

HOYA INTEGRATED REPORT 2026

Innovating for a Better Tomorrow



Basic Policy in Preparing HOYA Integrated Report

We believe that an Integrated Report should not be a document that requires extensive reading to understand. Rather, it should serve as an accessible information platform that enables investors to grasp the overall picture at a glance and explore areas of interest in greater depth when needed.

For institutional investors in particular, what matters is not the volume of information provided, but the ability to intuitively understand, within a short period of time, how corporate value is created and what underpins that value creation.

Based on this philosophy, we have given the highest priority to clarity and usability throughout this Integrated Report, including its structure, visual presentation, and organization of information.

At the same time, we concluded that the standardized integrated reporting templates and evaluation frameworks that have become increasingly common in recent years tend to focus on whether specific elements are included and whether prescribed formats are followed. As a result, they do not necessarily convey the reality of HOYA's value creation in a meaningful way.

Rather than aiming to address specific evaluation criteria, this report presents, in a concise and structured manner, the management logic at the core of HOYA: how we approach technological innovation, how we select markets, and how we have consistently replicated our decision-making processes over time.



Policy on Sustainability Disclosure

In disclosing sustainability-related information, the HOYA Group generally covers consolidated subsidiaries and other entities within the scope of financial consolidation, including the related metrics. In assessing materiality, we also take into consideration significant activities across our value chain.

For certain metrics, the reporting scope may be limited due to constraints such as data availability.

In such cases, the underlying assumptions and reporting boundaries are clearly disclosed in the ESG Databook, and we continue to work toward improving data coverage and quality.

This Integrated Report has been disclosed following approval by the Representative Executive Officer and CEO and the Representative Executive Officer and CFO in accordance with the Company's internal approval procedures.

H OYA as an Investment



—Building Long-Term Value, Quietly but Consistently—

HOYA has consistently delivered high capital efficiency over the long term, not by chasing short-term trends or competing on scale, but through its proprietary technologies and disciplined management.

The reason HOYA has earned the long-term trust of investors lies not in any single product or temporary growth opportunity, but in a set of enduring strengths that can be replicated consistently over time. These strengths can be attributed to three key sources:

Source of Strength 1

Financial Discipline and Culture Embedded in HOYA's DNA

The foundation of HOYA's strength lies in the fact that its strong commitment to profit margins and capital efficiency is embedded throughout the organization, rather than being confined to senior management.

In the retail sector, individual stores are generally held accountable only for sales. At Eyecity, HOYA's contact lens retail business, however, a profit and loss statement is prepared for each store, and every store manager is personally accountable for its P&L. Even at the smallest operating unit—the individual store—the very structure that encourages frontline employees to make decisions based on profit rather than sales embodies HOYA's culture.

HOYA also avoids holding surplus fixed assets wherever possible. Rather than seeking prestige through ownership of impressive office buildings, we have fostered a culture that emphasizes maximizing asset utilization and generating profits as efficiently as possible.

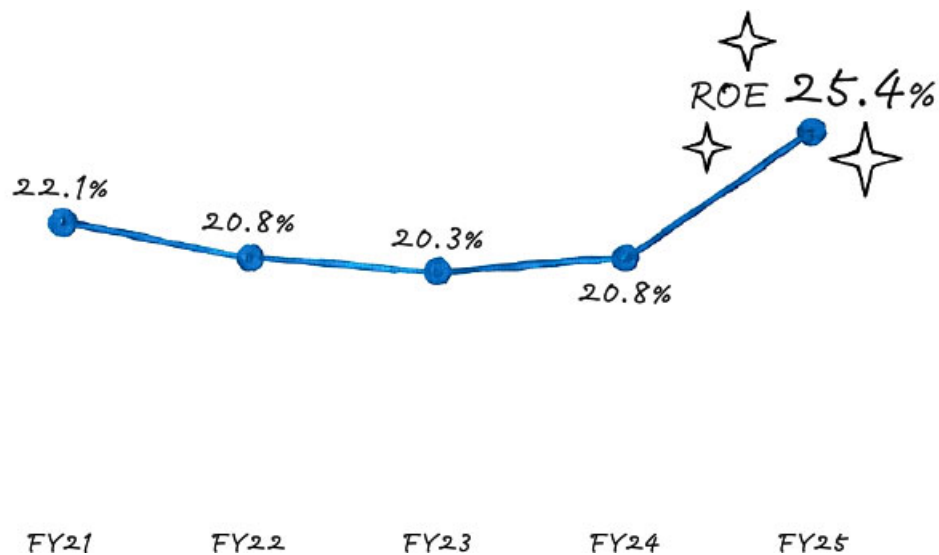
What makes this culture effective in practice is a review process known as Internal Investor Relations (IIR). Each business head acts as the business's own investor-relations representative, reporting to the executive officers—including the CEO, who serves as the Company's portfolio manager—on the progress of the business plan. At HOYA, the term “budget” encompasses a comprehensive package that includes business strategy, sales and expense plans, and capital investment plans.

Rather than treating the plans set at the beginning of the year as fixed, HOYA reviews progress every three months, examining what worked, where assumptions proved inaccurate, and where results diverged from expectations. When circumstances change, management is encouraged to revise plans quickly, treating flexibility not as inconsistency but as a strength. This framework

enables HOYA to respond swiftly to changing circumstances, strengthening its resilience in an evolving business environment.

Even when demand for HDD glass substrates declined sharply, the Information Technology business as a whole experienced only a limited deterioration in profitability. This was no coincidence, but the result of continuous small improvements and rapid decision-making accumulated over time.

Furthermore, the commitment to returning the surplus capital generated in this way to shareholders is also embedded in HOYA's DNA. Rather than accumulating excessive cash and cash equivalents, we continually refine our balance sheet through disciplined capital management. This approach has enabled HOYA to achieve a high level of capital efficiency, as reflected in its FY25 ROE of 25%.



Source of Strength 2

An Instinct for Choosing the Right Markets

A consistent philosophy on market selection is fundamental to understanding HOYA's growth strategy. It can best be summed up by our core principle: "a big fish in a small pond."

HOYA does not enter markets crowded with competitors where success depends on engaging in head-on battles driven purely by scale and capital strength. Nor does it follow competitors into markets or regions simply because they are currently trending or experiencing rapid growth. HOYA believes that most competitive outcomes are determined at the very stage of market selection.

What matters is not the absolute size of the market.

HOYA targets markets that:

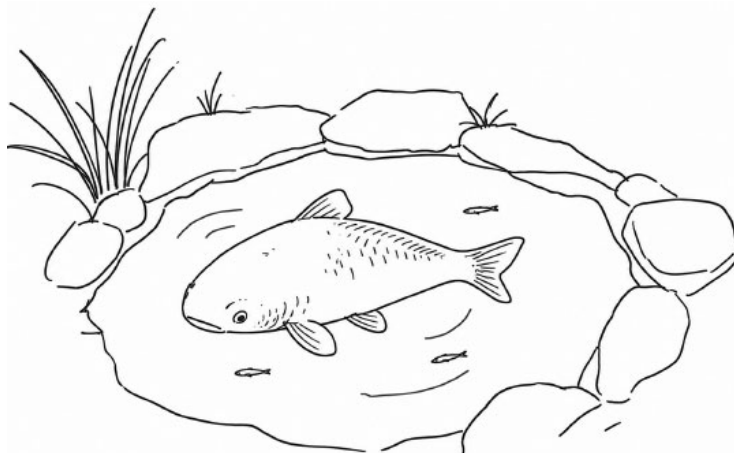
- **Have exceptionally demanding customer performance requirements**
- **Require close technical collaboration and process alignment with customers**
- **Make it difficult for customers to switch suppliers once selected.**

These are the kinds of markets in which HOYA can build deep, enduring relationships with its customers.

As a result, HOYA remains less exposed to price competition and can secure a dominant position without competing head-on against players whose primary advantage lies in scale.

The mask blanks business is an excellent example. Although it represents only a small segment of the overall semiconductor market, HOYA works closely with its customers on technology development and process alignment, creating an environment where second suppliers find it extremely difficult to gain a foothold.

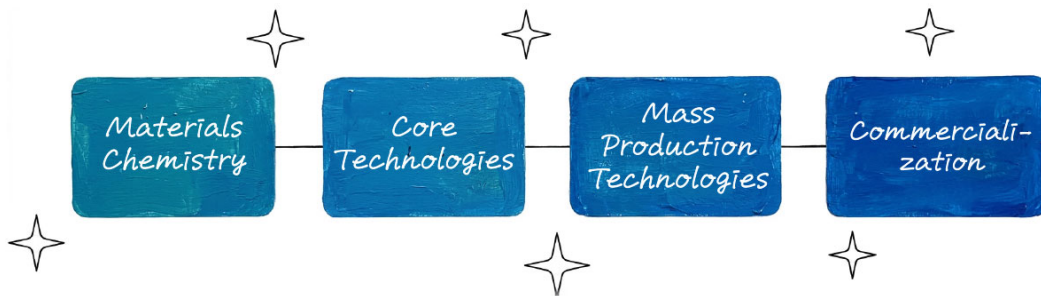
Value in a given market can be expressed not only as Market Size × Market Share, but also as Market Structure × Customer Relationships. By placing greater emphasis on the latter, HOYA has consistently achieved stable, high profitability.

**Source of Strength 3****A Business Structure That Is Difficult to Replicate**

One question we are often asked by investors is whether competitors from emerging markets with lower-cost manufacturing capabilities could replicate HOYA's business. Of course, that risk always exists. However, HOYA has mitigated the risk of losing market share by establishing its business structure itself as a strong barrier to entry.

Built on its expertise in optical technologies, HOYA has established a robust value chain that organically connects four essential elements:

(1) Materials Chemistry, (2) Core Technologies, (3) Mass Production Technologies, and (4) Commercialization



The relative importance of these four elements varies by product. For some products, materials chemistry provides the greatest barrier to entry, while for others it is the accumulated expertise in mass production. What matters, however, is not each element individually, but how they function together as an integrated whole.

For example, although multiple manufacturers once competed in the HDD glass substrate market, HOYA remained the sole dominant player by developing the expertise needed to maintain consistent quality while sustaining high-volume production.

Nor does HOYA rest on the success of its existing businesses. Through HOYA Incubation Laboratories (HILS), established in FY26, we are driving cross-divisional R&D and business development while taking a long-term approach to cultivating the next “small pond” for future growth.

HOYA is not a company that seeks attention through bold messaging.

Instead, HOYA has established a business model that quietly but consistently builds enterprise value through the combination of:

- **High capital efficiency underpinned by financial discipline**
- **Disciplined market selection aligned with our proven winning strategy**
- **A value chain that is difficult to replicate.**

Overcoming short-term environmental shifts to continuously generate sustainable long-term returns—this is the core appeal of HOYA as an investment.

Recommended Content

[Highlights of FY2025](#)

[CEO Interview](#)

H ighlights of FY2025: CFO Interview



FY25 Delivered Strong Performance

Through significant investments for future growth and disciplined capital allocation, we aim to achieve sustainable growth in enterprise value.



Ryo Hirooka

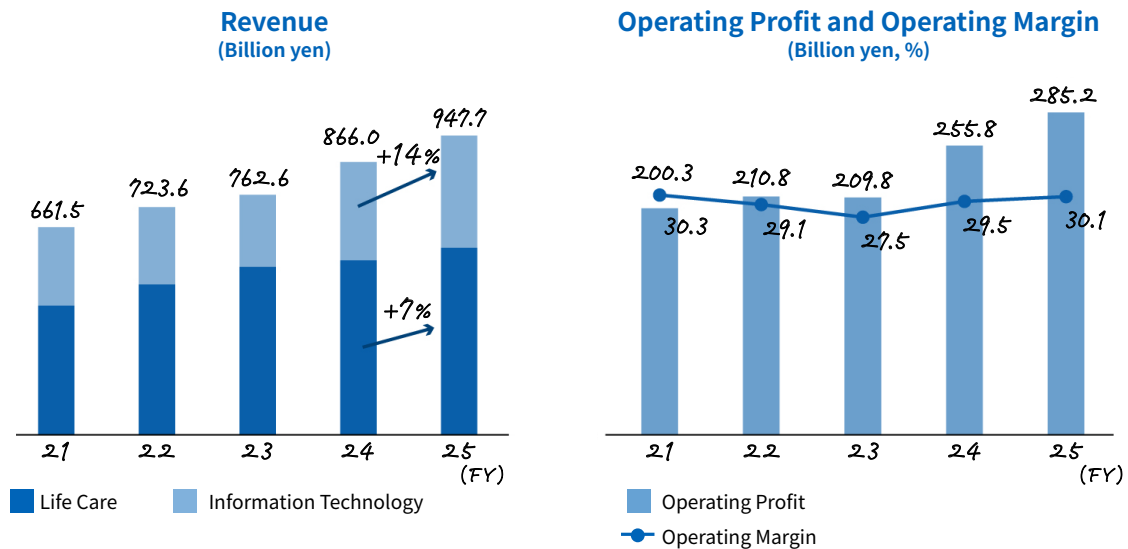
Director, Representative
Executive Officer & CFO

Q Looking back on FY25, how would you assess HOYA's performance?

The Information Technology business performed exceptionally well throughout the year, with revenue increasing by 14%. The Life Care business also delivered solid growth, with revenue up 7%. The strong performance of these two core businesses drove steady growth in both consolidated revenue and profit.

FY25 was also a year in which we laid the foundations for future growth. For EUV mask blanks, we decided to invest in additional production capacity to meet growing demand. For HDD glass substrates, visibility into customer acquisition improved significantly. Optical Solutions (formerly Imaging) also delivered strong growth, driven by a sharp increase in demand for new product lines, including CUPO polarizing glass for optical transceivers used in data centers and lenses for wearable devices.

The Life Care business also delivered stable mid-single-digit growth on a constant currency basis. In the eyeglass lens business, sales of MiYOSMART remained strong, and we also launched the next-generation MiYOSMART iQ in China, one of our key markets. While profitability remains an area for improvement, we will continue driving revenue growth and reducing costs, with the goal of achieving a 20% profit margin from ordinary operating activities (hereinafter “operating profit”).



Q Were there any significant non-recurring factors affecting FY25 results?

Revenue increased by 9% year on year, while profit before tax rose by a significantly higher 26%. This was mainly due to the recognition of more than 30 billion yen in one-off income in the third quarter, resulting from a combination of several factors.

The first related to a joint venture for intraocular lenses used in cataract treatment that we had established in China. We had previously recognized a long-term financial liability based on the estimated consideration for the future acquisition of an additional equity interest. As the final actual acquisition price differed from the original estimate, we recognized the resulting gain of 23.5 billion yen as a onetime benefit. The second factor was business divestments undertaken as part of our business portfolio management. We recorded gains totaling slightly over 7 billion yen from the sale of certain products within the endoscope business and a text-to-speech software business included in the Other segment. As a result of temporary factors, profit before tax increased significantly faster than revenue in FY25.

Q Although no official earnings forecast has been issued, how do you view the outlook for FY26?

We expect both the Life Care and Information Technology businesses to maintain positive momentum, supporting continued revenue and profit growth at the Group level.

In Life Care, while uncertainty remains in the Chinese market for endoscopes and intraocular lenses, we expect stable revenue growth across the business, supported by the continued expansion of MiYOSMART iQ in China, the launch of MiYOSMART in Japan, and the ongoing rollout of new contact lens retail stores. In the endoscope business, where structural reforms began in FY25, we will continue streamlining costs with the aim of gradually restoring the business's operating margin to its benchmark level.

In Information Technology, we intend to sustain the growth momentum carried over from FY25, supported by demand for mask blanks used in manufacturing semiconductor chips essential for AI inference, HDD glass substrates benefiting from continued investment in data centers and an

expanding customer base, and CUPO polarized glass products that support faster and higher-capacity data transmission.

Q HOYA has announced major investments in EUV and HDD. Could you explain the rationale behind these investments and the outlook for capital expenditures and depreciation?

We have decided to construct a new plant in Singapore for EUV mask blanks and another in Vietnam for HDD glass substrates. The rationale for the two investments differs: the EUV facility is intended to meet increasing demand from existing customers, while the HDD facility is designed to support growth in our customer base. However, both plants are expected to commence operations at roughly the same time during FY28.

Phase 1 investment is expected to total approximately 42 billion yen for EUV and 50 billion yen for HDD, with the bulk of the cash outflows occurring from FY27 onward. In both mask blanks and HDD substrate businesses, equipment is depreciated on a straight-line basis over three years. As a result, depreciation expense is expected to increase from FY28, when the new plants commence operations, broadly in line with the scale of the investments. While the higher depreciation burden will temporarily put pressure on profitability, we expect to absorb the impact through continued growth and maintain an operating margin of around 50% in the Information Technology business.

Q What risks does the current situation in the Middle East pose, including rising raw material and transportation costs, and how is HOYA responding?

We consider the impact of the current situation in the Middle East from three main perspectives. The first is its impact on revenue. In the fourth quarter of FY25, sales of intraocular lenses to the Middle East declined. However, as the region accounts for only a small proportion of HOYA's overall revenue, the impact has been limited.

The second is rising energy prices. Higher energy costs have also affected logistics and business travel expenses, and we expect these to continue rising. Through rigorous cost management, we will continue to minimize the impact across the Group.

The third is the impact on raw materials. While supply concerns and price increases have emerged for certain raw materials, the overall impact remains limited. Under our Group-wide management framework, we will continue to secure a stable supply while advancing the selection and qualification of second-source suppliers.

Taking these factors into account, we believe the direct impact on HOYA remains limited. That said, external factors such as higher raw material and energy costs are unavoidable. We will continue to manage these appropriately through pricing actions and further improvements in cost efficiency.

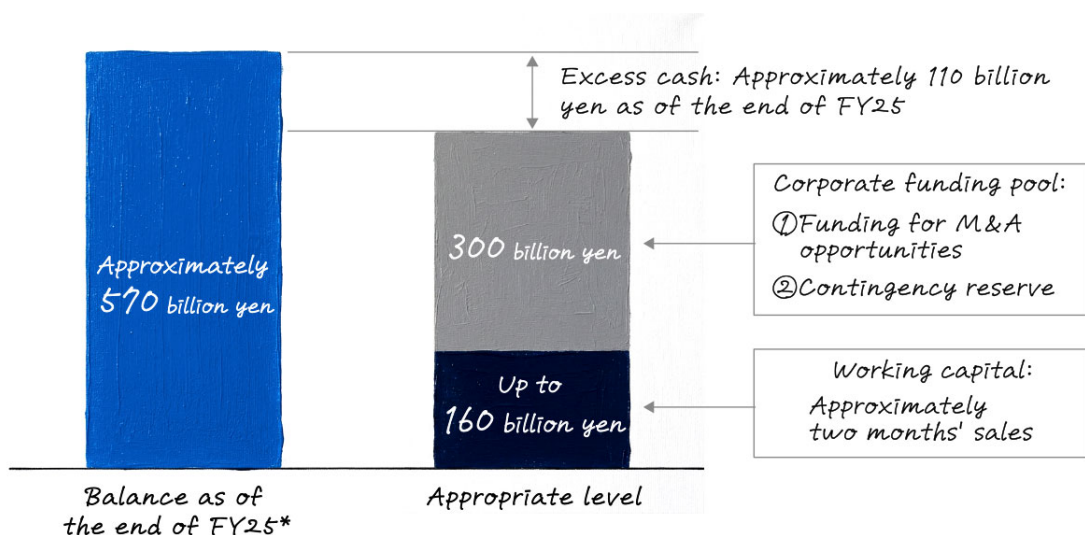
Q HOYA recently updated its capital policy. Could you explain the rationale behind this decision?

We have updated our capital policy, with the key objective of reducing our cash and cash

equivalents to an appropriate level. As we have consistently stated, our basic approach remains unchanged. While we maintain a relatively high level of cash to prioritize investments for future growth, we have no intention of accumulating cash unnecessarily. At the same time, we remain committed to delivering solid returns to our shareholders.

Based on this principle, we returned more than 260 billion yen to shareholders last fiscal year through dividends and share buybacks. However, the continued depreciation of the yen increased the yen value of our foreign currency deposits. As a result, our cash and cash equivalents rose to approximately 570 billion yen at the end of FY25. We recognize this as an important management issue.

Taking these factors into account, we reassessed what we consider to be an appropriate level of net cash. In addition to maintaining working capital equivalent to approximately two months of sales, we believe it is essential to reserve a flexible fund pool for swift decision-making on growth investments and M&A. Based on this approach, we have determined that the optimal level of net cash at this stage is approximately 460 billion yen. Accordingly, we intend to reduce the excess cash of approximately 110 billion yen over the next three years, primarily through share buybacks.



*Net cash excluding direct bank borrowings

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[CEO Interview](#)

CEO Interview

CEO Interview

Roundtable Discussion
with Independent Directors

Why launch HOYA Incubation Laboratories (HILS), a new organization integrating HOYA's internal technologies, now?

CEO Eiichiro Ikeda discusses the strategic rationale behind this move, in light of progress in organic growth, and the initiatives aimed at positioning HOYA for the next decade and beyond.



Eiichiro Ikeda

Director, Representative Executive Officer,
President & CEO

Interviewer



Mr. Ikeda, rather than a formal interview this time, we would like to have a more casual conversation and ask for your candid thoughts on a range of topics.

Ikeda



Sounds good. Thank you.

Interviewer



Looking back on FY2025, how would you describe the year in a single phrase?

Ikeda



Conditions varied considerably across businesses, so it is difficult to sum up the year in a single phrase. If I had to, I would describe it as a year in which we reinforced the foundation for organic growth.

Interviewer



What specific progress was made?

Ikeda



We saw improved visibility in our core growth businesses, including customer acquisition in nearline HDD substrates and increased demand for EUV blanks driven by continued expansion of the AI market. As a result, we also approved major capacity expansion investments.

Interviewer



In Life Care as well, we reassessed our earnings structure and strengthened the foundation for stable earnings growth.

You have emphasized organic growth. Does that mean you do not plan to pursue M&A?

Ikeda



Since becoming CEO in 2022, I have explored M&A opportunities, but we have passed on them due to a lack of economic rationale. We will continue to monitor opportunities going forward, but over the medium term, M&A is not our top priority given the large-scale internal investments already underway.

Interviewer



Indeed, with around 50 billion yen for HDD substrates and approximately 42 billion yen for EUV mask blanks, the scale of internal investment alone is substantial. I believe this is the first time in HOYA's history that investments of this size have coincided. Are there any concerns regarding funding?

Ikeda



None at all. Our cash generation is extremely strong. In fact, we have even announced a policy to reduce excess cash on our balance sheet.

Interviewer



You are referring to the recently announced update to capital policy?

Ikeda



Yes. We intend to optimize our cash position over roughly three years, primarily through share buybacks.

Interviewer



ROE is already high at 25%, so the idea is to further improve capital efficiency by slimming down the balance sheet.

Interviewer



We have talked about many positive developments, but are there any areas of concern? Geopolitical risks, particularly in the Middle East, have been rising recently.

Ikeda



Naturally, it is impossible to completely eliminate risks arising from external factors. The key is how effectively we minimize the impact when such events occur.

Is this essentially about diversifying risk through the business portfolio?

Ikeda



Exactly. By diversifying our exposure across industries, regions, and customers, we reduce the impact on the Company as a whole.

Interviewer



Even at the individual business level, we have a culture and mechanisms for protecting profitability through measures such as flexible control of fixed costs and passing on cost increases through pricing. By responding flexibly in this way whenever challenges arise, HOYA has never posted a loss since its listing.

Given how rapidly the business environment is changing, I get the sense that HOYA embraces quick decision-making and course correction in a positive way.

Let me shift gears a little. It seems that visibility for medium-term organic growth has improved, but what do you think about long-term growth opportunities?

Ikeda



Of course, we cannot sustain growth indefinitely through existing businesses alone. That is why we view business development with a 10- to 20-year horizon as one of our most important management priorities.

Interviewer



So, will M&A be a key driver there?

Interviewer



So, will M&A be a key driver there?

Ikeda



While acquiring new businesses through M&A remains one option, when I look back at HOYA's growth trajectory, I believe there is significant value in combining resources that already exist within the Company.

Interviewer



What do you mean by that?

Ikeda



I believe that by bringing together technologies across different parts of HOYA—such as optical technologies and mass production capabilities—we can develop seeds for future growth drivers. With this in mind, we are launching HILS, a new organization, in FY2026.

Interviewer



So, is it essentially an R&D center?

Ikeda



The key is that while HILS will fulfill the role of an R&D center, its activities will extend all the way through commercialization. Organizations like this often end up treating research itself as the goal. Our focus, however, is to work in an integrated manner toward product realization—from establishing concrete mass production frameworks to developing proposals that help solve customer challenges.

Interviewer



Why launch an organization like this now?

Ikeda



For roughly the past 20 years, beginning in the late 2000s, we positioned M&A at the center of our growth strategy and stopped developing foundational technology seeds outside our existing businesses. However, as I mentioned earlier, it has been difficult to find M&A opportunities that meet our standards in terms of valuation and profitability. Against this backdrop, momentum has been building internally to work collaboratively in creating new technologies and businesses.

Interviewer



This is not something that will produce results in just two or three years. However, for HOYA to achieve sustainable growth, it is important to plant seeds for the future—and now is precisely the right time to do so, as visibility for the medium-term growth of our existing businesses has improved.

It is exciting to think about what kinds of businesses may emerge. Thank you very much for your time today.



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[Highlights of FY2025](#)

Roundtable Discussion with Independent Directors

CEO Interview

Roundtable Discussion
with Independent Directors

Deepening Governance and Decision-Making to Drive Sustainable Growth

Moderator: Thank you all for taking the time to join us today. Last year, our discussion focused primarily on themes such as medium- to long-term growth and discipline in investment decision-making. Today, I would like to explore the concrete progress made over the past year.

We have seen several major developments, including key investment decisions for HDD substrates and EUV mask blanks, measures to address underperforming businesses, and revisions to our capital policy.

To start, I would like to ask about our decisions regarding growth investments. The Board recently approved major capital investments totaling 92 billion yen across our HDD substrate and mask blank businesses—representing one of the largest investment decisions in HOYA’s history. Could you share your perspectives on the background and rationale behind this decision?

Prudent Investment Decisions Grounded in Supply-and-Demand Dynamics



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

Yoshihara: The starting point, above all, is the underlying structure of supply and demand. Because demand is running significantly ahead of capacity, this investment is aimed at bringing our supply capability into alignment. Therefore, I do not view this as an investment that will lead to oversupply. It is a very prudent judgment that reflects HOYA's disciplined corporate culture.

Furthermore, because we hold a dominant market share in this field, there is a high degree of certainty that this anticipated demand will materialize. While this gives us confidence, the Board's role was to step back and reconfirm that there were no inconsistencies or flaws in our underlying assumptions and discussions.

Transforming Market Dynamics Through Technological Advantage



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

Sato: From a structural perspective, the investment case is highly compelling. Even in growth markets that may appear likely to become increasingly competitive, HOYA has consistently invested well before such markets attract widespread attention. In doing so, the Company has built not only technological expertise but also manufacturing know-how and strong customer relationships.

It then expands capacity in line with demand, making these investments fundamentally different from simple capacity additions. As a result, the barriers to entry are high, and HOYA has established exceptionally

strong positions in specific domains. This structural advantage, in my view, also reduces investment risk over the long term.

Speed in Decision-Making and Execution as a Core Strength



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

Nishimura: We have experienced downturns in demand in the past, but since then the Company has put significant effort into deepening its customer relationships. Today, rather than relying solely on customer forecasts, HOYA has clearly enhanced its ability to gauge real demand by synthesizing insights from its networks and other data sources.

On top of that, HOYA is exceptionally swift in both decision-making and execution. In our previous cycle, the Company executed production adjustments at a speed rarely seen among Japanese companies. It is precisely because I know HOYA possesses this operational agility and execution capability that I felt fully confident in approving an investment of this scale.

Decisions Supported by the Accumulation of Ongoing Discussions



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

Hasegawa: On the Board, we regularly engage in deep discussions regarding business orientation and customer trends. Because of this solid foundation, when it came to this major investment, there was no need to question every granular assumption from scratch. Instead, it was immediately clear that this

investment represented the natural next step in our overall strategy.

I believe this speaks volumes about the strength of our business, the resilience of our organization, and above all, the consistent strategic logic demonstrated by management.

Trust Underpins Decision-Making



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

Abe: In many respects, the Board's experience with this proposal was one of reconfirmation. Everyone understands HOYA's inherently prudent approach to capital allocation, so when proposals reach the Board level, there is already a strong sense of reassurance.

That confidence is grounded in both the Company's track record and the deep trust established between the Board and executive management. As a result, rather than questioning every granular step in the process, our role was primarily to confirm that the underlying assumptions remained solid.

Optimizing the Balance Between Organic Investment and M&A

Moderator: Building on our discussion of investment decisions, I would now like to turn to how HOYA balances organic investment and M&A as part of its medium-term growth strategy.

Yoshihara: We do not see this as a simple binary choice between organic investment and M&A. Rather, we evaluate which approach is optimal for maximizing overall returns for the Company. HOYA operates many businesses as a market leader, and these markets themselves continue to expand, placing us in a highly favorable position. Our top priority is to reliably capture these growth opportunities. As a result, organic investment currently takes precedence, but only because it represents the most logical choice under present circumstances. Ultimately, our guiding principle is always to determine which path creates the greatest value.

Nishimura: I believe HOYA's strength lies not only in its technological capabilities, but also in its ability to transform those technologies into cost-competitive manufacturing processes and create customer value through strong market engagement. The research and development investments we have made over more than a decade are now bearing fruit in our Information Technology business, illustrating the long-term effectiveness of this approach. This tells me that we still have many exciting seeds of future growth waiting within the organization. Given the substantial returns that organic investment in these initiatives can generate, prioritizing organic investment at this stage is a completely natural choice.

Sato: M&A is, of course, an essential strategic option. However, we must evaluate not only the economic

rationale, but also cultural compatibility and the impact on our internal technological capabilities. Relying too heavily on M&A carries the risk of eroding our internal R&D capabilities, so it is vital to strike the right balance and make objective decisions.

Hasegawa: I do not believe one approach should perpetually take priority over the other. Rather, our stance is to dynamically select the optimal approach depending on the business environment and the opportunities available at any given time.

Abe: Looking at HOYA today, I see a great number of compelling themes within the Company. When we have internal opportunities that offer highly reliable returns, investing in them first is a very logical and natural decision.



HILS and the Foundation for Long-Term Growth

Moderator: Building on that, I would like to turn to the HOYA Incubation Laboratories (HILS), which serves as a foundation for cultivating the Company's long-term growth.

Hasegawa: For some time, I have felt that the absence of a Group-wide function to oversee technology was an issue that needed addressing. In that sense, I find this initiative extremely compelling. At the same time, certain aspects remain to be seen—specifically, how themes will be selected and how they will ultimately be translated into commercial businesses. Those are areas I intend to follow closely.

Yoshihara: I believe HILS will become a vital platform for articulating HOYA's long-term future. While crafting an inspiring vision is important, we must ensure it does not remain just a dream by rigorously examining how that vision can be brought to fruition. I look forward to supporting that process.

Nishimura: One of HOYA's defining strengths is the formidable capability of its individual business divisions. Over the long term, however, opportunities will emerge that cannot be tackled within the boundaries of a single division. In that regard, HILS holds significant value—not only as a cross-divisional platform, but also as a mechanism for fostering horizontal connections among our talent.

Sato: I see HILS playing a pivotal role in expanding our business domains by identifying technological synergies across the Group. While its time horizon differs significantly from that of existing operations, it is vital that HILS moves beyond pure research to generate tangible business value.

Abe: Rather than managing every detail, I believe we should give HILS a high degree of autonomy and see what emerges. HOYA possesses the organizational and financial depth to afford that kind of long-term approach.

Yoshihara: I believe Mr. Yokoyama's* presence is a major asset. He has undoubtedly been instrumental in bringing this initiative to life, and he is an excellent choice for the role. Going forward, we want to carefully monitor the process and evaluate its progress.

Hasegawa: We have also suggested evaluating HILS within a comprehensive framework—one that encompasses not only technological metrics, but also business viability and broader societal impact.

Sato: Combining the perspectives of researchers and business professionals will also be a critical factor in driving its success.

Addressing Underperforming Businesses and Risk Management

Moderator: Let us now turn to underperforming businesses. Responding to these areas was also a central topic in last year's discussion. How do you assess the progress made over the past year in restructuring the endoscopy business? In addition, are there any other areas that you view as key challenges for the Group as a whole?

Abe: To be honest, it took some time to get started, and I believe we are still only at the entry point of this process. The overall direction has now become clear, but the real test lies ahead in determining what concrete measures will be executed.

Sato: I evaluate it positively that the CEO has presented a medium- to long-term strategic roadmap and that restructuring is progressing as concrete actions within that framework. There is a clear alignment between strategic policy and execution.

Yoshihara: This initiative forms part of our ongoing portfolio management, serving as evidence that all businesses are being evaluated against HOYA's common yardstick. While we are still in the early stages, I consider this an essential undertaking.

Nishimura: Ultimately, I do not believe the endoscopy business has yet reached the levels of profitability and capital efficiency that HOYA demands. However, there is a shared understanding of the challenges, and concrete remedies are already being deployed. That gives us confidence that management is taking the right steps.

Abe: Separate from the business operations, another critical area of concern is cybersecurity. It has now been more than a year since the IT incident, but generally speaking, I view the overall threat level as having increased rather than diminished. On the Board, we have raised this issue repeatedly, almost relentlessly, in our discussions. We live in an era where any organization can be targeted, making utmost vigilance imperative. Equally vital is ensuring that, should an incident occur, we are fully prepared not only to contain damage, but also to systematically mitigate associated risks.

Note: With respect to the Endoscope Business, the Board of Directors resolved on July 31, 2026, to initiate a strategic review of all alternatives, including a potential divestiture of the business.

Capital Policy and Capital Efficiency

Moderator: Let us now turn to capital policy. The Company has established a clear target of 460 billion yen for cash and cash equivalents, announcing a policy focused on enhancing capital efficiency. While some

investors continue to view this level as elevated, how do you assess this position?

Sato: It is true that HOYA maintains a substantial cash position. However, management itself is in the best position to fully understand the Company's underlying funding requirements. Given that this level was established on that premise, it is essential for management to articulate its rationale carefully and transparently to the market.

Yoshihara: I understand why there are ongoing discussions regarding our cash holdings. However, considering the heightened uncertainty in the current operating environment alongside HOYA's abundant growth investment opportunities, I believe this is a healthy and prudent level. Our discussions are now deepening around how to maintain our management KPIs—including capital efficiency—at consistently high levels.

Abe: We are operating in an environment marked by high volatility, driven in part by AI-related shifts. Against that backdrop, I consider this cash level to be entirely appropriate. It should not be evaluated solely through a short-term lens.

Hasegawa: What matters most is for management to provide a clear, accountable explanation of how it intends to deploy and allocate the Company's assets.

Management Quality and Execution

Moderator: Finally, I would like to ask for your evaluation of management quality over the past year. We have seen tangible progress in various areas, including the revision of the dividend policy, the clarification of capital policy, and the launch of HILS, as well as steady advancements in less visible areas. How do you assess these developments?

Yoshihara: First and foremost, with both revenue and profit reaching all-time highs, the Company has very strong momentum. Beyond the numbers, I feel HOYA has evolved into an organization that moves with exceptional speed to capture emerging market opportunities.

Nishimura: We have also seen clear, year-over-year evolution regarding the organizational and human capital challenges identified when CEO Ikeda first took office. President Ikeda's distinct approach to management is taking clear shape.

Sato: Management is steadily executing its medium-term strategy while dynamically optimizing the business portfolio. Rather than making grandiose promises about things yet to be achieved, HOYA focuses on executing on the ground and delivering real results. In that sense, I view this as an exceptionally sound management approach.

Abe: Compared to when he first became CEO, President Ikeda brings a completely different level of stability to the role. He addresses every question with utmost sincerity and thoroughness, backed by all the necessary data. He is clearly operating with growing confidence. At the same time, he maintains a cool, objective view on whether the current AI-driven environment will persist, and is already preparing our next strategic moves on that basis.

Hasegawa: What impresses me most is President Ikeda's profound technological understanding combined with his broad, holistic vision across the Group. Few people understand this Company as deeply as he does. Now that management has stabilized, he is in a strong position to drive longer-term technology initiatives.

* Executive Director of HOYA Incubation Laboratories (HILS). Since joining HOYA in 1997, Mr. Yokoyama has built an extensive career spanning diverse business domains from Information Technology to Life Care. He has led R&D and intellectual property strategies across broad areas, including HDD substrates and eyeglass lenses. Drawing on his cross-business and cross-functional perspective, he now spearheads HILS.

[HOYA as an Investment](#)

[Highlights of FY2025](#)

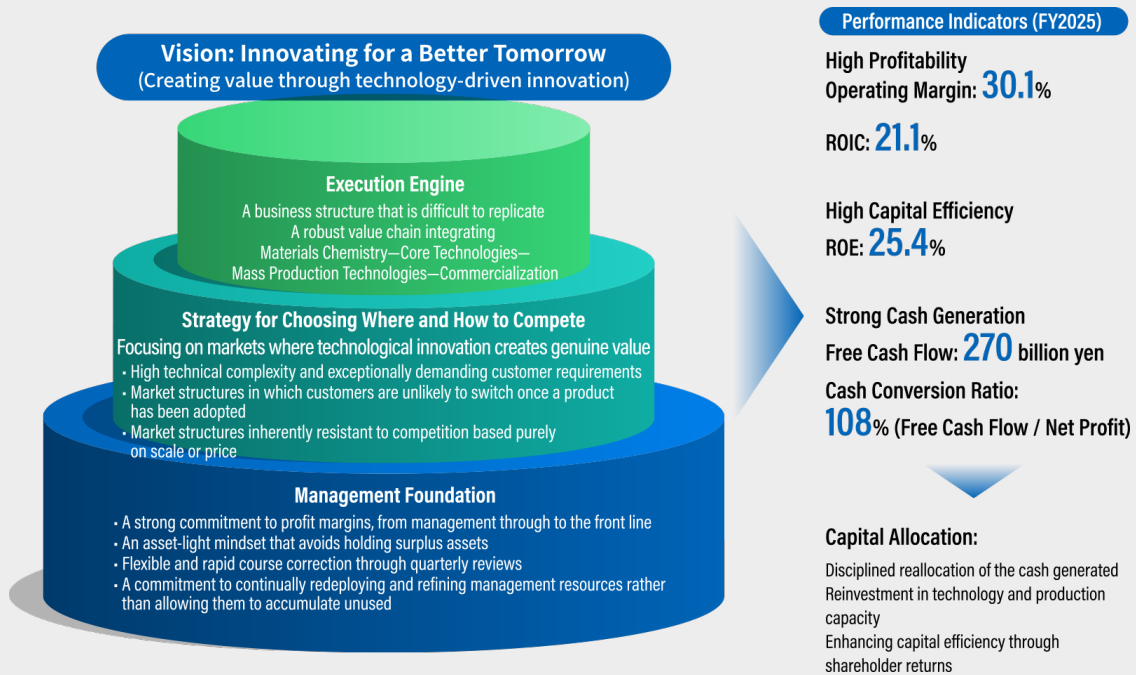
HOYA Value Creation



Until now, HOYA has presented its value creation model in line with the conventional framework commonly used in integrated reports. However, we came to recognize that generalized frameworks, such as the familiar input–process–outcome cycle, do not adequately convey the management decisions and execution logic that underpin

HOYA's sustained high profitability and capital efficiency. In this year's Integrated Report, we move beyond this formalized circular model to present a reconstructed value creation process that more faithfully reflects how HOYA is actually managed and operated in practice.

HOYA's Value Creation Model



This value creation model is not intended to explain HOYA's success in terms of temporary advantages or the strength of individual businesses. Rather, it illustrates the clear management logic that has enabled HOYA to consistently deliver high profitability and capital efficiency over the long term by continually replicating its value creation process.

A defining characteristic of value creation at HOYA is that it does not depend on chance—for example, a successful product launch or favorable market conditions. Instead, starting from technological innovation, we repeatedly apply the same philosophy and discipline to a sequence of decisions encompassing market selection, execution, and capital allocation. In doing so, **we increase our ability to consistently replicate value creation.**

Market Selection Driven by Technological Innovation

HOYA believes that innovation generates its greatest economic value in markets characterized by high technical barriers and demanding customer requirements. Challenges in ophthalmology, such as myopia progression, as well as the foundational technologies that underpin the IT infrastructure supporting the information society, are areas of significant social importance. At the same time, they are markets in which only companies with advanced technological capabilities can continue to meet customer needs over the long term. In these markets, competitive advantage is determined not by scale or price competition, but by technological capability and reliability. This focus, in turn, enables the sustainable creation of economic value.

Robust Execution Built on an Integrated Value Chain

Following market selection comes our execution engine. While HOYA is often described as an “optics company”—a characterization that is not inaccurate—our growth has not been driven by technological prowess alone. Grounded in our optical expertise, we have built a robust business structure that is difficult to replicate and has supported our long-term growth by integrating a complete value chain: Materials Chemistry—Core Technologies—Mass Production Technologies—Commercialization. While the relative importance of each element varies by product and business, our strength does not lie in excelling at any single stage of the value chain. Rather, it is the combined strength of the entire value chain that enables us to sustain competitive advantage over time.

Economic Value Generated and Capital Allocation

As a result of this value creation process, HOYA has consistently generated high profit margins, strong ROIC, and robust cash flow. Importantly, these metrics are simply performance indicators—they are not goals in themselves. We believe it is essential to allocate the economic value we create in a disciplined manner, investing in future growth opportunities while delivering returns to shareholders. Rather than accumulating capital, we reinvest it in technological innovation and future market opportunities, enabling HOYA's value creation model to remain effective over time.

A Culture Built on Financial Discipline

Finally, the source of our ability to repeatedly create value lies in a culture of financial discipline embedded in our DNA. A strong commitment to profit margins, an asset-light mindset, and the agility to make rapid course corrections through quarterly reviews are not merely goals or guiding principles—they are the disciplines that underpin the way HOYA is managed every day. It is precisely because this foundation is in place that, even as the business environment evolves, we are able to continue recreating competitive advantage without compromising the logic of our value creation model. Under the vision of “Innovating for a Better Tomorrow,” HOYA creates value through the consistent application of a decision-making framework rooted in technological innovation. We believe that only through a business model capable of generating sustainable profits can we continue to deliver meaningful value to society.



Risk Management

Risk Management

Risk Management Framework

The HOYA Group manages sustainability-related risks as well as business and financial risks arising from changes in the business environment through an integrated, Group-wide risk management framework.

Within the Group's risk management framework, Executive Officers and other members of management identify, assess, respond to, and improve risk management practices through each business division and functional department at Group headquarters. The Board of Directors is responsible for overseeing significant risks across the Group and the overall risk management system. In addition, the Audit Committee independently monitors the development, operation, and effectiveness of the risk management system through internal audit results and other relevant information.

To support this framework, the Group has established and operates a control framework based on the "Three Lines of Defense" model. Under this framework, the first line consists of business divisions responsible for identifying and managing risks; the second line comprises the Compliance function and other functional departments that provide oversight and support; and the third line is the Internal Audit function, which conducts independent audits. Through close coordination among these three lines, the effectiveness of risk management is maintained. The Internal Audit function reports to the Audit Committee and conducts audits in accordance with the Committee's policies and audit plans, reporting the results as appropriate. Through these activities, the Audit Committee independently monitors the effectiveness of the Group's risk management system.

Regarding business risks, the Group operates across a diverse range of products and markets. Accordingly, each business division takes primary responsibility for identifying, assessing, and responding to risks, including operational and geopolitical risks, based on market conditions, competitive dynamics, and the progress of business strategies. Significant matters are reported in a timely manner by division heads to the relevant departments at Group headquarters and Executive Officers, and are also regularly reported to the Board of Directors. The Board reviews these reports and oversees both the response to significant business risks and the effectiveness of the risk management system. In addition, for areas that are particularly important across multiple business divisions, the Group has appointed CXOs, including the Chief Information Officer, Chief Human Resources Officer, and Chief Compliance Officer, who report on risk status and response progress in their respective areas to Executive Officers and the Board of Directors to ensure effective risk management.

With respect to financial risks, in addition to treasury management, risks relating to financial reporting and internal controls are monitored and assessed through collaboration between the Finance and Accounting functions and the Internal Audit function. The results are reported to Executive Officers and the Audit Committee. Furthermore, the Group continuously carries out audits by the independent auditor and evaluation and improvement activities under the internal control reporting system (J-SOX) to ensure accurate and timely financial reporting.

In addition, the Internal Control team within the Finance Department at Group headquarters oversees the development and operation of internal controls across business divisions and monitors the execution of the

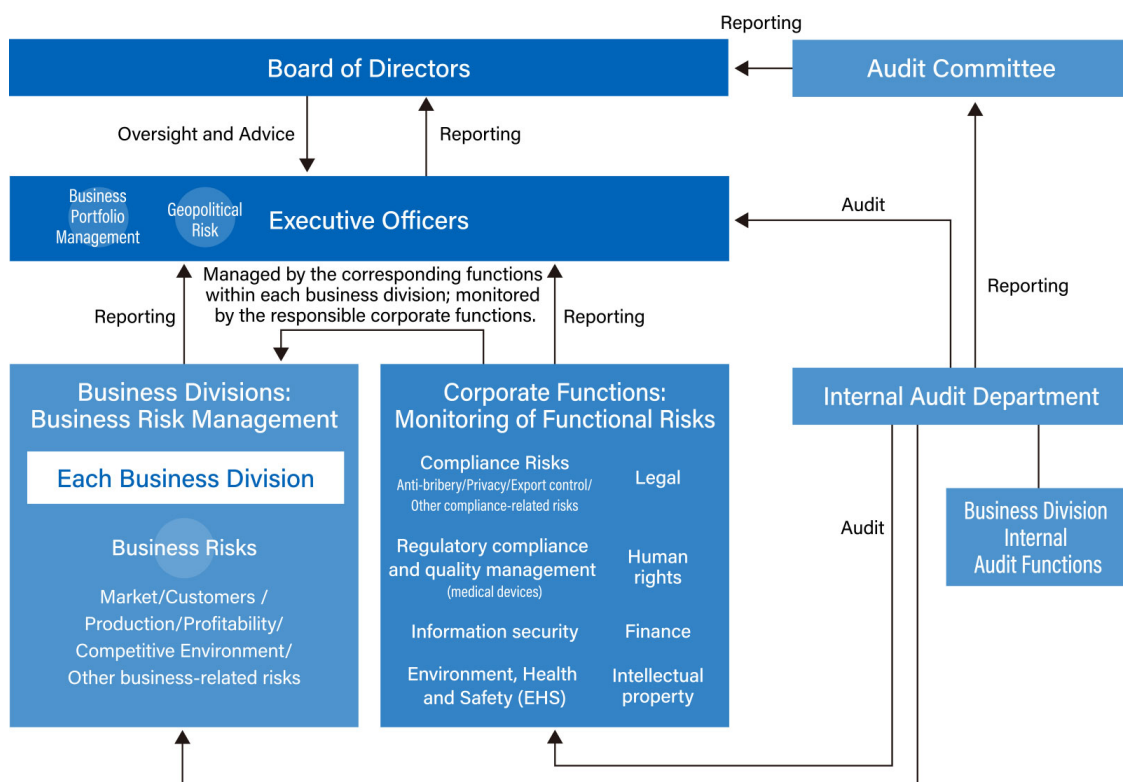
PDCA cycle through regular reporting. When events that may significantly affect the effectiveness of internal controls occur, appropriate corrective and improvement measures are implemented. The status of these initiatives is reported to the Board of Directors through deliberations and audit results of the Audit Committee, enabling the Board to oversee the Group-wide risk management framework.

In the event of a major crisis, the Company establishes a Crisis Management Headquarters led by the CEO to enable prompt decision-making and response through a Group-wide cross-functional structure.

Related Topics

- › [Information Security](#)
- › [Privacy Protection](#)
- › [Compliance](#)
- › [Human Capital](#)
- › [Product Safety and Quality](#)
- › [Environment](#)

Risk Management Structure



Examples of Identified Business Risks and Countermeasures

1) Strengthening the Business Portfolio and Long-Term Growth Strategy

Risk

To achieve sustainable growth, the Company primarily operates businesses in the healthcare and information and communication sectors. In addition to expanding its core growth businesses, the Company is also working to create new business opportunities that will support long-term growth.

However, given the nature of its information and communication businesses, which primarily manufacture intermediate materials for semiconductors and electronic devices, performance is susceptible to

fluctuations in end-market demand and customers' capital investment trends. As a result, deteriorating market conditions may significantly impact profitability. In addition, the Company operates under a divisional structure in which each business division is managed with the goal of maximizing its own business value. Consequently, there is a risk that collaboration and synergy creation across divisions may receive lower priority, resulting in missed opportunities for new businesses and future growth.

Furthermore, with respect to M&A, opportunities that meet the Company's standards for profitability and capital efficiency are limited, which may restrict investment opportunities. At the same time, investments in inappropriate targets could impair the Group's high level of profitability.

Response

To address market fluctuation risks in the information and communication sector, the Company seeks to optimize its business portfolio by maintaining a balanced mix of businesses with different characteristics, thereby enhancing the stability of the Group's overall performance.

Regarding M&A, the Company will continue to maintain strict financial discipline while carefully balancing growth investments and evaluating opportunities.

In addition, during FY2026, the Company plans to establish HOYA Incubation Laboratories (HILS), a cross-divisional initiative aimed at creating technology seeds for future growth by combining the core competencies of individual business divisions. Preparatory activities are currently underway.

Through these efforts, the Company aims not only to grow through M&A but also to strengthen the foundation for organic growth, thereby enhancing long-term competitive advantages and achieving sustainable growth in corporate value.

2) Geopolitics and Supply Chain

Risk

As a globally operated business, the Group relies on supply chains that span a wide range of regions, including procurement and logistics. Changes in geopolitical conditions, developments in trade regulations, and dependence on specific regions may affect the supply environment. As a result, any impact on procurement timing or sourcing conditions could affect product supply and revenue-generating opportunities.

Response

In addition to mitigating risk through the geographic diversification of its own operations, the Group is enhancing supply chain resilience by securing multiple sourcing options and diversifying supply networks. The Group also continuously monitors supply chain conditions and works to strengthen its ability to respond flexibly to changes in the external environment.

Information Security

The HOYA Group regards information security as one of the key management foundations supporting the stable operation of its global businesses and the trust of its stakeholders. As digitalization and business connectivity continue to expand, the Group strives to maintain an environment in which important information, including technological and personal information, is appropriately protected and securely utilized.

Because information assets and information systems can affect not only internal operations but also external stakeholders, including customers and business partners, information security is positioned as one of the critical areas within the Group's overall risk management framework.

Governance

The Company is strengthening its Group-wide governance structure for information security. Under the leadership of the Chief Executive Officer (CEO), the Chief Information Officer (CIO) leads Group Digital in establishing stronger common security policies and infrastructure across the Group and deploying them throughout the business divisions. The Company is also enhancing crisis response capabilities for cyberattacks and other information security incidents.

In addition, the Company is strengthening governance through the identification of key risk scenarios and prioritization of mitigation measures. The status of information security risks and related initiatives is reported by the CIO to the Board of Directors at least annually, and continuous improvements are implemented under the Board's oversight.

Furthermore, through audits conducted by the Internal Audit function, the Company evaluates the effectiveness of its information security management framework, identifies opportunities for improvement, and enhances the effectiveness of risk management and security measures.

Policy

To protect information assets, the Company has established an Information Security Policy and related guidelines covering areas such as access management, secure operation of information systems, incident response, and management of third parties, including suppliers. These policies apply across the Group and are continuously reviewed and strengthened in response to changes in the external environment.

For personal information protection, the Compliance function has appointed a Global Head of Privacy, who works closely with Group Digital to oversee access controls, appropriate handling of information consistent with intended purposes, and incident response. The Company also requires appropriate information management by suppliers and external service providers through contractual arrangements and the HOYA Supplier Code of Conduct.

In addition, the Company has established policies and guidelines governing the use of digital technologies, including generative AI (GenAI), to ensure responsible use and appropriate handling of sensitive information while balancing innovation and risk management.

Measures and Training

In strengthening information security, the Company recognizes that people are as important as technology. All employees who use PCs and other computing devices are required to complete annual security awareness training. The Company also conducts phishing simulations and ongoing awareness activities to enhance practical response capabilities. By sharing incident cases and near-miss experiences, the Company promotes the consistent adoption of appropriate security practices. In addition, information security incidents and suspicious activities are handled in accordance with established incident reporting and escalation procedures. Following prioritization based on severity, the Group manages and implements the full response process from containment through recovery.

From a technical perspective, the Company continuously enhances its security capabilities through measures such as updating security software, strengthening password management, conducting penetration testing, and performing vulnerability assessments.

Through the continuous improvement of people, processes, and technology, the HOYA Group enhances the resilience of its information systems, reduces risks, and supports the sustainable growth of its global business operations.

Compliance



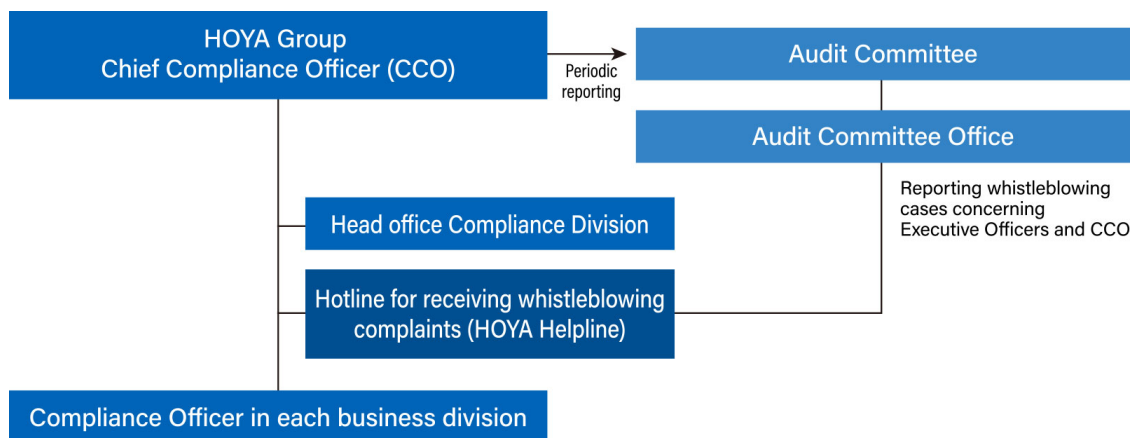
Compliance

Compliance Management Structure

Under the leadership of the Chief Compliance Officer (CCO), the HOYA Group has established a corporate compliance function at headquarters and appointed compliance officers within each business division. These functions are responsible for developing policies and overseeing key compliance issues, including bribery and corruption, harassment, and other significant risks.

The corporate compliance function works closely with each business division to support the prevention and monitoring of these risks, as well as responses to individual cases. Through education and training programs and the operation of reporting channels, the Company seeks to prevent misconduct and ensure its early detection. Significant matters are reported to the Board of Directors.

The HOYA Helpline, the Group's internal reporting and consultation channel, is administered by the corporate compliance function. Reports received through the helpline are regularly reported by the CCO to the Audit Committee. Reports concerning Executive Officers or the CCO are handled directly under the authority of the Audit Committee, with the Audit Committee Office serving as the reporting contact point.



HOYA Helpline (Reporting and Consultation Channel)

As part of its compliance system, the HOYA Group established the HOYA Helpline in 2003 as a global reporting and consultation channel available to both internal and external stakeholders. The purpose of the system is to receive reports from employees, business partners, and other stakeholders, identify conduct that may violate applicable laws or the HOYA Code of Conduct at an early stage, protect whistleblowers, and enable prompt and appropriate corrective action. Information regarding reports received is provided quarterly by the CCO to the Audit Committee.

The HOYA Helpline provides an environment that encourages employees and stakeholders to raise concerns, including 24-hour multilingual web-based reporting, consultation services in local languages, and

the option to submit reports anonymously. The Group has established operating procedures that comply with applicable laws and regulations and strictly prohibits any form of retaliation against whistleblowers or individuals seeking advice, including dismissal, salary reduction, reassignment, harassment, or other unfavorable treatment. The confidentiality of whistleblowers is protected, and the existence and details of reports are handled with the utmost discretion.

For each case, dedicated personnel within the corporate compliance function regularly monitor progress to ensure appropriate handling. Once a matter has been resolved, it is promptly recorded as a “Case Closed,” and follow-up with the reporting party is confirmed. Through these practices, the Company maintains the transparency and reliability of its reporting process and ensures that stakeholders can use the system with confidence.

In FY2025, the Group received 406 internal reports, of which 45% related to workplace environment issues and 30% concerned company policies or systems.

The recent increase in the number of reports reflects ongoing awareness-building activities regarding the helpline, improvements in accessibility and ease of use, and growing employee awareness of compliance. A certain proportion of reports consisted of inquiries and consultations intended to confirm or clarify applicable policies and rules.

Since FY2023, cases involving harassment that are initially received by the Human Resources function have also been shared with the compliance function and used organizationally to strengthen preventive measures and training programs. Through these initiatives, the Company seeks to prevent risks before they materialize by encouraging early consultation and reporting and to improve the workplace environment. Going forward, the Group will continue to maintain and enhance a reporting and consultation system that stakeholders can use with confidence.

No reports received through the internal reporting system during FY2025 involved matters that had a material impact on the Company's business.

Number of Whistleblowing Incidents (Global)

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of whistleblowing incidents	180	170	280	297	406
Percentage of employees*	0.49%	0.39%	0.66%	0.63%	0.90%

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

HOYA Code of Conduct

The Company believes that, in addition to compliance with laws and regulations, the fair and ethical conduct of each employee is essential to maintaining the trust of stakeholders.

To provide clear guidance for employee conduct, the Company established the HOYA Code of Conduct in 1997. Since then, the code has been revised periodically to reflect changes in laws, regulations, and societal

expectations. As the Group's fundamental compliance policy, the code is referenced in daily business activities and utilized to raise employee awareness of compliance.

In light of the Group's global operations, the code is available in 27 languages. To ensure thorough understanding and implementation throughout the Group, employees participate annually in team-based reviews of the code, online training programs, and knowledge assessment tests. In FY2025, the completion rate for the online training and assessment program covering all Group employees was 99.5%.



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.

Privacy and Data Protection

In line with the expansion of global operations and the advancement of digitalization, the HOYA Group positions privacy and personal data protection as a key element of compliance and risk management. We also require suppliers and business partners to maintain appropriate data protection practices through contractual arrangements, including the HOYA Supplier Code of Conduct.

Governance

We have established a global privacy governance framework integrated with our compliance and risk management structure, under which privacy-related risks are managed as part of overall enterprise risk

management processes. Our privacy management framework is led by the Global Head of Privacy under the oversight of the Chief Compliance Officer (CCO) and is reported to the Board of Directors at least annually, ensuring Board-level oversight and continuous enhancement of privacy management. We conduct internal audits to assess compliance with our privacy and data protection policies and work to further strengthen our governance framework.

In addition, we maintain procedures to respond to privacy incidents, including reporting, investigation, and, where necessary, notification to authorities and affected individuals. The framework is continuously reviewed and improved in response to regulatory developments, changes in the business environment, and emerging risks.

Policy Framework

Our approach to privacy and data protection is based on the Global Privacy Framework, which outlines the overall structure of HOYA's privacy management. The framework defines governance, roles and responsibilities, and the core operational structure, and is applied across all business divisions and global operations. This is supported by a Global Data Protection Policy, which sets out the principles and requirements for the lawful and appropriate handling of personal information.

In addition, we ensure compliance with local laws and regulations while maintaining alignment with global standards.

As part of our commitment to transparency, we publish a [Privacy Notice](#) on our website explaining how personal information is used and protected. We also maintain processes to respond to requests such as access, correction, and deletion of personal information.

By applying these frameworks across the Group while taking into account the characteristics of each business, we promote an effective and globally consistent approach to privacy. This Policy also applies to all employees, contractors, and third parties who handle personal information in connection with the business activities of the HOYA Group.

Risk Management and Controls

For higher-risk handling of personal information, we conduct Data Protection Impact Assessments to identify potential risks and impacts in advance and implement appropriate mitigation measures. We also apply a privacy by design approach, ensuring that data protection considerations are incorporated into systems, products, and business processes from an early stage.

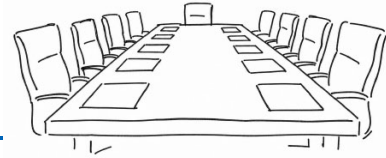
In addition, risks associated with third parties and cross-border data transfers are managed through appropriate contractual and technical safeguards.

Training and Awareness

Data protection training is mandatory for all employees and is provided at onboarding and through annual refresher training, promoting privacy awareness across the organization.

Role-based training is also provided for functions involved in higher-risk activities. In addition, organizational capability is strengthened through the ongoing development of Privacy Leads (a person responsible for supporting and implementing privacy measures in day-to-day operations within each business divisions), helping to enhance privacy management capabilities across the Group.

Corporate Governance



The Board of Directors has long served as the Company's monitoring body. In light of the recent revision of Japan's Corporate Governance Code, we will further deepen discussions on integrating business strategy and sustainability.



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

Basic Approach

The Company recognizes corporate governance as one of its highest management priorities and promotes management with the aim of maximizing corporate value. Based on the principle of fairness toward all stakeholders and to ensure management decisions are not driven solely by internal perspectives, the Company amended its Articles of Incorporation in June 2003 to require that a majority of directors be Independent Directors. These directors actively provide oversight and advice on the management conducted by Executive Officers from an objective and broad perspective with the goal of enhancing corporate value.

At the same time, authority and responsibility for business execution are delegated to Executive Officers, enabling faster decision-making and more efficient management.

Amendments to the Articles of Incorporation are implemented following approval at a General Meeting of Shareholders in accordance with the requirements set forth in the Companies Act and the Company's Articles of Incorporation.

In addition, the Board of Directors has established [Corporate Governance Guidelines](#) and seeks to continuously enhance its governance framework through regular review and revision of these guidelines.

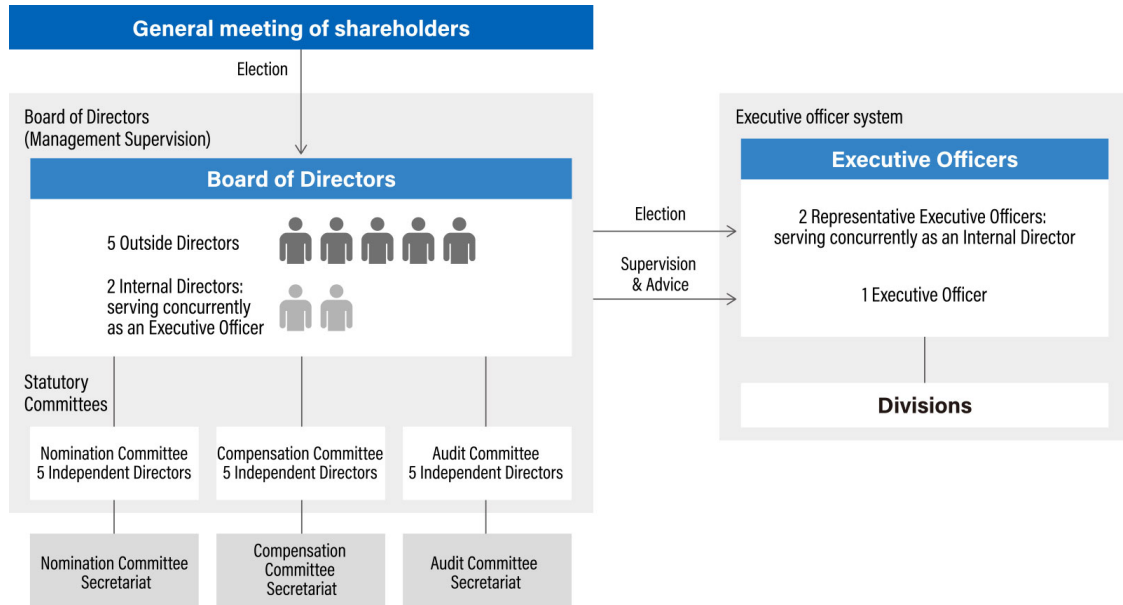
Governance Structure

The Company has adopted the governance structure of a Company with Nomination Committee, etc. Under this structure, authority for business execution is delegated to Executive Officers, allowing for agile business management. At the same time, three statutory committees, namely the Nomination Committee, Compensation Committee, and Audit Committee, are established, all of which are composed exclusively of Independent Directors. This ensures the effectiveness of the Board's oversight function.

This structure clearly separates management execution from oversight, thereby enhancing management efficiency, soundness, and transparency.

Given the Company's involvement in the medical device business, a voluntary Healthcare Compliance Committee has also been established. The committee consists of three Independent Directors with expertise in the medical field and monitors the status of regulatory compliance within the relevant businesses.

Corporate Governance Structure (As of June 30, 2026)



Board of Directors

As of June 30, 2026, the Board of Directors consists of seven members, including five Independent Directors and two Internal Directors. As a general rule, the Board holds ten regular meetings each year. Independent Directors with extensive management experience and a global perspective actively question and advise Executive Officers from a wide range of viewpoints, resulting in rigorous and constructive discussions. The Company also strives to keep directors informed of significant legal and regulatory developments and corporate governance trends through lectures and briefings conducted by external experts. In FY2025, the Board consisted of seven directors, two of whom were women. The Board met ten times during the year. One director attended 90% of the meetings, while all other directors achieved a 100% attendance rate. Written resolutions of the Board of Directors conducted pursuant to Article 370 of the Companies Act during FY2025 are not included in the attendance calculations above.

In accordance with the Board of Directors Regulations, the Board deliberates and approves matters required by law, as well as business portfolio reviews, quarterly budgets and financial results, risk management matters, M&A transactions, executive management structures, and Group policies relating to sustainability and compliance. The Board also receives reports on operational activities and medium- to long-term business plans from each business division.

The Company conducts an annual evaluation of the operation and effectiveness of the Board of Directors and its committees through a questionnaire survey, and the results are analyzed by the Board.

A summary of the FY2025 third-party evaluation is as follows:

- The Board is fulfilling its responsibilities with an appropriate size and composition.
- While there remains room for improvement regarding the timing of materials distribution and meeting frequency, Board operations are generally effective, and discussions on medium- to long-term strategy have become increasingly substantive.
- The Nomination, Compensation, Audit, and Healthcare Compliance Committees all engage in thorough discussions with appropriate membership and composition.
- Issues identified in the previous year's evaluation, namely:
 - further discussion of key management issues,
 - deeper discussion of CEO succession planning, and
 - enhanced discussion of sustainability-related risks, have generally been addressed through more robust deliberations. In particular, with respect to management issues, timely and appropriate updates from management have enabled deeper Board discussions regarding medium- to long-term strategic direction, including business portfolio transformation.
- Going forward, the Board recognizes the need to continue discussions regarding the Group's organizational structure, medium- to long-term investments, and risk management.

To further improve the quality of discussions, the Company will continue enhancing Board operations, strengthening communication among Independent Directors and between Independent Directors and Executive Officers, and deepening succession planning discussions within the Nomination Committee, with the aim of further improving Board effectiveness.

Board Member Profiles

Independent Directors



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

8 years

Number of shares of the
Company held

400 shares

Number of attendances
to the board meetings

10/10 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

5 years

Number of shares of the
Company held

400 shares

Number of attendances
to the board meetings

10/10 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

4 years

Number of shares of the
Company held

400 shares

Number of attendances
to the board meetings

9/10 times (90%)



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

4 years

Number of shares of the
Company held

400 shares

Number of attendances
to the board meetings

10/10 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

3 years

Number of shares of the
Company held

0 shares

Number of attendances
to the board meetings

10/10 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

4 years

Number of shares of the
Company held

7,300 shares

Number of attendances
to the board meetings

10/10 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
4 years

Number of shares of the
Company held
12,800 shares

Number of attendances
to the board meetings
10/10 times (100%)

The average tenure of the Directors is 4.57 years.
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

Under the Company with Nomination Committee, etc. structure, certain authorities of the Board of Directors are delegated to Executive Officers to enable agile business execution. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Sustainability Officer (CSO) are nominated as candidates for Executive Officer positions by the Nomination Committee and formally appointed by the Board of Directors. Each oversees business execution in accordance with areas of responsibility defined by the Board.

Based on management policies approved by the Board of Directors, Executive Officers instruct the headquarters functions and business division leaders to formulate and implement specific initiatives and monitor their progress.

Each quarter, a budget meeting attended by all Executive Officers is held for all business divisions to review progress against the annual plan and discuss plans for the following quarter.

Authority for day-to-day business operations is largely delegated to the heads of each business division, who execute plans approved at the budget meetings.

In addition to the CEO and CFO, both of whom also serve as directors, the CSO attends every Board meeting and actively participates in discussions.



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 FY25	Attendance	Main Agenda Items
Nomination Committee	Statutory	Yasuyuki Abe	Hiroaki Yoshihara, Takayo Hasegawa, Mika Nishimura, Mototsugu Sato	7 times	One member: 85.7%; all other committee members: 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	One member: 83.3%; all other committee members: 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	10 times	One member: 90%; all other committee members: 100%	Details reported by the accounting auditor and Audit Department
Healthcare Compliance Committee	Voluntary	Mika Nishimura	Hiroaki Yoshihara, Yasuyuki Abe	3 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 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
- 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 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 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
- 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

- 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 interim audit fieldwork report, interim review progress report, 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

During fiscal 2025, the Audit Committee discussed matters reported by the external auditor and internal audit functions and provided recommendations and advice to the executive organization regarding identified issues.

Independent Directors serving on the Audit Committee also exchanged views through factory visits and site inspections, which contributed to additional recommendations and guidance.

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 on Director Compensation

Compensation for Directors consists of fixed compensation and a long-term incentive plan in the form of Restricted Stock Units (RSUs).

Fixed compensation comprises base compensation as well as additional compensation for serving as a member or chairperson of Board committees. Compensation levels are determined appropriately based on factors including the Company's business environment, benchmarking data from external compensation surveys, and the individual's role and responsibilities.

RSUs were introduced in FY2022 in place of stock options. Under this system, shares are granted based on the period of service as an Independent Director, with the objective of aligning directors' interests with those of shareholders and promoting a long-term perspective on corporate value creation.

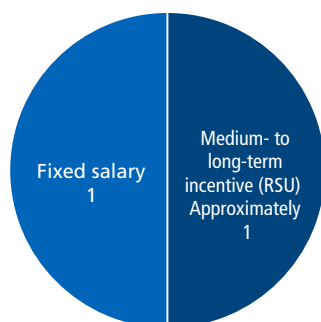
RSUs are granted annually. For each grant, a three-year performance period is established, and a target number of shares is specified for each Independent Director.

Fifty percent of this amount is delivered in the form of monetary compensation claims, which directors contribute in kind to receive shares equivalent to the applicable payment amount. The remaining fifty percent is paid in cash to facilitate tax payments. For non-resident directors who cannot receive shares through the stock compensation administration platform, as well as directors who retire due to unavoidable reasons such as death or illness and injury, the entire reference compensation amount is paid in cash. Additional RSU grants covering a new three-year period are made annually thereafter.

In FY2025, the Compensation Committee reviewed compensation structure and levels based on the Company's compensation philosophy, business environment, peer benchmarking, positions, and responsibilities, and determined compensation for each director to be appropriate and consistent with Company policy.

The Company considers the compensation paid to each director during the fiscal year to be in accordance with its compensation policy.

[Composition ratio of compensation for directors]



- Notes
1. 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 the 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 the HOYA Group, or a significant breach of contract, during the director's term of office, is revealed

Executive Officer Remuneration Policy

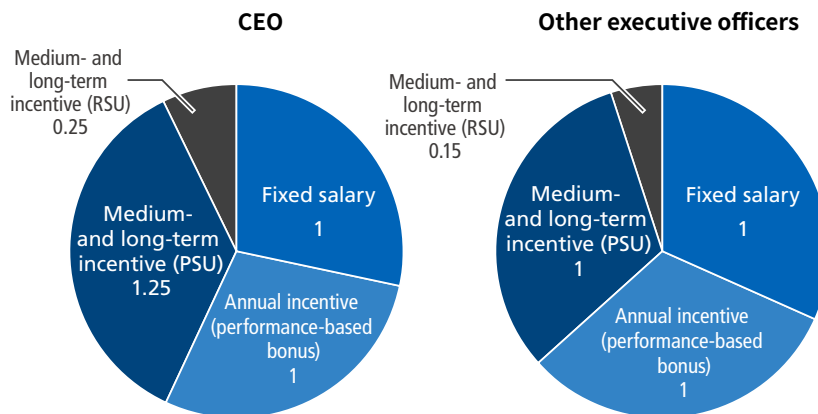
Executive Officer remuneration for FY2025 consists of fixed compensation, an annual incentive (performance-linked bonus), and medium- to long-term incentives comprising Performance Share Units ("PSUs") and Restricted Stock Units ("RSUs").

For FY2025, the Compensation Committee reviewed the remuneration structure and levels in light of the Company's basic policy, business environment, external benchmarking data provided by independent compensation consultants, and the role and responsibilities of each Executive Officer, and determined the compensation for each Executive Officer accordingly. The Company considers the remuneration of each individual Executive Officer for the fiscal year to be consistent with its remuneration policy.

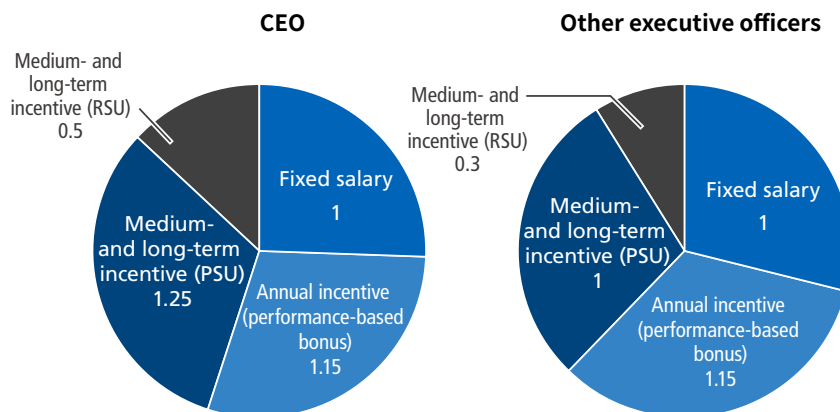
Performance-linked Coefficient (Annual Incentive Bonus)

FY2025 Actual Results (Consolidated)

[FY2025 Composition ratio of compensation for executive officers]



[Composition ratio of compensation for executive officers from FY2026 Onward]



Notes1. Assuming a share price in three years roughly equivalent to the share price when the PSU or 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 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 the 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 the HOYA Group, or a significant breach of contract, during the Executive Officer's term of office, is revealed

■ Fixed Compensation

Base compensation is determined according to each Executive Officer's position and responsibilities (such as Representative Executive Officer and Chief Financial Officer) and includes allowances associated with overseas assignments, such as home leave expenses.

Compensation levels are set at an appropriate level, taking into account the Company's business environment, external benchmarking data provided by independent compensation consultants, and the role and responsibilities of each Executive Officer.

The Company abolished retirement benefits for directors and officers in 2003. However, severance pay may exceptionally be provided upon retirement at the discretion of the Compensation Committee. The amount and terms are determined on a case-by-case basis, considering factors such as position and circumstances of retirement.

■ Performance-Linked Bonus

The performance-linked bonus is determined based on both quantitative and qualitative assessments and may range from approximately 0% to 200% of the target amount.

Quantitative performance metrics include consolidated revenue, profit attributable to owners of the Company, and earnings per share (EPS).

Performance-linked Coefficient (Annual Incentive Bonus)

Indicator	Target (Consolidated)	FY2025 Actual Results (Consolidated)	Reason for the Selection of the Indicator
Revenue	905.1 billion yen	947.7 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	203.1 billion yen	253.1 billion yen	Selected as an indicator for its measurement of whether the Group's growth is accompanied by solid profits
Basic earnings per share	592.43 yen	743.93 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 such factors as the Company's business environment, and as such may differ from performance forecasts.

■ Performance Share Units (PSUs)

The PSU plan was introduced in FY2019 as a replacement for stock options. Each year, Executive Officers are granted a target number of shares based on their position and responsibilities, together with mid- to long-term performance targets covering a three-year performance period. Following the end of the performance period, shares are delivered based on the level of achievement against predetermined performance conditions.

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The payout ratio ranges from 0% to 200% based on performance over the three fiscal years. Performance measures include consolidated revenue, earnings per share (EPS), and return on equity (ROE), as well as ESG metrics selected annually, such as external ESG ratings and progress on priority ESG initiatives.

2023	2024	2025	2026	2027	2028	2029
PSU			Share Delivery, etc.			
	PSU			Share Delivery, etc.		
		PSU			Share Delivery, etc.	
			PSU			Share Delivery, etc.

Fiscal 2023 allocation (Target period: fiscal year ended March 2024 to fiscal year ended March 2026)

Financial metrics represent the average value over the three-year performance period.

Indicator		Weight	Target (consolidated)	Actual (consolidated)
Revenue		25%	800 billion yen	858.8 billion yen
Earnings per share (EPS)		25%	560 yen	614 yen
ROE		25%	20.00%	22.2%
ESG indicators	Sustainalytics External Rating: Sustainalytics	15%	Negligible	Low
	CDP External Rating: CDP		B	B
	DJSI External Rating: DJSI		73–79 points	42 points
	Female Management Ratio (Japan)	10%	18%	17.4%
	Engagement Score		77 points	74 points*

The latest available assessment results, namely FY2024 scores, were used.

Basic deliverable number of shares

Position/responsibilities	FY2024 allocation	FY2025 allocation	FY2026 allocation
CEO	7,300 shares	8,900 shares	6,200 shares
CFO	3,400 shares	4,100 shares	2,800 shares
CSO	2,500 shares	3,100 shares	2,100 shares

Targets for FY2024-FY2026 Grants

Financial metrics represent the average value over the three-year performance period.

	Indicator	Weight	FY2024 allocation	FY2025 allocation	FY2026 allocation	Reason for the selection of the indicator
Financial Indicators ^{*1}	Revenue	25%	830.0 billion yen	980.0 billion yen	1,070.0 billion yen	Selected as an indicator to measure growth potential of the HOYA Group in the domestic and overseas markets
	EPS	25%	570 yen	670 yen	840 yen	Selected as an indicator to measure growth of the Company from the same perspective as shareholders
	ROE	25%	20.0%	20.0%	24.0%	Selected as an indicator to measure whether the Company has generated return on shareholders' investment effectively
ESG indicators		25%	Enhancement of IT Governance (50%) Promotion of Management Diversity (30%) Expansion of Employee Learning Opportunities (20%)	Evaluation by external organizations (50%) Progress on Priority ESG Themes	Eye Health Prevention Initiatives (40%) Evaluation by external organizations (30%) ² Percentage of Female Managers (30%)	Indicators to measure the initiatives relating to sustainability from an ESG perspective

*1 The targets shown in the table above are not earnings forecasts. They have been established with reference to the Company's business environment and market consensus.

*2 Assessments by CDP and DJSI are used.

*3 Figures in parentheses indicate the weighting of each item within the ESG targets.

The ESG metrics incorporated into executive compensation are linked to the Company's sustainability-related materiality topics and include the following:

- Climate Change: Renewable energy utilization ratio (with progressive targets toward achieving 60% by FY2030)
- Diversity: Percentage of women in management positions in Japan (target of 20% by FY2028)
- Occupational Health and Safety (Health and Productivity Management): Implementation rate of internal eye health prevention initiatives (target of 100% by FY2028)

■ Restricted Stock Units (RSUs)

The RSU plan was introduced in FY2025 in addition to the PSU plan to further align Executive Officers' interests with sustainable growth in corporate value and to attract and retain highly qualified talent. The plan is intended to establish a remuneration framework that remains competitive with those of global companies.

Under the plan, shares are delivered upon retirement based on the Executive Officer's period of service. Each year, a target number of shares is determined for a one-year service period, with different calculation methodologies applied to the CEO and other Executive Officers.

FY2025

- CEO: Base compensation $\times 0.25 \div$ Reference Share Price
- Other Executive Officers: Base compensation $\times 0.15 \div$ Reference Share Price

FY2026

- CEO: Base compensation $\times 0.50 \div$ Reference Share Price
- Other Executive Officers: Base compensation $\times 0.30 \div$ Reference Share Price

FY2025

•CEO: Base compensation $\times 0.25 \div$ Reference Share Price

•Other Executive Officers: Base compensation $\times 0.15 \div$ Reference Share Price

FY2026

•CEO: Base compensation $\times 0.50 \div$ Reference Share Price

•Other Executive Officers: Base compensation $\times 0.30 \div$ Reference Share Price

Upon completion of each service period, the confirmed target number of shares is accumulated throughout the Executive Officer's tenure. Upon retirement, the notional value of the award is determined by applying the Company's share price at the time of retirement to the accumulated target number of shares.

Fifty percent of the award value is granted as a monetary compensation claim. Executive Officers receive Company shares by making an in-kind contribution of such claim, while the remaining 50% is paid in cash to facilitate tax withholding obligations.

For non-resident Executive Officers who are unable to receive shares through the stock compensation administration platform, as well as in cases of retirement due to unavoidable reasons such as death or illness and injury, the full award value is paid in cash.

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

Classification	Number of payees	Total amount of remuneration, etc.	Total amount of remuneration by type				
			Fixed salary	Performance-based bonuses	Stock options	PSU	RSU
Directors	Independent 5 persons	198 million yen	78 million yen	—	4 million yen	—	116 million yen
	Internal 2 persons	10 million yen	10 million yen	—	—	—	—
	Total 7 persons	208 million yen	88 million yen	—	4 million yen	—	116 million yen
Executive Officers	3 persons	1,063 million yen	246 million yen	343 million yen	—	474 million yen	20 million yen
Total	10 persons	1,291 million yen	334 million yen	343 million yen	4 million yen	474 million yen	136 million yen

- Notes:1. 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 FY2025 are shown in the table above. For executive officers, no stock options were newly granted in FY2025 due to the introduction of PSU in place of stock options from FY2019. Also, for independent directors, from FY2022 RSU is introduced in place of stock options. Although no stock options were granted in FY2024, the table above shows stock options granted in past fiscal years in amounts to be recorded as expenses for FY2025.
3. For PSU and RSU, the table above shows amounts to be recorded as expenses for FY2025.

Amount of consolidated remuneration for each Director

Chief Executive Officer (CEO)

Name	Executive classification	Total amount	Fixed salary	Performance-based bonuses	Stock options	PSU	RSU
Eiichiro Ikeda Representative Executive Officer President & CEO	Director	5 million yen	5 million yen	—	—	—	—
	Representative Executive Officer	562 million yen	124 million yen	172 million yen	—	254 million yen	12 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	RSU
Ryo Hirooka Representative Executive Officer & CFO	Director	5 million yen	5 million yen	—	—	—	—
	Representative Executive Officer	299 million yen	71 million yen	97 million yen	—	126 million yen	5 million yen
Tomoko Nakagawa Executive Officer, Chief Sustainability (ESG) Officer (CSO)	Executive Officer	222 million yen	51 million yen	74 million yen	—	94 million yen	3 million yen

ESG and Sustainability Governance Framework



Governance

The Company has adopted a Company with Nomination Committee, etc. structure, under which the Board of Directors functions as a monitoring board, supervising the executive side while deliberating and making decisions on important matters concerning the Group's management policies.

In FY2025, five of the Company's seven directors were Independent Directors, ensuring objective oversight and effective supervisory functions. The Company appoints Independent Directors who possess extensive executive experience and a global perspective, as well as expertise and experience in sustainability and ESG-related fields, including climate change, human capital development, and leadership development.

The Group's basic sustainability policies, materiality, and key initiatives such as TCFD disclosures and RE100 commitments are disclosed following deliberation and approval by the Board of Directors. The Board of Directors also receives regular reports from the Chief Sustainability Officer (CSO) regarding sustainability-related issues, including climate change, and the Group's initiatives in these areas (twice during FY2025), and monitors progress accordingly. In addition, through the review of individual business divisions at Board meetings, the Board receives reports on sustainability-related issues within each business and provides advice from multiple perspectives.

The Company operates under a divisional management structure based on portfolio management. Sustainability-related initiatives within each business division are incorporated into the division's management strategy, business plan, and annual budget, all of which are approved by the Board of Directors.

Each business division appoints a dedicated sustainability/ESG team under the leadership of the division head. Working closely with the CSO, these teams establish KPIs aligned with Group-wide objectives and implement initiatives to achieve them.

To further strengthen accountability, ESG indicators have also been incorporated into management incentives. Since FY2022, ESG indicators have been included in the medium- to long-term incentive plan for Executive Officers through the Performance Share Unit (PSU) program. Furthermore, since FY2023, key ESG-related KPIs, such as the renewable energy usage rate, have also been incorporated into the annual incentive evaluation framework for business division heads.

Risk Management

The Company has established a risk management framework under which responsible officers are appointed both at Group headquarters and within individual business divisions for key sustainability-related risk areas, including environmental management, occupational safety and health, product quality and safety, compliance, privacy, and human capital.

The responsible officers at Group headquarters regularly monitor the activities of the business divisions within their respective areas of responsibility and report significant risks and the status of mitigation efforts to the Executive Officers.

Sustainability-related risks within each business division are managed by the division itself, taking into account its specific business characteristics and operating environment. Each division develops appropriate response policies and incorporates preventive and risk mitigation measures into its business strategies and plans.

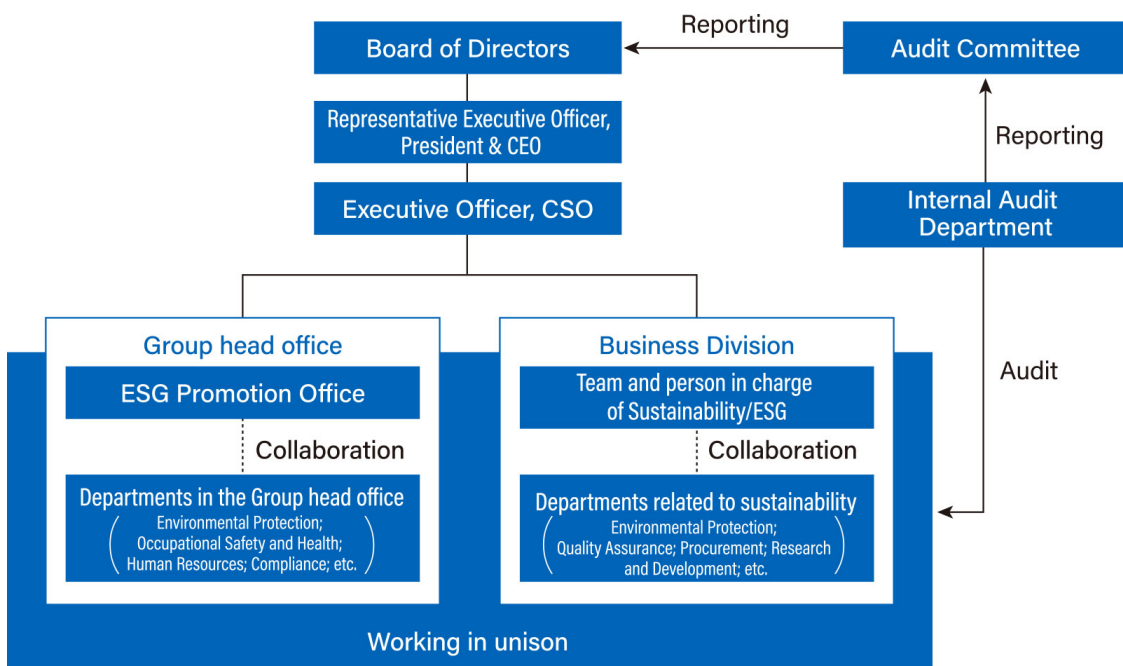
The Board of Directors has ultimate oversight responsibility for significant Group-wide risks and the overall risk management framework. The Board receives reports at least annually from the executive side, including Executive Officers, responsible officers at Group headquarters, and business division heads, regarding risk assessment results, response measures, improvement activities, and residual risks. The Board reviews and deliberates on these matters and regularly monitors both the effectiveness of sustainability-related risk responses and the overall risk management framework.

The Internal Audit Department conducts risk-based audits to evaluate the effectiveness of sustainability-related risk management implemented by the executive organization. For example, the Group Regulatory, Quality and Government Affairs function oversees the establishment and operation of quality management systems across the Life Care businesses. The Internal Audit Department conducts annual audits of these systems, evaluates their effectiveness, and promotes improvements where necessary. Through these efforts, the Company seeks to appropriately prevent and mitigate significant sustainability-related risks, including quality-related risks associated with healthcare products.

Audit results are reported to the Audit Committee. The Audit Committee independently monitors the effectiveness of the risk management framework through reviews of internal audit findings and progress on corrective actions, and requests improvements from management where appropriate. The results of the Audit Committee's oversight activities are also reported to the Board of Directors and utilized in the Board's supervision of the Group's risk management framework.

For more information regarding the Group's enterprise-wide risk management activities, please refer to "[Risk Management](#)."

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.

[Corporate Mission, Management Principles](#)

Materiality



Process for Identifying and Assessing Material Impacts, Risks and Opportunities Related to Sustainability

In 2021, the HOYA Group identified four material issues that contribute to the enhancement of medium- to long-term corporate value: Greenhouse Gas Emissions Reduction, Employee Engagement and Diversity & Inclusion, Product Quality and Safety, and Supply Chain Management.

Since then, in response to changes in the external environment and increasing expectations regarding sustainability, we have systematically reviewed our material issues from a double materiality perspective and identified and assessed Impacts, Risks and Opportunities (IROs) from both:

- the impact of our business activities on the environment and society (Impact Materiality), and
- the impact of environmental and social issues on our business and financial performance (Financial Materiality)

Impact Materiality

Matters that are particularly significant to stakeholders among the actual impacts of our business activities on the environment and society.

Financial Materiality

The impact of sustainability-related risks and opportunities associated with our business activities on our short-, medium-, and long-term financial performance and corporate value.

Financial Statements

Disclosure of information regarding financial position, operating results, and cash flows.

Impact of the Company on society

Financial impacts arising from sustainability matters

Financial Statements

This assessment aims to align sustainability issues with business strategies, identify medium- to long-term risks and opportunities, and reflect them in management initiatives.

In addition, with future regulatory requirements such as the Corporate Sustainability Reporting Directive (CSRD) in Europe and standards being developed by the Sustainability Standards Board of Japan (SSBJ) in mind, we are enhancing accountability to stakeholders and improving the quality of our sustainability disclosures.

The assessment process consists of the following steps:

- Mapping the value chain
- Identifying material sustainability topics
- Identifying and assessing IROs
- Incorporating stakeholder perspectives
- Determining and approving material issues

Value Chain Mapping

Taking into account the characteristics of each business, we used the ENCORE framework to identify

dependencies and impacts on natural capital. Based on this analysis, we mapped our value chain from upstream to downstream activities and identified key stakeholders associated with each stage.

Identification of Materiality Topics

Based on sustainability topics defined under the European Sustainability Reporting Standards (ESRS), we reviewed external frameworks such as GRI and SASB, perspectives from ESG rating agencies, disclosures by industry peers, and consistency with our existing disclosures and material issues. Through this process, we identified relevant sustainability topics and associated Impacts, Risks and Opportunities (IROs).

Assessment of IROs

Identified IROs are assessed from both impact and financial perspectives.

Impacts are evaluated based on:

- Scale
- Scope
- Remediability
- Likelihood

Risks and opportunities are evaluated based on:

- Magnitude of financial impact
- Likelihood

Scores are assigned according to predefined assessment criteria.

As we are still in the process of enhancing our assessment methodology and internal management processes, disclosure of detailed IROs and assessment results remains limited at this stage. Going forward, we will progressively enhance related disclosures.

Incorporating Stakeholder Perspectives

We conduct interviews with business divisions to verify consistency with operational realities and refine assessment outcomes. In addition to discussions with internal functions, we incorporate external perspectives through engagement with institutional investors and validate the appropriateness of assessment results.

The final assessment results are reported by the Chief Sustainability Officer (CSO) to the Board of Directors and, following Board review and approval, are utilized in business strategy, risk management, and future disclosures. This assessment is reviewed annually in principle and will continue to be enhanced in response to changes in the business environment and regulatory developments

Identified Material Issues

Identified Material Issues	Material Topics	Impacts, Risks and Opportunities	Examples of Initiatives	Relationship to Previous Materiality	Related Article
Response to Climate Change	Climate Change Adaptation (Physical Risks)	• Impact of increasingly severe and frequent extreme weather events on manufacturing and logistics operations (Risk)	• Diversification of production sites and enhancement of BCPs (including responses to flood risks and other natural disasters) • Water-related risk assessments and monitoring	None	Climate Change

Response to Climate Change	Climate Change Mitigation (Transition Risks)	- Improved waste segregation and expansion of recycling channels to reduce waste and increase recycling rates - Increase in GHG emissions costs resulting from the introduction of carbon taxes and carbon pricing mechanisms (Risk) - Improved resource efficiency through packaging redesign and reuse of transportation containers	- Expansion of renewable energy utilization - Participation in RE100 (100% renewable electricity target by 2040) - Preparation for SBT certification - Promotion of energy efficiency through replacement with high-efficiency production equipment	Greenhouse Gas Emissions Reduction	Climate Change
Water Resources Management	Reduction and Efficient Use of Water Withdrawal	Impact on water resources through water withdrawal in manufacturing processes (-)	- Reduction and optimization of water consumption through production process improvements - Promotion of higher water recycling rates - Water stress risk assessments and monitoring	None	Water
Circular Resources and Waste	Waste Reduction and Recycling Promotion	Environmental burden associated with treatment and disposal of waste generated during manufacturing processes (-)	- Improved waste segregation and expansion of recycling channels to reduce waste and increase recycling rates - Improved resource efficiency through packaging redesign and reuse of transportation containers	None	Pollution Control Measures and Waste
Human Capital	Stable Acquisition of Talent / Diversity & Inclusion	- Contribution to employees' livelihoods through employment creation (+) - Provision of equitable opportunities through an inclusive workplace where diverse talent can thrive (+) - Impact on business operations resulting from a more challenging talent acquisition environment (Risk) - Innovation creation and enhanced competitiveness through the contribution of diverse talent (Opportunity)	- Establishment of global talent evaluation systems and workplace environments that support diverse employees - Promotion of gender diversity initiatives, particularly in Japan - Expansion of leadership opportunities for local talent outside Japan - Development of employee-friendly workplace environments and systems	Employee Engagement Diversity & Inclusion	Strategy for Human Resource Development

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Human Capital	Talent Development and Capability Building	• Contribution to employee knowledge and skills development through education and training opportunities (+) • Improved productivity, innovation, and competitiveness through enhanced employee capabilities (Opportunity)	• Ongoing talent development and capability enhancement through online learning, career support programs, and performance evaluation systems		
	Occupational Safety and Health	• Impact on employee safety and health arising from business activities (+/-) • Improved employee wellbeing and productivity through a safe and healthy work environment (Opportunity)	• Establishment of a global occupational safety and health management system based on ISO 45001 • Implementation of various health and wellbeing initiatives	None	Occupational Safety and Health
Human Rights	Respect for Human Rights / Compliance-Oriented Workplace Culture	• Negative impacts on employees and workers resulting from human rights violations within business activities or supply chains (-)	• Internal risk assessments based on the Human Rights Policy and Human Rights Due Diligence Policy • Monitoring of human rights risks through supplier assessments • Maintenance of reporting and consultation channels through the HOYA Helpline and implementation of related education and training	Supply Chain Management	Respecting Human Rights Compliance Management Structure
Product Responsibility	Product Safety and Quality (Primarily Life Care Business)	• Impact on customers and patients arising from product quality or safety issues (-)	• Continuous enhancement of quality management and product risk management systems • Strengthening governance through the Healthcare Compliance Committee	Product Quality and Safety	Product Safety and Quality
Ethics and Compliance	Business Ethics and Corporate Culture	• Impact on stakeholders arising from misconduct or compliance violations (-)	• Strengthening awareness through communication and training regarding the HOYA Standards of Conduct	None	Compliance Management Structure
	Prevention of Corruption and Bribery	• Impact on stakeholders arising from corruption, bribery, or other forms of misconduct (-)	• Reinforcement of the Standards of Conduct and compliance education programs	None	Respecting Human Rights

Privacy Protection	Management of Personal Information	• Impact on customers, employees, and other stakeholders arising from personal data breaches or inappropriate handling of personal information (-)	• Strengthening governance, coordination with information security functions, risk monitoring, and internal controls to ensure robust protection of personal information	None	Privacy and Data Protection
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Expansion of Disclosure and External Recognition



The Company is continuously working to enhance the reliability of sustainability-related information and strengthen transparent disclosure practices. By appropriately communicating its environmental, social, and governance (ESG) initiatives and achievements, the Company seeks to promote dialogue with a wide range of internal and external stakeholders, thereby fostering mutual understanding and strengthening relationships of trust. Going forward, we will continue to enhance both the scope and quality of our disclosures in line with evolving global disclosure standards and stakeholder expectations.

In preparation for upcoming disclosure requirements under the Corporate Sustainability Reporting Directive (CSRD) in Europe (first reporting expected in 2028) and the Sustainability Standards Board of Japan (SSBJ) standards (first reporting expected in 2027), we are further enhancing our global data collection framework and strengthening internal controls with due consideration to future assurance requirements.

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**

■ 2026 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX (General index)

**2026 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX**

■ 2026 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN) (Thematic index: social initiatives)

**2026 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 2026

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



Main ESG Rating Status

- **CDP Climate Change: B Score**
- **CDP Water Security: B Score**
- **MSCI ESG rating: AAA (highest of seven ratings, achieved for four consecutive years)**
- **Sustainalytics ESG risk rating: Low Risk**

Other External Recognition

- **Selected by asset managers of Japan's Government Pension Investment Fund (GPIF) for:**
 - "Excellent Sustainability Disclosure" from a Materiality Perspective
 - "Most Improved Sustainability Disclosure"**under GPIF's annual recognition program for sustainability disclosures**
- **Certified by the Ministry of Economy, Trade and Industry (METI) as an outstanding health and productivity management organization for 10 consecutive years**



As of June 30, 2026

- *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.

Environmental

The replacement of energy-efficient equipment at our manufacturing sites and the installation of solar panels continued to progress steadily throughout the year. As a result, our renewable energy ratio increased further, reaching 27% in FY2025. In Japan, we have also expanded our efforts to introduce renewable energy sources with a focus on additionality, including the use of off-site corporate PPAs.

As we work toward our FY2030 targets, we will continue to advance these initiatives while promoting decarbonization from multiple perspectives, including across our value chain.



Tomoko Nagakawa

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

Environmental Philosophy, Policies and Governance Framework



The HOYA Group is committed to environmental conservation as part of its ESG management, with the goal of passing on a healthy global environment to future generations. Since establishing its Environmental Philosophy in 1993, the Group has promoted environmental initiatives across all domestic and overseas sites. In 2013, the Group obtained global multi-site certification for its Environmental, Occupational Safety and Health Management System, establishing a globally integrated environmental management framework. In 2022, we revised both our Environmental Philosophy and Fundamental Environmental Policies to further strengthen our efforts in addressing environmental issues, including climate change, resource circularity, water conservation, and biodiversity protection.

[▶ HOYA Group Environmental Philosophy and Fundamental Environmental Policies](#)

Fundamental Environmental Policies

The HOYA Group has established clear responsibilities, authorities, and roles relating to Environment, Safety and Health (ESH), and has designated responsible personnel at the corporate, business division, and site levels.

The corporate headquarters is responsible for establishing Group-wide policies, priority initiatives, and Group standards, while monitoring the implementation status of measures and progress toward targets across business divisions and sites. Through the operation of common management systems and internal audits, the headquarters also promotes the continuous improvement of Environment, Safety and Health activities throughout the Group.

Each business division and site establishes and implements environmental objectives and initiatives based on Group policies while conducting education and awareness programs. In addition, information is shared across the Group to deepen understanding of legal requirements and Group standards and to prevent accidents, disasters, and environmental incidents.

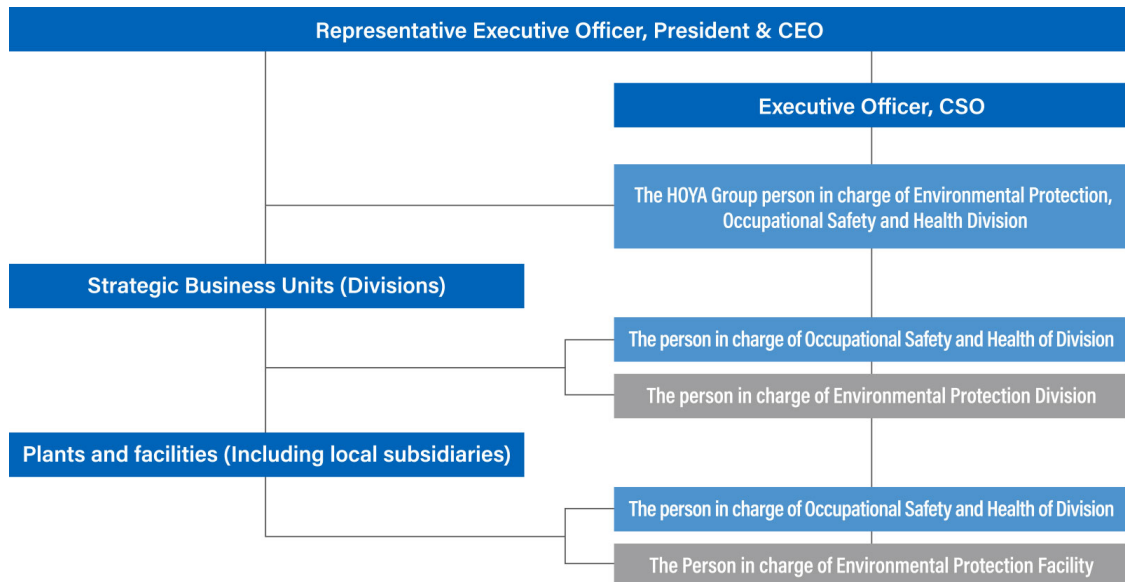
Environmental risks and initiatives are incorporated into the framework of Enterprise Risk Management (ERM), with the CSO providing regular reports to the Board of Directors. Feedback from the Board is reflected in environmental strategies and initiatives, ensuring ongoing oversight and continuous improvement.

To improve environmental performance, including energy consumption, water consumption, and waste generation, performance audits are conducted at manufacturing sites. These audits assess management systems and environmental activities, identify issues, analyze root causes, evaluate risks, and provide recommendations for corrective actions.

Each site develops and implements improvement plans based on audit results, and progress is verified through ongoing follow-up activities and subsequent audits.

Audit results and ESH performance are also reviewed through management reviews conducted by Executive Officers. The outcomes are reflected in operational initiatives and management systems, supporting the continuous reduction of environmental impacts and enhancement of environmental performance across all sites.

HOYA Group Environmental Protection and Occupational Safety and Health



Global Environmental and Occupational Safety and Health Management System

The Group has established a global Environmental and Occupational Safety and Health Management System based on ISO 14001 and ISO 45001.

The HOYA Group obtained global multi-site certification in February 2013, and as of March 31, 2026, 51 sites in 20 countries are covered by the certification. All major manufacturing and R&D sites are certified, and certification activities are being expanded to newly established sites.

Each manufacturing site promotes environmental initiatives tailored to its business activities and regional characteristics while managing environmental data such as energy consumption, water consumption, and waste generation to reduce environmental impacts.

To appropriately monitor and manage environmental performance across the Group, we utilize an environmental data management system to globally collect and manage environmental data, including energy consumption, water consumption, waste generation, and greenhouse gas (GHG) emissions. These data are used for monitoring, target management, internal audits, and management reviews, supporting the continuous improvement of environmental performance.

To support these activities, environmental policies and environmental targets are communicated to all HOYA Group employees. In addition, education and training programs covering energy conservation, efficient use of water resources, waste reduction, chemical management, and prevention of environmental incidents are provided to relevant personnel.

Furthermore, through new employee training and regular training programs, we strive to enhance environmental awareness among all employees.

In addition to environmental education, the Group shares and recognizes best practices through its annual ESG Awards program. Examples include initiatives relating to energy conservation, water efficiency, and waste reduction. By recognizing outstanding efforts across the Group, we promote knowledge sharing across business divisions and encourage continuous improvement while strengthening environmental awareness among employees.

[› ISO Certification Status](#)

Climate Change



Response to Climate Change

The HOYA Group has identified climate change as one of its material issues and is committed to reducing greenhouse gas (GHG) emissions while enhancing business resilience. In 2023, we began disclosures aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined RE100, establishing a target of sourcing 100% of our electricity from renewable energy by FY2040. Through these initiatives, we are accelerating both our response to climate change and our decarbonization efforts.



Medium- to Long-term Targets and Results for Greenhouse Gas Emissions Reduction

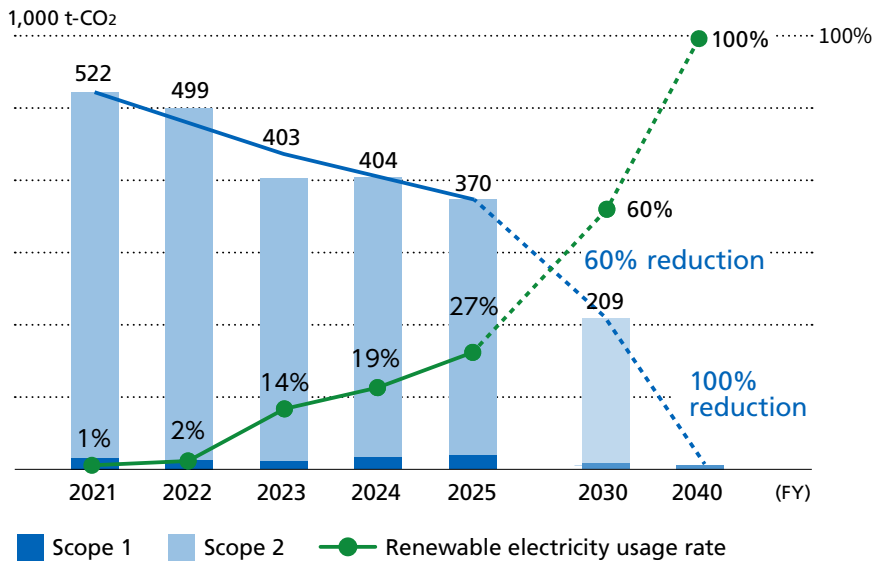
More than 90% of the HOYA Group's Scope 1 and Scope 2 emissions consist of Scope 2 emissions associated with purchased electricity. As a result, transitioning to renewable electricity represents one of our most important emissions reduction initiatives.

The Group has established a target of sourcing 100% of its electricity from renewable energy by FY2040, with an interim target of achieving a renewable electricity usage rate of 60% by FY2030.

In addition, through emissions reduction initiatives including the expansion of renewable energy procurement, we aim to reduce Scope 1 and Scope 2 emissions by 60% by FY2030 and by 100% by FY2040, compared with the FY2021 baseline.

To achieve these targets, each business division has developed a medium- to long-term roadmap covering renewable energy adoption and CO₂ emissions reduction and is implementing specific initiatives to achieve its targets.

CO₂ Emissions and Renewable Electricity Usage Rate



- Notes: 1. Since FY2021, 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.

In FY2025, Scope 1 emissions totaled 23 thousand t-CO₂, while Scope 2 emissions (market-based) totaled 347 thousand t-CO₂, resulting in total Scope 1 and Scope 2 emissions of 370 thousand t-CO₂.^{*} This represents a reduction of approximately 29% compared with the base year (FY2021).

Despite increased production volumes across our businesses, the continued expansion of renewable electricity and implementation of energy-efficiency initiatives contributed to a 16% improvement in emissions intensity per consolidated revenue compared with the previous fiscal year. In addition, improvements were achieved in electricity consumption per unit of production, which is managed as an environmental KPI in our major businesses, contributing to enhanced energy efficiency.

Furthermore, the renewable electricity usage rate increased by eight percentage points from the previous fiscal year to 27%. By advancing both the adoption of renewable energy and energy-efficiency initiatives, we will continue working toward the realization of a decarbonized society while achieving both business growth and reduced environmental impact.

^{*} Beginning in FY2025, Scope 1 emissions include non-energy-related greenhouse gas emissions. These emissions account for approximately 1% of total Scope 1 and Scope 2 emissions.

[ESG Databook-Environment](#)

Expansion of Renewable Electricity Use

The HOYA Group continues to expand the use of renewable electricity across its manufacturing and sales sites. At manufacturing sites, we are steadily increasing the installation of solar power generation systems, including self-consumption and on-site PPA projects. In addition, we are promoting the transition to

Expansion of Renewable Electricity Use

The HOYA Group continues to expand the use of renewable electricity across its manufacturing and sales sites. At manufacturing sites, we are steadily increasing the installation of solar power generation systems, including self-consumption and on-site PPA projects. In addition, we are promoting the transition to renewable electricity through optimization of electricity procurement contracts and the purchase of renewable energy certificates. When introducing renewable energy, we evaluate applicable regulations, market conditions, and site-specific constraints to determine the most appropriate approach. In March 2026, we also entered into an off-site corporate PPA agreement for our Akishima site in Japan. Through these initiatives, we place particular emphasis on the additionality of renewable energy procurement. Within the Vision Care business (eyeglass lenses), all domestic sites, including the Matsushima manufacturing site, as well as multiple overseas sites have achieved effective 100% renewable electricity usage.

In addition, all stores and offices of Eyecity, our specialty contact lens retail business, together with HOYA Global Headquarters in Japan, have achieved effective 100% renewable electricity usage through the procurement of FIT Non-Fossil Certificates.



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

Initiatives to Raise Energy Efficiency

In addition to expanding the use of renewable energy, we are pursuing initiatives to improve energy efficiency at manufacturing sites as part of our efforts to reduce GHG emissions. These initiatives include replacing existing equipment with high-efficiency alternatives and optimizing operating conditions for facilities such as boilers and air-conditioning systems to reduce overall energy consumption.

Because electricity represents the primary source of energy consumption at many of our manufacturing sites, we are visualizing electricity consumption at the equipment level. This enables us to identify energy losses and prioritize energy-saving measures and equipment upgrades.

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Energy-Efficiency Targets

Each business division establishes energy conservation targets based on its business characteristics, using energy intensity as a key environmental KPI. To support these targets, business divisions continue to introduce energy-efficient equipment and improve manufacturing processes. For sites in Japan, the Group has established a common target of improving energy intensity by more than 1% annually on average over the five-year period from FY2022 through FY2026, in line with the principles of Japan's Energy Conservation Act. Business divisions monitor progress and manage performance in accordance with this policy.

Capital Investments Based on Medium- to Long-term Roadmaps

To ensure the steady implementation of these initiatives, each business division develops and annually reviews capital investment plans for renewable energy adoption and energy-efficiency measures with FY2030 targets in mind. Renewable energy targets and related investment plans are incorporated into the annual budgeting process and are implemented following approval by the Board of Directors, supporting decarbonization efforts across the Group.

● Developing Investment Plans Through Visualization of Equipment-Level Electricity Efficiency

At our contact lens and intraocular lens manufacturing site in Thailand, electricity consumption was measured and analyzed over a one-month period for all major power-consuming equipment.

By visualizing energy efficiency at the equipment level and benchmarking performance against the latest technologies, the site was able to develop investment plans based on objective analysis of energy-saving opportunities.

● Energy Savings Through the Introduction of High-Efficiency Equipment

At several eyeglass lens manufacturing sites, hydraulic injection molding machines were replaced with electric models, resulting in lower energy consumption and reduced CO₂ emissions.

At another site, an air-cooled chiller, which represented a significant share of total electricity consumption, was replaced with a high-efficiency magnetic water-cooled chiller. This initiative reduced CO₂ emissions by approximately 40%.

Through these and similar initiatives, sites continue to prioritize investments based on energy-efficiency assessments and pursue ongoing reductions in energy consumption.

Initiatives to Measure and Reduce CO₂ Emissions Across the Entire Value Chain

As a manufacturing-focused company, HOYA procures a significant amount of raw materials and components. As a result, emissions generated during suppliers' manufacturing processes (Scope 3 Category 1: Purchased Goods and Services) represent one of the Group's most significant sources of emissions. In addition, many HOYA products serve as intermediate materials that undergo further processing by customers. Consequently, emissions associated with downstream processing by customers (Scope 3 Category 10: Processing of Sold Products) also account for a substantial portion of our Scope 3 emissions.

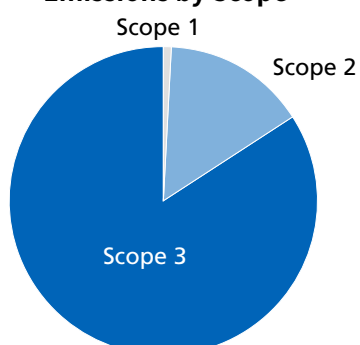
HOYA REPORT 2026

To reduce Scope 3 emissions, we are improving both the efficiency and accuracy of data collection while strengthening engagement with suppliers and customers to promote emissions reductions across the value chain. We are also pursuing certification under the Science Based Targets initiative (SBTi) to further align our emissions reduction efforts with internationally recognized climate goals.

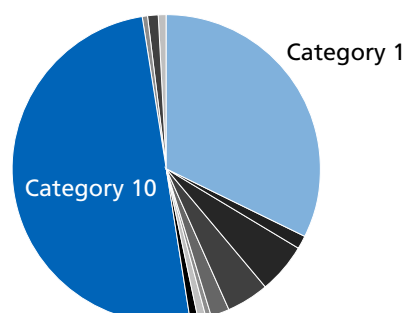
Scope-specific		FY2025 Results (Kt-CO ₂)	Ratio
★Scope 1		23	1%
★Scope 2	Location-basis	460	–
	Market-basis	347	15%
Scope 3	Total	2,005	84%
	★Category 1	651	33%
	Category 2	27	1%
	Category 3	105	5%
	Category 4	90	4%
	Category 5	39	2%
	Category 6	12	1%
	Category 7	15	1%
	Category 8	0	–
	Category 9	17	1%
	★Category 10	1,001	50%
	Category 11	14	1%
	Category 12	18	1%
	Category 13	0	–
	Category 14	0	–
	Category 15	16	1%
GHG Emissions	Total	2,375	100%

★Data assured by an independent third party

Emissions by Scope



Emissions by Scope 3 Category



Scope-specific		Emissions Reduction Initiatives
Scope 1		• Replacement with energy-efficient equipment • Optimization of boiler and air-conditioning operations • Evaluation of electrification opportunities
Scope 2		• Replacement with energy-efficient equipment • Expanded procurement of renewable energy • Optimization of energy usage
Scope 3	Category 1: Purchased Goods and Services	• Collaboration with suppliers to improve emissions visibility • Promotion of energy-efficiency measures and renewable energy adoption throughout the supply chain
	Category 3: Fuel- and Energy-related Activities	• Promotion of energy conservation activities • Expansion of renewable energy use closely linked to Scope 1 and Scope 2 reduction initiatives
	Category 4: Upstream Transportation and Distribution	• Optimization of transportation routes and shipping frequency • Modal shift from air freight to ocean freight • Improved transportation efficiency through packaging size and weight reductions
	Category 5: Waste Generated in Operations	• Promotion of recycling and landfill avoidance for manufacturing waste materials Waste Management
	Category 10: Processing of Sold Products	• Collaboration with customers to support the decarbonization of downstream processing
	Category 12: End-of-life Treatment of Sold Products	• Reduction of packaging materials • Reduction of single-use plastics Waste Management

Scenario Analysis Based on the TCFD Recommendations

From FY2022, 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 FY2030, targeting factories in Thailand and Vietnam, which are the main production sites for these divisions. In FY2023, 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

	Description	Response
Transition risks	• 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.	• 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 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.	• 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.	• 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.	• 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.	• 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.	• Reduction of CO₂ emissions and related costs by improving production efficiency • Investment in DX and DX training

Opportunities	Drafting of BCPs, use of in-house production sites and diversification of suppliers	• Introduction of and training in BCPs • Refurbishment of each plant, geographical diversification of production sites, etc.
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Examples of risks and opportunities in the glass substrate for HDDs business division

	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.	• 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.	• 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.	• 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.	• 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.	• 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	• 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)

	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

Climate-related Risk Management

The HOYA Group continuously monitors developments in the external environment and regulatory landscape relating to climate change. When significant changes occur, climate-related risks are reassessed accordingly.

Physical risks associated with climate change are evaluated through collaboration between relevant corporate functions, including the ESG Promotion Office, and business divisions. Based on these assessments, business leaders work with manufacturing, procurement, retail development, and other relevant functions to develop and implement appropriate mitigation measures.

Transition risks arising from changes in the business environment are addressed by sharing climate scenario analysis results with Sustainability/ESG representatives in each business division, as well as with functions such as environment, quality assurance, and procurement. Appropriate response measures are then developed and implemented according to the characteristics of each business.

The Group also utilizes an Internal Carbon Price (ICP) when assessing the potential financial impact of future carbon taxes, emissions trading schemes, and other carbon-pricing mechanisms, as well as when evaluating investments in renewable energy and energy-efficiency initiatives.

The ICP is based on carbon pricing scenarios published in the International Energy Agency (IEA)'s World Energy Outlook (WEO) and is used in the assessment of climate-related risks and the evaluation of potential response measures.

Water Risk Assessment

An increase in the frequency and severity of natural disasters associated with climate change, as well as water scarcity, may affect not only the operations of our own facilities but also activities across our value

chain, including raw material procurement and customers' manufacturing and sales operations. 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 Stress Risk](#)

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.

Carbon Offset

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 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 FY2025, the Group purchased credits equivalent to some 198 tons of CO₂, which offset approximately 258 tons. (Note: Reported GHG emissions do not reflect the emissions reduction effects of carbon credits.)

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

Water



Initiatives for the Efficient Use of 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.

[HOYA Group Environmental Philosophy and Fundamental Environmental Policies](#)

Water Usage Reduction Targets

The HOYA Group has established a target for three business divisions with significant water consumption (representing approximately 75% of the Group's total water withdrawal) to reduce water withdrawal per unit of production by 16% by FY2030 compared with the FY2021 baseline.

In addition, all manufacturing sites are targeted to maintain annual water withdrawal at or below the FY2021 baseline level.

To achieve these targets, each business division has developed its own targets and roadmaps based on site-specific water usage conditions. Particular emphasis is placed on sites with high water consumption and those located in areas with elevated water stress. Initiatives include process improvements and increased water reuse in manufacturing operations. Through these efforts, we aim to reduce overall water consumption while improving water-use efficiency.

As a result, despite increasing production volumes, total water withdrawal in FY2025 decreased by approximately 14% compared with the baseline year, maintaining performance below our target. Water withdrawal intensity per unit of production was reduced by 16% compared with the baseline year, achieving our target level.

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

16% reduction in water intake per number of products produced* by FY2030 (versus the base year of FY2021). However, we will endeavor to keep total water intake volume below the base year level.

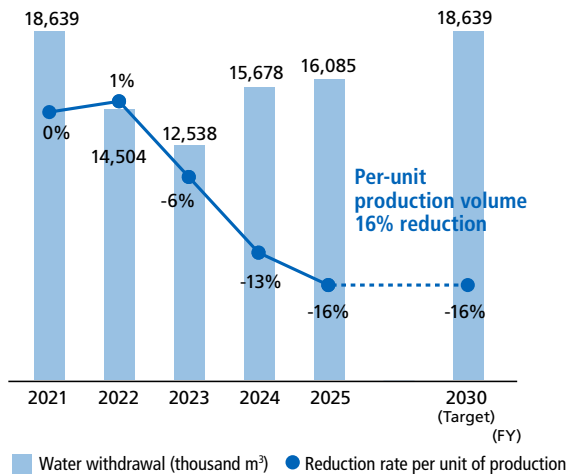
* Number of products produced based on an internally established conversion method to combine operations manufacturing different products

Water Withdrawal

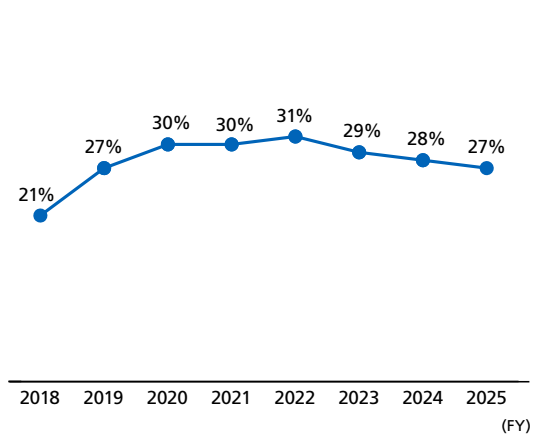
Total water withdrawal by the HOYA Group in FY2025 amounted to 16,085 thousand m³, representing an increase of 3% compared with the previous fiscal year. Meanwhile, water withdrawal intensity per unit of production was reduced by 16% compared with the baseline year, achieving our target level. The water reuse rate remained stable at 27%.

In recent years, we have continuously improved water-use efficiency through initiatives such as manufacturing process optimization and expanded water reuse. In FY2025, we successfully improved water intensity despite increased production volumes, demonstrating steady progress in the efficient use of water resources.

Water Withdrawal



Water Reuse Ratio



[ESG Databook-Environment](#)

Wastewater Management and Water Quality Improvement

The HOYA Group manages wastewater in accordance with applicable laws, regulations, and regional discharge standards, as well as the requirements of the HOYA Group Environmental Facilities Standards. In addition to ensuring the appropriate operation of wastewater treatment facilities, we regularly measure and monitor water quality indicators such as pH, biological oxygen demand (BOD), and water temperature. Water quality testing is also conducted by independent external organizations. Furthermore, the Corporate Environment, Safety and Health Department conducts periodic visits to manufacturing sites to perform internal audits of wastewater treatment facilities and wastewater management systems. Audit findings are incorporated into improvement activities, supporting the continuous enhancement of water quality management.

For example, in the mask blanks manufacturing process, we have reduced the use of chemicals and improved production processes to lower pollutant loads while increasing water

recycling rates. We also implement measures to prevent leaks from wastewater facilities and maintain emergency response procedures for potential releases of hazardous substances, helping to minimize impacts on the aquatic environment.

› [Reduction of Chemical Substances and Water Recycling in Mask Blank Effluent Treatment](#)

Water Stress Risk

Water is one of the critical resources supporting the HOYA Group's business activities. In particular, significant volumes of water are used in the manufacturing processes of the MD Business Division (HDD glass substrates) and the VC Business Division (eyeglass lenses).

To support the sustainable use of water resources, we utilize the Aqueduct Water Risk Atlas tool and conduct site-level assessments to comprehensively evaluate water stress risk across our manufacturing locations. Sites identified as having elevated risk are prioritized for mitigation activities in collaboration with the Corporate Environment, Safety and Health Department. Through these efforts, we seek to improve the efficiency of water use while balancing consideration for local water resources with sustainable business growth.

Region	Number of Manufacturing Sites	Sites with High or Extremely High Water Stress
Japan	9	0
Asia (Excluding Japan)	30	11
Americas	9	2
EMEA	11	4
Total	59	17

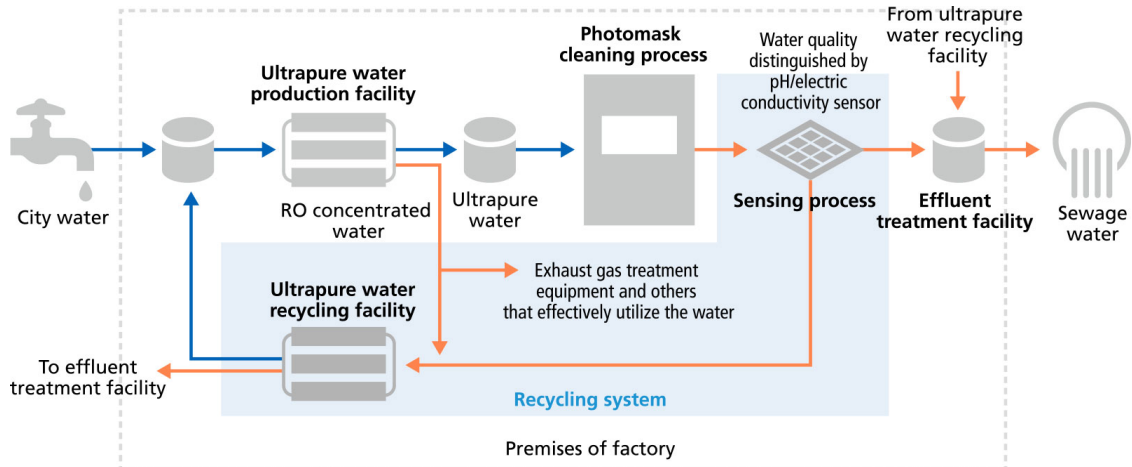
Water Withdrawal	Thousand m ³
Group Total	16,085
Water Withdrawal at Sites Located in Areas of High or Extremely High Water Stress	3,516
Water Withdrawal Group Total High / Extremely High Water Stress Sites Ratio	22%

Initiatives to Reuse Water

The HOYA Group promotes water reuse in manufacturing processes to make more effective use of water resources. Across our businesses, we continue to improve water-use efficiency through process optimization and the introduction of water-saving and water-recycling technologies.

● Recycling of Ultrapure Water in Photomask Manufacturing Process

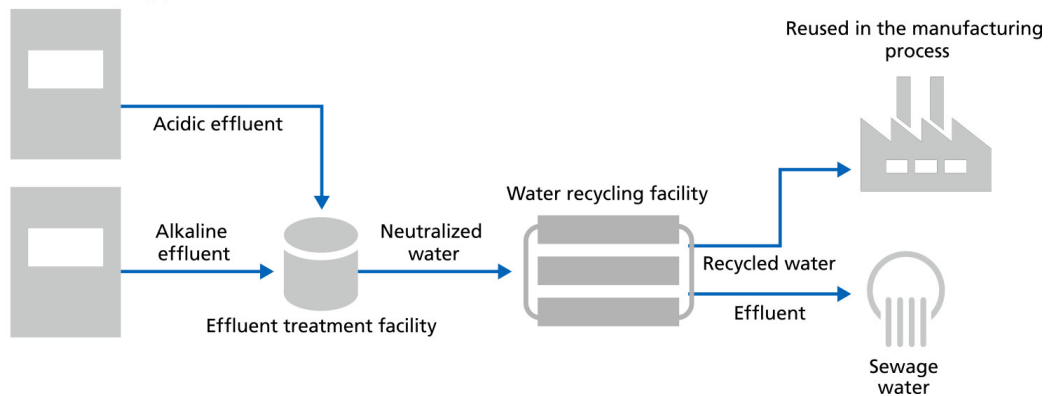
In the photomask manufacturing process, cleaning is performed by using ultrapure water to remove various chemicals and foreign matter. The used water undergoes a process at an effluent treatment facility to be rendered harmless, some of which is subsequently collected and reused. The ultrapure water 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. Extreme ultraviolet (EUV) 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



Pollution Control Measures and Waste



Facility Standards and Pollution Prevention Measures for Environmental Conservation

To prevent adverse environmental impacts both within and outside our facilities, the HOYA Group has established the HOYA Group Environmental Facilities Standards, which define baseline requirements for environmental facilities at sites worldwide and provide a framework for addressing environmental risks such as soil and groundwater contamination and the release of hazardous substances.

Structures designed to ensure safety are incorporated into tanks, piping systems, and wastewater facilities. In addition, wastewater treatment facilities and storage areas are equipped with seepage prevention measures and are subject to regular inspections to minimize the risk of soil and groundwater contamination and hazardous substance leaks.

Furthermore, emergency response procedures and communication protocols with relevant stakeholders and authorities have been established to address potential environmental impacts resulting from the release, leakage, or infiltration of hazardous substances. These procedures are documented in emergency response manuals, and in the event of an incident, root-cause investigations and recurrence prevention measures are implemented thoroughly.

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

The HOYA Group is committed to reducing environmental impacts and advancing resource circularity through appropriate waste management and recycling initiatives at manufacturing sites worldwide. To strengthen these efforts, we have established an annual Group-wide target of achieving a waste recycling rate of 80% or higher. To achieve this target, sites continue improving waste segregation practices, expanding recycling channels, and strengthening collaboration with suppliers and waste management

contractors. Hazardous waste and plastic waste are managed rigorously from an environmental risk perspective. Data relating to waste generation volumes and treatment methods are collected and analyzed to ensure compliance with applicable regulations while supporting the development of waste reduction and reuse initiatives. For plastics in particular, we are promoting both waste reduction and resource circularity through the use of recyclable materials and the evaluation of alternative materials.

In FY2025, our waste recycling rate reached 82%, improving by approximately two percentage points from the previous fiscal year and achieving our target. Going forward, we will continue to promote a circular economy by reducing waste generation and advancing resource recycling.

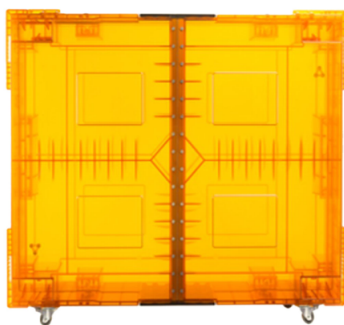
Initiatives toward a Circular Economy

HOYA 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



● Recycling Plastic Waste from Eyeglass Lens Processing

HOYA Lens Australia promotes the recycling of plastic waste generated during the lens processing stage. In collaboration with an external partner, plastic waste that was previously sent to landfill is combined with recycled materials from used eyeglasses and other plastics and repurposed into recycled construction blocks. This initiative helps reduce landfill waste, promote resource circularity, and advance a collaborative circular economy model with stakeholders.

Case Study Video: [Recycling Plastic Waste from Lens Processing](#)

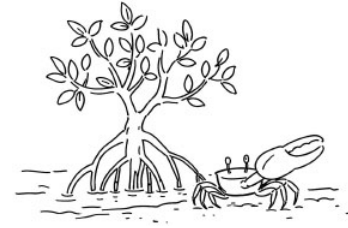
● Advancing Resource Circularity Through Packaging Reduction

PENTAX Medical is reducing material consumption through packaging redesign and material optimization initiatives.

Since 2020, the company has reduced cardboard consumption by 33% and cushioning material usage by 69% through package-size optimization. Additional efforts, including the adoption of trays made from recycled cardboard and the review of logistics materials, have also reduced plastic consumption. These initiatives contribute to both waste reduction and improved resource efficiency while also enhancing logistics efficiency and reducing environmental impacts.

› [PENTAX Medical Website: Sustainability & ESG](#)

Biodiversity



Nature-related Disclosures Based on the TNFD Recommendations

In accordance with the HOYA Group Sustainability Policy, we are committed to reducing environmental impacts arising from our business activities. Recognizing the growing importance of understanding and managing both dependencies and impacts on natural capital, we have strengthened our approach to nature-related risks and opportunities. These efforts are integrated into our existing environmental risk management processes and managed within a Group-wide framework.

To systematically advance our understanding of natural capital, we initiated assessments based on the **TNFD (Taskforce on Nature-related Financial Disclosures) LEAP approach** in FY2025.

As a first step, we assessed our manufacturing sites using the Locate and Evaluate phases of the LEAP approach. This initial assessment was designed to identify key interfaces with nature and to better understand material dependencies and impacts on natural capital. The assessment adopted a region-specific approach reflecting the geographic characteristics of each site and evaluated both dependencies on and impacts to natural capital.

Going forward, we will expand the scope of assessments and deepen our analysis to strengthen our understanding of nature-related risks and opportunities. Based on the results, we will continue evaluating approaches to risk management and enhancing nature-related disclosures.

Assessment Process Based on the LEAP Approach



Locate

We conducted environmental risk assessments for approximately 60 manufacturing sites using external databases covering water stress, biodiversity, and proximity to protected areas. While relatively high water stress was identified at certain overseas sites, exposure to water-related risks was not found to be concentrated at a level that would result in significant impacts at present. In addition, no direct overlap was identified between our sites and biodiversity-important areas or legally protected areas, leading us to conclude that impacts associated with land use are currently limited. We will continue strengthening environmental risk management through ongoing monitoring and more advanced analysis.

Data Category	Database
Water Stress	Aqueduct Water Risk Atlas tool
Biodiversity	IBAT (Integrated Biodiversity Assessment Tool)
Protected Areas	Protected Planet

Evaluate

Using ENCORE, a tool that evaluates business dependencies and impacts on natural capital, we assessed the materiality of natural capital dependencies and impacts across the Group's businesses.

From a dependency perspective, certain businesses within the Life Care segment were found to have relatively high dependence on water-related ecosystem services, including:

- Water purification
- Water supply
- Water flow regulation
- Flood mitigation

Although most Life Care businesses other than Eyeglass Lenses have relatively limited dependence on water resources, some businesses within the Information Technology segment consume substantial amounts of water. As a result, we recognize effective water resource management as an important priority.

From an impact perspective, emissions to air, soil, and water were identified as key management issues across both the Life Care and Information Technology segments. In addition to ensuring compliance with environmental regulations, we will continue reducing environmental impacts while considering the potential effects of our operations on water resources and biodiversity.

Segments	Business Units	ISIC Group (Industry Classification)	Dependencies					
			Climate Regulation and Maintenance Services					
			Soil and Sediment Retention	Water Purification	Flood Mitigation Services	Water Supply	Storm and Wind Protection	Water Flow Regulation
Life Care	Eyeglass Lenses Intraocular Lenses (IOLs) Other Medical Related Products	Medical Devices		VH	M	H	M	H
	Medical Endoscopes	Endoscopes		M	M	M	M	M
	Contact Lenses	Retail	M		M		M	M
Information Technology	Glass Substrates for HDDs	Magnetic Media		M	M	M	M	M
	Semiconductor Mask Blanks and Photomasks FPD Photomasks	Substrates		M	M	M	M	M
	Optical Solutions	Optical Equipment		M	M	M	M	M

Segments	Business Units	ISIC Group (Industry Classification)	Impact Categories				
			Disturbance	Climate Change	Pollution		Resource Extraction
			Greenhouse gas (GHG) emissions	Greenhouse gas (GHG) emissions	Emissions of air pollutants other than	Release of hazardous substances into soil and water	Water consumption
Life Care	Eyeglass Lenses Intraocular Lenses (IOLs) Other Medical Related Products	Medical Devices		M	H	M	M
	Medical Endoscopes	Endoscopes	M	M	H	M	M
	Contact Lenses	Retail		M			M
Information Technology	Glass Substrates for HDDs	Magnetic Media	M	M	H	M	M
	Semiconductor Mask Blanks and Photomasks FPD Photomasks	Substrates	M		H	H	
	Optical Solutions	Optical Equipment	M	M	M	M	M

Items below L (Low), including VL (Very Low), N/A (Not Applicable), and ND (No Data), are not shown.

M: Medium

H: High

VH: Very High

Key Findings from the Nature-related Assessment

Based on the results of the analysis, no material nature-related risks to the Group's businesses have been identified at this time.

However, the assessment confirmed that the Group maintains meaningful connections to natural capital through its dependence on water resources and through environmental impacts associated with business activities.

In particular, the following were identified as relatively significant topics from both dependency and impact perspectives:

- Climate change
- Water resources
- Waste management

These themes are consistent with the environmental priorities that the Group has managed for many years. We believe that our existing initiatives contribute not only to reducing environmental impacts but also to mitigating nature-related risks.

Going forward, we will continue advancing initiatives in these priority areas while further enhancing our analysis of both dependencies and impacts on natural capital. Through these efforts, we aim to strengthen our ability to identify potential risks and opportunities and respond appropriately.

Related Topics

[Climate Change](#) [Water](#) [Pollution Control Measures and Waste](#)

Biodiversity-related Activities Across Business Divisions

Sites across the Group undertake biodiversity-related initiatives tailored to local conditions, including tree-planting programs, community clean-up activities, and participation in local environmental conservation initiatives.

Through these activities, we promote coexistence with nature while fostering greater environmental awareness among employees.

● Biodiversity Conservation Through Mangrove Restoration in Thailand

As part of One Vision, HOYA Vision Care's employee-led sustainability program, which empowers employees around the world to initiate and participate in activities that address environmental and social challenges, we promote biodiversity conservation and ecosystem restoration.

Since 2016, employees at our major manufacturing site in Thailand have participated in ongoing mangrove planting and forest restoration activities in partnership with local communities and government organizations.

In addition to mangrove and forest restoration, activities include installing "Crab Condos" to support marine habitats and planting food trees for wildlife.

To date, approximately 3,000 trees, including 2,100 mangroves, have been planted, along with 200 food trees and 40 Crab Condos. Around 500 employees have participated, contributing more than 3,800 volunteer hours. These activities not only contribute to biodiversity conservation but also help raise environmental awareness among employees and strengthen connections with local communities. The annual CO₂ absorption effect of these planting activities is estimated at approximately 70 tons.

Case Study Video: [Mangrove Afforestation by HOYA Vision Care in Thailand](#)



Social

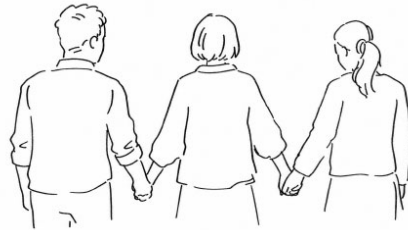
We regard our people as important human capital that supports the creation of corporate value, and we promote the success of a diverse global workforce. In recent years, we have enhanced our workplaces through initiatives informed by employee engagement surveys while encouraging employees' self-directed growth and active participation. In addition, by developing personnel systems and work environments that foster autonomy and creativity, we aim to drive innovation through the diverse talents of our employees.



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.

To clarify its commitment to respecting human rights, the HOYA Group established the [HOYA Group Human Rights Policy](#) with the approval of the Board of Directors. The policy is based on international principles and guidelines, including the UN International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the Ten Principles of the UN Global Compact. Based on this policy, the Group puts its respect for human rights into practice through human rights due diligence, relief measures, stakeholder dialogue, awareness-raising and education, and disclosure. The Human Rights Policy is published on the HOYA Group website in Japanese and English to promote awareness among stakeholders.

HOYA Global Code of Conduct

Formulated based on the Group's Corporate Mission and values, the [HOYA Global Code of Conduct](#) stipulates basic guidelines to be complied with when performing operations. The Code clearly states that basic human rights must be respected, discrimination and harassment eliminated, and child labor, forced labor, and human trafficking prohibited. It also aims to create a safe and healthy workplace where employees can feel secure while they work.

Reflecting the Group's global operations, the Code has been translated into 27 languages. To promote understanding of the Code, all Group employees participate annually in e-learning and confirmation testing. The Group also conducts internal audits to verify that these procedures are properly implemented. In FY2025, the submission rate for confirmations of compliance with the Code of Conduct by Group employees was 99.5%.

Framework

Under the authority of the Chief Sustainability Officer (CSO), the ESG Promotion Office at Group headquarters plays a central role in developing Group-wide human rights policies and plans and monitoring their progress, in collaboration with relevant corporate functions, including compliance, legal, and human resources.

In addition, under the global compliance risk management framework overseen by the Chief Compliance Officer (CCO), the Group addresses compliance matters, including human rights-related issues such as labor compliance, consumers' and patients' rights to safety and information, privacy protection and personal information management, and the prevention of bribery and corruption. These activities and their progress are reported regularly to the Board of Directors, and continuous improvement is pursued under the Board's oversight.

Due Diligence on Human Rights

Due Diligence Policy

Following approval by the Board of Directors, the HOYA Group established the [HOYA Group Due Diligence Policy](#) to clarify its basic approach and framework for identifying and assessing adverse human rights impacts, as well as the processes for preventing, mitigating, and remedying such impacts. Based on this policy, the Group identifies and assesses human rights risks in its business activities and value chain and promotes initiatives aimed at preventing and mitigating adverse impacts.

Identification and Assessment of Human Rights Issues (Adverse Impacts)

To identify human rights risks in its value chain, the HOYA Group conducted a human rights impact assessment covering four business divisions: the Eyeglass Lens Division, Medical Endoscope Division, Semiconductor Mask Blank Division, and HDD Glass Substrate Division, taking into account the nature of their businesses and the external environment. In conducting the assessment, the Group drew on the expertise of external specialists and considered international standards and guidelines^{*1}, industry characteristics, country risks, and other external data, as well as interviews with business divisions and relevant corporate functions. Based on these inputs, the Group identified and organized potential human rights issues for each stakeholder group.

The Group subsequently reassessed certain issues through ongoing stakeholder engagement and reviewed its human rights issues based on the results of that reassessment. The revised assessment results for FY2025 are presented in the table below. The Group continues to assess the risk of forced labor within labor compliance and will update its assessment as appropriate in response to changes in circumstances.

^{*1} These include the UN International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Ten 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		✓	✓	✓		✓

Addressing Potential Issues Within the Group

■ Wages Paid to Employees

The HOYA Group confirms that employees across its operations are paid appropriately and in compliance with the minimum wage requirements of each country in which it operates. Beyond compliance with statutory minimum wage requirements, the Group continues to examine appropriate wage levels that enable employees to maintain a decent standard of living.

■ Prevention of Forced Labor

To prevent forced labor among its employees, the HOYA Group conducts surveys of all employees to better understand actual working conditions.

■ Measures for Preventing Bribery and Corruption

In line with the HOYA Global Code of Conduct, the Group has been strengthening its efforts to prevent bribery and corruption. The [Anti-Bribery and Anti-Corruption Policy](#), approved by the Board of Directors, sets out specific rules, management frameworks, and education and training measures designed to prevent bribery and corruption.

Compliance with the Policy and related divisional policies is regularly audited by the Group's internal audit departments. In addition, all employees receive training on the HOYA Global Code of Conduct. In

addition, the Group continues to provide specialized training programs for employees in its Life Care businesses, which are exposed to relatively higher bribery and corruption risks due to the nature of their operations.

In FY2025, there were no politically related contributions and no material violations of anti-bribery or anti-corruption laws requiring public disclosure.

In the event of suspected misconduct, procedures have been established in accordance with the Company's disciplinary committee regulations. The responsible department conducts fact-finding investigations, including interviews with relevant parties and the collection of evidence. Based on the findings, the Company determines whether the disciplinary committee should be convened.

The committee deliberates after providing the individual concerned with an opportunity to respond and determines any disciplinary measures through the prescribed decision-making process. To ensure fairness, the process includes safeguards such as the exclusion of persons with conflicts of interest and confidentiality requirements.

For information on how other issues are addressed, please refer to the following webpages.

Preventing discrimination and harassment: [HOYA Global Code of Conduct, Prevention of Harassment](#)

Providing access to assistance: [HOYA Helpline \(Whistleblowing and Consultation System\)](#)

Protecting privacy and the security of personal information: [Protection of Privacy](#)

Promoting gender equality: [Diversity and Inclusion](#)

Maintaining occupational health and safety: [Health and Safety](#)

Ensuring Compliance Among Suppliers

■ HOYA Supplier Code of Conduct

To ensure that suppliers uphold standards of legal compliance and ethical business practices equivalent to those of the HOYA Group, we have established the [HOYA Supplier Code of Conduct](#) and request suppliers to acknowledge, sign and comply with it. Reflecting growing global concern over human rights and environmental issues in supply chains, as well as the increasing importance of responsible procurement, we revised the Code in FY2024.

The revised Code requires suppliers to prohibit forced labor, child labor, discrimination, harassment, corruption and bribery, while respecting freedom of association and the right to collective bargaining, securing occupational health and safety, and supporting environmental protection. The HOYA Group will continue to require suppliers to comply with the Code.

To promote responsible mineral procurement, the Group conducts conflict minerals surveys and monitors results based on targets for supplier response rates and the number and percentage of smelters compliant with the Responsible Minerals Assurance Process (RMAP). Through these efforts, the Group works to reduce risks across its supply chain.

› [Supply Chain Management](#)

■ Early Initiatives by Business Divisions

Some business divisions have taken the lead in identifying and assessing potential negative impacts within the supply chain ahead of Group-wide initiatives.

The MD Division conducts supplier assessments, including human rights risks, by confirming supplier compliance with the Responsible Business Alliance (RBA) Code of Conduct at the start of business relationships and on a regular basis thereafter.

In addition, PENTAX Medical conducted a pilot questionnaire at selected Europe-based entities prior to global rollout in order to identify and assess human rights risks among suppliers. Human rights policies and declarations, as well as the presence of any negative news, were reviewed as part of the assessment. Based on the results, the division has engaged with suppliers to help mitigate potential adverse impacts.

Going forward, the HOYA Group intends to integrate and expand these divisional initiatives across the Group, with a focus on identifying human rights issues involving a broader range of stakeholders and promoting collaboration through stakeholder engagement.

Ensuring Product Safety for Consumers and Medical Patients

To ensure rigorous compliance with domestic and international standards applicable to Life Care products, as well as relevant laws, regulations, and other guidelines related to product quality and safety, and thereby strengthen its product safety management system, the HOYA Group has operated a Healthcare Compliance Committee composed of Independent Directors since FY2022. Drawing on the objective advice of the Independent Directors serving on the Committee, as well as expert advice where necessary, the Group carries out activities to ensure product safety, led by personnel responsible for regulatory affairs and compliance.

- › [Product Safety and Quality](#)
- › [Privacy and Data Protection](#)

Corrective and Grievance Mechanisms

As part of its compliance framework, the HOYA Group has operated the HOYA Helpline since 2003 to receive whistleblowing reports and requests for advice from both internal and external stakeholders, including employees of business partners. When violations or suspected violations of laws, regulations or the HOYA Global Code of Conduct are reported, the Group seeks to identify issues at an early stage and respond promptly and appropriately while protecting whistleblowers, thereby supporting sound business operations across the Group.

The HOYA Helpline provides an environment in which anyone can raise concerns with confidence, including 24-hour multilingual web-based reporting, consultation in local languages and the option to report anonymously. Based on rules governing the operation of the helpline in compliance with applicable laws and regulations, the Group strictly prohibits any disadvantageous treatment of whistleblowers and ensures the confidentiality of both reports and whistleblower information. The status of reports received and related responses is reported quarterly by the Chief Compliance Officer (CCO) to the Audit Committee.

In FY2025, there were no reports from within or outside the Group that had a material impact on the Group's business.

- › [HOYA Helpline \(Whistleblowing and Consultation System\)](#)

Employee Education and Training

The HOYA Group conducts ongoing education and awareness initiatives to deepen employees' understanding of and commitment to compliance, including respect for human rights. To ensure that the HOYA Global Code of Conduct is thoroughly understood and embedded across the Group, all employees are required to complete annual e-learning programs and knowledge assessments.

In addition, to uphold the dignity of every employee and foster a workplace free from harassment, HOYA has established the HOYA Group Policy and Guidelines on Measures to Prevent Harassment. Based on these guidelines and applicable local laws and regulations, the Group provides anti-harassment training to all employees and offers role-specific training programs for managers and supervisors.

Modern Slavery Statement

In accordance with the UK Modern Slavery Act 2015, the HOYA Group publishes a statement describing its efforts to prevent slavery, human trafficking and related practices.

› [HOYA Group – Modern Slavery Statement](#)

Human Capital

Strategy for Human Resource Development



Human Capital Strategy

The HOYA Group regards human capital as one of its most important assets and seeks to strengthen its competitive advantage and create value over the medium to long term through continuous investment in its people.

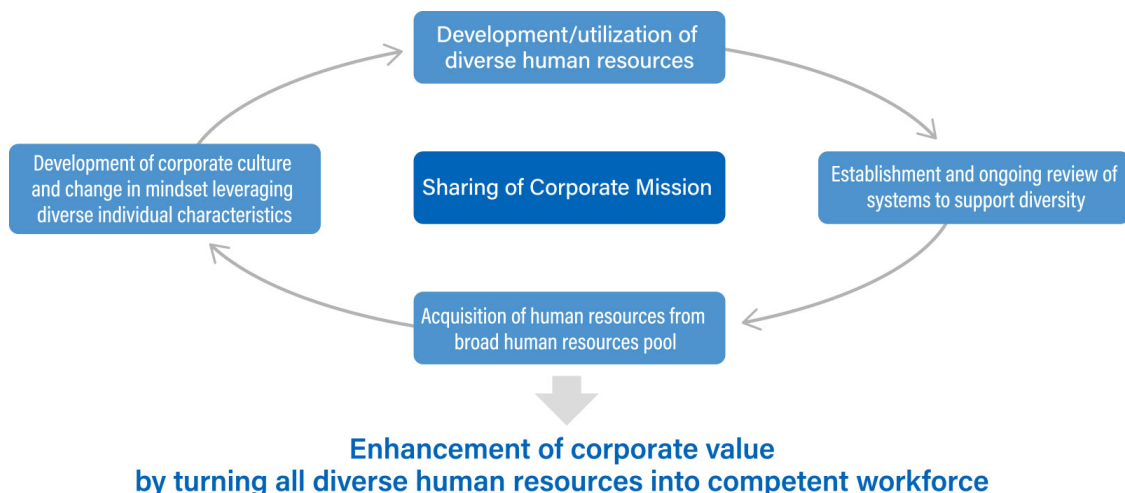
Under its portfolio-based management approach, centered on the Information Technology and Life Care businesses, the Group promotes its human capital strategy in close alignment with its business strategy. People are a critical foundation of its decentralized management model, in which each business is empowered to make decisions autonomously and swiftly. The Group also views its diverse global workforce as a key strength supporting its worldwide operations.

Based on this philosophy, the Group has made the HOYA Global Code of Conduct, its common behavioral standard, available in 27 languages to foster shared values across the organization worldwide. At the same time, it strives to create an environment in which every employee's autonomy and creativity are respected and their capabilities can be fully demonstrated.

Amid intensifying global competition for talent, the Group believes that enabling diverse talent to thrive and enhancing employee engagement are essential drivers of innovation and competitiveness, and important foundations for sustainable growth and long-term value creation.

In addition to the previously identified material issues of diversity and inclusion and employee engagement, the Group has identified stable recruitment and retention of required talent, talent development and capability building, occupational health and safety, and a compliance-oriented workplace environment as key human capital-related material issues.

For these priorities, the Group is developing and refining KPIs and enhancing effectiveness through ongoing monitoring. By linking its human capital strategy with its business strategy, the Group aims to enhance corporate value over the medium to long term.



Related Articles

- › [Diversity and inclusion](#)
- › [Human resources training and skills development](#)
- › [Promoting health management](#)
- › [Employee engagement and value creation](#)
- › [Health and safety](#)
- › [Preventing harassment](#)

Diversity and Inclusion

Making the Most of Global Talent and Local Leadership

The HOYA Group values workforce diversity as a foundation supporting its global operations and portfolio management. Under its decentralized management model, which delegates significant authority to individual business divisions, the Group recruits and assigns personnel based on their capabilities regardless of nationality or gender, while proactively appointing leaders with deep knowledge of their markets and business characteristics.

As a result of these efforts, approximately 90% of the Group's employees are based outside Japan, and around 90% of its overseas subsidiaries are led by local nationals or other non-Japanese leaders. This enables decision-making that is closely aligned with local market characteristics and customer needs, while supporting swift execution of strategies in response to changes in the business environment.

While respecting the autonomy of regional organizations under its decentralized management framework, the Group is also committed to strengthening leadership capabilities across the organization. Through globally shared leadership development programs and other talent development initiatives tailored to employees' roles and responsibilities, the Group supports autonomous decision-making while promoting the consistent adoption of common values and management standards throughout the Group.

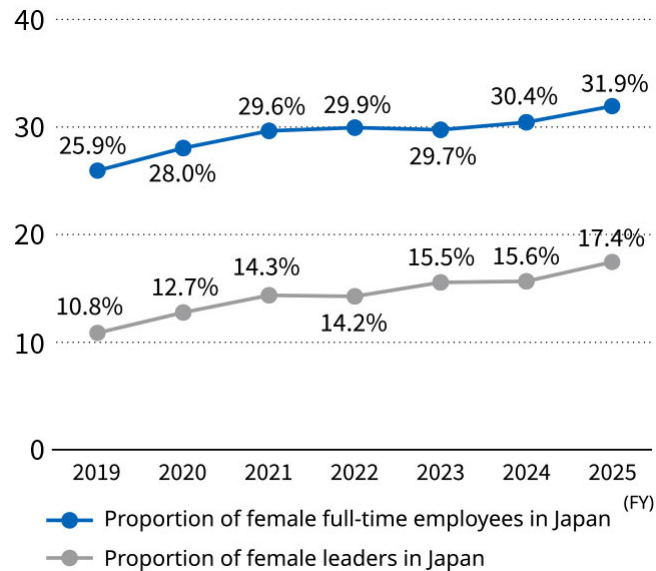
Promoting Gender Diversity

In 2014, HOYA Corporation launched “Min-Katsu,” a diversity promotion initiative, to create a workplace environment in which every employee can find their work rewarding and fully realize their potential. As part of this initiative, the Company has identified increasing the representation of female employees and female leaders (defined as head of an organization at the subsection chief equivalent or above, as well as highly skilled professionals) in Japan, where female representation remains relatively low, as a key priority. To achieve its target of raising the ratio of female leaders in Japan to 20% by the end of FY2028, the Company is implementing a range of measures, including eliminating gender-based assumptions regarding roles and responsibilities, systematically developing female leadership candidates and providing them with growth opportunities, and proactively recruiting external talent.

On a group-wide basis, the ratios of female employees and female leaders are relatively high. Business divisions and sites around the world are working to create environments in which diverse talent can fully demonstrate their abilities and to build organizations that enable every employee to thrive.

In addition, HOYA Corporation continues its efforts to ensure diversity at the leadership level. Two of its seven directors are female independent outside directors (28.6%), while women account for three of all directors and executive officers, including executive officers (37.5%).

Proportion of Female Employees and Female Leaders



Gender Pay Gap

The Company operates a remuneration system based on its Pay for Performance philosophy, under which compensation is determined according to employees' performance and responsibilities, regardless of age or gender.

In FY2025, the women's average pay as a percentage of men's average pay in Japan was 41.1% across all employees. The primary factors behind this disparity are the high proportion of female non-regular employees in the contact lens retail business and the relatively low proportion of women in managerial positions in Japan.

The Company calculates and analyzes the gender pay gap annually, continuously assesses its underlying causes, and develops measures to address them. Through initiatives such as career development support and leadership development for women, as well as the promotion of diverse working styles, the Company is working to reduce the gap. At the same time, it conducts ongoing monitoring as it seeks to create a more equitable and rewarding workplace environment.

Going forward, the Company plans to expand these initiatives to its overseas Group companies and work to improve gender pay parity across the Group.

HR Systems Supporting Fairness and Transparency

The HOYA Group has established globally consistent human resources and compensation systems that emphasize fairness and transparency as a foundation for diversity and inclusion.

Based on its Pay for Performance philosophy, under which treatment and compensation are determined according to roles and performance, the Group applies the same compensation range to employees performing the same role regardless of nationality, gender, age, or other attributes. Through this approach, it promotes fair and consistent talent management across the Group.

Employee evaluations are conducted comprehensively based on achievement of performance targets, demonstrated behaviors, application of professional expertise, and contributions to the organization. Evaluation results are reflected in compensation and talent development initiatives. In FY2022, the Group introduced a globally common evaluation framework, establishing a system under which performance and

behaviors are assessed against standardized evaluation criteria regardless of country or business division. In addition, through the establishment of clear expectations and the use of 360-degree evaluations, the Group seeks to enhance the objectivity and credibility of its evaluation process.

The Group has also introduced an employee stock-based compensation plan, PSO, to foster awareness of enhancing corporate value over the medium to long term. The plan supports proactive behavior and encourages decision-making from a medium- to long-term perspective.

Through these systems and their ongoing operation, the Group strives to enhance the transparency and credibility of its talent management practices while building an organization in which diverse employees can confidently demonstrate their abilities and reach their full potential.

Supporting Diverse Career Paths and Flexible Workstyles

The HOYA Group is promoting the development of systems worldwide that support flexible ways of working and self-directed career development, with the aim of creating an environment in which diverse talent can proactively shape their careers and continue to thrive over the long term.

As a foundation for supporting employees' autonomous growth and success, the Group designs and operates systems that reflect the social and employment environments of each region. The Group also provides opportunities for employees to acquire diverse experiences and skills, including through transfers between business divisions.

In Japan, the Company established the Career Design Lab in 2025 to strengthen support for self-directed career development, including reskilling initiatives. The Company also actively recruits mid-career professionals, including through alumni recruitment, to bring external perspectives into the organization and enhance organizational diversity and flexibility.

In addition, the Company supports diverse ways of working that reflect employees' individual life stages and values through initiatives such as a defined contribution pension plan, a flexible leave system that includes an optional four-day workweek, a secondary employment program, and childcare and caregiving support programs. Training on asset building and pension systems is also provided to support long-term career development and life planning.

Furthermore, in response to social challenges in Japan, including a declining workforce and an aging population, the Company has abolished its mandatory retirement age and established an environment in which employees can continue to demonstrate their abilities regardless of age.

Through these initiatives, the Group promotes self-directed career development and enables employees to fully demonstrate their capabilities. By creating an environment in which diverse talent can maximize their potential, the Group aims to enhance corporate value over the medium to long term.

Systems Supporting Diverse Ways of Working

The HOYA Group has established programs and benefits tailored to the characteristics of each country and business to support employee well-being and diverse ways of working. To further promote flexible work styles, the Group continuously reviews its working arrangements and introduces new initiatives. In addition, it provides its own employee benefit programs that complement and enhance public support systems, including childcare and caregiving support as well as assistance during illness or injury.

Examples:

Support for Diverse and Flexible Ways of Working • Flextime system • Reduced working hours and reduced working days • Remote work • Side jobs • Changes to working arrangements (including working hours and work arrangements) • Flexible leave system (optional four-day workweek) • Work-interval program • Programs promoting the use of annual paid leave through sick leave and other leave arrangements • Challenge Leave*	Support for Childcare and Nursing Care • Childcare leave and reduced working hours for childcare • Leave to care for sick children • Programs for encouraging male employees to take childcare leave • Early return-to-work support program • Caregiving leave and caregiving leave of absence • Reduced working hours for caregiving Support for Career Development and Financial Well-being • Alumni recruitment • Programs supporting employees' asset building
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Note: The details and eligibility of the programs and systems listed above vary depending on job positions and the countries and regions where they are provided.

* Challenge Leave: HOYA Corporation grants Challenge Leave to employees upon reaching certain service milestones. Employees on a five-day workweek receive 20 days of Challenge Leave upon completing 10, 20, and 30 years of service.

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 part of these efforts, the Group operates the Ichikawa Challenge Office, which serves as a base supporting the Eyecity Eco Project, an environmental initiative promoted by Eyecity, HOYA's contact lens specialty retail chain.

At this office, work assignments and workplace environments are tailored, and ongoing support systems are put in place, to enable people with disabilities to connect with society through their work and achieve personal fulfillment. Through these initiatives, the Group provides opportunities for people with disabilities to play an active role in the workplace while promoting an environment in which everyone can thrive.

The Ichikawa Challenge Office Supporting the Eyecity Eco Project

The Ichikawa Challenge Office, the core operational base of the Eyecity Eco Project, is a workplace where people with disabilities play a central role.

Since its establishment in 2011, the office has continued to develop an environment in which each individual can fully demonstrate their abilities and work with confidence over the long term.

This initiative has attracted significant interest both within and outside the HOYA Group, and the office welcomes visits and study tours from the Group's overseas sites as well as organizations that support the employment of people with disabilities. By combining support for the active participation of people with disabilities and the reduction of environmental impact, the initiative contributes to

fostering an organizational culture that respects diversity, enhancing employee engagement, and strengthening social trust.

Labor and Management Dialogue on Working Conditions

The HOYA Group respects the labor laws and labor-management practices of the countries and regions in which it operates and engages in discussions with labor unions or employee representatives regarding working conditions and workplace environments. The scope of collective bargaining agreements varies by country and region, and the Group-wide collective bargaining coverage rate is 49% of all employees.

Through ongoing dialogue with employees, the Group seeks to understand employee perspectives and uses this feedback to improve labor management practices and create supportive workplace environments.

Employee Engagement and Value Creation

Employee Engagement Survey and Continuous Improvement Cycle

The HOYA Group regularly conducts employee engagement surveys covering its global workforce. In the most recent survey conducted in FY2024, 94% of employees participated, and the engagement score was 74, maintaining a level above external benchmarks.

Survey results are analyzed at both the Group and organizational levels, and issues identified through dialogue with employees are incorporated into action plans aimed at improving workplace environments.

Regardless of employment status or geographic location, the Group provides initiatives to enhance employee engagement as well as opportunities for education and training. In businesses that employ a large number of non-regular employees, the Group also supports the demonstration of employees' abilities and stable employment through workplace improvements, talent development initiatives, and incentive programs.

By continuously advancing these initiatives, the Group seeks to enhance employee engagement and strengthen organizational capabilities.

One Vision: A Global Sustainability Program Driven by Employees

The Vision Care Division, which operates the HOYA Group's eyeglass lens business globally and has the largest workforce in the Group, promotes its own sustainability program, One Vision. Built around three pillars, Environment, Workplace, and Community, the program seeks to raise employees' awareness of sustainability and promote the adoption of shared values across the organization.

At the core of the program is One Vision Day, during which sites around the world plan and implement activities tailored to the characteristics of their local



communities and workplaces. Through initiatives such as free vision screenings at schools, tree-planting and community clean-up activities, donations of eyeglass lenses, and fundraising campaigns, employees actively participate in social contribution activities.

In addition to contributing to local communities, these activities provide opportunities for employees to put their personal values and commitment to social contribution into practice. By fostering a stronger sense of connection to the organization and unity among employees, the program also contributes to higher employee engagement.

Employee Recognition Programs

The HOYA Group has established Group-wide recognition programs as well as programs tailored to the characteristics of individual business divisions, with the aim of fostering a culture that recognizes employees' challenges and achievements. Among the Group-wide programs, the ESG Awards recognize initiatives that contribute to sustainable value creation across a wide range of themes, including reducing environmental impact, addressing social issues, creating better workplace environments, and transforming business operations. These initiatives help promote innovation, facilitate the sharing of knowledge and best practices, and enhance employee motivation.



Talent Development and Capability Building

The HOYA Group implements talent development strategies tailored to the characteristics of each business. In advanced technology fields, the Group focuses on developing and securing research and engineering talent, while in its retail businesses it places greater emphasis on employee retention and talent development. Through these and other talent initiatives, the Group supports the competitiveness of each business. In addition, as a Group-wide initiative, the HOYA Group supports the sustainable growth of both its people and its organization through leadership development, career development support, and the expansion of learning opportunities.

Career Development and Talent Development

The HOYA Group places importance on creating an environment in which employees can take ownership of their careers and continue to grow. In addition to providing on-demand learning opportunities, the Group offers a wide range of development opportunities through on-the-job training (OJT), mentoring programs, and position-based training programs.

The Group also offers common leadership development programs across the organization, helping employees acquire skills in team management, strategy execution, and coaching according to their roles

and levels. In addition, management and leadership training tailored to the characteristics of individual businesses and regions is provided to strengthen organizational decision-making and execution capabilities.

Furthermore, each business division offers job-specific training programs, including specialized professional education. For example, retail businesses provide customer service and hospitality training to enhance customer value, while the Information Technology business conducts sustainability training based on the Responsible Business Alliance (RBA) Code of Conduct. Through these initiatives, the Group promotes talent development aligned with the characteristics and needs of each business.

Talent Development Supporting Store Service Excellence

At Eyecity, HOYA's chain of contact lens specialty stores, dedicated development programs are implemented to enhance the customer service and hospitality skills of store staff. Training combines e-learning and on-the-job instruction and is provided to a broad range of employees regardless of employment status.

The training framework consists of three pillars: Operational Training, which develops customer service and hospitality skills; Technical Training (four levels), which provides specialized knowledge of contact lenses; and Management Training, which equips employees with the knowledge and skills required for team management.

In addition, Eyecity supports the growth of diverse talent, including non-regular and short-hour employees, by providing learning opportunities and flexible working arrangements tailored to individual lifestyles. Through these initiatives, Eyecity develops personnel who combine technical expertise with hospitality while providing opportunities for career development, including conversion to regular employment.

Talent Development Supporting Responsible Manufacturing

Employees of HOYA Electronics Singapore Pte. Ltd., part of the Group's Large-Scale Integration (LSI) Division, participate on an ongoing basis in sustainability training based on the Responsible Business Alliance (RBA) Code of Conduct and tailored to the characteristics of the electronic components business.

The program helps employees deepen their understanding of occupational health and safety, human rights and labor practices, environmental responsibility, and business ethics. Through this training, each employee acquires the knowledge and awareness required for responsible business conduct, thereby supporting manufacturing activities that uphold safety, quality, and ethical standards while helping develop talent capable of sustaining responsible business operations.

Developing and Securing Talent for Future Growth

Under its “a big fish in a small pond” strategy, the HOYA Group seeks to achieve sustainable growth over the medium to long term by establishing competitive advantages in highly differentiated technologies and market niches. As a talent initiative supporting this strategy, the Group is establishing HOYA Incubation Laboratories (HILS), a cross-functional research and development organization. In addition to conducting R&D directly linked to individual businesses, HILS will promote Group-wide research activities and the exploration of future growth opportunities. By bringing together expertise from across business boundaries,

HILS will foster innovation while systematically developing and securing the research and technical talent needed to support future growth. Through these efforts, the Group aims to strengthen its technological foundation and enhance corporate value over the medium to long term.

DX and the Use of AI

The HOYA Group is promoting digital transformation (DX) as a foundation for improving productivity and creating new value. By leveraging digital technologies and AI, the Group is addressing operational challenges, improving efficiency, and enabling employees to perform at their full potential. As part of its efforts to develop talent capable of supporting DX, the Group provides training programs on generative AI and data analytics across its sites to enhance employees' digital skills.

In addition, based on a Group-wide policy governing the appropriate use of information systems, including AI, the Group has established usage rules and provides annual training to all employees to deepen understanding and promote the proper use of these technologies.

In manufacturing operations, each business division is advancing the digitalization of business processes and improving efficiency through automation and standardization. In businesses with large-scale manufacturing operations, dedicated system development organizations have been established within the divisions to integrate procurement, inventory, quality, and production systems centered on ERP platforms. This enables centralized data management across processes and sites, improving the visibility and traceability of manufacturing and quality information while enhancing productivity and reducing workloads at production sites.

In the retail business, Eyecity is expanding customer service channels through the use of AI chatbots and other technologies, improving customer convenience and service quality, and thereby contributing to higher customer satisfaction.

In addition, the Group is utilizing AI technologies in back-office operations to improve administrative efficiency.

Through these initiatives, the Group is creating an environment in which employees can focus on higher value-added activities. At the same time, by strategically deploying the human resources freed up through these initiatives, the Group aims to enhance its overall competitiveness and support sustainable value creation.

Human Capital

Occupational Safety and Health



HOYA Group's Occupational Safety and Health Activities

The HOYA Group promotes occupational safety and health initiatives globally with the goal of enhancing employee well-being. In 2022, we updated our Safety and Health Philosophy and Fundamental Safety and Health Policies and further strengthened Group-wide efforts in these areas.

› [HOYA Group Occupational Safety and Health Philosophy and Fundamental Occupational Safety and Health Policies](#)

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	FY2021	FY2022	FY2023	FY2024	FY2025
Lost time injury frequency rate (LTIFR)	Japan	0.38	0.37	0.47	0.44	0.09
	Overseas	—	—	—	—	0.63
	Group-wide	—	—	—	—	0.57
Lost time injury severity rate (SR)	Japan	0.003	0.001	0.001	0.016	0.00008
	Overseas	—	—	—	—	0.0047
	Group-wide	—	—	—	—	0.0053

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.



Human Capital

Health Management



Promotion of Health and Productivity Management

The HOYA Group promotes health and productivity management throughout the organization, positioning the maintenance and improvement of employee health as an investment in our people and business. 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.

In addition, through the CEO's Health Management Declaration and his [seven articles that HOYA Group employees are required to follow](#) (in Japanese only), we clarify senior management's strong commitment and recognize employee health as an important factor in enhancing corporate value. To support these efforts, the departments responsible for environment, occupational safety, and health take the lead in operating a global management system based on ISO 45001 and ensuring its effective implementation at each site. Furthermore, under the Ministry of Economy, Trade and Industry's Health and Productivity Management Outstanding Organizations Recognition Program, the HOYA Group has continuously been certified as a Health and Productivity Management Outstanding Organization (Large Enterprise Category).

In Japan, we are promoting the utilization of paid leave by establishing designated days to encourage employees to take annual paid leave, while regularly monitoring paid leave utilization rates. We are also working to reduce overtime hours through operational efficiency improvements and continuous monitoring, thereby curbing excessive working hours and promoting appropriate labor management. Furthermore, we are working to enhance work-life balance and improve employee well-being through initiatives such as promoting flexible workstyles.

As part of our initiatives to encourage employees to develop exercise habits, we conduct walking events using smartphone apps and promote employee health improvement through step-count rankings. This initiative serves not only as a health measure but also as a social contribution activity, combining tree-planting activities based on the total number of steps taken by employees. In addition to raising health awareness, this initiative helps increase employees' interest in and understanding of environmental and social issues.

In FY2025, through a partnership with the Japan International Forestry Promotion and Cooperation Center, we supported tree-planting activities in Kenya, contributing to forest restoration and the development of local communities.

Going forward, we will continue to promote health and productivity management throughout the Group with the aim of achieving both the maintenance and improvement of employee health and the sustainable growth of the Group.

Infectious Disease Measures

Prior to the COVID-19 pandemic, the HOYA Group established the Guidelines on Countermeasures Against New Strains of Influenza and Other Infectious Diseases in preparation for potential pandemics of emerging infectious diseases such as novel influenza. We have been proactively implementing measures to address

the risks associated with emerging infectious diseases. These guidelines establish a framework that includes the formation of the HOYA Group Influenza/Epidemic Risk Management Team, the development of business continuity plans, and the establishment of information-gathering, communication, and sharing channels. In addition, with the safety of employees, their families, and other related parties as our top priority, we have put systems in place to minimize health impacts while ensuring the stable supply of products.

› [Health Promotion Activities](#)

Product Safety and Quality



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

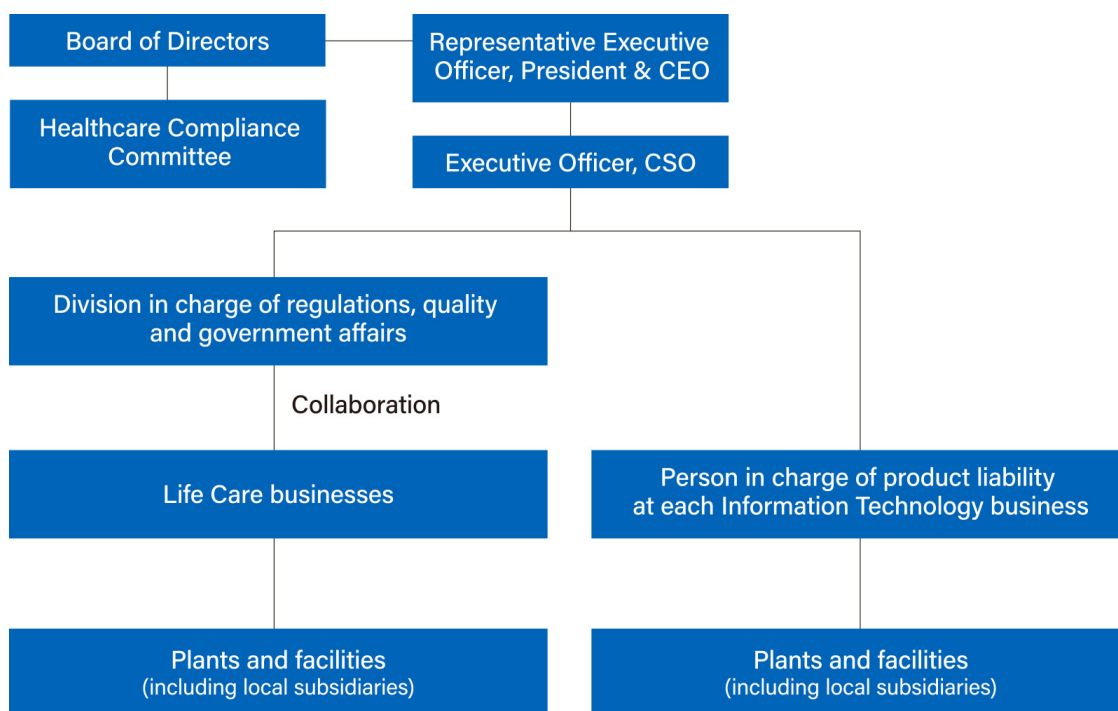
Each company in the HOYA Group provides user training, up-to-date user guides and documents, product warning labels, and other information for the effective, safe use of our products. We continue to seek opinions from users of our products and reflect this feedback in future products.

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 and Quality Management Structure

Product safety and quality are managed by each business unit under the supervision of the Executive Officer responsible, with management systems tailored to the nature of each business. In the Life Care segment, the division at the head office in charge of regulations, quality, and government affairs oversees quality management and regulatory compliance across the businesses.



Healthcare Compliance Committee

The HOYA Group has established the Healthcare Compliance Committee to ensure thorough compliance with domestic and overseas laws, regulations, standards and other requirements applicable to its healthcare products (our Life Care product portfolio). The Committee is composed of Outside Directors with expertise in the healthcare field and monitors regulatory compliance within the relevant business divisions. Drawing on advice from specialists familiar with the laws and regulations applicable in the relevant countries when necessary, the Committee provides recommendations and guidance to the management teams responsible for regulatory compliance. In addition, the details of deliberations by the Committee are reported by the Committee Chairperson to the Board of Directors, thereby strengthening the governance framework.

Quality Management System

The HOYA Group positions product safety and quality as the foundation of its business activities and has established a management system based on international quality management systems, including ISO 9001 (mainly for the Information Technology business) and ISO 13485 (mainly for the Life Care business). We have obtained certifications mainly at major production sites and are working to strengthen our quality assurance systems across all processes, from product design and manufacturing to sales.

The Internal Audit Department conducts audits approximately once a year of the quality management systems of the Life Care businesses overseen by the division in charge of regulations, quality, and government affairs at the Group headquarters, evaluating their operational status and effectiveness. Based on audit findings, the business divisions implement continuous improvements. The audit results are reported by the Internal Audit Department to the Audit Committee and shared with the Board of Directors,

ensuring monitoring from an independent perspective.

With regard to product safety, we comply with domestic and international laws and regulations and industry standards. We collect and analyze information regarding product accidents and defects and promptly take necessary measures, such as reporting to regulatory authorities and conducting product recalls or modifications. We also incorporate customer feedback and requests into product and service improvement activities, striving for continuous enhancement of quality.

To support these initiatives, we continuously provide education and training on product safety and quality management to improve employee awareness and expertise, while continuously reviewing and improving our quality management systems.

Status of ISO Certification

	ISO 9001	ISO 14001	ISO 45001	ISO 13485
Number of ISO certified sites ^{*1}	35 (0)	50 (0)	48 (0)	57 (4)
Uptake rate ^{*2}	100%	98%	92%	–

*1 The number in parentheses is the change from the previous fiscal 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

For some Life Care products, animal experimentation may be necessary during the development process. The HOYA Group has established internal policies and procedures for each business based on relevant laws, regulations and industry guidelines. Prior to conducting animal experiments, internal reviews are carried out in accordance with the 3Rs principles: Replacement (use of alternative methods), Reduction (reduction in the number of animals used), and Refinement (minimization of pain and distress to animals).

Supply Chain Management



Basic Policy

The HOYA Group provides products to customers around the world through its global manufacturing and procurement network. To support the sustainable enhancement of corporate value, we place importance not only on ensuring product safety and quality, but also on compliance with laws and regulations and consideration for human rights, the environment, ethics and governance throughout the supply chain. We conduct ongoing management and monitoring across the supply chain.

Supplier Code of Conduct

The HOYA Group has established the [HOYA Supplier Code of Conduct](#) and requests that suppliers acknowledge and comply with the Code in order to adhere to the same standards of legal compliance and ethical business practices as the Group. Given the importance of compliance with laws and regulations and consideration for human rights, the environment, ethics and governance throughout the supply chain, we revised the Code in FY2024.

The Code is available in multiple languages (Japanese, English, Thai, Vietnamese, Korean, and Chinese). Business divisions use suppliers' endorsement of and compliance with the Supplier Code of Conduct as a reference when selecting suppliers and conducting ongoing evaluations.

Supplier Assessment and Risk Management

Some business divisions have taken the lead in assessing suppliers at the start of business relationships and during ongoing transactions, evaluating their practices regarding legal compliance, human rights, the environment, ethics and governance. When risks are identified through these assessments, we work to mitigate them through dialogue with suppliers and requests for improvement.

Going forward, we will gradually expand these initiatives across the Group while developing risk-based evaluation processes tailored to the characteristics of each business and supply chain structure. Through these efforts, we will strive to maintain and strengthen a sound and sustainable supply chain.

Supplier Audits

The HOYA Group requests suppliers' understanding of and compliance with the Supplier Code of Conduct and conducts regular supplier audits for key suppliers.

For example, the MD Division, which manufactures glass substrates for HDDs, conducts audits of material manufacturers based on the Responsible Business Alliance (RBA)* Code of Conduct with the aim of ensuring safe working conditions and reducing environmental impacts throughout the supply chain.

Through these initiatives, we promote the identification and management of risks, including human rights and environmental risks, across the supply chain. To date, no serious human rights violations, such as forced labor or child labor, have been identified. Going forward, we will continue to promote continuous improvement through dialogue with suppliers and audits, while working to build and strengthen a responsible supply chain.

* 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

The HOYA Group has established a policy not to use minerals (3TG) produced in the Democratic Republic of the Congo or surrounding regions that are defined as conflict minerals under Section 1502 of the U.S. Dodd-Frank Act. We request suppliers' understanding of and compliance with this policy through the HOYA Supplier Code of Conduct.

We also regularly request key suppliers to cooperate in conflict minerals surveys using the Conflict Minerals Reporting Template (CMRT), a reporting template provided by the Responsible Minerals Initiative (RMI).

These surveys were initially conducted in the Information Technology business, where mineral usage and supply chain risks are relatively high, but their scope has now been expanded to include the Life Care business, and the initiatives are being promoted throughout the Group. In addition, we are promoting the identification of smelters and procurement from smelters compliant with the RMI Responsible Minerals Assurance Process (RMAP). In light of growing global interest in human rights issues in recent years, we also conduct surveys regarding cobalt and mica using the Extended Minerals Reporting Template (EMRT). Going forward, we will continue to work with suppliers to improve traceability, reduce supply chain risks, and promote responsible mineral sourcing.

Conflict Minerals Survey Results and Targets

Since FY2024, we have conducted surveys covering cobalt and mica in addition to the conventional 3TG minerals (tantalum, tin, gold, and tungsten).

In the FY2025 survey of 3TG minerals, the number of identified smelters and RMAP-compliant smelters increased, expanding the scope of supply chain visibility. However, including newly identified smelters, the overall ratio of RMAP-compliant smelters declined compared with the previous fiscal year.

For cobalt and mica, although we maintained a high response rate, we confirmed that there is room for improvement in the ratio of RMAP-compliant smelters.

Results of Survey on 3TG

	FY2021	FY2022	FY2023 ^{*1}	FY2024	FY2025	Target
Survey response collection rate ^{*2}	99.6%	99.0%	–	98.4%	91.0%	100%
Identified smelters ^{*3}	160	150	–	188	266	–
Number of RMAP-compliant smelters ^{*3}	140	147	–	185	229	–
Percentage of RMAP-compliant smelters	88%	98%	–	98%	86%	Ongoing improvement

Results of Survey on Cobalt and Mica

	FY2024	FY2025	Target
Survey response collection rate ^{*2}	97.0%	92.0%	100%
Identified smelters ^{*3}	17	23	–
Number of RMAP-compliant smelters ^{*3}	16	17	–
Percentage of RMAP-compliant smelters	94%	74%	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 Some smelters are also included in the FY2021 survey.

Corporate Citizenship



HOYA's mission is to contribute to improving the quality of life (QOL) of people around the world through its own products and services. We are working to contribute to the resolution of social issues regarding eye care through the protection and improvement of vision.

Eye Health Information Portal Site

Through "Support Vision," our portal site on eye health, we provide information on eye diseases, including symptoms and treatments, as well as preventive care and daily eye care practices.

Based on HOYA's corporate philosophy of improving people's quality of life through contributions in the fields of Vision, Health and Information Society, the site draws on the expertise we have developed through products such as eyeglass lenses, intraocular lenses and contact lenses, which support diverse visual needs.

More recently, we introduced a new "Vision Simulator" feature. This feature enables users to experience how their current vision problems may be improved through correction with eyeglasses or contact lenses (available on the Japanese-language website only). Through this feature, we seek to promote a better understanding of appropriate responses based on users' individual eye conditions.

› [Support Vision: Eye Health Information Portal Site](#)

Improving Access to Eye Care

HOYA works with external partners to improve access to quality eye health solutions in developing countries and economically disadvantaged regions through partnership with local groups and communities. We focus particularly on children and people with limited access to vision care. By supporting access to vision screening, diagnostics, and treatment, we contribute to the prevention of blindness and eye diseases. Good vision is fundamental to learning, social development, and future opportunities, yet many children lack access to basic eye care services. By supporting early detection and access to eye care, we help improve learning opportunities, quality of life, and future prospects for children and their communities.

HOYA Vision Care Company (eyeglass lens business), under the One Vision program—its global sustainability framework aimed at creating sustainable value through environmental responsibility, community engagement, and workplace improvement—promotes long-term initiatives to expand access to eye care through partnerships, including the expansion of vision screening for children.

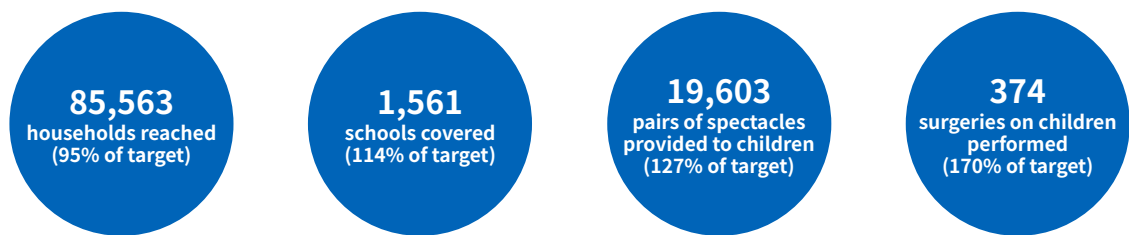
In alignment with international initiatives such as the WHO-led "SPECS 2030," we work with partners and local eye care professionals to expand access to vision care services and strengthen delivery systems.

When selecting partners, we prioritize organizations with strong local expertise, trusted community relationships, and a proven ability to effectively support underserved populations. We also seek partners that share our commitment to improving access to vision care and creating positive change in underserved communities. Through these partnerships, we help strengthen local eye care systems, expand access to

vision care, and create sustainable value for future generations.

Through its partnership with Orbis International (through October 2025), HOYA has supported efforts to improve access to eye care, particularly for children in underserved communities. With a focus on the early detection and management of myopia, activities have been implemented at both the local and global levels.

In India, through the Orbis International's REACH program, school-based vision screenings and corrective eyewear have been provided. Since joining the program in 2021, eye examinations have reached 85,563 households and 1,561 schools, resulting in the provision of 19,603 pairs of eyeglasses and 374 sight-saving surgeries.



HOYA has also supported the expansion of Orbis Green Vision Centres, which provide sustainable eye care services in underserved communities. HOYA Lens UK supported the establishment of a Green Vision Centre through employee fundraising activities.

In China, HOYA promotes access to eye care through school vision screenings, eye health education, and the provision of vision care kits. Working with local partners, these initiatives support the early detection of eye diseases and vision impairment, improve awareness of eye health, and help prevent myopia among children.

In addition, HOYA supports myopia education for eye care professionals worldwide through Cybersight, Orbis International's telemedicine and e-learning platform, contributing to the strengthening of sustainable eye care systems.

Through partnerships that combine financial support, product contributions, and educational initiatives, HOYA is helping improve access to eye care while contributing to improved quality of life and the sustainable development of communities.

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 the 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.

Eyecity Eco Project by Eyecity Contact Lens Specialty Stores

The Eyecity Eco Project, operated by Eyecity, our chain of contact lens specialty stores, is a recycling initiative that collects and recycles empty disposable contact lens cases. Dedicated collection boxes are installed at Eyecity stores as well as at partner companies, schools and local governments throughout Japan.

Launched in 2010 as the first initiative of its kind in the industry, the project aims to contribute to society in three ways: (1) environmental conservation through the recycling of empty cases, (2) supporting the independence and employment of people with disabilities, and (3) donations to the Japan Eye Bank Association.

1. Environmental conservation through the recycling of empty cases
Collected empty cases are recycled into polypropylene material used in new products. By avoiding incineration, this process helps reduce CO₂ emissions and environmental impact. In addition, the material's ease of processing enables efficient reuse, contributing to the effective use of limited resources. In FY2025, approximately 113 tons of empty cases were collected. However, the recycling rate of empty cases remains approximately 2%.^{*} Going forward, we will continue to promote collection activities in cooperation with the many companies, schools and local governments that support this initiative.

A portion of the collected empty cases is also used as material for Mitsubishi Pencil Co., Ltd.'s "Jetstream Ocean Plastic" products. By reusing ocean plastic waste and post-consumer plastic, these environmentally conscious products have received Eco Mark certification. Through products used in everyday life, this initiative also helps raise environmental awareness.

^{*}Based on the Company's calculation using 2024 Eyecity contact lens sales results.

2. Supporting the independence and employment of people with disabilities

A dedicated office (Ichikawa Challenge Office) has been established for recycling preparation work, such as removing aluminum seals from empty cases. People with disabilities are engaged in this work, supporting



their independence and employment opportunities.

In addition, we purchase approximately 240,000 small items annually produced by employment support facilities throughout Japan and provide them as gifts to people who cooperate with the collection activities, thereby supporting these facilities.

› [Ichikawa Challenge Office Supporting the Eyecity Eco Project](#)

3. Donations to the Japan Eye Bank Association

All proceeds from the sale of empty cases as recyclable materials are donated to the Japan Eye Bank Association. The Association supports vision restoration by connecting people requiring corneal transplants with donors, promoting eye donation registration and arranging physicians involved in corneal retrieval.



Cumulative volume of empty cases collected

884.67t

(884 million cases)



Cumulative CO₂ emissions reduced

2,441.69t-co₂

(equivalent to 146.2 times the volume of the Tokyo Dome)



Cumulative amount of donated

19,197,437yen

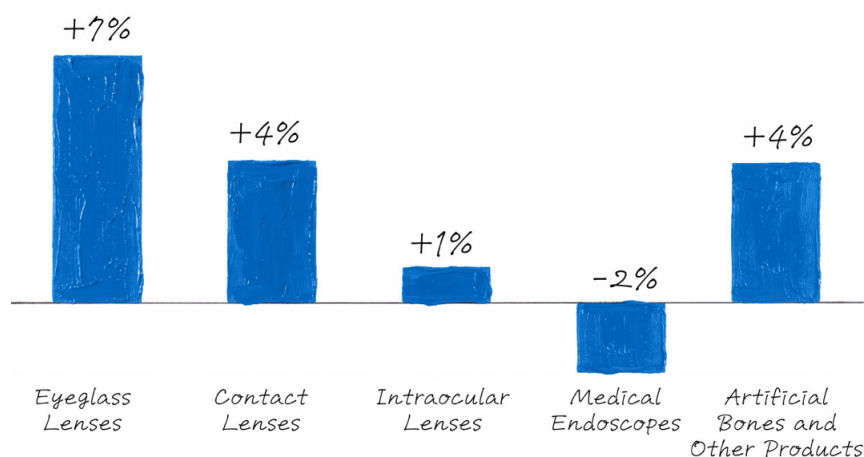
As of May 2026

Review of Operations

– Life Care Business

The product-specific revenue growth rates for the Life Care Business in FY25 were as follows:

Revenue Growth Rates by Product (YoY %)*

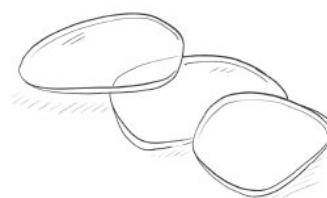


FY25 revenue growth across the Life Care Business varied by product category. Within the Eye Health domain, eyeglass lenses and contact lenses delivered solid revenue growth, while intraocular lens sales remained broadly in line with the previous fiscal year, largely reflecting structural changes in the Chinese market. Within the Med-Tech domain, sales of medical endoscopes also remained broadly in line with the previous year, impacted by developments in the Chinese market. Meanwhile, Artificial Bones and Other Products achieved mid-single-digit growth, supported by solid sales of endoscope reprocessors.

*Growth rates are presented on a constant currency basis.

Eyeglass Lenses

Main Products	Eyeglass lenses
Geographic Focus	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 children to older adults



FY25 Performance

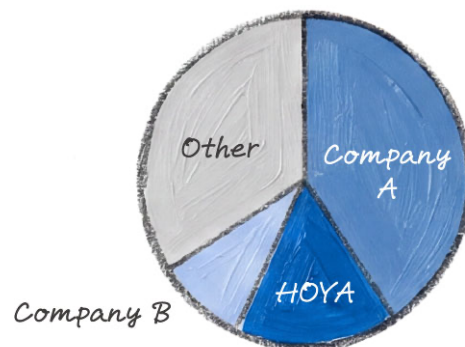
Driven by continued growth in high-value-added products such as MiYOSMART and increased sales through retail chains, the eyeglass lens business achieved high-single-digit revenue growth and was the primary driver of growth in the Life Care Business. Although the Chinese market remained weak and certain

channels in Europe and North America were soft, these factors were offset by growth in Japan, Asia and South America, enabling stable growth through geographic diversification. The impact of U.S. tariff policies was largely absorbed through measures including price pass-throughs.

Market Position

HOYA holds the second-largest market share globally. We aim to continue expanding our share through acquisitions and by winning share from the many small and medium-sized lens manufacturers that collectively account for just over 30% of the global market.

Estimated Market Share (FY25)



Medium-Term Outlook

HOYA will continue to focus on high-value-added products, particularly progressive lenses, as well as freeform lens technologies that enable individually optimized optical designs. It will also expand sales of next-generation MIYOSMART products while broadening its geographic presence. In addition, by further digitizing optical design, measurement and sales processes, HOYA aims to strengthen its value chain and achieve sustainable medium-term growth.

Contact Lenses

Main Products and Services	Operation of "Eyecity" contact lens retail chain
Geographic Focus	Japan
Customers	General consumers
Primary End-User Age Group	Teens to people in their 30s



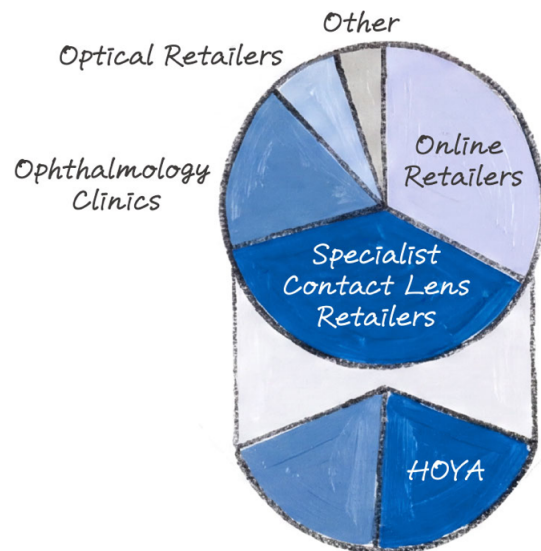
FY25 Performance

In Japan's contact lens retail market, demand became increasingly polarized between budget-conscious products—driven by factors such as inflation—and high-value-added products focused on eye health. At Eyecity, HOYA's specialist contact lens retail chain, customer numbers increased through new store openings. In addition, continued improvements in customer retention resulting from the growing adoption of private-label products and subscription services enabled the business to maintain a steady revenue growth trend.

Market Position

HOYA holds more than half of the specialist contact lens retail market in Japan. Leveraging its extensive product lineup and competitive pricing, it continues to gain market share from other sales channels, including ophthalmology clinics.

Estimated Market Share (FY25)

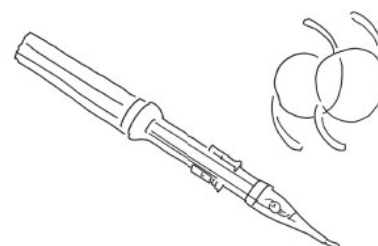


Medium-Term Outlook

HOYA aims to maximize customer lifetime value (LTV) by expanding sales of high-value-added contact lenses and further enhancing of its subscription-based business model. The Company will also leverage one of the largest customer bases and customer data assets in Japan to support stable growth. Over the longer term, HOYA will continue to develop its strategy for overseas expansion as a contact lens manufacturer.

Intraocular Lenses

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



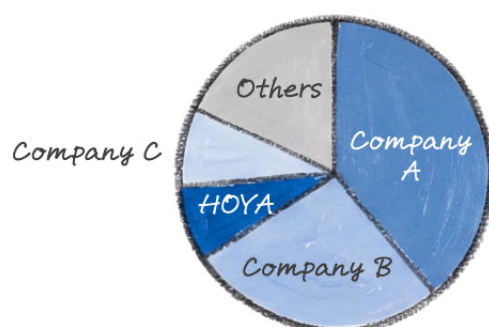
FY25 Performance

Although sales in the Japanese market remained stable, the Chinese market continued to be affected by structural changes following the introduction of the volume-based procurement (VBP) program. In addition, temporary supply constraints associated with the replacement of a core enterprise system in Europe resulted in full-year sales remaining broadly in line with the previous fiscal year.

Market Position

Leveraging the competitiveness of Vivinex, which combines advanced lens materials offering exceptional optical clarity with the proprietary multiSert™ injector, HOYA has steadily expanded its share and now holds the third-largest market share globally.

Estimated Market Share (FY25)

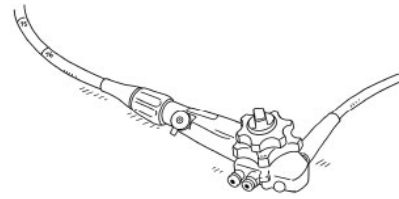


Medium-Term Outlook

HOYA will seek to capture structural demand driven by population aging while strengthening relationships with surgeons and medical institutions to further enhance the value proposition of its products. In addition to conventional monofocal lenses, the Company will promote a portfolio shift toward ATIOLs (Advanced Technology IOLs), including multifocal and toric lenses, and accelerate sales expansion in these categories. In China, HOYA will review its product portfolio and sales structure with the aim of improving business performance and returning the business to a medium-term growth trajectory.

Medical Endoscopes

Main Products	Medical flexible endoscopes
Geographic Focus	Global (with a high proportion of sales in Europe)
Customers	Hospitals and clinics Group purchasing organizations (GPOs) Gastroenterologists and other physicians



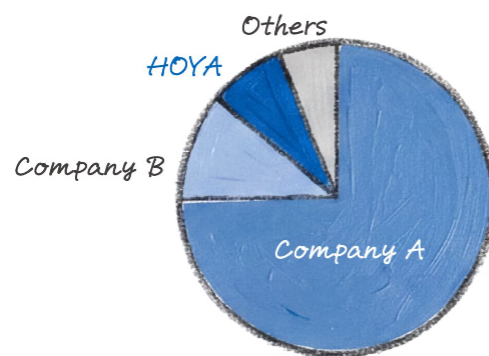
FY25 Performance

Demand remained subdued amid price competition and increased bundled sales in Europe and North America, as well as an uncertain business environment in the Chinese market. At the same time, HOYA continued to implement structural reforms, including optimizing its product and geographic portfolio and its cost structure, to improve its earnings base.

Market Position

Leveraging its strengths in advanced gastrointestinal endoscopes and products designed to facilitate cleaning and disinfection, HOYA holds the third-largest market share globally.

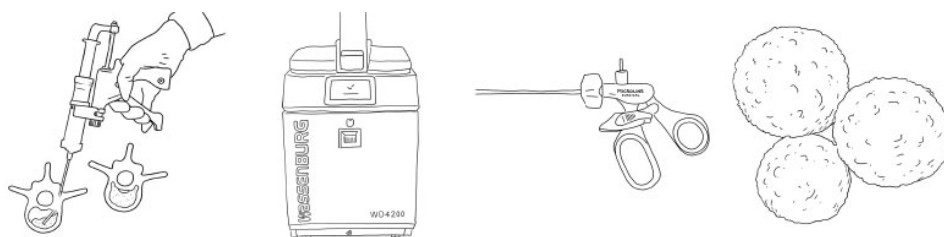
Estimated Market Share (FY25)



Medium-Term Outlook

HOYA will continue to sharpen the focus of its endoscope product portfolio by concentrating management resources on its core gastrointestinal endoscopy business while reviewing adjacent product categories such as surgical instruments and infection-prevention products. At the same time, the Company will optimize its cost structure through measures including the consolidation of manufacturing sites, with the aim of improving profitability. In addition, with respect to the Endoscope Business, the Board of Directors resolved on July 31, 2026, to initiate a strategic review of all alternatives, including a potential transfer of the business to a third party.

Artificial Bones and Other Products



Main Products and Services	Artificial bones Metallic implants	Endoscope reprocessors	Laparoscopic surgical instruments	Chromatography media for biopharmaceutical manufacturing
Geographic Focus	Primarily Japan	Primarily Europe	Primarily North America	Global
Customers	Medical institutions (hospitals and clinics)			Pharmaceutical companies (via distributors)

FY25 Performance

Chromatography media remained weak due to customer inventory adjustments, while sales of artificial bones and metallic implant products developed stably. In addition, strong sales of endoscope reprocessors helped offset weakness in certain other product lines, enabling the business as a whole to remain resilient.

Market Position

HOYA is a key player in each of the regions and product segments in which it operates across artificial bones, endoscope reprocessors, laparoscopic surgical instruments, and chromatography media. Going forward, HOYA aims to further enhance its market presence through geographic expansion and other strategic initiatives.

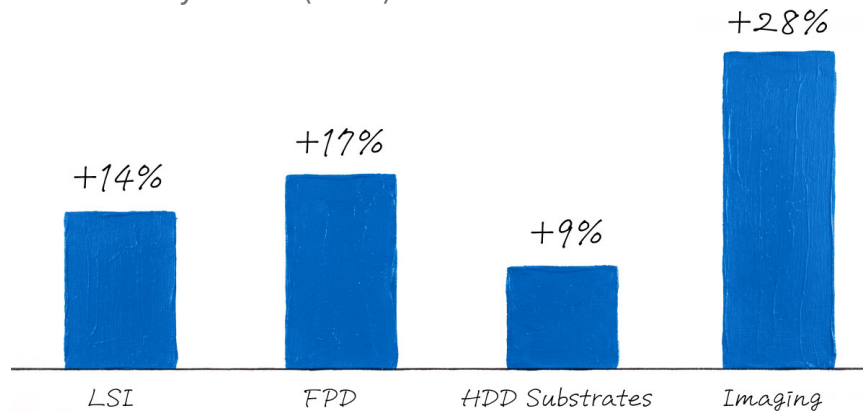
Medium-Term Outlook

Building on its established positions in specific fields, HOYA aims to broaden its addressable markets through geographic expansion and the cross-application of its products and technologies. By expanding applications for existing products and broadening its product lineup, HOYA will seek to capture growth opportunities and further scale the business.

Review of Operations – Information Technology Business

The product-specific revenue growth rates for the Information Technology Business in FY25 were as follows:

Revenue Growth Rates by Product (YoY %)*

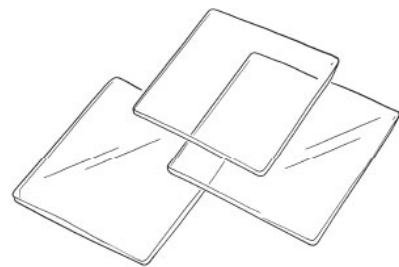


A common theme across all product categories was the rapid adoption of AI, which drove significant increases in demand for products used in AI semiconductor manufacturing, including mask blanks, as well as glass substrates for nearline HDDs and polarizing glass for optical transceivers. While all product categories delivered strong growth, Optical Solutions (formerly Imaging) achieved particularly substantial revenue gains, driven by sharply increased demand for polarizing glass as well as lenses and materials for wearable cameras.

* Growth rates are presented on a constant currency basis.

LSI

Main Product	Semiconductor mask blanks
Product Overview	The master plate used in the production of photomasks for transferring fine circuit patterns onto semiconductor wafers, consisting of a glass substrate coated with multiple layers of metal films. Available in two types: EUV (Extreme Ultraviolet lithography) DUV (Optical lithography)
Customers	Semiconductor foundries and semiconductor manufacturers



FY25 Performance

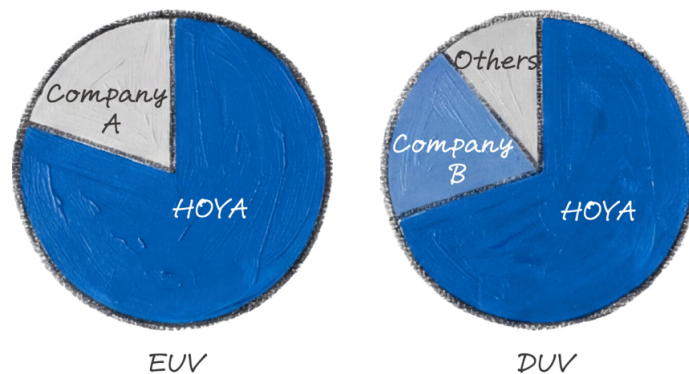
Driven by continued expansion of the AI semiconductor market, customers continued to advance process miniaturization while increasing the number of design patterns, resulting in robust growth in demand for

EUV mask blanks. Sales of DUV mask blanks also saw steady growth, supported by an improved product mix of DUV blanks used in the EUV lithography process and increased demand from China.

Market Position

HOYA holds an exceptionally high market share, supported by its proven track record of contributing to semiconductor miniaturization and performance improvements through close collaboration with customers. Although customers may gradually move toward multi-sourcing for EUV mask blanks in the future, HOYA intends to maintain its leading market position by staying ahead of competitors in the most advanced process nodes. There were no significant changes in HOYA's market position during FY25.

Estimated Market Share (FY25)

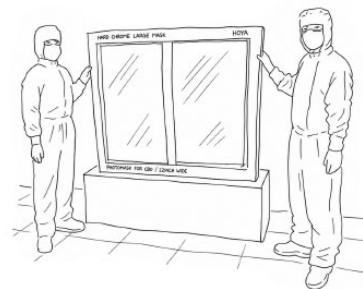


Medium-Term Outlook

HOYA will maintain its position as the primary supplier for leading-edge EUV nodes while advancing technology development and expanding production capacity in line with its technology roadmap, including phase-shift masks as well as High-NA and Hyper-NA lithography. Given expected medium-term growth exceeding 10% for EUV mask blanks, HOYA has decided to construct a new plant adjacent to its existing facility in Singapore. The new plant is scheduled to commence operations in FY28, with an initial investment of approximately 42 billion yen.

FPD

Main Product	Photomasks for FPD manufacturing
Product Overview	Master plates used to transfer fine patterns onto thin-film transistor (TFT) and color filter substrates in the manufacture of flat panel displays (FPDs), including liquid crystal displays (LCDs) and organic light-emitting diode (OLED) displays.
Customers	Display manufacturers



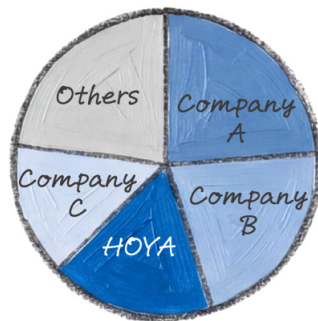
FY25 Performance

Revenue increased as demand grew, driven by customers' more active design and development of new smartphone display panels. To meet this demand, HOYA increased utilization at its Chongqing plant in China. In particular, new design projects for premium foldable smartphones served as the primary driver of demand.

Market Position

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

Estimated Market Share (FY25)

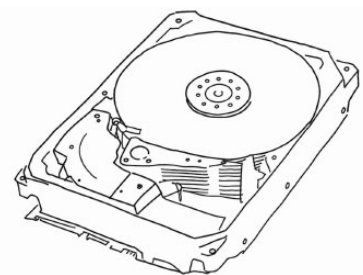


Medium-Term Outlook

HOYA will continue to develop and bring into volume production high-value-added products—including phase-shift masks and high-resolution masks for OLED displays—with the aim of improving its product mix and driving revenue growth. HOYA expects revenue growth broadly in line with market growth of approximately 4–5%.

HDD Substrates

Main Product	Glass substrates for HDDs
Product Overview	Disc-shaped glass substrates used to manufacture the magnetic disks in hard disk drives (HDDs). Available in two sizes: 3.5-inch substrates for nearline HDDs and 2.5-inch substrates for consumer HDDs.
Customers	HDD manufacturers and HDD media manufacturers



FY25 Performance

Shipments of nearline HDDs increased, driven by investment in cloud data centers and growing demand for data storage associated with generative AI, resulting in solid growth in sales of 3.5-inch glass substrates. Although sales of 2.5-inch glass substrates for consumer HDDs, including external hard disk drives, continued to decline significantly, 3.5-inch substrates accounted for the vast majority of sales, resulting in overall revenue growth for HDD substrates.

Market Position

HOYA holds a 100% share of the market for glass-based HDD substrates.

3.5-inch glass substrates for nearline HDDs

HOYA's share of the nearline HDD substrate market is estimated to be approximately 40%. Supported by the adoption of HAMR (Heat-Assisted Magnetic Recording) technology and increasing platter counts, the Company expects to expand its market share over the long term.

2.5-inch glass substrates for consumer applications

As the market consists entirely of glass substrates, HOYA holds a 100% market share.

**3.5-inch Glass Substrates for Nearline HDDs
Estimated Market Share (FY25)**

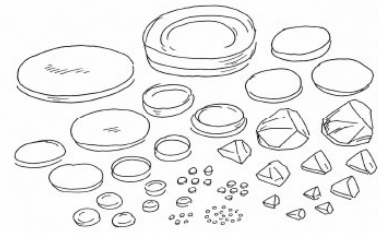


Medium-Term Outlook

HOYA expects its customer base for 3.5-inch substrates for nearline HDDs to expand, driving further gains in its market share in this segment over the medium to long term. To meet the resulting increase in demand, HOYA has decided to establish a new manufacturing facility in Vietnam. Preparations are underway for the commencement of operations in FY28. The initial phase of the project is expected to involve an investment of approximately 50 billion yen.

Optical Solutions (Formerly Imaging)

Main Products	Optical lenses and optical materials
Product Overview	Optical lenses and optical materials for a wide range of applications, including interchangeable lenses for mirrorless cameras as well as products for in-vehicle sensing cameras, wearable devices and other applications.
Customers	Camera manufacturers, module manufacturers, optical transceiver manufacturers, and others



FY25 Performance

In addition to continued steady demand for interchangeable lenses for mirrorless cameras, strong growth was driven by a sharp increase in demand for CUPO polarizing glass for optical transceivers, as well as optical lenses and materials for wearable devices, including vlog cameras and smart glasses.

Market Position

Although no overall market share data are available for optical products due to the broad and highly fragmented nature of the end markets, HOYA has a strong position in glass-molded aspherical (GMO) lenses, which offer excellent aberration correction, and continues to maintain a high market share in this segment.

Medium-Term Outlook

As smartphone camera performance has improved, the market for conventional cameras has contracted significantly. Against this backdrop, the Optical Solutions business has long been regarded as a low-growth business. However, demand for CUPO, wearable-device applications, and products for in-vehicle sensing cameras is expected to expand over the medium term, supporting moderate growth going forward.