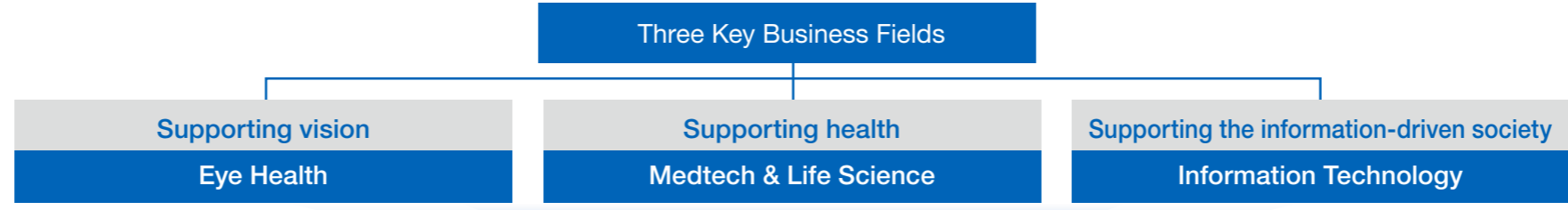


Tagline: Innovating for a Better Tomorrow

Vision: To be a company that continues to innovate for a better tomorrow

Mission: To improve the quality of life (QOL) of people around the world and contribute to a truly prosperous society through business activities in three key business fields



External Environment

- Increasing geopolitical risks
- Uncertainty regarding economic trends
- Climate-change risks
- Aging society
- Increasing severity of myopia and other ophthalmic health issues
- Medical care and healthcare inequalities
- Accelerating technological development

Input

Management Capital

Core Values

- Advanced optics technology nurtured over 80 years. Precision processing technology for glass, plastics, etc.
- Know-how for mass production at low cost, with stable quality
- Insistence on profitability, widely instilled among employees
- Ability to adapt flexibly to costs in the event of emergencies

Management Capital Data

- Human capital**
36,571 employees
- Manufacturing capital**
Over 50 production sites worldwide
Annual capital investments: Approx. 40 billion yen
- Financial capital**
Generates annual FCF of approx. 160 billion yen
Strong financial base
D/E ratio: 0.03
R&I rating: AA
- Intellectual capital**
Approx. 7,700 patents
Annual R&D expenses: Approx. 29 billion yen
- Social and related capital**
Cooperation with customers, suppliers, local governments and other stakeholders based on relationship of trust

Medium-term Targets

Expand presence in three main fields

Build a solid portfolio that contributes to long-term growth through acquisition of new businesses and effective organization of operations

Drivers and Frameworks for Growth

- Stable growth through flexible portfolio reshuffling
- Diversification of risks and opportunities by rolling out a wide range of businesses

Quarterly Review System

- Steady growth through a short-term Plan-Do-Check-Act (PDCA) cycle based on a long-term growth scenario
- Optimal and timely allocation of management resources

Value Chain

Awareness of Differentiation in Each Value Chain

- Ability to select and identify niche markets in which HOYA's strengths can be leveraged
- Development of products by striking a balance between product-oriented and market-oriented approaches
- Know-how for mass production at low cost
- Fine-tuning of manufacturing process optimized for HOYA products
- Consultation-based marketing and sales
- Feedback for product development and improvement

Integrating ESG strategy into growth strategy and business activities

Sustainability

Enhancement of Initiatives for Four Material Issues of ESG

Solid, Constantly Advancing Corporate Governance

Strengthening of SDGs Initiatives



Outcomes

Impact and Social Value

Eye Health
Support the eyesight of approx. 100 million people per year through products in the ophthalmologic field such as eyeglass lenses, contact lenses and intraocular lenses. Eliminate disparities in ophthalmic medicine and education worldwide.

Medtech & Life Science
Contribute to goals such as early detection of disease states using endoscopes, quicker postoperative recovery of people by minimally invasive medical treatment and extension of healthy life-span

Information Technology
High-precision photomasks and mask blanks that help improve efficiency and save energy in semiconductors that are indispensable for the information society, and increased capacity of storage based on glass substrates for HDDs that are essential for data accumulation.

- Employees**
An environment in which employees feel empowered and able to apply their talents to maximum effect
- Shareholders**
Continuous improvement of shareholder value
- Customers**
Solutions to customer problems
- Environment**
Reduction of environmental impact

Economic Value

Sales revenue:	723.6 billion yen
Pretax profits:	215.8 billion yen
Pretax profit margin:	29.8 %
ROE	20.8 %
Operating cash flows:	201.8 billion yen

(fiscal year ended March 31, 2023)

Reinvestment to strengthen management capital