



July 31, 2023

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Notice Regarding Disposal of Treasury Stock as Performance Based Stock Compensation (PSU) and Stock Compensation (RSU)

HOYA Corporation ("the Company") hereby announces that the Board of Directors meeting held today has resolved the disposal of treasury stock (hereinafter referred to as the "Disposal of Treasury Stock") pursuant to the Performance Based Stock Compensation Plan (hereinafter referred to as "PSU") and Stock Compensation Plan (hereinafter referred to as "RSU") as follows.

1. Outline of the Disposal

(1) Disposal Date	August 23, 2023
(2) Class and number of shares to be disposed	3,600 shares of common stock of the Company
(3) Disposal Price	15,915 YEN per share
(4) Total value of shares to be disposed	57,294,000 YEN
(5) Scheduled Disposal Recipient	(i) For PSU granted in FY2020 ("PSU 2020"). Executive Officers: 2 recipients 3,200 shares (ii) For RSU granted in FY2022 ("RSU 2022"). Retiring External Directors: 2 recipients 400 shares
(6) Others	The Company has submitted the Securities Registration Statement regarding the Disposal of Treasury Shares in accordance with the Financial Instruments and Exchange Act.

2. Purpose and Reason for Disposal

The Company has introduced PSU for Executive Officers and RSU for External Directors as the mid-to-long term incentive plan in place of stock option plan. The Company introduced and continued PSU for Executive Officers since 2019 to achieve the mid-to-long term business performance goals and enhance the corporate value of HOYA Group, and also to serve as mechanism for retention of highly talented human resource by setting a competitive compensation level. In 2022, the Company introduced RSU for External Directors 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.

The disposal of treasury stock will be made as stock-based compensation to the Executive Officers and External Directors to whom the shares will be disposed in accordance with the PSU and RSU Plan.

Information such as overview of the PSU and RSU plans are as below. For details of PSU 2020, please refer to the "*Notification of Continuation of Performance Based Stock Compensation Plan ("Performance Share Unit")*" dated June 24, 2020, and for details of RSU 2022, please refer to the "*Notification of introduction of Stock Compensation Plan ("Restricted Stock Units")*" dated May 26, 2022.

【Overview of PSU】

(1) Recipients

Company's Executive Officers including those who concurrently serve as the Company's Directors.

(2) Overview

The Plan involves the granting of shares in accordance with the degree of achievement of performance conditions set in advance. Every year, for the target period of three years starting from that year, the Company will present the Recipients with a baseline number of shares in accordance with their respective positions and responsibilities, and also with the mid-to-long term performance targets for such target period. After the end of the three-year target period, the Company will determine, for each Recipient, the standard compensation amount equivalent to the market price of the number of the Company's shares (the "Company's Shares") calculated by multiplying the baseline number of shares by a coefficient according to the degree of achievement of the mid-to-long term performance targets. 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, in order for the Recipients to ensure funds for tax payment, the monetary amount equivalent to the remaining standard compensation amount will be paid in money.

(3) Target Period of PSU 2020

From July 1, 2020 to June 30, 2023

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

The maximum number of shares to be granted to the Recipients by the Company by position is as follows.

Position	Maximum number of shares to be granted	Maximum amount to be paid-out
CEO	12,000 shares	183.0 million YEN
CFO	4,000 shares	60.0 million YEN
Other Executive Officers	3,400 shares	52.5 million YEN

(5) The Payment Amount

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. (In the event where there is no closing price on such date, the closing price of the immediately preceding transaction day will apply.)

【Overview of RSU】

(1) Recipients

External Directors of the Company (including non-residents of Japan)

(2) Overview

RSU is a plan where 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.

(3) Period of RSU 2022

From July 1, 2022 to June 30, 2025

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

The maximum number of shares and the maximum amount of cash payment to be granted to External Directors by the Company is as follows

	Maximum number of shares to be granted	Maximum amount of monetary payments
External Directors	4,800 shares	132 million YEN

(5) The Payment Amount

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. (In the event where there is no closing price on such date, the closing price of the immediately preceding transaction day will apply.)

3. Basis of Calculation and Specific Details for the Payment Amount

This disposal of treasury stock is to be made with the monetary compensation claims paid under the above-mentioned plans as the invested assets. In order to eliminate arbitrariness, the disposal price has

been set at 15,915 YEN, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on July 28, 2023 (the business day immediately prior to the date of resolution by the Company's Board of Directors on this disposal of treasury stock). This is the market share price immediately prior to the date of resolution by our Board of Directors on this disposal of treasury stock, and believe that it is a reasonable price that appropriately reflects our corporate value and does not constitute a particularly favorable price to the recipients.

4. Other

The calculation method of the number of shares to be granted and the amount of cash payment to be made to the recipient of PSU and RSU, the delivery requirements, timing of payment, treatment in the event of reorganization and such during the applicable period, and other details of the plan are set forth in the agreements for PSU and RSU. Both PSU and RSU have clawback and malus clauses, which allow the Company to deny or demand the return of shares upon the occurrence of certain events.

Because (1) the dilution ratio is less than 25% and (2) the disposal of treasury stock does not involve a change in controlling shareholder, it is not necessary to obtain an opinion from an independent third party or to confirm the intent of shareholders as stipulated in Rule 432 of the Tokyo Stock Exchange's Listing Rules.

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