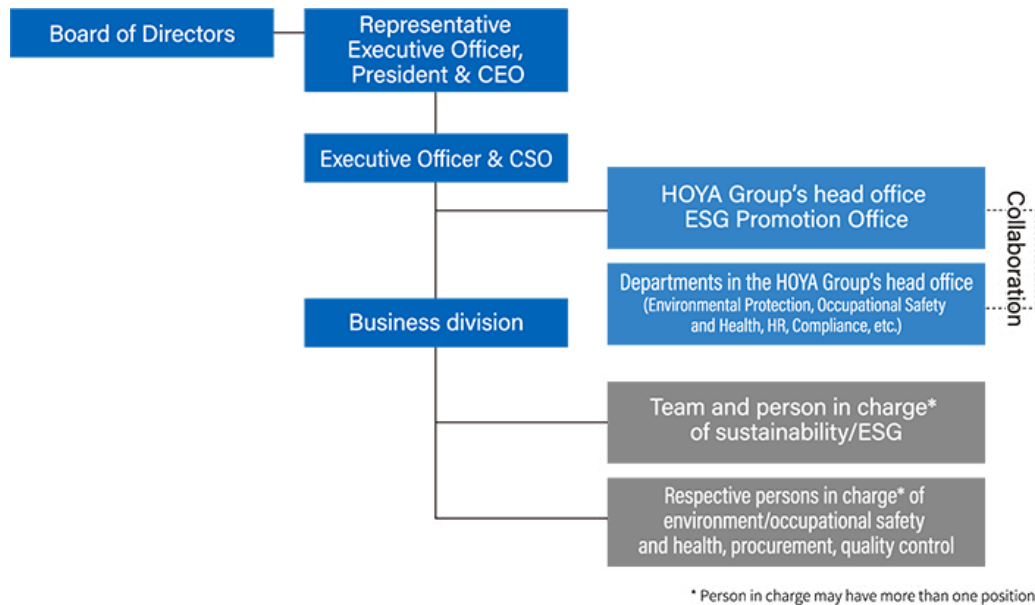


HOYA's ESG Approach

Organizational Structure and Policy

The HOYA Group, which had been engaged in environmental, social, and governance (ESG) activities centered around the ESG Committee established in August 2019, appointed a Chief Sustainability (ESG) Officer (CSO) and newly established the ESG Promotion Office—a dedicated organization under the CSO—in the HOYA Group's head office in March 2022, in order to accelerate ESG initiatives. We will promote the HOYA Group's ESG activities in parallel with collaboration between the head office and business divisions, after setting up in each business division a sustainability/ESG-related department and personnel in charge in a manner suited to each business division.



Sustainability Policy

For the purpose of clearly stipulating the HOYA Group's basic stance and policy on sustainability and further promoting sustainability activities, we established the HOYA Group's Sustainability Policy in May 2022.

HOYA Group is committed to contribute towards building a sustainable society and aims to enhance our long-term corporate value by implementing our management principles based on our corporate mission in our day-to-day work.

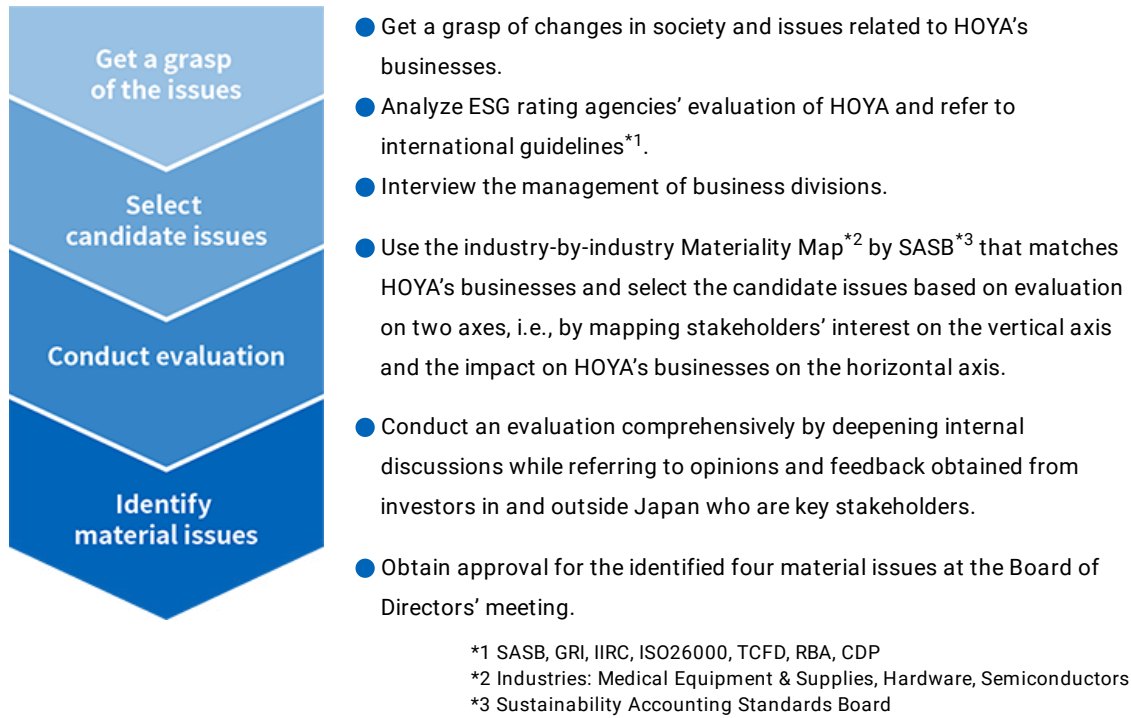
- We will aim to help resolve global social issues through innovation in our businesses.
- We will realize fair and highly transparent corporate management by building a relationship based on trust through consistent dialogue with key stakeholders.
- We will aim to minimize environmental externalities in our business activities to ensure our future generations inherit a healthy global environment in future.
- We respect the human rights of all people involved in our business activities, including those in our supply chain and will strive to prevent any abuse on human rights.
- We will create a work environment to promote diversity and inclusion with an emphasis on the wellbeing of our employees in the aim of keeping high motivation and moral to create new value.

For HOYA's Corporate Mission, Management Principles and Vision, [click here](#).

Material Issues

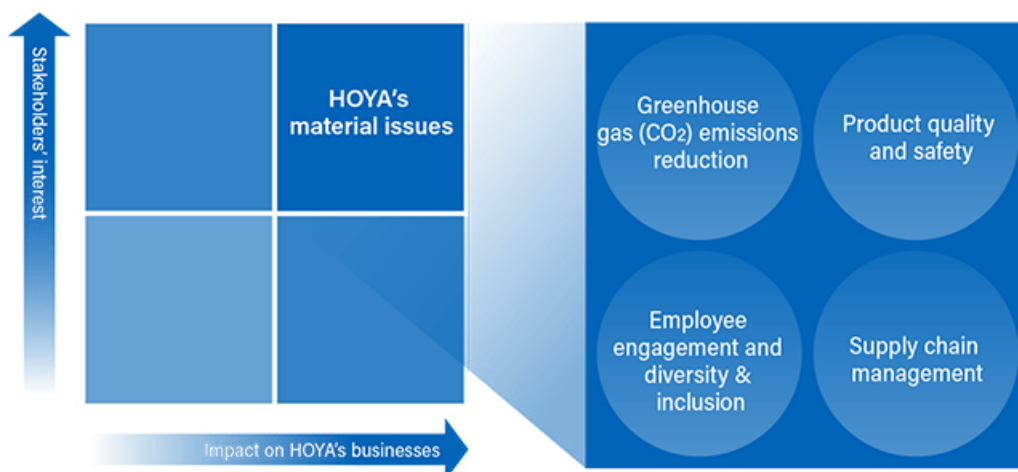
Having internally discussed and examined matters that contribute to the HOYA Group's medium- to long-term growth (i.e., material issues), we identified four material issues with the approval of the Board of Directors in September 2021.

Process of Identifying Material Issues



Identified Material Issues

Four material issues have been identified in HOYA as a result of the above process.







Risks and Opportunities of Material Issues

In consideration of the social issues worldwide and HOYA's business environment, we examined and discussed the following risks and opportunities in the process of selecting material issues.

| Material Issue | Risk | Opportunity |
|---|---|--|
| Greenhouse gas (CO₂) emissions reduction | <ul style="list-style-type: none"> ● Laws, regulations and industry rules and/or demands from customers might become tougher, and if they are not addressed, it might diminish the competitiveness of HOYA's products/services and/or HOYA's social credibility ● Carbon tax and/or carbon pricing (e.g., emissions trading scheme) might be introduced more widely | <ul style="list-style-type: none"> ● Electricity-saving production processes lead to cost reduction |
| Product quality and safety | <ul style="list-style-type: none"> ● If any inadequacy/defect in a product occurs, or if an incident involving noncompliance with laws, regulations or standards arises, it might give rise to costs of recall and/or diminish HOYA's social credibility ● Laws, regulations, standards, etc. related to product quality and safety might become tougher | <ul style="list-style-type: none"> ● Thorough compliance with laws, regulations, industry rules, etc. and execution of business activities in a sound manner help enhance corporate value |
| Employee engagement and diversity & inclusion | <ul style="list-style-type: none"> ● Competition to secure highly talented human resources might intensify on a global scale | <ul style="list-style-type: none"> ● Increase in opportunities for value creation and innovation brought about by securing and developing diverse human resources |
| Supply chain management | <ul style="list-style-type: none"> ● HOYA might be suspended from trading or its social credibility might be diminished by the impact of violation of laws and regulations and/or infringement of human rights, etc. in the supply chain | <ul style="list-style-type: none"> ● A stable supply of components being secured and a sustainable production system being established by building a relationship based on trust with suppliers |

Approach to and Measures for Material Issues

| Material Issue | Approach | Measures | Relevant SDGs |
|---|--|--|---|
| Greenhouse gas (CO₂) emissions reduction | <p>Set a medium- and long-term target for CO₂ emissions reduction and create a roadmap to achieve it</p> <p>Set measures and KPIs to achieve the target and steadily implement the measures and monitor KPIs</p> | <ul style="list-style-type: none"> ● Replace production equipment with units that have high energy efficiency ● Consider and promote the introduction of renewable energy ● Switch lighting to LEDs, promote eco-cars for company vehicles, etc. ● Promote disclosures based on TCFD recommendations |    |
| Product quality and safety | <p>Review and improve the product safety and quality management system and operations on an ongoing basis—especially in the Life Care business, which deals in medical products—so that customers can use products more effectively and safely</p> | <ul style="list-style-type: none"> ● Enhance the quality management system on an ongoing basis in response to changes in regulations ● Maintain ISO9001/13485 certification by enhancing internal QMS audit |  |
| Employee engagement and diversity & inclusion | <p>Aim at creating a workplace environment in which diverse employees can fully demonstrate their capabilities with a sense of fulfillment from work so that employees' growth also translates into HOYA's growth</p> | <ul style="list-style-type: none"> ● Conduct employee engagement surveys and implement measures in response to analyses of survey results ● Promote the "Minkatsu" diversity project to create a work environment in which everyone can play an active role (mainly targeted at workplaces in Japan) |    |

[Supply chain management](#)

Properly manage the supply chain based on the HOYA Supplier Code of Conduct, from the viewpoint of complying with laws and regulations and protecting human rights not only internally but also in the supply chain

- Encourage suppliers to abide by the HOYA Supplier Code of Conduct and obtain their signatures
- Conflict minerals survey



- Measures and targets/indexes for material issues will be additionally set and reviewed in the process of holding discussions and carrying out initiatives in-house.
- As HOYA's businesses are wide-ranging, we will also discuss and examine individual sustainability/ESG issues in each business division on top of the common material issues.

Corporate Governance

Basic Views

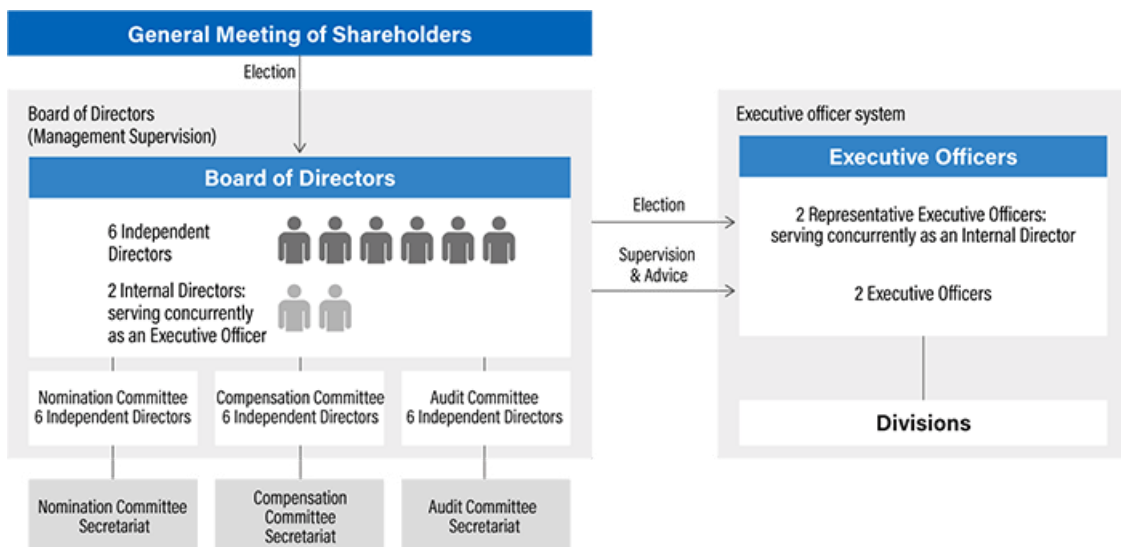
HOYA promotes management with the aim of maximizing its corporate value based on the recognition that corporate governance is a matter of utmost importance for management. As the basis of taking a fair approach to stakeholders, to prevent management from being conducted based solely on in-house logic, we have set forth in the Articles of Incorporation that a majority of directors consist of independent directors, who actively supervise management by executive officers and provide advice in order to improve corporate value from an objective and broad perspective. HOYA also gives executive officers the authority and responsibility for the execution of operations, in order to accelerate decision-making and improve management efficiency.

The Company has established the [HOYA Corporate Governance Guidelines](#) at the meeting of the Board of Directors, and intends to enhance the corporate governance structure and to introduce better governance systems by revising the guidelines.

Structure

HOYA employs a company with Nomination Committee, etc. management system. Under a company with Nomination Committees, etc. management system, by giving executive officers authority to manage business, business decision-making is accelerated. At the same time, three committees—the Nomination Committee, the Compensation Committee, and the Audit Committee—were established, with a majority of the members being independent directors (at HOYA, the committees are composed exclusively of independent directors), to ensure the effectiveness of management supervision by the Board of Directors. Adopting a company with Nomination Committees, etc. management system enables us to clearly separate the execution and supervision of corporate management, whereas this was not possible with the previous company with Auditors system. Through this system, we aim to ensure efficient management and improve the overall soundness and transparency of management.

Corporate Governance Structure (As of the end of June 2022)



Board of Directors

Board of Directors

Our Board of Directors comprises six outside directors and two internal directors, totaling eight directors. In principle, the Board holds 10 regular Board meetings per year. Each meeting of the Board of Directors involves lively discussions and deliberations in a solemn atmosphere, where globally-minded outside directors with a wealth of management experience ask questions and give advice on the execution of operations by executive officers from various angles. The Board of Directors also works to obtain necessary information as appropriate on the developments in significant legal revisions and trends in corporate governance through lectures given by outside experts and other means.

In fiscal 2021, the Board of Directors was comprised of five independent directors—including one female independent director— and one internal director. Board of Directors' meetings were convened nine times, with 100% attendance by all directors.

Based on the Board of Directors Regulations, the Board of Directors not only addresses statutory matters but also approves quarterly budgets and quarterly earnings reports, deliberates on M&A projects and the executive organization, and receives reports on the activity status and medium- to long-term plans of each business division. Self-assessment is conducted annually in the form of a questionnaire survey on the management and effectiveness of the Board of Directors and the three committees; however, due to the change of the CEO in March 2022, their effectiveness was evaluated by a third party, including interviews with directors and executive officers. Due to the timing of the change, the results of this evaluation will be included in the [Corporate Governance Report](#) to be issued at the end of September.

Board Member Profiles



Lead Independent Director,
Chairperson of the Nomination Committee,
Member of the Compensation Committee,
Member of the Audit Committee

Mitsudo Urano

(Born on Mar. 20, 1948)

Number of years in office of the
Director of the Company

9 years

Number of shares of
the Company held

5,000 shares

Number of attendances
to the Board meetings

9/9 times (100%)

- Apr. 1971 Joined Nippon Reizo Kabushiki Kaisha (present Nichirei Corporation)
- Jun. 1999 Director and General Manager, Strategic Planning Division of Nichirei Corporation
- Jun. 2001 Representative Director and President of Nichirei Corporation
- Jan. 2005 Representative Director and President of Nichirei Corporation, and Representative Director and President of Nichirei Foods Inc.
- Apr. 2007 Representative Director and President of Nichirei Corporation, and Director and Chairman of Nichirei Foods Inc.
- Jun. 2007 Representative Director and Chairman of Nichirei Corporation, and Director and Chairman of Nichirei Foods Inc.
- Jun. 2013 Advisor of Nichirei Corporation (retired in March 2018)
- Jun. 2013 Director of the Company (present post)

Important Positions of Other Companies Concurrently Held

Outside Director of Hitachi Transport System, Ltd.

Reason for the Selection for Director

Mr. Urano focused on capital efficiency from the early stage in Nichirei Corporation, a leading Japanese frozen food manufacturer, and developed efficient management through company split-ups and informatization. He particularly has extensive experience and solid achievements on management informatization. In addition to the achievements in Nichirei Corporation, the Company's Nomination Committee expects that he will make a great contribution to enhance management efficiency and transparency through giving advice and proposals on overall company management with his deep insight and extensive experience as management having served as an outside director and outside corporate auditor in other companies listed on the First Section of the Tokyo Stock Exchange.



Independent Director,
Chairperson of the Compensation Committee,
Member of the Nomination Committee,
Member of the Audit Committee

Shuzo Kaihori

(Born on Jan. 31, 1948)

Number of years in office of the
Director of the Company

7 years

Number of shares of
the Company held

1,000 shares

Number of attendances
to the Board meetings

9/9 times (100%)

- Apr. 1973 Joined Yokogawa Electric Works Ltd. (present Yokogawa Electric Corporation)
- Apr. 2005 Vice President, Head of IA Business Headquarters of Yokogawa Electric Corporation
- Apr. 2006 Senior Vice President, Head of IA Business Headquarters of Yokogawa Electric Corporation
- Jun. 2006 Director and Senior Vice President, Head of IA Business Headquarters of Yokogawa Electric Corporation
- Apr. 2007 Representative Director, President and Chief Executive Officer of Yokogawa Electric Corporation
- Apr. 2013 Representative Director, Chairman and Chief Executive Officer of Yokogawa Electric Corporation
- Apr. 2015 Director, Chairman of Yokogawa Electric Corporation
- Jun. 2015 Director of the Company (present post)
- Jun. 2016 Director and Chairman of the Board of Yokogawa Electric Corporation (retired in June 2018)

Important Positions of Other Companies Concurrently Held

Outside Director of Eisai Co., Ltd.

Reason for the Selection for Director

Mr. Kaihori assumed the presidency of Yokogawa Electric Corporation, which operates a test and measurement business and industrial automation and control business, in 2007 when the company faced difficult business conditions, then was committed to turning around the company and achieved a surplus by changing the business model from hardware to software and promoting globalization. The Company's Nomination Committee expects that he will contribute greatly to the Company's management from his performance that he boldly responded to changes in the business environment and achieved results and by giving advice on strengthening of software business, which is a challenge for the Life Care segment, an area expected to grow, based on his extensive experience.



Independent Director,
Chairperson of the Audit Committee,
Member of the Nomination Committee,
Member of the Compensation Committee,
Chairperson of the Healthcare Compliance Committee

Hiroaki Yoshihara

(Born on Feb. 9, 1957)

Number of years in office of the
Director of the Company

4 years

Number of shares of
the Company held

0 shares

Number of attendances
to the Board meetings

9/9 times (100%)

- Nov. 1978 Joined Peat Marwick Mitchell & Co.
- Jul. 1996 National Managing Partner, the Pacific Rim Practice of KPMG LLP
- Oct. 1997 Board Member of KPMG LLP
- Oct. 2003 Vice Chairman and Global Managing Partner of KPMG International (retired in April 2007)
- Jun. 2018 Director of the Company (present post)

Important Positions of Other Companies Concurrently Held

Outside Director of Hitachi, Ltd

Reason for the Selection for Director

Mr. Yoshihara has long-term experience as an expert in finance and accounting as well as management experience gained as Global Managing Partner of an international accounting firm. He also has a track record of participating in the M&A of many companies from a professional standpoint. The Company's Nomination Committee expects that he will contribute to the improvement of the supervisory function of the Board of Directors of the Company and at the same time provide plenty of advice in regard to M&A, an important measure in the Company's business strategy,



Independent Director,
Member of the Nomination Committee,
Member of the Compensation Committee,
Member of the Audit Committee,
Member of the Healthcare Compliance Committee

Yasuyuki Abe

(Born on Apr. 17, 1952)

Number of years in office of the
Director of the Company

1 year

Number of shares of
the Company held

0 shares

Number of attendances
to the Board meetings

7/7 times

- Apr. 1977 Joined Sumitomo Corporation
- Jun. 2002 Representative Director and President of Sumisho Electronics Co., Ltd. (present SCSK Corporation)
- Apr. 2005 Representative Director and President of Sumisho Computer Systems Corporation (present SCSK Corporation)
- Jun. 2009 Representative Director, Managing Executive Officer, General Manager, Financial & Logistics Business Unit of Sumitomo Corporation
- Apr. 2010 Representative Director, Managing Executive Officer, General Manager, New Industry Development & Cross-function Business Unit of Sumitomo Corporation
- Apr. 2011 Representative Director, Senior Managing Executive Officer, General Manager, New Industry Development & Cross-function Business Unit, General Manager, Financial Service Division of Sumitomo Corporation
- Apr. 2013 Representative Director, Senior Managing Executive Officer, General Manager, Corporate Planning & Coordination Group of Sumitomo Corporation
- Jun. 2015 Advisor of Sumitomo Corporation (retired in June 2018)
- Jun. 2021 Director of the Company (present post)

Important Positions of Other Companies Concurrently Held

Advisor of ORANGE AND PARTNERS CO., LTD.
Outside Director of SUBARU CORPORATION

Reason for the Selection for Director

Mr. Abe was primarily engaged in the electric power, machinery, and information fields at Sumitomo Corporation, a general trading company. After being stationed twice in the United States, he served as representative director and president of the company's electronics and information-related subsidiaries. Subsequently, as a representative director of Sumitomo Corporation, he was engaged in the company's financial, logistics and new business development. The Company's Nomination Committee has judged that he will contribute to the Board of Directors of the Company through his wide-ranging experience at the general trading company, his global mindset cultivated over the years of stay in the United States, his business experience nurtured as a representative director and president, and his experience as an independent director gained at other companies after leaving Sumitomo Corporation.



Independent Director,
Member of the Nomination Committee,
Member of the Compensation Committee,
Member of the Audit Committee

Takayo Hasegawa

(Born on Oct. 15, 1959)

Number of years in office of the
Director of the Company

New

Number of shares of
the Company held

0 shares

Number of attendances
to the Board meetings

—

- Apr. 1984 Joined SHOWA ELECTRIC WIRE AND CABLE CO., LTD. (present SWCC SHOWA HOLDINGS CO., LTD.)
- Jun. 2005 Deputy Director of Technical Development Center and Manager of Superconducting Project of SHOWA ELECTRIC WIRE AND CABLE CO., LTD.
- Apr. 2006 Director, Director of Technical Development Center of SWCC SHOWA CABLE SYSTEMS CO., LTD.
- Apr. 2010 Managing Director of SWCC SHOWA CABLE SYSTEMS CO., LTD., and Corporate Officer, General Manager of the Technology Planning Office of SHOWA ELECTRIC WIRE AND CABLE CO., LTD.
- Jun. 2013 Director, General Manager of the Technology Planning Office of SHOWA ELECTRIC WIRE AND CABLE CO., LTD.
- Apr. 2017 Director of SWCC SHOWA HOLDINGS CO., LTD.
- Jun. 2018 President and Director of SWCC SHOWA HOLDINGS CO., LTD.
- Apr. 2019 President and Representative Director, Group CEO of SWCC SHOWA HOLDINGS CO., LTD.
- Apr. 2020 President and Representative Director, Chairman of the Board of Director, Group CEO of SWCC SHOWA HOLDINGS CO., LTD. (present post)
- Jun. 2022 Director of the Company (present post)

Important Positions of Other Companies Concurrently Held

President and Representative Director, Chairman of the Board of Director, Group CEO of SWCC SHOWA HOLDINGS CO., LTD.

Reason for the Selection for Director

Ms. Hasegawa was engaged for many years as a researcher in the R&D divisions of the SWCC Group, which was originally established in the electric wire and cable industry and expanded widely into the Energy / Infrastructure, Communications/Industrial Devices, and Electrical Equipment/Components businesses, promoting the technological development of the SWCC Group. Since taking office as the first female President and Representative Director from the R&D divisions in the SWCC Group in 2018, she has implemented rapid reform of governance by dividing the business of SWCC SHOWA HOLDINGS CO., LTD. into segments, helping to ensure stable profitability. The Company's Nomination Committee expects that she will contribute significantly to the Company's management based on her experience as a manager backed by expertise as an engineer and with regard to initiatives for new business and transformation.



Independent Director,
Member of the Nomination Committee,
Member of the Compensation Committee,
Member of the Audit Committee,
Member of the Healthcare Compliance Committee

Mika Nishimura

(Born on Aug. 14, 1963)

Number of years in office of the
Director of the Company

New

Number of shares of
the Company held

0 shares

Number of attendances
to the Board meetings

—

- Jun. 1985 Joined BAIN & COMPANY
- Aug. 1989 Joined LEK PARTNERSHIP
- Jan. 1992 Director, Global Marketing of GUIDANT CORPORATION
- Sep. 1999 Managing Partner of THE BLG GROUP
- Oct. 2002 Vice President International Sales, Operations and Marketing of EV3
- Jan. 2007 Managing Partner of THE BLG GROUP
- Jan. 2011 Operational Partner of GILDE HEALTHCARE PARTNERS (present post)
- Apr. 2011 Vice President, Commercial Development of AUXOGYN (present PROGYNY)
- Nov. 2015 Vice President, Commercialization of NVISION MEDICAL CORPORATION (present BOSTON SCIENTIFIC)
- Jun. 2022 Director of the Company (present post)

Important Positions of Other Companies Concurrently Held

Operational Partner of GILDE HEALTHCARE PARTNERS

Reason for the Selection for Director

Ms. Nishimura has over 30 years of experience in the medical technology sector and was engaged in commercialization strategy on a global scale (50 markets in North America, Europe, the Asia-Pacific region, and Central and South America). Through leadership positions, including Director, Global Marketing, she has been involved in clinical and business strategies and has a proven track record in helping to launch franchises that contribute to stable revenue growth. In addition, her experience as a partner in a life science venture fund has given her a broad global perspective on the latest technologies and companies. Based on her past experience, the Company believes that she will contribute to strengthening the supervisory function, primarily in the life science business, and at the same time provide a great deal of advice on business strategy of the Company.



Director, Representative Executive Officer, President & CEO
Chairperson of the Board of Directors

Eiichiro Ikeda

(Born on Mar. 17, 1970)

Number of years in office of the Director of the Company

New

Number of shares of the Company held

1,400 shares

Number of attendances to the Board meetings

—

- Apr. 1992 Joined the Company
- Sep. 2010 Co-CEO, Memory Disk Division of the Company
- Sep. 2010 Head of Optical Lens of the Company
- Jun. 2013 Executive Officer & Chief Operating Officer (COO) of the Company
- Jun. 2015 Executive Officer & Chief Operating Officer (COO), Information Technology and Chief Technology Officer (CTO) of the Company
- Mar. 2020 Executive Officer & Information Technology and Chief Technology Officer (CTO) of the Company
- Mar. 2022 Representative Executive Officer President & CEO, and Chief Representative of Singapore Branch of the Company (present post)
- Jun. 2022 Director of the Company (present post)

Important Positions of Other Companies Concurrently Held

None

Reason for the Selection for Director

Mr. Ikeda has played an important role in management as Executive Officer & Chief Operating Officer for the Information Technology business and Chief Technology Officer for the entire HOYA Group prior to taking office as Representative Executive Officer, President & CEO in March this year. Since March, he has led the Group as CEO and gives appropriate explanations and reports on strategies based on portfolio management at meetings of the Board of Directors. He also supervises the execution of operations by other Executive Officers and strives to enhance the corporate value of the Group. The Company's Nomination Committee believes that he will contribute to important management matters while fulfilling his accountability to the Board of Directors as a Director of the Company, taking into consideration his past performance as an Executive Officer, so it has nominated him as a new candidate for Director.



Director, Representative Executive Officer & CFO

Ryo Hirooka

(Born on Jan. 14, 1974)

Number of years in office of the Director of the Company

New

Number of shares of the Company held

8,000 shares

Number of attendances to the Board meetings

—

- Apr. 1996 Joined The Sumitomo Trust and Banking Company, Limited (present Sumitomo Mitsui Trust Bank, Limited)
- Sep. 2002 Joined the Company
- Aug. 2004 Financial Manager of HOYA HOLDINGS N.V. (Netherlands)
- Feb. 2007 Director of HOYA HOLDINGS N.V.
- Jul. 2007 Director of HOYA HOLDINGS N.V., and President of HOYA HOLDINGS (Asia) B.V.
- Jul. 2009 Deputy CFO of Netherlands Branch of the Company
- Jun. 2013 Executive Officer & CFO of the Company
- Jun. 2014 Representative Executive Officer & CFO (present post)
- Jun. 2022 Director of the Company (present post)

Important Positions of Other Companies Concurrently Held

None

Reason for the Selection for Director

Mr. Hirooka has been leading the Group's financial strategy as Representative Executive Officer & CFO, implementing proactive and flexible measures with a focus on capital efficiency. For several years, the focus on cash generation, including its efforts to promote cash conversion cycle (CCC) improvements, has been highly regarded by investors. In addition, he has been explaining and reporting financial matters, including financial results, appropriately at meetings of the Board of Directors and results briefing sessions, and has been fulfilling his role as an Executive Officer. The Company's Nomination Committee believes that he will contribute to important management matters while fulfilling his accountability to the Board of Directors as a Director of the Company, taking into consideration his past performance as an Executive Officer, so it has nominated him as a new candidate for Director.

Independent Directors' Skills Matrix

| | Corporate Management | Global Business | Finance/ Accounting | IT/ Technology | M&A | Development of Human Resources/ Diversity | Medical |
|-------------------|----------------------|-----------------|---------------------|----------------|-----|---|---------|
| Mitsudo Urano | • | • | | | | • | |
| Shuzo Kaihori | • | • | | • | | | |
| Hiroaki Yoshihara | • | • | • | • | • | | |
| Yasuyuki Abe | • | • | | • | • | | |
| Takayo Hasegawa | • | • | | • | | • | |
| Mika Nishimura | | • | | | • | • | • |

Executive Officers

At HOYA, swift execution of operations is conducted by entrusting the authority of the Board of Directors to executive officers within the framework of “a company with Nomination Committee, etc.” Since March 1, 2022, a new structure has been established following the change of CEO. Currently, four persons—namely, the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Business Development Officer (CBD0) and Chief Legal Officer (CLO), and Chief Sustainability (ESG) Officer (CSO)—have been nominated by the Nomination Committee as candidates for executive officers and elected at the Board of Directors’ meetings. Each of them oversees the execution of operations in their respective jurisdictions determined by the Board of Directors, and carries out decision-making in a speedy fashion. The executive officers instruct the head office divisions and the respective persons responsible for the business divisions to formulate and implement specific measures based on the management policy determined by the Board of Directors. With respect to all business divisions, Budgetary Business Division Meetings are held every quarter in each business division, with the attendance of all executive officers, where the status of progress relative to the annual plan is checked and deliberations are held on plans for the coming quarter. Authority over day-to-day business operations in each business is largely delegated to the respective persons responsible for the business divisions, who execute the plan approved at the Budgetary Meeting. All four executive officers attend each meeting of the Board of Directors.



**Representative Executive Officer
President & CEO**

Eiichiro Ikeda



Representative Executive Officer & CFO

Ryo Hirooka



**Executive Officer, Chief Business Development Officer (CBD0) and
Chief Legal Officer (CLO)**

Augustine Yee



**Executive Officer
Chief Sustainability (ESG) Officer (CSO)**

Tomoko Nakagawa

Committees

As internal organizations of the Board of Directors, we have the Nomination Committee, Compensation Committee, and Audit Committee; each of which is composed exclusively of independent directors.

Nomination Committee

The Nomination Committee fairly and rigorously selects candidates for directors, ensuring said candidates possess knowledge, expertise, and capabilities suited to HOYA's business environment, based on the "Standard for Election of Candidates for Director," and proposes the candidates to the General Meeting of Shareholders for voting. The Committee also fairly and rigorously selects candidates for executive officers and the representative executive officer, based on the "Standard for Election of Candidates for Executive Officer," and proposes the candidates to the Board of Directors for voting. In cases that meet the criteria for dismissal, the Committee makes decisions to propose the dismissal of directors to the General Meeting of Shareholders and the dismissal of executive officers to the Board of Directors for voting.

The Committee has set out independence criteria for director candidates that are stricter than the rules of the Tokyo Stock Exchange to ensure the effective functioning of independent directors' overseeing executive officers.

The outline of the Standard for Election of Candidates for Director is as follows:

[For both internal and independent director candidates]

- Those with appropriate personalities and insights as director
- Those with no health problems in performing their duties

[For internal director candidates]

- Those with a high level of knowledge and ample experience in our business
- Excellent business decision-making ability and business execution ability

[For independent director candidates]

- Those with extensive experience as business managers
- Or those who are in positions as professionals in law, accounting, finance or similar fields
- Those who are able to participate in at least 75% of the HOYA Group's Board meetings
- **Those who have no significant interests in the HOYA Group and are able to maintain their independence**



■ Independence criteria for independent director candidates

To ensure the independence of candidates for independent directors, candidates must not fall under any of the categories below.

<Those who are related to the HOYA Group>

- Those who previously worked for the HOYA Group
- Those who have a family member (spouse, child or relatives by blood or by affinity within the second degree) who have held the position of director, executive officer, corporate auditor or management employee of the HOYA Group in the past five years

<Major shareholder>

- Those who are major shareholders (10% or more) of the HOYA Group, or those who are directors, executive officers, corporate auditors or employees of companies that are major shareholders of the HOYA Group or those who have a family member who holds a top management position at such companies
- Those who execute operations of a company of which a major shareholder is the HOYA Group

<Those who are related to major business partners>

- Those who are operating directors, executive officers or employees of any important business partner, either for the HOYA Group or the corporate groups which the candidates come from, the sales to which business partner comprises 2% or more of the consolidated net sales of the HOYA Group or the company groups for either of the past three years, or those who have a family member who is a top management of such business partner

<Those who provide professional services (lawyers, certified public accountants, certified tax accountants, patent attorneys, judicial scriveners, etc.)>

- Those who have received remuneration of 5 million yen or more per year or those who have a family member who has received remuneration of 5 million yen or more per year, from the HOYA Group in the past three years
- When the organization that the candidate belongs to, such as a company and association, has received cash, etc. from the HOYA Group, the amount of which exceeds 100 million yen per year or 2% of consolidated net sales of the said organization, whichever is higher

<Donation, etc.>

- When the association or organization which the candidate belongs to as director or operating officer has received donations or grants in the past three years, the amount of which exceeds 10 million yen per year or 30% of the said organization's average annual total costs, whichever is higher, or when the association or organization which the candidate's family member belongs to has received donations or grants equivalent to the aforementioned amount

<Others>

- When directors are exchanged
- When the candidate has any other important interest in the HOYA Group

The Nomination Committee held 12 meetings during fiscal 2021, in which the attendance ratio of all members was 100%. At these meetings, the Committee spent a great deal of time discussing, including with outside experts, the important issue of CEO succession.

Compensation Committee

The objective of the Compensation Committee is to establish a remuneration system that incentivizes directors and executive officers and to contribute to improved financial performance for HOYA by undertaking appropriate evaluations of their performance. The Compensation Committee decides on a remuneration package for each director and executive officer in accordance with the following policies:

The Compensation Committee held 11 meetings during fiscal 2021, in which the attendance ratio of all members was 100%. During these meetings, the Committee held in-depth deliberations, particularly on remuneration under the new executive structure.

● Policy concerning remuneration for Directors

The remuneration of Directors consists of a fixed salary and a medium- and long-term incentive (stock options). The fixed salaries consist of a basic compensation and compensation for being a member or a chairperson of the Nomination, Compensation, or Audit Committee. The compensation levels are set appropriately by taking into consideration such factors as the Company's business environment and the

levels set by other companies as determined by a survey conducted by an outside professional organization.

Furthermore, fixed numbers of stock options are granted to newly appointed and reappointed officers in order that they may hold a common viewpoint with shareholders regarding the share price and share interests with shareholders on a medium- to long-term basis. Stock options become exercisable after a waiting period of approximately one year, in increments of 25% of the granted number of stock options in each subsequent year. Stock options are exercisable for a period of 10 years.

[Composition ratio of compensation for directors]

Fixed salary: Medium- and long-term incentive (stock options) = Approximately 1:0.3–0.6

Note: The ratio of the above medium- and long-term incentive shall fluctuate with changes in the Company's share price and other factors.

From fiscal 2022, Restricted Stock Unit (hereinafter referred to as "RSU") will be introduced in place of stock options. Every year, the basic deliverable number of shares equivalent to fixed remuneration for independent directors will be announced for the target period of three years from the relevant year. After the end of the target period, the basic compensation amount equivalent to the market value of the Company's shares based on the basic deliverable number of shares will be determined. HOYA will grant independent directors a claim for monetary remuneration accounting for 50% of the basic compensation amount. Independent directors will contribute such monetary remuneration claim in kind and receive an allotment of shares, the number of which will be equal to the amount of such monetary remuneration claim divided by the paid-in amount for the Company's shares. In view of securing funds for tax payment, the amount corresponding to the residual basic compensation amount will be paid in cash. HOYA plans to issue RSU for the target period of three fiscal years from fiscal 2023 and subsequent fiscal years as well.

[Future composition ratio of remuneration]

Fixed salary: Medium- and long-term incentive (RSU) = Approximately 1:1

Note: A rough guide assuming that the share price in three years' time is about the same as the share price when the RSU was granted.

● **Policy concerning remuneration for Executive Officers**

The remuneration of Executive Officers consists of a fixed salary, an annual incentive (performance-based bonuses), and a medium- and long-term incentive (Performance Share Unit). For fixed salaries, basic compensation is set appropriately according to the office and responsibility of each Executive Officer (Representative Executive Officer, CFO, etc.) and by taking into consideration such factors as the Company's business environment and the levels set by other companies as determined by a survey conducted by an outside professional organization. Other than basic compensation described above, benefits granted to expatriates (such as housing) are also set at appropriate levels in consideration of the Company's business environment and the levels set by other companies as determined by a survey conducted by an outside professional organization.

The annual incentive is determined according to quantitative results and qualitative evaluations and varies within the range roughly from 0% to 200%. As indicators of quantitative results, net sales, profit attributable to owners of the Company, and basic earnings per share (EPS) stated in the Consolidated Financial Statements of the Company have been adopted.

As a medium- and long-term incentive, the Company introduced the Performance Share Unit.

[Composition ratio of Executive Officers' remuneration]

CEO's fixed salary: Annual incentive (performance-based bonus): Medium- and long-term incentive (PSU) = Approximately 1:1:1.25

Other executive officers' fixed salary: Annual incentive (performance-based bonus): Medium- and long-term incentive (PSU) = Approximately 1:1:1

● Performance Share Unit

The Company has introduced the Performance Share Unit (PSU) in place of the existing stock option plan since fiscal 2019. The PSU is a system for granting shares at a number that is in proportion to the level of achievement of the predetermined performance conditions. The payment ratio that corresponds to the level of achievement of the performance targets will range from 0% to 200%, based on performance during three fiscal years. Of note, as indicators of performance during three fiscal years, HOYA has selected net sales, earnings per share (EPS) and return on equity (ROE) in the Consolidated Financial Statements, and in fiscal 2022, newly introduced an ESG indicator. The objective of the PSU is to boost the motivation and morale of HOYA's executive officers with respect to medium- to long-term business performance and higher corporate value, and secure highly talented human resources by setting a competitive compensation level.

Under this plan, after determining the basic deliverable number of shares according to the position and responsibilities of each eligible recipient, the Company grants compensation in an amount equivalent to the market price of the Company's shares according to the degree of achievement of the medium- to long-term performance targets shown in the table below.

| Basic deliverable number of shares | | Medium- to long-term performance targets | | | |
|------------------------------------|------------------------------------|--|--------------------------|---|---|
| Position/responsibilities | Basic deliverable number of shares | Indicator | Target (consolidated) | Reason for the selection of the indicator | |
| CEO | 7,300 | X | Net sales | 760 billion yen Selected as an indicator to measure growth potential of the HOYA Group in the domestic and overseas markets. | |
| CFO | 4,200 | | Earnings per share (EPS) | 560 yen Selected as an indicator to measure growth of the Company from the same perspective as shareholders. | |
| CBDO and CLO | 3,400 | | Financial Indicators*1 | ROE | 20.00% Selected as an indicator to measure whether the Company has generated return on shareholders' investment effectively. |
| CSO | 3,200 | | ESG indicator | Evaluations by external organizations*2 Status of initiatives on priority ESG themes | Selected as an indicator to measure sustainability initiatives from the viewpoint of ESG |

*1 The targets above are set in consideration of, among others, the Company's business environment and market consensus and do not constitute the Company's financial forecasts.

*2 Evaluations by three companies, namely, CDP, MSCI and Sustainalytics, will be used. The above are target figures for the three fiscal years from fiscal 2022 to fiscal 2024.

Total amount of remuneration, etc. of Directors and Executive Officers for the fiscal year under review

| Classification | Number of payees | Total amount of remuneration, etc. | Total amount of remuneration by type | | | |
|---------------------------|------------------|------------------------------------|--------------------------------------|---------------------------|----------------|-----------------|
| | | | Fixed salary | Performance-based bonuses | Stock options | PSU |
| Directors | Independent | 6 persons 125 million yen | 51 million yen | — | 74 million yen | — |
| | Internal | 1 person 24 million yen | 14 million yen | — | 10 million yen | — |
| | Total | 7 persons 149 million yen | 65 million yen | — | 84 million yen | — |
| Executive Officers | | 5 persons 716 million yen | 286 million yen | 251 million yen | 14 million yen | 164 million yen |
| Total | | 12 persons 865 million yen | 351 million yen | 251 million yen | 98 million yen | 164 million yen |

- Notes: 1. At the end of the fiscal year under review, there were six Directors (five Independent Directors and one Internal Director) and four Executive Officers, which are different from the figures presented in the table above because Mr. Hiroshi Suzuki—who had been an Executive Officer at the beginning of the fiscal year—retired as an Executive Officer on March 1, 2022, and one Independent Director who retired at the conclusion of the 83rd Ordinary General Meeting of Shareholders is included.
2. Fixed salary for Executive Officers includes oversea Executive Officers' benefit as expatriate of 108 million yen.
3. Total amount of remuneration, etc. includes the amounts paid to one Executive Officer who assumed office on March 1, 2022.
4. For stock options, the fair value of stock acquisition rights was calculated and amounts to be recorded as expenses for the fiscal year under review are shown in the table above. For Executive Officers, no stock options were newly granted in the fiscal year under review due to the introduction of PSU in place of stock options from fiscal 2019. The table above shows stock options granted in past fiscal years in amounts to be recorded as expenses for the fiscal year under review.
5. For PSU, the table above shows amounts to be recorded as expenses for the fiscal year under review.

Amount of consolidated remuneration for each Director

Chief Executive Officer (CEO)

| Name | Executive classification | Total amount | Fixed salary | Performance-based bonuses | Stock options | PSU |
|---|----------------------------------|-----------------|----------------|---------------------------|----------------|----------------|
| Eiichiro Ikeda Representative Executive Officer President & CEO (Previously Executive Officer, Chief Technology Officer (CTO)) | Representative Executive Officer | 160 million yen | 69 million yen | 65 million yen | 3 million yen | 24 million yen |
| Hiroshi Suzuki Chairperson of the Board of Directors (Previously Representative Executive Officer, President & CEO) | Director | 24 million yen | 14 million yen | — | 10 million yen | — |
| | Representative Executive Officer | 249 million yen | 95 million yen | 60 million yen | 6 million yen | 89 million yen |

- Notes: 1. Mr. Eiichiro Ikeda was in office as Representative Executive Officer (CEO) from March 1, 2022 to March 31, 2022.
2. Mr. Hiroshi Suzuki was in office as Representative Executive Officer (CEO) from April 1, 2021 to February 28, 2022.

Executive Officers (whose consolidated remuneration, etc. totaled 100 million yen or more during the consolidated fiscal year)

| Name | Executive classification | Total amount | Fixed salary | Performance-based bonuses | Stock options | PSU |
|---|----------------------------------|--------------------|-------------------|---------------------------|------------------|-------------------|
| Ryo Hirooka Representative Executive Officer & CFO | Representative Executive Officer | 150 million yen | 63 million yen | 57 million yen | 2 million yen | 28 million yen |
| Augustine Yee Executive Officer, Chief Business Development Officer (CBDO) and Chief Legal Officer (CLO) | Executive Officer | 136 million yen | 57 million yen | 52 million yen | 3 million yen | 24 million yen |

Audit Committee

The Audit Committee formulates the audit policies and audit plans for each fiscal year and verifies financial statements, etc., based on the quarterly reports, year-end reports, and timely reports received from the accounting auditor according to such policies and plans. It also interviews the Audit Department and the Internal Control Department to obtain the results of operational audits, and verifies the soundness, legality, efficiency, etc., of management. All important matters are reported to the Board of Directors, and countermeasures are taken as necessary.

Audit Committee meetings were convened nine times in fiscal 2021, in which the attendance ratio of all members was 100%.

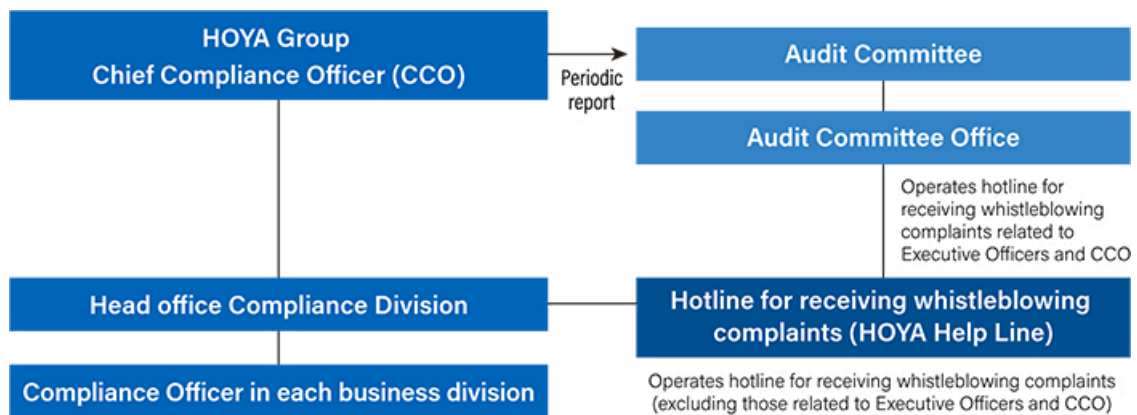
The Committee discussed mainly the following agenda items:

- Agreement on the accounting auditor of the HOYA Group and its remuneration
- Resolution on the audit report of the Audit Committee
- Review reporting from the accounting auditor (five times in total per year)
- Quarterly reporting from the Audit Department and the Help Line

Deliberations during the fiscal year under review also focused on reports from the accounting auditor, the Audit Department, and the Internal Control Department, while providing advice and suggestions to the executive team with regard to any issues that came to light.

HOYA Group Compliance Organization

The HOYA Group has established the Headquarters Compliance Group under the HOYA Group Chief Compliance Officer (CCO), and appointed a Compliance Officer in each business division. In addition, the Headquarters Compliance Group operates a hotline for receiving whistleblowing complaints (HOYA Help Line). However, the Audit Committee is directly in charge of whistleblowing complaints related to Executive Officers and the CCO, who constitute the upper organization of the Compliance Group, and the Audit Committee Office serves as the point of contact for receiving such complaints. The content of and responses to whistleblowing complaints made to the HOYA Help Line are reported by the CCO to the Audit Committee on a regular basis. Of note, any unfair treatment of whistleblowers and persons seeking advice (including any retaliatory measures such as dismissal, salary reduction, personnel transfer and harassment) is prohibited.



Establishment of an employee whistleblowing and consultation system

As part of our internal control systems, the HOYA Group established the HOYA Help Line in 2003 as a whistleblowing and consultation system for the Group. This is a framework that protects whistleblowers when there have been violations of laws, regulations, or the HOYA Code of Conduct so that problems can be known at an early stage and smoothly communicated to top management in an aim to ensure the soundness of the entire Group through quick and appropriate responses to such issues. Information on whistleblowing complaints is also reported to the Audit Committee on a quarterly basis.

We are creating an environment in which advice can be sought easily, including establishing an external point of contact for consultation in each country, accepting whistleblowing complaints and consultation requests 24 hours a day on the Web in multiple languages, making consultation available in the local language, and allowing anonymity of whistleblowers. Having established rules on the operation of the HOYA Help Line in compliance with laws and regulations, we protect whistleblowers by prohibiting any acts that constitute the unfair treatment of whistleblowers and respond to whistleblowing complaints by giving consideration to the confidentiality of information to ensure their anonymity.

In fiscal 2021, there were 180 whistleblowing complaints made to the HOYA Help Line, of which 48% were related to the workplace environment and 30% were related to HOYA's system.

In fiscal 2021, there were no whistleblowing incidents inflicting a serious impact on HOYA's businesses.

Number of Whistleblowing Incidents (Global)

| | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|------------------------------------|--------|--------|--------|--------|--------|
| Number of whistleblowing incidents | 111 | 105 | 146 | 135 | 180 |
| Percentage of employees* | 0.30% | 0.27% | 0.38% | 0.35% | 0.49% |

* Ratio of whistleblowers to the total number of employees in the country where the whistleblowing and consultation system has been introduced

For our business partners outside the HOYA Group, we have established a point of contact for making inquiries and reports in respect of the HOYA Supplier Code of Conduct. We also investigate and respond to incidents in an appropriate manner in consideration of the protection of the informer and the confidentiality of information.



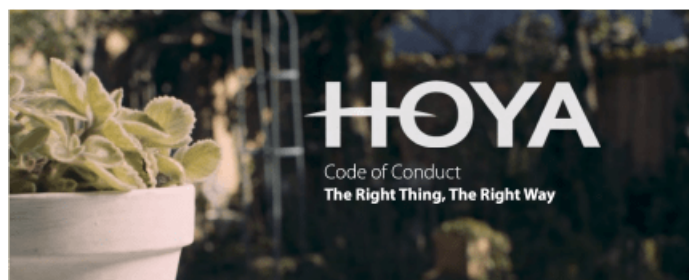
Point of contact for inquiries and reports related to the HOYA Supplier Code of Conduct:

supplierconduct@hoya.com

HOYA Code of Conduct

HOYA believes that if each and every employee acts fairly with high ethical standards in good faith, not to mention complying with laws and regulations, it will translate into “stakeholders’ trust.” Based on such a view, in 1997 we established the [HOYA Code of Conduct](#), which clearly defines the standards of conduct for each and every employee. We have since repeatedly revised the Code while reflecting the enactment of new laws and regulations and the amendment and abolition of existing ones, as well as changes in society. Also, we check the behavioral guidelines in workplace activities and utilize the Code to raise employees’ awareness as our basic policy for compliance.

Having translated the Code into 27 languages in consideration of the circumstances of HOYA, which operates businesses on a global scale, we are making the Code thoroughly known within the Group by such means as making employees do a read through in the group to which they belong once a year and conducting online education and verification tests. In fiscal 2021, the participation rate in online education and verification tests targeted at all employees in the HOYA Group was 98%.




Prevention of Harassment

We have established the HOYA Group Policies and Guidelines for Measures to Prevent Harassment, which set forth measures and guidelines to prevent harassment, protect the dignity of employees as an individual and prevent workplace disorder and any obstacles to work. Based on the Guidelines as well as laws and regulations in each country, we conduct education and training on harassment prevention measures targeting all employees of the HOYA Group. For managers in Japan, we conduct training on manager-oriented harassment prevention measures. In fiscal 2021, the participation rate in online training and verification tests in Japan (rank-and-file employees and managers) was 97%.

Furthermore, we conduct initiatives to instill and ingrain compliance on an ongoing basis, such as posting information via the intranet and on bulletin boards, etc., and creating awareness-raising pamphlets and posters. From time to time, we post self-check tests (Q&A) on noncompliance incidents that are likely to occur in familiar situations as well as contents for understanding the essence of compliance through in-house case studies via the intranet and on bulletin boards, etc., so that employees can check compliance again when given the opportunity to do so and thereby gain a higher level of awareness.

Environmental

HOYA Group Environmental Philosophy and Fundamental Environmental Policies



HOYA is engaged in environmental protection activities as part of its ESG promotion efforts, in order to protect the global environment to be inherited by the next generation.

The HOYA Group established its “Environmental Philosophy” and “Fundamental Environmental Policies” in 1993, and has since been promoting environmental protection activities targeting all of its business facilities inside and outside Japan.

In 2012, the environmental and occupational safety and health management systems of the individual facilities were reviewed thoroughly in the process of obtaining a global multisite certification for those systems. Since then, the Group has been operating all of its environmental protection and occupational safety and health activities in a globally integrated manner.

In 2022, we updated the “Environmental Philosophy” and “Fundamental Environmental Policies” to proactively address issues surrounding the global environment.

HOYA Group Environmental Philosophy

The HOYA Group pushes forward with its corporate activities focusing on sustainability to preserve the global environment for future generations.

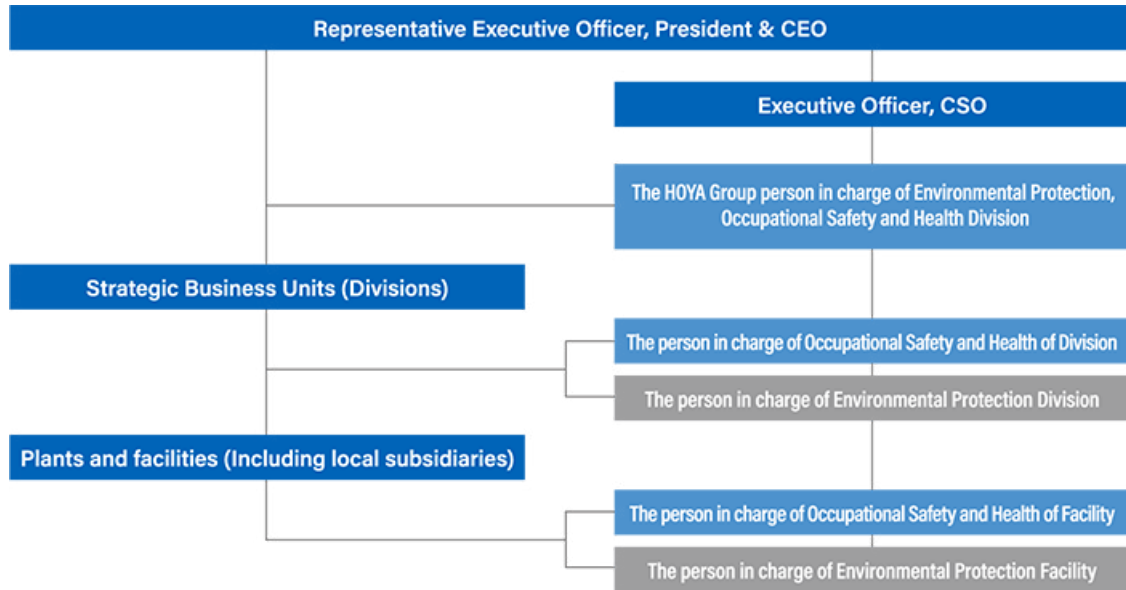
Fundamental Environmental Policies

1. We carry on our corporate activities in harmony between people, society, and nature by recognizing the importance of environmental protection in all our operations.
2. We keep reducing environmental burdens in our corporate activities of product development, manufacture, and sale by complying with the applicable environmental laws and regulations of each country and locality.
3. We set up our structures and targets and carry out our measures and policies systematically in advancing our global environmental protection activities.
4. We pursue our activities designed for prevention of global warming and creation of recycling society by training our consciousness and responsibility on the preservation of the environment.

HOYA Group Environmental Protection and Occupational Safety and Health Organization

In October 2008, the Group’s environmental protection organization and the occupational safety and health organization were merged with each other. Since then, with the new structure supervised by the HOYA Group Director for Environmental Protection, Occupational Safety and Health, the Group has been carrying out smooth and efficient activities of environmental protection and occupational safety and health.

HOYA Group Environmental Protection and Occupational Safety and Health Organization



Structuring of a global management system for its environmental and occupational safety and health management system

The HOYA Group has been building a global management system based on International Organization for Standardization (ISO) 14001 and 45001 for the purpose of promoting environmental protection activities by employees and ensuring the safety and health of employees. In February 2013, the HOYA Group acquired global multisite certification. As of March 31, 2022, 49 sites in 18 countries were certified. Certification has been acquired at 100% of our major production/research and development bases, and certification is also being obtained for newly organized bases one by one.

[Go to the current status of ISO qualification](#)

Environmental

Climate Change

Greenhouse Gas

HOYA Strategy for CO₂ Reduction

The HOYA Group is globally conducting its environmental protection activities, in which attempts are being made to reduce CO₂ emissions by paying special attention to its "energy consumption."

CO₂ Reduction Targets

In order to accelerate initiatives to reduce greenhouse gas (CO₂) emissions, we have started conducting studies and holding discussions internally on the medium- and long-term targets and roadmaps for the HOYA Group. For fiscal 2022, we are implementing measures tentatively targeted at reducing annual emissions by 1% (compared to fiscal 2019 level) until our medium- and long-term targets are set.

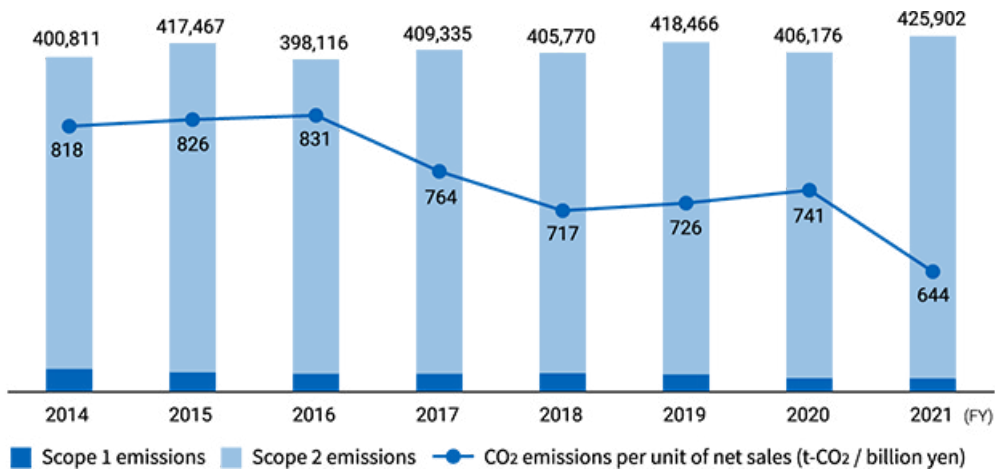
CO₂ Emissions

In fiscal 2021, HOYA's CO₂ emissions (Scope 1 and 2 emissions) amounted to 425,902 tons, up 4.9% year on year and up 1.8% compared to its fiscal 2019 level. On the other hand, CO₂ emissions per unit of net sales are on a downtrend. We will continue to accelerate our initiatives so that we can successfully reduce not only CO₂ emissions per unit of net sales but also total CO₂ emissions.

| t-CO ₂ e | Unit | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|---|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Scope 1 emissions | t-CO ₂ | 27,374 | 23,346 | 21,489 | 21,466 | 22,379 | 20,738 | 16,374 | 15,997 |
| Scope 2 emissions | t-CO ₂ | 373,437 | 394,121 | 376,627 | 387,869 | 383,391 | 397,728 | 389,802 | 409,905 |
| Total | t-CO ₂ | 400,811 | 417,467 | 398,116 | 409,335 | 405,770 | 418,466 | 406,176 | 425,902 |
| CO ₂ emissions per unit of net sales | t-CO ₂ per billion yen | 818 | 826 | 831 | 764 | 717 | 726 | 741 | 644 |

Note that the CO₂ emissions are calculated, for each of the production bases*¹, from the electric power and fuel consumptions as determined by the summation formulas standardized for the whole HOYA Group.

*1 Some of non-production bases are included



Response to the TCFD

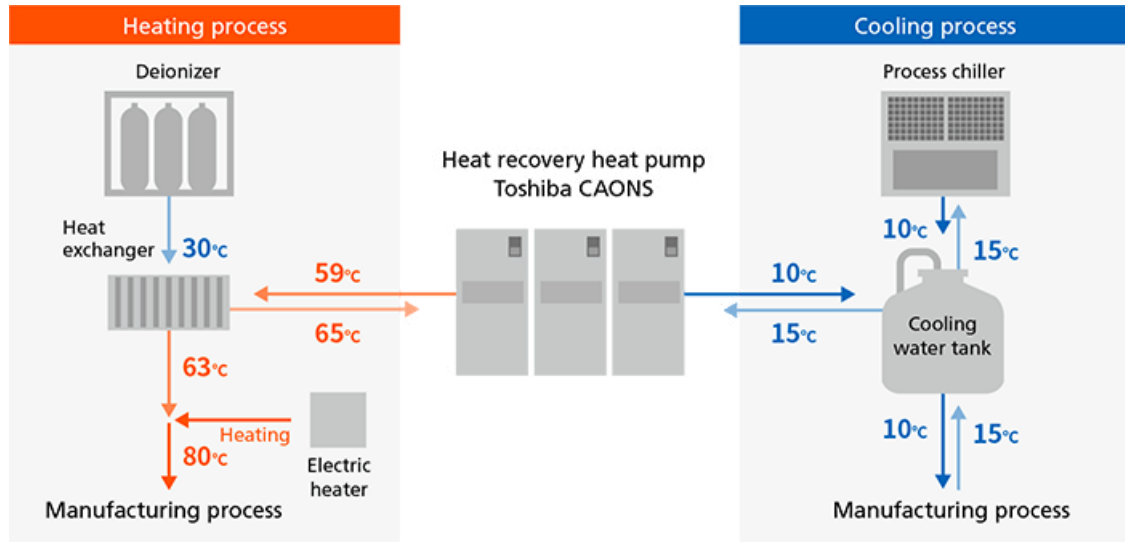
In November 2021, HOYA declared its support for the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD Consortium. Currently, we are working on the task of disclosing information related to climate change in accordance with the TCFD recommendations.

Energy saving and power saving activities

At production bases, we are replacing facilities with energy-saving types (such as adopting ice thermal storage systems and high-efficiency transformers), conducting energy-saving activities (such as optimizing the operating hours of boilers and air-conditioning equipment) and promoting roof-greening, etc. We are also endeavoring to suppress CO₂ emissions from non-production bases by such means as introducing casual wear, adjusting the indoor temperature appropriately and implementing efficient lighting in offices.

Examples of energy and power saving initiatives

- Use of the Joint Crediting Mechanism (JCM)
- In 2016, we introduced a heat recovery heat pump at the eyeglass lens plant in Vietnam. It is used to save energy and reduce CO₂ emissions by using the heat that used to be expelled to the outside air when cold heat was supplied as a source of cold heat for the production process and as an auxiliary heat source for heating the water used in the manufacturing process. Before introducing the heat recovery heat pump, we used only electric heaters to obtain the desired temperature.



- At the eyeglass lens plant in Vietnam, one of the existing centrifugal chillers was replaced with a highly efficient inverter centrifugal chiller. By using the new chiller for regular operation and the old one as backup equipment, we achieved a lower introduction cost, improved energy efficiency, and reduced CO₂ emissions at the same time.

- Introduction of renewable energy
Some of our business establishments engaged in the eyeglass lens business—namely, HOYA Vision Care ATC Ramsey in the United States and HOYA LENS DEUTSCHLAND GMBH in Europe—are running on 100% renewable energy. We will continue to promote the introduction of renewable energy on a Group-wide scale.



Environmental

Water

Initiatives to effectively utilize water resources

The HOYA Group endeavors to effectively utilize water resources by reusing water and reducing water usage on a global scale, in accordance with its Fundamental Environmental Policies.

Water usage reduction targets

The HOYA Group has set numerical targets in each of its business segments and manages its progress in achieving the targets.

Water usage

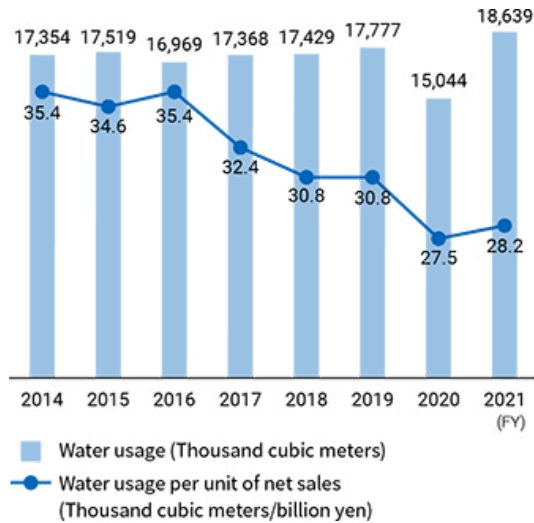
In fiscal 2021, water usage in the HOYA Group was 18,639,000 cubic meters. While both water usage and water usage per unit of net sales both increased from the previous fiscal year due to the recovery from the impact of COVID-19, water usage per unit of net sales decreased from pre-COVID-19 levels. As we have been promoting initiatives to reuse water in recent years, our water reuse ratio has been on an uptrend in the past couple of years. We will continue to make effective use of water resources.

Water usage in the HOYA Group (1,000 cubic meters)

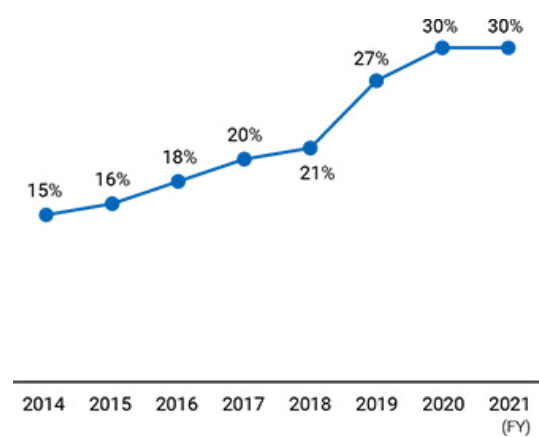
| | Unit | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|-----------------------------------|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Japan | Thousand cubic meters | 1,185 | 1,183 | 1,098 | 1,008 | 1,071 | 929 | 886 | 866 |
| Overseas | Thousand cubic meters | 16,169 | 16,336 | 15,871 | 16,360 | 16,357 | 16,848 | 14,158 | 17,773 |
| Total | Thousand cubic meters | 17,354 | 17,519 | 16,969 | 17,368 | 17,429 | 17,777 | 15,044 | 18,639 |
| Water usage per unit of net sales | Thousand cubic meters per billion yen | 35.4 | 34.6 | 35.4 | 32.4 | 30.8 | 30.8 | 27.5 | 28.2 |
| Water reuse ratio | % | 15% | 16% | 18% | 20% | 21% | 27% | 30% | 30% |

Water usage was calculated targeting production bases, based on the usage of city water, industrial water and groundwater identified by using the data aggregation format shared universally within the HOYA Group.

Water usage



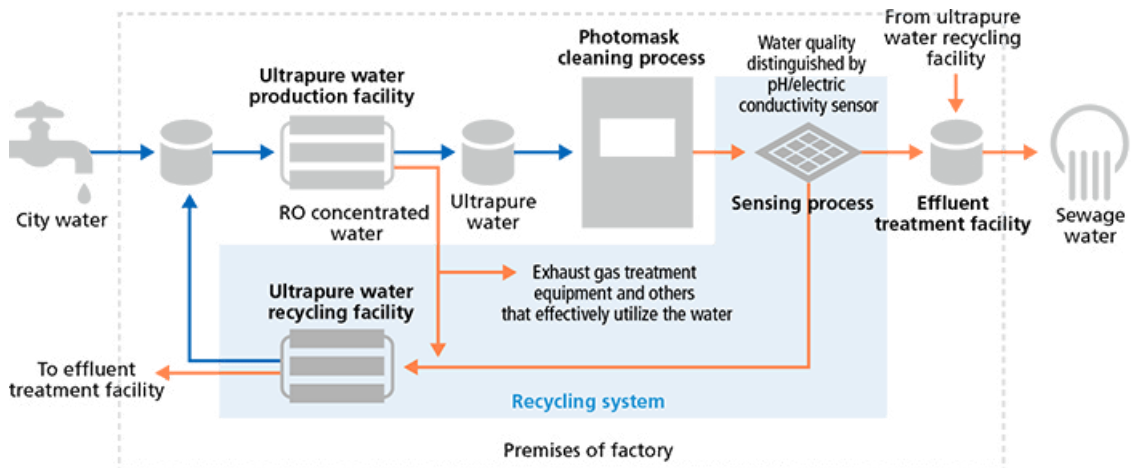
Water reuse ratio



Initiatives to reuse water

Initiatives to effectively utilize water resources are being carried out in each business segment. In the photomask manufacturing process, cleaning is performed by using ultrapure water to remove various chemicals and foreign matter. The used water undergoes a process at an effluent treatment facility to be rendered harmless, some of which is subsequently collected and reused. The ultrapure water recycling facility, which consists of adsorbents and reverse osmosis (RO) membranes, makes it possible to reuse water by removing impurities.

Recycling of ultrapure water in photomask manufacturing process



Environmental

Pollution Control Measures and Waste, etc.

Soil pollution control measures, underground water pollution control measures, and hazardous substance leak control measures

In March 2010, the Group issued the HOYA Group Standard for Environmental Facilities designed to help the Group to prevent any hazardous impact on the environment inside and outside HOYA Group facilities.

Waste reduction and reuse initiatives

In entrusting contracted disposal of factory waste, individual facilities select contractors after carefully checking their business licenses. Also, through consignment contracts with appropriate disposal contractors, the Group promotes the recycling of industrial waste, creation of monetary values out of waste, and reduction of waste emissions.

In order to realize a sustainable, recycling-oriented society, we are recycling wood waste and waste plastics, promoting the reuse of packaging materials, and recycling paper, among others. Our major factories in Japan have achieved zero emissions in terms of industrial waste. Also, our factories outside Japan are holding in-house competitions regarding ideas for recycling waste plastics, using recycled paper of beverage packaging to repair roofs damaged by disasters in cooperation with local volunteer groups and thereby contributing to society and engaging in other initiatives in the form of in-house recycling activities, in addition to turning polluted sludge into valuable substances and reusing photomask cases, among others.



Collection of paper cartons to be recycled into roofing materials

Waste emissions in the HOYA Group (t)

| | | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|----------|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Japan | Total emissions | 2,656 | 3,462 | 3,362 | 3,478 | 3,144 | 2,099 | 2,229 | 2,295 |
| | Recycling rate | 79.0% | 60.1% | 66.1% | 62.6% | 65.9% | 76.0% | 91.0% | 90.5% |
| Overseas | Total emissions | 43,992 | 43,760 | 49,888 | 56,354 | 56,766 | 56,289 | 54,281 | 64,163 |
| | Recycling rate | 61.0% | 66.5% | 66.3% | 68.4% | 69.1% | 76.2% | 72.0% | 69.9% |
| Global | Total emissions | 46,648 | 47,222 | 53,250 | 59,832 | 59,911 | 58,388 | 56,509 | 66,458 |
| | Recycling rate | 62.0% | 66.1% | 66.3% | 68.1% | 68.9% | 76.2% | 72.8% | 70.6% |

Chemical substances

Based on the HOYA Group Chemical Substances Management Standard, the HOYA Group as a whole complies with laws and regulations in accordance with the Standard with respect to chemical substances used in business activities, takes countermeasures against their leakage and manages such substances by utilizing Safety Data Sheets (SDSs).

Animal experimentation

There are some cases in which animal experiments need to be conducted to develop some medical products. The HOYA Group has established regulations in each business in consideration of various laws and regulations as well as guidelines established by relevant organizations, and conducts internal screening from the viewpoint of the 3Rs principle on animal experimentation, i.e., Replacement (utilization of alternative methods of experimentation that do not involve the use of animals), Reduction (reduction of the number of animals used) and Refinement (alleviation of pain and suffering caused to animals).

Social

Human Capital



Labor Management

Labor Management

Basic approach

The [HOYA Code of Conduct](#) stipulates the basic guidelines to be complied with when performing operations based on the Corporate Mission and values of the HOYA Group. The Code of Conduct clarifies that basic human rights are to be respected and that all forms of discrimination and harassment in connection to race, nationality, gender, religion, belief, birthplace, age, or disabilities are to be eliminated in all corporate activities. We aim to create a safe and healthy workplace that allows employees to feel secure while they work. The Company will provide equipment, systems, and working conditions so that each and every employee respects and cooperates with each other as the Company strives to create a workplace that is easy to work in.

HOYA Code of Conduct

The HOYA Code of Conduct is guidelines for all officers and employees of the HOYA Group to execute operations in the right way in accordance with the philosophy and values set out in its Corporate Mission and Management Principles. Having translated the HOYA Code of Conduct into 27 languages in consideration of the circumstances of the Company, which operates businesses on a global scale, we are making the Code thoroughly known within the Group by such means as making employees do a read-through in the group to which they belong once a year and conducting online education and verification tests. In fiscal 2021, the participation rate in online training and verification tests targeted at all employees in the Group was 98%.

For information on human rights, please also refer to the [Compliance page](#).

Modern Slavery Statement

In accordance with the UK Modern Slavery Act 2015 legislation, the HOYA Group publishes a statement on the steps it has taken to identify and eradicate slavery and human trafficking within its business and supply chains.

[Modern Slavery Statement \(1,435KB\)](#)

Social

Human Capital

Strategy for Human Resource Development

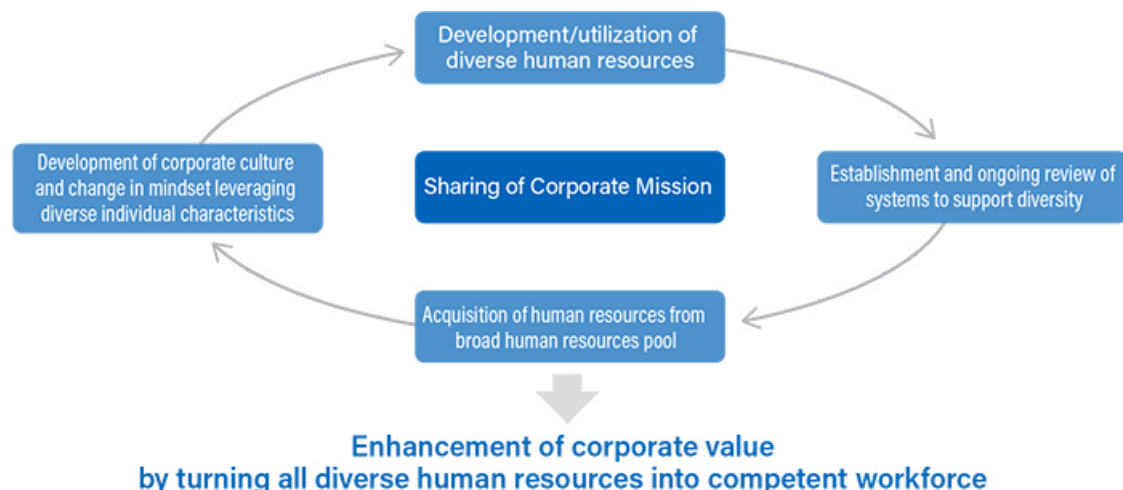
Diversity

Utilizing global human resources

The HOYA Group promotes sales and production at optimal locations on a global scale in diverse businesses. In this context, the diversity of human resources in the Company is our strength as well as our driving force for sustained value creation. HOYA believes that by respecting and accepting diversity and proactively taking advantage of the “differences,” we can flexibly adapt to the ever-changing business environment and meet diversifying customers’ needs, and thereby bring about higher corporate value.

HOYA has long been recruiting personnel based on their individual capabilities, regardless of their nationality, gender, etc. Over 90% of our employees work in locations outside Japan. By proactively promoting talented local employees to top management positions and giving them more opportunities, we have been pursuing the globalization of the Group as a whole, resulting in the percentage of non-Japanese nationals in top management positions at overseas subsidiaries exceeding 90%. Going forward, HOYA will continue to provide equal opportunities to many competent personnel.

As of the end of June 2022, at HOYA Corporation, we have promoted a non-Japanese to the position of executive officer, and non-Japanese nationals account for more than 60% of presidents of key business divisions running businesses globally.



“Minkatsu” Diversity Project

In 2014, we launched the “Minkatsu” diversity project for the purpose of creating a work environment in which each and every employee can feel a sense of fulfillment from work and play an active role by fully demonstrating his/her ability. As part of the “Minkatsu” diversity project, we are working to increase the proportion of female employees and female leaders*.

* Female leaders: Subsectional chief equivalent to or above section and highly skilled professionals

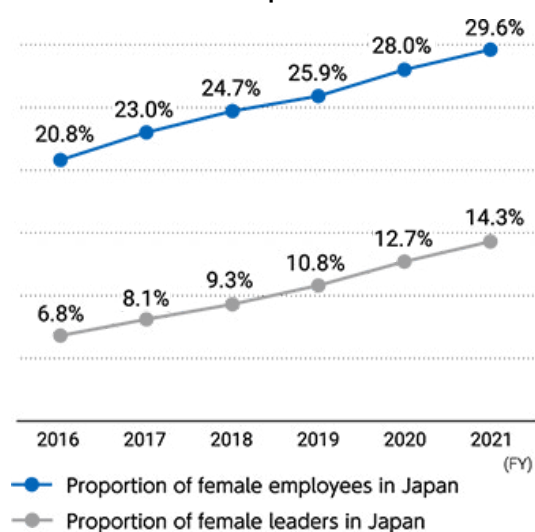
Proportion of Female Employees and of Female Leaders

| Proportion of Female Employees | FY2019 | FY2020 | FY2021 |
|--------------------------------|--------|--------|--------|
| Japan | 25.9% | 28.0% | 29.6% |
| Overseas | 57.4% | 55.7% | —* |
| Group - wide | 53.4% | 53.0% | —* |

| Proportion of Female Leaders | FY2019 | FY2020 | FY2021 |
|------------------------------|--------|--------|--------|
| Japan | 10.8% | 12.7% | 14.3% |
| Overseas | 27.5% | 43.3% | —* |
| Group - wide | 20.2% | 34.5% | —* |

* Since fiscal 2020, we have been conducting a survey on the proportion of women overseas and on a Group-wide scale, together with the employee engagement survey. In fiscal 2021, no employee engagement survey was conducted; thus, no data was collected. The next survey is slated to be conducted in the fall of 2022.

Proportion of Female Employees and Proportion of Female Leaders in Japan



We do not discriminate based on gender in hiring, promotions, or pay increases, and instead focus on actively employing human resources with highly specialized capabilities and morals. In addition, at HOYA Corporation, two of its directors are women (25.0%), and three of its officers including executive officers are women (30%).

We are promoting “Minkatsu” activities by setting our target at making female leaders and female employees in Japan account for at least 15% and 30%, respectively, by April 2023. The proportion of women is steadily increasing, and going forward, we will continue to engage in initiatives from the viewpoint of expanding the recruitment and occupational fields of women and improving the workplace environment/culture, as well as holding career advancement seminars and cross-divisional exchange meetings targeted at female employees, among others.

Business divisions are making efforts to develop the necessary environment, systems and culture tailored to their respective businesses.

Those related to childcare/nursing care support

- Childcare/nursing care support system (leave of absence, shortened working hours)
- Staggered working hours
- Leave to provide care for children
- Encouraging male employees to take childcare leave, etc.

Those related to workstyle in general

- Flextime system
- Shortened working hours, reduced number of working days
- Challenge leave*
- Second job
- Work from home
- Encouraging employees to proactively take annual leave by setting recommended days for taking annual leave, etc.

* HOYA Corporation has established the challenge leave system for employees that have worked for a set number of consecutive years. A challenge leave of 20 days each is granted when the number of consecutive years worked by employees that work five days a week reached 10 years, 20 years, and 30 years.

By developing an environment in which diverse personnel can play an active role by demonstrating their capabilities and systems that enable workstyles with higher productivity and efficiency, we will strive to strike a balance between realizing the sense of fulfillment from work as well as personal life and enhancing corporate value.

Utilizing people with disabilities

The HOYA Group actively utilizes people with disabilities, for example in the operation of its Ichikawa Challenge Office that supports eco projects.

(Proportion of disabled persons employed in Japan: 2.31% as of March 31, 2022)

Employee Engagement Survey

Based on the belief that “people are our great asset,” we are seeking to create a workplace environment in which diverse employees can demonstrate their respective abilities, take on new challenges and realize their potential.

HOYA periodically conducts an employee engagement survey targeted at all employees in the Group. Through the survey, we listen to employees’ opinions and utilize them to create a better workplace environment.

After conducting a survey in March 2021 (fiscal 2020), we analyzed the results obtained from the survey and then implemented a series of measures by focusing mainly on two fields. (The response rate for the survey conducted in March 2021 was 96%.)

1. Performance Management (Performance Evaluation System)

Through the survey, employees called for greater objectivity and transparency in the performance evaluation system and a higher frequency of talks about career development with their supervisor. In response, we have revamped the HOYA Group’s framework of performance management (performance evaluation system) and started implementing it afresh in fiscal 2022.

Gist of new performance management:

- Determine clearly-defined figures that are expected for performance targets and actions
- Conduct evaluation in a fair and objective manner
- Give periodic and effective feedback for human resource development
- Pay-for-performance

2. Career Development

Employees also demanded more learning and skill development than before. In response, we plan to launch, on a trial basis, an online learning platform for upskilling employees and assisting them in acquiring qualifications in fiscal 2022.

Gist of career development program (online learning platform):

- Re-train employees who support HOYA’s growth strategy
- Spur employees to engage in life-long learning
- Upskill employees by providing on-demand learning content

Going forward, we will continue to listen to employees’ opinions through employee engagement surveys on an ongoing basis and develop an environment in which each and every employee can grow together with HOYA with a sense of fulfillment from work. (The next employee engagement survey is scheduled to be conducted in the fall of 2022.)

Enhancement and development of human resources

Basic approach

At the HOYA Group, we provide a work environment that respects individuality and diversity and promotes the growth of individuals while giving consideration to the safety and health of employees. Furthermore, each and every employee works to improve the knowledge and skills and we provide the innovative value sought by society.

Human resource development

People differ in terms of things such as values, how they live, personality, and individual capabilities. There are also a wide variety of stances toward jobs and ways of working. For this reason, organizational management in the current era needs to provide frameworks that leverage the individuality of employees and allow employees to increase their capabilities in environments that match individual aptitudes. The new ideal employee environment sought by HOYA is one in which all employees can fully exploit their capabilities and contribute to the organization and business through friendly competition.

In response to the wide variety of capacity development needs of employees and in order to learn the specialized knowledge and skills required for the industry, the HOYA Group individually deploys the employee educational programs that are most suitable for each business division and region.

For example, for the Eye Care Company's human resource development and HOYA Electronics Singapore's participation in the Electronic Industry Citizenship Coalition (EICC) Code of Conduct seminar, please refer to [our website](#).

HOYA Prize

The HOYA Prize is an award system that has been established for all employees with the aim of recognizing and rewarding the daily hard work and efforts of employees in order to communicate a spirit of gratitude towards employees that always do their utmost amid a difficult business environment. The award system does not stipulate any detailed standards, but winners are rather decided on by the CEO based on recommendations received from the managers of each business and human resources representatives.



Development and Active Participation of Technical Personnel "Engineers' Report Competition Program"

For the purpose of further boosting the technological capabilities of the HOYA Group as a whole, we convene an "Engineers' Report Competition Program" once a year as a place to announce achievements in technological development and improvement made in business divisions. An award is presented for technical reports and unique technologies that are deemed to be particularly outstanding by executive officers who serve as judges. As the respective staff members in charge of technology in business divisions congregate at the event, it also serves as a place for them to interact with technical personnel of other divisions.



Social

Human Capital

Occupational Safety and Health

HOYA Group's Occupational safety and health activities

The HOYA Group is pushing for the creation of a pleasant workplace environment where every one of the employees can work in good health and safely. For the HOYA Group's philosophy, basic policies and organizational structure related to occupational safety and health, please refer to [HOYA's website](#).

Status of Occupational Accidents

The HOYA Group engages in day-to-day safety and health activities aimed at preventing serious occupational accidents from occurring. We are striving to reduce the risks of occupational accidents occurring by sharing information within the Group and conducting in-house training, internal audits, etc., in addition to assessing risks based on the HOYA Group Risk Management Guidelines for Occupational Safety and Health and engaging in various initiatives for managing chemical substances and assuring the safety of machines and equipment.

| | Scope | FY2019 | FY2020 | FY2021 |
|---|------------|--------|--------|--------|
| Number of occupational accidents | Japan | 9 | 9 | 11 |
| | Overseas | 167 | 181 | 208 |
| | Group-wide | 176 | 190 | 219 |
| Lost time injury (LTI) frequency rate * | Japan | 0.35 | 0.37 | 0.38 |
| Lost time injury (LTI) intensity rate * | Japan | 0.001 | 0.008 | 0.003 |

* Reference data: Lost time injury (LTI) frequency rate: 1.31, and Lost time injury (LTI) intensity rate: 0.06 in the manufacturing industry according to the Ministry of Health, Labour and Welfare's fiscal 2021 data

Reduction of risks using risk assessment

All hazardous factors are constantly being checked by risk assessment in accordance with the HOYA Group Risk Management Guidelines for Occupational Safety and Health. As well, effective safety measures are being taken in order of priority for risk reduction.

Strengthening of chemical substances management

Based on the HOYA Group's common index HOYA Group Chemical Substances Management Standard, we are managing chemical substances used in our business activities and working to prevent occupational accidents and diseases caused by chemical substances.

Assurance of Safety of machines and equipment

The safety of machines and equipment is a matter of greater importance in achieving occupational safety. Various measures for the safety of machines and equipment (reduction of risks) are being taken from the design stage according to the HOYA Group Standard for the Safety of Machines and Equipment to prevent machine-related accidents.

OSH Audit (Occupational safety and health)

At all the Group's business facilities inside and outside Japan, the environment and occupational safety and health personnel and specialized staff conduct internal audits periodically. After the audits, they give necessary advice and guidance to respective sections to improve their observance of laws and regulations and performance of occupational safety and health.



Training in HOYA Group safety and health

The facility environment and occupational safety and health personnel conference is held twice a year. The intra-Group consulting program for guidance and training on management systems and risk assessment is held several times a year mainly for the overseas production bases. These are all designed to enhance the performance of the occupational safety and health activities within the HOYA Group.



Social

Human Capital



Health Management

HOYA Group's Health Measures

1. Certification for health and productivity management organizations
2. Countermeasures against infectious diseases
3. Measures to prevent lifestyle diseases and prevent them from increasing in severity
4. Mental health measures
5. Return-to-work support and assistance for work-treatment balance
6. Promotion of women's health
7. Smoking control
8. Overwork prevention and improvement of work-life balance
9. Management of health of Japanese expatriates
10. Improving emergency medical care and first aid responses

For the details of each measure, please refer to [HOYA's website](#).

Certification for health and productivity management organizations

Based on the recognition that "health promotion efforts are business investments," we are committed to health management with the support of the Company and the cooperation of all employees.

Please refer to this [link](#) for the CEO's Health Management Declaration and the seven articles that HOYA Group employees are required to follow. (in Japanese only)

The HOYA Group has been certified for six consecutive years under the Ministry of Economy, Trade and Industry (METI)'s certification program for outstanding health and productivity management organizations since the start of the program in 2017 (as of April 1, 2022).



Improvement of Labor Productivity

The HOYA Group aims to improve each and every employee's well-being, develop a pleasant workplace environment in which he/she can demonstrate his/her capabilities, and implement health measures tailored to health issues, to ultimately eliminate presenteeism*¹ and absenteeism*². In an internal survey conducted in fiscal 2021, neck problems, stiff shoulders, insomnia and lower back pain were identified as health issues that heavily affect presenteeism, so we are working to rectify these issues as a matter of priority. We are

also striving to reduce absenteeism by working on the prevention of cerebral cardiovascular diseases and mental health problems, as well as providing return-to-work support and assisting employees in striking a balance between work and treatment.

*1 Presenteeism: Deterioration in productivity while being present at work due to health problems

*2 Absenteeism: Absence from work due to health problems

Overwork prevention

HOYA has established the HOYA Group Standard for the Prevention of Overwork-related Health Problems, which is in compliance with industrial safety and health laws and regulations, and has implemented it at all HOYA Group companies. Workers with long working hours are required to have an interview with an industrial physician, and a system has been put in place to ensure the person in charge of personnel affairs, the manager, and the industrial physician work together to slash long working hours from the perspectives of both labor management and health management. In addition, as part of workstyle reform, HOYA is strengthening efforts to steadily improve the utilization rate of annual paid leave.

Countermeasures against infectious diseases

Since before the COVID-19 pandemic, HOYA had been proactively working on measures to address the risks of emerging infectious diseases, following the formulation of its “Guidelines on Countermeasures Against New Strains of Influenza and Other Infectious Diseases” based on a scenario of pandemics of new strains of influenza and other emerging infectious diseases. Under the Guidelines, we have established the HOYA Group Influenza/Epidemic Risk Management Team, formulated a business continuity plan, and organized channels for collecting, conveying and sharing information; in addition, we have put in place a framework to enable the stable supply of products, etc. while minimizing health hazards by giving top priority to ensuring the safety of employees, their families, relevant parties and others.

Countermeasures against COVID-19

The respective Crisis Management Teams of the head office and each business promptly collect information and collaborate with each other. In addition, we have summarized such matters as measures to prevent infections in the HOYA Group in the “HOYA Global Post-COVID-19 Work Handbook,” translated it into 21 languages and distributed it to all employees in the Group, with which we conduct education and awareness-raising activities targeted at all employees through e-learning. We conduct an internal audit on employees’ status of adaptation to and compliance with the provisions in the Handbook in an effort to stringently enforce countermeasures against infections. At viable locations inside and outside Japan, we also offered workplace vaccinations against COVID-19 (initial and booster vaccinations) to employees, their families and contractors’ employees who wanted to get vaccinated.

Measures to prevent lifestyle diseases and prevent them from increasing in severity

HOYA is stringently enforcing steps to be taken after medical checkups by industrial physicians and health nurses and striving to make more employees undergo detailed medical examinations and boost the effects of medical treatment. As a health program in collaboration with HOYA’s corporate health insurance association, we are working on implementing specific health checkups and specific health guidance in an efficient and effective manner. Furthermore, we are taking measures to promote fitness habits to not only prevent lifestyle diseases but also to alleviate stiff shoulders/lower back pain and improve the quality of sleep of employees.

Social

Product Safety and Quality

Product Safety Assurance Policy and Structure

Product safety assurance policy

■Legal compliance

Each company in the HOYA Group complies with the standards required of products in Japan and elsewhere around the world. We also comply with laws, regulations, and other standards related to product quality and safety.

■Collecting and responding to product incident information

Each company in the HOYA Group collects information from customers and other sources related to product incidents and/or malfunctions. When necessary, we provide legally mandated reports to regulatory agencies and appropriate information to customers and others. We enact measures to recall products, repair products, in addition to taking other actions regarding any product-related issues.

■Ensuring product safety

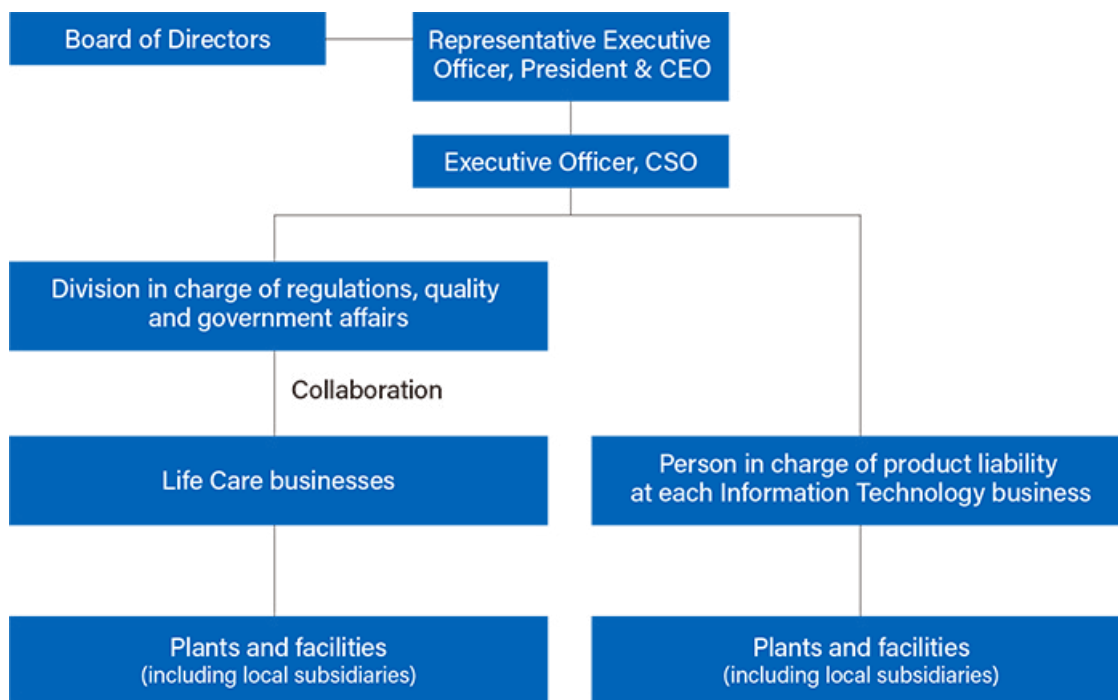
Each company in the HOYA Group provides, where appropriate, user training, up-to-date user guides and documents, product warning labels, and other information for the effective, safe use of our products. We continue to seek opinions from users of our products and reflect this feedback in future products.

■Training and educational systems to improve product safety and quality

Each company in the HOYA Group strives to improve product safety and quality. To accomplish this goal, we conduct ongoing education and training activities. At the same time, each Group company performs reviews and updates to product safety and quality management organizations and systems.

Product safety assurance structure

At the HOYA Group, under the supervision of the executive officer in charge, each business division has product safety assurance functions. For businesses falling under the Life Care segment, which handles medical products, we have established a division in charge of regulations, quality, and government affairs across these businesses.



Quality Management System

The HOYA Group has acquired international quality management system ISO9001 (mainly for the Information Technology business) or ISO13485 (mainly for the Life Care business) focusing on major production bases in each business and is making efforts to improve the safety and quality of its products.

For information on our acquisition status of ISO certification, please refer to [this page](#).

Social

Supply Chain Management



Basic Policy

The HOYA Group operates manufacturing facilities on a global scale and sells products to customers around the world by processing and assembling raw materials and components procured at the facilities in each country.

In order to boost corporate value in a sustainable manner, it is important to maintain product safety and quality at a high level, comply with laws and regulations and protect human rights not only within the Company but also throughout its supply chains. For this purpose, it is imperative to manage supply chains in an appropriate manner. Accordingly, major suppliers are required to sign and comply with the HOYA Supplier Code of Conduct; additionally, key suppliers are visited and examined periodically, and as necessary, provided with assistance to make improvements.

Supplier Code of Conduct

The HOYA Group seeks to apply a high level of legal compliance and ethical practices consistent with its legal and social responsibilities and duty to protect the basic human and worker rights of everyone in the organization.

We have also established the [HOYA Supplier Code of Conduct](#) that applies to all suppliers providing products and services to us. The Code requires our suppliers to adopt the same level of legal compliance and ethical practices as HOYA, and all our suppliers are asked to accept and comply with it before conducting business with HOYA.

Going forward, we will continue to work on suppliers so that we can obtain signatures from all of them. (Signaturerate as at time of the fiscal 2020 survey: Approx. 90%)

Supplier Audits

Key suppliers are audited, either periodically or as necessary, in accordance with the quality assurance system in each business segment.

Responses to Conflict Minerals

With the cooperation of its suppliers, the HOYA Group does not use any minerals sourced from the Democratic Republic of the Congo or its neighboring countries that are defined as conflict minerals in Section 1502 of the U.S. Dodd-Frank Act.

We request suppliers to comply with the HOYA Supplier Code of Conduct that sets out the above policy, and key suppliers to periodically cooperate in our conflict minerals survey* using the Conflict Minerals Reporting Template (CMRT), which is a template provided by the Responsible Minerals Initiative (RMI). Since fiscal 2020, we have been conducting the conflict minerals survey on a Company-wide scale by expanding its scope to include the Life Care business as well, not just the Information Technology business.

We will continue to engage in initiatives with the cooperation of suppliers, including initiatives to identify smelters so that the procurement source of minerals will be limited to smelters that are compliant with the Responsible Minerals Assurance Program (RMAP).

* Minerals subject to the survey: tantalum, tin, gold, tungsten

Conflict Minerals Survey Results and Targets

Starting with the conflict minerals survey completed in fiscal 2021, we have set new targets and are monitoring the survey response rate from suppliers and the number and ratio of smelters compliant with the RMAP to promote initiatives to reduce the risk of conflict minerals. Specifically, we work with suppliers to improve the accuracy of the survey and, in the event of non-response to the survey or failure to confirm RMAP-compliant smelters, we conduct additional surveys and request improvements as necessary.

| Fiscal 2021 survey results | Life Care business | Information Technology business | Total | Target |
|---------------------------------------|--------------------|---------------------------------|-------|---------------------|
| Survey response collection rate | 98.4% | 99.6% | 99.5% | 100% |
| Identified smelters | 69 | 91 | 160 | Ongoing improvement |
| Number of RMAP-compliant smelters | 55 | 85 | 140 | |
| Percentage of RMAP-compliant smelters | 80% | 93% | 88% | |

Note: The survey is conducted after selecting key suppliers subject to the survey according to the characteristics of each business.

Social

Corporate Citizenship

HOYA's mission is to contribute to improving the quality of life (QOL) of people around the world through its own products and services. We are working to contribute to the resolution of social issues regarding eye care, in which many of our businesses are engaged, from the perspective of supporting "seeing" around the world.

Contributing to Improving Ophthalmic Medical Access in Developing Countries

Aiming to improve ophthalmic medical access in developing countries and to avoid illness and ophthalmic diseases by conducting appropriate testing, diagnostics, and treatment, we have formed partnerships with international and local organizations to promote literacy in ophthalmic treatment and support activities in order to educate eye care professionals and improve their skills.

HOYA Vision Care Company (eyeglass lens business) has partnered with Orbis International, a global nonprofit and nongovernmental organization dedicated to saving eyesight worldwide. Together, HOYA and Orbis support work in communities to help bridge the vision care gap. Through their network, HOYA has supported Orbis in mentoring, training, and inspiring local vision care teams in underserved and rural areas, enabling the fight against preventable blindness in their own communities. Working together to develop the Cybersight digital education platform, which connects vision professionals to training materials from across the world, HOYA and Orbis have a shared vision to prevent avoidable blindness.



Contribution to Ophthalmic Medical Research and Education

The rapid pace of myopia has become a global health issue, and it is said that by 2050 approximately five billion people, roughly half of the world's population, may be affected by nearsightedness.*1



HOYA Vision Care Company entered into a partnership with the International Myopia Institute*2 in March 2022 to promote the prevention, treatment, and management of shortsightedness.

In addition, HOYA Surgical Optics (intraocular lens business) has entered into partnerships with the European School for Advanced Studies in Ophthalmology (ESASO)*3, which supports the education of ophthalmologists around the world. HOYA Surgical Optics has donated surgical devices (equipment and intraocular lenses) to ESASO's facilities in Lugano and Lublin and their clinical application specialists support ESASO's training teams in wet labs with surgeons.

*1 Source: Holden B. A., et al. Global Prevalence of Myopia and High Myopia and Temporal Trends from 2000 through 2050. *Ophthalmology*. 2016 May; 123(5): 1036–1042

*2 International Myopia Institute: A nonprofit organization of experts from around the world, established in 2015, following the WHO-BHVI meeting amid the growing need to take measures against myopia on a global scale.

*3 ESASO: A nonprofit organization supporting education aimed at improving the expertise and skills of ophthalmologists around the world.

Click [here](#) for the website of HOYA Vision Care Company.

Click [here](#) for the website of HOYA Surgical Optics.

Eye-related donations

HOYA Surgical Optics, headquartered in Singapore, has concluded a corporate giving partnership with the Singapore Association of the Visually Handicapped (SAVH), a group that supports people with visual disabilities, and conducts support activities such as donations to this organization. Donations are used for rehabilitation and after-sales care programs for people with visual disabilities.

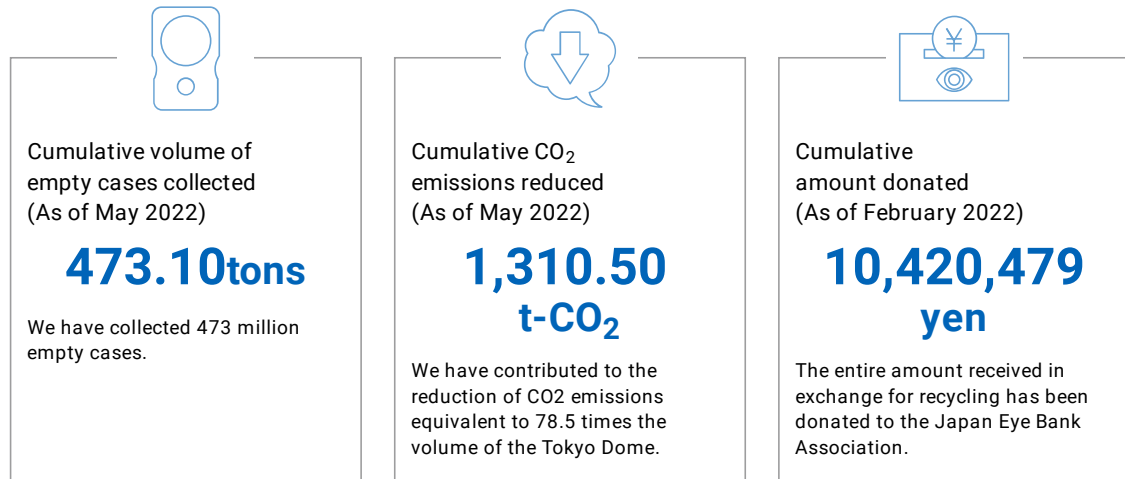
Contact Lens Specialty Store: Eyecity Eco Project

The “Eyecity Eco Project” executed by Eyecity—our chain of contact lens specialty stores—runs a campaign that involves collecting and recycling empty disposable contact lens cases and donating all proceeds from the sale of the empty cases to recycling contractors. We have been carrying out this industry-first initiative on an ongoing basis since 2011, with the aim of contributing to society in three ways: 1) Protecting the environment by recycling empty cases into resources, 2) Providing self-reliance/employment support to disabled persons, and 3) Making donations to the Japan Eye Bank Association.



Japan Eye Bank Association: A nonprofit, public interest corporation established for the purpose of awareness-raising and promotion of corneal transplants and the eye bank so that people in need of a corneal transplant can regain their sight.

Volume Collected and Amount Donated to Date



Humanitarian aid to Ukraine

HOYA Corporation collected donations from employees around the world and delivered them to organizations to support relief efforts for people affected by the conflict in Ukraine. In addition, the Company made a donation to the Japanese Red Cross Society and the Japan Committee for UNICEF.

- Donations from our employees Total amount: 8,592,481 yen (yen translation)
Donated to: Red Cross Society of each country, organizations supporting the humanitarian crisis in Ukraine, etc.
- Donation from HOYA Corporation Total amount: 100,000,000 yen
Donated to: Japanese Red Cross Society 50,000,000 yen
Japan Committee for UNICEF 50,000,000 yen

In addition, HOYA Surgical Optics donated ophthalmic products (including intraocular lenses and ophthalmic viscosurgical devices) through the European Society of Cataract & Refractive Surgeons (ESCRS) to support surgeons in Ukraine.