

## FAQs Related to Q3 FY25 Results

### All

Q Will China's rare earth export restrictions have an impact?

A The main businesses that use rare earths in materials or manufacturing processes are HDD substrates and imaging-related products. We have continued initiatives—including optimizing material usage and utilizing recycling—to improve the stability of our supply chain. At this time, the situation has not yet reached a point where it immediately affects our product supply system; however, as the external environment remains fluid, we will continue to monitor developments closely.

Q Are there any impacts from the situation in the Middle East?

A The surge in crude oil prices is affecting all sectors, requiring us to pay close attention to raw materials, logistics, and energy costs. At present, we have not observed any impact unique to HOYA, and our risk exposure is generally in line with that of other companies. Nevertheless, we will continue to monitor the situation closely, particularly should it persist.

Q What are the details of the one-time gain in Q3?

A There are three main factors. First, there is a gain related to the conversion of our intraocular lens joint venture in China into a wholly-owned subsidiary. When the joint venture was established, we recorded the future purchase price of the partner's stake as a long-term financial liability, assuming we would eventually acquire it. However, since we had conservatively estimated the liability, we recognized the difference between the actual acquisition cost and the recorded liability as an income (just under 24 billion yen). Additionally, as part of our business portfolio management, we divested two product lines (approximately 7 billion yen). Furthermore, there were foreign exchange gains (approximately 4 billion yen), resulting in a total of 35 billion yen in one-time gains.

### Information Technology Business

Q With the outlook for semiconductor equipment orders being revised upward, is there a sense that demand for blanks is accelerating?

A While we don't see any particular acceleration, demand remains at a high level. Shipment volumes of semiconductor equipment rarely have a direct impact on demand for blanks; even about a year ago, when the outlook for semiconductor equipment was poor, there was no change in demand for blanks. We expect demand for blanks to grow steadily as long as R&D on miniaturization continues.

Q Has the competitive landscape for EUV blanks changed? I've heard about a Korean

manufacturer—what is the current situation?

A We recognize that efforts to strengthen the semiconductor supply chain are underway not only in South Korea but in various countries and regions. Currently, only Japanese companies manufacture EUV blanks, but we view it as a natural development that foreign companies are aiming to enter this market. From our perspective, given the technical capabilities and customer relationships we have cultivated to date, we do not see any significant changes in our market position at this point.

Q I understand you have acquired a new customer for HDD substrates. Is capacity sufficient?

A For HDD substrates, we have two factories in Vietnam and one in Laos. In Laos, production lines occupy two-thirds of the building's space, and we are gradually increasing the utilization rate. Additionally, we have already placed orders for equipment for the remaining vacant space, so we expect to be able to meet demand over the next two years or so by gradually ramping up operations in Laos toward full capacity. After that, we anticipate that a new factory will be necessary, and we plan to make a decision on this soon.

Q Can we expect continued growth for CUPO? Also, is there a possibility that CPO could drive changes in technology or demand?

A This is the sector that stands to benefit most from AI data center demand. Considering that the data center market is expected to become even more vibrant due to the further proliferation of generative AI, we believe this will provide a strong tailwind in the medium term. Regarding CPO (Co-packaged Optics), full-scale adoption is still some time away, so we need to monitor the situation. However, even if the wiring distance between the chip and the optical engine is shortened and signal processing and power consumption are dramatically reduced, optical transmission will still be necessary, so we do not anticipate a significant impact on CUPO.

Q What kind of products do you call "wearables" in the imaging business?

A We use the term "wearables" as a general term to refer to cameras mounted on smart glasses frames, as well as vlog cameras and action cameras. In particular, sales of vlog cameras equipped with gimbals appear to be driving strong performance, driven by "social media demand." On the other hand, this is a relatively new trend for our company, and it is difficult to gauge future demand trends, so we will continue to monitor developments carefully.

### **Life Care Business**

Q When do you expect the profit margin for Life Care to return to 20%?

A We have a large number of new products in the pipeline, primarily in the eyeglass lens category, and the associated R&D and QARA compliance costs are at a higher level than before. Additionally, as our customer mix is skewed toward chain stores, the proportion of high-margin products in our product mix is trending downward. Under these circumstances, we are working to return to a 20% profit margin by steadily reducing routine operating expenses. Given the current pace, we expect it will take a few more quarters to achieve this

goal.

Q Please provide an update on MiYOSMART sales.

A It has been over a year since sales of MiYOSMART in China began to stagnate, and as the YoY comparison base has lowered, the growth rate has turned positive. Furthermore, this year we aim to revitalize our business in China through the launch of the second-generation MiYOSMART. Meanwhile, in Europe and other regions, MiYOSMART sales continue to show high growth rates.

\*Questions overlapping with previous quarters have been omitted. Please also refer to the Q1 and Q2 FAQs if desired.

- [FY25 Q1 FAQ](#)
- [FY25 Q2 FAQ](#)

End

### Forward-Looking Statements

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