

# FY20Q4

## Financial Results

April 30, 2021 Earnings Conference

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HOYA CORPORATION

# **1. Financial Results** [Ryo Hirooka, CFO]

2. IT Business Overview

3. Life Care Business Overview

4. Summary

5. Q&A

# Financial Overview

(¥bn)	Q4 FY19	Q4 FY20	YoY	YoY(%)
Revenue	135.1	151.4	+16.3	+12%
Pretax Profit	27.7	41.3	+13.6	+49%
Net Profit	19.7	30.8	+11.1	+56%
cf. Profit from ordinary operating activities*	32.6	43.3	+10.8	+33%

Sales and profits increased, mainly driven by EUV blanks and HDD substrates for data centers.

# Constant Currency Basis (CCB)

(¥bn)	Previous Rate (A)	Current Rate (B)	FX Impact	YoY	YoY(%)
Revenue	149.9	151.4	+1.5	+14.8	+11%
Pretax Profit	40.8	41.3	+0.5	+13.1	+47%
Net Profit	30.4	30.8	+0.4	+10.7	+54%

Average Rates	(A)Q4 FY19	(B)Q4 FY20	Variance
US\$	¥109.11	¥107.15	+1.8%
EURO	¥120.06	¥128.48	-7.0%
BAHT	¥3.44	¥3.51	-1.9%

# Notes RE: Special Items

## Comprehensive Income Statement

(¥bn)	Q4 FY19	Q4 FY20	YoY
Income	136.6	153.1	+16.6
Expenses	108.9	111.8	+2.9
Impairment loss	0.3	5.1	+4.8
Pretax Profit	27.7	41.3	+13.6

- 1 Impairment losses were recorded for a company acquired in the past, as it is not currently achieving the profitability initially anticipated.

# Life Care Earnings

(¥bn)	Q4 FY19	Q4 FY20	YoY	YoY(%)
Revenue*	88.4	95.3	+6.9	+8%
Pretax Profit	9.0	14.8	+5.8	+65%
cf.Operating Profit	14.4	19.0	+4.6	+32%
cf.OP Margin	16.3%	19.9%	+3.6pt	

\*External revenue

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# Life Care Earnings (CCB)

(¥bn)	Previous Rate	Current Rate	FX Impact	YoY	YoY(%)
Revenue*	93.6	95.3	+1.7	+5.2	+6%
Pretax Profit	14.2	14.8	+0.5	+5.3	+59%
cf.Operating Profit	18.7	19.0	+0.3	+4.3	+30%

\*External revenue

# IT Earnings

(¥bn)	Q4 FY19	Q4 FY20	YoY	YoY(%)
Revenue*	45.7	54.7	+9.1	+20%
Pretax profit	19.9	27.0	+7.1	+36%
cf.Operating Profit	19.5	25.4	+5.9	+30%
cf.OP Margin	42.8%	46.4%	+3.6pt	

\*External revenue



# IT Earnings (CCB)

(¥bn)	Previous Rate	Current Rate	FX Impact	YoY	YoY(%)
Revenue*	54.9	54.7	-0.2	+9.3	+20%
Pretax profit	27.0	27.0	-0.0	+7.2	+36%
cf.Operating Profit	25.5	25.4	-0.1	+5.9	+30%

\*External revenue

# Earnings by Sub-Segment

(¥bn)	Q4 FY19	Q4 FY20	YoY	YoY(%)
Health Care (Eyeglasses/ Contact Lenses)	64.5	70.5	+6.0 (+4.9)	+9% (+8%)
Medical (IOLs/Endoscopes/ Artificial Bone)	23.9	24.8	+0.9 (+0.3)	+4% (+1%)
Electronics (LSI & FPD/ HDD Substrates)	38.7	46.6	+7.9 (+8.3)	+20% (+21%)
Imaging	6.9	8.1	+1.2 (+1.0)	+17% (+15%)

\*Inside the parentheses are growth rates on a constant currency basis

# Balance Sheet

(¥bn)	Q3 FY20	Q4 FY20	QoQ
Non-current Assets	287.3	298.7	+11.4
Current Assets	526.2	554.6	+28.4
Capital	651.6	672.4	+20.8
Non-current Liabilities	45.4	49.3	+3.8
Current Liabilities	116.5	131.6	+15.1
Total Assets	813.5	853.3	+39.8

**1** Cash and cash equivalents increased 16.8 billion yen.

# Cash Flow

(¥bn)	Q4 FY19	Q4 FY20	YoY
Operating CF	43.2	52.5	+9.3
Investing CF	-13.7	-7.8	+5.9
Financing CF	-12.4	-43.5	-31.2
Cash & Cash Equivalents at the end of the term	318.0	334.9	+16.9

- 1 Cash outlays in financing activities increased due to an increase of 30.7 billion yen in the amount of share buybacks YoY.

The share buyback program implemented from Jan. 29 to Apr. 20 ended with the purchase of the upper limit of 40 billion yen, and all shares will be cancelled.

1. Financial Results

**2. IT Business Overview** [Eiichiro Ikeda, CTO]

3. Life Care Business Overview

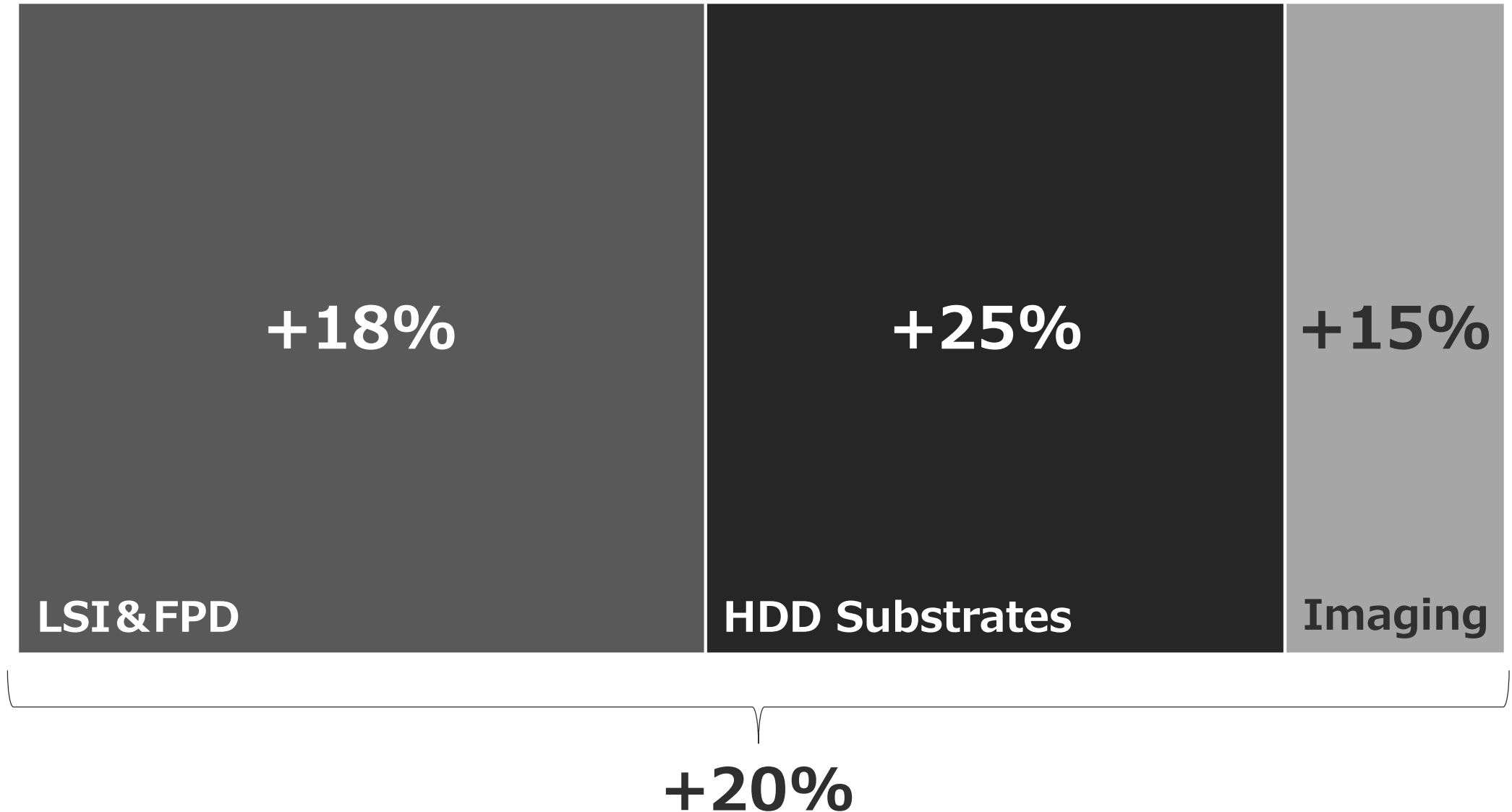
4. Summary

5. Q&A

# IT Snapshot

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YoY Sales Growth (Like-for-Like)



# Overview by Product

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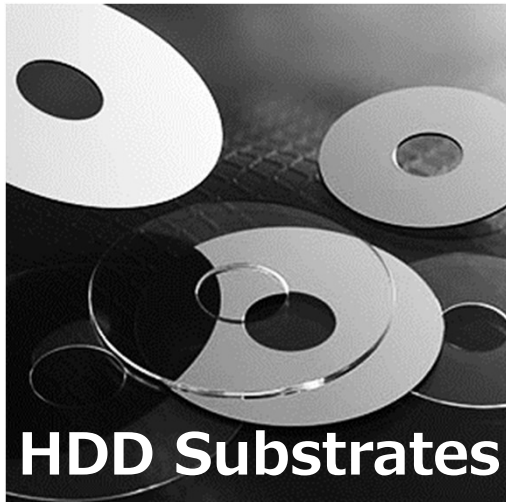
EUV blanks grew over 80% YoY. In FY21, demand for 3nm/2nm generation development will be the growth driver. In response to the increase in demand, we will start full-scale operation of the new plant. In addition, additional investment in equipment will be made as needed in anticipation of further demand growth in the medium term.



While demand for masks for development applications continued to decline due to panel manufacturers' focus on mass production, which was triggered by the "staying at home demand", there are signs of a resumption of R&D. The company will continue to focus on high performance masks, especially OLED.

# Overview by Product

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In line with the investment cycle of the near-line, sales of 3.5" increased significantly, compensating for the decrease in sales of 2.5", resulting in double-digit growth in overall sales. 3.5" sales are expected to expand from FY21 onward, more than compensating for the contraction of 2.5". We will promote *kaizen* activities to reduce manufacturing costs.



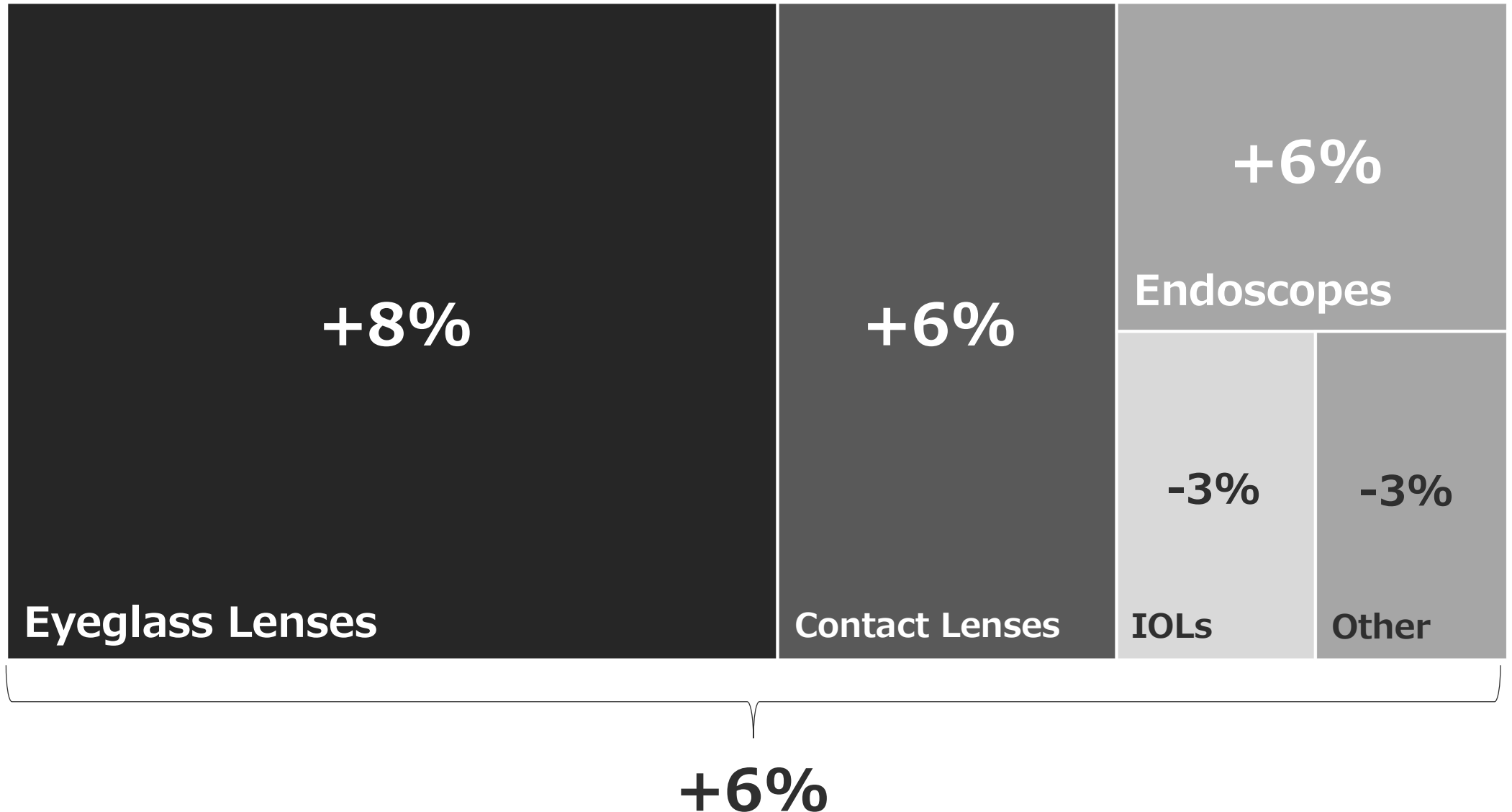
Gradual recovery in demand, especially for interchangeable lenses for mirrorless cameras, led to positive growth. On the assumption that the digital camera market is unlikely to expand again in the future, we will continue to develop new markets.



1. Financial Results
2. IT Business Overview
- 3. Life Care Business Overview** [Hiroshi Suzuki, CEO]
4. Summary
5. Q&A

# Life Care Snapshot

YoY Sales Growth (Like-for-Like)



# Overview by Product

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Despite the impact of store closures and other factors due to the repeated lockdown, sales have been recovering since March and recorded positive YoY growth. Although instability will remain in the short term, sales are expected to gradually normalize due to the fact that eyeglass lenses are daily necessities. With myopia becoming a global concern, we will focus on products related to myopia management.



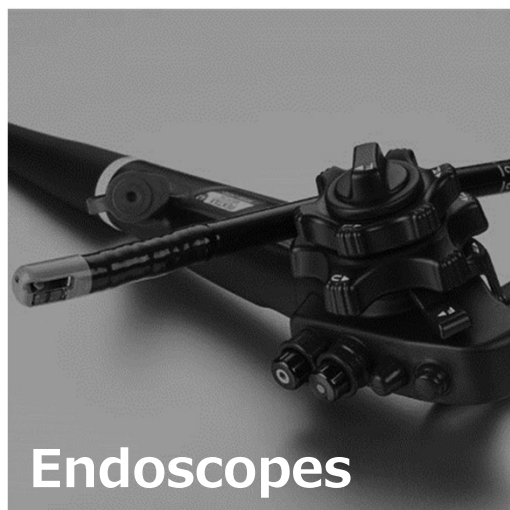
Although the market was depressed due to the impact of the second emergency declaration and other factors, we achieved continuous market share expansion (our estimate) and product mix shift to high-end lenses. In addition, we acquired a chain retailer with 14 stores in the Kansai area. Even though some stores will be closed under the current emergency declaration, we will respond to the situation with our e-commerce services etc.

# Overview by Product

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As in the previous quarter, sales in Asia, driven by growth in China, grew significantly, but the number of surgeries in Japan, which accounts for over 40% of sales, did not return, resulting in a slight decline in overall sales. Although we expect the impact of COVID to remain for a while in the short term, we will continue to strive for growth by increasing our market share.



Despite there were lockdowns in many countries, the industry is adapting to the changing environment, and market activities and investments are starting to resume. As a result, our endoscope sales have turned to growth. The launch of our disposable bronchoscope is planned in Q1.

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# Outlook for FY21(Ending March 22)

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- Aiming to increase both sales and profit.
- Although there are uncertainties in the Life Care business in the short term, the company aims to recover to pre-pandemic levels on the back of vaccinations in the regions that account for the majority of sales (US+EU5).
- In the IT business, EUV blanks and HDD substrates will continue to drive growth. Although we expect an increase in the depreciation charge associated with the start of operations at new plants for both products, we aim to grow profits.
- For ESG, we will identify materiality and consider specific measures to achieve our goals.

1. Financial Results
2. IT Business Overview
3. Life Care Business Overview
4. Summary
- 5. Q&A**

# Appendix



# Annual Earnings

(¥bn)	FY19	FY20	YoY	YoY(%)
Revenue	576.5	547.9	-28.6	-5%
Pretax Profit	147.3	159.2	+12.0	+8%
Net Profit	114.6	125.2	+10.6	+9%
cf. Profit from ordinary operating activities	154.5	164.0	+9.5	+6%

# Life Care Annual Earnings

(¥bn)	FY19	FY20	YoY	YoY(%)
Revenue*	375.0	341.8	-33.2	-9%
Pretax Profit	62.2	63.5	+1.3	+2%
cf.Operating Profit	70.0	71.2	+1.2	+2%
cf.OP Margin	18.7%	20.8%	+2.1pt	

\*External revenue

# IT Annual Earnings

(¥bn)	FY19	FY20	YoY	YoY(%)
Revenue*	196.7	201.0	+4.2	+2%
Pretax Profit	88.1	94.9	+6.8	+8%
cf.Operating Profit	88.6	95.9	+7.3	+8%
cf.OP Margin	45.0%	47.7%	+2.7pt	

\*External revenue

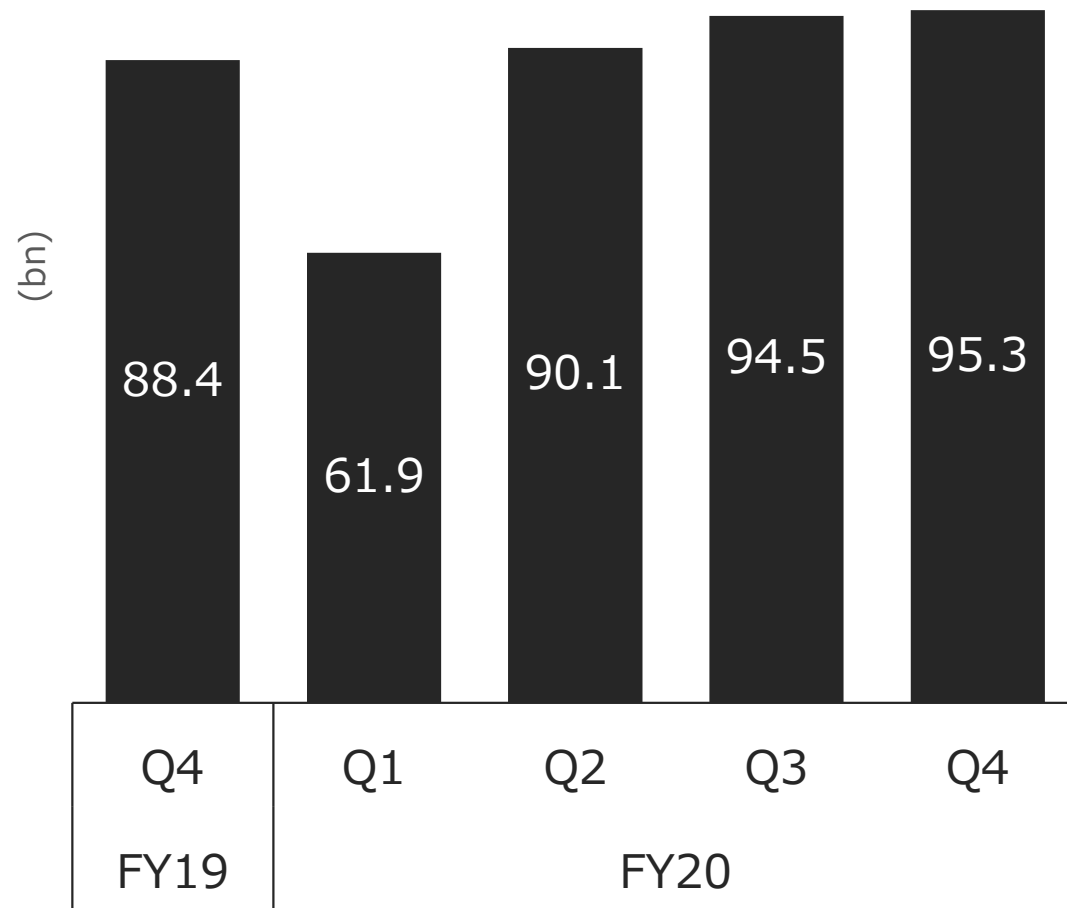
# Annual Cash Flow

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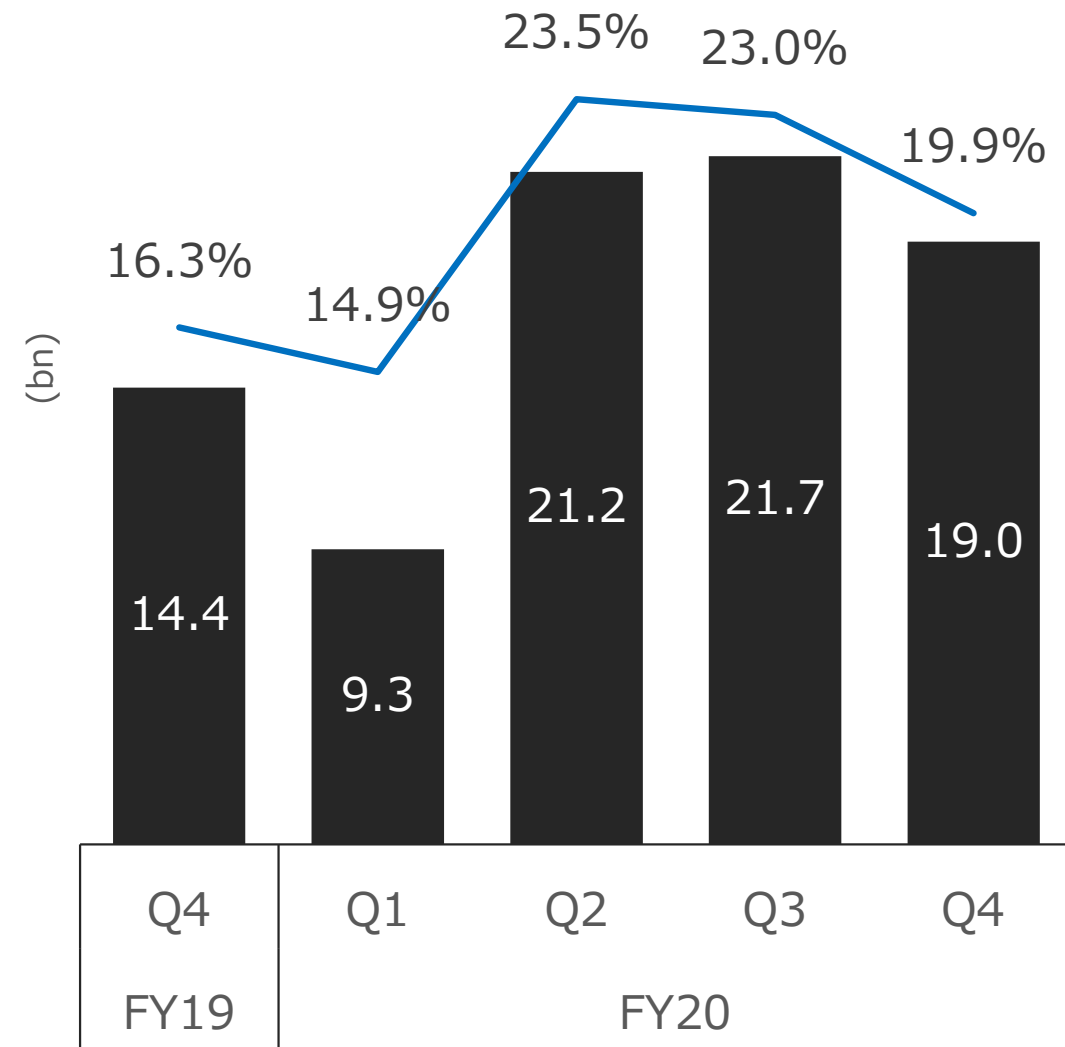
(¥bn)	FY19	FY20	YoY
Operating CF	163.4	151.8	-11.6
Investing CF	-47.4	-29.8	+17.6
Financing CF	-85.5	-115.7	-30.2
Cash & Cash Equivalents at the end of the term	318.0	334.9	+16.9

# Life Care QoQ Earnings

Revenue



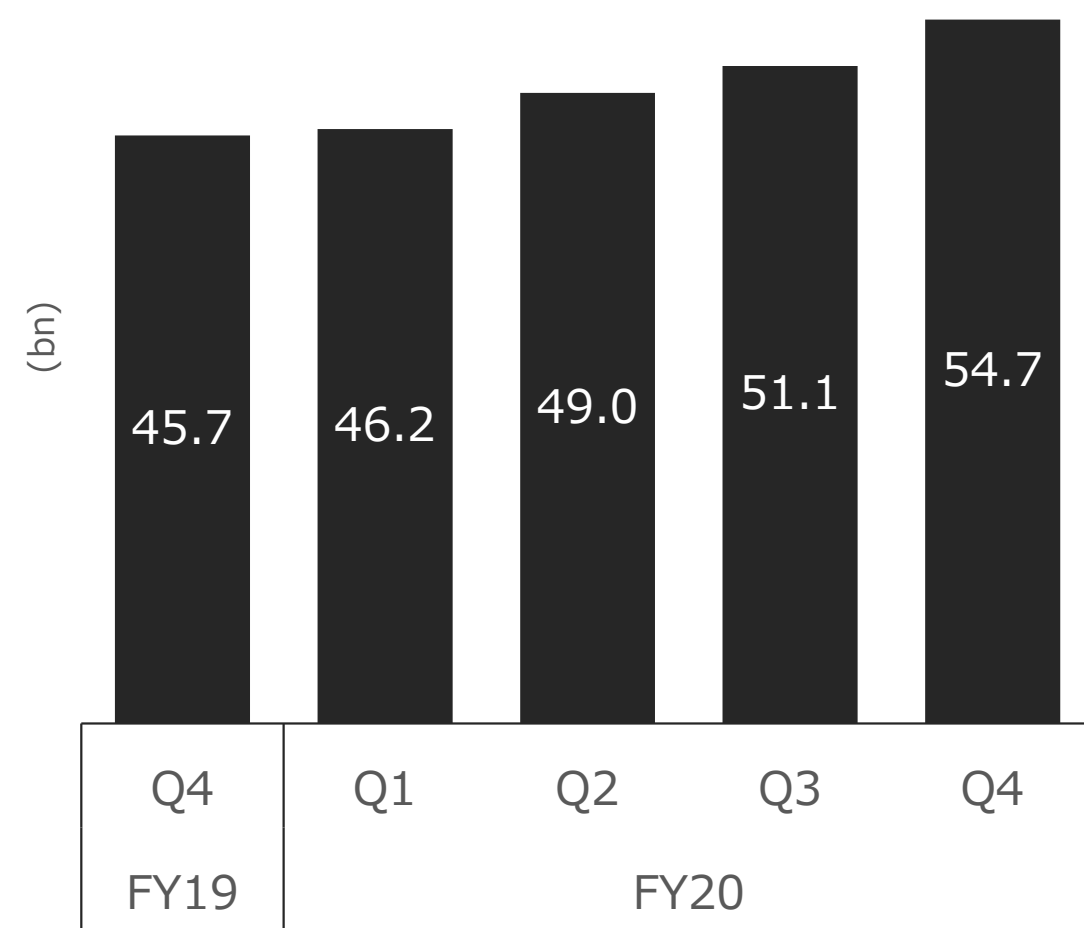
cf. Operating Profit / Margin



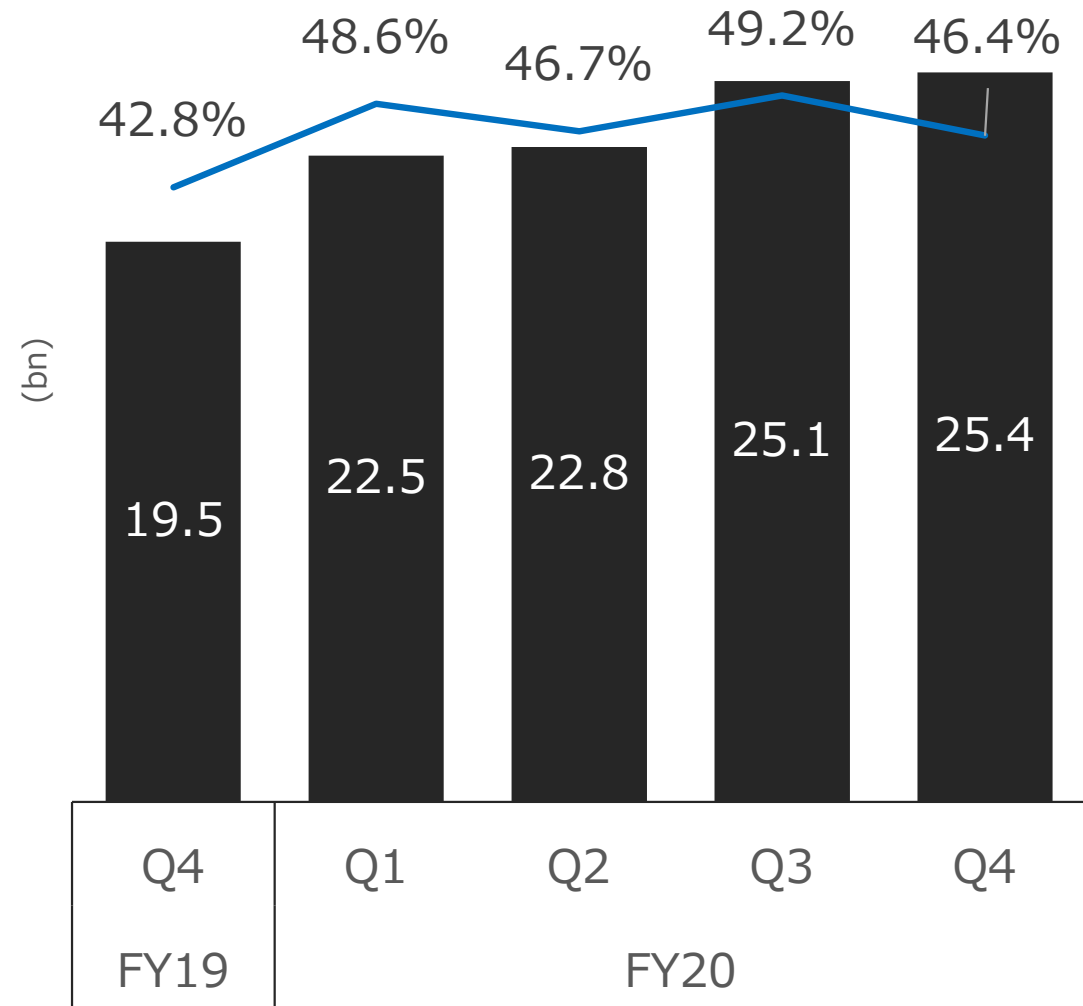
\*External revenue

# IT QoQ Earnings

Revenue



cf. Operating Profit / Margin

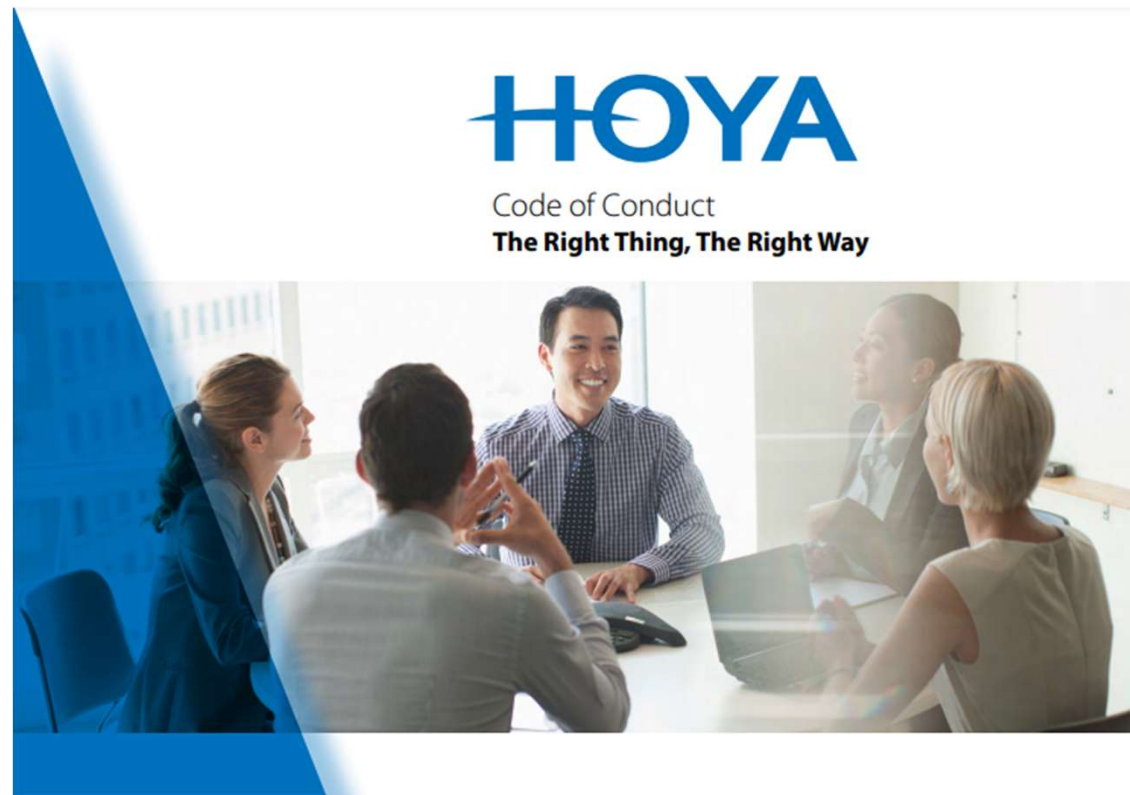


\*External revenue

# Topic

HOYA Group's Code of Conduct (CoC) was renewed in March 2021. The CoC sets forth the basic guidelines to be observed by all members of the HOYA Group in the course of their business operations, in accordance with the basic philosophy and values of the HOYA Group as stated in the Corporate Mission and the Basic Management Principles. In light of the Company's global operations, the HOYA Group has translated this document into 27 languages to ensure that all employees are familiar with it.

[https://www.hoya.co.jp/english/company/pdf/GlobalCoC\\_English.pdf](https://www.hoya.co.jp/english/company/pdf/GlobalCoC_English.pdf)



# Notes

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- ✓ Accounting standard: IFRS
- ✓ The fiscal year ending March 2021 is referred to as “FY20” 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.
- ✓ Like-for-Like figures exclude foreign exchange and M&A impact as well as other extraordinary factors.
- ✓ Profit from ordinary operating activities 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>



# Forward Looking Statement

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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.