

Agilely Fine-Tuning Strategies to Steadily Capture Structural Growth in the Market

FY24 Recap: Toward Even Higher Operating Profit

We achieved a new record high for revenue and profits in FY24 despite the IT incident caused by a cyberattack occurred at the beginning of the year that temporarily disrupted production and order processing for some products in the Life Care business. In the post-pandemic period, operating profit has remained somewhat stagnant at around 200 billion yen owing to inventory adjustments in HDD substrates and other factors. In FY24, however, demand for HDD substrates and EUV mask blanks rebounded significantly, resulting in operating profit of 255.8 billion yen, a notable increase from the previous year.

By segment, in the Life Care Business, we achieved a 3.9% increase in revenue by proactively investing in sales promotion expenses with the aim of recovering quickly from the IT incident. However, higher expenses weighed down operating profit, which decreased by 10.6%. In contrast, the Information Technology Business posted significant increases in revenue and operating profit of respectively 36.3% and 55.5% YoY. This reflects both a low base for YoY comparisons base combined with strong actual demand, leading to a large upturn in consolidated profit.

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Adoption of Progressive Dividend Policy

Although we had not set dividend quantitative targets in the past, we announced a progressive dividend policy with a target payout ratio of 40% in response to feedback from shareholders and investors who emphasize dividends. In line with this, we increased the year-end dividend by 50 yen. Our overall policy of returning 100% of free cash flow remains unchanged.

Source of Stable Earnings

The core of HOYA's management is its quarterly business division reviews. While daily decision-making is delegated to each business division, each division reports its earnings on a quarterly basis, and senior management carefully evaluates them before deciding on the allocation of management resources. As a result, we are investing the majority of resources in business divisions with growth potential, thereby strengthening our business portfolio. Furthermore, we are working to minimize risks and maximize opportunities by maintaining a flexible and agile approach to revising our strategies and targets in response to changes in the external environment.

Major Indicators (FY24 Actual)

OPM	29.5%
ROA	16.6%
ROE	20.8%
ROIC	19.8%
Dividend payout ratio	27.5%
Total return ratio	101.6%

Earnings Trends (Billion yen)

FY	Revenue	YoY	Operating profit	YoY	Net profit	YoY	EPS (Yen)
FY22	723.6	+9.4%	210.8	+5.2%	168.8	+2.1%	469.76
FY23	762.6	+5.4%	209.8	-0.4%	182.6	+8.2%	515.48
FY24	866.0	+13.6%	255.8	+21.9%	201.8	+10.5%	581.45

Markets with Prospects for Structural Growth

The markets in which HOYA operates are expected to enjoy structural growth over the longer term. Eyeglass lenses, contact lenses, and intraocular lenses that help overcome vision problems are expected to continue to see steady demand due to the growing population of people with myopia caused by the aging population and increased time spent in front of screens. In addition, mask blanks for semiconductor manufacturing and glass substrates for HDDs are the backbones of computing and data management. These are essential infrastructure supporting today's lifestyles and are expected to continue to grow rapidly in line with technological developments.

Highlighting HDD Substrates with the Potential to Double the TAM

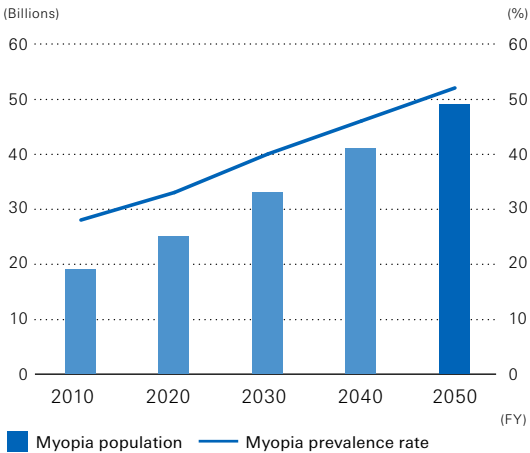
HOYA is the only manufacturer of glass substrates for magnetic disks used in HDDs.

There are also aluminum substrates for HDDs, but our glass substrates have captured 100% of the market share for consumer products, such as external drives and PCs due to their high shock resistance. Meanwhile, HDDs for near-line storage in data centers currently consist of approximately 40% glass and 60% aluminum. HAMR (heat-assisted magnetic recording) is a next-generation technology that enables large-capacity HDDs by using heat, requires the use of glass substrates due to their heat resistance. As this technology finds greater practical application, demand for HOYA's glass substrates is expected to grow. Furthermore, as in the past, making disks thinner allows for an increase in the number of discs per HDDs that can be installed, thereby expanding data capacity. In this aspect as well, glass substrates offer a competitive advantage in terms of rigidity compared to aluminum substrates. Based on the above, glass substrates could replace aluminum substrates in the long term, with the potential to more than double the TAM

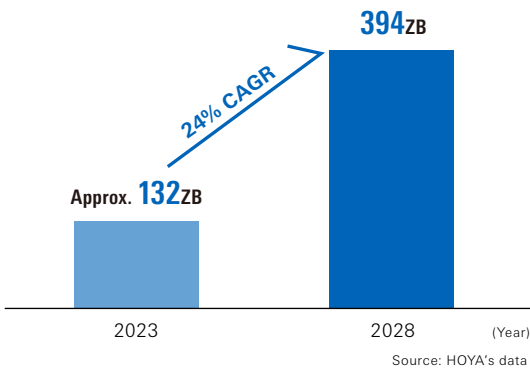
Demand for Blanks Expanding due to Miniaturization x Increase in the Number of Designs

Photomasks are the blueprints used to transfer semiconductor circuits. HOYA boasts an overwhelming global market share in mask blanks, which are the foundation of photomasks. HOYA supplies mask blanks for both DUV and EUV lithography and sells its products to foundries and integrated device manufacturers (IDMs). Semiconductor circuits are becoming increasingly miniaturized to improve performance and reduce power consumption. EUV lithography, which was introduced at 7nm, has progressed through 5nm and is now in mass production at 3nm. Customers are planning to transition to 2nm and 1.4nm (14 angstroms) nodes in their technology roadmaps. With the increasing number of design variations in end products like AI-focused GPUs and custom ASICs, demand for mask blanks is expected to grow steadily. Moreover, since mask blanks are heavily used in R&D applications, they are relatively insulated from the semiconductor cycle, supporting expectations for stable long-term growth.

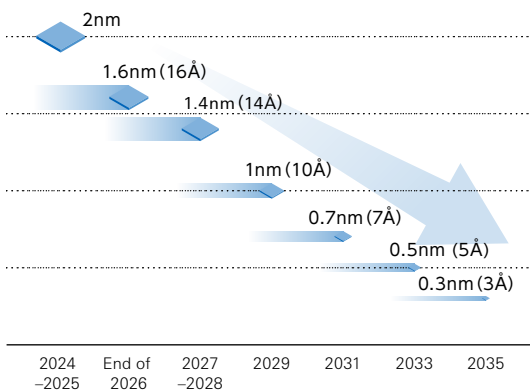
Global Myopia Population Forecast



Global Data Traffic Volume Forecast



Semiconductor Miniaturization Roadmap



Eyeglass Lenses with a Focus on Myopia Management

HOYA's eyeglass lenses, which rank second in global market share, are a global brand with 90% of sales generated in markets outside Japan. Our high-performance, value-added lenses are gaining prominence. These include progressive lenses that accommodate presbyopia and provide seamless vision from close up to far away and photochromic lenses that darken when exposed to visible and UV light. While eyeglass lenses have traditionally been used to correct vision issues such as myopia and hyperopia, HOYA has successfully expanded into new markets with the 2018 launch of MiYOSMART, a lens designed to slow the progression of myopia in children. By providing vision care solutions for all age groups—from children to the elderly—we anticipate continued stable growth going forward.



MiYOSMART, an eyeglass lens designed for myopia management in younger children
(As of September 2025, has not received approval in Japan)

ESG: Main Updates for FY24

E Environment

Significantly expanded disclosure of Scope 3 emissions. We have made progress in updating energy-efficient equipment and installing solar panels at our production sites. The share of renewable energy in our operations is steadily increasing, reaching 19% in FY24. Company-wide awareness of decarbonization is rising, and site-led initiatives—such as optimizing packaging materials and reducing product weight—are becoming increasingly active.

S Social

Workplace improvement activities initiated by employees have expanded across all business divisions building on feedback from employee engagement surveys. Through interactive initiatives, endeavors to create a more fulfilling workplace are progressing, leading to better engagement across the entire organization.

G Governance

In preparation for our first statutory disclosure of non-financial information in 2027, we will review the data collection system we have established to date and focus on improving accuracy and internal governance.

HOYA CORPORATION (Code: 7741.T)

HOYA began production of optical glass in Hoya City, Tokyo in 1941. Over the years, we have expanded our business domains while advancing processing technologies for glass and resin, including optical design, molding, polishing, and microfabrication. Today, we offer a diverse range of products across three key fields: Eye Health domain (eyeglass lenses, contact lenses, intraocular lenses), Med-Tech domain (endoscopes, artificial bone etc.), and Information Technology domain (semiconductor mask blanks, HDD substrates etc.). Our business is guided by a portfolio management approach, enabling us to adapt to changes in the external environment and seize new opportunities, with the aim of building a more resilient business structure. While each division operates independently, we have recently launched cross-divisional initiatives that combine different technologies and expertise to create new business opportunities.