

FAQs Related to Q4 FY24 Results

Overall

- Q There has been a lot of attention paid to the move by the Financial Services Agency to require listed companies to disclose their annual securities reports (*Yuho*) prior to the general meeting of shareholders. When and why did the early disclosure of *Yuho* start?
- A We began early disclosure of *Yuho* in the fiscal year ended March 31, 2013, following a significant progress in systemizing the collection of financial information from overseas subsidiaries at the time of the introduction of IFRS in the fiscal year ended March 31, 2010. The early submission of *Yuho* allows us to have more time to focus on activities for the next fiscal year, such as strengthening communication with overseas subsidiaries and improving the process of collecting financial statement information.
- Q To what extent have tariffs, which are part of the economic policies of the U.S. Trump administration, affected your business?
- A Our sales to the U.S. account for about 15% of our total sales, and our products include eyeglass lenses, endoscopes, and mask blanks. At this stage, the "10% of 90-day baseline tariff" announced on April 9, 2025 is in effect, and we are responding to the tariffs mainly by passing on to customers. The final tariff rates and the extent of the increase will have to wait until the Trump administration's announcement on July 9, after the 90 days of grace period: we will continue to monitor the situation closely.
- Q Regarding dividends, you have decided on a progressive dividend payout ratio of 40%. Does this mean the amount of share buybacks will be reduced?
- A There is no change in our policy of aiming for a total return of 100% of free cash flow, which is the sum of share buybacks and dividends. As the ratio of dividends increases amid total returns, the ratio of share buybacks will decrease, but we will aim to increase the absolute amount of share buybacks through sustainable profit growth.

Eyeglass Lenses

- Q Is HOYA at a disadvantage compared to its competitor under the Trump tariffs?
- A Our understanding is that our main production is in Vietnam/Thailand/Philippines, while our competitor has production sites in North America. However, the supply chain for eyeglass lenses is complex, and it is difficult to simply state where the added value is generated and where the actual production is located.

Blanks

- Q You mentioned that sales of DUV Blanks is growing. Can you provide color on why it is growing?
- A We assume that this is due to an increase in demand for high-end DUV blanks for 3nm generation tape-out activities. We also assume that demand is increasing in the Chinese market. Although direct sales of DUV blanks from our company to the Chinese market are very small, it is

possible that the number of cases where DUV blanks are supplied to the Chinese market via external mask shops is also increasing.

HDD substrates

Q You mentioned that the visibility of acquiring a second customer is increasing; when do you expect it to start contributing to sales?

A Assuming that things continue to go well, it is likely that our products will be used by them around early summer of next year.

Q HDD manufacturers have mentioned the adoption of HAMR technology. What are the benefits to HOYA from HAMR?

A The adoption of HAMR technology will require the use of glass for HDD substrates, and the benefits of HAMR success will be that our customer share in the HDD market will likely increase and that our TAM will expand as the other two companies adopt HAMR as well.

*We have omitted questions that overlap with those in previous quarters. Please refer to the Q1-Q3 FAQs as well, if you would like.

- [FY24 Q1 FAQ](#)
- [FY24 Q2 FAQ](#)
- [FY24 Q3 FAQ](#)

END

Forward-Looking Statements

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