

# HOYA

# QUARTERLY REPORT

4th Quarter : Three months ended March 31, 2010

Annual : Fiscal year ended March 31, 2010

Consolidated (HOYA CORPORATION and Consolidated Subsidiaries)

## Part 1.

### 4th Quarter : Three months from January 1 to March 31, 2010

1. Quarterly Financial Highlights : p.1
2. Results of Operations : p.2
3. Consolidated Financial Statements
  - (1) Quarterly Consolidated Balance Sheets : p.4
  - (2) Quarterly Consolidated Statements of Income : p.6
  - (3) Quarterly Consolidated Statements of Cash Flows : p.7
  - (4) Segment Information
    1. Industry Segments : p.8
    2. Geographical Segments : p.10
    3. Overseas Sales : p.11
  - (5) Composition of Net Sales by Business Category : p.12

## Part 2.

### Annual : Fiscal year from April 1, 2009 to March 31, 2010

1. Annual Financial Highlights : p.13
2. Consolidated Financial Statements
  - (1) Consolidated Balance Sheets : p.14
  - (2) Consolidated Statements of Income : p.16
  - (3) Consolidated Statements of Cash Flows : p.17
  - (4) Segment Information
    1. Industry Segments : p.18
    2. Geographical Segments : p.20
    3. Overseas Sales : p.21
  - (5) Composition of Net Sales by Business Category : p.22
3. Sales Growth Rate by Products : p.23
4. Special note : p.23

#### 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. 4th Quarter : Three months from January 1 to March 31, 2010

### 1. Quarterly Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

#### 1. Performance for the three months ended Mar. 31, 2010 and 2009

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

	Millions of Yen			
	Three months ended			Variance (%)
(1) Results of Operations	Mar.31,2010	Mar.31,2009	Dec.31,2009	
Net sales	104,839	82,925	106,878	26.4
Operating income	17,328	-60	18,995	—
Ordinary income	17,012	2,819	19,724	503.5
Net income	11,882	-27,834	11,791	—
Net income per share(Yen)	27.48	-64.30	27.24	

	As of		
	Mar.31,2010	Dec.31,2009	Mar.31,2009
(2) Financial Position			
Total assets	549,736	552,748	591,096
Net assets	351,472	340,881	338,009
Owners' equity ratio	63.5%	61.3%	56.7%
Net assets per share (Yen)	809.12	782.28	774.65

	Three months ended		
	Mar.31,2010	Mar.31,2009	Dec.31,2009
(3) Conditions of Cash Flows			
Net cash provided by operating activities	24,803	28,282	22,898
Net cash used in investing activities	-12,778	-6,984	-16,309
Net cash provided by (used in ) financing activities	-14,128	16,612	-4,000
Cash and cash equivalents at end of period	167,938	207,928	170,511

#### 2. Dividends per Share

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



## PENTAX

<Main Item of this year>

High Definition ENT Endoscope VNL-1590STi

## 2. Results of Operations

### 1) General Overview

During the 4th 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 out, and certain areas of manufacturing and export sectors showed signs of recovery. Still, a strong sense of overcapacity remain in both manufacturing and employment, and there have been concerns about the risk of a further deterioration in economic conditions as deflation grows and the yen continues to appreciate.

Reflecting these circumstances, the recovery of orders has continued and the net sales increased compared to the 4th quarter of the previous accounting period, when the orders – mostly in the Electro-Optics segment – fell rapidly in the fallout from the failure of Lehman Brothers.

In the same quarter of the previous accounting period, the Company recorded a small operating loss for the quarter. However, quarterly profits were up sharply from a year earlier, thanks to a recovery in orders, improvements in production efficiency and the effects of cost cutting achieved through structural reform.

As a result, sales for the quarter stood at 104,839 million yen, operating income amounted to 17,328 million yen, and net income for the quarter amounted to 11,882 million yen. In the 4th quarter of the previous accounting period, each business division in the Pentax segment recorded large extraordinary losses due to asset impairment accounting applied to fixed assets, resulting in a huge quarterly net loss. Therefore, net profits were up sharply for the quarter.

### 2) Segment Overview

#### 1. Information Technology

##### Electro-Optics

In the 4th quarter of the previous accounting term, orders sharply decreased due to the worldwide economic deterioration. Now that the nadir has passed, sales for the quarter in almost all product groups rose from a year earlier. The semiconductor industry overall continued to strengthen. Sales of mask blanks for the manufacture of semiconductors increased from a year earlier thanks to an increase in the quantity of materials, which is a reflection of the economic recovery. Photomasks also showed a year-on-year increase in sales thanks to a recovery in order acceptance, mostly of advanced products. Sales of large photomasks used for the manufacture of liquid crystal panels showed a year-on-year increase in sales thanks to an increase in volume from a year earlier despite still sharply declining prices.

Sales of glass disks used for hard disk drives (HDD) rose rapidly from the previous year thanks to brisk demand which was met by full capacity production, despite a fall in prices attributable to a decline in HDD unit prices. Sales of optical lenses were up from a year earlier, despite a decline in average price due to the product mix, as the volume for lenses used for compact cameras increased sharply with brisk sales of digital cameras in the marketplace.

For the quarter, this segment achieved large increase in operating profit as orders continued their recovery trend.

As a result, this segment recorded sales of 36,708 million yen and operating income of 8,346 million yen.

##### Photonics

There was only a partial improvement in the market in terms of corporate capital spending reflecting the economic sluggishness. The Company's products showed a rise in sales from a year earlier, and the Company further reduced fixed costs through structural reform, and operating income increased from the previous year.

As a result, this segment recorded sales of 1,603 million yen and operating income of 288 million yen.

## 2. Eye Care

### Vision Care

The domestic market for eyeglass lenses remained weak due to continued price declines, but in overseas markets, which account for a majority of the total net sales, business remained brisk mostly in high-value-added products. Overall sales rose from a year earlier. Increased production efficiency in specially-ordered goods helped reduce production costs and boost profit margins. Thus, both sales and operating income increased from a year earlier.

As a result, this segment recorded sales of 26,601 million yen and operating income of 5,491 million yen.

### Health Care

Sales of 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 sales grew relative to the same quarter last year.

As a result, this segment recorded sales of 13,744 million yen and operating income of 2,880 million yen.

## 3. Pentax

In medical endoscopes, restrained buying by medical organizations continued due to the economic slump after the financial crisis. Therefore, sales remained on almost the same level as the previous year.

In the digital camera area, the number of single-lens reflex cameras sold sharply increased from the previous year, and overall sales rose despite fierce price competition with other companies.

As a result, sales for the quarter in this segment stood at 25,920 million yen. As for operating income and loss, the effects of cost cutting achieved via reorganization during the previous year produced an operating profit of 1,331 million yen, showing a significant improvement in profitability compared to a huge operating loss for the same quarter one year ago.

### 3. Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen			
	As of			
	Mar.31,2010	Dec.31,2009	Variance	Mar.31,2009
<b>ASSETS</b>				
Current assets				
Cash and deposits	173,307	174,875	-1,568	214,540
Notes and accounts receivable - trade	93,612	93,608	4	82,874
Merchandise and finished goods	26,590	28,539	-1,949	35,366
Work in process	8,804	8,964	-160	11,434
Raw materials and supplies	26,070	25,620	450	24,456
Deferred tax assets	5,973	5,427	546	6,368
Other current assets	12,713	11,027	1,686	12,106
Allowance for doubtful receivables	-1,825	-1,839	14	-2,683
<b>Total current assets</b>	<b>345,247</b>	<b>346,224</b>	<b>-977</b>	<b>384,465</b>
Fixed assets				
Tangible fixed assets				
Buildings and structures (net)	36,957	35,507	1,450	37,097
Machinery and carriers (net)	38,715	41,598	-2,883	47,075
Tools, equipment and fixtures (net)	15,793	15,851	-58	16,429
Lands	15,817	14,383	1,434	15,755
Construction in progress	11,905	9,276	2,629	12,959
<b>Total tangible fixed assets</b>	<b>119,189</b>	<b>116,617</b>	<b>2,572</b>	<b>129,317</b>
<b>Intangible fixed assets</b>	<b>24,569</b>	<b>25,644</b>	<b>-1,075</b>	<b>22,150</b>
Investments and other assets				
Investment securities	11,054	9,984	1,070	11,328
Deferred tax assets	32,656	37,151	-4,495	36,643
Other assets	17,523	17,628	-105	7,740
Allowance for doubtful receivables	-504	-502	-2	-548
<b>Total investment and other assets</b>	<b>60,730</b>	<b>64,262</b>	<b>-3,532</b>	<b>55,163</b>
<b>Total fixed assets</b>	<b>204,489</b>	<b>206,524</b>	<b>-2,035</b>	<b>206,630</b>
<b>TOTAL ASSETS</b>	<b>549,736</b>	<b>552,748</b>	<b>-3,012</b>	<b>591,096</b>

## HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen			
	As of			
	Mar.31,2010	Dec.31,2009	Variance	Mar.31,2009
<b>LIABILITIES</b>				
Current liabilities				
Notes and accounts payable - trade	33,128	36,251	-3,123	29,557
Short-term bank loans payable	334	382	-48	2,144
Long-term bank loans payable matured within a year	3,277	3,615	-338	4,402
Commercial paper	—	9,997	-9,997	41,978
Income tax payable	4,469	4,919	-450	7,273
Accrued expenses	16,151	18,510	-2,359	17,884
Accrued bonuses to employees	4,717	2,437	2,280	4,754
Accrued bonuses for directors	33	38	-5	51
Accrued warranty cost	879	749	130	793
Other current liabilities	20,997	18,996	2,001	22,150
<b>Total current liabilities</b>	<b>83,989</b>	<b>95,898</b>	<b>-11,909</b>	<b>130,989</b>
Long-term liabilities				
Corporate bonds	99,978	99,977	1	99,972
Long-term bank loans payable	1,829	2,423	-594	9,688
Accrued retirement benefits	8,244	8,182	62	8,488
Allowance for special repairs	917	1,223	-306	998
Other long-term liabilities	3,304	4,161	-857	2,948
<b>Total long-term liabilities</b>	<b>114,274</b>	<b>115,968</b>	<b>-1,694</b>	<b>122,097</b>
<b>Total Liabilities</b>	<b>198,264</b>	<b>211,867</b>	<b>-13,603</b>	<b>253,086</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	377,727	365,958	11,769	368,108
Treasury stock	-11,010	-7,972	-3,038	-7,984
<b>Total shareholders' equity</b>	<b>388,879</b>	<b>380,148</b>	<b>8,731</b>	<b>382,286</b>
Valuation and translation adjustments				
Valuation difference on available-for-sale securities	147	-219	366	-304
Translation adjustments	-39,974	-41,309	1,335	-46,669
<b>Total valuation and translation adjustments</b>	<b>-39,827</b>	<b>-41,529</b>	<b>1,702</b>	<b>-46,973</b>
New share subscription rights	1,231	1,183	48	938
Minority interest	1,188	1,078	110	1,758
<b>Total Net Assets</b>	<b>351,472</b>	<b>340,881</b>	<b>10,591</b>	<b>338,009</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>549,736</b>	<b>552,748</b>	<b>-3,012</b>	<b>591,096</b>
Notes:				
	Millions of Yen			
1. Guarantees of borrowings and lease obligations for customers and Group's employees	1,632	1,654		1,722
2. Value of discount on notes receivable	427	944		180
3. Number of shares of treasury stock (unit:stocks)	3,617,264	2,157,112		2,160,060

## (2) Quarterly Consolidated Statements of Income

Millions of Yen

HOYA CORPORATION and Consolidated Subsidiaries

Three months ended

	Mar.31,2010	Mar.31,2009	Variance		Dec.31,2009
			Value	(%)	
Net sales	104,839	82,925	21,914	26.4	106,878
Cost of sales	58,090	53,039	5,051	9.5	58,595
Gross profit	46,749	29,885	16,864	56.4	48,283
Selling, general and administrative expenses	29,420	29,946	-526	-1.8	29,288
Operating income	17,328	-60	17,388	—	18,995
Non-operating income					
Interest income	207	369	-162		173
Equity in earnings of affiliates	1,128	670	458		—
Foreign exchange gains	—	1,832	-1,832		—
Others	942	1,186	-244		1,750
Total non-operating income	2,278	4,060	-1,782	-43.9	1,923
Non-operating expenses					
Interest expense	513	448	65		470
Equity in loss of affiliates	—	—	—		278
Foreign exchange losses	667	—	667		—
Depreciation	100	54	46		109
Others	1,312	731	581		336
Total non-operating expenses	2,594	1,125	1,469	130.6	1,194
Ordinary income	17,012	2,819	14,193	503.5	19,724
Extra-ordinary gains					
Received commission for previous years	1,013	—	1,013		—
Gain on sales of property, plant and equipment	31	246	-215		148
Refund of reserve for special repairs	8	—	8		—
Refund of accrued allowances for doubtful receivables	3	—	3		—
Gain on transfer of business	—	2	-2		—
Others	133	191	-58		46
Total extra-ordinary gains	1,190	441	749	169.8	195
Extra-ordinary losses					
Loss on disposal of property, plant and equipment	745	135	610		88
Loss regarding Antimonopoly Act	469	—	469		—
Loss on write-down of investment securities	333	-92	425		129
Additional retirement benefits paid to employees	240	4,601	-4,361		380
Loss on impairment	44	28,935	-28,891		457
Loss on sales of property, plant and equipment	20	231	-211		332
Maintenance of environment	-363	46	-409		1,770
Others	67	1,040	-973		1,784
Total extra-ordinary losses	1,557	34,897	-33,340	-95.5	4,944
Income before income taxes and minority interests	16,645	-31,636	48,281	—	14,975
Income taxes - Current	484	879	-395	-44.9	2,181
Income taxes - Deferred	4,145	-4,457	8,602	—	951
Total income taxes	4,629	-3,577	8,206	—	3,132
Minority interests in net income	133	-224	357	—	51
Net income	11,882	-27,834	39,716	—	11,791
Net income per share(Yen)	27.48	-64.30	91.78		27.24
Net income per share after adjustment of potential shares(Yen)	27.45	-64.29	91.74		27.21

### Notes:

1. Effect of Exchange Rate Change on Net Sales and Incomes ("2010 A" is the actual value of this period. "2010 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)

	2010 A	2010 B	influences
Net sales	104,839	104,476	363
Operating income	17,328	17,324	4
Ordinary income	17,012	16,966	46
Net income	11,882	11,907	-25

	Three months ended			
	Mar.31,2010	Mar.31,2009	Variance	Dec.31,2009
2. Average rates of major foreign currencies				
US\$	Yen 90.75	95.20	4.7%	90.12
Euro	Yen 123.71	123.20	-0.4%	132.60
Thai Baht	Yen 2.76	2.68	-3.0%	2.70

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

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen			
	Three months ended			
	Mar.31,2010	Mar.31,2009	variance	Dec.31,2009
<b>OPERATING ACTIVITIES:</b>				
Income before income taxes and minority interests	16,645	-31,636	48,281	14,975
Depreciation and amortization	8,950	12,633	-3,683	8,748
Loss on impairment of long-lived assets	44	28,935	-28,891	457
Provision for (reversal of ) accrued allowances for doubtful receivables	26	428	-402	-854
Provision for (reversal of ) accrued bonuses to employees	2,273	1,950	323	-1,960
Provision for (reversal of ) reserve for special repairs	-306	-77	-229	-25
Provision for (reversal of ) reserve for retirement benefit	42	-1,721	1,763	-73
Interest and dividend income	-205	-369	164	-178
Interest expense	513	448	65	470
Foreign exchange loss (gain)	385	2,031	-1,646	253
Equity in (earnings) losses of affiliates	-1,128	-670	-458	278
Gain (loss) on sales of fixed assets	-11	-246	235	183
Loss on disposal of fixed assets	745	366	379	88
Loss on write-down of investment securities	333	-92	425	129
Gain (loss) on transfer of business	—	-2	2	—
Additional retirement benefits paid to employees	240	4,601	-4,361	380
Maintainance of environment	—	64	-64	—
(Increase) decrease in notes and accounts receivable	-710	20,345	-21,055	-2,942
(Increase) decrease in inventories	2,086	5,659	-3,573	-1,529
(Increase) decrease in other current assets	-451	1,800	-2,251	2,096
Increase (decrease) in notes and accounts payable	-3,131	-10,079	6,948	3,248
Increase (decrease) in income taxes payable	42	-332	374	-548
Increase (decrease) in other current liabilities	833	83	750	4,739
Other	-20	63	-83	-16
Sub total	27,197	34,182	-6,985	27,923
Interest and dividend - received	155	348	-193	220
Interest - paid	-809	-991	182	-46
Additional retirement benefits paid to employees - paid	-635	-2,840	2,205	-1,166
Maintainance of environment - paid	—	-64	64	—
Income taxes - paid	-1,180	-2,351	1,171	-4,033
Refund of income taxes	77	—	77	—
Net cash provided by operating activities	24,803	28,282	-3,479	22,898
<b>INVESTING ACTIVITIES:</b>				
Payments for time deposit	-815	-398	-417	-949
Proceeds from refund of time deposit	-48	590	-638	6
Payments for purchases of property, plant and equipment	-11,426	-5,847	-5,579	-4,929
Proceeds from sales of property, plant and equipment	155	-892	1,047	1,068
Proceeds from sales of investment securities	—	—	—	42
Payments for acquisition of subsidiary's stocks for consolidation	—	-77	77	-154
Payments on merger to minority shareholders	-12	—	-12	-12
Payments for loans	—	-18	18	—
Proceeds from collection of loans	—	73	-73	—
Proceeds from business transfer	—	20	-20	—
Payments for other investments	-784	-876	92	-11,577
Proceeds from other investments	152	443	-291	196
Net cash used in investing activities	-12,778	-6,984	-5,794	-16,309
<b>FINANCING ACTIVITIES:</b>				
Net increase (decrease) in short-term bank loans	-48	-978	930	-132
Net increase (decrease) in commercial paper	-9,997	25,007	-35,004	9,997
Proceeds from long-term bank loans	—	1	-1	—
Repayments of long-term debt	-931	-7,431	6,500	-19
Proceeds from exercise of stock options	110	—	110	—
Proceeds from sales of treasury stock	-6	0	-6	6
Payments for purchase of treasury stock	-3,272	-0	-3,272	—
Dividends paid	17	14	3	-13,141
Payments for purchase of subsidiary's treasury stock	—	—	—	-709
Net cash provided by (used in) financing activities	-14,128	16,612	-30,740	-4,000
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-469	5,674	-6,143	1,734
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-2,572	43,584	-46,156	4,323
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	170,511	164,343	6,168	166,187
CASH AND CASH EQUIVALENTS, END OF PERIOD	167,938	207,928	-39,990	170,511

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, 2010**

	Millions of Yen								
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	36,708	1,603	26,601	13,744	25,920	262	104,839	—	104,839
Intersegment	351	146	0	—	-9	966	1,454	-1,454	—
Total	37,059	1,750	26,601	13,744	25,910	1,228	106,294	-1,454	104,839
Operating expenses	28,712	1,461	21,109	10,863	24,578	1,001	87,728	-217	87,511
Operating income (-loss)	8,346	288	5,491	2,880	1,331	227	18,566	-1,237	17,328
Operating margin	22.5%	16.5%	20.6%	21.0%	5.1%	18.5%	17.5%	—	16.5%
Assets	180,693	6,647	113,685	25,757	134,606	3,022	464,412	85,324	549,736
Depreciation	5,323	40	1,658	277	1,568	25	8,895	55	8,950
Loss on impairment	89	—	-44	—	0	—	44	—	44
Capital Expenditures	7,072	27	1,329	447	1,285	49	10,212	1,115	11,327
R&D Expenses	2,131	148	560	269	407	—	3,518	—	3,518
Number of employees (p)	20,782	134	8,240	1,079	3,979	248	34,462	75	34,537

**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

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	14,135	548	1,914	1,418	3,890	12	21,914	—	21,914
Variance (%)	62.6%	51.9%	7.8%	11.5%	17.7%	4.8%	26.4%	—	26.4%
Intersegment	328	51	-4	—	642	-52	964	-964	—
Total	14,463	599	1,909	1,418	4,532	-41	22,879	-964	21,914
Operating expenses	6,150	57	1,275	1,171	-4,442	-128	4,085	440	4,526
Operating income	8,313	540	633	246	8,972	88	18,794	-1,404	17,388
Variance (%)	—	—	13.0%	9.3%	—	63.3%	—	—	—
Assets	-6,170	-163	12,083	-852	-6,416	-12	-1,530	-39,829	-41,360
Depreciation	-1,511	-16	-498	-43	-1,636	4	-3,699	17	-3,683
Loss on impairment	-581	—	-130	—	-28,178	-1	-28,891	—	-28,891
Capital Expenditures	3,587	17	73	58	330	-11	4,054	1,101	5,155
R&D Expenses	71	-21	254	-81	-812	0	-588	—	-588
Number of employees (p)	907	-39	58	56	-1,024	-13	-55	—	-55

\*Elimin. 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 Mar. 31, 2010 and 2009 are as follows:

2010	1,308 million Yen	2009	1,131 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, 2010 and 2009 are as follows:

2010	111,262 million Yen	2009	154,404 million Yen
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### 3. Overseas Sales

for the three months ended Mar. 31, 2010

	Millions of Yen				
	America	Europe	Asia	Other	Total
Overseas Sales (A)	13,361	20,420	32,433	156	66,372
Total Consolidated Net Sales (B)					104,839
Overseas Sales ratio A/B	12.7%	19.5%	30.9%	0.2%	63.3%
Regional Breakdown	20.1%	30.8%	48.9%	0.2%	100.0%

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%

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

	Millions of Yen				
	America	Europe	Asia	Other	Total
Overseas Sales (A)	2,062	136	15,372	-120	17,450
Total Consolidated Net Sales (B)					21,914
Variance (%)	18.2%	0.7%	90.1%	-43.5%	35.7%

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, Brazil, 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		Variance	(%)	Three months ended	
	Mar. 31, 2010	Mar. 31, 2009			Dec. 31, 2009	
<b>Electro-Optics</b>						
Domestic	<b>10,964 ( 29.9 )</b>	9,780 ( 43.3 )	1,184	12.1	11,932 ( 31.1 )	
Overseas	<b>25,743 ( 70.1 )</b>	12,793 ( 56.7 )	12,950	101.2	26,436 ( 68.9 )	
total	<b>36,708 [ 35.0 ]</b>	22,573 [ 27.2 ]	14,135	62.6	38,369 [ 35.9 ]	
<b>Photonics</b>						
Domestic	<b>708 ( 44.2 )</b>	558 ( 52.9 )	150	26.9	642 ( 42.1 )	
Overseas	<b>895 ( 55.8 )</b>	497 ( 47.1 )	398	80.1	881 ( 57.9 )	
total	<b>1,603 [ 1.5 ]</b>	1,055 [ 1.3 ]	548	51.9	1,524 [ 1.4 ]	
<b>Information Technology</b>						
Domestic	<b>11,672 ( 30.5 )</b>	10,338 ( 43.8 )	1,334	12.9	12,575 ( 31.5 )	
Overseas	<b>26,639 ( 69.5 )</b>	13,290 ( 56.2 )	13,349	100.4	27,318 ( 68.5 )	
total	<b>38,312 [ 36.5 ]</b>	23,629 [ 28.5 ]	14,683	62.1	39,893 [ 37.3 ]	
<b>Vision Care</b>						
Domestic	<b>6,206 ( 23.3 )</b>	6,674 ( 27.0 )	-468	-7.0	6,247 ( 24.6 )	
Overseas	<b>20,394 ( 76.7 )</b>	18,013 ( 73.0 )	2,381	13.2	19,192 ( 75.4 )	
total	<b>26,601 [ 25.4 ]</b>	24,687 [ 29.8 ]	1,914	7.8	25,440 [ 23.8 ]	
<b>Health Care</b>						
Domestic	<b>13,063 ( 95.0 )</b>	11,813 ( 95.8 )	1,250	10.6	12,982 ( 95.0 )	
Overseas	<b>681 ( 5.0 )</b>	512 ( 4.2 )	169	33.0	687 ( 5.0 )	
total	<b>13,744 [ 13.1 ]</b>	12,326 [ 14.8 ]	1,418	11.5	13,670 [ 12.8 ]	
<b>Eye Care</b>						
Domestic	<b>19,269 ( 47.8 )</b>	18,488 ( 50.0 )	781	4.2	19,230 ( 49.2 )	
Overseas	<b>21,075 ( 52.2 )</b>	18,525 ( 50.0 )	2,550	13.8	19,880 ( 50.8 )	
total	<b>40,345 [ 38.5 ]</b>	37,014 [ 44.6 ]	3,331	9.0	39,110 [ 36.6 ]	
<b>Pentax</b>						
Domestic	<b>7,353 ( 28.4 )</b>	4,925 ( 22.4 )	2,428	49.3	6,372 ( 23.0 )	
Overseas	<b>18,566 ( 71.6 )</b>	17,105 ( 77.6 )	1,461	8.5	21,297 ( 77.0 )	
total	<b>25,920 [ 24.7 ]</b>	22,030 [ 26.6 ]	3,890	17.7	27,669 [ 25.9 ]	
<b>Others</b>						
Domestic	<b>170 ( 64.9 )</b>	250 ( 100.0 )	-80	-32.0	139 ( 67.8 )	
Overseas	<b>91 ( 35.1 )</b>	0 ( 0.0 )	91	—	65 ( 32.2 )	
total	<b>262 [ 0.3 ]</b>	250 [ 0.3 ]	12	4.8	205 [ 0.2 ]	
<b>Total Net Sales</b>						
Domestic	<b>38,466 ( 36.7 )</b>	34,002 ( 41.0 )	4,464	13.1	38,317 ( 35.9 )	
Overseas	<b>66,372 ( 63.3 )</b>	48,922 ( 59.0 )	17,450	35.7	68,561 ( 64.1 )	
<b>Total</b>	<b>104,839 [ 100.0 ]</b>	82,925 [ 100.0 ]	21,914	26.4	106,878 [ 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, 2009 to March 31, 2010

### 1. Annual Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

#### 1. Performance for the years ended Mar. 31, 2010 and 2009

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

(1) Results of Operations	Years ended		Variance
	Mar.31,2010	Mar.31,2009	(%)
Net sales	413,524	454,194	-9.0
Operating income	64,327	59,094	8.9
Ordinary income	57,805	71,080	-18.7
Net income	37,875	25,109	50.8
Net income per share(Yen)	87.52	58.01	

(2) Financial Position	As of	
	Mar.31,2010	Mar.31,2009
Total assets	549,736	591,096
Net assets	351,472	338,009
Owners' equity ratio	63.5%	56.7%
Net assets per share (Yen)	809.12	774.65

(3) Conditions of Cash Flows	Years ended	
	Mar.31,2010	Mar.31,2009
Net cash provided by operating activities	83,981	90,975
Net cash used in investing activities	-40,723	-34,328
Net cash provided by (used in ) financing activities	-84,976	-5,800
Cash and cash equivalents at end of period	167,938	207,928

#### 2. Dividends per Share

	Years ended	
	Mar.31,2010	Mar.31,2009
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.31,2010	Mar.31,2009	Variance
<b>ASSETS</b>			
Current assets			
Cash and deposits	173,307	214,540	-41,233
Notes and accounts receivable - trade	93,612	82,874	10,738
Merchandise and finished goods	26,590	35,366	-8,776
Work in process	8,804	11,434	-2,630
Raw materials and supplies	26,070	24,456	1,614
Deferred tax assets	5,973	6,368	-395
Other current assets	12,713	12,106	607
Allowance for doubtful receivables	-1,825	-2,683	858
<b>Total current assets</b>	<b>345,247</b>	<b>384,465</b>	<b>-39,218</b>
Fixed assets			
Tangible fixed assets			
Buildings and structures (net)	36,957	37,097	-140
Machinery and carriers (net)	38,715	47,075	-8,360
Tools, equipment and fixtures (net)	15,793	16,429	-636
Lands	15,817	15,755	62
Construction in progress	11,905	12,959	-1,054
<b>Total tangible fixed assets</b>	<b>119,189</b>	<b>129,317</b>	<b>-10,128</b>
<b>Intangible fixed assets</b>	<b>24,569</b>	<b>22,150</b>	<b>2,419</b>
Investments and other assets			
Investment securities	11,054	11,328	-274
Deferred tax assets	32,656	36,643	-3,987
Other assets	17,523	7,740	9,783
Allowance for doubtful receivables	-504	-548	44
<b>Total investment and other assets</b>	<b>60,730</b>	<b>55,163</b>	<b>5,567</b>
<b>Total fixed assets</b>	<b>204,489</b>	<b>206,630</b>	<b>-2,141</b>
<b>TOTAL ASSETS</b>	<b>549,736</b>	<b>591,096</b>	<b>-41,360</b>

## HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen		
	As of		
	Mar.31,2010	Mar.31,2009	Variance
<b>LIABILITIES</b>			
Current liabilities			
Notes and accounts payable - trade	33,128	29,557	3,571
Short-term bank loans payable	334	2,144	-1,810
Long-term bank loans payable matured within a year	3,277	4,402	-1,125
Commercial paper	—	41,978	-41,978
Income tax payable	4,469	7,273	-2,804
Accrued expenses	16,151	17,884	-1,733
Accrued bonuses to employees	4,717	4,754	-37
Accrued bonuses for directors	33	51	-18
Accrued warranty cost	879	793	86
Other current liabilities	20,997	22,150	-1,153
<b>Total current liabilities</b>	<b>83,989</b>	<b>130,989</b>	<b>-47,000</b>
Long-term liabilities			
Corporate bonds	99,978	99,972	6
Long-term bank loans payable	1,829	9,688	-7,859
Accrued retirement benefits	8,244	8,488	-244
Allowance for special repairs	917	998	-81
Other long-term liabilities	3,304	2,948	356
<b>Total long-term liabilities</b>	<b>114,274</b>	<b>122,097</b>	<b>-7,823</b>
<b>Total Liabilities</b>	<b>198,264</b>	<b>253,086</b>	<b>-54,822</b>
<b>NET ASSETS</b>			
Shareholders' equity			
Paid-in capital	6,264	6,264	—
Capital surplus	15,898	15,898	—
Earned surplus	377,727	368,108	9,619
Treasury stock	-11,010	-7,984	-3,026
<b>Total shareholders' equity</b>	<b>388,879</b>	<b>382,286</b>	<b>6,593</b>
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	147	-304	451
Translation adjustments	-39,974	-46,669	6,695
<b>Total valuation and translation adjustments</b>	<b>-39,827</b>	<b>-46,973</b>	<b>7,146</b>
New share subscription rights	1,231	938	293
Minority interest	1,188	1,758	-570
<b>Total Net Assets</b>	<b>351,472</b>	<b>338,009</b>	<b>13,463</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>549,736</b>	<b>591,096</b>	<b>-41,360</b>
Notes:	Millions of Yen		
1. Guarantees of borrowings and lease obligations for customers and Group's employees	1,632	1,722	
2. Value of discount on notes receivable	427	180	
3. Number of shares of treasury stock (unit:stocks)	3,617,264	2,160,060	

## (2) Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	Years ended		Variance	
	Mar.31, 2010	Mar.31, 2009	Value	(%)
Net sales	413,524	454,194	-40,670	-9.0
Cost of sales	233,075	264,289	-31,214	-11.8
Gross profit	180,449	189,905	-9,456	-5.0
Selling, general and administrative expenses	116,121	130,810	-14,689	-11.2
Operating income	64,327	59,094	5,233	8.9
Non-operating income				
Interest income	831	4,017	-3,186	
Equity in earnings of affiliates	255	—	255	
Foreign exchange gains	—	7,151	-7,151	
Others	4,560	5,765	-1,205	
Total non-operating income	5,647	16,934	-11,287	-66.7
Non-operating expenses				
Interest expense	2,205	2,347	-142	
Equity in loss of affiliates	—	314	-314	
Foreign exchange losses	6,488	—	6,488	
Depreciation	417	620	-203	
Others	3,057	1,665	1,392	
Total non-operating expenses	12,169	4,948	7,221	145.9
Ordinary income	57,805	71,080	-13,275	-18.7
Extra-ordinary gains				
Received commission for previous years	1,013	3,200	-2,187	
Gain on sales of property, plant and equipment	287	365	-78	
Refund of reserve for special repairs	30	40	-10	
Refund of accrued allowances for doubtful receivables	10	94	-84	
Gain on sales of investment securities	—	9,704	-9,704	
Gain on transfer of business	—	886	-886	
Others	182	1,010	-828	
Total extra-ordinary gains	1,523	15,301	-13,778	-90.0
Extra-ordinary losses				
Additional retirement benefits paid to employees	1,932	6,743	-4,811	
Maintenance of environment	1,882	64	1,818	
Loss regarding Antimonopoly Act	1,446	—	1,446	
Loss on disposal of property, plant and equipment	1,012	602	410	
Loss on impairment	833	30,458	-29,625	
Loss on sales of property, plant and equipment	658	545	113	
Loss on write-down of investment securities	586	2,327	-1,741	
Others	1,215	1,581	-366	
Total extra-ordinary losses	9,568	42,323	-32,755	-77.4
Income before income taxes and minority interests	49,761	44,058	5,703	12.9
Income taxes - Current	7,127	9,845	-2,718	-27.6
Income taxes - Deferred	4,461	9,407	-4,946	-52.6
Total income taxes	11,589	19,253	-7,664	-39.8
Minority interests in net income	296	-304	600	—
Net income	37,875	25,109	12,766	50.8
Net income per share(Yen)	87.52	58.01	29.51	
Net income per share after adjustment of potential shares(Yen)	87.44	58.00	29.44	

Notes:

- Effect of Exchange Rate Change on Net Sales and Incomes ("2010 A" is the actual value of this period. "2010 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)

	2010 A	2010 B	influences
Net sales	413,524	429,071	-15,547
Operating income	64,327	67,945	-3,618
Ordinary income	57,805	61,384	-3,579
Net income	37,875	41,165	-3,290

		Years ended		Variance(%)
		Mar.31, 2010	Mar.31, 2009	
2. Average rates of major foreign currencies				
US\$	Yen	92.61	100.66	8.0%
Euro	Yen	130.68	143.28	8.8%
Thai Baht	Yen	2.75	2.94	6.5%

### (3) Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen		
	Years ended		variance
	Mar.31,2010	Mar.31,2009	
<b>OPERATING ACTIVITIES:</b>			
Income before income taxes and minority interests	49,761	44,058	5,703
Depreciation and amortization	34,503	50,030	-15,527
Loss on impairment of long-lived assets	833	30,458	-29,625
Provision for (reversal of ) accrued allowances for doubtful receivables	-889	586	-1,475
Provision for (reversal of ) accrued bonuses to employees	-49	-2,716	2,667
Provision for (reversal of ) reserve for periodic repairs	-81	-18	-63
Provision for (reversal of ) reserve for retirement benefit	-282	-1,721	1,439
Interest and dividend income	-885	-4,080	3,195
Interest expense	2,205	2,347	-142
Foreign exchange loss (gain)	6,975	-8,032	15,007
Equity in (earnings) losses of affiliates	-255	314	-569
Gain (loss) on sales of fixed assets	370	179	191
Loss on disposal of fixed assets	1,012	602	410
Gain on sales of investment securities	—	-9,675	9,675
Loss on write-down of investment securities	586	2,327	-1,741
Received commission for previous years	—	-3,200	3,200
Gain (loss) on business transfer	—	-886	886
Additional retirement benefits paid to employees	1,932	6,743	-4,811
Maintainance of environment	—	64	-64
(Increase) decrease in notes and accounts receivable	-10,829	30,543	-41,372
(Increase) decrease in inventories	9,990	6,240	3,750
(Increase) decrease in other current assets	-1,743	-2,284	541
Increase (decrease) in notes and accounts payable	3,499	-23,465	26,964
Increase (decrease) in income taxes payable	651	-60	711
Increase (decrease) in other current liabilities	3,747	-958	4,705
Other	-57	-420	363
Sub total	100,996	116,976	-15,980
Interest and dividend - received	900	3,475	-2,575
Interest - paid	-2,037	-1,897	-140
Received commission for previous years	—	3,200	-3,200
Additional retirement benefits paid to employees - paid	-6,799	-3,111	-3,688
Maintainance of environment - paid	—	-64	64
Income taxes - paid	-10,726	-34,990	24,264
Refund of income taxes	1,648	7,387	-5,739
Net cash provided by operating activities	83,981	90,975	-6,994
<b>INVESTING ACTIVITIES:</b>			
Payments for time deposit	-3,156	-7,108	3,952
Proceeds from refund of time deposit	4,652	590	4,062
Payments for purchases of property, plant and equipment	-26,650	-34,173	7,523
Proceeds from sales of property, plant and equipment	2,049	1,170	879
Payments for purchases of investment securities	—	-747	747
Proceeds from sales of investment securities	42	17,875	-17,833
Payments for acquisition of subsidiary's stocks for consolidation	-3,422	-1,153	-2,269
Payments on merger to minority shareholders	-84	-9,397	9,313
Payments for loans	—	-157	157
Proceeds from collection of loans	—	236	-236
Proceeds from business transfer	—	1,320	-1,320
Payments for other investments	-14,892	-3,641	-11,251
Proceeds from other investments	739	859	-120
Net cash used in investing activities	-40,723	-34,328	-6,395
<b>FINANCING ACTIVITIES:</b>			
Net increase (decrease) in short-term bank loans	-1,810	-4,320	2,510
Net increase (decrease) in commercial paper	-41,978	35,786	-77,764
Proceeds from long-term bank loans	225	135	90
Repayments of long-term debt	-9,144	-8,978	-166
Proceeds from exercise of stock options	110	—	110
Proceeds from sales of treasury stock	0	2	-2
Payments for purchase of treasury stock	-3,275	-6	-3,269
Dividends paid	-28,236	-28,115	-121
Dividends paid for minority shareholders	-158	-304	146
Payments for purchase of subsidiary's treasury stock	-709	—	-709
Net cash provided by (used in) financing activities	-84,976	-5,800	-79,176
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	1,728	-24,253	25,981
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-39,989	26,592	-66,581
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	207,928	181,335	26,593
CASH AND CASH EQUIVALENTS, END OF PERIOD	167,938	207,928	-39,990

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, 2010**

	Millions of Yen								
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	143,375	5,526	103,625	54,012	106,150	834	413,524	—	413,524
Intersegment	1,086	584	0	—	1	3,877	5,549	-5,549	—
Total	144,461	6,111	103,625	54,012	106,151	4,711	419,074	-5,549	413,524
Operating expenses	115,638	5,350	81,275	41,675	103,383	3,967	351,291	-2,094	349,197
Operating income (-loss)	28,823	760	22,350	12,336	2,768	744	67,783	-3,455	64,327
Operating margin	20.0%	12.4%	21.6%	22.8%	2.6%	15.8%	16.2%	—	15.6%
Assets	180,693	6,647	113,685	25,757	134,606	3,022	464,412	85,324	549,736
Depreciation	20,430	175	6,391	1,126	6,134	90	34,349	153	34,503
Loss on impairment	133	—	126	—	574	—	833	—	833
Capital Expenditures	16,352	61	6,788	1,258	3,348	91	27,900	1,118	29,019
R&D Expenses	8,894	543	1,610	1,225	5,201	—	17,477	—	17,477
Number of employees (p)	20,782	134	8,240	1,079	3,979	248	34,462	75	34,537

**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

Ref: Difference between the years ended Mar.31, 2010 and 2009

	Millions of Yen								
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	-20,526	-840	-7,100	4,045	-16,040	-208	-40,670	—	-40,670
Variance (%)	-12.5%	-13.2%	-6.4%	8.1%	-13.1%	-20.0%	-9.0%	—	-9.0%
Intersegment	812	1	-11	—	-11	-196	595	-595	—
Total	-19,714	-839	-7,111	4,045	-16,052	-404	-40,075	-595	-40,670
Operating expenses	-8,825	-1,303	-7,654	3,252	-30,392	-914	-45,835	-68	-45,902
Operating income	-10,889	463	543	792	14,339	510	5,760	-527	5,233
Variance (%)	-27.4%	155.9%	2.5%	6.9%	—	217.9%	9.3%	18.0%	8.9%
Assets	-6,170	-163	12,083	-852	-6,416	-12	-1,530	-39,829	-41,360
Depreciation	-6,999	-7	-1,294	-88	-7,111	23	-15,476	-52	-15,527
Loss on impairment	-625	—	40	—	-28,972	-67	-29,625	—	-29,625
Capital Expenditures	-3,890	-69	-506	-248	-1,770	-104	-6,587	768	-5,819
R&D Expenses	-438	-405	430	-116	381	-6	-153	—	-153
Number of employees (p)	907	-39	58	56	-1,024	-13	-55	—	-55

\*Elimin. 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 years ended Mar. 31, 2010 and 2009 are as follows:

2010	3,798 million Yen	2009	3,916 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, 2010 and 2009 are as follows:

2010	111,262 million Yen	2009	154,404 million Yen
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### 3. Overseas Sales

for the years ended Mar. 31, 2010

	Millions of Yen				
	America	Europe	Asia	Other	Total
Overseas Sales (A)	50,468	84,372	125,613	804	261,258
Total Consolidated Net Sales (B)					413,524
Overseas Sales ratio A/B	12.2%	20.4%	30.4%	0.2%	63.2%
Regional Breakdown	19.3%	32.3%	48.1%	0.3%	100.0%

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%

Ref: Difference between the years ended Mar.31, 2010 and 2009

	Millions of Yen				
	America	Europe	Asia	Other	Total
Overseas Sales (A)	-5,446	-15,428	-1,103	-596	-22,574
Total Consolidated Net Sales (B)					-40,670
Variance (%)	-9.7%	-15.5%	-0.9%	-42.6%	-8.0%

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				
	Years ended		Variance	(%)	
	Mar.31, 2010	Mar.31, 2009			
<b>Electro-Optics</b>					
Domestic	46,132 ( 32.2 )	64,994 ( 39.7 )	-18,862	-29.0	
Overseas	97,242 ( 67.8 )	98,907 ( 60.3 )	-1,665	-1.7	
total	143,375 [ 34.7 ]	163,901 [ 36.1 ]	-20,526	-12.5	
<b>Photonics</b>					
Domestic	2,375 ( 43.0 )	3,271 ( 51.4 )	-896	-27.4	
Overseas	3,150 ( 57.0 )	3,095 ( 48.6 )	55	1.8	
total	5,526 [ 1.3 ]	6,366 [ 1.4 ]	-840	-13.2	
<b>Information Technology</b>					
Domestic	48,508 ( 32.6 )	68,265 ( 40.1 )	-19,757	-28.9	
Overseas	100,393 ( 67.4 )	102,002 ( 59.9 )	-1,609	-1.6	
total	148,901 [ 36.0 ]	170,268 [ 37.5 ]	-21,367	-12.5	
<b>Vision Care</b>					
Domestic	26,275 ( 25.4 )	28,955 ( 26.2 )	-2,680	-9.3	
Overseas	77,350 ( 74.6 )	81,769 ( 73.8 )	-4,419	-5.4	
total	103,625 [ 25.1 ]	110,725 [ 24.4 ]	-7,100	-6.4	
<b>Health Care</b>					
Domestic	51,530 ( 95.4 )	47,836 ( 95.7 )	3,694	7.7	
Overseas	2,482 ( 4.6 )	2,131 ( 4.3 )	351	16.5	
total	54,012 [ 13.1 ]	49,967 [ 11.0 ]	4,045	8.1	
<b>Eye Care</b>					
Domestic	77,805 ( 49.4 )	76,792 ( 47.8 )	1,013	1.3	
Overseas	79,832 ( 50.6 )	83,900 ( 52.2 )	-4,068	-4.8	
total	157,638 [ 38.2 ]	160,693 [ 35.4 ]	-3,055	-1.9	
<b>Pentax</b>					
Domestic	25,274 ( 23.8 )	24,261 ( 19.9 )	1,013	4.2	
Overseas	80,875 ( 76.2 )	97,929 ( 80.1 )	-17,054	-17.4	
total	106,150 [ 25.7 ]	122,190 [ 26.9 ]	-16,040	-13.1	
<b>Others</b>					
Domestic	677 ( 81.2 )	1,042 ( 100.0 )	-365	-35.0	
Overseas	157 ( 18.8 )	0 ( 0.0 )	157	—	
total	834 [ 0.1 ]	1,042 [ 0.2 ]	-208	-20.0	
<b>Total Net Sales</b>					
Domestic	152,266 ( 36.8 )	170,362 ( 37.5 )	-18,096	-10.6	
Overseas	261,258 ( 63.2 )	283,832 ( 62.5 )	-22,574	-8.0	
Total	413,524 [ 100.0 ]	454,194 [ 100.0 ]	-40,670	-9.0	

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. 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, 2010	Year ended Mar.31, 2010	Three months ended Mar.31, 2010
Products			
Mask Blanks	13.5	-14.6	-4.8
LSI Photomasks	40.0	-11.1	19.8
LCD Photomasks	9.9	-16.4	-19.0
Memory Disks	149.0	-2.7	-5.4
Optical Lenses	53.8	-24.7	-2.7
Eyeglass Lenses	9.2	-5.9	5.5
Japan	8.2	-4.8	13.0
America	5.8	-8.2	27.0
Europe	2.4	-8.4	-6.0
Asia	50.6	5.3	8.9
PENTAX	17.7	-13.1	-6.3

### 4. Special note

#### Sale of the Hard Disk Glass Media Manufacturing Operation and Related Assets

HOYA CORPORATION ("HOYA") and HOYA Magnetics Singapore Pte Ltd ("HOMS"), HOYA's wholly owned subsidiary, have entered into a definitive agreement on April 28, 2010 with Western Digital Corporation ("WD"), a US hard disk drive manufacturer, pursuant to which HOYA and HOMS will transfer their hard disk glass media manufacturing operation and related assets to WD.

1. Purpose of the Sale :  
The Sale will allow HOYA to focus on and further strengthen its cutting edge glass substrate business by leveraging its glass materials and high precision processing technology.
2. The scope of the Sale :  
The hard disk glass media manufacturing operation at HOMS and related equipment at HOYA's research and development facility.
3. Revenue of HOYA's glass media business :  
16.4 billion yen for the fiscal year ended March 31, 2010
4. Anticipated closing date :  
May 31, 2010
5. Relating HOYA's website :  
<http://www.hoya.co.jp/english/news/latest/20100428.pdf>