

Quarterly Report

1st Quarter : 3 months ended June 30, 2021

Consolidated (HOYA CORPORATION and Consolidated Subsidiaries)

Part .1

1st Quarter : from April 1 to June 30, 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.



Part.1

July 29, 2021

1. Quarterly Consolidated Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

1. Performance for the three months ended June 30, 2020 and 2021 (All operations *Notes)

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

	Three months ended		Variance (%)
	Jun. 30, 2020	Jun. 30, 2021	
(1)Revenue and Profit before tax			
Revenue	109,327	158,000	44.5
Profit before tax	31,942	51,018	59.7
Ratio of profit before tax(%)	29.2%	32.3%	
Profit for the quarter	25,629	41,299	61.1
Ratio of profit for the quarter(%)	23.4%	26.1%	
Profit attributable to owners of the Company	25,884	41,258	59.4
Ratio of profit attributable to owners of the Company(%)	23.7%	26.1%	
Basic earnings per share (yen)	69.06	111.83	
Diluted earnings per share (yen)	68.95	111.69	

	As of	
	Mar. 31, 2020	Jun. 30, 2021
(2)Financial Position		
Total assets	853,290	867,336
Total equity	672,412	690,767
Equity attributable to owners of the Company	688,000	706,246
Ratio of assets attributable to owners of the Company	80.6%	81.4%
Assets attributable to owners of the Company per share (yen)	1,862.96	1,914.52

	Three months ended	
	Jun. 30, 2020	Jun. 30, 2021
(3) Conditions of Cash Flows		
Net cash generated from operating activities	10,779	43,783
Net cash used in investing activities	-6,492	-9,362
Free cash flow	4,287	34,421
Net cash provided by (used in) financing activities	-19,836	-24,455
Cash and cash equivalents at end of period	301,513	345,777

2. Projected Results for the First Half (Six months ending September 30, 2021) for All Operations

	Six months ended/ending		Variance (%)
	Sep. 30,2020	Sep. 30,2021	
Revenue	249,640	315,000	26.2
Profit before tax	72,135	99,000	37.2
Profit for the term	57,470	79,200	37.8
Profit attributable to owners of the Company	57,730	79,200	37.2
Profit for the term per share (Yen)	154.04	214.25	—

3. Other

	Three months ended	
	Jun. 30, 2020	Jun. 30, 2021
Capital expenditure	7,999	8,287
R&D expenses	4,840	6,225

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 first quarter of the consolidated fiscal year under review (three months from April 1 to June 30, 2021) amounted to 158,000 million yen, an increase of 44.5% from the same period of the previous fiscal year (three months from April 1 to June 30, 2020).

Quarterly profit before tax amounted to 51,018 million yen, and quarterly profit amounted to 41,299 million yen, up 59.7% and 61.1% respectively.

The quarterly profit margin before tax was 32.3%, representing a year-on-year increase of 3.1 points. Disclosed figures and change ratios are for businesses with continuing operations. There were no discontinued businesses in the first quarter or the same quarter of the previous year.

In the Life Care segment, sales of healthcare-related products such as eyeglass lenses and contact lenses increased significantly, and medical-related products such as medical endoscopes and intraocular lenses for cataracts also increased significantly. Overall, sales in the Life Care segment rose considerably.

In the Information Technology segment, sales of mask blanks for semiconductors for electronics-related products increased significantly, sales of photomasks for FPDs increased, 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>

Sales of eyeglass lenses and contact lenses increased significantly due to a recovery following the resumption of economic activities, compared to the same period of the previous fiscal year, when the impact of COVID-19 on business activities was largest.

Sales of eyeglass lenses were particularly strong in Europe and North America, and higher sales of high-value-added products also contributed to higher sales.

Contact lenses were affected by sales activities at Eyecity specialty retailers due to temporary closures at some stores and shortened sale hours in line with the declaration of an emergency situation in Japan. However, sales revenues were on a recovery trend, with home delivery services to Eyecity members trending steadily.

<Medical related products>

Sales of medical endoscopes and intraocular lenses for cataracts increased significantly due to a recovery following the resumption of economic activities, compared to the same period of the previous fiscal year, when the impact of COVID-19 on business activities was largest.

In the medical endoscopes business, there was a gradual recovery in capital investment in hospitals, and our sales were on a recovery trend.

In intraocular lenses for cataracts, there was a gradual recovery in the number of cataract operations, particularly overseas, and our sales were on a recovery trend.

As a result, sales in the Life Care segment amounted to 96,849 million yen, an increase of 56.4%. Segment profit increased by 111.7% to 21,843 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 recovery in demand for photomasks for R&D in some areas, and our sales also recovered from a temporary drop, resulting in an increase 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.

In addition, sales of 2.5-inch products increased due to the continued demand for external HDDs along with the increase in PC shipments by the impact of COVID-19 although the replacement of HDDs (Hard Disk Drive) with SSDs (Solid State Drive) continues.

For the overall segment, sales increased significantly.

<Imaging related products>

In lenses for cameras, although the impact of erosion by smartphones continued for both digital compact cameras and interchangeable lenses, sales increased significantly due to a recovery following the resumption of economic activities compared to the same period of the previous fiscal year, when the impact of COVID-19 on business activities was largest.

As a result, sales in the Information Technology segment grew by 29.4% to 59,815 million yen. Segment profit increased by 38.6% to 30,042 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 12.7% to 1,336 million yen. Segment profit increased by 31.4% to 252 million yen.

3) Subsequent events

There are no subsequent events to be disclosed.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Statement of Financial Position

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	As of Mar. 31, 2021		As of Jun. 30, 2021		Variance		As of Jun. 30, 2020	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
ASSETS								
NON-CURRENT ASSETS								
Property, plant and equipment-net	164,957		164,359		-598		153,148	
Goodwill	35,688		35,717		29		41,803	
Intangible assets	37,110		36,241		-868		38,524	
Investments in associates	661		666		5		723	
Long-term financial assets	52,005		50,480		-1,525		46,641	
Other non-current assets	797		843		47		658	
Deferred tax assets	7,488		7,983		495		6,825	
Total non-current assets	298,705	35.0	296,289	34.2	-2,416	-0.8	288,322	36.6
CURRENT ASSETS								
Inventories	77,367		79,871		2,504		79,711	
Trade and other receivables	117,251		118,216		966		96,250	
Other short-term financial assets	3,897		5,181		1,284		1,234	
Income tax receivables	1,218		2,098		881		813	
Other current assets	19,956		19,903		-53		19,764	
Cash and cash equivalents	334,897		345,777		10,880		301,513	
Total current assets	554,584	65.0	571,046	65.8	16,462	3.0	499,284	63.4
Total assets	853,290	100.0	867,336	100.0	14,046	1.6	787,606	100.0

(Millions of Yen)

	As of Mar. 31, 2021		As of Jun. 30, 2021		Variance		As of Jun. 30, 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	-43,560		-10,138		33,422		-9,400	
Other capital reserves	-10,354		-10,401		-47		-8,518	
Retained earnings	710,274		695,849		-14,425		664,282	
Accumulated other comprehensive income/(loss)	9,477		8,774		-703		-15,449	
Equity attributable to owners of the Company	688,000	80.6	706,246	81.4	18,246	2.7	653,078	82.9
Non-controlling interests	-15,589		-15,479		109		-15,895	
Total equity	672,412	78.8	690,767	79.6	18,355	2.7	637,183	80.9
LIABILITIES								
NON-CURRENT LIABILITIES								
Interest-bearing long-term debt	13,234		13,618		384		14,517	
Other long-term financial liabilities	21,874		21,812		-62		23,048	
Retirement benefits liabilities	3,248		3,296		48		3,333	
Provisions	2,587		2,601		14		2,520	
Other non-current liabilities	1,455		1,502		47		1,436	
Deferred tax liabilities	6,870		8,514		1,644		4,632	
Total non-current liabilities	49,268	5.8	51,343	5.9	2,075	4.2	49,486	6.3
CURRENT LIABILITIES								
Interest-bearing short-term debt	7,515		7,611		96		7,648	
Trade and other payables	57,354		55,052		-2,301		47,260	
Other short-term financial liabilities	2,598		2,125		-473		2,865	
Income tax payables	17,041		11,871		-5,170		6,937	
Provisions	1,161		1,280		120		1,149	
Other current liabilities	45,942		47,287		1,344		35,077	
Total current liabilities	131,610	15.4	125,226	14.4	-6,385	-4.9	100,937	12.8
Total liabilities	180,878	21.2	176,569	20.4	-4,309	-2.4	150,423	19.1
Total equity and liabilities	853,290	100.0	867,336	100.0	14,046	1.6	787,606	100.0
Total number of issued shares in thousand	369,306		368,890		-416		374,764	
Equity attributable to owner of the Company per share	1,862.96 Yen		1,914.52 Yen		51.56 Yen		1,742.64 Yen	

(2) Quarterly Consolidated Statement of Cash Flows

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the three months ended		Variance	Three months ended Mar. 31, 2021
	Jun. 30, 2020	Jun. 30, 2021		
Cash flows from operating activities				
Profit before tax	31,942	51,018	19,076	41,296
Depreciation and amortization	8,431	10,280	1,849	9,780
Impairment losses	—	—	—	5,077
Finance income	-546	-398	148	-320
Finance costs	257	590	333	561
Share of (profits)/loss of associates	136	33	-103	70
(Gain)/loss on sales of property, plant and equipment	-21	-45	-24	-1,065
Loss on disposal of property, plant and equipment	2	2	-0	55
Foreign exchange (gain)/loss	1,522	-1,777	-3,300	-1,910
Others	-8,358	-24	8,334	-111
Net cash generated from operating activities (Before adjustment of movements in working capital)	33,366	59,681	26,316	53,433
Movements in working capital				
Decrease/(increase) in inventories	-1,172	-2,285	-1,113	3,942
Decrease/(increase) in trade and other receivables	5,974	-1,417	-7,390	-4,442
Increase/(decrease) in trade and other payables	-12,033	2,062	14,095	3,224
Increase/(decrease) in retirement benefits liabilities and provisions	-68	200	268	-118
Sub total	26,066	58,241	32,175	56,039
Interests received	588	245	-343	193
Dividends received	7	9	-2	—
Interests paid	-128	-117	12	-95
Income taxes paid	-15,753	-14,690	1,063	-3,781
Income taxes refunded	—	95	95	127
Net cash generated from operating activities	10,779	43,783	33,004	52,483
Cash flows from investing activities				
Withdrawals of time deposit	16	—	-16	—
Payments for time deposit	-5	-211	-206	—
Proceeds from sales of property, plant and equipment	907	1,239	332	828
Payments for acquisition of property, plant and equipment	-7,132	-9,972	-2,840	-6,968
Proceeds from sales of investment	—	44	44	—
Payments for acquisition of investment	—	—	—	-50
Payments for purchase of subsidiary	-130	—	130	-26
Payments for business transfer	—	—	—	-800
Other proceeds	99	79	-19	55
Other payments	-247	-543	-295	-815
Net cash used in investing activities	-6,492	-9,362	-2,870	-7,776
Cash flows from financing activities				
Dividends paid to owners of the Company	-16,803	-16,565	239	-23
Increase (decrease) in short-term debt	300	—	-300	-327
Proceeds from long-term borrowings	738	—	-738	—
Repayments of long-term borrowings	-5	-5	-0	-5
Payments for lease liabilities	-1,728	-2,150	-422	-1,928
Payments for purchase of treasury shares	-2,425	-5,760	-3,335	-41,690
Proceeds from exercise of stock options	89	26	-63	455
Net cash used in financing activities	-19,836	-24,455	-4,619	-43,519
Net increase/(decrease) in cash and cash equivalents	-15,549	9,966	25,515	1,188
Cash and cash equivalents at the beginning of the term	317,982	334,897	16,915	318,055
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	-920	914	1,834	15,653
Cash and cash equivalents at the end of the term	301,513	345,777	44,264	334,897

(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	
	Jun. 30, 2020		Jun. 30, 2021		Amount	%	Mar. 31, 2021	
	Amount	(%)	Amount	(%)			Amount	(%)
All operations								
Revenue:								
Sales	109,327	100.0	158,000	100.0	48,673	44.5	151,394	100.0
Finance income	546	0.5	398	0.3	-148	-27.1	320	0.2
Other income	3,850	3.5	549	0.3	-3,301	-85.7	1,405	0.9
Total Revenue	113,723	104.0	158,947	100.6	45,224	39.8	153,118	101.1
Expenses:								
Changes in inventories of goods, products and work in progress	380	0.3	-1,028	-0.7	-1,408	—	2,585	1.7
Raw materials and consumables used	16,076	14.7	25,922	16.4	9,846	61.2	21,152	14.0
Employee benefits expense	23,088	21.1	34,833	22.0	11,745	50.9	32,769	21.6
Depreciation and amortization	8,431	7.7	10,280	6.5	1,849	21.9	9,780	6.5
Subcontracting cost	1,107	1.0	1,059	0.7	-48	-4.4	845	0.6
Advertising and promotion expense	1,477	1.4	3,410	2.2	1,933	130.8	3,011	2.0
Commission expense	6,743	6.2	8,420	5.3	1,676	24.9	8,353	5.5
Impairment losses	—	—	—	—	—	—	5,077	3.4
Finance costs	257	0.2	590	0.4	333	129.7	561	0.4
Share of loss of associates	136	0.1	33	0.0	-103	-75.6	70	0.0
Foreign exchange (gain)/loss	1,957	1.8	-1,573	-1.0	-3,529	-180.4	-2,769	-1.8
Other expenses	22,129	20.2	25,982	16.4	3,854	17.4	30,387	20.1
Total expense	81,782	74.8	107,929	68.3	26,147	32.0	111,823	73.9
Profit before tax	31,942	29.2	51,018	32.3	19,076	59.7	41,296	27.3
Income tax expense	6,313	5.8	9,719	6.2	3,407	54.0	10,471	6.9
Profit for the term from all operations	25,629	23.4	41,299	26.1	15,670	61.1	30,825	20.4
Other comprehensive income:								
Items that will not be reclassified subsequently to profit or loss								
Assets measured at fair value through other comprehensive income	646		-179		-825		7,713	
Remeasurements of the net defined benefit liability(asset)	2		—		-2		279	
Income tax relating to components of other comprehensive income	-197		54		251		-2,357	
Total Items that will not be reclassified subsequently to profit or loss	450		-125		-576		5,634	
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign operations	1,172		-519		-1,691		25,594	
Share of other comprehensive income of associates	-148		37		185		22	
Income tax relating to components of other comprehensive income	2		1		-1		-9	
Total Items that may be reclassified subsequently to profit or loss	1,027		-481		-1,508		25,608	
Total other comprehensive income/(loss)	1,477		-606		-2,084		31,242	
Total comprehensive income for the quarter	27,106		40,692		13,586		62,067	
Profit attributable to :								
Owners of the Company	25,884	23.7	41,258	26.1	15,374	59.4	31,017	20.5
Non-controlling interests	-255	-0.2	41	0.0	296	—	-193	-0.1
Total	25,629	23.4	41,299	26.1	15,670	61.1	30,825	20.4
Total comprehensive income/(loss) attributable to :								
Owners of the Company	27,224		40,583		13,359	49.1	62,059	
Non-controlling interests	-118		109		227	-192.5	8	
Total	27,106		40,692		13,586	50.1	62,067	
Basic earnings/(loss) per share (yen)								
Continuing operations	69.06		111.83		42.77		83.61	
Discontinued operations	—		—		—		—	
Basic earnings per share (yen)	69.06		111.83		42.77		83.61	
Diluted earnings/(loss) per share (yen)								
Continuing operations	68.95		111.69		42.74		83.50	
Discontinued operations	—		—		—		—	
Diluted earnings per share (yen)	68.95		111.69		42.74		83.50	

Notes:

1. Effect of Exchange Rate Change on Net Sales and Incomes ("2021A" is the actual value of this period. "2021B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2021B	2021A	Influences	Real change	(%)
Sales	151,514	158,000	6,486	42,187	38.6%
Profit before tax	49,834	51,018	1,184	17,893	56.0%
Profit for the quarter	40,344	41,299	954	14,716	57.4%

2. Average rates of major foreign currencies

		For the three months ended		Variance(%)
		Jun. 30, 2020	Jun. 30, 2021	
US\$	Yen	107.38	109.76	-2.2%
Euro	Yen	118.74	132.44	-11.5%
Thai Baht	Yen	3.39	3.48	-2.7%

(4) Segment Information

<Overview of major products and services of reportable segments>

Reportable segments are components of the Group for which separate financial information is obtained and examined on a regular basis by the board of directors and the chief operating decision maker to determine the allocation of management resources and evaluate the business performance.

In accordance with its management philosophy, the Group has categorised “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: Life Care business, 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 routinely in health maintenance fields, and medical related products including medical equipment and medical supplies used in medical treatment. Some unique features of this business segment are that approvals and permits are required from relevant authorities in each country and that advanced technological strength and reliable quality control systems are the key requirement.

In the Information Technology business, the Group produces and sells essential items for digital devices. Included are electronics related products that are indispensable for today's digital information and communication technology, and imaging related products that are necessary to capture images as digital data based on optical technologies.

Other business includes the business that provides mainly speech synthesis software and 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	Medical endoscopes, Medical accessories, Automated endoscope reprocessors (AERs), Intraocular lenses, Ophthalmic medical equipment, Artificial bone, Metallic implants for orthopedics, etc.
Information Technology	Electronics related products	Photomasks and Maskblanks for semiconductors, Photomasks for FPD, Glass disks for hard disk drives (HDDs)
	Imaging related products	Optical lenses, Optical glass material, 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 Jun. 30, 2020	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	61,908	46,233	1,185	109,327	—	109,327
Inter-segment	1	9	219	229	-229	—
Total	61,909	46,242	1,404	109,556	-229	109,327
Segment profit before tax	10,319	21,677	192	32,188	-247	31,942
Segment profit before tax ratio	16.7%	46.9%	13.7%	29.4%	—	29.2%
Ref: Profit from ordinary operating activities	9,255	22,452	201	31,907	-634	31,273
% of revenue	14.9%	48.6%	14.3%	29.1%	—	28.6%

For the three months ended Jun. 30, 2021	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	96,849	59,815	1,336	158,000	—	158,000
Inter-segment	1	18	291	309	-309	—
Total	96,849	59,833	1,627	158,309	-309	158,000
Segment profit before tax	21,843	30,042	252	52,138	-1,120	51,018
Segment profit before tax ratio	22.6%	50.2%	15.5%	32.9%	—	32.3%
Ref: Profit from ordinary operating activities	20,621	29,682	194	50,497	-1,055	49,442
% of revenue	21.3%	49.6%	11.9%	31.9%	—	31.3%

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	34,940	13,582	150	48,673	—	48,673
Variance	56.4%	29.4%	12.7%	44.5%	—	44.5%
Inter-segment	-0	9	72	81	-81	—
Total	34,940	13,591	223	48,754	-81	48,673
Segment profit before tax	11,524	8,366	60	19,950	-873	19,076
Variance	111.7%	38.6%	31.4%	62.0%	—	59.7%
Profit from ordinary operating activities	11,366	7,231	-7	18,590	-421	18,169
Variance	122.8%	32.2%	-3.5%	58.3%	66.5%	58.1%

Note: Effect of Exchange Rate Change on Net Sales and Incomes ("2021 A" is the actual value of this period. "2021 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)

	2021B	2021A	Influences	Real change	(%)
Life Care					
Revenue from external customers	91,581	96,849	5,268	29,673	47.9%
Profit from ordinary operating activities	19,981	20,621	640	10,727	115.9%
Segment profit before tax	21,174	21,843	669	10,855	105.2%
Information Technology					
Revenue from external customers	58,651	59,815	1,165	12,417	26.9%
Profit from ordinary operating activities	29,184	29,682	499	6,732	30.0%
Segment profit before tax	29,515	30,042	527	7,838	36.2%

Ref : Results of the previous quarter are as follows:

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%

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 Mar. 31, 2021	
	Jun. 30, 2020		Jun. 30, 2021					
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
Revenue from all operations								
Life Care	61,908	56.6	96,849	61.3	34,940	56.4	95,290	62.9
Health care related products	43,903	[70.9]	71,670	[74.0]	27,768	63.2	70,472	[74.0]
Medical related products	18,006	[29.1]	25,178	[26.0]	7,173	39.8	24,818	[26.0]
Information Technology	46,233	42.3	59,815	37.9	13,582	29.4	54,716	36.1
Electronics related products	40,250	[87.1]	50,597	[84.6]	10,347	25.7	46,623	[85.2]
Imaging related products	5,983	[12.9]	9,218	[15.4]	3,235	54.1	8,093	[14.8]
Other	1,185	1.1	1,336	0.8	150	12.7	1,388	0.9
Corporate (including R&D)	-	-	-	-	-	-	-	-
Total revenue from all operations	109,327	100.0	158,000	100.0	48,673	44.5	151,394	100.0

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

Notes 2. Effect of Exchange Rate Change on Net Sales and Incomes ("2021 A" is the actual value of this period. "2021 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)

	2021B	2021A	Influences	Real change	(%)
Life Care	91,581	96,849	5,268	29,673	47.9%
Health care related products	68,005	71,670	3,665	24,103	54.9%
Medical related products	23,576	25,178	1,603	5,570	30.9%
Information Technology	58,651	59,815	1,165	12,417	26.9%
Electronics related products	49,877	50,597	720	9,627	23.9%
Imaging related products	8,774	9,218	444	2,790	46.6%

3. Information about geographical areas

Revenue from external customers

(Millions of Yen)

	For the three months ended				Variance		For the three months ended Mar. 31, 2021	
	Jun. 30, 2020		Jun. 30, 2021					
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
Revenue from all operations								
Total revenue from all operations	109,327	100.0	158,000	100.0	48,673	44.5	151,394	100.0
Japan	30,765	28.1	38,124	24.1	7,359	23.9	38,138	25.2
Americas	12,829	11.7	24,388	15.4	11,560	90.1	23,885	15.8
Europe	18,935	17.3	31,694	20.1	12,759	67.4	29,247	19.3
Asia/Oceania	45,613	41.7	62,162	39.3	16,549	36.3	58,331	38.5
Others	1,185	1.1	1,631	1.0	446	37.7	1,792	1.2

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

4. Projected Results for the First Half (All Operations)

(Six months ending Sep. 30, 2021)

	Millions of Yen		variance (%)
	Six months ended/ending		
	Sep.30,2020	Sep.30,2021	
Revenue	249,640	315,000	26.2
Profit before tax	72,135	99,000	37.2
Profit for the term	57,470	79,200	37.8
Profit attributable to owners of the Company	57,730	79,200	37.2
Basic earnings per share (Yen)	154.04	214.25	60.21

Ref: for the 2nd quarter

1. Year-on-year comparison

	Millions of Yen		variance (%)
	Three months ended/ending		
	Sep.30,2020	Sep.30,2021	
Revenue	140,313	157,000	11.9
Profit before tax	40,193	47,982	19.4
Profit for the term	31,841	37,901	19.0
Profit attributable to owners of the Company	31,846	37,942	19.1
Basic earnings per share (Yen)	84.97	102.42	17.45

2. Quarter-on-quarter comparison

	Millions of Yen		variance (%)
	Three months ended/ending		
	June 30,2021	Sep.30,2021	
Revenue	158,000	157,000	-0.6
Profit before tax	51,018	47,982	-6.0
Profit for the term	41,299	37,901	-8.2
Profit attributable to owners of the Company	41,258	37,942	-8.0
Basic earnings per share (Yen)	111.83	102.42	-9.41

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 which contain impact of Novel Coronavirus .

<Reference>

Supplementary data for 1st Quarter: from April 1 to June 30, 2021

The breakdown of changes in revenue and profit before tax

(Millions of Yen)

	FY20-1Q	FY21-1Q	Variance	Foreign exchange	
				Foreign exchange	Others
Revenue	109,327	158,000	48,673	6,486	42,187
Life Care	61,908	96,849	34,940	5,268	29,673
Health care related products	43,903	71,670	27,768	3,665	24,103
Medical related products	18,006	25,178	7,173	1,603	5,570
Information Technology	46,233	59,815	13,582	1,165	12,417
Electronics related products	40,250	50,597	10,347	720	9,627
Imaging related products	5,983	9,218	3,235	444	2,790
Profit from ordinary operating activities	31,273	49,442	18,169	1,126	17,043
Life Care	9,255	20,621	11,366	640	10,727
Information Technology	22,452	29,682	7,231	499	6,732
Other, adjustment (Corporate)	-433	-862	-428	-13	-416
Profit before tax	31,942	51,018	19,076	1,184	17,893
Life Care	10,319	21,843	11,524	669	10,855
Information Technology	21,677	30,042	8,366	527	7,838
Other, adjustment (Corporate)	-55	-868	-813	-12	-801

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

	All operations		
	FY20-1Q	FY21-1Q	Variance
Profit before tax	31,942	51,018	19,076
Adjustments	669	1,577	908
Finance income	546	398	-148
Finance costs	-257	-590	-333
Share of loss of associates	-136	-33	103
Foreign exchange (gain)/loss	-1,957	1,573	3,529
Others	2,473	230	-2,243
Profit from ordinary operating activities	31,273	49,442	18,169

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

	Life Care			Information Technology			Other, adjustment (Corporate)		
	FY20-1Q	FY21-1Q	Variance	FY20-1Q	FY21-1Q	Variance	FY20-1Q	FY21-1Q	Variance
Profit before tax	10,319	21,843	11,524	21,677	30,042	8,366	-55	-868	-813
Adjustments	1,065	1,222	157	-775	360	1,135	379	-6	-385
Finance income	109	85	-24	181	130	-51	255	183	-73
Finance costs	-364	-256	108	-76	-55	20	183	-279	-462
Share of loss of associates	4	29	25	3	-0	-4	-143	-62	81
Foreign exchange (gain)/loss	-1,207	1,271	2,478	-799	278	1,077	49	23	-26
Others	2,522	93	-2,429	-85	8	92	35	130	94
Profit from ordinary operating activities	9,255	20,621	11,366	22,452	29,682	7,231	-433	-862	-428