

HOYA Corporation

Q3 FY2022 Earnings Presentation

January 31, 2023

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 COVID-19, 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. We achieved a slight increase in revenue despite a steep decline in the HDD substrate sales, due to the firm sales of the blanks and the Life Care.
2. Revenue of the IT Business declined due to the situation of the HDD market: however, we were able to minimize the impact on profit margin.
3. We decided to conduct a share buyback program amounting up to ¥40bn.

Financial Overview

(¥bn)	Q3 FY21	Q2 FY22	Q3 FY22	YoY	QoQ
Revenue	171.3	184.1	173.5	+1%	-6%
Pretax Profit	51.9	61.8	38.5	-26%	-38%
Net Profit	40.9	47.3	30.5	-25%	-35%
cf. Operating Profit	53.5	53.9	49.3	-8%	-9%
cf. Operating Profit Margin	31.3%	29.2%	28.4%	-2.9ppt	-0.8ppt

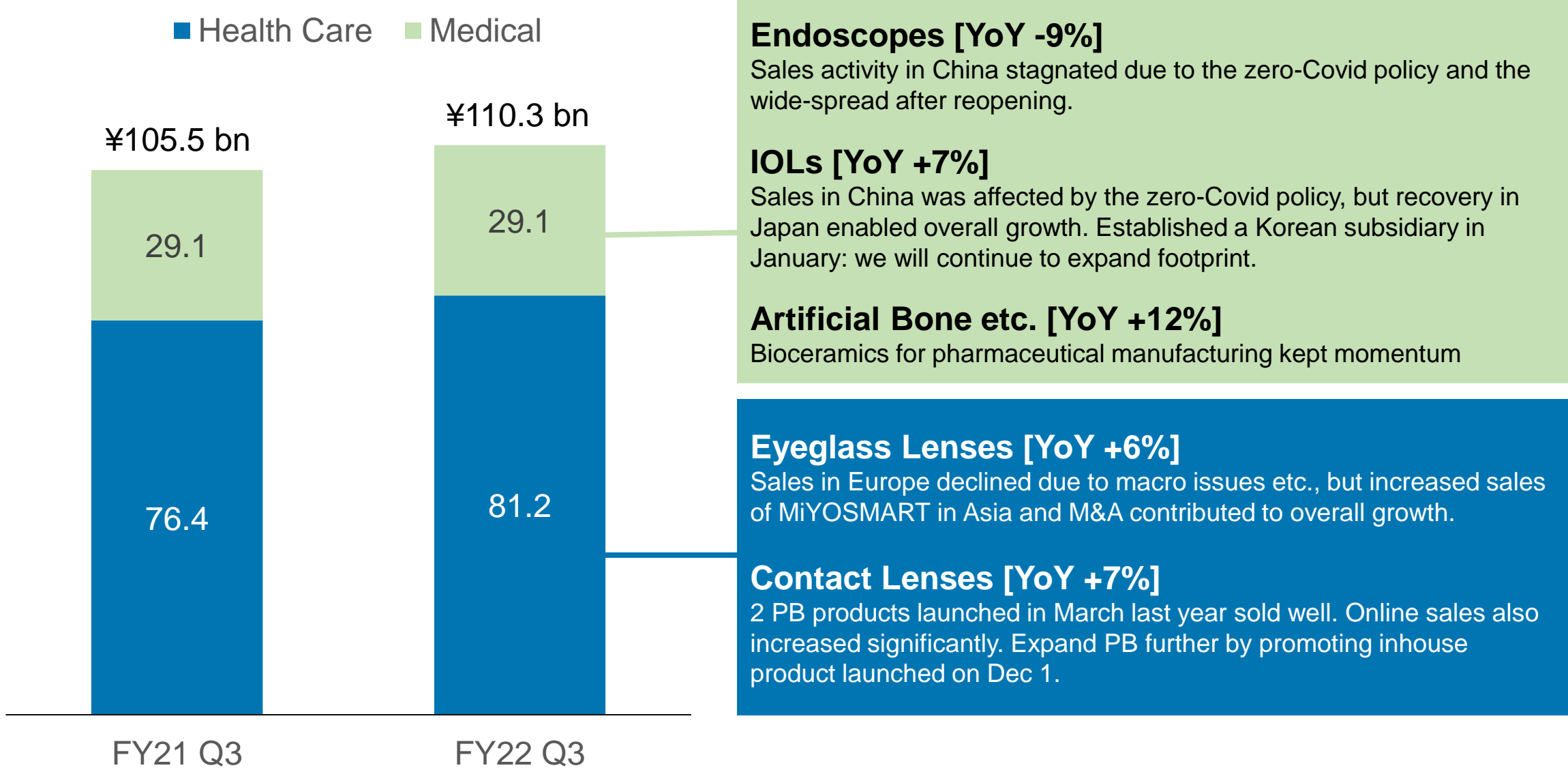
- Excluding the FX translation impact, growth rate was -7% for revenue and -29% for PTP
- Mainly due to our USD asset, we recorded ¥12.3 bn FX losses, resulting in a gap between PTP and OP

Life Care

(¥bn)	Q3 FY21	Q2 FY22	Q3 FY22	YoY	QoQ
Revenue	105.5	118.8	120.0	+14%	+1%
Pretax Profit	21.5	27.4	17.4	-19%	-36%
cf. Operating Profit	23.2	23.2	25.5	+10%	+10%
cf. Operating Profit Margin	22.0%	19.5%	21.2%	-0.8ppt	+1.7ppt

- Constant currency basis: Revenue +5%; PTP -23%

Life Care: Revenue by Product (Constant Currency Basis)

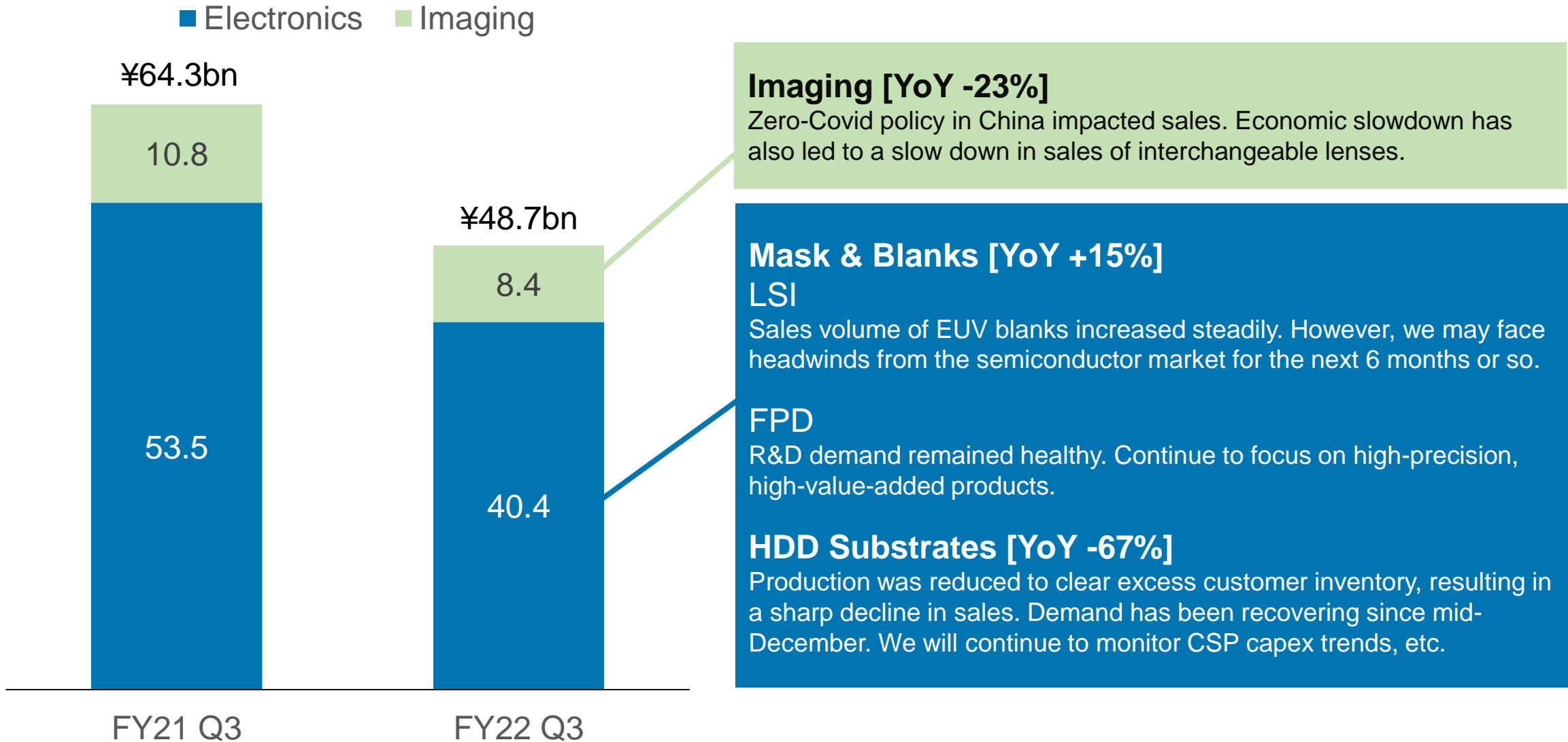


Information Technology (IT)

(¥bn)	Q3 FY21	Q2 FY22	Q3 FY22	YoY	QoQ
Revenue	64.3	64.2	52.3	-19%	-19%
Pretax Profit	31.3	34.4	20.9	-33%	-39%
cf. Operating Profit	31.1	31.7	24.9	-20%	-22%
cf. Operating Profit Margin	48.4%	49.3%	47.4%	-1.0ppt	-1.9ppt

- Constant currency basis: Revenue -24%; PTP -35%

IT: Revenue by Product (Constant Currency Basis)



Highlights from the Balance Sheet & Cash Flow

Shareholder Return

- Decided maximum of ¥40 bn share buyback at today's BOD meeting
- As usual, we plan to cancel shares after the repurchase

CAPEX*

- Q3 actual was ¥12.5 bn (+¥7.0 bn YoY)
- We expect around ¥40.0 bn this fiscal year

D&A

- Q3 was ¥12.6 bn (+¥1.9 bn YoY)

* Cash flow basis. Acquisition of PPE

Guidance

Q4 Guidance

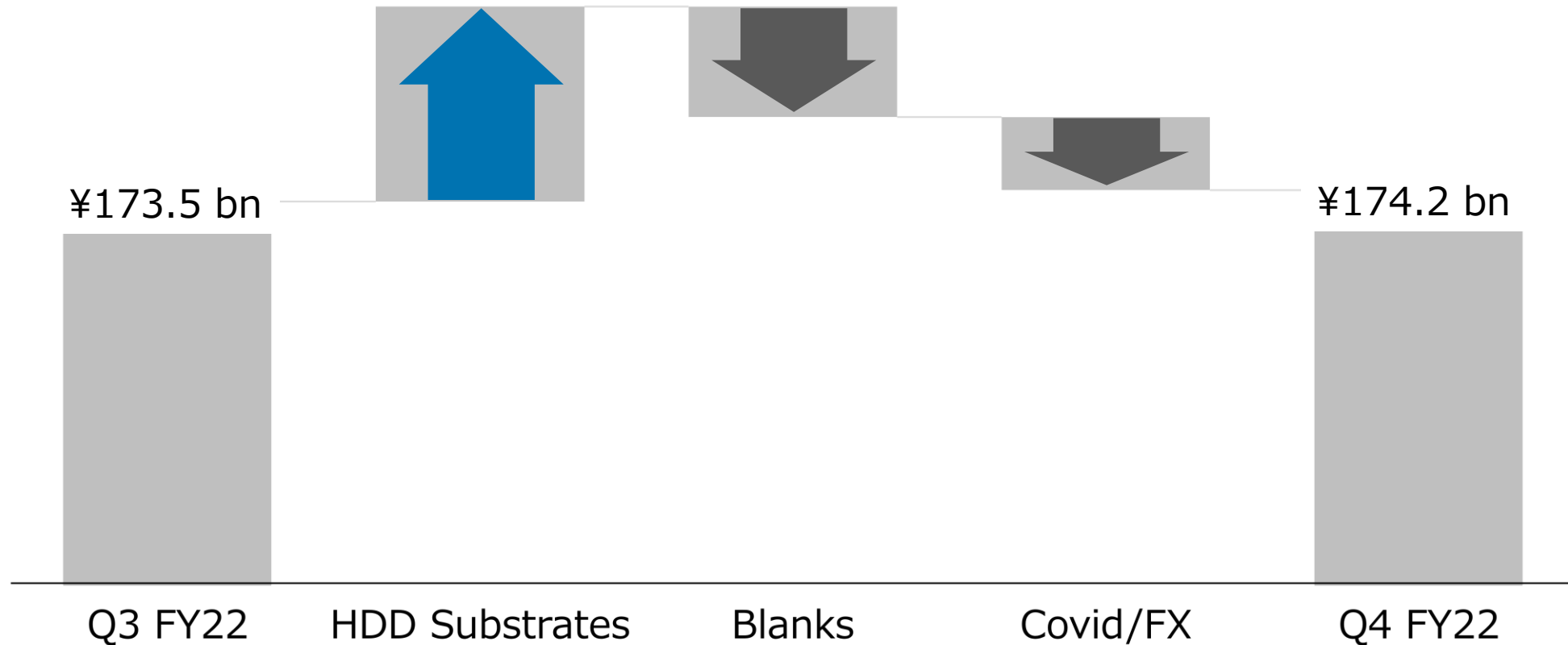
(¥bn)	Q4 FY21	Q4 FY22	YoY	QoQ
Revenue	169.6	174.2	+3%	+0%
Pretax Profit	53.8	48.2	-10%	+25%
Net Profit	40.1	36.7	-9%	+20%

Full Year Guidance

(¥bn)	FY21	FY22	YoY
Revenue	661.5	712.0	+8%
Pretax Profit	210.7	210.0	-0%
Net Profit	165.3	163.0	-1%

Reference: Breakdown of QoQ Variance

- HDD substrates are expected to recover rapidly as inventory digestion progresses.
- We expect blanks sales to decline QoQ driven by the slowing semiconductor market.
- We also expect negative impact from the spread of Covid infection in China, mainly in Life Care, as well as negative impact from FX fluctuations (mainly USD asset).



*The above graph shows the directional magnitude of the moving parts. Please note that the length of the bars do not express the exact amount of sales variance.

Reference: Launch of High-end Endoscope System

PENTAX Medical INSPIRA™ (EPK-i8020c), a high-end endoscopic video processor, and the i20c video endoscope have received the CE mark in Europe. We plan to launch the product starting from Europe, followed by Asia and the Americas.



Pentax Medical INSPIRA™ (EPK-i8020c)

New Processor: PENTAX Medical INSPIRA™

- 4K image processing & innovative image enhancement
- Intuitive, customizable touch panel
- Can connect legacy endoscopes and improve image quality with the “bridge function”

New Scope: i20c

- Improved image quality
- Outstanding maneuverability: improved handling and angulation etc.

* This product has not been approved in Japan and in the US and is not currently available in the aforementioned markets. This document is a supplement to the [press release on the acquisition of CE Mark](#), for the purpose of reporting business activities in the financial report materials. It is not intended as an advertisement in Japan or in the US. The names of products and models in the document include those that have not yet been released in Japan and the US.

Notes

- ✓ Accounting standard: IFRS
- ✓ The fiscal year ending March 2023 is referred to as “FY22” 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.
<https://www.hoya.com/en/investor/kessan/>

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HOYA