

HOYA INTEGRATED REPORT 2025

Innovating for a Better Tomorrow



HOYA Integrated Report 2025: Concept and Editorial Focus

In producing the HOYA Integrated Report 2025, we have followed the concept and editorial principles outlined below.

Communicate HOYA's value clearly



We have aimed to present our value creation mechanisms and growth areas in a way that is easy to understand, even for investors following HOYA for the first time.

Be concise



We have sought to avoid redundant explanations and keep the content concise.

New initiative: "A 10-Minute Synopsis of the 2025 Integrated Report"



Recognizing that institutional investors and analysts follow many companies and are often short on time, we have created a version of the report that allows readers to digest the key points quickly.

Omit explanations of common terms



We have omitted definitions of widely used capital market terms such as TAM and CAGR. However, frequently used terms that are specific to HOYA's operations are explained in the glossary provided below.

Exclude factors that are uncertain at the time of editing



For example, we have not included the impact of U.S. tariffs as a factor in our outlook, as their effect on operations was unclear at the time of editing and the situation remains fluid.

Glossary

Conventions on Terminology and Notation in the HOYA Integrated Report 2025

Term	Meaning
FY24	Fiscal year ended March 2025 (April 2024–March 2025)
YoY	Year on Year
CC	Constant Currency: Growth rate excluding the impact of foreign exchange fluctuations
Operating Profit	Used as a convenient term to denote "profit from ordinary operating activities."
Operating Margin	Used as a convenient term to denote "profit margin from ordinary operating activities."

HOYA REPORT 2025

Terms related to HOYA's businesses and products

Applicable Domain / Product	Term	Meaning
Entire Group	Quarterly Review System	A forum in which executive officers (CEO/CFO/CSO) and the heads of each business division discuss performance, outlook, business strategy, and required resources every quarter. Business strategies are adjusted as necessary based on progress against initial targets. Executive officers assess the rationale of investment decisions such as personnel expansion and production capacity increases and determine whether to proceed.
	Progressive Dividends	A dividend policy under which dividend payments increase each year in line with financial performance, and are maintained even in years of reduced profit (i.e., no dividend cuts)
Eyeglass Lenses	Progressive Lenses	Multifocal lenses designed to accommodate age-related loss of focusing ability (presbyopia), allowing clear and comfortable vision from near to far with a single pair of glasses
	Photochromic Lenses	Lenses that adjust their tint based on ultraviolet light and ambient brightness, darkening like sunglasses when outdoors and becoming clear when indoors
	Myopia Management Lenses for Children	Marketed under the brand name MiYOSMART in over 40 countries. These eyeglass lenses provide standard vision correction at the center while surrounding it with numerous microscopic segments designed to create constant "myopic defocus" on the peripheral retina. This helps suppress excessive axial elongation of the eye and effectively slows the progression of myopia in children. Not yet approved in Japan or the U.S. as of September 2025.
LSI (Mask Blanks)	EUV	Extreme Ultraviolet: A cutting-edge semiconductor manufacturing technology that utilizes light with an extremely short wavelength of 13.5 nanometers. EUV lithography has been adopted starting from the 7nm process node.
	DUV	Deep Ultraviolet: A semiconductor manufacturing technology using UV light with a typical wavelength of 193nm. Also known as the optical lithography method.
	Ångström	A unit of length used to express the linewidth of semiconductors. As semiconductor miniaturization has advanced, traditional expressions such as 3nm and 2nm no longer accurately reflect the pace of technological advancement. As a result, the industry is shifting toward

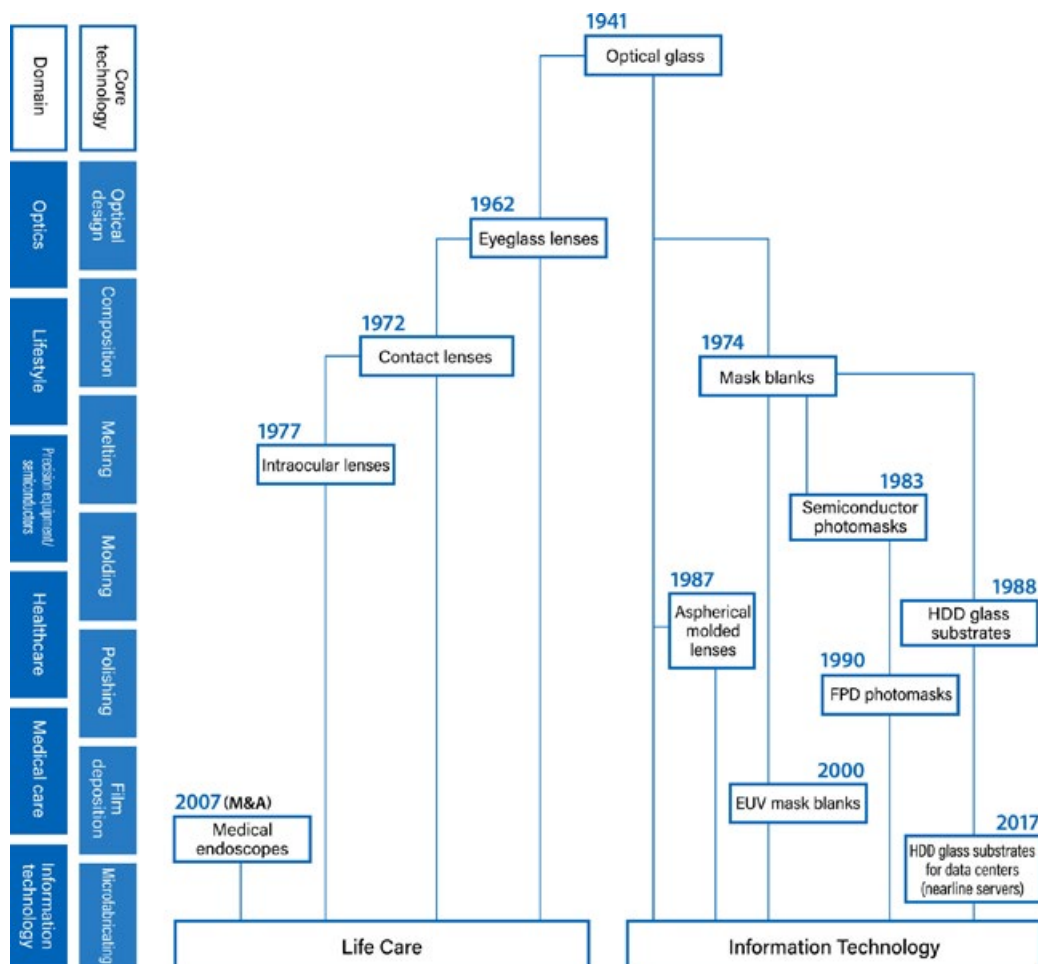


HOYA as an Investment

Expanding Across Diverse Business Domains by Leveraging Optical Technologies

Since its founding in 1941, HOYA has refined its processing and optical technologies for materials like glass and resin. Building on this foundation, we have expanded our business domains across a wide range of areas—from eyeglass lenses to mask blanks used in semiconductor manufacturing.

We continuously update and strengthen our core competencies—including optical design, molding, and polishing—cultivated over the course of our history, while also exploring growth opportunities in adjacent areas where we can apply these strengths.

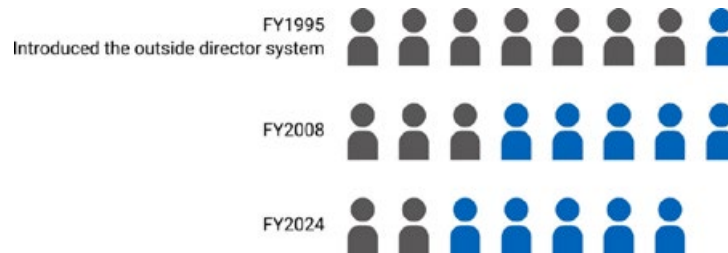


Management Focused on Capital Efficiency

Since the 1990s, we have initiated corporate governance reforms while also adopting and strengthening policies focused on capital efficiency. Since our listing on the First Section of the Tokyo Stock Exchange (currently the Tokyo Stock Exchange Prime Market), we have never posted a loss and have achieved steady profit growth. By actively returning surplus capital to shareholders, we have delivered consistent double-digit annual growth in earnings per share (EPS) over the past ten years, while maintaining a high return on equity (ROE) of around 20%.

Changes in the Number of Directors

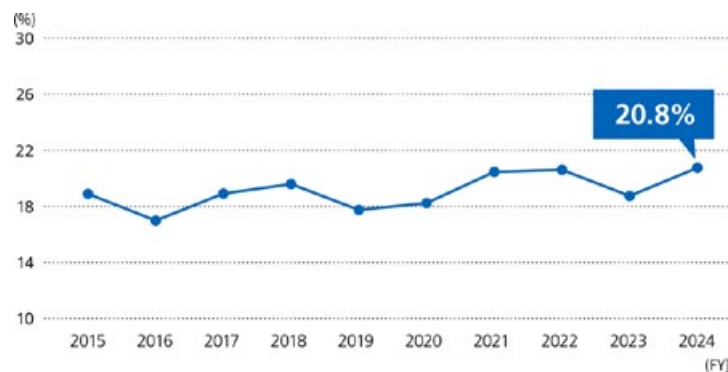
*Blue indicates outside directors



EPS: Continues to grow at a double-digit rate, driven by profit growth and share buybacks



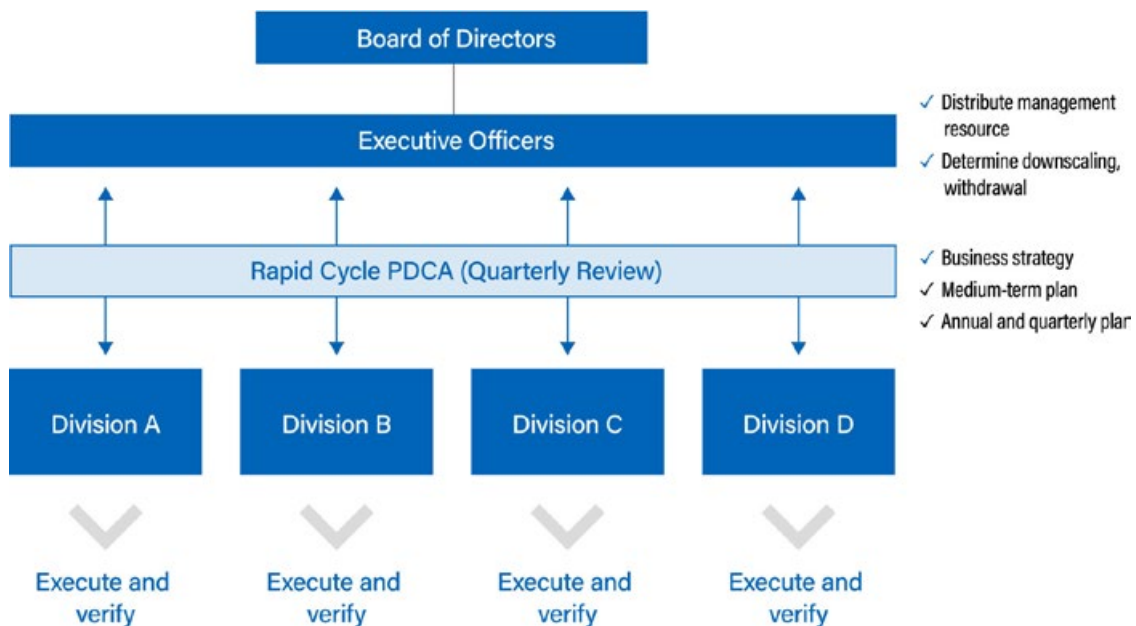
ROE: Gradually increasing while maintaining a high level



Our shareholder returns have traditionally centered on share buybacks. However, taking into account the views of shareholders and investors with a strong focus on dividends, we announced a new dividend policy in May 2025, featuring a progressive dividend structure with a **target payout ratio of 40%**. Moving forward, while continuing to prioritize growth investments, we aim to return 100% of surplus capital to shareholders.

Agile Business Operations

At the core of our management framework is a quarterly review process for each business division. While day-to-day business decisions are delegated to the respective divisions and executed under their responsibility, each division submits a quarterly report covering both quantitative and qualitative aspects of its performance. Executive officers then assess these reports thoroughly—shifting from a bird’s-eye view to a worm’s-eye view—to carefully evaluate the situation and determine how to allocate management resources. Business units with highly feasible plans are allocated greater resources, such as capital investment funding, which in turn strengthens our business portfolio through a survival-of-the-fittest approach. In an environment of constant external change, we do not rigidly adhere to the business plans set at the beginning of the year. Instead, we revise strategies and numerical targets flexibly as needed, enabling us to maximize opportunities while minimizing risks.

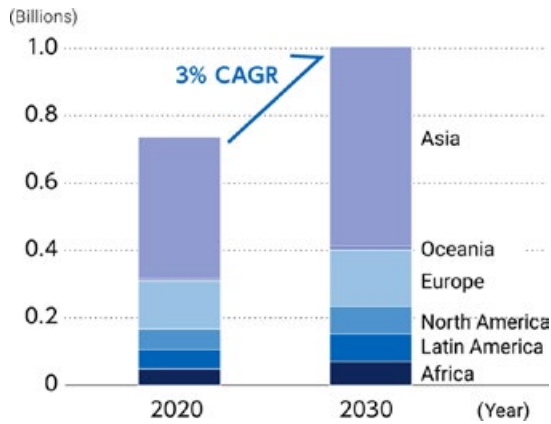


Structural Market Growth

Eye Health: Eye Health, a core business area for HOYA, is expected to see sustained structural growth over the long term. As the global population ages and the use of digital devices becomes more widespread, issues related to vision and eye health are gaining increasing importance. Some forecasts suggest that by 2050, nearly half of the world’s population will be affected by myopia, with the rising prevalence of childhood myopia emerging as a serious social concern.

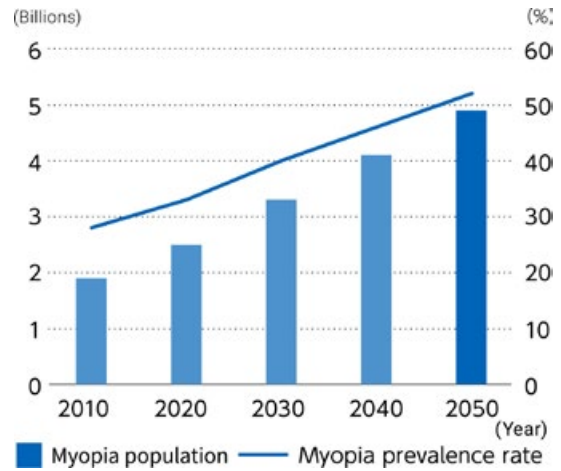
At HOYA, we provide products and solutions tailored to the vision needs of all generations—from young children to older adults. Through continuous innovation, we are committed to contributing to better vision for people around the world.

World Aging Population (65 and Over) Forecast



Source: United Nations, The 2024 Revision of World Population Prospects

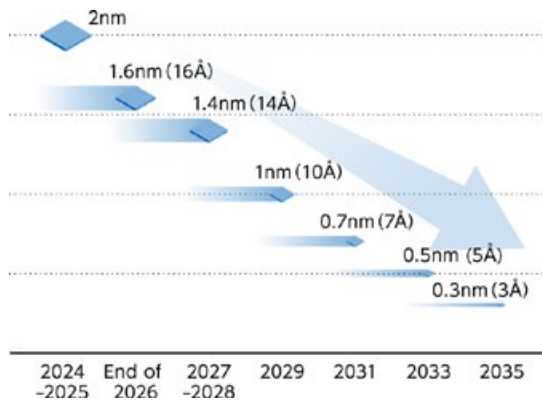
Global Myopia Population Projections



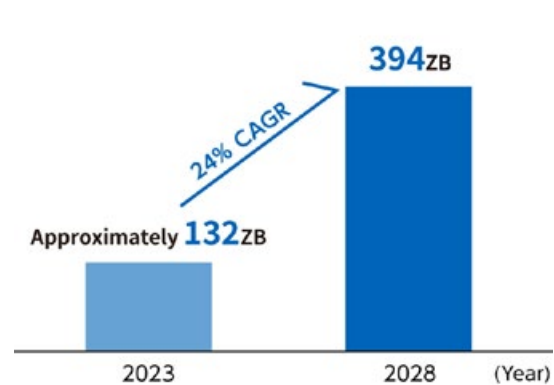
Source: Holden BA, Fricke TR, Wilson DA, Jong M, Naidoo KS, Sankaridurg P, Wong TY, Naduvilath TJ, Resnikoff S, Global Prevalence of Myopia and High Myopia and Temporal Trends from 2000 through 2050, Ophthalmology, May 2016 Volume 123, Issue 5, Pages 1036–1042

IT: As technologies such as generative AI, IoT, and next-generation communications like 5G and 6G continue to advance, there is an increasing need for the evolution of the computing and data management infrastructure that forms their backbone. At the heart of these innovations is semiconductor technology, which is now reaching the angstrom scale—an extremely fine level measured in just a few atoms. In parallel, every aspect of human activity is producing massive volumes of data that are being stored in data centers and other facilities. HOYA positions the IT domain as a high-growth business area. Through high-precision products such as mask blanks essential for semiconductor manufacturing and glass substrates for hard disk drives (HDDs), we provide critical support for the information and communications technologies that underpin modern life.

Semiconductor Miniaturization Roadmap



Global Data Traffic Forecast



Source: Company data

Key Growth Areas

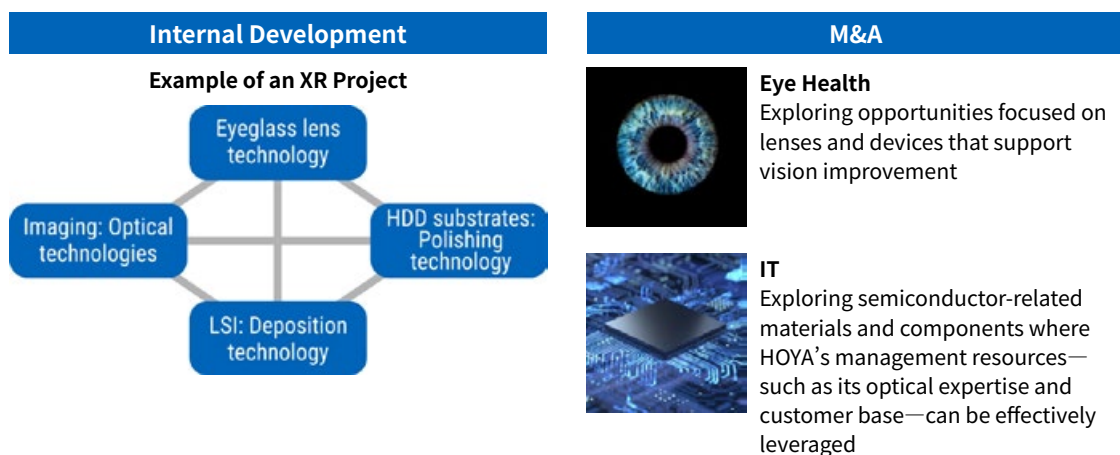
Against this backdrop, HOYA positions the Eye Health domain as a stable growth area and the IT domain as a high-growth area. Within these domains, we have identified the following three businesses as key growth drivers and are focusing our efforts on their development.

	Stable Growth Volatility: Low		High Growth Volatility: High
	Eyeglass lenses	Mask blanks for semiconductor manufacturing	Glass substrates for hard disk drives (HDDs)
Market Growth Drivers	<ul style="list-style-type: none"> • Aging society • Rising prevalence and population with myopia 	<ul style="list-style-type: none"> • Technological advances driven by semiconductor miniaturization 	<ul style="list-style-type: none"> • Increasing volumes of data generated and transmitted globally • Advances in recording density technologies
HOYA's Growth Drivers	<ul style="list-style-type: none"> • Market share expansion • Higher added value through products such as progressive lenses and photochromic lenses • Myopia control lenses for young children 	<ul style="list-style-type: none"> • Securely capturing market growth by maintaining a strong presence in cutting-edge EUV nodes 	<ul style="list-style-type: none"> • Significant long-term expansion of total addressable market (TAM) through customer base growth (currently, our glass substrate share in the nearline market is approximately 40%, but our long-term goal is to capture 100% of the market).

For more information on each business, please refer to the Review of Operations section.

Seeding New Business Opportunities

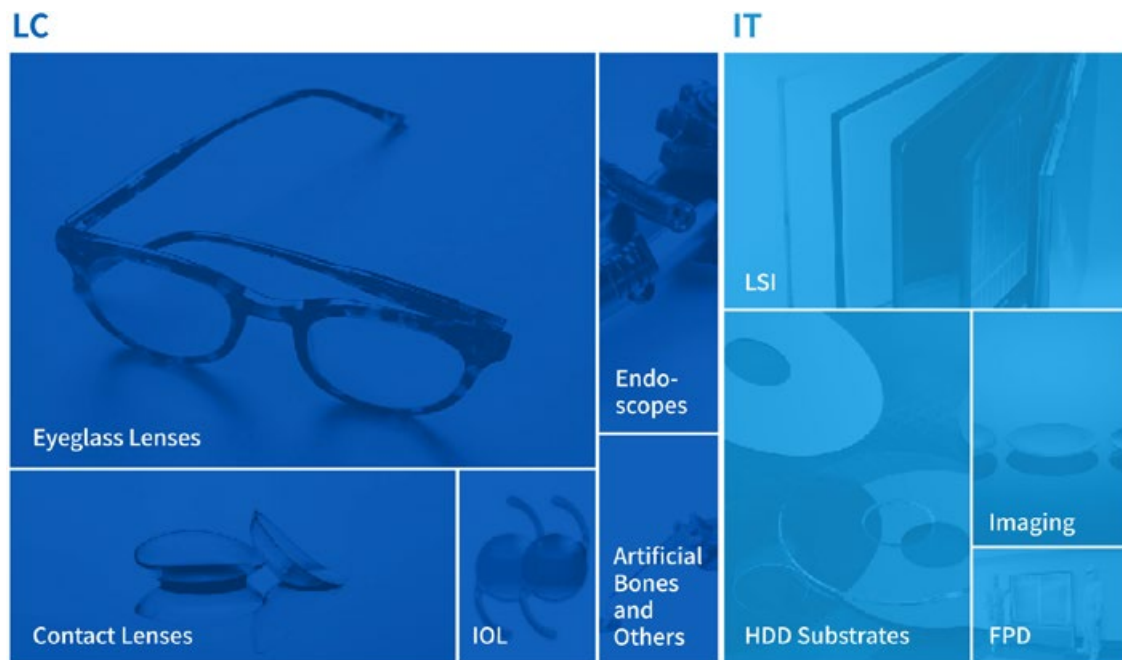
We are advancing the development of new technologies and products through cross-divisional collaboration, while also pursuing strategic M&A opportunities as needed to achieve transformational growth and ensure the company's long-term sustainability.



FY24 Revenue Analysis

Business Composition

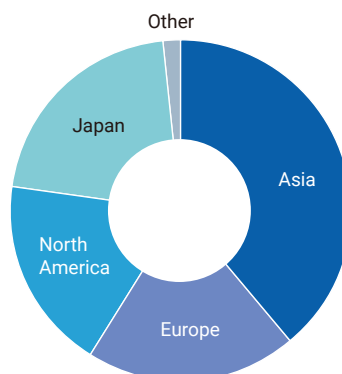
Revenue by segment comprised 64% from the Life Care business and 36% from the Information Technology business. The relative scale of revenue by product is shown in the treemap: eyeglass lenses and contact lenses accounted for a large share within the Life Care business, while LSI and HDD substrates made up a significant portion of the Information Technology business.



Revenue Breakdown by Region*

In terms of regional revenue, Asia, Europe, and Americas accounted for a large share, while Japan's share was relatively modest. When broken down by segment, over 80% of sales in the Information Technology business came from Asia, whereas in the Life Care business, more than 80% of sales were generated in Europe, the Americas, and Japan.

*Based on the location of the sales destination.





FY24 Performance Highlights

	FY24	YoY (Amount)	YoY (%)
Revenue (Billion yen)	① 866.0	+103.4	+14%
Life Care	550.9	+20.9	+4%
Information Technology	311.1	+82.8	+36%
Operating profit (Billion yen)	255.8	+23.4	+22%
Life Care	95.4	-11.3	② -11%
%	17.3%	-3p	-
Information Technology	168.4	+60.1	+56%
%	③ 54.1%	+7p	-
Net profit (Billion yen)	202.1	+20.7	+11%

① Record-high revenue achieved

② In the Life Care business, aggressive sales promotion investment to recover revenue following an IT incident led to a decline in profit

③ Continued high factory utilization drove the operating profit margin of the Information Technology business significantly above normal levels

Revenue

In FY24, revenue increased by 14% YoY (CC +11%) to 866.0 billion yen, driven primarily by a significant recovery in customer demand in the Information Technology business.

In Life Care, although the business was partially impacted by a malicious third-party cyberattack in late March 2024 and by government-led policy headwinds in the Chinese market, overall revenue grew by 4% (CC +2%) thanks in part to effective sales promotion initiatives for eyeglass lenses.

In the Information Technology business, revenue grew sharply by 36% (CC +33%), reflecting a strong rebound from FY23, which had been affected by customer inventory adjustments in semiconductor photomask blanks and HDD substrates.

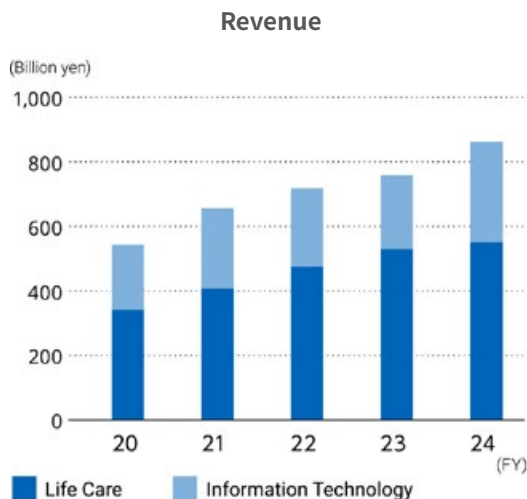
Operating Profit

Operating profit increased significantly to 255.8 billion yen, up 22% YoY.

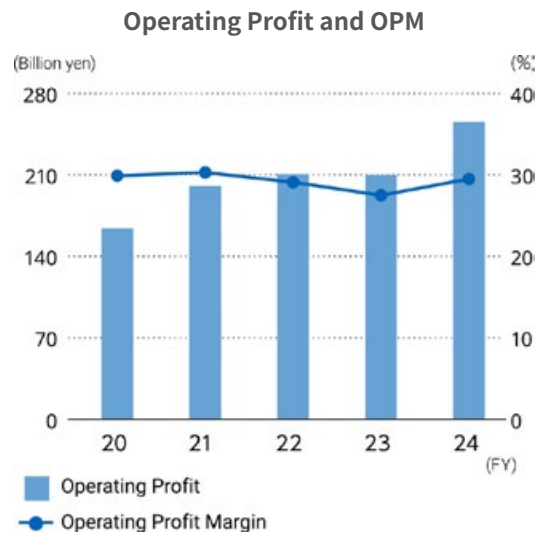
In the Life Care business, to bring sales back onto a growth trajectory following the IT incident, we invested in promotional activities—particularly for eyeglass lenses. As a result, profit declined by 11% (CC -13%). The operating profit margin was 17.3%, slightly below the benchmark level of 20%.

In the Information Technology business, strong customer demand led to continued full-capacity factory operations and highly efficient production. Operating profit rose by 56% (CC +52%), with an operating profit margin of 54.1%.

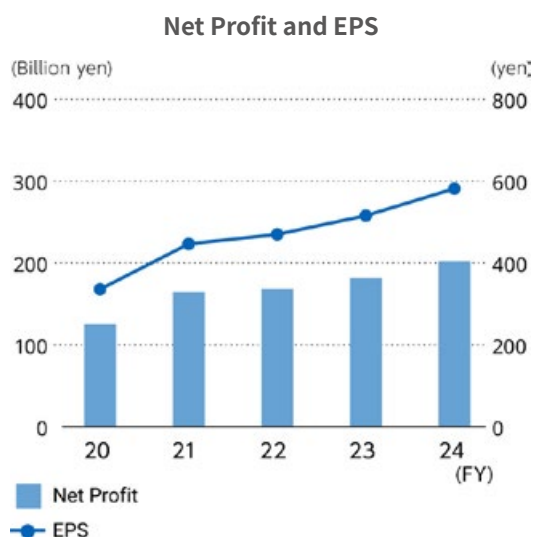
Key Financial Indicators (5-Year Trends)



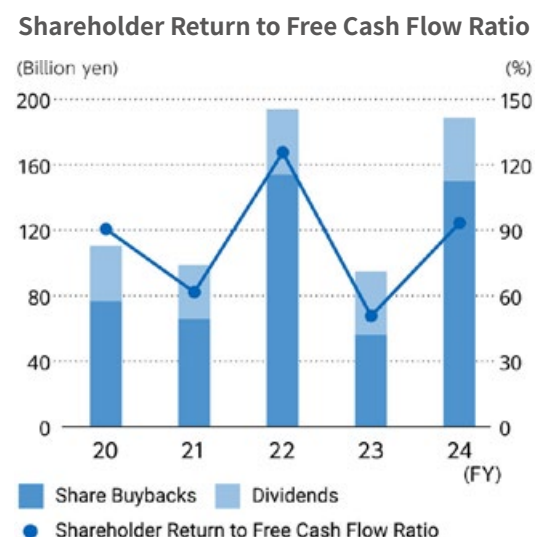
By operating two businesses with distinct product characteristics—Life Care and Information Technology—we have maintained a balanced overall business portfolio and steadily grown our revenue. In FY24, we achieved a record-high level of sales.



In FY23, operating profit declined slightly due to temporary adjustments in core products within the high-margin Information Technology business. However, overall, operating profit has continued on an upward trajectory. The operating profit margin has remained stable at around 30%.

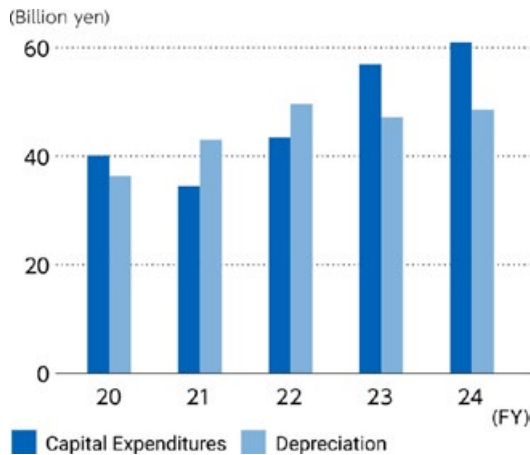


While steadily growing net profit, we have consistently carried out a certain level of share buybacks each fiscal year and canceled the repurchased shares. As a result, we have maintained EPS growth that outpaces net profit growth. Going forward, we aim to continue delivering EPS growth that exceeds profit growth through share buybacks.



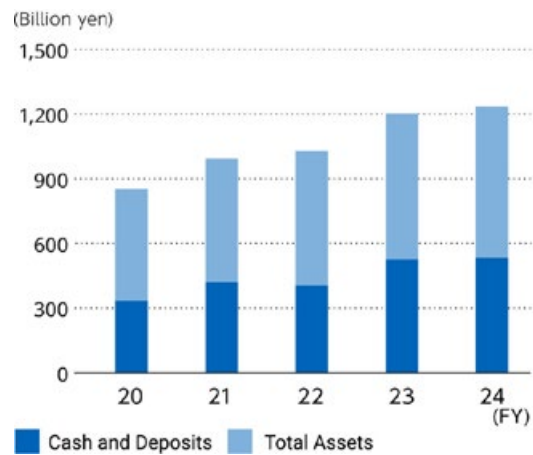
We aim to return 100% of free cash flow to shareholders. In recent years, shareholder returns have been somewhat weighted toward share buybacks, resulting in a lower dividend payout ratio. Going forward, under our new dividend policy, we will seek to strike a better balance between dividends and share buybacks (details provided below).

CAPEX / D&A



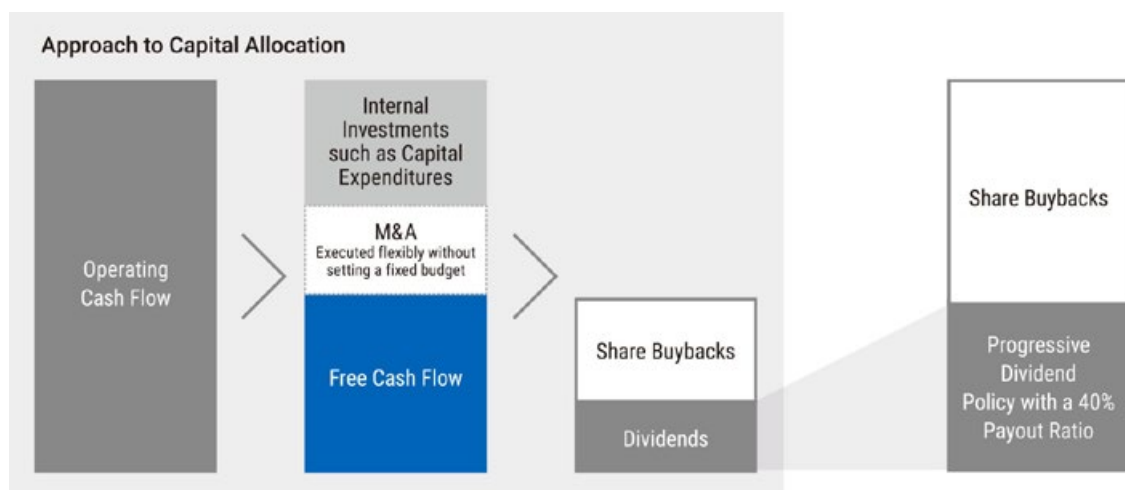
Capital expenditures had remained around 40 billion yen but have risen to approximately 50 billion yen since FY23, reflecting medium- to long-term growth in demand for mask blanks for semiconductors and HDD substrates, as well as sustained growth in eyeglass lenses. By segment, approximately 60% of capital investment is allocated to the Life Care business, and 40% to the Information Technology business. Depreciation expenses are also trending upward in line with the increase in capital expenditures.

Cash and Deposits / Total Assets



With the expansion of our business scale, total assets have increased, exceeding 1 trillion yen at the end of FY24. In addition, as a significant portion of our cash is held in U.S. dollars, the ongoing depreciation of the yen in recent years has contributed to a continued rise in cash and deposits. We recognize this as a challenge from a capital efficiency perspective, and we aim to further improve capital efficiency, taking into account the funds required for growth investments and shareholder returns.

Revision of Dividend Policy



We have adopted a capital allocation policy that prioritizes internal investments and M&A to support medium- to long-term growth, while returning 100% of the remaining free cash flow to shareholders. While we have actively carried out share buybacks, we have received increasing feedback highlighting the absence of a quantitative dividend target and the relatively low dividend payout ratio in recent years (around 20%).

In response, we introduced a new dividend policy in May 2025, establishing a progressive dividend with a payout ratio of 40%, aiming to rebalance shareholder returns between dividends and share buybacks.



CEO Interview with Eiichiro Ikeda

We will respond with agility to increasing uncertainty in the market environment to sustain stable, medium- to long-term growth.

Eiichiro Ikeda

Director, Representative Executive Officer, President & CEO

Despite ongoing economic uncertainty, HOYA achieved record consolidated results for fiscal 2024. From a management perspective, what were the key factors behind this performance?

In the fiscal year ended March 31, 2025 (fiscal 2024), we achieved our strongest consolidated results to date. Within the Information Technology business, both revenue and profit increased significantly, particularly for semiconductor mask blanks and glass substrates for nearline hard disk drives (HDDs), supported by a rebound following inventory adjustments in the previous fiscal year. These products served as key drivers of overall performance.

In the Life Care business, although we experienced a temporary setback due to an IT incident early in the fiscal year, we were able to restore our systems promptly and resume proactive sales activities, putting revenue back on a growth track. Profitability remained lower than normal due to increased marketing expenses associated with these efforts, but as those activities wound down during the year, profitability also returned to normal levels. In terms of external factors, our Life Care business in China was affected by a slowing economy and regulatory measures, including the anti-corruption campaign.

Despite these various internal and external developments, we were able to promptly establish a stable supply system in response to strong customer demand for key products in the Information Technology business, which contributed significantly to our strong performance.



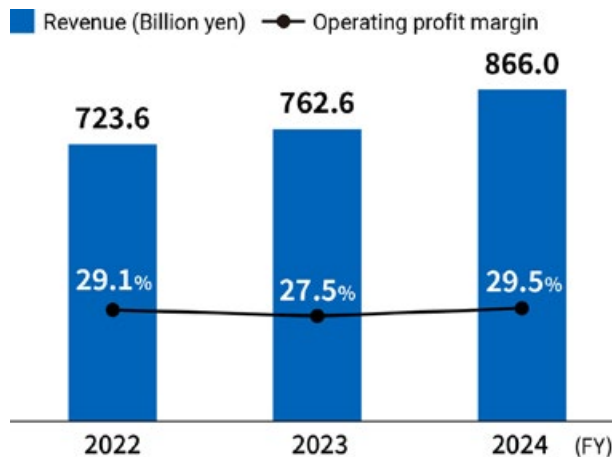
Looking back over the past few years, including the pandemic, the external environment has changed at an unprecedented pace, affecting each product in different ways. Nevertheless, HOYA has continued to achieve steady overall growth. How do you personally evaluate the business portfolio strategy to date, and what is your outlook for the future direction of the Company?

Over the past few years, we have faced truly unpredictable changes in the external environment, including the COVID-19 pandemic and the IT incident caused by a cyberattack. Nevertheless, I believe we have continued to achieve steady growth overall.

Our business portfolio is based on a dual-engine structure: the Life Care business, which experiences structural growth driven by societal aging and the rise in myopia; and the Information Technology business, which grows in line with cyclical demand. By combining these two distinct growth trajectories, we aim to ensure stable growth for the Group as a whole.

That said, in our day-to-day operations, we do not rely on a simple binary framework of Life Care versus Information Technology. Instead, we formulate and implement strategies on a product-by-product basis. Each product is also positioned within the portfolio according to its role—whether as a growth driver or a cash cow. HOYA currently operates over 10 business divisions, each handling different products. With such a diverse portfolio, it is rare for all products to perform well at the same time—and likewise, uncommon for all to underperform simultaneously. What matters most, in my view, is timely and agile management: when signs of weakness emerge in a particular business, we adjust production capacity in line with demand, implement cost reductions at the grassroots level, and reallocate resources toward businesses that are performing relatively well.

Performance Over the Past Three Years

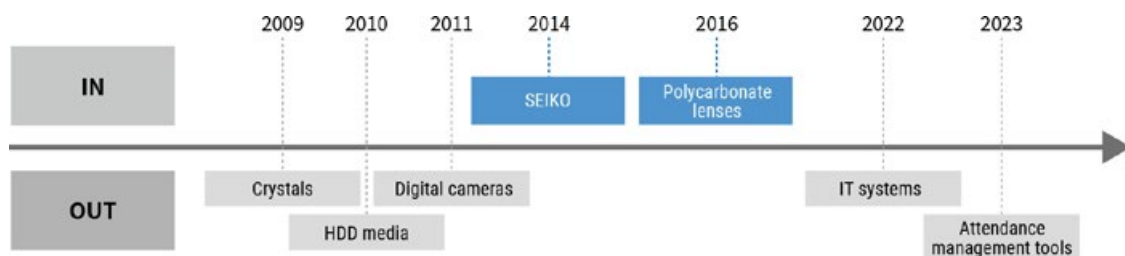


What is your view on future market trends and risks? In light of that, how are you identifying and prioritizing key themes for the medium to long term? Could you also share your outlook and major initiatives for fiscal 2025?

The market environment remains uncertain. Geopolitical risks continue to be a central concern, and a range of other risks—such as fluctuations in interest rates and foreign exchange, as well as rising tariffs and inflation—are becoming increasingly evident. Against this backdrop, I believe we will see a growing need for greater flexibility in global business operations, including the diversification of supply chains and the reassessment of production sites over the medium to long term.

Amid rising macroeconomic uncertainty, the importance of calibrating our business portfolio continues to grow. HOYA has historically divested or exited businesses while also expanding into new areas through internal development and M&A. In recent years as well, we have steadily moved forward with the divestiture of non-core businesses, albeit on a relatively small scale. Looking ahead, it will remain essential to address underperforming businesses in a disciplined manner while identifying and commercializing new growth areas for the medium to long term. We will return to our roots—becoming a “big fish in a small pond”—by securing a strong market presence and high profitability in niche markets, and by continuing to explore areas where we can best leverage our core competencies.

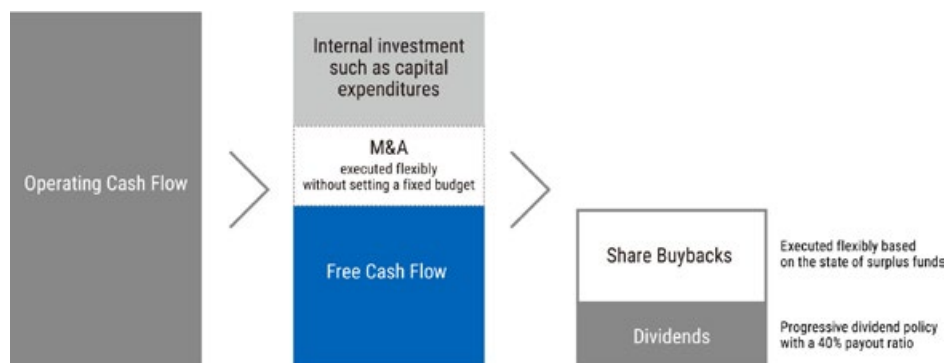
Major Acquisitions and Business Withdrawals Over the Past 15 Years



What was the background to the announcement of the new dividend policy? In addition, what is the Company's approach to capital allocation, including the planned use of its ample cash reserves?

In our communications with investors, our proactive share buybacks have been well received. At the same time, however, concerns were raised regarding the absence of a clearly defined dividend policy and the recent decline in our payout ratio. In light of this feedback, while maintaining our overarching policy of targeting a 100% return of free cash flow to shareholders, we have established a new progressive dividend policy centered on a 40% payout ratio.

Our approach to capital allocation remains unchanged: we will continue to prioritize internal investment, particularly in research and development and the expansion of production capacity, while pursuing M&A based on careful assessment of timing and opportunity. In recent years, although we have increased internal investments, our M&A activity has primarily consisted of relatively small-scale bolt-on acquisitions. In addition, the depreciation of the yen has led to an increase in foreign currency-denominated cash holdings, which has in turn resulted in a higher overall cash balance. Since the 1990s, we have shifted our management focus toward capital efficiency. Going forward, we will continue to enhance both asset efficiency and profitability, further strengthening capital efficiency and striving for sustained growth in corporate value. We appreciate the continued support and guidance of our shareholders and investors.



Special Feature: Roundtable Discussion with Independent Directors

Governance That Balances HOYA's Unique Identity with Innovation



Hiroaki Yoshihara

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



Yasuyuki Abe

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



Takayo Hasegawa

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



Mika Nishimura

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



Mototsugu Sato

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

Moderator : Thank you all for taking the time to join us today. In this roundtable discussion, we look forward to hearing your candid insights from the unique perspective of outside directors.

To begin with, HOYA's Board of Directors functions primarily as a monitoring board. What are the key areas of focus typically addressed in Board discussions? For example, do you also share your views or offer advice on specific business strategies or M&A proposals? And what is the overall atmosphere of the boardroom?

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Yoshihara : All important matters are brought before the Board of Directors. While staying true to HOYA's core philosophy of high profitability and investment efficiency, the Board engages in open and vigorous discussions. Even in the case of investment proposals such as M&A, if a proposal does not meet the Company's decision-making criteria, we do not hesitate to voice strong opposition. One of the distinguishing features of HOYA's Board, I believe, is that all members feel free to speak candidly. Another notable point is the openness of management—not only the CEO, but also the heads of each business division demonstrate a clear willingness to share information with independent directors. I see this attitude as one of the foundations underpinning HOYA's healthy corporate culture.

Moderator : In recent years, HOYA has not carried out any large-scale M&A transactions. What kinds of discussions take place at the Board level regarding M&A?

Yoshihara : One of HOYA's strengths, in my view, is that proposals are often brought to the table quickly—even before being fully refined—so that everyone's views can be heard and the strategy can be revisited as needed. I find this to be an extremely sound process.

In any company, there is always a risk that those responsible for a deal may craft optimistic projections to justify the proposed acquisition price. At HOYA, we thoroughly examine the basis for any figures presented, and scrutinize whether there is real alignment with HOYA's core competencies, culture, and management philosophy. We never approve proposals simply by accepting the numbers at face value.



Sato : I evaluate M&A proposals from three main perspectives. The first is strategic relevance—specifically, prioritizing strategic fit and chemistry with HOYA’s existing businesses. The second is whether the valuation and pricing are appropriate. It is essential to critically evaluate the accuracy of the business plan, looking particularly at whether future projections may be overly optimistic. The third is post-merger integration, as it is essential to ensure that a well-developed integration plan and structure are in place to generate synergies after the acquisition. At a minimum, all three of these criteria must be met.



Hasegawa : HOYA's existing businesses have high profit margins, which serve as the baseline for its investment criteria. Under the Company's "big fish in a small pond" philosophy, HOYA places a strong emphasis on profitability, which in turn results in an extremely high internal hurdle rate for investment proposals. Because of this, we pay close attention to whether overly optimistic synergy projections are being used in order to clear that hurdle.



Abe : In observing the Company over time, I have come to feel that HOYA's culture is quite unique. Whether an acquisition target aligns with that culture or not has a significant impact on the success or failure of the integration. For that reason, cultural compatibility is something I pay close attention to.



Nishimura : As Ms. Hasegawa mentioned, the internal hurdle rate for investments at HOYA is extremely high. For example, there is an expectation that M&A could be used to expand regional coverage or complement the product lineup, thereby enabling proposals to clear that hurdle. However, the reality is that such opportunities rarely arise.

Yoshihara : The Board will not approve an acquisition unless we are confident that leveraging HOYA's core competencies—including advanced optical technology, precision processing, and mass production—and embedding our financial discipline within the acquired company will produce meaningful synergies within two to three years.

Sato : I sense that President Ikeda is firmly committed to establishing a new pillar of business. Rather than building something entirely from scratch, his approach appears to be centered on achieving this through M&A. However, as others have noted, the high internal hurdle rate and concerns about earnings dilution mean the Company is still in the process of identifying the right opportunity.

Moderator : Thank you. Let us shift gears slightly. As independent directors, what are the key points you each prioritize when preparing for Board meetings?



Yoshihara : HOYA has a clearly defined set of targets—namely, high profitability and capital efficiency—which serve as a benchmark for what the Company aims to be. As an independent director, I consider how I can contribute to achieving these goals. Ahead of each Board meeting, I prepare the key points I want to raise or advise on, so that I can build on them as the discussion unfolds on the day.

Abe : For HOYA's Board of Directors, which functions primarily as a monitoring board, a key responsibility is to ensure that the executive side is carrying out its duties appropriately. That said, it is extremely difficult to make such judgments within the limited time of Board meetings. To help ensure objectivity in assessing whether sound decisions have been made, I try to review information outside the boardroom as much as possible.

Hasegawa : In that regard, the site visits that the Company regularly conducts—to domestic and overseas factories, R&D centers, and other locations—are extremely helpful. There is often a significant difference between what is in the documents and what is happening on the ground. Coming from a technical background myself, I find that seeing how operations actually run and who is managing them greatly deepens my understanding of the business.

Nishimura : At Board meetings, we typically only interact with those in “reporting roles,” such as business or administrative heads. But during site visits, we are able to engage directly with people on the ground. We can ask questions to frontline employees and assess whether their responses are consistent with what is being reported to the Board. These visits also offer a valuable opportunity to meet the next generation of leaders.



Sato : As an independent director, I am not involved in evaluating the merits of how each individual business is executed. Instead, I focus on whether the executive side is making decisions through an appropriate process and whether key issues are being properly discussed. I aim to support the Company from that perspective.

Moderator : Let us now turn to today’s main theme. From your perspective as independent directors, what do you see as the most pressing management challenge facing HOYA?

Yoshihara : I believe the most important challenge is creating new drivers that will support HOYA’s medium- to long-term growth. Since becoming CEO, Mr. Ikeda has taken a trial-and-error approach over the past three years, pursuing management improvements through various initiatives, such as introducing an internal company system. While M&A activity has continued, it has mainly involved bolt-on acquisitions that extend existing businesses. In that sense, the Company is carefully formulating its medium- to long-term growth strategy while ensuring near-term profitability. As for growth areas, much has already been said, but I believe HOYA should continue to pursue niche fields with strong growth potential—areas where we can apply our core competencies and expect meaningful synergies. This aligns with our philosophy of being a “big fish in a small pond.”

Sato : I believe the biggest management challenge is that HOYA's high profitability has, in a sense, raised the hurdle for entering new businesses due to concerns over earnings dilution. At this stage, the Company is still searching for the optimal path to growth that also maintains strong profitability. This includes identifying white space adjacent to the Life Care and Information Technology businesses—or perhaps finding something that serves as a bridge between the two.

Abe : Looking back on HOYA's history, the Company has grown by building on its processing technologies for materials such as glass and resin. Even now, there may be highly profitable adjacent areas that we have yet to fully recognize. At the same time, stepping into unrelated domains poses considerable risks and must be approached with caution.

Moderator : In the most recent questionnaire responses, some of you noted that HOYA's medical-related businesses continue to face a challenging environment.

Yoshihara : Management is ultimately a matter of balancing the short term with the medium to long term. While it is essential to steadily pursue our medium- to long-term growth strategy, we must also provide firm support for underperforming businesses that require short-term turnaround efforts.

Abe : I agree. Revitalizing struggling businesses within the Life Care segment is a top management priority.

Hasegawa : I believe that reshaping the portfolio to enhance its overall resilience is a sound approach. However, divestitures and business exits alone are not sufficient. It's also essential to create something new—whether organically or through M&A. This remains a challenging area for President Ikeda, but the key lies in determining where to place the strategic focus.

Moderator : What other management challenges do you see, beyond strengthening the business portfolio?

Nishimura : I see cross-functional issues within the Group—those that cut across the organization—as key management challenges. On the risk side, cybersecurity and compliance are growing threats globally. On the opportunity side, talent identification and management are increasingly critical. In terms of talent management, we are not only discussing CEO succession but also deepening our conversations with the CHRO on how to build a more diverse pipeline of next-generation leaders.

Hasegawa : In regard to human capital, I was genuinely surprised to learn that HOYA's employee engagement score is in the high 70s—a figure rarely seen. It suggests to me that employees are highly motivated in their work, and I consider this a major strength of the Company. From what I have seen, the CHRO is working to raise engagement even further by conducting detailed issue analysis for each business division.

Moderator : Since risk management was raised earlier, I would like to touch on that topic. In March 2024, HOYA experienced an IT incident stemming from unauthorized access by a third party. How do you assess the Company's approach to cybersecurity?



Abe : Fundamentally, IT incidents are something that should never happen. Although the impact of the recent case was limited, I must admit it was disappointing—especially considering there have been similar incidents in the past. That said, cybersecurity is a never-ending battle. There is no way to reduce the risk to zero, and no solution can provide absolute security. Even with enhanced security standards, it is essential to stay abreast of the latest technological developments and respond to emerging issues with vigilance.

Yoshihara : To prevent a recurrence of IT incidents, it is even more important than technical measures to cultivate a corporate culture in which readiness and resilience are second nature. With the appointment of new personnel and the introduction of new policies now underway, I hope this will serve as a catalyst for building an even stronger culture capable of effectively responding to cyber incidents.

Hasegawa : I completely agree. No matter how robust a security system may be, it is ineffective if frontline staff lack a proper sense of risk. Neglecting basics—such as software updates, virus scans, or proper management of IT equipment—can create small vulnerabilities that lead to major breaches. Ultimately, it comes down to how seriously each individual employee takes the issue.

Nishimura : As Mr. Abe noted, it is impossible to eliminate risk entirely. That is why it is critical for the Company to take a strategic approach to resource allocation—such as by clearly identifying its “crown jewels,” or the most vital information and data that must be safeguarded. I also hope to see further development of systems designed to contain the scope of impact in the event of a cyberattack.

Sato : While strong communication from the head office is important, it is equally vital for those on the ground to monitor potential risk points—including the oversight of local servers. In the physical world, a lapse may only affect the individual, but in cybersecurity, a single vulnerability can compromise the entire Group. That is why fostering greater awareness across the Company is essential.

Moderator : Thank you all very much. Today’s discussion has been extremely valuable. You not only highlighted HOYA’s strengths but also shared candid insights into the management challenges and risks that shareholders and investors should be aware of. It was particularly helpful to hear your perspectives on both the offensive and defensive aspects of these issues.

Further Strengthening of Cybersecurity Measures

In response to the IT incident caused by a cyberattack in March 2024, we have further reinforced our cybersecurity measures to enhance the protection of information assets and ensure business continuity. Specifically, we are implementing integrated, Companywide firewall management and conducting log monitoring using security software, with the aim of enabling early detection of vulnerabilities and enhancing our ability to respond.

In addition to these technical measures, we are working to visualize and continuously improve our integrated management framework, led by our head office's IT department. These efforts aim to strengthen our ability to both prevent and respond to cyberattacks, while ensuring the continued reliability of our operational environment.

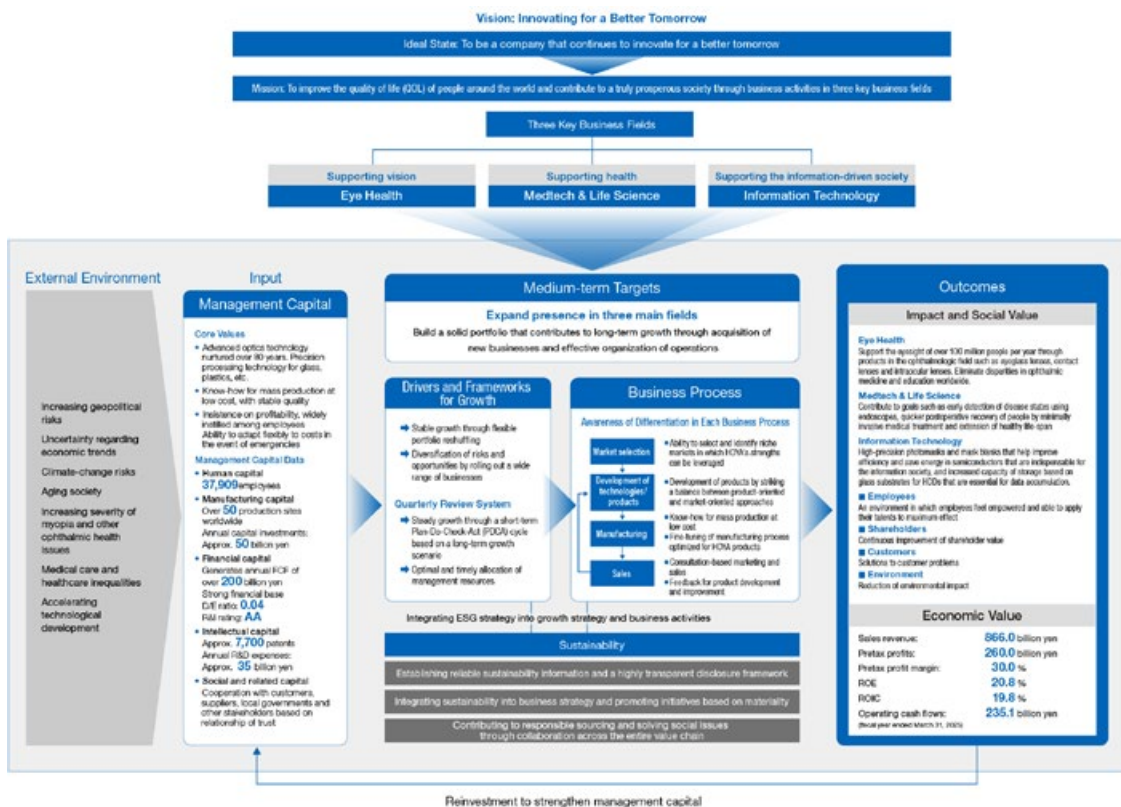
HOYA Value Creation

HOYA's Value Creation Model

Since our founding more than 80 years ago, we have been expanding our business to include a wide variety of products with optical technologies at their core. When selecting a business, we have been placing emphasis on resolving social issues through our products and services, while also making it a prerequisite to choose a market in which there is not too much competition and where we can leverage our core competencies in optical know-how. Based on those core competencies, we aim to create integrated value for business growth and sustainability by focusing on three social issues: (1) vision-related issues, such as the growing number of people with myopia; (2) medical-related issues, against the backdrop of factors that include the aging society; and (3) the challenges involved in the technological response to the information society that is continuing its remarkable development.

Sustainability is built on a stable business and financial foundation. Including the rise of geopolitical risks, in recent years the macro environment has been changing rapidly, and companies are being required to demonstrate their competitiveness by transforming their business structure more quickly and more flexibly. Rather than simply sticking to our decisions, we have been enhancing our corporate value by flexibly changing our business strategies and cost execution on a quarterly basis in keeping with changes in the external environment. Diverse external factors are expected to affect business activities in the years to come, and we will work to create stable outcomes through flexible business strategies and the transformation of our business portfolio.

By reinvesting the outcomes generated through business activities into, for example, R&D activities and investing in the acquisition of new businesses, we will strive to develop previously unreachable customers and unmet needs, so that as many people as possible can look forward to better futures.



[Download \(PDF: 131KB\)](#)

HOYA's ESG Approach

ESG and Sustainability Governance Framework

Governance

HOYA is organized as a company with Nomination Committee, etc. As such, the Board of Directors functions as a monitoring board, supervising the executive side and deliberating and deciding on materialities in management policy Group-wide. To secure management supervisory functions and ensure their objectivity, in fiscal 2024 the Company established a framework in which five of seven directors are outside directors. We appoint outside directors with extensive executive experience and a global perspective, who also possess deep knowledge of sustainability and ESG-related fields, as well as a clear understanding of emerging trends—including climate change, talent development, and leadership development—and practical experience in these areas.

The Group's basic sustainability policies, including climate change countermeasures, materiality, and important measures such as TCFD and RE100 are disclosed through deliberation and decision-making procedures by the Board of Directors. In addition, the Board of Directors receives regular reports on issues related to sustainability, including responses to climate change, from the Chief Sustainability Officer (twice a year in fiscal 2024), and monitors progress. The Board of Directors' receives reports on climate change responses in each business division during business reviews at Board of Directors meetings and provides advice from multiple perspectives. Similarly, the Group CHRO reports regularly to the Board of Directors regarding personnel measures across the HOYA Group, and the Group CCO reports regularly to the Board of Directors on compliance (once a year in fiscal 2024).

At HOYA, we conduct business operations through a divisional management approach facilitated by portfolio management. As such, each business division's specific policies on responding to sustainability-related issues, including climate change and human capital, are reflected in the management strategy, management plan and annual budget of each business, to be approved and decided by the Board of Directors. Additionally, each business division's head (division president) appoints a sustainability/ESG team within their division. Under the direction of the division head, the division's KPIs, aligned with the Group's goals, are set in consultation with the CSO. The division then implements measures to achieve these established KPIs.

In fiscal 2022, ESG indicators were incorporated into the Performance Share Unit (PSU), serving as a medium- to long-term incentive in executive officers' remuneration. Targets are set according to evaluations by outside organizations and the status of efforts on key ESG themes, including climate change and human capital. In fiscal 2023, to enhance the effectiveness of these indicators, important KPIs among the key ESG-related targets set by each business division, such as renewable-energy usage rate, were added to the criteria for annual incentives of the presidents of each business division.

Risk management

At the HOYA Group's head office, we appoint persons responsible for functions considered to pose significant risks, including compliance, pharmaceutical regulations affairs, cybersecurity, and occupational safety and health. Each business division identifies and mitigates risks through the persons responsible for these respective functions.

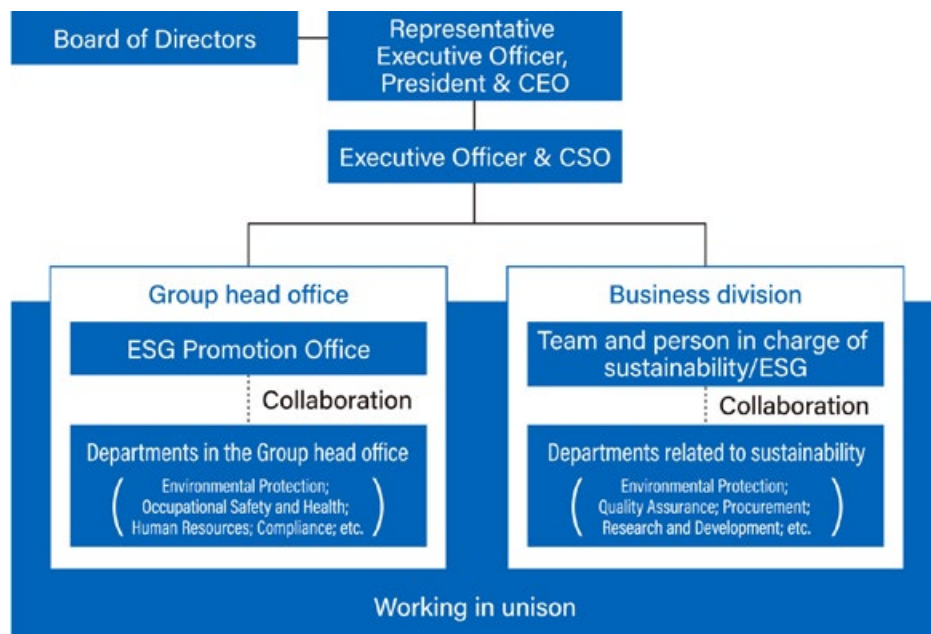
The responsible persons at the HOYA Group's head office regularly monitor the activities of the business divisions concerning their respective areas and report to the executive officers on the identification and response status of significant risks. Based on these reports, the overall risk status of the Group is presented to and deliberated by the Board of Directors.

Each business division formulates response policies for significant risks that could have a serious impact on its operations, tailored to its specific business environment and characteristics. Preventive measures for these risks are incorporated into the division's strategies, business plans, and annual budgets, and are subject to regular oversight by the Board of Directors.

When business division heads present their operations to the Board of Directors, they receive multifaceted questions from outside directors regarding risks specific to their businesses, such as geopolitical and procurement risks. These discussions provide valuable opportunities to deepen risk awareness.

Each business division has an internal audit function that identifies risks through the audit process. In addition, the internal audit department at the Group's head office develops a risk-based audit plan, which is approved by the Audit Committee. Audits are conducted accordingly, and the results are reported to the Audit Committee. The content of these audits is regularly reported from the Audit Committee to the Board of Directors, thereby ensuring objective risk management through an independent oversight body.

Sustainability/ESG Organizational Structure



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.

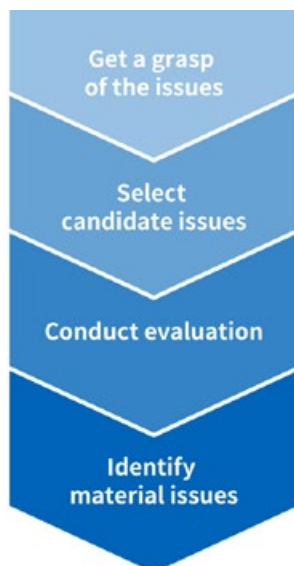
- We will aim to help resolve global social issues through innovation in our businesses.
- We will realize fair and highly transparent corporate management by building a relationship based on trust through consistent dialogue with key stakeholders.
- We will aim to minimize environmental externalities 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. In light of emerging disclosure standards such as the Corporate Sustainability Reporting Directive (CSRD), the International Sustainability Standards Board (ISSB), and the Sustainability Standards Board of Japan (SSBJ), the HOYA Group is currently reviewing its material issues. Going forward, we aim to further enhance the integration and transparency of our sustainability-related disclosures.

Process of Identifying Material Issues



- Get a grasp of changes in society and issues related to HOYA's businesses.
- Analyze ESG rating agencies' evaluation of HOYA and refer to international guidelines.^{*1}
- Interview the management of business divisions.
- Use the industry-by-industry Materiality Map^{*2} by SASB^{*3} that matches HOYA's businesses and select the candidate issues based on evaluation on two axes, i.e., by mapping stakeholders' interest on the vertical axis and the impact on HOYA's businesses on the horizontal axis.
- Conduct an evaluation comprehensively by deepening internal discussions while referring to opinions and feedback obtained from investors in and outside Japan who are key stakeholders.
- Obtain approval for the identified four material issues at the Board of Directors' meeting.

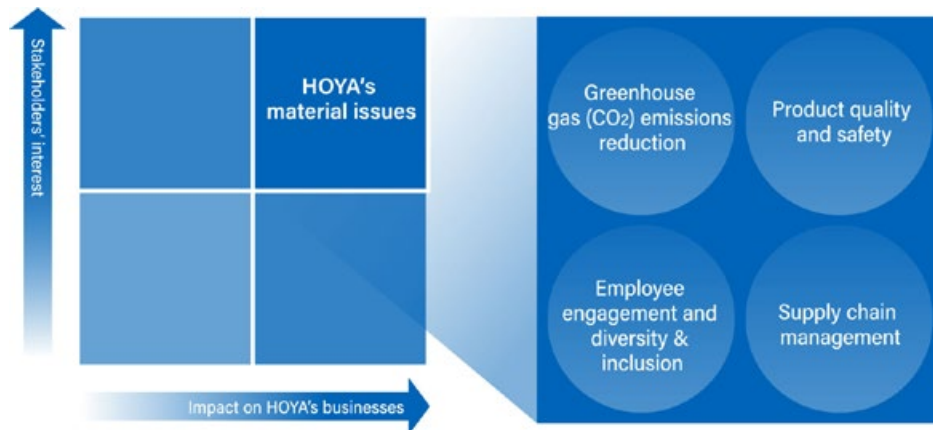
^{*1} SASB, GRI, IIRC, ISO26000, TCFD, RBA, CDP

^{*2} Industries: Medical Equipment & Supplies, Hardware, Semiconductors

^{*3} Sustainability Accounting Standards Board

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
<u>Greenhouse gas (CO₂) emissions reduction</u>	<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
<u>Product quality and safety</u>	<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
<u>Employee engagement and diversity & inclusion</u>	<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
<u>Supply chain management</u>	<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
<u>Greenhouse gas (CO₂) emissions reduction</u> Scope 1+2 reduction targets: 60% reduction by fiscal 2030 100% reduction by fiscal 2040 (compared to the base year of fiscal 2021)	Create a roadmap for achieving the medium- and long-term CO ₂ emissions reduction target for each business division Also set measures and KPIs, and steadily implement the measures and monitor KPIs	<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. ● Deepen scenario analysis based on TCFD recommendations and promote disclosures ● Aim to obtain SBT certification 	  
<u>Product quality and safety</u> Main future initiatives: In particular, the Life Care business will continue to strive to improve its management and in-house education systems as well as implement thorough quality control through product risk management, such as compliance with ISO 14971.	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	<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 and obtain certification at new sites 	
<u>Employee engagement and diversity & inclusion</u> Targets: Domestic ratio of female employees—Achieve 32% by fiscal 2025 Domestic ratio of female managers—Achieve 18% by fiscal 2025	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 For that purpose, develop and implement measures based on the analysis results of the employee engagement survey.	<ul style="list-style-type: none"> ● Implement measures based on the analysis of employee engagement 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

Major future initiatives:
Updated the HOYA Supplier Code of Conduct and established a due diligence policy in fiscal 2024. Conduct supplier assessments that incorporate perspectives on human rights and the environment.

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
- Administer a conflict minerals survey
- Conduct supplier assessments that incorporate perspectives on human rights and the environment, and develop a platform including IT systems to support these efforts



Expansion of Disclosure and External Evaluation

HOYA continuously works to enhance the reliability of sustainability-related information and to strengthen a transparent disclosure framework. By appropriately communicating our ESG (Environmental, Social, and Governance) initiatives and achievements, we aim to foster dialogue with a wide range of internal and external stakeholders, thereby deepening mutual understanding and trust. Going forward, we will continue to enhance the quality and accuracy of our disclosures while aligning with global reporting standards and evolving societal expectations, striving to establish a highly transparent reporting structure.

Status of Adoption by GPIF ESG Indexes

HOYA has been selected as a constituent of two general ESG indexes and three thematic ESG indexes for Japanese equities adopted by the Government Pension Investment Fund (GPIF) of Japan.

■ FTSE Blossom Japan Sector Relative Index (General index)



**FTSE Blossom
Japan Sector
Relative Index**

■ 2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX (General index)

2025 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

■ 2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN) (Thematic index: social initiatives)

2025 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

■ Morningstar Japan ex-REIT Gender Diversity Tilt Index (Thematic index: social initiatives)

HOYA is rated Group 1, the highest of the five levels.

MORNINGSTAR GenDi J

Japan ex-REIT Gender Diversity
Tilt Index

TOP CONSTITUENT 2025

■ S&P/JPX Carbon Efficient Index (Thematic index: environmental protection)



Main ESG Rating Status

- CDP Climate Change: B Score
- CDP Water Security (Up 2 notches from C score in previous fiscal year)
- MSCI ESG rating: AAA (highest of seven ratings, achieved for two consecutive years)
- Sustainalytics ESG risk rating: Low Risk

Other External Evaluations

- Selected by GPIF’s external asset managers for “most-improved integrated reports” and “excellent TCFD disclosure”
- Certified by the Ministry of Economy, Trade and Industry (METI) as an outstanding health and productivity management organization for nine consecutive years
- R&I rating: AA



As of June 30, 2025

*1 FTSE Russell (registered trademark of FTSE International Limited and Frank Russell Company) hereby certifies that HOYA has qualified for inclusion in the FTSE Blossom Japan Sector Relative Index as a result of independent research. The FTSE Blossom Japan Sector Relative Index is widely used to create and evaluate sustainable investment funds and other financial products.

*2 The inclusion of HOYA in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of HOYA by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names and logos are trademarks or service marks of MSCI or its affiliates.

*3 Morningstar, Inc., and/or one of its affiliated companies (individually and collectively, “Morningstar”) has authorized HOYA CORPORATION to use the Morningstar Japan ex-REIT Gender Diversity Tilt Logo (“Logo”) to reflect the fact that, for the designated ranking year, HOYA CORPORATION ranks in the top quintile of companies comprising the Morningstar® Japan ex-REIT Gender Diversity Tilt IndexSM (“Index”) on the issue of gender diversity in the workplace. Morningstar is making the Logo available for use by HOYA CORPORATION solely for informational purposes. HOYA CORPORATION use of the Logo should not be construed as an endorsement by Morningstar of HOYA CORPORATION or as a recommendation, offer or solicitation to purchase, sell or underwrite any security associated with HOYA CORPORATION. The Index is designed to reflect gender diversity in the workplace in Japan, but Morningstar does not guarantee the accuracy, completeness or timeliness of the Index or any data included in it. Morningstar makes no express or implied warranties regarding the Index or the Logo, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index, any data included in it or the Logo. Without limiting any of the foregoing, in no event shall Morningstar or any of its third party content providers have any liability for any damages (whether direct or indirect), arising from any party’s use or reliance on the Index or the Logo, even if Morningstar is notified of the possibility of such damages. The Morningstar name, Index name and the Logo are the trademarks or services marks of Morningstar, Inc. Past performance is no guarantee of future results.

Corporate Governance

The statutory disclosure of non-financial information under the Corporate Sustainability Reporting Directive (CSRD) in Europe, originally scheduled for 2026, has been postponed by two years to 2028, making the disclosure in Japan under the Sustainability Standards Board of Japan (SSBJ) in 2027 the first statutory disclosure of non-financial information for us. We are reviewing the data and information collection systems we have established thus far and striving to improve their accuracy and internal control.



Tomoko Nakagawa Executive Officer, Chief Sustainability (ESG) Officer (CSO)

Basic Views

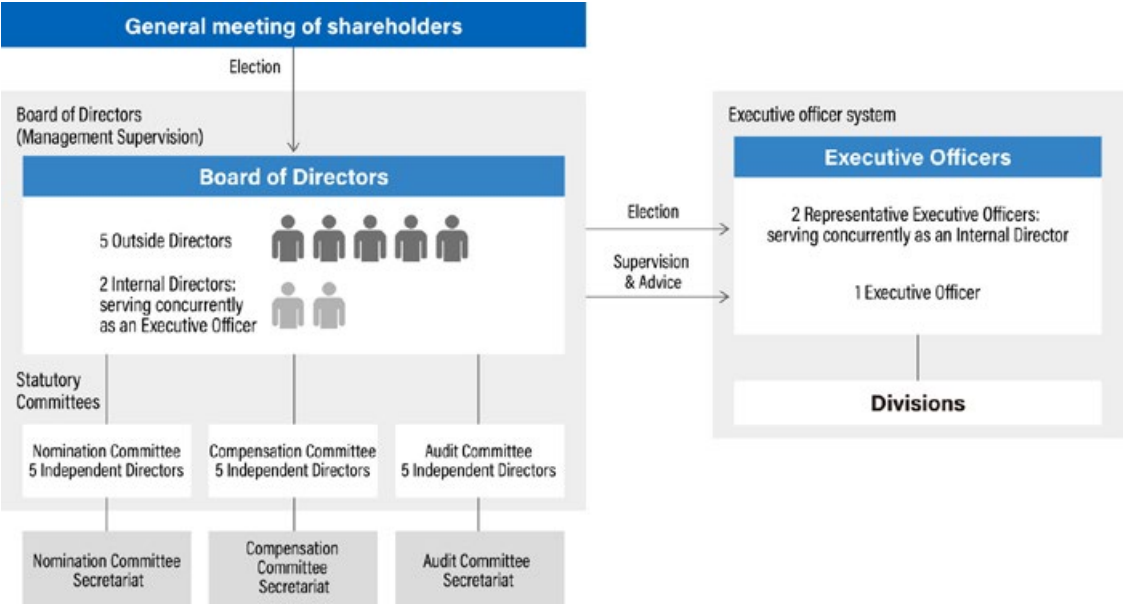
HOYA promotes management with the aim of maximizing its corporate value based on the recognition that corporate governance is a matter of utmost importance for management. As the basis of taking a fair approach to stakeholders, to prevent management from being conducted based solely on in-house logic, we have set forth in the Articles of Incorporation that a majority of directors consist of outside 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 Committee, etc. management system, by giving executive officers authority to manage business, business decision-making is accelerated. At the same time, three statutory committees—the Nomination Committee, the Compensation Committee, and the Audit Committee—were established, with a majority of the members being outside directors (at HOYA, the committees are composed exclusively of outside directors), to ensure the effectiveness of management supervision by the Board of Directors. Adopting a company with Nomination Committee, 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. Also, because HOYA has businesses that handle medical equipment, a voluntary Healthcare Compliance Committee is established consisting of three outside directors with knowledge of medical fields to monitor these businesses' regulatory compliance.

Corporate Governance Structure (As of June 30, 2025)



Board of Directors

Board of Directors

Our Board of Directors comprises five outside directors and two internal directors, totaling seven directors (as of June 30, 2025). 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 2024, the Board of Directors was comprised of five independent directors, including two female independent directors, and two internal directors. Board of Directors' meetings were convened 11 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 reviews the medium- to long-term business portfolio, 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. Once a year, the members of the Board of Directors and the three committees are asked to evaluate themselves through a survey on their operations and effectiveness. A summary of the results of the evaluations for fiscal 2024 is as follows: The Board of Directors is highly regarded for being composed of appropriate members who each fulfill their roles and contribute appropriately. Furthermore, it is regarded for active discussions held under appropriate management and the efforts being made to further enhance the content of the discussions. The Nomination Committee, Compensation Committee, and Audit Committee are also highly regarded as having adequate discussions with appropriate numbers and compositions of members. With regard to the matters identified as key issues in the evaluations of the effectiveness of the Board of Directors in fiscal 2023, (namely (1) more detailed discussion of key management issues, (2) more detailed discussion of formation of a CEO succession plan, and (3) more detailed discussion of risks associated with issues of sustainability), it is generally assessed that sufficient discussions have been conducted. Particularly with regard to (1), it is assessed that discussions are deepening within the Board of Directors, based on appropriate information provided by the executive side, with regard to the medium- to long-term growth strategy including transformation of the Company's business portfolio. Going forward, it is recognized that it is necessary to continue discussions from a more Company-wide perspective.

In order to further deepen such discussions, the Company will continue to examine and improve the operation of the Board of Directors, communication among directors and between directors and executive officers, and discussions on succession plans within the Nomination Committee. It will thus aim to further improve the effectiveness of the Board of Directors.

Board Member Profiles



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

Hiroaki Yoshihara

(Born on Feb. 9, 1957)

Number of years in office of the
Director of the Company

7 years

Number of shares of the
Company held

0 shares

Number of attendances to the
board meetings

11/11 times (100%)



Independent Director,
Chairperson 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

4 years

Number of shares of the
Company held

0 shares

Number of attendances to the
board meetings

11/11 times (100%)



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

3 years

Number of shares of the
Company held

0 shares

Number of attendances to the
board meetings

11/11 times (100%)



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

Mika Nishimura

(Born on Aug. 14, 1963)

Number of years in office of the
Director of the Company

3 years

Number of shares of the
Company held

0 shares

Number of attendances to the
board meetings

11/11 times (100%)



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

Mototsugu Sato

(Born on Oct. 17, 1956)

Number of years in office of the
Director of the Company

2 years

Number of shares of the
Company held

0 shares

Number of attendances to the
board meetings

11/11 times (100%)

Internal directors



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

3 years

Number of shares of the
Company held

3,800 shares

Number of attendances to the
board meetings

11/11 times (100%)



Director, Representative Executive Officer & CFO

Ryo Hirooka

(Born on Jan. 14, 1974)

Number of years in office of the
Director of the Company

3 years

Number of shares of the
Company held

10,800 shares

Number of attendances to the
board meetings

11/11 times (100%)

Please see [the website](#) for further details.

Independent Directors' Skills Matrix

Skill items	Definition	Reason for selection	Yoshihara	Abe	Hasegawa	Nishimura	Sato
Corporate management	Knowledge and experience regarding company management and corresponding corporate governance	To sustain improvement in business performance and growth, and thereby enhance the corporate value	●	●	●		●
Global business	Knowledge and experience necessary for global management and relevant business development	To promote management respecting diverse cultures and customs in each region	●	●	●	●	●
Finance/ accounting	Knowledge and experience in the finance/accounting domain	To achieve financial targets and increase transparency to stakeholders	●				●
Related industries/ businesses	Knowledge and experience regarding industries and businesses associated with the Company's businesses	To promote management based on an understanding of industry trends, regulations, and technologies	●	●	●	●	
M&A	Knowledge and experience in M&A in general, such as due diligence and formulation of integration plans	To promote the Group's growth strategy through the implementation of strategic M&A	●	●		●	●
Sustainability/ ESG	Knowledge and understanding of trends in the sustainability/ESG area, and relevant experience	To promote sustainable management to realize a sustainable society, and thereby enhance the corporate value in the medium to long term	●	●	●	●	●
Risk management	Knowledge and experience in the risk management domain, including legal compliance, and supply chain/quality control/IT security	To continue to provide products and services stably and steadily to the society	●	●	●	●	●
Human resource development	Knowledge and experience regarding the human resources domain, such as cultivation of human resources and leadership development	To promote management focusing on human capital	●		●	●	●

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.” Three persons—namely, the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Sustainability (ESG) Officer 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. The CEO, CFO and CSO all attend each meeting of the Board of Directors.



Representative Executive Officer
President & CEO

Eiichiro Ikeda



Representative Executive Officer & CFO

Ryo Hirooka



Executive Officer
Chief Sustainability (ESG) Officer (CSO)

Tomoko Nakagawa

Please see [the website](#) for further details.

Committees

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

	Statutory/ Voluntary	Chairperson	Members	Times Held in FY24	Attendance	Main Agenda Items
Nomination Committee	Statutory	Yasuyuki Abe	Hiroaki Yoshihara, Takayo Hasegawa, Mika Nishimura, Mototsugu Sato	8 times	100%	Skill matrix for outside directors, succession plans for outside directors and executive officers
Compensation Committee	Statutory	Mototsugu Sato	Hiroaki Yoshihara, Yasuyuki Abe, Takayo Hasegawa, Mika Nishimura	6 times	100%	Level of compensation for directors and executive officers, composition of compensation for executive officers, and the targets linked to their incentives
Audit Committee	Statutory	Hiroaki Yoshihara	Yasuyuki Abe, Takayo Hasegawa, Mika Nishimura, Mototsugu Sato	9 times	100%	Details reported by the accounting auditor and Audit Department
Healthcare Compliance Committee	Voluntary	Mika Nishimura	Hiroaki Yoshihara, Yasuyuki Abe	6 times	100%	Ongoing monitoring of regulatory compliance

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 representative executive officers, 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 outside 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 outside 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

Compensation Committee

The objective of the Compensation Committee is to establish a remuneration system that incentivizes directors and executive officers according to their roles 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.

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.

- 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 fiscal 2024 also focused on reports from the accounting auditor and the Audit Department, while providing advice and suggestions to the executive team with regard to any issues that came to light. In addition, independent directors, who are members of the Audit Committee, were presented with opportunities to visit production plants and inspect the front lines to exchange opinions, make recommendations, and offer advice.

Healthcare Compliance Committee

The HOYA Group established the Healthcare Compliance Committee with the objective of obtaining thorough compliance with laws, ordinances, standards and norms, both in Japan and overseas, required of healthcare products. Composed of outside directors who are knowledgeable about the healthcare field, the Healthcare Compliance Committee conducts monitoring of the status of the relevant business divisions' responses to regulations and other matters.

When necessary, the Committee consults with specialists with expert knowledge of the laws and ordinances in each country with respect to healthcare products, and provides recommendations and advice to the executive divisions to contribute to the strengthening of the compliance system. In addition, the chairperson of the Healthcare Compliance Committee reports the details of the Committee's deliberations to the Board of Directors after each meeting.

Remuneration for Directors and Executive Officers

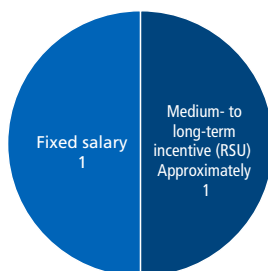
Policy Concerning Remuneration for Directors

The remuneration of directors consists of a fixed salary and a medium- to long-term incentive (Restricted Stock Unit (hereinafter referred to as the “RSU”). 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, the levels set by other companies as determined by a survey conducted by an outside professional organization, and the positions and responsibilities of each director. RSU is a system introduced in fiscal 2022 to replace stock options. Under this program, a predetermined number of shares are granted to outside directors based on their tenure with the Company. The aim is to align their perspective with that of shareholders regarding share price performance and to promote the sharing of interests over the medium to long term.

In fiscal 2024 as well, the Compensation Committee deliberated on appropriate composition and levels of remuneration, taking into consideration basic policies, the Company’s business environment, the levels set by other companies as determined by a survey conducted by an outside professional organization, and the positions and responsibilities of each director. The Compensation Committee determined the remuneration for each director, based on the judgement that remuneration levels were composed in accordance with Company policy and appropriate for directors’ positions and responsibilities. As such, the Compensation Committee further judged that the details of remuneration of individual directors in the fiscal year under review were in accordance with Company policy.

RSUs are granted annually in order for directors to share a common viewpoint with shareholders regarding the share price and to share interests with shareholders on a medium- to long-term basis. Every year, the Company announces a basic deliverable number of shares equivalent to fixed remuneration to outside directors for a three-year period from that year. After the end of the period in question, the Company determines, for each outside director, a basic compensation amount which is the market value of the Company's shares for the basic deliverable number of shares. The Company will pay to the outside directors 50% of the basic compensation amount as claims for monetary remuneration. Independent directors shall invest the monetary claims in kind and shall be granted a number of Company shares, which is equal to the amount of monetary claims in question divided by paid-in amount per Company share. From the viewpoint of ensuring payment of tax, the Company shall pay the remainder of the basic compensation amount in cash. However, the heirs of outside directors who died during their tenure and outside directors who retire due to injury or illness shall receive the entire basic compensation amount in cash. Also, the Company plans to issue RSU for periods of three years starting from the following fiscal year, and continuing thereafter.

[Composition ratio of compensation for directors]



Notes1. Assuming a share price in three years roughly equivalent to the share price when the RSU was granted.

2. Clawback and malus clauses:

In the following cases, clawback and malus clauses shall be set forth, whereby the unpaid portion of the compensation under the RSU shall be reduced or disallowed, and a claim for return of all or part of such paid portion shall be made.

- (1) The case in which the recipient resigns for personal reasons, for whatever reason
- (2) The case in which the recipient is dismissed as a director of the Company
- (3) The case in which Board of Directors resolves to revise the financial statements as a result of material accounting error or fraud
- (4) The case in which an unlawful act, such as significant negligence of duties or violation of laws and regulations, a breach of the internal rules of HOYA Group, or a significant breach of contract, during the director’s term of office, is revealed

Policy Concerning Remuneration for Executive Officers

The remuneration of executive officers for fiscal 2024 consists of a fixed salary, an annual incentive (performance-based bonuses), and a medium- and long-term incentive (Performance Share Unit (PSU)). For fixed salaries, basic compensation is set appropriately according to the office and responsibility of each Executive Officer (Representative Executive Officer, CFO, etc.) and benefits granted to expatriates in connection to their overseas postings (such as home leave allowances) are 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. Since 2003, the Company has abolished retirement benefits for executive officers, but in exceptional cases, severance pay may be paid as a condition at the time of retirement, as determined by the Compensation Committee. The amount of severance pay and other details will be determined on a holistic basis by the Compensation Committee on a case-by-case basis, taking into consideration the position, reason for leaving the position, and other factors.

The performance-based bonus is determined according to quantitative results and qualitative evaluations and varies within the range roughly from 0% to 200%. As indicators of quantitative results, revenue, profit attributable to owners of the Company, and basic earnings per share (EPS) stated in the Consolidated Financial Statements of the Company are selected.

Starting in fiscal 2025, we will introduce RSUs for executive officers with the aim of raising awareness and motivation to contribute to the enhancement of the HOYA Group's medium- to long-term corporate value. This initiative also seeks to attract and retain top talent by offering a compensation structure and level that are competitive with those of leading global companies.

■ Performance share unit (PSU)

The PSU was introduced in place of the existing stock option plan from 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.

As performance indicators for the three-year target period, HOYA has selected consolidated revenue, earnings per share (EPS), and return on equity (ROE), along with ESG-related indicators such as evaluations by external organizations and the status of initiatives addressing ESG themes prioritized by the Company.

In fiscal 2024 as well, the Compensation Committee deliberated on appropriate composition and levels of remuneration, taking into consideration basic policies, the Company's business environment, the levels set by other companies as determined by a survey conducted by an outside professional organization, and the positions and responsibilities of each executive officer. The Compensation Committee determined the remuneration for each executive officer, based on the judgement that remuneration levels were composed in accordance with Company policy and appropriate for executive officers' positions and responsibilities. As such, the Compensation Committee further judged that the details of remuneration of individual executive officers in the fiscal year under review were in accordance with Company policy.

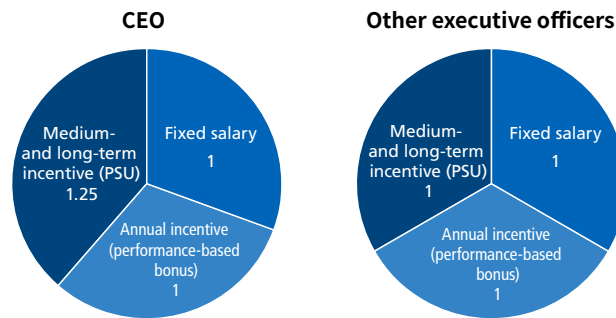
■ Restricted stock unit (RSU)

Starting in fiscal 2025, HOYA will introduce a new RSU program for executive officers. Under this program, a baseline number of shares is granted each year based on a one-year term of service (CEO: base remuneration \times 0.25 \div base share price; other executive officers: base remuneration \times 0.15 \div base share price).

The granted RSUs are accumulated and managed throughout the executive officer's tenure. Upon retirement, the Company calculates the total value of the accumulated RSUs based on the market price of HOYA shares. 50% of this value is provided as monetary compensation, which is then used to allocate HOYA shares to the retiring executive officer at the applicable issue price.

To ensure sufficient funds for tax obligations, the remaining 50% of the compensation is paid in cash.

[FY24 Composition ratio of compensation for executive officers]



Notes1. Assuming a share price in three years roughly equivalent to the share price when the PSU was granted.

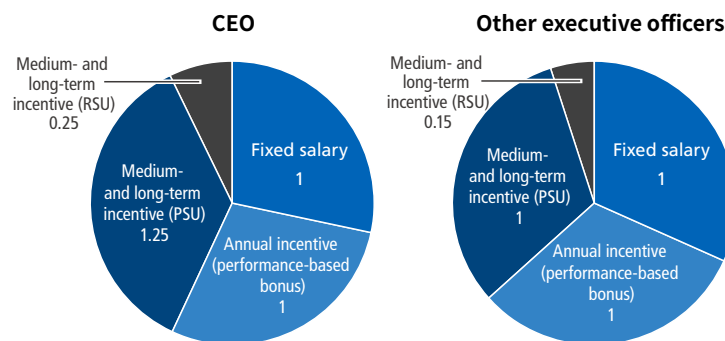
2. Clawback and malus clauses:

In the following cases, clawback and malus clauses shall be set forth, whereby the unpaid portion of the compensation under the PSU shall be reduced or disallowed, and a claim for return of all or part of such paid portion shall be made.

- (1) The case in which the recipient resigns for personal reasons, for whatever reason
- (2) The case in which the recipient is dismissed as an executive officer of the Company
- (3) The case in which Board of Directors resolves to revise the financial statements as a result of material accounting error or fraud
- (4) The case in which an unlawful act, such as significant negligence of duties or violation of laws and regulations, a breach of the internal rules of HOYA Group, or a significant breach of contract, during the Executive Officer's term of office, is revealed.



[Composition ratio of compensation for executive officers from FY25 Onward]



Notes1. Assuming a share price in three years roughly equivalent to the share price when the PSU was granted.

2. Clawback and malus clauses:

In the following cases, clawback and malus clauses shall be set forth, whereby the unpaid portion of the compensation under the PSU and RSU shall be reduced or disallowed, and a claim for return of all or part of such paid portion shall be made. (1) The case in which the recipient resigns for personal reasons, for whatever reason

- (2) The case in which the recipient is dismissed as an executive officer of the Company
- (3) The case in which Board of Directors resolves to revise the financial statements as a result of material accounting error or fraud
- (4) The case in which an unlawful act, such as significant negligence of duties or violation of laws and regulations, a breach of the internal rules of HOYA Group, or a significant breach of contract, during the Executive Officer's term of office, is revealed.

[Performance-linked coefficient (Performance-linked bonuses)]

Indicator	Target (consolidated)	Actual (consolidated)	Reason for the selection of the indicator
Revenue	769.6 billion yen	866.0 billion yen	Selected as an indicator for its measurement of the Group's degree of growth in domestic and overseas markets
Profit attributable to owners of the Company	170.0 billion yen	202.1 billion yen	Selected as an indicator for its measurement of whether the Group's growth is accompanied by solid profits
Earnings per share (EPS)	483.22 yen	581.45 yen	Selected as an indicator for its measurement of the Company's degree of growth from a shareholder's perspective

Notes: 1. The qualitative assessment method relevant to an annual incentive (performance-based bonuses) involves assessments of items such as the degree of achievement of budget targets in the division under management. Final decisions are made following deliberation by the Compensation Committee.

2. The target values in the table above are set taking into consideration factors such as the Company's business environment, and as such may differ from performance forecasts.

[Performance-linked coefficient PSU]
Basic deliverable number of shares

Position/ responsibilities	Basic deliverable number of shares
CEO	8,900
CFO	4,100
CSO	3,100


Medium- to long-term performance targets
(target period: fiscal year ended March 2026 to fiscal year ended March 2028)

Note that the details below are subject to change based on decisions of the Compensation Committee

Indicator	Target (consolidated)	Weight	Reason for the selection of the indicator
Revenue	980 billion yen	25%	Selected as an indicator to measure growth potential of the HOYA Group in the domestic and overseas markets
Financial Indicators ^{*1} Earnings per share (EPS)	670 yen	25%	Selected as an indicator to measure growth of the Company from the same perspective as shareholders
ROE	20.00%	25%	Selected as an indicator to measure whether the Company has generated return on shareholders' investment effectively
ESG indicator	Status of initiatives for the key ESG themes	25%	Evaluation by external organizations (50%)* ² , Increase in renewable energy ratio (50%)* ³

*1 The targets shown above are set by taking into account the Company's business environment, market consensus, and so on, and is not a financial forecast.

*2 We use evaluations from two organizations, CDP and DJSI.

*3 Figures in parentheses represent weights within ESG targets.

HOYA REPORT 2025

Fiscal 2022 allocation

(Target period: fiscal year ended March 2023 to fiscal year ended March 2025)

Indicator	Target (consolidated)	Weight	Actual (consolidated)	Reason for the selection of the indicator	
Financial Indicators	Revenue	760 billion yen	30%	784.1 billion yen	Selected as an indicator to measure growth potential of the HOYA Group in the domestic and overseas markets
	Earnings per share (EPS)	560 yen	30%	522 yen	Selected as an indicator to measure growth of the Company from the same perspective as shareholders
	ROE	20.0%	30%	20.6%	Selected as an indicator to measure whether the Company has generated return on shareholders' investment effectively
ESG indicators	Evaluation by external organizations, Status of initiatives for the key ESG themes	10%	*	Selected as indicators to measure the initiatives relating to sustainability from an ESG perspective	

* We use two main indicators to measure our sustainability initiatives: "evaluations by external rating agencies" and "status of initiatives for the key ESG themes." For evaluations by external rating agencies, we have selected assessments from the following three organizations as benchmarks.
[Evaluation scores (listed in order of highest rating by each company)]
MSCI: Seven rating levels (AAA, AA, A, BBB, BB, B, CCC)
Sustainalytics ("S"): Five rating levels (Negligible / Low / Medium / High / Severe)
CDP (Climate Change Score): Eight rating levels (A, A-, B, B-, C, C-, D, D-)
Based on our 2021 ratings—MSCI: A, S: Low, and CDP: C—we set targets as MSCI: AA, S: Negligible, and CDP: B. In fiscal 2024, our results were MSCI: AAA, S: Low, and CDP: B. As part of our efforts to address key ESG themes, we have chosen the "renewable energy ratio" as a focus area.
With the long-term goal of reaching 100% by fiscal 2040, we set an interim goal of 30% for the target period. In the fiscal year under review, the renewable energy ratio reached 19%.

HOYA REPORT 2025

Fiscal 2023 allocation

(target period: fiscal year ended March 2024 to fiscal year ending March 2026)

Indicator	Target (consolidated)	Weight	Actual (consolidated)	Reason for the selection of the indicator	
Financial Indicators	Revenue	800 billion yen	25%	—	Selected as an indicator to measure growth potential of the HOYA Group in the domestic and overseas markets
	Earnings per share (EPS)	560 yen	25%	—	Selected as an indicator to measure growth of the Company from the same perspective as shareholders
	ROE	20.0%	25%	—	Selected as an indicator to measure whether the Company has generated return on shareholders' investment effectively
ESG indicators	Evaluation* by external organizations, Status of initiatives for the key ESG themes	25%	—	—	Selected as indicators to measure sustainability initiatives from an ESG perspective

*The evaluations from three companies (CDP, DJSI and Sustainalytics) are used.

Fiscal 2024 allocation

(target period: fiscal year ended March 2025 to fiscal year ending March 2027)

Indicator	Target (consolidated)	Weight	Actual (consolidated)	Reason for the selection of the indicator	
Financial Indicators	Revenue	830 billion yen	25%	—	Selected as an indicator to measure growth potential of the HOYA Group in the domestic and overseas markets
	Earnings per share (EPS)	570 yen	25%	—	Selected as an indicator to measure growth of the Company from the same perspective as shareholders
	ROE	20.0%	25%	—	Selected as an indicator to measure whether the Company has generated return on shareholders' investment effectively
ESG indicator	Status of initiatives for the key ESG themes	25%	—	Development of IT governance (50%), promoting diversity in management (30%), expansion of learning opportunities for employees (20%) were selected as individual indicators*	

* Figures in parentheses represent weights within ESG targets.

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				RSU
			Fixed salary	Performance-based bonuses	Stock options	PSU	
Directors	Independent	5 persons 129 million yen	74 million yen	—	13 million yen	—	42 million yen
	Internal	2 persons 10 million yen	10 million yen	—	—	—	—
	Total	7 persons 139 million yen	84 million yen	—	13 million yen	—	42 million yen
Executive Officers	3 persons	736 million yen	221 million yen	303 million yen	—	212 million yen	—
Total	10 persons	876 million yen	306 million yen	303 million yen	13 million yen	212 million yen	42 million yen

- Notes1. At the end of the fiscal year under review, there were seven directors (five independent directors and two internal directors) and three executive officers (two are concurrently directors).
2. For stock options, the fair value of stock acquisition rights was calculated and amounts to be recorded as expenses for fiscal 2024 are shown in the table above. For executive officers, no stock options were newly granted in fiscal 2024 due to the introduction of PSU in place of stock options from fiscal 2019. Also, for independent directors, from fiscal 2022 RSU is introduced in place of stock options. Although no stock options were granted in fiscal 2024, the table above shows stock options granted in past fiscal years in amounts to be recorded as expenses for fiscal 2024.
3. For PSU and RSU, the table above shows amounts to be recorded as expenses for fiscal 2024.

[Amount of consolidated remuneration for each Director]
Chief Executive Officer (CEO)

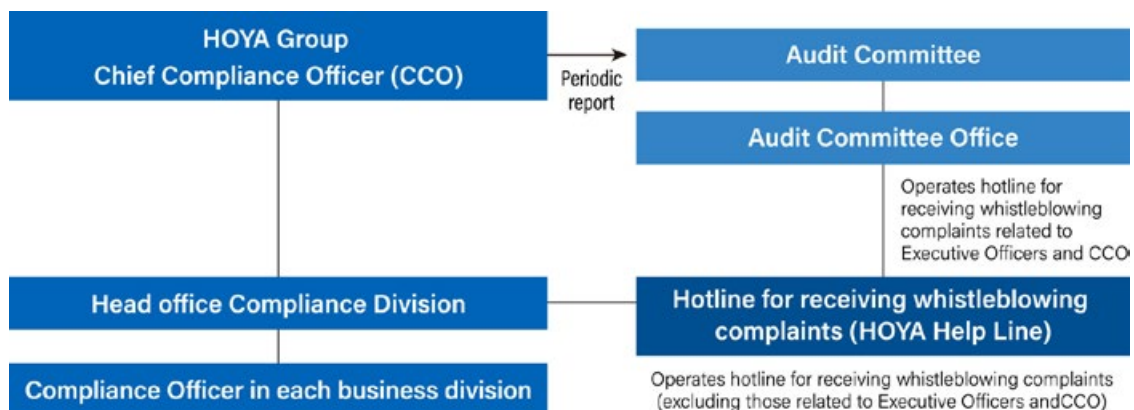
Name	Executive classification	Total amount	Fixed salary	Performance-based bonuses	Stock options	PSU
Eiichiro Ikeda Representative Executive Officer, President & CEO	Director	5 million yen	5 million yen	—	—	—
	Representative Executive Officer	369 million yen	111 million yen	150 million yen	—	109 million yen

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	Director	5 million yen	5 million yen	—	—	—
	Representative Executive Officer	219 million yen	65 million yen	88 million yen	—	65 million yen
Tomoko Nakagawa Executive Officer, Chief Sustainability (ESG) Officer (CSO)	Executive Officer	149 million yen	46 million yen	66 million yen	—	37 million yen

Compliance Organization

The HOYA Group has established the Head Office Compliance Division under the HOYA Group Chief Compliance Officer (CCO), and appointed a Compliance Officer in each business division. In addition, the Head Office Compliance Division 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 Division, 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.



HOYA Help Line: Employee whistleblowing and consultation system

As part of its compliance system, the HOYA Group established the HOYA Help Line in 2003 as a service for receiving Group-internal and external whistleblowing reports and requests for advice. This is a framework to accept whistleblowing reports from inside and outside the Group, including the employees of business partners for early identification of problems when there have been violations of laws, regulations, or the HOYA Global Code of Conduct and smooth communication to top management while protecting whistleblowers. The aim is to ensure the soundness of the entire Group through quick and appropriate responses to such issues. In addition, information on whistleblowing complaints is also reported by the CCO to the Audit Committee on a quarterly basis.

We are creating an environment in which advice can be sought easily, including accepting whistleblowing complaints and consultation requests 24 hours a day via the Web in multiple languages, making consultation available in the local languages, 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 escalations by giving consideration to the confidentiality of information to ensure whistleblowers' anonymity.

In fiscal 2024, there were 297 whistleblowing complaints made to the Global HOYA Help Line, of which 62% were related to the workplace environment and 17% were related to HOYA's system. In addition, since fiscal 2023, cases of harassment received by Human Resources Division have also been shared with the Compliance Division to strengthen measures and training.

In fiscal 2024, there were no whistleblowing incidents inflicting a serious impact on HOYA's businesses.

Number of Whistleblowing Incidents (Global)

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of whistleblowing incidents	135	180	170	280	297
Percentage of employees*	0.35%	0.49%	0.39%	0.66%	0.63%

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

In addition, a separate contact point has been set up for questions regarding the contents of the HOYA Supplier Code of Conduct, which is separate from the HOYA Help Line, which is the whistleblowing and consultation contact point for both internal and external parties.

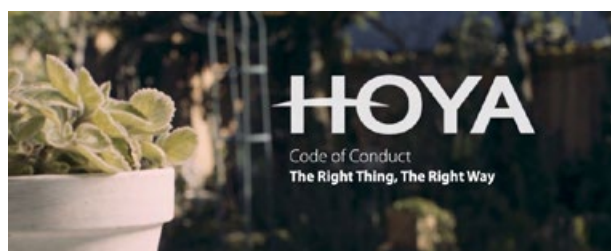
Point of contact for inquiries related to the HOYA Supplier Code of Conduct:

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 developed the Code in 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 2024, the participation rate in online education and verification tests targeted at all employees in the HOYA Group was 99%.

**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.

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

The replacement with energy-saving equipment and the introduction of solar panels at manufacturing sites are accelerating, while the renewable-energy usage rate is steadily increasing. Awareness of decarbonization is growing within the Company, and initiatives driven by the front lines, such as reviewing packaging materials and reducing product weight are becoming more noticeable. Building on such activities, we will continue to promote decarbonization from various perspectives.



Tomoko Nagakawa Executive Officer, Chief Sustainability (ESG) Officer (CSO)

Environmental Philosophy and Fundamental Environmental Policies

The HOYA Group 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.

It 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, 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 its environmental protection, occupational safety and health activities in a globally integrated manner.

Furthermore, 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.

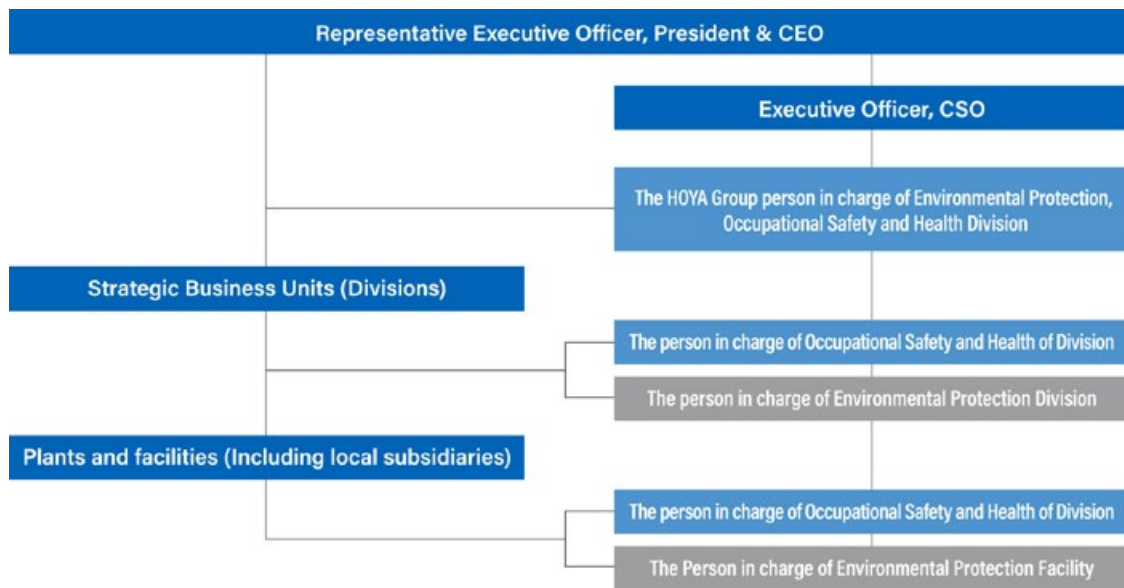
Fundamental Environmental Policies

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, and making efficient use of and reducing natural resources, and taking into consideration the ecosystem.
2. We keep assessing and reducing environmental burdens on air, water, soil 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 promote training on our consciousness and responsibility on the preservation of the environment to pursue our activities designed for prevention of global warming and creation of recycling society.

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. We conduct training and awareness programs at each business and production site, establish global multi-site manuals, ensure Group-wide dissemination and understanding, carry out internal audits of their implementation, evaluate their effectiveness, and subject them to management-level review.

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 ISO (International Organization for Standardization) 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, 2025, 50 sites in 18 countries were certified. Certification has been acquired at 100% of our major production/research and development sites, and certification is also being obtained for newly organized sites one by one.

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

Environmental



Response to climate change

In 2021, the HOYA Group identified four material issues, with the reduction of greenhouse gas (GHG) emissions designated as the highest priority across the Group. In April 2023, we began disclosing climate-related information for the first time in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), thereby strengthening our response to climate-related risks.

Furthermore, in February 2023, we joined RE100, a global initiative that aims to accelerate the transition to 100% renewable electricity in corporate operations worldwide. The HOYA Group is committed to sourcing 100% of its electricity from renewable energy by fiscal 2040 and is actively accelerating efforts to achieve this goal.

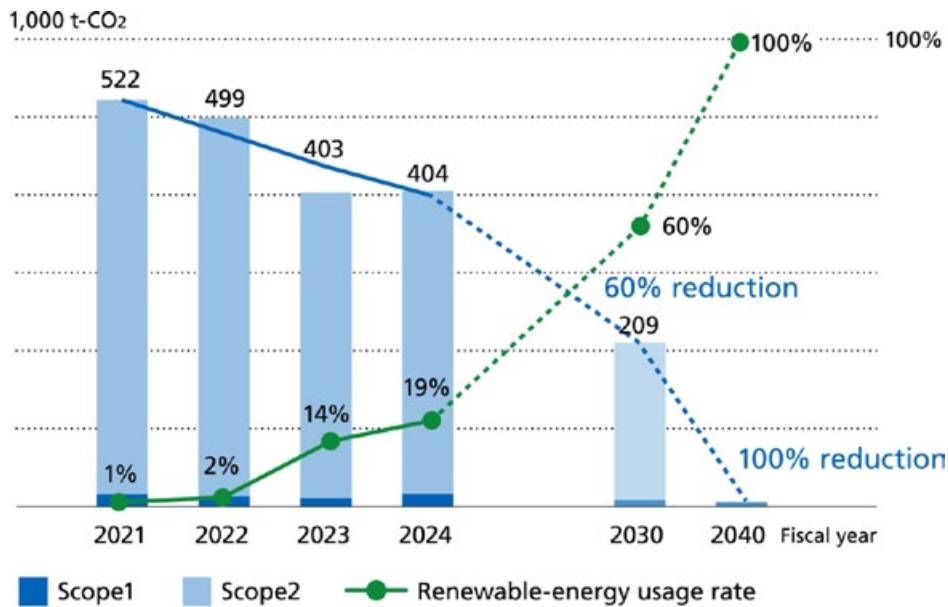


Medium- to long-term targets and results for greenhouse-gas emissions reduction

Over 90% of the HOYA Group's greenhouse-gas (GHG) emissions (total of Scope 1 and Scope 2) are in Scope 2; the majority of these are indirect emissions arising from purchased electrical power. As such, by aggressively advancing the transition to electricity from renewable sources that do not emit GHGs, the Group is effectively slashing CO₂ emissions.

The goal of this initiative is to achieve a renewable-energy usage rate of 100% by fiscal 2040, and we are aiming for an interim target of 60% by fiscal 2030.

To achieve these targets, each business division is developing and implementing medium- to long-term roadmaps for the introduction of renewable energy and CO₂ reduction measures is working together as one to formulate and implement measures throughout the HOYA Group.

CO₂ Emissions and Renewable-Energy Usage Rate

GHG emissions for fiscal 2024 were 17 kt-CO₂ for Scope 1 emissions and 387 kt-CO₂ for Scope 2 (market-basis) emissions, for a total of 404 kt-CO₂*, representing a reduction of approximately 23% compared to the base year (fiscal 2021). Furthermore, despite increased production volumes across all businesses, we reduced emissions per consolidated net sales by 12% year on year as a result of expanding the introduction of renewable energy and actively promoting energy conservation. In addition, electricity consumption per product, which is a key performance indicator (KPI) for major business segments, also decreased. In addition, the renewable-energy usage rate increased by 5 percentage points year-on-year to 19%.

Through these initiatives, we will aim to achieve both sustainable growth and reduced environmental impact.

* From fiscal 2024, GHG emissions associated with leased vehicles and leased warehouses, which are booked as right-of-use assets for accounting purposes, are included in Scope 1 and Scope 2, respectively (approximately 2% of total emissions).

Notes: 1. Since fiscal 2021, greenhouse gas emissions (Scope 1 and Scope 2, energy consumption) have been verified by a third party through limited-assurance operations. In the course of the verification process, the method of calculation and coefficient used to calculate CO₂ were revised, resulting in correction of the figures disclosed in February 2023.

2. The Group is considering offsets using carbon credits for the residual emissions after maximum reduction efforts are made for Scope 1.

For data on Scope 1 and Scope 2 results, please refer to the Environment page of [the ESG Databook](#).

Introduction of renewable energy

We are moving forward with switching to renewable energy at each production and sales site. In fiscal 2024, the number of production sites with solar panels increased to nine from four, and the Group is also accelerating conversion to purchase of renewable energy by reviewing electrical-power agreements and using energy attribute certificates, focusing on countries in which renewables are readily available. The Vision Care Division has achieved virtually 100% renewable energy use at the Matsushima Plant and all other domestic sites in Japan as well as multiple production sites overseas (Hungary, Germany, Italy, Spain, Indonesia, and certain sites in the United States). In addition, all Eye City contact lens stores (including offices) and HOYA Global head office (Japan) have already achieved virtually 100% renewable-energy usage, by means of FIT non-fossil-fuel certificates. We will place more importance on the perspective of introducing renewable energy power with additionality and will actively promote initiatives to achieve the goal.



Solar panels installed at HOYA LAMPUN LTD. (Annual generating capacity: about 2,200 MWh; Annual CO₂ reduction volume: about 1,000 t-CO₂)

Initiatives to raise energy efficiency

As energy conservation activities at production sites, we are replacing facilities with energy-saving types (such as adopting ice thermal storage systems and high-efficiency transformers). We are also optimizing the operating hours of boilers and air-conditioning equipment and promoting roof-greening, etc.

Since electricity is the main source of energy consumption, we are analyzing the breakdown of power use by equipment in our factories and developing plans for equipment upgrades and transitions.

We are also endeavoring to suppress CO₂ emissions from non-production sites by such means as introducing casual dress codes, optimizing the indoor temperature and implementing efficient lighting.

Specific Initiatives

- **Implementation of capital investment plans based on visualization of equipment energy efficiency**

We surveyed the power consumption of all electrical equipment at HOYA's contact lens and intraocular lens production site in Thailand over a one-month period. This enabled us to visualize the energy efficiency of each piece of equipment and formulate investment plans based on comparisons with the performance of the latest equipment.

● Reduction of CO₂ emissions through switching to high-efficiency equipment

Injection-molding machines were replaced from hydraulic to electric at some eyeglass lens production sites, significantly reducing CO₂ emissions at those sites. In addition, at another site, we have replaced air-cooled chillers, which accounted for a large portion of the factory's total power consumption, with high-efficiency, magnetically driven water-cooled chillers, resulting in an approximately 40% reduction in CO₂ emissions. We are continuing to introduce optimal equipment tailored to the energy usage conditions of each site.

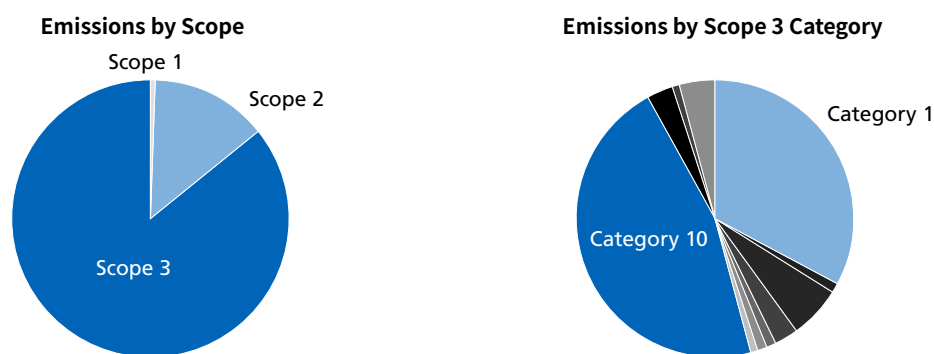
Initiatives to measure and reduce CO₂ emissions across the entire supply chain

In fiscal 2024, the HOYA Group made significant progress in its efforts to calculate CO₂ emissions in the entire supply chain.

Whereas Scope 3 calculations previously focused only on major categories of emissions, we have expanded the scope of measurement to include all categories across all business divisions. When looking at emissions by scope, Scope 3 accounts for a large proportion, with Category 1 (Purchased Goods and Services) and Category 10 (Processing of Sold Products) accounting for the largest shares.

As our business is mainly engaged in manufacturing, we procure a large volume of raw materials and parts, so Scope 3 Category 1 emissions, which are emissions from the manufacturing processes of our suppliers, are our main source of emissions. In addition, because many of our products are intermediate materials that are further processed by our customers, the emissions associated with such post-sale processing are classified as Scope 3 Category 10 and account for a significant proportion of our overall emissions.

In the future, we will work to improve the efficiency and accuracy of data collection for Scope 3 emissions calculations, strengthen engagement with related companies in the supply chain to realize a sustainable society and take steps to reduce emissions. To ensure alignment with international climate goals, we also aim to obtain Science Based Target (SBT) certification as we move forward with Scope 3 reduction initiatives.



For data on Scope 3 results, please refer to the Environment page of the [ESG Databook](#).

Scenario analysis based on the TCFD recommendations

From fiscal 2022, the HOYA Group began scenario analysis based on the TCFD recommendations. In the first year, the Group focused on two business divisions, eyeglass lenses and glass substrates for HDDs, with high CO₂ emissions (high power consumption). We conducted analysis using 4°C and 1.5°C scenarios with a time horizon of fiscal 2030, targeting factories in Thailand and Vietnam, which are the main production sites for these divisions. In fiscal 2023, the scope of scenario analysis was widened to include the Optics Division (optical lenses). The combined CO₂ emissions of these three business divisions account for approximately 88% of the HOYA Group's total CO₂ emissions. We also conducted a risk assessment of all our production sites with respect to physical risk (flooding), which we have positioned as a key climate change risk.

The HOYA Group will continue to conduct regular reviews in response to changes in the external environment, reflecting the results of scenario analysis in its business activities and strengthen responses to risks and opportunities and thus build resilience to climate change.

Examples of risks and opportunities in the eyeglass lenses business division (excerpt from moderate or higher risks)

	Description	Response
Transition risks	<ul style="list-style-type: none"> • Delays in responding to consumers' heightened awareness of climate change results in lost market share and/or declining sales. • Action on climate change and climate-related disclosure have been added to factors customers use to select suppliers. Delay in responding results in lost customers and/or declining sales. • Inadequate response to environmental issues such as reduction of CO₂ emissions and water recycling causes loss of reputation and/or declining sales. 	<ul style="list-style-type: none"> • Consideration of listing CO₂ emissions on product packaging • Revision of marketing strategy: Reduction of impact from climate change through product innovation; enhanced dissemination of information • Regular reporting to customers and other external stakeholders regarding progress on ESG • Expansion of disclosure related to climate change, such as TCFD or the Carbon Disclosure Project (CDP)
Physical risks	Infectious-disease outbreaks made possible by unusual weather disrupt production activities and supply chains or trigger lockdowns and other restrictions on activity, causing the optometrist shops that are the Group's customers to restrict hours of operation, thereby reducing demand.	<ul style="list-style-type: none"> • Drafting and updating of BCPs for Group plants • Geographical diversification of production sites
	Unusual weather causes stagnation in production or sales activities; flooding causes inundation or destruction of production sites.	<ul style="list-style-type: none"> • Geographical diversification of production sites and advancement of measures against water damage • Drafting of BCPs to secure/safeguard materials, inventories, etc.

Opportunities	As demand for low-carbon products grows, early success in product development leads to increased sales.	<ul style="list-style-type: none"> • Listing of carbon footprints • Incorporation of determination to reduce environmental impact into product development strategy • Coordination with material producers
	As demand grows for products that are easy to recycle/reuse, early success in product development leads to increased sales.	<ul style="list-style-type: none"> • Formation of a product strategy focused on a recycling-oriented society through collaboration with suppliers and customers
	The Group streamlines production processes using DX, etc.	<ul style="list-style-type: none"> • Reduction of CO₂ emissions and related costs by improving production efficiency • Investment in DX and DX training
	Drafting of BCPs, use of in-house production sites and diversification of suppliers	<ul style="list-style-type: none"> • Introduction of and training in BCPs • Refurbishment of each plant, geographical diversification of production sites, etc.

Examples of risks and opportunities in the glass substrate for HDDs business division (excerpt from moderate or higher risks)

	Description	Response
Physical risks	Infectious-disease outbreaks made possible by unusual weather disrupt production activities and supply chains, causing customers' plants to reduce levels of operation, thereby reducing demand.	<ul style="list-style-type: none"> • Drafting and updating of BCPs for in-house production sites • Geographical diversification of production sites • Consideration of plans to reduce customers' climate-change risk
Opportunities	Disclosures on ESG, climate change, etc. boost the Company's reputation on financial markets, reducing cost of fundraising.	<ul style="list-style-type: none"> • Deployment in disclosures for TCFD and on ESG • Disclosure and improvement of rank on CDP
	As demand for low-carbon products grows, early success in product development leads to increased sales.	<ul style="list-style-type: none"> • Listing of carbon footprints • Revision of product strategies • Increase in budget for technology development • Coordination with material producers
	As global warming causes water shortages, successful development of technologies to reuse and reduce water use leads to reduced water costs.	<ul style="list-style-type: none"> • Establishment of production methods that use little water • Introduction of advanced water treatment technologies, increase in reuse
	Technologies such as DX achieve improved efficiency in manufacturing processes.	<ul style="list-style-type: none"> • Reduction of CO₂ emissions and reduction of related costs due to improved production efficiency • Investment in DX and DX training
	Drafting of BCPs, use of in-house production sites and diversification of suppliers	<ul style="list-style-type: none"> • Introduction of and training in BCPs • Refurbishment of each plant, geographical diversification of production sites, etc.

Examples of risks and opportunities in the optics business division (optical glass) (excerpt from moderate or higher risks)

	Description	Response
Physical risks	Delays in deliveries and reduced production volume due to stoppages of operations at raw material suppliers caused by extreme weather and natural disasters	Securing inventory (especially for critical materials for which procurement sources are limited)
		Securing multiple suppliers for critical materials
	Production activities and supply chain disruptions caused by outbreaks of infectious diseases triggered by extreme weather conditions, and a decline in demand due to a downturn in the operation of factories by customers	Formulation/update of BCP for our factories
		Establishment of production backup systems at other sites
	Stagnation of production and sales activities due to extreme weather conditions, and the submersion or destruction of production sites due to flooding	Promote production backup systems at other sites and measures against flood at each site
		Formulate BCP including securing materials and inventory

Risk management

The HOYA Group continually monitors conditions related to climate change. If conditions change significantly, the head office TCFD Project, which includes members of the ESG Promotion Office, the Corporate Communication Department and the Environment, Health and Safety Department, works with business divisions to review risks. Under the general supervision of the persons responsible for each business, the appropriate segments of each business division (Production Division, Retail Development Department, Purchasing Department, etc.) coordinate and conduct their responses.

With respect to risk related to changes in the operating environment due to climate change (transitional risks), based on scenario analysis, the sustainability/ESG teams and persons responsible in the business divisions in each country work with segments related to sustainability, such as environmental, quality-assurance, purchasing and other segments, to draft and implement responses appropriate to their respective business divisions.

Water risk assessment

Increased and severe natural disasters, outbreaks of infectious diseases, and water shortages due to climate change may affect not only our own operations but also those of our supply chain, including raw material procurement and the production and sales activities of our customers. The HOYA Group assesses flood risk and water stress risk at production sites by using such tools as the Aqueduct Water Risk Atlas tool developed by the World Resources Institute (WRI), an international environmental NGO, and by conducting interviews at production sites. In order to conduct efficient corporate operations from a global perspective, we promote management decision-making, R&D, production, and sales in optimal locations. In particular, our production sites are primarily located in Southeast Asia. The results of the risk assessment showed that the flood risk was relatively high for production sites in Southeast Asia, including Vietnam, Thailand, and Indonesia. Sites identified as high risk collaborate with the Environment, Health and Safety Department at the head office to formulate countermeasures and implement them as priorities.

Water risk measures

For high-risk sites, the Environment, Health and Safety Department at the head office conducts on-site visits to assess the effectiveness of measures addressing water-related risks, including flooding, water stress, and effluent and water pollution. Specific actions include reviewing and updating initial response protocols and recovery plans under the business continuity plan (BCP), implementing flood mitigation measures such as elevating equipment, and preparing for potential water shortages. Drawing on lessons learned from the flood damage at our production site in Thailand in 2011, we actively promote the development and regular review of BCPs, as well as the establishment of systems and training programs to ensure employee safety. Furthermore, we continue to mitigate water risks through a multifaceted approach, including diversifying production to sites with lower flood risk and maintaining appropriate inventory levels to prepare for potential supply chain disruptions.

Infection control measures

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 BCP, 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.

Biodiversity

Based on its Environmental Philosophy and Fundamental Environmental Policies, the HOYA Group scrupulously conducts appropriate use of water resources and management of wastewater, waste materials and chemical substances and works with local communities to support and protect biodiversity by conducting cleanup and tree planting activities in the regions in which its production sites are located across the world.

Since August 2022, the HOYA Group has been participating in the JAL Carbon Offset program. Under this initiative, the Group offsets the CO₂ emitted on business travel flights to or from Japan on JAL by purchasing carbon credits from the carbon projects Southern Cardamom and Amazon Rainforest Conservation Projects.* These projects are considered highly important not only for their CO₂ absorption benefits through forest preservation, but also for their contributions to wildlife protection, ecosystem conservation, and support for the livelihoods of local communities. We support these projects through the purchase of carbon credits. In fiscal 2024, the Group purchased credits equivalent to some 201 tons of CO₂, which offset approximately 325 tons.

In addition, since fiscal 2023 the HOYA Group has been implementing a tree-planting initiative in Southeast Asia as part of its employee health promotion program, with the number of trees planted corresponding to the total number of steps taken by participating employees. In partnership with the Japan International Forestry Promotion and Cooperation Center, the HOYA Group has been planting and caring for trees in planting areas in Vietnam as well as providing technical education on afforestation to local residents. In fiscal 2024, Group employees contributed to the planting of 1.6 ha of trees (approximately 10,400 trees).

The LSI Division’s Nagasaka Factory (Japan) is working to regenerate forests by removing aging and deteriorated trees from its premises and planting new ones.

Located in Nagasaka Town, Hokuto City, Yamanashi Prefecture, the factory is situated near Japan’s largest habitat of the Japanese emperor butterfly (*Sasakia charonda*), the country’s national butterfly.

For reforestation, we plant Konara oak trees (*Quercus serrata*), which produce sap favored by adult butterflies, with the aim of creating feeding grounds to support their habitat.

* This carbon project is verified through the Verified Carbon Standard (VCS).



Afforestation project in Vietnam

Environmental



Initiatives to effectively utilize water resources

The HOYA Group endeavors to effectively utilize water resources in accordance with its Fundamental Environmental Policies. We aim to achieve sustainable water resource management by promoting water reuse and reducing water usage on a global scale.

Water usage reduction targets

We have been setting water usage reduction targets for each business division, taking into consideration the water consumption status of each business division. In order to further accelerate these efforts, the HOYA Group set new water targets for the Group in fiscal 2023.

In particular, we are promoting water use reduction at production sites with high water intake or elevated water stress risk by setting site-specific targets, developing roadmaps, and implementing measures such as process optimization and improved water reuse.

In particular, we are promoting water use reduction at production sites with high water intake or elevated water stress risk by setting site-specific targets, developing roadmaps, and implementing measures such as process optimization and improved water reuse.

As a result, although production volumes increased in each business division in fiscal 2024, total water use decreased by approximately 16% compared to the base year of fiscal 2021. Furthermore, in terms of water reduction per production volume, we achieved a 13% reduction compared to the previous year.

HOYA Group water consumption
(water intake volume) per-unit
target:

16% reduction in water intake per number of products produced* by fiscal 2030
(versus the base year of fiscal 2021). However, we will endeavor to keep total water
intake volume below the base year level.

* Number of products produced based on an internally established conversion method to combine operations manufacturing different products

Water stress risk assessment

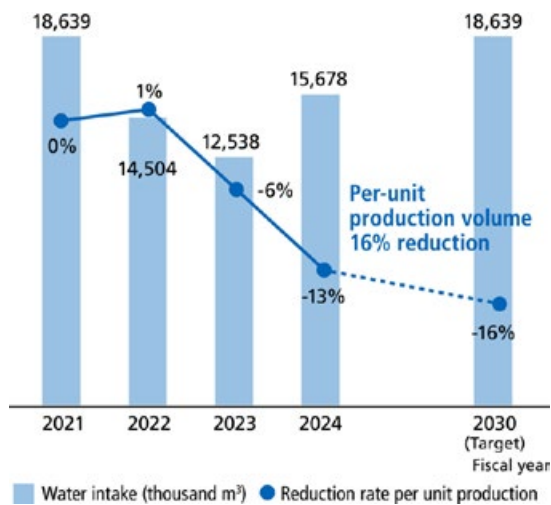
Water is one of the important resources in the production activities of the HOYA Group, and in particular, the MD Division (HDD glass substrates) and VC Division (eyeglass lenses) use large amounts of water in their production processes.

To promote the sustainable use of water resources, we are comprehensively assessing water stress risk for each production site using the Aqueduct Water Risk Atlas, while also conducting interviews at the sites. Those sites identified as high risk collaborate with the Environment, Health and Safety Department at the head office to formulate countermeasures and focus on implementing these measures. Through these initiatives, we aim to achieve both efficient use of water resources and consideration for the local environment.

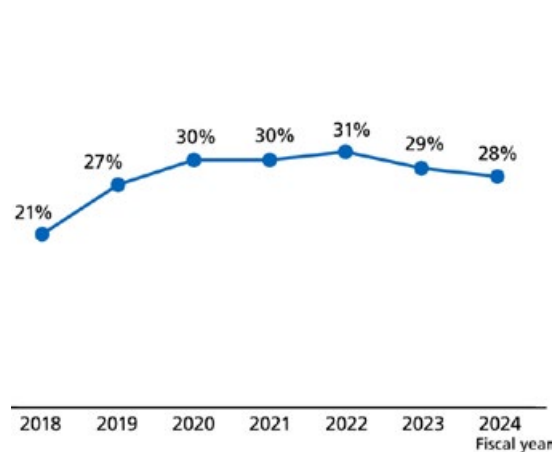
Water intake

In fiscal 2024, the HOYA Group's water intake totaled 15,678 thousand m³, representing a reduction of approximately 16% compared to the base year (fiscal 2021). In addition, water consumption per unit of production was reduced by 13%, and the water reuse rate remained consistent with typical levels at 28%. On the other hand, compared to the previous fiscal year, water intake and intake per consolidated net sales increased by 25% and 10%, respectively, due to an increase in production volume. However, water intake is being managed at a level below the base year (fiscal 2021), and water intake per unit of production is on a downtrend. This indicates that we are steadily promoting the efficient use of water resources.

Water intake



Water reuse ratio



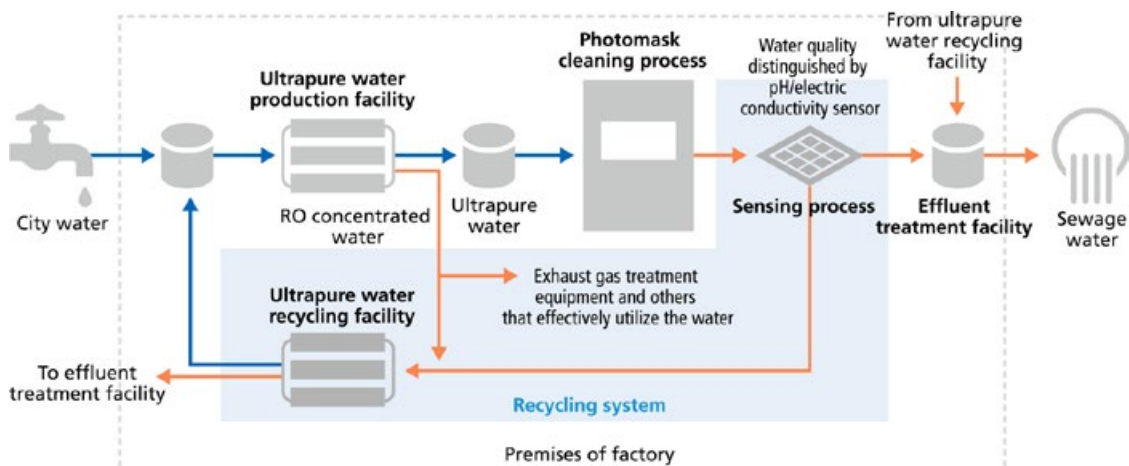
Notes: 1. Water intake volume is calculated based on the amount of municipal water, industrial water, and groundwater used at production sites.

For water-related data, please refer to the Environment page of the [ESG Databook](#).

Initiatives to reuse water

Recycling of ultrapure water in photomask manufacturing process

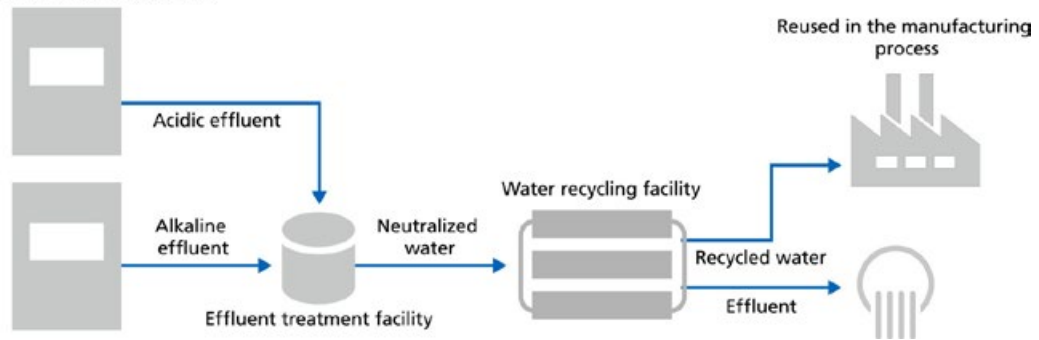
In the photomask manufacturing process, cleaning is performed by using ultrapure water to remove various chemicals and foreign matter. The used water undergoes a process at an effluent treatment facility to be rendered harmless, some of which is subsequently collected and reused. The ultrapure water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



Reduction of chemical substances and water recycling in mask blank effluent treatment

In the mask blank manufacturing process, water and chemicals are mainly used in the cleaning and polishing processes, which then undergo chemical treatment before being neutralized in an effluent treatment facility. EUV (extreme ultraviolet) mask blanks generate acidic effluent, while optical (deep ultraviolet) mask blanks generate alkaline effluent. By mixing these two types of effluent and neutralizing them, we have reduced the use of additional chemicals in effluent treatment. Furthermore, we have succeeded in reducing the amount of water intake by recycling a portion of the neutralized water. This initiative enables us to reduce environmental impact while effectively utilizing resources.

Mask blank manufacturing process



Environmental

Pollution Control Measures and Waste, etc.

Facilities standards and pollution control measures for environmental conservation

In order to prevent harmful effects on the environment inside and outside our business sites, we have established basic specifications for environmental equipment at our business sites in Japan and overseas in the HOYA Group Standard for Environmental Facilities and have established a system to respond to environmental risks such as soil and groundwater contamination and the leakage of hazardous substances.

Specifically, structural safety is secured for tanks, pipes, effluent facilities, etc., and measures are in place to quickly shut off and contain any harmful substances in the event of a leak. To prevent contamination of groundwater, we have adopted a permeation prevention structure for effluent treatment facilities and storage facilities, and have established a regular inspection system.

Furthermore, to prevent the environmental impact of harmful substances from dispersing, leaking, or infiltrating we have established clear emergency response procedures and a system for promptly notifying relevant parties and government agencies. These measures are documented in an emergency response manual, which requires investigation of the root causes and implementation of corrective actions to prevent recurrence in the event of an accident.

Initiatives for chemical substance management

We manage all chemicals used in our business activities across the entire Group in accordance with the HOYA Group Chemical Substances Management Standard, with the aim of preventing accidents, disasters, health hazards, and environmental pollution caused by harmful chemicals. This approach enables us to prevent occupational accidents, such as health hazards arising from chemical substances, while also working to reduce environmental impact. We have established a framework for regularly monitoring and reporting the generation of environmentally hazardous substances, and through risk assessments of the substances we use, we take measures such as appropriate management of chemical substances and consideration of alternatives to further mitigate risks.

Waste management

We have been promoting appropriate waste management and recycling, mainly at our manufacturing sites in Japan and overseas. These activities are positioned as important measures for reducing environmental impact and realizing a circular economy. To further accelerate these initiatives, we have set a new Group target of “**80% or more recycling rate for waste**” from fiscal 2024. This target will be achieved through improving the accuracy of waste separation at each manufacturing site, expanding processing routes that enable recycling, and strengthening cooperation with suppliers and waste disposal service providers.

In addition, we strictly manage hazardous waste and plastic waste from an environmental risk perspective, collecting and analyzing data on emissions and treatment methods at each site. This enables us to ensure full compliance with laws and regulations and to formulate more effective reduction and reuse measures. In particular, each business is working to strengthen initiatives related to plastics by selecting recyclable materials and exploring alternatives, with a dual focus on reducing waste generation and promoting circular use. In fiscal 2024, our waste recycling rate was 79.8%, falling slightly short of the target mentioned above. However, we will continue to promote recycling activities in each business division to achieve the target in the future.

For waste-related data, please refer to the Environment page of the [ESG Databook](#).

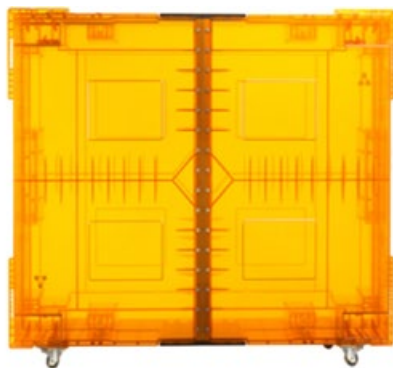
Initiatives toward a circular economy

HOYA has positioned the promotion of a circular economy as one of its most critical corporate challenges to realize a sustainable society. We aim to simultaneously reduce environmental impact and generate economic value by using resources efficiently and minimizing waste.

Examples of waste reduction and reuse initiatives

Recycling of photomask transport cases

Photomasks are extremely precise and delicate products, and their transportation requires high quality control. We have developed a process that enables the reuse of plastic transport cases, which were previously used only once before disposal. This initiative has been made possible through collaboration with customers and related suppliers and has been introduced in some photomask sizes and countries. This process has led to a reduction in plastic waste and a reduction in the consumption of virgin resources.



G6-size photomask case
850mm x 1200mm x 10mm



Reducing environmental impact by reviewing packaging materials

Each division is working to reduce waste and CO₂ emissions by reviewing product packaging. We are promoting the optimization of materials used while ensuring product protection and quality during transport.

Examples of initiatives

- We are promoting the switch to paper materials to reduce the amount of plastic used in eyeglass lens packaging. By making this change while maintaining product quality standards, we are helping our customers reduce waste, improving transportation efficiency, and reducing CO₂ emissions throughout the entire process from transportation to disposal.

- Pentax Medical has switched from using 100% polyethylene bags for packaging medical endoscope accessories (treatment supplies) to bags containing 30% biomass material, thereby reducing the use of plastic resources.

We will continue to review our packaging materials to achieve both effective use of resources and reduced environmental impact, while actively pursuing the adoption of eco-friendly materials and technologies in the future.

Social

Based on the results of the engagement survey, workplace improvement activities inspired by employee feedback are spreading across all business sites. Through dialogue-focused initiatives, efforts to create more rewarding workplaces are progressing, leading to improved engagement across the entire organization. Community activities focused on vision are also continuing.



Tomoko Nakagawa Chief Sustainability (ESG) Officer (CSO)



Human Capital

Respecting Human Rights

Basic approach

The HOYA Group respects the human rights of all officers and employees of the HOYA Group and all stakeholders involved in the business activities of the Group. The Group advances efforts on human rights in accordance with the UN Guiding Principles on Business and Human Rights.

HOYA Global Code of Conduct

[The HOYA Global 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, and that child labor, forced labor and human trafficking are prohibited. 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.

The HOYA Group takes rigorous measures to ensure Group-wide understanding of its stance on human rights. The Group has developed the Code in 27 languages in view of the status of its global operations, conducts e-learning once a year for all Group employees and tests participants to ensure that they understand the content. We also conduct internal audits to confirm that the procedures described above are followed. Confirmation notices regarding strict compliance with the Code of Conduct for all Group employees were submitted with a 99% submission rate in fiscal 2024.

HOYA Group Human Rights Policy

In October 2022, with the approval of the Board of Directors, the HOYA Group established the [HOYA Group Human Rights Policy](#), spelling out the Group's stance on respect for human rights in accordance with the Group's Corporate Mission and Management Principles. The policy includes in its scope all of its partnerships with stakeholders and commits the HOYA Group to complying with a number of international principles and guidelines, including the UN International Bill of Human Rights, the International Labour Organization (ILO)'s Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business & Human Rights (UNGPs), and the 10 Principles of the UN Global Compact.

Based on the Human Rights Policy, the Group puts its respect for human rights into practice by five means:

- Conducting due diligence on human rights
- Relief measures
- Dialogue with stakeholders
- Awareness-raising activities and education
- Disclosure

The Policy on Human Rights is published on the HOYA Group website in Japanese and English and all stakeholders are made aware of it.

Framework for Promoting Response on Human Rights

Under the authority of the Chief Sustainability (ESG) Officer (CSO), the ESG Promotion Office at Group head office coordinates with the Compliance Department, Legal Department, Personnel Department, and other related departments in the head office, proposing policies and plans for the entire Group on human rights and confirming progress in a timely manner. In addition, the Chief Compliance Officer (CCO) oversees an organizational framework for managing compliance risk globally. The CCO responds to the full range of compliance issues, including labor-related compliance, human rights-related issues such as consumers' (patients') rights to be safe and informed, protection of privacy and management of personal information, corruption and bribery. On a regular basis, the CCO reports its activities and progress to the Board of Directors and reflects feedback from the Board of Directors in activities.

Due Diligence on Human Rights

Identifying Human Rights Issues (Negative Impacts)

To assess human rights risks in its value chain, the HOYA Group selected four divisions and obtained professional opinions from outside experts on each of them. Selected for the details of their operations in fiscal 2022 and other factors, the four divisions are the Eyeglass Lens Division, the Medical Endoscope Division, Semiconductor Mask Blank Division, and the HDD Glass Substrate Division. The Group also referred to outside data on international compacts and guidelines^{*1} related to human rights, industry attributes, country risks and so forth, as well as results of hearings with business divisions and other related departments in Group head office. Through these efforts, the Group discovered and categorized potential issues and risks on human rights for each stakeholder. The results of our human rights risk assessment within our value chain indicate that the potential human rights issues related to each identified stakeholder are as shown in the table below.

^{*1} These include the UN International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the 10 Principles of the UN Global Compact, and OECD Guidelines for Multinational Enterprises.

Potential Human Rights Issues Identified for Each Stakeholder

Rights area /issue		Stakeholder				
		HOYA employees (Manufacturing)	HOYA employees (Non-manufacturing)	Suppliers	Consumers/patients	Regional communities
Labor compliance	Elimination of discrimination	✓	✓	✓		
	Harassment	✓	✓	✓		
	Gender	✓	✓	✓		
	Occupational health and safety	✓		✓		
	Excessive or unreasonable work hours			✓		
	Insufficient or unpaid wages	✓		✓		
	Child labor			✓		
	Forced labor	✓		✓		
	Rights of migrant and foreign laborers			✓		
Access to legal relief		✓	✓	✓	✓	
Consumer safety and right to know					✓	
Protection of privacy and management of personal information		✓	✓		✓	
Human rights issues related to the environment and climate change						✓
Bribery and corruption		✓	✓	✓		✓

HOYA Group Due Diligence Policy

In October 2024, we established the [HOYA Group Due Diligence Policy](#) to define our basic approach and mechanisms for identifying and assessing potential negative impacts on human rights, and for preventing, mitigating, ceasing, or minimizing such impacts. This complements our ongoing efforts to promote understanding of the Code of Conduct and provide education and training on harassment prevention. The policy was approved by the Board of Directors and has been made publicly available.

Identification and Assessment of Negative Impacts

Some business divisions have taken the lead in identifying and assessing potential negative impacts on stakeholders in their business relationships, ahead of Group-wide initiatives. The MD Division, for example, conducts supplier assessments, including human rights risks, by confirming that each supplier complies with the Responsible Business Alliance (RBA) Code of Conduct^{*2} at the start of business transactions and on a regular basis thereafter. In addition, the PENTAX Medical Division conducted a pilot questionnaire at selected Europe-based entities prior to global rollout, aiming to identify and assess human rights risks among suppliers. These risks were evaluated based on the presence of human rights policies or declarations and the existence of any negative news. As a follow-up, the division will engage with suppliers and strive to mitigate adverse human rights impacts. Looking ahead, we intend to integrate and expand these divisional initiatives across the Group, placing greater emphasis on identifying human rights issues and promoting collaborative engagement with a broader range of stakeholders.

^{*2} Standards designed to ensure safe working conditions in the supply chain and to promote responsible, ethical business practices that respect human rights and the environment

Corrective and Complaint Processing Mechanisms

As part of its compliance framework, the HOYA Group has operated the HOYA Help Line since 2003 to receive whistleblowing reports and requests for advice from both internal and external stakeholders, including employees of business partners. This is a framework for early identification of problems when there have been violations of laws, regulations, or the HOYA Global Code of Conduct and smooth communication to top management while protecting whistleblowers. The aim is to ensure the soundness of the global Group through quick and appropriate responses to such issues. In addition, information on whistleblowing complaints is also reported by the CCO to the Audit Committee on a quarterly basis.

We are creating an environment in which advice can be sought easily, including accepting whistleblowing complaints and consultation requests 24 hours a day via the Web in multiple languages, making consultation available in the local languages, 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 escalations by giving consideration to the confidentiality of information to ensure whistleblowers' anonymity.

In fiscal 2024, there were 297 whistleblowing complaints made to the HOYA Help Line, of which 62% were related to the workplace environment and 17% were queries related to HOYA's rules and the like. In addition, since fiscal 2023, cases of harassment received by Human Resources Division have also been shared with the Compliance Division to strengthen measures and training.

In fiscal 2024, there were no whistleblowing incidents inflicting a serious impact on HOYA's businesses.

For details please see "[Compliance Organization](#)."

Employee Education and Training

Once a year, the HOYA Group conducts e-learning and tests all Group employees on their knowledge of the HOYA Global Code of Conduct, ensuring thorough circulation of information within the Group. On harassment, the Group has formulated the HOYA Group Policy and Guidelines on Measures to Prevent Harassment. This document discloses measures and policies to prevent harassment, protect respect for each employee as an individual, and prevent disruptions to workplace discipline and barriers to work. Based on these Guidelines and the laws and ordinances of each country, the Group provides all Group employees with education and training on measures to prevent harassment; in Japan, this training is tailored to each level of management. In fiscal 2024, 88% of employees in Japan underwent training on measures to prevent harassment and were tested on their knowledge of the subject.

Supply Chain Measures

To ensure that our suppliers—who provide us with products and services—share the same standards of legal compliance and ethical practices as the HOYA Group, we have established the HOYA Supplier Code of Conduct. We have requested our suppliers to acknowledge, sign, and comply with this Code. In response to the growing global focus on human rights and environmental issues within supply chains, and reflecting our responsibility to practice responsible procurement as the HOYA Group, we revised the HOYA Supplier Code of Conduct in fiscal 2024. This Code of Conduct calls on all suppliers to prohibit forced labor, child labor, discrimination, harassment, corruption and bribery, and to uphold the principles of freedom of association and right to collective bargaining and secure occupational health and safety. It also sets out responsibilities for environmental protection. The HOYA Group will continue to require its suppliers to comply with this Code of Conduct. Furthermore, to ensure responsible mineral procurement, the Group conducts surveys on conflict minerals and sets targets for suppliers' rate of response to the survey and the number and percentage of smelters that are compliant with the Responsible Minerals Assurance Process (RMAP). On the basis of these targets, the Group monitors results and promotes efforts to reduce risk associated with conflict minerals.

For details please see “[Supply Chain Management](#).”

Measures to Ensure the Safety of Consumers (Including Patients)

To strengthen its product safety management system, the HOYA Group must ensure rigorous compliance with the standards required of healthcare products in Japan and overseas, laws and ordinances governing product quality and safety, and other norms. For this purpose, in fiscal 2022, the Group launched the Healthcare Compliance Committee, composed of independent directors. The Group obtains objective advice from these independent directors and, when needed, from experts versed in the laws and ordinances of particular countries, as it carries out activities to secure product safety, led by an officer responsible for regulatory compliance.

For details please see “[Product Safety Assurance Policy and Structure](#).”

Protecting Privacy and Managing Personal Information

The HOYA Global Code of Conduct declares the Group's respect for individuals' right to protection of privacy and stipulates prudent management of personal information. To prevent information leaks by improving HOYA Group employees' security mindset, the Group provides cybersecurity training on a regular basis, using e-learning. In 2022 the Group adopted a basic policy for the handling of personal numbers and specified personal information and made clear its stance of strict compliance with related laws and guidelines. In these ways the HOYA Group is working to prevent problems related to the handling of personal information.

Grappling with Bribery and Corruption

Based on the HOYA Global Code of Conduct, in 2021, the HOYA Group moved to strengthen measures to prevent bribery and corruption by instituting the [Anti-Bribery and Anti-Corruption Policy](#). This policy establishes rules for preventing bribery and corruption and stipulates measures such as formation of an internal management framework and provision of training. In addition, the Board of Directors monitors issues related to bribery and corruption as appropriate, and the Group is also continuing to provide employees with education on these issues.

In fiscal 2024, there was one case of a serious violation of anti-corruption and anti-bribery laws that was deemed material and disclosed externally, while there were no political contributions. HOYA Group regards this incident with utmost seriousness and will strengthen our internal governance to prevent recurrence and thoroughly educate our employees on ethical compliance.

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



Strategy for Human Resource Development

Human Capital Strategy

The HOYA Group regards human capital as one of its most important assets and has formulated a human resource strategy designed to secure a competitive advantage through continuous investment in its people.

As the Company promotes optimal global production and sales, it recognizes that workforce diversity is a key strength and a source of sustainable value creation. In line with the Group's basic philosophy and values, we have deployed the HOYA Code of Conduct—guidelines that employees are expected to follow in the course of their work—in 27 languages to foster a sense of unity across the organization.

The HOYA Group regards respect for individuals as a fundamental principle of management. We strive to provide opportunities for employees to fully demonstrate their autonomy and creativity, while also ensuring a safe and supportive work environment. Through these efforts, we aim to help our employees achieve a balanced and fulfilling life. The HOYA Group places strong emphasis on employee well-being and promotes the creation of an inclusive environment where diverse talent can thrive, as part of its sustainability policy. Amid intensifying competition to secure talented personnel, we view the development of a diverse workforce as a driver of innovation and have identified “employee engagement” and “diversity & inclusion” as material issues.



Diversity

Utilizing Global Human Resources

The HOYA Group promotes optimal global production and sales, and views workforce diversity as a key source of competitive advantage. HOYA Group hires on the basis of individual capability, not nationality, gender, or similar distinctions, and over 90% of Group employees are assigned to posts outside Japan.

By actively promoting outstanding local talent and broadening opportunities for them to thrive, the Group is driving its globalization forward. As a result, approximately 90% of overseas subsidiaries are headed by non-Japanese persons. Moreover as of June 30, 2025, approximately half of the Group's main business divisions entrust the management of global operations to non-Japanese division presidents. HOYA will continue to offer talented individuals regardless of nationality with opportunities to promote value creation that leverages diversity.

Promoting Diversity and Equitable Talent Utilization

In 2014, we launched the “Minkatsu” diversity initiative—short for Minna ga Katsuyaku Dekiru Shokuba-zukuri (“Creating a workplace where everyone can thrive”)—to foster a work environment where each employee feels fulfilled and is empowered to fully demonstrate their abilities.

This initiative focuses on Japan, where the proportion of women is relatively low compared to other countries, with the aim of increasing the proportion of female employees and female leaders (head of an organization at the subsectional chief equivalent or above and highly skilled professionals). We have set targets to have female leaders and female employees in Japan account for at least 18% and 32%, respectively, by the end of fiscal 2025. To achieve these goals, we continue to engage proactively in multifaceted initiatives to eliminate the mindset of assigning duties based on gender, create well-planned educational programs and provide opportunities for women in management roles, and actively recruit external female talent.

Furthermore, in accordance with the principle of equal pay for equal work, the HOYA Group does not discriminate based on gender in hiring, promotions, or pay increases, and instead focuses on actively appointing professionals with highly specialized capabilities and high ethical standards. In addition, at HOYA Corporation, two of its seven directors are women (28.6%), and three of its officers including executive officers are women (37.5%), demonstrating the Company's commitment to diversity in senior management.

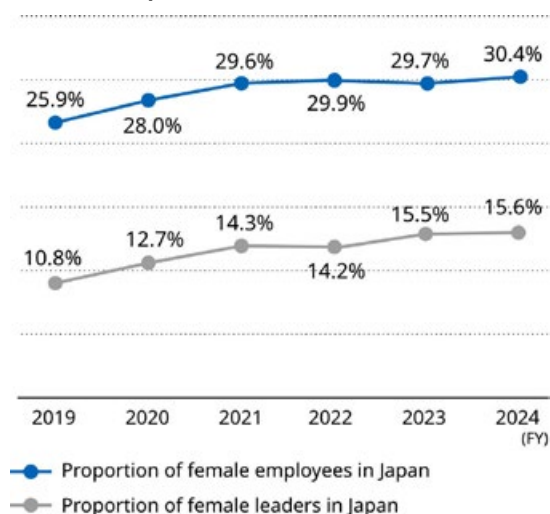
Proportion of Female Employees and Female Leaders

Proportion of Female Employees	FY2022	FY2023	FY2024
Japan	29.9%	29.7%	30.4%
Overseas	54.6%	51.1%	56.5%
Group-wide	52.0%	48.9%	54.2%

Proportion of Female Leaders	FY2022	FY2023	FY2024
Japan	14.2%	15.5%	15.6%
Overseas	41.6%	41.0%	38.5%
Group-wide	35.9%	35.7%	33.6%

Notes: The figures for Japan are calculated based on the Minkatsu survey, while those for overseas are calculated based on global human resources system data.

Proportion of Female Employees and Female Leaders in Japan



Creating an Environment that Supports Active Participation

The HOYA Group is working in each business division to create an environment where every employee can maximize their abilities and to design systems and create culture tailored to the characteristics of each business. Creating workplaces where diverse personnel can play an active role is essential for the sustainable growth of the company, and we aim to achieve a sense of fulfillment from work as well as personal life. To this end, we are promoting the introduction of systems that enable flexible workstyles, the creation of a workplace culture that fosters psychological safety, and the review of business processes to improve productivity. Through such initiatives, we aim to enhance employee engagement and maximize corporate value.

Those related to workstyle in general	Those related to childcare/nursing care support
<ul style="list-style-type: none"> • Flextime system • Shortened working hours, reduced number of working days • Second job • Work from home • Encouraging employees to proactively take annual leave by setting recommended days for taking annual leave • Challenge leave,* etc. 	<ul style="list-style-type: none"> • Childcare/nursing care support system (leave of absence, shortened working hours) • Support for early return to the workplace • Staggered working hours • Leave to provide care for children • Encouraging male employees to take childcare leave, etc. • Family care leave, etc

* Challenge leave:

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 reaches 10 years, 20 years, and 30 years.

Creating Supportive Workplace Environments for People with Disabilities

The HOYA Group is committed to creating workplace environments where everyone, regardless of disability, can demonstrate their abilities and find fulfillment in their work. As one example, we operate the Ichikawa Challenge Office as a base for supporting “Eyecity Eco Project,” the environmental activities in our eye care business. This office strives to enable people with disabilities to connect with society and achieve self-fulfillment through their work by devising work content and workplace environments and establishing ongoing support systems. Through such initiatives, we are providing workplaces where people with disabilities can play an active role and promoting the creation of workplaces where everyone can thrive.

[The SDGs to which Eyecity is committed \(in Japanese only\).](#)

Employee Engagement Survey

Human Resource Management to Support Fulfillment from Work and Growth

Based on the belief that “people are our greatest asset,” the HOYA Group places great importance on creating a workplace environment in which diverse employees can fully leverage their abilities and take on new challenges. Fostering an environment where every employee can expand their potential and grow together with the Company is essential for the sustainable enhancement of corporate value.

As one facet of this, HOYA periodically conducts an employee engagement survey targeting at all employees in the Group. The survey has been implemented four times since 2020. In addition to analyzing the results companywide, the survey results were discussed at the individual-workplace level, to identify points for improvement leading to meaningful plans of action.

In the survey conducted in fiscal 2024, 94% of employees participated globally and achieved a high level of engagement that exceeded external global benchmarks. Based on the results of our studies to date, we are implementing the following measures across the entire group, focusing particularly on the two areas of talent management and career development as policies to address global issues.

Performance Management (Performance Evaluation System)

To encourage employees to make the most of their abilities, it is essential that the HOYA Group build a framework for fair and objective evaluation of their performance. Starting in fiscal 2022, we have introduced a global common evaluation framework across all global locations, thus establishing a system that enables performance and behavior to be measured using the same evaluation criteria regardless of country or department. Under this system, clear expectations are set for performance targets and behavior, and reviews are conducted in a multifaceted and objective manner using methods such as 360° evaluation. The results of performance evaluation are not only reflected in remuneration, but also linked to employee growth support and human resource development through regular and effective feedback. This has resulted in improved employee motivation and confidence in the evaluation process.

Career Development

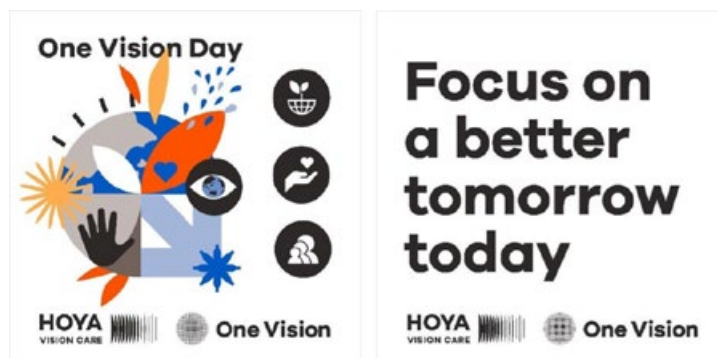
We place great value on creating an environment where each employee can build their career independently and feel confident that they are growing along with the Company. Continuous learning and skill updates are essential and directly linked to maintaining corporate competitiveness to respond to rapid technological innovation and changes in the business environment. To this end, the HOYA Group has introduced an on-demand online learning platform (LinkedIn Learning), creating an environment where employees can access learning content tailored to their work and career goals, regardless of time or location. This structure enables HOYA to retrain and enhance the skills of human resources who support its growth strategy, while fostering a culture of lifelong learning and motivating employees to grow.

Engagement Measures to Address Diverse Workplace Needs

Based on the results of its employee engagement survey, the HOYA Group is implementing measures across the entire Group to address common global issues, while also promoting a variety of measures tailored to the characteristics and needs of each business division and business site. These efforts help us create a workplace environment that reflects employee feedback, enhancing job satisfaction and invigorating the organization. As an example, in fiscal 2024, we established the Career Design Lab for employees in Japan with the aim of supporting the career autonomy and growth of each employee. The Lab provides personalized support through workshops that promote self-understanding and help employees clarify their career visions in line with their life stages. In addition, those who wish to receive more tailored guidance can participate in one-on-one sessions with professional career consultants. Going forward, we plan to expand e-learning and in-house training as part of our reskilling support to prepare for business changes and future careers.

Furthermore, the Vision Care Division (eyeglass lenses), which operates globally and is home to the largest number of employees within the HOYA Group, is promoting its own sustainability program called “One Vision.” This program is based on three pillars: “Environment (consideration for the environment),” “Workplace (creating a safe and diverse workplace),” and “Community (contributing to local communities).” Through these initiatives, HOYA Group employees working around the world share common values and foster a sense of unity that transcends national and cultural boundaries, cultivating a shared awareness and actions for a sustainable future. The One Vision initiative is being advanced globally by more than 100 ambassadors based around the world, who are leading activities in their respective regions and encouraging employee participation.

At the core of this initiative is “One Vision Day,” when each country and site sets its own program and carries out activities rooted in their local communities and workplaces. To date, we have conducted free eye exams for thousands of people, conducted tree-planting and clean-up activities, donated eyeglass lenses and raised funds, and launched campaigns to improve employee well-being. These activities provide employees with opportunities to realize their own values and social contribution awareness in the workplace, enhancing their sense of belonging and pride in the organization and leading to increased engagement.



Development of Human Resources

Basic Approach

The HOYA Group strives to 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 is committed to improving their knowledge and skills with the aim of providing innovative value to society.

Human Resource Development

Employees have diverse values and workstyles, and it is important to nurture their capabilities in an environment that suits their aptitudes. We support our employees so that they can maximize their potential and contribute to the organization and its business. To address diverse skill development needs, we offer training programs tailored to the specific needs of each division, region, and department. In addition to career development support such as on-the-job training and mentoring programs for new employees and leadership training for different job positions, we also provide safety-related training (CPR, fire drills, etc.) and specialized training on product safety and quality assurance. Furthermore, we utilize LinkedIn's on-demand learning platform to support the acquisition of knowledge and skills appropriate to their jobs and roles to provide an environment where employees can learn independently.

Examples of Training Programs by Division

Human resource development in the Eye Care Company

The Eye Care Company that operates Eyecity chain of contact lens specialty stores has designed and made efforts to improve its original educational programs for the division with objectives such as improving the customer service skills of “Eye Concierges,” who are the staff engaged in sales activities at stores. The training consists of the following three core programs, combining e-learning and instore coaching instruction to promote self-motivated study.

Operational education: Improving customer service and customer reception skills

Technical education: Acquiring specialized knowledge on contact lenses (four levels of certification)

Management education: Learning the management skills for leading staff as a team

EICC seminar at HOYA Electronics Singapore

Every year staff members of HOYA Electronics Singapore attend a seminar provided by the Electronic Industry Citizenship Coalition (EICC) on its Code Of Conduct requirements to deepen their understanding of workplace safety, worker dignity, and environmental responsibility. This is an important initiative for promoting sustainable manufacturing activities and ethical corporate management.

Award System

The HOYA Group has established a group-wide award system to promote the growth of individuals and organizations. Cross-country, cross-cultural collaboration toward a single goal promotes teamwork, deepens understanding of diversity, and facilitates the widespread sharing of best practices, accelerating organizational growth. In addition, we have established division-specific awards to encourage employees to take on challenges and work independently to solve problems.

HOYA Prize

This 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. Winners are decided by the CEO based on recommendations received from the managers of each business and human resources representatives. As it does not stipulate any detailed selection criteria, it is a flexible evaluation system used to recognize a wide range of achievements.

ESG Award

This internal award program was established to promote ESG initiatives by facilitating the sharing of knowledge across business divisions within the HOYA Group. The award recognizes initiatives that contribute to sustainable growth, such as those to reduce environmental impact, promote diversity, and instill ESG awareness as well as solving environmental and social issues through HOYA’s products and services. Through this program, we will boost employee motivation and engagement, thereby leading to enhanced corporate value.



Social



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 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. The trends in the incidence of occupational accidents are shown in the figure below.

	Scope	FY2020	FY2021	FY2022	FY2023	FY2024
Number of occupational accidents	Japan	9	11	14	18	10
	Overseas	181	208	180	157	171
	Group-wide	190	219	194	175	181
Lost time injury (LTI) frequency rate* ¹	Japan	0.37	0.38	0.37	0.47	0.44
Lost time injury (LTI) intensity rate* ²	Japan	0.008	0.003	0.001	0.001	0.016

* Reference data: Lost time injury (LTI) frequency rate: 1.29, Lost time injury (LTI) intensity rate: 0.08 in the manufacturing industry according to Ministry of Health, Labour and Welfare's fiscal 2023 data

Reduction of Risks Using Risk Assessment

In line with the HOYA Group's Occupational Safety and Health Risk Management Guidelines, we assess risks associated with hazardous and harmful factors in our business operations and implement countermeasures based on prioritized risk reduction. Specifically, we promote initiatives to prevent occupational accidents caused by chemical substances and machinery by identifying potential hazards through risk assessments and taking proactive steps to mitigate them. These efforts help minimize the risk of workplace accidents and contribute to building a safe and healthy working environment.

Strengthening of Chemical Substances Management

With the aim of preventing accidents, disasters, health hazards, and environmental pollution caused by hazardous chemicals, we are managing chemical substances used in our business activities throughout the Group based on the HOYA Group Chemical Substances Management Standard. This helps prevent occupational accidents such as health problems caused by chemical substances and also reduces environmental impact. We conduct regular surveys and reports on the occurrence of environmentally hazardous substances, and through risk assessments of the substances used, we take measures such as considering alternatives to chemical substances, improving the working environment, and managing exposure prevention measures to reduce risks. In addition, based on compliance with the laws and regulations of each country, we have established an effective management system that includes the preparation of safety data sheets (SDS), implementation of work environment measurements, and enhancement of education and training. These initiatives are applied to all business sites in Japan and overseas, contributing to the improvement of safety and health standards across the entire Group.

Assurance of Safety of Machines and Equipment

The HOYA Group considers the safety of machines and equipment a matter of great importance in achieving occupational safety. To prevent occupational accidents caused by machinery and equipment, we implement risk reduction measures based on the HOYA Group Standard for the Safety of Machines and Equipment, starting with risk assessment at the design stage.

This standard mandates risk assessment when installing, modifying, relocating, or reusing equipment, and clearly defines structural and technical measures (such as guard installation, interlocks, and emergency stop devices) to minimize risk.

Furthermore, based on a design philosophy that assumes human error, we place great importance on creating a safe working environment for our operators.

We are also working to improve safety awareness and prevent occupational accidents throughout the Group by conducting risk assessments when introducing new equipment and providing education and training to employees. These initiatives are applied to all manufacturing sites in Japan and overseas, and continuous improvements are being made under a globally unified safety management system.

Implementation of Internal Audits on Occupational Safety and Health

Environment and occupational safety and health personnel and head office specialized staff conduct internal audits periodically at our business facilities inside and outside Japan. These audits aim to prevent occupational accidents and continuously improve safety and health performance.

Audits are conducted by combining confirmation of survey sheets submitted in advance with on-site audits. Based on the audit reports, each business facility formulates and implements improvement plans, and a process is in place to confirm the status of improvements at the next audit.

These activities are conducted under a globally unified safety and health management system, contributing to the development of a Company-wide safety culture and the creation of a sustainable workplace environment.

Training in HOYA Group Safety and Health

We are conducting education and training on management systems and risk assessment, focusing on newly established overseas production bases. These training programs are conducted with consideration for local culture and customs and include on-site training to enhance practical effectiveness. Furthermore, we are striving to foster a culture of safety throughout the entire Group by developing human resources to support the implementation of ISO 45001 (occupational health and safety management system) and providing systematic education and training based on the management system. In addition, the facility environment and occupational safety and health personnel conference is held regularly to share and exchange information on key issues across the Group and to disseminate newly established Group standards, thereby striving to continuously enhance the performance of its occupational safety and health activities.



Social



Health Management

Promotion of Health and Productivity Management

The HOYA Group promotes health and productivity management throughout the organization based on the mindset that “health promotion efforts are business investments.” We are implementing measures such as health checkups, consultation services, and mental health support with the aim of creating an environment where each and every employee can work in good physical and mental health.

Through the CEO's Health Management Declaration and his [seven articles that HOYA Group employees are required to follow](#) (in Japanese only), senior management has demonstrated its strong commitment, positioning employee health as an essential factor in enhancing corporate value.

As part of our management framework, the departments responsible for environment, occupational safety, and health take the lead in operating a global management system based on ISO 45001, ensuring its effective implementation at each site. Along these lines, the HOYA Group has been continuously certified under the Ministry of Economy, Trade and Industry's certification program for outstanding health and productivity management organizations.

Furthermore, with the aim of promoting exercise habits among employees, we are implementing measures to encourage exercise, such as rankings of steps taken and health programs using smartphone apps. This initiative is not only a health measure but also a social contribution activity, with trees planted in Southeast Asia in proportion to the total number of steps taken by all participants. This contributes to fostering ESG awareness in addition to improving employee health awareness. We are also strengthening initiatives aimed at improving employee wellbeing, such as work-life balance measures designed to increase the rate of annual leave taken. Going forward, we will continue to promote health management throughout the entire Group with the aim of maintaining and improving the health of our employees while achieving sustainable growth for the Company.

For more information on health initiatives, please visit [our website](#).

Social



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

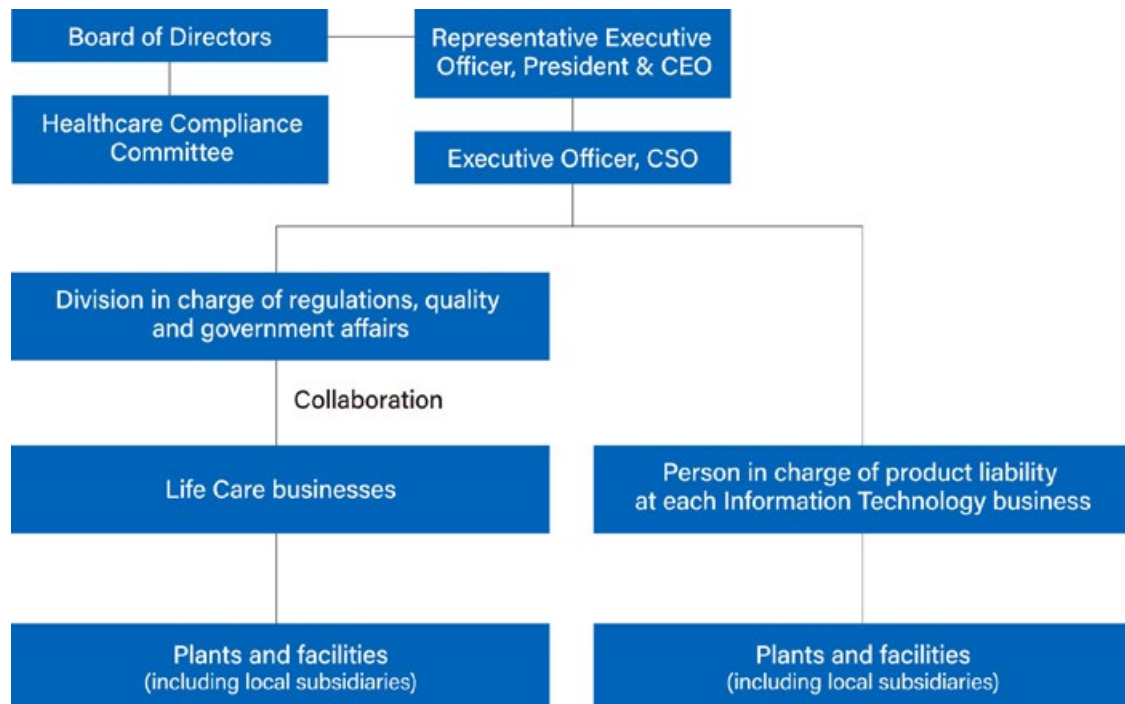
Each company in the HOYA Group provides, where appropriate, user training, up-to-date user guides and documents, product warning labels, and other information for the effective, safe use of our products. We continue to seek opinions from users of our products and reflect this feedback in future products.

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 healthcare and medical products, we have established a division at the head office in charge of regulations, quality, and government affairs across these businesses.



Healthcare Compliance Committee

The HOYA Group established the Healthcare Compliance Committee with the objective of obtaining the thorough compliance with laws, ordinances, standards and norms, both in Japan and overseas, required of healthcare products. Composed of three independent directors who are knowledgeable about the healthcare field, the Healthcare Compliance Committee conducts monitoring of the status of the relevant business divisions' responses to regulations and other matters. Obtaining advice as necessary from specialists with expert knowledge of the laws and ordinances in each country with respect to healthcare products, each member of the Healthcare Compliance Committee offers proposals and advice to each business division for whose regulatory response he or she is responsible. In addition, the chairperson of the Healthcare Compliance Committee reports the details of the deliberations of each meeting of the Healthcare Compliance Committee to the Board of Directors.

Quality Management System

The HOYA Group considers product safety and quality to be fundamental to its corporate value and 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.

This enables the Group to strengthen its quality assurance system in product design, manufacturing, and sales, thereby improving reliability in the global market.

With regard to product safety, we comply with domestic and international laws and regulations and industry standards, and through the collection and analysis of product accident and defect information, we promptly take necessary measures such as reporting to regulatory authorities and conducting product recalls or modifications. Also, a structure has been established to incorporate user feedback and reflect it in improvements to future products.

Internally, we conduct ongoing education and training on product safety and quality control to raise employee awareness and skills and are reviewing and improving the quality control organizational structure in each business division. For businesses falling under the Life Care segment, which handles medical products, we have established a division at the head office in charge of regulations, quality, and government affairs across these businesses to comprehensively manage product safety and legal compliance.

Going forward, the HOYA Group will continue to strive to further improve product safety and quality, strengthen its management system based on international standards, and enhance customer satisfaction.

Status of ISO certification

	ISO9001	ISO14001	ISO45001	ISO13485
Number of ISO-certified sites ^{*1}	35 (1)	50 (3)	48 (4)	53 (0)
Uptake rate ^{*2}	100%	96%	92%	–

^{*1} The number in parenthesis is the change from the previous year.

^{*2} Refers to the percentage of production sites eligible for certification that have completed certification.

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

Animal Experimentation

There are some cases in which animal experiments need to be conducted to develop some medical products. HOYA Group has established regulations in each business division 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 of 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

Supply Chain Management

Basic Policy

The HOYA Group has global manufacturing bases in locations suitable for each of its businesses and sells products to customers around the world by processing and assembling raw materials and components efficiently 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 is committed to upholding the highest standards of legal compliance and ethical conduct, based on our obligation to fulfill both legal and social responsibilities and to respect and protect the fundamental human rights and basic labor rights of all employees working within the Group.

We have also established the [HOYA Supplier Code of Conduct](#) to ensure that our suppliers—who provide us with products and services—adhere to the same standards of legal compliance and ethical practices. We request that our suppliers acknowledge and comply with this Code. We revised the HOYA Supplier Code of Conduct in fiscal 2024, in light of the growing importance of actively addressing compliance issues, including human rights and environmental concerns, within the supply chain. The Code has been prepared and distributed in Japanese, English, Thai, Vietnamese, Korean, and Chinese. We will continue our efforts to increase the number of suppliers who endorse and comply with the HOYA Supplier Code of Conduct.

Supplier Audits

Key suppliers are audited in accordance with the quality assurance system in each business division, either on a regular basis or as needed—for example, in response to quality issues. For example, the MD Division, which manufactures glass substrates for HDDs, conducts audits of materials manufacturers based on the Responsible Business Alliance (RBA)* Code of Conduct to promote safe working environments and environmental responsibility throughout its supply chain. To date, there have been no cases of serious human rights risks such as forced labor or child labor in these initiatives.

* A nonprofit organization established in 2004 by a group of leading companies in the electronics industry, formerly known as the Electronic Industry Citizenship Coalition (EICC). It is composed of companies in the electronics, retail, automotive, and toy industries.

Responsible Mineral Procurement

Conflict Minerals Survey

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 Process (RMAP).

In response to growing global concern over human rights issues, we have also begun surveying cobalt and mica, minerals sourced from conflict and high-risk areas. We use the Extended Minerals Reporting Template (EMRT) provided by the RMI for our key suppliers to survey whether they use cobalt and mica and whether they source from smelters that comply with the RMAP.

We will continue to work with our suppliers to improve the accuracy of our surveys and promote initiatives to reduce the risk of conflict minerals.

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

Conflict Minerals Survey Results and Targets

The HOYA Group is committed to promoting responsible mineral sourcing, promoting respect for human rights, and enhancing supply chain transparency. In fiscal 2024, we expanded our due diligence efforts to include cobalt and mica, in addition to the traditionally targeted 3TG minerals (tantalum, tin, gold, and tungsten).

The 3TG survey indicated that the number of smelters compliant with the RMAP increased, and the compliance rate remained high. For cobalt and mica, despite this being our first survey, we achieved a high response rate and observed a favorable proportion of RMAP-compliant smelters.

We will continue to strengthen our initiatives to reduce risk, improve our systems to ensure more detailed traceability, and aim to achieve sustainable mineral procurement.

Results of Survey on 3TG

	FY2021	FY2022	FY2023* ¹	FY2024	Target
Survey response collection rate* ²	99.6%	99.0%	–	98.4%	100%
Identified smelters* ³	160	150	–	188	–
Number of RMAP-compliant smelters* ³	140	147	–	185	–
Percentage of RMAP-compliant smelters	88%	98%	–	98%	Ongoing improvement

Results of Survey on Cobalt and Mica

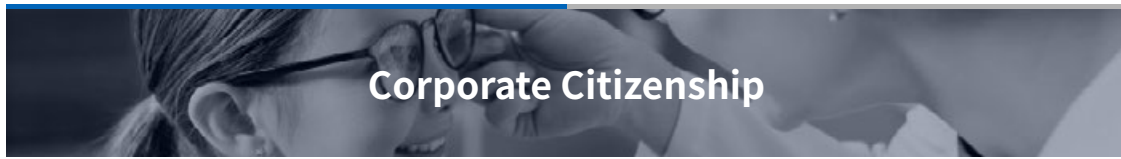
	FY2024	Target
Survey response collection rate ^{*2}	97.0%	100%
Identified smelters ^{*3}	17	–
Number of RMAP-compliant smelters ^{*3}	16	–
Percentage of RMAP-compliant smelters	94%	Ongoing improvement

*1 Followed up with suppliers who did not respond last year and confirmed the status of smelters that were not RMAP-compliant

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

*3 In fiscal 2021, certain smelters were duplicated in the count.

Social



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 through the protection and improvement of vision.

Launch of a Portal Site on Eye Health

We have launched “Support Vision,” a portal site providing information on eye health. This site introduces symptoms and treatments for eye diseases, as well as offering a wealth of knowledge on prevention and providing useful information on eye care in everyday life.

This website was created based on HOYA's corporate philosophy of improving people's quality of life (QOL) through contributions in the three areas of “Vision,” “Health,” and “Information Society.” Through products such as eyeglass lenses, intraocular lenses, and contact lenses, we believe that we can provide value to society because we are able to offer comprehensive support for patients' vision based on their symptoms and lifestyles.

Click [here](#) for the website (English site is currently under construction)

Improving Ophthalmic Medical Access

HOYA aims to improve ophthalmic medical access in developing countries and economically disadvantaged regions by providing support in partnership with local groups and organizations. By creating an environment where people can receive appropriate testing, diagnostics, and treatment, we contribute to the prevention of blindness and eye diseases.

As a specific initiative, HOYA Vision Care Company (eyeglass lens business) has partnered with Orbis International, a global nonprofit and nongovernmental organization, in providing access to eye care for children in underserved areas. HOYA Vision Care and Orbis are focusing on early detection and treatment of myopia (nearsightedness), promoting activities at both the local and global levels.

In India, Orbis' REACH program provides widespread vision screening in schools and corrective eyeglasses for children. In addition, we are supporting the expansion of Orbis Green Vision Centers, which provide ophthalmic care in areas where access to vision care is challenging. With funding from HOYA Lens UK, construction of a new center has begun in Meghalaya, India. Furthermore, in China, access to eye care is being expanded through measures such as implementing vision screening in schools, educating people about the importance of eye care, and providing vision care kits. In the future, efforts will also be made to prevent myopia in children.

HOYA also supports myopia education for ophthalmic professionals around the world through Cybersight, a telemedicine and e-learning platform operated by Orbis International. We support healthcare professionals in acquiring the latest knowledge and strengthening their capabilities in myopia care by hosting expert-led webinars and developing e-learning materials.

In this way, through our activities in education and collaboration, we aim to support the provision of high-quality medical care and realize a future in which all children can enjoy better vision.



Contribution to Ophthalmic Medical Research and Education

Myopia is rapidly progressing, and it is said that by 2050 approximately five billion people, roughly half of the world's population, may be affected,^{*1} making it a global health issue. HOYA is actively contributing to this issue through research, awareness-raising, and education.

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 myopia. Through research and educational activities in the field of myopia, we are working to solve global myopia issue.

In addition, HOYA Surgical Optics (intraocular lens business) is partnering with the European School for Advanced Studies in Ophthalmology (ESASO)^{*3}, which supports the education of ophthalmologists around the world. HOYA Surgical Optics contributes to improving the quality of ophthalmic medical education by providing surgical equipment and products to ESASO's educational facilities and supporting its training teams.

^{*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} 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} 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.

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.

The “Eyecity Eco Project” executed by Eyecity

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 2010, 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. This year marks the 15th year of this project. Click [here](#) for the website of Eyecity Eco Project.



**Cumulative volume
of empty cases collected**
771.61 t
(771 million empty cases)



**Cumulative CO₂
emissions reduced**
2129.63 t-CO₂
(equivalent to 127.5 times
the volume of the Tokyo Dome)



Cumulative amount donated
16,408,968 yen

A portion of the collected used contact lens cases are recycled as part of the materials used in the Jetstream Ocean Plastic ballpoint pen developed and sold by Mitsubishi Pencil Company, Ltd. This pen uses post-consumer* plastic recycled from ocean plastic waste collected in Japan and used disposable contact lens cases for its barrel. This eco-friendly ballpoint pen is the first product in the stationery industry to have obtained Eco Mark certification in Eco Mark Product Category No. 164: Products made from recycled ocean plastic waste. It embodies the hope that those who use it will be inspired to take a greater interest in environmental consciousness.



* Post-consumer refers to material or a product that has been used as a product and then discarded.

Eye Health Domain

We provide solutions tailored to each stage of life—from children to the elderly—to support vision and eye health, thereby contributing to improved quality of life (QOL).

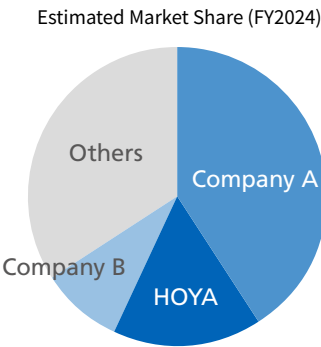
Eyeglass lenses



Main Products and Services	Eyeglass lenses
Primary Sales Market	Global (with a high proportion of sales in Europe and North America)
Customers	Independent optical retailers, eyewear chains, etc.
Primary End-User Age Group	From youth to the elderly

Market Position

HOYA holds the second-largest market share globally. We continue to expand our share through both strategic acquisitions and market share gains from numerous small to medium-sized lens manufacturers, which collectively account for just over 30% of the market.



FY2024 Performance*

Revenue Growth Rate +4%

Despite the impact of an IT incident at the beginning of the fiscal year, we achieved revenue growth through swift recovery efforts and proactive sales and marketing initiatives.

*Growth rate excludes the impact of foreign exchange fluctuations.

Key Focus Areas Moving Forward

- ▶ Continued development of new products to generate future growth opportunities.
- ▶ Leveraging our position as an early adopter in the pediatric myopia progression control eyeglass lens space to expand into new markets and drive continued growth in this field.
- ▶ Expanding our customer base through bolt-on M&A.



MIYOSMART, an eyeglass lens designed for myopia management in younger children (As of September 2025, has not yet received approval in Japan)

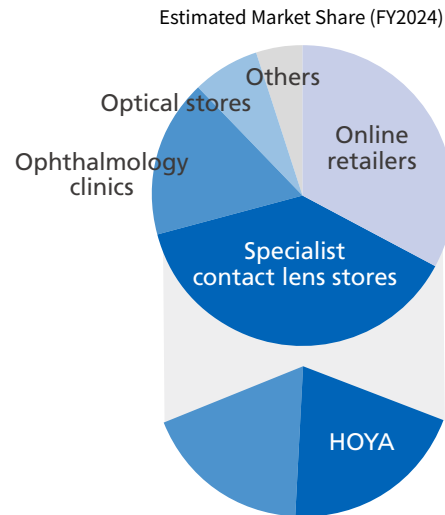
Contact Lenses



Main Products and Services	Operation of “Eyecity,” a retail chain specializing in contact lenses
Primary Sales Market	Japan
Customers	General consumers
Primary End-User Age Group	Teens to those in their 30s

Market Position

HOYA is the market leader in Japan's specialist contact lens retail channel. By leveraging our extensive product lineup and competitive pricing, we continue to gain market share from other channels, such as ophthalmology clinics.



FY2024 Performance*

Revenue Growth Rate +4%

We achieved steady growth through new store openings (+12 YoY), the expansion of omnichannel sales, and the rollout of private-label products.

*Growth rate excludes the impact of foreign exchange fluctuations.

Key Focus Areas Moving Forward

- ▶ In addition to new store openings, acquiring new customers through bolt-on M&A.
- ▶ Expanding the lineup of private-label products under the hoyaONE series.
- ▶ In the medium term, pursuing overseas expansion as a contact lens manufacturer.



hoyaONE Series

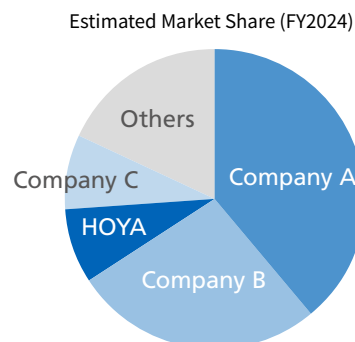
Intraocular Lenses



Main Products and Services	Intraocular lenses for cataract surgery
Primary Sales Market	Global (with a high proportion of sales in Japan)
Customers	Hospitals, clinics, and ophthalmologists
Primary End-User Age Group	Individuals in their 70s

Market Position

HOYA holds the third-largest market share globally. We are steadily expanding this share by leveraging the product competitiveness of Vivinex™, which combines an IOL material that offers unprecedented clarity of vision with multiSert™, our proprietary injector.



FY2024 Performance*

Revenue Growth Rate +1%

Despite the impact of an IT incident and the effects of the volume-based procurement (VBP) system within the China market, HOYA maintained revenue at the prior-year level through increased sales of trifocal lenses.

*Growth rate excludes the impact of foreign exchange fluctuations.

Key Focus Areas Moving Forward

- Continuing to launch new products for both lenses and injectors on a consistent basis.
- Leveraging our product competitiveness to gain market share, primarily from smaller manufacturers.
- Redefining our strategy for the Chinese market, where volume-based procurement pressures persist.



Vivinex™ Gemetric™ Trifocal IOL

Med-Tech Domain

Through our products and services, we are helping to address the needs of an aging society by supporting early disease detection, minimally invasive treatment, and the maintenance and recovery of physical function—thereby contributing to better health outcomes and improved quality of medical care.

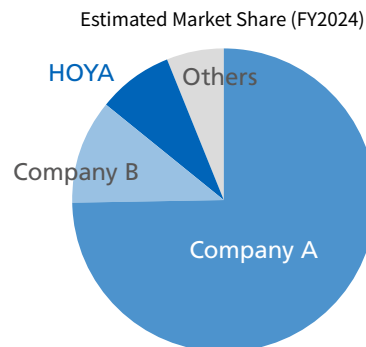
Endoscopes



Main Products and Services	Medical flexible endoscopes
Primary Sales Market	Global (with a high proportion of sales in Europe)
Customers	Medical institutions such as hospitals and clinics as well as gastroenterologists and other specialists

Market Position

HOYA holds the third-largest global market share, driven by our state-of-the-art endoscopes for gastrointestinal endoscopy and products designed with enhanced cleanability and disinfection in mind.



FY2024 Performance*

Revenue Growth Rate – 7%

Revenue declined due to sluggish sales in Europe, the primary market, and the impact of the anti-corruption measures in China.

*Growth rate excludes the impact of foreign exchange fluctuations.

Key Focus Areas Moving Forward

- ▶ Driving a fundamental transformation of the business structure through the formulation and execution of a new long-term strategy, as well as organizational restructuring.
- ▶ As part of this transformation, streamlining and focusing the product portfolio to align with strategic priorities.

Artificial Bones and Others



Main Products and Services	Artificial bones Metal implants	Endoscope disinfection washers	Laparoscopic surgical instruments, etc.	Chromatography media used in the production of biopharmaceuticals
Primary Sales Market	Primarily the Japanese market	Primarily the European market	Primarily the North American market	Worldwide
Customers	Medical institutions such as hospitals and clinics			Pharmaceutical companies (via distributors)

Market Position

HOYA is recognized as a key player in each of our core product segments—artificial bones, endoscope disinfection washers, laparoscopic surgical instruments, and chromatography media—within their respective markets. Moving forward, we aim to further enhance our market presence through geographic expansion and other strategic initiatives.

FY2024 Performance*

Revenue Growth Rate **-4%**

Although sales of artificial bones and endoscope disinfection washers remained solid, overall revenue declined due to inventory adjustments by customers in the chromatography media segment.

*Growth rate excludes the impact of foreign exchange fluctuations.

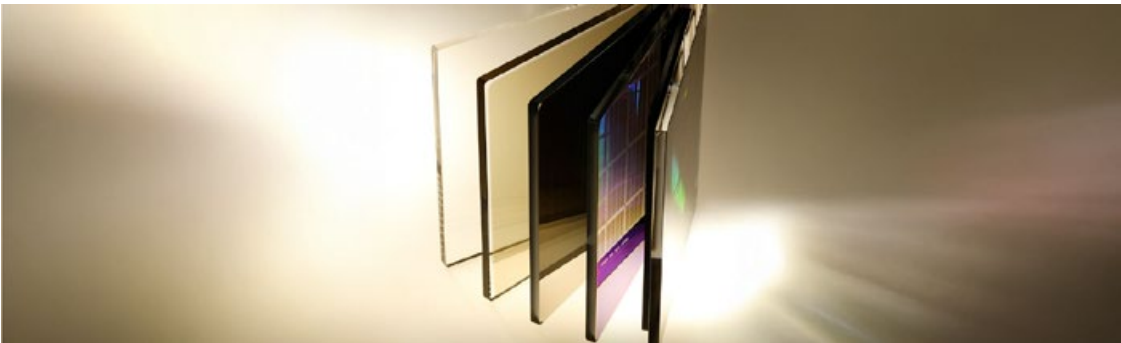
Key Focus Areas Moving Forward

While the situation varies by product, we will continue to strengthen our portfolio, enhance our manufacturing and supply capabilities, and focus on expanding sales channels and geographic coverage.

Information Technology Domain

We contribute to the realization of a prosperous and sustainable information society by providing advanced functional materials that support a wide range of cutting-edge technologies, including AI, IoT, 5G, cloud computing, and autonomous driving.

LSI

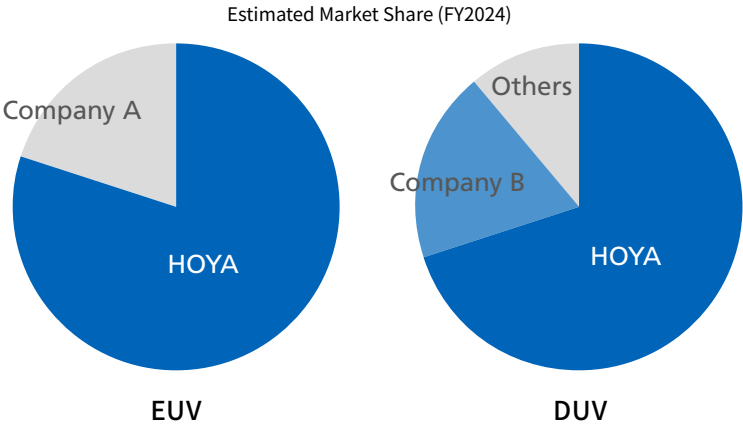


Main Product	Mask blanks for semiconductor manufacturing
Product Overview	<p>Mask blanks are the master substrates used in the production of photomasks, which are essential for transferring intricate semiconductor circuit patterns onto wafers. These blanks are made by depositing multiple layers of metal films onto a glass substrate.</p> <p>We offer two types: one for EUV (Extreme Ultraviolet Lithography) and another for DUV (Optical Lithography).</p>
Customers	Semiconductor foundries and semiconductor manufacturers

Market Position

HOYA holds an exceptionally high market share, supported by a proven track record of contributing to semiconductor miniaturization and performance improvement through close collaboration with customers.

While customers may gradually move toward multi-sourcing for EUV mask blanks, we aim to maintain our leading share by staying ahead of competitors in advanced nodes.



FY2024 Performance*

Revenue Growth Rate **+35%**

Sales rebounded significantly following inventory adjustments in the previous year. Demand remained strong, supported by continued EUV miniaturization progress, including the 3nm node.

*Growth rate excludes the impact of foreign exchange fluctuations.

Key Focus Areas Moving Forward

- ▶ Maintaining our position as the primary supplier for advanced EUV nodes. We are currently working ahead of competitors to lead the development and qualification of the angstrom-generation in collaboration with customers.
- ▶ Pursuing timely technology development and capacity expansion in line with the industry roadmap, including phase shift, High-NA, and Hyper-NA technologies.



HOYA ELECTRONICS SINGAPORE PTE. LTD. (Singapore)

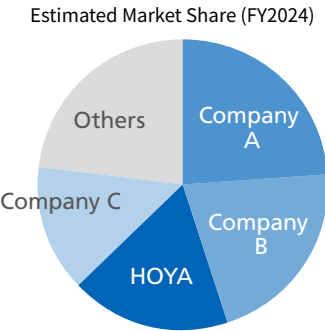
FPD (Flat Panel Displays)



Main Product	Photomasks for FPD manufacturing
Product Overview	Photomasks are used in the production of flat panel displays such as LCDs and OLEDs. These masks serve as master plates for transferring fine patterns onto thin-film transistor (TFT) substrates and color filter substrates during the manufacturing process.
Customers	Display manufacturers

Market Position

HOYA is recognized as a leading global manufacturer, leveraging our strengths in high-precision products such as high-resolution masks and phase-shift masks.



FY2024 Performance*

Revenue Growth Rate **-15%**

Revenue declined due to limited display development activity and instability in blanks manufacturing.

*Growth rate excludes the impact of foreign exchange fluctuations.

Key Focus Areas Moving Forward

- ▶ Ensuring the smooth launch of our new plant in China.
- ▶ Stabilizing the manufacturing of FPD blanks.



Chongqing MasTek Electronics Co., Ltd. (Chongqing, China)

HDD Substrates



Main Product	Glass substrates for HDDs (Hard Disk Drives)
Product Overview	We provide disc-shaped glass substrates that serve as the base for the magnetic disks in HDDs. Two types are available: 3.5-inch for nearline applications and 2.5-inch for consumer electronics.
Customers	HDD manufacturers

Market Position

HOYA holds a 100% market share in glass HDD substrates.

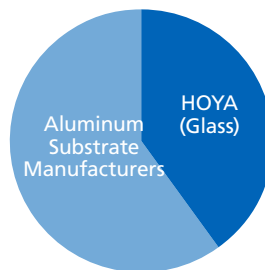
Consumer Products (2.5-inch):

Since the entire market uses glass substrates, HOYA's market share is 100%.

Nearline Applications (3.5-inch):

HOYA is estimated to hold around a 40% share of the glass substrate market. With the growing adoption of HAMR (Heat-Assisted Magnetic Recording) and increasing platter counts, further market share expansion is expected.

3.5-inch Substrates for Nearline HDDs
Estimated Market Share (FY2024)



FY2024 Performance*

Revenue Growth Rate **+42%**

Revenue increased sharply, rebounding from inventory adjustments made between FY2022 and FY2023. Demand for nearline applications remained stable at a high level.

*Growth rate excludes the impact of foreign exchange fluctuations.

Key Focus Areas Moving Forward

- ▶ Expanding the customer base for 3.5-inch substrates used in nearline HDDs. With the advancement of HAMR and multi-platter technologies, we aim for full market penetration over the long term.
- ▶ Considering capacity expansion in anticipation of long-term growth in the nearline HDD market.



3.5-inch HDDs for nearline applications
(Source: Toshiba Electronic Devices & Storage Corporation)

Imaging



Main Product	Optical lenses and optical materials
Product Overview	Optical lenses and materials used in a variety of applications, including interchangeable lenses for mirrorless cameras and automotive cameras
Customers	Camera manufacturers and related businesses

Market Position

Due to the wide range and fragmentation of end-use markets, there is no comprehensive market share data covering all optical products. However, HOYA holds a strong position in aspherical glass molded lenses (GMO), known for their excellent aberration correction, and maintains a high share in this segment.

FY2024 Performance*

Revenue Growth Rate +10%

Sales of interchangeable lenses for mirrorless cameras remained strong, driven in part by new product launches that stimulated demand.

*Growth rate excludes the impact of foreign exchange fluctuations.

Key Focus Areas Moving Forward

- ▶ Stabilizing the business by expanding market share in the structurally declining digital camera segment.
- ▶ Exploring business opportunities in niche domains beyond digital cameras.



HOYA Optical Products