CEO Message

We continue to seek innovations for a better future.

Since its establishment in 1941 as a manufacturer specializing in optical glass, HOYA has always strived to provide cutting-edge products. HOYA is now expanding its business fields from glass products for semiconductor manufacturing and for HDDs to eyeglass lenses and contact lenses, and further to the medical field including medical endoscopes.

Supporting HOYA’s boundless enthusiasm is its commitment to become the leading company in niche markets with creativity and innovation. This is HOYA’s philosophy, which has been passed down since its establishment. We believe that the existence of HOYA is truly significant only when each one of our products and services is essential for society. To this end, we continue to listen to our customers, aggressively develop new products and invest in new technologies.

Amid the dramatic changes in the global framework, we need to respond flexibly and promptly and seek to create the value needed by society, thereby meeting its expectations. I believe that this is what we aim for at HOYA, and it is our strength. All of us within HOYA will continue to make every effort to be an entity that is selected by our customers and business partners. We look forward to your continued support.
HOYA ensures the entire group achieves profitability, stability, and growth in a balanced way while operating different businesses at the same time. At present, we seek extreme competence, high shares and securing of stable profits in the “Information Technology” business, while we aggressively allocate management resources and accelerate growth in the “Life Care” business.

Group Revenue  535,612 million Yen

Portfolio Management

Information Technology  33%
- Optical glass/lenses
- Lens module
- Laser equipment

Electronics  25%
- Mask blanks, photomasks for LSI
- Photomasks for LCD panels
- Glass disks for HDD

Health Care  50%
- Eyeglass Lenses
- Contact lens retail store

Life Care  66%
- Medical endoscopes
- Intraocular lenses
- Prosthetic fillers and orthopedic implants

Medical  16%
HOYA’s business strategy can be summarized as “a big fish in a small pond.” We focus on niche markets where we can demonstrate our technology, management, and other competitive strengths, establish a high share in those markets, and thereby maximize profits.

### Core Competencies

**Information Technology**
- **Mask Blanks for semiconductors**
- **Photomasks for LCD panel**
- **Glass disk for HDDs**
- **Optical lens**

**Life care**
- **Eyeglass lenses**
- **Contact lens retail business**
- **Medical endoscopes**
- **Intraocular lenses**

**Sales of products with No.1 global market shares**
- 27%

**Sales of products with No.2 global market shares**
- 58%
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 group companies: 123)

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenue (billion yen)</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>108</td>
<td>3,803</td>
</tr>
<tr>
<td>Americas</td>
<td>90</td>
<td>3,091</td>
</tr>
<tr>
<td>Asia, Oceania</td>
<td>175</td>
<td>27,244</td>
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<tr>
<td>Japan</td>
<td>156</td>
<td>3,674</td>
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**Number of Employees by Region**

- Japan: 10%
- Americas: 8%
- Europe: 10%
- Asia, Oceania: 72%

**Revenue by Geographic Region**

- Asia, Oceania: 34.0%
- Japan: 29.2%
- Europe: 20.1%
- Americas: 16.8%

**Overseas Production**

- Overseas: 25%
- Domestic: 75%

As of March 2018
Under HOYA’s “company-with-nomination committees” management system, business decision makings are accelerated by giving executive officers authority to manage business. At the same time, three committees - Nomination, Compensation and Audit - were established, with all members being independent directors at HOYA, to ensure the effectiveness of management supervision by the Board of Directors. Adopting this system enables us to clearly separate the execution and supervision of corporate management. We aim to ensure efficient management and improve the overall soundness and transparency of management.
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.

**“Eyecity” Contact Lens Store**
“Eyecity,” the largest chains of contact lens specialty stores in Japan, is known for providing the lenses best suited for each customer, and in the broad selection of products from top brands around the world.

<table>
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<th>Recent M&amp;As in Life Care segment</th>
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<tr>
<td><strong>2014 Mar.</strong></td>
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<td><strong>2015 Mar.</strong></td>
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<td><strong>Sep.</strong></td>
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<td><strong>Oct.</strong></td>
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<td><strong>2016 Dec.</strong></td>
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<td><strong>2017 May.</strong></td>
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<td><strong>Jul.</strong></td>
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<td><strong>Aug.</strong></td>
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**Medical Endoscopes**
With a wide array of products, including video scopes and fiberscopes, and high-quality after-sales services, PENTAX contributes to diagnosis, treatment, and medical research in diverse departments.

**Laparoscopic Surgery Instruments**
Microline laparoscopic surgical instruments integrate disposable and reusable functions that enhance performance, reduce cost and improve patient outcome.

**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.

**Prosthetic Ceramic Fillers Orthopedic Implants**
Hydroxyapatite is a chemical compound that is virtually the same as the constituents of human bone. Hydroxyapatite implantation is safe, and over time, partially resorbed and replaced by natural bone.

Metallic orthopedic implants are used to plate a broken bone. The products use titanium of superior strength and biocompatibility which encourages early rehabilitation of patients.
HOYA develops devices indispensable in the production of digital products including PCs, LCD TVs and smartphones. HOYA continues cutting edge technological innovation to contribute to an affluent society.

**Mask Blanks and Photomasks for Semiconductor**

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 for large flat televisions, PC monitors and smartphones. HOYA provides high-definition, high-precision LCD photomasks.

**Glass Disks for HDDs**

Apart from their well-known use in notebook computers, HDDs are also found in car navigation systems and potable game players. Glass memory disks which HOYA developed have superior shock-resistance characteristics.

**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.

**Lens Module**

HOYA produces optical lens units for smartphones and digital cameras. In particular, our lens unit offers zoom functions utilizing sophisticated optical design and mechanical technology while enabling thinner and smaller construction.

**Glass Disks for HDDs**

Apart from their well-known use in notebook computers, HDDs are also found in car navigation systems and potable game players. Glass memory disks which HOYA developed have superior shock-resistance characteristics.

**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.
Corporate Profile

- **Company Name**: HOYA CORPORATION
- **Group Headquarters**: Nittochi Nishishinjuku Building, 6-10-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-8347 Japan
- **Tel.**: +813-6911-4811
- **President & CEO**: Hiroshi Suzuki
- **Established**: November 1, 1941
- **Paid-Capital**: 6,264,201,967 yen
- **Number of Employees**: 37,812 (Group Total as of March 2018)
- **URL**: http://www.hoya.com

### Board of Directors

- **Director**
  - Director (Independent) Itaru Koeda (Senior Advisor of Nissan Motor Co., Ltd.)
  - Director (Independent) Yukako Uchinaga (Former Chairman of the Board, CEO, and President of Berlitz Corporation)
  - Director (Independent) Mitsudo Urano (Former President and Representative Director of Nichirei Corporation)
  - Director (Independent) Takeo Takasu (Former President and Representative Director of Bandai Namco Holdings Inc.)
  - Director (Independent) Shuzo Kaihori (Former President and Representative Director of Yokogawa Electric Corporation)
  - Director (Independent) Hiroaki Yoshihara (Former Vice Chairman and Global Managing Partner of KPMG International)
  - Director

- **Executive Officers**
  - Representative Executive Officer President & CEO: Hiroshi Suzuki
  - Representative Executive Officer & CFO: Ryo Hirooka
  - Executive Officer & COO, Information Technology and CTO: Eiichiro Ikeda
  - Executive Officer, Chief Legal Officer and Head of Corporate Development and Affairs: Augustine Yee

### Financial Highlights

#### Revenue

- **2015**: 489,961
- **2016**: 505,714
- **2017**: 478,927
- **2018**: 535,612

#### Profit before tax / Profit

- **2015**: 118,249
- **2016**: 119,099
- **2017**: 110,795
- **2018**: 124,248

(as of June 21, 2018)