

# HOYA Corporation

Q1 FY23 Earnings Presentation

July 31, 2023

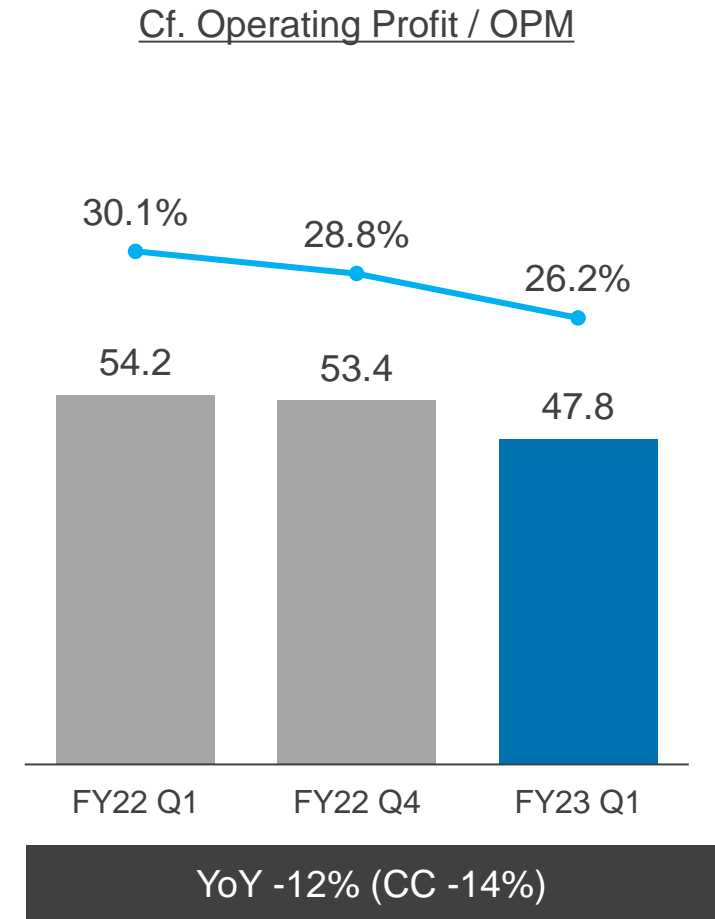
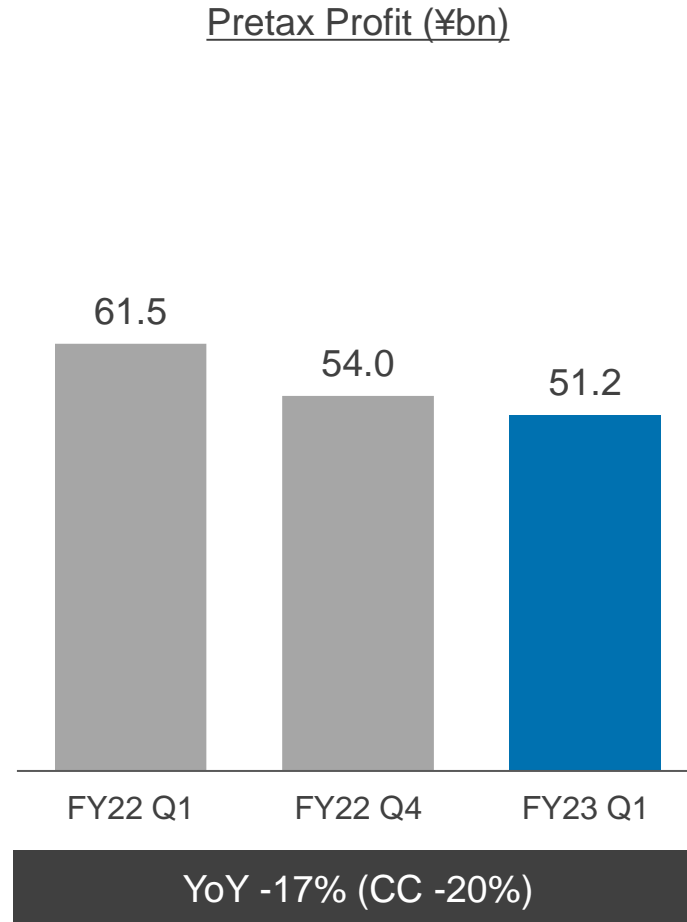
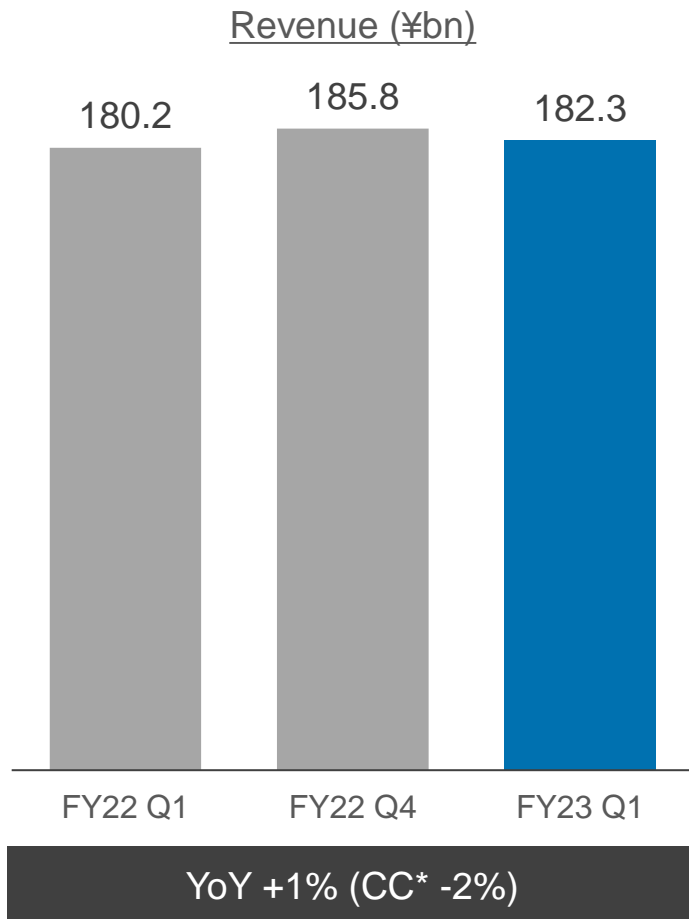
# Forward-looking Statement

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, 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.

# 01. Q1 FY23 Financial Results

# Financial Overview

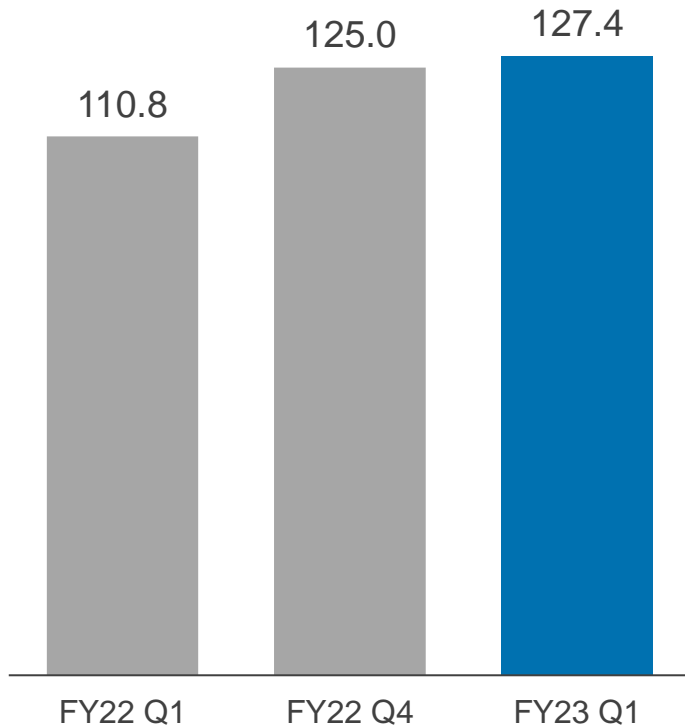
- Despite overall sluggishness in the Information Technology Business, the Life Care business compensated for this and secured sales and earnings at the same level as the previous year.
- Profit declined due to the recording of an impairment loss of ¥7.9 billion from the long-term shutdown of operations at the Lao plant for HDD glass substrates.



# Life Care Business Overview

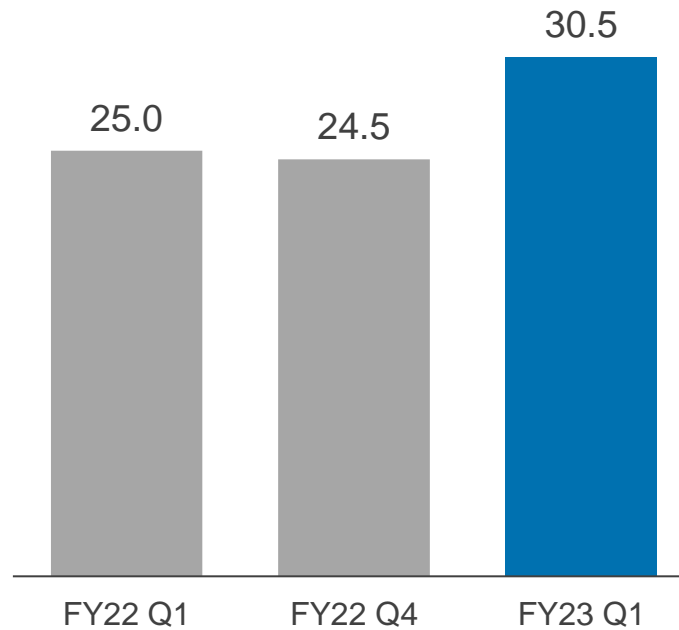
- Sales and profits increased due to sales growth in all major products.
- Profitability was maintained at around the range of 20%, which is our benchmark, while we made investments for growth.

Revenue (¥bn)



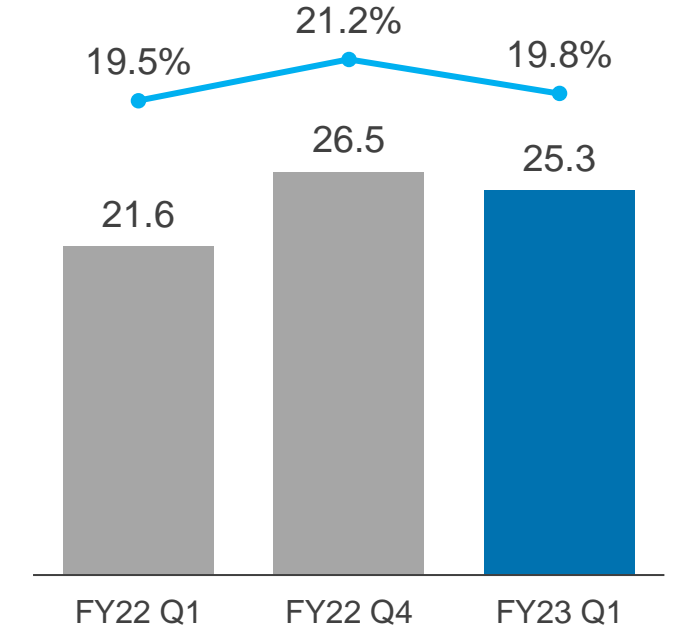
YoY +15% (CC +11%)

Pretax Profit (¥bn)



YoY +22% (CC +16%)

Cf. Operating Profit / OPM



YoY +17% (CC +13%)

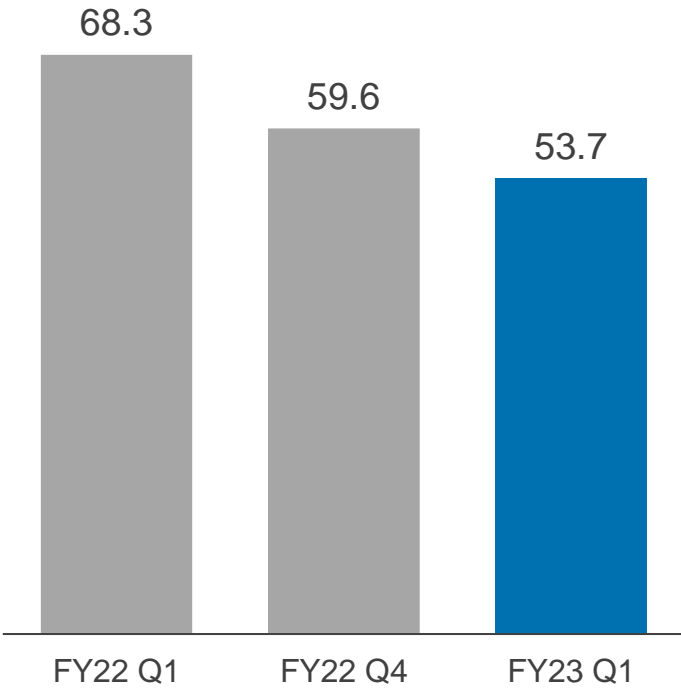
# Life Care Business Overview by Product

Product	YoY	YoY(CC)	FY23 Q1 Status	Future Direction and Outlook
Eyeglass Lenses	+17%	+12%	Sales growth of high-value-added products, increase in sales at U.S. chain stores, and robust sales in China contributed	Continue to introduce new products to further solidify our product portfolio
Contact Lenses	+9%	+9%	Sales of PB products and online delivery services were solid	Continue to focus on PB products and online delivery services Develop new customers such as younger customers
Endoscopes	+13%	+6%	Sales in China increased as there was a lockdown a year-ago quarter. Sales in Europe was firm	Steady launch of new products Strengthen the U.S. business organization
IOLs	+21%	+16%	Sales in China increased in reaction. Strong performance in Europe and Japan sustained	Steady launch of trifocal IOL in every marketplace. Outpace market growth
Artificial Bones, etc.	+15%	+10%	Momentum of pharmaceutical chromatography and metal Implants continued	Stable growth expected to continue Expand capacity of chromatography media

# IT Business Overview

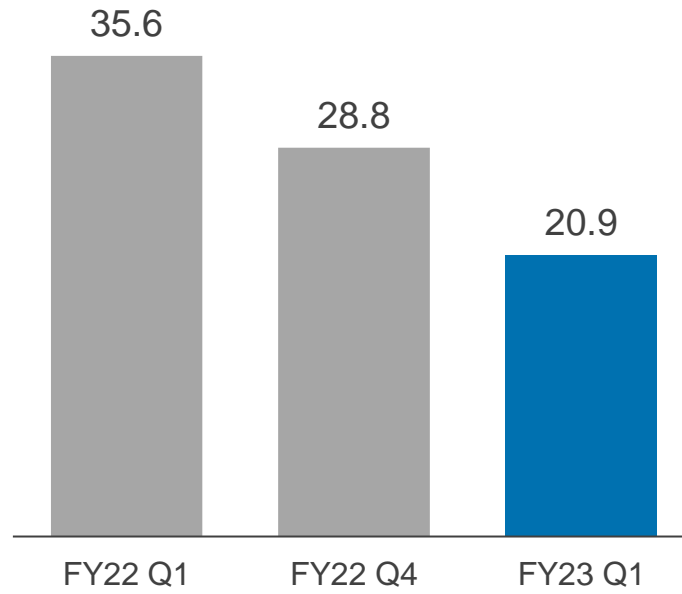
- Sales declined due to a greater-than-expected decline in demand for HDD substrates.
- The impact on profit margins was minimized by flexible cost control.

Revenue (¥bn)



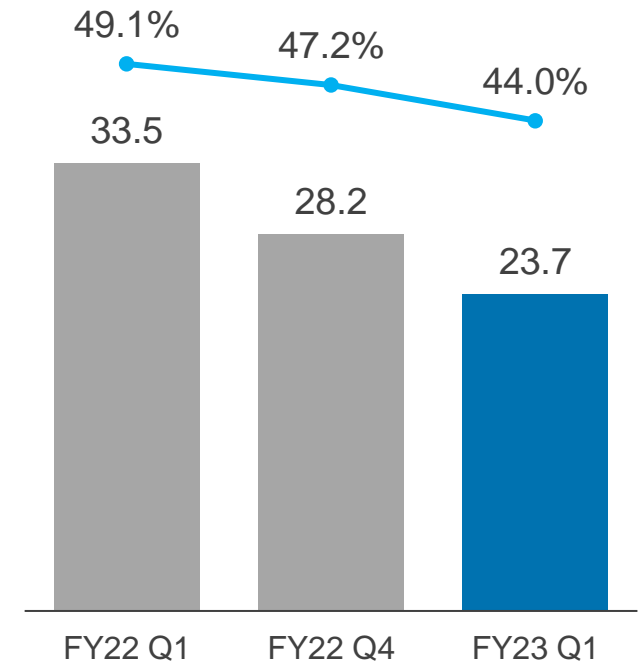
YoY -21% (CC -23%)

Pretax Profit(¥bn)



YoY -41% (CC -43%)

Cf. Operating Profit / OPM



YoY -29% (CC -31%)

# IT Business Overview by Product

Product	YoY	YoY(CC)	FY23 Q1 Status	Future Direction and Outlook
LSI	-8%	-9%	Lower sales due to the impact of inventory adjustments No change in competitive environment	After bottoming out of Q1, gradual recovery in demand is expected from Q2 onward
FPD	+2%	+2%	New product development activities continued; we saw a slight growth YoY	Make steady progress in construction of China plant targeting the completion in early 2024
HDD Substrates	-43%	-46%	Nearline demand worsened more than expected due to deterioration of macro environment, etc.	Unstable demand is expected to continue We plan a long-term shutdown of the Lao plant
Imaging	-12%	-13%	Sales declined due to high comps (the year-ago quarter saw a large snapback in camera lenses)	Leveraging optical technology to cultivate new business fields



# Balance Sheet / Cash Flow Related Matters



## Shareholder Return

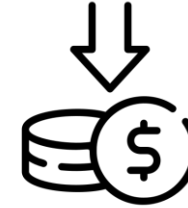
- Resolved to repurchase up to ¥50 billion of shares (Period: 1 Aug - 20 Oct)
- All shares repurchased will be canceled



## CapEx\*

- Q1 Results: ¥7.2 bn (YoY -¥0.2 bn)
- FY23 is expected to be around ¥39 bn

\*CF basis. Acquisition of tangible fixed assets



## D&A

- Q1 Results: ¥12.5 bn (YoY +¥0.5bn)
- FY23 is expected to be flat year-on-year on a CC basis

## **02. Q2 FY23 Financial Outlook**

# Q2 FY23 Guidance

(¥bn)	Q2 FY22	Q1 FY23	Q2 FY23	QoQ	YoY
Revenue	184.1	182.3	182.7	+0%	-1%
Pretax Profit	61.8	51.2	53.8	+5%	-13%
Net profit	47.3	38.5	42.1	+10%	-11%

Although HDD substrates are expected to decline QoQ, we expect a slight sequential growth due to the robust Life Care business and the gradual recovery of LSI blanks.

\*FX Assumption : USD=¥135, EUR=¥145

# Notes

- ✓ Accounting standard: IFRS
- ✓ The fiscal year ending March 2024 is referred to as “FY23” 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 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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