

April 30, 2009

[Revised on May 22, 2009](#)

HOYA

QUARTERLY REPORT

4th Quarter : Three months ended March 31, 2009

Annual : Fiscal year ended March 31, 2009

Consolidated (HOYA CORPORATION and Consolidated Subsidiaries)

Part 1.

4th Quarter : Three months from January 1 to March 31, 2009

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[\(Revised figures are underlined in this report.\)](#)

Notes:

1. HOYA's fiscal year (FY) : from April 1 to March 31 of the following year.
2. Data used here that of the three months ended Dec. 31, 2007 and Mar.31, 2008 respectively are unaudited.
3. These financial statements are excerpt translation of Japanese "*Kessan Tanshin*" and have been prepared for the references only of foreign investors in accordance with accounting principles and practices generally accepted in Japan.

HOYA CORPORATION

This report is provided solely for the information of professional analysts who are expected to make their own evaluation of the company. This report contains forward-looking statements that are based on management's assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from that anticipated in these statements. These factors include changes in economic conditions, trends in our major markets, currency exchange rates, etc.

We accept no liability whatsoever for any direct or consequential loss arising from any use of this report.

Part 1. 4th Quarter : Three months from January 1 to March 31, 2009

1. Quarterly Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

1. Performance for the three months ended Mar. 31, 2009 and 2008

(The yen amounts shown herein are rounded down to the nearest million.)

	Millions of Yen			
	Three months ended			Variance (%)
	Mar.31,2009	Mar.31,2008	Dec.31,2008	
(1)Results of Operations				
Net sales	82,925	135,816	112,740	-38.9
Operating income	-60	18,059	16,687	—
Ordinary income	2,819	19,908	18,276	-85.8
Net income	-27,834	21,004	12,610	—
Net income per share(Yen)	-64.30	48.53	29.13	

	As of		
	Mar.31,2009	Dec.31,2008	Mar.31,2008
(2)Financial Position			
Total assets	591,096	595,454	689,443
Net assets	338,009	354,590	394,625
Owners' equity ratio	56.7%	59.1%	56.7%
Net assets per share (Yen)	774.65	812.81	903.49

	Three months ended		
	Mar.31,2009	Mar.31,2008	Dec.31,2008
(3) Conditions of Cash Flows			
Net cash provided by operating activities	<u>28,282</u>	34,948	18,005
Net cash used in investing activities	<u>-6,984</u>	-7,256	-13,860
Net cash provided by (used in) financing activities	16,612	-7,546	-6,142
Cash and cash equivalents at end of period	207,928	181,335	164,343

2.Dividends per Share

	Years ended	
	Mar.31,2009	Mar.31,2008
Interim (Yen)	30.00	30.00
Year-end (Yen)	<u>35.00</u>	<u>35.00</u>
Annual (Yen)	65.00	65.00



PENTAX

<Main Item of this year>

High Definition Endoscope EG-2790i

2. Results of Operations

1) General Overview

In terms of the Japanese economy in the quarter under review, global economic slow down stemming from the U.S., along with appreciation of the yen led to a significant decline in corporate earnings, as a result, uncertainties over economic outlook have further worsened due to setback in capital investment, growing employment uncertainty and a slump in personal consumption.

Under these circumstances, sales of the HOYA group in the quarter under review decreased compared to the same quarter last year mainly reflecting the decreases in existing main areas such as the Electro-Optics (EO) section and Vision Care section, as well as PENTAX.

As a result, operating income turned to red ink slightly this quarter and net income came to significant loss due to posting the loss on impairment of fixed assets.

2) Segment Overview

1. Information Technology

Electro-Optics

In the EO section, sales of Mask Blanks and Photomasks for semiconductor manufacturing decreased compared to the same period of the previous year due to weak demands from semiconductor industry in the midst of such sluggish economy. Sales of large photomasks for manufacturing liquid crystal display panels decreased due to the decline in orders while continuous price declines are seen in the market. As for glass disks for HDD (hard disk drives), the sales decreased due to mainly the large scale inventory adjustment, Yen appreciation and sharp decline in unit price of HDD. In optical lenses, demands decreased for compact digital cameras, resulting in decreased sales.

Operating income decreased in comparison to the same period of the previous year against the backdrop of the slow down in global economy led to a decrease in order, and continuously lower prices of products influenced by strong yen. As a result, consolidated net sales amounted to Yen 22,573 million. Operating income came to break even.

Photonics

With laser-equipped industrial and medical equipment as major products, clients in the industrial area include producers of semiconductors, LCD panels, optical devices and so forth. Sales in the quarter under review decreased against the previous year due to the decline in orders. Consolidated net sales during the quarter under review amounted to Yen 1,055 million and recorded operating loss of Yen 252 million.

2. Eye Care

Vision Care

In the Vision Care section, the sales of eyeglass lenses in the domestic market have continuously been in a slump due to price decline in the market. In overseas market, in addition of the Yen appreciation and economic slowdown, competition with lower price lenses has intensified. As a result, the sales of the section decreased in comparison to the same period of the previous year. Sales amounted to Yen 24,687 million while operating income increased Yen 546 million and amounted to Yen 4,858 million.

Health Care

In the Health Care section, sales of contact lenses increased through the consulting sales and encouraging high value-added products at our directly-owned stores. IOL (intraocular lens) showed a favorable trend for the soft lens. Sales increased for both businesses in comparison to the same period of the previous year. Sales amounted to Yen 12,326 million and operating income amounted to Yen 2,634 million.

3. Pentax

As for the medical endoscope of PENTAX, sales decreased in comparison to the same period of the previous year due to the fact there was a release of new item in the same period of the previous year, severe condition in overseas market, and an appreciation of the Yen. For digital cameras, sales decreased due to sales decline in compact cameras, and also single lens reflex cameras recorded negative growth because of the fierce price competition in the market.

This section has been implementing a structural reorganization in view of future growth, and recorded operating loss in this quarter under review, posting expenses for reviewing business strategies, organizational changes, as well as revaluation of assets, etc., in addition of goodwill amortization generated upon integration. As a result, sales in this section amounted to Yen 22,030 million and recorded operating loss of Yen 7,641 million.

3. Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen			
	As of			
	Mar.31,2009	Dec.31,2008	Variance	Mar.31,2008
ASSETS				
Current assets				
Cash and deposits	214,540	171,147	43,393	181,467
Notes and accounts receivable - trade	82,874	102,139	-19,265	120,521
<u>Inventory</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>82,822</u>
Merchandise and finished goods	35,366	37,502	-2,136	—
Work in process	11,434	13,273	-1,839	—
<u>Raw materials and supplies</u>	<u>24,456</u>	<u>23,267</u>	<u>1,189</u>	<u>—</u>
Deferred tax assets	6,368	13,868	-7,500	10,867
Other current assets	12,106	9,667	2,439	16,982
Allowance for doubtful receivables	-2,683	-2,494	-189	-2,388
Total current assets	384,465	368,372	16,093	410,272
Fixed assets				
Tangible fixed assets				
Buildings and structures (net)	37,097	37,517	-420	40,636
Machinery and carriers (net)	47,075	51,102	-4,027	67,264
Tools, equipment and fixtures (net)	16,429	17,078	-649	17,202
Lands	15,755	15,702	53	16,887
Construction in progress	12,959	12,717	242	10,211
Total tangible fixed assets	129,317	134,119	-4,802	152,202
Intangible fixed assets				
Intangible fixed assets	22,150	50,706	-28,556	56,304
Total intangible fixed assets	22,150	50,706	-28,556	56,304
Investments and other assets				
Investment securities	11,328	9,863	1,465	22,202
Deferred tax assets	36,643	24,498	12,145	41,159
Other assets	7,740	8,203	-463	7,626
Allowance for doubtful receivables	-548	-308	-240	-325
Total investment and other assets	55,163	42,256	12,907	70,663
Total fixed assets	206,630	227,082	-20,452	279,170
TOTAL ASSETS	591,096	595,454	-4,358	689,443

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen			
	As of			
	Mar.31,2009	Dec.31,2008	Variance	Mar.31,2008
LIABILITIES				
Current liabilities				
Notes and accounts payable - trade	29,557	39,108	-9,551	55,539
Short-term bank loans	2,144	1,859	285	6,465
Long-term bank loans matured within a year	4,402	10,040	-5,638	8,749
Commercial paper	41,978	16,970	25,008	6,191
Income tax payable	7,273	6,474	799	30,793
Accrued expenses	17,884	21,037	-3,153	22,514
Reserve for bonuses	4,754	2,807	1,947	7,452
Reserve for directors' bonuses	51	47	4	68
Reserve for warranty cost	793	716	77	977
Other current liabilities	22,150	16,760	5,390	30,103
Total current liabilities	130,989	115,823	15,166	168,855
Long-term liabilities				
Corporate bonds	99,972	99,971	1	99,966
Long-term bank loans	9,688	11,108	-1,420	13,268
Reserve for retirement benefits	8,488	10,068	-1,580	10,210
Reserve for special repairs	998	1,076	-78	1,017
Other long-term liabilities	2,948	2,815	133	1,500
Total long-term liabilities	122,097	125,040	-2,943	125,962
Total Liabilities	253,086	240,863	12,223	294,818
NET ASSETS				
Shareholders' equity				
Paid-in capital	6,264	6,264	—	6,264
Capital surplus	15,898	15,898	—	15,898
Earned surplus	368,108	395,942	-27,834	373,887
Treasury stock	-7,984	-7,984	0	-7,984
Total shareholders' equity	382,286	410,121	-27,835	388,066
Valuation and translation adjustments				
Valuation difference on available-for-sale securities	-304	-74	-230	-834
Translation adjustments	-46,669	-58,216	11,547	3,851
Total valuation and translation adjustments	-46,973	-58,290	11,317	3,016
New share subscription rights	938	857	81	632
Minority interest	1,758	1,901	-143	2,909
Total Net Assets	338,009	354,590	-16,581	394,625
TOTAL LIABILITIES AND NET ASSETS	591,096	595,454	-4,358	689,443
Notes:				
	Millions of Yen			
1. Guarantees of borrowings and lease obligations for customers and Group's employees	1,722	1,758		2,072
2. Value of discount on notes receivable	180	510		1,551
3. Number of shares of treasury stock (unit:stocks)	2,160,060	2,159,586		2,158,291

(2) Quarterly Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

Three months ended

	Mar.31,2009	Mar.31,2008	Variance		Dec.31,2008
			Value	(%)	
Net sales	82,925	135,816	-52,891	-38.9	112,740
Cost of sales	53,039	77,854	-24,815	-31.9	64,702
Gross profit	29,885	57,962	-28,077	-48.4	48,038
Selling, general and administrative expenses	29,946	39,903	-9,957	-25.0	31,351
Operating income	-60	18,059	-18,119	—	16,687
Non-operating income					
Interest income	369	1,228	-859		1,017
Equity in earnings of affiliates	670	1,748	-1,078		—
Foreign exchange gains	1,832	—	1,832		2,275
Others	1,186	3,930	-2,744		772
Total non-operating income	4,060	6,907	-2,847	-41.2	4,065
Non-operating expenses					0
Interest expense	448	635	-187		598
Equity in loss of affiliates	—	—	—		1,574
Sales discount	—	263	-263		—
Foreign exchange losses	—	2,429	-2,429		—
Others	731	1,729	-998		302
Total non-operating expenses	1,179	5,058	-3,879	-76.7	2,476
Ordinary income	2,819	19,908	-17,089	-85.8	18,276
Extra-ordinary gains					
Gain on sales of property, plant and equipment	246	65	181		13
Gain on transfer of business	2	—	2		—
Others	191	174	17		397
Total extra-ordinary gains	441	239	202	84.5	410
Extra-ordinary losses					
Loss on impairment	28,935	247	28,688		134
Additional retirement benefits paid to employees	4,601	78	4,523		482
Loss on disposal of property, plant and equipment	366	667	-301		402
Maintenance of environment	46	47	-1		1
Loss on evaluation of investment securities	—	—	—		2,016
Others	948	224	724		404
Total extra-ordinary losses	34,897	1,266	33,631	—	3,442
Income before income taxes and minority interests	-31,636	18,882	-50,518	—	15,244
Income taxes - Current	879	21,305	-20,426	-95.9	2,374
Income taxes - Deferred	-4,457	-21,339	16,882	-79.1	159
Total income taxes	-3,577	-34	-3,543	—	2,534
Minority interests in net income	-224	-2,088	1,864	-89.3	99
Net income	-27,834	21,004	-48,838	—	12,610
Net income per share(Yen)	-64.30	48.53	-112.83		29.13
Net income per share after adjustment of potential shares(Yen)	-64.29	48.52	-112.81		—

Notes:

1. Effect of Exchange Rate Change on Net Sales and Incomes ("2009 A" is the actual value of this period. "2009 B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2009 A	2009 B	influences
Net sales	82,925	92,774	-9,849
Operating income	-60	844	-904
Ordinary income	2,819	3,827	-1,008
Net income	-27,834	-27,165	-669

		Three months ended			
		Mar.31,2009	Mar.31,2008	Variance	Dec.31,2008
2. Average rates of major foreign currencies					
US\$	Yen	95.20	103.79	8.3%	94.99
Euro	Yen	123.20	158.34	22.2%	125.69
Thai Baht	Yen	2.68	3.38	20.7%	2.71

(3) Quarterly Consolidated Statements of Cash Flows
HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen			
	Three months ended			
	Mar.31,2009	Mar.31,2008	variance	Dec.31,2008
OPERATING ACTIVITIES:				
Income before income taxes and minority interests	-31,636	18,882	-50,518	15,244
Depreciation and amortization	12,633	11,255	1,378	12,400
Loss on impairment of long-lived assets	28,935	247	28,688	134
Provision for (reversal of) accrued allowances for doubtful receivables	428	269	159	-310
Provision for (reversal of) accrued bonuses to employees	1,950	3,429	-1,479	-2,653
Provision for (reversal of) reserve for special repairs	-77	-180	103	-76
Provision for (reversal of) reserve for retirement benefit	-1,721	—	-1,721	—
Interest income and dividend receivable	-369	-1,229	860	-1,024
Interest expense payable	448	635	-187	598
Foreign exchange loss (gain)	2,031	-3,932	5,963	-5,017
Equity in earnings of affiliates	-670	-1,748	1,078	1,574
Gain (loss) on sales of tangible fixed assets	119	602	-483	389
Gain (loss) on disposal and write-down of investment securities	-92	-	-92	2,017
Gain (loss) on transfer of business	-2	-	-2	—
Additional retirement benefits paid to employees	4,601	-	4,601	482
Maintainance of environment	64	—	64	—
(Increase) decrease in notes and accounts receivable	20,345	5,297	15,048	5,019
(Increase) decrease in inventories	5,659	921	4,738	-1,676
(Increase) decrease in other current assets	1,800	1,000	800	-2,302
Increase (decrease) in notes and accounts payable	-10,079	-4,393	-5,686	-5,234
Increase (decrease) in income taxes payable	-332	-332	0	-407
Increase (decrease) in other current liabilities	83	191	-108	1,384
Other	63	7,269	-7,206	-466
Sub total	34,182	38,183	-4,001	20,077
Interest and dividend - received	348	1,204	-856	1,167
Interest - paid	-991	-1,172	181	-13
Additional retirement benefits paid to employees - paid	-2,840	—	-2,840	-169
Maintainance of environment - paid	-64	—	-64	—
Income taxes - paid	-2,351	-3,267	916	-3,056
Net cash provided by operating activities	28,282	34,948	-6,666	18,005
INVESTING ACTIVITIES:				
Payments for time deposit	-398	—	-398	-6,709
Proceeds from refund of time deposit	590	—	590	—
Payments for purchases of property, plant and equipment	-5,847	-6,309	462	-7,048
Proceeds from sales of property, plant and equipment	-892	468	-1,360	1,105
Proceeds from sales of investment securities	—	—	—	389
Payments on merger to minority shareholders	-77	—	-77	-46
Payments for acquisition of subsidiary's stocks for consolidation	—	—	—	-549
Payments for loans	-18	-97	79	-4
Proceeds from collection of loans	73	31	42	83
Proceeds from business transfer	20	—	20	—
Payments for other investments	-876	-1,443	567	-1,133
Proceeds from other investments	443	93	350	53
Net cash used in investing activities	-6,984	-7,256	272	-13,860
FINANCING ACTIVITIES:				
Net increase (decrease) in short-term bank loans	-978	-5,677	4,699	-1,823
Net increase (decrease) in commercial paper	25,007	—	25,007	8,976
Proceeds from long-term bank loans	1	126	-125	2
Repayments of long-term debt	-7,431	-1,833	-5,598	-1
Payments for purchase of treasury stock	-0	—	-0	-1
Proceeds from sales of treasury stock	0	30	-30	0
Dividends paid	14	-17	31	-13,031
Dividends paid for minority shareholders	—	-174	174	-264
Net cash provided by (used in) financing activities	16,612	-7,546	24,158	-6,142
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	5,674	-17,992	23,666	-23,132
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	43,584	2,151	41,433	-25,130
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	164,343	179,183	-14,840	189,473
CASH AND CASH EQUIVALENTS, END OF PERIOD	207,928	181,335	26,593	164,343

Notes: 1. Negative figures with minus in the consolidated statements of cash flows indicate net outflow of cash and cash equivalents.

2. The above statements are direct translation from *Kessan Tanshin* which was made under the Japanese Accounting Standard.

(4) Segment Information

HOYA CORPORATION and Consolidated Subsidiaries

1. Industry Segments

for the three months ended Mar. 31, 2009

	Millions of Yen								
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	22,573	1,055	24,687	12,326	22,030	250	82,925	—	82,925
Intersegment	23	95	4	—	-651	1,018	490	-490	—
Total	22,596	1,151	24,692	12,326	21,378	1,269	83,415	-490	82,925
Operating expenses	22,562	1,404	19,834	9,692	29,020	1,129	83,643	-657	82,985
Operating income (-loss)	33	-252	4,858	2,634	-7,641	139	-228	167	-60
Operating margin	0.2%	-21.9%	19.7%	21.4%	-35.7%	11.0%	-0.3%	—	-0.1%
Assets	186,863	6,810	101,602	26,609	141,022	3,034	465,942	125,153	591,096
Depreciation	6,834	56	2,156	320	3,204	21	12,594	38	12,633
Loss on impairment	670	—	86	—	28,178	1	28,935	—	28,935
Capital Expenditures	3,485	10	1,256	389	955	60	6,158	14	6,172
R&D Expenses	2,060	169	306	350	1,219	0	4,106	—	4,106
Number of employees (p)	19,875	173	8,182	1,023	5,003	261	34,517	75	34,592

for the three months ended Mar. 31, 2008

	Millions of Yen								
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	49,995	2,149	30,952	11,544	40,923	250	135,816	—	135,816
Intersegment	101	75	-2	—	2	719	896	-896	—
Total	50,097	2,225	30,950	11,544	40,926	969	136,713	-896	135,816
Operating expenses	36,375	2,047	26,638	9,386	42,556	1,031	118,035	-277	117,757
Operating income (-loss)	13,722	177	4,312	2,157	-1,630	-61	18,678	-619	18,059
Operating margin	27.4%	8.0%	13.9%	18.7%	-4.0%	-6.3%	13.7%	—	13.3%
Assets	210,007	8,036	112,379	24,415	204,853	2,817	562,510	126,933	689,443
Depreciation	5,806	40	1,531	335	3,507	12	11,234	21	11,255
Loss on impairment	—	—	61	0	179	6	247	—	247
Capital Expenditures	2,828	45	1,811	214	2,041	8	6,949	0	6,950
R&D Expenses	2,611	271	335	465	1,899	2	5,585	—	5,585
Number of employees (p)	20,682	185	7,547	970	5,885	215	35,484	61	35,545

Ref: Difference between the 4th quarter this year and the same quarter last year

	Millions of Yen								
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	-27,422	-1,094	-6,265	782	-18,893	0	-52,891	—	-52,891
Variance (%)	-54.8%	-50.9%	-20.2%	6.8%	-46.2%	0.0%	-38.9%	—	-38.9%
Intersegment	-78	20	6	—	-653	299	-406	406	—
Total	-27,501	-1,074	-6,258	782	-19,548	300	-53,298	406	-52,891
Operating expenses	-13,813	-643	-6,804	306	-13,536	98	-34,392	-380	-34,772
Operating income (-loss)	-13,689	-429	546	477	-6,011	200	-18,906	786	-18,119
Variance (%)	-99.8%	—	12.7%	22.1%	—	—	—	—	—
Assets	-23,144	-1,226	-10,777	2,194	-63,831	217	-96,568	-1,780	-98,347
Depreciation	1,028	16	625	-15	-303	9	1,360	17	1,378
Loss on impairment	670	—	25	-0	27,999	-5	28,688	—	28,688
Capital Expenditures	657	-35	-555	175	-1,086	52	-791	14	-778
R&D Expenses	-551	-102	-29	-115	-680	-2	-1,479	—	-1,479
Number of employees (p)	-807	-12	635	53	-882	46	-967	14	-953

*Elimi. or corp. : Elimination or corporate

Notes:

1. The business divisions are classified by the similarities in products, such as types, characters, etc.
 2. Products and Services of each Business Division:
- (1) Since PENTAX and its subsidiaries were consolidated to HOYA Corporation during the second quarter of the fiscal year ended March 31, 2008, accordingly the segmentation of business category, products and services were reclassified as per below. Assets and number of employees of PENTAX and its subsidiaries were combined into the segment information from the second quarter of the fiscal year ended March 31, 2008 while profit and loss were combined from the following third quarter.

Business Category	Division	Products and Services
Information Technology	Electro-Optics	Photomasks and Maskblanks for semiconductors, Masks and Devices for liquid-crystal displays (LCDs) Glass disks for hard disk drives (HDDs), Optical lenses, optical glasses, electronic glasses, Optical communication related devices, etc.
	Photonics	Lazer equipments for industrial, dental, and medical purposes, Light sources for electronics industry, special optical glasses, etc.
Eye Care	Vision Care	Eyeglass lenses, eyeglass frames, etc.
	Health Care	Contact lenses and accessories, intraocular lenses, etc.
Pentax		Endoscopes, medical accessories, APACERAM bone prosthesis, CHT Ceramic Hydroxyapatite, Digital cameras, Interchangeable lenses, Digital camera modules, Micro lenses, CCTV lenses, etc.
Others		Crystal glass products; Design of information systems, etc.

- (2) Formerly the company's business segment classification was as follows:

Business Category	Division	Products and Services
Information Technology	Electro-Optics	Photomasks and Maskblanks for semiconductors, Masks and Devices for liquid-crystal displays (LCDs) Glass disks for hard disk drives (HDDs), Optical lenses, optical glasses, electronic glasses, Optical communication related devices, etc.
	Photonics	Lazer equipments for industrial, dental, and medical purposes, Light sources for electronics industry, special optical glasses, etc.
Eye Care	Vision Care	Eyeglass lenses, eyeglass frames, etc.
	Health Care	Contact lenses and accessories, intraocular lenses, etc.
Others		Crystal glass products; Design of information systems, etc.

3. Amounts and composition of unallocable operating expenses are included in "Eliminations or Corporate". Corporate operating expenses mainly consist of the administration expenses of the headquarters of the Company and the overseas regional headquarters, which are not allocated to each industry segment. Corporate operating expenses for the three months ended Mar. 31, 2009 and 2008 are as follows:

2009	1,131 million Yen	2008	3,276 million Yen
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4. Corporate assets included in "Eliminations or Corporate" mainly consist of cash, time deposits, investments securities and administrative assets of the Company and the overseas regional headquarters. Corporate assets as of Mar. 31, 2009 and 2008 are as follows:

2009	154,404 million Yen	2008	153,256 million Yen
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3. Overseas Sales

for the three months ended Mar. 31, 2009

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	11,299	20,284	17,061	276	48,922
Total Consolidated Net Sales (B)					82,925
Overseas Sales ratio A/B	13.6%	24.5%	20.6%	0.3%	59.0%
Regional Breakdown	23.1%	41.5%	34.9%	0.6%	100.0%

for the three months ended Mar. 31, 2008

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	18,288	29,270	37,270	367	85,193
Total Consolidated Net Sales (B)					135,816
Overseas Sales ratio A/B	13.5%	21.6%	27.4%	0.3%	62.8%
Regional Breakdown	21.5%	34.4%	43.7%	0.4%	100.0%

Ref: Difference between the 4th quarter this year and the same quarter last year

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	-6,989	-8,986	-20,209	-91	-36,271
Total Consolidated Net Sales (B)					-52,891
Variance (%)	-38.2%	-30.7%	-54.2%	-24.8%	-42.6%

Notes:

1. The overseas sales represent the sales of the Company and subsidiaries in countries and regions other than Japan.
2. Countries and regions are classified by geographical proximity, and the overseas sales are summarized in four areas based on the countries where the *Customers* are located. The major countries and regions that belong to the classification other than Japan are as follows:

North America: United States of America, Canada, etc.
 Europe: Netherlands, Germany, United Kingdom, etc., including South Africa
 Asia: Singapore, Thailand, Republic of Korea, Taiwan, etc., including Australia
 Other: Saudi Arabia, Brazil, etc.

(5) Composition of Net Sales by Business Category

HOYA CORPORATION and Consolidated Subsidiaries

Business Category	Millions of Yen					
	Three months ended		Variance	(%)	Three months ended	
	Mar. 31, 2009	Mar. 31, 2008			Dec. 31, 2008	
Electro-Optics						
Domestic	9,780 (43.3)	20,709 (41.4)	-10,929	-52.8	16,872 (39.2)	
Overseas	12,793 (56.7)	29,286 (58.6)	-16,493	-56.3	26,209 (60.8)	
total	22,573 (27.2)	49,995 (36.8)	-27,422	-54.8	43,082 (38.2)	
Photonics						
Domestic	558 (52.9)	992 (46.2)	-434	-43.8	903 (58.1)	
Overseas	497 (47.1)	1,157 (53.8)	-660	-57.0	650 (41.9)	
total	1,055 (1.3)	2,149 (1.6)	-1,094	-50.9	1,554 (1.4)	
Information Technology						
Domestic	10,338 (43.8)	21,701 (41.6)	-11,363	-52.4	17,776 (39.8)	
Overseas	13,290 (56.2)	30,444 (58.4)	-17,154	-56.3	26,860 (60.2)	
total	23,629 (28.5)	52,145 (38.4)	-28,516	-54.7	44,636 (39.6)	
Vision Care						
Domestic	6,674 (27.0)	7,699 (24.9)	-1,025	-13.3	6,720 (27.1)	
Overseas	18,013 (73.0)	23,253 (75.1)	-5,240	-22.5	18,100 (72.9)	
total	24,687 (29.8)	30,952 (22.8)	-6,265	-20.2	24,821 (22.0)	
Health Care						
Domestic	11,813 (95.8)	11,098 (96.1)	715	6.4	11,861 (96.0)	
Overseas	512 (4.2)	446 (3.9)	66	14.8	496 (4.0)	
total	12,326 (14.8)	11,544 (8.5)	782	6.8	12,358 (11.0)	
Eye Care						
Domestic	18,488 (50.0)	18,797 (44.2)	-309	-1.6	18,582 (50.0)	
Overseas	18,525 (50.0)	23,699 (55.8)	-5,174	-21.8	18,597 (50.0)	
total	37,014 (44.6)	42,497 (31.3)	-5,483	-12.9	37,179 (33.0)	
Pentax						
Domestic	4,925 (22.4)	9,874 (24.1)	-4,949	-50.1	5,441 (17.8)	
Overseas	17,105 (77.6)	31,049 (75.9)	-13,944	-44.9	25,201 (82.2)	
total	22,030 (26.6)	40,923 (30.1)	-18,893	-46.2	30,643 (27.2)	
Others						
Domestic	250 (100.0)	250 (100.0)	0	0.0	281 (100.0)	
Overseas	0 (0.0)	0 (0.0)	0	0.0	0 (0.0)	
total	250 (0.3)	250 (0.2)	0	0.0	281 (0.2)	
Total Net Sales						
Domestic	34,002 (41.0)	50,623 (37.3)	-16,621	-32.8	42,082 (37.3)	
Overseas	48,922 (59.0)	85,193 (62.7)	-36,271	-42.6	70,658 (62.7)	
Total	82,925 (100.0)	135,816 (100.0)	-52,891	-38.9	112,740 (100.0)	

- Notes: 1. Figures of less than a million yen are omitted.
 2. Figures in () are percentages of business category sales.
 3. Figures in [] are percentages of total net sales.

Part 2. Annual : Fiscal year from April 1, 2008 to March 31, 2009

1. Annual Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

1. Performance for the years ended Mar. 31, 2009 and 2008

(The yen amounts shown therein are rounded down to the nearest million.)

(1)Results of Operations	Years ended		Variance (%)
	Mar.31,2009	Mar.31,2008	
Net sales	454,194	481,631	-5.7
Operating income	59,094	95,073	-37.8
Ordinary income	71,080	100,175	-29.0
Net income	25,109	81,725	-69.3
Net income per share(Yen)	58.01	189.01	

(2)Financial Position	As of	
	Mar.31,2009	Mar.31,2008
Total assets	591,096	689,443
Net assets	338,009	394,625
Owners' equity ratio	56.7%	56.7%
Net assets per share (Yen)	774.65	903.49

(3) Conditions of Cash Flows	Years ended	
	Mar.31,2009	Mar.31,2008
Net cash provided by operating activities	90,975	119,809
Net cash used in investing activities	-34,328	-113,036
Net cash provided by (used in) financing activities	-5,800	68,252
Cash and cash equivalents at end of period	207,928	181,335

2.Dividends per Share

	Years ended	
	Mar.31,2009	Mar.31,2008
Interim (Yen)	30.00	30.00
Year-end (Yen)	35.00	35.00
Annual (Yen)	65.00	65.00

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen		
	As of		
	Mar.31,2009	Mar.31,2008	Variance
ASSETS			
Current assets			
Cash and deposits	214,540	181,467	33,073
Notes and accounts receivable - trade	82,874	120,521	-37,647
<u>Inventory</u>	<u>—</u>	<u>82,822</u>	<u>-82,822</u>
Merchandise and finished goods	35,366	—	35,366
Work in process	11,434	—	11,434
<u>Raw materials and supplies</u>	<u>24,456</u>	<u>—</u>	<u>24,456</u>
Deferred tax assets	6,368	10,867	-4,499
Other current assets	12,106	16,982	-4,876
Allowance for doubtful receivables	-2,683	-2,388	-295
Total current assets	384,465	410,272	-25,807
Fixed assets			
Tangible fixed assets			
Buildings and structures (net)	37,097	40,636	-3,539
Machinery and carriers (net)	47,075	67,264	-20,189
Tools, equipment and fixtures (net)	16,429	17,202	-773
Lands	15,755	16,887	-1,132
Construction in progress	12,959	10,211	2,748
Total tangible fixed assets	129,317	152,202	-22,885
Intangible fixed assets			
Intangible fixed assets	22,150	56,304	-34,154
Total intangible fixed assets	22,150	56,304	-34,154
Investments and other assets			
Investment securities	11,328	22,202	-10,874
Deferred tax assets	36,643	41,159	-4,516
Other assets	7,740	7,626	114
Allowance for doubtful receivables	-548	-325	-223
Total investment and other assets	55,163	70,663	-15,500
Total fixed assets	206,630	279,170	-72,540
TOTAL ASSETS	591,096	689,443	-98,347

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen		
	As of		
	Mar.31,2009	Mar.31,2008	Variance
LIABILITIES			
Current liabilities			
Notes and accounts payable - trade	29,557	55,539	-25,982
Short-term bank loans	2,144	6,465	-4,321
Long-term bank loans matured within a year	4,402	8,749	-4,347
Commercial paper	41,978	6,191	35,787
Income tax payable	7,273	30,793	-23,520
Accrued expenses	17,884	22,514	-4,630
Reserve for bonuses	4,754	7,452	-2,698
Reserve for directors' bonuses	51	68	-17
Reserve for warranty cost	793	977	-184
Other current liabilities	22,150	30,103	-7,953
Total current liabilities	130,989	168,855	-37,866
Long-term liabilities			
Corporate bonds	99,972	99,966	6
Long-term bank loans	9,688	13,268	-3,580
Reserve for retirement benefits	8,488	10,210	-1,722
Reserve for special repairs	998	1,017	-19
Other long-term liabilities	2,948	1,500	1,448
Total long-term liabilities	122,097	125,962	-3,865
Total Liabilities	253,086	294,818	-41,732
NET ASSETS			
Shareholders' equity			
Paid-in capital	6,264	6,264	—
Capital surplus	15,898	15,898	—
Earned surplus	368,108	373,887	-5,779
Treasury stock	-7,984	-7,984	0
Total shareholders' equity	382,286	388,066	-5,780
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	-304	-834	530
Translation adjustments	-46,669	3,851	-50,520
Total valuation and translation adjustments	-46,973	3,016	-49,989
New share subscription rights	938	632	306
Minority interest	1,758	2,909	-1,151
Total Net Assets	338,009	394,625	-56,616
TOTAL LIABILITIES AND NET ASSETS	591,096	689,443	-98,347
Notes:	Millions of Yen		
1. Guarantees of borrowings and lease obligations for customers and Group's employees	1,722	2,072	
2. Value of discount on notes receivable	180	1,551	
3. Number of shares of treasury stock (unit:stocks)	2,160,060	2,158,291	

(2) Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	Years ended		Variance	
	Mar.31, 2009	Mar.31, 2008	Value	(%)
Net sales	454,194	481,631	-27,437	-5.7
Cost of sales	264,289	262,944	1,345	0.5
Gross profit	189,905	218,686	-28,781	-13.2
Selling, general and administrative expenses	130,810	123,612	7,198	5.8
Operating income	59,094	95,073	-35,979	-37.8
Non-operating income				
Interest income	4,017	4,566	-549	
Equity in earnings of affiliates	—	5,925	-5,925	
Foreign exchange gains	7,151	—	7,151	
Others	5,765	6,075	-310	
Total non-operating income	16,934	16,567	367	2.2
Non-operating expenses				
Interest expense	2,347	1,451	896	
Equity in loss of affiliates	314	—	314	
Sales discount	—	943	-943	
Foreign exchange losses	—	5,446	-5,446	
Others	2,286	3,624	-1,338	
Total non-operating expenses	4,948	11,466	-6,518	-56.8
Ordinary income	71,080	100,175	-29,095	-29.0
Extra-ordinary gains				
Gain on sales of investment securities	9,704	—	9,704	
Received commission for previous years	3,200	—	3,200	
Gain on transfer of business	886	—	886	
Gain on sales of property, plant and equipment	365	519	-154	
Reversal of allowance for doubtful receivables	94	168	-74	
Reversal of reserve for special repairs	40	50	-10	
Others	1,010	88	922	
Total extra-ordinary gains	15,301	825	14,476	—
Extra-ordinary losses				
Loss on impairment	30,458	581	29,877	
Additional retirement benefits paid to employees	6,743	1,920	4,823	
Loss on valuation of investment securities	2,327	908	1,419	
Loss on disposal of property, plant and equipment	1,147	1,125	22	
Maintenance of environment	64	1,612	-1,548	
Others	1,581	299	1,282	
Total extra-ordinary losses	42,323	6,448	35,875	556.4
Income before income taxes and minority interests	44,058	94,552	-50,494	-53.4
Income taxes - Current	9,845	34,549	-24,704	-71.5
Income taxes - Deferred	9,407	-20,082	29,489	-146.8
Total income taxes	19,253	14,467	4,786	33.1
Minority interests in net income	-304	-1,639	1,335	-81.5
Net income	25,109	81,725	-56,616	-69.3
Net income per share(Yen)	58.01	189.01	-131.00	
Net income per share after adjustment of potential shares(Yen)	58.00	188.78	-130.78	

Notes:

- Effect of Exchange Rate Change on Net Sales and Incomes ("2009 A" is the actual value of this period. "2009 B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2009 A	2009 B	influences
Net sales	454,194	484,294	-30,100
Operating income	59,094	67,195	-8,101
Ordinary income	71,080	80,298	-9,218
Net income	25,109	33,252	-8,143

	Years ended		Variance(%)
	Mar.31, 2009	Mar.31, 2008	
2. Average rates of major foreign currencies			
US\$	Yen 100.66	113.80	11.6%
Euro	Yen 143.28	162.26	11.7%
Thai Baht	Yen 2.94	3.65	19.5%

(3) Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen		
	Years ended		variance
	Mar. 31, 2009	Mar. 31, 2008	
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	44,058	94,552	-50,494
Depreciation and amortization	50,030	44,876	5,154
Loss on impairment of long-lived assets	30,458	581	29,877
Provision for (reversal of) accrued allowances for doubtful receivables	586	557	29
Provision for (reversal of) accrued bonuses to employees	-2,716	1,132	-3,848
Provision for (reversal of) reserve for periodic repairs	-18	125	-143
Provision for (reversal of) reserve for retirement benefit	-1,721	—	-1,721
Interest income and dividend receivable	-4,080	-4,595	515
Interest expense payable	2,347	1,451	896
Foreign exchange loss (gain)	-8,032	-2,121	-5,911
Equity in earnings of affiliates	314	-5,925	6,239
Gain (loss) on sales of tangible fixed assets	782	606	176
Gain (loss) on disposal and write-down of investment securities	-7,348	871	-8,219
Received commission for previous years	-3,200	—	-3,200
Gain (loss) on business transfer	-886	—	-886
Additional retirement benefits paid to employees	6,743	1,920	4,823
Maintainance of environment	64	—	64
(Increase) decrease in notes and accounts receivable	30,543	6,254	24,289
(Increase) decrease in inventories	6,240	-7,163	13,403
(Increase) decrease in other current assets	-2,284	1,039	-3,323
Increase (decrease) in notes and accounts payable	-23,465	-3,169	-20,296
Increase (decrease) in income taxes payable	-60	42	-102
Increase (decrease) in other current liabilities	-958	874	-1,832
Other	-420	12,955	-13,375
Sub total	116,976	144,866	-27,890
Interest and dividend - received	3,475	4,419	-944
Interest - paid	-1,897	-1,397	-500
Received commission for previous years	3,200	—	3,200
Additional retirement benefits paid to employees - paid	-3,111	-2,797	-314
Legal settlement - paid	—	-321	321
Maintainance of environment - paid	-64	—	-64
Income taxes - paid	-34,990	-24,960	-10,030
Refund of income taxes	7,387	—	7,387
Net cash provided by operating activities	90,975	119,809	-28,834
INVESTING ACTIVITIES:			
Payments for time deposit	-7,108	—	-7,108
Proceeds from refund of time deposit	590	—	590
Payments for purchases of property, plant and equipment	-34,173	-38,888	4,715
Proceeds from sales of property, plant and equipment	1,170	1,215	-45
Payments for purchases of investment securities	-747	—	-747
Proceeds from sales of investment securities	17,875	26	17,849
Payments on merger to minority shareholders	-9,397	—	-9,397
Payments for acquisition of subsidiary's stocks for consolidation	-1,153	-72,462	71,309
Payments for loans	-157	-181	24
Proceeds from collection of loans	236	101	135
Proceeds from business transfer	1,320	—	1,320
Payments for other investments	-3,641	-3,225	-416
Proceeds from other investments	859	376	483
Net cash used in investing activities	-34,328	-113,036	78,708
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term bank loans	-4,320	-3,881	-439
Net increase (decrease) in commercial paper	35,786	—	35,786
Proceeds from long-term bank loans	135	—	135
Repayments of long-term debt	-8,978	-1,866	-7,112
Proceeds from issuance of corporate bonds	—	99,803	-99,803
Payments for purchase of treasury stock	-6	-29	23
Proceeds from sales of treasury stock	2	2,518	-2,516
Dividends paid	-28,115	-28,075	-40
Dividends paid for minority shareholders	-304	-215	-89
Net cash provided by (used in) financing activities	-5,800	68,252	-74,052
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-24,253	-14,311	-9,942
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	26,592	60,713	-34,121
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	181,335	120,621	60,714
CASH AND CASH EQUIVALENTS, END OF PERIOD	207,928	181,335	26,593

Notes: 1. Negative figures with minus in the consolidated statements of cash flows indicate net outflow of cash and cash equivalents.
2. The above statements are direct translation from *Kessan Tanshin* which was made under the Japanese Accounting Standard.

(4) Segment Information

HOYA CORPORATION and Consolidated Subsidiaries

1. Industry Segments

for the year ended Mar. 31, 2009

	Millions of Yen								
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	163,901	6,366	110,725	49,967	122,190	1,042	454,194	—	454,194
Intersegment	274	583	11	—	12	4,073	4,954	-4,954	—
Total	164,175	6,950	110,736	49,967	122,203	5,115	459,149	-4,954	454,194
Operating expenses	124,463	6,653	88,929	38,423	133,775	4,881	397,126	-2,026	395,099
Operating income (-loss)	39,712	297	21,807	11,544	-11,571	234	62,023	-2,928	59,094
Operating margin	24.2%	4.3%	19.7%	23.1%	-9.5%	4.6%	13.5%	—	13.0%
Assets	186,863	6,810	101,602	26,609	141,022	3,034	465,942	125,153	591,096
Depreciation	27,429	182	7,685	1,214	13,245	67	49,825	205	50,030
Loss on impairment	758	—	86	—	29,546	67	30,458	—	30,458
Capital Expenditures	20,242	130	7,294	1,506	5,118	195	34,487	350	34,838
R&D Expenses	9,332	948	1,180	1,341	4,820	6	17,630	—	17,630
Number of employees (p)	19,875	173	8,182	1,023	5,003	261	34,517	75	34,592

for the year ended Mar. 31, 2008

	Millions of Yen								
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	209,882	9,090	126,338	46,177	89,031	1,111	481,631	—	481,631
Intersegment	382	245	-2	—	1	2,761	3,390	-3,390	—
Total	210,265	9,335	126,336	46,177	89,033	3,872	485,021	-3,390	481,631
Operating expenses	142,802	8,511	105,682	36,011	89,168	4,227	386,403	153	386,557
Operating income (-loss)	67,463	824	20,653	10,166	-134	-354	98,617	-3,544	95,073
Operating margin	32.1%	8.8%	16.4%	22.0%	-0.2%	-9.2%	20.3%	—	19.7%
Assets	210,007	8,036	112,379	24,415	204,853	2,817	562,510	126,933	689,443
Depreciation	27,653	137	7,727	1,310	7,855	47	44,732	143	44,876
Loss on impairment	—	—	61	211	179	129	581	—	581
Capital Expenditures	24,430	141	9,434	847	4,454	145	39,455	10	39,465
R&D Expenses	9,876	1,118	1,408	1,497	3,497	14	17,412	—	17,412
Number of employees (p)	20,682	185	7,547	970	5,885	215	35,484	61	35,545

Ref: Difference between the years ended Mar.31, 2009 and 2008

	Millions of Yen								
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	-45,981	-2,724	-15,613	3,790	33,159	-69	-27,437	—	-27,437
Variance (%)	-21.9%	-30.0%	-12.4%	8.2%	37.2%	-6.2%	-5.7%	—	-5.7%
Intersegment	-108	338	13	—	11	1,312	1,564	-1,564	—
Total	-46,090	-2,385	-15,600	3,790	33,170	1,243	-25,872	-1,564	-27,437
Operating expenses	-18,339	-1,858	-16,753	2,412	44,607	654	10,723	-2,179	8,542
Operating income	-27,751	-527	1,154	1,378	-11,437	588	-36,594	616	-35,979
Variance (%)	-41.1%	-64.0%	5.6%	13.6%	—	—	-37.1%	-17.4%	-37.8%
Assets	-23,144	-1,226	-10,777	2,194	-63,831	217	-96,568	-1,780	-98,347
Depreciation	-224	45	-42	-96	5,390	20	5,093	62	5,154
Loss on impairment	758	—	25	-211	29,367	-62	29,877	—	29,877
Capital Expenditures	-4,188	-11	-2,140	659	664	50	-4,968	340	-4,627
R&D Expenses	-544	-170	-228	-156	1,323	-8	218	—	218
Number of employees (p)	-807	-12	635	53	-882	46	-967	14	-953

*Elimi. or corp. : Elimination or corporate

Notes:

1. The business divisions are classified by the similarities in products, such as types, characters, etc.
 2. Products and Services of each Business Division:
- (1) Since PENTAX and its subsidiaries were consolidated to HOYA Corporation during the second quarter of the fiscal year ended March 31, 2008, accordingly the segmentation of business category, products and services were reclassified as per below. Assets and number of employees of PENTAX and its subsidiaries were combined into the segment information from the second quarter of the fiscal year ended March 31, 2008 while profit and loss were combined from the following third quarter.

Business Category	Division	Products and Services
Information Technology	Electro-Optics	Photomasks and Maskblanks for semiconductors, Masks and Devices for liquid-crystal displays (LCDs), Glass disks for hard disk drives (HDDs), Optical lenses, optical glasses, electronic glasses, Optical communication related devices, etc.
	Photonics	Lazer equipments for industrial, dental, and medical purposes, Light sources for electronics industry, special optical glasses, etc.
Eye Care	Vision Care	Eyeglass lenses, eyeglass frames, etc.
	Health Care	Contact lenses and accessories, intraocular lenses, etc.
Pentax		Endoscopes, medical accessories, APACERAM bone prosthesis, CHT Ceramic Hydroxyapatite, Digital cameras, Interchangeable lenses, Digital camera modules, Micro lenses, CCTV lenses, etc.
Others		Crystal glass products; Design of information systems, etc.

- (2) Formerly the company's business segment classification was as follows:

Business Category	Division	Products and Services
Information Technology	Electro-Optics	Photomasks and Maskblanks for semiconductors, Masks and Devices for liquid-crystal displays (LCDs), Glass disks for hard disk drives (HDDs), Optical lenses, optical glasses, electronic glasses, Optical communication related devices, etc.
	Photonics	Lazer equipments for industrial, dental, and medical purposes, Light sources for electronics industry, special optical glasses, etc.
Eye Care	Vision Care	Eyeglass lenses, eyeglass frames, etc.
	Health Care	Contact lenses and accessories, intraocular lenses, etc.
Others		Crystal glass products; Design of information systems, etc.

3. Amounts and composition of unallocable operating expenses are included in "Eliminations or Corporate". Corporate operating expenses mainly consist of the administration expenses of the headquarters of the Company and the overseas regional headquarters, which are not allocated to each industry segment. Corporate operating expenses for the years ended Mar. 31, 2009 and 2008 are as follows:

2009 3,916 million Yen 2008 6,288 million Yen

4. Corporate assets included in "Eliminations or Corporate" mainly consist of cash, time deposits, investments securities and administrative assets of the Company and the overseas regional headquarters. Corporate assets as of Mar. 31, 2009 and 2008 are as follows:

2009 154,404 million Yen 2008 153,256 million Yen

2. Geographical Segments

for the year ended Mar. 31, 2009

Millions of Yen

	Japan	North America	Europe	Asia	Total	Elimin. or corp.	Consolidated
Net sales:							
To outside customers	259,630	55,028	97,144	42,391	454,194	—	454,194
Intersegment	52,496	707	889	135,029	189,122	-189,122	—
Total	312,126	55,735	98,033	177,421	643,317	-189,122	454,194
Operating expenses	304,755	54,509	93,090	141,649	594,005	-198,905	395,099
Operating income(-loss)	7,371	1,225	4,942	35,772	49,311	9,783	59,094
Operating margin	2.4%	2.2%	5.0%	20.2%	7.7%	—	13.0%
Assets	249,701	33,680	64,606	217,186	565,175	25,920	591,096

for the year ended Mar. 31, 2008

Millions of Yen

	Japan	North America	Europe	Asia	Total	Elimin. or corp.	Consolidated
Net sales:							
To outside customers	291,565	56,680	89,419	43,965	481,631	—	481,631
Intersegment	54,012	373	756	157,230	212,372	-212,372	—
Total	345,578	57,054	90,176	201,195	694,003	-212,372	481,631
Operating expenses	315,420	51,788	83,359	157,359	607,928	-221,371	386,557
Operating income	30,157	5,265	6,816	43,835	86,075	8,998	95,073
Operating margin	8.7%	9.2%	7.6%	21.8%	12.4%	—	19.7%
Assets	333,039	37,722	66,642	228,174	665,578	23,865	689,443

Ref : Difference between the years ended Mar.31, 2009 and 2008

Millions of Yen

	Japan	North America	Europe	Asia	Total	Elimin. or corp.	Consolidated
Net sales:							
To outside customers	-31,935	-1,652	7,725	-1,574	-27,437	—	-27,437
Variance (%)	-11.0%	-2.9%	8.6%	-3.6%	-5.7%	—	-5.7%
Intersegment	-1,516	334	133	-22,201	-23,250	23,250	—
Total	-33,452	-1,319	7,857	-23,774	-50,686	23,250	-27,437
Operating expenses	-10,665	2,721	9,731	-15,710	-13,923	22,466	8,542
Operating income	-22,786	-4,040	-1,874	-8,063	-36,764	785	-35,979
Variance (%)	-75.6%	-76.7%	-27.5%	-18.4%	-42.7%	8.7%	-37.8%
Assets	-83,338	-4,042	-2,036	-10,988	-100,403	2,055	-98,347

*Elimi. or corp. : Elimination or corporate

Notes:

- Countries and regions are classified by geographical proximity, and the Company and subsidiaries are summarized in four areas based on the countries where the Group offices are located. The major countries and regions that belong to the classification other than Japan are as follows:

North America: United States of America, Canada, etc.

Europe: Netherlands, Germany, United Kingdom, etc., including South Africa

Asia: Singapore, Thailand, China, Republic of Korea, Taiwan, etc., including Australia

- Amounts and composition of unallocable operating expenses are included in "Eliminations or Corporate". Corporate operating expenses mainly consist of the administration expenses of the headquarters of the Company and the overseas regional headquarters, which are not allocated to each industry segment. Corporate operating expenses for the years ended Mar. 31, 2009 and 2008 are as follows:

2009	3,806 million Yen	2008	4,142 million Yen
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- Corporate assets included in "Eliminations or Corporate" mainly consist of cash, time deposits, investments securities and administrative assets of the Company and the overseas regional holding companies. Corporate assets as of Mar. 31, 2009 and 2008 are as follows:

2009	109,897 million Yen	2008	115,499 million Yen
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3. Overseas Sales

for the years ended Mar. 31, 2009

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	55,914	99,800	126,716	1,400	283,832
Total Consolidated Net Sales (B)					454,194
Overseas Sales ratio A/B	12.3%	22.0%	27.9%	0.3%	62.5%
Regional Breakdown	19.7%	35.2%	44.6%	0.5%	100.0%

for the years ended Mar. 31, 2008

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	59,294	92,116	140,432	1,268	293,110
Total Consolidated Net Sales (B)					481,631
Overseas Sales ratio A/B	12.3%	19.1%	29.2%	0.3%	60.9%
Regional Breakdown	20.2%	31.4%	47.9%	0.5%	100.0%

Ref: Difference between the years ended Mar.31, 2009 and 2008

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	-3,380	7,684	-13,716	132	-9,278
Total Consolidated Net Sales (B)					-27,437
Variance (%)	-5.7%	8.3%	-9.8%	10.4%	-3.2%

Notes:

1. The overseas sales represent the sales of the Company and subsidiaries in countries and regions other than Japan.
2. Countries and regions are classified by geographical proximity, and the overseas sales are summarized in four areas based on the countries where the *Customers* are located. The major countries and regions that belong to the classification other than Japan are as follows:

North America: United States of America, Canada, etc.
 Europe: Netherlands, Germany, United Kingdom, etc., including South Africa
 Asia: Singapore, Thailand, Republic of Korea, Taiwan, etc., including Australia
 Other: Saudi Arabia, Brazil, etc.

(5) Composition of Net Sales by Business Category

HOYA CORPORATION and Consolidated Subsidiaries

Business Category	Millions of Yen				
	Years ended		Variance	(%)	
	Mar.31, 2009	Mar.31, 2008			
Electro-Optics					
Domestic	64,994 (39.7)	88,760 (42.3)	-23,766	-26.8	
Overseas	98,907 (60.3)	121,121 (57.7)	-22,214	-18.3	
total	163,901 (36.1)	209,882 (43.6)	-45,981	-21.9	
Photonics					
Domestic	3,271 (51.4)	4,406 (48.5)	-1,135	-25.8	
Overseas	3,095 (48.6)	4,683 (51.5)	-1,588	-33.9	
total	6,366 (1.4)	9,090 (1.9)	-2,724	-30.0	
Information Technology					
Domestic	68,265 (40.1)	93,167 (42.5)	-24,902	-26.7	
Overseas	102,002 (59.9)	125,805 (57.5)	-23,803	-18.9	
total	170,268 (37.5)	218,972 (45.5)	-48,704	-22.2	
Vision Care					
Domestic	28,955 (26.2)	33,424 (26.5)	-4,469	-13.4	
Overseas	81,769 (73.8)	92,913 (73.5)	-11,144	-12.0	
total	110,725 (24.4)	126,338 (26.2)	-15,613	-12.4	
Health Care					
Domestic	47,836 (95.7)	44,372 (96.1)	3,464	7.8	
Overseas	2,131 (4.3)	1,804 (3.9)	327	18.1	
total	49,967 (11.0)	46,177 (9.6)	3,790	8.2	
Eye Care					
Domestic	76,792 (47.8)	77,797 (45.1)	-1,005	-1.3	
Overseas	83,900 (52.2)	94,718 (54.9)	-10,818	-11.4	
total	160,693 (35.4)	172,515 (35.8)	-11,822	-6.9	
Pentax					
Domestic	24,261 (19.9)	16,444 (18.5)	7,817	47.5	
Overseas	97,929 (80.1)	72,587 (81.5)	25,342	34.9	
total	122,190 (26.9)	89,031 (18.5)	33,159	37.2	
Others					
Domestic	1,042 (100.0)	1,111 (100.0)	-69	-6.2	
Overseas	0 (0.0)	0 (0.0)	0	0.0	
total	1,042 (0.2)	1,111 (0.2)	-69	-6.2	
Total Net Sales					
Domestic	170,362 (37.5)	188,520 (39.1)	-18,158	-9.6	
Overseas	283,832 (62.5)	293,110 (60.9)	-9,278	-3.2	
Total	454,194 (100.0)	481,631 (100.0)	-27,437	-5.7	

Notes: 1. Figures of less than a million yen are omitted.

2. Figures in () are percentages of business category sales.

3. Figures in [] are percentages of total net sales.

3. Sales Growth Rate by Products

Fiscal Term	Year-on-year growth rate (%) (Compared with the same period last year)		Sequential growth rate (%) (Compared with the previous quarter)
	Three months ended Mar.31, 2009	Year ended Mar.31, 2009	Three months ended Mar.31, 2009
Products			
Mask Blanks	-40.5	-21.9	-30.9
LSI Photomasks	-37.4	-15.0	-35.9
LCD Photomasks	-30.3	-8.4	-17.4
Memory Disks	-68.6	-22.3	-64.0
Optical Lenses	-58.7	-28.4	-49.7
Eyeglass Lenses	-20.3	-9.6	-1.0
Japan	-12.3	-11.7	-1.7
USA	-9.1	-12.3	13.2
Europe	-24.4	-6.5	-2.9
Asia	-35.3	-12.3	-12.3
PENTAX (Note)	-46.2	-30.1	-28.1

Note:

Income statements of Pentax were consolidated from the 3rd quarter ended Dec. 31, 2007. For your reference, however, the first half results of Pentax for the fiscal year ended March 31, 2008 before consolidation were included for the calculation of year-on-year growth rate of the results for the full year period in the above table.

4. Special notes

1. Impairment losses for fixed assets

In the severe climate such as global economic slowdown seen in the second half of the year 2008, the demands suddenly shrank in the market where HOYA Group operates businesses and as a result the Company's earnings significantly decreased in comparison to the previous fiscal year. The Company expects such business environment will continue throughout next year and beyond. Under such circumstances, according to the Japanese accounting rules for the impairment of fixed assets, the Company recorded impairment losses of 30,458 million yen for the fiscal year ended March 31, 2009, including impairment losses of 28,935 million yen recorded for the fourth quarter of the subject fiscal year.

2. Regarding the Receipt of a Statement of Objections from the Federal Cartel Office of the Federal Republic of Germany

HOYA's subsidiary HOYA Lens Deutschland GmbH (Germany) received a Statement of Objections regarding its ophthalmic lens business from the Federal Cartel Office of the Federal Republic of Germany in December, 2008.

HOYA and HOYA Lens Deutschland GmbH intend to handle this matter in a manner determined to be appropriate based on the results of our investigation into the allegations contained in the Statement of Objections.