Sales of daily disposable contact lens was robust.
- ③ Asia: Orthokeratology lenses and care products sales were robust.

Balance sheet

JPY m

	March 31, 2019	March 31, 2020	YoY change
Cash and deposits	20,084	17,327	(2,756)
Accounts receivables	8,857	9,733	+876
Inventories	11,958	12,930	+971
Total current assets	42,584	41,722	(862)
Property, plant & equipment	25,447	34,672	+9,225※
Intangible assets	6,236	7,064	+828
Investments and other assets	4,006	3,826	(179)
Total non-current assets	35,690	45,564	+9,873
Total assets	78,275	87,286	+9,011

※Purchase of property, plant and equipment at 1DAY factory.

Capital ratio	61.2%
Cash and deposits	17,327
Total debt	13,428

	March 31, 2019	March 31, 2020	YoY change
Notes and accounts payable - trade	4,471	4,373	(98)
Short-term debt	3,811	4,060	+248
Accounts payable	2,970	4,583	+1,612
Total current liabilities	18,568	21,751	+3,182
Long-term debt	7,061	9,368	+2,307
Convertible bond-type bonds with share acquisition rights	8,000	-	(8,000)※
Total non-current liabilities	17,156	12,014	(5,141)
Total liabilities	35,725	33,765	(1,959)
Total net assets	42,549	53,520	+10,971※

※The convertible bond-type bonds with share acquisition rights have been exercised.

(Note) Some overseas subsidiaries have applied IFRS 16 "Leases" from the beginning of the fiscal year ended March 31, 2020.

As a result of the application of this accounting standard, the Consolidated Balance Sheets for the period ended March 31, 2020 show increases as below.

¥4,137 million in right of use assets, net of property, plant and equipment

¥17 million in other under intangible assets

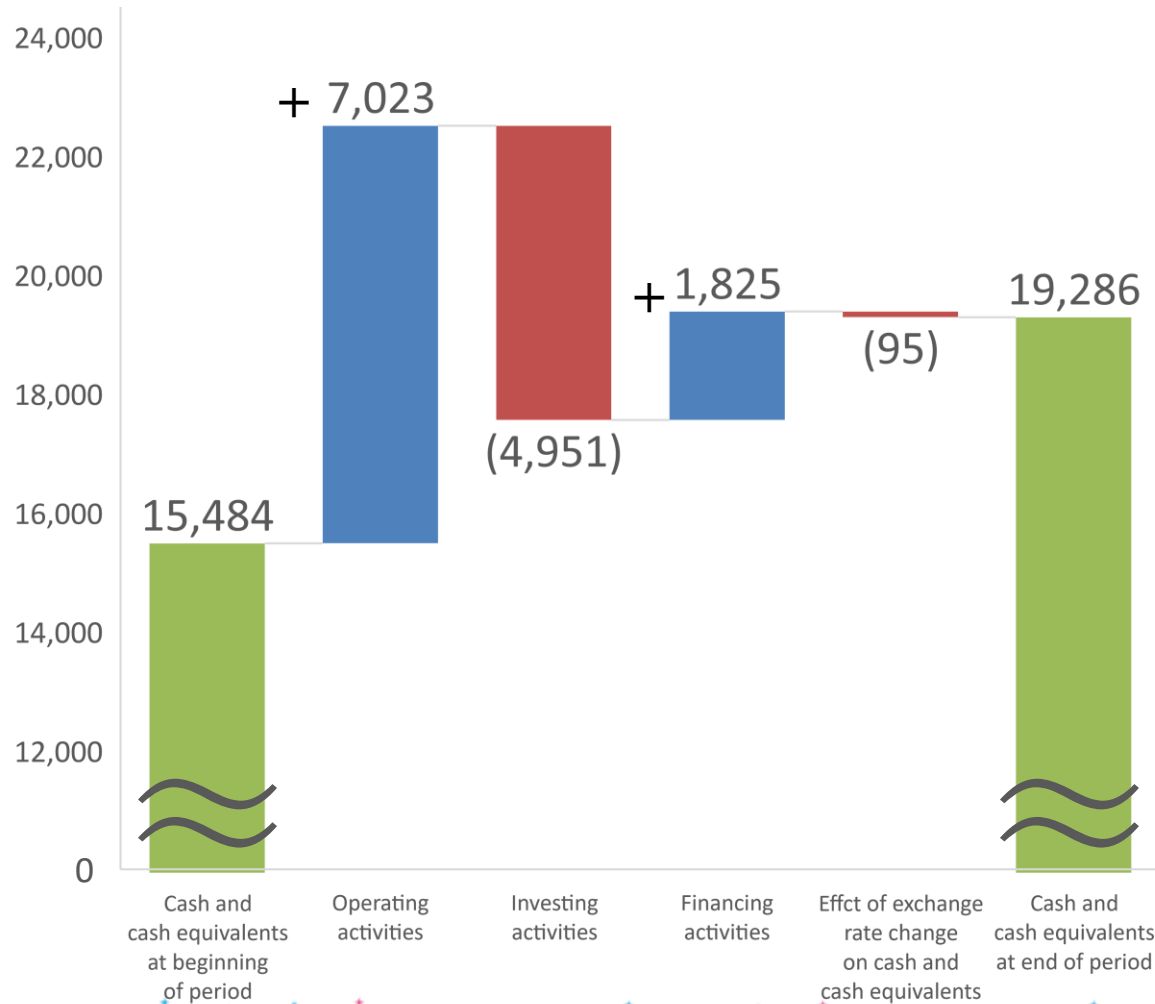
¥678 million in lease obligations under current liabilities

¥3,540 million in lease obligations under non-current liabilities

Cash Flows

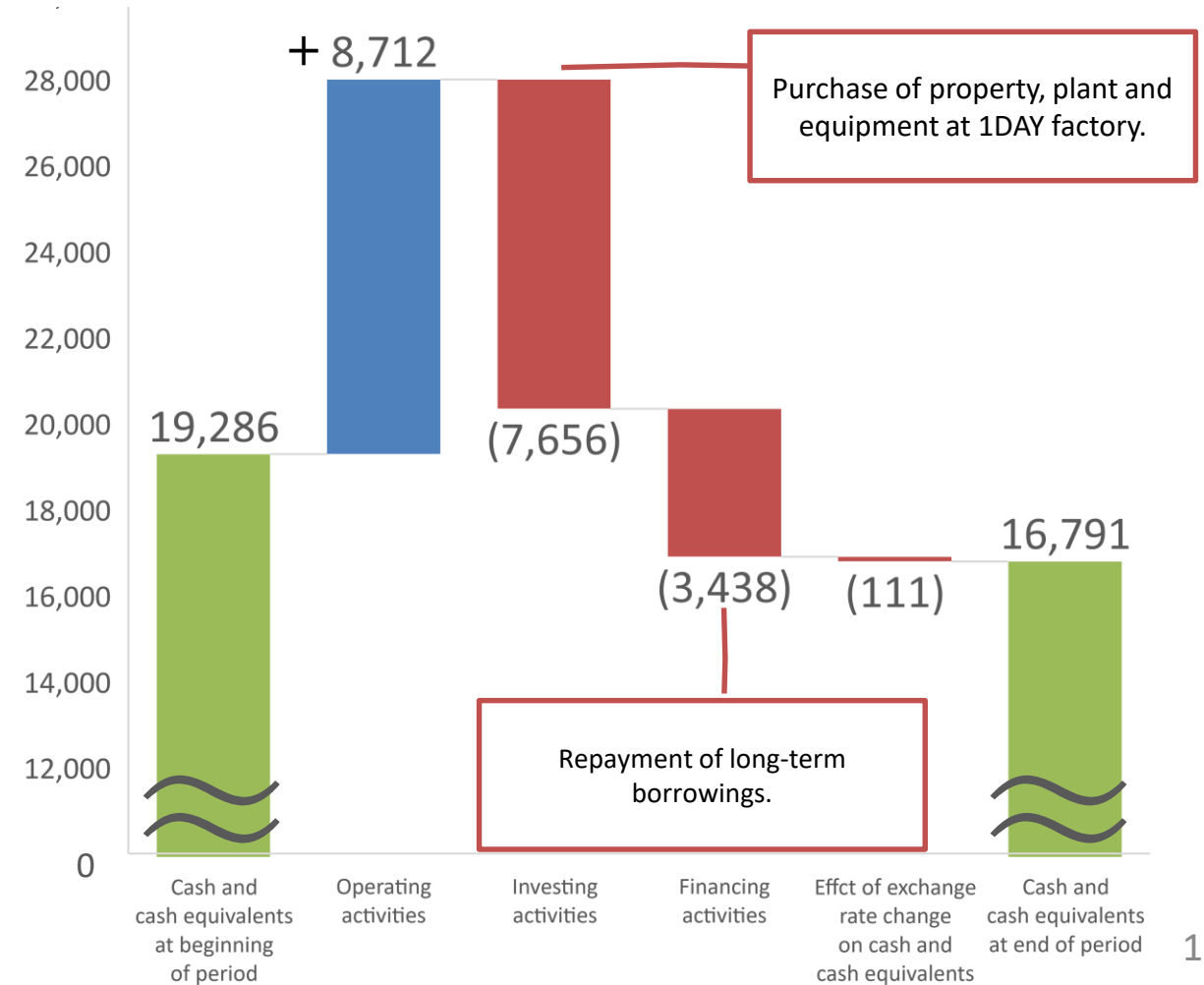
For the fiscal year ended March 31, 2019

JPY m

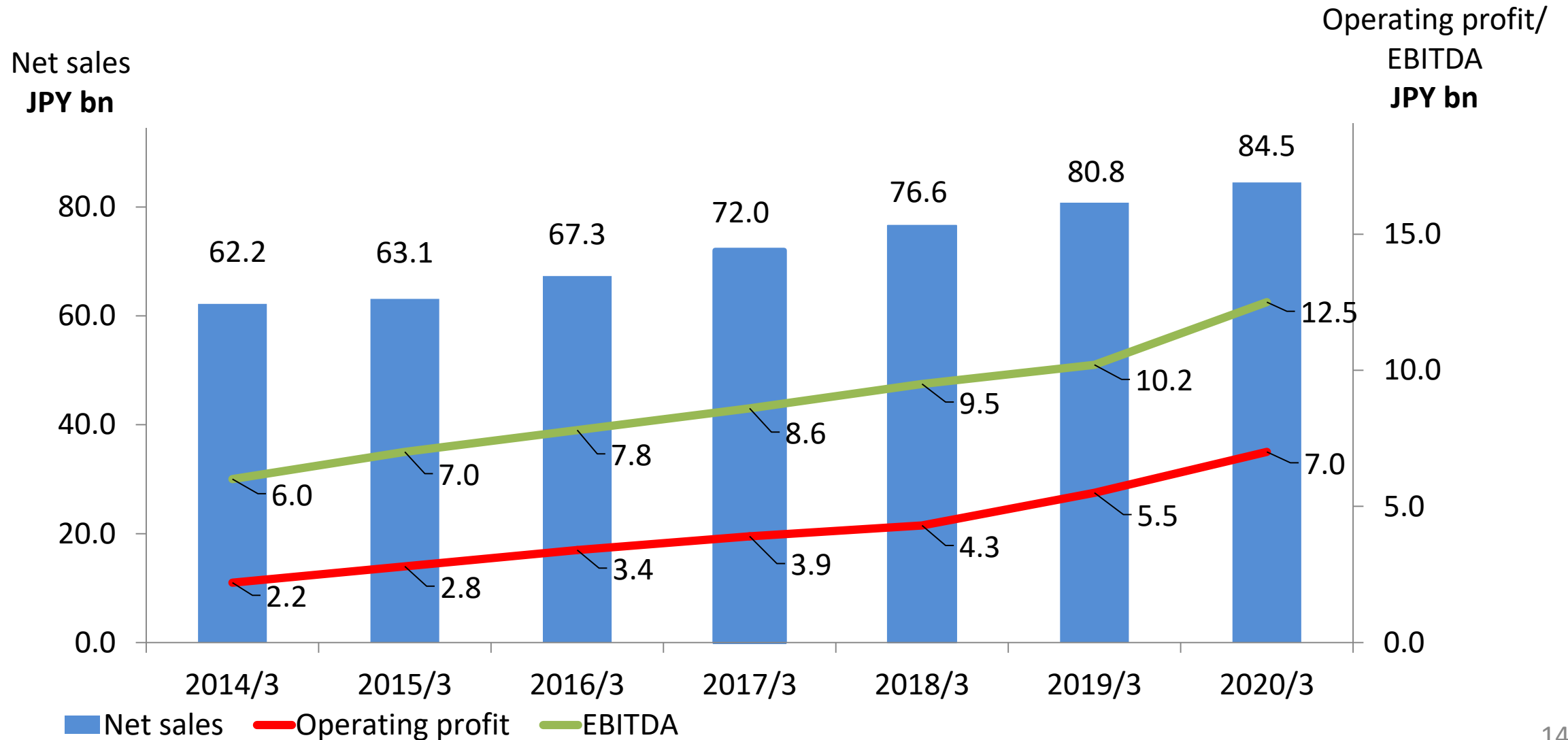


For the fiscal year ended March 31, 2020

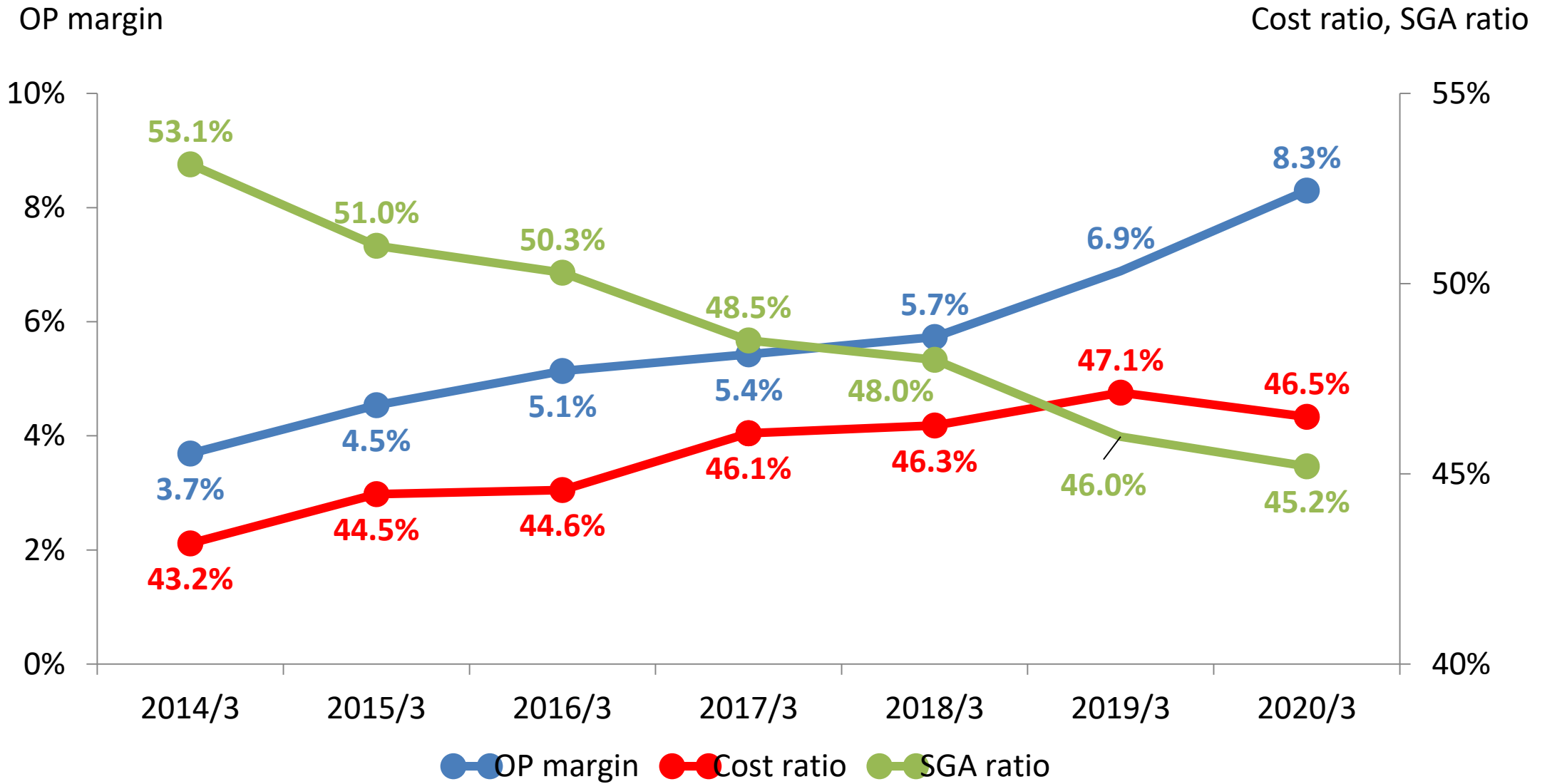
JPY m



Annual Sales/Operating Profit

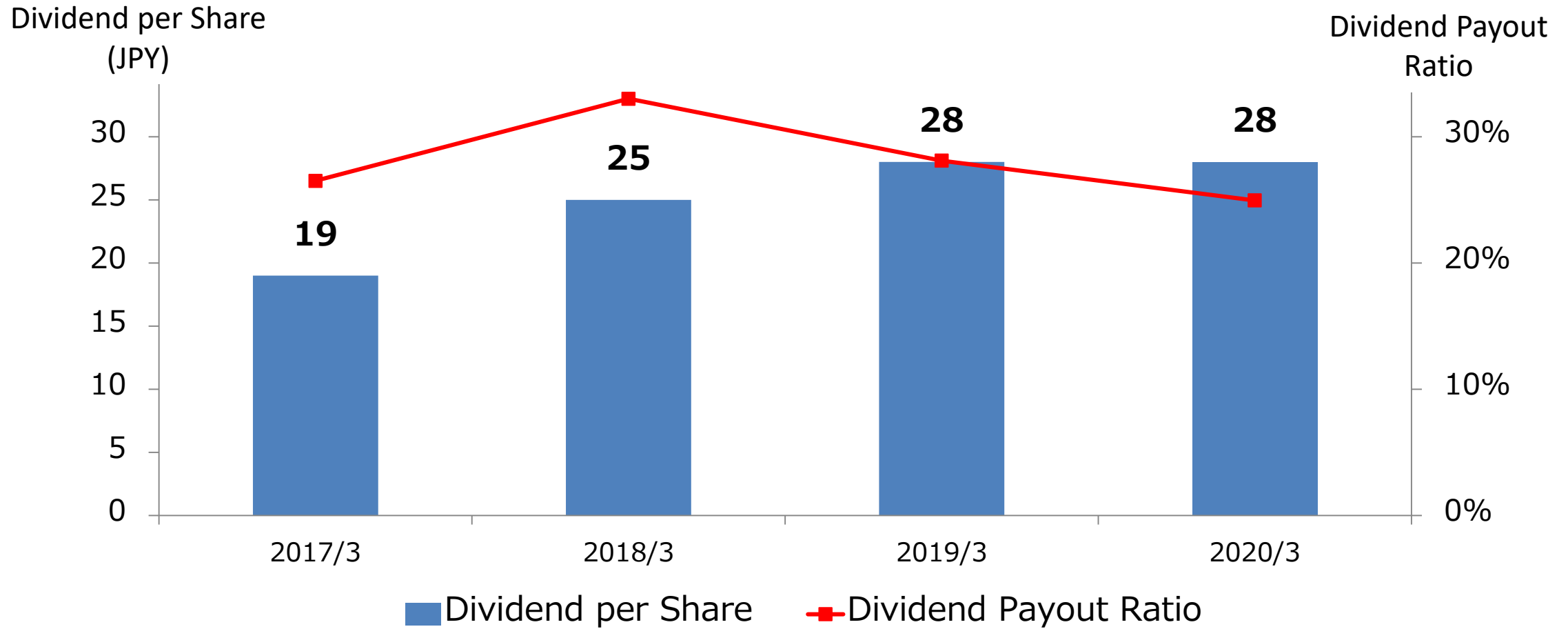


OP margin/Cost ratio/SGA ratio



Shareholder Return

✓ A cash dividend is ¥28 per share for the fiscal year ended March 31, 2020



Note: Dividends are calculated, assuming that the stock split was conducted at the beginning of 2017/3.

Outlook

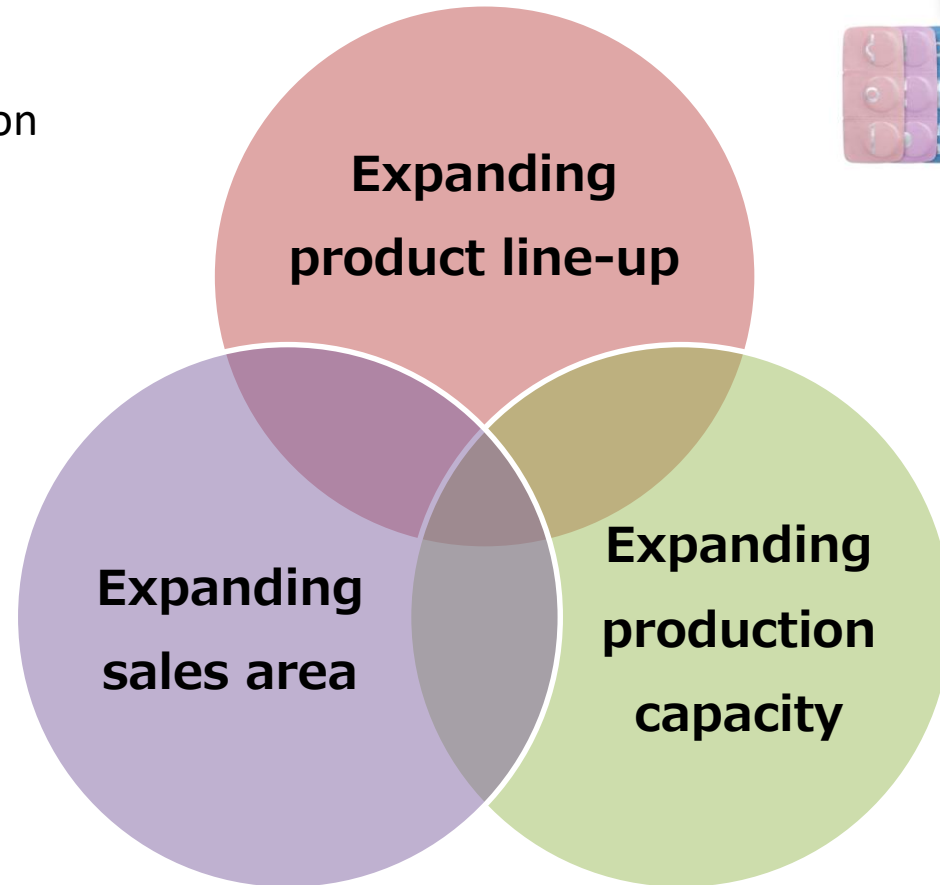
- ✓ Consolidated financial forecast for the fiscal year ending March 31, 2021

At the moment, as we are unable to predict when the COVID-19 outbreak will be over, forecast of consolidated business results for the fiscal year ending March 31, 2021 is undetermined due to the difficulty of reasonably forecasting it. The forecast of the consolidated business results will be disclosed once it becomes possible to make calculations.

Daily disposable contact lens

✓ Growth of Daily disposable contact lens sales

Promoting the market penetration in Europa and U.S.
Expansion of supplying daily disposable contact lenses as private-brand products.



1DAY 「Magic toric」
for astigmatism line-up.

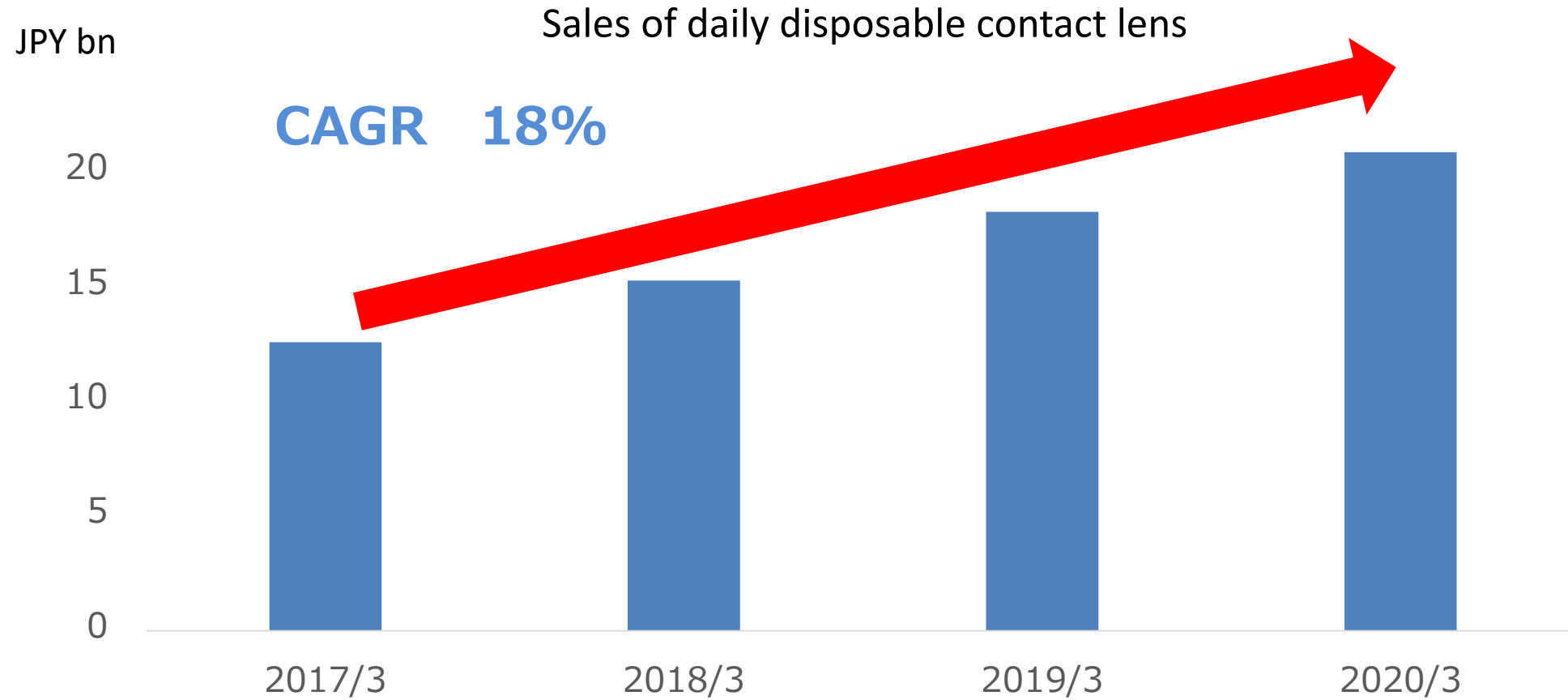


The expansion of floor area and production facilities for the expansion of “1DAY Menicon PremiO” production capacity.



Daily disposable contact lens

- ✓ An increase of sales of daily disposable contact lens.



Orthokeratology lens

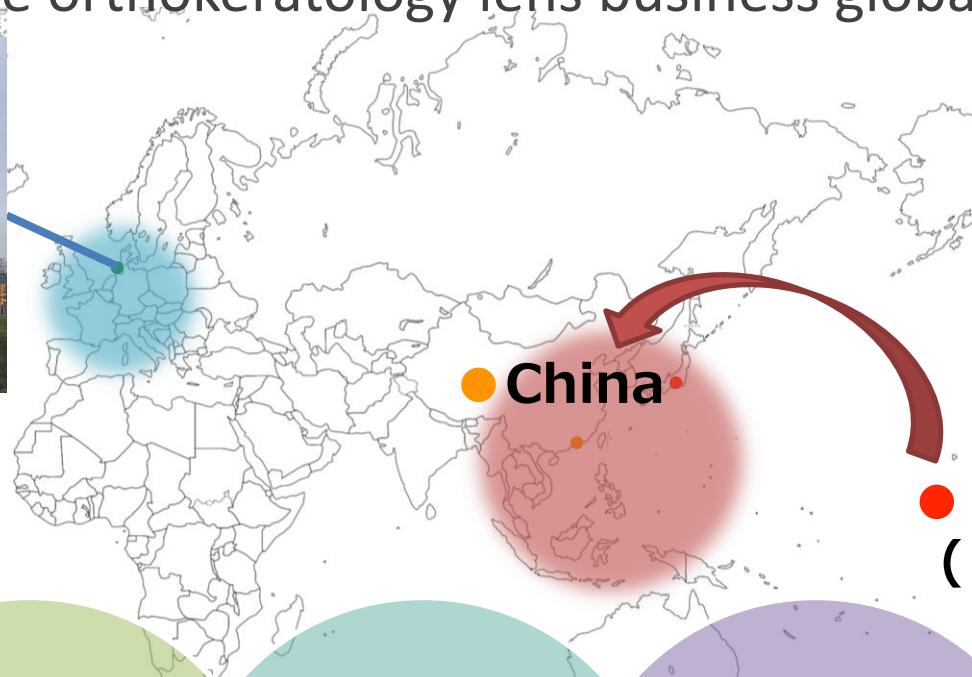
✓ Strengthen the orthokeratology lens business globally.



● **Netherlands**
(Menicon B.V.)

Menicon
BLOOM™

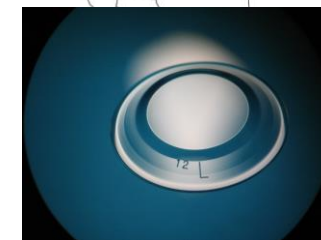
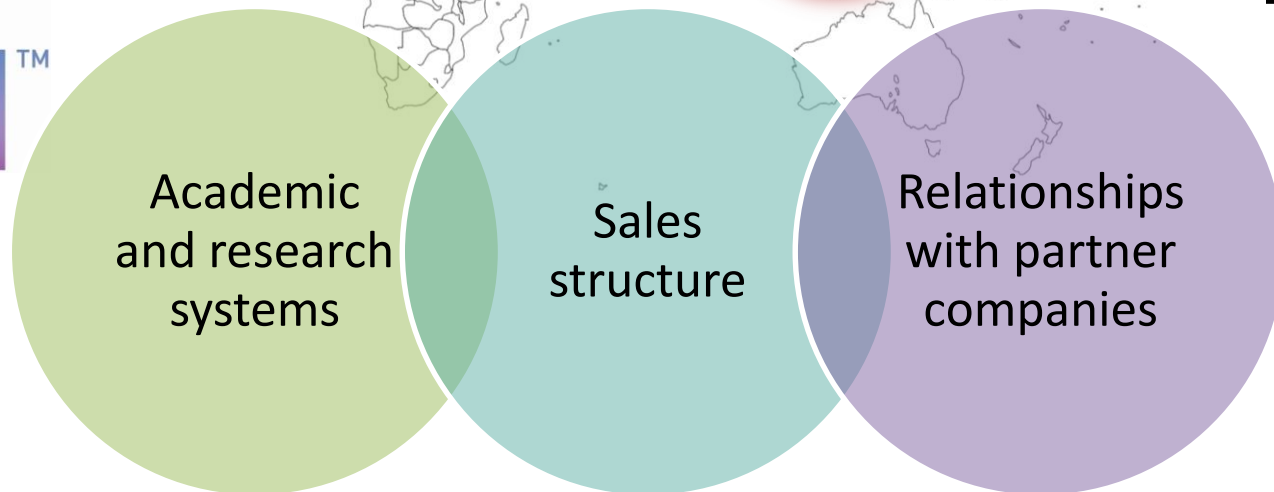
For suppressing the progression
of myopia system



● **China**



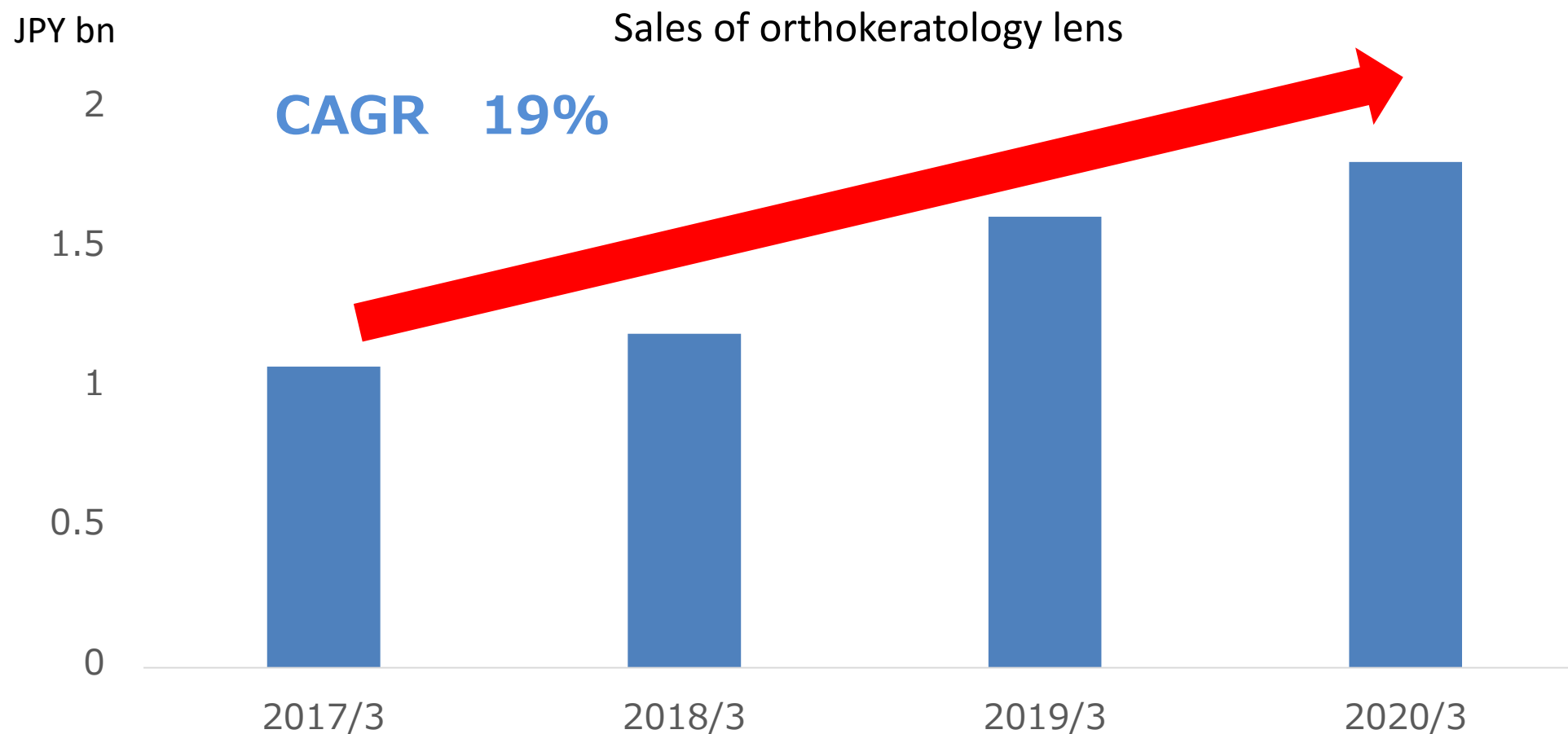
● **Japan**
(Alpha corporation)



a Ortho-K

Orthokeratology lens

✓ Sales of orthokeratology lens were robust.



New Businesses

- ✓ Taking advantage of technologies and know-how which have been cultivated throughout our history.
- ✓ Related to contact lens business.
- ✓ Making people happy through proposals for the five senses.



Veterinary Medical equipment Business



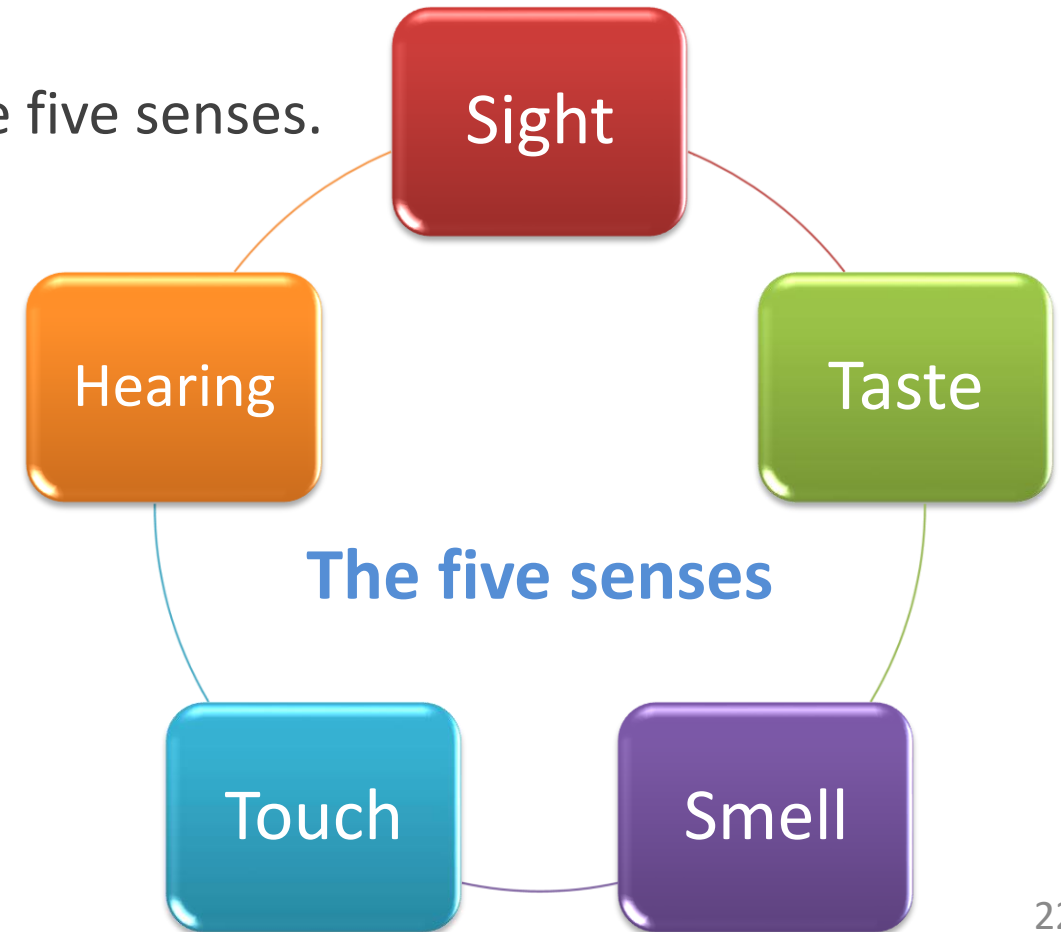
Environmental and Bioscience Business



Life Science Business



Antismoking



End user first

- ✓ Promote safe and convenient use of contact lenses.



Counseling by professional staff

Raising awareness of the safety use of contact lenses through MELS Plan.

Use IT technologies and delivery services.



MELS Delivery service

SMART TOUCH

たったの3STEP!



A package to take out the lenses without touching the inner surface.

Expanding daily disposable contact lenses that hygiene and easy to wear.

Risk management

- ✓ Securing of stable supply by strengthening production and sales structures.



Kakamigahara factory



Singapore factory



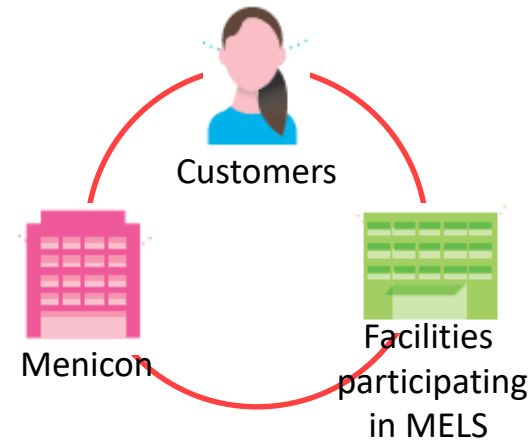
Personal Information Protection

Thorough quality control.



Quality Management System

Diversification of production system and improving productivity.



MELS Plan network

Strengthening of relationship with Customers and Facilities.

Sustainability

✓ Promoting both corporate continuity and social responsibility.



Contribute to the protection of ibises



Decomposition agents for rice straw

Developing environment-friendly product and manufacturing processes.



※イメージ

Less plastic waste, 1 DAY "Magic"

Social contribution through sports and culture.



Sponsor "Menicon cup"

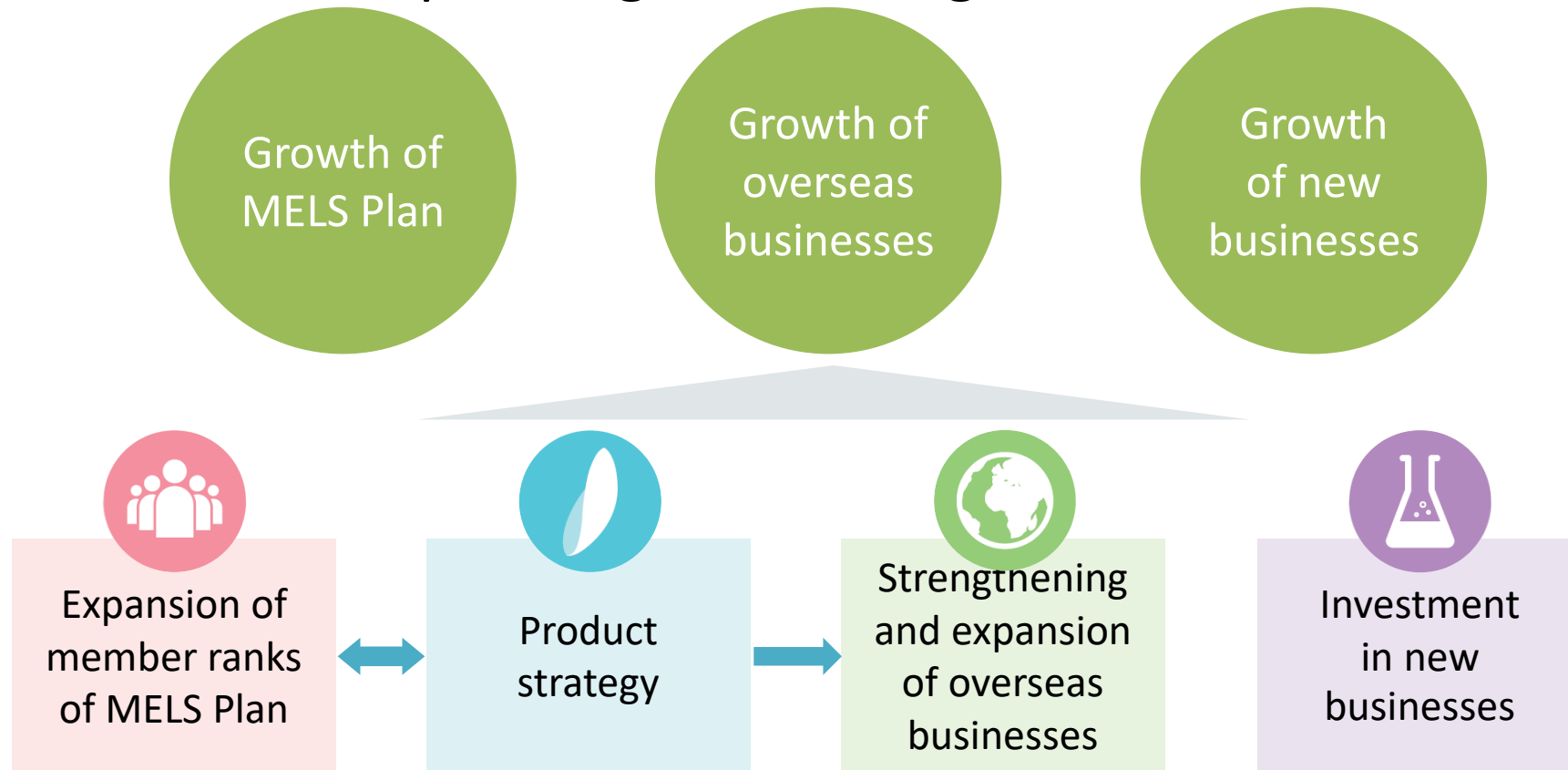


Open office

Promote "Healthy Company".

Our Medium-term Business plan Vision 2020

Toward Achievement of Sales of JPY100bn and Operating Profit Margin of 10%



Vision2020 : Our target for the fiscal year ending March 31, 2021.

Disclaimer on Forward-Looking Statements

- ✓ This material includes certain forward-looking statements about the Menicon Group. To the extent that statements in this material do not related to historical or current facts, they constitute forward-looking statements.
- ✓ These forward-looking statements are based on the current assumptions and judgments of the Menicon Group in light of the information currently available to it, and involve know and unknown risks, uncertainties and other factors, which may affect the statements made in this material.

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