



HOYA Corporation

Q1 FY2021 Earnings Presentation

July 29, 2021

Forward Looking Statement

HOYA may make comments and disclose information which include forward-looking statements with respect to HOYA's plans and future performance. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements and are based on management's assumptions and beliefs in light of the information available when such statements were prepared, including exchange and interest rates, international situations, market trends and economic conditions, competition, production capacity, estimates of revenues, operating margins, capital expenditures, cash, other financial metrics, expected legal, arbitration, political, regulatory, clinical or research and development capabilities, results or practices, customer patterns or practices, reimbursement activities and outcomes, effects of pandemics or other widespread health problems such as the ongoing COVID-19 pandemic on our business, and other such estimates and results. HOYA does not guarantee the accuracy or completeness of such information and HOYA does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise.

Key Takeaways

1. Achieved all-time high
2. Life Care business, which was disrupted by Covid-19, continued to recover: outperformed pre-Covid earnings
3. Data center investment continued to be strong: HDD substrates recorded higher growth QoQ, contributing to the growth of the IT business
4. Momentum sustained for EUV blanks, mainly due to R&D demand for next-gen nodes

Financial Overview

(\bn)	Q1 FY20	Q4 FY20	Q1 FY21	QoQ	YoY
Revenue	109.3	151.4	158.0	+4%	+45%
Pretax Profit	31.9	41.3	51.0	+24%	+60%
Net Profit	25.6	30.8	41.3	+34%	+61%
cf. Operating Profit	31.3	43.3	49.4	+14%	+58%
cf. Operating Profit Margin	28.6%	28.6%	31.3%	+2.7ppt	+2.7ppt

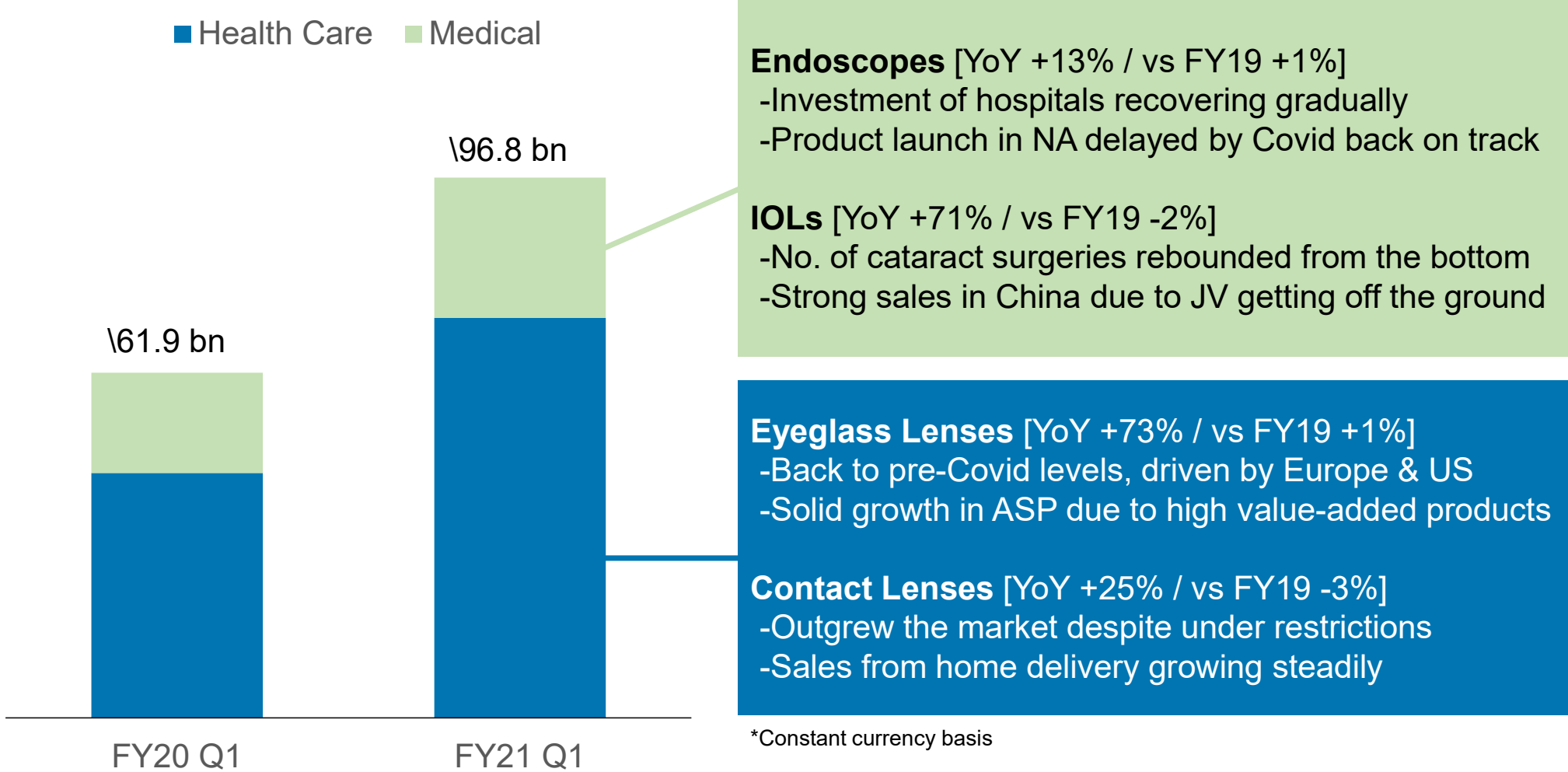
- On a constant currency basis, growth rate was 39% for revenue and 56% for PTP

Life Care

(\bn)	Q1 FY20	Q4 FY20	Q1 FY21	QoQ	YoY
Revenue	61.9	95.3	96.8	+2%	+56%
Pretax Profit	10.3	14.8	21.8	+48%	+112%
cf. Operating Profit	9.3	19.0	20.6	+8%	+123%
cf. Operating Profit Margin	14.9%	19.9%	21.3%	+1.4ppt	+6.4ppt

- On a constant currency basis, growth rate was 48% for revenue and 105% for PTP
- Compared to pre-Covid (Q1 FY19), revenue was +1% and PTP was +26%

Life Care: Revenue by Product

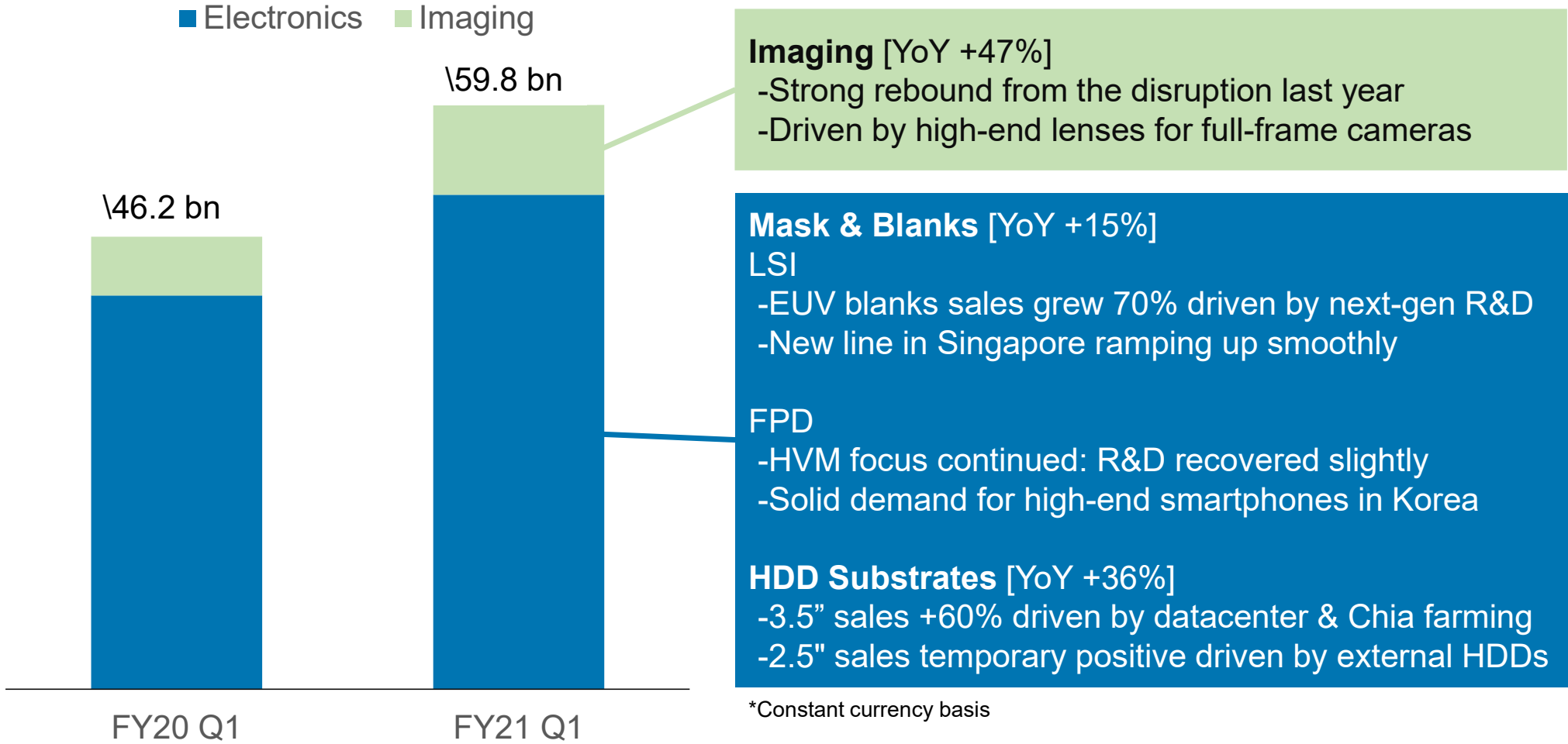


Information Technology (IT)

(\bn)	Q1 FY20	Q4 FY20	Q1 FY21	QoQ	YoY
Revenue	46.2	54.7	59.8	+9%	+29%
Pretax Profit	21.7	27.0	30.0	+11%	+39%
cf. Operating Profit	22.5	25.4	29.7	+17%	+32%
cf. Operating Profit Margin	48.6%	46.4%	49.6%	+3.2ppt	+1.0ppt

- On a constant currency basis, growth rate was 27% for revenue and 36% for PTP
- Margins expanded despite a step up in depreciation

IT: Revenue by Product



Highlights from the Balance Sheet & Cash Flow

Cash

- FCF increased to ¥34.4 bn (+¥30.1 bn YoY), due to recovery in Life Care
- Cash & cash equivalents was ¥345.8 bn (+¥44.3 bn YoY)

CAPEX*

- Q1 actual was ¥10 bn (+¥2.8 bn YoY)
- We expect around ¥30 bn this fiscal year**

D&A

- Q1 increased to ¥10.3 bn (+¥1.8 bn YoY), due to new plants of EUV/HDD.
- We expect around ¥43 bn annual D&A

* Cash flow basis. Acquisition of PPE

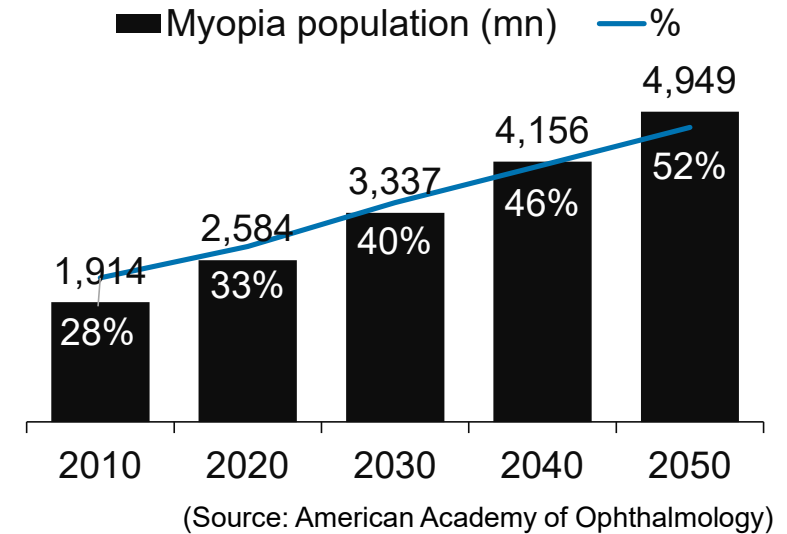
**Decision basis. It may vary depending on the timing of cash-out

Q2 Guidance

(\bn)	Q2 FY20	Q1 FY21	Q2 FY21	QoQ	YoY
Revenue	140.3	158.0	157.0	-1%	+12%
Pretax Profit	40.2	51.0	48.0	-6%	+19%
Net Profit	31.8	41.3	37.9	-8%	+19%

In Q2, the Life Care segment will continue to stabilize from the impact of Covid, and revenue will remain at roughly the same level as in Q1. However, shortage of materials and components accompanied with soaring prices are becoming an issue on the customer side (the impact of semiconductor shortages is beginning to appear in some businesses) and considering the impact of foreign exchange gains in Q1, we have made estimates based on the conservative side.

Myopia: A Growing Global Problem



- More than 50% of the population affected by 2050¹
- Increased screen time on computers and digital devices has raised levels of myopia².

PRODUCT DISCLAIMER – MIYOSMART has not been approved for myopia management in all countries, including Japan and the U.S., and is not currently available for sale in all countries, including Japan and the U.S.

MiYOSMART: A Leading Product in Managing Children's Myopia



- In 2012, we started developing an ophthalmic lens for myopia management in collaboration with the HK Polytechnic University. We launched MiYOSMART in 2018 in selected markets
- A child-friendly, safe, easy to use, non-invasive way to manage myopia, utilizing a patent protected Defocus Incorporated Multiple Segments (D.I.M.S.) Technology³
- MiYOSMART has been shown to slow down the progression of myopia on average by 60% compared to the use of standard single vision lenses⁴



We plan to expand footprint and aim to play an important role in tackling this global issue

PRODUCT DISCLAIMER – MiYOSMART has not been approved for myopia management in all countries, including Japan and the U.S., and is not currently available for sale in all countries, including Japan and the U.S.

References & Footnotes

1. Holden B. A. et al. Global Prevalence of Myopia and High Myopia and Temporal Trends from 2000 through 2050. *Ophthalmology*. 2016 May;123(5):1036-1042
2. Morgan IG, Wu P-C, Ostrin LA, et al. IMI Risk factors for myopia. *Invest Ophthalmol Vis Sci*. 2021;62(5):3. <https://doi.org/10.1167/iovs.62.5.3>
3. Patent protected in China under patent number ZL 201310628174.8 , in Hong Kong under patent number 1210838, in US under patent number 10268050 & 11029540
4. Based on the results of a two-year randomised clinical trial including children ages 8-13. Lam CSY, Tang WC, Tse DY, Lee RPK, Chun RKM, Hasegawa K, Qi H, Hatanaka T, To CH. Defocus Incorporated Multiple Segments (DIMS) spectacle lenses slow myopia progression: a 2-year randomized clinical trial. *British Journal of Ophthalmology*. Published Online First: 29 May 2019. doi: 10.1136/bjophthalmol-2018-313739

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Notes

- ✓ Accounting standard: IFRS
- ✓ The fiscal year ending March 2022 is referred to as “FY21” throughout this document.
- ✓ Figures less than 100 million yen are rounded down. Accordingly, some discrepancies may occur among totals. Ratios are calculated using actual numbers.
- ✓ Operating profit is calculated as reference information for investors; calculated by deducting finance income/costs, share of profits(loss) of associates, foreign exchange gain/loss and other temporary gain/loss from 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>

Moving
towards
the next **80** years →