

FAQs Related to Q1 FY25 Results

Overall

- Q On August 21, you announced a share buyback program with a maximum limit of ¥100 billion. Why wasn't this announced at the time of the earnings release?
- A Share buybacks are subject to various regulations and cannot be conducted freely at any time. At the time of the Q1 earnings announcement (August 1), regulatory restrictions were in place. Therefore, the announcement and implementation occurred once these restrictions were cleared.
- Q How significant is the impact of the tariff imposed by the Trump administration?
- A Our sales to the U.S. account for approximately 15% of total sales. Products directly exported to the U.S. include eyeglass lenses, endoscopes, and mask blanks. The final tariff rates for major production locations were 19%-20% for Thailand, Vietnam, and the Philippines; 10% for Singapore; and 15% for Japan. However, through measures such as passing on price increases and adjusting production allocation ratios at factories, the impact on the Group's overall performance is expected to be limited.

Overall Life Care Business

- Q What were the main factors preventing the Life Care Business from achieving a 20% profit margin in Q1, where it was 17.7%? Also, when do you expect it to return to 20%?
- A Each quarter has some one-off factors. The cumulative effect of these factors can swing positively, as in Q4 of the previous year, or negatively. This quarter, in addition to the negative swing, strong sales to large chain stores in the eyeglass lens business shifted the product mix toward relatively lower-margin stock lenses. This caused the margin to fall below our benchmark range of 19% to 20%. We expect to return to this range for the second half of the fiscal year.

Overall Information Technology Business

- Q It has been explained that the profit margin for the Information Technology Business will return to around 50%, but Q1 remained at a high level of 52.9%. Will the profit margin really decrease going forward?
- A Due to the expansion of EUV blank and FPD production capacity, depreciation expenses are increasing each quarter. Consequently, the profit margin is expected to converge towards our benchmark of 50%. However, in quarters like Q1, where sales of DUV blanks and imaging products showed stronger-than-expected momentum, the increased depreciation burden may be partially offset, potentially leading to a margin exceeding 50%.

Eyeglass Lenses

- Q We understand copycat products of MiYOSMART are circulating in the Chinese market. How are you addressing this?
- A We recognize that many copycat products are being sold without evidence of their effectiveness. We will continue to emphasize that our product is underpinned by clinical evidence spanning up to

8 years.

For details, please visit the MiYOSMART official website.

<https://www.hoyavision.com/vision-products/miyosmartVr25/>

Blanks

- Q Some EUV equipment manufacturers have lowered their demand forecasts. Will this affect our EUV blanks?
- A Against the backdrop of customers committing to R&D activities for miniaturization, demand for EUV blanks is expected to expand steadily over the medium to long term, and there is no change in our growth rate outlook.
- Q Are there any changes in the competitive environment for EUV blanks?
- A We are leading the qualification activities for nodes below 2nm, and we do not see any significant changes in the competitive environment. While there have been reports of companies outside Japan entering the EUV blank business, we do not believe this will significantly alter the situation at this point.

HDD substrates

- Q Amidst tight HDD supply, customers appear to be raising prices. Will your company not raise glass substrate prices?
- A We have comprehensively considered factors including our relationships with customers and have decided to maintain our prices for the time being.
- Q HDD manufacturers are mentioning the adoption of HAMR technology. What benefits will HAMR bring to HOYA?
- A HDDs using HAMR technology have a form factor essentially identical to the latest CMR HDDs, with 10 platters. Furthermore, HAMR platters differ little from conventional ones, so we do not anticipate meaningful content growth. However, HAMR necessitates glass substrates due to thermal issues. Should HAMR become the industry standard, we expect increased adoption of our glass substrates, leading to an expansion of our total addressable market (TAM).

Imaging

- Q What kind of product is CUPO?
- A CUPO is a polarizing glass for optical isolators, essential for optical communication infrastructure in the AI era. Sales are rapidly expanding due to surging demand from data centers.

※Questions overlapping with previous quarters have been omitted. Please also refer to the Q1-Q4 FAQs if you wish.

- [FY24 Q1 FAQ](#)
- [FY24 Q2 FAQ](#)
- [FY24 Q3 FAQ](#)
- [FY24 Q4 FAQ](#)

End

Forward-Looking Statements

HOYA may make comments and disclose information which include forward-looking statements with respect to HOYA 's plans and future performance. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements and are based on management's assumptions and beliefs in light of the information available when such statements were prepared, including exchange and interest rates, international situations, market trends and economic conditions, competition, production capacity, estimates of revenues, operating margins, capital expenditures, cash, other financial metrics, expected legal, arbitration, political, regulatory, clinical or research and development capabilities, results or practices, customer patterns or practices, reimbursement activities and outcomes, effects of pandemics or other widespread health problems such as COVID19, and other such estimates and results. HOYA does not guarantee the accuracy or completeness of such information and HOYA does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise.

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