[Paper-Based Documents for Delivery]
Security Code: 7741

The 87th Ordinary General Meeting of Shareholders

Proposals, Business Report, Etc.

HOYA CORPORATION

Message from CEO

I would like to express my thanks for your continued patronage.

I would also like to announce that HOYA CORPORATION (the "Company") will hold its 87th Ordinary General Meeting of Shareholders on Thursday, June 26, 2025.

Regarding performance in the current fiscal year, we achieved record high sales against the backdrop of strong performance of the Information Technology business. In the Life Care business, sales increased due to active sales promotion activities in the eyeglass lenses business yielding good results, despite the effects of an IT system incident and the deterioration of the Chinese macro environment. In the Information Technology business, sales increased substantially due to a rapid recovery in demand for mask blanks for semiconductor manufacturing and substrates for HDDs.

With respect to the allocation of capital, the Company actively invested in business expansion, and with respect to returns to shareholders, while paying a dividend of 160 yen per share, we purchased approximately 150.0 billion yen of the Company's own shares. Going forward, under management conscious of capital efficiency, we will continue to prioritize the allocation of capital to growth investments such as M&A and capital expenditures, with due consideration to the business environment and capital needs, while allocating surplus funds to shareholder returns through dividends and share repurchases. With regard to dividends, we established a basic policy of paying progressive dividends with a target payout ratio of 40%.

For ESG and sustainability, in addition to promoting environmental initiatives with the goal of procuring 100% of in-house electricity consumption from renewable energy sources by FY2040, we will also accelerate our initiatives toward human capital, such as establishment of a career design laboratory.

We continue to see significant changes in the external environment mainly due to growing geopolitical risks and increasing demands for decarbonization in response to the global increase in abnormal weather events. Under these circumstances, we will strive to respond quickly to the requests from society, customers, employees and other stakeholders, and increase both social value and corporate value through realization of the Company's vision "Innovating For a Better Tomorrow."

We sincerely ask for your continued support.

Eiichiro Ikeda
Director, Representative Executive Officer President & CEO
池田 英一郎

Corporate Mission

"Dedicated to innovation in
information technology,
lifestyles and culture,
HOYA envisions a world
where all can enjoy the good life,
living in harmony with nature."

Vision

Innovating For a Better Tomorrow

INDEX

HOYA Group's Businesses

Based on the concept of "Business Portfolio Management" and "Big Fish in a Small Pond," HOYA has developed highly competitive businesses focused on two segments, Life Care and Information Technology.

We are making the future a better place by resolving social issues through

Life Care

Health Care

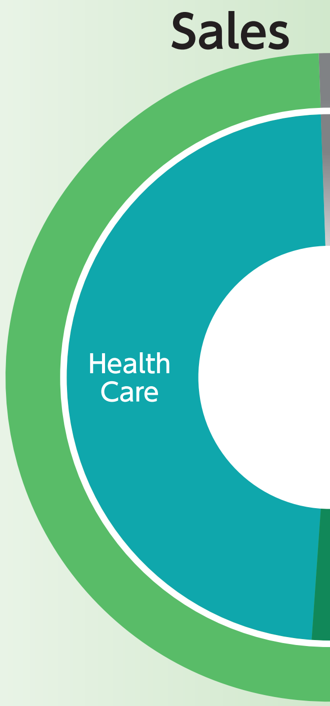
Eyeglass lenses
(MiYOSMART)*

"Eyecity" store

Engages in manufacturing and sales of eyeglass lenses and operation of "Eyecity," contact lens specialty retail stores.

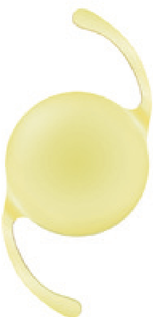
- Eyeglass lenses
- "Eyecity," contact lens specialty retail stores

* As of April 2025, this product has not been approved in Japan.



Medical

Medical endoscope
(PENTAX Medical INSPIRA™)



Intraocular lenses for cataracts

Main products are medical endoscopes, intraocular lenses for cataracts, apatite products that are prosthetic fillers for bone defects, etc.

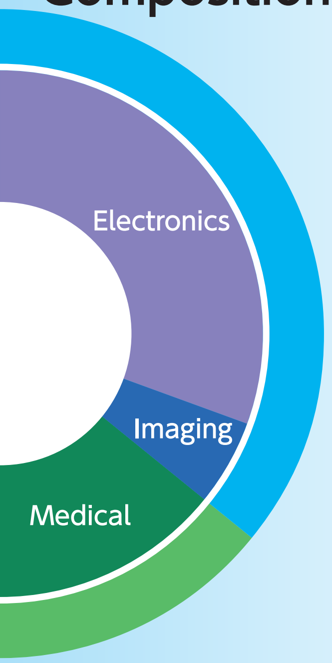
- Medical endoscopes
- Intraocular lenses for cataracts
- Artificial bones/metallic orthopedic implants

The HOYA Group will continue striving to sustainably increase its social value and corporate value by efficiently allocating management resources to growth areas such as the Life Care business, whose market is expected to expand due to the aging of the world population and improvement in living standards in emerging markets, and semiconductors and HDD-related products in the Information Technology business, whose market is expected to grow due to the progress of an increasingly digital society.

innovation in the areas of "Vision," "Health," and "Information Society."

Information Technology

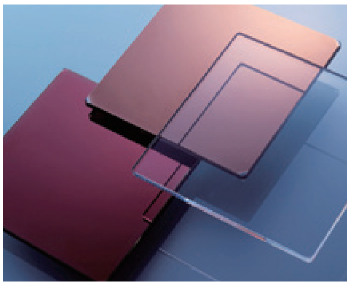
Composition

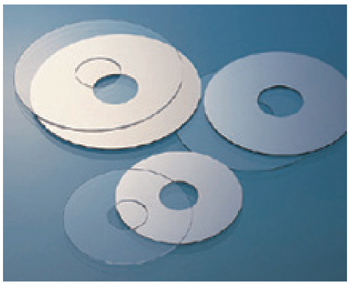


Electronics

Deals in glass-made components and materials essential for manufacturing semiconductors, FPDs and HDDs.

- Mask blanks for semiconductors
- Photomasks for semiconductors
- Photomasks for FPD
- Glass disk substrates for HDDs

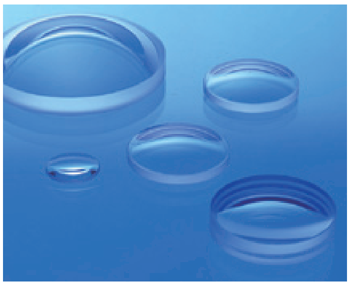

Mask blanks for semiconductor

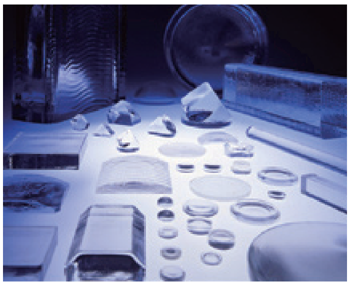

Glass disk substrates for HDDs

Imaging

Deals in optical lenses, optical glass material, etc.

- Optical glass material
- Optical lenses
- Laser related equipment


Optical lenses


Optical glasses

Note: The term "HOYA" herein refers to "HOYA Group" in reference to its history, activities, operating results, etc. In particular, statements concerning HOYA on a nonconsolidated basis are written in the form of "HOYA Corporation."

Reference Material for the General Meeting of Shareholders

Proposal Election of Seven (7) Directors

The term of office of all of the seven Directors will expire at the close of this Ordinary General Meeting of Shareholders. As a result of deliberations on the number of members and composition of the Board of Directors in consideration of the diversity, management experience, and expertise prior to the selection of candidates by the Nomination Committee, it is being proposed that, seven Directors be elected - five Independent Directors and two Inside Directors. The reason for the selection of each candidate is stated individually in the following pages.

The Nomination Committee has reported that according to the "Basis for Election of Candidates for Directors" established by the committee, each candidate for Director does not fall under any reason for disqualification and all candidates for both Inside Directors and Independent Directors meet the requirements for such candidates.

All Independent Directors are to serve on the following three committees: the Nomination Committee, the Compensation Committee, and the Audit Committee.

The candidates for Directors are as follows:

No.	Name	Current positions and assignments at the Company	
1	Hiroaki Yoshihara	Director, Chairperson of the Audit Committee Member of the Nomination Committee Member of the Compensation Committee	Independent
2	Yasuyuki Abe	Director, Chairperson of the Nomination Committee Member of the Compensation Committee Member of the Audit Committee	Independent
3	Takayo Hasegawa	Director, Member of the Nomination Committee Member of the Compensation Committee Member of the Audit Committee	Independent
4	Mika Nishimura	Director, Member of the Nomination Committee Member of the Compensation Committee Member of the Audit Committee	Independent
5	Mototsugu Sato	Director Chairperson of the Compensation Committee Member of the Nomination Committee Member of the Audit Committee	Independent
6	Eiichiro Ikeda	Director, Representative Executive Officer President & CEO	
7	Ryo Hirooka	Director, Representative Executive Officer & CFO	

(Note) Mr. Hiroaki Yoshihara, Mr. Yasuyuki Abe, Ms. Takayo Hasegawa, Ms. Mika Nishimura and Mr. Mototsugu Sato are candidates for the posts of Independent Directors. The Company has provided notice to the Tokyo Stock Exchange of Mr. Hiroaki Yoshihara, Mr. Yasuyuki Abe, Ms. Takayo Hasegawa, Ms. Mika Nishimura and Mr. Mototsugu Sato as being Independent Directors appointed by the Company, in accordance with the Tokyo Stock Exchange's rules and regulations.

<table>
<tr><th>No.</th><th>Name</th><th>Brief history, positions and assignments at the Company, and important positions of other companies concurrently held</th></tr>
<tr><td rowspan="3">1</td><td>
Hiroaki Yoshihara
(Born on Feb. 9, 1957)
Candidate for Independent Director
[Number of years in office of the Director of the Company]
7 Years
[Number of shares of the Company held] 0 Shares
[Number of attendances to the board meetings] 11/11 times (100%)</td><td>Nov. 1978 Joined Peat Marwick Mitchell & Co.
Jul. 1996 National Managing Partner, the Pacific Rim Practice of KPMG LLP
Oct. 1997 The Board Member of KPMG LLP
Oct. 2003 Vice Chairman and Global Managing Partner of KPMG International (retired in April 2007)
Jun. 2018 Director of the Company (present post)
(Important positions of other companies concurrently held)
Outside Director of Hitachi, Ltd. (scheduled to retire the position in June 2025)</td></tr>
<tr><td colspan="2">Reason for the Selection of Candidate for Director and Overview of Expected Roles
The above candidate has long-term experience as an expert in finance and accounting as well as management experience gained as Global Managing Partner of an international accounting firm. He also has a track record of participating in the M&A of many companies from a professional standpoint. The Company’s Nomination Committee has judged that he will contribute to enhancing the supervisory function of the Board of Directors of the Company and at the same time provide plenty of advice in regard to M&A, an important measure in the Company’s business strategy, so it has nominated him as a candidate for Director again this year. Nothing in connection with the candidate violates the independence requirements for a Director candidate provided for in the “Basis for Election of Candidates for Directors” set forth by the Nomination Committee of the Company.</td></tr>
<tr><td colspan="2">Message to Shareholders from Candidate
Currently, the business environment is extremely unclear due to high levels of geopolitical risk coupled with uncertainty regarding economic policies in each country. Under these difficult circumstances, HOYA will respond swiftly to diverse risks by promoting measures such as supply chain revision, thorough Business Portfolio Management, and further improvements to business and management efficiency. Additionally, HOYA will aim to continuously update its medium- to long-term growth strategy and maintain stable higher profitability for the Group. With many years of experience in global management and participating in the M&A of many companies, I will sincerely strive to support and supervise the execution of duties by the management team from an independent standpoint in order to enhance both corporate value and social value.</td></tr>
</table>

No.	Name	Brief history, positions and assignments at the Company, and important positions of other companies concurrently held
2	 **Yasuyuki Abe** (Born on Apr. 17, 1952) Candidate for Independent Director [Number of years in office of the Director of the Company] 4 Years [Number of shares of the Company held] 0 Shares [Number of attendances to the board meetings] 11/11 times (100%)	Apr. 1977 Joined Sumitomo Corporation Jun. 2002 Representative Director and President of Sumisho Electronics Co., Ltd. (present SCSK Corporation) Apr. 2005 Representative Director and President of Sumisho Computer Systems Corporation (present SCSK Corporation) Jun. 2009 Representative Director, Managing Executive Officer, General Manager, Financial & Logistics Business Unit of Sumitomo Corporation Apr. 2010 Representative Director, Managing Executive Officer, General Manager, New Industry Development & Cross-function Business Unit of Sumitomo Corporation Apr. 2011 Representative Director, Senior Managing Executive Officer, General Manager, New Industry Development & Cross-function Business Unit, General Manager, Financial Service Division of Sumitomo Corporation Apr. 2013 Representative Director, Senior Managing Executive Officer, General Manager, Corporate Planning & Coordination Group of Sumitomo Corporation Jun. 2015 Advisor of Sumitomo Corporation (retired in June 2018) Jun. 2021 Director of the Company (present post) (Important positions of other companies concurrently held) None

Reason for the Selection of Candidate for Director and Overview of Expected Roles

The above candidate was primarily engaged in the electric power, machinery, and information fields at Sumitomo Corporation, a general trading company. After stationed twice in the United States, he served as representative director and president of the company's electronics and information related subsidiaries. Subsequently, as a representative director of Sumitomo Corporation, he was engaged in the company's financial, logistics and new business development. The Company's Nomination Committee has judged that he will contribute to the Board of Directors of the Company through his wide-ranging experience at the general trading company, his global mindset cultivated over the years of stay in the United States, his business experience nurtured as a representative director and president, and his experience as an independent director gained at other companies after leaving Sumitomo Corporation, so it has nominated him as a candidate for Independent Director. There were transactions in the fiscal year 2024 between the HOYA Group and Sumitomo Corporation, which the candidate comes from, but the amount involved in the transactions represents less than 0.1% of the consolidated net sales of each party, and nothing in connection with the candidate exists that violates the independence requirements for a Director candidate provided for in the "Basis for Election of Candidates for Directors" set forth by the Nomination Committee of the Company.

Message to Shareholders from Candidate

Recently, the international business environment has seen unprecedented changes, making it extremely difficult to predict the future. Factors such as geopolitical risk and technological innovation seem likely to make these changes even more complex.

HOYA has continued to grow thus far while conducting management with a flexible response to various situations. Looking ahead, we will continue to take on the challenge of overcoming any kind of change that occurs.

I hope to continue contributing to sustainable growth and enhance the medium- to long-term corporate value of the HOYA Group through both supervision and support activities for the executive team as an Independent Director, based on many years of global corporate activities at a trading company and experience in management in the IT, electrical equipment, and automotive industries.

No.	Name	Brief history, positions and assignments at the Company, and important positions of other companies concurrently held
3	 **Takayo Hasegawa** (Born on Oct. 15, 1959) Candidate for Independent Director [Number of years in office of the Director of the Company] 3 Years [Number of shares of the Company held] 0 Shares [Number of attendances to the board meetings] 11/11 times (100%)	Apr. 1984 Joined SHOWA ELECTRIC WIRE AND CABLE CO., LTD. (present SWCC Corporation) Jun. 2005 Deputy Director of Technical Development Center and Manager of Superconducting Project of SHOWA ELECTRIC WIRE AND CABLE CO. Apr. 2006 Director, Director of Technical Development Center of SWCC SHOWA CABLE SYSTEMS CO., LTD. Apr. 2010 Managing Director, Director of Technical Development Center of SWCC SHOWA CABLE SYSTEMS CO., LTD., and Corporate Officer, General Manager of The Technology Planning Office of SHOWA ELECTRIC WIRE AND CABLE CO., LTD. (present SWCC Corporation) Jun. 2013 Director, General Manager of The Technology Planning Office of SHOWA ELECTRIC WIRE AND CABLE CO., LTD. Jun. 2018 President and Director of SWCC SHOWA HOLDINGS CO., LTD. Apr. 2019 President and Representative Director, Group CEO of SWCC SHOWA HOLDINGS CO., LTD. Apr. 2020 President and Representative Director, Chairperson of the Board of Director, Group CEO of SWCC SHOWA HOLDINGS CO., LTD. Jun. 2022 Director of the Company (present post) Apr. 2024 Representative Director CEO of SWCC Corporation Apr. 2025 Chairperson of the Board, Representative Director of SWCC Corporation (present post) (Important positions of other companies concurrently held) Chairperson of the Board, Representative Director of SWCC Corporation

Reason for the Selection of Candidate for Director and Overview of Expected Roles

The above candidate was engaged for many years as a researcher in the R&D divisions of the SWCC Group (present the SWCC Group), which was originally established in the electric wire and cable industry and expanded widely into the Energy/Infrastructure, Communications/Industrial Devices, and Electrical Equipment/Components businesses, promoting the technological development of the SWCC Group. Since taking office as the first female President and Representative Director from the R&D divisions in the SWCC Group in 2018, she has implemented rapid reform of governance by dividing the business of SWCC SHOWA HOLDINGS CO., LTD. into segments, helping to ensure stable profitability. The Company's Nomination Committee has judged that she will contribute significantly to the Company's management based on her experience as a manager backed by expertise as an engineer and with regard to initiatives for new business and transformation, so it has nominated her as a candidate for Director. There were transactions in the fiscal year 2024 between the HOYA Group and SWCC, which the candidate comes from, but the amount involved in the transactions represents less than 0.1% of the consolidated net sales of each party, and nothing in connection with the candidate exists that violates the independence requirements for a Director candidate provided for in the "Basis for Election of Candidates for Directors" set forth by the Nomination Committee of the Company.

Message to Shareholders from Candidate

The global economy has been in a state of major upheaval since the start of the year due to the tariff policies of the Trump administration in the United States. As we move from an economy that has enabled use of the global market to a market divided into blocs, the environment is difficult to predict. In this environment, the true value of HOYA's management will be tested by how we carry out our social responsibility while conducting flexible and smart management, and achieve sustainable growth.

As an Independent Director, I will continue to place importance on transparency and fairness, and to contribute to the enhancement of corporate value by making use of the experience I gained while working concurrently as an engineer and a corporate manager in order for the HOYA Group to continue to develop as a company that can contribute to society.

No.	Name	Brief history, positions and assignments at the Company, and important positions of other companies concurrently held
4	 **Mika Nishimura** (Born on Aug. 14, 1963) Candidate for Independent Director [Number of years in office of the Director of the Company] 3 Years [Number of shares of the Company held] 0 Shares [Number of attendances to the board meetings] 11/11 times (100%)	Jun. 1985 Joined BAIN & COMPANY Aug. 1989 Joined LEK PARTNERSHIP Jan. 1992 Director, Global Marketing of GUIDANT CORPORATION Sep. 1999 Managing Partner of THE BLG GROUP Oct. 2002 Vice President International Sales, Operations and Marketing of EV3 Jan. 2007 Managing Partner of THE BLG GROUP Jan. 2011 Operational Partner of GILDE HEALTHCARE PARTNERS (present post) Apr. 2011 Vice President, Commercial Development of AUXOGYN (present PROGYNY) Nov. 2015 Vice President, Commercialization of NVISION MEDICAL CORPORATION (present BOSTON SCIENTIFIC) Jun. 2022 Director of the Company (present post) (Important positions of other companies concurrently held) Operational Partner of GILDE HEALTHCARE PARTNERS

Reason for the Selection of Candidate for Director and Overview of Expected Roles

The above candidate has over 30 years of experience in the medical technology sector and was engaged in commercialization strategy on a global scale (50 markets in North America, Europe, the Asia-Pacific region, and Central and South America). Through leadership positions, including Director, Global Marketing, she has been involved in clinical and business strategies and has a proven track record in helping to launch franchises that contribute to stable revenue growth. In addition, her experience as a partner in a life science venture fund has given her a broad global perspective on the latest technologies and companies. Based on her past experience, the Company believes that she will contribute to strengthening the supervisory function, primarily in the life science business, and at the same time provide a great deal of advice on business strategy of the Company, so she has been nominated as a candidate for Director. There were no transactions in the fiscal year 2024 between the HOYA Group and GILDE HEALTHCARE PARTNERS, which the candidate comes from, and nothing exists that violates the independence requirements for a Director candidate provided for in the “Basis for Election of Candidates for Directors” set forth by the Nomination Committee of the Company.

Message to Shareholders from Candidate

Amid high geopolitical tension causing an uncertain global economy and trade environment, stable leadership and agile decision making are more important than ever. Moreover, in an era of increasing digital threats and responsibility to comply with various laws and regulations, protecting company’s business, data and reputation are top priorities.

As an Independent Director based in Silicon Valley, the world’s most dynamic and advanced business environment, I will bring a global perspective to the Board of Directors, helping the management team to drive high profit growth and continued success while maintaining strong governance standards.

<table>
<tr><th>No.</th><th>Name</th><th>Brief history, positions and assignments at the Company,
and important positions of other companies concurrently held</th></tr>
<tr><td rowspan="3">5</td><td>
Mototsugu Sato
(Born on Oct. 17, 1956)
Candidate for Independent Director
[Number of years in office of the Director of the Company]
2 Years
[Number of shares of the Company held] 0 Shares
[Number of attendances to the board meetings] 11/11 times (100%)</td><td>Apr. 1979 Joined Matsushita Electric Works Ltd.
Apr. 2008 Executive Officer of Matsushita Electric Works Ltd.
Apr. 2011 Senior Executive Officer in charge of accounting of Panasonic Electric Works Co., Ltd
Oct. 2013 Executive Officer in charge of Planning of Panasonic Corporation
(present Panasonic Holdings Corporation)
Jun. 2014 Director in charge of Planning of Panasonic Corporation
Apr. 2015 Managing Director in charge of Planning of Panasonic Corporation
Apr. 2016 Representative Director and Senior Managing Director in charge of Planning and Human Resources of Panasonic Corporation
Jun. 2017 Representative Director, Senior Managing Executive Officer, Chief Strategy Officer (CSO), and Chief Human Resources Officer (CHRO) of Panasonic Corporation
Apr. 2019 Representative Director and Executive Vice President, Director of Corporate Strategy Division of Panasonic Corporation
Apr. 2022 Representative Director, Executive Vice President of Panasonic Holdings Corporation (present post)
Representative Director, Member of the Board, President and Chief Executive Officer (CEO) of Panasonic Operational Excellence Co., Ltd. (retired in March 2025)
Jun. 2023 Director of the Company (present post)

(Important positions of other companies concurrently held)
Representative Director, Executive Vice President of Panasonic Holdings Corporation (scheduled to retire the position in June 2025)</td></tr>
<tr><td colspan="2">**Reason for the Selection of Candidate for Director and Overview of Expected Roles**
The above candidate has extensive experience as a manager at Panasonic Holdings Corporation, a company that develops a wide variety of products globally, including home appliances, audio/visual equipment, automotive products, industrial equipment, and information and telecommunications equipment, primarily on diverse staff functions, including administrative divisions, and has contributed to the company's business growth and corporate value enhancement.
The Company's Nomination Committee has judged that he will contribute significantly to the Company's management with regard to important issues such as new business and supervision of the entire Group, based on his experience as a manager backed by his wide range of experience in the global manufacturing industry and extensive knowledge of business administration, so it has nominated him as a candidate for Director.
There were transactions in the fiscal year 2024 between the HOYA Group and the Panasonic Group, which the candidate comes from, but the amount involved in the transactions represents less than 0.2% of the consolidated net sales of each party, and nothing in connection with the candidate exists that violates the independence requirements for a Director candidate provided for in the "Basis for Election of Candidates for Directors" set forth by the Nomination Committee of the Company.</td></tr>
<tr><td colspan="2">**Message to Shareholders from Candidate**
The recent geopolitical tension and trend of protectionist economic policies has amplified uncertainty in the global economy and presented new challenges for global corporate management. HOYA adopts a flexible and strategic approach under a business portfolio strategy in order to grasp the changes in the business environment accurately and realize sustainable, healthy growth.
From my perspective as an Independent Outside Director, I will contribute to increasing HOYA's corporate value by providing an objective opinion on issues facing the management team and striving to strengthen corporate governance. Going forward, I will be fully committed to promoting highly transparent management to meet shareholders' expectations and ensuring that the Company can grow together with them.</td></tr>
</table>

No.	Name	Brief history, positions and assignments at the Company, and important positions of other companies concurrently held
6	 **Eiichiro Ikeda** (Born on Mar. 17, 1970) [Number of years in office of the Director of the Company] 3 Years [Number of shares of the Company held] 3,800 Shares [Number of attendances to the board meetings] 11/11 times (100%)	Apr. 1992 Joined the Company Feb. 2010 Co-CEO, Memory Disk Division of the Company Sep. 2010 Head of Optical Lens of the Company Jun. 2013 Executive Officer & Chief Operating Officer (COO) of the Company Jun. 2015 Executive Officer & Chief Operating Officer (COO), Information Technology and Chief Technology Officer (CTO) of the Company Mar. 2020 Executive Officer & Information Technology and Chief Technology Officer (CTO) of the Company Mar. 2022 Representative Executive Officer President & CEO of the Company Chief Representative of Singapore Branch of the Company (present post) Jun. 2022 Director, Representative Executive Officer President & CEO (present post) (Important positions of other companies concurrently held) None

Reason for the Selection of Candidate for Director

The above candidate has been leading the Group as Representative Executive Officer, President & CEO and Director, and gives appropriate explanations and reports on strategies based on portfolio management at meetings of the Board of Directors. He also supervises the execution of operations by other Executive Officers and adequately fulfills his role as Executive Officer and Director.
The Company's Nomination Committee has nominated him as a candidate for Director again this year, taking into consideration his past performance as a Director.

Message to Shareholders from Candidate

HOYA engages in portfolio management to operate multiple businesses in each of the Life Care and Information Technology domains that support, "Vision," "Health," and "Information Society." I recognize that portfolio management of the entire Group, which can realize sustainable corporate growth, is the most important issue in terms of my role as Group CEO. Amid the drastic changes in the business environment due to the recent rapid fluctuations in the global situation, the executive side is required to accurately verify the growth potential, profitability, and risk of each business and to make decisions quickly. As CEO, I will steer the proper course and strive diligently to enhance the corporate value of the HOYA Group in order to live up to the expectations and trust of our shareholders and other stakeholders.

No.	Name	Brief history, positions and assignments at the Company, and important positions of other companies concurrently held
7	 **Ryo Hirooka** (Born on Jan. 14, 1974) [Number of years in office of the Director of the Company] 3 Years [Number of shares of the Company held] 10,800 Shares [Number of attendances to the board meetings] 11/11 times (100%)	Apr. 1996 Joined The Sumitomo Trust and Banking Company, Limited (present Sumitomo Mitsui Trust Bank, Limited) Sep. 2002 Joined the Company Aug. 2004 Financial Manager of HOYA HOLDINGS N.V. (Netherlands) Feb. 2007 Director of HOYA HOLDINGS N.V. Jul. 2007 Director of HOYA HOLDINGS N.V., and President of HOYA HOLDINGS (Asia) B.V. Jul. 2009 Deputy CFO of Netherlands Branch of the Company Jun. 2013 Executive Officer & CFO of the Company Jun. 2014 Representative Executive Officer & CFO Jun. 2022 Director, Representative Executive Officer & CFO (present post) (Important positions of other companies concurrently held) None

Reason for the Selection of Candidate for Director

The above candidate has been leading the Group's financial strategy as Representative Executive Officer & CFO and Director, implementing proactive and flexible measures with a focus on capital efficiency. In addition, he has been explaining and reporting financial matters, including financial results, appropriately at meetings of the Board of Directors and results briefing sessions, and has been fulfilling his role as an Executive Officer and Director.
The Company's Nomination Committee has nominated him as a candidate for Director again this year, taking into consideration his past performance as a Director.

Message to Shareholders from Candidate

Through portfolio management of businesses, I will strive to further enhance corporate value by maintaining financial discipline and balancing long-term growth investments with timely returns to shareholders.
Amid major changes in global conditions, I am committed to adapt to those changes and addressing the challenges we face in order to continue being a company that is needed by our many stakeholders and shareholders.

(Notes) 1. Special interests between the candidates and the Company
No candidate has any special interest in the Company.
2. Reasons for the selection of candidates for Independent Director
A company-with-nomination committee, etc. has been adopted as a structure for its Board of Directors. The Company set up three committees, namely the Nomination Committee, Compensation Committee and Audit Committee, with the aim of securing management transparency and fairness and reinforcing supervisory functions. At the same time, the Company established a system that enables speedy and efficient management by Executive Officers by a substantial transfer of authority from the Board of Directors to Executive Officers. Independent Directors must comprise a majority at each of the three committees. The Articles of Incorporation of the Company prescribe that half or more of its Directors must be Independent Directors, for the purpose of ensuring fairness. The reason for the selection of a candidate for Independent Director is described separately for each candidate.
3. Number of years in office of the Director of the Company for candidates
The number of years in office of Independent Director (up to the close of this General Meeting of Shareholders) is described separately for each candidate.
4. Conclusion of limited liability agreements
The Company and each of the five candidates for reappointment as Independent Director have concluded an agreement that limits liabilities for damages in Paragraph (1), Article 423 of the Companies Act to the higher of 10 million yen or the amount provided by Paragraph (1), Article 425 of the Companies Act.
When the reappointment of each person is approved and passed, the above liability limitation agreement will be continued.
5. Conclusion of a directors and officers liability insurance contract
The Company has concluded a directors and officers liability insurance contract between an insurance company, as stipulated in Paragraph (1), Article 430-3 of the Companies Act, and plans to renew the contract under the same terms in the fiscal year 2025. Under this contract, the insured persons are fully or partially compensated for damages (defense costs and compensation or settlement payments) incurred as a result of assuming liability of the duties executed or receiving claim for such damages held accountable. However, this does not cover certain events such as claims for damages for willful violation of laws and regulations. This contract mainly covers individuals executing important duties, including Directors and Executive Officers of the Company, and Directors, etc. of the Company's subsidiaries. The full amount of the insurance premiums is borne by the Company. When a person subject to this insurance, including a Director of the Company, is appointed as a Director or others, they will be an insured person under the insurance contract.
6. Independent Directors
The candidates for Independent Director not only meet the requirements for outside directors stipulated by the Companies Act but also meet the "Basis for Election of Candidates for Directors" that the Nomination Committee of the Company has set out as requirements to ensure the independence of candidates for Independent Director as described below. Therefore, the Nomination Committee has determined that the candidates sufficiently secure independence as Independent Directors.

(Reference 1)
Outline of matters that violate requirements for independence of candidates for Independent Director
<Those who are related to the HOYA Group>
• Those who previously worked for the HOYA Group
• Those who have a family member (spouse, child or relatives by blood or by affinity within the second degree) who has held the position of Director, Executive Officer, Corporate Auditor or top management of the HOYA Group in the past five years
<Major shareholders>
• 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 is a top management of such companies
• Those who execute operations of a company of which a major shareholder is the HOYA Group
<Those who are related to big business partners>
• Those who are operating directors, executive officers or employees of any important business partner, either for the HOYA Group or the corporate groups which the candidates come from, the sales to which business partner comprises 2% or more of the consolidated net sales of the HOYA Group or the company groups for either of the past three years, or those who have a family member who is a top management of such business partner
<Those who provide professional services (lawyers, certified public accountants, certified tax accountants, patent attorneys, judicial scriveners, etc.)>
• Those who have received remuneration of 5 million yen or more per year or those who have a family member who has received remuneration of 5 million yen or more per year, from the HOYA Group in the past three years
• When the organization which the candidate belongs to, such as a company and association, has received cash, etc. from the HOYA Group, the amount of which exceeds 100 million yen per year or 2% of consolidated net sales of the said organization, whichever is higher
<Donation, etc.>
• When the association or organization which the candidate belongs to as director or operating officer has received donations or grants in the past three years, the amount of which exceeds 10 million yen per year or 30% of the said organization's average annual total costs, whichever is higher, or when the association or organization which the candidate's family member belongs to has received donations or grants equivalent to the aforementioned amount
<Others>
• When directors are exchanged
• When the candidate has any other important interest in the HOYA Group

(Reference 2)
As a company-with-nomination committee, etc., the Company's Board of Directors plays a role as a monitoring board to maximize the corporate value over the medium- to long-term.
The Board of Directors supervises the management situation of executives and if necessary, need to decide on critical matters such as replacing the CEO.
The Company considers that experience in top management is important for Independent Directors to fulfill their function as a monitoring board, and that diversity in gender and skill sets is necessary to supervise management from various viewpoints, as well as extensive insight and leadership to reflect such diverse viewpoints in management.

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.	●		●	●	●

Business Report Notice of the 87th Ordinary General Meeting of Shareholders (From April 1, 2024 to March 31, 2025)

Matters Relating to the Present State of the HOYA Group

Business Development and Results

Progression and result of businesses

■ General Overview:

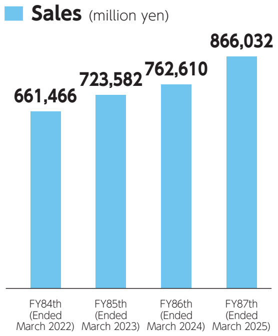
As of March 31, 2025, the HOYA Group consisted of the HOYA CORPORATION, 138 consolidated subsidiaries (5 of which are domestic and 133 overseas) and 14 affiliates (4 of which are domestic and the other 10 overseas).

The HOYA Group has adopted a business management structure where the Life Care and Information Technology business segments control subsidiaries around the world based on their respective responsibilities. Regional headquarters in the Americas, Europe and Asia support business operations by strengthening relationships with countries and areas in the respective regions, such as by providing legal support and conducting internal audits.

<Adoption of the International Financial Reporting Standards>

Beginning from the 73rd fiscal year, the HOYA Group prepares its consolidated financial statements and other documents in compliance with the International Financial Reporting Standards (IFRS accounting standards) pursuant to the paragraph (1), Article 120 of the Ordinance on Company Accounting. With respect to reportable segments presented in the overview of operation by business category, the HOYA Group divides its business into three reportable segments, based on IFRS accounting standards. These segments are Life Care, Information Technology, and Other Businesses.

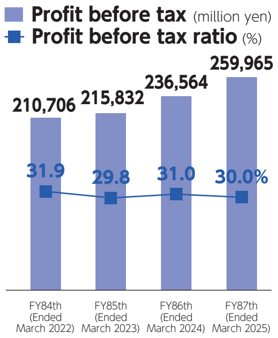
The Life Care segment deals in health care related products such as eyeglass lenses and contact lenses, as well as medical related products such as intraocular lenses and medical endoscopes. The Information Technology segment handles electronics related products such as mask blanks for semiconductors, photomasks for flat-panel displays (FPDs) and glass substrates for hard disk drives (HDDs), and imaging related products such as digital camera lenses. The Other Businesses segment offers mainly speech synthesis software.

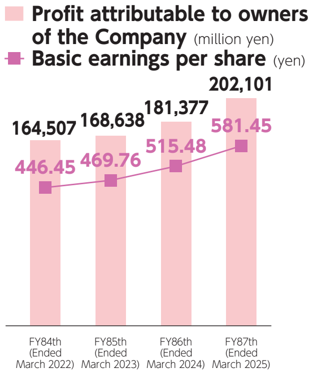


<Sales and Profit>

The business results of the HOYA Group for the consolidated fiscal year ended March 2025 are shown in the graph on the left. Both sales and profit increased in the Group as a whole, driven mainly by strong performance in the Information Technology business.

There were no discontinued operations in the consolidated fiscal year ended March 2025 and the preceding consolidated fiscal year. Therefore, all numerical values and percentage changes herein are based on continuing operations.



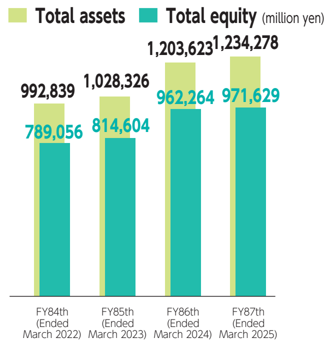


<Financial Position>

Total assets at March 31, 2025 increased by 30,655 million yen from the end of the preceding consolidated fiscal year to 1,234,278 million yen.

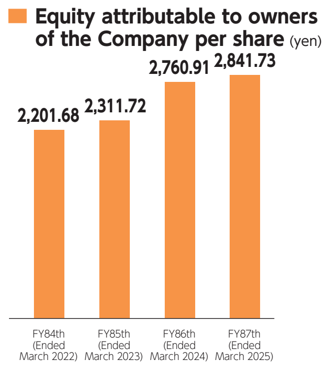
Non-current assets increased by 7,559 million yen to 354,547 million yen. This is primarily due to increases of 12,665 million yen in property, plant and equipment–net, 2,983 million yen in long-term financial assets.

Current assets increased by 23,096 million yen to 879,731 million yen. This is primarily due to increases of 5,474 million yen in inventories, 24,539 million yen in trade and other receivables and 8,805 million yen in cash and cash equivalents despite a decrease of 14,670 million yen in other short-term financial assets.



Total equity increased by 9,365 million yen to 971,629 million yen. This is primarily due to profit for the year of 201,750 million yen despite decreases of 150,012 million yen due to acquisition of treasury shares and 38,440 million yen due to dividends from retained earnings.

Equity attributable to owners of the Company increased by 6,265 million yen to 974,023 million yen.

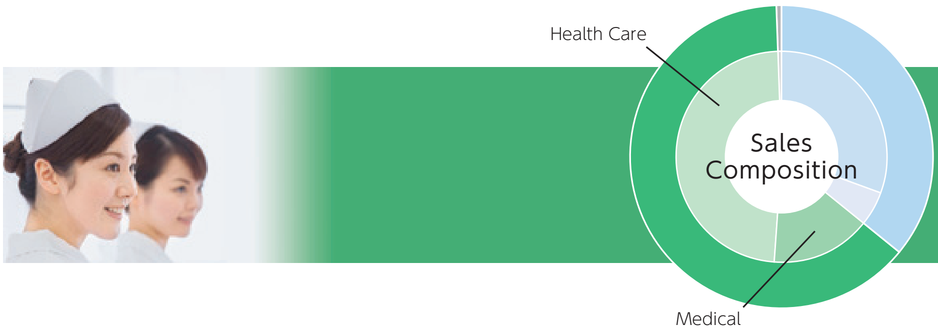


Liabilities increased by 21,290 million yen to 262,649 million yen. This is primarily due to increases of 7,417 million yen in interest-bearing long-term debt, 1,225 million yen in trade and other payables, 3,933 million yen in other current liabilities, and 4,779 million yen in income tax payables.

The ratio of equity attributable to owners of the Company to total assets at March 31, 2025 decreased by 1.5 percentage points from the end of the preceding consolidated fiscal year and reached to 78.9 %, which was 80.4% in the preceding consolidated fiscal year.

The breakdown of changes in retained earnings is presented later in this report in the section for Consolidated Statement of Changes in Equity.

Life Care

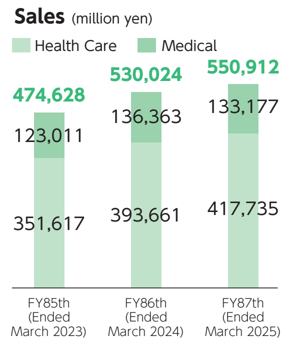


Outline of consolidated results by business segment

Health Care related products

Although system failures at the start of the period had an impact, sales of eyeglass lenses increased due to continued aggressive sales promotion activities.

Sales of contact lenses increased substantially. This was due to strong online sales, as well as new store openings and increased sales of private brand products (hoyaONE).



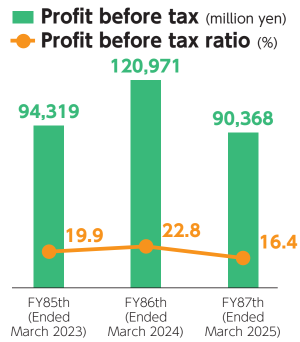
Medical related products

Sales of medical endoscopes decreased due to some impact of anti-corruption campaigns in China.

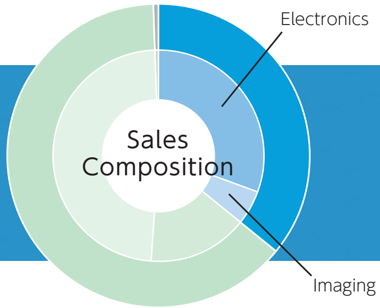
Sales of intraocular lenses for cataracts increased because the sales of advanced technology IOLs (ATIOLs) were favorable despite some impact of the national volume-based procurement system in China.

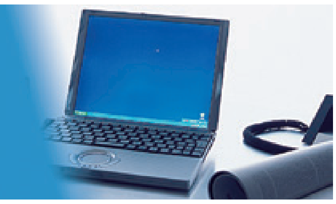
In the other product lines of medical related products, sales decreased slightly due to inventory adjustments by customers of chromatography carriers used in pharmaceuticals and other applications.

As a result, sales in the Life Care segment increased by 3.9% compared to the preceding consolidated fiscal year to 550,912 million yen. Segment profit decreased by 25.3% to 90,368 million yen.



Information Technology





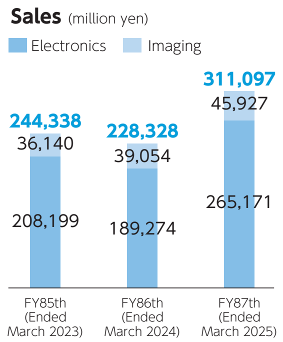
Outline of consolidated results by business segment

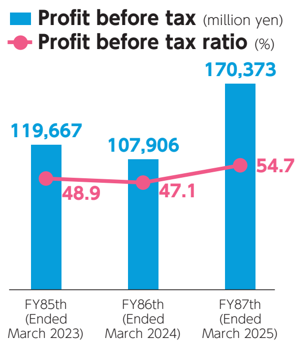
Electronics related products

Sales of mask blanks for semiconductors increased significantly. This was driven by a rebound after customers finished adjusting their inventories, and by a surge in demand for leading-edge products including mask blanks for EUV (Extreme Ultraviolet) lithography due to active R&D and embarking on mass production.

Customer demand for FPD photomasks used in development applications decreased. Sales of FPDs decreased because production of FPD mask blanks remained unstable.

Sales of glass substrates for hard disks increased significantly. This was driven by a rebound after customers finished inventory adjustments, and by rising demand for near-line storage for data centers, especially for 3.5-inch substrates.





Imaging related products

Sales of camera lenses increased due to firm sales of interchangeable lenses on the back of increased demand for travels and the launch of new mirrorless camera models.

As a result, sales in the Information Technology segment increased by 36.3% compared to the preceding consolidated fiscal year to 311,097 million yen, and segment profit increased by 57.9% to 170,373 million yen.

View of Capital Expenditures

The total capital expenditures of all operations of the HOYA Group amounted to 60,918 million yen during the consolidated fiscal year ended March 2025. This is an increase of 3,970 million yen over the preceding consolidated fiscal year.

In the consolidated fiscal year ended March 2025, investment in the Life Care business amounted to 36,209 million yen and investment in the Information Technology business amounted to 23,880 million yen, which accounted for 60% and 40% of the total capital expenditures by the Group, respectively.

During the consolidated fiscal year ended March 2025, in the Life Care business, the HOYA Group mainly invested in increasing production of eyeglass lenses.

In the Information Technology business, we made investments mainly to increase production of mask blanks for semiconductors and photomasks for FPD.

Category	85th Fiscal Year (Ended March 2023)	86th Fiscal Year (Ended March 2024)	87th Fiscal Year (Ended March 2025)
Capital expenditures (million yen)	43,468	56,947	60,918

Financing

There are no relevant items.

Important Corporate Reorganizations, etc.

There are no relevant items.

Management Issues Requiring Actions

The HOYA Group globally promotes the operation of a number of businesses in "Life Care" and "Information Technology" in order to achieve sustainable growth and maximize its corporate value. While operating diverse range of businesses, the HOYA Group maximizes its competitiveness by optimally allocating management resources and endeavors to improve results. In addition, the HOYA Group believes that corporate value will increase and stakeholders will be satisfied when profit exceeds the cost of capital. In order to achieve this, we have introduced Shareholders Value Added (SVA) as a management indicator, and we strive for efficient management.

(i) Speedy and flexible response to changes in the market and efficient utilization of management resources
In the manifold business areas of the HOYA Group, we will increase the speed of decision making by broadly delegating authority to business divisions, and devise strategies that are in line with customer needs ahead of the competition. We will allocate management resources of the Group appropriately and will make timely decisions regarding plant and equipment investment, business alliances, mergers and acquisitions, withdrawal from or reduction in business operations, etc.

(ii) Creation of new business and technologies
To secure earnings and continue to grow, the HOYA Group realizes that it is critical to acquire new businesses and technologies through in-house development and M&A in growth areas different from the existing ones. Going forward, we will devote even greater resources to acquiring world-class technologies and businesses that have a significant competitive advantage through in-house development and M&A; and to hiring and training personnel able to support our technologies and businesses.

(iii) Business expansion in growth markets
The population of those in need of eyesight correction continues to grow due to the aging of society globally and declining visual acuity in younger people due to the use of digital devices for long periods of time. The reduction of fatigue and shortening of time for medical treatment are demands by both physicians and patients, and minimally invasive treatment has been spreading at an accelerated pace. In addition, the development of high-performance, power-saving semiconductors and investment in data centers are being driven by the progress of the information society. In this context, the HOYA Group has positioned products that support people's visual acuity and health, and the progress of the information society as growth areas. We will invest management resources aggressively in these areas to expand our business.

(iv) Response to cyber security
In line with developments in generative AI and other information technologies, as well as the spread of various IT tools, the importance of cyber security initiatives for companies is increasing. At the same time, cyber security threats are constantly evolving. To respond to this environment, at the HOYA Group, we are engaged in continuous efforts to reinforce our cyber security.

(v) Response to geopolitical risks
We continually review and implement measures to address rising costs from changes in tariff policies in various countries, restrictions on sourcing certain raw materials and resources, and the need to optimize production locations.

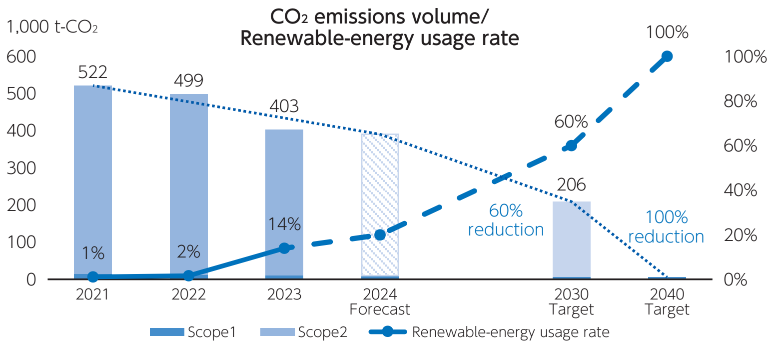
(vi) Response to sustainability (ESG)
At the HOYA Group, we have positioned our response to sustainability and ESG requirements as an important management issue, and the CSO, who has been delegated by the CEO, is leading the promotion of sustainability and ESG activities of the entire Group. Basic policies and important measures are put together by the ESG Promotion Office within the Group Headquarters, and progress is regularly reported to the Board of Directors via the CSO. To ensure the Board of Directors can exercise its supervisory functions for management and maintain an objective standpoint, in the consolidated fiscal year ended March 2025, five of the seven Directors were Independent Outside Directors. In addition to individuals with a global mindset and a wealth of management experience, the Board of Directors are made up of individuals with management experience of important decision making in climate change. From multifaceted perspectives, the Board of Directors provides advice and supervision on policies and targets related to sustainability and ESG measures, important matters including budgets, and regular reports.

Since fiscal 2022, we have adopted ESG target[*1], which is one of the indicators in Executive Officers' medium- to long-term incentives (Performance Share Unit), showing our company-wide commitment to promoting ESG initiatives. In addition, each business division sets its own climate change response and ESG-related targets specific to each business division, and we are enhancing the effectiveness of our ESG management by newly incorporating such targets into KPIs for remuneration for each president of business divisions.

*1 Targets are set based on external evaluations and status of initiatives related to ESG themes such as climate change and human capital.

[Medium- to long-term renewable energy ratio and CO_2 reduction targets]

HOYA joined RE100[*2] in February 2023, setting targets to use exclusively electricity from renewable energy sources in its business activities and to achieve a 100% reduction in CO_2 emissions compared to fiscal 2021 by 2040. In addition to further promoting the energy-saving activities we have rolled out to date, we will strive to reduce our CO_2 emissions through introducing renewable energy by implementing solar power generation equipment at our production sites, switching to renewable electricity plan, and in other ways.



Solar panels installed at HOYA LAMPHUN LTD. (annual generating capacity: 2,200 MWh; reduction in annual CO_2 emissions: about 1,000 t-CO_2)

For details of our sustainability initiatives, please visit our website (https://www.hoya.com/en/).

Changes in the State of Assets, Profits and Losses

Overview of Assets, Profits and Losses of the HOYA Group

Classification		84th Fiscal Year (Ended March 2022) [IFRS]	85th Fiscal Year (Ended March 2023) [IFRS]	86th Fiscal Year (Ended March 2024) [IFRS]	87th Fiscal Year (Current fiscal year) (Ended March 2025) [IFRS]
Sales	**(million yen)**	661,466	723,582	762,610	866,032
Profit before tax	**(million yen)**	210,706	215,832	236,564	259,965
Profit for the year	**(million yen)**	165,322	168,788	182,566	201,750
Profit attributable to owners of the Company	**(million yen)**	164,507	168,638	181,377	202,101
Basic earnings per share	**(yen)**	446.45	469.76	515.48	581.45
Total assets	**(million yen)**	992,839	1,028,326	1,203,623	1,234,278
Total equity	**(million yen)**	789,056	814,604	962,264	971,629
Equity attributable to owners of the Company per share	**(yen)**	2,201.68	2,311.72	2,760.91	2,841.73

(Notes)
1. Starting from the 73rd fiscal year, the HOYA Group prepares its consolidated financial statements in accordance with the International Financial Reporting Standards pursuant to the paragraph (1), Article 120 of the Ordinance on Company Accounting.
2. The amounts of sales and profit before tax present only the amounts for continuing operations. The amount of profit for the year presents the amount of all operations including discontinued operations.
3. Basic earnings per share is computed, based on the average of the total number of the outstanding shares during the consolidated fiscal year. Equity attributable to owners of the Company per share is computed, based on the total number of shares outstanding as of the end of consolidated fiscal year. The figures for the total number of outstanding shares exclude treasury shares.
4. The overview of the 87th fiscal year (consolidated fiscal year ended March 2025) is presented in the above section of this report titled "Progression and result of businesses."

Important Subsidiaries

Company name	Capital stock	Voting rights owned by the Company	Main business
HOYA HOLDINGS, INC. (USA)	16,204 thousands of U.S. dollar	100.0%	Regional headquarters in America
HOYA HOLDINGS N.V. (The Netherlands)	9,930 thousands of euro	100.0%	Holding company in Europe, controlling the distribution and sale of eyeglass lenses in Europe
HOYA HOLDINGS (ASIA) B.V. (The Netherlands)	19 thousands of euro	100.0%	Holding company in Asia
HOYA HOLDINGS ASIA PACIFIC PTE LTD (Singapore)	54,326 thousands of U.S. dollar	100.0% (100.0%)	Regional headquarters in Asia and Oceania

(Note) The figure appearing in a bracket in the column entitled "Voting rights owned by the Company" represents indirect ownership.

Major Businesses (as of March 31, 2025)

The HOYA Group has established two business domains in its management principle. They are "Life and Culture" and "Information Technology." In order to realize a continuous increase in the corporate value in each of the business domains, the Group makes decisions on management resource allocations and monitors their business performance. The major businesses of the HOYA Group can thus be broken down roughly to Life Care business and Information Technology business.

The Life Care segment manufactures and sells health care related products that are used routinely in medical treatment and health maintenance fields, and medical related products that include medical equipment and medical supplies used in medical treatment. Some unique features of this business segment are that approvals and permits are required from relevant authorities in each country and that advanced technological strength and reliable quality control systems are the key requirements.

The Information Technology segment manufactures and sells essential items for digital devices. Included are electronics related products that are indispensable for today's digital information and communication technology, and imaging related products that use optics technology and are necessary to capture images as digital data.

The major products and services handled by each division are as follows:

Business segment	Business category	Major products and services
Life Care	Health Care related products	Eyeglass lenses, Contact lenses
	Medical related products	Medical endoscopes, medical accessories, Automated endoscope reprocessors (AERs), Intraocular lenses, Ophthalmic medical devices, Artificial bone, Metallic orthopedic implants, chromatography carriers
Information Technology	Electronics related products	Photomasks and Mask blanks for semiconductors, Photomasks for FPD, Glass disk substrates for hard disk drives (HDDs)
	Imaging related products	Optical lenses, Optical glass material, Laser equipment, Light source
Other		Speech synthesis software

Head Office, Principal Places of Business and Plants (as of March 31, 2025)

(1) HOYA CORPORATION

Segment	Name	Location
Corporate	Group Headquarters	Shinjuku-ku, Tokyo
	Netherlands Branch	The Netherlands
	Singapore Branch	Singapore
Life Care	Vision Care Company, Japan Headquarters	Nakano-ku, Tokyo
	Eye Care Company	Nakano-ku, Tokyo
	Medical Division, Japan Headquarters	Nakano-ku, Tokyo
	Showa-no-mori Office	Akishima-shi, Tokyo
Information Technology	LSI Division and other Divisions' Sales Departments	Shinjuku-ku, Tokyo
	Nagasaka Office	Hokuto-shi, Yamanashi
	Hachioji Factory	Hachioji-shi, Tokyo
	Akishima Factory	Akishima-shi, Tokyo

(2) Subsidiaries

Segment	Name	Location
Life Care	HOYA LENS DEUTSCHLAND GMBH	Germany
	HOYA OPTICAL LABS OF AMERICA, INC.	USA
	HOYA LENS THAILAND LTD.	Thailand
	HOYA LAMPHUN LTD.	Thailand
	PENTAX OF AMERICA, INC.	USA
	PENTAX EUROPE GMBH	Germany
Information Technology	HOYA CORPORATION USA	USA
	HOYA ELECTRONICS SINGAPORE PTE. LTD.	Singapore
	HOYA GLASS DISK VIETNAM LTD.	Vietnam
	HOYA OPTICAL TECHNOLOGY (WEIHAI) CO., LTD.	China
	HOYA OPTICS (THAILAND) LTD.	Thailand
Corporate	HOYA HOLDINGS, INC.	USA
	HOYA HOLDINGS N. V.	The Netherlands
	HOYA HOLDINGS (ASIA) B. V.	The Netherlands
	HOYA HOLDINGS ASIA PACIFIC PTE LTD	Singapore

Employees (as of March 31, 2025)

(1) By segment

Segment	Number of employees	Year-on-year comparison at year end
Life Care	24,232	down 329
Information Technology	13,353	up 2,542
Other	216	up 1
Corporate	108	down 7
Total	37,909	up 2,207

(2) Changes in the number of employees

Category	84th Fiscal Year (Ended March 2022)	85th Fiscal Year (Ended March 2023)	86th Fiscal Year (Ended March 2024)	87th Fiscal Year (Ended March 2025)
Overseas	35,010	33,207	32,300	34,463
Japan	3,366	3,364	3,402	3,446

(Notes)
1. The number of employees represents regular employees of all operations. Temporary and contract workers are excluded.
2. The Corporate figure represents the number of employees in the Group Headquarters and overseas regional headquarters and branches.
3. Employees at HOYA CORPORATION numbered 3,149 (up 107 YOY). Their ages and service periods averaged 47.8 and 19.3 years, respectively.

Major Lenders (as of March 31, 2025)

Lender	Loans payable
SUMITOMO MITSUI BANKING CORPORATION (CHINA) LIMITED	5,998 million yen
AGRICULTURAL BANK OF CHINA LIMITED	4,454 million yen
GRAND QUANTUM INVESTMENT CORPORATION LIMITED	816 million yen
Jiangsu Sigo Management Consulting Co., Ltd.	494 million yen

Other Important Matters concerning the HOYA Group

There are no relevant items.

Current State of the Company

State of Shares (as of March 31, 2025)

(1) Total number of shares the Company authorized: Common share 1,250,519,400 shares

(2) Total number of issued shares: Common share 345,859,220 shares

(Note) The total number of issued shares decreased by 5,099,500 shares compared to the end of the previous fiscal year due to the cancellation of treasury shares implemented on October 7, 2024 and February 13, 2025.

(3) Number of shareholders: 27,316 (Up 2,371 YOY)

(4) Number of shares constituting one unit: 100 shares

(5) Principal shareholders: (Top 10 shareholders)

Rank	Name	Number of shares	Percentage of investment
		(Hundred shares)	%
1	**The Master Trust Bank of Japan, Ltd. (Trust Account)**	**667,260**	**19.46**
2	**Custody Bank of Japan, Ltd. (Trust Account)**	**253,587**	**7.39**
3	**State Street Bank And Trust Company 505001**	**122,990**	**3.58**
4	**State Street Bank West Client - Treaty 505234**	**73,704**	**2.15**
5	**Deutsche Bank Trust Company Americas**	**71,407**	**2.08**
6	**Government of Norway**	**59,407**	**1.73**
7	**State Street Bank And Trust Company 505103**	**54,675**	**1.59**
8	**BNYM AS AGT/CLTS NON TREATY JASDEC**	**51,778**	**1.51**
9	**State Street Bank And Trust Company 505025**	**51,277**	**1.49**
10	**JP Morgan Chase Bank 385781**	**49,894**	**1.45**

(Notes)
1. In consideration of the number of voting rights, the numbers of shares are stated in units of one hundred shares and the shares that do not constitute one trading unit are rounded down.
2. The percentage of investment is calculated by excluding treasury shares (3,101,557 shares).

(6) Number of shares granted in this fiscal year to the Directors and Executive Officers of the Company as remuneration for their duty execution

	Number of shares granted	Number of Directors and Executive Officers granted with shares
Directors and Executive Officers (excluding Independent Directors)	**2,000**	**2**

(Note)
Information on the Company’s share-based remuneration is provided in the “Remuneration, etc. for the Directors and Executive Officers of the Company” section of the Business Report.

(7) Other important matters regarding shares

A resolution was made at the Board of Directors meeting held on May 1, 2025, on matters pertaining to a share cancellation as follows.

Total number of shares to be cancelled: 2,736,600 shares
Date of cancellation: May 14, 2025
Total number of issued shares after cancellation: 343,122,620 shares

Directors and Executive Officers of the Company

(1) Directors and Executive Officers (as of March 31, 2025)

Name	Position and role at the Company	Important positions of other organization concurrently held
Hiroaki Yoshihara	Director Chairperson of the Audit Committee Member of the Nomination Committee Member of the Compensation Committee	Outside Director of Hitachi, Ltd. (scheduled to retire the position in June 2025)
Yasuyuki Abe	Director Chairperson of the Nomination Committee Member of the Compensation Committee Member of the Audit Committee	
Takayo Hasegawa	Director Member of the Nomination Committee Member of the Compensation Committee Member of the Audit Committee	Representative Director CEO of SWCC Corporation (retired the position in March 2025) Chairperson and Representative Director, Chairperson of the Board of Directors of SWCC Corporation (assumed the position in April 2025)
Mika Nishimura	Director Member of the Nomination Committee Member of the Compensation Committee Member of the Audit Committee	Operational Partner of GILDE HEALTHCARE PARTNERS
Mototsugu Sato	Director Chairperson of the Compensation Committee Member of the Nomination Committee Member of the Audit Committee	Representative Director, Executive Vice President of Panasonic Holdings Corporation (scheduled to retire the position in June 2025) Representative Director, Member of the Board, President and Chief Executive Officer (CEO) of Panasonic Operational Excellence Co., Ltd. (retired the position in March 2025)
Eiichiro Ikeda	Director, Representative Executive Officer President & CEO	
Ryo Hirooka	Director, Representative Executive Officer & CFO	
Tomoko Nakagawa	Executive Officer, Chief Sustainability Officer (CSO)	

(Notes)
1. Directors Mr. Hiroaki Yoshihara, Mr. Yasuyuki Abe, Ms. Takayo Hasegawa, Ms. Mika Nishimura and Mr. Mototsugu Sato are all Independent Directors as designated in item (15), Article 2 of the Companies Act.
2. Members of the Audit Committee have more than sufficient experience in either finance or accounting having served for several years as company leaders. In particular, Director Mr. Yoshihara has long-term experience as an expert in finance and accounting at an international accounting firm.
3. At the Company, the Audit Committee Office, which supports members of the Audit Committee, was established; under that the Internal Audit Department was established, and staff is assigned to both. Because the Company believes that members of the Audit Committee adequately fulfill their responsibilities by receiving regular reports from the Internal Audit Department, through the Audit Committee Office, putting effort into information gathering, and so forth, we do not have a full-time member of Audit Committee.
4. Ms. Tomoko Nakagawa's name in the family register is Tomoko Yamashita.

(2) Independent Directors as stipulated at Tokyo Stock Exchange

The Company provided notice on Mr. Hiroaki Yoshihara, Mr. Yasuyuki Abe, Ms. Takayo Hasegawa, Ms. Mika Nishimura and Mr. Mototsugu Sato to the Tokyo Stock Exchange as being independent directors appointed by the Company, in accordance with the Tokyo Stock Exchanges rules and regulations.

(3) Independent Directors

(i) Important positions and roles concurrently held by the Company's Independent Directors at other organization and their relationship with the Company is shown in "(1) Directors and Executive Officers" above. There is no important business transactions relationship between the Company and each of any other organization.

(ii) Attendance at Board of Directors Meetings and other Committee Meetings (Number of meetings attended/Number of meetings held)

Name	Board of Directors Meeting	Nomination Committee	Compensation Committee	Audit Committee
Hiroaki Yoshihara	11/11 (100%)	8/8 (100%)	6/6 (100%)	9/9 (100%)
Yasuyuki Abe	11/11 (100%)	8/8 (100%)	6/6 (100%)	9/9 (100%)
Takayo Hasegawa	11/11 (100%)	8/8 (100%)	6/6 (100%)	9/9 (100%)
Mika Nishimura	11/11 (100%)	8/8 (100%)	6/6 (100%)	9/9 (100%)
Mototsugu Sato	11/11 (100%)	8/8 (100%)	6/6 (100%)	9/9 (100%)

(iii) Major activities at the Board of Directors Meetings and other Committee Meetings during the Fiscal Year

Name	Overview of major activities and duties carried out by Independent Directors in relation to the role expected of them
Hiroaki Yoshihara	Mr. Yoshihara made useful contributions to the discussion of items on the agenda, based on his substantial knowledge and experience as a finance and accounting expert as well as management experience gained at an international accounting firm. As an Independent Director, he made remarks from an objective and impartial position as the occasion required, and fulfilled his role in terms of management supervision. In particular, he provided considerable advice with regard to evaluating M&A targets and assessing market conditions from a global perspective, and proactively voiced his opinions concerning the Company's portfolio in the future. Furthermore, as the Chairperson of the Audit Committee, he led discussions of propositions to make Committee decisions concerning the verification of financial statements, the monitoring of internal control systems, and audits of operations and assets. Additionally, he led discussions as the Lead Independent Outside Director at meetings attended only by Independent Directors (executive sessions) and advised Representative Executive Officers based on the outcomes of those sessions.
Yasuyuki Abe	Mr. Abe made useful contributions to the discussion of items on the agenda, utilizing his experience at a trading company and knowledge accumulated as a manager, as well as his experience as an Independent Director at other companies. As an Independent Director, he made remarks from an objective and impartial position as the occasion required, and fulfilled his role in terms of management supervision. Furthermore, as the Chairperson of the Nomination Committee, in addition to leading discussions of propositions concerning the selection of Director candidates and the succession plan of Independent Directors and Executive Officers, he actively stated his opinions at the Nomination Committee and the Audit Committee, contributing to the lively deliberations.
Takayo Hasegawa	Ms. Hasegawa made useful contributions to the discussion of items on the agenda, based on her substantial management experience and expertise. In particular, she uses her viewpoint as an active manager with an engineering background to make remarks on all aspects of management, including the areas of manufacturing and technological development, from an objective and impartial position as an Independent Director, and fulfilled her role in terms of management supervision. Furthermore, she actively stated her opinions at the Nomination Committee, the Compensation Committee, and the Audit Committee, contributing to the lively deliberations at the committees.
Mika Nishimura	Ms. Nishimura made useful contributions to the discussion of items on the agenda, based on her substantial knowledge and experience as an expert in M&A and medical fields. In particular, based on her global knowledge in the medical field, she made active remarks on compliance in the medical technology field, and fulfilled her role in terms of management supervision. Furthermore, she actively stated her opinions at the Nomination Committee, the Compensation Committee, and the Audit Committee, contributing to the lively deliberations at the committees.
Mototsugu Sato	Mr. Sato made useful contributions to the discussion of items on the agenda, based on his substantial management experience and expertise gained at a comprehensive electronics manufacturer offering diverse products on a global scale. In particular, he used his extensive experience as an active manager in diverse staff functions, including administrative divisions, to make appropriate remarks as required from objective and impartial position as an Independent Director, thus fulfilling his role in terms of management supervision. Further, as Chairperson of the Compensation Committee, he led discussions of propositions to make Committee decisions concerning the level of remuneration for Directors and Executive Officers, and the composition of Executive Officer remuneration, as well as the targets to link with their incentives.

(iv) Overview of liability limitation contract

The Company and its Independent Directors have concluded an agreement that limits possible future liabilities of the latter prescribed in paragraph (1), Article 423 of the Companies Act to the higher of 10 million yen or the amount prescribed by the paragraph (1) of Article 425 of the Act.

(v) Overview of the directors and officers liability insurance contract

The Company has concluded a directors and officers liability insurance contract with an insurance company, as stipulated in paragraph (1), Article 430-3 of the Companies Act. Under this contract, the insured persons are fully or partially compensated for damages (defense costs and compensation or settlement payments) incurred while taking responsibility or being held accountable for the execution of their duties. However, it does not cover damages incurred for certain reasons, such as damage claims resulting from intentional violations of laws and regulations.

This contract mainly covers individuals executing important duties, including Directors and Executive Officers of the Company, and Directors, etc. of the Company's subsidiaries.

Remuneration, etc. for the Directors and Executive Officers of the Company

(1) Policy of the Compensation Committee for determining the amount of remuneration and other benefits received by Directors and Executive Officers and details of the policy

(i) Basic policy and determination method

The Company has established the Compensation Committee with the objective of "contributing to improvement of results of the Company by constructing a remuneration system that raises motivation among Directors and Executive Officers and by appraising their performance appropriately." The Compensation Committee is made up of all of 5 Directors who are not Executive Officers of the Company. With due consideration of necessary information (including the levels set by other companies as determined by a survey conducted by an outside professional organization), the Compensation Committee discusses and finalizes policies for the remuneration of Directors and Executive Officers, and the particulars of remuneration received by Directors and Executive Officers.

(ii) Policy concerning remuneration for Directors

The remuneration of Directors consists of a fixed salary and a medium- and long-term incentive (restricted stock unit ("RSU")). The fixed salaries consist of a basic compensation and compensation for being a member or a chairperson of the Nomination, Compensation or Audit Committee. The compensation levels are set appropriately by taking into consideration such factors as the Company's business environment, the levels set by other companies as determined by a survey conducted by an outside professional organization, and the office and responsibility of each Director.

The RSU is a plan which the Company has introduced in place of stock options since fiscal 2022 and which delivers shares prescribed in accordance with the period employed as an Independent Director of the Company. Its purpose is for Directors to share a common viewpoint with shareholders regarding the share price and to share interests with shareholders on a medium- to long-term basis.

The Compensation Committee reviewed the compensation levels and composition again this fiscal year based on the basic policy, the Company's business environment, and the levels set by other companies as determined by a survey conducted by an outside professional organization. Upon confirming that the composition aligns with the policies of the Company and that the levels are appropriate for each office and responsibility, the compensation of each Director was determined and the compensation for each individual this fiscal year has been deemed to align with the policies of the Company.

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

[Future composition ratio of remuneration]
Fixed salary: medium- and long-term incentive (RSU) =Approximately 1:1

(Notes) 1. Assuming a share price in three years roughly equivalent to the share price when the RSU was granted.

2. Malus and clawback clause: If the case falls under any of the following items, the Company shall reduce or not provide the unpaid portion of compensation based on the RSU, and may demand return of all or part of the portion that has already been paid.

(i) Case where the recipient voluntarily retired from office regardless of his or her reason, (ii) case where the recipient was dismissed as Director of the Company, (iii) a subsequent correction to financial statements due to a material accounting error or fraud was resolved at the Board of Directors meeting, and (iv) the recipient's gross negligence of duty, or misconduct such as violation of law, violation of internal regulations or material breach of contracts during his or her service was revealed.

(iii) Policy concerning remuneration for Executive Officers

The remuneration of Executive Officers consists of a fixed salary, an annual incentive (performance-based bonuses) and a medium- and long-term incentive (performance share unit, "PSU"). For fixed salaries, basic compensation according to the office and responsibility of each Executive Officer (Representative Executive Officer, CFO, etc.) and, in case of expatriates, benefit as expatriate (such as temporary return expenses) are set appropriately by taking into consideration such factors as the offices and responsibilities, the Company's business environment, and the levels set by other companies as determined by a survey conducted by an outside professional organization. Since 2003, the Company has abolished retirement benefits for executive officers, but in exceptional cases, severance pay may be paid as a condition at the time of retirement, as determined by the Compensation Committee. The amount of severance pay and other details will be determined on a holistic basis by the Compensation Committee on a case-by-case basis, taking into consideration the position, reason for leaving the position, and other factors.

Performance-based bonuses shall be determined according to quantitative results and qualitative evaluations, and shall range roughly from 0 to 200%. As indicators of quantitative results, sales, profit attributable to owners of the Company, and basic earnings per share (EPS) given on the Consolidated Financial Statements are selected.

PSU, which has been adopted in place of stock options from fiscal 2019, is a system for granting shares at a number that is in proportion to the level of achievement of the predetermined performance conditions.

The payment ratio that corresponds to the level of achievement of the performance targets will range from 0 to 200%, based on the performance over three fiscal-year periods. As indicators of performance over three fiscal-year periods, The Company selected sales, basic earnings per share (EPS), and ESG indicators (Evaluation by external organization and status of initiatives for the key ESG themes), given on the Consolidated Financial Statements.

In addition, we will introduce RSUs for Executive Officers starting in fiscal 2025. This is to boost awareness of and commitment to increasing the Group's corporate value over the medium to long term, and to attract top talent by offering a level and structure of remuneration that is competitive with leading global firms in Japan and overseas.

Details of performance-based remuneration for Executive Officers are given in "Outline of performance-based remuneration (annual incentive and medium- and long-term incentive) for Executive Officers" below.

The Compensation Committee reviewed the compensation levels and composition again this fiscal year based on the basic policy, the Company's business environment, and the levels set by other companies as determined by a survey conducted by an outside professional organization. Upon confirming that the composition aligns with the policies of the Company and that the levels are appropriate for each office and responsibility, the compensation of each Director was determined and the compensation for each individual this fiscal year has been deemed to align with the policies of the Company.

[Composition ratio of remuneration in the current fiscal year]

CEO	Fixed salary: annual incentive (performance-based bonuses): medium- and long-term incentive (PSU) = Approximately 1:1:1.25
Executive Officers excluding CEO	Fixed salary: annual incentive (performance-based bonuses): medium- and long-term incentive (PSU) = Approximately 1:1:1

(Notes) 1. Subject to a 100% achievement rate for all targets and assuming a share price in three years roughly equivalent to the share price when the PSU was granted.

2. Malus and clawback clause: If the case falls under any of the following items, the Company shall reduce or not provide the unpaid portion of compensation based on the PSU, and may demand to return of all or part of the portion that has already been paid.
(i) Case where the recipient voluntarily retired from office regardless of his or her reason, (ii) case where the recipient was dismissed as Director of the Company, (iii) a subsequent correction to financial statements due to a material accounting error or fraud was resolved at the Board of Directors meeting, and (iv) the recipient's gross negligence of duty, or misconduct such as violation of law, violation of internal regulations or material breach of contracts during his or her service was revealed.

[Composition ratio of remuneration from fiscal 2025]

CEO	Fixed salary: annual incentive (performance-based bonuses): medium- and long-term incentive (PSU): medium- and long-term incentive (RSU) = Approximately 1:1:1.25:0.25
Executive Officers excluding CEO	Fixed salary: annual incentive (performance-based bonuses): medium- and long-term incentive (PSU): medium- and long-term incentive (RSU) = Approximately 1:1:1:0.15

(Notes) 1. Subject to a 100% achievement rate for all targets and assuming a share price when the shares are granted roughly equivalent to the share price when the PSU or RSU was granted.
2. Malus and clawback clause: If the case falls under any of the following items, the Company shall reduce or not provide the unpaid portion of compensation based on the PSU and RSU, and may demand to return of all or part of the portion that has already been paid.
(i) Case where the recipient voluntarily retired from office regardless of his or her reason, (ii) case where the recipient was dismissed as Director of the Company, (iii) a subsequent correction to financial statements due to a material accounting error or fraud was resolved at the Board of Directors meeting, and (iv) the recipient's gross negligence of duty, or misconduct such as violation of law, violation of internal regulations or material breach of contracts during his or her service was revealed.

The newly introduced RSU program grants a set number of shares to Executive Officers upon retirement from their position, with the number determined by their length of service as an Executive Officer. Every year, the Company announces a basic deliverable number of shares (CEO: a basic compensation × 0.25 ÷ a base share price; other Executive Officers: a basic compensation × 0.15 ÷ a base share price) to Executive Officers for a one-year term starting from that year. The base share price is set as the closing price of the Company's shares on the Tokyo Stock Exchange on the business day before the resolution date of the Compensation Committee that determines the basic deliverable number of share to each Executive Officer. (If there is no trading on that day, the closing price from the most recent prior trading day is used.) After the end of the period in question, the confirmed basic deliverable number of shares is managed within this system during each Executive Officer's term. The Company determines a basic compensation amount which is the market value of the Company's shares of the accumulated basic deliverable number of shares upon retirement. The Company will pay to the Executive Officers 50% of the basic compensation amount as claims for monetary remuneration. Executive Officers shall invest the monetary claims in kind and shall be granted a number of Company shares, which is equal to the amount of monetary claims in question divided by paid-in amount per Company share. From the viewpoint of ensuring payment of tax, the Company shall pay the remainder of the basic compensation amount in cash. Under this system, the payment per share for company stock allocated to Executive Officers is set at the closing price of the Company's shares on the Tokyo Stock Exchange on the business day before the Board resolution regarding the relevant new share issuance or disposal of treasury shares. This Board meeting is held after the Annual General Meeting of Shareholders that takes place at least one year after the rights are granted. (If there is no trading on that day, the closing price from the most recent prior trading day is used.)
However, the heirs of Executive Officers who died during their tenure and Executive Officers who retire due to injury or illness shall receive the entire basic compensation amount in cash.

[Outline of performance-based remuneration (annual incentive and medium- and long-term incentive) for Executive Officers in the current fiscal year]

a. Annual incentive (performance-based bonuses)

Annual incentive (performance-based bonuses) shall be paid based on the following calculation.

Amount of annual incentive (performance-based bonuses) = base amount (according to the office of each officer) x performance-linked coefficient (linked to quantitative targets)* x 80% + base amount (according to the office of each officer) x performance-linked coefficient (linked to qualitative targets)* x 20% * Performance-linked coefficient shall range from roughly 0 to 200%.

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

Indicators	Target (consolidated)	Actual (consolidated)	Reason for selection
Sales (Billions of yen)	769.6	866.0	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 (Billions of yen)	170.0	202.1	Selected as an indicator for its measurement of whether the Group's growth is accompanied by solid profits.
Basic earnings per share (Yen)	483.22	581.45	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, the results of which are deliberated on in the Compensation Committee before a decision is made.
2. The target values in the table above are set taking into consideration such as the Company's business environment, and as such may differ from performance forecasts.

b. Medium- and long-term incentive (PSU)

Every year, the Company announces basic deliverable numbers of shares according to the office and responsibility of each Executive Officer and medium- to long-term performance targets for a three-year period from that year. After the end of the period in question, the Company determines, for each Executive Officer, a basic compensation amount which is the market value of the Company's shares for the basic deliverable number of shares multiplied by a coefficient representing the degree of achievement of medium- to long-term performance targets. The Company shall pay the Executive Officer 50% of the basic compensation amount as claims for monetary remuneration. Executive Officers shall invest the monetary claims in kind and shall be granted a number of Company shares, which is equal to the amount of monetary claim in question divided by paid-in amount per Company share. From the viewpoint of ensuring payment of tax, the Company shall pay the remainder of the basic compensation amount in cash.

However, Executive Officers not residing within Japan and the heirs of Executive Officers who died during their tenure shall receive the entire basic compensation amount in cash.

Also, the Company plans to issue PSU for periods of three fiscal years starting from the following fiscal year, and continuing thereafter. Below is a table illustrating this system.

2022	2023	2024	2025	2026	2027	2028
PSU			Granting of shares, etc.			
	PSU			Granting of shares, etc.		
		PSU			Granting of shares, etc.	
			PSU			Granting of shares, etc.

[Performance-linked coefficient (PSU)]

Fiscal 2022 allocation (target period: fiscal year ended March 2023 to fiscal year ended March 2025)

Indicators	Target (consolidated)	Actual (consolidated)	Reason for selection
Sales (Billions of yen)	760.0	784.1	Selected as an indicator for its measurement of the Group’s degree of growth in domestic and overseas markets.
Basic earnings per share (Yen)	560	522	Selected as an indicator for its measurement of the Company’s degree of growth from a shareholder’s perspective.
ROE	20.0%	20.6%	Measures whether earnings have been efficiently obtained as compared with the amount of shareholder investment
ESG indicators	Evaluation by external organization and status of initiatives for the key ESG themes	Note	Selected as indicators to measure the initiatives relating to sustainability from an ESG standpoint

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

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

Indicators	Target (consolidated)	Actual (consolidated)	Reason for selection
Sales (Billions of yen)	800.0	-	Selected as an indicator for its measurement of the Group's degree of growth in domestic and overseas markets.
Basic earnings per share (Yen)	560	-	Selected as an indicator for its measurement of the Company's degree of growth from a shareholder's perspective.
ROE	20.0%	-	Measures whether earnings have been efficiently obtained as compared with the amount of shareholder investment
ESG indicators	Evaluation by external organization and status of initiatives for the key ESG themes	-	Selected as indicators to measure the initiatives relating to sustainability from an ESG standpoint

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

Fiscal 2024 allocation (target period: fiscal year ended March 2025 to fiscal year ending March 2027)

Indicators	Target (consolidated)	Actual (consolidated)	Reason for selection
Sales (Billions of yen)	830.0	-	Selected as an indicator for its measurement of the Group's degree of growth in domestic and overseas markets.
Basic earnings per share (Yen)	570	-	Selected as an indicator for its measurement of the Company's degree of growth from a shareholder's perspective.
ROE	20.0%	-	Measures whether earnings have been efficiently obtained as compared with the amount of shareholder investment
ESG indicators	Status of initiatives for the key ESG themes	-	Development of IT governance (50%), promoting diversity in management (30%), expansion of learning opportunities for employees (20%) were selected as individual indicators

(Note) Figures in parentheses represent weights within ESG targets.

(2) Total amount of remuneration, etc. of Directors and Executive Officers for the fiscal year

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	129 million yen	74 million yen	-	13 million yen	-	42 million yen
	Internal	2 persons	10 million yen	10 million yen	-	-	-	-
	Total	7 persons	139 million yen	84 million yen	-	13 million yen	-	42 million yen
Executive Officers		3 persons	736 million yen	221 million yen	303 million yen	-	212 million yen	-
Total		10 persons	876 million yen	306 million yen	303 million yen	13 million yen	212 million yen	42 million yen

(Notes)
1. At the end of the fiscal year, there were seven Directors (five Independent Directors and two Internal Directors) and three Executive Officers (two of which were concurrently serving as Directors).
2. Fixed salary for Executive Officers includes oversea Executive Officer's benefit as expatriate of 47 million yen.
3. For the stock options, fair values of stock acquisition rights were calculated and the table above shows amounts to be recorded as expenses for the fiscal year. In place of stock options, the PSU has been introduced for Executive Officers since fiscal 2019, and the RSU for Outside Directors since fiscal 2022. Note that although no stock options were newly granted to Executive Officers in the fiscal year on account of the adoption of PSU in place of stock options from fiscal 2019, a portion of stock options granted in previous years has been recorded as an expense in the fiscal year.
4. For PSU and RSU, the table above shows amounts to be recorded as expenses for the fiscal year.

(3) Amount of consolidated remuneration for each Director and Executive Officer (CEO)

The remuneration of the Chief Executive Officer (CEO) for the 87th fiscal year is as follows.

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

Executive Officers other than the above whose consolidated remuneration totaled 100 million yen or more during the consolidated fiscal year are as follows.

Name	Executive classification	Total amount	Fixed salary	Performance-based bonuses	Stock options	PSU
Ryo Hirooka, Representative Executive Officer & CFO	Director	5 million yen	5 million yen	-	-	-
	Representative Executive Officer	219 million yen	65 million yen	88 million yen	-	65 million yen
Tomoko Nakagawa, Executive Officer, Chief Sustainability Officer (CSO)	Executive Officer	149 million yen	46 million yen	66 million yen	-	37 million yen

Accounting Auditors

(1) Name Deloitte Touche Tohmatsu LLC

(2) Amount of remuneration, etc.

Classification	Amount of payment
Amount of remuneration, etc. paid to accounting auditors regarding the fiscal year	177 million yen
Aggregate amount of monetary and other asset gains the Company and its subsidiaries owe to independent auditors	227 million yen

(Notes)
1. The audit agreement between the Company and its accounting auditors makes no clear distinction between the amount of audit fees based on the Companies Act and the audit fee based on the Financial Instruments and Exchange Act. For this reason, the total amount of remuneration, etc. paid to the accounting auditors is stated as the amount of remuneration, etc. for the fiscal year.
2. The member firms of Deloitte Touche Tohmatsu Limited provide audit services to the Company's major subsidiaries overseas.
3. The Audit Committee gave consent on the remuneration, etc. for Accounting Auditors as a result of confirmation and consideration of matters including the audit planning by the Accounting Auditors, status of implementation of the audit and calculation basis for the estimate of the remuneration, in light of the "Guidelines for Cooperation with Accounting Auditors" issued by Japan Audit & Supervisory Board Members Association.

(3) Details of non-audit services

The Company commissions and pays compensation for services related to CSRD readiness to Deloitte Touche Tohmatsu LLC.

(4) Policy on dismissal of accounting auditors or decision against reappointment

When a condition that corresponds to any of the reasons for dismissal prescribed in the items of paragraph (1), Article 340 of the Companies Act exists, and dismissal is deemed to be reasonable, the Audit Committee shall dismiss the accounting auditors with the agreement of all members of the Audit Committee. In this case, a member of the Audit Committee appointed by the Audit Committee shall report the dismissal of the accounting auditors and the reason for the dismissal at the first General Meeting of Shareholders following the dismissal.

The Audit Committee shall also examine the potential for reappointment by taking into consideration the term of office of accounting auditors, the status of prior audit execution, the presence or absence of any serious reason that causes accounting auditors to lose credibility, and other circumstances, and, when reappointment is not considered reasonable, shall place "no reappointment of accounting auditors" on the agenda for discussion at a General Meeting of Shareholders on the regulations of the Audit Committee.

[Note]
Yen amounts shown were obtained by rounding fractions to the closest stated units. Percentage figures shown were also obtained by rounding fractions to the lowest place shown. Numbers of shares shown were obtained by rounding down fractions less than the stated units.

Frameworks and Policies of the Company

1. Frameworks and Policies Concerning Internal Control Systems

The HOYA Group shall operate businesses of different products and markets based on a business division system. Each division shall carry out business in Japan and overseas under the management of the person responsible for that business using an appropriately assigned group of human resources, and possess the responsibility for management and profitable operations of the business including the subsidiaries belonging to that division. Group Headquarters shall be structured to cooperate with the functional departments of each business, specifically with respect to the functions of strategy, legal affairs, finance, and human resources, and assist and promote the business execution at each business division based on the HOYA Group's management policies.

1) Matters Decided on Systems to Ensure Adequacy of Operations and Operation Status Thereof

Contents of the resolutions the Board of Directors of the Company made with regard to internal control systems set out in (b) and (e) of item (i), paragraph (1), Article 416 of the Companies Act and Article 112 of the Ordinance for Enforcement of the Companies Act and a summary of the operation status thereof are as follows:

(1) Matters required for ensuring the adequacy of operations

(i) Systems concerning the storage and management of information about the execution of duties by Executive Officers

Efforts shall be made to adequately store and manage important matters, including documents, records and minutes relating to applications for approval within the HOYA Group, in accordance with laws, regulations and other standards.

(ii) Regulations and other systems concerning the management of the risk of loss of the HOYA Group

Each business division (including the subsidiaries operating inside the respective business division) and organization shall try to identify and manage risks, and shall aim for improvements as the occasion demands, taking into consideration the instructions, etc. of the Internal Audit Department.

If a serious crisis occurs, a crisis management headquarters shall be swiftly established under the direct management of the CEO, and efforts shall be focused on response, and settlement of the situation.

(iii) Systems for ensuring the efficiency of duty performance by Executive Officers of the Company and each business division

Each division shall carry out its operations according to the annual plan and the quarterly budget adopted at meetings of the Board of Directors. The HOYA Group shall ensure the efficiency of Group management by evaluating the levels of target achievement every quarter and working to make improvements as the occasion demands.

Executive Officers shall be timely and precise in performing their duties based on the decision-making system for their execution of duties, which covers their standards for approving important matters.

Efficient procurement of funds shall be conducted in accordance with a common cash management system shared by the HOYA Group.

Efficient accounting management shall be carried out in accordance with a common accounting management system shared by the HOYA Group.

(iv) Systems for ensuring compliance with laws, regulations and the Articles of Incorporation of the way duties are performed by Executive Officers of the Company, Directors etc. of subsidiaries, and employees of the HOYA Group

The HOYA Business Conduct Guidelines shall be established to guide the conduct of all Group members based on the Group's Corporate Mission and Management Principles.

A Group Headquarters Compliance Group under the supervision of the HOYA Group Chief Compliance Officer (CCO) shall be established as well as a Compliance Officer in each business division to establish the abovementioned HOYA Business Conduct Guidelines, provisions related to legal compliance and to provide training.

The Headquarters Compliance Group shall establish a department for receiving internal reporting (HOYA Help Line), and this department shall serve as a point to receive reporting or requests for advice from inside and outside the Group concerning conduct, etc. that is in violation of the HOYA Business Conduct Guidelines, laws and regulations, the Company's Articles of Incorporation, internal regulations or socially accepted conventions (excluding those related to Executive Officers and CCO). The contents of reports to the department for receiving internal reporting and the response to such reports shall be reported to the Audit Committee on a regular basis. Any unfair treatment of the person reporting or the person seeking advice (including any retaliatory measures such as dismissal, salary reduction, transfer, or harassment) is also prohibited.

Internal reporting concerning Executive Officers and the CCO is responded to directly by the Audit Committee.

(v) Systems for reporting matters concerning performance of duties of employees of the HOYA Group and Directors, etc. of the Company's subsidiaries

The performance of duties for each business division shall be reported at the regularly held Budgetary Meetings.

As provided for by the internal rules of the HOYA Group, each business division (including the subsidiaries operating inside the respective business division) shall obtain the approval of the Group Headquarters for the matters stipulated by the rules and report the occurrence of important matters to the Group Headquarters and the Company's Executive Officers.

[Operation Status]

In the fiscal year, decisions were made on important matters in businesses division and Group Headquarters in accordance with the Rule of HOYA Group headquarters approval process based on the above policies from perspectives of improving efficiency and value of the entire HOYA Group.

At the Budgetary Meetings held quarterly, risks and opportunities in each business environment were discussed, policies and measures were developed and results thereof were verified, and these were reported to the Board of Directors.

The HOYA Business Conduct Guidelines, which is a code of ethics based on HOYA's Corporate Mission and Management Principles, were posted on the official website of the HOYA Group and the Group's portal site with printed copies distributed to employees who have difficulty accessing both sites for all employees of the HOYA Group to understand the Group's mission and compliance policies and to act accordingly in everyday life. Employees annually undergo training on the HOYA Business Conduct Guidelines at their respective workplaces to increase understanding thereof and to affirm their intention to act accordingly.

Executive Officers reported to the Chairperson of the Audit Committee, after confirming the Guidelines.

The HOYA Help Line, which receives reporting, has been established since 2003. The HOYA Help Line, receives reporting on acts that violate laws and regulations or the HOYA Business Conduct Guidelines from inside and outside the Group including from employees of suppliers. While protecting the informer, the HOYA Help Line is a system that deals with such matters quickly and appropriately, recognizing the problem early and making the relevant organization to exert a self-corrective function, and ensures the soundness of the Group as a whole. Up to the end of the fiscal year ended March 2025, the system was introduced into all of the countries in which the Group carries out its business, and a portion of it is operated in conformity with business customs and laws and regulations of the country or region.

The contents of reports to the HOYA Help Line and the response to such reports were reported to the Audit Committee on a regular basis.

(2) Important matters in the execution of duties by the Audit Committee

(i) Matters concerning Directors and employees assisting the Audit Committee in its duties

The Audit Committee Office shall be established to assist the Audit Committee in its duties.

(ii) Matters concerning independence from the Executive Officers of Directors and employees stated in the above item and matters on securing effectiveness of instructions to Directors, etc. stated in the above item

The Audit Committee has the power to appoint and dismiss staff members of the Audit Committee Office.

Executive Officers shall not give directions to staff members of the Audit Committee Office.

(iii) Systems required for reports to the Audit Committee by Executive Officers and employees of the Company, systems required for reports to the Audit Committee by Executive Officers and employees, etc. of subsidiaries, and systems required to ensure a person who reports to the Audit Committee does not receive unfair treatment.

The Board of Directors Regulations was amended to require reporting of all important matters to the Board of Directors, where Independent Directors comprise the majority of Board members. As a result, reports to the Board of Directors began to cover all important matters. For this reason, no special stipulations are established regarding matters that need to be reported to the Audit Committee.

The person responsible for the management of each respective business division shall swiftly report information being stored or managed in each organization inside the HOYA Group including subsidiaries operating within the business division as requested by the Audit Committee or the Internal Audit Department.

A contact point for receiving internal reporting concerning Executive Officers and the CCO shall be established in the Audit Committee Office to receive reports from within the HOYA Group regarding violations of laws and regulations, the Company's Articles of Incorporation, internal regulations, and socially accepted conventions, or to provide advice thereof. Any unfair treatment (including any retaliatory measures such as dismissal, reduction in salary, transfer, harassment, etc.) of the person reporting or the person seeking advice is also prohibited.

(iv) Matters regarding procedures for advanced payment or reimbursement of costs arising through execution of duties at Audit Committee, or other costs or obligations arising through execution of other duties for members of the Audit Committee

Concerning claims for costs arising through execution of duties at the Audit Committee for members of the Audit Committee, when there are claims from each member of the Audit Committee, appropriate processing of relevant costs or obligations will be performed expeditiously under deliberation by departments and divisions concerned, except in cases when the costs relating to the relevant claims were not necessary for the execution of the relevant duties.

(v) Other systems to ensure the effectiveness of audits by the Audit Committee

The Internal Audit Department shall conduct audits focusing on onsite audits of each place of business inside the HOYA Group, including subsidiaries, according to the audit policies and plans adopted by the Audit Committee and based on the cost budget to implement them, and shall report to the Audit Committee as the occasion demands.

The rules of the Audit Committee stipulate the details and ensure the effectiveness thereof.

[Operation Status]

The Audit Committee Office has been established to assist the Audit Committee in its duties.

The Internal Audit Department has been established under the Audit Committee Office, and staff members have been assigned thereto. The Audit Committee Office and Internal Audit Department are organizations fully independent from the executive department.

The Internal Audit Department conducted audits of each business place of the HOYA Group, including overseas subsidiaries, according to the audit policies and plans adopted by the Audit Committee and based on the cost budget to implement them.

Moreover, persons in charge of internal audits are assigned to each division, separately from the Internal Audit Department, and carry out internal audits within each division. The Internal Audit Department provides the Audit Committee with reports on content of audits carried out by the persons in charge of internal audits assigned to each division.

The Internal Audit Department endeavors to expand areas subject to audit and increase the frequency of audits, in cooperation with the persons in charge of internal audits assigned to each division.

The Audit Committee received regular reports on the status of audit implementation and the contents of reports to the HOYA Help Line and the responses thereto, and provided advice as necessary.

(3) System for ensuring reliability of financial reporting

The HOYA Group shall establish and manage a system of internal controls for financial reporting and build a system for evaluating its financial reporting to ensure the reliability of its financial reporting and valid, appropriate submission of internal control reports as prescribed in the Financial Instruments and Exchange Act.

[Operation Status]

The department in charge of internal controls placed in the Group Headquarters conducted hearing of reports from each business division's manager responsible for supervising the establishment and operation of the respective division's internal control system. These were conducted on a regular basis on matters concerning confirmation of the PDCA cycle of the respective system, and on an as-needed basis on matters concerning any change in systems or environments, understanding of any problem or issue, or occurrence of any event that may cast doubt on effectiveness of any internal control system. The results of the aforementioned were reported to the CFO, who is responsible for supervising internal controls, and the CEO, who is ultimately responsible for the Audit Committee and internal controls.

2) Basic Policy for Eliminating Antisocial Forces

A meeting of the Board of Directors resolved to adopt the following basic policy for the elimination of antisocial forces.

We shall have no association whatsoever with antisocial forces, and deal with undue claims made by such forces resolutely as an organization in cooperation with specialized external agencies.

[Operation Status]

Preventive measures, including a credit investigation at the time of conclusion of a transaction agreement and steps taken in the agreement, have been taken. The Company has assigned persons in charge to the Group Headquarters and made them known as the point of contact in case of any problem throughout the Company and established a system through which it can respond as an organization, strengthening linkage with the police and lawyers.

2. Basic Policy on Parties that Control Decisions Concerning Corporate Finance and Business Policies

The Company does not have a specific basic policy in this regard. However, the Company's basic view is as follows:

The Company takes the view that judgment should ultimately lie with shareholders when an acquisition proposal and the like is made with the transfer of management control as its objective. Currently no concrete threat regarding acquisition emerges. The Company has no intention to fix concrete arrangements (so-called "takeover response policies") before the emergence of any such proposal. The responsibility of management is not to have the Company take unnecessary actions to oppose acquisitions. As an entity that operates for the benefit of its shareholders, the Company considers it crucial to increase the return of profit to shareholders and increase its corporate value by constantly monitoring transactions of its shares and changes to its shareholders, to improve its business performance and increase its financial strength with the greater objective of achieving further growth.

If an acquisition or similar proposal is made, the Company considers it important to provide the information shareholders require to make a judgment based on an examination of the proposal made by the proposer. If the Company believes that the proposal will not increase the corporate value of the Company and benefit the common interest of its shareholders, it will clearly explain to the shareholders the reasons that form the background to its position, and try to obtain the understanding of shareholders.

3. Policy Concerning Decisions on Appropriation of Retained Earnings, etc.

The Company aims to maximize the HOYA Group's corporate value by flexibly adjusting the composition of its business portfolio in response to changes in the times and the external environment.

We reinvest profits from our business operations in growth initiatives to drive sustained increases in corporate value. We will also strengthen internal reserves to support our growth strategy, while maintaining an optimal balance with shareholder returns, aiming to improve capital efficiency and ensure sound finances.

With respect to shareholder returns, we continue investing to drive long-term corporate value, while also returning profits to shareholders through dividends and share repurchase funded by surplus capital. Dividends will be based on profit excluding non-recurring gains, with a target payout ratio of 40%. We adopt a progressive dividend policy as our basic policy, aiming to ensure stable and sustained dividend payments. We will continue to pursue both higher corporate value through growth investment and steady returns to our shareholders.

Coupled with the interim dividend of 45 yen per share already paid, the annual dividend will be 160 yen per share. The consolidated dividend payout ratio was 27.5% and the total shareholder return ratio, including share repurchase, reached 101.6%*.

* Calculated on a cash payment basis

4. Policy Regarding Cross-shareholding

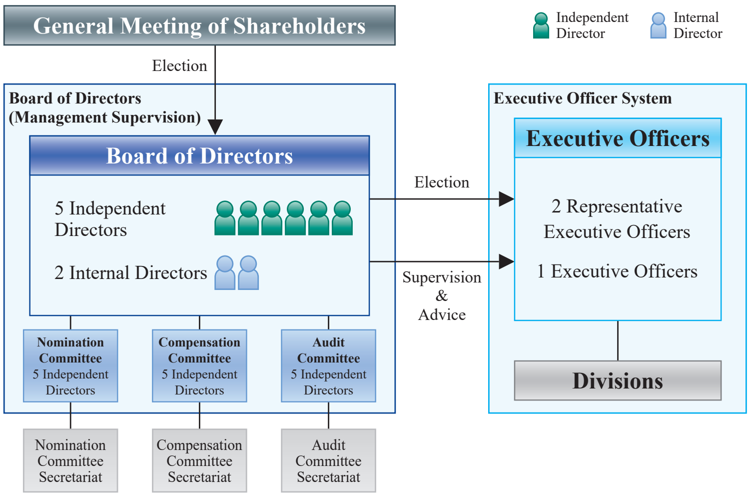
The HOYA Corporate Governance Guidelines stipulate that we will not practice cross-shareholding as a share stability measure. With regard to shares of other companies held for their usefulness from a business management standpoint, our policy is to appropriately sell off holdings that have become less meaningful. In fiscal 2024, the Company held shares of two public companies. The Company's Board of Directors decided to sell the shares of these two companies because they judged it less significant to keep holding them.

Corporate Governance

The Company promotes management with the aim of maximizing its corporate value based on the recognition that corporate governance is a matter of utmost importance for management.

As the basis of taking a fair approach to stakeholders, we adopted a "company with Nomination Committees, etc." structure simultaneously with the revision of the Companies Act in 2003, which enables us to better distinguish the execution and supervision of management to prevent management from being conducted based solely on in-house logic. We have also set forth in the Articles of Incorporation that the majority of Directors consist of Independent Directors, who actively supervise management by Executive Officers and provide advice in order to improve corporate value from an objective and broad perspective.

Corporate Governance Structure (As of March 31, 2025)



The Company also gives Executive Officers the authority and responsibility for the execution of operations, in order to accelerate decision making and improve management efficiency.

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

Please see the HOYA Corporate Governance Guidelines at
https://www.hoya.com/wp-content/uploads/2022/04/Governance_Guideline_E_en.pdf

Board of Directors

The Company's Board of Directors, in which Independent Directors comprise the majority of Board members, convene regular Board meetings 10 times a year as a general rule.

Each meeting of the Board of Directors involves lively discussions and deliberations in a solemn atmosphere, with globally-minded Independent Directors with a wealth of management experience supervising the execution of operations by Executive Officers and providing them with inquiries and advice from various angles. The Board of Directors also works to obtain information as necessary on trends in legal changes and corporate governance by holding lectures by outside experts and through other means. In fiscal 2024, the Board of Directors was comprised of 5 Independent Directors and 2 Internal Directors, with two of the Independent Directors being females. Board of Directors meetings were convened 11 times, with 100% attendance by all Directors. Based on the Board of Director Regulations, the Board of Directors addresses statutory matters, approves quarterly budgets, approves quarterly earnings reports, deliberates on M&A, deliberates on the executive organization, and receives reports on the current status and medium- to long-term plans of each business division. Once a year, a questionnaire-based self-evaluation is conducted on the operation and effectiveness of the Board of Directors and the three committees. The Board of Directors then reviews and analyzes the results. In the fiscal year under review, we conducted a third-party evaluation in December 2024 that included both a questionnaire survey and interviews with Directors. The evaluation results for fiscal 2024 are as follows. "The Board of Directors is of an appropriate composition, and has been highly evaluated for each member effectively fulfilling their role and making meaningful contributions. In addition, the Board has been evaluated for holding active discussions under appropriate management, with ongoing efforts to further enhance the quality of deliberations. Moreover, the Nomination Committee, Compensation Committee, and Audit Committee were also highly commended for thorough discussions based on an appropriate size and composition of members. In terms of the matters raised as the major issues in the evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2024 ((1) Further discussions on important management issues; (2) Enhancement of discussions on the CEO succession plan; and (3) Enhancement of discussions on risks related to sustainability issues), it has been evaluated that these topics have since been generally discussed in sufficient depth. For (1), in particular, the Board of Directors is seen to be engaging in deeper discussion of medium- to long-term strategy, including changes to the business portfolio, supported by appropriate information provided from management. It is recognized that these discussions need to continue with an even broader, company-wide perspective." Looking ahead, to deepen these discussions, we will continue to examine, improve, and further strengthen effectiveness in light of communication among Independent Directors and between Independent Directors and Executives, and discussions on each succession plan in the Nomination Committee, as well as the operation of the Board of Directors.

Executive Officers

Having the structure of a "company with Nomination Committees, etc.," the authority of the HOYA Board of Directors is entrusted to Executive Officers, enabling swift execution of business. Three persons – namely, the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Sustainability Officer (CSO) have been nominated by the Nomination Committee as candidates for Executive Officers and elected at the Board of Directors meetings. Each of them oversees the execution of operations in their respective jurisdictions determined by the Board of Directors, and carries out decision-making in a speedy fashion. The Executive Officers instruct the Group Headquarters and the person responsible for the business divisions to establish and carry out specific measures based on the management policy determined by the Board of Directors. Budgetary Business Division Meetings are held every quarter in each business division, with attendance by all Executive Officers. At these meetings, each division's progress is checked vis-a-vis the annual plan and deliberations are held on plans for the coming quarter. Business operations in each business division are largely delegated to the person responsible for the business division, who carries out the action plan approved at the Budgetary Meeting. In addition to CEO and CFO, CSO also attends each meeting of the Board of Directors.

Committees

The Board of Directors has internal organizations, namely, "Nomination Committee," "Compensation Committee" and "Audit Committee," each of which consists of Independent Directors.

Nomination Committee

The Nomination Committee, on which all Independent Directors (5 Directors as of the end of fiscal 2024) hold a seat, fairly and rigorously selects candidates for Directors (ensuring said candidates possess knowledge, expertise, and capabilities suited to HOYA's business environment), based on the "Basis for Election of Candidates for Directors," and proposes the candidates to the General Meeting of Shareholders for voting. The Committee also fairly and rigorously selects candidates (with knowledge, expertise, and capabilities suited to HOYA's business environment) for Executive Officers and the Representative Executive Officer, based on the "Standard for Election of Candidates for Executive Officer," and proposes the candidates to the Board of Directors for voting. In cases that meet the criteria for dismissal, the Committee makes decisions to propose the dismissal of Directors to the General Meeting of Shareholders and the dismissal of Executive Officers to the Board of Directors for voting. The Committee sets out the criteria for independence of candidates for Directors, which is stricter than the rules by Tokyo Stock Exchange so that a function of overseeing Executive Officers required to Independent Directors is secured. The requirements for the independence of candidates for Independent Directors are described on the pages 13-14 of the Reference Material. Nomination Committee meetings were convened 8 times in fiscal 2024, with 100% attendance by all committee members. During the fiscal year under review, discussions were conducted, in particular, on the skills matrix of Independent Directors and the succession plan of Independent Directors and Executive Officers.

Compensation Committee

The Compensation Committee, on which all Independent Directors (5 Directors as of the end of fiscal 2024) hold a seat, builds a remuneration structure that gives more incentives to Directors and Executive Officers and assesses their work in an appropriate manner, with the aim to help improve the Company's business performance. The Compensation Committee determines the remuneration of Directors and Executive Officers on an individual basis. The policy of Compensation Committee is shown on the pages 31-37. Compensation Committee meetings were convened 6 times in fiscal 2024, with 100% attendance by all committee members. During the fiscal year under review, deliberations were conducted in depth, in particular, on the level of remuneration for Directors and Executive Officers, and the composition of Executive Officer remuneration, as well as the targets to link with their incentives.

Audit Committee

The Audit Committee, on which all Independent Directors (5 Directors as of the end of fiscal 2024) hold a seat, formulates the audit policies and audit plans for each fiscal year, and verifies financial statements, etc. based on the quarterly reports and year-end reports received from the Accounting Auditor according to such policies and plans. It also interviews the Internal Audit Department to obtain the results of operational audits, and verifies the soundness, legality, efficiency, etc. of management. All important matters are reported to the Board of Directors, and countermeasures are taken as necessary. Audit Committee meetings were convened 9 times in fiscal 2024, with 100% attendance by all committee members. Deliberations during the fiscal year under review focused on reports from the Accounting Auditor and Internal Audit Department, while providing advice and suggestions to the executive team with regard to the issues that came to light.

Consolidated Statement of Financial Position

(As of March 31, 2025)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		**EQUITY AND LIABILITIES**	
Non-current assets:	**354,547**	**EQUITY**	
Property, plant and equipment–net	210,890	**Equity attributable to owners of the Company:**	**974,023**
Goodwill	52,174	Share capital	6,264
Intangible assets	24,637	Capital reserves	15,899
Investments in associates	1,657	Treasury shares	(57,595)
Long-term financial assets	51,384	Other capital reserves	(21,496)
Other non-current assets	664	Retained earnings	871,357
Deferred tax assets	13,141	Accumulated other comprehensive income	159,594
		Non-controlling interests	**(2,394)**
Current assets:	**879,731**	**Total equity**	**971,629**
Inventories	124,550	**LIABILITIES**	
Trade and other receivables	177,145	**Non-current liabilities:**	**83,141**
Other short-term financial assets	4,567	Interest-bearing long-term debt	28,007
Income taxes receivable	4,348	Other long-term financial liabilities	23,793
Other current assets	35,153	Retirement benefit liabilities	5,179
Cash and cash equivalents	533,967	Provisions	3,256
		Other non-current liabilities	9,894
		Deferred tax liabilities	13,012
		Current liabilities:	**179,508**
		Interest-bearing short-term debt	9,276
		Trade and other payables	68,996
		Other short-term financial liabilities	144
		Income taxes payable	28,128
		Provisions	1,740
		Other current liabilities	71,224
		Total liabilities	**262,649**
Total assets	**1,234,278**	**Total equity and liabilities**	**1,234,278**

Consolidated Statement of Comprehensive Income

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

Item	Amount	
Revenue:		
Sales	866,032	
Finance income	16,440	
Share of profit of associates	388	
Other income	2,955	**885,814**
Expenses:		
Changes in inventories of goods, products and work in progress	(3,730)	
Raw materials and consumables used	123,294	
Employee benefits expense	211,595	
Depreciation and amortization	48,577	
Subcontracting cost	4,311	
Advertising and promotion expense	20,976	
Commissions expense	54,638	
Impairment losses	6,143	
Finance costs	1,459	
Foreign exchange (gain)/loss	1,601	
Other expenses	156,987	**625,850**
Profit before tax		**259,965**
Income tax expense		58,215
Profit for the year		**201,750**
Other comprehensive income/(loss):		
Items that will not be reclassified subsequently to profit or loss:		
Financial assets measured at fair value through other comprehensive income	3,480	
Remeasurements of the net defined benefit liability (asset)	(432)	
Income tax relating to components of other comprehensive income	(1,303)	**1,746**
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(8,052)	
Share of other comprehensive income of associates	1,845	
Income tax relating to components of other comprehensive income	18	**(6,189)**
Other comprehensive income/(loss)		**(4,443)**
Total comprehensive income for the year		**197,307**
Profit attributable to:		
Owners of the Company	202,101	
Non-controlling interests	(352)	**201,750**
Total comprehensive income attributable to:		
Owners of the Company	197,775	
Non-controlling interests	(469)	**197,307**

Consolidated Statement of Changes in Equity

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Share capital	Capital reserves	Treasury shares	Other capital reserves	Retained earnings
Balance at April 1, 2024	6,264	15,899	(6,874)	(17,009)	805,997
Comprehensive income/(loss) for the year					
Profit for the year					202,101
Other comprehensive income/(loss)					
Total comprehensive income/(loss) for the year					202,101
Transactions with owners					
Contributions by and distributions to owners					
Acquisition of treasury shares			(150,007)	(5)	
Disposal of treasury shares			1,352	(796)	
Cancellation of treasury shares			97,934		(97,934)
Dividends, 110 yen per share					(38,440)
Changes in ownership interest in subsidiaries				(3,816)	
Share-based payments				130	
Transfer to retained earnings					(367)
Total contributions by and distributions to owners	—	—	(50,721)	(4,487)	(136,741)
Total transactions with owners	—	—	(50,721)	(4,487)	(136,741)
Balance at March 31, 2025	6,264	15,899	(57,595)	(21,496)	871,357

	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Remeasurements of the net defined benefit liability (asset)	Share of other comprehensive income of associates	Accumulated other comprehensive income/(loss)	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance at April 1, 2024	7,847	157,421	—	(1,786)	163,482	967,758	(5,494)	962,264
Comprehensive income/(loss) for the year								
Profit for the year						202,101	(352)	201,750
Other comprehensive income/(loss)	2,122	(7,926)	(367)	1,845	(4,326)	(4,326)	(117)	(4,443)
Total comprehensive income/(loss) for the year	2,122	(7,926)	(367)	1,845	(4,326)	197,775	(469)	197,307
Transactions with owners								
Contributions by and distributions to owners								
Acquisition of treasury shares						(150,012)		(150,012)
Disposal of treasury shares						556		556
Cancellation of treasury shares						—		—
Dividends, 110 yen per share						(38,440)	—	(38,440)
Changes in ownership interest in subsidiaries		72			72	(3,744)	3,569	(175)
Share-based payments						130		130
Transfer to retained earnings			367		367	—		—
Total contributions by and distributions to owners	—	72	367	—	438	(191,510)	3,569	(187,941)
Total transactions with owners	—	72	367	—	438	(191,510)	3,569	(187,941)
Balance at March 31, 2025	9,969	149,567	—	58	159,594	974,023	(2,394)	971,629

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 19, 2025

To the Board of Directors of
HOYA CORPORATION:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Tomoyasu Maruyama

Designated Engagement Partner,
Certified Public Accountant:

Shunsuke Matsumoto

Designated Engagement Partner,
Certified Public Accountant:

Hisashi Okuda

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of HOYA CORPORATION and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of March 31, 2025, and the consolidated statement of comprehensive income and consolidated statement of changes in equity for the fiscal year from April 1, 2024 to March 31, 2025, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and its consolidated financial performance for the year then ended in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The Audit Committee is responsible for overseeing the Officers and Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under IFRS Accounting Standards as issued by the IASB.

The Audit Committee is responsible for overseeing the Officers and Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under IFRS Accounting Standards as issued by the IASB, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

<u>Notes to the Readers of Independent Auditor's Report</u>

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

Nonconsolidated Balance Sheet

(As of March 31, 2025)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current assets	**176,662**	**Current liabilities**	**84,158**
Cash and deposits	82,021	Notes payable – trade	8
Notes receivable – trade	1,436	Electronically recorded obligations – operating	3,426
Accounts receivable – trade	49,198	Accounts payable – trade	22,219
Merchandise and finished products	14,950	Accounts payable – other	5,491
Work in process	4,088	Accrued expenses	5,500
Raw materials and supplies	4,912	Accrued income taxes	19,298
Short-term loans receivable from subsidiaries and affiliates	2,791	Advances received	5,864
Accounts receivable from subsidiaries and affiliates – other	15,888	Deposits received	13,515
Others	4,516	Accrued bonuses to employees	4,845
Allowance for doubtful accounts	(3,137)	Warranties provision	217
Non-current assets	**312,881**	Others	3,774
Property, plant and equipment-net	**26,646**	**Long-term liabilities**	**3,038**
Buildings	4,254	Asset retirement obligations	1,468
Structures	204	Reserve for periodic repairs	421
Melting furnaces	64	Others	1,149
Machinery and equipment	3,416	**Total liabilities**	**87,195**
Vehicles	3	NET ASSETS	
Tools, equipment and fixtures	6,884	**Shareholders' equity**	**394,180**
Land	3,344	**Share capital**	**6,264**
Construction in progress	8,477	**Capital reserve**	**15,899**
Intangible assets	**1,414**	Additional paid-in capital	15,899
Software	588	**Retained earnings**	**429,612**
Others	826	Legal reserve	1,566
Investments and other assets	**284,821**	Other retained earnings	428,046
Investment securities	39,418	Reserve for advanced depreciation of fixed assets	35
Equity securities of subsidiaries and affiliates	219,784	Unappropriated retained earnings	428,010
Investments in capital	2	**Treasury shares – at cost**	**(57,595)**
Investments in subsidiaries and affiliates	18,686	**Valuation and translation adjustments**	**8,019**
Long-term prepaid expenses	208	Unrealized gain on available-for-sale securities	8,019
Claims in bankruptcy	141	**Stock acquisition rights**	**149**
Deferred tax assets	1,055		
Others	5,664		
Allowance for doubtful accounts	(138)		
		Total net assets	**402,348**
Total assets	**489,543**	**Total liabilities and net assets**	**489,543**

Nonconsolidated Statement of Income

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

Item	Amount	
Net sales		**242,671**
Cost of sales		**109,229**
Gross profit		**133,442**
Selling, general and administrative expenses		**76,593**
Operating income		**56,848**
Non-operating income		
Interest income	1,258	
Dividend income	286,149	
Commissions received	13,923	
Foreign exchange gain	1,653	
Others	240	**303,223**
Non-operating expenses		
Interest expense	629	
Provision of allowance for doubtful accounts	21	
Bad debt expenses	11	
Others	54	**715**
Ordinary income		**359,356**
Extraordinary income		
Gain on sale of non-current assets	3,735	
Others	276	**4,011**
Extraordinary losses		
Loss on sale of non-current assets	36	
Loss on retirement of non-current assets	228	
Loss on valuation of shares of subsidiaries and affiliates	48	
Loss on sale of shares of subsidiaries	148	
Loss on liquidation of subsidiaries	617	
Extra retirement payments	35	**1,113**
Profit before income taxes		**362,254**
Income taxes - current	28,039	
Income taxes for prior periods	54	
Income taxes - deferred	(588)	**27,504**
Profit for the year		**334,750**

Nonconsolidated Statement of Changes in Equity

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity						
		Capital reserve		Retained earnings			
					Other retained earnings		
	Share capital	Additional paid-in capital	Total capital surplus	Legal reserve	Reserve for advanced depreciation of fixed assets	Unappropriated retained earnings	Total retained earnings
Balance at April 1, 2024	6,264	15,899	15,899	1,566	38	230,292	231,896
Changes during the current fiscal year							
Reversal of reserve for advanced depreciation of fixed assets					(3)	3	—
Dividends from retained earnings						(38,440)	(38,440)
Profit for the year						334,750	334,750
Acquisition of treasury shares							
Disposal of treasury shares						(659)	(659)
Cancellation of treasury shares						(97,934)	(97,934)
Changes in items other than shareholders' equity during the current fiscal year – net							
Total changes during the current fiscal year	—	—	—	—	(3)	197,719	197,716
Balance at March 31, 2025	6,264	15,899	15,899	1,566	35	428,010	429,612

	Shareholders' equity		Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Treasury shares - at cost	Total shareholders' equity	Unrealized gain/(loss) on available-for-sale securities	Total valuation and translation adjustments		
Balance at April 1, 2024	(6,874)	247,185	118	118	296	247,599
Changes during the current fiscal year						
Reversal of reserve for advanced depreciation of fixed assets		—				—
Dividends from retained earnings		(38,440)				(38,440)
Profit for the year		334,750				334,750
Acquisition of treasury shares	(150,007)	(150,007)				(150,007)
Disposal of treasury shares	1,352	693				693
Cancellation of treasury shares	97,934	—				—
Changes in items other than shareholders' equity during the current fiscal year – net			7,901	7,901	(147)	7,754
Total changes during the current fiscal year	(50,721)	146,995	7,901	7,901	(147)	154,749
Balance at March 31, 2025	(57,595)	394,180	8,019	8,019	149	402,348

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 19, 2025

To the Board of Directors of
HOYA CORPORATION:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Tomoyasu Maruyama

Designated Engagement Partner,
Certified Public Accountant:

Shunsuke Matsumoto

Designated Engagement Partner,
Certified Public Accountant:

Hisashi Okuda

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of HOYA CORPORATION (the "Company"), namely, the nonconsolidated balance sheet as of March 31, 2025, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 87th fiscal year from April 1, 2024 to March 31, 2025, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The Audit Committee is responsible for overseeing the Officers and Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit Committee is responsible for overseeing the Officers and Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in the "Opinion" section of this English translation are not included in the attached financial documents. The other information in "the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

Audit Committee's Audit Report

AUDIT REPORT

The members of the Audit Committee of the Company audited the performance of the Directors and Executive Officers of their duties during the 87th fiscal year from April 1, 2024 to March 31, 2025. We hereby report the method and results thereof:

1. AUDIT METHOD AND ITS CONTENTS

We received periodic reports from the Directors, Executive Officers and others concerning the state of construction and management of the system (internal control system) established in accordance with the resolutions of the Board of Directors concerning matters provided for in (b) and (e) of item (1), paragraph (1), Article 416 of the Companies Act, requested explanations and expressed its opinions as necessary. In addition, we attended important meetings, received reports from Directors, Executive Officers and others on matters concerning the performance of their duties, requested explanations whenever necessary, inspected documentation of important decisions, etc. and investigated the state of activities and assets at the head office and major business offices of the Company in accordance with the audit policy and the assignment of duties, etc. established by the Audit Committee and in collaboration with the audit department of the Company.

Regarding internal controls over financial reports, we received reports on the evaluation of the internal controls and the state of audits from Executive Officers and others, as well as Deloitte Touche Tohmatsu LLC, and requested explanations as necessary.

With respect to subsidiaries, we communicated and exchanged information with directors and auditors thereof, and received business reports from the subsidiaries whenever necessary.

We also monitored the Company's Independent Auditors to verify that they maintained a position of independence and conducted proper audits. We received reports from the Independent Auditors on the state of execution of their duties, and asked them for explanations whenever necessary. Additionally, we received from the Independent Auditors a letter that they were taking steps to build the System for Ensuring Adequate Execution of Duties (pursuant to the items of Article 131 of the Ordinance on Company Accounting) in accordance with the Standards for Quality Control of Audit (Business Accounting Council, November 16, 2021), and asked the Independent Auditors for explanations whenever necessary.

Based on the method described above, we examined the business report, financial statements (consisting of the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to the non-consolidated financial statements), their supplementary schedules, and consolidated financial statements (consisting of the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity, and notes to the consolidated financial statements, prepared by omitting certain items required to be disclosed by the International Financial Reporting Standards and pursuant to the provisions of the latter part of paragraph (1), Article 120 of the Ordinance on Company Accounting) for the current fiscal year.

2. AUDIT RESULTS

(1) Results of the audit of the business report, etc.

A. We are of the opinion that the business report and its supplementary schedules fairly present the state of the Company in accordance with laws, ordinances and the Articles of Incorporation.

B. We are of the opinion that, in connection with the performance by the Directors or Executive Officers of their duties, no dishonest act or material fact of violation of laws, ordinances or the Articles of Incorporation exists.

C. We are of the opinion that the resolution of the Board of Directors concerning the internal control system was reasonable. We are of the opinion that, in connection with the descriptions in the Business Report or the performance by the Directors or Executive Officers of their duties concerning said internal control system, no matter that needs to be pointed out exists.

(2) Results of the audit of the financial statements and their supplementary schedules

We are of the opinion that the method and results of the audit made by Deloitte Touche Tohmatsu LLC, the Company's Independent Auditors, are in order.

(3) Results of the audit of the consolidated financial statements

We are of the opinion that the method and results of the audit made by Deloitte Touche Tohmatsu LLC, the Company's Independent Auditors, are in order.

May 22, 2025

Audit Committee
HOYA CORPORATION

Hiroaki Yoshihara	Member of the Audit Committee
Yasuyuki Abe	Member of the Audit Committee
Takayo Hasegawa	Member of the Audit Committee
Mika Nishimura	Member of the Audit Committee
Mototsugu Sato	Member of the Audit Committee

Note: The Members of the Audit Committee, Hiroaki Yoshihara, Yasuyuki Abe, Takayo Hasegawa, Mika Nishimura and Mototsugu Sato are outside directors as provided in the item (15), Article 2 and paragraph (3), Article 400 of the Companies Act.

Internet Disclosure Accompanying the Notice of the 87th Ordinary General Meeting of Shareholders

State of Stock Acquisition Rights, etc.

Consolidated Statement of Cash Flows (Reference Information, Unaudited)

Notes to the Consolidated Financial Statements

Notes to the Nonconsolidated Financial Statements

(From April 1, 2024 to March 31, 2025)

State of Stock Acquisition Rights, etc.

Stock acquisition rights owned by Directors and Executive Officers of the Company that have been issued as compensation for their execution of duties as of the end of the fiscal year

Issue (Date of resolution)		19th issue of stock acquisition rights (September 18, 2018)	20th issue of stock acquisition rights (July 30, 2019)	21st issue of stock acquisition rights (July 28, 2020)	22nd issue of stock acquisition rights (July 29, 2021)
Number of stock acquisition rights		309	50	60	100
Type and number of shares to be issued on exercise of stock acquisition rights		123,600 common share	20,000 common share	24,000 common share	40,000 common share
Exercise price per share		6,590 yen	8,542 yen	10,490 yen	15,080 yen
Contribution of stock acquisition right		No contribution is required in exchange for a stock acquisition right.			
Exercise period		October 1, 2019 – September 30, 2028	October 1, 2020 – September 30, 2029	October 1, 2021 – September 30, 2030	October 1, 2022 – September 30, 2031
Outline of terms and conditions for the exercise of stock acquisition rights		-Exercise of stock acquisition rights is permitted under certain conditions even after retiring from the post due to the expiration of term of office or mandatory retirement age. -Inheritance or transfer of the stock acquisition rights, creation of a pledge concerning the rights, etc. are not permitted.			
		Number of owners/[Number of stock acquisition rights]			
State of owner-ship	Directors (excluding In-dependent Directors) and Executive Officers	1 [45]	0 [0]	0 [0]	0 [0]
	In-dependent Directors	0 [0]	1 [5]	1 [8]	2 [23]

(Reference Information) **Consolidated Statement of Cash Flows (Unaudited)**

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Amount
Cash flows from operating activities	
Profit before tax	259,965
Depreciation and amortization	48,577
Impairment losses	6,143
Finance income	(16,440)
Finance costs	1,459
Share of (profit)/loss of associates	(388)
(Gain)/loss on sales of property, plant and equipment	(87)
Loss on disposal of property, plant and equipment	856
Foreign exchange (gain)/loss	504
Others	2,233
Cash generated from operations (before movements in working capital)	**302,822**
Movements in working capital	
Decrease/(increase) in inventories	(9,082)
Decrease/(increase) in trade and other receivables	(26,521)
Increase/(decrease) in trade and other payables	1,932
Increase/(decrease) in retirement benefit liabilities and provisions	69
Subtotal	269,220
Interest received	19,707
Dividends received	12
Interest paid	(985)
Income taxes paid	(56,058)
Income taxes refunded	3,216
Net cash generated from operating activities	**235,113**
Cash flows from investing activities	
Withdrawals of time deposits	8,636
Payments for time deposits	(2,488)
Proceeds from sale of property, plant, and equipment	253
Payments for acquisition of property, plant, and equipment	(47,922)
Proceeds from sale of investments	275
Proceeds from sale of subsidiaries	0
Payments for acquisition of subsidiaries	(495)
Payments for acquisition of businesses	(243)
Proceeds from collection of loans to associates	10,129
Other proceeds	699
Other payments	(2,035)
Net cash used in investing activities	**(33,192)**
Cash flows from financing activities	
Dividends paid to owners of the Company	(38,417)
Increase /(decrease) in short-term borrowings	(201)
Proceeds from long-term borrowings	9,802
Repayments of long-term borrowings	(343)
Repayments of lease liabilities	(9,068)
Purchase of treasury shares	(150,012)
Proceeds from exercise of stock options	518
Payments for acquisition of interests in subsidiaries from non-controlling interests	(2,632)
Net cash used in financing activities	**(190,352)**
Net increase/(decrease) in cash and cash equivalents	**11,569**
Cash and cash equivalents at the beginning of the year	**525,162**
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	**(2,764)**
Cash and cash equivalents at the end of the year	**533,967**

(Notes)

1. Numbers in parentheses ( ) in the consolidated statement of cash flows are outflows of cash and cash equivalents.
2. Figures presented above are rounded to the nearest unit.

Notes to the Consolidated Financial Statements

Important items for the preparation of the consolidated financial statements

1. Preparation of consolidated financial statements

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards with some omissions of a part of disclosures pursuant to the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting.

2. Basis of consolidation

Number of consolidated subsidiaries	138 companies
Names of major consolidated subsidiaries	HOYA HOLDINGS, INC.
	HOYA HOLDINGS N.V.
	HOYA HOLDINGS (ASIA) B.V.
	HOYA HOLDINGS ASIA PACIFIC PTE LTD

During the fiscal year, 1 company was newly established, 2 companies were acquired, 1 company was liquidated, 1 company was sold and 4 companies were merged.
Consequently, the number of consolidated subsidiaries decreased by 3 during the fiscal year.

3. Application of the equity method

Number of associates accounted for by the equity method	10 companies
Name of major associate	HTK LENTES OFTALMICAS S.A.

The number of associates accounted for by the equity method decreased by 1 during the fiscal year.

4. Items related to accounting policies

(1) Basis and method of evaluation of financial assets

Financial assets are classified as “financial assets measured at amortized cost,” “financial assets measured at fair value through other comprehensive income” (“FVTOCI”) or “financial assets measured at fair value through profit and loss” (“FVTPL”).

1) Financial assets measured at amortized cost

Such financial assets are held within a business model whose objective is to hold financial assets to collect contractual cash flows, and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. It is measured at amortized cost by using the effective interest method.

2) FVTOCI

Such financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:
(i) the financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
(ii) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The change in fair value is recognized in other comprehensive income.
HOYA CORPORATION and its subsidiaries (the “Group”) recognizes the changes in fair value in other comprehensive income for the equity instruments that the Group irrevocably elected to account for the subsequent changes in fair value within other comprehensive income.

3) FVTPL

Any other securities not included in the classifications above is classified into financial assets measured at fair value through profit and loss. The change in fair value is recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets measured at amortized cost. The Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If the credit risk on a financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the lifetime expected credit losses. For trade receivables, the Group always measures allowance for doubtful accounts at an amount equal to the lifetime expected credit losses. The Group assesses the expected credit losses by using the change in the risk of a default or aging of trade receivables, or other factors. Expected credit losses are recognized in profit or loss.

(2) Basis and method of evaluation of inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for the inventories in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale. Costs, including purchase costs, process costs, storage costs, and all other costs incurred in bringing the inventories to present location and condition, are assigned to inventories mainly by the average method. The production costs include an appropriate portion of fixed and variable overhead expenses.

(3) Basis and method of evaluation, depreciation and amortization of property, plant, and equipment and intangible assets (other than goodwill)

1) Property, plant, and equipment

The Group applies the cost model for measuring property, plant, and equipment.
Property, plant, and equipment are stated at cost, net of accumulated depreciation and impairment losses. Properties under construction for production, supply, or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment losses. Cost includes the expenses directly attributable to the assets, the initial estimated costs relating to scrap, removal and retirement, and, for qualifying assets, the borrowing cost for long-term projects. Depreciation of these assets commences when the assets are available for their intended use.
When significant components of property, plant, and equipment are required to be replaced periodically, the Group recognizes such parts as individual assets to be depreciated with specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.
Property, plant, and equipment, other than land and construction in progress, are depreciated mainly on a straight-line basis over the estimated useful lives listed below. The estimated useful lives, residual values, and depreciation method are reviewed at each year-end, with the effect of any changes in estimate being accounted for on a prospective basis.

Buildings and structures	3-50 years
Machinery and carriers	3-10 years
Tools, equipment and fixtures	2-10 years

2) Intangible assets

The Group uses the cost model for measuring intangible assets. Intangible assets are carried at cost, less accumulated amortization and impairment losses.

A. Intangible assets acquired separately and/or acquired in a business combination

Intangible assets acquired separately are carried at cost at initial recognition. Intangible assets acquired in a business combination are recognized separately from goodwill at their fair value at the acquisition date when they satisfy the definition of intangible assets, are identifiable, and their fair value is reasonably measured.

B. Internally generated intangible assets－research and development expenses

Expenditures on research activities are recognized as expenses in the period in which they are incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
(b) the intention to complete the intangible asset and use or sell it;
(c) the ability to use or sell the intangible asset;
(d) how the intangible asset will generate probable future economic benefits;
(e) the availability of adequate technical, financial, and other resources to complete development and to use or sell the intangible asset; and
(f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenses incurred from the date when the intangible assets first meet all of the recognition criteria listed above. The assets are amortized over the estimated period in which the development costs are expected to be recovered. If no future economic benefit is expected before the end of the life of assets, the residual book value is expensed.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and impairment losses.

Where no internally generated intangible asset can be recognized, development costs are recognized as an expense in the period in which they are incurred.

C. Amortization of intangible assets

Amortization is recognized on a straight-line basis over the estimated useful lives below. The Group does not have any intangible assets with indefinite useful lives.

Technology	10‐20 years
Customer-related assets	5‐16 years
Software	3‐ 5 years

3) Impairment of property, plant and equipment and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there are any indications that those assets have suffered impairment losses. If any indications exist, the recoverable amount of the cash-generating unit, to which the asset belongs, is estimated in order to determine the extent of the impairment losses (if any).

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

(4) Leases

As a lessee, the Group recognizes a right-of-use asset and a lease liability at the commencement date. The lease liability is measured at the present value of the lease payments that are not paid at the commencement date. The right-of-use asset is measured at cost comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred and an estimate of costs, such as the cost to dismantle and remove the underlying asset to the original condition required by the terms and conditions of lease contracts.

After the commencement date, the right-of-use asset is depreciated on a straight-line basis over the useful life or lease term, whichever is shorter.

The lease payments comprise of interest expense recognized as finance costs in the Consolidated Statement of Comprehensive Income and repayments of the lease liability that are calculated by the interest method. The Group does not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and for leases of low-value assets. The Group recognizes the lease payments associated with these leases as expense on straight-line basis over the lease term or other systematic basis.

As a lessor, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

At the commencement date, the asset held under a finance lease is recognized on the Consolidated Statement of Financial Position and presented as a receivable at an amount equal to the net investment in the lease.

The assets held under an operating lease are on the Consolidated Statement of Financial Position and the lease payments received are recognized as income on a straight-line basis over the lease term in the Consolidated Statements of Comprehensive Income.

(5) Goodwill

Goodwill arising from the acquisition of a business is recognized as an asset at the date that control is acquired (i.e., the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the acquisition-date amounts of the net fair value of the identifiable assets acquired and liabilities assumed. Goodwill is not amortized but is reviewed for impairment at least annually. Goodwill is recorded at cost, less accumulated impairment losses in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Impairment losses recognized for goodwill are not reversed in subsequent periods. Upon disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of profit or loss upon disposal.

(6) Method of accounting for significant provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation by outflow of resources embodying economic benefits, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period (i.e., future cash outflow), taking into account the risks and uncertainties surrounding the obligation.

Where the time value of money is material, a provision is measured by its present value to which estimated future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the obligation. Interest cost associated with the passage of time is recognized as a finance cost.

The types of provisions are as follows:

1) Asset retirement obligation

The Group recognizes provisions for an asset retirement obligation reserve for estimated costs arising from a contractual obligation to a landlord to dismantle and remove leasehold improvements from a leased office at the end of the lease contract, and estimated costs to decontaminate certain fixed assets. An asset retirement obligation is provided based on past experience of actual cost and each asset is considered individually. The discount rate depends on the useful life of the corresponding assets and the country in which such assets are located. Future expected timing of outflow of economic benefits is mainly more than one year from each reporting period.

2) Warranties provision

Warranties provision is estimated and recognized based on past experience of the occurrence of defective goods and the expected after service costs in the warranty period. Expected outflow of economic benefits in the future is within one year from each reporting period.

3) Contingent liabilities assumed in a business combination

Contingent liabilities resulting from a business combination are initially measured at fair value on the date of acquisition. Subsequent to initial recognition, such contingent liabilities are remeasured considering expected future payments, possible occurrence, and timing of payments at each reporting period.

(7) Method of accounting for retirement benefits

For defined benefit plans, the cost of providing retirement benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of each reporting period.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable), and the return on plan assets (other than interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognized in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

Service cost, including current service cost, past service cost, as well as gains or losses on curtailments and settlements;

Net interest expense or income; and

Remeasurement.

The Group presents the first two components of defined benefit cost in profit or loss as “Employee benefits expense” or “Finance cost.”

The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service to the Group.

(8) Revenue recognition

The Group recognizes revenue based on the five-step approach below:

Step 1: Identify the contracts with customers

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the entity satisfies a performance obligation

The Group sells health care related products, medical related products, electronics related products, imaging related products, etc. and recognizes revenue when the control of products is transferred to the customer and the performance obligation is satisfied by the Group on the shipping or delivery date. For service contracts such as maintenance contracts for medical related products, revenue is recognized equally over the contract period because the performance obligation is considered to be satisfied over time. Revenue is measured at the transaction price of the consideration received or receivable less discount, rebate and consumption taxes.

(9) Basis for translation of assets and liabilities denominated in foreign currencies

1) Foreign currency transactions

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (i.e., its functional currency). For the purpose of the consolidated financial statements, the financial results, financial position, and cash flows of each group entity are presented in Japanese yen, which is the functional currency of the Group and the presentation currency for the consolidated financial statements. In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency (foreign currencies) are translated at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognized in profit or loss during the period.

2) Financial statements of foreign operations

The assets and liabilities of foreign operations are translated into Japanese yen at the foreign exchange rates prevailing at the end of the reporting period. The revenues and expenses of foreign operations are translated into Japanese yen at the average rates of exchange for the year. Where there are material fluctuations in exchange rates, the exchange rate at the transaction date is used. Foreign exchange differences arising from translation are initially recognized as exchange differences on translation of foreign operations in other comprehensive income and accumulated in “accumulated other comprehensive income,” which are reclassified from equity to profit or loss on disposal of the net investment and included in “other expenses” or “other income” in the consolidated statement of comprehensive income.

5. Significant accounting estimates and judgments

In preparing the consolidated financial statements, the group management makes estimates and assumptions about the future. The estimates and assumptions are based on management's best estimates, which consider historical experience and factors believed to be reasonable as of the end of fiscal year, may differ from the actual results due to their nature.

The item for which management made estimates and judgments in the consolidated financial statements for the fiscal year that has a material impact on the consolidated financial statements for the following fiscal year is as follows.

Recoverability of suspense payments of income taxes

Amounts recorded in the consolidated financial statements for the fiscal year — Other current assets ¥20,460 million

Other Matters

As described in “Note 3. Other Current Assets” to the Consolidated Statements of Financial Position, for each of the five fiscal years ended March 31, 2007 through 2011, the three fiscal years ended March 31, 2012 through 2014 and the four fiscal years ended March 31, 2015 through 2018, the Company received a reassessment notice from the Tokyo Regional Taxation Bureau (“TRTB”) for additional taxes on the transfer pricing taxation for transactions with overseas subsidiaries that develop and manufacture electronics-related products.

As a result of seeking withdrawal of the assessment in accordance with the relevant law, the Company received a written verdict from the National Tax Tribunal (the “Tribunal”), which partially canceled the reassessments. However, the Company disagrees with the remaining findings of the Tribunal’s verdict that maintains portions of the reassessment and expects to appeal the findings in court to seek cancellation of all the reassessments by the tax authorities. Consequently, the paid amounts of ¥7,916 million, ¥4,544 million and ¥8,000 million for each period were capitalized as suspense payments of income tax.

Depending on the outcome of the lawsuit related to the cancellation of the reassessment, there may be a material impact on the consolidated financial statements for the following fiscal year.

Notes to the Consolidated Statement of Financial Position

1. Allowance for doubtful accounts directly deducted from assets

Trade and other receivables	¥2,716 million
Long-term financial assets	¥376 million

2. Accumulated depreciation of property, plant and equipment

Property, plant and equipment − net	¥564,495 million

Accumulated depreciation includes impairment losses of property, plant and equipment.

3. Other current assets

On June 26, 2013, the Company received a reassessment notice from the TRTB for additional taxes on the transfer pricing taxation for transactions with overseas subsidiaries that develop and manufacture electronics-related products for the five fiscal years ended March 31, 2007 to 2011. The Company has lodged an objection with the TRTB seeking withdrawal of the assessment in accordance with the relevant law.

On March 29, 2018, the Company received a written verdict from the Tribunal, which partially cancels the reassessments. The Company disagrees with the remaining findings of the Tribunal’s verdict that maintains portions of the reassessment and the Company expects to appeal the findings in court to seek cancellation of all the reassessments by the tax authorities. Consequently, the paid amount of ¥7,916 million is included in “Other current assets” as a suspense payment.

On June 27, 2018, the Company received a reassessment notice from the TRTB for additional taxes on the transfer pricing taxation for transactions with overseas subsidiaries that develop and manufacture electronics-related products for the three fiscal years ended March 31, 2012 to 2014. The Company has lodged an objection with TRTB seeking withdrawal of the assessment in accordance with the relevant law.

On November 11, 2020, the Company received a written verdict from the Tribunal, which partially cancels the reassessments. The Company disagrees with the remaining findings of the Tribunal’s verdict that maintains portions of the reassessment and the Company expects to appeal the findings in court to seek cancellation of all the reassessments by the tax authorities. Consequently, the paid amount of ¥4,544 million is included in “Other current assets” as a suspense payment.

On June 29, 2021, the Company received a reassessment notice from the TRTB for additional taxes on the transfer pricing taxation for transactions with overseas subsidiaries that develop and manufacture electronics-related products for the four fiscal years ended March 31, 2015 to 2018. The Company has proceed to appeal the findings in court to seek cancellation of all the reassessments by the tax authorities.

On July 3 ,2023 the Company received a written verdict from the Tribunal, to dismiss the claim. The Company disagrees with the findings of the reassessment notice and expects to appeal the findings in court to seek cancellation of all the reassessments by the tax authorities. Consequently, the paid amount of ¥8,000 million is included in “Other current assets” as a suspense payment.

Notes to the Consolidated Statement of Comprehensive Income

1.Other Income

Valuation gain on financial liability of ¥1,153 million was recognized.

2.Impairment losses

The Group recognized impairment losses on assets and groups of assets as follows:

Use	Location	Item	Impairment losses
-	U.S.A.	Technology assets	¥4,763 million
-	Europe	Other intangible assets	¥17 million
Manufacturing facilities	Asia	Construction in progress	¥1,363 million

The technology assets of the U.S. subsidiary and the other intangible assets of the European subsidiary were written down to their recoverable amounts, due to the inability to achieve the expected profits. The Asian subsidiary wrote down the manufacturing facilities to the recoverable amount due to no anticipated future use. The recoverable amount for the asset group is measured at fair value less costs of disposition.

3. Global Minimum Top-up Tax

Global Minimum Top-up Tax of ¥3,956 million was recognized as “Income tax expense”.

4 Reclassification adjustments and tax effects related to other comprehensive income

(1) Remeasurements of net defined benefit liability (asset)

Gains/ (loss) arising during the year	¥(432) million
Tax-effect adjustment	¥65 million
Total	¥(367) million

(2) Assets measured at fair value through other comprehensive income

Gains/ (loss) arising during the year	¥3,480 million
Tax-effect adjustment	¥(1,368) million
Total	¥2,113 million

(3) Exchange differences on translation of foreign operations

Gains/ (loss) arising during the year	¥(8,002) million
Reclassification adjustments	¥(50) million
Total amount before tax-effect adjustment	¥(8,052) million
Tax-effect adjustment	¥18 million
Total	¥(8,034) million

(4) Share of other comprehensive income of associates

Gains/ (loss) arising during the year	¥(126) million
Reclassification adjustments	¥1,971 million
Total	¥1,845 million

Total other comprehensive income	¥(4,443) million

Notes to the Consolidated Statement of Changes in Equity

1. Type and number of issued shares at March 31, 2025

Ordinary shares	345,859,220 shares

2. Dividend-related items

(1) Dividends paid

1) Dividends resolved by the Board of Directors on May 24, 2024

・Total dividends	¥22,784 million
・Dividends per share	¥65
・Record date	March 31, 2024
・Effective date	June 10, 2024

2) Dividends resolved by the Board of Directors on October 31, 2024

・Total dividends	¥15,657 million
・Dividends per share	¥45

・Record date	September 30, 2024
・Effective date	November 29, 2024

(2) Dividends whose record date falls within this fiscal year but the effective date falls within the next fiscal year

Dividends resolved by the Board of Directors on May 22, 2025

・Total dividends	¥39,417 million
・Source of payment	Retained earnings
・Dividends per share	¥115
・Record date	March 31, 2025
・Effective date	June 2, 2025

3. Type and equivalent number of shares resulting from the potential exercise of stock acquisition rights outstanding at the end of the fiscal year (excluding the rights whose exercise period has not yet commenced)

Ordinary shares	89,600 shares

Notes Concerning Financial Instruments

1. Items concerning financial instruments

(1) Market risks

1) Foreign currency risk

The Group intends to marry major currencies the Group uses (Euro, U.S. dollar, and Japanese yen) in settlements of receivables/payables resulting from operating activities. Specifically, the subsidiaries that continuously conduct import or export transactions retain foreign currencies obtained from exports of goods for payables on imported supplies. This enables the Group to mitigate foreign currency risk. Additionally, the Company, having multiple Strategic Business Units (“SBUs”) that conduct finance and dividend transactions, and holding companies that receive dividends from their subsidiaries and distribute them to the Company and/or other Group companies, sometimes falls into a disparity of foreign currency debt-credit balances in receivables, liabilities, and/or bank deposits. This might cause significant gains or losses on foreign exchange differences when the Japanese yen appreciates or depreciates against the U.S. dollar or the Euro, or when the Euro appreciates or depreciates against the U.S. dollar.

The Group’s policy generally does not permit the use of derivative instruments such as forward foreign exchange contracts. However, in certain circumstances in which the use of such derivatives is determined to be beneficial, the Group may enter into contracts upon obtaining formal approval from the Chief Financial Officer (“CFO”) of the Group in accordance with its Group headquarters approval process. For instance, in order to hedge foreign currency exposures on intercompany receivables, payables, and dividends, the Company occasionally enters into forward foreign exchange contracts.

2) Interest rate risk

The portion of the interest-bearing debt in financing is small. Therefore, the interest rate risk is insignificant.

3) Price risk in equity instruments

The Group is exposed to equity price risks arising from equity instruments (i.e., listed shares). These investments are held as part of business strategy, not for short-term trading purposes. The Group does not sell these investments frequently and periodically reviews the fair value of these instruments as well as the financial condition of investees.

(2) Credit and liquidity risks

The Group manages its credit risk by setting credit limits that are approved by the authorized personnel of each SBU.

Ultimate responsibility for liquidity risk management rests with the CFO of the Group, who is appointed by the Board of Directors. Based on the instructions from the CFO, the financial headquarters of the Group mainly manages the Group’s liquidity risk by maintaining an appropriate level of retained earnings and credit facilities and monitors the actual cash flows and forecasted cash flows. The credit lines for commercial paper are secured for temporary cash shortages due to dividends or bonus payments.

2. Notes concerning the fair value of financial instruments

As of March 31, 2025 (the end of the fiscal year), the carrying amount of financial instruments in the consolidated statement of financial position, the fair values of those instruments, and the differences between them were as follows:

Financial instruments whose carrying amounts are similar to fair values are not included in the table below.

(Millions of yen)

	Carrying amount in the consolidated statement of financial position*	Fair value*	Difference
Long-term financial assets	6,758	6,468	(290)
Total assets	6,758	6,468	(290)
Interest-bearing long-term debt	(10,914)	(11,346)	(433)
Other long-term financial liabilities	(23,784)	(20,248)	3,536
Total liabilities	(34,698)	(31,594)	3,104

* The balances of liabilities are presented as the numbers in parentheses.

3. Notes concerning the breakdowns of financial instruments by fair value hierarchy

The fair value of financial instruments is categorized into Levels 1 to 3 depending on the observability and importance of inputs from which the fair value was derived.

Level 1: Fair value derived from quoted prices in active markets for identical assets or liabilities.

Long-term financial assets classified as Level 1 consist of listed shares and are measured by market prices.

Level 2: Fair value derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

· Fair value of long term financial assets such as long-term loans to subsidiaries and affiliates and lease deposits are measured by the present value of future cash flows of each loan categorized according to a certain range of term and discounted by the risk-free rate, etc.

· Fair value of interest-bearing debt and other financial liabilities such as long-term guarantee deposits and long-term other payables is measured by the present value of future cash flows of each debt categorized according to a certain range of term and discounted by the interest rate that reflects the remaining period to the maturity and credit risk.

Level 3: Fair value derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

· Long-term financial assets classified as Level 3 mainly consist of unlisted shares and are measured using valuation techniques such as net asset approach, discount cash flow method or comparable company method.

· Trade and other payables and other long-term financial liabilities classified as Level 3 consist of contingent considerations and are measured based on the achievement of milestones considering time value of money.

(1) Financial instruments that are measured at fair value

(Millions of Yen)

	Level 1	Level 2	Level 3	Total
Long-term financial assets	38,847	–	3,042	41,888
Total	38,847	–	3,042	41,888
Trade and other payables*	–	–	(211)	(211)
Other long-term financial liabilities*	–	–	(8)	(8)
Total	–	–	(220)	(220)

* The balances of liabilities are presented as the numbers in parentheses.

(2) Financial instruments that are measured at fair value on a non-recurring basis

(Millions of Yen)

	Level 1	Level 2	Level 3	Total
Long-term financial assets	–	6,468	–	6,468
Total	–	6,468	–	6,468
Interest-bearing long-term debt*	–	(11,346)	–	(11,346)
Other long-term financial liabilities*	–	(20,248)	–	(20,248)
Total	–	(31,594)	–	(31,594)

* The balances of liabilities are presented as the numbers in parentheses.

Notes Concerning Revenue recognition

1. Disaggregation of Revenue from Contracts with Customers

Revenues and results from continuing operations by the Group's reportable segments are as follows.

(Millions of Yen)

	Japan	Asia	Americas	Europe	Others	Total
Life Care						
Health Care related products	134,710	60,142	100,944	113,847	8,092	417,735
Medical related products	24,065	19,494	28,996	54,862	5,760	133,177
Life Care total	158,774	79,637	129,940	168,709	13,851	550,912
Information Technology						
Electronics related products	13,348	223,357	24,742	3,723	−	265,171
Imaging related products	9,930	33,424	1,684	884	5	45,927
Information Technology total	23,277	256,781	26,426	4,607	5	311,097
Other	735	837	981	1,468	−	4,022
Total revenue from external customers	182,787	337,255	157,348	174,785	13,856	866,032

2. Basic information to understand Revenue from Contracts with Customer

Please refer to (8) Revenue recognition of 4. Items related to accounting policies, Important items for the preparation of the consolidated financial statements

3. Information to understand Revenue amount for the current consolidated fiscal year and for the following consolidated fiscal year and thereafter

(1) Contract balances

Receivables from contracts with customers and contract liabilities are as follows. Contract liabilities consist mainly of advance received and advance received profit from customers. Contract liabilities increase by the receipt of consideration from a customer before the transfer of a good or service to the customer and decrease by satisfaction of the performance obligation.

(Millions of Yen)

	Contract balance
Receivables from contracts with customers	174,419
Contract liabilities	7,333

Note: Revenues recognized in the year ended 31 March 2025 that were included in the contract liability balances as at 1 April 2024 were ¥3,758 million.

Amount of revenue recognized in this reporting period from performance obligations satisfied (or partially satisfied) in previous periods is immaterial.

(2) Transaction price allocated to the remaining performance obligations

The Group uses the practical expedient of omitting the disclosure of information on the remaining performance obligations because it has no significant transactions with individual expected contractual terms exceeding one year. In addition, no significant considerations from contracts with customers are included in the transaction price and no significant financing components are included in consideration from contracts with customers.

(3) Assets recognized from the costs to obtain a contract with a customer

If the amortization period of the assets is one year or less, the Group uses the practical expedient of recognizing the incremental costs of obtaining the contract as an expense when incurred.

Notes to per Share Information

(1) Equity per share attributable to owners of the Company ¥2,841.73

(2) Basic earnings per share ¥581.45

Notes Concerning Significant Subsequent Events

(Cancellation of Treasury Shares)

On May 1, 2025 the Board of Directors made a resolution to cancel the treasury stock repurchased based on resolution of the Board of Directors held on February 3, 2025 pursuant to Article 178 of the Companies Act of Japan in the aim of increasing capital efficiency as well as enhancing shareholder benefit by decreasing the total number of outstanding shares as outlined below.

(1) Class of shares: Ordinary shares

(2) Number of shares to be cancelled: 2,736,600 shares

(0.79% of total shares outstanding, excluding treasury shares)

(3) Date of cancellation: May 14, 2025

(4) Total number of issued and outstanding shares after the cancellation: 343,122,620 shares

(Note) Figures in the consolidated financial statements and related notes are rounded to the nearest unit.

Notes to the Nonconsolidated Financial Statements

Significant Accounting Policies

1. Basis and methods for evaluation of marketable and investment securities
   Investment securities in subsidiaries and affiliates: Cost determined by the moving-average method
   Available-for-sale securities:
   Marketable securities: Fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity
   Non-marketable securities: Cost determined by the moving-average method

2. Basis and methods for evaluation of derivatives: Fair value

3. Basis and methods for evaluation of inventories: Primarily the lower of cost, determined by the average method, and net realizable value

4. Methods of depreciation of fixed assets:

Property, plant and equipment (excluding leased assets)	Depreciation is computed by the declining-balance method while the straight-line method is applied to buildings acquired on or after April 1, 1998 and building improvements and structures acquired on or after April 1, 2016. The range of useful lives is principally from 15 to 50 years for buildings, from 4 to 15 years for machinery and equipment, and from 2 to 15 years for tools, equipment and fixtures.
Intangible fixed assets (excluding leased assets)	The straight-line method is applied. The period of amortization is 5 years for software.
Leased assets	The straight-line method over the lease terms with no residual value is applied for leases that do not transfer ownership of the leased assets to the lessee.

5. Basis for the conversion of foreign currency assets and liabilities
   All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate at the nonconsolidated balance sheet date. The foreign exchange gains and losses from translation are recognized in the nonconsolidated statement of income.

6. Allowance, reserves, and provisions

(i) Allowance for doubtful accounts	The allowance for doubtful accounts is provided based on the Company's past experience of credit loss and an evaluation of the financial position of borrowers.
(ii) Accrued bonuses to employees	Accrued bonuses are provided at the year-end to which such bonuses are attributable in the current year.
(iii) Warranty provisions	Accrued warranty cost is estimated and recognized based on past experience of the occurrence of defective goods and the expected after service costs in the warranty period.
(iv) Reserve for periodic repairs	Reserve for periodic repairs is provided based on the actual expenses for the latest repairs for melting furnaces.

7.Revenue recognition
   The Company recognizes revenue based on the five-step approach below:
   Step 1: Identify the contracts with customers
   Step 2: Identify the performance obligations in the contract
   Step 3: Determine the transaction price
   Step 4: Allocate the transaction price to the performance obligations in the contract
   Step 5: Recognize revenue when the entity satisfies a performance obligation

The Company sells healthcare related products, medical related products, electronics related products, imaging related products, etc. and recognizes revenue when the control of products is transferred to the customer and the performance obligation is satisfied by the Company on the shipping or delivery date. For service contracts such as maintenance contracts for medical related products, revenue is recognized equally over the contract period because the performance obligation is considered to be satisfied over time. Revenues are measured at the transaction price of the consideration received or receivable less discount, rebate and consumption taxes.

Notes to Significant accounting estimates and judgments

In preparing the financial statements, management makes estimates and assumptions about the future. The estimates and assumptions are based on management's best estimates, which consider historical experience and factors believed to be reasonable as of the end of fiscal year and may differ from the actual results due to their nature.
The item for which management made estimates and judgments in the financial statements for the fiscal year that has a significant impact on the financial statements for the following fiscal year is as follows.

Valuation of equity securities of subsidiaries and associates and investments in subsidiaries and affiliates

Amounts recorded in the financial statements for the fiscal year

Equity securities of subsidiaries and affiliates	¥219,784 million
Investments in subsidiaries and affiliates	¥18,686 million

Other Matters

The Company assesses the impairment of equity securities of subsidiaries and affiliates and investments in subsidiaries and affiliates without a market price by comparing the acquisition cost with the actual value. The Company's policy is to write down the book value to the actual value, when the actual value declines by 50% or more from the acquisition cost. The actual value is estimated based on the business plans of subsidiaries and affiliates and other factors. However, such estimates may affect the financial statements of the following fiscal year, if the business plans and other revisions are required to be modified due to change in uncertain economic conditions or other factors in the future.

Notes to Revenue Recognition

Basis on comprehension of Revenue is set forth in "Significant Accounting Policies 7. Revenue recognition."

Notes to Nonconsolidated Balance Sheet

1. Accumulated depreciation of property, plant and equipment	¥106,376 million
Accumulated depreciation includes accumulated impairment losses.	
2. Monetary receivables from and payables to subsidiaries and affiliates (excluding classified items in the nonconsolidated balance sheet)	
(1) Short-term receivables	¥26,669 million
(2) Long-term receivables	¥14 million
(3) Short-term payables	¥22,656 million

Notes to Nonconsolidated Statement of Income

1. Transactions with subsidiaries and affiliates	
(1) Sales	¥95,530 million
(2) Purchases including commissions	¥38,753 million
(3) Non-operating transactions	¥301,160 million

Notes to Nonconsolidated Statement of Changes in Equity

Matters relating to the number of treasury shares

Share class	Balance at April 1, 2024	Increase	Decrease	Balance at March 31, 2025
Ordinary shares	437,245 shares	7,836,612 shares	5,172,300 shares	3,101,557 shares

(Note)

Details of the increase and decrease in the number of treasury shares are as follows:

Increase due to repurchase of shares:	7,836,100 shares
Increase due to repurchase of odd-lot shares:	512 shares
Decrease due to cancellation of shares:	5,099,500 shares
Decrease due to sale of shares	2,000 shares
Decrease on exercise of stock options:	70,800 shares

Notes Relating to Tax Effect Accounting

1.Breakdown of deferred tax assets and deferred tax liabilities that resulted in an accrual as of March 31, 2025

Deferred tax assets		
Valuation loss on shares of subsidiaries and affiliates	¥5,068	million
Accrued bonuses	1,576	
Enterprise tax payable	950	
Valuation loss on investment securities	996	
Valuation loss on inventories	610	
Asset retirement obligations	463	
Excess of allowance for doubtful accounts	1,081	
Impairment losses	370	
Stock options	402	
Excess of depreciation	435	
Accrued social insurance premiums	233	
Reserve for periodic repairs	133	
Others	169	
Deferred tax assets – subtotal	12,485	
Valuation allowance	(7,630)	
Net amount of deferred tax assets	¥4,854	
Deferred tax liabilities		
Unrealized gain on available-for-sale securities	¥ (3,691)	million
Expenses related to disposal of asset retirement obligations	(92)	
Reserve for advanced depreciation of fixed assets	(16)	
Total amount of deferred tax liabilities	(3,799)	
Net amount of deferred tax assets	¥1,055	

2. Adjustments to the amounts of deferred tax assets and liabilities due to the change of the corporate tax rate

On March 31, 2025, the “Act for partial Revision of the Income Tax Act” (Act No. 13, 2025) was enacted, and Special Defense Corporate Tax will be imposed from the year beginning on and after April 1, 2026. As a result of the changes, the statutory income tax rates used to calculate deferred tax assets and liabilities for temporary differences expected to reverse in the fiscal years beginning on and after April 1, 2026, were increased to 31.52%, from the previous rate of 30.5%. The effect of this change was immaterial.

Notes Concerning Transactions with Related Parties

1. Subsidiaries and affiliates

Type	Name of related parties	Ratio of voting rights	Relationship with related parties	Transaction details (Note 3)	Transaction amount (Millions of yen)	Balance sheet item	Balances due to or from related parties (Millions of yen)
Subsidiary	HOYA ELECTRONICS SINGAPORE PTE. LTD.	Direct ownership of 100.00%	Sales and supplier Concurrent post of directors (Note 1)	Purchase of products	10,629	Accounts payable – trade	3,164
				Sales of products	57,241	Accounts receivable – trade	15,366
				Rendering of services	5,785	Accounts receivable from subsidiaries and affiliates – other	1,587
Subsidiary	HOYA LENS THAILAND LTD.	Indirect ownership of 100.00%	Research and development Concurrent post of directors (Note 1)	Rendering of services	2,772	Accounts receivable from subsidiaries and affiliates – other	10,846
Subsidiary	Chongqing MasTek Electronics Co Ltd.	Direct ownership of 60.00%	Supplier Concurrent post of directors (Note 1)	Advance receipt of equipment purchase price	10,466	Advance received	5,338
				Handover of equipment	10,103		
Subsidiary	HOYA TECHNOSURGICAL CORPORATION	Direct ownership of 100.00%	Management of funds Concurrent post of directors (Note 2)	Borrowings and loans of funds through cash pooling	9,748	Deposit received	10,412
Subsidiary	HOYA FINANCIAL MANAGEMENT SINGAPORE PTE. LTD.	Indirect ownership of 100.00%	Management of funds Concurrent post of directors (Note 1)	underwriting of capital increase	76,712	Equity securities of subsidiaries and affiliates	76,712
Subsidiary	HOYA FINANCE JPY B.V. (Note 4)	Indirect ownership of 100.00%	Borrowing funds Concurrent post of directors (Note 1)	Borrowing funds	43,962	Short-term borrowings from subsidiaries and associates	–

(Note) Terms and conditions of transactions and the policies for determining them:
1. Employees of the Company concurrently serve as directors of the subsidiaries.
2. Employees of the Company concurrently serve as a director and an auditor of the subsidiary.
3. Transaction price is determined by negotiation, considering market prices and other factors.
4. The subsidiary ceased to be a related party during the current fiscal year. The transaction amounts are stated for the period when it was a related party.

2. Directors, officers, and major individual shareholders

Type	Name of related parties	Ratio of voting rights	Relationship with related parties	Transaction details	Transaction amount (Millions of yen) (Note 3,4)	Balance sheet item	Balances due to or from related parties (Millions of yen)
Directors and officers	Ikeda Eiichiro	(Held) Direct ownership of 0.00%	Director and representative executive officer of the Company	Performance share unit issuance (Note 1)	17	–	–
Directors and officers	Ryo Hirooka	(Held) Direct ownership of 0.00%	Director and representative executive officer of the Company	Exercises of stock options (Note 2)	72	–	–
				Performance share unit issuance (Note 1)	21	–	–
Directors	Yasuyuki Abe	(Held) Direct ownership of 0.00%	Outside Director	Exercises of stock options (Note 2)	223	–	–
Directors	Hiroaki Yoshihara	(Held) Direct ownership of 0.00%	Outside Director	Exercises of stock options (Note 2)	34	–	–

(Note) Terms and conditions of transactions and the policies for determining them:
1. Performance share unit were issued in accordance with the contracts at the date of options granted.
2. Stock options were exercised in accordance with the contracts at the date of options granted.
3. The transaction amount of Performance share unit is the amount of cancelled treasury stocks in the current fiscal year.
4. Transaction amounts are amounts paid upon exercise of stock options in the current fiscal year.

Notes to per Share Information

(1) Net assets per share ¥1,173.42
(2) Basic earnings per share ¥963.08

Notes Concerning Significant Subsequent Events

(Cancellation of Treasury Shares)
On May 1, 2025 the Board of Directors made a resolution to cancel the treasury stock repurchased based on resolution of the Board of Directors held on February 3, 2025 pursuant to Article 178 of the Companies Act of Japan in the aim of increasing capital efficiency as well as enhancing shareholder benefit by decreasing the total number of outstanding shares as outlined below.

(1) Class of shares: Ordinary shares
(2) Number of shares to be cancelled: 2,736,600 shares
(0.79% of total shares outstanding, excluding treasury shares)
(3) Date of cancellation: May 14, 2025
(4) Total number of issued and outstanding shares after the cancellation: 343,122,620 shares

(Note) Figures in the nonconsolidated financial statements and related notes are rounded to the nearest unit.