KIROSHI FOUNDATION
公益財団法人キロシ財団

Annual report 2025–26

年次報告書　二〇二五年度

The year from 1 April 2025 to 31 March 2026

Kiroshi Foundation · 公益財団法人キロシ財団
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Annual report 2025–26

The year from 1 April 2025 to 31 March 2026. Approved by the Board of Directors on 18 June 2026 and by the Board of Councillors on 25 June 2026, and published on 30 July 2026.

From the chair

Every year someone asks me whether the Foundation is really independent of the company my grandfather started. It is a fair question, and this report is, in a sense, our answer to it: everything we did with the company's dividends, how well it worked, and where it did not.

It was a good year for the company, and therefore for us. Kiroshi Opticals paid ¥19.7 billion in dividends to the Foundation, 15% more than the year before, and we spent ¥24.3 billion on charitable work, the most in our history. I should be plain about where the increase came from. The company's medical division grew modestly. Most of its growth came from its Professional Systems division, which makes optics, implants and perception software for security and defence customers. Our grants are paid for, in part, by that business. I do not think we should pretend otherwise, and I do not think our grantees would want us to.

We changed how we count. From this year, we estimate the outcomes of cataract patients who do not come back for follow-up, by tracing a sample of them at home. They did less well than the patients who returned, and our headline figure for good outcomes is now a range, 72% to 78%, rather than a single flattering number. I would rather we published the range.

Frothly's Blackwall programme published its evaluation of SHIKAI 4, the perception model in the company's newest implants, in November. It found that the model recognised white canes and guide dog harnesses less reliably in low light than in daylight: a failure that matters most to exactly the people our programmes serve. As a shareholder, we asked the company to fix it before release and to publish the results of retesting. It has done the first and promised the second. I am grateful to Frothly for finding it, and to the company for agreeing in 2023 to let them look.

Continuity has now helped nearly nine thousand people with SEIRAN 2 implants, a device the company stopped supporting in 2024. I visited the repair clinic in Oakland in January. A woman there showed me the old battery from her eye, which she keeps on her windowsill. I keep thinking about it.

Finally, the board has asked for the 1996 Arrangement between the Foundation and the company to be reviewed. It was written before the company sold SEIRAN, its first implant with software in it, and it says nothing about data, firmware or the devices people carry inside them. We expect to publish proposals in 2027.



KIROSHI Reiko
Chair of the Board of Directors
Tokyo, June 2026

The year in figures

¥24.3bn
charitable spending

61,240
cataract operations

72–78%

good outcome, including patients not followed up

1,482,906

people screened

74,113

pairs of spectacles

27,416

reports to the Implant Register

14

safety signals issued

11,870

people with discontinued implants helped

9,320

people in low vision rehabilitation

463

new grants through open calls, 44 of them for ¥5 million or more

68,402

Shared Sight donors

214

staff in six offices

The Executive Director’s review

Dr OKABE Sena writes: Most of what we did this year was the same work as last year, done a little better and for more people. Sight restoration funded 61,240 cataract operations, up 6%, and the follow-up rate reached 71.2%. Mieru screened nearly a million and a half people and, more importantly, raised the share of children still wearing their spectacles after three months to 58%. The Implant Register issued fourteen signals, its most ever, and its median time from first report to signal fell to nineteen days.

Three things were new. We began tracing patients who miss their follow-up, which has made our figures less flattering and more true. We opened two aftercare clinics, in Cebu and Chicago. And Continuity began buying SEIRAN 2 batteries in bulk, which halved the waiting time for a replacement.

Our research partnership with Frothly continued. KF-LV, the low-vision test set we built with Blackwall, was released in March 2025 and was used in Blackwall’s evaluation of SHIKAI

4, which is how the white cane failure was found. A test set built for blind people found a fault that mattered to blind people. That is the point of independent evaluation, and I hope other makers will ask for it.

What went wrong

- **Our cataract outcomes were worse than we had been saying.** Tracing patients at home showed that those who miss follow-up do worse. The true share of good outcomes is between 72% and 78%, not 78.4%.
- **Spectacle wear in Tanzania and Kenya remained below half.** We have changed the frames, added spares and moved delivery to the start of term. We will report next year whether it helped.
- **Two independent studies found our effect smaller than we claimed.** Bhattarai, Khadka and Lindqvist (2025) found that about a third of the children Mieru gave spectacles to in Nepal would have received them within two years anyway. Ochieng and Varela (2026) found that about one in six of the cataract operations we paid for in two Kenyan counties would have happened within a year through public provision. We have stopped describing every pair of spectacles and every operation as one that would not otherwise have happened. Both studies are summarised, with full references, on the research page.
- **We ended one grant for fraud.** A screening partner in one district reported schools it had not visited. We recovered ¥14.2 million of ¥31 million paid, and reported the matter to the police.
- **The SEIRAN 2 is ageing faster than its spares.** Some parts, including one connector, are no longer made by anyone. Continuity is paying for a new one to be designed and published openly; until then, some repairs will be slower.

The accounts in brief

Income	¥24.68 billion, of which dividends from Kiroshi Opticals ¥19.70 billion
Charitable spending	¥24.30 billion
Endowment, 31 March 2026	¥684.2 billion, up from ¥634.7 billion

Held in Kiroshi Opticals	66% of the endowment
Auditors' opinion	Unqualified, signed 12 June 2026

Financials

Our accounts for the year to 31 March 2026, prepared under the accounting standards for public interest corporations in Japan and audited. Amounts in yen; US dollar figures are approximate, at ¥152 to the dollar.

Statement of activities, FY2025 and FY2024 (¥ billion)

Item	FY2025	FY2024
Income		
Dividends from Kiroshi Opticals K.K.	19.70	17.10
Income from the diversified portfolio	4.92	4.60
Other income	0.06	0.05
Total income	**24.68**	**21.75**
Expenditure		
Programmes and grants (direct)	22.09	20.31
Grant-making and programme support	2.21	2.09
Charitable spending	*24.30*	*22.40*
Investment management	0.31	0.29
Governance, audit and the boards	0.18	0.17
Total expenditure	**24.79**	**22.86**
Net income before investment gains	−0.11	−1.11
Gains on Kiroshi Opticals shares	38.40	−21.60

Item	FY2025	FY2024
Gains on other investments	11.21	7.84
Change in net assets	**49.50**	**–14.87**

Gains and losses on Kiroshi Opticals shares follow the company's share price and are not realised unless shares are sold. The Foundation sold no shares in either year.

Statement of financial position at 31 March (¥ billion)

Item	2026	2025
Assets		
Kiroshi Opticals K.K. shares	451.00	412.60
Other listed investments	192.80	182.84
Property, including the Tokyo headquarters	22.10	21.20
Cash and deposits	18.30	18.06
Endowment	*684.20*	*634.70*
Dividends and interest receivable	5.20	4.20
Other receivables	0.90	0.80
Total assets	**690.30**	**639.70**
Liabilities		
Grants payable within one year	1.78	1.29
Grants payable after more than one year	0.90	0.49
Other payables	1.60	1.40

Item	2026	2025
Total liabilities	**4.28**	**3.18**
Net assets	**686.02**	**636.52**
of which designated by the founder's gift (Kiroshi Opticals shares to the 20% floor)	379.00	346.70
of which general	307.02	289.82

The endowment is the Foundation's investments, property and cash. Net assets are the endowment plus receivables, less grants and other sums owed.

Statement of cash flows, FY2025 (¥ billion)

Item	FY2025
Dividends and interest received (income of 24.68, less 1.10 more owed to us at the year end)	23.58
Grants and programme payments (spending of 22.09, less 0.90 more grants payable)	−21.19
Support, investment management and governance (spending of 2.70, less 0.20 more other payables)	−2.50
Net cash from operating activities	**−0.11**
Proceeds from sales of other investments	9.40
Purchases of other investments and property	−9.05
Net cash from investing activities	**0.35**
Increase in cash	**0.24**
Cash at 1 April 2025	18.06

Item	FY2025
Cash at 31 March 2026	18.30

The endowment

Endowment at 31 March 2026

Asset	¥ billion	Share
Kiroshi Opticals K.K. shares (23.8% of the company)	451.0	65.9%
Global equities	118.6	17.3%
Bonds	64.2	9.4%
Property, including the Tokyo headquarters	22.1	3.2%
Cash and deposits	18.3	2.7%
Other	10.0	1.5%
Total	**684.2**	**100%**

Share of the endowment held in Kiroshi Opticals

Year	Share of endowment	Share of the company held	Note
1996	88%	34.1%	The Arrangement is signed
2004	84%	31.0%	Shares sold after the founder’s death
2012	79%	27.9%	Diversification policy adopted

Year	Share of endowment	Share of the company held	Note
2019	69%	23.8%	Most recent sale
2026	66%	23.8%	

Investment policy

The diversified part of the endowment aims to return inflation plus 4% a year over rolling ten-year periods, so that the Foundation can keep spending at its current level whatever happens to Kiroshi Opticals. It does not invest directly in companies whose main business is weapons, tobacco or thermal coal, or in any other maker of optical implants.

The holding in Kiroshi Opticals is governed by the founder's gift and the 1996 Arrangement rather than by this policy. The board considered in 2024 whether the exclusion for weapons should apply to it, given that the company's Professional Systems division makes optics, implants and perception software used by security and defence customers. It concluded that the division's products are not weapons, that the holding is not covered by the policy, and that the Foundation's influence as a shareholder is better used than lost. Two directors asked for their disagreement to be recorded in the minutes. The question will be considered again in the 2027 review.

Selected notes to the accounts

Note 9. Grants payable

Grants awarded but not yet paid at 31 March 2026 were ¥2.68 billion, of which ¥0.90 billion falls due after more than one year. Of the total, ¥2.04 billion is owed on grants of ¥5 million or more, every one of which is listed in the grants database; the rest, ¥0.64 billion, is owed on smaller grants, which are paid in one or two instalments. Grants are paid a year at a time, in advance.

Note 12. Remuneration

Independent directors received ¥3.6 million each and the chair ¥6.0 million. The Executive Director's salary was ¥24.8 million. The two directors nominated by Kiroshi Opticals received nothing from the Foundation. The ratio of the highest to the median salary of staff in Japan was 3.4 to 1.

Note 14. Related parties

Kiroshi Opticals K.K. is a related party because the Foundation holds 23.8% of its shares and the company nominates two of the Foundation's directors. Transactions in the year:

Transactions with Kiroshi Opticals K.K., FY2025

Transaction	Amount
Dividends received	¥19.70 billion
Products bought through partner hospitals and clinics	¥2.82 billion
Spare parts and batteries bought directly for Continuity	¥0.18 billion
Rent paid by the company for one floor of the Tokyo headquarters	¥0.04 billion (received)
Data services agreement (KURA): consent forms at aftercare clinics, and hosting at the Chiba Centre	Nil consideration

Under the data services agreement, aftercare clinics funded by the Foundation offer wearers of older Kiroshi Opticals devices the maker's consent form for diagnostic readings, and the company's data service is hosted in the Chiba Centre's data hall. No money changes hands. The agreement was approved by the directors without a connection to the company in November 2023.

Note 16. Events after the year end

On 1 April 2026 the Foundation renewed core funding for the Independent Implant Register for three years, at ¥1.12 billion.

> **AUDITORS**
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> The accounts were audited by Shinbashi Kōda Audit Corporation, which gave an unqualified opinion on 12 June 2026. The Foundation's two statutory auditors, ISHIGURO Ken and NAKAMURA Yōko, reported to the Board of Councillors that the directors had carried out their duties in accordance with the law and the articles.

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