

# QUARTERLY REPORT

3rd Quarter : 3 months ended December 31, 2009

Aggregated : 9 months ended December 31, 2009

Consolidated (HOYA CORPORATION and Consolidated Subsidiaries)

## Part 1.

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#### Notes:

1. HOYA's fiscal year (FY) : from April 1 to March 31 of the following year.
2. 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. 3rd Quarter : from October 1 to December 31, 2009

### 1. Quarterly Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

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

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

	Millions of Yen			
	Three months ended			Variance (%)
	Dec.31,2009	Dec.31,2008	Dec.31,2008	
(1)Results of Operations				
Net sales	106,878	112,740	-5.2	106,818
Operating income	18,995	16,687	13.8	18,706
Ordinary income	19,724	18,276	7.9	14,585
Net income	11,791	12,610	-6.5	10,351
Net income per share(Yen)	27.24	29.13		23.91

	As of		
	Dec.31,2009	Sep.30,2009	Dec.31,2008
(2)Financial Position			
Total assets	552,748	536,409	595,454
Net assets	340,881	337,361	354,590
Owners' equity ratio	61.3%	62.3%	59.1%
Net assets per share (Yen)	782.28	772.64	812.81

	Three months ended		
	Dec.31,2009	Dec.31,2008	Sep.30,2009
(3) Conditions of Cash Flows			
Net cash provided by operating activities	22,898	18,005	20,614
Net cash used in investing activities	-16,309	-13,860	-2,840
Net cash provided by (used in ) financing activities	-4,000	-6,142	-7,125
Cash and cash equivalents at end of period	170,511	164,343	166,187

#### 2.Dividends per Share

	Year ending/ended	
	Mar.31,2010	Mar.31,2009
Interim (Yen)	30.00	30.00
Year-end (Yen)	N/A	35.00
Annual (Yen)	N/A	65.00



## PENTAX

<New Item> High-definition Endoscope EG-2490K

## 2. Results of Operations

### 1) General Overview

During the 3rd quarter consolidated accounting period (hereinafter "the quarter"), there were indications that the rapid deterioration of Japanese economic conditions that began in the fall of 2008 had already bottomed, and certain areas of manufacturing and export sectors showed signs of recovery. However, there remained a strong sense of overcapacity both in manufacturing and employment, and there have been concerns over the risks of further deterioration in economic conditions as deflation grows and the yen continues to appreciate.

Despite these circumstances, the number of orders began to rebound in April and the company's earnings reached almost the same level of performance recorded in the directly preceding quarter, the 2nd quarter of the fiscal year ending March 2010 (hereinafter "the prior quarter"). However, sales were down compared to the same quarter a year ago due to an overall decline in orders.

Operating income increased compared to the prior quarter, driven by a rebound in orders and increased productivity, as well as compared to the same quarter a year ago, due to reductions in cost brought on by reorganization.

As a result, sales during the quarter under review were 106,878 million yen, and operating income and net income were 18,995 million yen and 11,791 million yen, respectively.

### 2) Segment Overview

#### 1. Information Technology

##### Electro-Optics

As the deterioration of global economic conditions had already bottomed, there were also signs of recovery in the semiconductor industry. However, earnings from mask blanks and photomasks used in the manufacture of semiconductors decreased compared to the same quarter a year ago due to the slow movement in orders for development-use and high precision products and the impact of the strong yen. Meanwhile, with regard to large photomasks used in the manufacture of liquid crystal panels there was an increase in panel manufacturers' motivation for new developments and an increase in demand in terms of units. Therefore, the earnings increased relative to the same quarter a year ago despite strong price pressure.

Although the Company was in full-capacity operation to meet with hearty demand for glass disks used in hard disk drives (HDD), earnings fell relative to the same quarter a year ago due to the effects of the strong yen and large decline in HDD unit prices.

In optical lenses, digital camera sales demonstrated an increase in the quarter compared to the previous year, but the number of optical lens units declined compared to the same quarter a year ago because of the rapid shift toward plastic for lenses used in mobile phones. Product mix also precipitated a decline in average prices, and earnings decreased compared to the performance recorded in the same quarter a year ago.

Operating income in the segment increased relative to the previous quarter on the recovery in orders and increased manufacturing efficiency, but due to the overall drop in orders and prices, earnings decreased compared to the performance recorded in the same quarter a year ago.

Thus, Electro-Optics segment sales during the quarter were 38,369 million yen, and operating income came to 9,266 million yen.

## Photonics

There was a partial improvement in the market in terms of capital spending reductions and delays caused by the economic downturn, which helped net sales reach a level close to that of the same quarter a year ago. Fixed cost reductions made progress through reorganization, and operating income was higher than in the same quarter last year.

As a result, sales for the segment were 1,524 million yen, and operating income was 300 million yen.

## 2. Eye Care

### Vision Care

The domestic market for eyeglass lenses remained weak due to continued price declines, but overseas markets, which represent majority of the total net sales, made healthy growth thanks to the steady expansion of high-value-added products. Overall earnings thus increased relative to the same quarter a year ago. Increased production efficiency in specially-ordered goods, helped reduce production costs and boost profit margins. Thus, both sales and operating income were up from the same quarter last year.

In all, segment sales were 25,440 million yen for the quarter, and operating income was 5,315 million yen.

### Health Care

Earnings in contact lenses increased compared to the same quarter a year ago as consulting sales in directly-owned stores helped expand the customer base, and sales of high-value-added products grew. In intraocular lenses (IOLs), soft lenses remained strong and earnings grew relative to the same quarter last year, in spite of the strong yen.

As a result, segment sales for the quarter were 13,670 million yen, and operating income was 3,401 million yen.

## 3. Pentax

In medical endoscopes, restrained buying by medical organizations in the wake of the financial crisis contributed to a fall in earnings for the quarter relative to the same quarter a year ago.

In the digital camera area, there were new products introduced to the market which generated interest, so the number of single-lens reflex cameras sold increased relative to the same period last year, while overall earnings decreased due to tough price competition.

As a result, segment sales during the quarter were 27,669 million yen. In terms of operating profit and loss, the effects of cost reduction achieved via reorganization during the previous year led to a profit of 1,192 million, a significant improvement in profitability compared to the same quarter a year ago.

### 3. Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

	Millions of Yen			
	As of			
	Dec.31,2009	Sep.30,2009	Variance	Dec.31,2008
<b>ASSETS</b>				
Current assets				
Cash and deposits	174,875	169,508	5,367	171,147
Notes and accounts receivable - trade	93,608	90,142	3,466	102,139
Merchandise and finished goods	28,539	27,519	1,020	37,502
Work in process	8,964	10,275	-1,311	13,273
Raw materials and supplies	25,620	22,872	2,748	23,267
Deferred tax assets	5,427	6,649	-1,222	13,868
Other current assets	11,027	11,415	-388	9,667
Allowance for doubtful receivables	-1,839	-2,706	867	-2,494
<b>Total current assets</b>	<b>346,224</b>	<b>335,676</b>	<b>10,548</b>	<b>368,372</b>
Fixed assets				
Tangible fixed assets				
Buildings and structures (net)	35,507	35,611	-104	37,517
Machinery and carriers (net)	41,598	42,102	-504	51,102
Tools, equipment and fixtures (net)	15,851	16,135	-284	17,078
Lands	14,383	15,140	-757	15,702
Construction in progress	9,276	10,613	-1,337	12,717
<b>Total tangible fixed assets</b>	<b>116,617</b>	<b>119,602</b>	<b>-2,985</b>	<b>134,119</b>
<b>Intangible fixed assets</b>	<b>25,644</b>	<b>27,084</b>	<b>-1,440</b>	<b>50,706</b>
Investments and other assets				
Investment securities	9,984	10,556	-572	9,863
Deferred tax assets	37,151	36,621	530	24,498
Other assets	17,628	7,341	10,287	8,203
Allowance for doubtful receivables	-502	-473	-29	-308
<b>Total investment and other assets</b>	<b>64,262</b>	<b>54,046</b>	<b>10,216</b>	<b>42,256</b>
<b>Total fixed assets</b>	<b>206,524</b>	<b>200,733</b>	<b>5,791</b>	<b>227,082</b>
<b>TOTAL ASSETS</b>	<b>552,748</b>	<b>536,409</b>	<b>16,339</b>	<b>595,454</b>

## HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	As of			
	Dec.31,2009	Sep.30,2009	Variance	Dec.31,2008
<b>LIABILITIES</b>				
Current liabilities				
Notes and accounts payable - trade	36,251	32,654	3,597	39,108
Short-term bank loans payable	382	515	-133	1,859
Long-term bank loans payable matured within a year	3,615	2,789	826	10,040
Commercial paper	9,997	—	9,997	16,970
Income tax payable	4,919	6,773	-1,854	6,474
Accrued expenses	18,510	18,071	439	21,037
Accrued bonuses to employees	2,437	4,384	-1,947	2,807
Accrued bonuses for directors	38	33	5	47
Accrued warranty cost	749	782	-33	716
Other current liabilities	18,996	16,483	2,513	16,760
<b>Total current liabilities</b>	<b>95,898</b>	<b>82,489</b>	<b>13,409</b>	<b>115,823</b>
Long-term liabilities				
Corporate bonds	99,977	99,975	2	99,971
Long-term bank loans payable	2,423	3,247	-824	11,108
Accrued retirement benefits	8,182	8,234	-52	10,068
Allowance for special repairs	1,223	1,248	-25	1,076
Other long-term liabilities	4,161	3,852	309	2,815
<b>Total long-term liabilities</b>	<b>115,968</b>	<b>116,558</b>	<b>-590</b>	<b>125,040</b>
<b>Total Liabilities</b>	<b>211,867</b>	<b>199,048</b>	<b>12,819</b>	<b>240,863</b>
<b>NET ASSETS</b>				
Shareholders' equity				
Paid-in capital	6,264	6,264	—	6,264
Capital surplus	15,898	15,898	—	15,898
Earned surplus	365,958	367,160	-1,202	395,942
Treasury stock	-7,972	-7,986	14	-7,984
<b>Total shareholders' equity</b>	<b>380,148</b>	<b>381,337</b>	<b>-1,189</b>	<b>410,121</b>
Valuation and translation adjustments				
Valuation difference on available-for-sale securities	-219	-75	-144	-74
Translation adjustments	-41,309	-46,819	5,510	-58,216
<b>Total valuation and translation adjustments</b>	<b>-41,529</b>	<b>-46,895</b>	<b>5,366</b>	<b>-58,290</b>
New share subscription rights	1,183	1,102	81	857
Minority interest	1,078	1,817	-739	1,901
<b>Total Net Assets</b>	<b>340,881</b>	<b>337,361</b>	<b>3,520</b>	<b>354,590</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>552,748</b>	<b>536,409</b>	<b>16,339</b>	<b>595,454</b>
Notes:				
	Millions of Yen			
1. Guarantees of borrowings and lease obligations for customers and Group's employees	1,654	1,603		1,758
2. Value of discount on notes receivable	944	657		510
3. Number of shares of treasury stock (unit:stocks)	2,157,112	2,160,741		2,159,586

## (2) Quarterly Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

Three months ended

	Dec.31, 2009	Dec.31, 2008	Variance		Sep.30, 2009
			Value	(%)	
Net sales	106,878	112,740	-5,862	-5.2	106,818
Cost of sales	58,595	64,702	-6,107	-9.4	59,236
Gross profit	48,283	48,038	245	0.5	47,581
Selling, general and administrative expenses	29,288	31,351	-2,063	-6.6	28,874
Operating income	18,995	16,687	2,308	13.8	18,706
Non-operating income					
Interest income	173	1,017	-844		161
Foreign exchange gains	—	2,275	-2,275		—
Others	1,750	772	978		1,008
Total non-operating income	1,923	4,065	-2,142	-52.7	1,169
Non-operating expenses					
Interest expense	470	598	-128		662
Equity in loss of affiliates	278	1,574	-1,296		46
Foreign exchange losses	—	—	—		3,849
Others	445	302	143		731
Total non-operating expenses	1,194	2,476	-1,282	-51.8	5,290
Ordinary income	19,724	18,276	1,448	7.9	14,585
Extra-ordinary gains					
Gain on sales of property, plant and equipment	148	13	135		46
Reversal of loss on write-down of investment securities	—	—	—		290
Others	46	397	-351		13
Total extra-ordinary gains	195	410	-215	-52.4	350
Extra-ordinary losses					
Maintenance of environment	1,770	1	1,769		476
Loss on impairment	457	134	323		327
Additional retirement benefits paid to employees	380	482	-102		1,010
Loss on sales of property, plant and equipment	332	402	-70		235
Loss on write-down of investment securities	129	2,016	-1,887		—
Loss on disposal of property, plant and equipment	88	—	88		132
Others	1,784	404	1,380		116
Total extra-ordinary losses	4,944	3,442	1,502	43.6	2,300
Income before income taxes and minority interests	14,975	15,244	-269	-1.8	12,635
Income taxes - Current	2,181	2,374	-193	-8.1	3,015
Income taxes - Deferred	951	159	792	498.1	-750
Total income taxes	3,132	2,534	598	23.6	2,264
Minority interests in net income	51	99	-48	-48.5	19
Net income	11,791	12,610	-819	-6.5	10,351
Net income per share(Yen)	27.24	29.13	-1.89		23.91
Net income per share after adjustment of potential shares(Yen)	27.21	—	—		23.90

### 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	106,878	106,232	646
Operating income	18,995	19,098	-103
Ordinary income	19,724	19,813	-89
Net income	11,791	11,918	-127

		Three months ended			
		Dec.31, 2009	Dec.31, 2008	Variance	Sep.30, 2009
2. Average rates of major foreign currencies					
US\$	Yen	90.12	94.99	5.1%	92.81
Euro	Yen	132.60	125.69	-5.5%	132.97
Thai Baht	Yen	2.70	2.71	0.4%	2.74

### (3) Quarterly Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen			
	Three months ended			
	Dec.31,2009	Dec.31,2008	variance	Sep.30,2009
<b>OPERATING ACTIVITIES:</b>				
Income before income taxes and minority interests	14,975	15,244	-269	12,635
Depreciation and amortization	8,748	12,400	-3,652	8,309
Loss on impairment of long-lived assets	457	134	323	327
Provision for (reversal of ) accrued allowances for doubtful receivables	-854	-310	-544	-23
Provision for (reversal of ) accrued bonuses to employees	-1,960	-2,653	693	2,054
Provision for (reversal of ) reserve for special repairs	-25	-76	51	135
Provision for (reversal of ) reserve for retirement benefit	-73	—	—	-16
Interest and dividend income	-178	-1,024	846	-162
Interest expense	470	598	-128	662
Foreign exchange loss (gain)	253	-5,017	5,270	2,381
Equity in (earnings) losses of affiliates	278	1,574	-1,296	46
Gain (loss) on sales of fixed assets	183	389	-206	189
Loss on disposal of fixed assets	88	—	88	132
Gain (loss) on sales and write-down of investment securities	—	2,017	-2,017	—
Gain (loss) on evaluation of investment securities	129	—	129	-290
Additional retirement benefits paid to employees	380	482	-102	1,010
(Increase) decrease in notes and accounts receivable	-2,942	5,019	-7,961	-8,566
(Increase) decrease in inventories	-1,529	-1,676	147	1,854
(Increase) decrease in other current assets	2,096	-2,302	4,398	-874
Increase (decrease) in notes and accounts payable	3,248	-5,234	8,482	3,762
Increase (decrease) in income taxes payable	-548	-407	-141	-243
Increase (decrease) in other current liabilities	4,739	1,384	3,355	-316
Other	-16	-466	450	10
Sub total	27,923	20,077	7,846	23,019
Interest and dividend - received	220	1,167	-947	155
Interest - paid	-46	-13	-33	-1,115
Additional retirement benefits paid to employees - paid	-1,166	-169	-997	-1,295
Income taxes - paid	-4,033	-3,056	-977	-1,720
Refund of income taxes	—	—	—	1,570
Net cash provided by operating activities	22,898	18,005	4,893	20,614
<b>INVESTING ACTIVITIES:</b>				
Payments for time deposit	-949	-6,709	5,760	-840
Proceeds from refund of time deposit	6	—	6	4,047
Payments for purchases of property, plant and equipment	-4,929	-7,048	2,119	-4,850
Proceeds from sales of property, plant and equipment	1,068	1,105	-37	623
Proceeds from sales of investment securities	42	389	-347	—
Payments for acquisition of subsidiary's stocks for consolidation	-154	-549	395	—
Payments on merger to minority shareholders	-12	-46	34	-38
Payments for loans	—	-4	4	—
Proceeds from collection of loans	—	83	-83	—
Payments for other investments	-11,577	-1,133	-10,444	-1,973
Proceeds from other investments	196	53	143	190
Net cash used in investing activities	-16,309	-13,860	-2,449	-2,840
<b>FINANCING ACTIVITIES:</b>				
Net increase (decrease) in short-term bank loans	-132	-1,823	1,691	-39
Net increase (decrease) in commercial paper	9,997	8,976	1,021	—
Proceeds from long-term bank loans	—	2	-2	225
Repayments of long-term debt	-19	-1	-18	-6,408
Proceeds from sales of treasury stock	6	—	6	—
Payments for purchase of treasury stock	—	-1	1	0
Dividends paid	-13,141	-13,031	-110	-743
Dividends paid for minority shareholders	—	-264	264	-158
Payments for purchase of subsidiary's treasury stock	-709	—	-709	—
Net cash provided by (used in) financing activities	-4,000	-6,142	2,142	-7,125
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	1,734	-23,132	24,866	-4,403
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,323	-25,130	29,453	6,245
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	166,187	189,473	-23,286	159,942
CASH AND CASH EQUIVALENTS, END OF PERIOD	170,511	164,343	6,168	166,187

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 Dec. 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	38,369	1,524	25,440	13,670	27,669	205	106,878	—	106,878
Intersegment	229	132	0	—	0	947	1,309	-1,309	—
Total	38,598	1,656	25,440	13,670	27,669	1,152	108,188	-1,309	106,878
Operating expenses	29,332	1,356	20,124	10,269	26,476	954	88,513	-630	87,883
Operating income (-loss)	9,266	300	5,315	3,401	1,192	198	19,674	-678	18,995
Operating margin	24.0%	18.1%	20.9%	24.9%	4.3%	17.2%	18.2%	—	17.8%
Assets	185,316	6,232	117,118	26,057	139,108	2,765	476,598	76,149	552,748
Depreciation	5,170	41	1,598	283	1,600	22	8,717	31	8,748
Loss on impairment	4	—	-121	—	574	—	457	—	457
Capital Expenditures	3,539	1	1,078	257	460	4	5,341	0	5,342
R&D Expenses	2,218	127	415	321	2,112	—	5,195	—	5,195
Number of employees (p)	19,309	134	8,223	1,099	4,578	254	33,597	79	33,676

for the three months ended Dec. 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	43,082	1,554	24,821	12,358	30,643	281	112,740	—	112,740
Intersegment	102	166	3	—	644	1,049	1,966	-1,966	—
Total	43,184	1,720	24,825	12,358	31,287	1,330	114,707	-1,966	112,740
Operating expenses	32,000	1,562	20,030	9,343	32,721	1,300	96,959	-905	96,053
Operating income (-loss)	11,184	158	4,794	3,014	-1,433	30	17,748	-1,061	16,687
Operating margin	25.9%	9.2%	19.3%	24.4%	-4.6%	2.3%	15.5%	—	14.8%
Assets	204,755	6,380	103,263	23,513	168,534	2,694	509,142	86,312	595,454
Depreciation	6,739	66	1,853	306	3,380	16	12,362	37	12,400
Loss on impairment	88	—	—	—	—	45	134	—	134
Capital Expenditures	5,080	34	1,563	209	903	70	7,861	6	7,867
R&D Expenses	2,435	235	270	318	1,094	1	4,356	—	4,356
Number of employees (p)	23,700	175	8,086	997	5,408	271	38,637	78	38,715

Ref: Difference between the 3rd 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	-4,713	-30	619	1,312	-2,974	-76	-5,862	—	-5,862
Variance (%)	-10.9%	-1.9%	2.5%	10.6%	-9.7%	-27.0%	-5.2%	—	-5.2%
Intersegment	127	-34	-3	—	0	-102	-657	657	—
Total	-4,586	-64	615	1,312	-3,618	-178	-6,519	657	-5,862
Operating expenses	-2,668	-206	94	926	-6,245	-346	-8,446	275	-8,170
Operating income	-1,918	142	521	387	2,625	168	1,926	383	2,308
Variance (%)	-17.1%	89.9%	10.9%	12.8%	—	560.0%	10.9%	—	13.8%
Assets	-19,439	-148	13,855	2,544	-29,426	71	-32,544	-10,163	-42,706
Depreciation	-1,569	-25	-255	-23	-1,780	6	-3,645	-6	-3,652
Loss on impairment	-84	—	-121	—	574	-45	322	—	322
Capital Expenditures	-1,541	-33	-485	48	-443	-66	-2,520	-6	-2,525
R&D Expenses	-217	-108	145	3	1,018	—	839	—	839
Number of employees (p)	-4,391	-41	137	102	-830	-17	-5,040	1	-5,039

\*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:

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, CCTV lenses, Digital camera modules, Micro lenses, etc.
Others		Design of information systems, etc.

\* Crystal glass products, included into the "Others" segment until the previous fiscal year, were discontinued as of March 31, 2009 as a part of the Company's reorganization.

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 Dec. 31, 2009 and 2008 are as follows:

2009	743 million Yen	2008	1,033 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 Dec. 31, 2009 and 2008 are as follows:

2009	106,388 million Yen	2008	99,270 million Yen
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## 2. Geographical Segments

for the three months ended Dec. 31, 2009

Millions of Yen

	Japan	America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	61,934	12,318	21,875	10,751	106,878	—	106,878
Intersegment	11,587	145	196	34,986	46,916	-46,916	—
Total	73,521	12,463	22,072	45,737	153,795	-46,916	106,878
Operating expenses	68,987	12,320	20,124	35,041	136,473	-48,590	87,883
Operating income(-loss)	4,534	142	1,947	10,696	17,321	1,673	18,995
Operating margin	6.2%	1.1%	8.8%	23.4%	11.3%	—	17.8%
Assets	244,104	34,859	66,336	206,430	551,730	1,018	552,748

for the three months ended Dec. 31, 2008

Millions of Yen

	Japan	North America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	65,645	13,944	22,763	10,387	112,740	—	112,740
Intersegment	14,911	155	175	35,981	51,224	-51,224	—
Total	80,557	14,099	22,939	46,369	163,965	-51,224	112,740
Operating expenses	79,561	14,068	21,696	35,078	150,404	-54,351	96,053
Operating income(-loss)	995	31	1,242	11,290	13,560	3,126	16,687
Operating margin	1.2%	0.2%	5.4%	24.4%	8.3%	—	14.8%
Assets	300,776	29,741	63,990	213,126	607,634	-12,180	595,454

Ref : Difference between the 3rd quarter this year and the same quarter last year

Millions of Yen

	Japan	America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	-3,711	-1,626	-888	364	-5,862	—	-5,862
Variance (%)	-5.7%	-11.7%	-3.9%	3.5%	-5.2%	—	-5.2%
Intersegment	-3,324	-10	21	-995	-4,308	4,308	—
Total	-7,036	-1,636	-867	-632	-10,170	4,308	-5,862
Operating expenses	-10,574	-1,748	-1,572	-37	-13,931	5,761	-8,170
Operating income	3,539	111	705	-594	3,761	-1,453	2,308
Variance (%)	355.7%	358.1%	56.8%	-5.3%	27.7%	—	13.8%
Assets	-56,672	5,118	2,346	-6,696	-55,904	13,198	-42,706

Notes:

1. 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:

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

2. 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 Dec. 31, 2009 and 2008 are as follows:

2009 719 million Yen 2008 744 million Yen

3. 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 Dec. 31, 2009 and 2008 are as follows:

2009 81,988 million Yen 2008 64,482 million Yen

### 3. Overseas Sales

for the three months ended Dec. 31, 2009

	Millions of Yen				
	America	Europe	Asia	Other	Total
Overseas Sales (A)	12,529	22,234	33,541	256	68,561
Total Consolidated Net Sales (B)					106,878
Overseas Sales ratio A/B	11.7%	20.8%	31.4%	0.2%	64.1%
Regional Breakdown	18.3%	32.4%	48.9%	0.4%	100.0%

for the three months ended Dec. 31, 2008

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	14,242	23,475	32,555	384	70,658
Total Consolidated Net Sales (B)					112,740
Overseas Sales ratio A/B	12.6%	20.8%	28.9%	0.4%	62.7%
Regional Breakdown	20.2%	33.2%	46.1%	0.5%	100.0%

Ref: Difference between the 3rd quarter this year and the same quarter last year

	Millions of Yen				
	America	Europe	Asia	Other	Total
Overseas Sales (A)	-1,713	-1,241	986	-128	-2,097
Total Consolidated Net Sales (B)					-5,862
Variance (%)	-12.0%	-5.3%	3.0%	-33.3%	-3.0%

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:

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

## (5) Composition of Net Sales by Business Category

HOYA CORPORATION and Consolidated Subsidiaries

Business Category	Millions of Yen						
	Three months ended Dec. 31, 2009		Three months ended Dec. 31, 2008		Variance	(%)	Three months ended Sep. 30, 2009
Electro-Optics							
Domestic	11,932 ( 31.1 )	16,872 ( 39.2 )	-4,940	-29.3	12,979 ( 34.3 )		
Overseas	26,436 ( 68.9 )	26,209 ( 60.8 )	227	0.9	24,875 ( 65.7 )		
total	38,369 ( 35.9 )	43,082 ( 38.2 )	-4,713	-10.9	37,855 ( 35.5 )		
Photonics							
Domestic	642 ( 42.1 )	903 ( 58.1 )	-261	-28.9	569 ( 45.7 )		
Overseas	881 ( 57.9 )	650 ( 41.9 )	231	35.5	676 ( 54.3 )		
total	1,524 ( 1.4 )	1,554 ( 1.4 )	-30	-1.9	1,245 ( 1.2 )		
Information Technology							
Domestic	12,575 ( 31.5 )	17,776 ( 39.8 )	-5,201	-29.3	13,548 ( 34.6 )		
Overseas	27,318 ( 68.5 )	26,860 ( 60.2 )	458	1.7	25,552 ( 65.4 )		
total	39,893 ( 37.3 )	44,636 ( 39.6 )	-4,743	-10.6	39,101 ( 36.7 )		
Vision Care							
Domestic	6,247 ( 24.6 )	6,720 ( 27.1 )	-473	-7.0	7,109 ( 27.4 )		
Overseas	19,192 ( 75.4 )	18,100 ( 72.9 )	1,092	6.0	18,846 ( 72.6 )		
total	25,440 ( 23.8 )	24,821 ( 22.0 )	619	2.5	25,956 ( 24.3 )		
Health Care							
Domestic	12,982 ( 95.0 )	11,861 ( 96.0 )	1,121	9.5	13,128 ( 95.9 )		
Overseas	687 ( 5.0 )	496 ( 4.0 )	191	38.5	560 ( 4.1 )		
total	13,670 ( 12.8 )	12,358 ( 11.0 )	1,312	10.6	13,689 ( 12.8 )		
Eye Care							
Domestic	19,230 ( 49.2 )	18,582 ( 50.0 )	648	3.5	20,238 ( 51.0 )		
Overseas	19,880 ( 50.8 )	18,597 ( 50.0 )	1,283	6.9	19,407 ( 49.0 )		
total	39,110 ( 36.6 )	37,179 ( 33.0 )	1,931	5.2	39,645 ( 37.1 )		
Pentax							
Domestic	6,372 ( 23.0 )	5,441 ( 17.8 )	931	17.1	6,584 ( 23.6 )		
Overseas	21,297 ( 77.0 )	25,201 ( 82.2 )	-3,904	-15.5	21,336 ( 76.4 )		
total	27,669 ( 25.9 )	30,643 ( 27.2 )	-2,974	-9.7	27,920 ( 26.1 )		
Others							
Domestic	139 ( 67.8 )	281 ( 100.0 )	-142	-50.5	150 ( 100.0 )		
Overseas	65 ( 32.2 )	0 ( 0.0 )	65	—	0 ( 0.0 )		
total	205 ( 0.2 )	281 ( 0.2 )	-76	-27.0	150 ( 0.1 )		
Total Net Sales							
Domestic	38,317 ( 35.9 )	42,082 ( 37.3 )	-3,765	-8.9	40,521 ( 37.9 )		
Overseas	68,561 ( 64.1 )	70,658 ( 62.7 )	-2,097	-3.0	66,296 ( 62.1 )		
Total	106,878 ( 100.0 )	112,740 ( 100.0 )	-5,862	-5.2	106,818 ( 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. Nine Months : from April 1 to December 31, 2009

### 1. Nine Months Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

#### 1. Performance for the nine months ended Dec. 31, 2009 and 2008

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

	Nine months ended		Variance (%)	Year ended Mar.31,2009
	Dec.31,2009	Dec.31,2008		
(1)Results of Operations				
Net sales	308,685	371,269	-16.9	454,194
Operating income	46,999	59,155	-20.6	59,094
Ordinary income	40,793	68,260	-40.2	71,080
Net income	25,993	52,944	-50.9	25,109
Net income per share(Yen)	60.05	122.31		58.01

	As of		
	Dec.31,2009	Mar.31,2009	Dec.31,2008
(2)Financial Position			
Total assets	552,748	591,096	595,454
Net assets	340,881	338,009	354,590
Owners' equity ratio	61.3%	56.7%	59.1%
Net assets per share (Yen)	782.28	774.65	812.81

	Nine months ended		Year ended Mar.31,2009
	Dec.31,2009	Dec.31,2008	
(3) Conditions of Cash Flows			
Net cash provided by operating activities	59,178	62,693	90,975
Net cash used in investing activities	-27,945	-27,344	-34,328
Net cash provided by (used in ) financing activities	-70,848	-22,413	-5,800
Cash and cash equivalents at end of period	170,511	164,343	207,928

#### 2.Dividends per Share

	Years ending/ended	
	Mar.31,2010	Mar.31,2009
Interim (Yen)	30.00	30.00
Year-end (Yen)	N/A	35.00
Annual (Yen)	N/A	65.00

#### 3.Projected Results for the Year ending March 31, 2010

	Years ending/ended		Variance (%)
	Mar.31,2010	Mar.31,2009	
Net sales	411,000	454,194	-9.5
Operating income	61,000	59,094	3.2
Ordinary income	55,500	71,080	-21.9
Net income	35,000	25,109	39.4
Net income per share (Yen)	80.86	58.01	22.85

Note:

To calculate expected net income per share, expected net income is divided by expected average number of shares through the term.

*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, or currency exchange rates.*

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen			
	As of			
	Dec.31,2009	Mar.31,2009	Variance	Dec.31,2008
<b>ASSETS</b>				
Current assets				
Cash and deposits	<b>174,875</b>	214,540	-39,665	171,147
Notes and accounts receivable - trade	<b>93,608</b>	82,874	10,734	102,139
Merchandise and finished goods	<b>28,539</b>	35,366	-6,827	37,502
Work in process	<b>8,964</b>	11,434	-2,470	13,273
Raw materials and supplies	<b>25,620</b>	24,456	1,164	23,267
Deferred tax assets	<b>5,427</b>	6,368	-941	13,868
Other current assets	<b>11,027</b>	12,106	-1,079	9,667
Allowance for doubtful receivables	<b>-1,839</b>	-2,683	844	-2,494
<b>Total current assets</b>	<b>346,224</b>	384,465	-38,241	368,372
Fixed assets				
Tangible fixed assets				
Buildings and structures (net)	<b>35,507</b>	37,097	-1,590	37,517
Machinery and carriers (net)	<b>41,598</b>	47,075	-5,477	51,102
Tools, equipment and fixtures (net)	<b>15,851</b>	16,429	-578	17,078
Lands	<b>14,383</b>	15,755	-1,372	15,702
Construction in progress	<b>9,276</b>	12,959	-3,683	12,717
<b>Total tangible fixed assets</b>	<b>116,617</b>	129,317	-12,700	134,119
<b>Intangible fixed assets</b>	<b>25,644</b>	22,150	3,494	50,706
Investments and other assets				
Investment securities	<b>9,984</b>	11,328	-1,344	9,863
Deferred tax assets	<b>37,151</b>	36,643	508	24,498
Other assets	<b>17,628</b>	7,740	9,888	8,203
Allowance for doubtful receivables	<b>-502</b>	-548	46	-308
<b>Total investment and other assets</b>	<b>64,262</b>	55,163	9,099	42,256
<b>Total fixed assets</b>	<b>206,524</b>	206,630	-106	227,082
<b>TOTAL ASSETS</b>	<b>552,748</b>	591,096	-38,348	595,454

	As of			
	Dec.31,2009	Mar.31,2009	Variance	Dec.31,2008
<b>LIABILITIES</b>				
Current liabilities				
Notes and accounts payable - trade	36,251	29,557	6,694	39,108
Short-term bank loans payable	382	2,144	-1,762	1,859
Long-term bank loans payable matured within a year	3,615	4,402	-787	10,040
Commercial paper	9,997	41,978	-31,981	16,970
Income tax payable	4,919	7,273	-2,354	6,474
Accrued expenses	18,510	17,884	626	21,037
Accrued bonuses to employees	2,437	4,754	-2,317	2,807
Accrued bonuses for directors	38	51	-13	47
Accrued warranty cost	749	793	-44	716
Other current liabilities	18,996	22,150	-3,154	16,760
<b>Total current liabilities</b>	<b>95,898</b>	<b>130,989</b>	<b>-35,091</b>	<b>115,823</b>
Long-term liabilities				
Corporate bonds	99,977	99,972	5	99,971
Long-term bank loans payable	2,423	9,688	-7,265	11,108
Accrued retirement benefits	8,182	8,488	-306	10,068
Allowance for special repairs	1,223	998	225	1,076
Other long-term liabilities	4,161	2,948	1,213	2,815
<b>Total long-term liabilities</b>	<b>115,968</b>	<b>122,097</b>	<b>-6,129</b>	<b>125,040</b>
<b>Total Liabilities</b>	<b>211,867</b>	<b>253,086</b>	<b>-41,219</b>	<b>240,863</b>
<b>NET ASSETS</b>				
Shareholders' equity				
Paid-in capital	6,264	6,264	—	6,264
Capital surplus	15,898	15,898	—	15,898
Earned surplus	365,958	368,108	-2,150	395,942
Treasury stock	-7,972	-7,984	12	-7,984
<b>Total shareholders' equity</b>	<b>380,148</b>	<b>382,286</b>	<b>-2,138</b>	<b>410,121</b>
Valuation and translation adjustments				
Valuation difference on available-for-sale securities	-219	-304	85	-74
Translation adjustments	-41,309	-46,669	5,360	-58,216
<b>Total valuation and translation adjustments</b>	<b>-41,529</b>	<b>-46,973</b>	<b>5,444</b>	<b>-58,290</b>
New share subscription rights	1,183	938	245	857
Minority interest	1,078	1,758	-680	1,901
<b>Total Net Assets</b>	<b>340,881</b>	<b>338,009</b>	<b>2,872</b>	<b>354,590</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>552,748</b>	<b>591,096</b>	<b>-38,348</b>	<b>595,454</b>
Notes:				
	Millions of Yen			
1. Guarantees of borrowings and lease obligations for customers and Group's employees	1,654	1,722		1,758
2. Value of discount on notes receivable	944	180		510
3. Number of shares of treasury stock (unit:stocks)	2,157,112	2,160,060		2,159,586

## (2) Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	Nine months ended		Variance		Year ended Mar.31, 2009
	Dec.31, 2009	Dec.31, 2008	Value	(%)	
Net sales	<b>308,685</b>	371,269	-62,584	-16.9	454,194
Cost of sales	<b>174,985</b>	211,249	-36,264	-17.2	264,289
Gross profit	<b>133,699</b>	160,020	-26,321	-16.4	189,905
Selling, general and administrative expenses	<b>86,700</b>	100,864	-14,164	-14.0	130,810
Operating income	<b>46,999</b>	59,155	-12,156	-20.6	59,094
Non-operating income					
Interest income	<b>624</b>	3,647	-3,023		4,017
Foreign exchange gains	<b>—</b>	5,318	-5,318		7,151
Others	<b>3,617</b>	4,578	-961		5,765
Total non-operating income	<b>4,242</b>	13,545	-9,303	-68.7	16,934
Non-operating expenses					
Interest expense	<b>1,692</b>	1,899	-207		2,347
Equity in loss of affiliates	<b>873</b>	985	-112		314
Foreign exchange losses	<b>5,821</b>	—	5,821		—
Others	<b>2,061</b>	1,555	506		2,286
Total non-operating expenses	<b>10,448</b>	4,440	6,008	135.3	4,948
Ordinary income	<b>40,793</b>	68,260	-27,467	-40.2	71,080
Extra-ordinary gains					
Gain on sales of property, plant and equipment	<b>255</b>	118	137		365
Gain on sales of investment securities	<b>—</b>	9,704	-9,704		9,704
Received commission for previous years	<b>—</b>	3,200	-3,200		3,200
Gain on transfer of business	<b>—</b>	883	-883		886
Others	<b>77</b>	953	-876		1,145
Total extra-ordinary gains	<b>333</b>	14,859	-14,526	-97.8	15,301
Extra-ordinary losses					
Maintenance of environment	<b>2,246</b>	18	2,228		—
Additional retirement benefits paid to employees	<b>1,691</b>	2,141	-450		6,743
Loss on impairment	<b>789</b>	1,523	-734		30,458
Loss on sales of property, plant and equipment	<b>637</b>	781	-144		1,147
Loss on disposal of property, plant and equipment	<b>266</b>	—	266		—
Loss on write-down of investment securities	<b>253</b>	2,419	-2,166		2,327
Others	<b>2,124</b>	541	1,583		1,646
Total extra-ordinary losses	<b>8,010</b>	7,425	585	7.9	42,323
Income before income taxes and minority interests	<b>33,116</b>	75,695	-42,579	-56.3	44,058
Income taxes - Current	<b>6,642</b>	8,965	-2,323	-25.9	9,845
Income taxes - Deferred	<b>316</b>	13,865	-13,549	-97.7	9,407
Total income taxes	<b>6,959</b>	22,831	-15,872	-69.5	19,253
Minority interests in net income	<b>163</b>	-79	242	-306.3	-304
Net income	<b>25,993</b>	52,944	-26,951	-50.9	25,109
Net income per share(Yen)	<b>60.05</b>	122.31	-62.26		58.01
Net income per share after adjustment of potential shares(Yen)	<b>60.00</b>	122.31	-62.31		58.00

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	308,685	324,596	-15,911
Operating income	46,999	50,621	-3,622
Ordinary income	40,793	44,419	-3,626
Net income	25,993	29,257	-3,264

		Nine months ended		Variance(%)	Year ended Mar.31, 2009
		Dec.31, 2009	Dec.31, 2008		
2. Average rates of major foreign currencies					
US\$	Yen	93.23	102.48	9.0%	100.66
Euro	Yen	133.01	149.98	11.3%	143.28
Thai Baht	Yen	2.75	3.03	9.2%	2.94

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

	Millions of Yen			
	Nine months ended		variance	Year ended
	Dec.31,2009	Dec.31,2008		Mar.31,2009
<b>OPERATING ACTIVITIES:</b>				
Income before income taxes and minority interests	33,116	75,695	-42,579	44,058
Depreciation and amortization	25,552	37,397	-11,845	50,030
Loss on impairment of long-lived assets	789	1,523	-734	30,458
Provision for (reversal of ) accrued allowances for doubtful receivables	-915	158	-1,073	586
Provision for (reversal of ) accrued bonuses to employees	-2,323	-4,666	2,343	-2,716
Provision for (reversal of ) reserve for special repairs	224	59	165	-18
Provision for (reversal of ) reserve for retirement benefit	-324	—	-324	-1,721
Interest and dividend income	-679	-3,710	3,031	-4,080
Interest expense	1,692	1,899	-207	2,347
Foreign exchange loss (gain)	6,589	-10,063	16,652	-8,032
Equity in (earnings) losses of affiliates	873	985	-112	314
Gain (loss) on sales of fixed assets	382	663	-281	782
Loss on disposal of fixed assets	266	—	266	—
Gain (loss) on sales and write-down of investment securities	—	-7,255	7,255	-7,348
Gain (loss) on evaluation of investment securities	253	—	253	—
Commission for previous years	—	—	—	-3,200
Gain (loss) on transfer of business	—	-883	883	-886
Additional retirement benefits paid to employees	1,691	2,141	-450	6,743
Maintainance of environment	—	—	—	64
(Increase) decrease in notes and accounts receivable	-10,118	10,198	-20,316	30,543
(Increase) decrease in inventories	7,903	580	7,323	6,240
(Increase) decrease in other current assets	-1,291	-4,084	2,793	-2,284
Increase (decrease) in notes and accounts payable	6,631	-13,386	20,017	-23,465
Increase (decrease) in income taxes payable	609	271	338	-60
Increase (decrease) in other current liabilities	2,913	-1,041	3,954	-958
Other	-36	-484	448	-420
Sub total	<b>73,799</b>	<b>85,994</b>	<b>-12,195</b>	<b>116,976</b>
Interest and dividend - received	745	3,127	-2,382	3,475
Interest - paid	-1,227	-905	-322	-1,897
Commission for previous years - received	—	—	—	3,200
Additional retirement benefits paid to employees - paid	-6,163	-271	-5,892	-3,111
Maintainance of environment - paid	—	—	—	-64
Income taxes - paid	-9,545	-32,638	23,093	-34,990
Refund of income taxes	1,570	7,387	-5,817	7,387
Net cash provided by operating activities	<b>59,178</b>	<b>62,693</b>	<b>-3,515</b>	<b>90,975</b>
<b>INVESTING ACTIVITIES:</b>				
Payments for time deposit	-2,341	-6,709	4,368	-7,108
Proceeds from refund of time deposit	4,700	—	4,700	590
Payments for purchases of property, plant and equipment	-15,224	-28,326	13,102	-34,173
Proceeds from sales of property, plant and equipment	1,893	2,062	-169	1,170
Payments for purchases of investment securities	—	-747	747	-747
Proceeds from sales of investment securities	42	17,875	-17,833	17,875
Payments for acquisition of subsidiary's stocks for consolidation	-3,422	-1,153	-2,269	-1,153
Payments on merger to minority shareholders	-72	-9,319	9,247	-9,397
Payments for loans	—	-139	139	-157
Proceeds from collection of loans	—	162	-162	236
Proceeds from business transfer	—	1,300	-1,300	1,320
Payments for other investments	-14,107	-2,764	-11,343	-3,641
Proceeds from other investments	586	415	171	859
Net cash used in investing activities	<b>-27,945</b>	<b>-27,344</b>	<b>-601</b>	<b>-34,328</b>
<b>FINANCING ACTIVITIES:</b>				
Net increase (decrease) in short-term bank loans	-1,761	-3,342	1,581	-4,320
Net increase (decrease) in commercial paper	-31,980	10,778	-42,758	35,786
Proceeds from long-term bank loans	225	133	92	135
Repayments of long-term debt	-8,212	-1,546	-6,666	-8,978
Proceeds from sales of treasury stock	6	2	4	2
Payments for purchase of treasury stock	-2	-5	3	-6
Dividends paid	-28,254	-28,130	-124	-28,115
Dividends paid for minority shareholders	-158	-304	146	-304
Payments for purchase of subsidiary's treasury stock	-709	—	-709	—
Net cash provided by (used in) financing activities	<b>-70,848</b>	<b>-22,413</b>	<b>-48,435</b>	<b>-5,800</b>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	2,197	-29,928	32,125	-24,253
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<b>-37,416</b>	<b>-16,992</b>	<b>-20,424</b>	<b>26,592</b>
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	<b>207,928</b>	<b>181,335</b>	<b>26,593</b>	<b>181,335</b>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<b>170,511</b>	<b>164,343</b>	<b>6,168</b>	<b>207,928</b>

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 nine months ended Dec. 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	106,667	3,922	77,024	40,268	80,230	572	308,685	—	308,685
Intersegment	734	438	0	—	10	2,911	4,095	-4,095	—
Total	107,402	4,360	77,024	40,268	80,241	3,483	312,780	-4,095	308,685
Operating expenses	86,925	3,889	60,165	30,812	78,804	2,966	263,563	-1,877	261,685
Operating income (-loss)	20,476	471	16,859	9,456	1,436	516	49,216	-2,217	46,999
Operating margin	19.1%	10.8%	21.9%	23.5%	1.8%	14.8%	15.7%	—	15.2%
Assets	185,316	6,232	117,118	26,057	139,108	2,765	476,598	76,149	552,748
Depreciation	15,106	134	4,733	848	4,565	64	25,454	98	25,552
Loss on impairment	43	—	171	—	574	—	789	—	789
Capital Expenditures	9,280	33	5,459	810	2,062	42	17,688	2	17,691
R&D Expenses	6,763	395	1,050	956	4,794	—	13,958	—	13,958
Number of employees (p)	19,309	134	8,223	1,099	4,578	254	33,597	79	33,676

**for the nine months ended Dec. 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	141,328	5,310	86,037	37,641	100,159	792	371,269	—	371,269
Intersegment	250	487	6	—	664	3,054	4,464	-4,464	—
Total	141,579	5,798	86,043	37,641	100,824	3,846	375,734	-4,464	371,269
Operating expenses	101,900	5,248	69,094	28,731	104,754	3,751	313,482	-1,368	312,114
Operating income (-loss)	39,678	549	16,948	8,909	-3,930	95	62,251	-3,095	59,155
Operating margin	28.0%	9.5%	19.7%	23.7%	-3.9%	2.5%	16.6%	—	15.9%
Assets	204,755	6,380	103,263	23,513	168,534	2,694	509,142	86,312	595,454
Depreciation	20,595	126	5,528	894	10,041	45	37,231	166	37,397
Loss on impairment	88	—	—	—	1,368	66	1,523	—	1,523
Capital Expenditures	16,756	120	6,037	1,117	4,162	134	28,329	1,046	29,375
R&D Expenses	7,271	779	874	990	3,600	6	13,523	—	13,523
Number of employees (p)	23,700	175	8,086	997	5,408	271	38,637	78	38,715

Ref: Difference between the nine month period this year and the same period 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	-34,661	-1,388	-9,013	2,627	-19,929	-220	-62,584	—	-62,584
Variance (%)	-24.5%	-26.1%	-10.5%	7.0%	-19.9%	-27.8%	-16.9%	—	-16.9%
Intersegment	484	-49	-6	—	-654	-143	-369	369	—
Total	-34,177	-1,438	-9,019	2,627	-20,583	-363	-62,954	369	-62,584
Operating expenses	-14,975	-1,359	-8,929	2,081	-25,950	-785	-49,919	-509	-50,429
Operating income	-19,202	-78	-89	547	5,366	421	-13,035	878	-12,156
Variance (%)	-48.4%	-14.2%	-0.5%	6.1%	—	443.2%	-20.9%	-28.4%	-20.5%
Assets	-19,439	-148	13,855	2,544	-29,426	71	-32,544	-10,163	-42,706
Depreciation	-5,489	8	-795	-46	-5,476	19	-11,777	-68	-11,845
Loss on impairment	-45	—	171	—	-794	-66	-734	—	-734
Capital Expenditures	-7,476	-87	-578	-307	-2,100	-92	-10,641	-1,044	-11,684
R&D Expenses	-508	-384	176	-34	1,194	-6	435	—	435
Number of employees (p)	-4,391	-41	137	102	-830	-17	-5,040	1	-5,039

\*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:

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, CCTV lenses, Digital camera modules, Micro lenses, etc.
Others		Design of information systems, etc.

\* Crystal glass products, included into the "Others" segment until the previous fiscal year, were discontinued as of March 31, 2009 as a part of the Company's reorganization.

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 nine months ended Dec. 31, 2009 and 2008 are as follows:

2009	2,489 million Yen	2008	2,789 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 Dec. 31, 2009 and 2008 are as follows:

2009	106,388 million Yen	2008	99,270 million Yen
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## 2. Geographical Segments

for the nine months ended Dec. 31, 2009

Millions of Yen

	Japan	America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	180,264	36,707	62,722	28,990	308,685	—	308,685
Intersegment	31,755	453	458	99,021	131,688	-131,688	—
Total	212,020	37,160	63,181	128,011	440,373	-131,688	308,685
Operating expenses	200,420	37,132	57,358	102,008	396,919	-135,233	261,685
Operating income(-loss)	11,599	27	5,823	26,003	43,454	3,545	46,999
Operating margin	5.5%	0.1%	9.2%	20.3%	9.9%	—	15.2%
Assets	244,104	34,859	66,336	206,430	551,730	1,018	552,748

for the nine months ended Dec. 31, 2008

Millions of Yen

	Japan	North America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	214,207	43,506	77,264	36,290	371,269	—	371,269
Intersegment	47,823	550	699	116,418	165,493	-165,493	—
Total	262,031	44,057	77,964	152,709	536,762	-165,493	371,269
Operating expenses	248,360	44,522	75,224	116,587	484,695	-172,581	312,114
Operating income(-loss)	13,671	-465	2,739	36,121	52,066	7,088	59,155
Operating margin	5.2%	-1.1%	3.5%	23.7%	9.7%	—	15.9%
Assets	300,776	29,741	63,990	213,126	607,634	-12,180	595,454

Ref : Difference between the nine months period this year and the same period last year

Millions of Yen

	Japan	America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	-33,943	-6,799	-14,542	-7,300	-62,584	—	-62,584
Variance (%)	-15.8%	-15.6%	-18.8%	-20.1%	-16.9%	—	-16.9%
Intersegment	-16,068	-97	-241	-17,397	-33,805	33,805	—
Total	-50,011	-6,897	-14,783	-24,698	-96,389	33,805	-62,584
Operating expenses	-47,940	-7,390	-17,866	-14,579	-87,776	37,348	-50,429
Operating income	-2,072	492	3,084	-10,118	-8,612	-3,543	-12,156
Variance (%)	-15.2%	—	112.6%	-28.0%	-16.5%	-50.0%	-20.5%
Assets	-56,672	5,118	2,346	-6,696	-55,904	13,198	-42,706

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:

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 nine months ended Dec. 31, 2009 and 2008 are as follows:

2009 2,414 million Yen 2008 2,897 million Yen

- 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 Dec. 31, 2009 and 2008 are as follows:

2009 81,988 million Yen 2008 64,482 million Yen

### 3. Overseas Sales

for the nine months ended Dec. 31, 2009

	Millions of Yen				
	America	Europe	Asia	Other	Total
Overseas Sales (A)	37,106	63,951	93,179	647	194,885
Total Consolidated Net Sales (B)					308,685
Overseas Sales ratio A/B	12.0%	20.7%	30.2%	0.2%	63.1%
Regional Breakdown	19.1%	32.8%	47.8%	0.3%	100.0%

for the nine months ended Dec. 31, 2008

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	44,615	79,516	109,654	1,124	234,909
Total Consolidated Net Sales (B)					371,269
Overseas Sales ratio A/B	12.0%	21.4%	29.6%	0.3%	63.3%
Regional Breakdown	19.0%	33.8%	46.7%	0.5%	100.0%

Ref: Difference between the nine months period this year and the same period last year

	Millions of Yen				
	America	Europe	Asia	Other	Total
Overseas Sales (A)	-7,509	-15,565	-16,475	-477	-40,024
Total Consolidated Net Sales (B)					-62,584
Variance (%)	-16.8%	-19.6%	-15.0%	-42.4%	-17.0%

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:

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

## (5) Composition of Net Sales by Business Category

HOYA CORPORATION and Consolidated Subsidiaries

Business Category	Millions of Yen				Year ended	
	Nine months ended		Variance	(%)	Mar. 31, 2009	
	Dec.31, 2009	Dec.31, 2008				
<b>Electro-Optics</b>						
Domestic	<b>35,168 ( 33.0 )</b>	55,214 ( 39.1 )	-20,046	-36.3	64,994 ( 39.7 )	
Overseas	<b>71,498 ( 67.0 )</b>	86,113 ( 60.9 )	-14,615	-17.0	98,907 ( 60.3 )	
total	<b>106,667 ( 34.6 )</b>	141,328 ( 38.1 )	-34,661	-24.5	163,901 ( 36.1 )	
<b>Photonics</b>						
Domestic	<b>1,666 ( 42.5 )</b>	2,713 ( 51.1 )	-1,047	-38.6	3,271 ( 51.4 )	
Overseas	<b>2,255 ( 57.5 )</b>	2,597 ( 48.9 )	-342	-13.2	3,095 ( 48.6 )	
total	<b>3,922 ( 1.3 )</b>	5,310 ( 1.4 )	-1,388	-26.1	6,366 ( 1.4 )	
<b>Information Technology</b>						
Domestic	<b>36,835 ( 33.3 )</b>	57,927 ( 39.5 )	-21,092	-36.4	68,265 ( 40.1 )	
Overseas	<b>73,754 ( 66.7 )</b>	88,711 ( 60.5 )	-14,957	-16.9	102,002 ( 59.9 )	
total	<b>110,589 ( 35.9 )</b>	146,638 ( 39.5 )	-36,049	-24.6	170,268 ( 37.5 )	
<b>Vision Care</b>						
Domestic	<b>20,069 ( 26.1 )</b>	22,281 ( 25.9 )	-2,212	-9.9	28,955 ( 26.2 )	
Overseas	<b>56,955 ( 73.9 )</b>	63,756 ( 74.1 )	-6,801	-10.7	81,769 ( 73.8 )	
total	<b>77,024 ( 25.0 )</b>	86,037 ( 23.2 )	-9,013	-10.5	110,725 ( 24.4 )	
<b>Health Care</b>						
Domestic	<b>38,467 ( 95.5 )</b>	36,022 ( 95.7 )	2,445	6.8	47,836 ( 95.7 )	
Overseas	<b>1,801 ( 4.5 )</b>	1,618 ( 4.3 )	183	11.3	2,131 ( 4.3 )	
total	<b>40,268 ( 13.0 )</b>	37,641 ( 10.1 )	2,627	7.0	49,967 ( 11.0 )	
<b>Eye Care</b>						
Domestic	<b>58,536 ( 49.9 )</b>	58,304 ( 47.1 )	232	0.4	76,792 ( 47.8 )	
Overseas	<b>58,756 ( 50.1 )</b>	65,374 ( 52.9 )	-6,618	-10.1	83,900 ( 52.2 )	
total	<b>117,293 ( 38.0 )</b>	123,679 ( 33.3 )	-6,386	-5.2	160,693 ( 35.4 )	
<b>Pentax</b>						
Domestic	<b>17,921 ( 22.3 )</b>	19,336 ( 19.3 )	-1,415	-7.3	24,261 ( 19.9 )	
Overseas	<b>62,308 ( 77.7 )</b>	80,823 ( 80.7 )	-18,515	-22.9	97,929 ( 80.1 )	
total	<b>80,230 ( 26.0 )</b>	100,159 ( 27.0 )	-19,929	-19.9	122,190 ( 26.9 )	
<b>Others</b>						
Domestic	<b>506 ( 88.5 )</b>	792 ( 100.0 )	-286	-36.1	1,042 ( 100.0 )	
Overseas	<b>65 ( 11.5 )</b>	0 ( 0.0 )	65	—	0 ( 0.0 )	
total	<b>572 ( 0.1 )</b>	792 ( 0.2 )	-220	-27.8	1,042 ( 0.2 )	
<b>Total Net Sales</b>						
Domestic	<b>113,799 ( 36.9 )</b>	136,359 ( 36.7 )	-22,560	-16.5	170,362 ( 37.5 )	
Overseas	<b>194,885 ( 63.1 )</b>	234,909 ( 63.3 )	-40,024	-17.0	283,832 ( 62.5 )	
Total	<b>308,685 ( 100.0 )</b>	371,269 ( 100.0 )	-62,584	-16.9	454,194 ( 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.

### 3. Projected Results for the Full Year

(Year ending Mar. 31, 2010)

	Millions of Yen		variance (%)
	Years ending/ended		
	Mar.31,2010	Mar.31,2009	
Net sales	411,000	454,194 (	-9.5 )
Operating income	61,000	59,094 (	3.2 )
Ordinary income	55,500	71,080 (	-21.9 )
Net income	35,000	25,109 (	39.4 )
Net income per share (Yen)	80.86	58.01	22.85

Ref: for the 4th quarter

1. Year-on-year comparison	Millions of Yen		variance (%)
	Three months ending/ended		
	Mar.31,2010	Mar.31,2009	
Net sales	102,315	82,925 (	23.4 )
Operating income	14,001	-60 (	— )
Ordinary income	14,707	2,819 (	421.7 )
Net income	9,007	-27,834 (	— )
Net income per share (Yen)	20.81	-64.30	85.11

2. Quarter-on-quarter comparison	Millions of Yen		variance (%)
	Three months ending/ended		
	Mar.31,2010	Dec.31,2009	
Net sales	102,315	106,878 (	-4.3 )
Operating income	14,001	18,995 (	-26.3 )
Ordinary income	14,707	19,724 (	-25.4 )
Net income	9,007	11,791 (	-23.6 )
Net income per share (Yen)	20.81	27.24	-6.43

*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, or currency exchange rates.*

## 4. Sales Growth Rate by Products (actual and forecast)

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 Dec.31, 2009	Nine months ended Dec.31, 2009	Three months ending Mar.31, 2010 (E)	Year ending Mar.31, 2010 (E)	Three months ended Dec.31, 2009	Three months ending Mar.31, 2010 (E)
Products						
Mask Blanks	-17.7	-20.8	9.3	-15.3	0.5	-8.3
LSI Photomasks	-25.1	-22.0	38.7	-11.3	-12.1	18.6
LCD Photomasks	12.0	-21.9	34.1	-12.2	18.0	-1.1
Memory Disks	-5.3	-20.0	157.2	-1.9	-2.4	-2.3
Optical Lenses	-20.5	-36.1	59.6	-23.9	4.2	1.0
Eyeglass Lenses	2.5	-10.2	6.8	-6.4	-2.3	3.2
Japan	-5.8	-8.7	3.8	-5.8	-12.5	8.3
America	-5.7	-12.7	-0.7	-9.8	-9.1	19.1
Europe	5.8	-11.4	7.3	-7.3	5.3	-1.5
Asia	21.4	-5.4	27.5	0.9	2.1	-7.9
PENTAX	-9.7	-19.9	6.5	-15.1	-0.9	-15.2

(E) : Expectation