

Quarterly Report

4th Quarter : 3 months ended March 31, 2015
Annual : Fiscal year ended March 31, 2015

Consolidated (HOYA CORPORATION and Consolidated Subsidiaries)

Part .1

4th Quarter : from January 1 to March 31, 2015 <IFRS>

1. Quarterly Consolidated Financial Highlights : p.1
2. Results of Operations : p.2
3. Quarterly Consolidated Financial Statements
 - (1) Quarterly Consolidated Statement of Financial Position : p.4
 - (2) Quarterly Consolidated Statement of Cash Flows : p.6
 - (3) Quarterly Consolidated Statement of Comprehensive Income : p.7
 - (4) Segment Information : p.8

Part .2

Annual : from April 1, 2014 to March 31, 2015 <IFRS>

1. Annual Consolidated Financial Highlights : p.11
2. Consolidated Financial Statements
 - (1) Consolidated Statement of Financial Position : p.12
 - (2) Consolidated Statement of Cash Flows : p.14
 - (3) Consolidated Statement of Comprehensive Income : p.15
 - (4) Segment Information : p.16

Notes:

1. HOYA's fiscal year (FY) : from April 1 to March 31 of the following year.
2. These financial statements are excerpt translation of Japanese "Kessan Tanshin" and have been prepared for the references only of foreign investors.

HOYA CORPORATION

This report is provided solely for the information of professional analysts who are expected to make their own evaluation of the company. This report contains forward-looking statements that are based on management's assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from that anticipated in these statements. These factors include changes in economic conditions, trends in our major markets, currency exchange rates, etc.

We accept no liability whatsoever for any direct or consequential loss arising from any use of this report.

1. Quarterly Consolidated Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

1. Performance for the three months ended March 31, 2014 and 2015 (All operations *Notes)

(The yen amounts shown therein are rounded off to the nearest million.)

	Three months ended		Variance (%)
	Mar. 31,2014	Mar. 31,2015	
(1)Revenue and Profit before tax			
Revenue	115,224	127,440	10.6
Profit before tax	19,892	25,309	27.2
Ratio of profit before tax(%)	17.3%	19.9%	
Profit for the quarter	12,758	18,513	45.1
Ratio of profit for the quarter(%)	11.1%	14.5%	
Profit attributable to owners of the Company	12,727	18,953	48.9
Ratio of profit attributable to owners of the Company(%)	11.0%	14.9%	
Basic earnings per share (yen)	29.46	44.72	
Diluted earnings per share (yen)	29.39	44.58	

	As of	
	Dec. 31,2014	Mar. 31,2015
(2)Financial Position		
Total assets	730,737	733,732
Total equity	595,588	596,095
Equity attributable to owners of the Company	588,440	590,014
Ratio of assets attributable to owners of the Company	80.5%	80.4%
Assets attributable to owners of the Company per share (yen)	1,389.20	1,391.77

	Three months ended	
	Mar. 31,2014	Mar. 31,2015
(3) Conditions of Cash Flows		
Net cash generated from operating activities	37,318	38,852
Net cash used in investing activities	-6,355	-5,135
Net cash provided by (used in) financing activities	520	676
Cash and cash equivalents at end of period	331,094	348,819

2.Dividends per Share

	Year ended/ending	
	Mar. 31,2014	Mar. 31,2015
Interim (Yen)	30.00	30.00
Year-end (Yen)	45.00	45.00
Annual (Yen)	75.00	75.00

Notes:

"All operations" means here that the figures are including not only "Continuing operations" but also "Discontinued operations".

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from that anticipated in these statements. These factors include changes in economic conditions, trends in our major markets, or currency exchange rates.

2. Results of Operations

1) General Overview

During the fourth quarter of the consolidated fiscal year under review (for the three months from January 1, 2015 through March 31, 2015), the global economy remained uncertain as the economy in Europe continued stagnant and growth rates of developing country economies slowed, although the United States economy progressed steadily.

In Japan, there are visible improvements concerning matters such as corporate performance and the employment situation and the economy is somewhat on course for a recovery due to factors including the national government's economic and fiscal policies. However, there is still prolonged negative impact from the consumption tax hike implemented from April 1, 2014.

In the Information Technology segment of the HOYA Group, sales of semiconductor- and liquid crystal panel-related products for smartphones and tablet PCs as well as sales of glass disks (substrates) for hard disk drives performed well, but sales of our lineup of digital camera related products continued to perform weakly.

In the Life Care segment, sales significantly increased in the eyeglass lens business through, for example, stronger sales in overseas markets and inclusion of Seiko Optical Products, a sales company of SEIKO eye wear, as a consolidated subsidiary. The contact lens retail business posted year-on-year sales decline due to the rebound reduction from the last-minute demand in March the previous year before the consumption tax hike. Most of the businesses, excluding the endoscope business, performed quite well. Together with the weaker yen, the revenue posted an increase year-on-year.

As a result, the Group sales for the fourth quarter under review totaled 127,440 million yen, increasing by 10.6% from the same period the previous year.

Pre-tax profit for the quarter was 25,309 million yen, while profit for this quarter was 18,513 million yen, both of which marked gains of 27.2% and 45.1%, respectively, compared to the same quarter the previous year.

The profit before tax ratio stood at 19.9%, up 2.6 points from 17.3% the same period the previous year.

All numbers and the rates of increase and decline are based on all continuing operations. There were no discontinued operations during the fourth quarter under review as well as for the same period the previous year.

2) Segment Overview

Performance per reportable segment is as follows. (Sales for each segment are for external customers.)

Information Technology

<Electronics related products>

Among semiconductor related products, earnings from both advanced products and middle- and low-end products for smartphones and tablets performed robustly both in volume and prices, rising year-on-year. Among liquid crystal-related products, there was continued stable demand for large masks for 4K and large-screen televisions, in addition to strong demand for small and medium-sized high-precision/high-resolution masks for smartphones, tablet PCs and other devices, thus leading to higher year-on-year earnings.

As for glass disks (substrates) for hard disk drives, replacements demand of PCs driven by the end of support for Windows XP has weakened and HDD manufacturers decreased their production during the fourth quarter under review. Sales, however, resulted in an increase compared to the previous year due to stable demand for applications for external hard disk drives and servers.

<Imaging related products>

Units sold continued to fall in the digital camera market, including compact digital cameras and interchangeable lens cameras, due to the encroachment of smartphones upon the market and by sluggish sales from a slowdown in the economy of China. Under these circumstances, the Company increased year-on-year earnings for imaging related products as a whole as a result of a maximum effort to sell optical glass materials and lens products to after-market interchangeable lens cameras, surveillance cameras, and other devices.

Sales for the Information Technology segment increased by 12.8% from the same period the previous year to 45,378 million yen. Segment-based profits (profit before tax for the quarter) stood at 12,333 million yen, an increase of 80.7% compared with the same period the previous year.

Life Care

<Healthcare related products>

Concerning eyeglass lenses, year-on-year earnings increased as a result of more robust sales caused by factors including higher unit sales prices and greater sales volume in overseas markets, in addition to the result of higher earnings from inclusion of Seiko Optical Products, a sales company of SEIKO eye wear, into a consolidated subsidiary.

As for contact lenses, sales from specialty retailer Eyecity decreased year-on-year for the quarter under review. Although sales promotion were stepped up at both newly-opened and existing stores, demand reduction from the tax hike resulted in lower earnings compared to the same quarter the previous year.

<Medical related products>

Concerning medical endoscopes, sales in Europe decreased year-on-year due to tight budget and political unrest in emerging countries including Russia and the Middle East where the Company performed well during the previous fiscal year. In the North American market, earnings dropped as a result of cutbacks in medical expenditure, intensified competition, and delays of new product launches. In Asia and Oceania, China posted robust sales growth and the Japanese business also reported solid performance. Together with the weaker yen, sales are on par with the same quarter the previous year.

As for the intraocular lenses for cataract surgery (IOL), we restarted sales of some intraocular lens (IOL) products for which we had halted production and conducted a voluntary recall in February 2013. In the Japanese market, we conducted an epidemiological study restricted to certain medical institutes beginning in January 2014 and started normal sales in August 2014. Sales gradually recovered and posted higher earnings compared to the same quarter the previous year.

Sales for the Life Care segment increased 9.3% from the same period the previous year to total 81,057 million yen. Segment profits (profit before tax for the quarter) stood at 13,302 million yen, posting a decrease of 15.5% from the same period the previous year, due to the factors including year-on-year sales decline in the contact lens business and the endoscope business, and an increase in cost as a result of currency depreciation in emerging countries among others.

Other

The Other businesses segment mainly consists of information system services offered to the HOYA Group and outside customers as well as new business development. Revenues from this segment stood at 996 million yen, which is equal to an increase in revenue of 27.7% from the same period the previous year. The segment profit totaled 248 million yen, an increase of 35.5% compared with the same period the previous year.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Statement of Financial Position

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	As of Dec. 31, 2014		As of Mar. 31, 2015		Variance		As of Mar. 31, 2014	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
ASSETS								
NON-CURRENT ASSETS								
Property, plant and equipment-net	131,881		128,191		-3,690		129,513	
Goodwill	11,180		9,970		-1,209		10,961	
Intangible assets	21,250		19,661		-1,589		23,947	
Investments in associates	195		186		-10		140	
Long-term financial assets	8,748		7,037		-1,711		9,062	
Other non-current assets	3,377		3,020		-357		2,527	
Deferred tax assets	11,982		12,102		120		13,421	
Total non-current assets	188,613	25.8	180,166	24.6	-8,446	-4.5	189,571	26.9
CURRENT ASSETS								
Inventories	71,711		68,925		-2,786		62,647	
Trade and other receivables	105,855		99,198		-6,657		95,529	
Other short-term financial assets	20,247		20,071		-176		10,492	
Income tax receivables	1,574		312		-1,263		982	
Other current assets	15,504		16,241		737		13,970	
Cash and cash equivalents	327,232		348,819		21,588		331,094	
Total current assets	542,124	74.2	553,566	75.4	11,441	2.1	514,712	73.1
Total assets	730,737	100.0	733,732	100.0	2,995	0.4	704,283	100.0

(Millions of Yen)

	As of Dec. 31, 2014		As of Mar. 31, 2015		Variance		As of Mar. 31, 2014	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
EQUITY AND LIABILITIES								
EQUITY								
Share capital	6,264		6,264		—		6,264	
Capital reserves	15,899		15,899		—		15,899	
Treasury shares	-7,049		-5,932		1,117		-8,890	
Other capital reserves	-3,495		-3,736		-242		-2,839	
Retained earnings	528,376		547,162		18,786		516,243	
Accumulated other comprehensive income/(loss)	48,445		30,357		-18,088		9,850	
Equity attributable to owners of the Company	588,440		590,014		1,574		536,526	
Non-controlling interests	7,148		6,081		-1,067		6,121	
Total equity	595,588	81.5	596,095	81.2	507	0.1	542,648	77.0
LIABILITIES								
NON-CURRENT LIABILITIES								
Interest-bearing long-term debt	35,671		35,528		-142		35,829	
Other long-term financial liabilities	371		667		296		—	
Retirement benefits liabilities	1,885		2,098		213		1,675	
Provisions	2,213		2,262		49		2,155	
Other non-current liabilities	2,117		1,010		-1,106		2,188	
Deferred tax liabilities	2,924		2,205		-719		2,911	
Total non-current liabilities	45,180	6.2	43,770	6.0	-1,410	-3.1	44,758	6.4
CURRENT LIABILITIES								
Interest-bearing short-term debt	2,083		2,033		-50		27,450	
Trade and other payables	41,812		41,247		-565		40,291	
Other short-term financial liabilities	1,545		2,896		1,351		152	
Income tax payables	6,268		10,913		4,645		13,369	
Provisions	1,068		1,063		-5		955	
Other current liabilities	37,192		35,716		-1,476		34,660	
Total current liabilities	89,968	12.3	93,867	12.8	3,899	4.3	116,877	16.6
Total liabilities	135,149	18.5	137,637	18.8	2,488	1.8	161,635	23.0
Total equity and liabilities	730,737	100.0	733,732	100.0	2,995	0.4	704,283	100.0

(2)Quarterly Consolidated Statement of Cash Flows

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the three months ended		Variance	Three months ended Dec. 31,2014
	Mar. 31,2014	Mar. 31,2015		
Cash flows from operating activities				
Profit before tax	19,892	25,309	5,416	36,240
Depreciation and amortization	8,538	8,911	373	8,918
Impairment losses	2,714	286	-2,428	—
Finance income	-349	-1,203	-854	-381
Finance costs	330	318	-12	215
Share of (profits)/loss of associates	-6	3	9	-11
(Gain)/loss on sales of property, plant and equipment	-132	-90	43	-334
Loss on disposal of property, plant and equipment	96	128	32	93
Foreign exchange (gain)/loss	1,192	-1,010	-2,202	-5,098
Others	2,585	4,722	2,137	-994
Net cash generated from operating activities (Before adjustment of movements in working capital)	34,860	37,374	2,515	38,647
Movements in working capital				
Decrease/(increase) in inventories	3,564	1,604	-1,960	-426
Decrease/(increase) in trade and other receivables	-1,655	2,436	4,091	-2,608
Increase/(decrease) in trade and other payables	3,910	264	-3,647	810
Increase/(decrease) in retirement benefits liabilities and provisions	110	-255	-365	62
Sub total	40,789	41,423	634	36,485
Interests received	275	303	28	428
Dividends received	—	0	0	15
Interests paid	-596	-328	268	-25
Income taxes paid	-3,150	-2,577	573	-9,579
Income taxes refunded	—	31	31	44
Net cash generated from operating activities	37,318	38,852	1,534	27,368
Cash flows from investing activities				
Withdrawals of time deposit	387	1,995	1,608	4,405
Deposits for time deposit	-1,595	-2,050	-455	-5,869
Proceeds from sales of property, plant and equipment	141	1,730	1,589	16
Payments for acquisition of property, plant and equipment	-4,173	-6,476	-2,303	-4,766
Proceeds from sales of investment	—	1,920	1,920	—
Payments for purchase of investment	1,439	—	-1,439	—
Payments for purchase of subsidiary	-1,968	-281	1,687	—
Payments to non-controlling interests on merger	—	—	—	-0
Payments for business transfer	—	-1,855	-1,855	—
Payments for loan to related companies	-948	—	948	—
Other proceeds	109	364	256	41
Other payments	253	-482	-735	-837
Net cash used in investing activities	-6,355	-5,135	1,220	-7,010
Cash flows from financing activities				
Dividends paid to owners of the Company	17	18	1	-12,706
Increase (decrease) in short-term debt	0	-1	-1	-1
Repayments of long-term borrowings	-57	-78	-20	-92
Payments for redemption of bonds	-53	-20	33	-31
Payments for purchase of treasury shares	-1	-2	-1	-1
Proceeds from exercise of stock options	614	759	145	444
Net cash used in financing activities	520	676	156	-12,387
Net increase/(decrease) in cash and cash equivalents	31,483	34,393	2,910	7,972
Cash and cash equivalents at the beginning of the term	305,278	327,232	21,953	298,925
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	-5,668	-12,805	-7,137	20,335
Cash and cash equivalents at the end of the term	331,094	348,819	17,726	327,232

(3) Quarterly Consolidated Statement of Comprehensive Income

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the three months ended				Variance		For the three months ended	
	Mar. 31, 2014		Mar. 31, 2015				Dec. 31, 2014	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
All operations								
Revenue:								
Sales	115,224	100.0	127,440	100.0	12,216	10.6	128,206	100.0
Finance income	349	0.3	1,203	0.9	854	244.7	381	0.3
Share of profit of associates	6	0.0	—	—	-6	—	11	0.0
Other income	1,332	1.2	1,188	0.9	-144	-10.8	811	0.6
Total Revenue	116,911	101.5	129,831	101.9	12,920	11.1	129,410	100.9
Expenses:								
Changes in inventories of goods, products and work in progress	3,565	3.1	1,637	1.3	-1,928	-54.1	522	0.4
Raw materials and consumables used	20,955	18.2	23,358	18.3	2,403	11.5	23,587	18.4
Employee benefits expense	27,191	23.6	29,925	23.5	2,734	10.1	29,041	22.7
Depreciation and amortization	8,538	7.4	8,911	7.0	373	4.4	8,918	7.0
Subcontracting cost	1,222	1.1	1,600	1.3	378	30.9	1,449	1.1
Advertising and promotion expense	3,092	2.7	2,899	2.3	-193	-6.2	3,026	2.4
Commission expense	5,736	5.0	6,364	5.0	628	10.9	6,102	4.8
Impairment losses	2,714	2.4	286	0.2	-2,428	-89.5	—	—
Finance costs	330	0.3	318	0.2	-12	-3.6	215	0.2
Share of loss of associates	—	—	3	0.0	3	—	—	—
Foreign exchange (gain)/loss	1,666	1.4	595	0.5	-1,071	-64.3	-6,082	-4.7
Other expenses	22,010	19.1	28,627	22.5	6,617	30.1	26,390	20.6
Total expense	97,018	84.2	104,522	82.0	7,504	7.7	93,170	72.7
Profit before tax	19,892	17.3	25,309	19.9	5,417	27.2	36,240	28.3
Income tax expense	7,135	6.2	6,795	5.3	-340	-4.8	7,098	5.5
Profit for the quarter from all operations	12,758	11.1	18,513	14.5	5,755	45.1	29,142	22.7
Other comprehensive income:								
Items that will not be reclassified subsequently to profit or loss								
Remeasurements of the net defined benefit liability(asset)	81		-206		-287	-354.0	—	
Income tax relating to components of other comprehensive income	-15		39		54	-358.0	—	
Total Items that will not be reclassified subsequently to profit or loss	66		-167		-233	-353.1	—	
Items that may be reclassified subsequently to profit or loss								
Net gain on revaluation of available-for-sale financial assets	-117		-602		-485	414.7	67	
Exchange differences on translation of foreign operations	-8,618		-17,720		-9,102	105.6	30,582	
Income tax relating to components of other comprehensive income	-38		-393		-355	934.2	17	
Total Items that may be reclassified subsequently to profit or loss	-8,774		-18,715		-9,941	113.3	30,667	
Total other comprehensive income/(loss)	-8,707		-18,882		-10,175	116.9	30,667	
Total comprehensive income for the quarter	4,051		-369		-4,420	-109.1	59,809	
Profit attributable to :								
Owners of the Company	12,727	11.0	18,953	14.9	6,226	48.9	28,902	22.5
Non-controlling interests	31	0.0	-440	-0.3	-471	-1,518.8	239	0.2
Total	12,758	11.1	18,513	14.5	5,755	45.1	29,142	22.7
Total comprehensive income/(loss) attributable to :								
Owners of the Company	4,128		699		-3,429	-83.1	59,135	
Non-controlling interests	-77		-1,067		-990	1,286.1	674	
Total	4,051		-369		-4,420	-109.1	59,809	
Basic earnings/(loss) per share (yen)								
Continuing operations	29.46		44.72		15.26		68.25	
Discontinued operations	—		—		—		—	
Basic earnings per share (yen)	29.46		44.72		15.26		68.25	
Diluted earnings/(loss) per share (yen)								
Continuing operations	29.39		44.58		15.19		68.06	
Discontinued operations	—		—		—		—	
Diluted earnings per share (yen)	29.39		44.58		15.19		68.06	

Notes:

- Effect of exchange rate change on net sales and incomes ("2014 A" is the actual value of this period. "2014 B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2014 B	2014 A	Influences	Real change	(%)
Sales	121,839	127,440	5,601	6,615	5.7%
Profit before tax	23,509	25,309	1,800	3,617	18.2%
Profit for the quarter	16,719	18,513	1,794	3,961	31.0%

For the three months ended					
	Mar. 31, 2014	Mar. 31, 2015	Variance(%)	Dec. 31, 2014	
2. Average rates of major foreign currencies					
US\$	Yen 102.57	119.23	-16.2%	116.04	
Euro	Yen 140.28	132.62	5.5%	143.85	
Thai Baht	Yen 3.14	3.67	-16.9%	3.55	

(4) Segment Information

<Overview of major products and services of reportable segments>

The reportable segments are constituent units of the Group for which separate financial information is obtained and examined on a regular basis by the Board of Directors, the chief operation decision maker, to determine the allocation of management resources and evaluate the business performance.

In accordance with its management philosophy, the Group has categorized "information technology" and "life and culture" as its business domains. To achieve sustainable growth in corporate value in these business domains, the Group has been making decisions on the allocation of management resources and monitoring the operating results.

As a result, the Group consists of three reportable business segments: the Information Technology business, the Life Care business and the Others business, which are consistent with the above business domains.

In the Information Technology business, the Group has developed an extensive range of products following the digitalization of information and the emergence of the internet. The Group produces and sells a broad array of I/O (Input/Output Device) related products in the information and communication sector, including electronics related products that are essential for the modern digital information and communication technologies, and imaging related products that are necessary to import pictures and video images as digital information based on optical technologies.

In the Life Care business, the Group produces and sells health care related products that are used in the healthcare and medical sectors and medical related products, including medical equipment and medical materials that are used in medical treatments. In operating this business, it is typically required to obtain approvals and permissions in accordance with the Pharmaceutical Affairs Act in Japan and other regulations, and sophisticated technologies and highly reliable quality control systems represent the critical elements for operating this business.

The Others business mainly includes the business that provides information system services and new businesses.

The main products and services for each "reportable segment" described above are as follows:

Reportable Segment		Major Products and Services
Information Technology	Electronics related products	Photomasks and Maskblanks for semiconductors, Masks and Devices for liquid-crystal displays (LCDs) Glass disks for hard disk drives (HDDs), etc.
	Imaging related products	Optical lenses, Optical glasses, Digital camera modules, Optical Devices, Laser equipments, etc.
Life Care	Health Care related products	Eyeglass lenses, Contact lenses, etc.
	Medical related products	Endoscopes, Intraocular lenses, Artificial bone, Metallic implant for orthopedics, etc.
Other		Design of information systems, etc.

1. Segment revenues and results

(Millions of Yen)

For the three months ended March 31, 2014	Information Technology	Life Care	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	40,246	74,193	780	115,219	5	115,224
Inter-segment	40	-0	502	542	-542	—
Total	40,286	74,193	1,282	115,761	-537	115,224
Segment profit before tax	6,825	15,739	183	22,747	-2,854	19,892
Segment profit before tax ratio	16.9%	21.2%	14.2%	19.6%	—	17.3%
Ref: Profit from ordinary operating activities	9,010	16,603	189	25,802	-1,775	24,027
% of revenue	22.4%	22.4%	14.7%	22.3%	—	20.9%

For the three months ended March 31, 2015	Information Technology	Life Care	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	45,378	81,057	996	127,432	8	127,440
Inter-segment	95	0	457	552	-552	—
Total	45,473	81,057	1,453	127,984	-544	127,440
Segment profit before tax	12,333	13,302	248	25,883	-575	25,309
Segment profit before tax ratio	27.1%	16.4%	17.1%	20.2%	—	19.9%
Ref: Profit from ordinary operating activities	14,038	15,900	225	30,163	-1,918	28,245
% of revenue	30.9%	19.6%	15.5%	23.6%	—	22.2%

Ref : Difference between the results of the quarter under review and the same period the previous year is as follows:

	Information Technology	Life Care	Other	Total	Adjustments	All operations
Variance						
Revenue from external customers	5,132	6,864	217	12,213	3	12,216
Variance	12.8%	9.3%	27.8%	10.6%	—	10.6%
Inter-segment	55	0	-45	10	-10	—
Total	5,187	6,864	171	12,223	-7	12,216
Segment profit before tax	5,508	-2,437	65	3,136	2,279	5,417
Variance	80.7%	-15.5%	35.5%	13.8%	—	27.2%
Profit from ordinary operating activities	5,028	-703	36	4,361	-143	4,218
Variance	55.8%	-4.2%	19.0%	16.9%	8.1%	17.6%

Note: Effect of Exchange Rate Change on Net Sales and Incomes ("2014 A" is the actual value of this period. "2014 B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period the previous year. unit : millions of Yen)

	2014B	2014A	Influences	Real change	(%)
Information Technology					
Revenue from external customers	41,434	45,378	3,944	1,188	3.0%
Segment profit before tax	11,153	12,333	1,180	4,328	63.4%
Life Care					
Revenue from external customers	79,421	81,057	1,636	5,228	7.0%
Segment profit before tax	12,606	13,302	696	-3,133	-19.9%

Ref : Results of the previous quarter are as follows:

For the three months ended Dec.31, 2014	Information Technology	Life Care	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	47,718	79,671	812	128,201	6	128,206
Inter-segment	53	0	446	499	-499	—
Total	47,771	79,671	1,258	128,700	-494	128,206
Segment profit before tax	17,279	14,787	159	32,225	4,015	36,240
Segment profit before tax ratio	36.2%	18.6%	12.6%	25.0%	—	28.3%
Ref: Profit from ordinary operating activities	15,972	15,045	157	31,174	-1,078	30,096
% of revenue	33.4%	18.9%	12.5%	24.2%	—	23.5%

Note: Profit from ordinary operating activities is operating profit before finance income/costs, share of profit(loss) of associates, foreign exchange gain/loss and other temporary gain/loss.

2. Revenue from major products and services

Revenue from external customers

(Millions of Yen)

	For the three months ended				Variance		For the three months ended Dec. 31,2014	
	Mar. 31,2014		Mar. 31,2015					
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
Revenue from all operations								
Information Technology								
Electronics related products	30,049	[74.7]	34,167	[75.3]	4,118	13.7	36,040	[75.5]
Imaging related products	10,197	[25.3]	11,211	[24.7]	1,014	9.9	11,678	[24.5]
Information Technology Total	40,246	34.9	45,378	35.6	5,132	12.8	47,718	37.2
Life Care								
Health Care related products	54,534	[73.5]	60,227	[74.3]	5,693	10.4	58,305	[73.2]
Medical related products	19,659	[26.5]	20,830	[25.7]	1,171	6.0	21,366	[26.8]
Life Care Total	74,193	64.4	81,057	63.6	6,864	9.3	79,671	62.1
Other	780	0.7	996	0.8	216	27.8	812	0.6
Corporate (including R&D)	5	0.0	8	0.0	3	68.2	6	0.0
Total revenue from all operations	115,224	100.0	127,440	100.0	12,216	10.6	128,206	100.0

Notes 1. Figures in [] are percentages of each segment.

Notes 2. Effect of Exchange Rate Change on Net Sales and Incomes ("2014 A" is the actual value of this period. "2014 B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2014B	2014A	Influences	Real change	(%)
Electronics related products	30,925	34,167	3,243	876	2.9%
Imaging related products	10,510	11,211	701	313	3.1%
Information Technology Total	41,435	45,378	3,944	1,189	3.0%
Health Care related products	59,348	60,227	879	4,814	8.8%
Medical related products	20,073	20,830	758	414	2.1%
Life Care Total	79,421	81,057	1,636	5,228	7.0%

3. Information about geographical areas

Revenue from external customers

(Millions of Yen)

				For the three months ended		Variance		For the three months ended	
				Mar. 31,2014		Mar. 31,2015		Dec. 31,2014	
		Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
Revenue from all operations									
Japan	38,933	33.8	37,612	29.5	-1,321	-3.4	36,558	28.5	
Americas	16,171	14.0	20,013	15.7	3,842	23.8	18,034	14.1	
Europe	22,748	19.7	25,986	20.4	3,238	14.2	28,419	22.2	
Asia/Oceania	35,784	31.1	41,388	32.5	5,604	15.7	43,907	34.2	
Others	1,588	1.4	2,442	1.9	854	53.8	1,288	1.0	
Total revenue from all operations	115,224	100.0	127,440	100.0	12,216	10.6	128,206	100.0	

Note: Geographical areas are based on the location of customers.

1. Annual Consolidated Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

1. Performance for the year ended March 31, 2014 and 2015 (All operations *Notes)

(The yen amounts shown therein are rounded off to the nearest million.)

	Year ended		Variance
	Mar. 31,2014	Mar. 31,2015	(%)
(1)Revenue and Profit before tax			
Revenue	427,575	489,961	14.6
Profit before tax	85,486	118,249	38.3
Ratio of profit before tax(%)	20.0%	24.1%	
Profit for the term	60,140	92,941	54.5
Ratio of profit for the term(%)	14.1%	19.0%	
Profit attributable to owners of the Company	58,390	92,804	58.9
Ratio of profit attributable to owners of the Company(%)	13.7%	18.9%	
Basic earnings per share (yen)	135.26	218.23	
Diluted earnings per share (yen)	135.04	217.63	

	As of	
	Mar.31,2014	Mar. 31,2015
(2)Financial Position		
Total assets	704,283	733,732
Total equity	542,648	596,095
Equity attributable to owners of the Company	536,526	590,014
Ratio of assets attributable to owners of the Company	76.2%	80.4%
Assets attributable to owners of the Company per share (yen)	1,241.69	1,391.77

	Year ended	
	Mar. 31,2014	Mar. 31,2015
(3) Conditions of Cash Flows		
Net cash generated from operating activities	102,670	115,380
Net cash used in investing activities	-20,882	-27,387
Net cash provided by (used in) financing activities	-27,794	-85,929
Cash and cash equivalents at end of period	331,094	348,819

2.Dividends per Share

	Year ended	
	Mar.31,2014	Mar.31,2015
Interim (Yen)	30.00	30.00
Year-end (Yen)	45.00	45.00
Annual (Yen)	75.00	75.00

Notes:

"All operations" means here that the figures are including not only "Continuing operations" but also "Discontinued operations".

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from that anticipated in these statements. These factors include changes in economic conditions, trends in our major markets, or currency exchange rates.

2.Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	As of Mar. 31, 2014		As of Mar. 31, 2015		Variance	
	Amount	(%)	Amount	(%)	Amount	(%)
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment-net	129,513		128,191		-1,321	
Goodwill	10,961		9,970		-991	
Intangible assets	23,947		19,661		-4,287	
Investments in associates	140		186		46	
Long-term financial assets	9,062		7,037		-2,025	
Other non-current assets	2,527		3,020		493	
Deferred tax assets	13,421		12,102		-1,319	
Total non-current assets	189,571	26.9	180,166	24.6	-9,405	-5.0
CURRENT ASSETS						
Inventories	62,647		68,925		6,278	
Trade and other receivables	95,529		99,198		3,669	
Other short-term financial assets	10,492		20,071		9,579	
Income tax receivables	982		312		-670	
Other current assets	13,970		16,241		2,271	
Cash and cash equivalents	331,094		348,819		17,726	
Total current assets	514,712	73.1	553,566	75.4	38,853	7.5
Total assets	704,283	100.0	733,732	100.0	29,449	4.2

(Millions of Yen)

	As of Mar. 31, 2014		As of Mar. 31, 2015		Variance	
	Amount	(%)	Amount	(%)	Amount	(%)
EQUITY AND LIABILITIES						
EQUITY						
Share capital	6,264		6,264		—	
Capital reserves	15,899		15,899		—	
Treasury shares	-8,890		-5,932		2,958	
Other capital reserves	-2,839		-3,736		-897	
Retained earnings	516,243		547,162		30,920	
Accumulated other comprehensive income/(loss)	9,850		30,357		20,507	
Equity attributable to owners of the Company	536,526		590,014		53,487	
Non-controlling interests	6,121		6,081		-40	
Total equity	542,648	77.0	596,095	81.2	53,447	9.8
LIABILITIES						
NON-CURRENT LIABILITIES						
Interest-bearing long-term debt	35,829		35,528		-301	
Other long-term financial liabilities	—		667		667	
Retirement benefits liabilities	1,675		2,098		423	
Provisions	2,155		2,262		107	
Other non-current liabilities	2,188		1,010		-1,177	
Deferred tax liabilities	2,911		2,205		-707	
Total non-current liabilities	44,758	6.4	43,770	6.0	-988	-2.2
CURRENT LIABILITIES						
Interest-bearing short-term debt	27,450		2,033		-25,418	
Trade and other payables	40,291		41,247		956	
Other short-term financial liabilities	152		2,896		2,744	
Income tax payables	13,369		10,913		-2,457	
Provisions	955		1,063		108	
Other current liabilities	34,660		35,716		1,057	
Total current liabilities	116,877	16.6	93,867	12.8	-23,010	-19.7
Total liabilities	161,635	23.0	137,637	18.8	-23,998	-14.8
Total equity and liabilities	704,283	100.0	733,732	100.0	29,449	4.2

(2) Consolidated Statement of Cash Flows

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the year ended		Variance
	Mar. 31, 2014	Mar. 31, 2015	
Cash flows from operating activities			
Profit before tax	85,486	118,249	32,762
Depreciation and amortization	33,891	34,852	961
Impairment losses	4,770	286	-4,484
Finance income	-1,849	-2,296	-447
Finance costs	1,309	1,209	-100
Share of (profits)/loss of associates	268	10	-259
(Gain)/loss on sales of property, plant and equipment	-658	-612	46
Loss on disposal of property, plant and equipment	450	282	-167
Foreign exchange (gain)/loss	-6,822	-12,559	-5,737
Others	3,921	4,776	854
Net cash generated from operating activities (Before adjustment of movements in working capital)	120,767	144,196	23,429
Movements in working capital			
Decrease/(increase) in inventories	11,785	-701	-12,487
Decrease/(increase) in trade and other receivables	-4,548	-736	3,811
Increase/(decrease) in trade and other payables	-2,171	-314	1,857
Increase/(decrease) in retirement benefits liabilities and provisions	215	-349	-564
Sub total	126,048	142,095	16,047
Interests received	1,065	1,399	334
Dividends received	56	53	-3
Interests paid	-1,238	-1,001	237
Income taxes paid	-24,492	-27,354	-2,862
Income taxes refunded	1,231	187	-1,044
Net cash generated from operating activities	102,670	115,380	12,710
Cash flows from investing activities			
Withdrawals of time deposit	6,098	14,082	7,984
Deposits for time deposit	-9,087	-14,988	-5,901
Proceeds from sales of property, plant and equipment	950	2,118	1,168
Payments for acquisition of property, plant and equipment	-16,546	-18,385	-1,839
Proceeds from sales of investment	1,007	1,920	913
Payments for purchase of investment	—	-58	-58
Payments for purchase of subsidiary	-6,390	-281	6,109
Payments to non-controlling interests on merger	-4	-2	2
Payments for business transfer	—	-1,855	-1,855
Payments for loan to related companies	-1,996	-8,500	-6,504
Other proceeds	7,339	611	-6,729
Other payments	-2,254	-2,050	204
Net cash used in investing activities	-20,882	-27,387	-6,505
Cash flows from financing activities			
Dividends paid to owners of the Company	-28,101	-32,103	-4,002
Dividends paid to non-controlling interests	-6	-9	-4
Increase (decrease) in short-term debt	-2	-215	-213
Repayments of long-term borrowings	-505	-578	-73
Payments for redemption of bonds	-234	-25,126	-24,892
Proceeds from disposal of treasury shares	—	0	0
Payments for purchase of treasury shares	-5	-30,035	-30,031
Proceeds from exercise of stock options	1,058	2,137	1,079
Net cash used in financing activities	-27,794	-85,929	-58,135
Net increase/(decrease) in cash and cash equivalents	53,994	2,064	-51,930
Cash and cash equivalents at the beginning of the term	248,896	331,094	82,198
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	28,204	15,662	-12,542
Cash and cash equivalents at the end of the term	331,094	348,819	17,726

(3) Consolidated Statement of Comprehensive Income

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the year ended				Variance	
	Mar. 31, 2014		Mar. 31, 2015			
	Amount	(%)	Amount	(%)	Amount	(%)
All operations						
Revenue:						
Sales	427,575	100.0	489,961	100.0	62,386	14.6
Finance income	1,849	0.4	2,296	0.5	447	24.2
Other income	5,453	1.3	3,476	0.7	-1,977	-36.3
Total Revenue	434,877	101.7	495,733	101.2	60,856	14.0
Expenses:						
Changes in inventories of goods, products and work in progress	7,038	1.6	-479	-0.1	-7,517	-106.8
Raw materials and consumables used	84,135	19.7	91,862	18.7	7,727	9.2
Employee benefits expense	102,759	24.0	115,218	23.5	12,459	12.1
Depreciation and amortization	33,891	7.9	34,852	7.1	961	2.8
Subcontracting cost	4,737	1.1	6,317	1.3	1,580	33.3
Advertising and promotion expense	11,769	2.8	12,363	2.5	594	5.0
Commission expense	20,460	4.8	23,521	4.8	3,062	15.0
Impairment losses	4,770	1.1	286	0.1	-4,484	-94.0
Finance costs	1,309	0.3	1,209	0.2	-100	-7.7
Share of loss of associates	268	0.1	10	0.0	-259	-96.4
Foreign exchange (gain)/loss	-8,496	-2.0	-11,840	-2.4	-3,344	39.4
Other expenses	86,749	20.3	104,165	21.3	17,416	20.1
Total expense	349,391	81.7	377,484	77.0	28,093	8.0
Profit before tax	85,486	20.0	118,249	24.1	32,762	38.3
Income tax expense	25,347	5.9	25,308	5.2	-39	-0.2
Profit for the term from all operations	60,140	14.1	92,941	19.0	32,801	54.5
Other comprehensive income:						
Items that will not be reclassified subsequently to profit or loss						
Remeasurements of the net defined benefit liability(asset)	81		-206		-287	-353.9
Income tax relating to components of other comprehensive income	-15		39		53	-362.8
Total Items that will not be reclassified subsequently to profit or loss	66		-167		-233	-352.0
Items that may be reclassified subsequently to profit or loss						
Net gain on revaluation of available-for-sale financial assets	-185		-698		-513	277.0
Exchange differences on translation of foreign operations	34,488		21,272		-13,216	-38.3
Income tax relating to components of other comprehensive income	-89		-236		-147	166.0
Total Items that may be reclassified subsequently to profit or loss	34,214		20,339		-13,876	-40.6
Total other comprehensive income/(loss)	34,281		20,172		-14,109	-41.2
Total comprehensive income for the term	94,420		113,112		18,692	19.8
Profit attributable to :						
Owners of the Company	58,390	13.7	92,804	18.9	34,414	58.9
Non-controlling interests	1,750	0.4	137	0.0	-1,613	-92.2
Total	60,140	14.1	92,941	19.0	32,801	54.5
Total comprehensive income/(loss) attributable to :						
Owners of the Company	92,548		113,144		20,596	22.3
Non-controlling interests	1,873		-32		-1,904	-101.7
Total	94,420		113,112		18,692	19.8
Basic earnings/(loss) per share (yen)						
Continuing operations	135.26		218.23		82.97	
Discontinued operations	—		—		—	
Basic earnings per share (yen)	135.26		218.23		82.97	
Diluted earnings/(loss) per share (yen)						
Continuing operations	135.04		217.63		82.59	
Discontinued operations	—		—		—	
Diluted earnings per share (yen)	135.04		217.63		82.59	

Notes:

- Effect of exchange rate change on net sales and incomes ("2014 A" is the actual value of this period. "2014 B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2014 B	2014 A	Influences	Real change	(%)
Sales	470,465	489,961	19,496	42,890	10.0%
Profit before tax	112,544	118,249	5,705	27,058	31.7%
Profit for the term	87,770	92,941	5,171	27,631	45.9%

		For the year ended		
		Mar. 31, 2014	Mar. 31, 2015	Variance(%)
2. Average rates of major foreign currencies				
US\$	Yen	100.49	110.62	-10.1%
Euro	Yen	135.12	138.43	-2.4%
Thai Baht	Yen	3.18	3.41	-7.2%

(4) Segment Information

<Overview of major products and services of reportable segments>

The reportable segments are constituent units of the Group for which separate financial information is obtained and examined on a regular basis by the Board of Directors, the chief operation decision maker, to determine the allocation of management resources and evaluate the business performance.

In accordance with its management philosophy, the Group has categorized "information technology" and "life and culture" as its business domains. To achieve sustainable growth in corporate value in these business domains, the Group has been making decisions on the allocation of management resources and monitoring the operating results.

As a result, the Group consists of three reportable business segments: the Information Technology business, the Life Care business and the Others business, which are consistent with the above business domains.

In the Information Technology business, the Group has developed an extensive range of products following the digitalization of information and the emergence of the internet. The Group produces and sells a broad array of I/O (Input/Output Device) related products in the information and communication sector, including electronics related products that are essential for the modern digital information and communication technologies, and imaging related products that are necessary to import pictures and video images as digital information based on optical technologies.

In the Life Care business, the Group produces and sells health care related products that are used in the healthcare and medical sectors and medical related products, including medical equipment and medical materials that are used in medical treatments. In operating this business, it is typically required to obtain approvals and permissions in accordance with the Pharmaceutical Affairs Act in Japan and other regulations, and sophisticated technologies and highly reliable quality control systems represent the critical elements for operating this business.

The Others business mainly includes the business that provides information system services and new businesses.

The main products and services for each "reportable segment" described above are as follows:

Reportable Segment		Major Products and Services
Information Technology	Electronics related products	Photomasks and Maskblanks for semiconductors, Masks and Devices for liquid-crystal displays (LCDs) Glass disks for hard disk drives (HDDs), etc.
	Imaging related products	Optical lenses, Optical glasses, Digital camera modules, Optical Devices, Laser equipments, etc.
Life Care	Health Care related products	Eyeglass lenses, Contact lenses, etc.
	Medical related products	Endoscopes, Intraocular lenses, Artificial bone, Metallic implant for orthopedics, etc.
Other		Design of information systems, etc.

1. Segment revenues and results

(Millions of Yen)

For the year ended Mar. 31, 2014	Information Technology	Life Care	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	159,333	265,470	2,739	427,542	33	427,575
Inter-segment	186	0	2,083	2,269	-2,269	—
Total	159,520	265,470	4,822	429,811	-2,237	427,575
Segment profit before tax	35,854	49,689	602	86,146	-659	85,486
Segment profit before tax ratio	22.5%	18.7%	12.5%	20.0%	—	20.0%
Ref: Profit from ordinary operating activities	35,852	51,146	647	87,646	-6,468	81,177
% of revenue	22.5%	19.3%	13.4%	20.4%	—	19.0%

For the year ended Mar. 31, 2015	Information Technology	Life Care	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	180,164	306,653	3,117	489,933	27	489,961
Inter-segment	247	0	1,749	1,997	-1,997	—
Total	180,411	306,653	4,866	491,930	-1,969	489,961
Segment profit before tax	57,303	52,936	727	110,967	7,281	118,249
Segment profit before tax ratio	31.8%	17.3%	14.9%	22.6%	—	24.1%
Ref: Profit from ordinary operating activities	57,968	57,302	695	115,965	-5,683	110,282
% of revenue	32.1%	18.7%	14.3%	23.6%	—	22.5%

Ref : Difference between the results of the term under review and the same period the previous year is as follows:

	Information Technology	Life Care	Other	Total	Adjustments	All operations
Variance						
Revenue from external customers	20,831	41,183	378	62,391	-6	62,386
Variance	13.1%	15.5%	13.8%	14.6%	—	14.6%
Inter-segment	61	0	-334	-272	272	—
Total	20,891	41,183	44	62,119	268	62,386
Segment profit before tax	21,449	3,247	125	24,821	7,940	32,763
Variance	59.8%	6.5%	20.8%	28.8%	—	38.3%
Profit from ordinary operating activities	22,116	6,156	48	28,319	785	29,105
Variance	61.7%	12.0%	7.4%	32.3%	-12.1%	35.9%

Note: Effect of Exchange Rate Change on Net Sales and Incomes ("2014 A" is the actual value of this period. "2014 B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period the previous year. unit : millions of Yen)

	2014B	2014A	Influences	Real change	(%)
Information Technology					
Revenue from external customers	169,739	180,164	10,425	10,406	6.5%
Segment profit before tax	54,042	57,303	3,261	18,188	50.7%
Life Care					
Revenue from external customers	297,653	306,653	9,000	32,183	12.1%
Segment profit before tax	50,784	52,936	2,152	1,095	2.2%

2. Revenue from major products and services

Revenue from external customers

(Millions of Yen)

	For the year ended				Variance	
	Mar. 31, 2014		Mar. 31, 2015			
	Amount	(%)	Amount	(%)	Amount	(%)
Revenue from all operations						
Information Technology						
Electronics related products	115,973	[72.8]	134,469	[74.6]	18,496	15.9
Imaging related products	43,360	[27.2]	45,695	[25.4]	2,335	5.4
Information Technology Total	159,333	37.3	180,164	36.8	20,831	13.1
Life Care						
Health Care related products	194,618	[73.3]	227,322	[74.1]	32,704	16.8
Medical related products	70,852	[26.7]	79,331	[25.9]	8,479	12.0
Life Care Total	265,470	62.1	306,653	62.6	41,183	15.5
Other	2,739	0.6	3,117	0.6	378	13.8
Corporate (including R&D)	33	0.0	27	0.0	-6	-17.1
Total revenue from all operations	427,575	100.0	489,961	100.0	62,386	14.6

Notes 1. Figures in [] are percentages of each segment.

Notes 2. Effect of Exchange Rate Change on Net Sales and Incomes ("2014 A" is the actual value of this period. "2014 B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2014B	2014A	Influences	Real change	(%)
Electronics related products	125,895	134,469	8,574	9,922	8.6%
Imaging related products	43,844	45,695	1,851	484	1.1%
Information Technology Total	169,739	180,164	10,425	10,406	6.5%
Health Care related products	221,843	227,322	5,479	27,225	14.0%
Medical related products	75,810	79,331	3,521	4,958	7.0%
Life Care Total	297,653	306,653	9,000	32,183	12.1%

3. Information about geographical areas

Revenue from external customers

(Millions of Yen)

	For the year ended				Variance	
	Mar. 31, 2014		Mar. 31, 2015			
	Amount	(%)	Amount	(%)	Amount	(%)
Revenue from all operations						
Japan	143,560	33.6	145,312	29.7	1,752	1.2
Americas	59,338	13.9	71,026	14.5	11,688	19.7
Europe	78,349	18.3	104,788	21.4	26,439	33.7
Asia/Oceania	140,760	32.9	162,675	33.2	21,915	15.6
Others	5,568	1.3	6,160	1.3	592	10.6
Total revenue from all operations	427,575	100.0	489,961	100.0	62,386	14.6

Note: Geographical areas are based on the location of customers.