



May 26, 2022

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Notification of introduction of Stock Compensation Plan ("Restricted Stock Units")

HOYA Corporation ("the Company") has announced that the Compensation Committee held on May 26, 2022 has resolved to introduce a stock compensation plan known as "Restricted Stock Units" ("the Plan") for External Directors, replacing the existing Stock Option plan.

1. Purpose of Introduction of the Plan

The introduction of the Plan is intended to raise awareness and motivate the Company's External Director's (including non-residents of Japan) to contribute to improve the mid-to-long term value of the Company, and to secure excellent human resources by making the compensation level and structure competitive with global companies. For those Directors who concurrently serve as Executive Officers of the Company, we will be utilizing the already introduced Performance Share Unit ("Notification of Continuation of Performance Based Stock Compensation Plan ("Performance Share Unit") " dated June 29, 2021), to expand mid-to-long term business performance.

2. Overview of the Plan

Under the Plan, prescribed number of shares are delivered in accordance with the length of service as External Director ("Recipients") of the Company. Every year, for a period of three years starting from that year, the Company will present the Recipients with a baseline number of shares equivalent to the fixed remuneration. After the end of the three-year subject period, the Company will determine, for each recipient, the standard compensation equivalent to the market price of the baseline number of shares. The Company will grant the Recipients, monetary compensation receivables for 50 % of

such standard compensation amount. The Recipients will execute a contribution in kind of such monetary compensation receivables and receive an allotment of shares equivalent to such monetary compensation receivables divided by the paid-in amount of the Company's Shares. Further, to ensure funds for tax payment of the Recipients, the monetary amount equivalent to the remaining standard compensation amount will be paid in money.

The amount to be paid-in per share to be allocated to the Recipients under the Plan will be the closing price of the Company's Shares at the Tokyo Stock Exchange, Inc., on the business day preceding the date of the resolution of the Board of Directors of the Company (at which the issuance of new shares or disposal of treasury shares concerning the allocation is resolved) held within two months from the closing of the ordinary general meeting of shareholders held immediately after the close of the three-year target period. (In the event where there is no closing price on such date, the closing price of the immediately preceding transaction day will apply.)

However, all of the standard compensation amount will be paid in money for recipients retiring due to unavoidable reasons such as illness or injury and to heirs of Recipients who retire due to death.

3. Treatment of retirement during the subject period

The handing of the allocation of shares and the monetary pay-out when Recipient retire, the handling of the Plan at the time of corporate reorganization, etc., and other details of the Plan will be determined by the Compensation Committee. In addition, the clawback malus clause provides that the unpaid portion of the compensation under the Plan may be reduced or may not be paid, and all or part of the paid portion may be claimed back, in the following cases.

- (i) In the event of resignation for personal reasons regardless of the reason (except for unavoidable reasons such as injury or illness)
- (ii) In the event of dismissal as the Company's Board of Directors
- (iii) In the event that the Board of Directors resolves to revise the financial statements due to a serious accounting error or fraud
- (iv) In the event that it becomes clear that the Recipient has committed misconduct during term in office such as significant negligence of duties, violation of laws and regulations, violation of the Company's internal regulations, and breach of important contract.

4. Maximum number of shares to be granted and maximum amount of money to be paid-out

The total amount of the standard compensation amount to be granted to the Recipients shall be up to 132 million yen per year.

The upper limit of the number of shares to be granted to the Recipients by the Company and the amount of money to be paid for External Directors are as shown below. However, if the total number of issued shares of the Company increases or decreases due to share consolidation, share split, allotment of shares without contribution, etc., the upper limit and the number of shares to be granted to the Recipients will be rationally adjusted according to the relevant ratio.

| | Upper limit of shares to be granted | Upper limit of the amount to be paid-out |
|--------------------|--|---|
| External Directors | 4,800 shares | 132 million YEN |

If there is a possibility of exceeding the total upper limit of the above-stated standard compensation amount or the upper limit of the total number of shares to be granted or the upper limit of the amount to be paid-out as a result of the grant of shares or monetary pay-out, the number of shares to be granted or the amount of money to be paid-out to each Recipient will be reduced through a reasonable method, such as proportional distribution, to the extent that the upper limits are not exceeded.

5. Others

Pursuant to the introduction of this Plan, the granting of stock options will be terminated, and no further stock options will be granted.

End