Since its establishment as an optical glass manufacturer in 1941, HOYA has expanded its business fields from glass products for semiconductor, LCD and HDDs, to eyeglass lenses and further to the medical field including medical endoscopes and intraocular lenses.

The Hoya Group uses “portfolio management” techniques in which we simultaneously hold several different businesses and strike an appropriate balance between them. Hoya has various businesses at different stages of their lifecycles, allowing the entire Group to sustainably generate steady growth while tolerating a certain level of risk.

Regardless of the business, our underlying aim is to become "a big fish in a small pond." It means that we focus on our areas of strength and endeavor to obtain and retain dominant position in selected niche markets. Methods may differ by business, as each business has a different market, product, or competitive landscape, but this is a key to make our businesses distinct. Each business has a strategy, is operated by passionate employees who are dedicated to execute the strategy, and is supported by a global system. In addition, each business is based on a management structure which has been designed to enable sustainable growth and operate within a transparent governance system that ensures proper functioning. Hoya’s sources of strengths have emerged from such underlying structure.

While it is difficult to foresee the future in this time of uncertainty, we continue to strive, with the aim of creating more corporate value.

I thank our stakeholders for your ongoing support and understanding.

President and CEO
Hoya is engaged in multiple businesses in a balanced manner and secure group-wide stable earnings and sustained corporate growth. At present, the pillars that support our business are Information Technology and Life Care. The Information Technology segment generates stable earnings by relying on its technological competitiveness and high market shares, while the Life Care segment is accelerating growth through aggressive investment of management resources.

### HOYA’s Strength

#### Portfolio Management

Accelerating growth of Life Care

Recent M&As in Life Care segment

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>Mar.</td>
<td>Acquired Digital Endoscopy GmbH, a manufacturer of medical imaging products</td>
</tr>
<tr>
<td></td>
<td>Apr.</td>
<td>Eyeglass business expanded its direct presence in Brazil by acquiring 100% shares of Optotal Hoya Limitada.</td>
</tr>
<tr>
<td></td>
<td>May</td>
<td>Acquired Japan Unitec, a metallic implant manufacturer</td>
</tr>
<tr>
<td></td>
<td>Jun.</td>
<td>Acquired 30% of the shares of Seiko Optical Products Co. Ltd. that sells the eyeglass-related products.</td>
</tr>
<tr>
<td></td>
<td>Nov.</td>
<td>Acquired the majority shares of Wassenburg, a leading company in the field of endoscope reprocessing.</td>
</tr>
<tr>
<td>2014</td>
<td>Mar.</td>
<td>Completed the acquisition of a 50% stake in Seiko Optical Products that became a consolidated subsidiary.</td>
</tr>
</tbody>
</table>
Management Strategy

HOYA focuses on our areas of strength and establish a position with superior competitiveness in those areas by expanding our market share rather than seeking to expand size and scope of operation.

Aiming at becoming a ’Big Fish in a Small Pond’

Sales ratio of products with the global top market share

32%

Sales ratio of products with the top market share in Japan

47%

Photomasks for LCD panels
No.1 in Japan

Glass disk substrates for HDDs
No.1 in the world

Optical lens / optical glass
No.1 in the world

Eyeglass lenses
No.1 in Japan
No.2 in the world

Contact lens retail business
No.1 in Japan

Medical endoscopes
No.2 in the world

Ceramic artificial bone
No.1 in Japan
Global Network

HOYA steers the enterprise efficiently from a global perspective. Management decisions, research and development, production and sales are carried out at the optimal location, based on a combination of management resources tailored to boost its competitiveness on the world stage.

Principal Places of Business and Plants (The number of subsidiaries: 121)

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenue (billion yen)</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>78.3</td>
<td>2,958</td>
</tr>
<tr>
<td>Americas</td>
<td>59.3</td>
<td>2,211</td>
</tr>
<tr>
<td>Asia, Oceania</td>
<td>140.7</td>
<td>27,559</td>
</tr>
<tr>
<td>Japan</td>
<td>143.5</td>
<td>3,841</td>
</tr>
</tbody>
</table>

Number of Employees by Region

- Japan: 10.5%
- Americas: 6.0%
- Europe: 8.0%
- Asia, Oceania: 75.3%

Revenue by Geographic Region

- Japan: 33.6%
- Asia, Oceania: 32.9%
- Europe: 18.3%
- Americas: 13.9%
- Other: 1.3%

Overseas Production

- Domestic: 25%
- Overseas: 75%

As of March, 2014
Corporate Governance

As the basis of taking a fair approach to stakeholders, we have adopted a "company with committees" structure simultaneously with the revision of the Companies Act, which enables us to better distinguish the execution and supervision of management to prevent management from being conducted based solely on in-house logic. We have also set forth in the Articles of Incorporation that the majority of Directors consist of Outside Directors, who actively supervise management by Executive Officers and provide advice in order to improve corporate value from an objective and broad perspective. HOYA also gives Executive Officers the authority and responsibility for the execution of operations, in order to accelerate decision making and improve management efficiency.

**Corporate Governance Structure** (as of June 18, 2014)

**General Meeting of Shareholders**
- Election
- Supervision of corporate management

**Board of Directors**
- 6 Outside Directors
- 1 Inside Director (serving concurrently as executive officer)
- Nomination Committee: 6 outside Directors
- Compensation Committee: 6 outside Directors
- Audit Committee: 6 Outside Directors
- Nomination Committee Secretariat
- Compensation Committee Secretariat
- Audit Committee Secretariat

**Executive Officers**
- 2 Representative Executive Officers (One of them serving concurrently as internal director)
- 3 Executive Officers

**Number of directors**

<table>
<thead>
<tr>
<th>Year</th>
<th>Internal directors</th>
<th>Outside directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>2013</td>
<td>1</td>
<td>6</td>
</tr>
</tbody>
</table>
HOYA develops parts and components indispensable in the production of digital products. HOYA’s technology supports the development of, for instance, PCs, LCD TVs and smart phones. HOYA continues cutting edge technological innovation to contribute to an affluent society.

**Mask Blanks and Photomasks for Semiconductor Manufacturing**

They are the master plates used to transfer the minute, highly complex circuit patterns for semiconductors onto the wafers that become IC chips. HOYA covers from leading-edge development, to commoditized products with its cutting-edge technology.

**Photomasks for Liquid Crystal Display**

LCD photomasks are the master plates that are used in the manufacture of the LCD panels found in large flat televisions, computer monitors and smartphones. HOYA is the world’s leading producer and it has special strengths in the production of high-definition, high-precision LCD photomasks.

**Glass Disks for HDDs**

Apart from their well-known use in notebook computers, hard disk drives (HDDs) are also found in car navigation systems and portable game players. Glass memory disks which HOYA developed have superior shock-resistance characteristics in comparison to the aluminum disks.

**Optical Glass and Optical Lenses**

HOYA provides glass with the optical properties demanded by the market. The data on glass composition included in the database amounts to as many as 50,000 pieces. Around 100 of them are used for the lenses that HOYA currently provides.

**Camera Lens Module**

HOYA produces optical lens units for smartphones and digital cameras. In particular, our patented sliding lens system is a groundbreaking lens unit that offers zoom functions utilizing sophisticated optical design and mechanical technology while enabling thinner and smaller camera construction.

**Plastic Lenses for Optical Disks and Cameras**

The compatible diffractive object lens has become an industry standard since it was mounted on the world’s first DVD/CD recording drive. Small-size and high precision plastic lenses for digital devices have been developed with molding technology.

**Laser Scanning Units**

A laser scanning unit is generally used in information input/output devices (laser printers, digital copiers, digital fax machines, etc.), inspection equipment and measuring instruments.

**Laser Equipment and UV Light Sources**

Laser oscillators are used in defect correction and highly precise processing in the production of semiconductors and flat panel displays. The ultraviolet light sources are used to cure UV resins in the bonding of optical parts and electronic components.
Life Care

In Life Care, we provide enduring solutions that meet needs in areas closely connected to people's lives, such as endoscopes, eyeglass lenses and intraocular lenses.

Eyeglass Lenses
HOYA's unparalleled technology creates a profoundly clear vision experience for the progressive lens wearer.

Medical Endoscopes
HOYA provides the i-Series endoscope systems which permit the megapixel resolution of images. With a wide array of products, including video scopes and fiberscopes, and high-quality after-sales services, HOYA contributes to diagnosis, treatment, and medical research in diverse departments.

Contact Lens Store Eyecity
The Eyecity, one of the largest chain of contact lens specialty stores in Japan, is known for its consulting-based sales, which provide the lenses best suited for each customer, and in the broad selection of products from famous manufacturers around the world.

Laparoscopic Surgery Instruments
HOYA develops and manufactures high precision open and laparoscopic surgical instruments that respond to medical practice needs. HOYA laparoscopic surgical instruments integrate disposable and reusable functions that enhance performance, reduce cost and improve patient outcome.

Contact Lens
HOYA develops and sells contact lenses including one-month disposable lenses, near and far-sight, and toric lenses. Our one-month disposable lenses use silicon hydrogel, a new material that enables oxygen to directly permeate the lens, and offer an enhanced antifouling property based on a special surface coating technology.

Intraocular Lenses
An intraocular lens is an artificial crystalline lens used in cataract surgery. HOYA manufactures and sells lens injection systems that facilitate surgery, along with soft, foldable IOLs that can be inserted through extremely small incisions (the world's smallest 1.8mm incisions).

Prosthetic ceramic fillers
Apatite products are used mainly in the fields of orthopedics and brain surgery as prosthetic fillers for bone defects. APACERAM is made of hydroxyapatite, a chemical compound that is virtually the same as the constituents of human bone. Hydroxyapatite implantation is safe, and over time, the implant is partially resorbed and replaced by natural bone, as it becomes part of the body.

Metallic Orthopedic Implants
Metallic orthopedic implants are used to plate a broken bone. HOYA manufactures and sells the company's own products using titanium of superior strength and biocompatibility which encourages early rehabilitation of patients.

Airway Scope
The Airway Scope makes it possible to perform a tracheal intubation easily with an imaging CCD and LED light mounted at the tip. By combining with our unique targeting system, an Intlock blade fast and accurate placement of the endotracheal tube is achieved while minimizing patient trauma.
Corporate Profile

Company Name: HOYA CORPORATION
Group Headquarters: 2-7-5 Naka-Ochiai, Shinjuku-ku, Tokyo 161-8525 Japan
Tel.: +813-3952-1151
President & CEO: Hiroshi Suzuki
Established: November 1, 1941
Paid-Capital: 6,264,201,967 yen
Number of Employees: 36,605 (Group Total)
URL: http://www.hoya.com

Board of Directors (as of June 18, 2014)

Director (Independent): Yukiharu Kodama
President of the Mechanical Social Systems Foundation
Director (Independent): Itaru Koeda
Honorary Chairman of Nissan Motor Co., Ltd.
Director (Independent): Yutaka Aso
Chairman and Representative Director of Aso Corporation
Director (Independent): Yukako Uchinaga
Former Chairman of the Board, CEO, and President of Berlitz Corporation
Director (Independent): Mitsudo Urano
Advisor of Nichirei Corporation
Director (Independent): Takeo Takasu
Former President and Representative Director of Namco Bandai Holdings Inc.
Director: Hiroshi Suzuki

Executive Officers

Representative Executive Officer, President & CEO: Hiroshi Suzuki
Representative Executive Officer & CFO: Ryo Hirooka
Executive Officer & COO, Information Technology: Eiichiro Ikeda
Executive Officer & COO, Life Care: Girts Cimermans
Executive Officer, Chief Legal Officer and Head of Corporate Development and Affairs: Augustine Yee

Financial Highlights

Revenue (Millions of Yen)

Profit before tax/Profit (Millions of Yen)

2012 2013 2014
427,575
85,486
89,368
42,680
60,140
58,530
71,242
85,486