



May 7, 2019

Company Name: HOYA CORPORATION
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Notification of introduction of Performance Based Stock Compensation Plan ("Performance Share Unit")

HOYA Corporation ("the Company") has announced that the Compensation Committee, at a meeting held on May 7, 2019 has resolved to introduce the "Performance Share Unit" ("the Plan") in place of the existing Stock Option plan, as the mid-to-long term incentive plans for Executive Officers. The details are as follows.

1. Purpose of Introduction of the Plan

The introduction of the Plan is intended to further increase the motivation and drive of the Company's Executive Officers including those who concurrently serve as the Company's Directors ("the Recipients") to achieve the mid-to-long term business performance goals and enhance the corporate value of HOYA Group, and also to serve as mechanism for retention of highly talented human resource by setting a competitive compensation level.

2. Overview of the Plan

The Plan involves the granting of shares in accordance with the degree of achievement of performance conditions set in advance.

Every year, for the target period of three years starting from that year, the Company will present the Recipients with a baseline number of shares in accordance with their respective positions and responsibilities, and also with the mid-to-long term performance targets for such target period. After the end of the three-year target period, the Company will determine, for each Recipient, the standard compensation amount equivalent to the market price of the number of the Company's shares (the "Company's Shares") calculated by multiplying the baseline number of shares by a coefficient according to the degree of

achievement of the mid-to-long term performance targets. The Company will grant the Recipients, monetary compensation receivables for 50 % of such standard compensation amount. The Recipients will execute a contribution in kind of such monetary compensation receivables, and receive an allotment of shares equivalent to such monetary compensation receivables divided by the paid-in amount of the Company's Shares. Further, in order for the Recipients to ensure funds for tax payment, the monetary amount equivalent to the remaining standard compensation amount will be paid in money.

For Recipients who are non-residents of Japan and heirs of Recipients who retire due to death, all of the standard compensation amount will be paid in money.

3. Indicators of Mid-to-Long Term Performance Targets and Pay-Out Rate

From the Company's consolidated financial results, sales revenue, net income per share, and ROE will be the indicators of the performance targets. Performance targets will be determined for each indicator after deliberation by the Compensation Committee, taking into account Company's business environment, market consensus, etc. The pay-out rate will vary from 0% to 200% according to the degree of achievement of the performance targets.

4. Others

The handing of the allocation of shares and the monetary pay-out when Executive Officers retire, the handling of the Plan at the time of corporate reorganization, etc., and other details of the Plan will be determined by the Compensation Committee.

Separately, details of the monetary compensation, maximum number of shares to be granted, performance targets, etc., will be decided by the Compensation Committee after deliberation. The Company will announce when such decisions are made.

Pursuant to the introduction of this Plan, the granting of stock options to Executive Officers will cease and no further stock options will be granted to them. However, the granting of stock options to Independent Directors will continue.

End