

**Briefing Summary of the Analyst/Investor Meeting
for the 3rd Quarter (October to December 2015) Financial Results
for the Fiscal Year Ending March 31, 2016
Tokyo, January 29, 2016**

Note: This memo is posted for reference purposes for the convenience of those who were unable to attend the meeting and is not a verbatim record of all statements made at the meeting. Please be aware that it has been compiled in a concise form at the judgment of the Company's IR Group. Please also refer to the cautionary notes on the final page.

Overview of Financial Results by Mr. Ryo Hirooka, CFO

Summary of Performance

Quarterly Consolidated Statement of Comprehensive Income for All Businesses

Revenue and Profit for the Quarter

- Revenues were ¥127.6 billion, ¥0.6 billion, or 0.4%, below the same period of the previous year.
- Profit before tax was ¥31.2 billion, ¥5.1 billion, or 14.0%, below the same period of the previous year
- Profit for the quarter was ¥24.0 billion, ¥5.1 billion, or 17.5% below the same period of the previous year.

(Reference: *Quarterly Report*, Quarterly Consolidated Statement of Comprehensive Income, page 7)

Impact of Translation from Foreign Currencies

- Impact from yen translation of the performance of overseas subsidiaries of translation into yen. During the third quarter, the U.S. dollar strengthened substantially against the yen compared with the same period of the previous year, and the yen strengthened against the euro and Thai baht.
- The impact of foreign currency translation on revenues was a reduction of ¥1.6 billion. If this currency translation effect is excluded, the real increase in sales was ¥1.0 billion, or +0.8%.
- Turning to the effects of foreign currency on profit before tax, foreign currency translation increased profit before tax by ¥1.9 billion and did not have a substantial impact on profit.

(Reference: *Quarterly Report*, Quarterly Consolidated Statement of Comprehensive Income, page 7, Notes 1 and 2)

Reasons for Differences between Profit from Ordinary Operating Activities and Profit before Tax (Adjustment Items)

- Foreign Exchange Gain/Loss (Exchange differences on translation of assets in foreign currencies):

In the third quarter of the previous year, the Company reported a gain of ¥6.0 billion resulting from the yen depreciation against the U.S. dollar due to effects of monetary easing by the Bank of Japan and ECB.

- However, in the third quarter of the year, the Company reported a loss on this item of ¥ 0.4 billion.
- There were no other major adjustment items in the quarter, but, in comparison with the same period of the previous year, the total of adjustment items was ¥6.5 billion, a factor of decrease in profit before tax. Profit from ordinary operating activities, after the exclusion of adjustment items, increased ¥1.5 billion, or 4.9%.

Results by Business Segment

- Explanation by business segment (Reference: *Quarterly Report*, Segment Revenues and Results, page 9)

Information Technology

- Revenues in the Information Technology segment were ¥46.2 billion, a decrease of ¥1.5 billion, or 3.2%, compared with the same period of the previous year.
- Foreign currency translation increased revenues by ¥1.1 billion. After excluding this effect, segment revenues in real terms declined ¥2.6 billion, or 5.5%.
- Segment profit (profit before tax) was ¥16.9 billion, or ¥0.4 lower, or nearly flat with the same period of the previous year.
- Impact of foreign currency translation in the segment profit was positively affected by ¥0.3 billion. After excluding this effect, segment revenues in real terms decreased by ¥0.7 billion, or 4.0%. As a result, both revenues and profit of the segment decreased year on year.

Life Care

- Revenues in the Life Care segment were ¥80.3 billion, an increase of ¥0.7 billion, or 0.8%.
- Foreign currency translation reduced revenues by ¥2.7 billion because the share of Europe in the revenue mix was significantly influenced by the weakening of the euro. After excluding this effect, segment revenues in real terms increased ¥3.4 billion, or 4.3%.
- Segment profit (profit before tax) was ¥14.8 billion, ¥0.051 billion higher year on year, or virtually flat with the same period of the previous year.
- Impact of foreign currency translation in the segment profit was negatively affected by ¥0.3 billion. After excluding this effect, segment profit in real terms increased ¥0.4 billion, or 2.5%.

Reasons for Differences between Profit from Ordinary Operations and Profit before Tax (Adjustment Items)

- Among adjustment items in the IT and Life Care Segments, exchange differences on translation of foreign currencies were not substantial

(Reference: *Quarterly Report*, Supplementary Data for 3rd Quarter, page 11)

Revenue from Major Products

Electronics-Related products

- Revenues in the electronics-related products businesses (semiconductors, LCD-related products, and glass substrates for HDDs) totaled ¥34.7 billion, ¥1.4 billion, or 3.8%, lower than in the same period of the previous year.
- Foreign currency translation increased revenues by ¥1.0 billion. After excluding this effect, revenues of this business decreased ¥2.3 billion, or 6.4%, from the same period of the previous year.
- Revenues of LCD-related products performed favorably, rising about 10% year on year, and semiconductor-related revenues expanded slightly. Revenues of HDD glass substrates decreased in the middle of the range between 10% and 20%.

Imaging-Related products

- Revenues of image-related products were virtually flat compared with the same period of the previous year and amounted to ¥11.5 billion, a decline of ¥0.2 billion.
- Foreign currency translation increased revenues by ¥0.2 billion. After excluding this effect, revenues of this business were down ¥0.3 billion, or 2.7%, year on year.
- Optical-related products are the principal items in this business, and, in the midst of declining digital camera sales, the Company worked to minimize the decline in revenues by switching to developing sales of other applications, and, as a result, revenues were nearly flat year on year and same trend as same as the first half.

Healthcare-Related products

- Revenues from healthcare-related products (eyeglass lenses and contact lenses) were ¥59.3 billion, ¥1.0 billion, or 1.7%, higher than in the same period of the previous year.
- Foreign currency translation decreased sales by ¥2.2 billion. After excluding this effect, revenues of this business rose ¥3.2 billion, or 5.5%, year on year.
- Performance of contact lenses was favorable, and revenues rose at double-digit rates. Opening of new stores, including those acquired through acquisitions, was the driving force for revenue growth.
- Revenues of eyeglass lenses were virtually flat in Japan, but continued to show stable growth close to the middle of the single-digit range in local currency terms in Europe, North America, and the

rest of Asia.

Medical-Related products

- Revenues of medical-related products were ¥21.0 billion, which was ¥0.3 billion, or 1.4%, lower than in the same period of the previous year.
- Foreign currency translation reduced revenues by ¥0.5 billion. After excluding this effect, revenues of this business in real terms rose slightly by ¥0.2 billion, or 1.0%.
- Revenues from intraocular lenses (IOLs) performed steadily, and, with the introduction of new products in April, sales expanded about 20%. Growth in Japan was especially strong.
- In numerical terms, revenues of medical endoscopes decreased after the exclusion of the positive impact of foreign currency translation. By region, revenues in Asia, including China and India, are expanding, and were comparatively firm in Europe, but revenues were down in North America.

Cash Flows and Outlook

Cash Flows

- Turning to the consolidated statements of cash flows, among financing activities, the Company paid ¥12.5 billion as an interim dividend, and, as of December, had made buybacks of shares amounting to ¥25.2 billion. As announced in the Company's news release dated January 22, 2016, the Company is buying ¥35.0 billion in January 2016, and the full amount of the current buyback program with an upper limit to ¥60.0 billion has been completed.

(Reference: *Quarterly Report*, Quarterly Consolidated Statement of Cash Flows, page 6)

Outlook

- The outlook is for both revenues and profit before tax to decline in the fourth quarter, comparing with that in the third quarter. The Bank of Japan announced further monetary easing policies today, but the effects of these measures have not been taken into account in this outlook, and we are still forecasting exchange rates of ¥115 to the U.S. dollar and ¥125 for the euro. Since we are looking for the yen to rise in value, beginning with the fourth quarter, in yen terms indicators will be lower. Also, for seasonal reasons, performance will be weakest in the Information Technology segment in the fourth quarter. Particularly, in the HDD substrates business, the utilization rate of our Vietnam Plant will decline, also for seasonal reasons, but these factors have been taken into account in our outlook.
- As indicated in the news release issued today, the Board of Directors of HOYA Corporation has decided to cancel 93% of its holdings of treasury shares. The remaining 7%, or about two million shares, will be held for use as stock options.

Overview of Operations in the IT segment by Mr. Eiichiro Ikeda, COO

Glass Substrates for Hard Disk Drives (HDDs)

- Revenues and profit declined in the glass substrates for HDDs business. The reasons for the decline in volume terms include not only the decrease in demand for notebook PCs but also the shift from the use of HDDs in on-board drives to solid state drives (SSDs). The unit volume of sales for other applications is either flat or rising. The unit volume of sales for use in game consoles is increasing because of the reduction in prices of game main units. The volume of sales for external HDDs is also rising because of the increase in the number of disks per HDD. In addition, sales of HDDs for use in servers are also expanding. However, the increase in sales for use in these applications has not been sufficient to offset the decline in usage for PCs. This trend is expected to continue in the fourth quarter.
- On the other hand, the optimization of manufacturing locations and the optimization of plant manufacturing lines that we have pursued in recent years have enabled us to maintain profitability. Revenues and profits are declining, but the profit ratio improved somewhat in comparison with the same period of the previous year.
- Whether the decline in unit volume will continue indefinitely will depend in part on the direction of the trend toward large-scale storage as the market for drives for servers expands. Along with the trend, as the number of disks per drive rises, requirements for thinner disks will grow, and our understanding is that glass is the superior material because of its rigidity. Also, as requirements move toward greater recording density, Heat-Assisted Magnetic Recording (HAMR) technology is expected to be the most promising. If development moves toward the use of HAMR technology, glass substrates will be superior from the perspective of heat resistance. We are prepared to move in either direction, and the continuous development to meet both requirement will be important.

Photomasks for Large LCDs

- In LCD photomasks business, revenues and profit both increased at double-digit rates. The trend in all applications is toward higher precision and higher resolution. TV LCDs are shifting from 4K to 8K units and toward larger sizes. In the smartphone market, the number of Organic Light-Emitting Diodes (OLEDs) is increasing. If these trends continue, the demand for high-value-added masks, which are our area of strength, will expand. By capturing orders for these units, we will improve our product mix and our average prices will rise, leading to increases in revenues and profits. Although there are destabilizing factors, including the decline in panel prices, we are expecting that the demand for high-precision masks will continue to be strong.

Photomasks and Mask Blanks for Semiconductors

- In the semiconductor business, demand in the memory segment of the market has weaken slightly,

but manufacturers are continuing to develop cutting-edge products, and, as a result, revenues in the third quarter increased slightly. Profits grew in the mid-single digit range because of cost-reduction efforts.

In the semiconductor mask blanks business, we expect that severe conditions will continue. On the other hand, in the next-generation extreme ultraviolet (EUV) market, successful mass production will require further time, but we believe that it will be important to continue to collaborate in development with customers and to provide our products timely responding to the needed technology.

Imaging-Related Products

- In the imaging-related products business, revenues declined and profit increased. As we shift from digital cameras to other applications, sales of action cameras, of which sales ratio have been relatively large among such other applications, are experiencing a noticeable slowdown. Since action cameras are an extension of the digital camera business, we realize we have to increase sales of units for CCTV and automobile-mounted cameras, and, to this end, we are stepping up our steady efforts and maintaining momentum.
- In the lens unit business, smartphones equipped with our CUBE units are making their appearance on the market, and, since they are available on only one smartphone model now, it will be important to have them adopted in more models.

Information Technology Segment as a Whole

- We feel that the 37.5% profit ratio in the IT segment as a whole may be too high (an overachievement). Further improvement in this ratio will not be easy.

Overview of Operations in the Life Care Segment by Hiroshi Suzuki, CEO

Eyeglass Lenses

- In the eyeglass lenses business, revenues in euros account for a large portion of the total, but since our costs are booked by currencies which are moved parallel along with U.S. dollar, performance in this business is strongly influenced by negative foreign currency movements. The global eyeglass lenses business is growing at between 2% and 3% annually, but our sales growth rates, after excluding the effects of foreign currency fluctuations, are in the lower single-digit range and are above the growth rate of the overall market. The Japanese market for eyeglass lenses is not growing, but our sales in Europe, North America, and the rest of Asia are expanding in the lower single-digit range.

While profitability has been an issue, and performance is influenced by foreign currency fluctuations, at present, we are investing in additional production capacity to prepare for future growth. Since we are speeding up our capital investments in Thailand, Hungary, the United States, and elsewhere, this will be a factor causing a temporary deterioration in profit. Looking forward, as revenues rise, our understanding is that profitability will improve.

Intraocular Lenses

- Our performance in the intraocular lenses business is currently favorable. Revenues are expanding at rates above 20%. Production capacity is insufficient, but we are planning increasing production capacity in the near future. We are looking for the current pace of growth to continue for the time being.

Contact Lenses

- Contact lenses business performed quite well.

Compared with the previous year, revenues expanded double-digit rates. Revenues at existing stores were virtually flat; the difference (in actual growth rates) was accounted for by contributions from M&A and the positive impact of new stores. We believe that, at present, there is still some room for adding stores in the Tokyo metropolitan area, and, since we can add them at the current pace, we think that revenues and profits will follow.

Endoscopes

- Revenues in the endoscopes business are growing at close to 20% annually in Asia. Performance in Europe is relatively stable. We are experiencing declines in revenues in the United States, and this is acting as a drag on overall performance. Honestly speaking, I think we have about another year of difficulties as we move forward. Since profitability is solid, we are securing profitability that is almost the equal of the Life Care segment as a whole. Since we cannot expect strong performance in the United States for some time, we will set a course for expanding revenues in Europe and Asia.

Overall Summary

- Revenues declined, but we could increase profit. It is a result of our effort.
- I believe we are seeing the bottom in the MD business. The ratio of the PC applications portion is declining in overall MD sales.

In the imaging-related business as a whole also, revenues related to digital cameras may show some further decline, but, to some degree, we are beginning to see the bottom. HDDs and digital cameras

were major negative factors, but, even though I will not go as far as to say that we will see no further declines, the bottom is in sight.

Therefore, we should finally be able to cover the negative performance in the Information Technology segment with growth in the Life Care segment, and, bit-by-bit, we should be able to move toward growth from an overall perspective.

- Regarding the purchase of our shares, this time, we are going to decisively cancel those we have purchased, but our basic approach has not changed. When cash exceeds a certain level, we will reward our shareholders with further treasury share purchases or dividends.

Questions and Answers Following the Briefing

Q1: Regarding your results for the third quarter, could you please give us your assessments from an overall perspective? Were the results a consequence of measures you adopted in the midst of changes in the external environment or were the results an extension of past policies and performance?

A1: (Suzuki, CEO) The HDD substrate business is the one that shrank, and the business that covered for this was the Life Care segment. The HDD substrate business is highly profitable, but which businesses will fully make up for this decline in profit will depend on the results of where we put our efforts.

Q2: In the third quarter, how did foreign currency fluctuations influence profit from ordinary operating activities?

A2: (Hirooka, CFO) The impact on profit of foreign currency fluctuations varies from one business to another, but substantial portions of our revenues are denominated in foreign currencies, as are our costs, because the ratio of overseas production is high. Due to this basic structure of revenues and costs, the impact of foreign currency fluctuations is not major. However, by currency, the percentage of costs denominated in euros is smaller than the percentage of revenues. For this reason, when the euro alone is weak, this currency structure has a negative impact on profit. From about the fourth quarter of last fiscal year, the eyeglass lens business has been influenced by the weak euro, and, considering the impact in the third quarter of this fiscal year, compared with the previous year, the impact of the weak euro has been evident even recently in the eyeglass lens business.

Q3: Looking to the next and subsequent periods, when do you expect to see results from your investments in the eyeglass lens business? Also, if there are any areas where the measures you are implementing now are likely to bring positive results, as was the case with your past structural reforms in the HDD substrate business, could you please discuss these?

A3: (Suzuki, CEO) Since we are making some capital investments for future growth in the eyeglass lenses business, the biggest impact will come when the utilization rates of our manufacturing plants in this

business rise. My impression is that this will be in the middle of the coming fiscal year.

Although I believe revenues from hard disks will decline further, the Information Technology segment will settle down, and the growth in the Life Care segment will account for the growth of the Company from about the middle of the coming fiscal year.

Q4: I would like to know your views of the semiconductor business. Currently, some manufacturers are reducing their capital investments, but, on the other hand, other manufacturers are increasing theirs. I believe these developments will be positive for HOYA, but what of the trends among semiconductor manufacturers will be the impact on HOYA's performance?

A4: (Ikeda, COO) Perhaps because of overproduction in the first half of the fiscal year in the semiconductor memory business, conditions were at a standstill. At present, we are expecting severe conditions to prevail.

(Suzuki, CEO) I think the key to performance next year will be whether mass production of 14nm units comes fully on stream.

Q5: When will it be possible for you to start mass production of HAMR devices?

A5: (Ikeda, COO) If you mean in the sense that units actually come onto the market and technological development proceeds, I believe there is a possibility that these devices will be on the market in the no- so- distant future. However, if you mean that the market for HAMR devices will expand and an overall shift in the market takes place that will take longer.

Q6: Looking ahead, what is your view of movement of the market for HDDs used in PCs? In particular, we would like to know your impression of the declining trend going forward.

A6: (Suzuki, CEO) The ratio of notebook PCs in the total has dropped to less than one-half, and the percentage of PCs incorporating SSDs is about 30%. Depending on how far the ratio of notebook PCs falls and how much PCs with SSDs capture the overall market will determine the shrinkage in revenues.

Q7: How are endoscopes positioned in HOYA's Life Care segment business portfolio? What are the possibilities for acquisitions during the current stock price decline?

A7: (Suzuki, CEO) I believe that low-invasive medical treatment is a growth field and that soft endoscopes are going to be a future business. We would like to actively consider acquisitions, mainly in companies on the periphery of the endoscope business.

Q8: I believe that the arrival of the era of HAMR technology, which may seem to some to be on the horizon, still seems likely to take more time. I believe you are working on the development for both directions which are HAMR and thinner substrates for increased number of discs per drives. Which direction will be more

likely to be realized?

A8: (Ikeda, COO) I think that the answer will differ according to the usage of the HDDs, but, for near-line servers, I believe that the trend of increased discs per drive will come first. In the case of HAMR, space is necessary in the head unit (inside the drive), and I believe it will take more time to make this possible. In applications where greater capacity is required in one or two disks, usage of HAMR technology will be necessary.

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