

# FY17Q3

# F i n a n c i a l R e s u l t s

Jan 30, 2018@Belle Salle Yaesu

7741.T HOYA CORP[IFRS]

# Highlights

---




**+10%**

Life Care Business achieved double digit growth driven by both organically and by inorganic initiatives.



**+5%**

IT Business kept up growth momentum. 3.5 inch HDD sales beginning to grow gradually.



**¥136.8  
bn**

Achieved record high quarterly revenue.

\*Growth ratios herein exclude FX impact

# **1. Financial Results** [Ryo Hirooka, CFO]

2. IT Business Overview

3. Life Care Business Overview

4. Future Outlook

5. Q&A

# Financial Overview

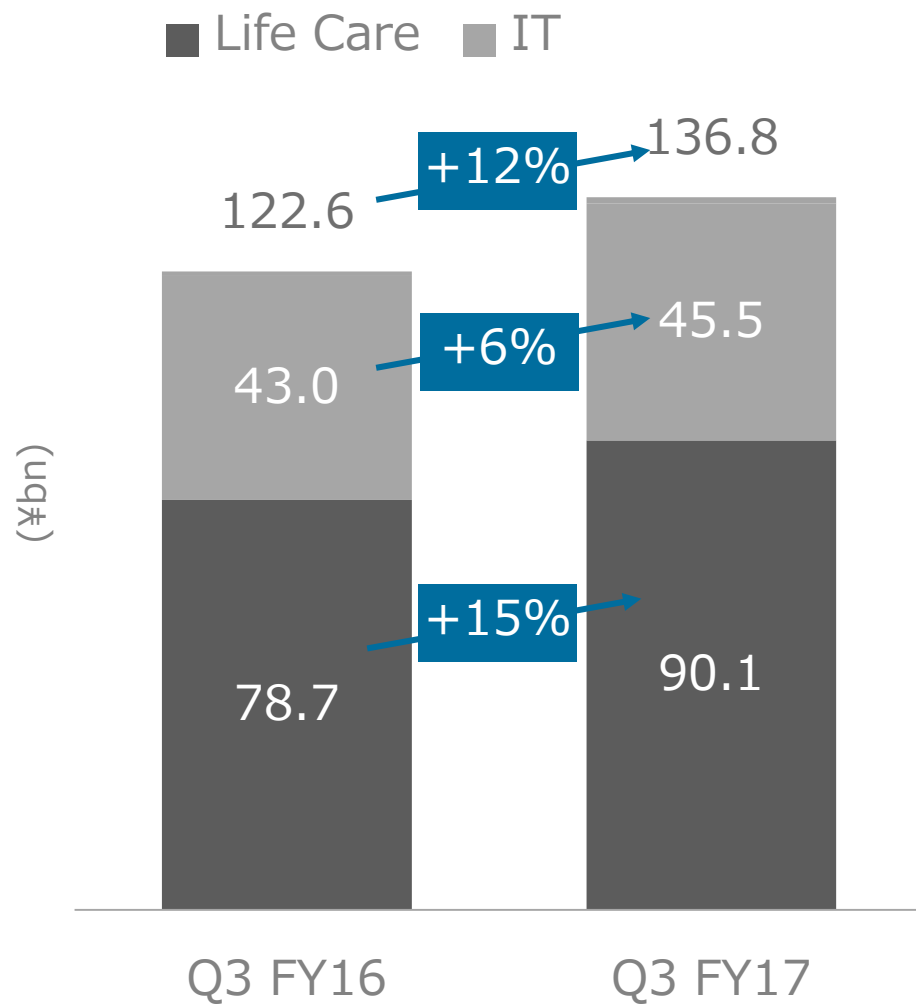
(¥bn)	Q3 FY16	Q3 FY17	YoY	YoY (%)
Revenue	122.6	136.8	+14.2	+12%
Pretax Profit	32.5	34.7	+2.2	+7%
Net Profit	25.1	27.7	+2.6	+11%
cf. Profit from ordinary operating activities*	28.2	33.2	5.0	+18%

\*Herein after referred to as "PFOA"

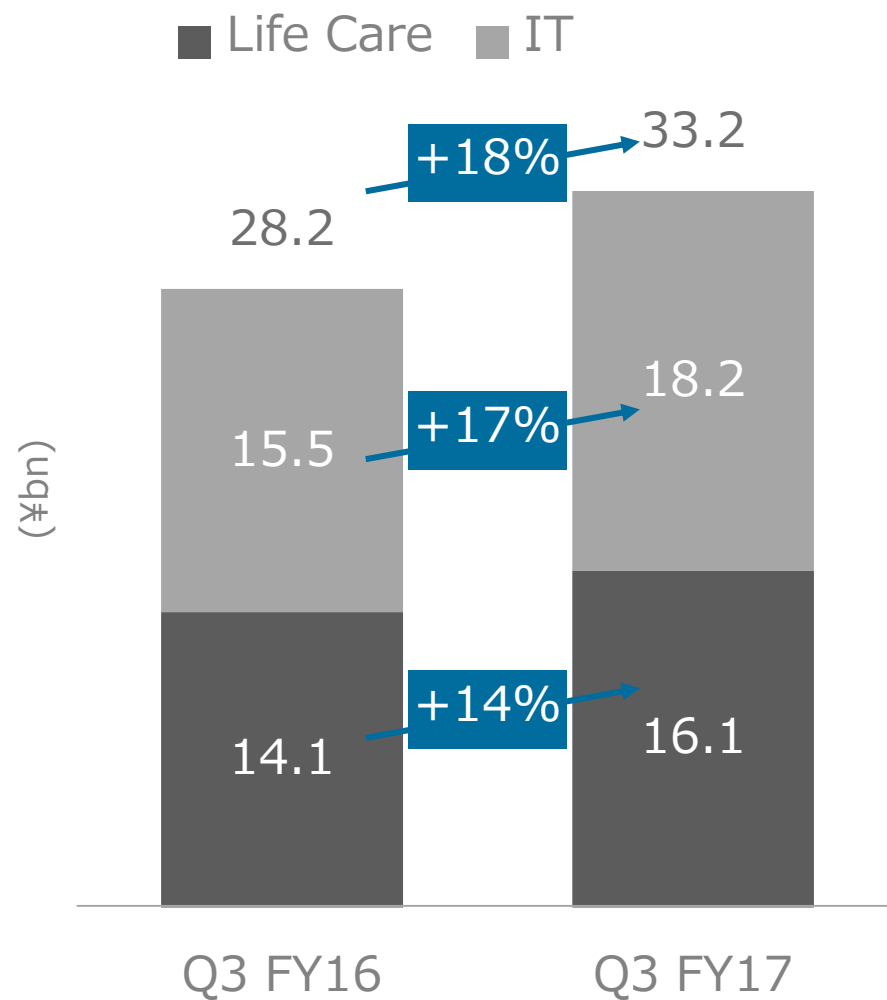
Quarterly revenue reached a record high.

# Breakdown by Segment

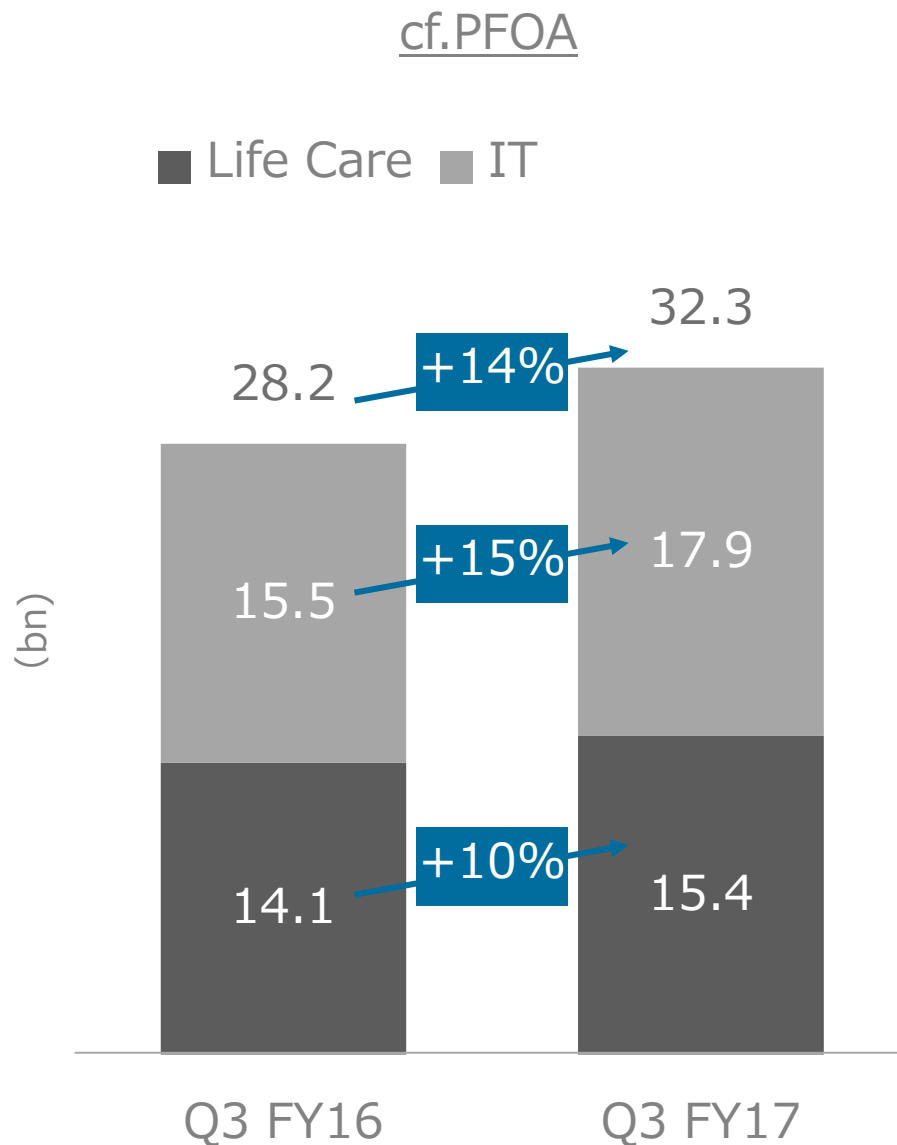
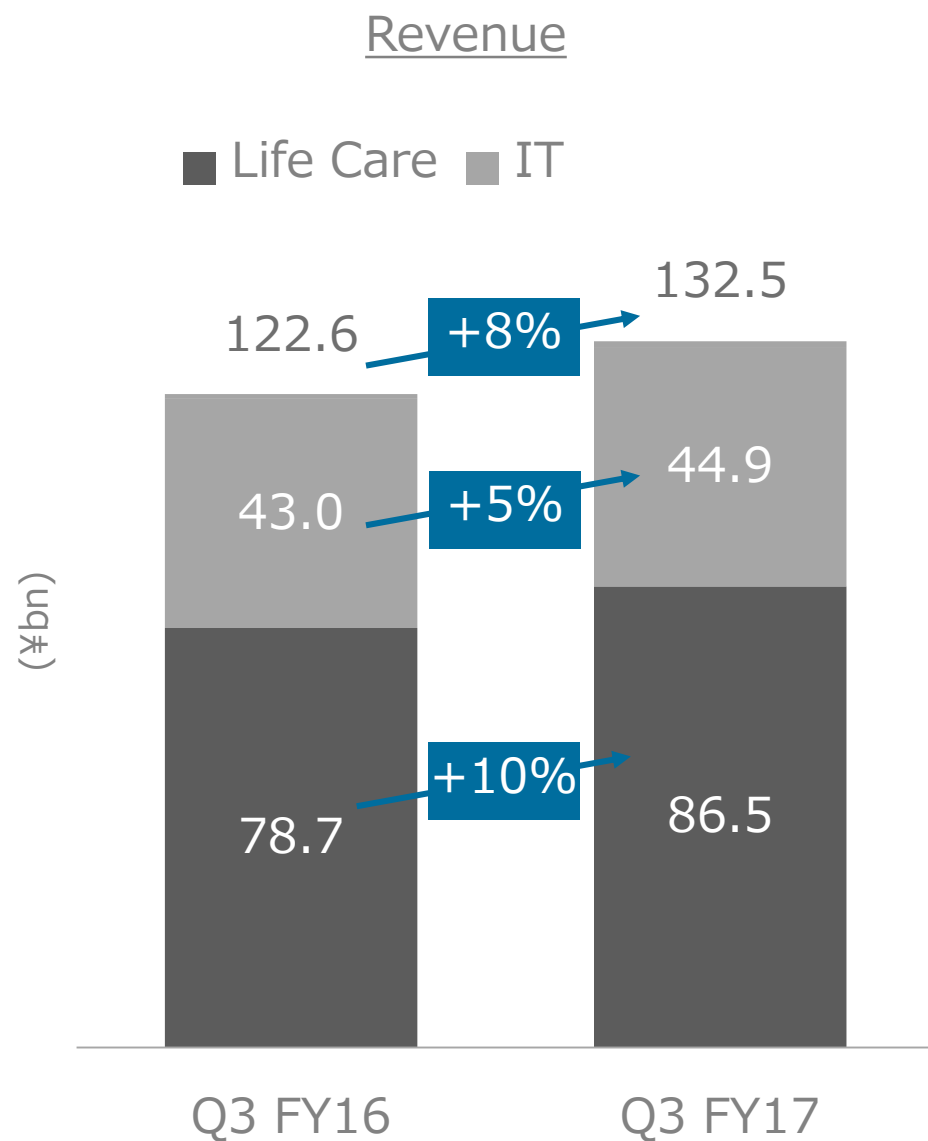
Revenue



cf.PFOA

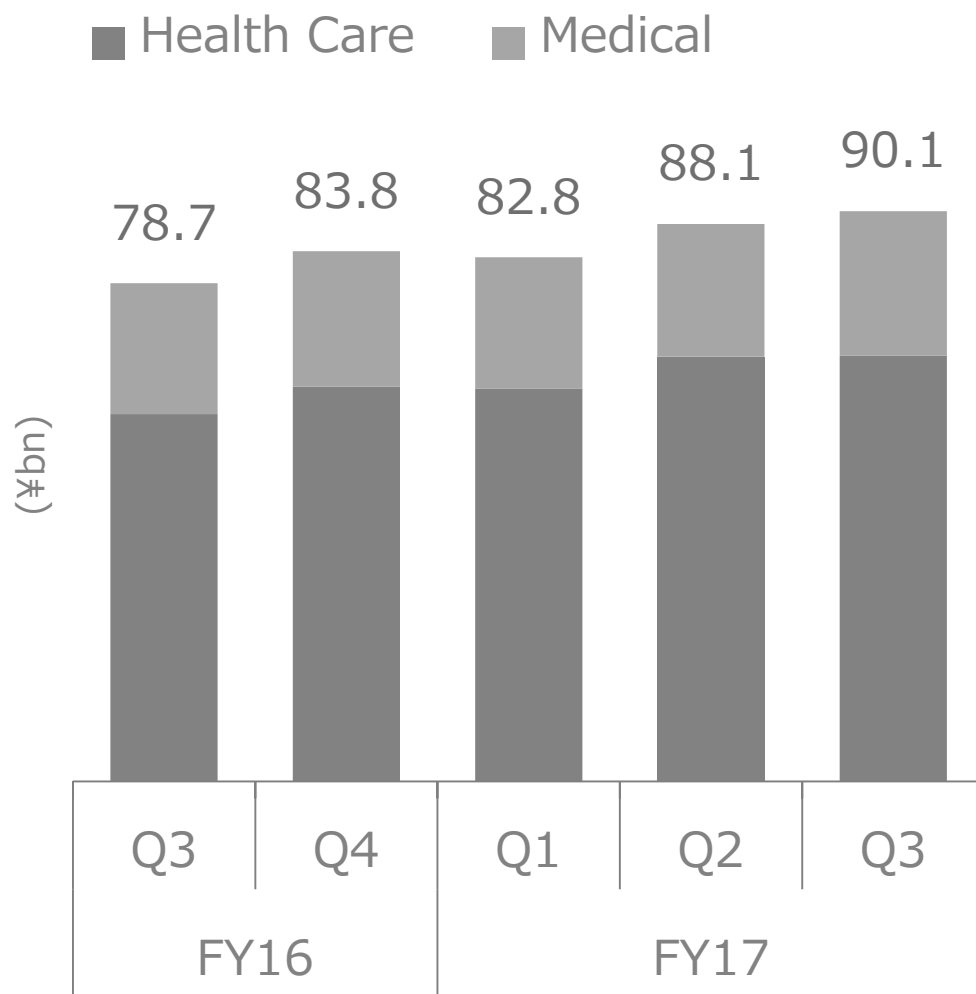


# Real Growth excl. FX Impact

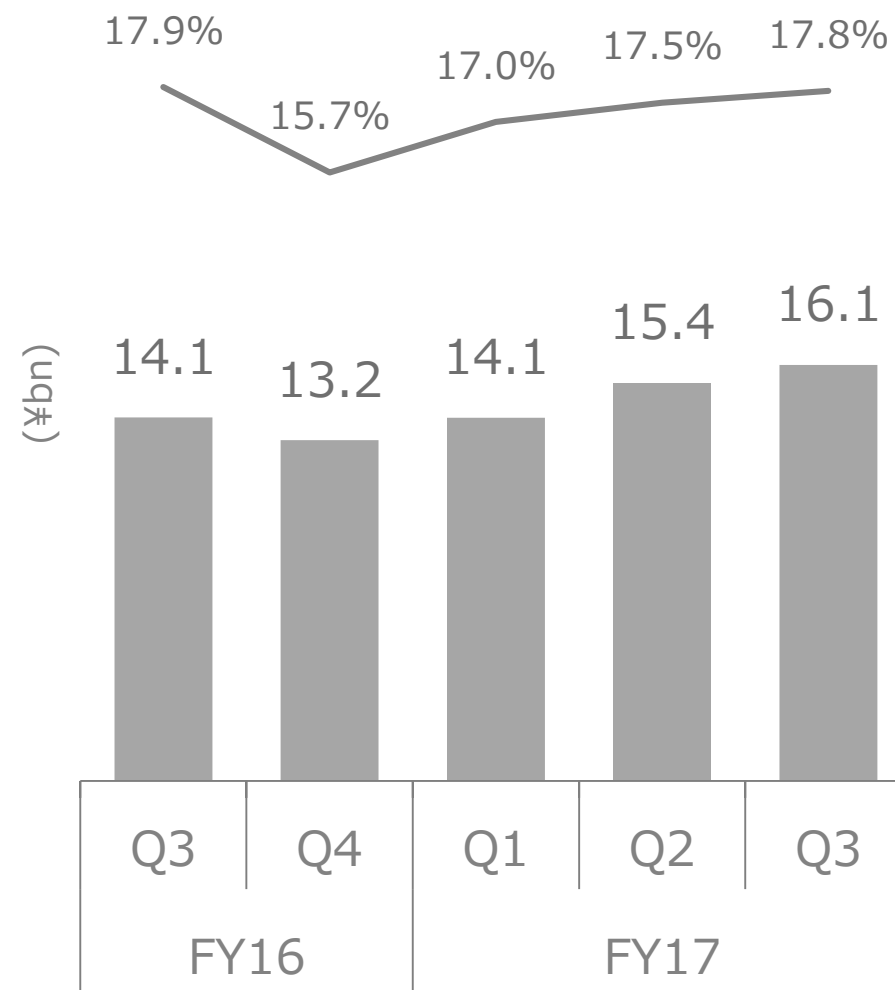


# Results by Segment: Life Care

Revenue

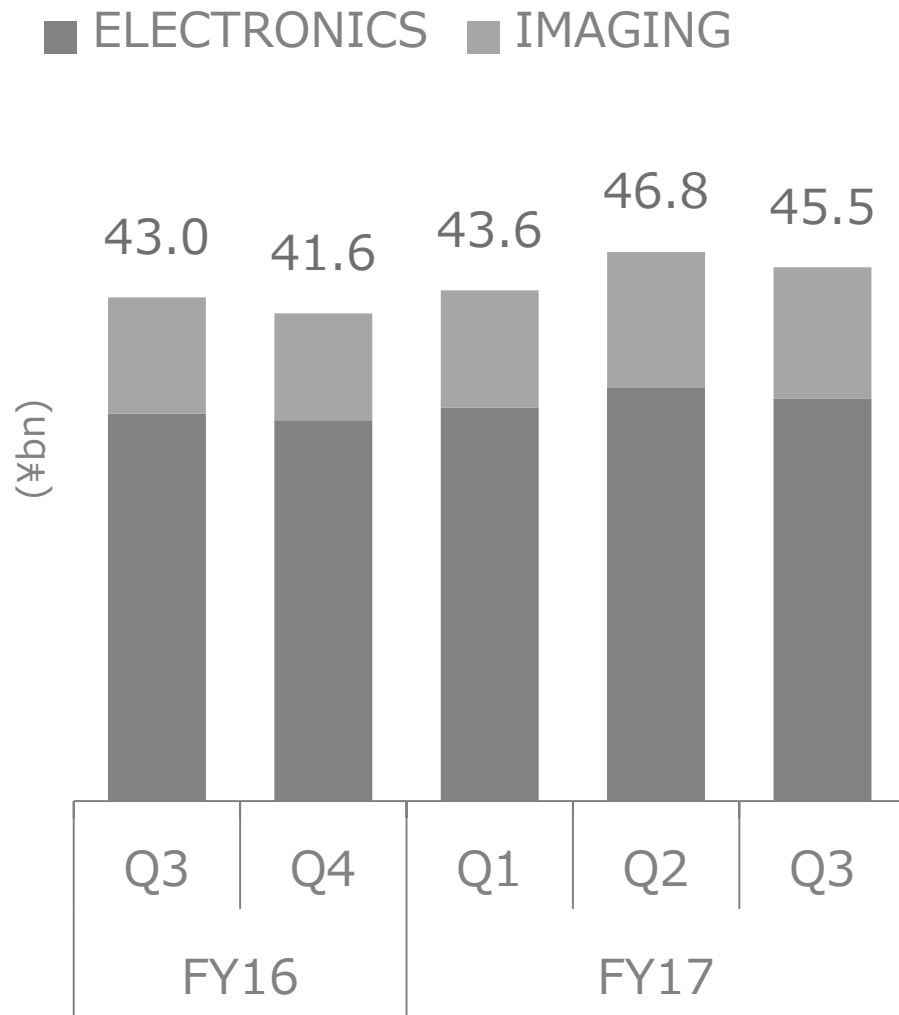


cf.PFOA / Margin

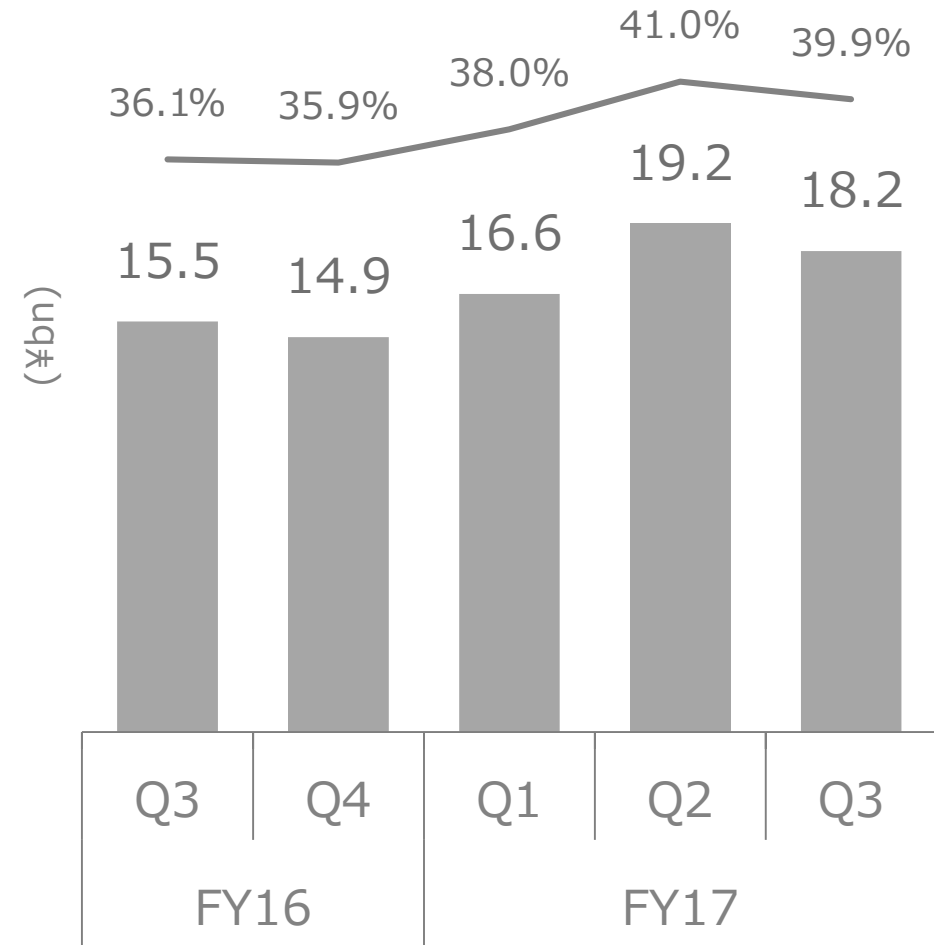


# Results by Segment: IT

Revenue



cf.PFOA / Margin





# Special Items

## Adjustments to "Profit from ordinary operating activities"

(¥bn)	Q3 FY16	Q3 FY17	YoY
Pretax Profit	32.5	34.7	2.2
Adjustments	4.3	1.5	-2.8
FX Gain/Loss	3.8	0.3	-3.5
Other Gain/Loss	0.3	1.2	0.9
Finance Income etc.	0.2	0.0	-0.2
cf.Profit From Ordinary Operating Activities	28.2	33.2	5.0

Less FX Gain compared to last year.

Mainly due to a litigation settlement related to patents.

# Balance Sheet

(¥bn)	Q2 FY17	Q3 FY17	QoQ
Non-current Assets	213.9	219.6	+5.7
Current Assets	448.5	436.5	-12.0
Equity	544.5	540.0	-4.5
Non-current Liabilities	17.9	16.6	-1.3
Current Liabilities	99.9	99.3	-0.5
Total	662.3	656.0	-6.3

# Cash Flow Statement

(¥bn)	Q3 FY16	Q3 FY17	YoY
Operating Cash Flow	23.2	31.5	+8.3
Investing Cash Flow	-18.9	0.3	+19.2
Financing Cash Flow	-11.5	-36.7	-25.2
Cash & Cash Equivalents at the end of the term	273.2	228.6	-44.6

Decrease in cash used for investments this period. Cash used to acquire C2T and 3M last year.

Mainly due to share buybacks this year.

1. Financial Results

**2. IT Business Overview** [Eiichiro Ikeda, COO/CTO]

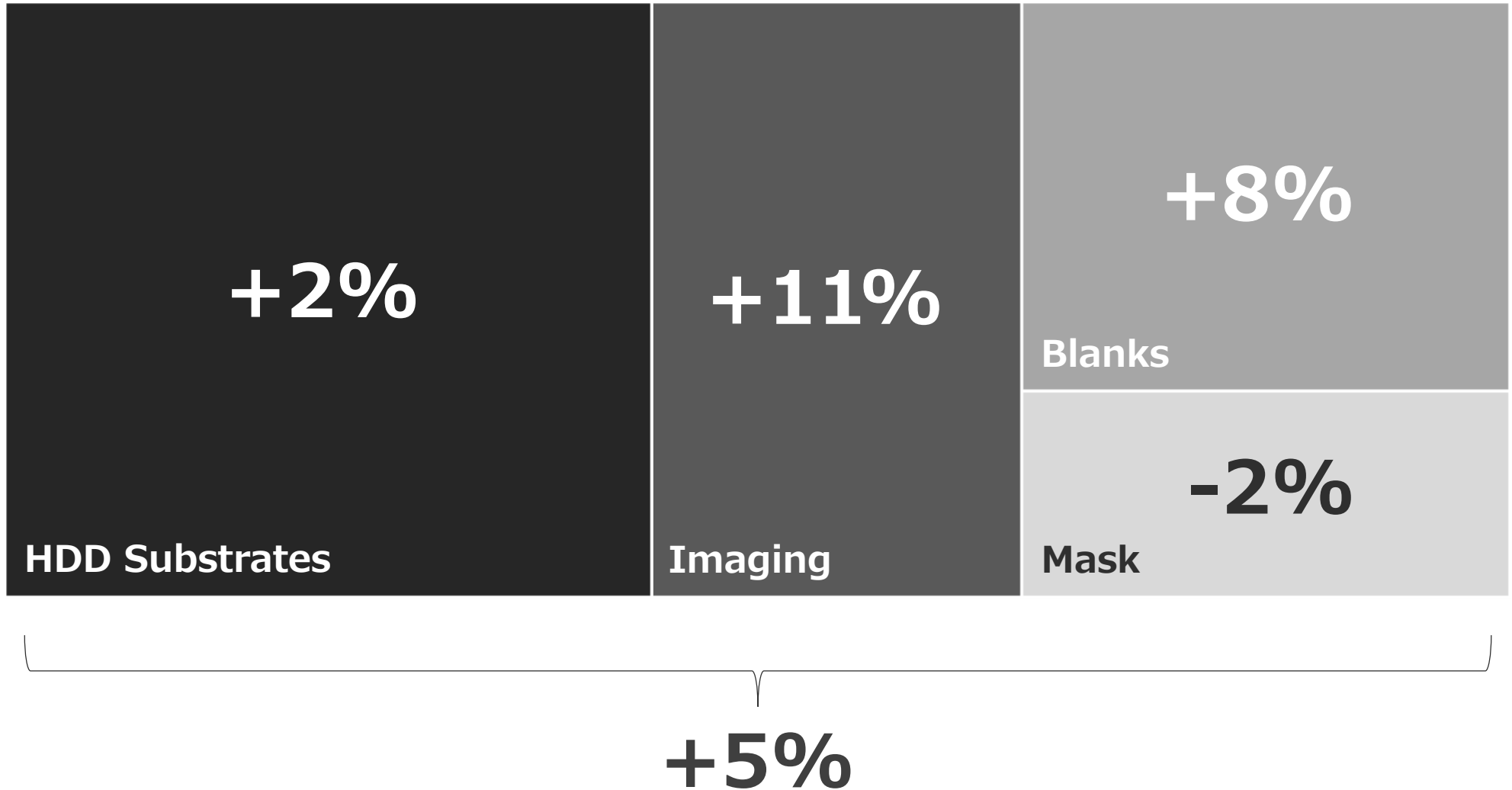
3. Life Care Business Overview

4. Future Outlook

5. Q&A

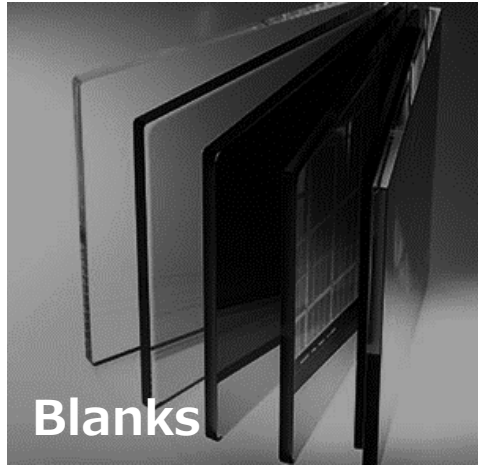
# IT Business Snapshot

YoY Revenue Growth (excluding FX impact)



# Overview by Product

---

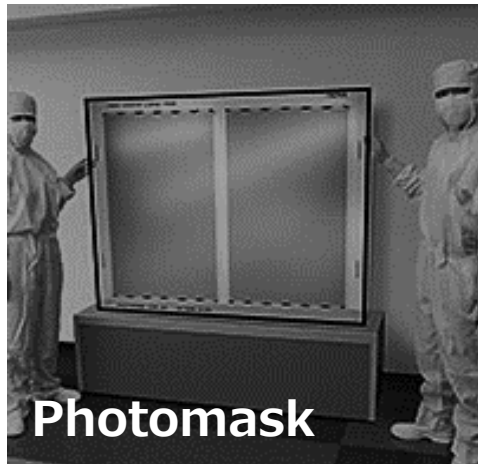


## This Quarter

Revenue pushed up by high-end and EUV related products.

## Going Forward

Ramp up R&D for EUV products.  
Examine mass production setups.



## This Quarter

Generally flat revenue due to internalization and inventory adjustments by customers.

## Going Forward

Leverage high resolution products.  
Redouble sales efforts to Chinese panel makers.

# Overview by Product

---



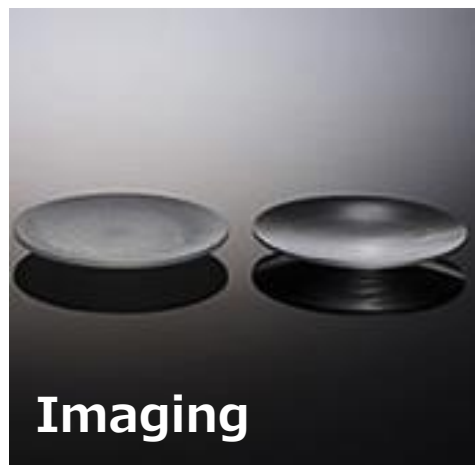
## This Quarter

Growth of 3.5 inch sales compensated for the drop in 2.5 inch sales.

## Going Forward

[2.5 inch] Decline as NAND shortage resolves.

[3.5 inch] Expect 3.5 inch sales ramp up in 2H FY18



## This Quarter

Steady demand for digital camera usage.  
Continuous positive momentum of security camera applications.

## Going Forward

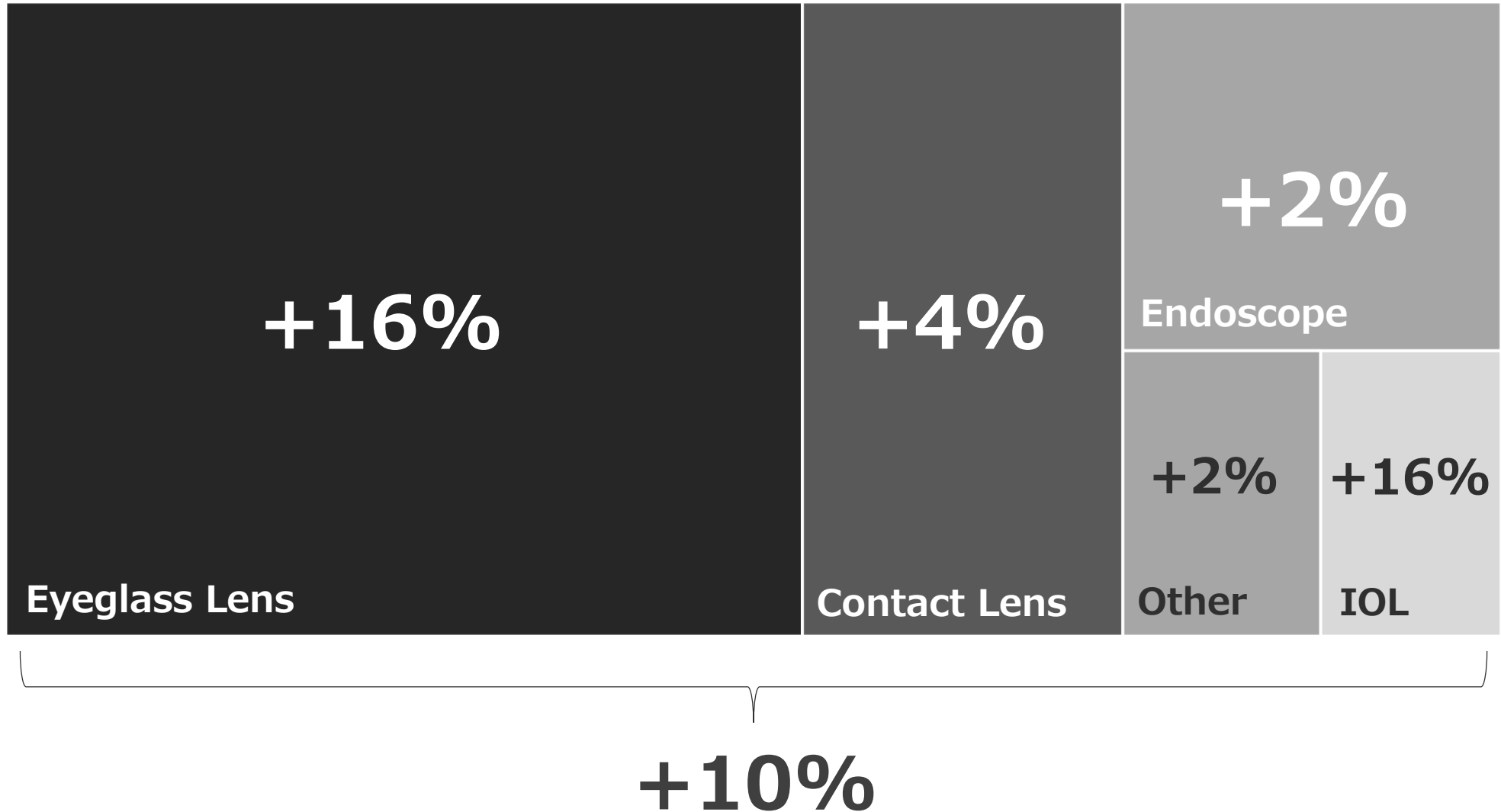
Focus on new applications such as security cameras and automotive cameras (including sensing technology).

1. Financial Results
2. IT Business Overview
- 3. Life Care Business Overview** [Hiroshi Suzuki, CEO]
4. Future Outlook
5. Q&A

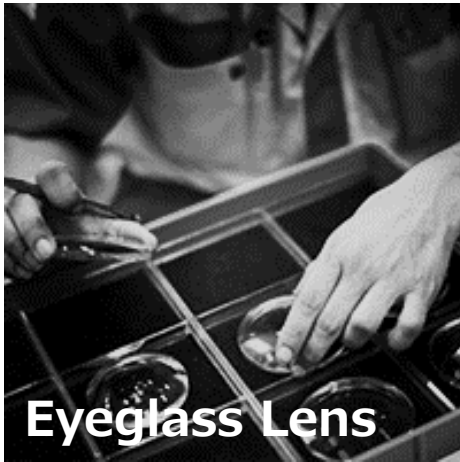


# Life Care Business Snapshot

YoY Revenue Growth (excluding FX impact)



# Overview by Product



## This Quarter

M&A impact and strong sales growth in the Americas offset sluggish sales in Europe.

## Going Forward

Accelerate integration with acquired companies.



## This Quarter

Sales increases at both existing and new stores.  
Rise in average price due to more sales of value-added products.

[No. of current stores] 281 (+1 QoQ)

## Going Forward

Continue to open 15 or so new stores per annum.

# Overview by Product

---



## This Quarter

Upbeat sales of major products resulted in another quarter of double digit growth.  
New plant in Thailand is increasing capacity gradually.

## Going Forward

Expand international sales.  
Goal is to double sales by FY20 (compared to FY16).



## This Quarter

APAC sales compensated for sluggish sales in the Americas and Europe. Profit margins improved.

## Going Forward

Develop unique product lineup.  
Strengthen sales both in existing and emerging markets.

1. Financial Results
2. IT Business Overview
3. Life Care Business Overview
- 4. Future Outlook** [Hiroshi Suzuki, CEO]
5. Q&A

# FY17 Full Year Forecast

## Q4 FY17 Guidance

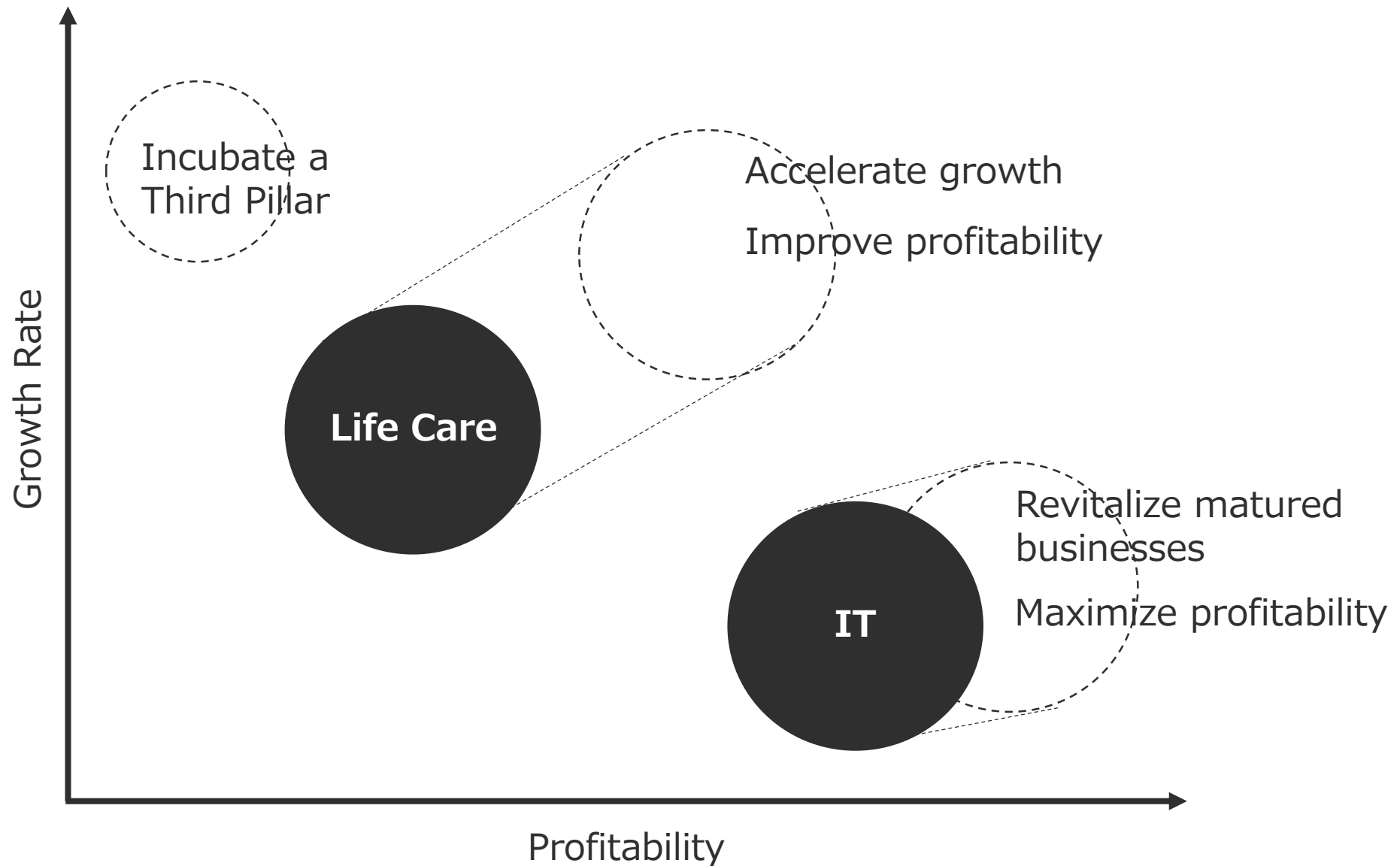
(¥bn)	Q4 FY16	Q4 FY17	YoY	YoY(%)
Revenue	126.3	135.3	+9.0	+7%
Pretax Profit	24.4	29.9	+5.5	+23%
Net Profit	19.0	24.3	+5.3	+28%

## FY17 Full Year Guidance

(¥bn)	FY16	FY17	YoY	YoY(%)
Revenue	478.9	535.0	+56.1	+12%
Pretax Profit	110.8	128.0	+17.2	+16%
Net Profit	86.8	104.0	+17.2	+20%

[FX Rate Assumption] USD=¥110 EUR=¥130

# Priorities Going Forward



1. Financial Results
2. IT Business Overview
3. Life Care Business Overview
4. Future Outlook
- 5. Q&A**

# Notes Regarding This Material

---

- ✓ The fiscal year ending March 2018 is referred to as “FY17” throughout this document.
- ✓ Figures less than ¥1 billion are rounded off. Therefore, there may be discrepancies in the total sum. Ratios are calculated using actual numbers.
- ✓ Profit from ordinary operating activities is calculated as a reference information for investors; deducting finance income/costs, share of profits(loss) of associates, foreign exchange gain/loss and other temporary gain/loss from the pretax profit.
- ✓ We have omitted a detailed breakdown of financial statements. Please refer to the *Tanshin* or the Quarterly Report for detailed numbers.  
<http://www.hoya.co.jp/english/investor/library.html>



# Disclaimer

---

This report is provided solely for the information of professional investors and 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.