



Hoya Reports Second Quarter Financial Results

Tokyo, Japan—October 31, 2018--HOYA Corporation (TOKYO: 7741 / ADR: HOCPY US) today announced financial results for the second quarter ended September 30, 2018. During the quarter, revenue increased 4.6% year on year, reaching 142,018 million yen. Profit before tax amounted to 38,405 million yen with 31,231 million yen in net profit, representing year-on-year increases of 16.8% and 16.7%, respectively. Profit before tax ratio was 27.0%, representing a year-on-year increase of 2.8 points.

In the Life Care segment, sales of eyeglass lenses grew mainly driven by the strong performance in the Americas, combined with the positive impact of our acquisition of Performance Optics. New store openings of our Eyecity contact lens specialty stores, as well as continued efforts at existing stores, resulted in higher sales for contact lenses. Medical-use endoscope sales were strong in the U.S. and Europe in response to measures to strengthen our sales systems. Sales of intraocular lenses for cataracts were lower year on year. In Europe, our highly competitive Vivinex product drove sales higher, while sales were lower in Asia Pacific due to inventory level optimization at sales agents in the region. As a result, sales for the Life Care segment grew 4.3% year on year, reaching 91,887 million yen. Segment profit rose 16.9% year on year to 16,955 million yen.

In the Information Technology segment, semiconductor mask blanks reported higher sales year-on-year owing to active development demand for the next-generation technology of extreme ultraviolet lithography (EUV), as well as strong demand for cutting-edge products. Sales revenues of photomasks for LCDs rose on the back of recovering research and development demand for LCDs in smartphones and other products, as well as our capture of demand for high-end products. Sales of glass substrates for hard disk drives reported higher sales compared to the same period last year, driven by 3.5" substrates used in data centers. Imaging related products reported lower sales, due to the contraction of compact camera lenses and the impact of production adjustments in China related to surveillance camera lenses. As a result, Information Technology segment sales revenues rose 4.6% year on year, reaching 48,974 million yen. Segment profit rose 11.6% to 21,672 million yen.

"Profit margin of the Life Care segment reached 21% this quarter achieving the annual margin target of 20%," said Hiroshi Suzuki, chief executive officer of HOYA. "We aim to stabilize this level while investing into growth opportunities."

Summary of Consolidated Financial Statement

(Millions of Yen: Rounded off to the nearest million.)

| | Three months ended | | Variance (%) |
|--------------------------------|--------------------|--------------|-----------------|
| | Sep. 30,2017 | Sep. 30,2018 | |
| Revenue from all operations | 135,772 | 142,018 | 4.6 |
| Profit before tax | 32,868 | 38,405 | 16.8 |
| Net profit for the quarter | 26,767 | 31,231 | 16.7 |
| Basic earnings per share (yen) | 70.11 | 82.53 | -- |

*Results are preliminary and unaudited.

The full reports are available at <http://www.hoya.co.jp/english/investor/library.html>