HOYA CORPORATION

Q2 Financial Results Briefing for the Fiscal Year Ending March 2023

October 27, 2022

Moderator: Now that the time has arrived, we will begin the HOYA CORPORATION second Quarter Financial Results Briefing for the Fiscal Year Ending March 31, 2023.

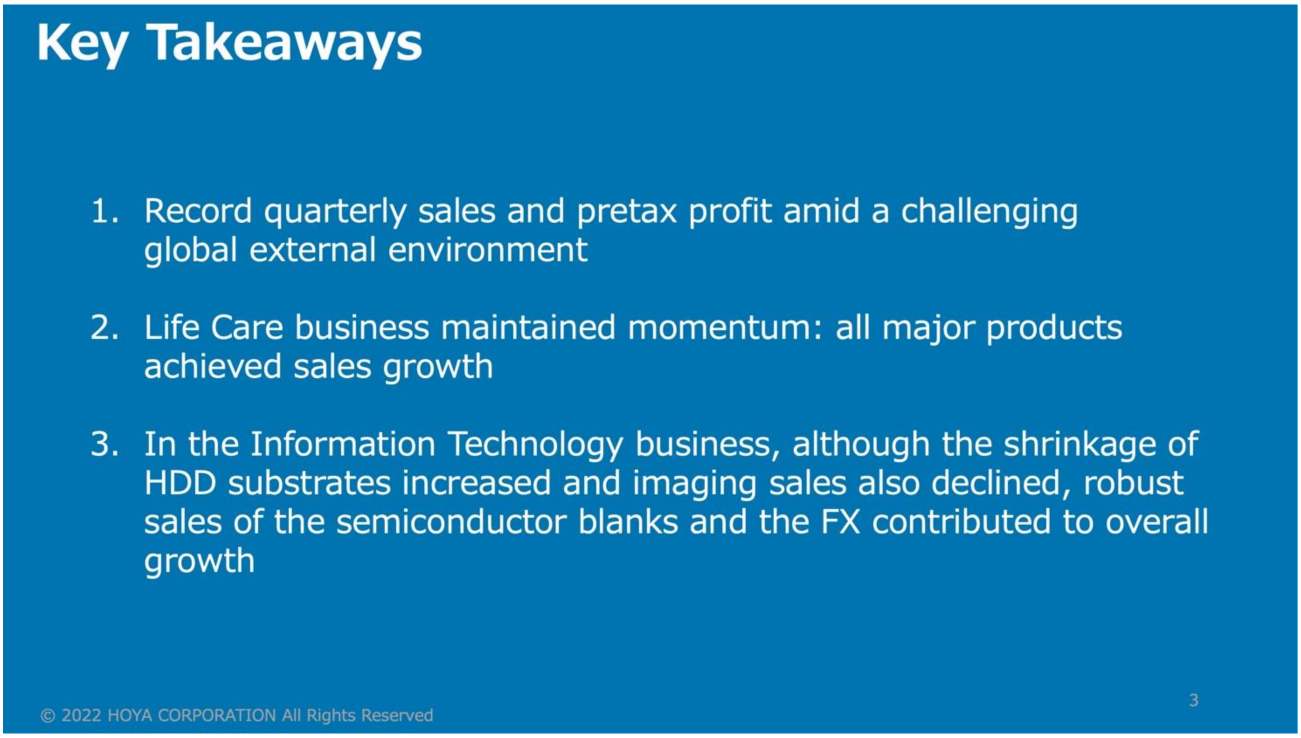
Simultaneous interpretation will be available in English and Japanese. If you wish to view the presentation in Japanese, please select "Japanese" from the "Interpretation" button at the bottom of the screen. If you wish to view the presentation in English, please select English from the same button. Please refer to our website for the English version of the presentation materials.

The transcript for this briefing will be posted on our IR site within a few business days. Please do not upload the transcript of today's meeting without our permission.

We have Eiichiro Ikeda, Director, Representative Executive Officer and CEO; and Ryo Hirooka, Director and Representative Executive Officer and CFO. Today, after explaining the second quarter results and an overview of our main businesses, we will answer questions from the audience and the meeting will end at 3:45 p.m.

Those of you participating online, please take a look at the materials shared on the screen.

Now Mr. Hirooka will provide you the explanation.



Hirooka: I would like to start off with the results of Q2.

The first point: compared to three months ago, there was a worsening of the external environment. We believe that the situation may further worsen. We are in a very difficult situation. It is not a highlight, but this is something that we felt deeply in the past three months.

The second point is that the Life Care business maintained momentum under that environment. All major products achieved sales growth. Even under this environment, we have been able to post robust growth.

The third point, for Information Technology business, we have positives and negatives. Starting from the positives, the semiconductor blanks was doing well. And in Q2 and the current status, the EUV is doing well. The negative aspect is that HDD substrates and imaging-related business had declined on a substantive basis. With regards to HDD, I will be providing detailed explanation later.

Moving on to the next slide.

Financial Overview

(¥bn)	Q2 FY21	Q1 FY22	Q2 FY22	YoY	QoQ
Revenue	162.6	180.2	184.1	+13%	+2%
Pretax Profit	54.0	61.5	61.8	+15%	+0%
Net Profit	43.0	48.4	47.3	+10%	-2%
Cf. Operating Profit	49.2	54.2	53.9	+9%	-1%
Cf. Operating Profit Margin	30.3%	30.1%	29.2%	-1.1ppt	-0.9ppt

- Due to the depreciation of the yen, revenue increased ¥16.7 bn & PTP increased ¥5.4 bn
  FX rates: USD@¥139.35, EUR@¥139.53
- Excluding the FX translation impact, the real growth rate was revenue +3% and PTP +5% YoY
- The gap between PTP & OP is mainly due to FX gains (¥6.3 bn) and increase in interest income (¥1.6 bn)

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This is the financial overview. Revenue was JPY184.1 billion, 13% up YoY; pretax profit, JPY61.8 billion, up 15% YoY; net profit, JPY47.3 billion, up 10% YoY. As for the reference indicator, the operating profit was JPY53.9 billion, up 9% YoY.

There was a significant yen depreciation. Because of that, there was a huge increase. But on the FX-neutral basis, it was up 3% in terms of the revenue and pretax profit is a 5% plus YoY.

As for the operating profit, if we exclude the FX impact, there was a slight positive. As for the pretax profit and the net profit, there has been a huge difference. And one is the gain from the foreign exchange and because the interest rate is going up, the interest income was higher. And in the Information Technology, there was a decline. However, Life Care had grown, and it had offset the negatives in the Information Technology business.

But there was a change in the mix of the revenue. If you look at the OP margin, there was a decline in the ratio. That's the Group overall situation.

Life Care

(¥bn)	Q2 FY21	Q1 FY22	Q2 FY22	YoY	QoQ
Revenue	99.1	110.8	118.8	+20%	+7%
Pretax Profit	23.4	25.0	27.4	+17%	+10%
Cf. Operating Profit	19.8	21.6	23.2	+17%	+7%
Cf. Operating Profit Margin	19.9%	19.5%	19.5%	-0.4ppt	+0.0%

- Constant currency basis: Revenue +10%; PTP +9%

Next is Life Care business.

As for the revenue, JPY118.8 billion, up 20% YoY; pretax profit JPY27.4 billion, up 17% YoY; operating profit, JPY23.2 billion, up 17% YoY. There was a huge currency impact, and the constant-currency basis is stated here. But even on the substantial basis, revenue had grown 10%. Even under this current difficult environment, this business had posted double-digit growth.

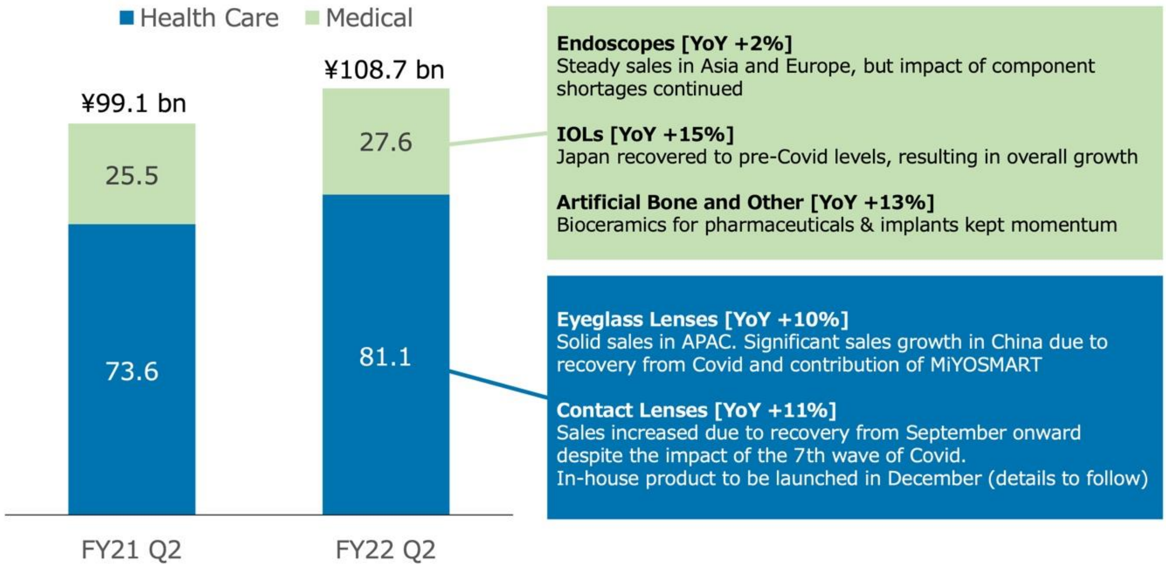
Life Care business will face challenges under a difficult economic situation. However, under that difficulty, Life Care business has seen robust demand that enabled it to grow.

As for the operating profit margin, it was 19.5%. We are considering 20% as one benchmark. We are aiming for a 20%, but we did not reach that. On the other hand, compared to last year, sales promotion cost, R&D cost, including the clinical cost, we have increased investment and the growth investment had enabled us to get to this level.

Revenue has grown as well. In that sense, we have been able to achieve what we aimed to achieve to a certain extent.

Now I would like to explain more details about each business.

Life Care: Revenue by Product (Constant Currency Basis)



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This slide shows the constant-currency basis growth. As for endoscopes, compared to last year, it was plus 2%. Regrettably, because of the shortage of semiconductors, it had negatively impacted us and there would be a continuation of semiconductor shortage.

Compared to three months ago, there is a gradual improvement in the situation. Number of shipment of processors is increasing. However, the orders as well as the shipments are not where we want to be. We do have orders, but the amount of shipment is capped. Because of that, the revenue itself will be capped. Under that environment, we were able to sell robustly in Asia and Europe and we have been able to grow 2%.

Next is intraocular lens. On a YoY basis, there was a growth of 15%. This is a significant growth. There was a negative impact from COVID-19 the previous year, so there was a recovery. The biggest recovery was seen in Japan. It was not up to 20%, but it was bigger than 15% YoY growth. Japan was lagging behind in the recovery, so now it's catching up.

We would like to conduct the sales activities according to the recovery. And so far, we have been able to do that.

Artificial bones and others. The number here is small, but it is growing in double digits.

The healthcare-related products, eyeglass lenses, on a constant-currency basis, went up 10% YoY. There was an M&A as well. If we look at the internal growth, it is around 7% to 8% growth, but we have been able to grow inclusive of the M&A for the eyeglass lenses area.

Asia, including Japan, is doing well. Especially in China, there was a robust growth. Due to COVID-19, there was a time when the sales had been stagnating in China, but it rebounded. In the United States, the economy is not good, and the ECP market was very soft. Because of that, that negatively impacted the eyeglass lenses. It did grow double digits, but we wanted to see more growth.

Last but not least are the contact lenses. In July and August, there was a huge increase of COVID-19 in Japan, and there was a significant impact from that. But starting from September, there, we have a sustaining recovery, and we have been able to grow in double digits YoY.

From July to September last year, that was when we were impacted most by COVID-19. And of course, compared to that, we should be in the positive YoY, but we have not gotten to the pre-COVID-19 levels yet. We will continue to capture the demand from the market to grow further.

There were regional issues, component shortage issues in endoscopes. There may be some expansion of COVID-19 cases in the future. However, the fact that we have been able to substantively grow on YoY levels, we feel very confident by our performance.

Next is Information Technology.

Information Technology (IT)

(¥bn)	Q2 FY21	Q1 FY22	Q2 FY22	YoY	QoQ
Revenue	62.0	68.3	64.2	+4%	-6%
Pretax Profit	31.0	35.6	34.4	+11%	-3%
Cf. Operating Profit	30.1	33.5	31.7	+5%	-6%
Cf. Operating Profit Margin	48.6%	49.1%	49.3%	+0.7ppt	+0.2ppt

- Constant currency basis: Revenue -7%; PTP +0%

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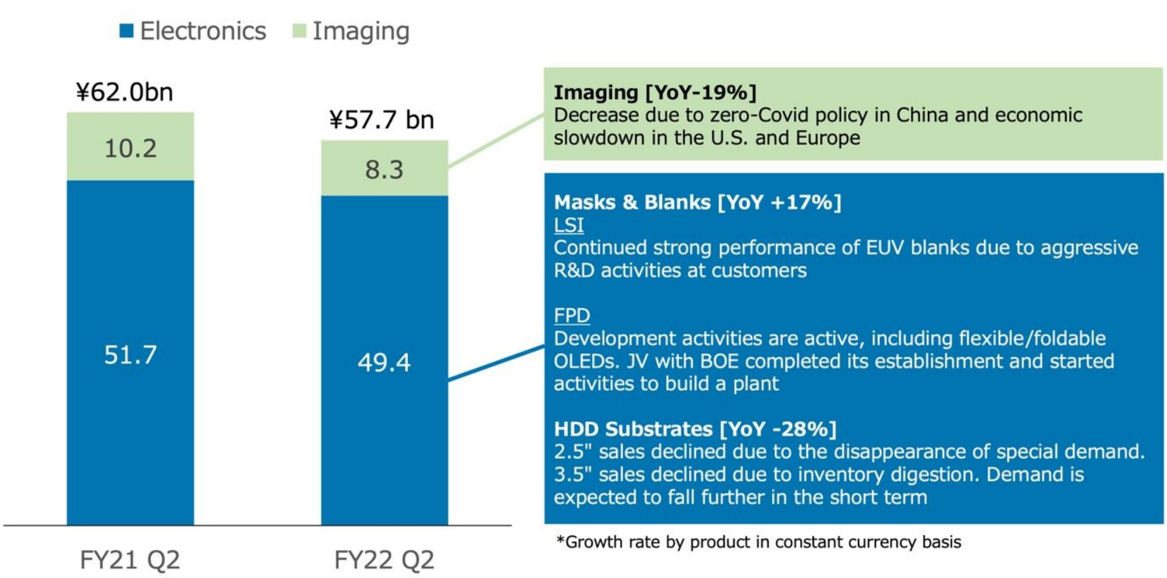
This is the result. Revenue is JPY64.2 billion, up 4% YoY; pretax profit, JPY34.4 billion, up 11% YoY; operating profit, JPY31.7 billion, up 5% YoY. This is on a yen basis. And on a constant-currency basis, the revenue was negative 7% YoY.

On the operating profit basis, on a constant-currency basis, it's negative. But what we have been able to do is that there were some areas where we have grown, and there were some negative areas. But even in the negative areas, we have been able to control the cost, and we have been able to maintain the margin. Because of that, operating profit margin was maintained at 49.3%.

Next, let me show you the breakdown of the IT business.

IT: Revenue by Product (Constant Currency Basis)



Once again, this is on constant-currency basis. First, for imaging, YoY, minus 19%. As explained, there is the impact from China and economic slowdown as well. The sales have decreased for the imaging business. However, imaging business is not so large within our group revenue, and we do not have high expectations for its growth either.

What is important here is that there's going to be some ups and downs in the imaging business, but we would like to maintain a high level of profit margin. We were able to maintain the profitability, even though revenue decreased by around 20%.

Next, for masks and blanks, up 17% YoY. As I touched upon in the highlights slide, EUV continues strong performance growing YoY. And looking at the recent situation, the demand remains robust.

The semiconductor industry as a whole is seeing volatility. However, our EUV blanks are mainly for R&D purposes, so we are not as impacted by the volatility and the demand for EUV remains strong.

Of course, there could be some fluctuations because of the current environment, which we need to watch out for. However, in the long term, we remain firmly confident that the demand will continue to grow.

Now for FPD, large-size panels. We have established the joint venture with BOE, as has been announced. It's going to take time for the plant to be built and in operation. However, thanks to the joint venture, we have a strong relationship with BOE and that's going to aid us in our future activities. We are able to see good perspectives for FPD.

And lastly, for HDD substrates. Let me start from Q2. So YoY, down by 28%. HDD substrate business is all US dollar basis. And on a dollar basis, this was down 28%. Q1 was weak to begin with. So there's 2.5 and 3.5 inch for HDD substrates. The 2.5 inch had abnormally high demand last year, so on a YoY level, Q1 declined. And the same trend for Q2. On a YoY basis, there was a large decline for the 2.5 inch, and this will continue going forward.

What is different between Q1 and Q2? Looking at the Q2 result, the 3.5 inch was down YoY. I mentioned in the Q1 announcement that there may be some adjustment for the 3.5 inch in the short term. This concern actually materialized in Q2. As a result, HDD substrates as a whole declined by 28% YoY. However, we did control the cost, and we aim to maintain the profit margin.

However, for Q2, revenue declined by 28%. We were able to maintain the profit margin, even though, of course, the profit in terms of value is down YoY.

This has been the Q2 result update.

Now looking towards the future, we do not change our outlook for the long term. With data center business, the demand for the 3.5 inch will grow in the future, but let me talk more about the short-term perspective.

Looking at Q3, to be honest, it is very bad. In Q3, there has been a large inventory adjustment that is already incorporated. In US dollar basis, we are expecting 80% reduction. It's not 80% against last year. We're expecting 80% decline. That is the scale of the inventory adjustment that we are expecting in Q3. But this is, of course, short term. Of course, it is painful, but rather than having a prolonged situation, we are able to sharply reduce the cost or stop the production at the factory and our focus will be on controlling the cost.

However, as I mentioned for Q2, 28% reduction, but we were able to maintain the profitability through various cost-reduction measures. However, for Q3, with 80% down YoY, it is going to be extremely difficult to maintain the profitability with such a sharp decline.

Compared to the imaging business, HDD substrates comprises a larger part of our group sales. To be more specific, for the Group as a whole for Q3, we expect YoY decline in profit.

When do we expect a recovery? With this large-scale inventory adjustment and looking at various external data, with such large inventory adjustment in Q3, we would not be surprised if there is a recovery in Q4.

However, in the short term, we do not know whether such a recovery will be realized. Therefore, we don't want to have too much of an optimistic scenario for Q4, but rather, be prepared in the event that the recovery does not occur in Q4 and control the cost and production, but still be prepared to boost production once recovery happens.

We will monitor the situation, not on a monthly basis, but on a weekly basis so that we can take prompt action. We do have visibility that there will be a big drop in Q3 for this business.

Highlights from the Balance Sheet & Cash Flow

Shareholder Return
- Completed 60 bn yen share buyback on October 20
- At today's BOD meeting, the Company resolved to cancel all shares repurchased (1.15% of shares outstanding)

CAPEX *
- Result in Q2: 6.3 bn yen (YoY ¥-0.3 bn)
- Annual FY22 is expected to be around ¥40 bn **

D&A
- Q2 results: ¥12.3 bn (YoY ¥+1.7 bn)

* CF base. Acquisition of PPE
** Cash outflow basis. Expect an increase from the initial assumption due to accelerated investments and FX impact

And this slide is about the balance sheet and cash flow.

No major changes here. We conducted the share buyback, which has been completed. And in today's Board of Directors' meeting, it was resolved to cancel all shares which have been repurchased.

That's it for my explanation.

Contact Lens Private Brand (PB)

- Previously, the Company's contact lens business was focused on retail sales, and sales of its own products were extremely small.
- In order to differentiate ourselves from competing retailers and increase customer retention, we launched two PB products in March of this year.
- The products have been well received by customers, and the repurchase rate is high.

hoyaONE PREMIUM
- Made of silicone hydrogel
- Water retention of 54% moisture content
- Comes with UV cut function

hoyaONE comfort
- Reliable quality made in Japan
- Contains alginic acid, a natural moisturizing ingredient
- Comes with UV cut function

Moderator: Next, we would like to share with you some topics with regards to the private brand contact lens.

We have 360 contact lens retail sales stores, Eyecity. And in Eyecity, most of the business has been focused on selling third-party products. However, in order to differentiate ourselves from competing retailers and increase consumer retention, we launched two private brand products, hoyaONE PREMIUM and hoyaONE comfort, this March. Both products have been well received by the customers and the repurchase rate is very high. The two products that I introduced are OEM products being produced by another company.

However, we plan to launch hoyaONE treasured, which we manufacture in our own factory.

Launch of hoyaONE treasured

- hoyaONE treasured", a PB product manufactured at our own factory, is scheduled to be released in December of this year.
- It has high oxygen permeability and collects moisture on the lens surface, resulting in a soft and comfortable wearing feeling.
- Transitioning to a vertically integrated model that handles from lens manufacturing to retail sales.

hoyaONE treasured
(Approval No. 30400BZX00234A01)

With this, hoyaONE will have three product lineups. For hoyaONE treasured, of course, the eye needs oxygen. This product has high oxygen permeability, and it also collects moisture on the lens surface as a result, realizing a very comfortable feeling.

As mentioned, our company's contact lens business was mainly focused on retail sales thus far. However, with the private brand products, including OEM products, we are transitioning to a vertically integrated model for the contact lens business.

This was a very, very brief introduction of the private brand expansion in the contact lens business.

Lastly, let me invite CEO Ikeda to talk about the summary of the Q2 results and outlook.

Ikeda: As Hirooka-san said, the HDD substrates business is facing negative growth against last year. Thus far, the 2.5 inch decline was covered by the 3.5 inch. However, the 3.5 inch is also decelerating and cannot cover for the 3.5 inch decline.

However, within the IT business, there is a continued growth of EUV business. And also for the Life Care business, we are seeing double-digit growth. Therefore, the decline in HDD business can be offset by the other businesses. And on a constant-currency basis, we were able to realize higher profit and revenue. Thus, our portfolio diversification is working.

Now looking to the future, the HDD business, the 3.5 inch will continue to face difficulties in H2 of the year, especially for Q3, 80% decline YoY. Therefore, on a quarter basis, we will not be able to cover the decline of the HDD business by the other business as we did for Q2 on a Q3 basis. However, for the full year, we should be able to cover more or less. And once the inventory adjustment has settled and the data center investment recovers, the HDD demand will continue to be robust.

In the long term, the drive capacity expansion will be required. Therefore, the volume of the HDD substrates will increase. And so this trend itself remains unchanged. Therefore, whilst recovery materializes, more of our substrates will be used. This is not any change in the business structure but more of a short-term impact.

I would like to stress that this continues to be a growth business in the mid to long term. There is no need to be concerned for the long term.

Thank you.

Moderator: Now we would like to move on to Q&A.

Question & Answer

Moderator [M]: Those of you who have selected Japanese, please ask in Japanese. And those of you selecting the English channel, please ask in English for interpretation purposes.

Yoshida-san, please.

Yoshida [Q]: This is Yoshida. Thank you for taking my question. Related to HDD substrate, the 80% down in Q3, that is including the 2.5 inch? That's my first question.

And in Q4, you said that you're not too optimistic, but how conservative are you in your prospects for this area? I would like to know your scenario.

Hirooka [A]: It includes the 2.5 inch. That's overall HDD substrate business, including the 2.5 inch.

To your second question, as I have said earlier, in Q3, the inventory adjustment that is coming in Q3, we believe that there would be progress in the inventory adjustment because of it. We believe that there would be a recovery in the future, but we are not sure yet when that recovery would start. That's too uncertain. We don't know whether it will be coming back in January or February. It's too early to make a guess on that.

Q3 will be significantly dropping. We believe that we can make recovery from that. But when recovery starts, we cannot be too optimistic about the timing. We will continue to monitor the situation and wait and see when it will recover.

Yoshida [Q]: Thank you very much. I have a follow-up question. In the EUV blanks in the Information Technology area, in Q2, if you look at EUV, how much was the growth rate? And towards H2, how will it grow? Could you give us your view?

Hirooka[A]: In terms of the performance, it grew by 30%. In terms of the EUV prospect for the future, the HDD situation is, as I have explained, and the semiconductor situation is also difficult. We are communicating very closely with the customers. But as for the EUV blanks, the demand is not dropping; it is strong in terms of the demand.

Next year, two years from now, three years from now, we are talking about the volume with the customers, and we are planning the CapEx that we will be doing within our company, and we don't see any drop in that demand. EUV is strong, so a 30% growth YoY, I would like to make a supplementary comment on that.

Yoshida [M]: Okay. Thank you very much.

Moderator [M]: Next, Shibano-san, please.

Shibano [Q]: I'm Shibano from Citigroup. Thank you for taking my question. With regards to the hard disk, YoY dollar-based, 80% down in Q3. For this, as memory disk business, will this be loss-making? Or will you be able to achieve maybe 1/2 of the profit margin before but still be profit-making?

Hirooka[A]: I am not able to talk about actual numbers, but we do not think that this will be loss-making. That's about the level that we foresee.

Shibano [Q]: Thank you. My second question, for the Life Care business. As Hirooka-san mentioned, for Q3, Life Care remains strong, covering for the deceleration in the IT business. And on the operating profit margin basis, from Q2 to Q3, in order for Life Care to supplement for the decline in Information Technology, can you expect a higher profit margin for Life Care business in Q3?

Hirooka [A]: To give you the answer, first, we basically would like to maintain the 20% or around 20% operating profit margin for Life Care, so basically, no change.

Of course, because of HDD decline, we could try to raise the profit margin for Life Care business, but we don't want to refrain or restrict the growth of the Life Care business just because the HDD business is showing difficulties. Rather than trying to boost the profit of Life Care business by restraining the investment, we would like to try to maintain the operating profit margin of around 20%, especially because this business is showing recovery from COVID-19.

In other words, the decline, we see it to be short term. That is why we have maintained a similar profit target for Life Care. Of course, if the decline is going to be long term, we will not be able to take such action because it's going to be more structural.

Shibano [M]: Thank you.

Moderator [M]: Thank you very much. Next is Nakamura-san.

Nakamura [Q]: Thank you for taking my question. I'm Nakamura from Goldman Sachs. One is as Hirooka-san has mentioned that the external environment is quite bad. Aside from HDD, within your portfolio, do you see slowdown in the demand in certain areas? Could you mention on that?

Hirooka[A]: Imaging-related business is where we are seeing 20% decline. We don't believe that it would be dropping significantly as HDD. However, at this point, we do not believe there will be a significant recovery in imaging-related business. The imaging business is easily affected by the economic situation.

Aside from that, if we look at the business overall, we don't see any business that is declining significantly. However, there are some regional issues or the customer issues. For example, in the US, ECP, we are struggling, so that's a struggle in the market itself. There is a deceleration in the US market. In Europe, the independents are facing more difficulty than the chain customers. Even though we expect slight growth, when the market environment is bad, it would be difficult to grow significantly. That's what we are feeling right now.

However, if we look at the specific numbers, it would be HDD and imaging, which are seeing significant decline.

Nakamura [Q]: Thank you. My second question, Q3 operating profit will be coming down on a YoY basis. Hard disk will be significantly going down, I believe. What is the level of operating profit that you have in mind? I know that you don't have a guidance, but if there's anything that you can comment about it, I would like to hear that.

Hirooka[A]: We don't officially provide guidance. And our numbers will be released at Q3, but I know that we have to make calculations in business and in Q2, in Information Technology, OP margin was maintained. But that would not be possible going forward. It depends on the FX. But in Information Technology, 40% will be quite difficult for Q3.

Nakamura [Q]: Thank you. For Life Care, that would be at the cruising speed in terms of the margin?

Hirooka [A]: Right, we have not changed our view for Life Care.

Nakamura [M]: Thank you very much for your response.

Moderator [M]: Thank you. Next, Damian-san, please.

Thong [Q]: Thank you. We talked about the hard disk inventory adjustment. Looking at the customers' development roadmap, or the next-generation hard disk or glass substrates, has there been any plan in the customers' roadmap?

Ikeda [A]: For the drive, the plan to develop 11 from current date, 10, that discussion is still ongoing, and we plan to provide the substrates to the customers. The HAMR drive, mid or later next year will be released as some of the main customers have released, so no changes in the plan for the development.

Thong [Q]: I see. There is an inventory adjustment, 80% down YoY. It's very much overall reduction, but looking at Q4, the next-generation model for the 20TB hard disk, looking at the inventory, you don't expect any buildup for that?

Ikeda [A]: Customers have made announcements of their financial results recently. And comparing our expectation of 80% decline to our customers' outlook, it is a larger decline than theirs, which means that the inventory will be declining going forward for the customers' side.

We don't know the details, of course, but calculating from our expectation on the customers' results, we expect that there will be a decline in the customers' inventory level.

Thong [M]: Thank you.

Moderator [M]: Thank you very much. Nakanomyo-san, please.

Nakanomyo [Q]: From Jefferies, my name is Nakanomyo. The first question is related to Information Technology. EUV blanks, the final demand compared to three months ago is coming down. But is there a link between the current trend and the EUV mask trend?

Ikeda [A]: The current demand and the future demand for EUV, it is not coming down.

Nakanomyo [Q]: Thank you. Imaging is coming down by 20%. On the other hand, digital camera and the interchangeable lenses, it seems that there is a robust growth. How should I understand this?

Ikeda [A]: In the imaging business, since five to six years ago, we had been shifting to something other than digital still cameras, to things like CCTVs. The camera itself is not coming down, but CCTV, due to reduction in the public spending in China, CCTV demand had come drastically down. And because of that, there was a significant decline in the overall imaging business. I don't think that there is a misalignment with the market trend.

Nakanomyo [Q]: Thank you very much. The second point, so JPY730 billion in the annual revenue has remained unchanged. And I think that HDD would be coming down, but the dollar rate is changing significantly. Last year, it was JPY120 to USD1, but there is a significant change in the foreign currency. Could you explain about that?

Nakanomyo [A]: JPY730 billion, what we announced last year was—well, usually, we do not disclose the annual revenue. But because there would be an upward revision of more than 10%, we decided to disclose this JPY730 billion figure.

The updated disclosure, we will be showing the full-year results forecast in Q3. I think that the level that we are seeing would remain unchanged. The HDD is coming down, but the FX has changed significantly from JPY125 to USD1, so JPY730 billion, we believe we can reach. That's why we had not changed this figure.

Moderator [M]: The last person, Tom, please.

Grew [Q]: Thank you very much. I was wondering for the mask/blank, you made a comment that at the moment, you're not seeing any changes to plans. And I was wondering, is that true for both EUV and DUV? And if you were to see, for example, your clients sort of pushing out some of their research processes or R&D CapEx because they need to save cost in the short term or things like that, sort of what would be the lead time on you realizing or you finding out about this?

Hirooka [A]: As for the EUV blanks demand, the other people asked a question about that. But currently and for the future, we don't believe that there would be a change in the demand.

I understand your concern, but this is not something that would be included in the final product. And the sensitivity is different from other products. The impact is smaller. And because of that, it remains unchanged.

Grew [A]: Well, as part of my first question, I was wondering, is the outlook the same for both EUV and non-EUV? Do you have any kind of figures for the recent quarter's growth for those two?

Hirooka [A]: Looking at the revenue or demand—Or how should I say it? For EUV, as mentioned, we're seeing continuous growth and strong demand continuing. And for non-EUV, not as much growth, but stable; all demand continues, no change from the previous situation in any case.

Grew [Q]: And is your genuine impression that your clients won't sort of delay some of their R&D processes? Or they won't cut down on that type of spending in CapEx, even in this environment where everyone's adjusting their production numbers?

Ikeda [A]: Well, with regards to EUV, because this is more cutting edge, 2-nano node development is currently ongoing. And for this 2-nano development activity, looking at the EUV blanks demand, no, we are not seeing any impact in that.

I hope this answered your question.

Grew [M]: Thank you very much.

Moderator [M]: Thank you. And with this, we would like to close today's earnings presentation. Thank you very much everyone for participating in spite of your busy schedule.

Ikeda, Hirooka [M]: Thank you very much, everyone.

[END]

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