



July 30, 2019

Company Name: HOYA CORPORATION
Representative: Hiroshi Suzuki, President and CEO
(Code: 7741, the First Section of the Tokyo Stock Exchange)
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**Notification of Issuance of Share Subscription Rights (Stock Options) to Directors
of HOYA CORPORATION**

In a meeting of the Board of Directors on July 30, 2019, HOYA CORPORATION (“the Company”) decided to grant share subscription rights (“Subscription Rights”) as stock options to directors (excluding those holding concurrent position as executive officer) of the Company pursuant to the provision of Article 236, 238 and 240 of the Company Law. The details are as follow.

1. The reason for granting Subscription Rights as stock options
For the directors (excluding those holding concurrent position as executive officer) to hold a common viewpoint with shareholders regarding the share price and share interests with shareholders on a medium- to long-term basis.
2. Subscription Rights to be issued:
HOYA CORPORATION the 20th Issuance of the Subscription Rights
3. Total number of Subscription Rights to be issued:
50 Subscription Rights
4. Class and number of shares to be issued upon exercise of the Subscription Rights:
20,000 Common shares of the Company
The number of shares to be issued upon the exercise of each Subscription Right (“Number of Shares”) shall be 400 shares.

After the date of grant the Subscription Rights in the event of a stock split (including allotment of shares without contribution) or a reverse split of the Shares, the Company may make an adjustment to the Number of Shares by using the following formula; provided, however, that the adjustment shall be made only for the Subscription Rights that remain unexercised at that time, and any fractions of less than one (1) share resulting from such adjustment shall be rounded down:

$$\begin{array}{lcl} \text{Number of Shares} & & \text{Ratio of stock split} \\ \text{after adjustment} & = & \text{or reverse split} \\ & \text{adjustment} & \times \end{array}$$

Also in the event that the Company merges with another entity, or conducts a corporate demerger, stock swap (kabushiki koukan) or stock transfer (kabushiki iten) or in the event that any unavoidable circumstance occurs, the Company may make an adjustment to the Number of Shares to a reasonable extent. In such case, the proviso of the preceding paragraph shall apply *mutatis mutandis*.

When the adjustment is made by the Company pursuant to the preceding two paragraphs, the Company shall notify, without delay, to the participants regarding making of such adjustment and details thereof.

5. Amount to be paid for the Subscription Rights:

No cash payment is required. This issuance of Subscription Rights does not constitute an issuance with substantially favourable conditions.

6. Date of grant:

August 13, 2019

7. Manner of calculation of value of assets to be contributed upon the exercise of the Subscription Rights:

The value of assets to be contributed upon the exercise of one (1) Subscription Right is 3,416,800 Japanese Yen; this amount is calculated by multiplying the amount to be paid per share that the participant will acquire by his /her exercise of Subscription Rights ("Exercise Price") by the Number of Shares.

This Exercise Price was determined based on the closing price of the shares (in the regular way) on the Tokyo Stock Exchange on the day immediately preceding the Board Meeting, i.e., as of July 29, 2019, and that is 8,542 Japanese Yen.

In the event of a stock split (including allotment of shares without contribution)

or a reverse split of the shares, the Company shall make an adjustment to the Exercise Price by using the following formula; provided, however, that any fractions of less than one (1) Japanese Yen resulting from such adjustment shall be rounded up:

$$\begin{array}{ccccccc} \text{Exercise Price} & & & \text{Exercise Price} & & & 1 \\ \text{after adjustment} & = & & \text{adjustment} & \text{before} & \times & \frac{}{\text{Ratio of stock split or}} \\ & & & & & & \text{reverse split} \end{array}$$

Also in the event that the Company merges with another entity, or conducts a corporate demerger, stock swap (*kabushiki koukan*), stock transfer (*kabushiki iten*) or a reduction in the amount of capital or in the event that any unavoidable circumstances that bring about an adjustment to the Exercise Price occur, the Company may make a reasonable adjustment to the Exercise Price; provided, however, that any fractions of less than one (1) Japanese Yen resulting from such adjustment shall be rounded up.

When the adjustment is made by the Company pursuant to the preceding two paragraphs, the Company shall notify, without delay, to the participants regarding making of such adjustment and details thereof.

8. The total amount of issuing price of shares upon exercise of the Subscription Rights:
170,840,000 Japanese Yen
9. Exercise period of the Subscription Rights:
From October 1, 2020 to September 30, 2029
10. Participants and its number to whom the Subscription Rights are granted:
50 Subscription Rights will be granted to a total of 5 directors.

11. Conditions of the exercise of the Subscription Rights:

- (i) The participant may not exercise the Subscription Rights when the participant loses its status as a director, executive officer and employee of the Company and its status as a director, executive officer and employee of the subsidiaries, provided, however, that in the event of severance of duties by retirement due to the expiration of the term or the attainment of mandatory retirement age, the participant may exercise among the Subscription Rights allotted to him /her only those Subscription Rights concerning the maximum number of Shares exercisable upon the retirement by expiration of the term or the severance of duties by the attainment of mandatory retirement age of the participant, and the Subscription Rights concerning the excess of the maximum number of Shares exercisable, which become exercisable after retirement due to the expiration of the term or the severance of duties by the attainment of mandatory retirement age of the participant, may not be exercised.
- (ii) Any heir, assignee, pledgee or other successor to the participant may not exercise the Subscription Rights under the agreement for granting of Share Subscription Rights (stock option) (hereinafter the “Agreement”).
- (iii) The participant may neither divide one (1) Subscription Right nor exercise the same separately.
- (iv) Other conditions for the exercise of the Subscription Rights shall be set forth in the Agreement based on the resolution for the issuance of Subscription Rights of the Board of Directors of the Company.

12. Acquisition of Subscription Rights:

The Company may acquire the Subscription Rights without consideration when the Company approves at its Meeting of Shareholders (if approval at a Meeting of Shareholders is unnecessary, then a resolution of the Board of Directors or a determination of the CEO) (i) a merger agreement causing the Company to cease to exist, (ii) a demerger agreement or demerger plan making the Company a demerging company, (iii) a stock-for-stock exchange agreement making the Company a wholly-owned subsidiary, or (iv) a stock-transfer plan.

The Company may acquire the Subscription Rights without consideration if the participant is unable to exercise such rights any longer due to the occurrence of any of the conditions by which the participant may not exercise the Subscription Rights as provided in the Section 11 above.

13. Amount of capital and capital reserve to be increased upon exercise of the Subscription Rights:

In the event the Company issues new shares upon the exercise of the Subscription Rights, the amount of capital to be increased shall be the amount calculated pursuant to Article 17, Paragraph 1 of the Corporate Accounting Regulations (*Kaisha Keisan Kisoku*) (“Maximum Amount of Increase of Capital”) multiplied by 0.5 (any fractions of less than one (1) Japanese Yen shall be rounded up to the first decimal place), and the amount of capital reserve to be increased shall be the Maximum Amount of Increase of Capital less the amount of capital to be increased.

14. The filing place for the Subscription Rights:

HOYA CORPORATION or any other party succeeding its services

15. Payment handling bank and place of payment for the exercise of the Subscription Rights:

MUFG Bank, Ltd., Tokyo Main Office

16. Restriction on transfer of the Subscription Rights:

The acquisition of the Subscription Rights by way of transfer requires approval of the Board of Directors of the Company.

17. Issuance of certificates representing the Subscription Rights:

The Company will not issue a certificate representing the Subscription Rights.

End