

# Quarterly Report

3rd Quarter : 3 months ended December 31, 2020  
3rd Quarter aggregated : 9 months ended December 31, 2020

Consolidated (HOYA CORPORATION and Consolidated Subsidiaries)

## Part .1

**3rd Quarter : from October 1 to December 31, 2020 <IFRS>**

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## Part .2

**3rd Quarter aggregated: from April 1 to December 31, 2020 <IFRS>**

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### Notes:

1. HOYA's fiscal year (FY) : from April 1 to March 31 of the following year.
2. These financial statements are excerpt translation of Japanese "Kessan Tanshin" and have been prepared for the references only of foreign investors.

## HOYA CORPORATION

This report is provided solely for the information of professional analysts who are expected to make their own evaluation of the company. This report contains forward-looking statements that are based on management's assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from that anticipated in these statements. These factors include changes in economic conditions, trends in our major markets, currency exchange rates, etc.

We accept no liability whatsoever for any direct or consequential loss arising from any use of this report.

# 1. Quarterly Consolidated Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

## 1. Performance for the three months ended December 31, 2019 and 2020 (All operations \*Notes)

( The yen amounts shown therein are rounded off to the nearest million.)

	Three months ended		Variance (%)
	Dec. 31, 2019	Dec. 31, 2020	
(1)Revenue and Profit before tax			
Revenue	146,481	146,887	0.3
Profit before tax	38,322	45,787	19.5
Ratio of profit before tax(%)	26.2%	31.2%	
Profit for the quarter	29,667	36,926	24.5
Ratio of profit for the quarter(%)	20.3%	25.1%	
Profit attributable to owners of the Company	29,543	36,698	24.2
Ratio of profit attributable to owners of the Company(%)	20.2%	25.0%	
Basic earnings per share (yen)	78.45	98.17	
Diluted earnings per share (yen)	78.31	98.02	

	As of	
	Dec. 31, 2019	Dec. 31, 2020
(2)Financial Position		
Total assets	825,941	813,524
Total equity	663,597	651,563
Equity attributable to owners of the Company	679,226	667,159
Ratio of assets attributable to owners of the Company	82.2%	82.0%
Assets attributable to owners of the Company per share (yen)	1,812.22	1,791.44

	Three months ended	
	Dec. 31, 2019	Dec. 31, 2020
(3) Conditions of Cash Flows		
Net cash generated from operating activities	40,097	40,196
Net cash used in investing activities	-11,697	-6,823
Free cash flow	28,400	33,373
Net cash provided by (used in ) financing activities	-27,893	-50,475
Cash and cash equivalents at end of period	304,397	318,055

## 2. Projected Results for the Full Year (Year ending March 31, 2021) for All Operations

	Full Year ended/ending		Variance (%)
	Mar. 31, 2020	Mar. 31, 2021	
Revenue	576,546	541,000	-6.2
Profit before tax	147,268	156,000	5.9
Profit for the term	114,587	124,500	8.7
Profit attributable to owners of the Company	114,406	124,500	8.8
Profit for the term per share (Yen)	303.27	333.02	—

## 3. Other

	Three months ended	
	Dec. 31, 2019	Dec. 31, 2020
Capital expenditure	17,026	10,859
R&D expenses	6,502	5,982

### Notes:

"All operations" means here that the figures are including not only "Continuing operations" but also "Discontinued operations".

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## 2. Results of Operations

### 1) General Overview

HOYA Group sales for the third quarter of the consolidated fiscal year under review (three months from October 1 to December 31, 2020) amounted to 146,887 million yen, an increase of 0.3% from the same period of the previous fiscal year (three months from October 1 to December 31, 2019).

Quarterly profit before tax amounted to 45,787 million yen, and quarterly profit amounted to 36,926 million yen, up 19.5% and 24.5% respectively.

The quarterly profit margin before tax was 31.2%, representing a year-on-year increase of 5.0 points.

Disclosed figures and change ratios are for businesses with continuing operations. There were no discontinued businesses in the third quarter or the same quarter of the previous year.

In the Life Care segment, sales of eyeglass lenses, a healthcare-related product, increased slightly, while sales of contact lenses increased.

In medical-related products, sales of medical endoscopes declined, while intraocular lenses for cataracts increased, and overall sales in the Life Care segment increased.

In the Information Technology segment, sales of mask blanks for semiconductors for electronics-related products increased significantly, sales of photomasks for FPDs decreased, and sales of glass substrates for hard disks decreased. Sales of imaging-related products declined. As a result, overall sales in the Information Technology segment decreased.

### 2) Segment Overview

The following discusses results by reportable segment. (Segment sales represent sales to external customers.)

#### Life Care

##### <Health care related products>

Demand for eyeglass lenses gradually recovered as economic activity affected by COVID-19 has been recovering, although there were differences among countries and regions. As a result, our sales increased slightly from the same period last year.

Sales of contact lenses have been on a recovery trend, and sales increased partly due to a reactionary decline in the same period of the previous fiscal year following the last-minute surge in demand prior to the consumption tax hike.

##### <Medical related products>

Sales of medical endoscopes, although on a recovery trend, decreased due to restrained investment caused by changes in the business environment surrounding hospitals.

Sales of intraocular lenses for cataracts have been recovering mainly overseas, and our sales increased from the same period last year.

As a result, sales in the Life Care segment amounted to 94,475 million yen, an increase of 2.2%. Segment profit increased by 35.3% to 20,742 million yen.

#### Information Technology

##### <Electronics related products>

Sales of mask blanks for semiconductors increased significantly due to brisk research and development in cutting-edge products, including products for EUV (Extreme Ultraviolet), and our capturing demand for the launch of mass-production.

As for photomasks for FPDs, there was a trend for customers to prioritize mass production activities due to the rise in TV panel market prices stemming from working from home and learning from home demand. As a result, demand for photomasks for research and development decreased, resulting in a decrease in sales.

In hard disk glass substrates, sales of 3.5-inch products, which are expected to grow significantly in the future, increased robustly due to continued strong demand for near-line applications at end customers, which are data centers.

On the other hand, sales of 2.5-inch products declined due to the acceleration of the replacement of HDDs (Hard Disk Drive) with SSDs (Solid State Drive) and other factors, resulting in a decrease in sales for the segment.

<Imaging related products>

In lenses for cameras, in addition to erosion by smartphones for both digital cameras and interchangeable lenses, sales of lenses for cameras declined due to a decline in demand and sales for camera products caused by factors such as restrictions on outings caused by the impact of COVID-19 and a decrease in the number of photo-taking opportunities. As a result, sales of lenses for cameras also declined, resulting in an overall decline in sales.

As a result, sales in the Information Technology segment decreased by 3.1% to 51,062 million yen. Segment profit increased by 1.7% to 23,882 million yen.

Other

The Other businesses consist mainly of speech synthesis software business, information system services business, and new businesses. Sales in the Other business increased by 1.8% to 1,350 million yen. Segment profit turned to be profitable, it was 242 million yen.

### 3) Subsequent events

#### Resolution on cancellation of Treasury Stock

On January 28, 2021, a resolution was made by the Company's board of directors for cancellation of certain shares held as treasury stock pursuant to Article 178 of the Companies Act of Japan as outlined below.

<Reason for cancellation of Treasury Stock>

The Company decided cancellation of treasury stock with the aim of increasing capital efficiency as well as enhancing shareholder benefit by decreasing the total number of outstanding shares. The Company will cancel the shares repurchased under its repurchase plan approved by resolution of the Board of Directors on October 27, 2020 \*1.

<Outline>

- |                                      |   |
|--------------------------------------|---|
| (1) Class of shares to be cancelled  | Common stock  |
| (2) Number of shares to be cancelled | 3,047,900 shares  |
|                                      | (0.82% of total shares outstanding, excluding treasury stock) |
| (3) Scheduled date of cancellation   | February 10, 2021   |

\*1 Please refer to press release on October 27, 2020

#### Resolution on Share Repurchase

On January 28, 2021, a resolution was made by The Company's board of directors for share repurchase based on Article 39 of Articles of Incorporation pursuant to Article 459.1 of the Companies Act of Japan as outlined below.

<Reason for Repurchase of Treasury Stock>

The Company decided to acquire its own shares with the aim of shareholders benefit, improving capital efficiency and ensuring a flexible capital policy.

<Outline>

- |  |   |
|--|---|
| (1) Class of share to be repurchased         | Common stock issued by The Company                            |
| (2) Total number of shares to be repurchased | 3.3 million shares (maximum)                                  |
|  | (0.89% of total shares outstanding, excluding treasury stock) |
| (3) Total amount to be paid for repurchase   | 40 billion yen (maximum)                                      |
| (4) Period of share repurchase               | January 29, 2021 through April 20, 2021                       |
| (5) Method of repurchase                     |   |

Purchase on the Tokyo Stock Exchange based on discretionary investment contract

(6) Others

Purchased stocks are planned to be cancelled with the aim of shareholders benefit

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Statement of Financial Position

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	As of Sep. 30, 2020		As of Dec. 31, 2020		Variance		As of Dec. 31, 2019	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
<b>ASSETS</b>								
<b>NON-CURRENT ASSETS</b>								
Property, plant and equipment-net	155,248		158,603		3,354		152,186	
Goodwill	38,286		37,946		-340		42,718	
Intangible assets	36,913		35,648		-1,264		41,416	
Investments in associates	632		655		23		736	
Long-term financial assets	46,326		46,676		350		43,844	
Other non-current assets	698		688		-10		854	
Deferred tax assets	7,294		7,134		-160		9,398	
<b>Total non-current assets</b>	<b>285,397</b>	<b>34.6</b>	<b>287,349</b>	<b>35.3</b>	<b>1,952</b>	<b>0.7</b>	<b>291,152</b>	<b>35.8</b>
<b>CURRENT ASSETS</b>								
Inventories	76,737		78,042		1,304		81,215	
Trade and other receivables	104,101		107,951		3,850		114,038	
Other short-term financial assets	1,558		1,322		-237		1,453	
Income tax receivables	1,089		796		-293		444	
Other current assets	19,037		19,431		394		20,734	
Cash and cash equivalents	337,444		318,055		-19,389		304,397	
<b>Sub total</b>	<b>539,966</b>		<b>525,597</b>		<b>-14,369</b>		<b>522,281</b>	
Assets held for sale	579		579		—		—	
<b>Total current assets</b>	<b>540,545</b>	<b>65.4</b>	<b>526,176</b>	<b>64.7</b>	<b>-14,369</b>	<b>-2.7</b>	<b>522,281</b>	<b>64.2</b>
<b>Total assets</b>	<b>825,941</b>	<b>100.0</b>	<b>813,524</b>	<b>100.0</b>	<b>-12,417</b>	<b>-1.5</b>	<b>813,433</b>	<b>100.0</b>

(Millions of Yen)

	As of Sep. 30, 2020		As of Dec. 31, 2020		Variance		As of Dec. 31, 2019	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
<b>EQUITY AND LIABILITIES</b>								
<b>EQUITY</b>								
Share capital	6,264		6,264		—		6,264	
Capital reserves	15,899		15,899		—		15,899	
Treasury shares	-9,075		-40,380		-31,304		-17,224	
Other capital reserves	-8,680		-9,292		-612		-8,327	
Retained earnings	696,129		715,971		19,842		656,124	
Accumulated other comprehensive income/(loss)	-21,310		-21,302		7		-4,672	
Equity attributable to owners of the Company	679,226	82.2	667,159	82.0	-12,067	-1.8	648,063	79.7
Non-controlling interests	-15,629		-15,597		32		4,755	
Total equity	663,597	80.3	651,563	80.1	-12,035	-1.8	652,819	80.3
<b>LIABILITIES</b>								
<b>NON-CURRENT LIABILITIES</b>								
Interest-bearing long-term debt	13,795		12,820		-974		15,038	
Other long-term financial liabilities	21,819		20,953		-866		4,221	
Retirement benefits liabilities	3,304		3,409		105		3,361	
Provisions	2,510		2,505		-5		2,554	
Other non-current liabilities	1,451		1,326		-124		1,433	
Deferred tax liabilities	3,380		4,427		1,047		4,499	
Total non-current liabilities	46,258	5.6	45,440	5.6	-818	-1.8	31,106	3.8
<b>CURRENT LIABILITIES</b>								
Interest-bearing short-term debt	7,445		7,218		-227		6,851	
Trade and other payables	50,576		52,801		2,225		61,147	
Other short-term financial liabilities	2,738		2,608		-130		2,853	
Income tax payables	13,320		9,108		-4,212		14,698	
Provisions	1,175		1,195		19		1,260	
Other current liabilities	40,831		43,592		2,761		42,699	
Total current liabilities	116,086	14.1	116,521	14.3	436	0.4	129,509	15.9
Total liabilities	162,344	19.7	161,962	19.9	-382	-0.2	160,614	19.7
Total equity and liabilities	825,941	100.0	813,524	100.0	-12,417	-1.5	813,433	100.0
Total number of issued shares in thousand	374,803		372,414		-2,389		376,195	
Equity attributable to owner of the Company per share	1,812.22 Yen		1,791.44 Yen		-20.78 Yen		1,722.68 Yen	

## (2) Quarterly Consolidated Statement of Cash Flows

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the three months ended		Variance	For the three months ended Sep. 30, 2020
	Dec. 31, 2019	Dec. 31, 2020		
Cash flows from operating activities				
Profit before tax	38,322	45,787	7,465	40,193
Depreciation and amortization	8,691	9,229	537	8,896
Impairment losses	1	-15	-15	3,104
Finance income	-942	-355	587	-983
Finance costs	214	636	422	557
Share of (profits)/loss of associates	536	77	-459	86
(Gain)/loss on sales of property, plant and equipment	1	-148	-149	-32
Loss on disposal of property, plant and equipment	28	15	-12	75
Foreign exchange (gain)/loss	-36	1,226	1,262	-1,195
Others	-575	-1,543	-967	5,055
Net cash generated from operating activities	46,239	54,908	8,670	55,756
(Before adjustment of movements in working capital)				
Movements in working capital				
Decrease/(increase) in inventories	977	-964	-1,941	2,211
Decrease/(increase) in trade and other receivables	2,574	-3,558	-6,132	-7,762
Increase/(decrease) in trade and other payables	-2,063	750	2,812	1,707
Increase/(decrease) in retirement benefits liabilities and provisions	-9	45	54	72
Sub total	47,719	51,181	3,463	51,984
Interests received	991	259	-732	246
Dividends received	0	0	-0	1
Interests paid	-118	-121	-3	-236
Income taxes paid	-8,494	-11,585	-3,090	-3,756
Income taxes refunded	—	461	461	116
Net cash generated from operating activities	40,097	40,196	98	48,354
Cash flows from investing activities				
Withdrawals of time deposit	816	0	-816	543
Payments for time deposit	-413	-0	413	-7
Proceeds from sales of property, plant and equipment	207	275	69	67
Payments for acquisition of property, plant and equipment	-11,354	-8,648	2,706	-8,498
Proceeds from sales of investment	7	0	-7	665
Payments for acquisition of investment	—	-113	-113	—
Payments for purchase of subsidiary	-388	-89	300	-90
Payments for business transfer	-83	—	83	—
Other proceeds	70	2,052	1,982	94
Other payments	-559	-300	259	-1,474
Net cash used in investing activities	-11,697	-6,823	4,874	-8,698
Cash flows from financing activities				
Dividends paid to owners of the Company	-16,938	-16,831	107	-62
Increase (decrease) in short-term debt	-0	—	0	—
Repayments of long-term borrowings	-8	-5	3	-5
Payments for lease liabilities	-2,274	-1,705	568	-1,911
Payments for purchase of treasury shares	-9,200	-32,557	-23,357	-2
Proceeds from exercise of stock options	646	624	-22	137
Payments for purchase of non-controlling interests	-119	—	119	—
Net cash used in financing activities	-27,893	-50,475	-22,582	-1,844
Net increase/(decrease) in cash and cash equivalents	508	-17,102	-17,610	37,812
Cash and cash equivalents at the beginning of the term	298,430	337,444	39,014	301,513
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	5,459	-2,287	-7,746	-1,881
Cash and cash equivalents at the end of the term	304,397	318,055	13,658	337,444

### (3) Quarterly Consolidated Statement of Comprehensive Income

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the three months ended				Variance		For the three months ended	
	Dec. 31, 2019		Dec. 31, 2020				Sep. 30, 2020	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
<b>All operations</b>								
<b>Revenue:</b>								
Sales	146,481	100.0	146,887	100.0	405	0.3	140,313	100.0
Finance income	942	0.6	355	0.2	-587	-62.3	983	0.7
Other income	743	0.5	2,489	1.7	1,746	234.9	395	0.3
<b>Total Revenue</b>	<b>148,167</b>	<b>101.2</b>	<b>149,731</b>	<b>101.9</b>	<b>1,564</b>	<b>1.1</b>	<b>141,691</b>	<b>101.0</b>
<b>Expenses:</b>								
Changes in inventories of goods, products and work in progress	2,432	1.7	-539	-0.4	-2,970	-122.2	1,471	1.0
Raw materials and consumables used	24,356	16.6	21,449	14.6	-2,907	-11.9	20,713	14.8
Employee benefits expense	33,616	22.9	32,030	21.8	-1,586	-4.7	32,117	22.9
Depreciation and amortization	8,691	5.9	9,229	6.3	537	6.2	8,896	6.3
Subcontracting cost	1,120	0.8	1,033	0.7	-87	-7.8	1,096	0.8
Advertising and promotion expense	2,995	2.0	2,942	2.0	-53	-1.8	2,569	1.8
Commission expense	8,441	5.8	8,120	5.5	-321	-3.8	7,259	5.2
Impairment losses	1	0.0	-15	0.0	-15	-2,406.7	3,104	2.2
Finance costs	214	0.1	636	0.4	422	197.3	557	0.4
Share of loss of associates	536	0.4	77	0.1	-459	-85.7	86	0.1
Foreign exchange (gain)/loss	142	0.1	1,356	0.9	1,214	853.7	-874	-0.6
Other expenses	27,301	18.6	27,627	18.8	326	1.2	24,504	17.5
<b>Total expense</b>	<b>109,844</b>	<b>75.0</b>	<b>103,943</b>	<b>70.8</b>	<b>-5,901</b>	<b>-5.4</b>	<b>101,498</b>	<b>72.3</b>
Profit before tax	38,322	26.2	45,787	31.2	7,465	19.5	40,193	28.6
Income tax expense	8,655	5.9	8,861	6.0	205	2.4	8,352	6.0
<b>Profit for the term from all operations</b>	<b>29,667</b>	<b>20.3</b>	<b>36,926</b>	<b>25.1</b>	<b>7,259</b>	<b>24.5</b>	<b>31,841</b>	<b>22.7</b>
<b>Other comprehensive income:</b>								
Items that will not be reclassified subsequently to profit or loss								
Assets measured at fair value through other comprehensive income	403		270		-	-	-266	
Remeasurements of the net defined benefit liability(asset)	-10		-		10	-	-	
Income tax relating to components of other comprehensive income	-120		-87		33	-	79	
<b>Total items that will not be reclassified subsequently to profit or loss</b>	<b>273</b>		<b>183</b>		<b>-90</b>	<b>-</b>	<b>-187</b>	
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign operations	11,398		-272		-11,670	-	-5,402	
Share of other comprehensive income of associates	20		-13		-34	-	-5	
Income tax relating to components of other comprehensive income	-4		-76		-72	-	5	
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>11,414</b>		<b>-361</b>		<b>-11,776</b>	<b>-</b>	<b>-5,402</b>	
<b>Total other comprehensive income/(loss)</b>	<b>11,687</b>		<b>-179</b>		<b>-11,866</b>	<b>-</b>	<b>-5,589</b>	
<b>Total comprehensive income for the quarter</b>	<b>41,354</b>		<b>36,748</b>		<b>-4,606</b>	<b>-11.1</b>	<b>26,252</b>	
<b>Profit attributable to :</b>								
Owners of the Company	29,543	20.2	36,698	25.0	7,156	24.2	31,846	22.7
Non-controlling interests	124	0.1	228	0.2	104	-	-6	-0.0
<b>Total</b>	<b>29,667</b>	<b>20.3</b>	<b>36,926</b>	<b>25.1</b>	<b>7,259</b>	<b>24.5</b>	<b>31,841</b>	<b>22.7</b>
<b>Total comprehensive income/(loss) attributable to :</b>								
Owners of the Company	41,063		36,715		-4,347	-10.6	25,986	
Non-controlling interests	291		32		-259	-	266	
<b>Total</b>	<b>41,354</b>		<b>36,748</b>		<b>-4,606</b>	<b>-11.1</b>	<b>26,252</b>	
<b>Basic earnings/(loss) per share (yen)</b>								
Continuing operations	78.45		98.17		19.72		84.97	
Discontinued operations	-		-		-		-	
<b>Basic earnings per share (yen)</b>	<b>78.45</b>		<b>98.17</b>		<b>19.72</b>		<b>84.97</b>	
<b>Diluted earnings/(loss) per share (yen)</b>								
Continuing operations	78.31		98.02		19.71		84.83	
Discontinued operations	-		-		-		-	
<b>Diluted earnings per share (yen)</b>	<b>78.31</b>		<b>98.02</b>		<b>19.71</b>	<b>円</b>	<b>84.83</b>	

Notes:

- Effect of Exchange Rate Change on Net Sales and Incomes ("2020A" is the actual value of this period. "2020B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2020B	2020A	Influences	Real change	(%)
Sales	149,370	146,887	-2,483	2,888	2.0%
Profit before tax	46,828	45,787	-1,041	8,506	22.2%
Profit for the quarter	37,897	36,926	-971	8,230	27.7%

For the three months ended			
	Dec. 31, 2019	Dec. 31, 2020	Variance(%)
2. Average rates of major foreign currencies			
US\$	Yen 109.33	104.00	4.9%
Euro	Yen 121.53	124.49	-2.4%
Thai Baht	Yen 3.62	3.41	5.7%



## (4) Segment Information

### <Overview of major products and services of reportable segments>

The reportable segments are constituent units of the Group for which separate financial information is obtained and examined on a regular basis by the Board of Directors, the chief operation decision maker, to determine the allocation of management resources and evaluate the business performance.

In accordance with its management philosophy, the Group has categorized "life and culture" and "information technology" as its business domains. To achieve sustainable growth in corporate value in these business domains, the Group has been making decisions on the allocation of management resources and monitoring the operating results.

As a result, the Group consists of three reportable business segments: the Life Care business, the Information Technology business and Other business, which are consistent with the above business domains.

In the Life Care business, the Group produces and sells health care related products that are used in the healthcare and medical sectors and medical related products, including medical equipment and medical materials that are used in medical treatments. In operating this business, it is typically required to obtain approvals and permissions of the relevant authorities in Japan and other countries, and sophisticated technologies and highly reliable quality control systems represent the critical elements for operating this business.

In the Information Technology business, the Group produces and sells parts and components indispensable for digital devices in the information and communication sector, including electronics related products that are essential for the modern digital information and communication technologies, and imaging related products that are necessary to import pictures and video images as digital information based on optical technologies.

Other business mainly includes the business that provides speech synthesis software and information system services as well as new businesses.

The main products and services for each "reportable segment" described above are as follows:

Reportable Segment		Major Products and Services
Life Care	Health care related products	Eyeglass lenses, Contact lenses, etc.
	Medical related products	Endoscopes, Medical accessories, Automated endoscope reprocessors, Intraocular lenses, Ophthalmic medical devices, Artificial bone, Metallic implants for orthopedics, etc.
Information Technology	Electronics related products	Photomasks and Maskblanks for semiconductors, Photomasks for flat-panel displays (FPDs) Glass disks for hard disk drives (HDDs), etc.
	Imaging related products	Optical lenses, Optical glasses, Laser equipment, Light source, etc.
Other		Speech synthesis software, Design of information systems, etc.

## 1. Segment revenues and results

(Millions of Yen)

For the three months ended Dec. 31, 2019	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	92,485	52,670	1,326	146,481	—	146,481
Inter-segment	1	1	256	258	-258	—
<b>Total</b>	<b>92,486</b>	<b>52,671</b>	<b>1,582</b>	<b>146,739</b>	<b>-258</b>	<b>146,481</b>
Segment profit before tax	15,330	23,481	-22	38,789	-466	38,322
Segment profit before tax ratio	16.6%	44.6%	-1.4%	26.4%	—	26.2%
Ref: Profit from ordinary operating activities	15,676	23,646	104	39,426	-1,145	38,281
% of revenue	16.9%	44.9%	6.6%	26.9%	—	26.1%

For the three months ended Dec. 31, 2020	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	94,475	51,062	1,350	146,887	—	146,887
Inter-segment	1	12	304	317	-317	—
<b>Total</b>	<b>94,475</b>	<b>51,074</b>	<b>1,654</b>	<b>147,203</b>	<b>-317</b>	<b>146,887</b>
Segment profit before tax	20,742	23,882	242	44,866	921	45,787
Segment profit before tax ratio	22.0%	46.8%	14.6%	30.5%	—	31.2%
Ref: Profit from ordinary operating activities	21,733	25,144	258	47,135	-1,002	46,134
% of revenue	23.0%	49.2%	15.6%	32.0%	—	31.4%

Ref : Difference between the results of the quarter under review and the same period the previous year is as follows:

	Life Care	Information Technology	Other	Total	Adjustments	All operations
<b>Variance</b>						
Revenue from external customers	1,989	-1,608	24	405	—	405
Variance	2.2%	-3.1%	1.8%	0.3%	—	0.3%
Inter-segment	0	11	49	59	-59	—
<b>Total</b>	<b>1,989</b>	<b>-1,598</b>	<b>73</b>	<b>464</b>	<b>-59</b>	<b>405</b>
Segment profit before tax	5,412	401	264	6,078	1,387	7,465
Variance	35.3%	1.7%	—	15.7%	—	19.5%
Profit from ordinary operating activities	6,057	1,498	154	7,710	143	7,853
Variance	38.6%	6.3%	148.6%	19.6%	-12.5%	20.5%

Note: Effect of Exchange Rate Change on Net Sales and Incomes ("2020 A" is the actual value of this period. "2020B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period the previous year. unit : millions of Yen)

	2020B	2020A	Influences	Real change	(%)
Life Care					
Revenue from external customers	95,740	94,475	-1,265	3,255	3.5%
Profit from ordinary operating activities	22,270	21,733	-537	6,594	42.1%
Segment profit before tax	21,285	20,742	-543	5,956	38.9%
Information Technology					
Revenue from external customers	52,279	51,062	-1,217	-391	-0.7%
Profit from ordinary operating activities	25,658	25,144	-514	2,012	8.5%
Segment profit before tax	24,378	23,882	-496	897	3.8%

Ref : Results of the previous quarter are as follows:

For the three months ended Sep. 30, 2020	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	90,128	48,954	1,231	140,313	—	140,313
Inter-segment	88	3	291	382	-382	—
<b>Total</b>	<b>90,216</b>	<b>48,957</b>	<b>1,522</b>	<b>140,695</b>	<b>-382</b>	<b>140,313</b>
Segment profit before tax	17,735	22,369	127	40,231	-38	40,193
Segment profit before tax ratio	19.7%	45.7%	8.3%	28.6%	—	28.6%
Ref: Profit from ordinary operating activities	21,190	22,845	136	44,171	-864	43,307
% of revenue	23.5%	46.7%	8.9%	31.4%	—	30.9%

Note: Profit from ordinary operating activities is operating profit before finance income/costs, share of profits(loss) of associates, foreign exchange gain/loss and other temporary gain/loss.

## 2. Revenue from major products and services

Revenue from external customers

(Millions of Yen)

Revenue from external customers						(millions of Yen)			
	For the three months ended				Variance		For the three months ended Sep. 30,2020		
	Dec. 31, 2019		Dec. 31, 2020						
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)	

### Revenue from all operations

Life Care	92,485	63.1	94,475	64.3	1,989	2.2	90,128	64.2
Health care related products	66,784	[ 72.2 ]	69,061	[ 73.1 ]	2,277	3.4	68,190	[ 75.7 ]
Medical related products	25,701	[ 27.8 ]	25,414	[ 26.9 ]	-288	-1.1	21,938	[ 24.3 ]
Information Technology	52,670	36.0	51,062	34.8	-1,608	-3.1	48,954	34.9
Electronics related products	43,906	[ 83.4 ]	43,133	[ 84.5 ]	-773	-1.8	41,881	[ 85.6 ]
Imaging related products	8,764	[ 16.6 ]	7,929	[ 15.5 ]	-835	-9.5	7,073	[ 14.4 ]
Other	1,326	0.9	1,350	0.9	24	1.8	1,231	0.9
Corporate (including R&D)	-	-	-	-	-	-	-	-
<b>Total revenue from all operations</b>	<b>146,481</b>	<b>100.0</b>	<b>146,887</b>	<b>100.0</b>	<b>405</b>	<b>0.3</b>	<b>140,313</b>	<b>100.0</b>

Notes 1. Figures in [ ] are percentages of each segment.

Notes 2. Effect of Exchange Rate Change on Net Sales and Incomes ("2020 A" is the actual value of this period. "2020 B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2020B	2020A	Influences	Real change	(%)
Life Care	95,740	94,475	-1,265	3,255	3.5%
Health care related products	70,255	69,061	-1,194	3,471	5.2%
Medical related products	25,485	25,414	-72	-216	-0.8%
Information Technology	52,279	51,062	-1,217	-391	-0.7%
Electronics related products	44,274	43,133	-1,141	368	0.8%
Imaging related products	8,005	7,929	-75	-760	-8.7%

## 3. Information about geographical areas

Revenue from external customers

(Millions of Yen)

Revenue from external customers										(millions of yen)	
	For the three months ended						Variance		For the three months ended Sep. 30,2020		
	Dec. 31, 2019		Dec. 31, 2020								
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)			

### Revenue from all operations

Total revenue from all operations	146,481	100.0	146,887	100.0	405	0.3	140,313	100.0
Japan	37,561	25.6	37,895	25.8	335	0.9	37,881	27.0
Americas	23,385	16.0	21,965	15.0	-1,420	-6.1	21,470	15.3
Europe	29,447	20.1	30,709	20.9	1,262	4.3	29,017	20.7
Asia/Oceania	54,005	36.9	55,058	37.5	1,053	2.0	50,557	36.0
Others	2,083	1.4	1,258	0.9	-825	-39.6	1,387	1.0

Note: Geographical areas are based on the location of customers.

<Reference>

**Supplementary data for 3rd Quarter: from October 1 to December 31, 2020**

The breakdown of changes in revenue and profit before tax

(Millions of Yen)

	FY19-3Q	FY20-3Q	Variance	Foreign exchange	Others
Revenue	146,481	146,887	405	-2,483	2,888
Life Care	92,485	94,475	1,989	-1,265	3,255
Health care related products	66,784	69,061	2,277	-1,194	3,471
Medical related products	25,701	25,414	-288	-72	-216
Information Technology	52,670	51,062	-1,608	-1,217	-391
Electronics related products	43,906	43,133	-773	-1,141	368
Imaging related products	8,764	7,929	-835	-75	-760
Profit from ordinary operating activities	38,281	46,134	7,853	-1,044	8,897
Life Care	15,676	21,733	6,057	-537	6,594
Information Technology	23,646	25,144	1,498	-514	2,012
Other, adjustment (Corporate)	-1,041	-743	298	6	291
Profit before tax	38,322	45,787	7,465	-1,041	8,506
Life Care	15,330	20,742	5,412	-543	5,956
Information Technology	23,481	23,882	401	-496	897
Other, adjustment (Corporate)	-488	1,163	1,651	-2	1,654

<All operations ~ Adjustments to "Profit from ordinary operating activities">

	All operations		
	FY19-3Q	FY20-3Q	Variance
Profit before tax	38,322	45,787	7,465
Adjustments	41	-347	-388
Finance income	942	355	-587
Finance costs	-214	-636	-422
Share of loss of associates	-536	-77	459
Foreign exchange (gain)/loss	-142	-1,356	-1,214
Impairment losses	-1	15	15
Others	-8	1,352	1,360
Profit from ordinary operating activities	38,281	46,134	7,853

<Segment ~ Adjustments to "Profit from ordinary operating activities">

	Life Care			Information Technology			Other, adjustment (Corporate)		
	FY19-3Q	FY20-3Q	Variance	FY19-3Q	FY20-3Q	Variance	FY19-3Q	FY20-3Q	Variance
Profit before tax	15,330	20,742	5,412	23,481	23,882	401	-488	1,163	1,651
Adjustments	-346	-991	-646	-164	-1,262	-1,097	551	1,906	1,355
Finance income	186	72	-114	233	161	-72	523	121	-402
Finance costs	-320	-138	182	-79	-93	-14	185	-405	-590
Share of loss of associates	22	32	9	7	-1	-7	-565	-108	457
Foreign exchange (gain)/loss	-59	-629	-570	-89	-822	-733	6	95	89
Impairment losses	-1	35	36	-	-21	-21	-	-	-
Others	-174	-364	-190	-236	-486	-250	402	2,202	1,800
Profit from ordinary operating activities	15,675	21,733	6,058	23,646	25,144	1,498	-1,040	-743	296

# 1. Consolidated Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

## 1. Performance for the nine months ended December 31, 2019 and 2020 (All operations \*Notes)

( The yen amounts shown therein are rounded off to the nearest million.)

	Nine months ended		Variance (%)
	Dec. 31, 2019	<b>Dec. 31, 2020</b>	
(1)Revenue and Profit before tax			
Revenue	441,430	396,527	-10.2
Profit before tax	119,589	117,922	-1.4
Ratio of profit before tax(%)	27.1%	29.7%	
Profit for the term	94,848	94,396	-0.5
Ratio of profit for the term(%)	21.5%	23.8%	
Profit attributable to owners of the Company	94,454	94,428	- 0.0
Ratio of profit attributable to owners of the Company(%)	21.4%	23.8%	
Basic earnings per share (yen)	250.11	252.17	
Diluted earnings per share (yen)	249.66	251.75	
	As of		
	Dec. 31, 2019	<b>Dec. 31, 2020</b>	
(2)Financial Position			
Total assets	811,008	813,524	
Total equity	629,265	651,563	
Equity attributable to owners of the Company	645,042	667,159	
Ratio of assets attributable to owners of the Company	79.5%	82.0%	
Assets attributable to owners of the Company per share (yen)	1,720.11	1,791.44	
	Nine months ended		
	Dec. 31, 2019	<b>Dec. 31, 2020</b>	
(3) Conditions of Cash Flows			
Net cash generated from operating activities	120,191	99,329	
Net cash used in investing activities	-33,659	-22,014	
Free cash flow	86,532	77,315	
Net cash provided by (used in) financing activities	-73,105	-72,154	
Cash and cash equivalents at end of period	304,397	318,055	

## 3.Other

	Nine months ended	
	Dec. 31, 2019	<b>Dec. 31, 2020</b>
Capital expenditure	40,768	30,110
R&D expenses	19,370	16,868

### Notes:

"All operations" means here that the figures are including not only "Continuing operations" but also "Discontinued operations".

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from that anticipated in these statements. These factors include changes in economic conditions, trends in our major markets, or currency exchange rates.

## 2.Consolidated Financial Statements

### (1) Consolidated Statement of Financial Position

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	As of Mar. 31, 2020		As of Dec. 31, 2020		Variance		As of Dec. 31, 2019	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
<b>ASSETS</b>								
<b>NON-CURRENT ASSETS</b>								
Property, plant and equipment-net	152,302		158,603		6,301		152,186	
Goodwill	42,082		37,946		-4,136		42,718	
Intangible assets	39,796		35,648		-4,147		41,416	
Investments in associates	1,007		655		-352		736	
Long-term financial assets	45,975		46,676		701		43,844	
Other non-current assets	685		688		2		854	
Deferred tax assets	7,990		7,134		-856		9,398	
<b>Total non-current assets</b>	<b>289,836</b>	<b>35.7</b>	<b>287,349</b>	<b>35.3</b>	<b>-2,488</b>	<b>-0.9</b>	<b>291,152</b>	<b>35.8</b>
<b>CURRENT ASSETS</b>								
Inventories	78,130		78,042		-88		81,215	
Trade and other receivables	103,339		107,951		4,612		114,038	
Other short-term financial assets	1,303		1,322		18		1,453	
Income tax receivables	510		796		286		444	
Other current assets	19,907		19,431		-476		20,734	
Cash and cash equivalents	317,982		318,055		74		304,397	
<b>Sub total</b>	<b>521,171</b>		<b>525,597</b>		<b>4,425</b>		<b>522,281</b>	
<b>Assets held for sale</b>	<b>—</b>		<b>579</b>		<b>579</b>		<b>—</b>	
<b>Total current assets</b>	<b>521,171</b>	<b>64.3</b>	<b>526,176</b>	<b>64.7</b>	<b>5,004</b>	<b>1.0</b>	<b>522,281</b>	<b>64.2</b>
<b>Total assets</b>	<b>811,008</b>	<b>100.0</b>	<b>813,524</b>	<b>100.0</b>	<b>2,517</b>	<b>0.3</b>	<b>813,433</b>	<b>100.0</b>

(Millions of Yen)

	As of Mar. 31, 2020		As of Dec. 31, 2020		Variance		As of Dec. 31, 2019	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
<b>EQUITY AND LIABILITIES</b>								
<b>EQUITY</b>								
Share capital	6,264		6,264		—		6,264	
Capital reserves	15,899		15,899		—		15,899	
Treasury shares	-27,963		-40,380		-12,416		-17,224	
Other capital reserves	-8,428		-9,292		-864		-8,327	
Retained earnings	676,058		715,971		39,913		656,124	
Accumulated other comprehensive income/(loss)	-16,788		-21,302		-4,514		-4,672	
Equity attributable to owners of the Company	645,042	79.5	667,159	82.0	22,117	3.4	648,063	79.7
Non-controlling interests	-15,777		-15,597		180		4,755	
Total equity	629,265	77.6	651,563	80.1	22,298	3.5	652,819	80.3
<b>LIABILITIES</b>								
<b>NON-CURRENT LIABILITIES</b>								
Interest-bearing long-term debt	14,472		12,820		-1,651		15,038	
Other long-term financial liabilities	23,923		20,953		-2,970		4,221	
Retirement benefits liabilities	3,203		3,409		207		3,361	
Provisions	2,539		2,505		-34		2,554	
Other non-current liabilities	1,363		1,326		-37		1,433	
Deferred tax liabilities	3,851		4,427		575		4,499	
Total non-current liabilities	49,350	6.1	45,440	5.6	-3,910	-7.9	31,106	3.8
<b>CURRENT LIABILITIES</b>								
Interest-bearing short-term debt	7,494		7,218		-275		6,851	
Trade and other payables	62,895		52,801		-10,095		61,147	
Other short-term financial liabilities	2,824		2,608		-216		2,853	
Income tax payables	17,765		9,108		-8,657		14,698	
Provisions	1,234		1,195		-40		1,260	
Other current liabilities	40,181		43,592		3,411		42,699	
Total current liabilities	132,393	16.3	116,521	14.3	-15,871	-12.0	129,509	15.9
Total liabilities	181,743	22.4	161,962	19.9	-19,781	-10.9	160,614	19.7
Total equity and liabilities	811,008	100.0	813,524	100.0	2,517	0.3	813,433	100.0
Total number of issued shares in thousand	375,000		372,414		-2,586		376,195	
Equity attributable to owner of the Company per share	1,720.11 Yen		1,791.44 Yen		71.33 Yen		1,722.68 Yen	

## (2) Consolidated Statement of Cash Flows

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the nine months ended		Variance	For the year ended
	Dec. 31, 2019	Dec. 31, 2020		Mar.31 2020
Cash flows from operating activities				
Profit before tax	119,589	117,922	-1,667	147,268
Depreciation and amortization	25,472	26,556	1,084	34,374
Impairment losses	1	3,089	3,089	300
Finance income	-2,635	-1,884	751	-3,461
Finance costs	576	1,449	873	791
Share of (profits)/loss of associates	1,422	298	-1,124	1,652
(Gain)/loss on sales of property, plant and equipment	-130	-201	-71	-258
Loss on disposal of property, plant and equipment	258	93	-166	375
Foreign exchange (gain)/loss	1,123	1,552	429	-567
Others	-2,376	-4,845	-2,469	-4,265
Net cash generated from operating activities (Before adjustment of movements in working capital)	143,300	144,030	729	176,209
Movements in working capital				
Decrease/(increase) in inventories	-2,919	75	2,993	-2,300
Decrease/(increase) in trade and other receivables	-4,043	-5,346	-1,303	4,186
Increase/(decrease) in trade and other payables	679	-9,577	-10,256	5,152
Increase/(decrease) in retirement benefits liabilities and provisions	441	49	-391	433
Sub total	137,459	129,231	-8,228	183,680
Interests received	2,451	1,093	-1,358	3,201
Dividends received	14	8	-5	14
Interests paid	-397	-485	-89	-511
Income taxes paid	-19,458	-31,094	-11,636	-23,169
Income taxes refunded	123	576	454	152
Net cash generated from operating activities	120,191	99,329	-20,862	163,366
Cash flows from investing activities				
Withdrawals of time deposit	2,459	560	-1,899	2,804
Payments for time deposit	-1,940	-12	1,929	-2,367
Proceeds from sales of property, plant and equipment	411	1,250	839	472
Payments for acquisition of property, plant and equipment	-32,767	-24,278	8,490	-45,177
Proceeds from sales of investment	1,948	665	-1,283	1,948
Payments for acquisition of investment	-1,148	-113	1,035	-1,562
Payments for acquisition of subsidiaries	-969	-309	660	-969
Payments for business transfer	-170	—	170	-542
Other proceeds	167	2,244	2,077	226
Other payments	-1,649	-2,022	-373	-2,217
Net cash used in investing activities	-33,659	-22,014	11,645	-47,384
Cash flows from financing activities				
Dividends paid to owners of the Company	-34,024	-33,697	327	-34,042
Increase (decrease) in short-term debt	-775	300	1,075	-775
Proceeds from long-term borrowings	—	738	738	—
Repayments of long-term borrowings	-114	-15	99	-134
Payments for lease liabilities	-5,897	-5,344	553	-7,547
Payments for purchase of treasury shares	-33,290	-34,985	-1,696	-44,283
Proceeds from exercise of stock options	1,144	849	-295	1,277
Proceeds from share issuance to non-controlling shareholders	—	—	—	187
Payments for purchase of non-controlling interests	-149	—	149	-149
Net cash used in financing activities	-73,105	-72,154	951	-85,468
Net increase/(decrease) in cash and cash equivalents	13,427	5,161	-8,267	30,514
Cash and cash equivalents at the beginning of the term	293,397	317,982	24,584	293,397
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	-2,428	-5,087	-2,659	-5,930
Cash and cash equivalents at the end of the term	304,397	318,055	13,658	317,982



### (3) Consolidated Statement of Comprehensive Income

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the nine months ended				Variance		For the year ended Mar.31 2020	
	Dec. 31, 2019		Dec. 31, 2020					
	Amount	(%)	Amount	(%)	Amount	(%)		
<b>All operations</b>								
<b>Revenue:</b>								
Sales	441,430	100.0	396,527	100.0	-44,903	-10.2	576,546	100.0
Finance income	2,635	0.6	1,884	0.5	-751	-28.5	3,461	0.6
Other income	1,847	0.4	6,735	1.7	4,888	264.7	2,463	0.4
<b>Total Revenue</b>	445,911	101.0	405,145	102.2	-40,766	-9.1	582,470	101.0
<b>Expenses:</b>								
Changes in inventories of goods, products and work in progress	-299	-0.1	1,313	0.3	1,612	-538.5	1,003	0.2
Raw materials and consumables used	70,848	16.0	58,238	14.7	-12,610	-17.8	93,381	16.2
Employee benefits expense	100,334	22.7	87,235	22.0	-13,099	-13.1	133,734	23.2
Depreciation and amortization	25,472	5.8	26,556	6.7	1,084	4.3	34,374	6.0
Subcontracting cost	3,531	0.8	3,237	0.8	-295	-8.3	4,657	0.8
Advertising and promotion expense	9,629	2.2	6,988	1.8	-2,641	-27.4	12,214	2.1
Commission expense	25,033	5.7	22,122	5.6	-2,911	-11.6	33,723	5.8
Impairment losses	1	0.0	3,089	0.8	3,089	485,152.2	300	0.1
Finance costs	576	0.1	1,449	0.4	873	151.6	791	0.1
Share of loss of associates	1,422	0.3	298	0.1	-1,124	-79.0	1,652	0.3
Foreign exchange (gain)/loss	2,780	0.6	2,439	0.6	-342	-12.3	1,606	0.3
Other expenses	86,995	19.7	74,259	18.7	-12,736	-14.6	117,768	20.4
<b>Total Expenses</b>	326,322	73.9	287,223	72.4	-39,099	-12.0	435,202	75.5
Profit before tax	119,589	27.1	117,922	29.7	-1,667	-1.4	147,268	25.5
Income tax expense	24,741	5.6	23,526	5.9	-1,215	-4.9	32,681	5.7
<b>Profit for the term from all operations</b>	94,848	21.5	94,396	23.8	-452	-0.5	114,587	19.9
<b>Other comprehensive income:</b>								
Items that will not be reclassified subsequently to profit or loss	-60		650		709	—	933	
Remeasurements of the net defined benefit liability(asset)	-11		2		12	—	-50	
Income tax relating to components of other comprehensive income	11		-205		-216	—	-212	
<b>Total Items that will not be reclassified subsequently to profit or loss</b>	-59		446		505	—	670	
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign operations	-3,833		-4,501		-668	—	-16,806	
Share of other comprehensive income of associates	-12		-166		-154	—	76	
Income tax relating to components of other comprehensive income	-109		-69		41	—	-203	
<b>Total Items that may be reclassified subsequently to profit or loss</b>	-3,954		-4,736		-782	—	-16,932	
<b>Total other comprehensive income/(loss)</b>	-4,014		-4,290		-276	—	-16,262	
<b>Total comprehensive income for the half year</b>	90,834		90,106		-728	-0.8	98,325	
<b>Profit attributable to :</b>								
Owners of the Company	94,454	21.4	94,428	23.8	-26	0.0	114,406	19.8
Non-controlling interests	393	0.1	-32	0.0	-426	—	181	0.0
<b>Total</b>	94,848	21.5	94,396	23.8	-452	-0.5	114,587	19.9
<b>Total comprehensive income/(loss) attributable to :</b>								
Owners of the Company	90,546		89,925		-620	-0.7	98,364	
Non-controlling interests	288		180		-108	—	-39	
<b>Total</b>	90,834		90,106		-728	-0.8	98,325	
<b>Basic earnings/(loss) per share (yen)</b>								
Continuing operations	250.11		252.17		2.06		303.27	
Discontinued operations	—		—		—		—	
<b>Basic earnings per share (yen)</b>	250.11		252.17		2.06		303.27	
<b>Diluted earnings/(loss) per share (yen)</b>								
Continuing operations	249.66		251.75		2.09		302.74	
Discontinued operations	—		—		—		—	
<b>Diluted earnings per share (yen)</b>	249.66		251.75		2.09		302.74	

Notes:

- Effect of exchange rate change on net sales and incomes ("2020A" is the actual value of this period. "2020 B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2019B	2019A	Influences	Real change	(%)
Sales	401,814	396,527	-5,287	-39,616	-9.0%
Profit before tax	119,526	117,922	-1,604	-62	-0.1%
Profit for the term	95,843	94,396	-1,447	996	1.0%

- Average rates of major foreign currencies

		For the nine months ended		
		Dec. 31, 2019	Dec. 31, 2020	Variance(%)
US\$	Yen	108.89	105.54	3.1%
Euro	Yen	121.12	122.61	-1.2%
Thai Baht	Yen	3.53	3.39	4.2%

## (4) Segment Information

### <Overview of major products and services of reportable segments>

The reportable segments are constituent units of the Group for which separate financial information is obtained and examined on a regular basis by the Board of Directors, the chief operation decision maker, to determine the allocation of management resources and evaluate the business performance.

In accordance with its management philosophy, the Group has categorized "life and culture" and "information technology" as its business domains. To achieve sustainable growth in corporate value in these business domains, the Group has been making decisions on the allocation of management resources and monitoring the operating results.

As a result, the Group consists of three reportable business segments: the Life Care business, the Information Technology business and Other business, which are consistent with the above business domains.

In the Life Care business, the Group produces and sells health care related products that are used in the healthcare and medical sectors and medical related products, including medical equipment and medical materials that are used in medical treatments. In operating this business, it is typically required to obtain approvals and permissions of the relevant authorities in Japan and other countries, and sophisticated technologies and highly reliable quality control systems represent the critical elements for operating this business.

In the Information Technology business, the Group produces and sells parts and components indispensable for digital devices in the information and communication sector, including electronics related products that are essential for the modern digital information and communication technologies, and imaging related products that are necessary to import pictures and video images as digital information based on optical technologies.

Other business mainly includes the business that provides speech synthesis software and information system services as well as new businesses.

The main products and services for each "reportable segment" described above are as follows:

Reportable Segment		Major Products and Services
Life Care	Health care related products	Eyeglass lenses, Contact lenses, etc.
	Medical related products	Endoscopes, Medical accessories, Automated endoscope reprocessors, Intraocular lenses, Ophthalmic medical devices, Artificial bone, Metallic implants for orthopedics, etc.
Information Technology	Electronics related products	Photomasks and Maskblanks for semiconductors, Photomasks for flat-panel displays (FPDs) Glass disks for hard disk drives (HDDs), etc.
	Imaging related products	Optical lenses, Optical glasses, Laser equipment, Light source, etc.
Other		Speech synthesis software, Design of information systems, etc.

## 1. Segment revenues and results

(Millions of Yen)

For the nine months ended Dec. 31, 2019	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	286,666	151,073	3,691	441,430	—	441,430
Inter-segment	2	25	796	823	-823	—
<b>Total</b>	286,668	151,098	4,486	442,253	-823	441,430
Segment profit before tax	53,266	68,272	267	121,805	-2,217	119,589
Segment profit before tax ratio	18.6%	45.2%	6.0%	27.5%	—	27.1%
Ref: Profit from ordinary operating activities	55,552	69,047	384	124,982	-3,053	121,930
% of revenue	19.4%	45.7%	8.5%	28.3%	—	27.6%

For the nine months ended Dec. 31, 2020	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	246,511	146,249	3,767	396,527	—	396,527
Inter-segment	89	24	814	927	-927	—
<b>Total</b>	246,600	146,273	4,581	397,454	-927	396,527
Segment profit before tax	48,796	67,928	561	117,285	637	117,922
Segment profit before tax ratio	19.8%	46.4%	12.2%	29.5%	—	29.7%
Profit from ordinary operating activities	52,178	70,441	595	123,213	-2,500	120,714
% of revenue	21.2%	48.2%	13.0%	31.0%	—	30.4%

Ref : Difference between the results of the year under review and the same period the previous year is as follows:

	Life Care	Information Technology	Other	Total	Adjustments	All operations
<b>Variance</b>						
Revenue from external customers	-40,155	-4,824	76	-44,903	—	-44,903
Variance	-14.0%	-3.2%	2.1%	-10.2%	—	-10.2%
Inter-segment	87	-1	19	105	-105	—
<b>Total</b>	-40,068	-4,825	95	-44,799	-105	-44,903
Segment profit before tax	-4,470	-344	294	-4,520	2,853	-1,667
Variance	-8.4%	-0.5%	109.9%	-3.7%	—	-1.4%
Profit from ordinary operating activities	-3,374	1,393	211	-1,769	553	-1,216
Variance	-6.1%	2.0%	55.1%	-1.4%	-18.1%	-1.0%

Note: Effect of Exchange Rate Change on Net Sales and Incomes ("2020A" is the actual value of this period. "2020 B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period the previous year. unit : millions of Yen)

	2020B	2020A	Influences	Real change	(%)
Life Care					
Revenue from external customers	249,369	246,511	-2,859	-37,297	-13.0%
Profit from ordinary operating activities	53,109	52,178	-931	-2,442	-4.4%
Segment profit before tax ratio	49,330	48,796	-534	-3,936	-7.4%
Information Technology					
Revenue from external customers	148,668	146,249	-2,419	-2,405	-1.6%
Profit from ordinary operating activities	71,454	70,441	-1,013	2,406	3.5%
Segment profit before tax ratio	68,922	67,928	-994	650	1.0%

## 2. Revenue from major products and services

Revenue from external customers

(Millions of Yen)

Revenue from external customers						(millions of Yen)			
For the nine month ended						Variance		For the year ended	
Dec. 31, 2019		Dec. 31, 2020							
Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)		

### Revenue from all operations

Life Care	286,666	64.9	246,511	62.2	-40,155	-14.0	375,049	65.1
Health care related products	213,290	[ 74.4 ]	181,153	[ 73.5 ]	-32,136	-15.1	277,798	[ 74.1 ]
Medical related products	73,377	[ 25.6 ]	65,358	[ 26.5 ]	-8,019	-10.9	97,251	[ 25.9 ]
Information Technology	151,073	34.2	146,249	36.9	-4,824	-3.2	196,731	34.1
Electronics related products	123,925	[ 82.0 ]	125,264	[ 85.7 ]	1,339	1.1	162,655	[ 82.7 ]
Imaging related products	27,148	[ 18.0 ]	20,985	[ 14.3 ]	-6,163	-22.7	34,076	[ 17.3 ]
Other	3,691	0.8	3,767	0.9	76	2.1	4,766	0.8
Corporate (including R&D)	-	-	-	-	-	-	-	-
<b>Total revenue from all operations</b>	<b>441,430</b>	<b>100.0</b>	<b>396,527</b>	<b>100.0</b>	<b>-44,903</b>	<b>-10.2</b>	<b>576,546</b>	<b>100.0</b>

Notes 1. Figures in [ ] are percentages of each segment.

Notes 2. Effect of Exchange Rate Change on Net Sales and Incomes ("2020A" is the actual value of this period. "2020B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2020B	2020A	Influences	Real change	(%)
Life Care	249,369	246,511	-2,859	-37,297	-13.0%
Health care related products	183,719	181,153	-2,565	-29,571	-13.9%
Medical related products	65,651	65,358	-293	-7,726	-10.5%
Information Technology	148,668	146,249	-2,419	-2,405	-1.6%
Electronics related products	127,430	125,264	-2,166	3,505	2.8%
Imaging related products	21,238	20,985	-253	-5,910	-21.8%

## 3. Information about geographical areas

Revenue from external customers

(Millions of Yen)

Revenue from external customers								(Millions of CHF)	
	For the nine month ended				Variance		For the year ended		
	Dec. 31, 2019		Dec. 31, 2020				Mar.31 2020		
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)	

### Revenue from all operations

Total revenue from all operations	441,430	100.0	396,527	100.0	-44,903	-10.2	576,546	100.0
Japan	126,021	28.5	106,542	26.9	-19,480	-15.5	163,045	28.3
Americas	73,073	16.6	56,264	14.2	-16,809	-23.0	97,194	16.9
Europe	83,717	19.0	78,661	19.8	-5,056	-6.0	109,561	19.0
Asia/Oceania	153,346	34.7	151,229	38.1	-2,118	-1.4	199,405	34.6
Others	5,272	1.2	3,831	1.0	-1,441	-27.3	7,343	1.3

Note: Geographical areas are based on the location of customers.

<Reference>

**Supplementary data for 3rd Quarter aggregated : from April 1 to December 31, 2020**

The breakdown of changes in revenue and profit before tax

(Millions of Yen)

	FY2019	FY2020	Variance	Foreign exchange	Others
Revenue	441,430	396,527	-44,903	-5,287	-39,616
Life Care	286,666	246,511	-40,155	-2,859	-37,297
Health care related products	213,290	181,153	-32,136	-2,565	-29,571
Medical related products	73,377	65,358	-8,019	-293	-7,726
Information Technology	151,073	146,249	-4,824	-2,419	-2,405
Electronics related products	123,925	125,264	1,339	-2,166	3,505
Imaging related products	27,148	20,985	-6,163	-253	-5,910
Profit from ordinary operating activities	121,930	120,714	-1,216	-1,931	715
Life Care	55,552	52,178	-3,374	-931	-2,442
Information Technology	69,047	70,441	1,393	-1,013	2,406
Other, adjustment (Corporate)	-2,669	-1,905	764	13	751
Profit before tax	119,589	117,922	-1,667	-1,604	-62
Life Care	53,266	48,796	-4,470	-534	-3,936
Information Technology	68,272	67,928	-344	-994	650
Other, adjustment (Corporate)	-1,949	1,198	3,147	-77	3,224

<All operations ~ Adjustments to "Profit from ordinary operating activities">

	All operations		
	FY2019	FY2020	Variance
Profit before tax	119,589	117,922	-1,667
Adjustments	-2,341	-2,792	-451
Finance income	2,635	1,884	-751
Finance costs	-576	-1,449	-873
Share of loss of associates	-1,422	-298	1,124
Foreign exchange (gain)/loss	-2,780	-2,439	342
Impairment losses	-1	-3,089	-3,089
Others	-197	2,600	2,796
Profit from ordinary operating activities	121,930	120,714	-1,216

<Segment ~ Adjustments to "Profit from ordinary operating activities">

	Life Care			Information Technology			Other, adjustment (Corporate)		
	FY2019	FY2020	Variance	FY2019	FY2020	Variance	FY2019	FY2020	Variance
Profit before tax	53,266	48,796	-4,470	68,272	67,928	-344	-1,949	1,198	3,147
Adjustments	-2,286	-3,382	-1,096	-775	-2,512	-1,737	720	3,102	2,382
Finance income	440	231	-209	701	498	-203	1,494	1,155	-339
Finance costs	-990	-849	141	-329	-286	43	743	-315	-1,058
Share of loss of associates	65	61	-4	14	4	-11	-1,502	-363	1,139
Foreign exchange (gain)/loss	-1,402	-1,377	25	-916	-1,463	-548	-463	401	864
Impairment losses	-1	-3,047	-3,047	-	-42	-42	-	0	-
Others	-398	1,599	1,997	-246	-1,222	-976	447	2,223	1,776
Profit from ordinary operating activities	55,552	52,178	-3,374	69,047	70,441	1,393	-2,669	-1,905	765

### 3. Projected Results for the Full Year (All Operations)

(Year ending Mar. 31, 2021)

	<u>Millions of Yen</u>		
	<u>Year ended/ending</u>		variance
	Mar. 31, 2020	<b>Mar. 31, 2021E</b>	(%)
Revenue	576,546	541,000	-6.2
Profit before tax	147,268	156,000	5.9
Profit for the term	114,587	124,500	8.7
Profit attributable to owners of the Company	114,406	124,500	8.8
Basic earnings per share (Yen)	303.27	333.02	29.75

Ref: for the 4th quarter

#### 1. Year-on-year comparison

	<u>Millions of Yen</u>		
	<u>Three months ended/ending</u>		variance
	Mar. 31, 2020	<b>Mar. 31, 2021E</b>	(%)
Revenue	135,116	144,473	6.9
Profit before tax	27,679	38,078	37.6
Profit for the term	19,739	30,104	52.5
Profit attributable to owners of the Company	19,952	30,072	50.7
Basic earnings per share (Yen)	53.07	80.85	27.78

#### 2. Quarter-on-quarter comparison

	<u>Millions of Yen</u>		
	<u>Three months ended/ending</u>		variance
	Dec. 31, 2020	<b>Mar. 31, 2021E</b>	(%)
Revenue	146,887	144,473	-1.6
Profit before tax	45,787	38,078	-16.8
Profit for the term	36,926	30,104	-18.5
Profit attributable to owners of the Company	36,698	30,072	-18.1
Basic earnings per share (Yen)	98.17	80.85	-17.32

Notes:

To calculate expected profit for the term per share, expected profit for the term is divided by expected average number of shares through the term.

*These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from that anticipated in these statements. These factors include changes in economic conditions, trends in our major markets, or currency exchange rates.*