

# Quarterly Report

3rd Quarter : 3 months ended December 31, 2019  
 3rd Quarter aggregated : 9 months ended December 31, 2019

Consolidated (HOYA CORPORATION and Consolidated Subsidiaries)

## Part .1

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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, 2018 and 2019 (All operations \*Notes)

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

	Three months ended		Variance (%)
	Dec. 31, 2018	<b>Dec. 31, 2019</b>	
(1)Revenue and Profit before tax			
Revenue	143,425	146,481	2.1
Profit before tax	39,676	38,322	-3.4
Ratio of profit before tax(%)	27.7%	26.2%	
Profit for the quarter	33,143	29,667	-10.5
Ratio of profit for the quarter(%)	23.1%	20.3%	
Profit attributable to owners of the Company	33,162	29,543	-10.9
Ratio of profit attributable to owners of the Company(%)	23.1%	20.2%	
Basic earnings per share (yen)	87.31	78.45	
Diluted earnings per share (yen)	87.15	78.31	

	As of	
	Dec. 31, 2018	<b>Dec. 31, 2019</b>
(2)Financial Position		
Total assets	796,761	813,433
Total equity	636,963	652,819
Equity attributable to owners of the Company	632,499	648,063
Ratio of assets attributable to owners of the Company	79.4%	79.7%
Assets attributable to owners of the Company per share (yen)	1,677.63	1,722.68

	Three months ended	
	Dec. 31, 2018	<b>Dec. 31, 2019</b>
(3) Conditions of Cash Flows		
Net cash generated from operating activities	34,135	40,097
Net cash used in investing activities	7,942	-11,697
Free cash flow	42,077	28,400
Net cash provided by (used in ) financing activities	-16,347	-27,893
Cash and cash equivalents at end of period	272,290	304,397

## 2. Projected Results for the Full Year (Year ending March 31, 2020) for All Operations

	Full Year ended/ending		Variance (%)
	Mar. 31, 2019	<b>Mar. 31, 2020</b>	
Revenue	565,810	586,000	3.6
Profit before tax	144,657	155,000	7.2
Profit for the term	122,072	123,000	0.8
Profit attributable to owners of the Company	122,103	123,000	0.7
Profit for the term per share (Yen)	321.55	326.01	—

## 3. Other

	Three months ended	
	Dec. 31, 2018	<b>Dec. 31, 2019</b>
Capital expenditure	7,439	17,026
R&D expenses	6,098	6,502

### 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 ("the Company") sales for the third quarter of the consolidated fiscal year under review (October 1 through December 31, 2019) amounted to 146,481 million yen, an increase of 2.1% compared to the same period in the prior fiscal year.

Quarterly profit before tax amounted to 38,322 million yen with 29,667 million yen in profit, representing year-on-year decreases of 3.4% and 10.5%, respectively.

Profit before tax ratio was 26.2%, representing a year-on-year decrease of 1.5 points.

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

Sales of eyeglass lenses in health care-related products in the Life Care segment decreased slightly year on year, while contact lens sales decreased. Sales of medical-use endoscopes in our medical-related products domain decreased slightly. At the same time, sales of intraocular lenses for cataracts rose significantly. As a whole, the Company's Life Care segment sales were slightly lower.

The Information Technology segment reported significantly higher sales of electronics-related semiconductor mask blanks, photomasks for LCDs and semiconductors, and glass substrates for hard disk drives. Meanwhile, imaging-related products sales were lower year on year. As a result, the Information Technology segment as a whole reported higher revenues year on year.

### 2) Segment Overview

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

#### Life Care

##### <Health care related products>

Sales of eyeglass lenses were lower year on year, mainly due to a rush in demand in prior quarters ahead of the increase in Japan's consumption tax rate. In overseas markets, sales were higher in Europe and Asia, leading to overall growth on a local currency basis. On a yen basis, however, sales decreased slightly due to the impact of foreign currency translation.

Contact lens sales decreased year on year. Although the Company generated new customers by strengthening existing Eyecity specialty stores, increasing sales of added-value products, and opening new locations, we also experienced a temporary decrease in demand due to the rush in purchasing in prior quarters ahead of the increase in Japan's consumption tax rate.

##### <Medical related products>

Sales of medical-use endoscopes were higher for the business overall, mainly due to strong sales of new products in Europe.

Sales of new intraocular lens products for cataracts contributed to higher revenues in Japan, while sales growth in China and the impact of business acquisitions also contributed to significantly higher year-on-year sales for the business overall.

As a result, sales for the Life Care segment decreased 1.5% year on year to 92,485 million yen. Segment profit decreased 19.9% to 15,330 million yen.

#### Information Technology

##### <Electronics related products>

Sales of mask blanks for semiconductors grew significantly year on year. This growth was mainly due to our capturing demand for customers' active research and development for cutting-edge products, including products for EUV (extreme ultraviolet), and mass-production launches.

Sales of photomasks for LCDs and semiconductors rose significantly as we captured OLED-related demand (organic light-emitting diode) in the growing Chinese market. As a result, overall sales for this business experienced significant growth year on year.

Sales of 2.5-inch glass substrates for hard disk drives decreased year on year, as the shift from hard disk drives to solid state drives (SSDs) continues. At the same time, sales of 3.5-inch products, which are expected to grow sharply, experienced strong growth in response to the adoption of nearline use in data centers, the end users of these products. As a result, overall sales of glass substrates were higher year on year.

<Imaging related products>

Smartphones and other factors continue to erode the compact digital camera and interchangeable lens markets, driving overall sales lower.

As a result, Information Technology segment sales revenues rose 9.1% year on year, reaching 52,670 million yen. Segment profit rose 9.2% to 23,481 million yen.

Other

The HOYA Group Other business segment consists of new businesses and businesses offering information systems services. The Other segment reported sales revenues of 1,326 million yen, an increase of 6.2% year on year. Segment loss amounted to 22 million yen.

### 3. Quarterly Consolidated Financial Statements

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

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	As of Sep. 30, 2019		As of Dec. 31, 2019		Variance		As of Dec. 31, 2018	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
<b>ASSETS</b>								
<b>NON-CURRENT ASSETS</b>								
Property, plant and equipment-net	140,420		152,186		11,766		108,783	
Goodwill	41,754		42,718		963		33,655	
Intangible assets	41,517		41,416		-101		35,294	
Investments in associates	1,251		736		-515		1,447	
Long-term financial assets	43,539		43,844		305		43,272	
Other non-current assets	552		854		301		3,010	
Deferred tax assets	10,811		9,398		-1,413		9,298	
Total non-current assets	279,846	35.1	291,152	35.8	11,305	4.0	234,759	32.6
<b>CURRENT ASSETS</b>								
Inventories	80,305		81,215		910		77,809	
Trade and other receivables	114,263		114,038		-226		111,129	
Other short-term financial assets	1,576		1,453		-122		1,151	
Income tax receivables	912		444		-468		630	
Other current assets	21,429		20,734		-695		21,991	
Cash and cash equivalents	298,430		304,397		5,967		272,290	
Total current assets	516,915	64.9	522,281	64.2	5,366	1.0	484,999	67.4
Total assets	796,761	100.0	813,433	100.0	16,672	2.1	719,758	100.0

(Millions of Yen)

	As of Sep. 30, 2019		As of Dec. 31, 2019		Variance		As of Dec. 31, 2018	
	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	-31,508		-17,224		14,283		-8,735	
Other capital reserves	-7,819		-8,327		-508		-7,309	
Retained earnings	665,873		656,124		-9,750		588,668	
Accumulated other comprehensive income/(loss)	-16,210		-4,672		11,538		-2,642	
Equity attributable to owners of the Company	632,499	79.4	648,063	79.7	15,564	2.5	592,145	82.3
Non-controlling interests	4,464		4,755		291		4,495	
Total equity	636,963	79.9	652,819	80.3	15,855	2.5	596,641	82.9
<b>LIABILITIES</b>								
<b>NON-CURRENT LIABILITIES</b>								
Interest-bearing long-term debt	15,095		15,038		-57		490	
Other long-term financial liabilities	4,774		4,221		-553		6,566	
Retirement benefits liabilities	3,134		3,361		227		2,488	
Provisions	2,616		2,554		-62		2,480	
Other non-current liabilities	1,348		1,433		85		1,195	
Deferred tax liabilities	4,442		4,499		57		2,361	
Total non-current liabilities	31,408	3.9	31,106	3.8	-303	-1.0	15,581	2.2
<b>CURRENT LIABILITIES</b>								
Interest-bearing short-term debt	6,403		6,851		448		1,889	
Trade and other payables	59,420		61,147		1,727		49,979	
Other short-term financial liabilities	2,805		2,853		49		658	
Income tax payables	15,924		14,698		-1,225		8,535	
Provisions	1,262		1,260		-2		1,313	
Other current liabilities	42,576		42,699		123		45,163	
Total current liabilities	128,390	16.1	129,509	15.9	1,119	0.9	107,537	14.9
Total liabilities	159,798	20.1	160,614	19.7	816	0.5	123,117	17.1
Total equity and liabilities	796,761	100.0	813,433	100.0	16,672	2.1	719,758	100.0
Total number of issued shares in thousand	377,020		376,195		-825		379,894	
Equity attributable to owner of the Company per share	1,677.63 Yen		1,722.68 Yen		45.05 Yen		1,558.71 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.
	Dec. 31, 2018	Dec. 31, 2019		
Cash flows from operating activities				
Profit before tax	39,676	38,322	-1,353	44,221
Depreciation and amortization	6,503	8,691	2,188	8,398
Impairment losses	5	1	-5	—
Finance income	-885	-942	-57	-716
Finance costs	88	214	126	199
Share of (profits)/loss of associates	4	536	532	509
(Gain)/loss on sales of property, plant and equipment	-210	1	210	-85
Loss on disposal of property, plant and equipment	234	28	-207	209
Foreign exchange (gain)/loss	-35	-36	-2	-62
Others	1,873	-575	-2,448	1,421
Net cash generated from operating activities	47,255	46,239	-1,016	54,094
(Before adjustment of movements in working capital)				
Movements in working capital				
Decrease/(increase) in inventories	-3,574	977	4,551	583
Decrease/(increase) in trade and other receivables	-1,990	2,574	4,564	-9,391
Increase/(decrease) in trade and other payables	1,899	-2,063	-3,961	3,186
Increase/(decrease) in retirement benefits liabilities and provisions	124	-9	-133	151
Sub total	43,714	47,719	4,004	48,623
Interests received	960	991	31	582
Dividends received	0	0	-0	1
Interests paid	-6	-118	-112	-111
Income taxes paid	-10,458	-8,494	1,964	-4,565
Income taxes refunded	-75	—	75	123
Net cash generated from operating activities	34,135	40,097	5,962	44,653
Cash flows from investing activities				
Withdrawals of time deposit	16,357	816	-15,540	840
Payments for time deposit	-1,298	-413	885	-895
Proceeds from sales of property, plant and equipment	934	207	-727	111
Payments for acquisition of property, plant and equipment	-6,364	-11,354	-4,990	-10,742
Proceeds from sales of investment	0	7	7	1,043
Payments for acquisition of investment	—	—	—	-785
Payments for purchase of subsidiary	-755	-388	366	-126
Payments for business transfer	-332	-83	249	—
Other proceeds	89	70	-19	46
Other payments	-689	-559	129	-572
Net cash used in investing activities	7,942	-11,697	-19,639	-11,080
Cash flows from financing activities				
Dividends paid to owners of the Company	-17,056	-16,938	118	-52
Increase (decrease) in short-term debt	—	-0	0	-775
Repayments of long-term borrowings	-67	-8	59	-14
Payments for lease liabilities	—	-2,274	-2,274	-1,758
Proceeds from disposal of treasury shares	0	—	-0	—
Payments for purchase of treasury shares	-1	-9,200	-9,200	-4,981
Proceeds from exercise of stock options	776	646	-130	145
Payments for purchase of non-controlling interests	—	-119	-119	-31
Net cash used in financing activities	-16,347	-27,893	-11,546	-7,465
Net increase/(decrease) in cash and cash equivalents	25,730	508	-25,222	26,108
Cash and cash equivalents at the beginning of the term	252,294	298,430	46,136	273,831
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	-5,734	5,459	11,194	-1,509
Cash and cash equivalents at the end of the term	272,290	304,397	32,107	298,430

### (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 Sep. 30,2019	
		Dec. 31, 2018		Dec. 31, 2019					
		Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
<b>All operations</b>									
<b>Revenue:</b>									
Sales	143,425	100.0	146,481	100.0	3,056	2.1	154,129	100.0	
Finance income	885	0.6	942	0.6	57	6.5	716	0.5	
Other income	796	0.6	743	0.5	-52	-6.6	503	0.3	
<b>Total Revenue</b>		145,105	101.2	148,167	101.2	3,061	2.1	155,348	100.8
<b>Expenses:</b>									
Changes in inventories of goods, products and work in progress	-1,581	-1.1	2,432	1.7	4,012	-253.8	267	0.2	
Raw materials and consumables used	21,227	14.8	24,356	16.6	3,129	14.7	23,832	15.5	
Employee benefits expense	32,964	23.0	33,616	22.9	652	2.0	33,245	21.6	
Depreciation and amortization	6,503	4.5	8,691	5.9	2,188	33.6	8,398	5.4	
Subcontracting cost	1,432	1.0	1,120	0.8	-312	-21.8	1,118	0.7	
Advertising and promotion expense	3,106	2.2	2,995	2.0	-111	-3.6	3,218	2.1	
Commission expense	8,376	5.8	8,441	5.8	65	0.8	8,432	5.5	
Impairment losses	5	0.0	1	0.0	-5	-88.2	—	—	
Finance costs	88	0.1	214	0.1	126	143.0	199	0.1	
Share of loss of associates	4	0.0	536	0.4	532	12,073.5	509	0.3	
Foreign exchange (gain)/loss	638	0.4	142	0.1	-496	-77.7	794	0.5	
Other expenses	32,667	22.8	27,301	18.6	-5,366	-16.4	31,114	20.2	
<b>Total expense</b>		105,430	73.5	109,844	75.0	4,414	4.2	111,127	72.1
Profit before tax	39,676	27.7	38,322	26.2	-1,353	-3.4	44,221	28.7	
Income tax expense	6,533	4.6	8,655	5.9	2,122	32.5	9,189	6.0	
<b>Profit for the term from all operations</b>		33,143	23.1	29,667	20.3	-3,476	-10.5	35,032	22.7
<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	-339		403		-	-	-365		
Remeasurements of the net defined benefit liability(asset)	12		-10		-21	-	-2		
Income tax relating to components of other comprehensive income	103		-120		-223	-	110		
<b>Total items that will not be reclassified subsequently to profit or loss</b>		-224		273		497	-	-256	
Items that may be reclassified subsequently to profit or loss									
Exchange differences on translation of foreign operations	-11,652		11,398		23,050	-	-4,066		
Share of other comprehensive income of associates	1		20		19	-	-22		
Income tax relating to components of other comprehensive income	-166		-4		163	-	-105		
<b>Total items that may be reclassified subsequently to profit or loss</b>		-11,817		11,414		23,232	-	-4,193	
<b>Total other comprehensive income/(loss)</b>		-12,041		11,687		23,728	-	-4,449	
<b>Total comprehensive income for the quarter</b>		21,102		41,354		20,253	96.0	30,583	
<b>Profit attributable to :</b>									
Owners of the Company	33,162	23.1	29,543	20.2	-3,619	-10.9	34,866	22.6	
Non-controlling interests	-19	-0.0	124	0.1	143	-	166	0.1	
Total	33,143	23.1	29,667	20.3	-3,476	-10.5	35,032	22.7	
<b>Total comprehensive income/(loss) attributable to :</b>									
Owners of the Company	21,349		41,063		19,713	92.3	30,558		
Non-controlling interests	-248		291		539	-	25		
Total	21,102		41,354		20,253	96.0	30,583	0.0	
<b>Basic earnings/(loss) per share (yen)</b>									
Continuing operations	87.31		78.45		-8.86		92.45		
Discontinued operations	—		—		—		—		
<b>Basic earnings per share (yen)</b>		87.31		78.45		-8.86	円	92.45	円
<b>Diluted earnings/(loss) per share (yen)</b>									
Continuing operations	87.15		78.31		-8.84		92.29		
Discontinued operations	—		—		—		—		
<b>Diluted earnings per share (yen)</b>		87.15		78.31		-8.84	円	92.29	円

Notes:

- Effect of Exchange Rate Change on Net Sales and Incomes ("2019A" is the actual value of this period. "2019B" 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	150,105	146,481	-3,624	6,680	4.7%
Profit before tax	38,651	38,322	-328	-1,025	-2.6%
Profit for the quarter	29,902	29,667	-235	-3,241	-9.8%

		For the three months ended		
		Dec. 31, 2018	Dec. 31, 2019	Variance(%)
2. Average rates of major foreign currencies				
US\$	Yen	112.58	109.33	2.9%
Euro	Yen	128.21	121.53	5.2%
Thai Baht	Yen	3.42	3.62	-5.8%



## (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 in accordance with the Pharmaceutical Affairs Act in Japan and other regulations, and sophisticated technologies and highly reliable quality control systems represent the critical elements for operating this business.

In the Information Technology business, the Group has developed an extensive range of products following the digitalization of information and the emergence of the Internet. The Group produces and sells a broad array of I/O (Input/Output Device) related products 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 information system services and 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, Intraocular lenses, Artificial bone, Metallic implants for orthopedics, etc.
Information Technology	Electronics related products	Photomasks and Maskblanks for semiconductors, Masks and Devices for liquid-crystal displays (LCDs) Glass disks for hard disk drives (HDDs), etc.
	Imaging related products	Optical lenses, Optical glasses, Laser equipment, etc.
Other		Design of information systems, Speech synthesis software, etc.

## 1. Segment revenues and results

(Millions of Yen)

For the three months ended Dec. 31, 2018	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	93,902	48,275	1,249	143,425	—	143,425
Inter-segment	1	12	364	377	-377	—
<b>Total</b>	<b>93,903</b>	<b>48,286</b>	<b>1,613</b>	<b>143,802</b>	<b>-377</b>	<b>143,425</b>
Segment profit before tax	19,144	21,510	199	40,853	-1,178	39,676
Segment profit before tax ratio	20.4%	44.5%	12.3%	28.4%	—	27.7%
Ref: Profit from ordinary operating activities	19,601	21,573	202	41,375	-1,502	39,873
% of revenue	20.9%	44.7%	12.5%	28.8%	—	27.8%

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%

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	-1,417	4,396	77	3,056	—	3,056
Variance	-1.5%	9.1%	6.2%	2.1%	—	2.1%
Inter-segment	0	-11	-109	-119	119	—
<b>Total</b>	<b>-1,417</b>	<b>4,385</b>	<b>-31</b>	<b>2,937</b>	<b>119</b>	<b>3,056</b>
Segment profit before tax	-3,815	1,971	-221	-2,065	711	-1,353
Variance	-19.9%	9.2%	-111.1%	-5.1%	—	-3.4%
Profit from ordinary operating activities	-3,925	2,073	-98	-1,949	358	-1,592
Variance	-20.0%	9.6%	-48.5%	-4.7%	-23.8%	-4.0%

Note: Effect of Exchange Rate Change on Net Sales and Incomes ("2019 A" is the actual value of this period. "2019 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)

	2019B	2019A	Influences	Real change	(%)
Life Care					
Revenue from external customers	95,111	92,485	-2,626	1,209	1.3%
Profit from ordinary operating activities	15,686	15,676	-10	-3,915	-20.0%
Segment profit before tax	15,326	15,330	4	-3,818	-19.9%
Information Technology					
Revenue from external customers	53,634	52,670	-964	5,359	11.1%
Profit from ordinary operating activities	23,965	23,646	-320	2,393	11.1%
Segment profit before tax	23,801	23,481	-320	2,291	10.6%

Ref : Results of the previous quarter are as follows:

For the three months ended Sep. 30, 2019	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	100,409	52,426	1,294	154,129	—	154,129
Inter-segment	1	12	312	325	-325	—
<b>Total</b>	<b>100,410</b>	<b>52,438</b>	<b>1,606</b>	<b>154,454</b>	<b>-325</b>	<b>154,129</b>
Segment profit before tax	20,644	24,311	229	45,185	-963	44,221
Segment profit before tax ratio	20.6%	46.4%	14.3%	29.3%	—	28.7%
Ref: Profit from ordinary operating activities	21,695	24,250	225	46,170	-971	45,199
% of revenue	21.6%	46.2%	14.0%	29.9%	—	29.3%

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. 30,2019	
						Dec. 31, 2018		Dec. 31, 2019		Amount	
Amount		(%)		Amount		(%)		Amount		(%)	

### Revenue from all operations

Life Care	93,902	65.5	92,485	63.1	△ 1,417	△ 1.5	100,409	65.1
Health care related products	69,298	[ 73.8 ]	66,784	[ 72.2 ]	-2,514	-3.6	76,058	[ 75.7 ]
Medical related products	24,603	[ 26.2 ]	25,701	[ 27.8 ]	1,098	4.5	24,352	[ 24.3 ]
Information Technology	48,275	33.7	52,670	36.0	4,396	9.1	52,426	34.0
Electronics related products	38,286	[ 79.3 ]	43,906	[ 83.4 ]	5,620	14.7	43,012	[ 82.0 ]
Imaging related products	9,988	[ 20.7 ]	8,764	[ 16.6 ]	-1,224	-12.3	9,415	[ 18.0 ]
Other	1,249	0.9	1,326	0.9	77	6.2	1,294	0.8
Corporate (including R&D)	0	—	-	-	-	-	0	-
<b>Total revenue from all operations</b>	<b>143,425</b>	<b>100.0</b>	<b>146,481</b>	<b>100.0</b>	<b>3,056</b>	<b>2.1</b>	<b>154,129</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 ("2019 A" is the actual value of this period. "2019 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	(%)
Life Care	95,111	92,485	-2,626	1,209	1.3%
Health care related products	68,590	66,784	-1,806	-708	-1.0%
Medical related products	26,521	25,701	-820	1,918	7.8%
Information Technology	53,634	52,670	-964	5,359	11.1%
Electronics related products	44,723	43,906	-817	6,437	16.8%
Imaging related products	8,911	8,764	-147	-1,077	-10.8%

## 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. 30,2019		
	Dec. 31, 2018		Dec. 31, 2019						
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)	

### Revenue from all operations

Total revenue from all operations	143,425	100.0	146,481	100.0	3,056	2.1	154,129	100.0
Japan	41,487	28.9	37,561	25.6	-3,927	-9.5	47,542	30.8
Americas	24,158	16.8	23,385	16.0	-773	-3.2	24,559	15.9
Europe	28,438	19.8	29,447	20.1	1,009	3.5	27,188	17.6
Asia/Oceania	47,464	33.1	54,005	36.9	6,541	13.8	53,171	34.5
Others	1,878	1.3	2,083	1.4	206	11.0	1,669	1.1

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

<Reference>

**Supplementary data for 3rd Quarter: from October 1 to December 31, 2019**

The breakdown of changes in revenue and profit before tax

(Millions of Yen)

	FY18-3Q	FY19-3Q	Variance	Foreign exchange	Others
Revenue	143,425	146,481	3,056	-3,624	6,680
Life Care	93,902	92,485	-1,417	-2,626	1,209
Health care related products	69,298	66,784	-2,514	-1,806	-708
Medical related products	24,603	25,701	1,098	-820	1,918
Information Technology	48,275	52,670	4,396	-964	5,359
Electronics related products	38,286	43,906	5,620	-817	6,437
Imaging related products	9,988	8,764	-1,224	-147	-1,077
Profit from ordinary operating activities	39,873	38,281	-1,592	-325	-1,267
Life Care	19,601	15,676	-3,925	-10	-3,915
Information Technology	21,573	23,646	2,073	-320	2,393
Other, adjustment (Corporate)	-1,300	-1,041	260	4	255
Profit before tax	39,676	38,322	-1,353	-328	-1,025
Life Care	19,144	15,330	-3,815	4	-3,818
Information Technology	21,510	23,481	1,971	-320	2,291
Other, adjustment (Corporate)	-979	-488	491	-12	503

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

	All operations		
	FY18-3Q	FY19-3Q	Variance
Profit before tax	39,676	38,322	-1,353
Adjustments	-197	41	239
Finance income	885	942	57
Finance costs	-88	-214	-126
Share of loss of associates	-4	-536	-532
Foreign exchange (gain)/loss	-638	-142	496
Others	-346	-8	338
Profit from ordinary operating activities	39,873	38,281	-1,592

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

	Life Care			Information Technology			Other, adjustment (Corporate)		
	FY18-3Q	FY19-3Q	Variance	FY18-3Q	FY19-3Q	Variance	FY18-3Q	FY19-3Q	Variance
Profit before tax	19,144	15,330	-3,815	21,510	23,481	1,971	-979	-488	491
Adjustments	-456	-346	111	-62	-164	-102	322	551	230
Finance income	233	186	-47	213	233	20	438	523	85
Finance costs	-396	-320	76	-85	-79	6	394	185	-209
Share of loss of associates	8	22	14	6	7	1	-19	-565	-546
Foreign exchange (gain)/loss	2	-59	-61	-280	-89	191	-360	6	366
Impairment losses	-5	-1	5	-	-	-	-	-	-
Others	-298	-174	124	84	-236	-320	-132	402	534
Profit from ordinary operating activities	19,601	15,675	-3,925	21,573	23,646	2,073	-1,300	-1,040	261

# 1. Consolidated Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

## 1. Performance for the nine months ended December 31, 2018 and 2019 (All operations \*Notes)

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

	Nine months ended		Variance
	Dec. 31, 2018	Dec. 31, 2019	(%)
(1)Revenue and Profit before tax			
Revenue	424,334	441,430	4.0
Profit before tax	113,300	119,589	5.6
Ratio of profit before tax(%)	26.7%	27.1%	
Profit for the term	92,863	94,848	2.1
Ratio of profit for the term(%)	21.9%	21.5%	
Profit attributable to owners of the Company	93,000	94,454	1.6
Ratio of profit attributable to owners of the Company(%)	21.9%	21.4%	
Basic earnings per share (yen)	244.95	250.11	
Diluted earnings per share (yen)	244.49	249.66	
(2)Financial Position	As of		
	Dec. 31, 2018	Dec. 31, 2019	
Total assets	763,915	813,433	
Total equity	627,707	652,819	
Equity attributable to owners of the Company	623,155	648,063	
Ratio of assets attributable to owners of the Company	81.6%	79.7%	
Assets attributable to owners of the Company per share (yen)	1,640.02	1,722.68	
(3) Conditions of Cash Flows	Nine months ended		
	Dec. 31, 2018	Dec. 31, 2019	
Net cash generated from operating activities	99,979	120,191	
Net cash used in investing activities	-43,842	-33,659	
Free cash flow	56,136	86,532	
Net cash provided by (used in) financing activities	-32,955	-73,105	
Cash and cash equivalents at end of period	272,290	304,397	

## 3.Other

	Nine months ended	
	Dec. 31, 2018	Dec. 31, 2019
Capital expenditure	20,959	40,768
R&D expenses	19,344	19,370

### 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, 2019		As of Dec. 31, 2019		Variance		As of Dec. 31, 2018	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
<b>ASSETS</b>								
<b>NON-CURRENT ASSETS</b>								
Property, plant and equipment-net	111,077		152,186		41,110		108,783	
Goodwill	42,843		42,718		-126		33,655	
Intangible assets	44,308		41,416		-2,892		35,294	
Investments in associates	349		736		387		1,447	
Long-term financial assets	44,103		43,844		-259		43,272	
Other non-current assets	2,960		854		-2,107		3,010	
Deferred tax assets	10,162		9,398		-764		9,298	
<b>Total non-current assets</b>	<b>255,802</b>	<b>33.5</b>	<b>291,152</b>	<b>35.8</b>	<b>35,350</b>	<b>13.8</b>	<b>234,759</b>	<b>32.6</b>
<b>CURRENT ASSETS</b>								
Inventories	78,973		81,215		2,243		77,809	
Trade and other receivables	110,847		114,038		3,191		111,129	
Other short-term financial assets	3,131		1,453		-1,677		1,151	
Income tax receivables	820		444		-376		630	
Other current assets	20,946		20,734		-212		21,991	
Cash and cash equivalents	293,397		304,397		11,000		272,290	
<b>Total current assets</b>	<b>508,113</b>	<b>66.5</b>	<b>522,281</b>	<b>64.2</b>	<b>14,168</b>	<b>2.8</b>	<b>484,999</b>	<b>67.4</b>
<b>Total assets</b>	<b>763,915</b>	<b>100.0</b>	<b>813,433</b>	<b>100.0</b>	<b>49,518</b>	<b>6.5</b>	<b>719,758</b>	<b>100.0</b>

(Millions of Yen)

	As of Mar. 31, 2019		As of Dec. 31, 2019		Variance		As of Dec. 31, 2018	
	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	-8,319		-17,224		-8,905		-8,735	
Other capital reserves	-7,434		-8,327		-893		-7,309	
Retained earnings	617,459		656,124		38,664		588,668	
Accumulated other comprehensive income/(loss)	-713		-4,672		-3,958		-2,642	
Equity attributable to owners of the Company	623,155	81.6	648,063	79.7	24,908	4.0	592,145	82.3
Non-controlling interests	4,552		4,755		204		4,495	
Total equity	627,707	82.2	652,819	80.3	25,111	4.0	596,641	82.9
<b>LIABILITIES</b>								
<b>NON-CURRENT LIABILITIES</b>								
Interest-bearing long-term debt	904		15,038		14,134		490	
Other long-term financial liabilities	10,936		4,221		-6,715		6,566	
Retirement benefits liabilities	2,770		3,361		592		2,488	
Provisions	2,607		2,554		-53		2,480	
Other non-current liabilities	2,303		1,433		-870		1,195	
Deferred tax liabilities	4,917		4,499		-417		2,361	
Total non-current liabilities	24,436	3.2	31,106	3.8	6,670	27.3	15,581	2.2
<b>CURRENT LIABILITIES</b>								
Interest-bearing short-term debt	1,934		6,851		4,916		1,889	
Trade and other payables	54,887		61,147		6,259		49,979	
Other short-term financial liabilities	646		2,853		2,208		658	
Income tax payables	8,872		14,698		5,826		8,535	
Provisions	1,261		1,260		-1		1,313	
Other current liabilities	44,171		42,699		-1,472		45,163	
Total current liabilities	111,772	14.6	129,509	15.9	17,737	15.9	107,537	14.9
Total liabilities	136,208	17.8	160,614	19.7	24,407	17.9	123,117	17.1
Total equity and liabilities	763,915	100.0	813,433	100.0	49,518	6.5	719,758	100.0
Total number of issued shares in thousand	379,968		376,195		-3,773		379,894	
Equity attributable to owner of the Company per share	1,640.02 Yen		1,722.68 Yen		82.66 Yen		1,558.71 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, 2018	Dec. 31, 2019		Mar.31 2019
Cash flows from operating activities				
Profit before tax	113,300	119,589	6,289	144,657
Depreciation and amortization	19,667	25,472	5,805	26,416
Impairment losses	5	1	-5	1,099
Finance income	-2,046	-2,635	-589	-2,773
Finance costs	258	576	318	391
Share of (profits)/loss of associates	11	1,422	1,411	1,113
(Gain)/loss on sales of property, plant and equipment	-347	-130	217	-492
Loss on disposal of property, plant and equipment	558	258	-299	609
Gain on business transfer	-3	—	3	-3
Foreign exchange (gain)/loss	577	1,123	547	342
Others	1,876	-2,376	-4,252	7,936
Net cash generated from operating activities (Before adjustment of movements in working capital)	133,856	143,300	9,445	179,294
Movements in working capital				
Decrease/(increase) in inventories	-6,579	-2,919	3,660	-6,128
Decrease/(increase) in trade and other receivables	-4,007	-4,043	-36	-3,066
Increase/(decrease) in trade and other payables	2,937	679	-2,258	4,985
Increase/(decrease) in retirement benefits liabilities and provisions	406	441	35	428
Sub total	126,613	137,459	10,846	175,512
Interests received	1,847	2,451	603	2,435
Dividends received	9	14	5	5
Interests paid	-14	-397	-383	-261
Income taxes paid	-28,860	-19,458	9,403	-31,637
Income taxes refunded	384	123	-261	533
Net cash generated from operating activities	99,979	120,191	20,212	146,588
Cash flows from investing activities				
Withdrawals of time deposit	21,242	2,459	-18,784	21,815
Payments for time deposit	-17,222	-1,940	15,282	-18,223
Proceeds from sales of property, plant and equipment	1,984	411	-1,572	2,340
Payments for acquisition of property, plant and equipment	-19,930	-32,767	-12,837	-26,672
Proceeds from sales of investment	5	1,948	1,943	10
Payments for acquisition of investment	-27,221	-1,148	26,073	-27,777
Proceeds from sales of subsidiary	260	—	-260	260
Payments for acquisition of subsidiaries	-1,269	-969	300	-19,742
Proceeds from business transfer	4	—	-4	4
Payments for business transfer	-421	-170	252	-421
Other proceeds	319	167	-152	427
Other payments	-1,591	-1,649	-58	-2,164
Net cash used in investing activities	-43,842	-33,659	10,184	-70,144
Cash flows from financing activities				
Dividends paid to owners of the Company	-34,119	-34,024	95	-34,141
Dividends paid to non-controlling interests	-30	—	30	-30
Increase (decrease) in short-term debt	—	-775	-775	—
Repayments of long-term borrowings	-200	-114	85	-271
Payments for lease liabilities	—	-5,897	-5,897	—
Payments for redemption of bonds	-14	—	14	-14
Proceeds from disposal of treasury shares	0	—	-0	0
Payments for purchase of treasury shares	-1	-33,290	-33,288	-2
Proceeds from exercise of stock options	1,342	1,144	-197	1,600
Proceeds from share issuance to non-controlling shareholders	67	—	-67	67
Payments for purchase of non-controlling interests	—	-149	-149	—
Net cash used in financing activities	-32,955	-73,105	-40,150	-32,792
Net increase/(decrease) in cash and cash equivalents	23,182	13,427	-9,754	43,652
Cash and cash equivalents at the beginning of the term	245,835	293,397	47,562	245,835
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	3,272	-2,428	-5,700	3,910
Cash and cash equivalents at the end of the term	272,290	304,397	32,107	293,397



### (3) Consolidated Statement of Comprehensive Income

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the nine months ended				Variance		For the year ended	
	Dec. 31, 2018		Dec. 31, 2019				Mar.31 2019	
	Amount	(%)	Amount	(%)	Amount	(%)		
<b>All operations</b>								
<b>Revenue:</b>								
Sales	424,334	100.0	441,430	100.0	17,095	4.0	565,810	100.0
Finance income	2,046	0.5	2,635	0.6	589	28.8	2,773	0.5
Other income	2,397	0.6	1,847	0.4	-551	-23.0	3,775	0.7
<b>Total Revenue</b>	<b>428,778</b>	<b>101.0</b>	<b>445,911</b>	<b>101.0</b>	<b>17,134</b>	<b>4.0</b>	<b>572,359</b>	<b>101.2</b>
<b>Expenses:</b>								
Changes in inventories of goods, products and work in progress	-3,574	-0.8	-299	-0.1	3,275	-91.6	-2,763	-0.5
Raw materials and consumables used	66,775	15.7	70,848	16.0	4,074	6.1	86,977	15.4
Employee benefits expense	98,475	23.2	100,334	22.7	1,859	1.9	132,006	23.3
Depreciation and amortization	19,667	4.6	25,472	5.8	5,805	29.5	26,416	4.7
Subcontracting cost	4,056	1.0	3,531	0.8	-525	-12.9	5,376	1.0
Advertising and promotion expense	9,431	2.2	9,629	2.2	198	2.1	12,719	2.2
Commission expense	25,503	6.0	25,033	5.7	-471	-1.8	34,051	6.0
Impairment losses	5	0.0	1	0.0	-5	-88.2	1,099	0.2
Finance costs	258	0.1	576	0.1	318	123.3	391	0.1
Share of loss of associates	11	0.0	1,422	0.3	1,411	12,905.1	1,113	0.2
Foreign exchange (gain)/loss	1,941	0.5	2,780	0.6	839	43.2	2,307	0.4
Other expenses	92,928	21.9	86,995	19.7	-5,933	-6.4	128,010	22.6
<b>Total Expenses</b>	<b>315,477</b>	<b>74.3</b>	<b>326,322</b>	<b>73.9</b>	<b>10,845</b>	<b>3.4</b>	<b>427,702</b>	<b>75.6</b>
Profit before tax	113,300	26.7	119,589	27.1	6,289	5.6	144,657	25.6
Income tax expense	20,437	4.8	24,741	5.6	4,304	21.1	22,584	4.0
<b>Profit for the term from all operations</b>	<b>92,863</b>	<b>21.9</b>	<b>94,848</b>	<b>21.5</b>	<b>1,985</b>	<b>2.1</b>	<b>122,072</b>	<b>21.6</b>
<b>Other comprehensive income:</b>								
Items that will not be reclassified subsequently to profit or loss	411		-60		-471	—	809	
Remeasurements of the net defined benefit liability(asset)	8		-11		-19	—	-293	
Income tax relating to components of other comprehensive income	-130		11		141	—	-146	
<b>Total Items that will not be reclassified subsequently to profit or loss</b>	<b>289</b>		<b>-59</b>		<b>-349</b>	<b>—</b>	<b>371</b>	
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign operations	5,378		-3,833		-9,211	—	6,612	
Share of other comprehensive income of associates	-18		-12		6	—	-16	
Income tax relating to components of other comprehensive income	-125		-109		16	—	124	
<b>Total Items that may be reclassified subsequently to profit or loss</b>	<b>5,234</b>		<b>-3,954</b>		<b>-9,189</b>	<b>—</b>	<b>6,720</b>	
<b>Total other comprehensive income/(loss)</b>	<b>5,524</b>		<b>-4,014</b>		<b>-9,537</b>	<b>—</b>	<b>7,091</b>	
<b>Total comprehensive income for the half year</b>	<b>98,387</b>		<b>90,834</b>		<b>-7,553</b>	<b>-7.7</b>	<b>129,164</b>	
<b>Profit attributable to :</b>								
Owners of the Company	93,000	21.9	94,454	21.4	1,454	1.6	122,103	21.6
Non-controlling interests	-137	0.0	393	0.1	530	—	-31	-0.0
<b>Total</b>	<b>92,863</b>	<b>21.9</b>	<b>94,848</b>	<b>21.5</b>	<b>1,985</b>	<b>2.1</b>	<b>122,072</b>	<b>21.6</b>
<b>Total comprehensive income/(loss) attributable to :</b>								
Owners of the Company	98,614		90,546		-8,068	-8.2	129,334	
Non-controlling interests	-228		288		516	—	-171	
<b>Total</b>	<b>98,387</b>		<b>90,834</b>		<b>-7,553</b>	<b>-7.7</b>	<b>129,164</b>	
<b>Basic earnings/(loss) per share (yen)</b>								
Continuing operations	244.95		250.11		5.16		321.55	
Discontinued operations	—		—		—		—	
<b>Basic earnings per share (yen)</b>	<b>244.95</b>		<b>250.11</b>		<b>5.16</b>		<b>321.55</b>	
<b>Diluted earnings/(loss) per share (yen)</b>								
Continuing operations	244.49		249.66		5.17		320.96	
Discontinued operations	—		—		—		—	
<b>Diluted earnings per share (yen)</b>	<b>244.49</b>		<b>249.66</b>		<b>5.17</b>		<b>320.96</b>	

Notes:

- Effect of exchange rate change on net sales and incomes ("2019A" is the actual value of this period. "2019 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	452,940	441,430	-11,510	28,605	6.7%
Profit before tax	120,867	119,589	-1,278	7,567	6.7%
Profit for the term	95,797	94,848	-950	2,934	3.2%

- Average rates of major foreign currencies

		For the nine months ended		
		Dec. 31, 2018	Dec. 31, 2019	Variance(%)
US\$	Yen	111.33	108.89	2.2%
Euro	Yen	129.25	121.12	6.3%
Thai Baht	Yen	3.40	3.53	-4.0%

## (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 in accordance with the Pharmaceutical Affairs Act in Japan and other regulations, and sophisticated technologies and highly reliable quality control systems represent the critical elements for operating this business.

In the Information Technology business, the Group has developed an extensive range of products following the digitalization of information and the emergence of the Internet. The Group produces and sells a broad array of I/O (Input/Output Device) related products 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 information system services and 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, Intraocular lenses, Artificial bone, Metallic implants for orthopedics, etc.
Information Technology	Electronics related products	Photomasks and Maskblanks for semiconductors, Masks and Devices for liquid-crystal displays (LCDs) Glass disks for hard disk drives (HDDs), etc.
	Imaging related products	Optical lenses, Optical glasses, Laser equipment, etc.
Other		Design of information systems, Speech synthesis software, etc.

## 1. Segment revenues and results

(Millions of Yen)

For the nine months ended Dec. 31, 2018	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	277,091	143,816	3,427	424,334	—	424,334
Inter-segment	2	51	1,080	1,133	-1,133	—
<b>Total</b>	<b>277,093</b>	<b>143,868</b>	<b>4,507</b>	<b>425,468</b>	<b>-1,133</b>	<b>424,334</b>
Segment profit before tax	53,508	62,230	411	116,149	-2,849	113,300
Segment profit before tax ratio	19.3%	43.3%	9.1%	27.3%	—	26.7%
Ref: Profit from ordinary operating activities	56,132	61,295	384	117,810	-4,398	113,412
% of revenue	20.3%	42.6%	8.5%	27.7%	—	26.7%

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>	<b>286,668</b>	<b>151,098</b>	<b>4,486</b>	<b>442,253</b>	<b>-823</b>	<b>441,430</b>
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%
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%

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	9,575	7,257	264	17,095	—	17,095
Variance	3.5%	5.0%	7.7%	4.0%	—	4.0%
Inter-segment	-0	-26	-284	-310	310	—
<b>Total</b>	<b>9,575</b>	<b>7,230</b>	<b>-20</b>	<b>16,785</b>	<b>310</b>	<b>17,095</b>
Segment profit before tax	-242	6,043	-144	5,656	632	6,289
Variance	-0.5%	9.7%	-35.0%	4.9%	—	5.6%
Profit from ordinary operating activities	-580	7,753	0	7,172	1,346	8,518
Variance	-1.0%	12.6%	0.0%	6.1%	-30.6%	7.5%

Note: Effect of Exchange Rate Change on Net Sales and Incomes ("2019A" is the actual value of this period. "2019 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)

	2019B	2019A	Influences	Real change	(%)
Life Care					
Revenue from external customers	295,584	286,666	-8,918	18,493	6.7%
Profit from ordinary operating activities	55,898	55,552	-347	-234	-0.4%
Segment profit before tax ratio	53,632	53,266	-367	124	0.2%
Information Technology					
Revenue from external customers	153,561	151,073	-2,488	9,745	6.8%
Profit from ordinary operating activities	69,909	69,047	-862	8,615	14.1%
Segment profit before tax ratio	69,139	68,272	-866	6,909	11.1%

## 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, 2018		Dec. 31, 2019							
Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)		

### Revenue from all operations

Life Care	277,091	65.3	286,666	64.9	9,575	3.5	373,388	66.0
Health care related products	209,565	[ 75.6 ]	213,290	[ 74.4 ]	3,725	1.8	281,613	[ 75.4 ]
Medical related products	67,526	[ 24.4 ]	73,377	[ 25.6 ]	5,850	8.7	91,775	[ 24.6 ]
Information Technology	143,816	33.9	151,073	34.2	7,257	5.0	187,546	33.1
Electronics related products	111,782	[ 77.7 ]	123,925	[ 82.0 ]	12,143	10.9	146,623	[ 78.2 ]
Imaging related products	32,034	[ 22.3 ]	27,148	[ 18.0 ]	-4,886	-15.3	40,924	[ 21.8 ]
Other	3,427	0.8	3,691	0.8	264	7.7	4,875	0.9
Corporate (including R&D)	0	—	-	-	-	-	-	-
<b>Total revenue from all operations</b>	<b>424,334</b>	<b>100.0</b>	<b>441,430</b>	<b>100.0</b>	<b>17,095</b>	<b>4.0</b>	<b>565,810</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 ("2019A" is the actual value of this period. "2019B" 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	(%)
Life Care	295,584	286,666	-8,918	18,493	6.7%
Health care related products	219,572	213,290	-6,283	10,007	4.8%
Medical related products	76,012	73,377	-2,636	8,486	12.6%
Information Technology	153,561	151,073	-2,488	9,745	6.8%
Electronics related products	125,856	123,925	-1,931	14,074	12.6%
Imaging related products	27,705	27,148	-558	-4,329	-13.5%

## 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, 2018		Dec. 31, 2019				Mar.31 2019		
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)	

### Revenue from all operations

Total revenue from all operations	424,334	100.0	441,430	100.0	17,095	4.0	565,810	100.0
Japan	123,088	29.0	126,021	28.5	2,933	2.4	163,821	29.0
Americas	72,893	17.2	73,073	16.6	180	0.2	99,118	17.5
Europe	81,044	19.1	83,717	19.0	2,673	3.3	109,277	19.3
Asia/Oceania	141,878	33.4	153,346	34.7	11,468	8.1	185,959	32.9
Others	5,431	1.3	5,272	1.2	-159	-2.9	7,636	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, 2019**

The breakdown of changes in revenue and profit before tax

(Millions of Yen)

	FY2018	FY2019	Variance	Foreign exchange	Others
Revenue	424,334	441,430	17,095	-11,510	28,605
Life Care	277,091	286,666	9,575	-8,918	18,493
Health care related products	209,565	213,290	3,725	-6,283	10,007
Medical related products	67,526	73,377	5,850	-2,636	8,486
Information Technology	143,816	151,073	7,257	-2,488	9,745
Electronics related products	111,782	123,925	12,143	-1,931	14,074
Imaging related products	32,034	27,148	-4,886	-558	-4,329
Profit from ordinary operating activities	113,412	121,930	8,518	-1,195	9,714
Life Care	56,132	55,552	-580	-347	-234
Information Technology	61,295	69,047	7,753	-862	8,615
Other, adjustment (Corporate)	-4,015	-2,669	1,346	13	1,333
Profit before tax	113,300	119,589	6,289	-1,278	7,567
Life Care	53,508	53,266	-242	-367	124
Information Technology	62,230	68,272	6,043	-866	6,909
Other, adjustment (Corporate)	-2,438	-1,949	489	-45	534

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

	All operations		
	FY2018	FY2019	Variance
Profit before tax	113,300	119,589	6,289
Adjustments	-111	-2,341	-2,230
Finance income	2,046	2,635	589
Finance costs	-258	-576	-318
Share of loss of associates	-11	-1,422	-1,411
Foreign exchange (gain)/loss	-1,941	-2,780	-839
Impairment losses	-5	-1	5
Others	58	-197	-255
Profit from ordinary operating activities	113,412	121,930	8,518

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

	Life Care			Information Technology			Other, adjustment (Corporate)		
	FY2018	FY2019	Variance	FY2018	FY2019	Variance	FY2018	FY2019	Variance
Profit before tax	53,508	53,266	-242	62,230	68,272	6,043	-2,438	-1,949	489
Adjustments	-2,624	-2,286	338	935	-775	-1,710	1,577	720	-857
Finance income	502	440	-62	505	701	196	1,039	1,494	455
Finance costs	-1,085	-990	95	-240	-329	-89	1,067	743	-324
Share of loss of associates	26	65	39	15	14	-1	-52	-1,502	-1,450
Foreign exchange (gain)/loss	-1,068	-1,402	-334	-345	-916	-570	-528	-463	65
Impairment losses	-5	-1	5	-	-	-	-	-	-
Others	-993	-398	595	1,000	-246	-1,246	52	447	396
Profit from ordinary operating activities	56,132	55,552	-580	61,295	69,047	7,753	-4,015	-2,669	1,346

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

(Year ending Mar. 31, 2020)

	<u>Millions of Yen</u>		variance (%)
	<u>Year ended/ending</u> Mar. 31, 2019	<b>Mar. 31, 2020E</b>	
Revenue	565,810	586,000	3.6
Profit before tax	144,657	155,000	7.2
Profit for the term	122,072	123,000	0.8
Profit attributable to owners of the Company	122,103	123,000	0.7
Basic earnings per share (Yen)	321.55	326.01	4.46

Ref: for the 4th quarter

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

	<u>Millions of Yen</u>		variance (%)
	<u>Three months ended/ending</u> Mar. 31, 2019	<b>Mar. 31, 2020E</b>	
Revenue	141,476	144,570	2.2
Profit before tax	31,357	35,411	12.9
Profit for the term	29,209	28,152	-3.6
Profit attributable to owners of the Company	29,103	28,546	-1.9
Basic earnings per share (Yen)	76.60	75.90	-0.70

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

	<u>Millions of Yen</u>		variance (%)
	<u>Three months ended/ending</u> Dec. 31, 2016	<b>Mar. 31, 2020E</b>	
Revenue	146,481	144,570	-1.3
Profit before tax	38,322	35,411	-7.6
Profit for the term	29,667	28,152	-5.1
Profit attributable to owners of the Company	29,543	28,546	-3.4
Basic earnings per share (Yen)	78.45	75.90	-2.55

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.*