

Internet Disclosure Accompanying the Notice of the 75th Ordinary General Meeting of Shareholders

Consolidated Statement of Cash Flows (Reference information, Unaudited)

Notes to the Consolidated Financial Statements

Notes to the Non-consolidated Financial Statements

(From April 1, 2012 to March 31, 2013)

**(Reference information) Consolidated Statement of Cash Flows
(Unaudited)**

(From April 1, 2012 to March 31, 2013)

(Millions of yen)

	Amount
Cash flows from operating activities	
Profit before tax	89,368
Depreciation and amortization	30,872
Impairment losses	1,119
Finance income	(965)
Finance costs	2,086
Share of losses of associates	11,912
Gain on sales of property, plant and equipment	(1,973)
Loss on disposal of property, plant and equipment	735
Others	(22,771)
Cash generated from operations (before movements in working capital)	110,381
Movements in working capital	
Decrease in inventories	5,030
Increase in trade and other receivables	(8,216)
Decrease in trade and other payables	(7,692)
Decrease in retirement benefits obligation and other provisions	(4,188)
Sub-total	95,316
Interests received	1,000
Dividends received	59
Interests paid	(1,544)
Income taxes paid	(6,073)
Income taxes refunded	232
Net cash generated from operating activities	88,991
Cash flows from investing activities	
Withdrawals of time deposit	1,656
Deposits for time deposit	(1,721)
Withdrawals of certificates of deposit	40,000
Proceeds from sales of property, plant and equipment	7,573
Payments for acquisition of property, plant and equipment	(43,049)
Payments for purchase of subsidiary	(10,127)
Payments to non-controlling interests on merger	(4)
Proceeds from business transfer	568
Payments for business transfer	(3,150)
Other proceeds	9,050
Other payments	(1,745)
Net cash used in investing activities	(948)
Cash flows from financing activities	
Dividends paid to owners of the Company	(28,071)
Dividends paid to non-controlling interests	(134)
Decrease in short-term debt	(380)
Repayments of long-term borrowings	(235)
Payments for redemption of bonds	(40,287)
Proceeds from disposal of treasury shares	0
Payments for purchase of treasury shares	(2)
Proceeds from exercise of stock options	111
Net cash used in financing activities	(68,997)
Net increase in cash and cash equivalents	19,046
Cash and cash equivalents at the beginning of the year	204,772
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	25,078
Cash and cash equivalents at the end of the year	248,896

(Notes)

1. Numbers in parentheses () in the consolidated statement of cash flows are outflows of cash and cash equivalents.
2. Figures above are rounded off to the nearest unit.

Important items for the preparation of the consolidated financial statements

1. Preparation of consolidated financial statements

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards with some omissions of disclosure items pursuant to the latter part of the first paragraph of Article 120 of the Ordinance for Companies Accounting.

2. Basis of consolidation

Number of consolidated subsidiaries 101 companies

Names of significant consolidated subsidiaries HOYA HOLDINGS, INC.

HOYA HOLDINGS N.V.

HOYA HOLDINGS (ASIA) B.V.

HOYA HOLDINGS ASIA PACIFIC PTE LTD.

During the fiscal year, three companies were newly established and two companies were acquired. On the other hand, three companies were liquidated. In addition, four companies merged with other group company. As a consequence, the number of consolidated companies was decreased by two.

3. Application of the equity method

Number of associates accounted for by the equity method 2 companies

Name of significant associate AvanStrate Inc.

During the fiscal year, one company became a consolidated subsidiary and removed from the scope of equity method accounting.

4. Items related to accounting policies

(1) Basis and method of evaluation of financial assets

Financial assets are classified into "financial assets at fair value through profit or loss (FVTPL)," "held-to-maturity investments," "loans and receivables," or "available-for-sale financial assets." However, the Group does not hold financial assets classified as "held-to-maturity investments."

1) Derivative financial instruments

Derivatives are initially recognized at fair value at the date the derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period.

The Group uses forward exchange contracts to manage the foreign exchange exposure of recognized financial assets or liabilities, or future firm transactions. Hedge accounting does not apply to these derivative transactions. Accordingly, derivative financial instruments are classified as FVTPL.

2) Financial assets other than derivative financial instruments

A. Loans and receivables

Trade receivables, loans, and other receivables that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Principally interest income is recognized by applying the effective interest rate.

B. Available-for-sale financial assets

Financial assets except derivatives, either designated as available-for-sale financial assets or not classified as FVTPL, held-to-maturity investments or loans and receivables, are classified as available-for-sale financial assets. Listed available-for-sale shares that are traded in an active market are classified as available-for-sale financial assets and are stated at fair value. The Group also has investments in unlisted shares that are not traded in an active market but are also classified as available-for-sale financial assets and stated at fair value using valuation techniques. Gains and losses arising from changes in fair value are recognized in other comprehensive income with the exception of impairment losses and foreign exchange gains and losses on monetary assets being recognized in profit or loss.

3) Impairment of financial assets

Financial assets, other than FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For listed and unlisted equity investments classified as available-for-sale financial assets, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, including redeemable notes classified as available-for-sale financial assets and finance lease receivables, objective evidence of impairment could include:

- (a) significant financial difficulties of the debtor; or
- (b) default or delinquency in interest or principal payments; or
- (c) a high probability that the borrower will go into bankruptcy or financial re-organization.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days to 120 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable, including past-due receivable, is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. With the exception of available-for-sale financial assets (equity instruments), if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment after the impairment is reversed does not exceed the amount the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale financial assets (equity instruments), impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to impairment is recognized in other comprehensive income.

(2) Basis and method of evaluation of inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for the inventories in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale. Costs, including purchase costs, process costs, storage costs and all other costs incurred in bringing the inventories to present location and condition, are assigned to inventories mainly by the average method. The production costs include an appropriate portion of fixed and variable overhead expenses.

(3) Basis and method of evaluation of property, plant and equipment and intangible assets (excluding goodwill) and method of depreciation and amortization

1) Property, plant and equipment

The Group applies the cost model for measuring property, plant and equipment.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses. Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment losses. Cost includes the expenses directly attributable to the assets, the initial estimated costs relating to scrap, removal and retirement, and, for

qualifying assets, the borrowing cost for long-term project. Depreciation of these assets commences when the assets are available for their intended use.

When significant components of property, plant and equipment are required to be replaced periodically, the Group recognizes such parts as individual assets to be depreciated with specific useful lives. All other repair and maintenance costs are recognized as incurred.

Property, plant and equipment other than land and construction in progress are depreciated mainly on a straight-line basis over the following estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate being accounted for on a prospective basis.

Buildings and structures	3-50	years
Machinery and carriers	3-10	years
Tools, equipment and fixtures	2-20	years

Leased assets are depreciated over their estimated useful lives where the transfer of the title of the assets by the end of the lease term is certain.

Leased assets where the transfer of the title of the assets by the end of the lease term is not certain are depreciated over their estimated useful lives or lease terms whichever is shorter.

2) Intangible assets

The Group uses the cost model for measuring intangible assets. Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses.

A. Intangible assets acquired separately and intangible assets acquired in a business combination

Intangible assets acquired separately are carried at cost at the time of initial recognition. Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost), when their fair value is reasonably measured.

B. Internally-generated intangible assets - research and development expenses

Expenditures on research activities are recognized as expense in the period in which they are incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated;

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) the intention to complete the intangible asset and use or sell it;
- (c) the ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenses incurred from the date when the intangible assets first meet the recognition criteria listed above. The assets are amortized over the estimated period in which the development costs are expected to be recovered. If no future economic benefit is expected before the end of the life of assets, the residual book value is expensed. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses. Where no internally-generated intangible asset can be recognized, development costs are recognized as expense in the period in which they are incurred.

C. Amortization of intangible assets

Amortization is recognized on a straight-line basis over their estimated useful lives as follows. The Group does not have any intangible assets with indefinite useful lives.

Patents	7-12	years
Technology	10-15	years
Customer List	5-15	years
Software	3-5	years

3) Impairment of property, plant and equipment and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered impairment losses. If any such indication exists, the recoverable amount of the cash-generating unit to which the asset belongs is estimated in order to determine the extent of the impairment losses (if any).

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

(4) Goodwill

Goodwill arising in an acquisition of business is recognized as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the acquisition-date amounts of the net fair value of the identifiable assets acquired and liabilities assumed. Goodwill is not amortized but is reviewed for impairment at least annually. Goodwill is recorded at cost less accumulated impairment losses on the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Impairment losses recognized for goodwill is not reversed in subsequent periods. On disposal of a Cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(5) Method of accounting for significant reserves and allowances

1) Retirement benefits obligation

For defined benefit plans, the cost of providing retirement benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period.

Actuarial gains and losses as at the end of the prior year are amortized over the expected average remaining working lives of the participating employees.

Past service cost is recognized immediately to the extent that the benefits are already vested. The Group's defined benefit plans are mostly closed pension funds and benefits are already vested. Accordingly past service costs for those funds are immediately recognized in profit or loss.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligations as adjusted for unrecognized actuarial gains and losses, and as reduced by the fair value of plan assets. Contributions to defined contribution plans are recognized as expense when these are paid.

(Additional information)

On January 31, 2013 the Company and a certain domestic subsidiary terminated defined benefits plan and severance lump-sum payment plan, and the defined benefits obligations were settled. The difference of JPY 616 million between the amount settled and the retirement benefits obligations, was recognized and included in "Employee benefits expense" as a loss on termination of the retirement benefits plans. Also, the liability relating to the settlement is included in "Trade and other payables".

2) Other provisions, and contingent liabilities assumed in a business combination

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation by outflow of resources embodying economic benefits, and a reliable estimate can be made of the amount of the obligation. The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period (future cash outflow), taking into account the risks and uncertainties surrounding the obligation.

Where time value of money is important, a provision is measured by its present value to which estimated future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the provision. Interest cost associated with the passage of time is recognized as finance cost. The types of provisions are as follows:

A. Asset retirement obligation

The Group recognizes provisions for an asset retirement obligation reserve for estimated costs arising from a contractual obligation to a landlord to dismantle and remove leasehold improvements from a leased office at the end of the lease contract, and estimated costs to decontaminate certain fixed assets. An asset retirement obligation is provided based on past experience of actual cost and considers each property individually. The discount rate depends on the useful life and the country. Future expected timing of outflow of economic benefits is mainly more than one year from each reporting period.

B. Warranties provision

Warranties provision is estimated and recognized based on past experience of the occurrence of defective goods and the expected after service costs in the warranty period. Expected outflow of economic benefits in the future is within one year from each reporting period.

C. Contingent liabilities assumed in a business combination

Contingent liabilities resulting from a business combination are initially measured at fair value at the date of acquisition. Subsequent to initial recognition, such contingent liabilities are remeasured considering expected future payments, possible occurrence and timing of payments at each reporting period.

(6) Basis for translation of important assets and liabilities denominated in foreign currencies

1) Foreign currency transactions

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the financial results, financial position and cash-flows of each group entity are presented in Japanese Yen which is the functional currency of the Company and the presentation currency for the consolidated financial statements. In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are translated at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognized in profit or loss in the period.

2) Financial statements of foreign operations

The assets and liabilities of foreign operations are translated into Japanese Yen at the foreign exchange rates prevailing at the end of reporting period.

The revenues and expenses of foreign operations are translated into Japanese Yen at the average rates of exchange for the year. Where there are material fluctuations in exchange rates, the exchange rate at the transaction date is used. Foreign exchange differences arising from translation are initially recognized as exchange differences on translation of foreign operations in other comprehensive income and accumulated in "accumulated other comprehensive income", which are reclassified from equity to profit or loss on disposal of the net investment and included in "other expenses" in the consolidated statement of comprehensive income.

(7) Method of accounting for national and local consumption tax

Tax-excluded method is applied, and non-deductible tax is recognized as an expense.

(8) Notes to the changes in presentation of financial statements

(Consolidated Statement of Financial Position)

Foreign exchange gain/ loss which was included in "Other expenses" of 20 million yen in the previous year, is presented as a separate item because of its materiality.

Notes to the Consolidated Statement of Financial Position

1. Assets provided as collateral and related liabilities

Assets provided as collateral

Buildings ¥29 million

Related liabilities

Interest-bearing short-term debt ¥4 million

Interest-bearing long-term debt ¥12 million

Besides the above, Buildings in the amount of ¥101 million and Land in the amount of ¥1 million were provided as collateral for the conditional obligation in the amount of ¥83 million associated with the government grant.

2. Allowance for doubtful accounts directly deducted from assets

Trade and other receivables ¥1,992million

Long-term financial assets ¥990 million

3. Accumulated depreciation of property, plant and equipment

Property, plant and equipment - net ¥297,660 million

Accumulated depreciation includes impairment losses of property, plant and equipment.

4. Contingent liabilities

The Group provides guarantees on borrowings of business partners from financial institutions.

Guarantee liabilities ¥527 million

Notes to the Consolidated Statement of Comprehensive Income

1. Other income

Insurance proceeds in the amount of 32,187 million yen and gains related to the phased acquisition of shares of subsidiary in the amount of 2,238 million yen are included in "Other income".

2. Reclassification adjustments and tax effects related to other comprehensive income

(1) Net gains or losses on revaluation of available-for-sale financial assets

Gains arising during the year	¥93 million
Reclassification adjustments	<u>¥501 million</u>
Total amount before tax-effect adjustment	¥594 million
Tax-effect adjustment	<u>¥ (210) million</u>
Total	<u>¥ 384 million</u>

(2) Exchange differences on translation of foreign operations

Gains arising during the year	¥ 41,940 million
Reclassification adjustment	<u>¥105 million</u>
Total amount before tax-effect adjustment	¥ 42,045 million
Tax-effect adjustment	<u>¥ 7 million</u>
Total	<u>¥ 42,052 million</u>

(3) Share of other comprehensive income of associates

Gains arising during the year	¥ 41 million
Reclassification adjustments	<u>¥130 million</u>
Total amount before tax-effect adjustment	¥171 million
Total other comprehensive income	<u>¥ 42,606 million</u>

Notes to the Consolidated Statement of Changes in Equity

1. Type and number of issued shares as at March 31, 2013

Ordinary shares	435,017,020 shares
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2. Dividend-related items

(1) Dividends paid,

1) Dividends resolved by the Board of Directors on May 30, 2012

• Total dividends	¥15,100 million
• Dividends per share	¥35
• Record date	March 31, 2012
• Effective date	June 1, 2012

2) Dividends resolved by the Board of Directors on October 31, 2012

• Total dividends	¥12,945 million
• Dividends per share	¥30
• Record date	September 30, 2012
• Effective date	November 30, 2012

(2) Dividends whose record date belongs to this fiscal year and effective date belongs to next fiscal year

Dividends resolved by the Board of Directors on May 30, 2013

• Total dividends	¥15,102 million
• Source of payment	Retained earnings
• Dividends per share	¥35
• Record date	March 31, 2013
• Effective date	June 3, 2013

3. Type and number of shares covered by stock options outstanding at the end of the fiscal year (excluding the rights whose exercise period has not yet started)

Ordinary shares	3,300,500 shares
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Notes Concerning Financial Instruments

1. Items concerning financial instruments

(1) Market risks

1) Foreign currency risk

The Group intends to marry major currencies the Group uses (Euro, US dollar and Yen) in settlements of receivables/payables resulting from operating activities.

Specifically, the subsidiaries that continuously conduct import or export transactions retain foreign currencies obtained from exports of goods for payables on imported supplies. This enables the Group to mitigate foreign currency risk. On the other hand, the Company having multiple strategic business units (SBU) and conducting finance and dividend, and holding companies receiving dividends from their subsidiaries and distributing it to the Company and/or other group companies, sometimes fall into disparity of foreign currency debt-credit balances in receivables, liabilities and/or bank deposits. This might cause significant gains or losses on foreign exchange differences when Yen appreciates or depreciates against US dollar or Euro, or when Euro appreciates or depreciates against US dollar.

The Group's policy generally does not permit the use of derivative instruments such as forward foreign exchange contracts. However, in certain circumstances in which the use of such derivatives is determined to be beneficial, the Group can enter into contracts upon obtaining a formal approval from the Chief Financial Officer ("CFO") of the Group in accordance with its global headquarters approval process. For instance, in order to economically hedge foreign currency exposures on intercompany receivable, payables and dividends, forward foreign exchange contracts are occasionally entered into.

2) Interest rate risk

The majority of the interest-bearing debt is bonds with fixed interest rates.

3) Price risk in equity instruments

The Group is exposed to equity price risks arising from equity instruments (listed shares). These investments are held from a viewpoint of business strategy, not for short term trading purpose. The Group does not sell these investments frequently and the Group periodically reviews the fair value of these instruments as well as the financial condition of investees.

(2) Credit and liquidity risks

The Group manages its credit risk by setting credit limits which are approved by the authorized personnel of each Strategic Business Unit.

Ultimate responsibility for liquidity risk management rests with the CFO of the Group who is appointed by the Board of Directors. Based on the instructions from the CFO, the financial headquarters of the Group mainly manages the Group's liquidity risk by maintaining an appropriate level of retained earnings and credit facilities, and monitors the actual cash flows and forecasted cash flows. Temporary cash shortages due to dividends or bonus payments are funded through the issuance of commercial paper, etc.

2. Notes Concerning Fair Value of Financial Instruments

As of March 31, 2013, (the end of the fiscal year) the carrying amount of financial instruments on the consolidated statement of financial position, the fair values of those instruments, and the differences were as follows.

(Millions of yen)

	Carrying amount of consolidated statement of financial position*	Fair value*	Difference
(1) FVTPL financial assets (derivative instruments)			
Other financial assets	3,555	3,555	—
(2) Loans and receivables			
Trade and other receivables	88,824	88,824	—
Other financial assets	11,524	11,501	(23)
(3) Available-for-sale financial assets			
Other financial assets	3,281	3,281	—
(4) Cash and cash equivalents	248,896	248,896	—
Total assets	356,079	356,056	(23)
(5) FVTPL financial liabilities (derivative instruments)			
Other financial liabilities	(349)	(349)	—
(6) Financial liabilities measured at amortized cost			
Trade and other payables	(40,415)	(40,415)	—
Interest-bearing debt	(62,729)	(65,914)	(3,185)
Other financial liabilities	(185)	(185)	—
Total liabilities	(103,677)	(106,862)	(3,185)

* The balance of liabilities is presented as the numbers in brackets.

(Note) Items related to the methods for calculating the fair value of financial instruments, together with securities and transactions of derivative

(1) (5) FVTPL financial assets and liabilities (derivative instruments)

The fair values of forward foreign exchange contracts at the end of each reporting period were determined based on the forward exchange rate at market.

(2) Loans and receivables

The fair values of loans and receivables were determined by discounting future net cash flows using rates taking into account the estimated timing of payments and credit risk.

Because trade and other receivables have short settlement periods and estimated fair values that are virtually the same as the carrying value, the carrying value has been used as fair values.

(3) Available-for-sale financial assets

The fair values of listed shares included in available-for-sale financial assets were determined based on market prices at the end of each reporting period. The fair values of shares of private companies included in available-for-sale financial assets were calculated by using a reasonable method.

(4) Cash and cash equivalents

Because cash and cash equivalents have short settlement periods and estimated fair values that are virtually the same as the carrying value, the carrying value has been used as fair values.

(6) Financial liabilities measured at amortized cost

The fair values of long-term loans, bonds and finance lease obligations were determined by discounting future cash flows using rates taking into account the estimated timing of payments and credit risk.

Because trade and other payables, and interest-bearing short-term debt have short settlement periods and estimated fair values that are virtually the same as the carrying value, the carrying value has been used as fair values.

Notes for per share information

(1) Equity per share attributable to owners of the company	¥1,091.25
(2) Basic earnings per share	¥164.78

(Note) Figures in the consolidated financial statements and related notes are rounded off to the nearest unit.

Notes to the Non-consolidated financial statements

Significant accounting policies

1. Basis and methods for evaluation of marketable and investment Securities
 - Investment securities in subsidiaries and affiliates: Cost determined by the moving-average method
 - Available-for-sale securities:
 - Marketable Securities: Fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.
 - Non-marketable securities: Cost determined by the moving-average method
2. Basis and methods for evaluation of derivatives: Fair value
3. Basis and methods for evaluation of inventories: Primarily the lower of cost determined by the average method and net selling value
4. Methods of depreciation of fixed assets:
 - Property, plant and equipment (excluding leased assets) Depreciation is computed by the declining-balance method while the straight-line method is applied to buildings acquired on and after April 1, 1998. The range of useful lives is principally from 15 to 50 years for buildings, from 5 to 15 years for machinery and equipment, and 2 to 10 years for tools, equipment and fixture.
 - Intangible fixed assets (excluding leased assets) The straight-line method is applied. The period of amortization is 8 years for patents, 10 years for technology and 5 years for software.
 - Leased assets The straight-line method over the lease terms with no residual value is applied for leases which do not transfer ownership of the leased assets to the lessee. The Company accounted for leases which existed at April 1, 2008 and do not transfer ownership of the leased assets to the lessee as operating leases.
5. Basis for the conversion of foreign currency transactions

All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese Yen at the exchange rate at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the statement of income.
6. Methods of providing important allowances
 - (i) Allowance for doubtful accounts The allowance for doubtful accounts is provided based on the Company's past experience of credit loss and an evaluation of the financial position of borrowers.
 - (ii) Accrued bonuses to employees Accrued bonuses are provided at the year-end to which such bonuses are attributable.
 - (iii) Warranties provisions Accrued warranty cost is estimated and recognized based on past experience of the occurrence of defective goods and the expected after service costs in the warranty period.
 - (iv) Reserve for periodic repairs Reserve for periodic repairs is provided based on the actual expenses for the latest repairs for melting furnaces.
7. Method of accounting for national and local consumption taxes

Tax-excluded method is applied, and non-deductible tax is recognized as an expense.
8. Changes in significant accounting policies which is difficult to distinguish from a change in accounting estimate

(The change in method of depreciation)
From this fiscal year, the Company changed the method of depreciation of Property, plant and equipment acquired on or after April 1, 2012 in accordance with the revised Japanese tax laws.
Accordingly, operating income, ordinary income, and the profit before income taxes were increased by ¥392 million, respectively, as compared with those in the former method.
9. Notes to changes in presentation of financial statements

(Balance Sheet)
Short-term derivative assets of ¥1,048 million in the year ended March 31, 2012, which were included in "Others" in current assets, are presented separately because of their materiality.
10. Additional information

On January 31, 2013, the Company terminated defined benefit plan and severance lump-sum payment plan, and the defined benefits obligation was settled. The difference of JPY 409 million between the amount settled and the retirement benefits obligation, was recognized and included in "Others" of extraordinary losses. Also, the liability relating to the settlement is included in "Accounts payables - other".

Notes to Non-consolidated Balance sheet

1. Accumulated depreciation of Property, plant and equipment	¥127,656 million
The accumulated depreciation includes the accumulated impairment losses.	
2. Contingent liabilities	¥323 million
Guarantees for lease payments of the following company	
PENTAX U.K. LTD.	¥323 million
3. Monetary receivables from and payables to subsidiaries and affiliates (excluding classified items on balance sheet)	
(1) Short-term receivables	¥13,909 million
(2) Long-term receivables	¥882 million
(3) Short-term payables	¥10,997 million

Notes to Non-consolidated Statement of income

Transactions with subsidiaries and affiliates	
(1) Sales	¥34,797 million
(2) Purchases	¥101,716 million
(3) Non-operating transactions	¥20,779 million

Notes to Statements of Changes in Net Assets

Matters relating to the number of treasury shares

Share class	Balance at April 1, 2012	Increase	Decrease	Balance at March 31, 2013
Ordinary shares	3,591,600 shares	911 shares	71,632 shares	3,520,879 shares

(Note) Details of the increase and decrease in the number of treasury shares are as follows:

Increase due to repurchase of odd-lot shares:	911 shares
Decrease due to disposal of odd-lot shares to shareholders with odd-lot shares	32 shares
Decrease on exercise of stock options:	71,600 shares

Notes relating to tax effect accounting

Breakdown of deferred tax assets and deferred tax liabilities by major cause of accrual (As of March 31, 2013)

(1) Current

Deferred tax assets	
Accrued bonuses	¥1,530 million
Accrued retirement obligation	907
Valuation loss on inventories	328
Enterprise tax payable	314
Severance payments	177
Excess of allowance for doubtful accounts	133
Others	1,721
Deferred tax assets – sub total	5,111
Valuation allowance	(411)
Net amount of deferred tax assets – current	¥4,700

(2) Non-current

Deferred tax assets	
Write down of investment in subsidiaries and affiliates	¥2,923 million
Excess of depreciation	1,498
Stock options	767
Asset retirement obligations	474
Excess of allowance for doubtful accounts	447
Impairment losses	414
Write down of investment securities	356
Allowance for special maintenance	216
Others	315
Deferred tax assets – sub total	7,410
Valuation allowance	(4,752)
Total amount of deferred tax assets – non current	2,658
Deferred tax liabilities	
Unrealized gain on available – for –sale securities	(312)
Tax goodwill	(147)
Reserve for advanced depreciation of fixed assets	(102)
Others	(92)
Total amount of deferred tax liabilities – non-current	(653)
Net amount of deferred tax assets – non-current	¥2,005

Notes relating to fixed assets used under lease

Asset class	Contents and volumes of assets, etc.
Machinery and equipment	A part of Health Care related products manufacturing facilities A part of Medical related products manufacturing facilities
Tools, equipment and fixtures	A part of computers and their peripherals Other office equipment, etc.

Notes concerning transactions with related parties

(Millions of yen)

Type	Name of the related parties	Rate of the voting rights	Relationship with related parties	Transaction detail	Transaction amount	Item	The balances due to or from the related parties
Subsidiary	HOYA Glass Disk Vietnam LTD.	Indirect ownership of 100.0%	Supplier	Purchase of products (Note 1)	23,666	Accounts payable- trade	1,223
Subsidiary	HOYA Electronics Singapore Pte. Ltd.	Direct ownership of 100.0%	Capital increase subscription	Capital increase subscription (Note 2)	5,400	—	—

Terms and conditions of transactions and the policy for determining them:

(Note) 1. Purchase price is determined by negotiation considering market prices and other factors.

2. HOYA Electronics Singapore increased its capital by redeemable preferred shares underwritten by the Company.

Notes for per share information

(1) Net assets per share	¥428.62
(2) Basic earnings per share	¥78.17

(Note) Figures in the non-consolidated financial statements and notes are rounded off to the nearest unit.