

Quarterly Report

4th Quarter : 3 months ended March 31, 2021
Annual : Fiscal year ended March 31, 2021

Consolidated (HOYA CORPORATION and Consolidated Subsidiaries)

Part .1

4th Quarter : from January 1 to March 31, 2021 <IFRS>

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Part .2

Annual : from April 1, 2020 to March 31, 2021 <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 March 31, 2020 and 2021 (All operations *Notes)

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

| | Three months ended | | Variance (%) |
|--|--------------------|---------------|-----------------|
| | Mar. 31, 2020 | Mar. 31, 2021 | |
| (1)Revenue and Profit before tax | | | |
| Revenue | 135,116 | 151,394 | 12.0 |
| Profit before tax | 27,679 | 41,296 | 49.2 |
| Ratio of profit before tax(%) | 20.5% | 27.3% | |
| Profit for the quarter | 19,739 | 30,825 | 56.2 |
| Ratio of profit for the quarter(%) | 14.6% | 20.4% | |
| Profit attributable to owners of the Company | 19,952 | 31,017 | 55.5 |
| Ratio of profit attributable to owners of the Company(%) | 14.8% | 20.5% | |
| Basic earnings per share (yen) | 53.07 | 83.61 | |
| Diluted earnings per share (yen) | 52.97 | 83.50 | |

| | As of | |
|--|---------------|---------------|
| | Dec. 31, 2020 | Mar. 31, 2021 |
| (2)Financial Position | | |
| Total assets | 813,524 | 853,290 |
| Total equity | 651,563 | 672,412 |
| Equity attributable to owners of the Company | 667,159 | 688,000 |
| Ratio of assets attributable to owners of the Company | 82.0% | 80.6% |
| Assets attributable to owners of the Company per share (yen) | 1,791.44 | 1,862.96 |

| | Three months ended | |
|--|--------------------|---------------|
| | Mar. 31, 2020 | Mar. 31, 2021 |
| (3) Conditions of Cash Flows | | |
| Net cash generated from operating activities | 43,175 | 52,483 |
| Net cash used in investing activities | -13,725 | -7,776 |
| Free cash flow | 29,449 | 44,707 |
| Net cash provided by (used in) financing activities | -12,363 | -43,519 |
| Cash and cash equivalents at end of period | 317,982 | 334,897 |

2.Dividends per Share

| | Year ended/ending | |
|----------------|-------------------|-------------|
| | Mar.31,2019 | Mar.31,2020 |
| Interim (Yen) | 45.00 | 45.00 |
| Year-end (Yen) | 45.00 | 45.00 |
| Annual (Yen) | 90.00 | 90.00 |

3.Other

| | Three months ended | |
|---------------------|--------------------|---------------|
| | Mar. 31, 2020 | Mar. 31, 2021 |
| Capital expenditure | 13,381 | 9,984 |
| R&D expenses | 7,481 | 6,389 |

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. Results of Operations

1) General Overview

HOYA Group sales for the fourth quarter of the consolidated fiscal year under review (three months from January 1 to March 31, 2021) amounted to 151,394 million yen, an increase of 12.0% from the same period of the previous fiscal year (three months from January 1 to March 31, 2020).

Quarterly profit before tax amounted to 41,296 million yen, and quarterly profit amounted to 30,825 million yen, up 49.2% and 56.2% respectively.

The quarterly profit margin before tax was 27.3%, representing a year-on-year increase of 6.8 points.

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

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

In medical-related products, sales of medical endoscopes grew robustly, while intraocular lenses for cataracts were level. As a result, sales in the Life Care segment were higher.

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 grew strongly. Sales of imaging-related products increased significantly. As a result, overall sales in the Information Technology segment rose considerably.

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. Furthermore, sales growth was considerably high due to the weak sales in the year-ago-quarter, affected by COVID-19.

Sales of contact lenses have been on a recovery trend, and also increased partly due to a low base which was caused by the consumption tax hike effect which remained a year-ago-quarter.

<Medical related products>

Sales of medical endoscopes were robust as the recovery from COVID-19 progressed, mainly overseas.

Sales of intraocular lenses for cataracts were the same level of the same period of the previous fiscal year, in light of the recovery overseas.

As a result, sales in the Life Care segment amounted to 95,290 million yen, an increase of 7.8%. Segment profit increased by 64.5% to 14,748 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 decline in sales.

In hard disk glass substrates, sales of 3.5-inch products, which are expected to grow significantly in the future, increased vastly thanks 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. For the overall segment, sales increased decently.

<Imaging related products>

In lenses for cameras, the recovery from the impact of COVID-19 gradually progressed, while smartphones eroded digital cameras and interchangeable lenses.

In the same period of the previous year, the COVID-19 impact had caused a significant drop in sales, so sales rose significantly in comparison.

As a result, sales in the Information Technology segment grew by 19.8% to 54,716 million yen. Segment profit increased by 35.8% to 26,977 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 29.0% to 1,388 million yen. Segment profit turned to be profitable, it was 245 million yen.

3) Subsequent events

Resolution on cancellation of Treasury Stock

On April 30, 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 January 28, 2021 *1.

<Outline>

- | | |
|---|------------------|
| (1) Class of shares to be cancelled | Common stock |
| (2) Number of shares to be cancelled | 3,131,200 shares |
| (0.85% of total shares outstanding, excluding treasury stock) | |
| (3) Scheduled date of cancellation | May 14, 2021 |
| (Reference) | |

Total number of issued and outstanding shares after the cancellation: 369,702,020 shares

*1 Please refer to press release on January 28, 2021

Changes of Directors

Nominated Director

Yasuyuki Abe (Independent Director)

Former Representative Director, Senior Managing Executive Officer and
General Manager, Corporate Planning & Coordination Group of Sumitomo Corporation

Retiring Director

Takeo Takasu (Independent Director)

Date to change

June 29, 2021

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Statement of Financial Position

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

| | As of Dec. 31, 2020 | | As of Mar. 31, 2021 | | Variance | | As of Mar. 31, 2020 | |
|-----------------------------------|------------------------|-------|------------------------|-------|----------|-----|------------------------|-------|
| | Amount | (%) | Amount | (%) | Amount | (%) | Amount | (%) |
| ASSETS | | | | | | | | |
| NON-CURRENT ASSETS | | | | | | | | |
| Property, plant and equipment-net | 158,603 | | 164,957 | | 6,354 | | 152,302 | |
| Goodwill | 37,946 | | 35,688 | | -2,257 | | 42,082 | |
| Intangible assets | 35,648 | | 37,110 | | 1,462 | | 39,796 | |
| Investments in associates | 655 | | 661 | | 6 | | 1,007 | |
| Long-term financial assets | 46,676 | | 52,005 | | 5,329 | | 45,975 | |
| Other non-current assets | 688 | | 797 | | 109 | | 685 | |
| Deferred tax assets | 7,134 | | 7,488 | | 354 | | 7,990 | |
| Total non-current assets | 287,349 | 35.3 | 298,705 | 35.0 | 11,357 | 4.0 | 289,836 | 35.7 |
| CURRENT ASSETS | | | | | | | | |
| Inventories | 78,042 | | 77,367 | | -675 | | 78,130 | |
| Trade and other receivables | 107,951 | | 117,251 | | 9,299 | | 103,339 | |
| Other short-term financial assets | 1,322 | | 3,897 | | 2,575 | | 1,303 | |
| Income tax receivables | 796 | | 1,218 | | 422 | | 510 | |
| Other current assets | 19,431 | | 19,956 | | 525 | | 19,907 | |
| Cash and cash equivalents | 318,055 | | 334,897 | | 16,842 | | 317,982 | |
| Sub total | 525,597 | | 554,584 | | 28,987 | | 521,171 | |
| Assets held for sale | 579 | | — | | -579 | | — | |
| Total current assets | 526,176 | 64.7 | 554,584 | 65.0 | 28,409 | 5.4 | 521,171 | 64.3 |
| Total assets | 813,524 | 100.0 | 853,290 | 100.0 | 39,765 | 4.9 | 811,008 | 100.0 |

(Millions of Yen)

| | As of Dec. 31, 2020 | | As of Mar. 31, 2021 | | Variance | | As of Mar. 31, 2020 | |
|---|------------------------|-------|------------------------|-------|-----------|------|------------------------|-------|
| | Amount | (%) | Amount | (%) | Amount | (%) | Amount | (%) |
| EQUITY AND LIABILITIES | | | | | | | | |
| EQUITY | | | | | | | | |
| Share capital | 6,264 | | 6,264 | | — | | 6,264 | |
| Capital reserves | 15,899 | | 15,899 | | — | | 15,899 | |
| Treasury shares | -40,380 | | -43,560 | | -3,180 | | -27,963 | |
| Other capital reserves | -9,292 | | -10,354 | | -1,061 | | -8,428 | |
| Retained earnings | 715,971 | | 710,274 | | -5,697 | | 676,058 | |
| Accumulated other comprehensive income/(loss) | -21,302 | | 9,477 | | 30,779 | | -16,788 | |
| Equity attributable to owners of the Company | 667,159 | 82.0 | 688,000 | 80.6 | 20,841 | 3.1 | 645,042 | 79.5 |
| Non-controlling interests | -15,597 | | -15,589 | | 8 | | -15,777 | |
| Total equity | 651,563 | 80.1 | 672,412 | 78.8 | 20,849 | 3.2 | 629,265 | 77.6 |
| LIABILITIES | | | | | | | | |
| NON-CURRENT LIABILITIES | | | | | | | | |
| Interest-bearing long-term debt | 12,820 | | 13,234 | | 413 | | 14,472 | |
| Other long-term financial liabilities | 20,953 | | 21,874 | | 921 | | 23,923 | |
| Retirement benefits liabilities | 3,409 | | 3,248 | | -161 | | 3,203 | |
| Provisions | 2,505 | | 2,587 | | 83 | | 2,539 | |
| Other non-current liabilities | 1,326 | | 1,455 | | 128 | | 1,363 | |
| Deferred tax liabilities | 4,427 | | 6,870 | | 2,443 | | 3,851 | |
| Total non-current liabilities | 45,440 | 5.6 | 49,268 | 5.8 | 3,828 | 8.4 | 49,350 | 6.1 |
| CURRENT LIABILITIES | | | | | | | | |
| Interest-bearing short-term debt | 7,218 | | 7,515 | | 297 | | 7,494 | |
| Trade and other payables | 52,801 | | 57,354 | | 4,553 | | 62,895 | |
| Other short-term financial liabilities | 2,608 | | 2,598 | | -10 | | 2,824 | |
| Income tax payables | 9,108 | | 17,041 | | 7,933 | | 17,765 | |
| Provisions | 1,195 | | 1,161 | | -34 | | 1,234 | |
| Other current liabilities | 43,592 | | 45,942 | | 2,350 | | 40,181 | |
| Total current liabilities | 116,521 | 14.3 | 131,610 | 15.4 | 15,089 | 12.9 | 132,393 | 16.3 |
| Total liabilities | 161,962 | 19.9 | 180,878 | 21.2 | 18,916 | 11.7 | 181,743 | 22.4 |
| Total equity and liabilities | 813,524 | 100.0 | 853,290 | 100.0 | 39,765 | 4.9 | 811,008 | 100.0 |
| Total number of issued shares in thousand | 372,414 | | 369,306 | | -3,108 | | 375,000 | |
| Equity attributable to owner of the Company per share | 1,791.44 Yen | | 1,862.96 Yen | | 71.52 Yen | | 1,720.11 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 Dec. 31, 2020 |
|---|----------------------------|---------------|----------|--|
| | Mar. 31, 2020 | Mar. 31, 2021 | | |
| Cash flows from operating activities | | | | |
| Profit before tax | 27,679 | 41,296 | 13,617 | 45,787 |
| Depreciation and amortization | 8,902 | 9,780 | 879 | 9,229 |
| Impairment losses | 300 | 5,077 | 4,777 | -15 |
| Finance income | -827 | -320 | 507 | -355 |
| Finance costs | 215 | 561 | 347 | 636 |
| Share of (profits)/loss of associates | 230 | 70 | -160 | 77 |
| (Gain)/loss on sales of property, plant and equipment | -127 | -1,065 | -938 | -148 |
| Loss on disposal of property, plant and equipment | 116 | 55 | -62 | 15 |
| Foreign exchange (gain)/loss | -1,690 | -1,910 | -220 | 1,226 |
| Others | -1,889 | -111 | 1,777 | -1,543 |
| Net cash generated from operating activities (Before adjustment of movements in working capital) | 32,909 | 53,433 | 20,525 | 54,908 |
| Movements in working capital | | | | |
| Decrease/(increase) in inventories | 618 | 3,942 | 3,324 | -964 |
| Decrease/(increase) in trade and other receivables | 8,229 | -4,442 | -12,672 | -3,558 |
| Increase/(decrease) in trade and other payables | 4,473 | 3,224 | -1,248 | 750 |
| Increase/(decrease) in retirement benefits liabilities and provisions | -8 | -118 | -110 | 45 |
| Sub total | 46,221 | 56,039 | 9,818 | 51,181 |
| Interests received | 750 | 193 | -557 | 259 |
| Dividends received | — | — | — | 0 |
| Interests paid | -115 | -95 | 20 | -121 |
| Income taxes paid | -3,711 | -3,781 | -70 | -11,585 |
| Income taxes refunded | 29 | 127 | 98 | 461 |
| Net cash generated from operating activities | 43,175 | 52,483 | 9,308 | 40,196 |
| Cash flows from investing activities | | | | |
| Withdrawals of time deposit | 345 | — | -345 | 0 |
| Payments for time deposit | -427 | — | 427 | -0 |
| Proceeds from sales of property, plant and equipment | 61 | 828 | 767 | 275 |
| Payments for acquisition of property, plant and equipment | -12,410 | -6,968 | 5,442 | -8,648 |
| Proceeds from sales of investment | — | — | — | 0 |
| Payments for acquisition of investment | -414 | -50 | 364 | -113 |
| Payments for purchase of subsidiary | — | -26 | -26 | -89 |
| Payments for business transfer | -372 | -800 | -428 | — |
| Other proceeds | 59 | 55 | -3 | 2,052 |
| Other payments | -568 | -815 | -247 | -300 |
| Net cash used in investing activities | -13,725 | -7,776 | 5,949 | -6,823 |
| Cash flows from financing activities | | | | |
| Dividends paid to owners of the Company | -18 | -23 | -5 | -16,831 |
| Increase (decrease) in short-term debt | — | -327 | -327 | — |
| Repayments of long-term borrowings | -20 | -5 | 15 | -5 |
| Payments for lease liabilities | -1,650 | -1,928 | -278 | -1,705 |
| Payments for purchase of treasury shares | -10,994 | -41,690 | -30,696 | -32,557 |
| Proceeds from exercise of stock options | 132 | 455 | 323 | 624 |
| Proceeds from share issuance to non-controlling shareholders | 187 | — | -187 | — |
| Net cash used in financing activities | -12,363 | -43,519 | -31,156 | -50,475 |
| Net increase/(decrease) in cash and cash equivalents | 17,086 | 1,188 | -15,898 | -17,102 |
| Cash and cash equivalents at the beginning of the term | 304,397 | 318,055 | 13,658 | 337,444 |
| Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies | -3,502 | 15,653 | 19,155 | -2,287 |
| Cash and cash equivalents at the end of the term | 317,982 | 334,897 | 16,915 | 318,055 |

(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. 31,2020 | |
|---|----------------------------|--------------|----------------|--------------|---------------|--------------|--|--------------|
| | Mar. 31, 2020 | | Mar. 31, 2021 | | | | | |
| | Amount | (%) | Amount | (%) | Amount | (%) | Amount | (%) |
| All operations | | | | | | | | |
| Revenue: | | | | | | | | |
| Sales | 135,116 | 100.0 | 151,394 | 100.0 | 16,278 | 12.0 | 146,887 | 100.0 |
| Finance income | 827 | 0.6 | 320 | 0.2 | -507 | -61.3 | 355 | 0.2 |
| Other income | 616 | 0.5 | 1,405 | 0.9 | 789 | 128.1 | 2,489 | 1.7 |
| Total Revenue | 136,559 | 101.1 | 153,118 | 101.1 | 16,559 | 12.1 | 149,731 | 101.9 |
| Expenses: | | | | | | | | |
| Changes in inventories of goods, products and work in progress | 1,302 | 1.0 | 2,585 | 1.7 | 1,283 | 98.5 | -539 | -0.4 |
| Raw materials and consumables used | 22,532 | 16.7 | 21,152 | 14.0 | -1,380 | -6.1 | 21,449 | 14.6 |
| Employee benefits expense | 33,400 | 24.7 | 32,769 | 21.6 | -631 | -1.9 | 32,030 | 21.8 |
| Depreciation and amortization | 8,902 | 6.6 | 9,780 | 6.5 | 879 | 9.9 | 9,229 | 6.3 |
| Subcontracting cost | 1,126 | 0.8 | 845 | 0.6 | -281 | -24.9 | 1,033 | 0.7 |
| Advertising and promotion expense | 2,585 | 1.9 | 3,011 | 2.0 | 426 | 16.5 | 2,942 | 2.0 |
| Commission expense | 8,690 | 6.4 | 8,353 | 5.5 | -336 | -3.9 | 8,120 | 5.5 |
| Impairment losses | 300 | 0.2 | 5,077 | 3.4 | 4,777 | 1,593.5 | -15 | -0.0 |
| Finance costs | 215 | 0.2 | 561 | 0.4 | 347 | 161.5 | 636 | 0.4 |
| Share of loss of associates | 230 | 0.2 | 70 | 0.0 | -160 | -69.4 | 77 | 0.1 |
| Foreign exchange (gain)/loss | -1,175 | -0.9 | -2,769 | -1.8 | -1,594 | 135.7 | 1,356 | 0.9 |
| Other expenses | 30,773 | 22.8 | 30,387 | 20.1 | -386 | -1.3 | 27,627 | 18.8 |
| Total expense | 108,880 | 80.6 | 111,823 | 73.9 | 2,943 | 2.7 | 103,943 | 70.8 |
| Profit before tax | 27,679 | 20.5 | 41,296 | 27.3 | 13,617 | 49.2 | 45,787 | 31.2 |
| Income tax expense | 7,940 | 5.9 | 10,471 | 6.9 | 2,531 | 31.9 | 8,861 | 6.0 |
| Profit for the term from all operations | 19,739 | 14.6 | 30,825 | 20.4 | 11,085 | 56.2 | 36,926 | 25.1 |
| Other comprehensive income: | | | | | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | | | | | |
| Assets measured at fair value through other comprehensive income | 992 | | 7,713 | | 6,720 | - | 270 | |
| Remeasurements of the net defined benefit liability(asset) | -39 | | 279 | | 318 | - | — | |
| Income tax relating to components of other comprehensive income | -223 | | -2,357 | | -2,134 | - | -87 | |
| Total items that will not be reclassified subsequently to profit or loss | 730 | | 5,634 | | 4,905 | - | 183 | |
| Items that may be reclassified subsequently to profit or loss | | | | | | | | |
| Exchange differences on translation of foreign operations | -12,972 | | 25,594 | | 38,567 | - | -272 | |
| Share of other comprehensive income of associates | 88 | | 22 | | -66 | - | -13 | |
| Income tax relating to components of other comprehensive income | -94 | | -9 | | 84 | - | -76 | |
| Total items that may be reclassified subsequently to profit or loss | -12,978 | | 25,608 | | 38,585 | - | -361 | |
| Total other comprehensive income/(loss) | -12,248 | | 31,242 | | 43,490 | - | -179 | |
| Total comprehensive income for the quarter | 7,491 | | 62,067 | | 54,576 | 728.5 | 36,748 | |
| Profit attributable to : | | | | | | | | |
| Owners of the Company | 19,952 | 14.8 | 31,017 | 20.5 | 11,065 | 55.5 | 36,698 | 25.0 |
| Non-controlling interests | -213 | -0.2 | -193 | -0.1 | 20 | - | 228 | 0.2 |
| Total | 19,739 | 14.6 | 30,825 | 20.4 | 11,085 | 56.2 | 36,926 | 25.1 |
| Total comprehensive income/(loss) attributable to : | | | | | | | | |
| Owners of the Company | 7,818 | | 62,059 | | 54,240 | 693.8 | 36,715 | |
| Non-controlling interests | -327 | | 8 | | 335 | - | 32 | |
| Total | 7,491 | | 62,067 | | 54,576 | 728.5 | 36,748 | |
| Basic earnings/(loss) per share (yen) | | | | | | | | |
| Continuing operations | 53.07 | | 83.61 | | 30.54 | | 98.17 | |
| Discontinued operations | — | | — | | — | | — | |
| Basic earnings per share (yen) | 53.07 | | 83.61 | | 30.54 | | 98.17 | |
| Diluted earnings/(loss) per share (yen) | | | | | | | | |
| Continuing operations | 52.97 | | 83.50 | | 30.53 | | 98.02 | |
| Discontinued operations | — | | — | | — | | — | |
| Diluted earnings per share (yen) | 52.97 | | 83.50 | | 30.53 | | 98.02 | |

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 | 149,870 | 151,394 | 1,523 | 14,754 | 10.9% |
| Profit before tax | 40,813 | 41,296 | 483 | 13,134 | 47.4% |
| Profit for the quarter | 30,392 | 30,825 | 432 | 10,653 | 54.0% |

| For the three months ended | | | |
|--|---------------|---------------|-------------|
| | Mar. 31, 2020 | Mar. 31, 2021 | Variance(%) |
| 2. Average rates of major foreign currencies | | | |
| US\$ | Yen 109.11 | 107.15 | 1.8% |
| Euro | Yen 120.06 | 128.48 | -7.0% |
| Thai Baht | Yen 3.44 | 3.51 | -1.9% |

(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 Mar. 31, 2020 | Life Care | Information Technology | Other | Total | Adjustments | All operations |
|--|---------------|------------------------|--------------|----------------|-------------|----------------|
| Revenue | | | | | | |
| Revenue from external customers | 88,383 | 45,658 | 1,076 | 135,116 | — | 135,116 |
| Inter-segment | 1 | 1 | 353 | 354 | -354 | — |
| Total | 88,383 | 45,659 | 1,429 | 135,471 | -354 | 135,116 |
| Segment profit before tax | 8,965 | 19,862 | -235 | 28,592 | -913 | 27,679 |
| Segment profit before tax ratio | 10.1% | 43.5% | -16.4% | 21.1% | — | 20.5% |
| Ref: Profit from ordinary operating activities | 14,418 | 19,543 | -236 | 33,724 | -1,160 | 32,564 |
| % of revenue | 16.3% | 42.8% | -16.5% | 24.9% | — | 24.1% |

| For the three months ended Mar. 31, 2021 | Life Care | Information Technology | Other | Total | Adjustments | All operations |
|--|---------------|------------------------|--------------|----------------|-------------|----------------|
| Revenue | | | | | | |
| Revenue from external customers | 95,290 | 54,716 | 1,388 | 151,394 | — | 151,394 |
| Inter-segment | 75 | 56 | 348 | 479 | -479 | — |
| Total | 95,365 | 54,772 | 1,736 | 151,873 | -479 | 151,394 |
| Segment profit before tax | 14,748 | 26,977 | 245 | 41,971 | -675 | 41,296 |
| Segment profit before tax ratio | 15.5% | 49.3% | 14.1% | 27.6% | — | 27.3% |
| Ref: Profit from ordinary operating activities | 19,024 | 25,417 | 251 | 44,693 | -1,371 | 43,321 |
| % of revenue | 19.9% | 46.4% | 14.5% | 29.4% | — | 28.6% |

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 |
|---|--------------|------------------------|------------|---------------|-------------|----------------|
| Variance | | | | | | |
| Revenue from external customers | 6,907 | 9,058 | 312 | 16,278 | — | 16,278 |
| Variance | 7.8% | 19.8% | 29.0% | 12.0% | — | 12.0% |
| Inter-segment | 75 | 55 | -5 | 125 | -125 | — |
| Total | 6,982 | 9,113 | 307 | 16,402 | -125 | 16,278 |
| Segment profit before tax | 5,784 | 7,115 | 480 | 13,379 | 238 | 13,617 |
| Variance | 64.5% | 35.8% | — | 46.8% | — | 49.2% |
| Profit from ordinary operating activities | 4,606 | 5,875 | 487 | 10,968 | -211 | 10,757 |
| Variance | 31.9% | 30.1% | — | 32.5% | 18.2% | 33.0% |

Note: 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 the previous year. unit : millions of Yen)

| | 2020B | 2020A | Influences | Real change | (%) |
|---|--------|--------|------------|-------------|-------|
| Life Care | | | | | |
| Revenue from external customers | 93,564 | 95,290 | 1,726 | 5,181 | 5.9% |
| Profit from ordinary operating activities | 18,685 | 19,024 | 338 | 4,268 | 29.6% |
| Segment profit before tax | 14,222 | 14,748 | 527 | 5,257 | 58.6% |
| Information Technology | | | | | |
| Revenue from external customers | 54,948 | 54,716 | -231 | 9,290 | 20.3% |
| Profit from ordinary operating activities | 25,467 | 25,417 | -50 | 5,925 | 30.3% |
| Segment profit before tax | 27,018 | 26,977 | -41 | 7,155 | 36.0% |

Ref : Results of the previous quarter are as follows:

| 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 | — |
| Total | 94,475 | 51,074 | 1,654 | 147,203 | -317 | 146,887 |
| 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% |

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)

| | For the three months ended | | | | Variance | | For the three months ended Dec. 31,2020 | |
|--|----------------------------|-----|---------------|-----|----------|-----|--|-----|
| | Mar. 31, 2020 | | Mar. 31, 2021 | | | | | |
| | Amount | (%) | Amount | (%) | Amount | (%) | Amount | (%) |

Revenue from all operations

| | | | | | | | | |
|--|----------------|--------------|----------------|--------------|---------------|-------------|----------------|--------------|
| Life Care | 88,383 | 65.4 | 95,290 | 62.9 | 6,907 | 7.8 | 94,475 | 64.3 |
| Health care related products | 64,508 | [73.0] | 70,472 | [74.0] | 5,964 | 9.2 | 69,061 | [73.1] |
| Medical related products | 23,874 | [27.0] | 24,818 | [26.0] | 943 | 4.0 | 25,414 | [26.9] |
| Information Technology | 45,658 | 33.8 | 54,716 | 36.1 | 9,058 | 19.8 | 51,062 | 34.8 |
| Electronics related products | 38,730 | [84.8] | 46,623 | [85.2] | 7,893 | 20.4 | 43,133 | [84.5] |
| Imaging related products | 6,928 | [15.2] | 8,093 | [14.8] | 1,166 | 16.8 | 7,929 | [15.5] |
| Other | 1,076 | 0.8 | 1,388 | 0.9 | 312 | 29.0 | 1,350 | 0.9 |
| Corporate (including R&D) | - | - | - | - | - | - | - | - |
| Total revenue from all operations | 135,116 | 100.0 | 151,394 | 100.0 | 16,278 | 12.0 | 146,887 | 100.0 |

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 | 93,564 | 95,290 | 1,726 | 5,181 | 5.9% |
| Health care related products | 69,380 | 70,472 | 1,092 | 4,871 | 7.6% |
| Medical related products | 24,184 | 24,818 | 634 | 310 | 1.3% |
| Information Technology | 54,948 | 54,716 | -231 | 9,290 | 20.3% |
| Electronics related products | 47,005 | 46,623 | -382 | 8,275 | 21.4% |
| Imaging related products | 7,943 | 8,093 | 151 | 1,015 | 14.6% |

3. Information about geographical areas

Revenue from external customers

(Millions of Yen)

| Revenue from External Customers | | | | | | | | (Amounts in '000) | |
|---------------------------------|----------------------------|-----|---------------|-----|----------|-----|--|-------------------|--|
| | For the three months ended | | | | Variance | | For the three months ended Dec. 31, 2020 | | |
| | Mar. 31, 2020 | | Mar. 31, 2021 | | | | | | |
| | Amount | (%) | Amount | (%) | Amount | (%) | Amount | (%) | |

Revenue from all operations

| | | | | | | | | |
|--|----------------|--------------|----------------|--------------|---------------|-------------|----------------|--------------|
| Total revenue from all operations | 135,116 | 100.0 | 151,394 | 100.0 | 16,278 | 12.0 | 146,887 | 100.0 |
| Japan | 37,023 | 27.4 | 38,138 | 25.2 | 1,115 | 3.0 | 37,895 | 25.8 |
| Americas | 24,121 | 17.9 | 23,885 | 15.8 | -235 | -1.0 | 21,965 | 15.0 |
| Europe | 25,843 | 19.1 | 29,247 | 19.3 | 3,404 | 13.2 | 30,709 | 20.9 |
| Asia/Oceania | 46,058 | 34.1 | 58,331 | 38.5 | 12,273 | 26.6 | 55,058 | 37.5 |
| Others | 2,071 | 1.5 | 1,792 | 1.2 | -279 | -13.5 | 1,258 | 0.9 |

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

<Reference>

Supplementary data for 4th Quarter: from January 1 to March 31, 2021

The breakdown of changes in revenue and profit before tax

(Millions of Yen)

| | FY19-4Q | FY20-4Q | Variance | Foreign exchange | Others |
|---|---------|---------|----------|------------------|--------|
| Revenue | 135,116 | 151,394 | 16,278 | 1,523 | 14,754 |
| Life Care | 88,383 | 95,290 | 6,907 | 1,726 | 5,181 |
| Health care related products | 64,508 | 70,472 | 5,964 | 1,092 | 4,871 |
| Medical related products | 23,874 | 24,818 | 943 | 634 | 310 |
| Information Technology | 45,658 | 54,716 | 9,058 | -231 | 9,290 |
| Electronics related products | 38,730 | 46,623 | 7,893 | -382 | 8,275 |
| Imaging related products | 6,928 | 8,093 | 1,166 | 151 | 1,015 |
| Profit from ordinary operating activities | 32,564 | 43,321 | 10,757 | 284 | 10,473 |
| Life Care | 14,418 | 19,024 | 4,606 | 338 | 4,268 |
| Information Technology | 19,543 | 25,417 | 5,875 | -50 | 5,925 |
| Other, adjustment (Corporate) | -1,396 | -1,120 | 276 | -4 | 281 |
| Profit before tax | 27,679 | 41,296 | 13,617 | 483 | 13,134 |
| Life Care | 8,965 | 14,748 | 5,784 | 527 | 5,257 |
| Information Technology | 19,862 | 26,977 | 7,115 | -41 | 7,155 |
| Other, adjustment (Corporate) | -1,148 | -430 | 718 | -3 | 721 |

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

| | All operations | | |
|---|----------------|---------|----------|
| | FY19-4Q | FY20-4Q | Variance |
| Profit before tax | 27,679 | 41,296 | 13,617 |
| Adjustments | -4,885 | -2,026 | 2,859 |
| Finance income | 827 | 320 | -507 |
| Finance costs | -215 | -561 | -347 |
| Share of loss of associates | -230 | -70 | 160 |
| Foreign exchange (gain)/loss | 1,175 | 2,769 | 1,594 |
| Impairment losses | -300 | -5,077 | -4,777 |
| Others | -6,142 | 594 | 6,736 |
| Profit from ordinary operating activities | 32,564 | 43,321 | 10,757 |

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

| | Life Care | | | Information Technology | | | Other, adjustment (Corporate) | | |
|---|-----------|---------|----------|------------------------|---------|----------|-------------------------------|---------|----------|
| | FY19-4Q | FY20-4Q | Variance | FY19-4Q | FY20-4Q | Variance | FY19-4Q | FY20-4Q | Variance |
| Profit before tax | 8,965 | 14,748 | 5,784 | 19,862 | 26,977 | 7,115 | -1,148 | -430 | 718 |
| Adjustments | -5,453 | -4,276 | 1,178 | 320 | 1,560 | 1,240 | 248 | 690 | 442 |
| Finance income | 91 | 64 | -27 | 243 | 136 | -108 | 493 | 121 | -372 |
| Finance costs | -353 | -271 | 82 | -93 | -74 | 18 | 231 | -215 | -447 |
| Share of loss of associates | 5 | 12 | 7 | 3 | 2 | -1 | -237 | -84 | 153 |
| Foreign exchange (gain)/loss | 398 | 998 | 600 | 876 | 1,078 | 202 | -100 | 692 | 792 |
| Impairment losses | - | -4,756 | -4,756 | -300 | -321 | -21 | - | - | - |
| Others | -5,593 | -322 | 5,271 | -410 | 739 | 1,149 | -139 | 176 | 316 |
| Profit from ordinary operating activities | 14,418 | 19,024 | 4,606 | 19,543 | 25,417 | 5,875 | -1,396 | -1,120 | 276 |

1. Consolidated Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

1. Performance for the year ended March 31, 2020 and 2021 (All operations *Notes)

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

| | Year ended | | Variance |
|--|---------------|---------------|----------|
| | Mar. 31, 2020 | Mar. 31, 2021 | (%) |
| (1)Revenue and Profit before tax | | | |
| Revenue | 576,546 | 547,921 | -5.0 |
| Profit before tax | 147,268 | 159,218 | 8.1 |
| Ratio of profit before tax(%) | 25.5% | 29.1% | |
| Profit for the term | 114,587 | 125,221 | 9.3 |
| Ratio of profit for the term(%) | 19.9% | 22.9% | |
| Profit attributable to owners of the Company | 114,406 | 125,446 | 9.6 |
| Ratio of profit attributable to owners of the Company(%) | 19.8% | 22.9% | |
| Basic earnings per share (yen) | 303.27 | 335.77 | |
| Diluted earnings per share (yen) | 302.74 | 335.25 | |
| (2)Financial Position | As of | | |
| | Mar. 31, 2020 | Mar. 31, 2021 | |
| Total assets | 811,008 | 853,290 | |
| Total equity | 629,265 | 672,412 | |
| Equity attributable to owners of the Company | 645,042 | 688,000 | |
| Ratio of assets attributable to owners of the Company | 79.5% | 80.6% | |
| Assets attributable to owners of the Company per share (yen) | 1,720.11 | 1,862.96 | |
| (3) Conditions of Cash Flows | Year ended | | |
| | Mar. 31, 2020 | Mar. 31, 2021 | |
| Net cash generated from operating activities | 163,366 | 151,812 | |
| Net cash used in investing activities | -47,384 | -29,790 | |
| Free cash flow | 115,982 | 122,022 | |
| Net cash provided by (used in) financing activities | -85,468 | -115,673 | |
| Cash and cash equivalents at end of period | 317,982 | 334,897 | |

3.Other

| | Year ended | |
|---------------------|---------------|---------------|
| | Mar. 31, 2020 | Mar. 31, 2021 |
| Capital expenditure | 54,148 | 40,093 |
| R&D expenses | 26,851 | 23,256 |

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 Mar. 31, 2021 | | Variance | |
|-----------------------------------|------------------------|-------|------------------------|-------|----------|-----|
| | Amount | (%) | Amount | (%) | Amount | (%) |
| ASSETS | | | | | | |
| NON-CURRENT ASSETS | | | | | | |
| Property, plant and equipment-net | 152,302 | | 164,957 | | 12,655 | |
| Goodwill | 42,082 | | 35,688 | | -6,394 | |
| Intangible assets | 39,796 | | 37,110 | | -2,686 | |
| Investments in associates | 1,007 | | 661 | | -346 | |
| Long-term financial assets | 45,975 | | 52,005 | | 6,030 | |
| Other non-current assets | 685 | | 797 | | 112 | |
| Deferred tax assets | 7,990 | | 7,488 | | -502 | |
| Total non-current assets | 289,836 | 35.7 | 298,705 | 35.0 | 8,869 | 3.1 |
| CURRENT ASSETS | | | | | | |
| Inventories | 78,130 | | 77,367 | | -763 | |
| Trade and other receivables | 103,339 | | 117,251 | | 13,911 | |
| Other short-term financial assets | 1,303 | | 3,897 | | 2,593 | |
| Income tax receivables | 510 | | 1,218 | | 707 | |
| Other current assets | 19,907 | | 19,956 | | 49 | |
| Cash and cash equivalents | 317,982 | | 334,897 | | 16,915 | |
| Total current assets | 521,171 | 64.3 | 554,584 | 65.0 | 33,413 | 6.4 |
| Total assets | 811,008 | 100.0 | 853,290 | 100.0 | 42,282 | 5.2 |

(Millions of Yen)

| | As of Mar. 31, 2020 | | As of Mar. 31, 2021 | | Variance | |
|---|------------------------|-------|------------------------|-------|------------|------|
| | Amount | (%) | Amount | (%) | Amount | (%) |
| EQUITY AND LIABILITIES | | | | | | |
| EQUITY | | | | | | |
| Share capital | 6,264 | | 6,264 | | — | |
| Capital reserves | 15,899 | | 15,899 | | — | |
| Treasury shares | -27,963 | | -43,560 | | -15,597 | |
| Other capital reserves | -8,428 | | -10,354 | | -1,926 | |
| Retained earnings | 676,058 | | 710,274 | | 34,216 | |
| Accumulated other comprehensive income/(loss) | -16,788 | | 9,477 | | 26,265 | |
| Equity attributable to owners of the Company | 645,042 | 79.5 | 688,000 | 80.6 | 42,959 | 6.7 |
| Non-controlling interests | -15,777 | | -15,589 | | 188 | |
| Total equity | 629,265 | 77.6 | 672,412 | 78.8 | 43,147 | 6.9 |
| LIABILITIES | | | | | | |
| NON-CURRENT LIABILITIES | | | | | | |
| Interest-bearing long-term debt | 14,472 | | 13,234 | | -1,238 | |
| Other long-term financial liabilities | 23,923 | | 21,874 | | -2,049 | |
| Retirement benefits liabilities | 3,203 | | 3,248 | | 46 | |
| Provisions | 2,539 | | 2,587 | | 49 | |
| Other non-current liabilities | 1,363 | | 1,455 | | 91 | |
| Deferred tax liabilities | 3,851 | | 6,870 | | 3,019 | |
| Total non-current liabilities | 49,350 | 6.1 | 49,268 | 5.8 | -82 | -0.2 |
| CURRENT LIABILITIES | | | | | | |
| Interest-bearing short-term debt | 7,494 | | 7,515 | | 22 | |
| Trade and other payables | 62,895 | | 57,354 | | -5,542 | |
| Other short-term financial liabilities | 2,824 | | 2,598 | | -226 | |
| Income tax payables | 17,765 | | 17,041 | | -724 | |
| Provisions | 1,234 | | 1,161 | | -74 | |
| Other current liabilities | 40,181 | | 45,942 | | 5,761 | |
| Total current liabilities | 132,393 | 16.3 | 131,610 | 15.4 | -783 | -0.6 |
| Total liabilities | 181,743 | 22.4 | 180,878 | 21.2 | -865 | -0.5 |
| Total equity and liabilities | 811,008 | 100.0 | 853,290 | 100.0 | 42,282 | 5.2 |
| Total number of issued shares in thousand | 375,000 | | 369,306 | | -5,694 | |
| Equity attributable to owner of the Company per share | 1,720.11 Yen | | 1,862.96 Yen | | 142.85 Yen | |

(2) Consolidated Statement of Cash Flows

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

| | For the year ended | | Variance |
|---|--------------------|---------------|----------|
| | Mar. 31, 2020 | Mar. 31, 2021 | |
| Cash flows from operating activities | | | |
| Profit before tax | 147,268 | 159,218 | 11,950 |
| Depreciation and amortization | 34,374 | 36,336 | 1,963 |
| Impairment losses | 300 | 8,166 | 7,866 |
| Finance income | -3,461 | -2,204 | 1,258 |
| Finance costs | 791 | 2,010 | 1,220 |
| Share of (profits)/loss of associates | 1,652 | 369 | -1,284 |
| (Gain)/loss on sales of property, plant and equipment | -258 | -1,266 | -1,008 |
| Loss on disposal of property, plant and equipment | 375 | 147 | -227 |
| Foreign exchange (gain)/loss | -567 | -357 | 210 |
| Others | -4,265 | -4,957 | -692 |
| Net cash generated from operating activities (Before adjustment of movements in working capital) | 176,209 | 197,463 | 21,254 |
| Movements in working capital | | | |
| Decrease/(increase) in inventories | -2,300 | 4,017 | 6,317 |
| Decrease/(increase) in trade and other receivables | 4,186 | -9,788 | -13,975 |
| Increase/(decrease) in trade and other payables | 5,152 | -6,352 | -11,504 |
| Increase/(decrease) in retirement benefits liabilities and provisions | 433 | -69 | -502 |
| Sub total | 183,680 | 185,270 | 1,590 |
| Interests received | 3,201 | 1,286 | -1,915 |
| Dividends received | 14 | 8 | -5 |
| Interests paid | -511 | -580 | -69 |
| Income taxes paid | -23,169 | -34,875 | -11,706 |
| Income taxes refunded | 152 | 703 | 551 |
| Net cash generated from operating activities | 163,366 | 151,812 | -11,553 |
| Cash flows from investing activities | | | |
| Withdrawals of time deposit | 2,804 | 560 | -2,244 |
| Payments for time deposit | -2,367 | -12 | 2,355 |
| Proceeds from sales of property, plant and equipment | 472 | 2,077 | 1,605 |
| Payments for acquisition of property, plant and equipment | -45,177 | -31,246 | 13,931 |
| Proceeds from sales of investment | 1,948 | 665 | -1,283 |
| Payments for acquisition of investment | -1,562 | -163 | 1,400 |
| Payments for acquisition of subsidiaries | -969 | -335 | 634 |
| Payments for business transfer | -542 | -800 | -258 |
| Other proceeds | 226 | 2,300 | 2,074 |
| Other payments | -2,217 | -2,837 | -620 |
| Net cash used in investing activities | -47,384 | -29,790 | 17,594 |
| Cash flows from financing activities | | | |
| Dividends paid to owners of the Company | -34,042 | -33,720 | 322 |
| Increase (decrease) in short-term debt | -775 | -27 | 748 |
| Proceeds from long-term borrowings | — | 738 | 738 |
| Repayments of long-term borrowings | -134 | -20 | 114 |
| Payments for lease liabilities | -7,547 | -7,273 | 274 |
| Payments for purchase of treasury shares | -44,283 | -76,675 | -32,392 |
| Proceeds from exercise of stock options | 1,277 | 1,304 | 27 |
| Proceeds from share issuance to non-controlling shareholders | 187 | — | -187 |
| Payments for purchase of non-controlling interests | -149 | — | 149 |
| Net cash used in financing activities | -85,468 | -115,673 | -30,205 |
| Net increase/(decrease) in cash and cash equivalents | 30,514 | 6,349 | -24,165 |
| Cash and cash equivalents at the beginning of the term | 293,397 | 317,982 | 24,584 |
| Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies | -5,930 | 10,566 | 16,495 |
| Cash and cash equivalents at the end of the term | 317,982 | 334,897 | 16,915 |

(3) Consolidated Statement of Comprehensive Income

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

| | For the year ended | | | | Variance | |
|---|--------------------|--------------|----------------|--------------|----------------|-------------|
| | Mar. 31, 2020 | | Mar. 31, 2021 | | | |
| | Amount | (%) | Amount | (%) | Amount | (%) |
| All operations | | | | | | |
| Revenue: | | | | | | |
| Sales | 576,546 | 100.0 | 547,921 | 100.0 | -28,626 | -5.0 |
| Finance income | 3,461 | 0.6 | 2,204 | 0.4 | -1,258 | -36.3 |
| Other income | 2,463 | 0.4 | 8,139 | 1.5 | 5,677 | 230.5 |
| Total Revenue | 582,470 | 101.0 | 558,264 | 101.9 | -24,206 | -4.2 |
| Expenses: | | | | | | |
| Changes in inventories of goods, products and work in progress | 1,003 | 0.2 | 3,898 | 0.7 | 2,895 | 288.6 |
| Raw materials and consumables used | 93,381 | 16.2 | 79,390 | 14.5 | -13,990 | -15.0 |
| Employee benefits expense | 133,734 | 23.2 | 120,004 | 21.9 | -13,730 | -10.3 |
| Depreciation and amortization | 34,374 | 6.0 | 36,336 | 6.6 | 1,963 | 5.7 |
| Subcontracting cost | 4,657 | 0.8 | 4,082 | 0.7 | -576 | -12.4 |
| Advertising and promotion expense | 12,214 | 2.1 | 9,999 | 1.8 | -2,215 | -18.1 |
| Commission expense | 33,723 | 5.8 | 30,475 | 5.6 | -3,247 | -9.6 |
| Impairment losses | 300 | 0.1 | 8,166 | 1.5 | 7,866 | 2,618.3 |
| Finance costs | 791 | 0.1 | 2,010 | 0.4 | 1,220 | 154.3 |
| Share of loss of associates | 1,652 | 0.3 | 369 | 0.1 | -1,284 | -77.7 |
| Foreign exchange (gain)/loss | 1,606 | 0.3 | -330 | -0.1 | -1,936 | -120.6 |
| Other expenses | 117,768 | 20.4 | 104,646 | 19.1 | -13,122 | -11.1 |
| Total Expenses | 435,202 | 75.5 | 399,046 | 72.8 | -36,156 | -8.3 |
| Profit before tax | 147,268 | 25.5 | 159,218 | 29.1 | 11,950 | 8.1 |
| Income tax expense | 32,681 | 5.7 | 33,997 | 6.2 | 1,316 | 4.0 |
| Profit for the term from all operations | 114,587 | 19.9 | 125,221 | 22.9 | 10,634 | 9.3 |
| Other comprehensive income: | | | | | | |
| Items that will not be reclassified subsequently to profit or loss | 933 | | 8,363 | | 7,430 | — |
| Remeasurements of the net defined benefit liability(asset) | -50 | | 280 | | 331 | — |
| Income tax relating to components of other comprehensive income | -212 | | -2,562 | | -2,350 | — |
| Total Items that will not be reclassified subsequently to profit or loss | 670 | | 6,081 | | 5,410 | — |
| Items that may be reclassified subsequently to profit or loss | | | | | | |
| Exchange differences on translation of foreign operations | -16,806 | | 21,093 | | 37,899 | — |
| Share of other comprehensive income of associates | 76 | | -144 | | -220 | — |
| Income tax relating to components of other comprehensive income | -203 | | -78 | | 125 | — |
| Total Items that may be reclassified subsequently to profit or loss | -16,932 | | 20,871 | | 37,804 | — |
| Total other comprehensive income/(loss) | -16,262 | | 26,952 | | 43,214 | — |
| Total comprehensive income for the half year | 98,325 | | 152,173 | | 53,848 | 54.8 |
| Profit attributable to : | | | | | | |
| Owners of the Company | 114,406 | 19.8 | 125,446 | 22.9 | 11,039 | 9.6 |
| Non-controlling interests | 181 | 0.0 | -225 | -0.0 | -406 | — |
| Total | 114,587 | 19.9 | 125,221 | 22.9 | 10,634 | 9.3 |
| Total comprehensive income/(loss) attributable to : | | | | | | |
| Owners of the Company | 98,364 | | 151,984 | | 53,620 | 54.5 |
| Non-controlling interests | -39 | | 188 | | 227 | — |
| Total | 98,325 | | 152,173 | | 53,848 | 54.8 |
| Basic earnings/(loss) per share (yen) | | | | | | |
| Continuing operations | 303.27 | | 335.77 | | 32.50 | |
| Discontinued operations | — | | — | | — | |
| Basic earnings per share (yen) | 303.27 | | 335.77 | | 32.50 | |
| Diluted earnings/(loss) per share (yen) | | | | | | |
| Continuing operations | 302.74 | | 335.25 | | 32.51 | |
| Discontinued operations | — | | — | | — | |
| Diluted earnings per share (yen) | 302.74 | | 335.25 | | 32.51 | |

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 | 551,685 | 547,921 | -3,764 | -24,861 | -4.3% |
| Profit before tax | 160,339 | 159,218 | -1,121 | 13,071 | 8.9% |
| Profit for the term | 126,237 | 125,221 | -1,017 | 11,650 | 10.2% |

- Average rates of major foreign currencies

| | | For the year ended | | |
|-----------|-----|--------------------|---------------|-------------|
| | | Mar. 31, 2020 | Mar. 31, 2021 | Variance(%) |
| US\$ | Yen | 108.95 | 105.94 | 2.8% |
| Euro | Yen | 120.85 | 124.07 | -2.7% |
| Thai Baht | Yen | 3.51 | 3.42 | 2.7% |

(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 year ended Mar. 31, 2020 | Life Care | Information Technology | Other | Total | Adjustments | All operations |
|--|----------------|---------------------------|--------------|----------------|---------------|-------------------|
| Revenue | | | | | | |
| Revenue from external customers | 375,049 | 196,731 | 4,766 | 576,546 | — | 576,546 |
| Inter-segment | 3 | 26 | 1,148 | 1,177 | -1,177 | — |
| Total | 375,051 | 196,757 | 5,915 | 577,723 | -1,177 | 576,546 |
| Segment profit before tax | 62,230 | 88,135 | 32 | 150,397 | -3,129 | 147,268 |
| Segment profit before tax ratio | 16.6% | 44.8% | 0.5% | 26.0% | — | 25.5% |
| Ref: Profit from ordinary operating activities | 69,970 | 88,590 | 147 | 158,707 | -4,213 | 154,494 |
| % of revenue | 18.7% | 45.0% | 2.5% | 27.5% | — | 26.8% |

| For the year ended Mar. 31, 2021 | Life Care | Information Technology | Other | Total | Adjustments | All operations |
|---|----------------|---------------------------|--------------|----------------|---------------|-------------------|
| Revenue | | | | | | |
| Revenue from external customers | 341,801 | 200,965 | 5,154 | 547,921 | — | 547,921 |
| Inter-segment | 165 | 79 | 1,162 | 1,406 | -1,406 | — |
| Total | 341,965 | 201,045 | 6,317 | 549,327 | -1,406 | 547,921 |
| Segment profit before tax | 63,544 | 94,905 | 806 | 159,256 | -38 | 159,218 |
| Segment profit before tax ratio | 18.6% | 47.2% | 12.8% | 29.0% | — | 29.1% |
| Profit from ordinary operating activities | 71,202 | 95,858 | 846 | 167,906 | -3,871 | 164,035 |
| % of revenue | 20.8% | 47.7% | 13.4% | 30.6% | — | 29.9% |

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 |
|---|----------------|---------------------------|------------|----------------|-------------|-------------------|
| Variance | | | | | | |
| Revenue from external customers | -33,248 | 4,235 | 388 | -28,626 | — | -28,626 |
| Variance | -8.9% | 2.2% | 8.1% | -5.0% | — | -5.0% |
| Inter-segment | 162 | 53 | 14 | 229 | -229 | — |
| Total | -33,086 | 4,288 | 402 | -28,396 | -229 | -28,626 |
| Segment profit before tax | 1,314 | 6,771 | 774 | 8,858 | 3,091 | 11,950 |
| Variance | 2.1% | 7.7% | 2392.8% | 5.9% | — | 8.1% |
| Profit from ordinary operating activities | 1,232 | 7,268 | 699 | 9,199 | 342 | 9,541 |
| Variance | 1.8% | 8.2% | 474.5% | 5.8% | -8.1% | 6.2% |

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 | 342,934 | 341,801 | -1,133 | -32,115 | -8.6% |
| Profit from ordinary operating activities | 71,795 | 71,202 | -593 | 1,825 | 2.6% |
| Segment profit before tax ratio | 63,551 | 63,544 | -7 | 1,321 | 2.1% |
| Information Technology | | | | | |
| Revenue from external customers | 203,615 | 200,965 | -2,650 | 6,884 | 3.5% |
| Profit from ordinary operating activities | 96,921 | 95,858 | -1,063 | 8,331 | 9.4% |
| Segment profit before tax ratio | 95,940 | 94,905 | -1,034 | 7,805 | 8.9% |

2. Revenue from major products and services

Revenue from external customers

(Millions of Yen)

| | For the year ended | | | | | | Variance |
|--|--------------------|-----|---------------|-----|--------|-----|----------|
| | Mar. 31, 2020 | | Mar. 31, 2021 | | | | |
| | Amount | (%) | Amount | (%) | Amount | (%) | |
| | | | | | | | |

Revenue from all operations

| | | | | | | |
|--|----------------|--------------|----------------|--------------|----------------|-------------|
| Life Care | 375,049 | 65.1 | 341,801 | 62.4 | -33,248 | -8.9 |
| Health care related products | 277,798 | [74.1] | 251,626 | [73.6] | -26,172 | -9.4 |
| Medical related products | 97,251 | [25.9] | 90,175 | [26.4] | -7,076 | -7.3 |
| Information Technology | 196,731 | 34.1 | 200,965 | 36.7 | 4,235 | 2.2 |
| Electronics related products | 162,655 | [82.7] | 171,887 | [85.5] | 9,232 | 5.7 |
| Imaging related products | 34,076 | [17.3] | 29,078 | [14.5] | -4,997 | -14.7 |
| Other | 4,766 | 0.8 | 5,154 | 0.9 | 388 | 8.1 |
| Corporate (including R&D) | - | - | - | - | - | - |
| Total revenue from all operations | 576,546 | 100.0 | 547,921 | 100.0 | -28,626 | -5.0 |

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 | 342,934 | 341,801 | -1,133 | -32,115 | -8.6% |
| Health care related products | 253,099 | 251,626 | -1,473 | -24,699 | -8.9% |
| Medical related products | 89,835 | 90,175 | 340 | -7,416 | -7.6% |
| Information Technology | 203,615 | 200,965 | -2,650 | 6,884 | 3.5% |
| Electronics related products | 174,435 | 171,887 | -2,548 | 11,780 | 7.2% |
| Imaging related products | 29,180 | 29,078 | -102 | -4,895 | -14.4% |

3. Information about geographical areas

Revenue from external customers

| | For the year ended | | | | | | Variance | |
|--|---------------------------------|-----|---------------|-----|--------|-----|----------|--|
| | Mar. 31, 2020 | | Mar. 31, 2021 | | | | | |
| | Amount | (%) | Amount | (%) | Amount | (%) | | |
| | Revenue from external customers | | | | | | | |

Revenue from all operations

| | | | | | | |
|-----------------------------------|---------|-------|---------|-------|---------|-------|
| Total revenue from all operations | 576,546 | 100.0 | 547,921 | 100.0 | -28,626 | -5.0 |
| Japan | 163,045 | 28.3 | 144,680 | 26.4 | -18,365 | -11.3 |
| Americas | 97,194 | 16.9 | 80,150 | 14.6 | -17,044 | -17.5 |
| Europe | 109,561 | 19.0 | 107,909 | 19.7 | -1,652 | -1.5 |
| Asia/Oceania | 199,405 | 34.6 | 209,560 | 38.2 | 10,156 | 5.1 |
| Others | 7,343 | 1.3 | 5,623 | 1.0 | -1,720 | -23.4 |

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

<Reference>

Supplementary data for the Full Year : from April 1, 2020 to March 31, 2021

The breakdown of changes in revenue and profit before tax

(Millions of Yen)

| | FY2019 | FY2020 | Variance | Foreign exchange | Others |
|---|---------|---------|----------|------------------|---------|
| Revenue | 576,546 | 547,921 | -28,626 | -3,764 | -24,861 |
| Life Care | 375,049 | 341,801 | -33,248 | -1,133 | -32,115 |
| Health care related products | 277,798 | 251,626 | -26,172 | -1,473 | -24,699 |
| Medical related products | 97,251 | 90,175 | -7,076 | 340 | -7,416 |
| Information Technology | 196,731 | 200,965 | 4,235 | -2,650 | 6,884 |
| Electronics related products | 162,655 | 171,887 | 9,232 | -2,548 | 11,780 |
| Imaging related products | 34,076 | 29,078 | -4,997 | -102 | -4,895 |
| Profit from ordinary operating activities | 154,494 | 164,035 | 9,541 | -1,647 | 11,188 |
| Life Care | 69,970 | 71,202 | 1,232 | -593 | 1,825 |
| Information Technology | 88,590 | 95,858 | 7,268 | -1,063 | 8,331 |
| Other, adjustment (Corporate) | -4,065 | -3,025 | 1,041 | 9 | 1,032 |
| Profit before tax | 147,268 | 159,218 | 11,950 | -1,121 | 13,071 |
| Life Care | 62,230 | 63,544 | 1,314 | -7 | 1,321 |
| Information Technology | 88,135 | 94,905 | 6,771 | -1,034 | 7,805 |
| Other, adjustment (Corporate) | -3,097 | 768 | 3,865 | -80 | 3,945 |

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

| | All operations | | |
|---|----------------|---------|----------|
| | FY2019 | FY2020 | Variance |
| Profit before tax | 147,268 | 159,218 | 11,950 |
| Adjustments | -7,226 | -4,818 | 2,409 |
| Finance income | 3,461 | 2,204 | -1,258 |
| Finance costs | -791 | -2,010 | -1,220 |
| Share of loss of associates | -1,652 | -369 | 1,284 |
| Foreign exchange (gain)/loss | -1,606 | 330 | 1,936 |
| Impairment losses | -300 | -8,166 | -7,866 |
| Others | -6,339 | 3,193 | 9,532 |
| Profit from ordinary operating activities | 154,494 | 164,035 | 9,541 |

<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 | 62,230 | 63,544 | 1,314 | 88,135 | 94,905 | 6,771 | -3,097 | 768 | 3,865 |
| Adjustments | -7,739 | -7,658 | 81 | -455 | -953 | -497 | 968 | 3,793 | 2,825 |
| Finance income | 531 | 295 | -236 | 944 | 633 | -311 | 1,986 | 1,276 | -711 |
| Finance costs | -1,343 | -1,120 | 223 | -422 | -360 | 61 | 974 | -530 | -1,504 |
| Share of loss of associates | 69 | 72 | 3 | 17 | 5 | -11 | -1,739 | -446 | 1,292 |
| Foreign exchange (gain)/loss | -1,004 | -379 | 625 | -39 | -385 | -345 | -562 | 1,094 | 1,656 |
| Impairment losses | -1 | -7,803 | -7,803 | -300 | -363 | -63 | - | - | - |
| Others | -5,991 | 1,277 | 7,268 | -656 | -483 | 173 | 308 | 2,400 | 2,091 |
| Profit from ordinary operating activities | 69,970 | 71,202 | 1,232 | 88,590 | 95,858 | 7,268 | -4,065 | -3,025 | 1,041 |