Notice of the 76th Ordinary General Meeting of Shareholders

Information for the meeting

Date and time of meeting:

June 18 (Wednesday), 2014

Start accepting	9:00 a.m.
Opening of the meeting	10:00 a.m.

Location

Bellesalle Shinjuku Grand (Event Hall)
8-17-3 Nishi Shinjuku, Shinjuku-ku, Tokyo, Japan

HOYA CORPORATION

Security Code: 7741

Message from President & CEO

Dear Shareholders,

I would like to express my thanks for your patronage.

I am delighted to present this convocation notice for the 76th Ordinary General Meeting of Shareholders of HOYA CORPORATION to be convened on Wednesday, June 18.

The HOYA Group delivers sustainable growth as a company by swiftly changing business contents in line with the needs of the age based on the concept of “Portfolio Management.”

Over the past few years, HOYA has proactively invested management resources in the Life Care segment, which the HOYA Group has positioned as a growth business. As a result of this strategy, the Life Care segment has grown to the extent where it comprises over fifty percent of the profits for the entire HOYA Group. The HOYA Group expects significant growth from this segment going forward due to the aging of populations globally, the rising standard of living in emerging markets and the advancement of medical services. The HOYA Group will continue to accelerate growth in this segment by expanding market share, commencing operations in untapped markets, nurturing and obtaining new technologies, among other initiatives.

On the other hand, the Information Technology segment grew rapidly owing to the digitalization in the 2000s. Our focus on heightening our competitiveness of the segment has contributed to further solidifying our position during the fiscal year under review. The HOYA Group will continue to generate stable earnings in this segment through technological and product innovations.

The HOYA Group proactively globalized its management even further during the fiscal year under review with already high overseas production and sales ratios that exceed 70%. The HOYA Group will focus on transforming itself into a robust corporate group to win in the global market and improving corporate value.

I ask for your continued support as shareholders.

Hiroshi Suzuki
President and CEO

Corporate Mission

"Dedicated to innovation in
information technology,
lifestyles and culture,
HOYA envisions a world
where all can enjoy the good life,
living in harmony with nature."

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HOYA will deliver further growth in the Life Care segment

Life care business is expected to grow on a long-term basis thanks to the aging of global populations and improvement in the living standards of emerging countries. Positioning the Life Care segment as a growth business and applying the optical and precision processing technologies it has nurtured, HOYA focuses on delivering better products to market to make contribution to the improvement of quality of life and grow earnings. The HOYA Group will proactively invest capital generated from the Information Technology segment, which is positioned as a business producing stable earnings, in the Life Care business to deliver sustainable growth throughout the entire group.

Information Technology

The HOYA Group is committed to deliver stable earnings in the matured market.

- Maintaining our overwhelming position in cutting-edge technology and competitiveness
- Expansion of earnings through extensive cost reductions
- Selection and concentration
- Maximization of cash

Life Care

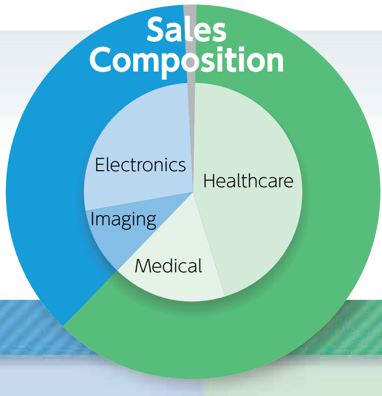
HOYA will expand sales and raise market shares in the globally growing market.

- Expand market share
- Enter untapped markets
- Accelerate mergers and acquisitions
- Develop and launch new products into markets

HOYA Group's Businesses

Based on the concept of "portfolio management," HOYA positions the Information Technology and Life Care segments as two major business pillars. HOYA accelerates growth by securing stable earnings through capitalizing on its technological competitiveness in the Information Technology segment, while aggressively devoting managerial resources to the Life Care segment. HOYA will continue its efforts to ensure its sustained growth, as well as to maximize its corporate value by optimally allocating its investments.

Information Technology 37%



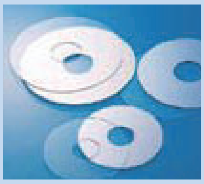
Life Care 62%

Electronics

Deals in glass-made components and materials vital for manufacturing of semiconductors, LCD panels and HDDs.

+ Mask, blanks and photomasks for manufacturing of semiconductors
+ Photomasks for LCDs manufacturing
+ Glass disks for HDDs

Mask, blanks and photomasks for manufacturing of semiconductors

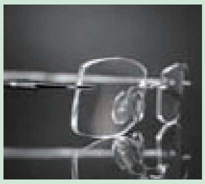


Glass disks for HDDs

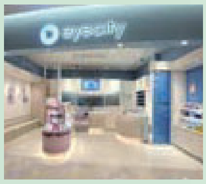
Healthcare

Engaged in the manufacture and sales of eyeglass lenses and operates the Eyecity chain of contact lens specialty stores.

+ Eyeglass lenses
+ Contact lenses
+ Eyecity, contact lens specialty store



Eyeglass lenses



Eyecity store

Imaging

Engaged in the manufacture and sales of optical lenses, optical glasses, lens modules for compact cameras, and micro lenses for DVD and Blu-ray.

+ Optical lenses/ Optical glasses
+ Digital camera modules
+ Special-purpose lenses
+ Plastic lenses
+ Laser-related equipment

Optical lenses

Lens modules for compact camera

Medical

Engaged in the manufacture and sales of medical endoscope, intraocular lenses for cataract surgery and biocompatible ceramic products for bone defects.

+ Medical endoscopes
+ Intraocular lenses for cataract surgery
+ Composite bone/ Metallic implant for orthopedics

Medical endoscope

Metallic implant for orthopedics

Note: As we execute consolidated group management, the term "HOYA" herein refers to the "HOYA Group" in reference to its history, activities, operating results, etc. In particular, statements concerning HOYA on a nonconsolidated basis are written in the form of "HOYA Corporation" or "HOYA Corp."

Security Code: 7741
May 28, 2014

Notice of the 76th Ordinary General Meeting of Shareholders

Dear Shareholders:

Notice is hereby given that the 76th Ordinary General Meeting of Shareholders of HOYA CORPORATION ("the Company") will be held as set forth below and you are cordially invited to be present at such meeting.

Since voting rights can be exercised in writing or via the Internet even if you are not present at the meeting, please go over the information set forth in the accompanying Reference Materials for the General Meeting of Shareholders and send us, either by sending back the enclosed voting form indicating your approval or disapproval of the Proposals, or entering your approval or disapproval of the Proposals from the voting site designated by the Company (http://www.evote.jp/) no later than 5:45 p.m. on Tuesday, June 17, 2014 to exercise your voting rights.

Yours very truly,

HOYA CORPORATION
2-7-5 Naka-Ochiai, Shinjuku-ku, Tokyo, Japan
Hiroshi Suzuki
Director, President & CEO

<u>Description</u>

1. Date and time of meeting: 10:00 a.m., Wednesday, June 18th, 2014

2. Location: Belle Salle Shinjuku Grand (at Event Hall)
8-17-3 Nishi Shinjuku, Shinjuku-ku, Tokyo, Japan
(Please note that there is another similar named hall in the neighborhood. If you have any query regarding the venue please contact us; TEL +81-(0)3-3952-1151.)

3. Agenda:

Matters to be reported:

1) Reports on the Business Report and the Consolidated Financial Statements for the 76th fiscal year (from April 1, 2013 to March 31, 2014) and the Audit Reports of the Consolidated Financial Statements for the fiscal year by the Accounting Auditor and the Audit Committee.

2) Reports on the Non-consolidated Financial Statements for the 76th fiscal year (from April 1, 2013 to March 31, 2014).

Matters to be resolved:

〈A matter proposed by the Company (Proposal No.1)〉

Proposal No.1: Election of 7 Directors

〈Matters proposed by shareholders (Proposals No.2 to No.18)〉

Proposal No.2: Election of Directors

Proposal No.3: Partial Amendment to the Articles of Incorporation
(Regulation on treatment of submitted voting form left blank)

Proposal No.4: Partial Amendment to the Articles of Incorporation
(Individual disclosure of remunerations)

Proposal No.5: Partial Amendment to the Articles of Incorporation
(Separation of roles of Chairman of the Board of Directors and CEO)

Proposal No.6: Not to reappoint the independent auditor

Proposal No.7: Partial Amendment to the Articles of Incorporation
(Disclosure of Director term limit)

Proposal No.8: Partial Amendment to the Articles of Incorporation
(Disclosure of Director age limit)

Proposal No.9: Partial Amendment to the Articles of Incorporation
(Disclosure of Director training)

Proposal No.10: Partial Amendment to the Articles of Incorporation
(Disclosure of hereditary succession of Representative Executive Officer and CEO)

Proposal No.11: Partial Amendment to the Articles of Incorporation
(Stipulation regarding opposing proposals and amendment proposals)

Proposal No.12: Partial Amendment to the Articles of Incorporation
(Stipulation regarding the length of time for explaining a shareholder proposal)

Proposal No.13: Partial Amendment to the Articles of Incorporation
(Stipulation regarding recommendatory proposals)

Proposal No.14: Partial Amendment to the Articles of Incorporation
(Establishment of a special committee regarding expansion into the ophthalmology-pharma business)

Proposal No.15: Partial Amendment to the Articles of Incorporation
(Establishment of a special committee regarding the loss in enterprise value accompanying the Pentax acquisition)

Proposal No.16: Partial Amendment to the Articles of Incorporation

	(Establishment of Technology Management Committee)
Proposal No.17:	Partial Amendment to the Articles of Incorporation (Disclosure relating to say-on-pay)
Proposal No.18:	Partial Amendment to the Articles of Incorporation (Prohibition of drafting false transcripts of proceedings of General Meeting of Shareholders)

For an outline of each of the proposals, please refer to the accompanying Reference Material for the General Meeting of Shareholders.

[Matters published on the Internet]

(1) Of the matters to be included in this notice pursuant to laws and regulations and provisions of Article 16 of the Articles of Incorporation of the Company, Frameworks and Policies of the Company of the Business Report, Notes to the Consolidated Financial Statements and Notes to the Non-consolidated Financial Statements are disclosed on our website (http://www.hoya.co.jp/english/) instead of being included in the accompanying this Business Report. Therefore, the documents attached to this Notice constitute a part of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the accounting auditor in preparing its Audit Report.

(2) If any revision takes places in the accompanying Reference Materials for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements or the Non-consolidated Financial Statements, it will be published at the Company's website on the Internet (http://www.hoya.co.jp/english/).

[Precautions for exercising the voting rights by proxy]

If attending the meeting by proxy, the proxy must present to the receptionist at the meeting an item showing authority to act as proxy, with a signature or name and seal of the shareholder who entrusted the service as proxy, together with the voting form of the said shareholder or a copy of a form of ID (seal registration certificate, driver's license, etc.). The proxy must be another shareholder of the Company having voting rights as provided under the Articles of Incorporation of the Company.

Information on exercising the voting rights

As the exercise of voting rights in the Ordinary General Meeting of Shareholders is the important right of all shareholders with votes, please go over the information set forth in the accompanying Reference Materials for the General Meeting of Shareholders and exercise your voting rights.
The exercise of voting rights is subject to the following three ways:

1. If you attend the meeting

If you are attending the meeting, please present the enclosed voting form to the receptionist at the meeting.

2. If you are exercising your voting rights in writing

If you are exercising your voting rights in writing, please indicate your approval or disapproval of the proposals on the enclosed voting form and send us by post so that the Company can receive your form by **no later than 5:45 p.m. on Tuesday, June 17, 2014**. Please refer to [**Handling of voting rights]** when indicating your approval or disapproval of the Proposal on the voting form**.**

3. If you are exercising your voting rights via the Internet

If you are exercising your voting rights via the Internet, please confirm the following precautions before exercising the rights.

Exercising of the voting rights via the Internet is accepted **until 5:45 p.m. on Tuesday, June 17, 2014**, however, please exercise your rights at the earliest possible time, and if you have any questions concerning how to use the system please contact the help desk below.

Contact Information:
Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division (Help Desk)
Tel: **0120-173-027** (Office hours: from 9:00 a.m. to 9:00 p.m., toll free)

1) About the voting rights exercising site

- The voting rights can be exercised via the Internet by a personal computer, a smart phone or a mobile phone (i-mode, EZweb, Yahoo!Keitai) (Note) only by accessing the voting rights exercising site designated by the Company (http://www.evote.jp/). (However, the service is suspended from 2:00 am to 5:00 a.m. every day.)
  (Note) "i-mode", "EZweb" and "Yahoo!" are trademarks or registered trademarks of NTT DOCOMO, Inc., KDDI Corporation and Yahoo! Inc. in the United States, respectively.
- It may not be possible to exercise the voting rights from a personal computer depending on the Internet environment of the shareholder in case firewalls or anti-virus software are set up on the personal computer, or a proxy server is used, etc.
- When you exercise your voting rights from a mobile phone, please use one of the following mobile phone services: i-mode, EZweb or Yahoo!Keitai. For security purposes, mobile phones that are not able to handle encrypted communications (SSL communication) and to transmit terminal ID information are not supported.

2) How to exercise the voting rights via the Internet

- On the voting website (http://www.evote.jp/), please enter the "Login ID" and "temporary password" which are stated on your voting form, and follow instructions on screen to enter your approval or disapproval.
- In order to prevent unauthorized access by third parties other than shareholders (so-called "spoofing") and to prevent tampering with the content of the voting, please note that shareholders who use this function will be asked to change the "temporary password" on the voting website.

3) Costs incurred when accessing the voting website

Costs incurred when accessing the voting website (such as Internet connection charges and phone charges) are to be borne by the shareholders. When a smart phone or a mobile phone is used, packet communication fees and other smart phone or mobile phone usage fees are incurred, and these are also to be borne by the shareholders.

[Handling of voting rights]

- **If you indicate neither your approval nor disapproval of a proposal, your answer will be deemed to be approval for a proposal proposed by the Company and disapproval for a proposal proposed by shareholders.**
- **⑪Ms. Yukako Uchinaga and ⑫Mr. Mitsudo Urano, the candidates for Directors listed in Proposal No. 2 proposed by shareholders are also listed as the candidates for Directors ④ and ⑤ respectively in Proposal No. 1 proposed by the Company. Therefore, in order to avoid redundant voting for the same candidate, please indicate approval/disapproval for ⑪Ms. Yukako Uchinaga and ⑫Mr. Mitsudo Urano, the candidates for Directors listed in Proposal No. 2 proposed by shareholders, as the candidates for Directors ④ and ⑤ respectively in Proposal No. 1 proposed by the Company when exercising your voting rights by mail. If any indication was made in the column in Proposal No. 2, such indication will be treated as invalid.**
- **If you exercise your voting rights redundantly via the Internet and by mail, the voting rights exercised via the Internet shall be treated as valid.**

- **If you exercise your voting rights more than once via the Internet, the Company will regard the content of the last exercise as valid. Similarly, when you exercise your voting rights redundantly via a personal computer, a smart phone and a mobile phone, the Company will regard the content of the last exercise as valid.**

- End -

Reference Material for the General Meeting of Shareholders

<A matter proposed by the Company (Proposal No. 1)>

Proposal No. 1 is a proposal made by the Company.

Proposal No. 1 Election of 7 Directors

The term of office of all of the seven Directors will expire at the close of this Ordinary General Meeting of Shareholders. It is therefore proposed that seven Directors be elected in accordance with the decision made by the Nomination Committee.

The Nomination Committee has reported that according to the "Basis for Election of Candidates for Directors" established by the committee, each candidate for Director does not fall under any reason for disqualification and all candidates for both Inside Director and Outside Directors meet the requirements for such candidates.

The candidates for Directors are as follows:

No	Name	Current positions and assignments at the Company	
1	Yukiharu Kodama	Director, Chairman of the Audit Committee Member of the Nomination Committee Member of the Compensation Committee	Independent
2	Itaru Koeda	Director, Chairman of the Compensation Committee Member of the Nomination Committee Member of the Audit Committee	Independent
3	Yutaka Aso	Director, Member of the Nomination Committee Member of the Compensation Committee Member of the Audit Committee	Independent
4	Yukako Uchinaga	Director, Member of the Nomination Committee Member of the Compensation Committee Member of the Audit Committee	Independent
5	Mitsudo Urano	Director, Member of the Nomination Committee Member of the Compensation Committee Member of the Audit Committee	Independent
6	Takeo Takasu	New candidate for Director, New candidate for member of the Nomination Committee, the Compensation Committee and the Audit Committee	Independent New
7	Hiroshi Suzuki	Director, President & CEO	

(Note) Mr. Yukiharu Kodama, Mr. Itaru Koeda, Mr. Yutaka Aso, Ms. Yukako Uchinaga, Mr. Mitsudo Urano and Mr. Takeo Takasu are candidates for the posts of Outside Directors. The Company has provided notice to the Tokyo Stock Exchange of Mr. Yukiharu Kodama, Mr. Itaru Koeda, Mr. Yutaka Aso, Ms. Yukako Uchinaga and Mr. Mitsudo Urano as being independent directors appointed by the Company, in accordance with the Tokyo Stock Exchange's rules and regulations. Mr. Takeo Takasu also meets the requirements of an independent director in accordance with the Tokyo Stock Exchange's rule and regulations. Therefore, the Company plans to provide notice to the Tokyo Stock Exchange of him as being independent director appointed by the Company.

No	Name	Brief history, positions and assignments at the Company, and important position of other companies concurrently held
1	 **Yukiharu Kodama** (Born on May 9, 1934) Candidate for Outside Director [Number of years in office of the Director of the Company] 9 Years [Number of shares of the Company held] 11,000 Shares [Number of attendances to the board meetings] 9/10 times (90%)	Apr. 1957 Joined the Ministry of International Trade and Industry (MITI) (present the Ministry of Economy, Trade and Industry (METI)) Jun. 1985 Director-General of the Minister's Secretariat, MITI Jun. 1988 Director-General of Industrial Policy Bureau, MITI Jun. 1989 Administrative Vice-Minister of MITI Jun. 1991 Retired from MITI Jun. 1991 Advisor to Japan Industrial Policy Research Institute (JIPRI) Feb. 1992 Advisor to the Industrial Bank of Japan, Ltd. (IBJ) Jun. 1993 President of the Shoko Chukin Bank, Ltd. Jul. 2001 Chairman of the Japan Information Processing Development Corporation Jun. 2005 Director of the Company (present post) Nov. 2007 Chairman of the Mechanical Social Systems Foundation, Incorporated Foundation Apr. 2012 Chairman of the Mechanical Social Systems Foundation, General Incorporated Foundation (present post) **(Important positions of other companies concurrently held)** Chairman of the Mechanical Social Systems Foundation, General Incorporated Foundation Outside Auditor of Tokyo Dome Corporation Outside Auditor of Yomiuri Land Co., Ltd.

Reason for the Selection of Candidate for Director

The above candidate has overseen business community widely in assisting the Minister of International Trade and Industry (present Minister of Economy, Trade and Industry) for many years, and gained a substantial knowledge and experience as an outside director and auditor of other companies including financial institutions. The Nomination Committee has nominated Mr. Kodama as a candidate for Director again this year, having determined that he would be able to make contributions to the Board of Directors from a perspective that is different from a business entrepreneur based on his experience in overseeing Japanese business community and the global situations surrounding it for many years, and execute management supervision in a fair and objective manner based on his achievement as the Chairman of the Audit Committee for many years. Moreover, nothing between the Mechanical Social Systems Foundation (including the Candidate who came from the Foundation) and the Company Group exists violating the independence requirements for a director candidate provided for in the "Basis for Election of Candidates for Directors" set forth by the Nomination Committee of the Company.

Message to Shareholders from Candidate

Having served as Director over the past nine years, I believe HOYA is a company that constantly engages in dynamic activities as a global enterprise and relentlessly pursues the spirit of innovation even at the management level. HOYA has its roots in glass technologies and has continued to robustly advance forward by repeatedly delivering products to market that apply cutting-edge technologies in the fields of electronics, life care, etc. while responding to rapid changes in the industrial structure. As Outside Director, I intend to continue making contributions at the meetings of the Board of Directors, the Committees, etc. to fulfill our shareholders' expectations for the further growth of HOYA, while further enhancing corporate governance at HOYA.

No	Name	Brief history, positions and assignments at the Company, and important position of other companies concurrently held
2	 **Itaru Koeda** (Born on Aug. 25, 1941) Candidate for Outside Director [Number of years in office of the Director of the Company] 5 Years [Number of shares of the Company held] 5,000 Shares [Number of attendances to the board meetings] 10/10 times (100%)	Apr. 1965 Joined Nissan Motor Co., Ltd. Jun. 1993 Director of Nissan Motor Co., Ltd. May 1998 Managing Director of Nissan Motor Co., Ltd. May 1999 Executive Vice President of Nissan Motor Co., Ltd. Apr. 2003 Representative Director of Nissan Motor Co., Ltd. Jun. 2003 Co-Chairman of Nissan Motor Co., Ltd. Jun. 2003 Chairman of the Board of Calsonic Kansei Corporation Jul. 2003 Director of Renault S.A. Mar. 2005 Chairman of JATCO Ltd. Jun. 2008 Executive Advisor and Honorary Chairman of Nissan Motor Co., Ltd. (present post) Jun. 2009 Director of the Company (present post) **(Important positions of other companies concurrently held)** Executive Advisor and Honorary Chairman of Nissan Motor Co., Ltd.
	Reason for the Selection of Candidate for Director The above candidate has been engaged in the management of Nissan Motor Co., Ltd. for many years, during which period he had the valuable experience of promoting a joint venture with Renault. Mr. Koeda has also made substantial contributions to the Board of Directors of the Company with his deep knowledge of the management of the Company as a manufacturer, based on his management experience in the manufacturing division for many years. The Nomination Committee has nominated Mr. Koeda as a candidate for Director again this year, having determined that he would be able to give advice and execute supervision with respect to the management of the Company based on his achievement as Director to date, and his deep understanding of market demands considering his experience in dialogues with global stock markets over many years. Moreover, nothing in connection with Nissan Motor Group, where the candidate was originally employed, and the Company exists that violates the independence requirements for a Director candidate provided for in the “Basis for Election of Candidates for Directors” set forth by the Nomination Committee of the Company.	
	Message to Shareholders from Candidate It is my judgment that HOYA is speedily adapting to the ever changing economic conditions of the world and customer needs by adjusting its products and sales, development and production methods. As an Outside Director, I intend to fulfill my duties so that the management of HOYA by Executive Officers becomes even stronger.	

<table>
<tr><th>No</th><th>Name</th><th>Brief history, positions and assignments at the Company,
and important position of other companies concurrently held</th></tr>
<tr><td rowspan="3">3</td><td>
Yutaka Aso
(Born on Aug. 28, 1946)
Candidate for Outside Director
[Number of years in office of the Director of the Company]
3 Years
[Number of shares of the Company held] 1,000 Shares
[Number of attendances to the board meetings]
9/10 times (90%)</td><td>Nov. 1973 Joined Osawa Shokai (present J. Osawa Group Co., Ltd.)
May 1975 Auditor of Aso Cement Co., Ltd. (present Aso Corporation)
Jun. 1977 Senior Managing Director of Aso Cement Co,, Ltd.
Dec. 1979 President of Aso Cement Co., Ltd.
Aug. 2001 President and Representative Director of Aso Cement Co., Ltd.
Aug. 2001 President and Representative Director of LAFARGE ASO CEMENT Co., Ltd. (present Aso Cement Co., Ltd.) (present post)
Jun. 2010 Chairman and Representative Director of Aso Corporation (present post)
Jun. 2011 Director of the Company (present post)
(Important positions of other companies concurrently held)
Chairman and Representative Director of Aso Corporation
President and Representative Director of Aso Cement Co., Ltd.
Chairman of Kyushu Economic Federation</td></tr>
<tr><td colspan="2">**Reason for the Selection of Candidate for Director**
The above candidate has been engaged in management with a superior sense of balance for many years as a representative of the Aso Group, which operates wide range of businesses including medical, nursing care, education and IT businesses. Mr. Aso has contributed to the Board of Directors of the Company by giving objective advice on the Company's growth strategies and advice that helps further motivate persons responsible for business, in addition to his deep knowledge in the life care field, which is regarded as a growth sector by the Company.
The Nomination Committee has nominated Mr. Aso as a candidate for Director again this year, having determined that he would be able to execute management supervision in a fair and objective manner, given his capability as Director, not to mention that he is refreshingly frank, outspoken and straight. There were transactions between an Aso Corporation group company, of which the candidate is the representative and the Company Group in fiscal year 2013, however, the amount involved in the transaction represented less than 0.01% of the consolidated net sales of each Group. Moreover, nothing in connection with the candidate exists that violates the independence requirements for a Director candidate provided for in the "Basis for Election of Candidates for Directors" set forth by the Nomination Committee of the Company.</td></tr>
<tr><td colspan="2">**Message to Shareholders from Candidate**
The proven rich history of mergers and acquisitions in overseas markets is a distinct strength of HOYA that firms that are just beginning to enter overseas markets do not have and the wealth of the CEO's international experience is another strength of HOYA. One of the keys for HOYA going forward is developing and adding strategic products in the medical and health care fields, which will continue to grow both in Japan and overseas, to the product lineup. I would like to contribute to the growth of HOYA through the supervision and advising of Executive Officers as an Outside Director.</td></tr>
</table>

No	Name	Brief history, positions and assignments at the Company, and important position of other companies concurrently held
4	 **Yukako Uchinaga** (Born on Jul. 5, 1946) Candidate for Outside Director [Number of years in office of the Director of the Company] 1 Year [Number of shares of the Company held] 1,000 Shares [Number of attendances to the board meetings] 7/8 times (87.5%)	Jul. 1971 Joined IBM Japan, Ltd. Apr. 1995 Director in charge of Asia Pacific Products of IBM Japan, Ltd. Apr. 2000 Managing Director and Head of Tokyo Software Development Laboratory of IBM Japan, Ltd. Apr. 2004 Director and Senior Executive Officer in charge of Development & Manufacturing of IBM Japan, Ltd. Apr. 2007 Technical Advisor to IBM Japan, Ltd. Jun. 2007 Director of Benesse Corporation Apr. 2008 Director and Vice Chairman of Benesse Corporation, Representative Director, Chairman of the Board, CEO, and President of Berlitz Corporation Oct. 2009 Director and Executive Vice President of Benesse Holdings, Inc. Apr. 2013 Honorary Chairman of the Board of Berlitz Corporation Jun. 2013 Director of the Company (present post) Sep. 2013 President, Representative Director of the Global Research Institute (present post) (Important positions of other companies concurrently held) Outside Director of Aeon Co., Ltd. President of J-WIN (Japan Women's Innovative Network), Non-Profit Organization Outside Director of DIC Corporation

Reason for the Selection of Candidate for Director

The above candidate is a pioneer of female executive officer as she was promoted to the first female director and later senior managing director of IBM Japan, Ltd. and then moved to CEO of Berlitz Corporation under the Benesse Holdings, Inc. and established a brand of a global human resource development enterprise. The candidate has achieved superior results at the English language school at which Japanese management personnel are educated and trained so as to survive at global economic competitions. For many years the candidate devoted to assist and promote enterprises' efforts to fully utilize female employees. In addition, the candidate for many years has devoted herself to activities for promoting the employment of women by corporations and the Company's Nomination Committee believes she can greatly contribute to diversity management of the Company including the very important management themes for the Company of the employment of personnel from around the world and women. It is based on this position that the Nomination Committee following on last year nominates her as a candidate for Director. Furthermore, there were transactions in the fiscal year 2013 between the HOYA Group and Benesse Group and IBM Japan, both at which the candidate was employed, however, the amounts involved in the transactions represented less than 0.01% of the consolidated net sales of each party. Moreover, nothing in connection with the candidate exists that violates the independence requirement for a Director candidate provided for in the "Basis for Election of Candidates for Directors" set forth by the Nomination Committee of the Company.

Message to Shareholders from Candidate

I believe that HOYA's strength is in the timely achievement of renovation of global business development and exercise of powerful initiative of market leadership with competitive edge. I intend for my contribution to this Company to be assisting in the clarification of strategies to further promote innovation and the utilization of global personnel in company operations. I would like to contribute to HOYA particularly in the area of strategic activation of IT, which supports an essential part for the global enterprise, and promotion of diversity in human resources especially as a first step with enhancing and utilizing female employees and officers.

No	Name	Brief history, positions and assignments at the Company, and important position of other companies concurrently held
5	 **Mitsudo Urano** (Born on Mar. 20, 1948) Candidate for Outside Director [Number of years in office of the Director of the Company] 1 Year [Number of shares of the Company held] 5,000 Shares [Number of attendances to the board meetings] 7/8 times (87.5%)	Apr. 1971 Joined Nippon Reizo Kabushiki Kaisha (present Nichirei Corporation) Jun. 1999 Director and General Manager, Strategic Planning Division of Nichirei Corporation Jun. 2001 Representative Director and President of Nichirei Corporation Jan. 2005 Representative Director and President of Nichirei Corporation, and Representative Director and President of Nichirei Foods Inc. Apr. 2007 Representative Director and President of Nichirei Corporation, and Director and Chairman of Nichirei Foods Inc. Jun. 2007 Representative Director and Chairman of Nichirei Corporation, and Director and Chairman of Nichirei Foods Inc. Jun. 2013 Advisor of Nichirei Corporation (present post) Jun. 2013 Director of the Company (present post) **(Important positions of other companies concurrently held)** Outside Director of Mitsui Fudosan Co., Ltd. Outside Director of Yokogawa Electric Corporation Outside Director of Resona Holdings, Inc. Outside Corporate Auditor of JX Holdings, Inc. Advisor of Nichirei Corporation President of AgriFuture Japan, General Incorporated Foundation President of the Central Society for Promoting the Industrial Education, Public Interest Incorporated Foundation Chairman of Nippon Omni-Management Association, General Incorporated Foundation

Reason for the Selection of Candidate for Director

The candidate focused on capital efficiency from the early stage in Nichirei Corporation, a leading Japanese refrigerated food company and developed efficient management through company split-ups and informationalization. The candidate has, in particular, affluent experience and solid achievement on management informationalization. The Nomination Committee has nominated him as a candidate for Director again this year, for he would make a great contribution to enhance management efficiency and transparency through giving advice and proposal on various aspects of general management on the basis of high level of knowledge and affluent experience as a senior management in Nichirei Corporation, Outside Director of Mitsui Fudosan Co., Ltd., and Outside Corporate Auditor of JX Holdings, Inc. and many important roles in companies and public organizations. Moreover, nothing between the candidate, the Nichirei Group and the Company Group exists violating the independence requirements for a director candidate provided for in the "Basis for Election of Candidate for Directors" set forth by the Nomination Committee of the Company.

Message to Shareholders from Candidate

One year has passed since my appointment as an Outside Director and I am proud to be one of the members due to the very active debate within the Board of Directors meetings I attended and the variety of insight and proposals concerning problems that were made from diverse perspectives. I keenly feel that the unique strengths of the Company lie in its ability to concentrate management resources on selected businesses and the speed of its decision-making. The role of an Outside Director is to provide general and objective supervision for corporate management by Executive Officers from the perspective of improving corporate value. I will strive to contribute to management in a way that heightens the brand power of HOYA.

No	Name	Brief history, positions and assignments at the Company, and important position of other companies concurrently held
6	 **Takeo Takasu** (Born on Jun. 24, 1945) Candidate for Outside Director [Number of shares of the Company held] 0 Shares New	Apr. 1968 Joined The Sanwa Bank, Ltd. (Present The Bank of Tokyo-Mitsubishi UFJ, Ltd.) Oct. 1993 Branch Manager, Los Angeles Branch of Sanwa Bank Apr. 1996 Member, Management Planning Department of Bandai Co., Ltd. Jun. 1996 Representative Director of Bandai Holdings Corporation in U. S. Mar. 1999 President and Representative Director of Bandai Co., Ltd. Jun. 2005 Chairman and Representative Director of Bandai Co., Ltd. Sep. 2005 President and Representative Director of Namco Bandai Holdings Inc. Apr. 2009 Chairman and Representative Director of Namco Bandai Holdings Inc. Feb. 2010 Chairman and Director of Namco Bandai Holdings Inc. Jun. 2011 Advisor and Director of Namco Bandai Holdings Inc. **(Important positions of other companies concurrently held)** Outside Director of Bell-Park Co., Ltd. Outside Director of Kadokawa Corporation Outside Director of Cool Japan Fund Inc.

Reason for the Selection of Candidate for Director

After first serving at the former Sanwa Bank, Ltd., the candidate accumulated experience in various industries including a Malaysian securities firm and DDI Corporation (presently, KDDI Corporation) soon after its establishment. He then transferred to Bandai (presently, Namco Bandai Holdings) where he expanded the company's performance by heightening the unification of employees through his fast decision-making and strong accountability. At the time, a leading business magazine graded the presidents of 500 listed firms and he received recognition for his strong leadership by being rated a high tenth among all of the graded presidents. He also demonstrated management abilities in the successful merger with Namco Co., Ltd. The Company's Nomination Committee looks forward to proposals from him that arise from the perspectives he gained through many years in the banking industry and the differing perspectives created through his leadership experience in the toy industry, an industry with different characteristics from the industry of HOYA. The Nomination Committee has also judged that the candidate will make significant contributions to HOYA's management from his performance as an outside director at Bell-Park Co., Ltd. and Kadokawa Corporation. There were transactions in the fiscal year 2013 between the HOYA Group and the Namco Bandai Holdings Group, at which the candidate was employed, however, the amounts involved in the transactions represented less than 0.01% of the consolidated net sales of each party. Moreover, nothing in connection with the candidate exists that violates the independence requirement for a Director candidate provided for in the "Basis for Election of Candidates for Directors" set forth by the Nomination Committee of the Company.

Message to Shareholders from Candidate

The role of an Outside Directors is to check via the Board of Directors and Committees that Executive Officers are properly conducting business management from the perspective of improving the corporate value. I would like to contribute to the growth of the HOYA Group by applying the experience I gleaned at Namco Bandai Holdings Inc.

No	Name	Brief history, positions and assignments at the Company, and important position of other companies concurrently held
7	 **Hiroshi Suzuki** (Born on Aug. 31, 1958) [Number of years in office of the Director of the Company] 21 Years [Number of shares of the Company held] 942,080 Shares [Number of attendances to the board meetings] 10/10 times (100%)	Apr. 1985 Joined the Company Jun. 1993 Director of the Company Jun. 1997 Managing Director of the Company Apr. 1999 Managing Director of the Company, President of Electro Optics Company Jun. 1999 Executive Managing Director of the Company Jun. 2000 Representative Director, President & CEO of the Company Jun. 2003 Director, President & CEO of the Company (present post) Dec. 2011 Chief Representative of Singapore Branch of the Company (present post)

Reason for the Selection of Candidate for Director

The above candidate serves as the driving force of the management of the HOYA Group as Director and President & CEO, and gives appropriate explanations and reports on strategies based on portfolio management at the meetings of the Board of Directors. Mr. Suzuki also supervises the execution of operations by other executive officers, and adequately fulfills his role as Executive Officer and Director. The Nomination Committee has nominated Mr. Suzuki as a candidate for Director again this year, in consideration of his achievement as Director to date.

Message to Shareholders from Candidate

HOYA is managed based on a mechanism in which each Strategic Business Unit (SBU) formulates and executes its own business strategies. Accordingly, it is my understanding that the role of CEO is to execute portfolio management of the HOYA Group as a whole in view of the continuity of the company as a matter of top priority. The Life Care business, which has been positioned as a growth segment of the Company, has grown in the past few years to comprise over half of Company sales. I am committed to steering HOYA to attain long-term growth amid the dramatic changes in the global environment by promoting growth in this field and creating an execution structure that can withstand the changes.

(Notes) 1. No candidate has any relationship of special interest with the Company.
2. Reasons for the selection of candidates for the posts of Outside Directors
In 2003, the Company adopted "company-with-committees" management system. The Company set up three committees, namely the Nomination Committee, Compensation Committee and Audit Committee, with the aim of securing management transparency and fairness and reinforcing supervisory functions. At the same time, the Company carried out a substantial transfer of authority from the Board of Directors to Executive Officers to put in place a system that enables speedy and efficient management by Executive Officers. Outside Directors must comprise a majority at each of the three committees. The Articles of Incorporation of the Company prescribe that half or more of its Directors must be Outside Directors, for the purpose of ensuring fairness. At present, six of the seven Directors of the Company are Outside Directors. Reason for the selection of the Outside Directors for each candidate is described to each candidate.
3. Years since appointment as Outside Directors of the Company (up to the close of this General Meeting of Shareholders) are described to each candidate.
4. The Company and the five candidates for reappointment as Outside Director have concluded an agreement that limits liabilities for damages prescribed in Paragraph 1, Article 423 of the Companies Act to the higher of 10 million yen or the prefixed amount set by Article 425 of the Companies Act. When the reappointment of each person is approved and passed, the liability limitation contract for the previous term will be continued. Furthermore, if and when Mr. Takasu is elected as Director, the Company plans to enter into a similar agreement with him.
5. The candidates for Outside Director not only meet the conditions for outside directors stipulated by the Companies Act but also meet the "Basis for Election of Candidates for Directors" that the Nomination Committee has set out as standards to ensure the independence of candidates for Outside Directors. The requirements of the Company are more stringent than those of the Tokyo Stock Exchange's rules and regulations. Therefore, the Nomination Committee has determined that the candidate is sufficiently endowed with independence as an Outside Director.

(Reference)

Outline of matters that violate ensuring the independence of candidates for Outside Directors

<Those related to the HOYA Group>
- Those who previously worked for the HOYA Group.
- Those who have a family member (spouse, child or blood relatives or in-laws up to the second degree) who have held the position of a director, executive officer, corporate auditor or management employee in the past 5 years.

<Major shareholders>
- Those who are major shareholders (10% or more) of the HOYA Group, or who are directors, executive officers, auditors or employees of companies which are major shareholders. Or those whose family members are the executive officers of such companies.
- Those who are administering a company of which a major shareholder is the HOYA Group.

<Those related to a big business partner>
- Those who are operating officers, executive officers or employees of HOYA Group's important clients who make up 2% or more of HOYA's consolidated sales in the past 3 years; or if the HOYA Group is an important client who makes up 2% or more of the consolidated sales of the candidate's enterprise group in the past 3 years. Or those whose family members are the executive officers of such companies.

<Those who provide professional services (lawyers, chartered accountants, certified tax accountants, patent attorneys, judicial scriveners and those in similar professions)>
- Those who have received remuneration of 5 million yen or more per year from the HOYA Group in the past three years. Or those whose family member received remuneration of 5 million yen or more per year from the HOYA Group.
- When the organization that the candidate belongs to, such as a company, association, etc., has received cash, etc. from the HOYA Group, of which amount exceeds whichever larger, 100 million yen per year or 2% of consolidated sales of the said companies and such.

<Donation, etc.>
- When the association or organization which the candidate belongs to as chairman or operating officer has received donations or grants from the HOYA Group in the past three years, of which the amount exceeds whichever is larger, 10 million yen per year or 30% of the said organization's average annual total costs. Or when the association or organization to which the candidate's family member belongs to has received donations or grants equivalent to the aforementioned amount.

<Other categories>
- When directors are mutually assumed between HOYA and other companies or organizations.
- If the candidate's company has any other important interests within the HOYA Group.

<Shareholder Proposals (Proposals No. 2 to No. 18>

Proposals No. 2 to No. 18 are proposals made by five (5) shareholders. The number of voting right held by the said- shareholders are 707 units (0.016%).

Counter opinion by the Board of Directors against the shareholder proposals

The Board of Directors opposes all shareholder proposals from Proposal 2 onwards.

Proposals from No. 3 to No. 5 and from No. 7 to No. 18 of the shareholder proposals are proposals to amend the Company's Articles of Incorporation. Any change to the Articles of Incorporation should be considered and executed carefully because of the nature that amendment of Articles of Incorporation is equally important to the Constitutional amendment to a company. The approval of these proposals and execution of the amendments would lead to a change that could place significant restrictions on company management. We are proud to refer to the fact that the Company's corporate governance is highly acclaimed by international organizations with expert knowledge. One most recent example of this is that at the Tokyo conference of International Corporate Governance Network (ICGN), an international group of institutional investors on governance, the Company's CEO was asked to give a presentation and he delivered a speech and responded directly to questions from institutional investors on March 2014. In other words, the Company is proactively in dialogue with institutional investors possessing global standards and perspectives. The Company intends to implement various measures proactively after the resolution of the Board of Directors whenever we are convinced they will improve the transparency of management without hurting the common interests of shareholders. The reasons for opposing each shareholder proposal are given hereafter.

Proposal No. 2 Election of Directors

Gist of the Proposal: In the event that the Company proposes Hiroshi Suzuki, Yuzaburo Mogi, Yukiharu Kodama, Itaru Koeda and Yutaka Aso as candidates for Directors, this proposal is that they not be elected and that Yu Kubozono, Mitsutaka Yamaguchi and Noriko Yamanaka be elected as Directors. In the event that the Company decides not to make one or more candidates among Hiroshi Suzuki, Yuzaburo Mogi, Yukiharu Kodama, Itaru Koeda and Yutaka Aso as candidates proposed by the Company and places others as candidates for Directors, Yu Kubozono, Mitsutaka Yamaguchi and Noriko Yamanaka shall be elected as Directors in place of the Director candidates proposed by the Company. Candidates proposed by the Company other than Hiroshi Suzuki, Yuzaburo Mogi, Yukiharu Kodama, Itaru Koeda and Yutaka Aso shall be elected as Directors.

Brief History of Yu Kobozono (Born on December 17, 1979)

After graduating from Komaba Senior High School affiliated with the University of Tsukuba (Meguro Ward, Tokyo), he graduated from the Department of Economics, Faculty of Economics at the University of Tokyo. After working at Mitsui Chemicals, he led the rejection of the Proposal to change the Articles of Incorporation proposed by AMSC (JASDAQ: 7468) at its extraordinary meeting of shareholders in May 2013. AMSC had been trying to pass a Proposal to change the Articles of Incorporation so that it could acquire all of its shares; however, Kubozono led the fight to block this. This was the first case in the Japanese capital market in which the Company Proposal to change the Articles of Incorporation lost to a call for voting proxy that opposed the squeeze out Proposal of the Company. In soliciting the proxy, the Company refused to show the registry of shareholders to Kubozono and he filed a lawsuit to view the registry of AMSC shareholders. He won an epoch-making verdict that ordered the Company to show the registry of shareholders and did so from Civil Department No. 8 of the Tokyo District Court, which was known to lean in favor of companies in its verdicts. In June of the same year he also filed a lawsuit demanding revocation of the resolution of the June 2013 general meeting of shareholders (Tokyo District Court 2013 ("WA") No. 19050 and No. 19131).

He successfully gained the verdict for revocation of the resolution that passed at the general meeting of class shareholders which sought to squeeze out shareholders using the class share system with a clause of all shares be acquired (partial change of the Articles of Incorporation concerning addition of clause on acquisitions of all shares). Kubozono is thus well versed in capital market lawsuits and has practical legal experience. He acts as the de facto portfolio manager of funds originated as multiple investment limited partnerships.

Brief History of Mitsutaka Yamaguchi (Born on January 26, 1967)
Born in Tokyo, Yamaguchi graduated from Azabu High School (private school) and later from the Faculty of Law of Chuo University. He passed the real estate appraiser's exam in 1998 and is presently an employee at a listed company on the first section of the Tokyo Stock Exchange. In 2006 he was appointed representative of the Association to Protect the Rights of Individual Shareholders of Kanebo, in 2007 he was appointed representative of the Advantage Victims Gyukaku Association and was appointed as a manager of the Association of Charle Shareholders as in 2009. In 2013, he formed the Toho Victims Association to oppose the squeeze out of Toho Real Estate by Toho and was appointed representative. He is the party that filed the case demanding that Kanebo shares be acquired and that filed the request to set a share acquisition price against Rex HD, Sunstar, Cybird, CCC (Culture Convenience Club) and Kojitu. He took on the Company and won (he did so without having a lawyer in the cases other than Kanebo and Rex). In addition, he is one of the famous leading experts in practical work related to the cashing out at the side of individual investors and minority shareholders through cases against Toho Real Estate, AMSC and others, and cases demanding that stock acquisition prices be set.

Brief History of Noriko Yamanaka (Born on August 21, 1945)
Born in Dairen, China, she graduated from Meiji Gakuin University. After the death of Shigeru Yamanaka, one of the founders of the Company, she lived for a while with Kazuyo Yamanaka, the widow of Shigeru Yamanaka, at the behest of Honorary HOYA Chairman Tetsuo Suzuki and learned the ins and outs of management. Presently she assumes posts such as the auditor of Dynamic Idea.

Brief History of Yukako Uchinaga (Born on July 5, 1946)
Refer to Proposal No. 1 for brief history

Brief History of Mitsudo Urano (Born on March 20, 1948)
Refer to Proposal No. 1 for brief history

Reasons for the proposal: As for Hiroshi Suzuki, we believe that hereditary transfer of management should be prohibited at the Company in principal. At last year's general meeting, despite the fact that opposing proposals were not written in the documents there was an approximate margin of 6% in the approval rate and Suzuki received the largest number of opposing votes ever (222,534 votes).

As for Yukiharu Kodama, he should be able to proactively solicit and ask Shigeaki Koga or Eiji Hara, former younger bureaucrats at METI who are known as reformists, to be successor Outside Directors. He has never given a reason as to why he has not done so. It is also inappropriate for him to serve on the board of Asahi Kasei, which is also involved in the same business of eye treatment.

As for Yutaka Aso, we oppose his election since there are questions concerning his real independence as a Director because of the relationship with his brother Taro Aso, who is the Minister of Finance. This is because when he was the Minister of Foreign Affairs in the Koizumi Cabinet days, Katsutoshi Kaneda, the brother-in-law of Hiroshi Suzuki was the Deputy Minister of Foreign Affairs.

As for Yukako Uchinaga, unlike Hiroshi Suzuki, Yuzaburo Mogi, Yukiharu Kodama, Yutaka Aso and Itaru Koeda, she did not attend the Board meeting at the time of the resolutions at issue and at least there is thus no question to her responsibility for such. Therefore we recommend her election as a Director. Women should comprise at least 30% of all Directors and Executive Officers as long as they have received the training to be a Director or Executive Officer. They should be reappointed if they produce results and made to retire after one year if they don't. Uchinaga is at a position enabling her to proactively solicit her juniors with one of the shareholder proposers from the University of Tokyo Satsuki-Kai (female alumni association) who are in their 30s or 40s along.

As for Mitsudo Urano, he is the youngest Outside Director at 66 and despite being a candidate proposed by the Company we would like you to exercise your right to vote for approving him. In fact, there was a disparity in the number of approving votes at last year's general meeting between the newly appointed Urano and Uchinaga and other candidates to be reappointed as Director. This to an extent represented a declaration of the wishes of shareholders.

<Counter Opinion of the Board of Directors on Proposal No. 2>
Mr. Mitsutaka Yamaguchi and Ms. Noriko Yamanaka (candidates) are joint proposers of this shareholder proposal and we understand that Noriko Yamanaka is the biological mother of the proposing shareholder. The Company is not in a position to assertively express a specific reason for opposition until it hears the vision and motivation concerning the Company from the mouth of the candidates but we oppose this proposal because we believe that the structure after the Director candidates proposed by the Company in Proposal No. 1 being approved is the most appropriate and also a sufficient board structure for the Company.

Proposal No. 3 Partial Amendment to the Articles of Incorporation (Regulation on treatment of submitted voting form left blank)

Gist of the Proposal: It is proposed that an Article which reads as follows be added to the Articles of Incorporation: "A submitted voting form left blank without indication of approval or disapproval (so-called "blank vote") must be treated as abstention and must not be treated unfairly between the Company's proposal and shareholder proposal."

Reasons for the proposal: A submitted voting form left blank without indication of approval or disapproval is treated as dissenting to the shareholder proposal and affirmative to the Company's proposal at a general meeting of shareholders of the Company, but there is a point of view that this is unfair as a method to pass a resolution. While it is presumed that a significant number of blank voting form is submitted every year, it was extremely unreasonable with respect to the Proposal of the election of directors at the AGM in 2010 in which the Company's proposal and shareholder proposal were treated as confrontational Proposals. In that AGM, votes that had a circle around approval on the shareholder proposal but did not have circle around disapproval on the Company's proposal was treated as affirmative to both proposals, and was treated as abstention from this Proposal. In order to avoid results that differ from the original voting intent of the shareholder, voting forms with no circle around approval or disapproval to a proposal should be treated as abstention on the Proposal whether it is the Company's proposal or a shareholder proposal. At the 2013 AGM, 41.89% of the shareholders' vote supported this proposal.

<Counter Opinion of the Board of Directors on Proposal No. 3>
There has never been a case in the past or will there be in the future where the valuable votes of our shareholders have or will be treated "unfairly" by the Company. Therefore, there is no reason or need to stipulate such a clause in the Articles of Incorporation. We believe that the way we treat the votes is acceptable from the points of laws and regulations and judicial precedents and fairly standardized practice among other listed companies in Japan, needless to mention its legality and fairness. The shareholders

who return voting forms without indication of approval or disapproval are considered to have put trust in the Company and approved all the proposals made by the Company by the efficient method from an understanding of the notes of precaution and handling methods such as "blank vote" indicated in the Notice of General Meeting of Shareholders and the voting form.

Additionally, we decided to use red lettering for the notes of precaution indicated on the voting form so that they will stand out. Lastly, treating voting forms without an indication of approval or disapproval as ABSTENTIONS may adversely reflect the shareholders' intent and may lead to inability to pass any resolutions in the tabulation practice in which ABSTENSION votes must be added to non-affirmative votes. This would even lead to stalling of management because many important proposals cannot be resolved. Therefore, we oppose this proposal because it is not in the common interest of shareholders.

Proposal No. 4 Partial Amendment to the Articles of Incorporation (Individual disclosure of remunerations)

Gist of the proposal: It is proposed that an Article that reads as follows be added to the Articles of Incorporation: "The amounts and specifics of remuneration paid to Executive Officers and Directors must be disclosed individually in the Business Report and financial statements every year, and all of the disclosed amounts must be individually evaluated on a yen basis for the disclosure."

Reasons for the proposal: Disclosing the amounts and specifics of remuneration paid to each of the Executive Officers will be extremely important for shareholders when they check whether or not the remuneration paid to the Executive Officers is appropriate with a view to maximizing the shareholders' benefits. In capital markets in developed countries other than Japan, individual disclosure of remuneration is a matter of course. This has not caused any inconveniences for the investors, and the indexes of those capital markets have created significantly higher return than Japan's indexes such as the Nikkei Stock Average for the past 20 years. The real issue is not that the amount of remuneration is large but that the remuneration structure is completely unrelated to a medium-to long-term shareholder value. For example, the share prices of the Company have not shown notable growth since 2000 when Mr. Hiroshi Suzuki became the Representative Director. The Company should have hired another talented business manager, Mr. Michael C. Woodford for example, with even the payment of 300 million yen yearly as remuneration if he has the capability to improve the shareholder value,. If individual amounts of remuneration were disclosed it would be easier to evaluate the cost-efficiency. In addition, this proposal obtained 48.47% support at the general meeting of shareholders in 2011.

<Counter Opinion of the Board of Directors on Proposal No. 4>
The Company believes that this proposal is of a type that seeks to make a change to the disclosure practice broadly permitted to the stock-exchange listed companies in Japan. Remuneration of directors is disclosed in accordance with a Cabinet Office Ordinance of the Financial Instruments and Exchange Act and the total remuneration related to each business year is disclosed in the attached Business Report. The decision-making policy, content and calculation criteria are also disclosed in the report. In addition, individual remuneration to our Chief Executive Officer is stated in the Business Report regardless of the amount. We believe that the disclosure of individual remuneration is a theme that should be examined from the perspective of improving management transparency. However, at the present time, we can hardly believe that the individual disclosure of remuneration for all Directors and Executive Officers of the Company will contribute to competitiveness in our medium to long-term strategies. We have also judged that it could

have the impact of adversely hindering shareholder interests. In the case of the remuneration of Executive Officers, we believe that clarifying the policy and criteria of the calculation on how the Executive Officers are evaluated and the remuneration are decided is more important than the individual annual amount because we believe that it will lead to heighten the motivation of Executive Officers. And consequently that this leads to shareholder interest. From the perspective of the common interest of shareholders, we believe that the Board of Directors should strategically handle the disclosure of such going forward and thus oppose this proposal.

Proposal No. 5 Partial Amendment to the Articles of Incorporation (Separation of roles of Chairperson of the Board of Directors and CEO)

Gist of the proposal: It is proposed that an Article that reads as follows be added to the Articles of Incorporation: "Concurrent holding of the position of the Chairperson of the Board of Directors and the position of the Chief Executive Officer is in principle prohibited, and the position of the Chairperson of the Board of Directors must be held by an Outside Director; and in the case of the exception where the concurrent position is permitted, the Company must explain the reason that such concurrent holding of the positions is of maximum benefit to the shareholders in writing in its disclosure materials or Reference Materials and must appoint "a Leading Outside Director" instead. The Board of Directors must stipulate the role of the Leading Outside Director and disclose it to shareholders."

Reason for the proposal: Because the Chief Executive Officer holds great power over the Company's internal resources and personnel matters and thus should be positioned as the subject of the closest supervision. The concurrent holding of the position of Chief Executive Officer and the Chairperson of the Board of Directors should be avoided as much as possible because it would be against the international direction strengthening corporate governance.

The Chairperson of the Board of Directors, who is independent from Executive Officers, should select information for decisions of the Board of Directors and the Committees, and is required to spend more time overseeing the Company than other Outside Directors.

The drift of this Proposal is standard understanding by corporate governance researchers and practitioners in North America ("CFA Examination Preparation Handbook-Level II", p. 177, Tadashi Ono, Kinzai Institute for Financial Affairs, Inc.; Independence of the Chairman of the Board of Directors is the second check point of the "Corporate Governance-Related Check Points Regarding the Board of Directors from Shareholders' Perspective") and the concept of "Leading Outside Director" is widely known.

<Counter Opinion of the Board of Directors on Proposal No. 5>

The Company is aware of pros and cons of the issue raised in this Proposal. The Pros is that the separation would enhance the supervisory ability regarding the CEO. The Cons is the perspective that the separation may hinder strong leadership, efficient discussion and decisions by the concurrent roles. It is the Board of Directors position that separation should be decided promptly if it is the right time. The Company's Articles of Incorporation stipulate that the Chairperson of the Board of Directors is selected by vote of the Directors so it is possible for an Outside Director to serve as the Chairperson of the Board of Directors without changing the Articles of Incorporation when it is the right time. Moreover, the Board of Directors conducts self-evaluation of the Board practice every year and considering such separation and the timing. However, the Board of Directors has decided that it is not the right timing at present. Furthermore, a majority of the

Company's Board of Directors is comprised of Independent Outside Directors and strictly requires CEO to provide understandable and plausible explanations to Independent Outsiders. Even further, the structure taken by the Company also allows the Nomination Committee to dismiss the CEO. We believe that the proposed enshrinement of the separation in the Articles of Incorporation can possibly hinder the flexibility and dynamism of management, thus it would not serve the common interests of shareholders and thus we oppose this Proposal.

Proposal No. 6 Not to reappoint the independent auditor

Gist of the proposal: Decision against reappointment of Deloitte Touche Tohmatsu LLC (DTT) as independent auditor.

Reasons for the proposal: DTT has repeated multiple times acts such as not indicating shareholder proposals thought to improve corporate governance. Furthermore, in the legal case regarding provisional remedies (Tokyo District Court 2012 ("YO") No. 20045 Incident of Suspension of Execution of Duty and Provisional Disposition on Appointment, etc. of Alternate Person and Tokyo District Court 2013 ("YO") No. 20021 Incident of Provisional Disposition on Demand for Indicating Shareholders Proposed Proposal, etc.) the verdict can be read as not denying the protective rights. Thus there is the possibility that third parties would view the firm as strongly suspicious of being illegal. However DTT continues to issue the opinion it is acting appropriately in terms of internal control, etc. Additionally, concerning transactions, etc. that can be viewed as sharing profit with family companies, there are no signs that DTT has made this an issue despite it potentially impacting the brand image and possibly accumulatively becoming a large enough amount to impact financial statements.
There is a possibility that DTT is not fulfilling its obligation to respond to discovery of fact of violation of laws and regulations and other facts as regulated in FIEA Article 193-3, and as long as this concern exists reappointment as the independent auditor is inappropriate. As a general rule, improper relationships can be prevented if independent auditors are regularly alternated about every seven years.

<Counter Opinion of the Board of Directors on Proposal No. 6>
The Company has confirmed that there is no fact of the illegal acts or the sharing of profits with family companies stated in the shareholder proposal. In addition, all materials related to these are disclosed to the DTT. Based on these, the DTT has issued an unqualified opinion as its comprehensive opinion. There is therefore no basis to the position that it is inappropriate to reappoint the DTT as the Company's independent auditor and we oppose this Proposal.

Further, the Company periodically conducts competitive bidding on a global basis to select its independent auditor and thus already has a system in place to prevent improper relationships between the Company and the independent auditor.

Proposal No. 7 Partial Amendment to the Articles of Incorporation (Disclosure of Director Term Limit)

Gist of the proposal: The provision "The nominating committee shall disclose in writing to shareholders an explanation of the maximized profit to shareholders of the re-appointment of an external candidate director, when said director is made a candidate, despite the director having been re-appointed nine or more times." shall be stipulated in the Articles of Incorporation.

Reason for the proposal: The Company defended its internal regulations regarding restrictions on the re-appointment of Outside Directors at the 2011 General Shareholders' Meeting but Mr. Yuzaburo Mogi has remained in the important post of chairman of the nominating committee for over 10 years. That anyone who has been a director for 10 years no longer meets the criteria of independence is stipulated by the London Stock Exchange and is textbook level knowledge. Considering the temporary staffers who live on a yearly income of several million yen, people living on retirement incomes, and individual investors that suffered large capital losses, Outside Directors who receive many multiples of the pay given to temporary staffers yet only come to work once a month should feel great remorse, but such a feeling will be greatly diminished if an Outside Director remains in his post for over 10 years. Mr. Mogi's total compensation from the Company during his terms is estimated at over ¥100mn. The Board of Directors of this company is in open violation of textbook level knowledge. That the Board should be required to provide particular explanation for a nine-time re-appointment is a rational requirement in terms of shareholder benefit.

<Counter Opinion of the Board of Directors on Proposal No. 7>

We understand that there can be a variety of views on an Outside Director's term of office. In the case of the Company, it is prescribed that, as a general rule, the maximum number of reappointments should be nine. The rule establishes, however, that if all nomination committee members judge that the level of the Outside Director's contribution is so substantial that he cannot be replaced by anyone else, it is permissible to reappoint him beyond the ninth time. As the term of office of our directors is set as one year, we annually provide an explanation of the reason for their appointment in the notice to convene a meeting and also report on the activities in the Business Report. Since the proposed change to our Articles of Incorporation is therefore not necessary, we oppose this proposal.

Proposal No. 8 Partial Amendment to the Articles of Incorporation (Disclosure of Director Age Limit)

Gist of the proposal: The provision "The Company should disclose in writing to shareholders an explanation of maximized profit to shareholders when the nominating committee propose a candidate for director, despite the fact that the candidate being over 72 years of age at the time of appointment." shall be stipulated in the Articles of Incorporation.

Reason for the proposal: The management team has in the past made statements regarding the importance of new business but unusual situation have occurred in the Company such as Mr. Hiroshi Hamada, who was appointed as a Representative Executive Director in November 2011, announced resignation in April 2012 and Mr. Kenji Ema failed to attend the board meeting upon his retirement. Under such circumstances, we cannot expect the Nomination Committee to choose candidates to maximize shareholder value. Is there a positive reason for not nominating Dr. Bala Ambati (professor at Utah University, ophthalmology), a Guinness world record holder to directorship? From the generation who exchange information instantly via email, and views are expressed via blogs and twitter, it is hard to imagine an aged director being able to respond to changes, and in view of the responsibilities placed on a director and the possibility of decreased judgment ability with suspected dementia in persons over 70 years of age, it is reasonable to set an age limit in order to achieve shareholder profit. The major US semiconductor company Intel has stipulation regarding the age limit of board members.

< Counter Opinion of the Board of Directors on Proposal No. 8>

We are of the opinion that whether or not someone is qualified as a Director does not depend on the age, but on his/her individual experience, qualities, etc. Note that we have already stated the reason for the appointment of the nominees in the notice to convene a general meeting of shareholders; as the proposed change to our Articles of Incorporation is therefore not necessary, we oppose this proposal.

Proposal No. 9 Partial Amendment to the Articles of Incorporation (Disclosure of Director Training)

Gist of the proposal: The provision "The Board should determine the policy regarding director training for the Company and this must be disclosed to shareholders." shall be stipulated (included) in the Articles of Incorporation.

Reason for the proposal: It is imagined that the directors of this company in substance are controlled by the executive side in regards to important decision making. In western capital markets; the necessity of regular director training for recent changes in the law, etc. has been recognized. Disclosure of a brief career history of a candidate director in the General Shareholders' Meeting Invitation is considered insufficient information for shareholders to select a director. Execution of operations in individual business divisions is different from monitoring and oversight of the entire company, and in order to carry out the duties of a director, including the prevention of misconduct, it is necessary for a director to have full knowledge of the work overall, including areas of responsibility as a director and areas in which the director may have little experience. Therefore, it is of great usefulness for the Company to disclose its director training policy on the Company's web site (at a minimum the presence or absence of support for director training by a third party). Similar resolutions appear to have found approval amongst domestic institutional investors, for example, at Mizuho FG, which has a foreign investor ratio of 18%, the resolution received 28% approval at last year's general shareholders' meeting.

< Counter Opinion of the Board of Directors on Proposal No. 9>

Our Board of Directors and Executive Officers have been sharing information on law amendments, revisions of the rules of Financial Instruments Exchange and trends associated with corporate governance and so forth whenever and whatever as needed. Since a clause relative to this issue is stated in our HOYA Corporate Governance Guidelines and we are committed to continuing working on such activities, it is not necessary to enshrine the proposed change to our Articles of Incorporation and we therefore oppose this proposal.

Proposal No. 10 Partial Amendment to the Articles of Incorporation (Disclosure of Hereditary Succession of Representative Executive Director and Chief Executive Officer)

Gist of the proposal: The provision "If the Board of Directors appoints a person as Chief Executive Officer or Representative Executive Officer who is a second degree relative of former Chief Executive Officer or Representative Executive Officers in the past two generations, the Board must show in writing how it was determined this person is the most suitable for the position." shall be stipulated in the Articles of Incorporation.

Reason for the proposal: This company has created a business several decades ago based on glass grinding technology and has grown rapidly into a materials science company that is a global leader, but in recent years there has been no success in new business lines, there have failures in the acquisition of Pentax and in the sale of the HDD media business, there has been business portfolio development in which there was failure to invest in the ophthalmology-pharma business, and a waste of capital and continual management activity that decreases medium and long-term shareholder value. One of the causative factors is that since Mr. Tetsuo Suzuki there has been leadership succession that is not based on ability. As there are many talented business leaders both in and outside Japan, this company should seek a business manager of distinction in order to expand the Company. Thus, hereditary succession should in principle be halted, and if there is an exceptional hereditary succession of the management leader, it should be made clear why this person is required as the management leader. Business managers in companies where foreign institutional investors are in the majority, maintaining a line of hereditary succession invites criticism of being anachronistic.

< Counter Opinion of the Board of Directors on Proposal No. 10>

Seeing as this proposal is obviously intended to target our current CEO, we believe that it is unseemly to set forth any context in Articles of Incorporation of a company that singles out a specific individual. As, in addition, we have already stated the reason for the director appointment in the notice to convene a meeting, such a change to our Articles of Incorporation is, in our opinion, not necessary. Accordingly, we oppose this proposal.

Proposal No. 11 Partial Amendment to the Articles of Incorporation (Stipulations regarding opposing proposals and amendment proposals)

Gist of the proposal: The clause "The Company should include in Notice of General Meeting of Shareholders or its Reference Materials, the gist and the reason for the opposition or amendment proposals to the Company proposal from a shareholder if the counterpart of such opposition or amendment proposals are proposed by the Company provided that shareholder proposal has been submitted in accordance with the requirement under Company Law Article 305,and received 8 weeks before the General Shareholders' Meeting." shall be stipulated in the Articles of Incorporation.

Reason for the proposal: The company's directors stated at the Tokyo District Court their own distinct opinion that it was not necessary to include in the Invitation Notice or in the General Shareholders' Meeting Reference Materials the gist of the resolution of an opposing or amendment proposal by a shareholder to a company proposal, even if there was a previous information request by a shareholder based on Article 305 of Company Law, thereby in effect leading to a situation of many lawsuits such as a lawsuit for damages, for nullification of the General Shareholders' Meeting, and provisional judgment against the shareholder proposal resolution. The Tokyo District Court Commercial Research Committee "Company Lawsuits by Type I (3rd edition) states that not only the outline of the opposing proposal and the amendment proposal but also whether the shareholder proposer is in opposition to the Company's proposed director candidate and what the reason is for the opposition is essential for having a significant discussion at the Shareholders' Meeting, and that the lawyers' fees for the related lawsuits are likely to be much greater than the additional printing costs, thus the current management team's handling of the shareholders' meeting may not only be illegal but may lead to a loss of creditability and to a situation in which the will of the shareholders is not being reflected.

< Counter Opinion of the Board of Directors on Proposal No. 11>

As this is another proposal of the kind that demands a change to a practice that is widely accepted at listed companies in Japan, we oppose this proposal. We have accepted to include shareholder proposals submitted by the proposers according to our legality judgment and therefore it is not necessary to have such provision in the Articles of Incorporation., For information, "many lawsuits" mentioned above are all filed by the proposing shareholder/s.

Proposal No. 12 Partial Amendment to the Articles of Incorporation (Stipulation regarding the length of time for explaining a shareholder proposal)

Gist of the proposal: The provision "If the shareholder proposer so desires the upper limit to explanation of the shareholder proposal shall be 30 minutes for the entire shareholder proposals, and for each proposal the proposer shall be given a minimum of 3 minutes for explanation" shall be stipulate in the Articles of Incorporation.

Reason for the proposal: The shareholder proposal right is provided by law in order for shareholders to have their opinions regarding company management reflected in company management and to effect a significant exchange of opinion, and this company in fact has amended internal rules in line with proposals regarding directors meetings of only Outside Directors which does not include Executive Officers, of which it is doubtful in practice, and the elimination of an upper limit to the number of words in a proposal explanation. On the other hand, the Company set the overall limit to the explanation of the shareholder proposal to around 5 minutes while spending lengthy time for explanation to questions from other shareholders unrelated to duty of explanation of directors. This is an inappropriate operation of Shareholders Meeting and made light of shareholders. At Kansai Electric Power where 30 shareholder proposals were brought up, each proposal was given 3 minutes or more explanation time, and the overall explanation time was longer than 30 minutes. Because shareholder proposals have a beneficial effect in improving management, it provides benefit to shareholders jointly to provide a minimum of 3 minutes time for each resolution and 30 minutes of overall explanation time.

< Counter Opinion of the Board of Directors on Proposal No. 12>

Seeing as the power to organize the business of the general shareholders' meeting rests with the chairperson, who is required to act flexibly for smooth proceedings, this proposal would impose specific limitations on the proceedings of the agenda and, depending on the situation, might force a general shareholders' meeting to turn into an occasion for a particular shareholder to express his opinion for thirty minutes. As we believe that such a provision would run afoul of the common interest of shareholders, we oppose this proposal.

Proposal No. 13 Partial amendment to the Articles of Incorporation (Stipulation regarding proposals for advisory resolutions)

Gist of the proposal: The provision "Regarding a proposals for advisory resolutions from a shareholder that meets the exercise requirement under Company Law Article 305 and received a notification request for a gist of the resolution 8 weeks before a General Shareholders' Meeting, the proposal reason and the gist of the proposal must be included in the Invitation Notice and or the Reference Materials, a yes or no column must be provided on the voting card, and a vote must be taken. Moreover, proposals for advisory resolutions are proposals regarding management items and do not restrict directors or executives. The number of proposals for advisory resolutions that can be brought up at any one General Shareholders' Meeting by one shareholder or one group of shareholders shall be limited to a maximum of two." shall be stipulated in the Articles of Incorporation.

Reason for the proposal: In Japan shareholder proposals are commonly proposed as "amendments to Articles of Incorporation" because this is the condition eligible for voting at a General Shareholders' Meeting. Companies tend to argue that it is unnecessary for there to be stipulations in the Company's Articles of Incorporation. The meaning of a shareholder proposal is to give shareholders an opportunity to have shareholder wishes reflected in management of the Company and the Company is obligated to give shareholders this opportunity and to vote on the proposal to thereby be able to conduct a meaningful shareholders' meeting. We do not believe that proposals such as expanding into the ophthalmology-pharma business, if actually accepted by the management, need to be stipulated in the Company's Articles of Incorporation. Proposals for advisory resolutions are beneficial for showing the non-binding wishes of shareholders to the Board of Directors. This company in fact has disclosed internal rules in based on shareholder proposals regarding the number of director re-appointments and changed internal regulation in accordance with shareholder's proposals on management meetings of only Outside Directors which are not attended by Executive Officers, though actual practice is doubtful.

< Counter Opinion of the Board of Directors on Proposal No. 13>

Seeing as the legal stature of proposals for advisory resolutions remain unclear, setting forth in Articles of Incorporation, which form the fundamental norm of a company, any context that is thus legally unclear is not appropriate and can even involve the possibility of running afoul of the common interest of future shareholders; accordingly, we oppose this proposal.

Proposal No. 14 Partial Amendment to the Articles of Incorporation (Establishment of a special committee regarding expansion into the ophthalmology-pharma business)

Gist of the proposal: The provision "A special committee to study expansion into the ophthalmology-pharma business shall be established" shall be stipulated in the Articles of Incorporation.

Reason for the proposal: The Company's shareholder value has been in a long-term slump because of the problems in medium to long-term investment activities of company management. I opposed acquisition of Pentax in order to obtain that company's optical technology (Nikkei Business "Hoya, Challenges following TOB agreement. 28 May 2007", and the result was much in line with the forecast of the proposer. Because the Company's core business is material science and ophthalmology centered on glass materials, the Company 10 years back should have focused its reinvestment on material science and ophthalmology (including pharmaceuticals). The ophthalmology business is considered to be a high growth area based on aging of the population in advanced countries and age-related macular degeneration is field in which there is no effective drugs in the world. If this company were able to develop a new drug candidate, the share price would hit stop highs. Existing drugs for glaucoma and cataracts are nearing the end of their patent protection period and generic drugs are entering the marketplace and there should be strong synergies possible in the intraocular lens business, however, there has been no adoption of a strategy in this area. A special research committee is required to look into these points.

< Counter Opinion of the Board of Directors on Proposal No. 14>

What is being proposed relates to business execution, which is therefore supposed to be a matter to be determined by the Board of Directors and by Executive Officers and not belong in Articles of Incorporation. As we believe that this proposal which, by setting forth a matter that relates to specific business execution in our Articles of Incorporation, might put an unnecessary burden on the Board of Directors as well as on corporate management and restrict flexible management action, would run afoul of the common interest of shareholders, we oppose this proposal. Note that we have, as a matter of course, performed deliberations regarding ophthalmology business from various angles.

Proposal No. 15 Partial Amendment to the Articles of Incorporation (Establishment of a special committee regarding the loss in enterprise value loss accompanying the Pentax acquisition)

Gist of the proposal: The provision "A special committee shall be established regarding the loss in enterprise value accompanying the purchase of Pentax" shall be stipulated in the Articles of Incorporation.

Reason for the proposal: It is a widely accepted view that the acquisition of Pentax was a failure. The proposer sent a letter opposing the acquisition of Pentax to the directors but this was entirely ignored. Mr. Hiroaki Tanji, a former Executive Officer of technology and in charge at the time, resigned from the Board of Directors in 2009 and retired from the Company in 2010. Mr. Hiroshi Hamada, who became Chief Operating Officer in 2008, was appointed as Representative Executive Officer in November 2011, but resigned in April of the following year, but did not give any greetings at the General Shareholders' Meeting for his resignation. It is highly exceptional for a director to resign without even attending the General Shareholders' Meeting, and this was damaging to the Company's corporate image, and needless to say the acquisition of Pentax was the beginning of this whole mess. We demand Mr. Hiroshi Suzuki's resignation for the Pentax acquisition, which is a blemish on the history of this company, and also demand thorough clarification of the problem including insufficient oversight ability and lack of will on the part of the Outside Directors.

< Counter Opinion of the Board of Directors on Proposal No. 15>

This proposal calls for setting forth in our Articles of Incorporation a committee on an individual deal, a matter that is not to be written into Articles of Incorporation which can be perceived as a constitution of a company; as we believe that setting forth a matter of this sort in our Articles of Incorporation would run afoul of the common interest of shareholders, seeing that doing so might put an unnecessary burden on the Board of Directors as well as on corporate management and restrict flexible management action, we oppose this proposal. Note that as a result of acquiring Pentax's medical division, a move that we made in anticipation of approaching limit of growth in our information and communications segment, our life care segment, which we see as a growth area just as anticipated, now contributes to as much as over 50% of our sales.

Proposal No. 16 Partial Amendment to the Articles of Incorporation (Establishment of Technology Management Committee)

Gist of the proposal: The provision, "Establishment of a Technology Management Committee," shall be established in the Articles of Incorporation.

Reasons for the proposal: As demonstrated by the acquisition of close to 80% equity of Alcon ten years ago (at a total market value of approx. 5 trillion JPY) by major pharmaceutical manufacturer Novartis, the purchase of Bausch & Lomb (U.S.) in May 2013 by Canadian drug maker Valeant Pharmaceuticals for 880 billion JPY, among others, an industry realignment is underway on a global scale in the growing field of ophthalmic drugs as the number of age-related macular degeneration sufferers and diabetics are on the rise. It was obvious in common sense from that time, that the Company should invest either to invest in a company with camera assembly and endoscope business ranked 3rd in the industry or in ophthalmic drug segment, the Company made wrong decision and as a result lead to disappointing mid- to long-term corporate value creation. Moreover, haphazard M&As (the Pentax acquisition, the sale of media business segment, among others) coupled with a lack of income increasing results in new businesses (investments in 3CSiC, inorganic EL, optical communication components, etc.) are due to having a management team with insufficient basic skills such as building relationships with potential investment targets and analyzing sectors. This proposal is meant to rectify this situation.

< Counter Opinion of the Board of Directors on Proposal No. 16>
This proposal also represents a suggestion relating to business execution, which is supposed to be a matter to be determined by the Board of Directors and by executives and not to belong in Articles of Incorporation. As we believe that this proposal which, by setting forth a matter that relates to specific business execution in our Articles of Incorporation, might put an unnecessary burden on the Board of Directors as well as on corporate management and restrict flexible management action, would run afoul of the common interest of shareholders, we oppose this proposal.

Proposal No. 17 Partial Amendment to the Articles of Incorporation (Disclosures Relating to Say-on-Pay)

Gist of the proposal: The provision, "The adequacy of individual remunerations of the Chief Executive Officer must be voted on every year at the Regular General Meeting of Shareholders, and the results of such vote must be disclosed," shall be established in the Articles of Incorporation.

Reasons for the proposal: The Company discloses the remunerations of the Chief Executive Officer, however, as a method for shareholders to express their opinions on the adequacy of the amount, they can only oppose director appointment proposals or stock acquisition rights issuance proposals. "Say-on-Pay" allows shareholders to vote on nonbinding resolutions regarding executive compensation at general shareholders meetings, a rule set forth in the Dodd-Frank Act attracting attention as it gives shareholders new voting powers. In Japanese capital markets, the fact that executive compensation is not linked to corporate results is one of the major causes for lackluster mid- to long-term returns compared to many foreign countries. There is no rational to pay more than 100 million JPY remuneration to Mr. Hiroshi Suzuki, whose contribution to share price return over the past 14 years is nothing distinctive. Say-on-Pay will facilitate such declaration of intent of shareholders. Also it is a major problem that losses from the Pentax acquisition have not been reflected in remunerations.

< Counter Opinion of the Board of Directors on Proposal No. 17>

At a company with committees, directors and Executive Officers' compensation is a matter left exclusively to the decision-making by its Compensation Committee and our policy on compensation is described in the notice to convene a general shareholders' meeting. Also note that compensation to our Chief Executive Officer is disclosed, regardless of the amount, in the business report for the general shareholders' meeting and there has been no occurrence in the past where a negative comment was received from anyone other than the proposing shareholder on the subject of our policy on determining compensation or on compensation to our Chief Executive Officer. Seeing that requiring in our Articles of Incorporation a shareholder vote that is legally not a matter to be resolved at a general shareholders' meeting might unnecessarily restrict the work of the Board of Directors, we believe that such a proposal would run afoul of the common interest of shareholders; accordingly, we oppose this proposal.

Proposal No. 18 Partial Amendment to the Articles of Incorporation (Prohibition of Drafting False Transcripts of General Shareholders Meeting Proceedings)

Gist of the proposal: The provision, "When drafting transcripts of General Shareholders Meeting proceedings, no false content shall be drafted, nor shall such drafting be instructed," shall be established in the Articles of Incorporation.

Reasons for the proposal: Despite the fact that the management of the Company bears a duty of care of good managers in its obligation to regard to the Company's reputation as an intangible asset, as the Company offering high-end brands including eyeglass lenses and intraocular lenses, among others, in the drafting of transcripts of the recording of the 72nd Regular General Meeting of Shareholders in 2010 for the oral pleadings of the lawsuit being tried at the Tokyo District Court demanding the revocation of resolutions at the general shareholders meeting, a facsimile was sent to Tape Rewrite Co., Ltd. (Chiyoda, Tokyo) on November 29 of that year instructing them to indicate that "no hands were raised" despite the fact that hands were indeed raised at the Meeting, resulting in the creation of a transcript that did not represent the facts and the subsequent payment by Tape Rewrite Co., Ltd., which made the transcript, to the plaintiff shareholders of a settlement. This may pose a problem in the building of internal controls as required by laws and regulations and lead third parties to entertain second thoughts before dealing with the Company, which would then result in the loss of society's trust and the very likely possibility of an enormous detrimental impact on our long-term results, among others. The Company should strictly refrain from such conduct.

< Counter Opinion of the Board of Directors on Proposal No. 18>

This proposal calls for setting forth in the Articles of Incorporation an individual case founded on the proposing shareholder's personal experience, a matter that should not be written into Articles of Incorporation that can be perceived as a constitution of a company; as we believe that setting forth a matter of this sort in our Articles of Incorporation would run afoul of the common interest of shareholders, seeing that doing so might put an unnecessary burden on the Board of Directors as well as on corporate management and restrict flexible management action, we oppose it. Note that the statement given in this proposal about a "false transcript" contradicts the fact recognized on the part of the Company.

Matters Relating to the Present State of the HOYA Group

Business Development and Results

Progression and result of businesses

■ General Overview:

As of March 31, 2014, the HOYA Group consisted of the HOYA CORPORATION, 121 consolidated subsidiaries (10 of which are domestic and 111 overseas) and 8 affiliates (4 of which are domestic and the other 4 overseas).

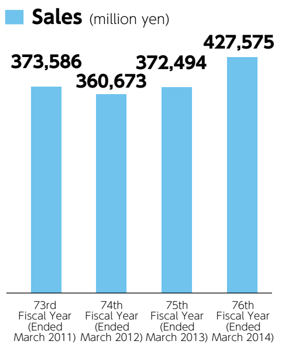
The HOYA Group is operated and managed through global consolidated group management. The independent management teams of business segments, including Information Technology, and Life Care, are responsible for executing management strategies.

Regional headquarters in the Americas, Europe and Asia support business operations by strengthening relationships with countries and areas in the respective regions, such as by providing legal support and conducting internal audits. In particular, the HOYA Group has its Financial Head Quarters (FHQ) in the Netherlands.

<Adoption of the International Financial Reporting Standards>
Beginning with the 73rd fiscal year, the HOYA Group has prepared its consolidated financial statements and other documents in compliance with the International Financial Reporting Standards (IFRS) pursuant to the first paragraph, Article 120 of the Ordinance on Accounting of Companies. With respect to reportable segments presented in the overview of operation by business category, the HOYA Group divides its business into three reportable segments, based on IFRS. These segments are Information Technology, Life Care, and Other Businesses.

The Information Technology segment handles electronics related products used for the production of semiconductors, liquid crystals and hard disk drives (HDDs), and imaging related products such as digital camera lenses. The Life Care segment deals in health care related products such as eyeglass lenses and contact lenses, as well as medical related products such as intraocular lenses and endoscopes. The Other Businesses segment offers mainly information system services.

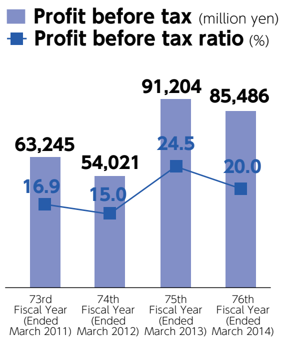
(Note) In accordance with the revision to IAS 19 “Employee Benefits”, the accounting policy has been changed since the 76th period (consolidated financial period under review). Therefore, comparison is made with the retroactively adjusted 75th period’s figures reflecting the said change of accounting policy.



<Sales>

During the consolidated fiscal year under review, the global economy remained caught in a state of uncertainty. This was reflected in the fact that while the U.S. economy posted a gradual recovery and Europe turned around to start to pick up, though moderately, there were fears of economic slides arising from continued civil wars in the Middle East and a slowdown of growth in China and other emerging countries. The Japanese economy shared a gradual recovery as economic measures taken by the government and others led to corrections of the appreciation of the yen and rising stock prices and hence a steady improvement in business confidence.

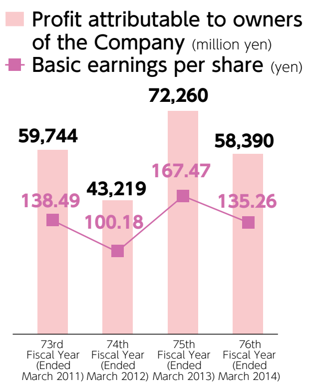
As for the HOYA Group, in the Information Technology segment, products related to smartphones and tablet computers performed well. However, there was a conspicuous slowdown in products related to laptop computers and digital cameras, which are undergoing a slump in demand. These products had driven the performance of the HOYA Group and consequently sales of this segment declined. On the other hand, in the Life Care segment, eyeglass products posted a dramatic growth in sales due to the recovery from the impact of the flooding in Thailand and the addition of sales from the eyeglass lenses business absorbed from Seiko Epson Corporation. Sales of the segment climbed significantly also because of solid performance by the contact lens and endoscope businesses and the positive impact of the depreciation of the yen.



As a result, sales of continuing operations for the fiscal year under review amounted to 427,575 million yen, a 14.8% increase year on year.

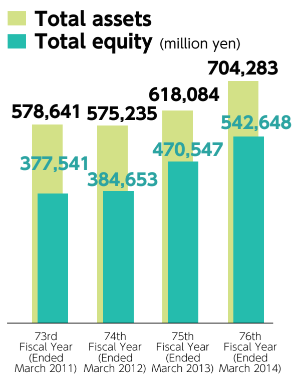
<Profit>

Profit before tax was 85,486 million yen; while profit for the year was 60,140 million yen. This represented a significant drop of 6.3% and 16.9% compared to the previous consolidated fiscal year. These are a result of extraordinary profits being recorded, including 32,187 million yen in insurance proceeds related to the handling of damages from the flooding in Thailand in the previous consolidated fiscal year and 2,238 million yen tied to gains related to the step acquisition of shares of subsidiary resulting from the additional acquisition of shares in OPTOTAL HOYA LIMITADA. Without these provisional revenues, there were real increases in profits.



The ratio of profit before tax to sales was 20.0%, a 4.5 percentage point decrease from the preceding consolidated fiscal year's 24.5%.

There are no discontinued operations in the consolidated fiscal year under review and the preceding consolidated fiscal year. Therefore all numbers indicated and percentage changes are based on the continuing operations.



<Financial Position>

Total assets at the end of the fiscal year under review increased by 86,199 million yen from the end of the preceding fiscal year to 704,283 million yen.

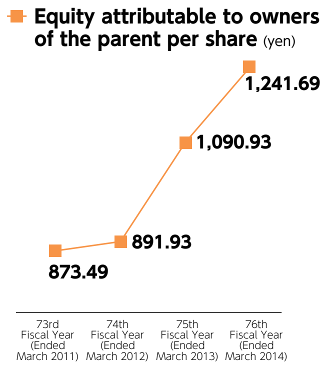
Non-current assets decreased by 6,356 million yen to 189,571 million yen. This is primarily due to goodwill increasing 2,595 million yen from the acquisition of a subsidiary, etc., an increase in intangible assets by 4,758 million yen and a decrease in property, plant and equipment by 11,234 million yen due to depreciation and amortization and impairment.

Current assets increased by 92,555 million yen to reach 514,712 million yen. This is primarily due to a rise in cash and cash equivalents by 82,198 million yen.

Total equity increased by 72,101 million yen to 542,648 million yen.

This is primarily due to an increase in retained earnings of 30,407 million yen and the occurrence of other comprehensive income totaling 34,091 million yen.

Equity attributable to owners of the company increased by 65,793 million yen to reach 536,526 million yen.



Liabilities increased by 14,098 million yen to 161,635 million yen.

The ratio of equity attributable to owners of the company to total assets as of the end of the consolidated fiscal year under review reached 76.2%, unchanged from the end of the preceding consolidated fiscal year.

The breakdown of changes in retained earnings is as presented later in this report in the section for Consolidated Statement of Changes in Equity.

Information Technology 37%

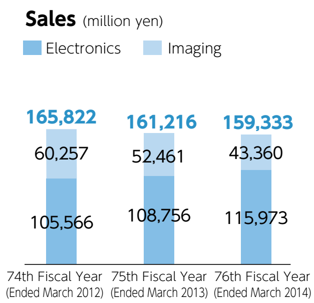
Outline of consolidated results by business segment

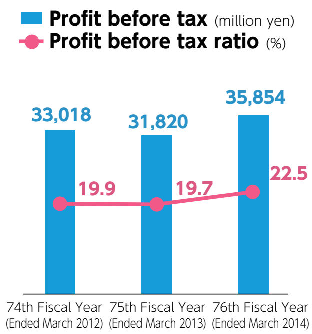
Electronics related products

Sales of semiconductor related products increased over the preceding consolidated fiscal year due to the expansion of the sales volume of leading-edge products and middle to low-end products for smartphones and tablet computers, as well as to the impact of the depreciation of the yen.

As for liquid crystal related products, small and medium-sized high-precision and high resolution masks for smartphones and tablet computers experienced continued demand. Further, there was also increased demand for large photomasks for 4K and large screen TVs. Consequently, sales of liquid crystal related products grew over the preceding consolidated fiscal year.

On the other hand, glass disks for HDDs (substrates) experienced an increase in sales over the preceding consolidated fiscal year. This is because while the expanding demand for tablet computers led to a decrease in demand for laptop computers with hard disk drives, corporate demand for replacement of Windows XP offset the negative factor, while sales for applications other than laptop computers such as next generation game machines and servers were robust.

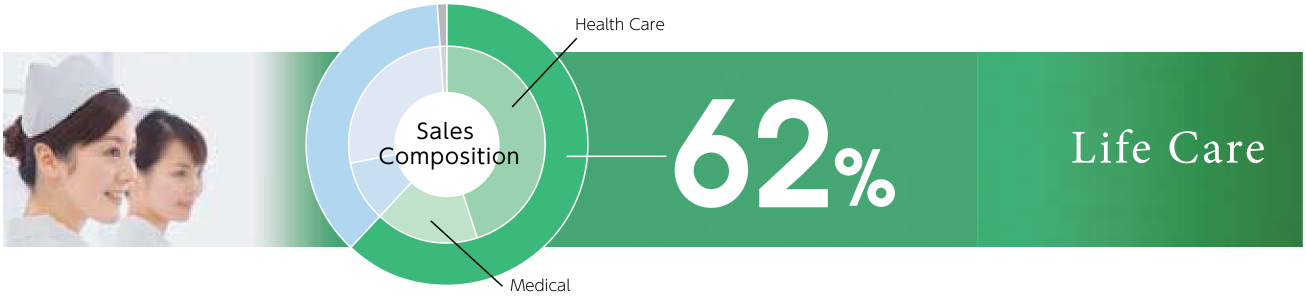




Imaging related products

There has been a large decrease in sales unit in the compact digital camera market and interchangeable lens markets due to the market encroachment by smartphones and sales slumps caused by the economic slowdown in China. Under these conditions, the HOYA Group endeavored to expand sales of high value added glass materials, high-end mid to large diameter lenses and products for applications other than digital cameras. Despite these efforts, sales of imaging related products decreased overall from the preceding consolidated fiscal year.

As a result, the Information Technology segment posted sales of 159,333 million yen, a 1.2% decrease over the preceding consolidated fiscal year. However, the segment profit increased by 12.7% from the preceding consolidated fiscal year to 35,854 million yen.

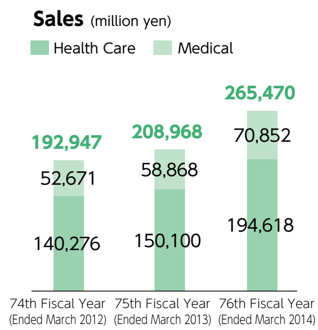


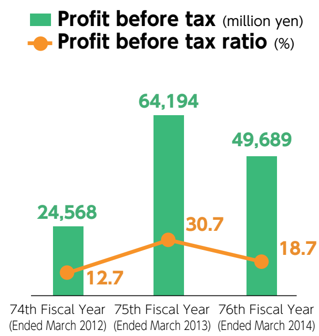
Outline of consolidated results by business segment

Health Care related products

Sales of eyeglass lenses posted a large increase from the preceding consolidated fiscal year. This was due to the recovery in sales from the impact of the flooding in Thailand in October 2011, the additional sales from the eyeglass business acquired from Seiko Epson Corporation during the fourth quarter of the preceding consolidated fiscal year, the depreciation of the yen and the last-minute demand before the rise in consumption tax rate. On the other hand, HOYA posted a large drop in profit before tax, as a result of the factors in the preceding consolidated fiscal year, which include extraordinary profits of 32,187 million yen from insurance proceeds for the flood damages in Thailand and 2,238 million yen in gains related to the step acquisition of shares of subsidiary. These were recorded in the profit before taxes as extraordinary profit and therefore, profits in real terms increased from the preceding consolidated fiscal year.

Sales of contact lenses increased due to new store opening of “Eyecity” specialty stores and reinforcing promotional campaigns at existing stores. Last-minute demand toward the rise in consumption tax rate helped boost sales above those of the preceding consolidated fiscal year.





Medical related products

Sales of medical related products trended favorably to post an increase from the preceding consolidated fiscal year thanks to sales growth of new high-end series products, which was launched in the fall of 2012, as well as the depreciation of the yen. While sales were strong in major advanced countries in Europe, overall sales in Europe dropped due mainly to sales erosion in Russia, which extended sales in the preceding consolidated fiscal year. On the other hand, sales in the Asia Pacific did well, particularly with strong sales in China and Southeast Asia. In the North American market, sales grew considerably over the preceding consolidated fiscal year for video colonoscopy processors and scopes.

During the fourth quarter of the preceding consolidated fiscal year, production of some intraocular lens (IOL) products was suspended and a voluntary recall of the product was conducted. Production of the IOLs resumed in the second quarter of the consolidated fiscal year under review and full-fledged sales activities resumed in overseas markets during the third quarter of the consolidated fiscal year under review. Approval of sales was then obtained for the Japanese market, a key market, and sales were gradually re-launched. However, a cautious approach to the market led to a decline in annual sales below the preceding consolidated fiscal year.

As a result, the Life Care segment reported sales of 265,470 million yen, a 27.0% increase over the preceding consolidated fiscal year. The segment profit before tax was 49,689 million yen, a significant decrease by 22.6% from the preceding consolidated fiscal year due to reporting the before-mentioned extraordinary profits in the preceding consolidated fiscal year.

Overview of Capital Expenditures

The total capital expenditures of all operations of the HOYA Group amounted to 16,838 million yen during the consolidated fiscal year under review, a decrease of 28,173 million yen over the preceding consolidated fiscal year.

In the consolidated fiscal year under review, investment in the Information Technology business amounted to 8,735 million yen and investment in the Life Care business amounted to 7,834 million yen, which account for 51.9% and 46.5%, respectively, of the total capital expenditures by the Group.

The investment was covered by internally generated funds.

Capital investment was made in the consolidated fiscal year under review in the Information Technology business to heighten the efficiency of the production system and to improve productivity so that changes in the market environment can be dealt with swiftly. Capital investment was also conducted to diversify production bases, a need that was keenly felt following the Great East Japan Earthquake of March 2011, and to heighten competitiveness in cutting-edge areas. As for the Life Care business, and in particular the eyeglass lenses business, investment to reinforce capabilities at lens manufacturing plants around the world, including the mainstay plants in Thailand, was conducted to resolve tight production conditions that have developed due to a solid growth in demand. During the previous consolidated fiscal year, significant investments were made into the Thai plants to completely replace all production facilities for eyeglasses that were flooded and consequently forced to shut down due to the great flooding that hit Thailand in October 2013. However, capital investment was much smaller in the consolidated fiscal year under review than the previous consolidated fiscal year since the massive investment of the preceding consolidated fiscal year was completed.

Category	74th Fiscal Year (Ended March 2012)	75th Fiscal Year (Ended March 2013)	76th Fiscal Year (Ended March 2014)
Capital Expenditures (million yen)	33,185	45,011	16,838

Financing

There are no relevant items.

Corporate Reorganizations, etc.

Strategic business alliance in the marketing of eyeglass-related products

Based on the shareholder agreements concluded on November 16, 2012 between HOYA and Seiko Holdings Corporation, the Company acquired 30% of the shares in Seiko Optical Products Co., Ltd. on June 1, 2013 and another 20% on March 31, 2014, making Seiko Optical Products its subsidiary.

The Company will endeavor further to expand its eyeglass-related products and promote them on a global basis.

Management Issues Requiring Actions

The principal policy of HOYA Group is to maximize its corporate value and to manage the Group with a global perspective, with the aim of acquiring leading shares in the world market. We are endeavoring to improve results by finding the optimum combination of our management resources in diverse range of business operations that brings out the full potential of our competitive edge.

Management issues at the HOYA Group are as follows:

(1) Flexible response to changes in the market and efficient utilization of management resources

In the manifold business areas of the HOYA Group, we will accurately identify customers' needs in the market and devise strategies ahead of the competition to respond quickly and flexibly to market trends. We will allocate management resources of the Group appropriately and will make timely decisions regarding plant and equipment investment, business alliances, mergers and acquisitions, withdrawal from or reduction in business operations, etc.

(2) Creation of new business and technologies

To secure corporate earnings and continue to grow, we realize that, in addition to expanding our businesses, building growth areas that differ from existing ones by developing technologies other companies cannot imitate and creating new businesses is critical.

We will devote even greater resources to developing world-class technologies and products that have a significant competitive advantage; to exploring and creating new businesses; and to acquiring and training personnel able to support our next generation business.

(3) Business expansion in Life Care business

The reduction of burden and shortening of time for medical treatment are the demands of both physicians and patients, and minimally invasive treatment has been spreading at an accelerated pace. The HOYA Group will position the Life Care business fields (health care-related products, such as eyeglass lenses and contact lenses, and medical-related products, including endoscopes for medical treatment), where knowledge and experience in optics are applied, as a strategic growth area. We will devote management resources preferentially to these fields and intend to expand the businesses by increasing global sales by boosting market shares in developed countries and also expanding into emerging countries.

(4) Securing stable earnings in the Information Technology business

The market is becoming matured in the Information Technology business. We will accelerate technological development, promotion of product differentiation and new product development by strengthening cooperation with customers, in an effort to turn this into a business area where we can secure contracts and maintain profitability regardless of the economic trends. At the same time, we will endeavor to reduce costs by streamlining production facilities and by innovating production technologies. We will then invest earnings generated from the Information Technology business in the Life Care business, a future area of growth.

We will thus minimize the range of fluctuations in the earnings of the HOYA Group caused by market conditions and financial conditions of customers so as to build a business structure that is less likely to be affected by the economy. This will be accomplished by maintaining a balance between the Life Care and Information Technology business areas.

(5) Energy Conservation Measures, Risk Dispersion and Emergency Preparedness

In addition to the energy saving and other such environmental conservation efforts that have long been made on a group-wide scale, the HOYA Group is committed, as a member of society, to aggressively meeting the growing requests to reduce electricity consumption since the Great East Japan Earthquake in March 2011. Furthermore, previously the HOYA Group had pursued efficiency and heightened profitability by concentrating development and production in a single area as much as possible. However, learning from the lessons of the two major disasters of the Great East Japan Earthquake and the massive flooding in Thailand in October 2013 from the perspective of risk management, we are now diversifying production bases, including transferring some production overseas. The HOYA Group is presently endeavoring to build a reliable structure that will continue to be trusted by our customers.

Changes in the State of Assets, Profits and Losses

■ Overview of Assets, Profits and Losses of the HOYA Group

Classification		73rd Fiscal Year (Ended March 2011) [IFRS]	74th Fiscal Year (Ended March 2012) [IFRS]	75th Fiscal Year (Ended March 2013) [IFRS]	76th Fiscal Year (Current consolidated fiscal year) (Ended March 2014) [IFRS]
Sales	**(million yen)**	373,586	360,673	372,494	427,575
Profit before tax	**(million yen)**	63,245	54,021	91,204	85,486
Profit for the year	**(million yen)**	59,579	42,680	72,403	60,140
Profit attributable to owners of the Company	**(million yen)**	59,744	43,219	72,260	58,390
Basic earnings per share	**(yen)**	138.49	100.18	167.47	135.26
Total assets	**(million yen)**	578,641	575,235	618,084	704,283
Total equity	**(million yen)**	377,541	384,653	470,547	542,648
Equity attributable to owners of the Company per share	**(yen)**	873.49	891.93	1,090.93	1,241.69

(Notes)

1. Starting with the 73rd consolidated fiscal year, the HOYA Group began to use the International Financial Reporting Standards, in the preparation of its consolidated financial statements pursuant to the first paragraph, Article 120 of the Ordinance on Accounting of Companies.
2. The amounts of sales and profit before tax present only the amounts for continuing operations. The amount of profit for the year presents the amount of all operations including discontinued operations.
3. Of the profits and losses from continuing operations in the 73rd consolidated fiscal year, profits and losses classified as discontinued operations in the 74th consolidated fiscal year have been indicated hereafter reclassification.
4. Basic earnings per share is computed, based on the average of the total number of the outstanding shares during the fiscal year. Equity attributable to owners of the Company per share is computed, based on the total number of shares outstanding as of the end of fiscal year. The figures for the total number of outstanding shares exclude treasury shares.
5. Sales, Profit before tax and Profit for the year in the 74th fiscal year were much decreased respectively, due to a long time suspension of production and shipping of main products. The suspension was incurred by the considerable damages to production facilities relating to the massive flooding in Thailand in October 2011.
6. Revisions were made to IAS 19 "Employee Benefits" during the 75th consolidated fiscal year (previous consolidated fiscal year). The HOYA Group changed its accounting policy in line with this during the 76th consolidated fiscal year (present). The figures shown here are the values that were changed retrospectively to reflect these changes in the HOYA accounting policy. Further, the cumulative impact that occurs through the 74th consolidated fiscal year has been reflected in the amount of net assets at the beginning of the 75th fiscal year.
7. Profits including Profit before tax and Profit for the year in the 75th fiscal year significantly increased due to the inclusion of temporary income such as "insurance proceeds" for flood damages in Thailand and "gains related to the step acquisition of shares of subsidiary."
8. The overview of the 76th fiscal year (current consolidated fiscal year) is provided in the above section of this report titled "Business Development and Results."

Important Subsidiaries (as of March 31, 2014)

Company Name	Capital stock	Voting rights owned by the Company	Main business
HOYA HOLDINGS, INC. (USA)	**5,489 thousands of U.S. dollar**	**100.0%**	**Regional headquarters in America**
HOYA HOLDINGS N.V. (The Netherlands)	**9,930 thousands of euro**	**100.0%**	**Holding company in Europe, controlling the distribution and sale of eyeglass lenses in Europe**
HOYA HOLDINGS (ASIA) B.V. (The Netherlands)	**19 thousands of euro**	**100.0%**	**Holding company for the region of Asia**
HOYA HOLDINGS ASIA PACIFIC PTE LTD. (Singapore)	**80,794 thousands of Singapore dollar**	**100.0% (100.0%)**	**Regional headquarters in Asia and Oceania**

(Note) The figure appearing in a bracket in the column entitled "Voting rights owned by the Company" represents indirect ownership.

Major Businesses (as of March 31, 2014)

The HOYA Group has established two business domains in its management principle. They are "Information Technology" and "Life and Culture". In order to realize a continuous increase in the corporate value in each of the business domains, the Group makes decisions on management resource allocations and monitors business results. The major businesses of the HOYA Group can thus be broken down roughly to Information Technology business and Life Care business.

Diverse and varied application product groups that evolved as the result of the digitalization of information and emergence of Internet are the areas in which the Information Technology segment conducts business. The Group manufactures and sells a wide range of input/output (I/O) related devices, in the Information Technology field. Included are electronics-related products that are indispensable for today's digital information and communication technology, and image-related products that use optics technology and are necessary to capture images as digital data.

The Life Care segment manufactures and sells health care-related products that are used routinely in medical treatment and health maintenance fields, and medical-related products that include medical equipment and medical supplies used in medical treatment. Some unique features of this business segment are that government approvals and permits are required pursuant to the Pharmaceutical Affairs Law and that advanced technological strength and reliable quality control systems are the key requirements.

The major products and services handled by each division are as follows:

Business Segment	Business Category	Major products and services
Information Technology	**Electronics related products**	**Photomasks and Maskblanks for semiconductors, Masks and Devices for liquid-crystal displays (LCDs) Glass disks for hard disk drives (HDDs)**
	Imaging related products	**Optical lenses, Optical glasses, Digital camera modules, Optical devices, Laser equipment**
Life Care	**Healthcare related products**	**Eyeglass lenses, Contact lenses**
	Medical related products	**Endoscopes, Medical accessories, Intraocular lenses, Artificial bone, Metallic implant for orthopedics**
Other		**Design of information systems, outsourced works**

Head Office, Principal Places of Business and Plants (as of March 31, 2014)

(1) HOYA CORPORATION

Division	Name	Location
Corporate	**Group Headquarters**	**Shinjuku-ku, Tokyo**
	Netherlands Branch	**The Netherlands**
	Singapore Branch	**Singapore**
Information Technology	**Blanks Division and other Divisions' Sales Departments**	**Shinjuku-ku, Tokyo, etc.**
	Nagasaka Office	**Hokuto-shi, Yamanashi**
	Hachioji Factory	**Hachioji-shi, Tokyo**
	Kumamoto Factory	**Ozu-machi, Kumamoto**
	Akishima Factory	**Akishima-shi, Tokyo**
Life Care	**Vision Care Company, Japan Headquarters**	**Nakano-ku, Tokyo**
	Eye Care Division	**Nakano-ku, Tokyo**
	Medical Division, Japan Headquarters	**Nakano-ku, Tokyo**
	Showa-no-mori Office	**Akishima-shi, Tokyo**

(2) Subsidiaries

Segment	Name	Location
Information Technology	HOYA CORPORATION USA	USA
	HOYA ELECTRONICS SINGAPORE PTE.LTD.	Singapore
	HOYA GLASS DISK VIETNAM LTD.	Vietnam
	HOYA OPTICAL TECHNOLOGY (WEIHAI) CO., LTD.	China
	HOYA CANDEO OPTRONICS CORPORATION	Toda-shi, Saitama, Japan
	PENTAX CEBU PHILIPPINES CORPORATION	The Philippines
Life Care	HOYA LENS DEUTSCHLAND GMBH	Germany
	HOYA OPTICAL LABS OF AMERICA, INC.	USA
	HOYA LENS THAILAND LTD.	Thailand
	HOYA MEDICAL SINGAPORE PTE.LTD.	Singapore
	PENTAX OF AMERICA INC.	USA
	PENTAX EUROPE GMBH	Germany
Other	HOYA SERVICE CORPORATION	Nakano-ku, Tokyo, Japan
Corporate	HOYA HOLDINGS, INC.	USA
	HOYA HOLDINGS N. V.	The Netherlands
	HOYA HOLDINGS (ASIA) B. V.	The Netherlands
	HOYA HOLDINGS ASIA PACIFIC PTE LTD.	Singapore

Employees (as of March 31, 2014)

(1) By Segment

Segment	Number of Employees	Year-on-year Comparison at Year End
Information Technology	**21,256**	**down 375**
Life Care	**14,960**	**up 1,867**
Other	**291**	**down 11**
Corporate	**98**	**down 6**
Total	**36,605**	**up 1,475**

(2) Changes in the number of employees

Category	73rd Fiscal Year (Ended March 2011)	74th Fiscal Year (Ended March 2012)	75th Fiscal Year (Ended March 2013)	76th Fiscal Year (Ended March 2014)
Overseas	**32,349**	**28,663**	**31,503**	**32,728**
Japan	**4,198**	**3,700**	**3,627**	**3,877**

(Notes)

1. The number of employees represents officially-hired employees of all operations. Temporary and contract workers are excluded.
2. The Corporate figure represents the number of employees in the Group Headquarters and overseas regional headquarters and branches.
3. The reason of large decrease in the number of employees in the 74th fiscal year is that as of October 1, 2011, the PENTAX Imaging System Business was transferred to Ricoh Co., Ltd.
4. Employees at HOYA CORPORATION numbered 3,128 (down 1 YOY). Their ages and service periods averaged 42.4 and 17.1 years, respectively.

Major Lenders (as of March 31, 2014)

Lender	Loans Payable
Seiko Holdings Corporation	2,003 million yen

Other Important Matters concerning the HOYA Group

(1) Conclusion of an Agreement on Transfer of Eyeglass Lens Manufacture Business and Alliance in Marketing

On November 16, 2012, HOYA Corporation concluded an agreement with Seiko Epson Corporation to transfer Seiko Epson's eyeglass lens development and manufacture business to HOYA, and on February 1, 2013, executed the transfer of the business as planned.

At the same time, HOYA concluded an agreement with Seiko Holdings Corporation (hereinafter referred to as “Seiko”), with the aim of a global strategic alliance in the marketing business of eyewear-related products between the two companies, to acquire 30% of the shares in Seiko Optical Products Co., Ltd., which engages in the said business as a wholly-owned subsidiary of Seiko, on February 1, 2013 and an additional 20% on March 31, 2014.

It must be noted that the originally scheduled share transfer on February 1, 2013 was delayed as greater than expected time was needed to conduct the Anti-Trust Act review in the People’s Republic of China. Upon completion of the review, HOYA received 30% of the shares on June 1, 2013 and the additional 20% on the originally scheduled March 31, 2014. As a result, Seiko Optical Products Co., Ltd. is now a consolidated subsidiary of HOYA.

This will bring together the expertise of the three companies for developing, producing and marketing eyeglass lenses and eyewear-related products, which has been accumulated separately, and we will endeavor to enhance the products and services to satisfy our customers and dealers around the world.

(2) Resumption of sales of medical-related products (intraocular lens)

Concerning some of our intraocular lenses, we received the reports of inflammation and endophthalmitis exceeding the expected incidence ratios of the market. To prioritize the health and safety of patients, HOYA voluntarily suspended shipments of the said products in January 2013, and conducted voluntary recall in February as an additional measure. Following this incident, we implemented investigation into the cause and reviewed production lines. Marketing resumed in major countries in Europe and Asia in August 2013, followed by the launch of trial use at limited facilities prior to full-fledged sales under approvals of the government and related organizations in Japan in December 2013. We will strive to continue providing safe and high quality products by giving top priority to the health of patients going forward.

HOYA deeply apologizes for causing trouble and concern to our shareholders and customers over this incident.

Current State of the Company

State of Shares (as of March 31, 2014)

(1) Total number of shares the Company authorized: Common stock 1,250,519,400 shares

(2) Total number of issued shares: Common stock 435,017,020 shares

(3) Number of shareholders: 59,839 (Down 23,721 YOY)

(4) Number of shares constituting one unit: 100 shares

(5) Principal shareholders: (Top 10 shareholders)

Rank	Name	Number of shares	Percentage of investment
		(Hundred shares)	%
1	**State Street Bank and Trust Company**	**314,279**	**7.27**
2	**Japan Trustee Services Bank, Ltd. (Trust Account)**	**207,685**	**4.80**
3	**The Master Trust Bank of Japan, Ltd. (Trust Account)**	**140,881**	**3.26**
4	**The Chase Manhattan Bank 385036**	**95,603**	**2.21**
5	**State Street Bank and Trust Company 505225**	**92,078**	**2.13**
6	**Mamoru Yamanaka**	**90,204**	**2.08**
7	**Northern Trust Company (AVFC) Account Non Treaty**	**71,456**	**1.65**
8	**JP Morgan Chase Oppenheimer JASDEC Lending Account**	**68,766**	**1.59**
9	**Melon Bank NA as Agent for Its Client Melon Omnibus US Pension**	**62,098**	**1.43**
10	**State Street Bank and Trust Company 505223**	**61,698**	**1.42**

(Notes)

1. In consideration of the number of voting rights, the numbers of shares are stated in units of one hundred shares and the shares that do not constitute one trading unit are rounded down.
2. The percentage of investment is calculated by excluding treasury stocks (2,922,321 shares).

The resolution was made at the Board of Directors meeting held on May 7, 2014 to repurchase the own shares as follows.

Total number of shares to be repurchased (maximum): 10 million shares
Total amount to be paid for repurchase (maximum): 30 billion yen
Period of share repurchase: May 8, 2014 to November 7, 2014

State of Stock Acquisition Rights, etc.

(1) Stock acquisition rights owned by Directors and Executive Officers of the Company that have been issued as compensation for their execution of duties (as of March 31, 2014)

Issue (Date of resolution)		5th issue of stock acquisition rights (December 22, 2005)	6th issue of stock acquisition rights (October 19, 2006)	7th issue of stock acquisition rights (October 29, 2007)	8th issue of stock acquisition rights (November 10, 2008)	10th issue of stock acquisition rights (November 19, 2009)	11th issue of stock acquisition rights (November 18, 2010)	12th issue of stock acquisition rights (December 22, 2011)	13th issue of stock acquisition rights (December 24, 2012)	14th issue of stock acquisition rights (December 19, 2013)
Number of stock acquisition rights		125	102	102	102	372	158	257	222	1,002
Type and number of shares to be issued on exercise of stock acquisition rights		50,000 shares of common stock	40,800 shares of common stock	40,800 shares of common stock	40,800 shares of common stock	148,800 shares of common stock	63,200 shares of common stock	102,800 shares of common stock	88,800 shares of common stock	400,800 shares of common stock
Exercise price per share		4,150 yen	4,750 yen	4,230 yen	1,556 yen	2,215 yen	1,947 yen	1,616 yen	1,648 yen	2,846 yen
Contribution of stock acquisition right		No contribution is required in exchange for a stock acquisition right								
Exercise period		October 1, 2006 - September 30, 2015	October 1, 2007 - September 30, 2016	October 1, 2008 - September 30, 2017	October 1, 2009 - September 30, 2018	October 1, 2010 - September 30, 2019	October 1, 2011 – September 30, 2020	October 1, 2012 – September 30, 2021	October 1, 2013 – September 30, 2022	October 1, 2014 – September 30, 2023
Outline of terms and conditions for the exercise of stock acquisition rights		-Exercise of stock acquisition rights is permitted under certain conditions even after retiring from the post due to the expiration of term of office or mandatory retirement age. -Inheritance or transfer of the stock acquisition rights, creation of a pledge concerning the rights, etc. are not permitted.								
State of ownership	Directors (excluding Outside Directors) and Executive Officers	Number of owners: 2 Number of stock acquisition rights: 65	Number of owners: 1 Number of stock acquisition rights: 82	Number of owners: 1 Number of stock acquisition rights: 82	Number of owners: 2 Number of stock acquisition rights: 92	Number of owners: 4 Number of stock acquisition rights: 312	Number of owners: 4 Number of stock acquisition rights: 128	Number of owners: 5 Number of stock acquisition rights: 182	Number of owners: 5 Number of stock acquisition rights: 182	Number of owners: 5 Number of stock acquisition rights: 862
	Outside Directors	Number of owners: 2 Number of stock acquisition rights: 60	Number of owners: 2 Number of stock acquisition rights: 20	Number of owners: 2 Number of stock acquisition rights: 20	Number of owners: 1 Number of stock acquisition rights: 10	Number of owners: 2 Number of stock acquisition rights: 60	Number of owners: 3 Number of stock acquisition rights: 30	Number of owners: 4 Number of stock acquisition rights: 75	Number of owners: 4 Number of stock acquisition rights: 40	Number of owners: 6 Number of stock acquisition rights: 140

(Notes)

1 The first issue of stock acquisition rights, resolved at the meeting of the Board of Directors held on October 21, 2002, the third issue of stock acquisition rights, resolved at the meeting of the Board of Directors held on November 27, 2003, and the fourth issue of stock acquisition rights, resolved at the meeting of the Board of Directors held on November 25, 2004, have ceased to exist, as the respective periods for their exercise have elapsed.

2. No stock acquisition rights were granted to Directors and Executive Officers of the Company in the second issue of stock acquisition rights resolved at the meeting of the Board of Directors held on May 23, 2003 and in the ninth issue of stock acquisition rights resolved at the meeting of the Board of Directors held on February 5, 2009.

(2) Conditions of stock acquisition rights granted to employees, etc. as compensation for the fulfillment of duties during the fiscal year under review

<table>
<tr><th colspan="2">Issue (Date of the resolution)</th><th>14th issue of stock acquisition rights
(December 19, 2013)</th></tr>
<tr><td colspan="2">Number of stock acquisition rights</td><td>895 rights</td></tr>
<tr><td colspan="2">Type and number of shares to be issued on exercise of stock acquisition rights</td><td>358,000 shares of</td></tr>
<tr><td colspan="2">Exercise price per share</td><td>2,846 yen</td></tr>
<tr><td colspan="2">Contribution of stock acquisition right</td><td>No contribution is required in exchange for stock acquisition right</td></tr>
<tr><td colspan="2">Exercise period</td><td>October 1, 2014 – September 30, 2023</td></tr>
<tr><td colspan="2">Outline of terms and conditions for the exercise of stock acquisition rights</td><td>-Exercise of stock acquisition rights is permitted under certain conditions even after retiring from the post due to the expiration of term of office or mandatory retirement age.
-Inheritance or transfer of the stock acquisition rights, creation of a pledge concerning the rights, etc. are not permitted.</td></tr>
<tr><td rowspan="2">State of grant</td><td>Employees of the Company</td><td>Number of owners: 37
Number of stock acquisition rights: 430</td></tr>
<tr><td>Officers and employees of subsidiaries of the Company</td><td>Number of owners: 33
Number of stock acquisition rights: 465</td></tr>
</table>

Directors of the Company

(1) Directors and Executive Officers

Name	Position and role at the Company	Important positions of other organization concurrently held
Yuzaburo Mogi	Director Chairman, Nomination Committee Compensation Committee member Audit Committee member	Director, Honorary Chief Executive Officer and Chairman of the Board of the Directors of Kikkoman Corporation Outside Director of Calbee, Inc. Outside Auditor of Tobu Railway, Co., Ltd. Outside Auditor of Fuji Media Holdings, Inc. Outside Auditor of Fuji Television Network, Inc.
Yukiharu Kodama	Director Chairman, Audit Committee Nomination Committee member Compensation Committee member	Chairman of the Mechanical Social Systems Foundation Outside Auditor of Tokyo Dome Corporation Outside Auditor of Yomiuri Land Co., Ltd. Outside Director of Asahi Kasei Corporation
Itaru Koeda	Director Chairman, Compensation Committee Nomination Committee member Audit Committee member	Chairman Emeritus and Advisor of Nissan Motor Co., Ltd.
Yutaka Aso	Director Nomination Committee member Compensation Committee member Audit Committee member	Chairman and Representative Director of Aso Corporation President and Representative Director of Aso Cement Co., Ltd. Chairman of Kyushu Economic Federation
Yukako Uchinaga	Director Nomination Committee member Compensation Committee member Audit Committee member	President of J-WIN (Japan Women's Innovative Network), Non-Profit organization Outside Director of Sony Corporation Outside Director of Aeon Co., Ltd.
Mitsudo Urano	Director Nomination Committee member Compensation Committee member Audit Committee member	Outside Director of Mitsui Fudosan Co., Ltd. Outside Director of Yokogawa Electric Corporation Outside Director of Resona Holdings, Inc. Outside Auditor of JX Holdings, Inc. Advisor of Nichirei Corporation President of AgriFuture Japan President of the Central Society for Promoting the Industrial Education Chairman of Nippon Omni-Management Association
Hiroshi Suzuki	Director President & CEO	
Ryo Hirooka	Executive Officer & Chief Financial Officer (CFO)	
Taro Hagiwara	Executive Officer in charge of Technology	
Eiichiro Ikeda	Executive Officer & Chief Operation Officer in charge of Information Technology	
Girts Cimermans	Executive Officer & Chief Operation Officer in charge of Life Care	

(Notes)

1. Directors Mr. Yuzaburo Mogi, Mr. Yukiharu Kodama, Mr. Itaru Koeda, Mr. Yutaka Aso, Ms. Yukako Uchinaga and Mr. Mitsudo Urano are all outside directors as designated in Article 2-15 of the Company Law.
2. Members of the Audit Committee have more than sufficient experience in either finance or accounting having served for several years as company leaders or overseen the industrial world broadly in the central government or be either an outside officer or advisor of financial institutions. In particular, Mr. Yuzaburo Mogi was involved directly in finance and accounting as a member of the accounting section and as director and general manager of accounting.

(2) Independent Directors

The company provided notice on Mr. Yuzaburo Mogi, Mr. Yukiharu Kodama, Mr. Itaru Koeda, Mr. Yutaka Aso, Ms. Yukako Uchinaga and Mr. Mitsudo Urano to the Tokyo Stock Exchange as being independent directors appointed by the Company, in accordance with the Tokyo Stock Exchanges rules and regulations.

(3) Outside Directors

(i) Important positions and roles concurrently held by the Company's Outside Directors at other organization and their relationship with the Company is shown in "(1) Directors and Executive Officers" above. There is no important business transactions relationship between the Company and each of any other organization.

(ii) Attendance at Board of Directors Meetings and Other Committee Meetings (Number of meetings attended/Number of meetings held)

Name	Board of Directors Meeting	Nomination Committee	Compensation Committee	Audit Committee
Yuzaburo Mogi	10／10 (100%)	5／5 (100%)	6／6 (100%)	9／9 (100%)
Yukiharu Kodama	9／10 (90%)	4／5 (80%)	5／6 (83%)	8／9 (89%)
Itaru Koeda	10／10 (100%)	5／5 (100%)	6／6 (100%)	9／9 (100%)
Yutaka Aso	9／10 (90%)	5／5 (100%)	5／6 (83%)	8／9 (89%)
Yukako Uchinaga	7／8 (87.5%)	2／3 (66.7%)	3／4 (75%)	6／7 (86%)
Mitsudo Urano	7／8 (87.5%)	2／3 (66.7%)	3／4 (75%)	6／7 (86%)

(iii) Major Activities at the Board of Directors Meetings and Other Committee Meetings during the Fiscal Year under Review

Name	Major Activities
Yuzaburo Mogi	**Mr. Mogi actively made useful contributions to the discussion of items on the agenda, based on his substantial management experience and expertise. As an Outside Director, he made remarks from a fair and impartial position as the occasion required, and fulfilled his role in terms of management supervision. In particular, Mr. Mogi provided executive officers with advice and proposals on the growth potential of the HOYA Group, led the selection of director and executive officer candidates as the Chairman of the Nomination Committee and led the discussion of propositions for decisions by the Committee.**
Yukiharu Kodama	**Mr. Kodama actively made useful contributions to the discussion of items on the agenda based on his experience as the minister's aide and an impartial observer of the business community at the Ministry of International Trade and Industry (the predecessor of the Ministry of Economy, Trade and Industry), and based on the substantial experience and expertise he has gained at financial institutions. As an Outside Director, he made remarks from a fair and impartial position as the occasion required, and fulfilled his role in terms of management supervision. As the Chairman of the Audit Committee, Mr. Kodama led the discussions toward Committee decisions on agenda items, including verification of financial statements, monitoring of internal control systems, and auditing of operations and assets.**
Itaru Koeda	**Mr. Koeda made useful contributions to the discussion of items on the agenda, based on his substantial management experience and expertise. As an Outside Director, he made remarks from a fair and impartial position as the occasion required, and fulfilled his role in term of management supervision. In particular, Mr. Koeda provided advice on the competitive environment facing the HOYA Group, built the compensation system for directors and a compensation system that heightened incentives for executive officers as the Chairman of the Compensation Committee, and led the discussion of propositions for decisions by the Committee to promote fair and appropriate appraisal of performance.**
Yutaka Aso	**Mr. Aso made useful contributions to the discussion of items on the agenda, based on his substantial management experience and expertise. As an Outside Director, he made remarks from a fair and impartial position as the occasion required, and fulfilled his role in term of management supervision. In particular, Mr. Aso provided advice on HOYA's Life Care segment based on trends in the medical industry and actively provided opinions on responsibilities of the execution side and their motivation.**

Yukako Uchinaga	**Ms. Uchinaga made useful contributions to the discussion of items on the agenda, based on his substantial management experience and expertise.** **As an Outside Director, he made remarks from a fair and impartial position as the occasion required, and fulfilled his role in term of management supervision.** **In particular, Ms. Uchinaga has provided advice on the Information Technology segment based on trends in the segment and proactively expressed opinions on the growth potential in this area.**
Mitsudo Urano	**Mr. Urano made useful contributions to the discussion of items on the agenda, based on his substantial management experience and expertise.** **As an Outside Director, he made remarks from a fair and impartial position as the occasion required, and fulfilled his role in term of management supervision.** **In particular, Mr. Urano has provided advice on compliance and proactively expressed opinions on new product development and business models.**

(iv) Overview of Liability Limitation Contract

The Company and its Outside Directors have concluded an agreement that limits possible future liabilities of the latter prescribed in the first paragraph, Article 423 of the Companies Act to the higher of 10 million yen or the amount prescribed by the first paragraph of Article 425 of the Act.

Remuneration etc. for the Directors and Executive Officers of the Company

(1) Policy of the Compensation Committee for determining the amount of remuneration and other benefits received by Directors and Executive Officers and details of the policy

(i) Basic Policy

The Company has established the Compensation Committee with the objective of "contributing to improvement of results of the Company by constructing a remuneration system that raises motivation among Directors and Executive Officers and by appraising their performance appropriately." The Committee is made up of all of 6 Outside Directors who are not Executive Officers of the Company.

(ii) Policy concerning remuneration for Directors

The remuneration of Directors consists of a fixed salary and stock options.

The fixed salaries consist of a basic compensation and compensation for being a member or a chairman of the Nomination, Compensation or Audit Committee. The compensation levels are set appropriately by taking into consideration such factors as the Company's business environment and the levels set by other companies as determined by a survey conducted by an outside professional organization.

(iii) Policy concerning remuneration for Executive Officers

The remuneration of Executive Officers consists of a fixed salary, performance-based compensation and stock options.

Fixed salaries are set appropriately according to the office and responsibility of each Executive Officer (President, CFO, etc.) and by taking into consideration such factors as the Company's business environment and the levels set by other companies as determined by a survey conducted by an outside professional organization.

Performance-based compensation is determined by both financial performance, measured as the percentage of targets met with respect to indicators corresponding to sales, operating profit, net profit and earnings per share according to Japanese GAAP, which is given an 80% weight, and the degree of achievement with respect to management measures set at the beginning of the fiscal year, which is given a 20% weight. Remuneration typically consists of 50% fixed salary and 50%

performance-based pay. The performance-based portion, however, can fluctuate widely, depending on the Company's performance.

Benefits granted to expatriates (such as housing) are also set at appropriate levels in consideration of the Company's business environment and the levels set by other companies as determined by a survey conducted by an outside professional organization.

(iv) Stock Options

In order for newly-appointed Directors and Executive Officers to share the same perspective as shareholders in regards to share price, and for re-appointed to share common interest with shareholders on long-term basis, commensurate stock options, which are a certain percentage of the granted shares when newly-appointed, are granted continuously every year in consideration of the exercise price at the time of granting (a market price one day prior to a Board of Directors resolution regarding stock option grants), fluctuations in the share price during the exercise period and fixed annual salaries.

Based on the above, the number of stock options granted to Outside Directors is fixed each year, whereas the number of stock options granted to Executive Officers is based on Company performance and individuals' evaluations, subject to deliberation by the Compensation Committee and decided by the Board of Directors.

Retirement benefits for Directors were eliminated in 2003 as it was determined that these benefits were essentially a service pay for many years of service and had little to do with Company's performance or shareholder returns, and as such are not appropriate as a component of the Directors compensation scheme.

(2) Total amount of remuneration, etc. of Directors and Executive Officers for the fiscal year under review

Classification		**Number of payees**	**Total amount of remuneration, etc.**	**Total amount of remuneration by type**		
				Fixed salary	**Performance-based remuneration**	**Stock options**
Directors	**Outside**	7 persons	69 million yen	58 million yen	－	12 million yen
	Internal	2 persons	10 million yen	10 million yen	－	－
	Total	9 persons	79 million yen	68 million yen	－	12 million yen
Executive Officers		6 persons	473 million yen	234 million yen	184 million yen	55 million yen
Total		13 persons	552 million yen	302 million yen	184 million yen	66 million yen

(Notes)

1. At the end of the fiscal year under review, there were seven Directors and five Executive Officers. One of the five Executive Officers served concurrently as Internal Director.
2. The total amount of remuneration includes remuneration paid to one Internal Director and Executive Officer and one Outside Director who retired as of the conclusion of the 75th Ordinary General Meeting of Shareholders.
3. Fixed salary for Executive Officers includes oversea Executive Officer's benefit as expatriate of 69 million yen.
4. For the stock options, fair values of stock acquisition rights were calculated and the table above shows amounts to be recorded as expenses for the fiscal year under review.

(3) Amount of consolidated remuneration for each Director and Executive Officer (CEO and those with remuneration totaling 100 million yen or more)

(i) The remuneration of the Chief Executive Officer (CEO) for the 76th fiscal year is as follows.

Name	Total Amount	Fixed Salary	Performance-based remuneration	Stock Option
Hiroshi Suzuki, CEO	186 million yen	103 million yen	68 million yen	15 million yen

(ii) There was no other Director/Executive Officer other than the above whose consolidated remuneration totaled 100 million yen or more during the fiscal year under review.

Independent Auditors

(1) Name Deloitte Touche Tohmatsu LLC

(2) Amount of remuneration, etc.

Classification	Amount of payment
Amount of remuneration, etc. paid to independent auditors regarding the fiscal year under review	167 million yen
Aggregate amount of monetary and other asset gains the Company and its subsidiaries owe to independent auditors	170 million yen

(Notes)

1. The audit agreement between the Company and its independent auditors makes no clear distinction between the amount of audit fees based on the Companies Act and the audit fee based on the Financial Instruments and Exchange Act. For this reason, the total amount of remuneration, etc. paid to the independent auditors is stated as the amount of remuneration, etc. for the fiscal year under review.
2. The member firms of Deloitte Touche Tohmatsu Limited and Ernst & Young Global Limited provide audit services to the Company's major subsidiaries overseas.

(3) Policy on dismissal of independent auditors or decision against reappointment

When a condition that corresponds to any of the reasons for dismissal prescribed in the items of first paragraph, Article 340 of the Companies Act exists, and dismissal is deemed to be reasonable, the Audit Committee shall dismiss the independent auditors with the agreement of all Audit Committee members. In this case, an Audit Committee member appointed by the Audit Committee shall report the dismissal of the independent auditors and the reason for the dismissal at the first General Meeting of Shareholders following the dismissal.

The Audit Committee shall also examine the potential for reappointment by taking into consideration the term of office of independent auditors, the status of prior audit execution, the presence or absence of any serious reason that causes independent auditors to lose credibility, and other circumstances, and, when reappointment is not considered reasonable, shall place "no reappointment of independent auditors" on the agenda for discussion at a General Meeting of Shareholders on the regulations of the Audit Committee.

Frameworks and Policies of the Company

1. Frameworks and Policies Concerning Internal Control Systems

1) System for Ensuring Adequacy of Operations:

Contents of the resolutions the Board of Directors of the Company made with regard to internal control systems set out in (b) and (e) of first item, first paragraph, Article 416 of the Companies Act and Article 112 of the Ordinance for Enforcement of the Companies Act are as follows:

(1) Important matters in the execution of duties by the Audit Committee

(i) Matters concerning Directors and employees assisting the Audit Committee in its duties
The Audit Committee Office shall be established to assist the Audit Committee in its duties.

(ii) Matters concerning independence from the Executive Officers of Directors and employees stated in the above item
The regulations of the Company shall prescribe that the Audit Committee has the power to appoint and dismiss staff members of the Audit Committee Office.

(iii) Systems required for reports to the Audit Committee, including reports by Executive Officers and employees
The Board of Directors Regulations were amended to require reporting of all important matters to the Board of Directors, where Outside Directors comprise the majority of Board members. As a result, reports to the Board of Directors began to cover all important matters. For this reason, no special stipulations are established regarding matters that need to be reported to the Audit Committee.

(iv) Other systems to ensure the effectiveness of audits by the Audit Committee
The Company shall position the Internal Audit Division under the Audit Committee. The Internal Audit Division shall conduct audits focusing on onsite audits according to the audit policies and plans adopted or approved by the Audit Committee, and shall report to the Audit Committee as the occasion demands.
Each internal organization shall promptly report information it retains or manages at the request of the Audit Committee or the Internal Audit Division.

(2) Matters required for ensuring the adequacy of operations

(i) Systems concerning the storage and management of information about the execution of duties by Executive Officers
Efforts shall be made to adequately store and manage important matters, including documents, records and minutes relating to applications for internal approval, in accordance with laws, regulations and other standards.

(ii) Regulations and other systems concerning the management of the risk of loss
Each organ and division shall try to identify and manage risks, and shall aim for improvements as the occasion demands, taking into consideration the instructions of the Internal Audit Division, etc.

(iii) Systems for ensuring the efficiency of duty performance by Executive Officers
Each division shall carry out its operations according to the annual plan and the quarterly budget adopted at meetings of the Board of Directors. The HOYA Group shall ensure the efficiency of Group management by evaluating the levels of target achievement every quarter and working to make improvements as the occasion demands.
Executive Officers shall be timely and precise in performing their duties based on the decision-making system for their execution of duties, which covers their standards for approving important matters.

(iv) Systems for ensuring compliance with laws, ordinances and the Articles of Incorporation of the way duties are performed by Executive Officers and employees
The HOYA Group shall secure systems relating to the HOYA Business Conduct Guidelines that need to be observed by Directors and employees of the HOYA Group.

(v) Systems for ensuring the adequacy of Group operations, including a given company, its parent and its subsidiaries
The HOYA Group shall observe across its organization the HOYA Business Conduct Guidelines established based on the Management Policy and Management Principles of the Group, and shall undertake educational activities as required. The HOYA Group will reinforce the effectiveness of such activities with the HOYA Help Line, an intra-Group system for reporting and counseling. The Group shall operate this system not only in Japan but also overseas to ensure the soundness of Group activities.

(3) System for ensuring reliability of financial reporting
The HOYA Group shall establish and manage a system of internal controls for financial reporting and build a system for evaluating its financial reporting to ensure the reliability of its financial reporting and valid, appropriate submission of internal control reports as prescribed in the Financial Instruments and Exchange Act.

2) Basic Policy for Eliminating Antisocial Forces

A meeting of the Board of Directors resolved to adopt the following basic policy for the elimination of antisocial forces. We shall have no association whatsoever with antisocial forces, and deal with undue claims made by such forces resolutely as an organization in cooperation with specialized external agencies.

2. Basic Policy on Parties that Control Decisions Concerning Corporate Finance and Business Policies

The Company does not have a specific basic policy in this regard. However, the Company's basic view is as follows:

The Company takes the view that judgment should ultimately lie with shareholders when an acquisition proposal and the like is made with the transfer of management control as its objective. Currently no concrete threat regarding acquisition emerges. The Company has no intention to fix concrete arrangements (so-called "countermeasures against takeovers) before the emergence of any such proposal. The responsibility of management is not to take unnecessary actions to defend companies from takeovers. As an entity that operates for the benefit of its shareholders, the Company considers it crucial to increase the return of profit to shareholders and increase its corporate value by constantly monitoring transactions of its shares and changes to its shareholders, to improve its business performance and increase its financial strength with the greater objective of achieving further growth.

If an acquisition or similar proposal is made, the Company considers it important to provide the information shareholders require to make a judgment based on an examination of the proposal made by the proposer. If the Company believes that the proposal will not increase the corporate value of the Company and benefit the common interest of its shareholders, it will clearly explain to the shareholders the reasons that form the background to its position, and try to obtain the understanding of shareholders.

3. Policy Concerning Decisions on Appropriation of Retained Earnings, etc.

The Company manages group businesses from a global perspective and aims to maximize corporate value by promptly adapting business portfolios to address changes in the era and environment. As for the paying out of retained earnings as dividends, our basic policy is to determine what we will do after considering the performance during the current fiscal year, demand for capital in the medium to long term and the balance between returning profits to shareholders and the need for a rich balance of retained earnings to enable future corporate growth.

With respect to internal reserves, resources will be preferentially appropriated to investment in the Life Care business field, which we have positioned as a growth business, for market share expansion, entry into untapped markets, and nurturing and obtaining new technologies. In addition to growth of existing businesses, the Company will also proactively pursue possibilities including mergers and acquisitions to further enrich our business portfolio and to speedily expand business operations. As for the Information Technology business field, which has been positioned as a steady earnings business, we will continue to make capital investment that further reinforce the technological abilities that become the source of competitiveness, and development investment that will contribute to developing next-generation technologies and new products.

As a result of this thinking, the Company set the end-of-year dividend for the consolidated fiscal year under review at 45 yen per share, a 10 yen increase from the preceding fiscal year. Coupled with the interim dividend of 30 yen per share already paid, the annual dividend will be 75 yen per share.

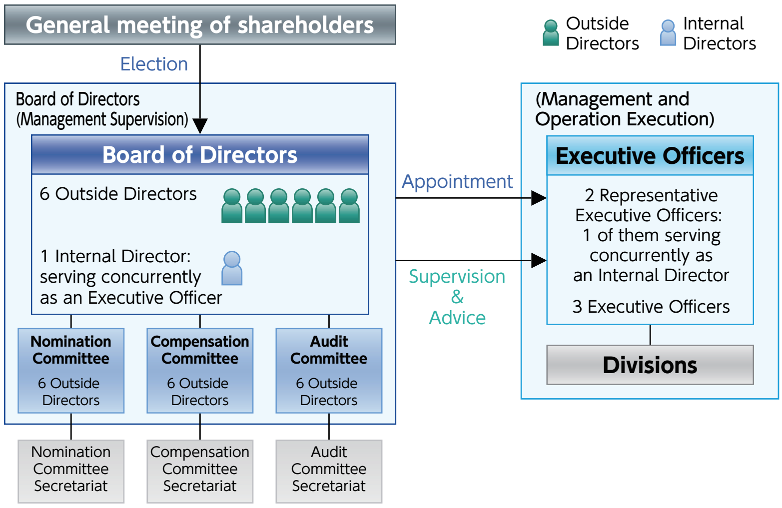
［Notes］

1. Yen amounts shown were obtained by rounding fractions to the closest stated units. Percentage figures shown were also obtained by rounding fractions to the lowest place shown. Numbers of shares shown were obtained by rounding down fractions less than the stated units.
2. Sales and other figures do not include consumption tax or local consumption tax.

Corporate Governance

HOYA promotes management with the aim of maximizing its corporate value based on the recognition that corporate governance is a matter of utmost importance for management.

Corporate Governance Structure



As of March 31, 2014

As the basis of taking a fair approach to stakeholders, we have adopted a "company with committees" structure simultaneously with the revision of the Companies Act, which enables us to better distinguish the execution and supervision of management to prevent management from being conducted based solely on in-house logic. We have also set forth in the Articles of Incorporation that the majority of Directors consist of Outside Directors, who actively supervise management by Executive Officers and provide advice in order to improve corporate value from an objective and broad perspective.

HOYA also gives Executive Officers the authority and responsibility for the execution of operations, in order to accelerate decision making and improve management efficiency.

HOYA has established HOYA Corporate Governance Guidelines at the meeting of the Board of Directors, and intends to enhance corporate governance structure and to introduce better governance systems by revising the guidelines.

Please see the HOYA Corporate Governance Guidelines at
http://www.hoya.co.jp/english/company/company_04.html

Board of Directors

HOYA's Board of Directors, in which Outside Directors comprise the majority of Board members (7 Directors, consisting of 6 Outside and 1 Internal Director as of March 31, 2014), convene regular Board meetings 10 times a year as a general rule.

Each meeting of the Board of Directors involves lively discussions and deliberations in a solemn atmosphere, with globally-minded Outside Directors with a wealth of management experience supervising the execution of operations by Executive Officers and providing them with advice from various angles. HOYA also works to obtain information as necessary on trends in legal changes and corporate governance by holding lectures by outside experts and through other means. HOYA also conducts self-assessment where a survey of the management by the Board of Directors is conducted once annually.

Executive Officers

At HOYA, five persons - namely, the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Executive Officer in charge of Technology, Chief Operating Officer (COO) in charge of Information Technology and Chief Operating Officer (COO) in charge of Life Care were nominated by the Nomination Committee as candidates for Executive Officers and elected at the meeting of the Board of Directors as of March 31, 2014 (CEO concurrently serves as Internal Director). Each of them oversees the execution of operations in their respective jurisdictions determined by the Board of Directors, and carries out decision-making in a speedy fashion. The Executive Officers instruct the head office staffs and responsible parties of the business divisions to establish and carry out specific measures based on the management policy determined by the Board of Directors. The Executive Officer (COO) responsible for the business segments receives progress reports from the parties responsible for each business at business reporting sessions held roughly on a monthly basis. The COO then gives reports and makes proposals on the segments he oversees at a meeting of the Board of Directors based on the progress reports he received. The other Executive Officers attend each meeting of the Board of Directors.

Committees

The Board of Directors has internal organizations, namely, “Nomination Committee”, “Compensation Committee” and “Audit Committee”, each of which consists solely of Outside Directors.

Nomination Committee

The Nomination Committee, which is comprised of 6 Outside Directors, selects candidates for Directors based on the “Basis for Election of Candidates for Directors” and proposes the candidates to the General Meeting of Shareholders for voting. It also selects candidates for Executive Officers and the Representative Executive Officer, and proposes the candidates to the Board of Directors for voting. As necessary, it makes decisions to propose the dismissal of Directors to the General Meeting of Shareholders and the dismissal of Executive Officers to the Board of Directors for voting. The Committee sets out the criteria for independence of candidates for Directors, which is stricter than the rules by Tokyo Stock Exchange so that a function of overseeing Executive Officers required to outside Directors is secured. The criteria of the independence of candidates for Outside Directors are described on the page 18 of the Reference Material.

Compensation Committee

The Compensation Committee, which is comprised of 6 Outside Directors, builds a remuneration structure that gives more incentives to Directors and Executive Officers and assesses their work in an appropriate manner, with the aim to help improve HOYA’s business performance. The Compensation Committee determines the remuneration of Directors and Executive Officers on an individual basis. The policy of Compensation Committee is shown in page 51.

Audit Committee

The Audit Committee, which is comprised of 6 Outside Directors, formulates the audit policies and audit plans for each fiscal year, and verifies financial statements, etc. based on the quarterly reports and year-end reports received from the Independent Auditor according to such policies and plans. It also interviews the Internal Audit Division to obtain the results of operational audits, and verifies the soundness, legality, efficiency, etc. of management. All important matters are reported to the Board of Directors, and countermeasures are taken as necessary.

Consolidated Statement of Financial Position

(As of March 31, 2014)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		EQUITY AND LIABILITIES	
Non-current assets:	**189,571**	EQUITY	
Property, plant and equipment–net	129,513	**Equity attributable to owners of the Company:**	**536,526**
Goodwill	10,961	Share capital	6,264
Intangible assets	23,947	Capital reserves	15,899
Investments in associates	140	Treasury shares	(8,890)
Long-term financial assets	9,062	Other capital reserves	(2,839)
Other non-current assets	2,527	Retained earnings	516,243
Deferred tax assets	13,421	Accumulated other comprehensive income	9,850
Current assets:	**514,712**	**Non-controlling interests**	**6,121**
Inventories	62,647	**Total equity**	**542,648**
Trade and other receivables	95,529	LIABILITIES	
Other short-term financial assets	10,492	**Non-current liabilities:**	**44,758**
Income tax receivables	982	Interest-bearing long-term debt	35,829
Other current assets	13,970	Retirement benefits liabilities	1,675
Cash and cash equivalents	331,094	Provisions	2,155
		Other non-current liabilities	2,188
		Deferred tax liabilities	2,911
		Current liabilities:	**116,877**
		Interest-bearing short-term debt	27,450
		Trade and other payables	40,291
		Other short-term financial liabilities	152
		Income tax payables	13,369
		Provisions	955
		Other current liabilities	34,660
		Total liabilities	**161,635**
Total assets	**704,283**	**Total equity and liabilities**	**704,283**

Consolidated Statement of Comprehensive Income

(From April 1, 2013, to March 31, 2014)

(Millions of yen)

Item	Amount	
Continuing operations		
Revenue:		
Sales	427,575	
Finance income	1,849	
Other income	5,453	**434,877**
Expenses:		
Changes in inventories of goods, products and work in progress	7,038	
Raw materials and consumables used	84,135	
Employee benefits expense	102,759	
Depreciation and amortization	33,891	
Subcontracting cost	4,737	
Advertising and promotion expense	11,769	
Commission expense	20,460	
Impairment losses	4,770	
Finance costs	1,309	
Share of loss of associates	268	
Foreign exchange (gain)/ loss	(8,496)	
Other expenses	86,749	**349,391**
Profit before tax		**85,486**
Income tax expense		25,347
Profit for the year from continuing operations		**60,140**
Profit for the year		**60,140**
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of the net defined benefit liability (asset)	81	
Income tax relating to components of other comprehensive income	(15)	**66**
Items that may be reclassified subsequently to profit or loss:		
Net gain/(loss) on revaluation of available-for-sale financial assets	(185)	
Exchange differences on translation of foreign operations	34,488	
Income tax relating to components of other comprehensive income	(89)	**34,214**
Other comprehensive income		**34,281**
Total comprehensive income for the year		**94,420**
Profit attributable to:		
Owners of the Company	58,390	
Non-controlling interests	1,750	60,140
Total comprehensive income attributable to:		
Owners of the Company	92,548	
Non-controlling interests	1,873	94,420

Consolidated Statement of Changes in Equity

(From April 1, 2013, to March 31, 2014)

(Millions of yen)

	Share capital	Capital reserves	Treasury shares	Other capital reserves	Retained earnings
Balance at April 1, 2013	6,264	15,899	(10,712)	(2,313)	485,953
Accumulated adjustments due to changes in accounting policies					(117)
Balance at April 1, 2013 (restated)	6,264	15,899	(10,712)	(2,313)	485,836
Comprehensive income/(loss) for the year					
Profit for the year					58,390
Other comprehensive income/(loss)					
Total comprehensive income/(loss) for the year					58,390
Transactions with owners					
Contributions by and distributions to owners					
Acquisition of treasury shares			(5)		
Disposal of treasury shares			1,827	(768)	
Dividends, 65 Yen per share					(28,050)
Change in non-controlling interests					
Share-based payments (Stock option)				242	
Transfer to retained earnings					66
Total contributions by and distributions to owners			1,822	(527)	(27,983)
Total transactions with owners	—	—	1,822	(527)	(27,983)
Balance at March 31, 2014	6,264	15,899	(8,890)	(2,839)	516,243

	Net gain/(loss) on revaluation of available-for-sale financial assets	Exchange differences on translation of foreign operation	Remeasurements of the net defined benefit liability (asset)	Share of other comprehensive income of associates	Accumulated other comprehensive income/(loss)	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance at April 1, 2013	569	(22,817)	—	(1,972)	(24,220)	470,872	(187)	470,685
Accumulated adjustments due to changes in accounting policies	(14)	(1,979)		1,972	(21)	(138)		(138)
Balance at April 1, 2013 (restated)	555	(24,797)	—	—	(24,241)	470,733	(187)	470,547
Comprehensive income/(loss) for the year								
Profit for the year						58,390	1,750	60,140
Other comprehensive income/(loss)	(114)	34,205	66		34,158	34,158	123	34,281
Total comprehensive income/(loss) for the year	(114)	34,205	66		34,158	92,548	1,873	94,420
Transactions with owners								
Contributions by and distributions to owners								
Acquisition of treasury shares						(5)		(5)
Disposal of treasury shares						1,058		1,058
Dividends, 65 Yen per share						(28,050)	(6)	(28,055)
Change in non-controlling interests							4,441	4,441
Share-based payments (Stock option)						242		242
Transfer to retained earnings			(66)		(66)	—		—
Total contributions by and distributions to owners			(66)		(66)	(26,754)	4,435	(22,319)
Total transactions with owners	—	—	(66)		(66)	(26,754)	4,435	(22,319)
Balance at March 31, 2014	442	9,408	—	—	9,850	536,526	6,121	542,648

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 15, 2014

To the Board of Directors of
HOYA CORPORATION

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Takashi Nagata

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Yoshiaki Hatori

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Ichiro Sakamoto

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Kazuhiro Sota

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated statement of financial position as of March 31, 2014 of HOYA CORPORATION (the "Company") and its consolidated subsidiaries, and the consolidated statement of comprehensive income, statement of changes in equity for the fiscal year from April 1, 2013 to March 31, 2014, and the related notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above, prepared with the omission of a part of the disclosures required under International Accounting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2014, and the results of their operations for the year then ended.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

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Non-consolidated Balance Sheet

(As of March 31, 2014)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)		**(Liabilities)**	
Current assets	**184,998**	**Current liabilities**	**74,682**
Cash and deposits	123,537	Notes payable – trade	64
Notes receivable – trade	3,122	Accounts payable – trade	19,459
Accounts receivable – trade	31,563	Current portion of bonds	24,999
Merchandise and finished products	8,804	Accounts payable – other	6,608
Work in process	2,173	Accrued expenses	4,466
Raw materials and supplies	3,719	Accrued income taxes	9,606
Deferred tax assets	3,767	Advances received	775
Short-term loans to subsidiaries and affiliates	1,330	Deposits received	1,384
Accounts receivable - other	6,100	Accrued bonuses to employees	3,827
Others	1,170	Warranties provision	156
Allowance for doubtful accounts	(286)	Others	3,338
Non-current assets	**126,393**	**Long-term liabilities**	**37,564**
Property, plant and equipment	**27,979**	Bonds	34,998
Buildings	7,728	Reserve for periodic repairs	870
Structures	476	Asset retirement obligations	1,306
Melting furnaces	151	Others	391
Machinery and equipment	3,839	**Total liabilities**	**112,247**
Vehicles	4	**(Net assets)**	
Tools, equipment and fixtures	8,136	**Shareholders' equity:**	**196,711**
Land	6,108	**Share capital**	**6,264**
Construction in progress	1,537	**Capital reserve**	**15,899**
Intangible assets	**4,787**	Additional paid-in capital	15,899
Patents	1,753	**Retained earnings**	**183,439**
Technology	1,712	Legal reserve	1,566
Software	1,153	Other retained earnings	181,873
Others	169	Reserve for special depreciation	11
Investments and other assets	**93,627**	Reserve for advanced depreciation of fixed assets	169
Investment securities	2,446	Unappropriated Retained earnings	181,692
Equity securities of subsidiaries and affiliates	78,279	**Treasury shares – at cost**	**(8,890)**
Investments in capital	2	**Valuation and translation adjustments**	**437**
Investments in subsidiaries and affiliates	6,641	Unrealized gain on available – for –sale securities	437
Claims in bankruptcy	404	**Stock acquisition rights**	**1,996**
Long-term prepaid expenses	110		
Deferred tax assets	2,136		
Others	5,060		
Allowance for doubtful accounts	(1,450)	**Total net assets**	**199,144**
Total assets	**311,391**	**Total liabilities and net assets**	**311,391**

Non-consolidated Statement of income

(From April 1, 2013, to March 31, 2014)

(Millions of yen)

Item	Amount	
Net sales		**198,501**
Cost of sales		**120,934**
Gross profit		**77,568**
Selling, general and administrative expenses		**59,008**
Operating income		**18,560**
Non-operating income		
Interest income	206	
Dividend income	29,794	
Commission received	7,524	
Foreign exchange gain	9,171	
Others	922	**47,616**
Non-operating expenses		
Interest expense	17	
Interest on bonds	1,083	
Others	73	**1,173**
Ordinary income		**65,004**
Extraordinary income		
Gain on sales of property, plant and equipment	285	
Gain on sales of investment securities	655	
Gain on reversal of stock acquisition rights	174	
Others	0	**1,115**
Extraordinary losses		
Loss on sales of fixed assets	8	
Loss on disposal of fixed assets	347	
Loss on write-down of equity securities of subsidiaries and affiliates	880	
Impairment losses	852	
Severance payments	1,109	
Others	31	**3,227**
Profit before income taxes		**62,891**
Income taxes–current	14,503	
Income taxes–prior years	8,419	
Income taxes–deferred	874	**23,796**
Profit for the year		**39,095**

Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2013, to March 31, 2014)

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital reserve		Retained earnings				
		Additional paid-in capital	Total capital surplus	Legal reserve	Other retained earnings			Total retained earnings
					Reserve for special depreciation	Reserve for advanced depreciation of fixed assets	Unappropri-ated retained earnings	
Balance as of April 1, 2013	6,264	15,899	15,899	1,566	31	183	171,148	172,928
Changes during the current fiscal year								
Reversal of reserve for special depreciation					(20)		20	—
Increase in reserve for special depreciation due to tax rate change					0		(0)	—
Reversal of reserve for advanced depreciation of fixed assets						(15)	15	—
Increase in reserve for advanced depreciation of fixed assets due to tax rate change						1	(1)	—
Dividends from retained earnings							(28,050)	(28,050)
Profit for the year							39,095	39,095
Acquisition of treasury shares								
Disposition of treasury shares							(535)	(535)
Changes in items other than shareholders' equity during the current fiscal year - net								
Total changes during the current fiscal year	—	—	—	—	(20)	(14)	10,544	10,511
Balance as of March 31, 2014	6,264	15,899	15,899	1,566	11	169	181,692	183,439

	Shareholders' equity		Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Treasury shares – at cost	Total shareholders' equity	Unrealized gain on available-for-sale securities	Total valuation and translation adjustments		
Balance as of April 1, 2013	(10,712)	184,379	567	567	2,162	187,108
Changes during the current fiscal year						
Reversal of reserve for special depreciation		—				—
Increase in reserve for special depreciation due to tax rate change		—				—
Reversal of reserve for advanced depreciation of fixed assets		—				—
Increase in reserve for advanced depreciation of fixed assets due to tax rate change		—				—
Dividends from retained earnings		(28,050)				(28,050)
Profit for the year		39,095				39,095
Acquisition of treasury shares	(5)	(5)				(5)
Disposition of treasury shares	1,827	1,291				1,291
Changes in items other than shareholders' equity during the current fiscal year - net			(130)	(130)	(166)	(296)
Total changes during the current fiscal year	1,822	12,333	(130)	(130)	(166)	12,037
Balance as of March 31, 2014	(8,890)	196,711	437	437	1,996	199,144

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 15, 2014

To the Board of Directors of
HOYA CORPORATION

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Takashi Nagata

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Yoshiaki Hatori

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Ichiro Sakamoto

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Kazuhiro Sota

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements, namely, the non-consolidated balance sheet as of March 31, 2014 of HOYA CORPORATION (the "Company"), and the related non-consolidated statements of income and changes in net assets for the 76th fiscal year from April 1, 2013 to March 31, 2014, and the related notes and the accompanying supplemental schedules.

Management's Responsibility for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements and the accompanying supplemental schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements and the accompanying supplemental schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and the accompanying supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the non-consolidated financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2014, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language and "the accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

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AUDIT REPORT

The members of the Audit Committee of the Company audited the performance of the Directors and Executive Officers of their duties during the 76th fiscal year from April 1, 2013 to March 31, 2014. We hereby report the method and results thereof:

1. AUDIT METHOD AND ITS CONTENTS

We received periodic reports from the Directors, Executive Officers and others concerning the state of construction and management of the system (internal control system) established in accordance with the resolutions of the Board of Directors concerning matters provided for in (b) and (e) of first item, first paragraph, Article 416 of the Companies Act, requested explanations and expressed its opinions as necessary.
In addition, we attended important meetings, received reports from Directors, Executive Officers and others on matters concerning the performance of their duties, requested explanations whenever necessary, inspected documentation of important decisions, etc. and investigated the state of activities and assets at the head office and major business offices of the Company in accordance with the audit policy and the assignment of duties, etc. established by the Audit Committee and in collaboration with the audit department of the Company.
Regarding internal controls over financial reports, we received reports on the evaluation of the internal controls and the state of audits from Executive Officers and others, as well as Deloitte Touche Tohmatsu LLC, and requested explanations as necessary.
With respect to subsidiaries, we communicated and exchanged information with directors and auditors thereof, and received business reports from the subsidiaries whenever necessary.
We also monitored the Company's Independent Auditors to verify that they maintained a position of independence and conducted proper audits. We received reports from the Independent Auditors on the state of execution of their duties, and asked them for explanations whenever necessary. Additionally, we received from the Independent Auditors a letter that they were taking steps to build the System for Ensuring Adequate Execution of Duties (pursuant to the items of Article 131 of the Ordinance for Companies Accounting) in accordance with the Standards for Quality Control of Audit (Business Accounting Council, October 28, 2005), and asked the Independent Auditors for explanations whenever necessary.
Based on the method described above, we examined the business report, financial statements (consisting of the balance sheet, statement of income, statement of changes in total equity, and notes to financial statements), their supplementary schedules, and consolidated financial statements (consisting of the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity, and notes to consolidated financial statements, prepared by omitting certain items required to be disclosed by the International Financial Reporting Standards and pursuant to the provisions of the latter part of first paragraph, Article 120 of the Ordinance for Companies Accounting) for the current fiscal year.

2. AUDIT RESULTS

(1) Results of the audit of the business report, etc.

A. We are of the opinion that the business report and its supplementary schedules fairly present the state of the Company in accordance with laws, ordinances and the Articles of Incorporation

B. We are of the opinion that, in connection with the performance by the Directors or Executive Officers of their duties, no dishonest act or material fact of violation of laws, ordinances or the Articles of Incorporation exists.

C. We are of the opinion that the resolution of the Board of Directors concerning the internal control system was reasonable. We are also of the opinion that, in connection with the descriptions in the Business Report or the performance by the Directors or Executive Officers of their duties concerning said internal control system, no matter that needs to be pointed out exists.

(2) Results of the audit of the financial statements and their supplementary schedules

We are of the opinion that the method and results of the audit made by Deloitte Touche Tohmatsu LLC, the Company's Independent Auditors, are in order.

(3) Results of the audit of the consolidated financial statements

We are of the opinion that the method and results of the audit made by Deloitte Touche Tohmatsu LLC, the Company's Independent Auditors, are in order.

May 21, 2014

Audit Committee
HOYA CORPORATION

Yukiharu Kodama	Member of the Audit Committee
Yuzaburo Mogi	Member of the Audit Committee
Itaru Koeda	Member of the Audit Committee
Yutaka Aso	Member of the Audit Committee
Yukako Uchinaga	Member of the Audit Committee
Mitsudo Urano	Member of the Audit Committee

Notes: The Members of the Audit Committee, Yukiharu Kodama, Yuzaburo Mogi, Itaru Koeda, Yutaka Aso, Yukako Uchinaga and Mitsudo Urano, are outside directors as provided in the 15th item, Article 2 and third paragraph, Article 400 of the Companies Act.

Notice

Notice concerning online disclosure of HOYA Report

In order for shareholders to better understand our business activities, HOYA CORPORATION discloses the HOYA Report online.
The HOYA Report (Business Review 2014) will be available at our website around August. We hope you will find the Report useful.

Notice concerning report of resolutions and results of exercise of voting rights at the Ordinary General Meeting of Shareholders

HOYA CORPORATION will disclose the resolutions along with the results of exercise of voting rights on our website.

Our Website: http://www.hoya.co.jp/english/

Shareholders' Memo

Business year:	From April 1 every year to March 31 of the following year	
Date to determine shareholders who are entitled to receive year-end dividend payments	March 31	
Date to determine shareholders who are entitled to receive interim dividend payments	September 30	
Ordinary General Meetings of Shareholders:	June every year	
Transfer agent Account management institution for the special accounts	Mitsubishi UFJ Trust and Banking Corporation	
Contact	Corporate Agency Division Mitsubishi UFJ Trust and Banking Corporation 7-10-11 Higashisuna, Koto-ku, Tokyo 137-8081, Japan Toll free phone: 0120-232-711	
Market:	The Tokyo Stock Exchange	
Method for public notice:	Electronic Public Notice URL for the notice: http://www.hoya.co.jp/ (However, if the Company is unable to publish public notices by electronic means because of an accident or any other unavoidable event, public notices shall be published in the *Nihon Keizai Shimbun*.)	