

FAQs Related to Q4 FY25 Results

All

- Q The company announced an update to the capital policy. Could you recap the details and background of the change?
- A The Company holds the majority of its cash and deposits in U.S. dollars. We identified challenges in capital efficiency, such as the continuous expansion of cash and deposits due to the weak yen and a net cash ratio exceeding 40%. We have therefore decided to set an optimal net cash target and gradually release excess cash—primarily through share buybacks—with the goal of optimizing the net cash level over a period of approximately three years. In other words, over the next three years, in addition to returning 100% of free cash flow (FCF), we will also return excess cash on the balance sheet, thus we aim to return more than 100% of FCF.
- Q Are there any risks related to raw material procurement due to the situation in the Middle East?
- A The surge in crude oil prices is affecting all sectors, and we are generally responding to increases in raw material, logistics, and energy costs mainly through price adjustments. One issue specific to our company is that we experienced difficulties procuring raw materials sourced from the Middle East for our ultra-thin lens products with a refractive index of 1.74; however, the situation is generally improving. Furthermore, since this accounts for only about 5% of our eyeglass lens business, the impact on sales is relatively small, so we consider the situation to be manageable overall.

Information Technology Business

- Q Please tell us about your current blank capacity and your future capacity plans.
- A For EUV blanks, we will meet demand by increasing the utilization rate of our existing factory while adding equipment. In addition, we have decided to invest 50 billion yen to establish a new plant, which is scheduled to begin operations in FY28. Initially, we plan to install a limited number of production lines in the facility and gradually expand the number of lines in response to increasing customer demand. Meanwhile, regarding DUV blanks, we currently have no plans for capacity expansion and will continue to cater to the demand within our existing capacity.
- Q Has the decision to establish a new HDD substrate factory been made on the assumption of securing new customers?
- A We decided to build a new factory because it has become increasingly likely that all HDD manufacturers will adopt glass substrates, as we expect strong demand for nearline HDDs to continue.

- Q We understand that CUPO's sales doubled in FY25. What growth rate do you anticipate for FY26?
- A Since sales in FY25 increased significantly from a very low base, establishing a baseline for sales, we anticipate growth in line with the market (30–40%) for FY26.

Life Care Business

- Q Could you tell us about the sales status of MiYOSMART in Japan?
- A We rolled out MiYOSMART in Japan on June 1 of this year. We will actively promote the product to expand its reach among prescribing ophthalmologists and eyewear retailers.
- Q The CC growth rate for eyeglass lenses in Q4 of FY25 was low at 2%. What were the reasons behind this?
- A This was influenced by the loss of some customers in Europe and organizational restructuring in the U.S. due to a management change. As these are temporary factors, we aim for a mid-single-digit growth rate in FY26 as usual.
- Q What is the progress on structural reforms for the endoscopy business?
- A In FY25, we advanced the selection and concentration of our product portfolio by transferring the peripheral products of endoscopes, such as surgical instruments and hygiene solutions, to other companies. Additionally, we plan to complete the consolidation of our manufacturing facilities in the first half of FY26, with structural reforms progressing as planned.

*Questions that overlap with previous quarters have been omitted. Please also refer to the FAQs for Q1, Q2, and Q3 if desired.

- [FY25 Q1 FAQ](#)
- [FY25 Q2 FAQ](#)
- [FY25 Q3 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.

Contact: h-ir@hoya.com