

# HOYA

## Annual Report

09



For the Year Ended March 31, 2009

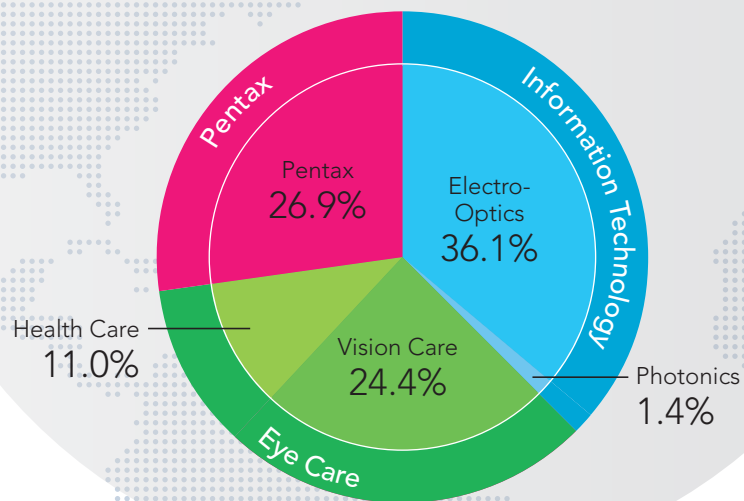
# Our Unique Strengths

Since its establishment in 1941, HOYA has continued to grow around the core business of leading optical technologies. In today's changing global economy, Hoya is using its unique strengths in technology and management to respond quickly to changes in the business climate and achieve sustained growth.

## Portfolio Management for Stable Growth

The Hoya Group maintains many different businesses. Achieving balance within this portfolio to ensure the Group's profitability, stability, and growth lie at the core of the Group's management. Hoya allocates investments according to changes in the times, working to both maximize corporate value and ensure sustained growth.

Sales by business area



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### Disclaimer Regarding Forward-Looking Statements

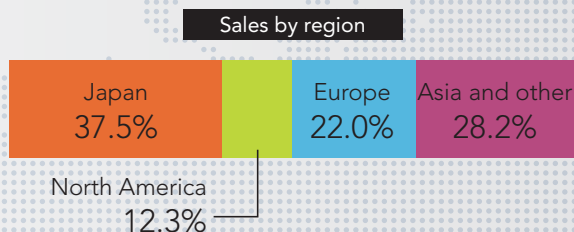
Statements made in this annual report with respect to Hoya's plans and future performance are forward-looking statements based on management's judgments, plans and forecasts in light of the information available at the time of publication. Hoya cautions that a number of factors could cause actual events and results to differ materially from those discussed in the forward-looking statements. Such factors include but are not limited to foreign exchange rates, market trends and economic conditions.

### Notation of Fiscal Years in This Report

- Hoya's fiscal year ends on March 31. In this annual report, references to years are the period ended March 31 of the year indicated.
- In this annual report, "the previous fiscal year," "the fiscal year under review," and "the year ahead" indicate the years ended March 31, 2008, March 31, 2009, and the year ending March 31, 2010, respectively.

## A Flexible Global Strategy

Hoya does business all around the world. In order to deliver Hoya products to our global customers quickly and efficiently, Hoya is accelerating the shift of its production and sales bases overseas, keeping in mind optimal local production and optimal local sales and promoting its worldwide business. At each location, we seek both to localize Hoya and to promote global human resources.



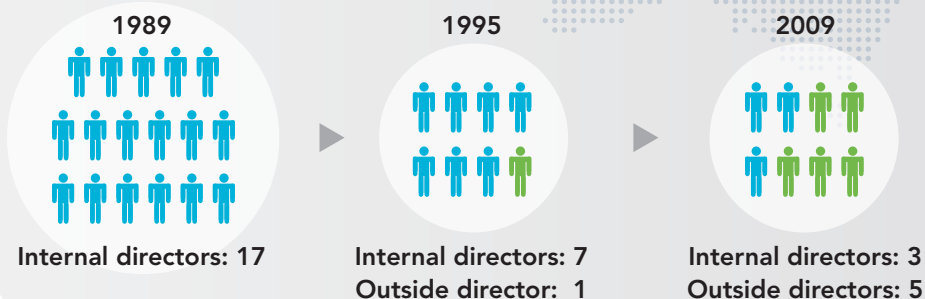
- 1997 Hoya completes the three-pronged matrix structure with regional headquarters in North America, Europe, and Asia
- 2003 The Group's financial headquarters move to Europe
- 2004 Eyeglass lens operation headquarters move to Europe
- 2007 IOL operations headquarters move to North America

## A Highly Transparent Corporate Governance System

In order to keep guard against the potential for stagnation in the Board of Directors system, Hoya has gradually reduced the number of directors, and in 1995 began appointing outside directors. The current Board of Directors comprises five outside directors and three internal directors, for a total of eight. With more than half of the Board coming from outside the Company, management supervision is enhanced and transparency is ensured.

Hoya is governed under the "company with committees" system as defined by the Companies Act of Japan. All members of the Nomination Committee, Compensation Committee and Audit Committee are outside directors, helping to enhance the soundness of Hoya's management.

Changes in number of directors



# CONSOLIDATED FINANCIAL HIGHLIGHTS

Years Ended March 31

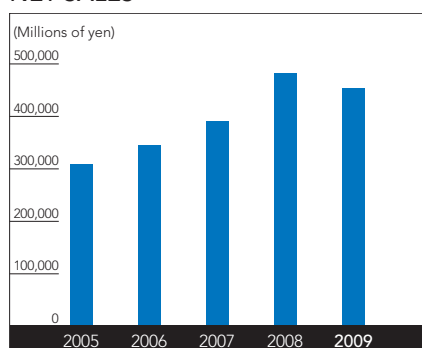
	2005	2006	2007	2008 <sup>Note 2</sup>	2009
<b>For the year:</b>					
Net sales (Millions of yen)	308,172	344,228	390,093	481,631	454,195
Operating income (Millions of yen)	84,920	101,096	107,213	95,074	59,095
Ordinary income (Millions of yen)	89,525	103,638	102,909	100,175	71,081
Net income (Millions of yen)	64,135	75,620	83,391	81,725	25,110
Capital expenditures (Millions of yen)	40,175	48,786	54,432	39,465	34,839
Research and development expenses (Billions of yen)	10,957	14,135	14,920	17,413	17,630
<b>At year-end:</b>					
Total assets (Millions of yen)	351,482	361,538	447,644	689,444	591,096
Total equity (Millions of yen)	277,889	279,481	367,145	394,626	338,010
<b>Per share data:</b>					
Net income (Yen)	144.71	171.71	193.50	189.01	58.01
Diluted net income (Yen)	144.38	171.08	192.78	188.78	58.00
Owners' equity (Yen) <sup>(Note 1)</sup>	623.59	648.87	845.98	903.49	774.65
Cash dividends applicable to the year (Yen)	37.50	60.00	65.00	65.00	65.00
<b>Performance Indicators:</b>					
Price earnings ratio (PER) (Times)	20.4	27.7	20.2	12.4	33.3
Price cash flow ratio (PCFR) (Times)	17.2	19.7	17.1	8.4	9.2
Price book value ratio (PBR) (Times)	4.7	7.3	4.6	2.6	2.5
Stock price at year-end (Yen)	2,950	4,750	3,910	2,340	1,930

## Note

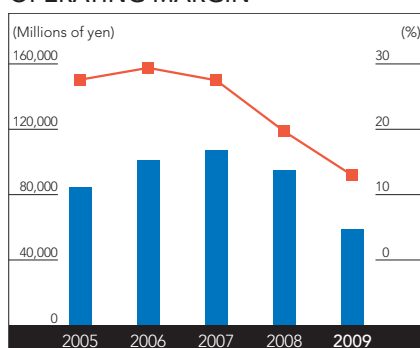
1) On December 9, 2005, the Accounting Standards Board of Japan (ASBJ) published a new accounting standard for presentation of equity, which is effective from the fiscal year ended March 31, 2007. Under this accounting standard, certain items which were previously presented as liabilities or assets are now presented as components of equity. Such items include stock subscription rights, minority interests and any deferred gain on derivative instruments. The Company now uses "Owners' equity" to replace the former "Shareholders' equity", which excludes such items as stock subscription rights and minority interests from Total equity.

2) In August 2007, Pentax Corporation and its subsidiaries were added to the Group's scope of consolidation. Therefore, performance figures shown include the results of Pentax Corporation and its subsidiaries from the second half of the fiscal year ended March 31, 2008 (the six-month period from October 1, 2007 to March 31, 2008).

## NET SALES

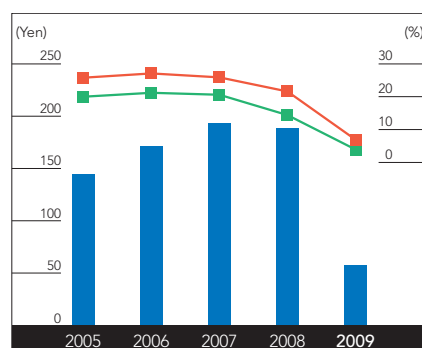


## OPERATING INCOME / OPERATING MARGIN



■ Operating income (left)  
— Operating margin (right)

## EARNINGS PER SHARE / RETURN ON EQUITY / RETURN ON ASSETS



■ EPS (left)  
— ROE (right)  
— ROA (right)