

Quarterly Report

2nd Quarter : 3 months ended September 30, 2020
Interim(1st Half) : 6 months ended September 30, 2020

Consolidated (HOYA CORPORATION and Consolidated Subsidiaries)

Part .1

2nd Quarter : from July 1 to September 30, 2020 <IFRS>

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Part .2

Interim(1st Half) : from April to September 30, 2020 <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.

1. Quarterly Consolidated Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

1. Performance for the three months ended September 30, 2019 and 2020 (All operations *Notes)

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

	Three months ended		Variance (%)
	Sep. 30, 2019	Sep. 30, 2020	
(1)Revenue and Profit before tax			
Revenue	154,129	140,313	-9.0
Profit before tax	44,221	40,193	-9.1
Ratio of profit before tax(%)	28.7%	28.6%	
Profit for the quarter	35,032	31,841	-9.1
Ratio of profit for the quarter(%)	22.7%	22.7%	
Profit attributable to owners of the Company	34,866	31,846	-8.7
Ratio of profit attributable to owners of the Company(%)	22.6%	22.7%	
Basic earnings per share (yen)	92.45	84.97	
Diluted earnings per share (yen)	92.29	84.83	

(2)Financial Position	As of	
	Jun. 30, 2020	Sep. 30, 2020
Total assets	787,606	825,941
Total equity	637,183	663,597
Equity attributable to owners of the Company	653,078	679,226
Ratio of assets attributable to owners of the Company	82.9%	82.2%
Assets attributable to owners of the Company per share (yen)	1,742.64	1,812.22

(3) Conditions of Cash Flows	Three months ended	
	Sep. 30, 2019	Sep. 30, 2020
Net cash generated from operating activities	44,653	48,354
Net cash used in investing activities	-11,080	-8,698
Free cash flow	33,573	39,656
Net cash provided by (used in) financing activities	-7,465	-1,844
Cash and cash equivalents at end of period	298,430	337,444

2.Dividends per Share

	Year ended/ending	
	Mar.31,2020	Mar.31,2021
Interim (Yen)	45.00	45.00
Year-end (Yen)	45.00	TBD
Annual (Yen)	90.00	TBD

3.Other

	Three months ended	
	Sep. 30, 2019	Sep. 30, 2020
Capital expenditure	12,602	11,251
R&D expenses	6,513	6,047

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 second quarter of the consolidated fiscal year under review (three months from July 1 to September 30, 2020) amounted to 140,313 million yen, a decrease of 9.0% from the same period of the previous fiscal year (three months from July 1 to September 30, 2019).

Quarterly profit before tax amounted to 40,193 million yen, and quarterly profit amounted to 31,841 million yen, down 9.1% respectively.

The quarterly profit margin before tax was 28.6%, maintaining the same level as the same period of the previous fiscal year.

Disclosed figures and change ratios are for businesses with continuing operations. There were no discontinued businesses in the second quarter or the same quarter of the previous year.

In the Life Care business, sales of eyeglass lenses, a healthcare-related product, declined slightly, while sales of contact lenses declined.

In medical-related products, sales of medical endoscopes and intraocular lenses for cataracts declined, and overall sales in the Life Care segment declined.

In the Information Technology business, sales of mask blanks for semiconductors for electronics-related products increased significantly, sales of photomasks for FPDs decreased, and sales of glass substrates for hard disks decreased. Sales of imaging-related products declined. As a result, overall sales in the Information Technology business decreased.

2) Segment Overview

The following discusses results by reportable segment. (Segment sales represent sales to external customers.)

Life Care

<Health care related products>

Demand for eyeglass lenses gradually recovered as governments eased their economic activity restrictions to curb the spread of COVID-19, although there were differences among countries and regions. As a result, our sales recovered to almost the same level as the previous year.

Sales of contact lenses declined due to a last-minute surge in demand before the consumption tax hike in the previous year, despite a recovery from the impact of COVID-19.

<Medical related products>

Sales of medical endoscopes have been on a recovery trend, but sales declined due to large orders received in Europe in the previous year and other factors.

Sales of intraocular lenses for cataracts declined, despite a recovery trend in sales revenue, mainly overseas.

As a result, sales in the Life Care segment amounted to 90,128 million yen, a decrease of 10.2%. Segment profit decreased by 14.1% to 17,735 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 trend for customers to prioritize mass production activities due to the rise in TV panel market prices stemming from working from home and learning from home demand. As a result, demand for photomasks for research and development decreased, resulting in a decrease in sales.

In hard disk glass substrates, sales of 3.5-inch products, which are expected to grow significantly in the future, increased robustly due to continued strong demand for near-line applications at end customers, which are data centers.

On the other hand, sales of 2.5-inch products declined due to the acceleration of the replacement of HDDs (Hard Disk Drive) with SSDs (Solid State Drive) and other factors, resulting in a decrease in sales for the segment as a whole.

<Imaging related products>

In lenses for cameras, in addition to erosion by smartphones for both digital cameras and interchangeable lenses, sales of lenses for cameras declined due to a decline in demand and sales for camera products caused by factors such as restrictions on outings caused by the impact of COVID-19 and a decrease in the number of photo-taking opportunities.

As a result, sales of lenses for cameras also declined, resulting in an overall decline in sales.

As a result, sales in the Information Technology segment decreased by 6.6% to 48,954 million yen. Segment profit decreased by 8.0% to 22,369 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 decreased by 4.8% to 1,231 million yen. Segment profit decreased by 44.7% to 127 million yen.

3) Subsequent events

Resolution on cash dividends

On October 27, 2020, a resolution was made by the HOYA CORPORATION ("The Company")'s board of directors for the payment of a cash dividend to shareholders of record on September 30, 2020 of 16,866 million yen (45 yen per common share).

Resolution on Share Repurchase

On October 27, 2020, a resolution was made by The Company's board of directors for share repurchase based on Article 39 of Articles of Incorporation pursuant to Article 459.1 of the Companies Act of Japan as outlined below.

<Reason for Share Repurchase>

The Company decided to acquire its own shares with the aim of shareholders benefit, improving capital efficiency and ensuring a flexible capital policy.

<Outline>

- | | |
|---|---|
| (1) Class of share to be repurchased | Common stock issued by The Company |
| (2) Total number of shares to be repurchased
(1.07% of total shares outstanding, excluding treasury stock) | 4 million shares (maximum) |
| (3) Total amount to be paid for repurchase | 40 billion yen (maximum) |
| (4) Period of share repurchase | October 28, 2020 through January 20, 2021 |
| (5) Method of repurchase | Purchase on the Tokyo Stock Exchange based on discretionary investment contract |
| (6) Others | Purchased stocks are planned to be cancelled with the aim of shareholders benefit |

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Statement of Financial Position

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	As of Jun. 30, 2020		As of Sep. 30, 2020		Variance		As of Sep. 30, 2019	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
ASSETS								
NON-CURRENT ASSETS								
Property, plant and equipment-net	153,148		155,248		2,100		140,420	
Goodwill	41,803		38,286		-3,517		41,754	
Intangible assets	38,524		36,913		-1,612		41,517	
Investments in associates	723		632		-91		1,251	
Long-term financial assets	46,641		46,326		-315		43,539	
Other non-current assets	658		698		40		552	
Deferred tax assets	6,825		7,294		469		10,811	
Total non-current assets	288,322	36.6	285,397	34.6	-2,926	-1.0	279,846	35.1
CURRENT ASSETS								
Inventories	79,711		76,737		-2,973		80,305	
Trade and other receivables	96,250		104,101		7,851		114,263	
Other short-term financial assets	1,234		1,558		324		1,576	
Income tax receivables	813		1,089		276		912	
Other current assets	19,764		19,037		-727		21,429	
Cash and cash equivalents	301,513		337,444		35,931		298,430	
Sub total	499,284		539,966		40,682		516,915	
Assets held for sale	—		579		579		—	
Total current assets	499,284	63.4	540,545	65.4	41,261	8.3	516,915	64.9
Total assets	787,606	100.0	825,941	100.0	38,335	4.9	796,761	100.0

(Millions of Yen)

	As of Jun. 30, 2020		As of Sep. 30, 2020		Variance		As of Sep. 30, 2019	
	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	-9,400		-9,075		324		-31,508	
Other capital reserves	-8,518		-8,680		-162		-7,819	
Retained earnings	664,282		696,129		31,847		665,873	
Accumulated other comprehensive income/(loss)	-15,449		-21,310		-5,861		-16,210	
Equity attributable to owners of the Company	653,078	82.9	679,226	82.2	26,148	4.0	632,499	79.4
Non-controlling interests	-15,895		-15,629		266		4,464	
Total equity	637,183	80.9	663,597	80.3	26,414	4.1	636,963	79.9
LIABILITIES								
NON-CURRENT LIABILITIES								
Interest-bearing long-term debt	14,517		13,795		-722		15,095	
Other long-term financial liabilities	23,048		21,819		-1,229		4,774	
Retirement benefits liabilities	3,333		3,304		-28		3,134	
Provisions	2,520		2,510		-10		2,616	
Other non-current liabilities	1,436		1,451		14		1,348	
Deferred tax liabilities	4,632		3,380		-1,252		4,442	
Total non-current liabilities	49,486	6.3	46,258	5.6	-3,227	-6.5	31,408	3.9
CURRENT LIABILITIES								
Interest-bearing short-term debt	7,648		7,445		-203		6,403	
Trade and other payables	47,260		50,576		3,316		59,420	
Other short-term financial liabilities	2,865		2,738		-128		2,805	
Income tax payables	6,937		13,320		6,383		15,924	
Provisions	1,149		1,175		26		1,262	
Other current liabilities	35,077		40,831		5,754		42,576	
Total current liabilities	100,937	12.8	116,086	14.1	15,148	15.0	128,390	16.1
Total liabilities	150,423	19.1	162,344	19.7	11,921	7.9	159,798	20.1
Total equity and liabilities	787,606	100.0	825,941	100.0	38,335	4.9	796,761	100.0
Total number of issued shares in thousand	374,764		374,803		39		377,020	
Equity attributable to owner of the Company per share	1,742.64 Yen		1,812.22 Yen		69.58 Yen		1,677.63 Yen	

(2) Quarterly Consolidated Statement of Cash Flows

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the three months ended		Variance	For the three months ended Jun. 30, 2019
	Sep. 30, 2019	Sep. 30, 2020		
Cash flows from operating activities				
Profit before tax	44,221	40,193	-4,028	31,942
Depreciation and amortization	8,398	8,896	498	8,431
Impairment losses	—	3,104	3,104	—
Finance income	-716	-983	-268	-546
Finance costs	199	557	357	257
Share of (profits)/loss of associates	509	86	-423	136
(Gain)/loss on sales of property, plant and equipment	-85	-32	54	-21
Loss on disposal of property, plant and equipment	209	75	-134	2
Foreign exchange (gain)/loss	-62	-1,195	-1,133	1,522
Others	1,421	5,055	3,634	-8,358
Net cash generated from operating activities (Before adjustment of movements in working capital)	54,094	55,756	1,661	33,366
Movements in working capital				
Decrease/(increase) in inventories	583	2,211	1,628	-1,172
Decrease/(increase) in trade and other receivables	-9,391	-7,762	1,629	5,974
Increase/(decrease) in trade and other payables	3,186	1,707	-1,479	-12,033
Increase/(decrease) in retirement benefits liabilities and provisions	151	72	-79	-68
Sub total	48,623	51,984	3,360	26,066
Interests received	582	246	-336	588
Dividends received	1	1	—	7
Interests paid	-111	-236	-125	-128
Income taxes paid	-4,565	-3,756	809	-15,753
Income taxes refunded	123	116	-7	—
Net cash generated from operating activities	44,653	48,354	3,701	10,779
Cash flows from investing activities				
Withdrawals of time deposit	840	543	-296	16
Payments for time deposit	-895	-7	888	-5
Proceeds from sales of property, plant and equipment	111	67	-44	907
Payments for acquisition of property, plant and equipment	-10,742	-8,498	2,244	-7,132
Proceeds from sales of investment	1,043	665	-377	—
Payments for acquisition of investment	-785	—	785	—
Payments for purchase of subsidiary	-126	-90	36	-130
Other proceeds	46	94	48	99
Other payments	-572	-1,474	-902	-247
Net cash used in investing activities	-11,080	-8,698	2,381	-6,492
Cash flows from financing activities				
Dividends paid to owners of the Company	-52	-62	-10	-16,803
Increase (decrease) in short-term debt	-775	—	775	300
Proceeds from long-term borrowings	—	—	—	738
Repayments of long-term borrowings	-14	-5	9	-5
Payments for lease liabilities	-1,758	-1,911	-153	-1,728
Payments for purchase of treasury shares	-4,981	-2	4,978	-2,425
Proceeds from exercise of stock options	145	137	-9	89
Payments for purchase of non-controlling interests	-31	—	31	—
Net cash used in financing activities	-7,465	-1,844	5,621	-19,836
Net increase/(decrease) in cash and cash equivalents	26,108	37,812	11,704	-15,549
Cash and cash equivalents at the beginning of the term	273,831	301,513	27,682	317,982
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	-1,509	-1,881	-372	-920
Cash and cash equivalents at the end of the term	298,430	337,444	39,014	301,513

(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	
	Sep. 30, 2019		Sep. 30, 2020				Jun. 30, 2020	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
All operations								
Revenue:								
Sales	154,129	100.0	140,313	100.0	-13,816	-9.0	109,327	100.0
Finance income	716	0.5	983	0.7	268	37.4	546	0.5
Other income	503	0.3	395	0.3	-109	-21.6	3,850	3.5
Total Revenue	155,348	100.8	141,691	101.0	-13,657	-8.8	113,723	104.0
Expenses:								
Changes in inventories of goods, products and work in progress	267	0.2	1,471	1.0	1,204	450.1	380	0.3
Raw materials and consumables used	23,832	15.5	20,713	14.8	-3,119	-13.1	16,076	14.7
Employee benefits expense	33,245	21.6	32,117	22.9	-1,128	-3.4	23,088	21.1
Depreciation and amortization	8,398	5.4	8,896	6.3	498	5.9	8,431	7.7
Subcontracting cost	1,118	0.7	1,096	0.8	-22	-1.9	1,107	1.0
Advertising and promotion expense	3,218	2.1	2,569	1.8	-649	-20.2	1,477	1.4
Commission expense	8,432	5.5	7,259	5.2	-1,173	-13.9	6,743	6.2
Impairment losses	—	—	3,104	2.2	3,104	—	—	—
Finance costs	199	0.1	557	0.4	357	179.0	257	0.2
Share of loss of associates	509	0.3	86	0.1	-423	-83.2	136	0.1
Foreign exchange (gain)/loss	794	0.5	-874	-0.6	-1,668	-210.0	1,957	1.8
Other expenses	31,114	20.2	24,504	17.5	-6,610	-21.2	22,129	20.2
Total expense	111,127	72.1	101,498	72.3	-9,629	-8.7	81,782	74.8
Profit before tax	44,221	28.7	40,193	28.6	-4,028	-9.1	31,942	29.2
Income tax expense	9,189	6.0	8,352	6.0	-837	-9.1	6,313	5.8
Profit for the term from all operations	35,032	22.7	31,841	22.7	-3,192	-9.1	25,629	23.4
Other comprehensive income:								
Items that will not be reclassified subsequently to profit or loss								
Assets measured at fair value through other comprehensive income	-365		-266		—	—	646	
Remeasurements of the net defined benefit liability(asset)	-2		—		2	—	2	
Income tax relating to components of other comprehensive income	110		79		-32	—	-197	
Total Items that will not be reclassified subsequently to profit or loss	-256		-187		69	—	450	
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign operations	-4,066		-5,402		-1,336	—	1,172	
Share of other comprehensive income of associates	-22		-5		17	—	-148	
Income tax relating to components of other comprehensive income	-105		5		111	—	2	
Total Items that may be reclassified subsequently to profit or loss	-4,193		-5,402		-1,209	—	1,027	
Total other comprehensive income/(loss)	-4,449		-5,589		-1,140	—	1,477	
Total comprehensive income for the quarter	30,583		26,252		-4,332	-14.2	27,106	
Profit attributable to :								
Owners of the Company	34,866	22.6	31,846	22.7	-3,020	-8.7	25,884	23.7
Non-controlling interests	166	0.1	-6	-0.0	-171	—	-255	-0.2
Total	35,032	22.7	31,841	22.7	-3,192	-9.1	25,629	23.4
Total comprehensive income/(loss) attributable to :								
Owners of the Company	30,558		25,986		-4,572	-15.0	27,224	
Non-controlling interests	25		266		241	944.2	-118	
Total	30,583		26,252		-4,332	-14.2	27,106	
Basic earnings/(loss) per share (yen)								
Continuing operations	92.45		84.97		-7.48		69.06	
Discontinued operations	—		—		—		—	
Basic earnings per share (yen)	92.45		84.97		-7.48		69.06	
Diluted earnings/(loss) per share (yen)								
Continuing operations	92.29		84.83		-7.46		68.95	
Discontinued operations	—		—		—		—	
Diluted earnings per share (yen)	92.29		84.83		-7.46		68.95	

Notes:

1. Effect of Exchange Rate Change on Net Sales and Incomes ("2020A" is the actual value of this period. "2020B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2020B	2020A	Influences	Real change	(%)
Sales	140,765	140,313	-452	-13,364	-8.7%
Profit before tax	40,472	40,193	-279	-3,749	-8.5%
Profit for the quarter	32,088	31,841	-247	-2,944	-8.4%

	For the three months ended		
	Sep. 30, 2019	Sep. 30, 2020	Variance(%)
2. Average rates of major foreign currencies			
US\$	Yen 107.67	105.25	2.2%
Euro	Yen 118.95	124.59	-4.7%
Thai Baht	Yen 3.51	3.36	4.3%

(4) Segment Information

<Overview of major products and services of reportable segments>

The reportable segments are constituent units of the Group for which separate financial information is obtained and examined on a regular basis by the Board of Directors, the chief operation decision maker, to determine the allocation of management resources and evaluate the business performance.

In accordance with its management philosophy, the Group has categorized "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: the Life Care business, the 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 in the healthcare and medical sectors and medical related products, including medical equipment and medical materials that are used in medical treatments. In operating this business, it is typically required to obtain approvals and permissions of the relevant authorities in Japan and other countries, and sophisticated technologies and highly reliable quality control systems represent the critical elements for operating this business.

In the Information Technology business, the Group produces and sells parts and components indispensable for digital devices in the information and communication sector, including electronics related products that are essential for the modern digital information and communication technologies, and imaging related products that are necessary to import pictures and video images as digital information based on optical technologies.

Other business mainly includes the business that provides speech synthesis software and information system services as well as 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	Endoscopes, Medical accessories, Automated endoscope reprocessors, Intraocular lenses, Ophthalmic medical devices, Artificial bone, Metallic implants for orthopedics, etc.
Information Technology	Electronics related products	Photomasks and Maskblanks for semiconductors, Photomasks for flat-panel displays (FPDs) Glass disks for hard disk drives (HDDs), etc.
	Imaging related products	Optical lenses, Optical glasses, 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 Sep. 30, 2019	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	100,409	52,426	1,294	154,129	—	154,129
Inter-segment	1	12	312	325	-325	—
Total	100,410	52,438	1,606	154,454	-325	154,129
Segment profit before tax	20,644	24,311	229	45,185	-963	44,221
Segment profit before tax ratio	20.6%	46.4%	14.3%	29.3%	—	28.7%
Ref: Profit from ordinary operating activities	21,695	24,250	225	46,170	-971	45,199
% of revenue	21.6%	46.2%	14.0%	29.9%	—	29.3%

For the three months ended Sep. 30, 2020	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	90,128	48,954	1,231	140,313	—	140,313
Inter-segment	88	3	291	382	-382	—
Total	90,216	48,957	1,522	140,695	-382	140,313
Segment profit before tax	17,735	22,369	127	40,231	-38	40,193
Segment profit before tax ratio	19.7%	45.7%	8.3%	28.6%	—	28.6%
Ref: Profit from ordinary operating activities	21,190	22,845	136	44,171	-864	43,307
% of revenue	23.5%	46.7%	8.9%	31.4%	—	30.9%

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	-10,281	-3,472	-62	-13,816	—	-13,816
Variance	-10.2%	-6.6%	-4.8%	-9.0%	—	-9.0%
Inter-segment	87	-9	-21	57	-57	—
Total	-10,194	-3,481	-84	-13,759	-57	-13,816
Segment profit before tax	-2,909	-1,942	-102	-4,954	926	-4,028
Variance	-14.1%	-8.0%	-44.7%	-11.0%	—	-9.1%
Profit from ordinary operating activities	-505	-1,405	-89	-1,999	107	-1,892
Variance	-2.3%	-5.8%	-39.5%	-4.3%	-11.0%	-4.2%

Note: Effect of Exchange Rate Change on Net Sales and Incomes ("2020 A" is the actual value of this period. "2020 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)

	2020B	2020A	Influences	Real change	(%)
Life Care					
Revenue from external customers	90,028	90,128	100	-10,382	-10.3%
Profit from ordinary operating activities	21,490	21,190	-300	-205	-0.9%
Segment profit before tax	17,777	17,735	-43	-2,867	-13.9%
Information Technology					
Revenue from external customers	49,515	48,954	-561	-2,911	-5.6%
Profit from ordinary operating activities	23,071	22,845	-226	-1,180	-4.9%
Segment profit before tax	22,611	22,369	-242	-1,700	-7.0%

Ref : Results of the previous quarter are as follows:

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%

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	
	Sep. 30, 2019		Sep. 30, 2020				Jun. 30, 2020	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)

Revenue from all operations

Life Care	100,409	65.1	90,128	64.2	-10,281	-10.2	61,908	56.6
Health care related products	76,058 [75.7]		68,190 [75.7]		-7,868	-10.3	43,903 [70.9]	
Medical related products	24,352 [24.3]		21,938 [24.3]		-2,413	-9.9	18,006 [29.1]	
Information Technology	52,426	34.0	48,954	34.9	-3,472	-6.6	46,233	42.3
Electronics related products	43,012 [82.0]		41,881 [85.6]		-1,130	-2.6	40,250 [87.1]	
Imaging related products	9,415 [18.0]		7,073 [14.4]		-2,342	-24.9	5,983 [12.9]	
Other	1,294	0.8	1,231	0.9	-62	-4.8	1,185	1.1
Corporate (including R&D)	-	-	-	-	-	-	-	-
Total revenue from all operations	154,129	100.0	140,313	100.0	-13,816	-9.0	109,327	100.0

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

Notes 2. Effect of Exchange Rate Change on Net Sales and Incomes ("2020 A" is the actual value of this period. "2020 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)

	2020B	2020A	Influences	Real change	(%)
Life Care	90,028	90,128	100	-10,382	-10.3%
Health care related products	68,360	68,190	-170	-7,698	-10.1%
Medical related products	21,668	21,938	270	-2,684	-11.0%
Information Technology	49,515	48,954	-561	-2,911	-5.6%
Electronics related products	42,402	41,881	-521	-610	-1.4%
Imaging related products	7,113	7,073	-41	-2,301	-24.4%

3. Information about geographical areas

Revenue from external customers

(Millions of Yen)

	For the three months ended				Variance		For the three months ended	
	Sep. 30, 2019		Sep. 30, 2020				Jun. 30, 2020	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)

Revenue from all operations

Total revenue from all operations	154,129	100.0	140,313	100.0	-13,816	-9.0	109,327	100.0
Japan	47,542	30.8	37,881	27.0	-9,661	-20.3	30,765	28.1
Americas	24,559	15.9	21,470	15.3	-3,088	-12.6	12,829	11.7
Europe	27,188	17.6	29,017	20.7	1,829	6.7	18,935	17.3
Asia/Oceania	53,171	34.5	50,557	36.0	-2,614	-4.9	45,613	41.7
Others	1,669	1.1	1,387	1.0	-281	-16.9	1,185	1.1

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

<Reference>

Supplementary data for 2nd Quarter: from July 1 to September 30, 2020

The breakdown of changes in revenue and profit before tax

(Millions of Yen)

	FY19-2Q	FY20-2Q	Variance	Breakdown of Variance	
				Foreign exchange	Others
Revenue	154,129	140,313	-13,816	-452	-13,364
Life Care	100,409	90,128	-10,281	100	-10,382
Health care related products	76,058	68,190	-7,868	-170	-7,698
Medical related products	24,352	21,938	-2,413	270	-2,684
Information Technology	52,426	48,954	-3,472	-561	-2,911
Electronics related products	43,012	41,881	-1,130	-521	-610
Imaging related products	9,415	7,073	-2,342	-41	-2,301
Profit from ordinary operating activities	45,199	43,307	-1,892	-525	-1,367
Life Care	21,695	21,190	-505	-300	-205
Information Technology	24,250	22,845	-1,405	-226	-1,180
Other, adjustment (Corporate)	-747	-728	18	1	18
Profit before tax	44,221	40,193	-4,028	-279	-3,749
Life Care	20,644	17,735	-2,909	-43	-2,867
Information Technology	24,311	22,369	-1,942	-242	-1,700
Other, adjustment (Corporate)	-734	89	823	5	818

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

	All operations		
	FY19-2Q	FY20-2Q	Variance
Profit before tax	44,221	40,193	-4,028
Adjustments	-978	-3,114	-2,136
Finance income	716	983	268
Finance costs	-199	-557	-357
Share of loss of associates	-509	-86	423
Foreign exchange (gain)/loss	-794	874	1,668
Impairment losses	-	-3,104	-3,104
Others	-191	-1,225	-1,034
Profit from ordinary operating activities	45,199	43,307	-1,892

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

	Life Care			Information Technology			Other, adjustment (Corporate)		
	FY19-2Q	FY20-2Q	Variance	FY19-2Q	FY20-2Q	Variance	FY19-2Q	FY20-2Q	Variance
Profit before tax	20,644	17,735	-2,909	24,311	22,369	-1,942	-734	89	823
Adjustments	-1,051	-3,456	-2,404	61	-476	-537	13	817	805
Finance income	66	50	-16	239	155	-83	411	778	367
Finance costs	-330	-347	-17	-125	-118	8	256	-92	-348
Share of loss of associates	23	25	2	-1	1	3	-531	-112	419
Foreign exchange (gain)/loss	-508	459	966	-121	158	279	-166	257	423
Impairment losses	-	-3,083	-3,083	-	-21	-21	-	-	-
Others	-303	-559	-257	70	-651	-721	42	-14	-56
Profit from ordinary operating activities	21,695	21,190	-505	24,250	22,845	-1,405	-747	-728	18

1. Interim Consolidated Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

1. Performance for the six months ended September 30, 2019 and 2020 (All operations *Notes)

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

	Six months ended		Variance (%)
	Sep. 30,2019	Sep. 30,2020	
(1)Revenue and Profit before tax			
Revenue	294,948	249,640	-15.4
Profit before tax	81,266	72,135	-11.2
Ratio of profit before tax(%)	27.6%	28.9%	
Profit for the term	65,181	57,470	-11.8
Ratio of profit for the term(%)	22.1%	23.0%	
Profit attributable to owners of the Company	64,911	57,730	-11.1
Ratio of profit attributable to owners of the Company(%)	22.0%	23.1%	
Basic earnings per share (yen)	171.64	154.04	
Diluted earnings per share (yen)	171.33	153.77	

	As of	
	Mar. 31, 2020	Sep. 30,2020
(2)Financial Position		
Total assets	811,008	825,941
Total equity	629,265	663,597
Equity attributable to owners of the Company	645,042	679,226
Ratio of assets attributable to owners of the Company	79.5%	82.2%
Assets attributable to owners of the Company per share (yen)	1,720.11	1,812.22

	Six months ended	
	Sep. 30,2019	Sep. 30,2020
(3) Conditions of Cash Flows		
Net cash generated from operating activities	80,094	59,134
Net cash used in investing activities	-21,961	-15,191
Free cash flow	58,132	43,943
Net cash provided by (used in) financing activities	-45,212	-21,680
Cash and cash equivalents at end of period	298,430	337,444

2.Dividends per Share

	Year ended/ending	
	Mar. 31, 2020	Mar.31, 2020
Interim (Yen)	45.00	45.00
Year-end (Yen)	45.00	TBD
Annual (Yen)	90.00	TBD

3.Other

	Six months ended	
	Sep. 30,2019	Sep. 30,2020
Capital expenditure	23,742	19,250
R&D expenses	12,868	10,886

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. Interim Consolidated Financial Statements

(1) Interim Consolidated Statement of Financial Position

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	As of Mar. 31, 2020		As of Sep. 30, 2020		Variance		As of Sep. 30, 2019	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
ASSETS								
NON-CURRENT ASSETS								
Property, plant and equipment-net	152,302		155,248		2,946		140,420	
Goodwill	42,082		38,286		-3,796		41,754	
Intangible assets	39,796		36,913		-2,883		41,517	
Investments in associates	1,007		632		-375		1,251	
Long-term financial assets	45,975		46,326		351		43,539	
Other non-current assets	685		698		13		552	
Deferred tax assets	7,990		7,294		-696		10,811	
Total non-current assets	289,836	35.7	285,397	34.6	-4,440	-1.5	279,846	35.1
CURRENT ASSETS								
Inventories	78,130		76,737		-1,393		80,305	
Trade and other receivables	103,339		104,101		762		114,263	
Other short-term financial assets	1,303		1,558		255		1,576	
Income tax receivables	510		1,089		578		912	
Other current assets	19,907		19,037		-870		21,429	
Cash and cash equivalents	317,982		337,444		19,462		298,430	
Sub total	521,171		539,966		18,795		516,915	
Assets held for sale	—		579		579		—	
Total current assets	521,171	64.3	540,545	65.4	19,373	3.7	516,915	64.9
Total assets	811,008	100.0	825,941	100.0	14,934	1.8	796,761	100.0

(Millions of Yen)

	As of Mar. 31, 2020		As of Sep. 30, 2020		Variance		As of Sep. 30, 2019	
	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	-27,963		-9,075		18,888		-31,508	
Other capital reserves	-8,428		-8,680		-252		-7,819	
Retained earnings	676,058		696,129		20,071		665,873	
Accumulated other comprehensive income/(loss)	-16,788		-21,310		-4,522		-16,210	
Equity attributable to owners of the Company	645,042	79.5	679,226	82.2	34,185	5.3	632,499	79.4
Non-controlling interests	-15,777		-15,629		148		4,464	
Total equity	629,265	77.6	663,597	80.3	34,333	5.5	636,963	79.9
LIABILITIES								
NON-CURRENT LIABILITIES								
Interest-bearing long-term debt	14,472		13,795		-677		15,095	
Other long-term financial liabilities	23,923		21,819		-2,104		4,774	
Retirement benefits liabilities	3,203		3,304		102		3,134	
Provisions	2,539		2,510		-29		2,616	
Other non-current liabilities	1,363		1,451		87		1,348	
Deferred tax liabilities	3,851		3,380		-471		4,442	
Total non-current liabilities	49,350	6.1	46,258	5.6	-3,092	-6.3	31,408	3.9
CURRENT LIABILITIES								
Interest-bearing short-term debt	7,494		7,445		-48		6,403	
Trade and other payables	62,895		50,576		-12,319		59,420	
Other short-term financial liabilities	2,824		2,738		-86		2,805	
Income tax payables	17,765		13,320		-4,445		15,924	
Provisions	1,234		1,175		-59		1,262	
Other current liabilities	40,181		40,831		650		42,576	
Total current liabilities	132,393	16.3	116,086	14.1	-16,307	-12.3	128,390	16.1
Total liabilities	181,743	22.4	162,344	19.7	-19,399	-10.7	159,798	20.1
Total equity and liabilities	811,008	100.0	825,941	100.0	14,934	1.8	796,761	100.0
Total number of issued shares in thousand	375,000		374,803		-197		377,020	
Equity attributable to owner of the Company per share	1,720.11 Yen		1,812.22 Yen		92.11 Yen		1,677.63 Yen	

(2) Interim Consolidated Statement of Cash Flows

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the six months ended		Variance	For the year ended Mar.31 2020
	Sep.30, 2019	Sep.30, 2020		
Cash flows from operating activities				
Profit before tax	81,266	72,135	-9,132	147,268
Depreciation and amortization	16,781	17,327	547	34,374
Impairment losses	—	3,104	3,104	300
Finance income	-1,693	-1,529	163	-3,461
Finance costs	362	814	452	791
Share of (profits)/loss of associates	886	222	-665	1,652
(Gain)/loss on sales of property, plant and equipment	-131	-53	78	-258
Loss on disposal of property, plant and equipment	231	77	-154	375
Foreign exchange (gain)/loss	1,160	327	-833	-567
Others	-1,801	-3,303	-1,502	-4,265
Net cash generated from operating activities (Before adjustment of movements in working capital)	97,062	89,121	-7,940	176,209
Movements in working capital				
Decrease/(increase) in inventories	-3,896	1,039	4,934	-2,300
Decrease/(increase) in trade and other receivables	-6,618	-1,788	4,829	4,186
Increase/(decrease) in trade and other payables	2,742	-10,326	-13,068	5,152
Increase/(decrease) in retirement benefits liabilities and provisions	449	4	-445	433
Sub total	89,740	78,050	-11,690	183,680
Interests received	1,460	834	-626	3,201
Dividends received	13	8	-5	14
Interests paid	-279	-364	-85	-511
Income taxes paid	-10,963	-19,510	-8,546	-23,169
Income taxes refunded	123	116	-7	152
Net cash generated from operating activities	80,094	59,134	-20,960	163,366
Cash flows from investing activities				
Withdrawals of time deposit	1,642	560	-1,083	2,804
Payments for time deposit	-1,527	-12	1,516	-2,367
Proceeds from sales of property, plant and equipment	205	975	770	472
Payments for acquisition of property, plant and equipment	-21,413	-15,629	5,784	-45,177
Proceeds from sales of investment	1,941	665	-1,276	1,948
Payments for acquisition of investment	-1,148	—	1,148	-1,562
Payments for acquisition of subsidiaries	-581	-220	360	-969
Payments for business transfer	-87	—	87	-542
Other proceeds	97	192	96	226
Other payments	-1,090	-1,721	-632	-2,217
Net cash used in investing activities	-21,961	-15,191	6,771	-47,384
Cash flows from financing activities				
Dividends paid to owners of the Company	-17,086	-16,866	221	-34,042
Increase (decrease) in short-term debt	-775	300	1,075	-775
Proceeds from long-term borrowings	—	738	738	—
Repayments of long-term borrowings	-106	-10	97	-134
Payments for lease liabilities	-3,624	-3,639	-16	-7,547
Payments for purchase of treasury shares	-24,089	-2,428	21,661	-44,283
Proceeds from exercise of stock options	499	225	-273	1,277
Proceeds from share issuance to non-controlling shareholders	—	—	—	187
Payments for purchase of non-controlling interests	-31	—	31	-149
Net cash used in financing activities	-45,212	-21,680	23,533	-85,468
Net increase/(decrease) in cash and cash equivalents	12,920	22,263	9,343	30,514
Cash and cash equivalents at the beginning of the term	293,397	317,982	24,584	293,397
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	-7,887	-2,801	5,086	-5,930
Cash and cash equivalents at the end of the term	298,430	337,444	39,014	317,982

(3) Interim Consolidated Statement of Comprehensive Income

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the six months ended				Variance		For the year ended	
	Sep.30, 2019		Sep.30, 2020		Amount	%	Mar.31 2020	
	Amount	(%)	Amount	(%)				
All operations								
Revenue:								
Sales	294,948	100.0	249,640	100.0	-45,308	-15.4	576,546	100.0
Finance income	1,693	0.6	1,529	0.6	-163	-9.7	3,461	0.6
Other income	1,103	0.4	4,245	1.7	3,142	284.7	2,463	0.4
Total Revenue	297,745	100.9	255,415	102.3	-42,330	-14.2	582,470	101.0
Expenses:								
Changes in inventories of goods, products and work in progress	-2,731	-0.9	1,851	0.7	4,582	-167.8	1,003	0.2
Raw materials and consumables used	46,492	15.8	36,789	14.7	-9,703	-20.9	93,381	16.2
Employee benefits expense	66,718	22.6	55,205	22.1	-11,513	-17.3	133,734	23.2
Depreciation and amortization	16,781	5.7	17,327	6.9	547	3.3	34,374	6.0
Subcontracting cost	2,411	0.8	2,204	0.9	-208	-8.6	4,657	0.8
Advertising and promotion expense	6,634	2.2	4,046	1.6	-2,587	-39.0	12,214	2.1
Commission expense	16,592	5.6	14,002	5.6	-2,590	-15.6	33,723	5.8
Impairment losses	—	—	3,104	1.2	3,104	—	300	0.1
Finance costs	362	0.1	814	0.3	452	124.7	791	0.1
Share of loss of associates	886	0.3	222	0.1	-665	-75.0	1,652	0.3
Foreign exchange (gain)/loss	2,638	0.9	1,083	0.4	-1,555	-59.0	1,606	0.3
Other expenses	59,694	20.2	46,633	18.7	-13,062	-21.9	117,768	20.4
Total Expenses	216,478	73.4	183,280	73.4	-33,198	-15.3	435,202	75.5
Profit before tax	81,266	27.6	72,135	28.9	-9,132	-11.2	147,268	25.5
Income tax expense	16,086	5.5	14,665	5.9	-1,421	-8.8	32,681	5.7
Profit for the term from all operations	65,181	22.1	57,470	23.0	-7,711	-11.8	114,587	19.9
Other comprehensive income:								
Items that will not be reclassified subsequently to profit or loss	-462		380		842	—	933	
Remeasurements of the net defined benefit liability(asset)	-1		2		3	—	-50	
Income tax relating to components of other comprehensive income	131		-118		-249	—	-212	
Total Items that will not be reclassified subsequently to profit or loss	-332		263		595	—	670	
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign operations	-15,231		-4,229		11,001	—	-16,806	
Share of other comprehensive income of associates	-33		-153		-121	—	76	
Income tax relating to components of other comprehensive income	-105		8		113	—	-203	
Total Items that may be reclassified subsequently to profit or loss	-15,369		-4,375		10,994	—	-16,932	
Total other comprehensive income/(loss)	-15,701		-4,112		11,589	—	-16,262	
Total comprehensive income for the half year	49,480		53,358		3,878	7.8	98,325	
Profit attributable to :								
Owners of the Company	64,911	22.0	57,730	23.1	-7,182	-11.1	114,406	19.8
Non-controlling interests	269	0.1	-260	-0.1	-529	—	181	0.0
Total	65,181	22.1	57,470	23.0	-7,711	-11.8	114,587	19.9
Total comprehensive income/(loss) attributable to :								
Owners of the Company	49,483		53,210		3,727	7.5	98,364	
Non-controlling interests	-3		148		151	—	-39	
Total	49,480		53,358		3,878	7.8	98,325	
Basic earnings/(loss) per share (yen)								
Continuing operations	171.64		154.04		-17.60		303.27	
Discontinued operations	—		—		—		—	
Basic earnings per share (yen)	171.64		154.04		-17.60		303.27	
Diluted earnings/(loss) per share (yen)								
Continuing operations	171.33		153.77		-17.56		302.74	
Discontinued operations	—		—		—		—	
Diluted earnings per share (yen)	171.33		153.77		-17.56		302.74	

Notes:

1. Effect of exchange rate change on net sales and incomes ("2020A" is the actual value of this period. "2020B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2020B	2020A	Influences	Real change	(%)
Sales	252,444	249,640	-2,804	-42,504	-14.4%
Profit before tax	72,698	72,135	-563	-8,568	-10.5%
Profit for the term	57,946	57,470	-477	-7,234	-11.1%

2. Average rates of major foreign currencies

		For the six months ended		
		Sep.30, 2019	Sep.30, 2020	Variance(%)
US\$	Yen	108.67	106.32	2.2%
Euro	Yen	120.91	121.66	-0.6%
Thai Baht	Yen	3.49	3.37	3.4%

(4) Segment Information

<Overview of major products and services of reportable segments>

The reportable segments are constituent units of the Group for which separate financial information is obtained and examined on a regular basis by the Board of Directors, the chief operation decision maker, to determine the allocation of management resources and evaluate the business performance.

In accordance with its management philosophy, the Group has categorized "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: the Life Care business, the 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 in the healthcare and medical sectors and medical related products, including medical equipment and medical materials that are used in medical treatments. In operating this business, it is typically required to obtain approvals and permissions of the relevant authorities in Japan and other countries, and sophisticated technologies and highly reliable quality control systems represent the critical elements for operating this business.

In the Information Technology business, the Group produces and sells parts and components indispensable for digital devices in the information and communication sector, including electronics related products that are essential for the modern digital information and communication technologies, and imaging related products that are necessary to import pictures and video images as digital information based on optical technologies.

Other business mainly includes the business that provides speech synthesis software and information system services as well as 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	Endoscopes, Medical accessories, Automated endoscope reprocessors, Intraocular lenses, Ophthalmic medical devices, Artificial bone, Metallic implants for orthopedics, etc.
Information Technology	Electronics related products	Photomasks and Maskblanks for semiconductors, Photomasks for flat-panel displays (FPDs) Glass disks for hard disk drives (HDDs), etc.
	Imaging related products	Optical lenses, Optical glasses, Laser equipment, Light source, etc.
Other		Speech synthesis software, Design of information systems, etc.

1. Segment revenues and results

(Millions of Yen)

For the six months ended Sep. 30, 2019	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	194,181	98,403	2,365	294,948	—	294,948
Inter-segment	1	24	540	565	-565	—
Total	194,182	98,427	2,904	295,514	-565	294,948
Segment profit before tax	37,936	44,791	289	83,017	-1,750	81,266
Segment profit before tax ratio	19.5%	45.5%	10.0%	28.1%	—	27.6%
Ref: Profit from ordinary operating activities	39,876	45,401	280	85,557	-1,908	83,649
% of revenue	20.5%	46.1%	9.6%	29.0%	—	28.4%

For the six months ended Sep. 30, 2020	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	152,036	95,187	2,417	249,640	—	249,640
Inter-segment	89	12	510	611	-611	—
Total	152,125	95,199	2,926	250,251	-611	249,640
Segment profit before tax	28,054	44,046	319	72,419	-284	72,135
Segment profit before tax ratio	18.4%	46.3%	10.9%	28.9%	—	28.9%
Profit from ordinary operating activities	30,445	45,297	337	76,078	-1,498	74,580
% of revenue	20.0%	47.6%	11.5%	30.4%	—	29.9%

Ref : Difference between the results of the year 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	-42,145	-3,216	52	-45,308	—	-45,308
Variance	-21.7%	-3.3%	2.2%	-15.4%	—	-15.4%
Inter-segment	87	-12	-30	45	-45	—
Total	-42,057	-3,228	22	-45,263	-45	-45,308
Segment profit before tax	-9,882	-745	30	-10,598	1,466	-9,132
Variance	-26.0%	-1.7%	10.2%	-12.8%	—	-11.2%
Profit from ordinary operating activities	-9,431	-105	57	-9,479	410	-9,069
Variance	-23.7%	-0.2%	20.4%	-11.1%	-21.5%	-10.8%

Note: Effect of Exchange Rate Change on Net Sales and Incomes ("2020A" is the actual value of this period. "2020B" 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)

	2020B	2020A	Influences	Real change	(%)
Life Care					
Revenue from external customers	153,630	152,036	-1,593	-40,551	-20.9%
Profit from ordinary operating activities	30,840	30,445	-395	-9,036	-22.7%
Segment profit before tax ratio	28,045	28,054	9	-9,892	-26.1%
Information Technology					
Revenue from external customers	96,389	95,187	-1,202	-2,014	-2.0%
Profit from ordinary operating activities	45,796	45,297	-499	395	0.9%
Segment profit before tax ratio	44,544	44,046	-498	-247	-0.6%

2. Revenue from major products and services

Revenue from external customers

(Millions of Yen)

	For the six month ended				Variance		For the year ended	
	Sep.30, 2019		Sep.30, 2020				Mar.31 2020	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)

Revenue from all operations

Life Care	194,181	65.8	152,036	60.9	-42,145	-21.7	375,049	65.1
Health care related products	146,506	[75.4]	112,092	[73.7]	-34,413	-23.5	277,798	[74.1]
Medical related products	47,676	[24.6]	39,944	[26.3]	-7,731	-16.2	97,251	[25.9]
Information Technology	98,403	33.4	95,187	38.1	-3,216	-3.3	196,731	34.1
Electronics related products	80,019	[81.3]	82,131	[86.3]	2,112	2.6	162,655	[82.7]
Imaging related products	18,383	[18.7]	13,056	[13.7]	-5,328	-29.0	34,076	[17.3]
Other	2,365	0.8	2,417	1.0	52	2.2	4,766	0.8
Corporate (including R&D)	-	-	-	-	-	-	-	-
Total revenue from all operations	294,948	100.0	249,640	100.0	-45,308	-15.4	576,546	100.0

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

Notes 2. Effect of Exchange Rate Change on Net Sales and Incomes ("2020A" is the actual value of this period. "2020B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2020B	2020A	Influences	Real change	(%)
Life Care	153,630	152,036	-1,593	-40,551	-20.9%
Health care related products	113,464	112,092	-1,372	-33,042	-22.6%
Medical related products	40,166	39,944	-222	-7,510	-15.8%
Information Technology	96,389	95,187	-1,202	-2,014	-2.0%
Electronics related products	83,156	82,131	-1,024	3,136	3.9%
Imaging related products	13,233	13,056	-177	-5,150	-28.0%

3. Information about geographical areas

Revenue from external customers

(Millions of Yen)

	For the six month ended				Variance		For the year ended	
	Sep.30, 2019		Sep.30, 2020				Mar.31 2020	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)

Revenue from all operations

Total revenue from all operations	294,948	100.0	249,640	100.0	-45,308	-15.4	576,546	100.0
Japan	88,461	30.0	68,646	27.5	-19,815	-22.4	163,045	28.3
Americas	49,688	16.8	34,299	13.7	-15,389	-31.0	97,194	16.9
Europe	54,270	18.4	47,952	19.2	-6,318	-11.6	109,561	19.0
Asia/Oceania	99,341	33.7	96,171	38.5	-3,171	-3.2	199,405	34.6
Others	3,188	1.1	2,572	1.0	-616	-19.3	7,343	1.3

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

<Reference>

Supplementary data for Interim Period: from April 1 to September 30, 2020

The breakdown of changes in revenue and profit before tax

(Millions of Yen)

	FY2019	FY2020	Variance	Foreign exchange	Others
Revenue	294,948	249,640	-45,308	-2,804	-42,504
Life Care	194,181	152,036	-42,145	-1,593	-40,551
Health care related products	146,506	112,092	-34,413	-1,372	-33,042
Medical related products	47,676	39,944	-7,731	-222	-7,510
Information Technology	98,403	95,187	-3,216	-1,202	-2,014
Electronics related products	80,019	82,131	2,112	-1,024	3,136
Imaging related products	18,383	13,056	-5,328	-177	-5,150
Profit from ordinary operating activities	83,649	74,580	-9,069	-887	-8,182
Life Care	39,876	30,445	-9,431	-395	-9,036
Information Technology	45,401	45,297	-105	-499	395
Other, adjustment (Corporate)	-1,628	-1,162	467	7	460
Profit before tax	81,266	72,135	-9,132	-563	-8,568
Life Care	37,936	28,054	-9,882	9	-9,892
Information Technology	44,791	44,046	-745	-498	-247
Other, adjustment (Corporate)	-1,461	35	1,495	-75	1,570

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

	All operations		
	FY2019	FY2020	Variance
Profit before tax	81,266	72,135	-9,132
Adjustments	-2,382	-2,445	-63
Finance income	1,693	1,529	-163
Finance costs	-362	-814	-452
Share of loss of associates	-886	-222	665
Foreign exchange (gain)/loss	-2,638	-1,083	1,555
Impairment losses	-	-3,104	-3,104
Others	-188	1,248	1,436
Profit from ordinary operating activities	83,649	74,580	-9,069

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

	Life Care			Information Technology			Other, adjustment (Corporate)		
	FY2019	FY2020	Variance	FY2019	FY2020	Variance	FY2019	FY2020	Variance
Profit before tax	37,936	28,054	-9,882	44,791	44,046	-745	-1,461	35	1,495
Adjustments	-1,939	-2,391	-451	-610	-1,250	-640	167	1,196	1,029
Finance income	254	159	-95	468	337	-132	970	1,034	64
Finance costs	-670	-711	-41	-250	-193	57	558	90	-468
Share of loss of associates	42	29	-14	8	4	-3	-937	-255	682
Foreign exchange (gain)/loss	-1,343	-748	595	-826	-641	186	-469	306	775
Impairment losses	-	-3,083	-3,083	-	-21	-21	-	-	-
Others	-224	1,963	2,186	-10	-736	-726	45	21	-24
Profit from ordinary operating activities	39,876	30,445	-9,431	45,401	45,297	-105	-1,628	-1,162	467