Security Code: 7741
Attached documents for the Notice of the 72nd Ordinary General Meeting of Shareholders

The 72nd Business Report

For the period from April 1, 2009 to March 31, 2010

HOYA CORPORATION

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(Attached documents for the Notice of the 72nd Ordinary General Meeting of Shareholders)

BUSINESS REPORT

For the period from April 1, 2009
to March 31, 2010

I. Matters Relating to the Present State of the HOYA Group:

1. Business Development and Results:

(1) General overview:

As of March 31, 2010, the HOYA Group consisted of the HOYA CORPORATION, 106 consolidated subsidiaries (five subsidiaries in Japan and 101 overseas) and nine affiliates (five affiliates in Japan and four overseas). Of the nine affiliates, three companies (two affiliates in Japan and one overseas) are accounted for by the equity method.

The HOYA Group is operated and managed through global consolidated group management. The Global Headquarters of the HOYA CORPORATION develops management strategies for the HOYA Group, and the independent management teams of business segments, including Information Technology, Eye Care and PENTAX, are responsible for executing these strategies.

Regional headquarters in North America, 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 the Netherlands Branch as its treasury base in Europe.

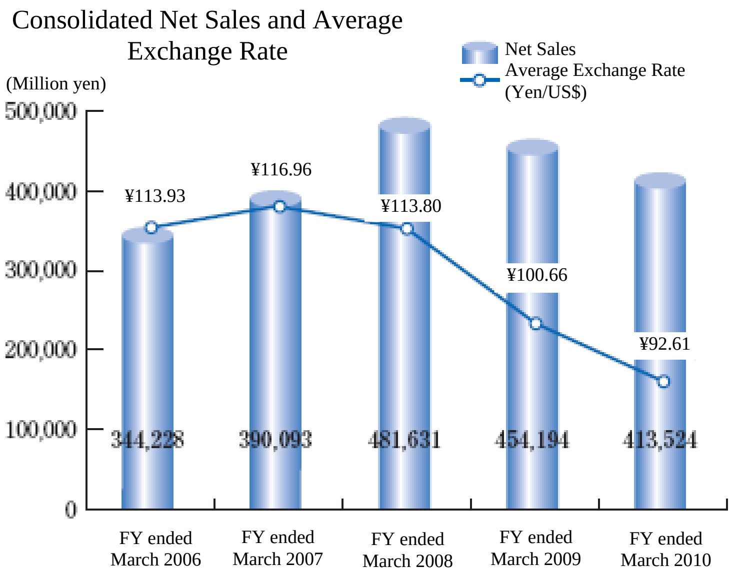
Net Sales:

During the consolidated fiscal year under review, there were indications that the rapid deterioration of Japanese economic conditions that began in the fall of 2008 had already bottomed out, and certain manufacturing and export sectors showed signs of a recovery. Still, a strong sense of overcapacity remains in both manufacturing and employment, and the economic outlook remains uncertain as deflation grows and the yen continues to appreciate.

In the foreign exchange market, on average, the yen appreciated 8.0%, 8.8% and 6.5% against the U.S. dollar, the euro and the Thai baht, respectively, during the consolidated fiscal year under review, compared with the previous term.

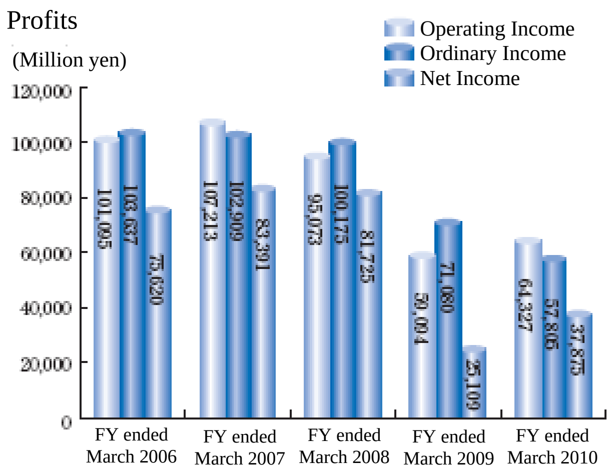
Reflecting these circumstances, orders have continued to recover since April, but revenues of the HOYA Group decreased year on year because of the overall decline in orders and the appreciation of the yen.

As a result, net sales decreased 9.0% year on year, to 413,524 million yen.



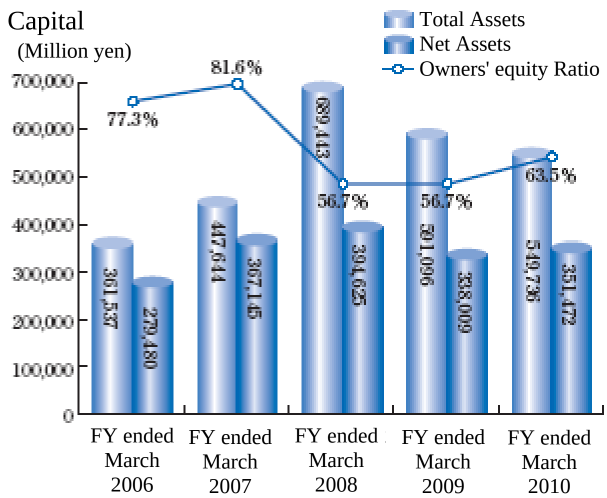
Profits:

During the consolidated fiscal year under review, operating income in the Electro-Optics segment was down compared with the previous consolidated fiscal year, reflecting a decline in revenues. However, operating income increased in the Eye Care segment, and the Pentax segment achieved improved profitability thanks to the effect of structural reforms. As a result, operating income for the consolidated fiscal year under review was 64,327 million yen, up 8.9% from the previous year. Ordinary income decreased 18.7% year on year, to 57,805 million yen, because of foreign exchange losses. In the previous consolidated fiscal year, business divisions in the Pentax segment recorded large extraordinary losses due to asset impairment accounting applied to fixed assets. However, extraordinary losses for the consolidated fiscal year under review were smaller than the previous year. As a result, net income increased significantly year on year, rising 50.8%, to 37,875 million yen. Net income per share was 87.52 yen, up 29.51 yen from the previous consolidated fiscal year.



Capital:

Notes and trade account receivables at the end of the consolidated fiscal year under review increased 10,738 million yen from the end of the previous consolidated fiscal year. However, cash and deposits were down 41,233 million yen and inventories declined by 9,791 million yen. Current assets consequently decreased by 39,218 million yen. Fixed assets declined by 2,141 million yen. Total assets decreased by 41,360 million yen from the end of the previous consolidated fiscal year, to 549,736 million yen. Liabilities were down 54,822 million yen, to 198,264 million yen, mainly because of the decrease of commercial paper of 41,978 million yen and the decline of long-term bank loans payable (including long-term bank loans maturing within a year) by 8,983 million yen. Net assets amounted to 351,472 million yen, mainly because retained earnings increased by 9,619 million yen and foreign currency translation adjustments were up 6,695 million yen from the previous consolidated fiscal year, respectively. Owners' equity, obtained by deducting stock acquisition rights and minority interests from net assets, amounted to 349,052 million yen. The owners' equity ratio was 63.5%. A breakdown of retained earnings can be found in "Consolidated Statements of Changes in Net Assets" on page 22.

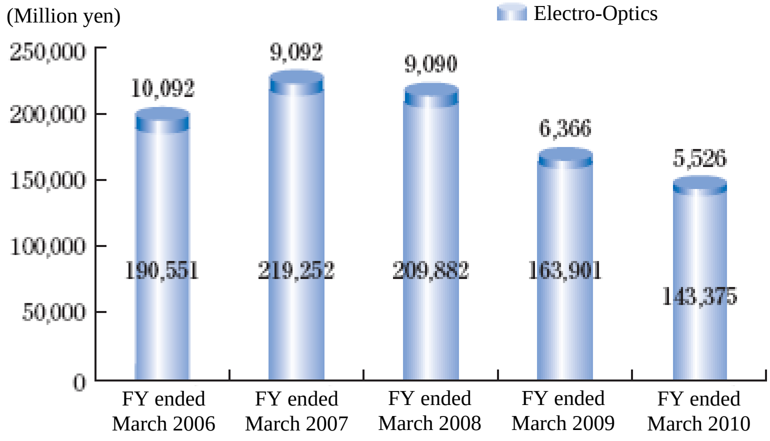


(2) Outline of consolidated results by business segment

Information Technology

Consolidated net sales:148,901 million yen (decreased 12.5% YOY)

Annual Net Sales – Information Technology



Electro-Optics Division

Consolidated net sales: 143,375 million yen (decreased 12.5% YOY)
Consolidated operating income: 28,823million yen (decreased 27.4% YOY)

During the consolidated fiscal year under review, there were indications that the worldwide economic downturn had bottomed out, and the semiconductor industry has generally continued to recover. However, sales of mask blanks and photomasks for the manufacture of semiconductors decreased from the previous consolidated fiscal year, reflecting a change in the product mix caused by the relative delay in orders for products for development and high-precision products, as well as a decline in prices and the impact of the strong yen. Large masks for liquid crystal panel production enjoyed a year-on-year increase in the number of orders, thanks to the growing desire of manufacturers for new development. However, sales of these products decreased from the previous consolidated fiscal year in the face of a sharp and sustained decline in prices.

Sales of glass disks used for hard disk drives (HDD) did better than in the previous consolidated fiscal year despite the strong yen and the decline in unit prices of HDD, thanks to the quick recovery of orders for substrates from the substantial inventory adjustment that took place in the HDD market in the fourth quarter of the previous fiscal year. As for media, there was a decrease in the volume of orders and a decline in unit prices due to the reorganization of the HDD industry. As a result, overall sales of disks decreased slightly from the previous consolidated fiscal year.

As for optical lenses, market volumes of digital camera rose slightly from a year earlier thanks to the rapid recovery in the demand in the second half of the consolidated fiscal year, however, the Company's revenue from optical lenses decreased from the previous consolidated fiscal year. This decline can be attributed to the decrease in revenues from lenses for mobile phones with cameras and to the fall in unit prices in conjunction with market prices, despite an increase in sales of products for digital cameras.

Operating income in this business segment was down from the previous consolidated fiscal year because of the fall in orders, the decline in product prices, a failure to keep pace with the rapid recovery in orders for the manufacture of certain products, and other factors.

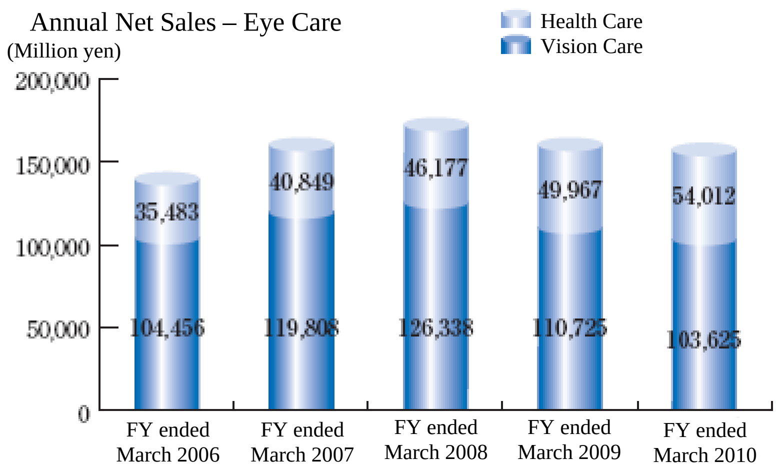
Photonics Division:

Consolidated net sales: 5,526 million yen (decreased 13.2% YOY)
Consolidated operating income: 760 million yen (increased 155.9% YOY)

Although improvements have been observed in some markets, corporate capital spending has been generally weak given the economic slowdown, orders for the Company's products have fallen, and revenue has declined from the previous consolidated fiscal year. However, with structural reforms, reductions in fixed costs have been achieved and operating profits have risen from the previous consolidated fiscal year.

Eye Care:

Consolidated net sales: 157,638 million yen (decreased 1.9% YOY)



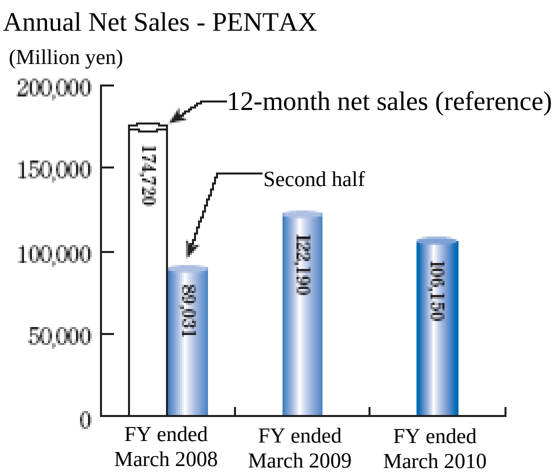
Vision Care Division:
Consolidated net sales: 103,625 million yen (decreased 6.4% YOY)
Consolidated operating income:22,350 million yen (increased 2.5% YOY)

The domestic market for eyeglass lenses remained weak in the face of continued price declines, and in overseas markets, which account for a majority of the total net sales, revenue in this division decreased from the previous consolidated fiscal year because of the significant impact of the yen's appreciation. However, operating income increased from the previous year's result, as profit margins were boosted by efficiency improvements in the production of special order items, etc.

Health Care Division:
Consolidated net sales: 54,012 million yen (increased 8.1% YOY)
Consolidated operating income: 12,336 million yen (increased 6.9% YOY)

Revenues from contact lenses rose from the previous consolidated fiscal year, thanks to an increase in customers attracted to consulting sales in directly managed stores, an increase in sales of high added-value products, and the opening of new stores at the fastest pace ever. Revenues from intraocular lenses (IOL) also increased year-on-year despite the impact of the yen appreciation, because soft IOL performed well. The operating income of both contact lenses and IOL increased accordingly.

PENTAX:
Consolidated net sales: 106,150 million yen (decreased 13.1% YOY)
Consolidated operating income: 2,768 million yen (Operating loss for the previous consolidated fiscal year was 11,571 million yen.)



* The Company acquired a majority of the total number of outstanding PENTAX shares through a tender offer made during the consolidated interim period of the fiscal year ended March 2008. However, statements of income are consolidated from the third quarter of the fiscal year ended March 2008. Consequently, the statements for the fiscal year ended March 2008 include net sales for PENTAX for six months only. In this

section, the reference graph presented above is produced for a year-on-year comparison of annual results and descriptive purposes, by adding results that the PENTAX segment achieved in the second half of the fiscal year ended March 2008 to PENTAX results for the first half of the same year when it was not within the scope of consolidation.

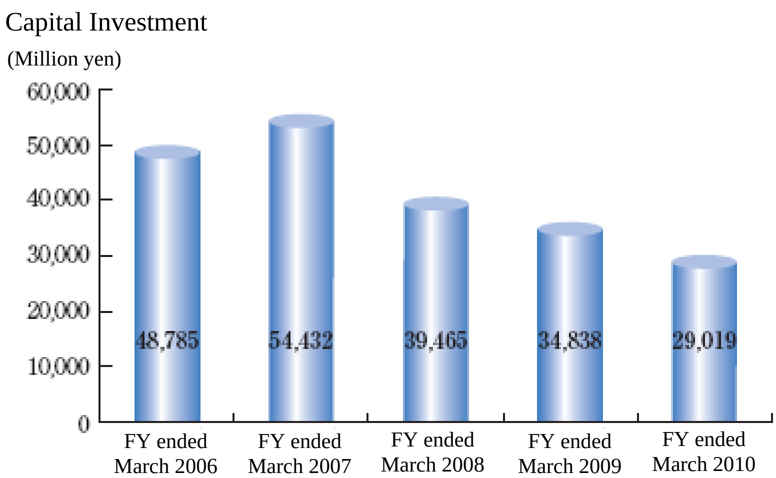
Sales from medical endoscopes were down from the previous consolidated fiscal year due to reduced buying by medical organizations associated with the economic slump that followed in the wake of the financial crisis, and also because of the significant impact of the stronger yen on sales in overseas markets, which account for a majority of the total sales. In the market for digital cameras, the number of digital SLR cameras sold rose sharply from the previous year, spurred on by the introduction of an ambitious new product. However, revenues in the overall area decreased due to fierce price competition with other companies.
As a result, sales for the consolidated fiscal year in this segment stood at 106,150 million yen. As for operating income and loss, the effects of cost cutting achieved via reorganization during the previous consolidated fiscal year allowed a significant improvement in profitability, resulting in an operating profit of 2,768 million yen, compared to a very significant operating loss for the previous year.

Other businesses:
Consolidated net sales: 834 million yen (decreased 20.0% YOY)
Consolidated operating income: 744 million yen (increased 217.9% YOY)

Other businesses refer to service businesses (including development and operation of information systems, outsourced works, and ASP (provision of application software via the internet)).

2. Overview of Capital Investment

The total capital investment of the HOYA Group amounted to 29,019 million yen during the consolidated fiscal year under review, a decrease of 5,819 million yen on a year-on-year basis.
In the consolidated fiscal year under review, investment in the Electro-Optics Division with a view to the next generation - with a particular focus on expanding the facilities for glass disks for HDDs, which are experiencing a sharp expansion in memory capacity - accounted for approximately 60% of the total investment by the Group.
The necessary funding for these investments was covered by internal funds.



3. Financing

Certain funds, including those required for the settlement of accounts, were raised through the issue of commercial paper.

4. Corporate Reorganizations, etc.

(1) Absorption

As of January 1, 2010, Hoya Corporation absorbed Hoya Healthcare Corporation, a wholly owned subsidiary that operated the Eye City chain of contact lens specialty stores. The Company decided to manage the contact lens retailing business internally in an integrated manner, based on the judgment that the absorption will enable a strengthening of the business and accelerate growth through the expeditious distribution of management resources related to the opening of contact lens stores and overseas expansion.

(2) Acquisition of Interest in Other Companies

As of April 17, 2009, Hoya Corporation acquired a 100% stake in Starion Instruments Corporation, a Californian maker of medical instruments, and added it to its consolidated subsidiaries. The acquisition is aimed at responding to the future growth of the minimally invasive surgery market.

5. Management Issues Requiring Actions

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

Management issues at the HOYA Group are as follows:

(1) Flexible Response to Changing Markets and Efficient Implementation of Management Resources

In the manifold business areas of the HOYA Group, we will accurately identify customers' needs in the market and devise strategies in advance 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

We realize that, to secure corporate earnings and maintain our growth, building growth segments that differ from existing segments by developing technologies other companies cannot imitate and creating new businesses is critical, in addition to expanding our existing businesses.

We will devote greater resources to developing technologies that will have global applications 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 medical area

With the aging of society, the reduction of burden and shortening of time for medical treatment are the demands of both physicians and patients during medical treatment, and minimally invasive treatment has spread rapidly. The HOYA Group will position the medical area, where knowledge and experience in optics are applied (products in the current Eye Care area and medical endoscopes of PENTAX will become mainstays), as a strategic growth area, and place priority on investing management resources in it and expanding the business.

(4) Security of stable earnings in Information Technology area

The market matured in the Information Technology area. However, as a business area where stable earnings are expected, we will accelerate technological development, promotion of differentiation of products and new product development by strengthening cooperation with customers. At the same time, we will focus on the shift to foreign countries, integration and abolition of production bases and cost reduction through the innovation of production technologies. We will invest earnings thereby generated in the medical area, which is a future area of growth.

We will thus minimize the range of fluctuation in the earnings of the HOYA Group according to market conditions and financial conditions of customers and build up a business structure that is less likely to be affected by the economy by maintaining a balance between the medical and Information Technology areas.

(5) Improvement of earnings of the digital camera division

The digital camera division of PENTAX is facing fierce competition. However, it will take steps to improve profitability through the shift of production bases overseas, the promotion of business restructuring such as the proper placement of personnel, differentiation of products, the timely introduction of new products into the market, and the strengthening of customer-oriented marketing.

6. Changes in the State of Assets, Profits and Losses:

Overview of Assets, Profits and Losses of the HOYA Group

Classification / Term		69th fiscal year (ended March 31, 2007)	70th fiscal year (ended March 31, 2008)	71st fiscal year (ended March 31, 2009)	72nd fiscal year (consolidated fiscal year under review) (ended March 31, 2010)
Net sales	(million yen)	390,093	481,631	454,194	413,524
Ordinary income	(million yen)	102,909	100,175	71,080	57,805
Net income	(million yen)	83,391	81,725	25,109	37,875
Net income per share	(yen)	193.50	189.01	58.01	87.52
Total assets	(million yen)	447,644	689,443	591,096	549,736
Net assets	(million yen)	367,145	394,625	338,009	351,472
Net assets per share	(yen)	845.98	903.49	774.65	809.12

(Notes)

1. Net income per share is calculated based on the average total number of shares issued during each fiscal year. Net assets per share are calculated based on the total number of shares issued at the end of each fiscal year. Total numbers of issued shares exclude treasury stocks.
2. The overview for the 72nd fiscal year (consolidated fiscal year under review) is as stated in "1. Business Development and Results," as above.
3. The significant decrease in ordinary income and net income in the 71st fiscal year resulted from a substantial rise in extraordinary losses due to the booking of special extra retirement payments accompanying the reorganization of business divisions and the write-down of investment securities as well as asset impairment accounting applied to fixed assets at the business divisions in the PENTAX segment. The decrease is also attributable to the reduction in orders associated with the financial crisis that originated from the United States and took place during the fiscal year.
4. Assets and net sales jumped in the 70th fiscal year, reflecting the inclusion of PENTAX in the scope of consolidation starting in the consolidated interim period of the concerned fiscal year, following the acquisition of a majority of the total number of outstanding PENTAX shares through a tender offer made to PENTAX. However, profits or losses for PENTAX recorded in the statements of income for the 70th consolidated fiscal year are limited to the results for six months, as the consolidation of PENTAX results began in the third quarter of the concerned fiscal year (the three-month period from October 1, 2007 to December 31, 2007).

7. Important Subsidiaries (as of March 31, 2010)

Company name	Capital stock	Voting rights owned by the Company	Main business
HOYA HOLDINGS, INC. (U.S.A.)	5,488 thousand U.S. dollars	100.0%	Regional headquarters in North America
HOYA HOLDINGS N.V. (Netherlands)	9,929 thousand Euros	100.0%	Holding company in Europe, controlling the manufacture and sales of Vision Care products
HOYA HOLDINGS (ASIA) B.V. (Netherlands)	18 thousand Euros	100.0%	Holding company in Asia
HOYA HOLDINGS ASIA PACIFIC PTE LTD. (Singapore)	80,793 thousand Singaporean dollars	100.0% (100.0%)	Regional headquarters in Asia and Oceania

(Note) "Voting rights owned by the Company" (appearing in the table) are those owned indirectly.

8. Major Businesses (as of March 31, 2010)

The businesses of the HOYA Group can be categorized into the Information Technology segment handling IT-related production goods, including semiconductors and liquid crystals, the Eye Care segment handling consumer goods, including eyeglass lenses, contact lenses and intraocular lenses, and the PENTAX segment handling medical equipment such as endoscopes and other products, including digital cameras and lens units. The major products and services handled by each division are shown below.

Business Category	Division	Products and services
Information Technology	Electro-Optics	Photomasks and mask blanks for semiconductors, masks for devices for liquid-crystal displays (LCDs), glass disks for hard disk drives (HDDs), optical lenses, optical glasses, electronic glasses, optical communication related devices, etc.
	Photonics	Laser equipments, light sources for electronics industry, special optical glasses, etc.
Eye Care	Vision Care	Eyeglass lenses, eyeglass frames, etc.
	Health Care	Contact lenses, intraocular lenses, etc.
PENTAX		Endoscopes, medical accessories, bone regenerating agents, filling agents, digital cameras, interchangeable lenses, camera accessories, digital camera modules, micro lenses, CCTV lenses, etc.
Others		Development and operation of information systems, outsourced works, and ASP (provision of application software via the internet)

(Note) Business concerning crystal glass products that were included in "Others" segment till the previous consolidated fiscal year has been discontinued as of end of March 2009, as a part of our business restructuring.

9. Head Office, Principal Places of Business, and Plants (as of March 31, 2010)

(1)HOYA CORPORATION

Division	Name	Location
Headquarters	Global Headquarters	Shinjuku-ku, Tokyo
	Netherlands Branch	The Netherlands
Electro-Optics	Blanks Division and other Sales Departments Yokohama Marketing Center Kansai Marketing Center Nagasaka Office Hachioji Factory Kumamoto Factory Akishima Factory	Shinjuku-ku, Tokyo, etc. Yokohama-shi, Kanagawa Kyoto-shi, Kyoto Hokuto-shi, Yamanashi Hachioji-shi, Tokyo Ozu-machi, Kumamoto Akishima-shi, Tokyo
Vision Care	Vision Care Company, Japan HQ	Shinjuku-ku, Tokyo
Health Care	Eye Care Division Medical Division	Shinjuku-ku, Tokyo Shinjuku-ku, Tokyo
PENTAX	PENTAX Itabashi Office PENTAX Showa-no-mori Office	Itabashi-ku, Tokyo Akishima-shi, Tochigi

(2) Subsidiaries

Division	Name	Location
Electro-Optics	HOYA CORPORATION USA HOYA MAGNETICS SINGAPORE PTE LTD. HOYA GLASS DISK THAILAND LTD. HOYA OPTICAL TECHNOLOGY (SUZHOU) LTD.	USA Singapore Thailand China
Photonics	HOYA PHOTONICS, INC. HOYA CANDEO OPTRONICS CORPORATION	USA Toda-shi, Saitama
Vision Care	HOYA CORPORATION VISION CARE COMPANY Global Headquarters HOYA LENS DEUTSCHLAND GMBH HOYA LENS U.K.LTD. HOYA LENS OF AMERICA, INC. HOYA LENS THAILAND LTD.	Thailand Germany UK USA Thailand
Health Care	HOYA SURGICAL OPTICS, INC. HOYA MEDICAL SINGAPORE PTE, LTD.	USA Singapore
PENTAX	PENTAX OF AMERICA, INC. PENTAX EUROPE GMBH PENTAX CEBU PHILIPPINES CORPORATION PENTAX VN CO., LTD.	USA Germany The Philippines Vietnam
Others	HOYA SERVICE CORPORATION	Shinjuku-ku, Tokyo
Corporate	HOYA HOLDINGS, INC. HOYA HOLDINGS N.V. HOYA HOLDINGS (ASIA) B.V. HOYA HOLDINGS ASIA PACIFIC PTE LTD.	USA The Netherlands The Netherlands Singapore

10. Employees (as of March 31, 2010)

(1) By Division

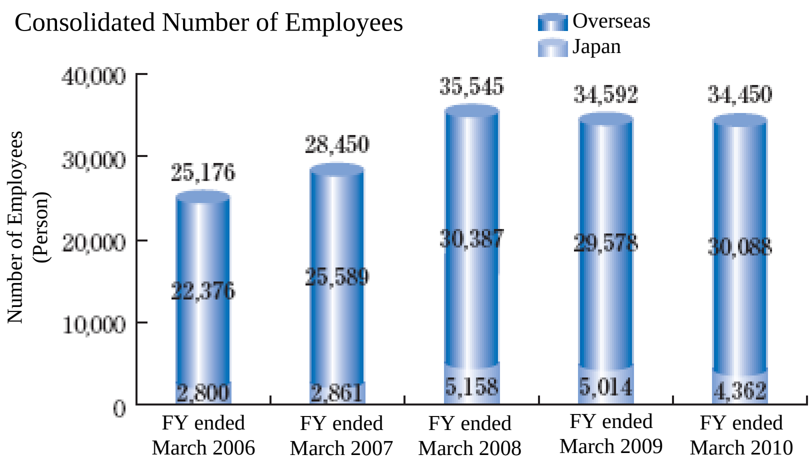
Division	Number of employees	Year-on-year comparison
Electro-Optics	20,782	Up 907
Photonics	134	Down 39
Vision Care	8,240	Up 58
Health Care	1,079	Up 56
PENTAX	3,892	Down 1,111
Others	248	Down 13
Corporate	75	Unchanged
Total	34,450	Down 142

(Notes)
1. The numbers of employees shown above refers to the number of working personnel. These numbers include official employees only. Part-time employees and employees on short-term contracts are not included.
2. Corporate refers to the number of employees in the Global Headquarters and regional headquarters overseas.
3. Employees at HOYA CORPORATION numbered 4,911 (Up 90 year-on-year). Their ages and service periods averaged 41.6 and 14.9, respectively.

(2) By Region

Region	Number of employees	Year-on-year comparison
Japan	4,362	Down 652
America	1,884	Up 87
Europe	2,471	Down 189
Asia	25,733	Up 612
Total	34,450	Down 142

(3) Changes in the number of employees



11. Major Lenders (as of March 31, 2010)

Lenders	Loans payable
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	812 million yen
The Chuo Mitsui Trust and Banking Co., Ltd.	700 million yen

12. Other Important Matters concerning the HOYA Group

Transfer of the hard disk glass media manufacturing operation and related assets

HOYA CORPORATION has agreed to transfer the hard disk glass media manufacturing operation undertaken by the Company and HOYA MAGNETICS SINGAPORE, PTE. LTD., a wholly owned subsidiary of the Company, and related assets to WESTERN DIGITAL CORPORATION, a hard disk drive manufacturer. The Company concluded the agreement on April 28, 2010. HOYA CORPORATION will thereafter concentrate its management resources on the manufacture of glass substrates for hard disks, an area in which the Company holds the world's largest market share.

II. Current State of the Company

1. State of Shares (as of March 31, 2010):

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

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

(3) Number of shareholders: 80,833persons (Down 2,937 year-on-year)

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

(5) Principal shareholders: (Top 10 shareholders)

Rank	Name	Number of shares	The percentage of investment
		(Hundred shares)	%
1	JPMorgan Chase Bank 380055	343,885	7.97
2	Japan Trustee Services Bank, Limited (Trust Account)	291,914	6.77
3	The Master Trust Bank of Japan, Limited (Trust Account)	178,879	4.15
4	The Chase Manhattan Bank N.A., London S.L. Omnibus Account	107,705	2.50
5	State Street Bank and Trust Company 505225	98,647	2.29
6	State Street Bank and Trust Company	97,737	2.27
7	Mamoru Yamanaka	90,197	2.09
8	Deutsche Bank Trust Company Americas	77,090	1.79
9	The Dai-ichi Life Insurance Company, Limited	69,186	1.60
10	State Street Bank and Trust Company 505223	68,933	1.60

(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 deducting treasury stocks (3,617,264 stocks)

2. 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, 2010)

Name (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)
Number of stock acquisition rights:		185 rights	192 rights	184 rights	460 rights	479 rights
Type and number of shares to be issued on exercise of stock acquisition rights		74,000 shares of common stock	76,800 shares of common stock	73,600 shares of common stock	184,000 shares of common stock	191,600 shares of common stock
Exercise price per share		4,150 yen	4,750 yen	4,230 yen	1,556 yen	2,215 yen
Period during which stock acquisition rights can be exercised:		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
Terms and conditions for the exercise of stock acquisition rights (Outline)		・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.	・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.	・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.	・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.	・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: 3 persons Number of stock acquisition rights: 105 rights	Number of owners: 3 persons Number of stock acquisition rights: 152 rights	Number of owners: 3 persons Number of stock acquisition rights: 144 rights	Number of owners: 4 persons Number of stock acquisition rights: 420 rights	Number of owners: 5 persons Number of stock acquisition rights: 389 rights
	Outside Directors	Number of owners: 4 persons Number of stock acquisition rights: 80 rights	Number of owners: 4 persons Number of stock acquisition rights: 40 rights	Number of owners: 4 persons Number of stock acquisition rights: 40 rights	Number of owners: 4 persons Number of stock acquisition rights: 40 rights	Number of owners: 5 persons Number of stock acquisition rights: 90 rights

(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.
3. All stock acquisition rights were issued free of charge for the purpose of granting stock options.

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

Name (Date of resolution)		Tenth issue of stock acquisition rights (November 19, 2009)
Number of stock acquisition rights:		2,640 rights
Type and number of shares to be issued on exercise of stock acquisition rights		1,056,000 shares of common stock
Exercise price per share		2,215 yen
Period during which stock acquisition rights can be exercised:		October 1, 2010 - September 30, 2019
Terms and conditions for the exercise of stock acquisition rights (Outline)		・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	Employees of the Company	Number of owners: 115 persons Number of stock acquisition rights: 1,170 rights
	Officers and employees of subsidiaries	Number of owners: 121 persons Number of stock acquisition rights: 1,470 rights

(Note) All stock acquisition rights were issued free of charge for the purpose of granting stock options.

3. Directors of the Company

(1) Directors and Executive Officers (as of March 31, 2010)

Name	Position and role at the Company	Important roles and positions at other companies
Takeo Shiina	Director Chairman, Nomination Committee Audit Committee member Compensation Committee member	Advisor of IBM Japan, Ltd.
Yuzaburo Mogi	Director Chairman, Compensation Committee Nomination Committee member Audit Committee member	Representative Director, Chairman and CEO of Kikkoman Corporation Outside Director of Meiji Yasuda Life Insurance Company Outside Director of Calbee Foods Co., Ltd. Outside Auditor of Tobu Railway, Co., Ltd. Outside Auditor of Fuji Media Holdings, Inc. Outside Auditor of Fuji Television Network, Inc.
Eiko Kono	Director Nomination Committee member Audit Committee member Compensation Committee member	Outside Director of Mitsui Sumitomo Insurance Co., Ltd. Outside Director of DIC Corporation Outside Director of Tokyo Stock Exchange Group, Inc. Outside Director of Tokyo Stock Exchange, Inc.
Yukiharu Kodama	Director Chairman, Audit Committee Nomination Committee member Compensation Committee member	Chairman of the Mechanical Social Systems Foundation Outside Director of Asahi Kasei Corporation Outside Auditor of Tokyo Dome Corporation Outside Auditor of Yomiuri Land Co., Ltd.
Itaru Koeda	Director Nomination Committee member Audit Committee member Compensation Committee member	Executive Advisor and Honorary Chairman of Nissan Motor Co., Ltd. Board Member (Chairman) of Calsonic Kansei Corporation Chairman of Nissan Shatai Co., Ltd.
Hiroshi Suzuki	Director President & CEO	
Hiroshi Hamada	Director Executive Officer Chief Operating Officer	
Kenji Ema	Director Executive Officer Chief Financial Officer	
Hiroaki Tanji	Executive Officer in charge of planning	
Taro Hagiwara	Executive Officer in charge of technology	

(Notes) 1. Five directors, namely, Mr. Takeo Shiina, Mr. Yuzaburo Mogi, Ms. Eiko Kono, Mr. Yukiharu Kodama, and Mr. Itaru Koeda are outside directors as indicated in item (xv), Article 2 of the Companies Act.

2. Each member of the Audit Committee of the Company has engaged in corporate management or has monitored the business community at government offices for many years. At the same time, they have served in financial institutions as Outside Directors or advisors. They have considerable levels of knowledge concerning finance and accounting.
Mr. Yuzaburo Mogi, in particular, has direct on-site finance and accounting experience as an accounting section member and as a director and chief controller.

3. Based on the decision of the Nomination Committee, the Company appointed Mr. Taro Hagiwara as its Executive Officer in charge of technology at the Board of Directors meeting held on April 30, 2009. Mr. Hagiwara assumed the position on the same day. The duty assigned to Mr. Hiroaki Tanji was changed from CTO to Executive Officer in charge of planning at the meeting of the Board of Directors held the same day.

4. Director Takeo Shiina was an outside director of Mercian Corporation but resigned from that position as of March 24, 2010. Mr. Shiima was appointed as an Honorary Advisor of IBM Japan, Ltd. as of April 1, 2010.

5. Director Eiko Kono was an outside director of Mitsui Sumitomo Insurance Group Holdings, Inc. but resigned from that position as of March 31, 2010.

6. Director Itaru Koeda was a director of Renault S.A. but resigned from that position as of May 6, 2009.

7. The Company has no important business relationship with any other companies at which its Outside Directors hold important positions.

(2) Independent directors

The Company has provided notice on Mr. Takeo Shiina, Mr. Yuzaburo Mogi, Ms. Eiko Kono, Mr. Yukiharu Kodama and Mr. Itaru Koeda to the Tokyo Stock Exchange as being independent directors appointed by the Company, in accordance with the Tokyo Stock Exchange's rules and regulations.

(3) 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 a 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 5 Outside Directors who are not Executive Officers of the Company.

(ii) Policy concerning remuneration for Directors

The remuneration consists of a fixed salary as a Director and remuneration as a member or as a chairman of a committee, and is determined at an appropriate level in consideration of factors such as the management environment of the Company and the level of such remuneration among other companies.

(iii) Policy concerning remuneration for Executive Officers

The remuneration is composed of a fixed salary as an Executive Officer and performance-based remuneration.

The fixed salary is set at an appropriate level according to the office and responsibility of each Executive Officer in consideration of the management environment and the results of the Company as well as the level of such remuneration at other companies, etc.

Performance-based remuneration is determined by performance (evaluated using such indices as net income) and achievement of the management measures set at the beginning of the fiscal year, and is set at an appropriate level in consideration of factors such as the management environment of the Company and the level of such remuneration among other companies.

Benefits for Executive Officers stationed overseas (such as housing and company-owned cars) are set at an appropriate level in consideration of such factors as the management environment of the Company and the level of such benefits among other companies.

(iv) Stock options

Deliberations on the granting of stock options to Directors and Executive Officers are held by the Compensation Committee considering performance and individual evaluations, and decisions are made by the Board of Directors.

(4) 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 each type of remuneration		
				Fixed salary	Performance-based remuneration	Stock options
Directors	Outside	6 persons	64 million yen	50 million yen	—	13 million yen
	Internal	4 persons	26 million yen	26 million yen	—	—
	Total	10 persons	90 million yen	76 million yen	—	13 million yen
Executive Officers		5 persons	443 million yen	182 million yen	200 million yen	61 million yen
Total		11 persons	533 million yen	258 million yen	200 million yen	74 million yen

(Notes) 1. The total amount of remuneration, etc. includes the amount of remuneration paid to two Directors who resigned as of the conclusion of the 71st Ordinary General Meeting of Shareholders.

2. At the end of the fiscal year under review, there were eight Directors and five Executive Officers. Three of the five Executive Officers served concurrently as Directors.

3. 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.

(5) Outside Directors

(i) See "(1) Directors and Executive Officers" of "3. Directors of the Company" above for important positions and roles held by the Company's Outside Directors at other companies and their relationship with HOYA CORPORATION.

(ii) Major Activities during the Fiscal Year under Review

Name	Major Activities
Takeo Shiina	Mr. Shiina attended nine of the ten meetings of the Board of Directors, nine of the ten meetings of the Audit Committee, seven of the eight meetings of the Compensation Committee, and four of the five meetings of Nomination Committee held during the fiscal year under review, and made useful contributions to the discussion of items on the agenda, based on his substantial management experience and expertise. Mr. Shiina, as an Outside Director, made remarks from a fair and impartial position as the occasion required, and fulfilled his role in terms of management supervision. As for specific services, Mr. Shiina led discussion toward Committee decisions on agenda items including the selection of candidates for Director posts and the appointment of candidates for Executive Officers as Chairman of the Nomination Committee.
Yuzaburo Mogi	Mr. Mogi attended all meetings of the Board of Directors, nine of the ten meetings of the Audit Committee, and all meetings of the Compensation Committee and Nomination Committee held during the fiscal year under review, and made useful contributions to the discussion of items on the agenda, based on his substantial management experience and expertise. Mr. Mogi, as an Outside Director, made remarks from a fair and impartial position as the occasion required, and fulfilled his role in terms of management supervision. As for specific services, as the Chairman of the Compensation Committee, Mr. Mogi led the discussion of agenda items toward Committee decisions, for conducting fair and adequate performance evaluations and constructing a remuneration system that gives greater incentives to Directors and Executive Officers.
Eiko Kono	Ms. Kono attended nine of the ten meetings of the Board of Directors, nine of the ten meetings of the Audit Committee, and all meetings of the Compensation Committee and Nomination Committee held during the fiscal year under review, and made useful contributions to the discussion of items on the agenda, based on her substantial management experience and expertise. Ms. Kono, as an Outside Director, made remarks from a fair and impartial position as the occasion required, and fulfilled her role in terms of management supervision.
Yukiharu Kodama	Mr. Kodama attended all meetings of the Board of Directors, Audit Committee, Compensation Committee, and Nomination Committee held during the fiscal year under review, and 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. Mr. Kodama, as an Outside Director, made remarks from a fair and impartial position as the occasion required, and fulfilled his role in terms of management supervision. As for specific services, as the Chairman of the Audit Committee, Mr. Kodama led discussion toward Committee decisions of agenda items including verification of financial statements, monitoring of internal control systems, and auditing of operations and assets.
Itaru Koeda	Mr. Koeda attended all meetings of the Board of Directors, Audit Committee, Compensation Committee, and Nomination Committee held during the fiscal year under review, and made useful contributions to the discussion of items on the agenda, based on his substantial management experience and expertise. Mr. Koeda, as an Outside Director, made remarks from a fair and impartial position as the occasion required, and fulfilled his role in term of management supervision.

(Note) Mr. Itaru Koeda was appointed as a Director at the 71st Ordinary General Meeting of Shareholders held on June 16th, 2009. Therefore, the number of meetings of the Board of Directors and the Committees held after his appointment differs from that for the other Outside Directors. Specifically, eight meetings of the Board of Directors, eight meetings of the Audit Committee, six meetings of the Compensation Committee, and three meetings of Nomination Committee were held after Mr. Koeda was appointed as an Outside Director.

(iii) 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 paragraph (1), Article 423 of the Companies Act to the higher of a prefixed amount exceeding 10 million yen or the amount prescribed by the Act.

4. Accounting Auditors

(1) Name: Deloitte Touche Tohmatsu LLC

(2) Amount of remuneration, etc.

classification	Amount of payment
Amount of remuneration, etc. paid to accounting auditors regarding the fiscal year under review	216 million yen
Aggregate amount of monetary and other asset gains the Company and its subsidiaries owe to accounting auditors	285 million yen

(Notes) 1. The audit agreement between the Company and its accounting auditors makes no clear distinction between the amount of audit fees based on the Companies Act and the audit remuneration, etc. based on the Financial Instruments and Exchange Act. For this reason, the total amount of remuneration, etc. for the accounting auditors is stated as the amount of remuneration, etc. for the fiscal year under review.
2. Deloitte Touche Tohmatsu provides an audit service to the Company’s major subsidiaries overseas.

(3) Policy on dismissal of accounting auditors or decision against reappointment
When a condition that corresponds to any of the reasons for dismissal prescribed in the items of paragraph (1), Article 340 of the Companies Act exists, and dismissal is deemed to be reasonable, the Audit Committee shall dismiss the accounting 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 accounting 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 accounting auditors, the status of prior audit execution, the presence or absence of any serious reason that causes accounting auditors to lose credibility, and other circumstances, and, when reappointment is not considered reasonable, shall place “no reappointment of accounting auditors” on the agenda for discussion at the General Meeting of Shareholders based on the regulations of the Audit Committee.

III. 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 item (i), paragraph (1), 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

- As the Board of Directors Regulations were amended to require reporting of all important matters at meetings of the Board of Directors, with Outside Directors comprising the majority of Board members, reports to the Board of Directors began to cover all important matters. For this reason, no provision is adopted for matters that should be reported to the Audit Committee.

(iv) Other systems for ensuring 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 decided or approved by the Audit Committee, and shall report to the Audit Committee as the occasion demands.
- Each internal organ shall immediately report information it stores and 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 has not adopted a policy on this matter. The Company's basic view regarding this point 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. No concrete threat regarding acquisition has emerged so far. 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 HOYA CORPORATION endeavors to enhance its corporate value to meet shareholders' expectations through the promotion of Group management by focusing on business development from a global standpoint.

With respect to the distribution of retained earnings, the Company will examine both the results for the fiscal year under review and medium- to long-term fund requirements and make decisions giving consideration to the balance of returns to the shareholder, the welfare of employees and the buildup of internal reserves for future growth of the Company.

The Company will appropriate internal reserves on a preferential basis for investment in markets to establish the brand, particularly for consumables, centering on those in the medical area. In addition, the Company plans to invest in timely mergers and acquisitions for future business development by aggressively pursuing possibilities, in addition to funding research and development, to improve its competitiveness. The Company will also continue capital investment to secure proper production capacity and develop next-generation technologies and new products to generate stable earnings in the future.

As described above, the Company achieved a year-on-year increase in income for the fiscal year under review. However, the Company is still achieving a recovery and the macroeconomic environment remains severe. Taking this into consideration, the Company set the year-end dividend for the consolidated fiscal year under review at 35 yen per share, to respond to the support of shareholders and achieve a balance with internal reserves in preparation for future growth. Coupled with the interim dividend of 30 yen per share already paid, the annual dividend will be 65 yen per share.

[Notes]

1. Stated amounts and numbers of shares are shown after discarding figures less than the indicated unit. Ratios, etc. are shown after rounding-up fractions less than the indicated digit.
2. Net sales and other amounts do not include consumption tax or local consumption tax.

Consolidated Balance Sheets

(As of March 31, 2010)

(Million yen)

Item	Amount	Item	Amount
(Assets)		**(Liabilities)**	
Current assets	**345,247**	**Current liabilities**	**83,989**
Cash and deposits	173,307	Notes and accounts payable – trad	33,128
Notes and accounts receivable – trade	93,612	Short-term debt	334
Merchandise and finished goods	26,590	Long-term loans scheduled for repayment within one year	3,277
Work in process	8,804	Accrued expenses	16,151
Raw materials and supplies	26,070	Accrued income taxes	4,469
Deferred tax assets	5,973	Accrued bonus to employees	4,717
Other current assets	12,713	Accrued warranty cost	879
Allowance for doubtful receivables	△1,825	Other current liabilities	21,031
Fixed assets	**204,489**		
Tangible fixed assets	**119,189**	**Long-term liabilities**	**114,274**
Buildings and structures	36,957	Corporate bonds	99,978
Machinery and vehicles	38,715	Long-term loans payable	1,829
Tools, equipment and fixtures	15,793	Allowance for retirement benefits for employees	8,244
Land	15,817	Reserve for special repairs	917
Construction in progress	11,905	Other long-term liabilities	3,304
Intangible fixed assets	**24,569**	**Total liabilities**	**198,264**
		(Net assets)	
Investments and other asse	**60,730**	**Shareholders' equity**	**388,879**
Investment securities	11,054	Common stock	6,264
Deferred tax assets	32,656	Capital surplus	15,898
Other assets	17,523	Retained earnings	377,727
Allowance for doubtful receivables	△ 504	Treasury stock – at cost	△11,010
		Valuation and translation adjustments	**△ 39,827**
		Net unrealized gain (loss) on other marketable securities	147
		Foreign currency translation adjustments	△ 39,974
		Stock acquisition rights	**1,231**
		Minority interests	**1,188**
		Total net assets	**351,472**
Total assets	**549,736**	**Total liabilities and net assets**	**549,736**

Consolidated Statements of Income

(From April 1, 2009 to March 31, 2010)

(Million yen)

Item	Amount	
Net sales		**413,524**
Cost of sales		**233,075**
Gross profit		**180,449**
Selling, general and administrative expenses		**116,121**
Operating income		**64,327**
Non-operating income		
Interest income	831	
Equity in earnings of associated companies	255	
Others	4,560	**5,647**
Non-operating expenses		
Interest expense	2,205	
Loss on foreign exchange	6,488	
Depreciation and amortization	417	
Foreign withholding tax	1,489	
Others	1,568	**12,169**
Ordinary income		**57,805**
Extraordinary income		
Reversal of allowance for doubtful receivables	10	
Refund of allowance for special repairs	30	
Commissions received for previous years	1,013	
Gain on sale of property, plant and equipment	287	
Others	182	**1,523**
Extraordinary losses		
Loss on sales of property, plants and equipment	658	
Loss on disposal of fixed assets	1,012	
Write-down of investment securities	586	
Impairment loss	833	
Additional retirement benefits paid to employees	1,932	
Expenses for improvements on environment	1,882	
Loss regarding Antimonopoly Act	1,446	
Others	1,215	**9,568**
Income before income taxes and minority interests		**49,761**
Income taxes - Current	7,127	
Income taxes - Deferred	4,461	11,589
Minority interests in net income		**296**
Net income		**37,875**

Consolidated Statements of Changes in Net Assets
(From April 1, 2009 to March 31, 2010)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock – at cost	Total shareholders' equity
Balance as of March, 31, 2009	6,264	15,898	368,108	△ 7,984	382,286
Changes during the consolidated current fiscal year under review					
Dividends from retained earnings			△ 28,135		△ 28,135
Net income			37,875		37,875
Acquisition of treasury stocks				△ 3,275	△ 3,275
Disposition of treasury stocks			△ 121	249	128
Changes (net amounts) in items other than shareholders' equity during the current consolidated fiscal year under review					
Total changes during the current consolidated fiscal year under review	–	–	9,618	△ 3,025	6,593
Balance as of March 31, 2010	6,264	15,898	377,727	△ 11,010	388,879

	Valuation and translation adjustments			Stock acquisition rights	Minority interests	Total net assets
	Net unrealized gain (loss) on other marketable securities	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance as of March, 31, 2009	△ 304	△ 46,669	△ 46,973	938	1,758	338,009
Changes during the consolidated current fiscal year under review						
Dividends from retained earnings						△ 28,135
Net income						37,875
Acquisition of treasury stocks						△ 3,275
Disposition of treasury stocks						128
Changes (net amounts) in items other than shareholders' equity during the current consolidated fiscal year under review	451	6,694	7,146	292	△ 569	6,869
Total changes during the current consolidated fiscal year under review	451	6,694	7,146	292	△ 569	13,462
Balance as of March 31, 2010	147	△ 39,974	△ 39,827	1,231	1,188	351,472

Consolidated Statement of Cash Flows
From April 1, 2009 to March 31, 2010 Million yen

I. Net Cash Provided by Operating Activities

1.	Income before income taxes and minority interests	49,761
2.	Depreciation and amortization	34,503
3.	Impairment loss	833
4.	Provision for or reversal of accrued allowances for doubtful receivables ("△" indicates reversal)	△ 889
5.	Provision for or reversal of accrued bonuses to employees ("△" indicates reversal)	△ 49
6.	Provision for or reversal of allowance for special repairs ("△" indicates reversal)	△ 81
7.	Provision for or reversal of reserve for retirement benefits ("△" indicates reversal)	△ 282
8.	Interest and dividend income	△ 885
9.	Interest expense	2,205
10.	Foreign exchange loss or gain ("△" indicates gain)	6,975
11.	Equity in earnings or losses of affiliates ("△" indicates earnings)	△ 255
12.	Gain or loss on sales of fixed assets ("△" indicates gain)	370
13.	Loss on disposal of fixed assets	1,012
14.	Gain or loss on evaluation of investment securities ("△" indicates gain)	586
15.	Special additional retirement benefits paid to employees	1,932
16.	Other	△ 57
17.	Increase or decrease in notes and accounts receivable ("△" indicates increase)	△ 10,829
18.	Increase or decrease in inventories ("△" indicates increase)	9,990
19.	Increase or decrease in other current assets ("△" indicates increase)	△ 1,743
20.	Increase or decrease in notes and accounts payable ("△" indicates decrease)	3,499
21.	Increase or decrease in consumption tax, etc. payable ("△" indicates decrease)	651
22.	Increase or decrease in other current liabilities ("△" indicates decrease)	3,747
	Sub total	100,996
23.	Interest and dividend - received	900
24.	Interest - paid	△ 2,037
25.	Special additional retirement benefits paid to employees – paid	△ 6,799
26.	Income taxes - paid	△ 10,726
27.	Refund of income taxes	1,648
	Net cash provided by operating activities	83,981

II. Net Cash Used in Investing Activities

1.	Payments for time deposits	△ 3,156
2.	Proceeds from refund of time deposits	4,652
3.	Payments for purchases of property, plants and equipment	△ 26,650
4.	Proceeds from sales of property, plants and equipment	2,049
5.	Proceeds from sales of investment securities	42
6.	Payments for acquisition of subsidiary's stocks for consolidation	△ 3,422
7.	Payments on merger to minority shareholders	△ 84
8.	Other payments	△ 14,892
9.	Other proceeds	739
	Net cash used in investing activities	△ 40,723

III. Net Cash Provided by or Used in Financing Activities

1.	Net increase or decrease in short-term bank loans ("△" indicates decrease)	△ 1,810
2.	Net increase or decrease in commercial paper ("△" indicates decrease)	△ 41,978
3.	Proceeds from long-term bank loans	225
4.	Repayment of long-term debt	△ 9,144
5.	Proceeds from exercise of stock options	110
6.	Proceeds from sales of treasury stock	0
7.	Purchase of treasury stock	△ 3,275
8.	Dividends paid	△ 28,236
9.	Dividends paid for minority shareholders	△ 158
10.	Purchase of treasury stock of subsidiaries in consolidation	△ 709
	Net cash provided by (used in) financing activities	△ 84,976

IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,728
V. Net Increase or Decrease in Cash and Cash Equivalents ("△" indicates decrease)	△ 39,989
VI. Cash and Cash Equivalents, Beginning of the Period	207,928
VII. Cash and Cash Equivalents, End of Period	167,938

(Note) Cash flow figures bearing – denote outflows of cash and cash equivalents.

Notes to Consolidated Financial Statements

Basic Important Matters for the Preparation of Consolidated Financial Statements

1. Scope of Consolidation

   Number of consolidated subsidiaries: 106

   Major consolidated subsidiaries: HOYA HOLDINGS, INC., PENTAX OF AMERICA, INC.
   HOYA HOLDINGS N.V., HOYA HOLDINGS (ASIA) B.V.
   PENTAX EUROPE GMBH
   HOYA HOLDINGS ASIA PACIFIC PTE LTD.
   HOYA SERVICE CORPORATION

   During the consolidated fiscal year under review, there was an addition of eight consolidated subsidiaries, one through acquisition and seven through new establishment, etc., while one consolidated subsidiary was merged with the parent company and three were liquidated. Consequently, the number of consolidated subsidiaries increased by four during the fiscal year.

2. Application of the equity method

   (1) Non-consolidated subsidiaries and affiliates accounted for by the equity method
   Number of Affiliates subject to application of the equity method: 3 companies
   Name of major affiliates: AvanStrate Inc.,
   During the consolidated fiscal year under review, the number of affiliates subject to application of the equity method was reduced by one due to sales.

   (2) Non-consolidated subsidiaries and affiliates not accounted for by the equity method
   Major affiliate: Two Coins Co., Ltd.
   The company not accounted for by the equity method is a small company and has been excluded from application of the equity method because both the gain/loss in equity method and retained earnings have little impact on the consolidated financial statements.

3. Fiscal years of consolidated subsidiaries

   The fiscal years of the 12 consolidated subsidiaries located in the People's Republic of China, one consolidated subsidiary located in the United States and one consolidated subsidiary located in the Republic of the Philippines end on December 31.
   All 106 consolidated subsidiaries report quarterly results. Financial documents based on the results current as of the end of the consolidated fiscal year (March 31) are used for the abovementioned consolidated subsidiaries when preparing the consolidated financial documents.

4. Significant Accounting Policies

   (1) Standards and methods for evaluation of marketable securities
   Other marketable securities
   Those quoted on exchanges:
   The market value method based on the market price, etc. at the end of the consolidated fiscal year
   (All valuation gains and losses are processed through the method of direct entry in capital, and sale cost is calculated based on the moving average method)
   Those not quoted on exchanges:
   Cost determined by the moving-average method.

   (2) Standards and methods for evaluation of derivatives
   Market value method

   (3) Standards and methods for evaluation of inventories
   Inventories are recorded at cost chiefly using the weighted average costing method. (The amounts shown on the balance sheet are based on the method to reduce book value due to a decline in profitability.)

   (4) Methods of depreciation of fixed assets
   Tangible fixed assets (excluding leased assets):
   The Company and its consolidated subsidiaries based in Japan adopt the straight-line method for buildings (excluding building annexes) that have been acquired on April 1, 1998 and thereafter, and the declining-balance method for other tangible fixed assets. Some consolidated subsidiaries adopt the straight-line method. The useful life of buildings is 10 to 50 years and that of machinery and equipment is 3 to 12 years.
   Intangible fixed assets (excluding leased assets):
   The straight-line method is applied. The period of depreciation is 8 years for patent rights, 10 years for technological assets and 5 years for software (period of possible use within the Company).
   Leased assets:
   With respect to leased assets for finance lease transactions based on which the right of ownership is not transferred, the period of lease is used as useful life, and the straight-line method is applied assuming that the remaining value is zero.
   With respect to finance lease transactions based on which the right of ownership is not transferred, accounting treatment similar to the method for ordinary lease transactions continues to be applied if the start date of the lease transaction is on or before March 31, 2008.

(5) Methods of providing important allowances

(i) Allowance for doubtful receivables:
To prepare against credit losses, an allowance for doubtful receivables is provided. For ordinary credits, an allowance is provided based on the historical loss ratios. For credits threatened with bankruptcy and for credits to borrowers under bankruptcy and reorganization, etc., allowance is provided based on an evaluation of the financial position of the borrowers.

(ii) Accrued bonus:
To prepare for bonus payments to employees, an accrued bonus is provided in accordance with the estimated amounts payable.

(iii) Allowance for product warranties, etc.: To prepare for after-sales service expenses for sold products that are anticipated to arise within their warranty periods, an allowance is provided on the basis of results for past fiscal years and forecasts for future warranty expenses. Some of the overseas subsidiaries primarily record estimates based on their net sales and the like.

(iv) Allowance for retirement benefits:
To prepare for the payment of retirement benefits to employees, allowances for retirement benefits were recorded for parts of business divisions and overseas consolidated subsidiaries based on the estimated amount of retirement benefit liability and pension assets as of the end of the consolidated fiscal year under review.
With respect to past service liabilities, an amount proportionally distributed using the straight-line method based on fixed years (10 years) within the average remaining employment period of employees at the point of their accrual is accounted for.
With regard to actuarial differences, an amount proportionally distributed in the straight-line method based on fixed years (10 years) within the average remaining employment period of employees at the point of their accrual in each consolidated fiscal year is accounted for, starting in the following consolidated fiscal year.

(v) Reserve for periodic repairs:
To prepare for expenses for large-scale repairs to continuous smelters after a fixed period of time, an amount estimated based on the expenses of the previous large-scale repairs is provided.

(6) Standards for the conversion of significant foreign-denominated assets and liabilities into Japanese currency
Foreign-denominated credits and liabilities are converted into yen currency based on the spot exchange rate on the last day of the current consolidated fiscal year under review, and the exchange difference is treated as a gain or loss. Assets and liabilities of consolidated subsidiaries located overseas are converted into yen currency based on the spot exchange rate on the last day of the consolidated fiscal year under review, their revenue and expenses are converted into yen currency based on the average exchange rate for the consolidated fiscal year under review, and the exchange differences are included in foreign currency translation adjustments and minority interests in the Net Assets section.

(7) Treatment of national and local consumption taxes
The tax excluded method is applied.

5. Method for evaluating the assets and liabilities of consolidated subsidiaries
The method used for evaluating the assets and liabilities of consolidated subsidiaries is the market value method.

6. Change of the indication method
(Consolidated statements of income)

(1) "Gain on sale of investment securities" (1 million yen for the consolidated fiscal year under review), which had been shown individually up to and including the previous consolidated fiscal year, is shown collectively as "Others" in Extraordinary gains for the consolidated fiscal year under review because of its decreased importance.

(2) "Loss on sale of property, plants and equipment" (545million yen for the previous consolidated fiscal year) and "Loss on disposal of fixed assets" (602 million yen for the previous consolidated fiscal year), which had been shown collectively as "Loss on disposal of fixed assets" in Extraordinary losses up to and including the previous consolidated fiscal year, are shown individually for the consolidated fiscal year under review.

(3) "Expenses for improvements on environment" (64 million yen for the previous consolidated fiscal year), which had been shown collectively as "Others" in Extraordinary losses, is shown individually for the consolidated fiscal year under review because of its increased importance.

Notes to the Consolidated Balance Sheets

1. The amounts shown are rounded down to the nearest million yen.
2. Accumulated depreciation of tangible fixed assets: 283,102 million yen
   The accumulated depreciation includes the accumulated impairment losses.
3. Contingent liability
   The Company guarantees transactions its business customers and employees of the Group have with financial institutions.
   Liabilities for guarantee: 1,632 million yen
4. Discounts on notes receivable 427 million yen

Notes to the Consolidated Statements of Income

1. The amounts shown are rounded down to the nearest million yen.

Notes to the Consolidated Statements of Changes in Net Assets

1. The amounts shown are rounded down to the nearest million yen.
2. Type and number of outstanding shares as of the end of the fiscal year under review
   Common shares 435,017,020 shares
3. Matters relating to dividends
   (1) Amounts of dividend payment and others
      (i) Matters concerning dividends based on the resolution at the meeting of the Board of Directors held on May 28, 2009:
         ・Total amount of dividends: 15,149 million yen
         ・Dividends per share: 35 yen
         ・Record date: March 31, 2009
         ・Effective date: June 1, 2009
      (ii) Matters concerning dividends based on the resolution at the meeting of the Board of Directors held on October 30, 2009:
         ・Total amount of dividends: 12,985 million yen
         ・Dividends per share: 30 yen
         ・Record date: September 30, 2009
         ・Effective date: November 25, 2009

   (2) Dividends whose record dates fall within the current consolidated fiscal year under review and effective dates fall within the following consolidated fiscal year
      Matters concerning dividends based on the resolution at the meeting of the Board of Directors held on May 31, 2010:
         ・Total amount of dividends: 15,098 million yen
         ・Dividend resource: Retained earnings
         ・Dividends per share: 35 yen
         ・Record date: March 31, 2010
         ・Effective date: June 2, 2010

4. Class and number of shares to be issued based on stock acquisition rights at the end of the current consolidated fiscal year under review (excluding shares yet to reach the first day of the exercise period for the rights)
   Common stock: 2,534,800 shares

Notes Concerning Financial Products

1. Matters concerning the financial products situation
   The Group places capital investment, R&D, and M&A as items of utmost priority for future growth, and we actively return profits to our shareholders after fulfilling these requirements.
   Consequently, fund management is limited to short term deposits, etc., and funds that are required on a temporary basis for the payment of dividends for which there is a shortfall within the parent company are raised through the issue of commercial papers, etc.
   Corporate bonds are issued to raise funds to meet major funding requirements for large M&A, etc. Borrowings are mainly made prior to the merger by the companies being merged. Some of these are fluctuating interest loans and are therefore subject to interest rate fluctuation risks; however, because derivative trading (interest swaps) is used before the merger, they are essentially fixed interest rate loans.
   Credit risks on operating receivables, such as notes receivable and trade accounts receivable, are lessened by establishing credit limits and other measures in accordance with the nature of the business. Furthermore, stocks held as investment securities are retained for the smooth execution of business strategies and are not to be traded actively, and are managed by regular checks of their market prices and the financial status of the issuing bodies.
   Regarding derivatives, our policy is not to engage in speculative trading, and in the case that speculative trading is considered to be necessary, it is carried out after the approval of the Group Headquarters has been obtained. In addition, forward exchange contracts are generally not concluded for sales transactions. Derivative trading is managed in accordance with company rules by the Company’s branch in the Netherlands, which is equipped with global-based

financial management functions, and regular reports are made to the Company's Finance Department so that the situation is always understood.

2. Matters concerning market values, etc. of financial products
The amounts recorded in the consolidated balance sheets, the market values of the corresponding items and the differences between the two as of March 31, 2010 (the end of the consolidated accounting period) are as listed in the following table. Market values which were extremely difficult to specify are not listed in the table.

(Million yen)

	Amounts recorded in the consolidated balance sheets[1]	Market values[1]	Differences
(1) Cash and deposits	173,307	173,307	—
(2) Notes and accounts receivable - trade	93,612	93,612	—
(3) Investment securities			
Other securities	2,210	2,210	—
Total assets	269,129	269,129	—
(4) Notes and accounts payable	(33,128)	(33,128)	—
(5) Short-term bank loans payable	(334)	(334)	—
(6) Income tax payable	(4,469)	(4,469)	—
(7) Corporate bonds	(99,978)	(103,752)	(3,773)
(8) Long-term bank loans payable matured within a year	(3,277)	(3,385)	(108)
(9) Long-term bank loans payable	(1,829)	(1,823)	5
Subtotal of long-term liabilities	(5,107)	(5,209)	(102)
Total liabilities	(143,015)	(146,891)	(3,875)
Derivative trades[2]			
(i) Derivative trades to which hedging is not applied	(391)	(391)	—
(ii) Derivative trades to which hedging is applied	—	—	—
(10) Derivative trades	(391)	(391)	—

1. Amounts recorded as liabilities are in parentheses ( ).
2. Net receivables and payables generated through derivative trades are indicated in net amount, and amounts corresponding to items whose total amount becomes net liability are indicated in parentheses ( ).

(Notes) 1. Matters concerning methods of calculating market values of financial products, securities, and derivative trades

(1) Cash and deposits and (2) Notes and accounts receivable
Because these items are settled in the short term, their market values are almost the same as the values recorded in the book. Therefore, their market values shown above are identical to those recorded in the book.

(3) Investment securities
The market value of the investment securities is the amount quoted by the stock exchange.

(4) Notes and accounts payable, (5) Short-term bank loans payable and (6) Income tax payable
Because these items are settled in the short term, their market values are almost the same as the values recorded in the book. Therefore, their market values shown above are identical to those recorded in the book.

(7) Corporate bonds, (8) Long-term bank loans payable matured within a year, and (9) Long-term bank loans payable
The amounts of corporate bonds and long-term loans payable shown above were each calculated by discounting the total amount of principal and interest at an interest rate reflecting the average life and credit risk of the said corporate bonds or loans payable.

(10) Derivative trades
The amounts related to currencies are forward rates, and ones related to interest are prices, etc. shown by correspondent financial institutions.

2. Financial instruments for which the market price is extremely difficult to determine
Regarding investments in unlisted shares and in investment limited partnership, etc., market prices do not exist and an excessive amount of cost is anticipated for estimating the future cash flow. Consequently, market values of these items are deemed extremely difficult to specify, and therefore, are not included in "(3) Investment securities of Assets. The amounts corresponding to these items recorded in the consolidated balance sheets are 8,653 million yen and 191 million yen, respectively.

(Additional information)

From the fiscal year under review, "Accounting Standard for Financial Instruments" (ASBJ Standards No.10 announced on March 30, 2008) and "Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No.19 announced on March 10, 2008) are applied respectively.

Notes to per-share information

(1) Net assets per share:	809.12 yen
(2) Net income per share:	87.52 yen

Notes Concerning Important Subsequent Events

Due to the President's decision made on April 28, 2010, HOYA CORPORATION has concluded an agreement to transfer the hard disk glass media manufacturing operation undertaken by HOYA MAGNETICS SINGAPORE, PTE. LTD. ("HOMS"), a wholly-owned subsidiary of the Company, and related assets.

1. Purpose of the Sale

Hard disk market is expected to continue growing at a high rate mainly due to demands related to note PCs and digital appliances. In addition, memory capacity of hard disks is expected to grow rapidly. Therefore, for the glass substrate and glass media operation, HOYA is required to strengthen its efforts for research and development of next-generation technologies for increasing the capacity of hard disk and to establish a manufacturing system which accommodates the demands.

As a response to such changes of business environment, and based on its judgment that utilization of its strength and efficient business operation are essential for future business expansion, HOYA will transfer its assets related to glass media to WESTERN DIGITAL CORPORATION. This will allow HOYA to concentrate on the glass substrate business with which the Company holds the world's largest market share and to provide the state-of-the-art products in the market ahead of other manufacturers while responding to customer expectations. At the same time, the Company will aim to develop its glass substrate business further and strengthen its competitive edge continuously through timely and efficient productions that respond to the growing demands.

2. Name of the Company with which the Agreement of Transfer was concluded

WESTERN DIGITAL CORPORATION

3. Scope and scale of the Sale (Fiscal year ended March 31, 2010)

(1) Scope of the Sale

The hard disk glass media manufacturing operation at HOMS and related equipment at HOYA's research and development facility

(2) Scale of the Sale

Net sales:	16.4 billion yen
Operating Income:	0.3 billion yen

4. Amount of assets and liabilities to be assigned

Assets subject to assignment:	12.8 billion yen
Liabilities subject to assignment:	1.4 billion yen

Both figures are based on the amounts shown in the ledgers as of March 31, 2010, and may fluctuate in accordance with the results of operations and asset appraisal before closing.

5. Anticipated closing date:

May 31, 2010

6. Consideration of the transfer

To be finalized after the asset evaluations, which are mandatory under the agreement, are completed.

Independent Auditors' Audit Report Concerning Consolidated Financial Statements

Independent Auditors' Audit Report

May 17, 2010

To the Board of Directors of HOYA CORPORATION

Deloitte Touche Tohmatsu LLC

Designated Employee Managing Partner	Certified Public Accountant Hitoshi Matsumoto	(seal)
Designated Employee Managing Partner	Certified Public Accountant Yoshiaki Hatori	(seal)
Designated Employee Managing Partner	Certified Public Accountant Ichiro Sakamoto	(seal)

We, Deloitte Touche Tohmatsu LLC, conducted an audit of HOYA CORPORATION on its consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statements of changes in net assets, and notes to consolidated financial statements) for the 72nd fiscal year from April 1, 2009 to March 31, 2010, based on the provision of paragraph (4), Article 444 of the Companies Act. The management is responsible for the preparation of these consolidated financial statements, and we are responsible for expressing opinions on the consolidated financial statements from an independent position.

We conducted this audit based on the generally-accepted accounting standards in Japan. The audit criteria require us to obtain reasonable assurance as to whether the consolidated financial statements contain any important misstatements. The audit is performed on the basis of testing audit and consists of reviewing the representation of the consolidated financial statements as a whole including evaluation of the accounting policy adopted by the management, its application method, and the estimate conducted by the management. We consider ourselves to be provided with a reasonable basis for our opinions as a result of the audit.

We recognize that the above-mentioned consolidated financial statements represent the situation of assets and profit and loss in the period concerning the consolidated financial statements of the industrial group including HOYA CORPORATION and its consolidated subsidiaries appropriately in all important points, based on the generally-accepted accounting standards in Japan.

There are no interests between HOYA CORPORATION and Deloitte Touche Tohmatsu LLC or the managing partners which must be documented according to the provisions of the Certified Public Accountant Act.

For the 72nd Fiscal Year of HOYA CORPORATION

Non-Consolidated Balance Sheets

As of March 31, 2010

(Million yen)

Item	Amount
(Assets)	
Current assets	**166,016**
Cash and deposits	56,189
Notes and accounts receivable – trade	6,128
Accounts receivable	63,650
Merchandise and finished goods	13,382
Work in process	5,813
Raw materials and supplies	5,233
Short-term loans receivable to subsidiaries and affiliates	1,740
Deferred tax assets	4,291
Accounts receivable - other	8,055
Income taxes receivable	1,528
Other current assets	1,852
Allowance for doubtful receivables	△ 1,851
Fixed assets	**173,313**
Tangible fixed assets	**48,854**
Buildings	10,507
Structures	711
Melting furnaces	621
Machinery and equipment	11,862
Machinery and vehicles	13
Tools, equipment and fixtures	9,627
Land	12,845
Construction in progress	2,662
Intangible fixed assets	**13,816**
Patent rights	6,888
Technological assets	3,669
Utility rights	9
Leasehold rights	1,337
Software	1,652
Other	259
Investments and other assets	**110,642**
Investment securities	3,357
Stocks of subsidiaries and affiliates	51,380
Investments in capital	2
Investments in capital of subsidiaries and affiliates	8,071
Long-term loans receivable	3
Long-term loans receivable from subsidiaries and affiliates	3,140
Claims provable in bankruptcy, claims provable in rehabilitation and other	460
Long-term prepaid expenses	351
Deferred tax assets	30,583
Long-term time deposits	10,000
Lease deposits	3,600
Other assets	74
Allowance for doubtful receivables	△ 384
Total assets	**339,329**

Item	Amount
(Liabilities)	
Current liabilities	**63,505**
Notes and accounts payable – trade	651
Accounts payable	25,186
Long-term loans scheduled for repayment within one year	3,277
Accounts payable – other	7,561
Outsourced manufacturing fees payable	7,080
Accrued expenses	7,281
Accrued income taxes	2,541
Advances received	300
Deposits received	2,522
Accrued bonus to employees	3,886
Accrued warranty cost	572
Accounts payable – facilities	2,486
Notes payable – facilities	21
Other current liabilities	134
Long-term liabilities	**109,636**
Corporate bonds	99,978
Long-term loans payable	718
Allowance for retirement benefits for employees	7,118
Reserve for special repairs	917
Other long-term liabilities	902
Total liabilities	**173,141**
(Net assets)	
Shareholders' equity	**164,809**
Common stock	**6,264**
Capital surplus	**15,898**
Legal capital surplus	15,898
Retained earnings	**153,657**
Legal retained earnings	1,566
Other retained earnings	152,091
Reserve for special depreciation	185
Reserve for advanced depreciation of fixed assets	228
Retained earnings brought forward	151,677
Treasury stock – at cost	**△ 11,010**
Valuation and translation adjustments	**147**
Net unrealized gain (loss) on other marketable securities	147
Stock acquisition rights	**1,231**
Total net assets	**166,188**
Total liabilities and net assets	**339,329**

For the 72nd Fiscal Year of HOYA CORPORATION

Non-Consolidated Statements of Income

（From April 1, 2009 to March 31, 2010）

(Million yen）

Item	Amount	
Net sales		**252,027**
Cost of sales		**191,054**
Gross profit		**60,973**
Selling, general and administrative expenses		**55,730**
Operating income		**5,243**
Non-operating income		
Interest income	222	
Dividends income	128,525	
Commission fee	9,698	
Others	906	**139,353**
Non-operating expenses		
Interest expense	659	
Interest on bonds	1,654	
Loss on foreign exchange	3,516	
Foreign withholding tax	948	
Others	558	**7,338**
Ordinary income		**137,258**
Extraordinary income		
Reversal of allowance for doubtful receivables	30	
Commissions received for previous years	1,013	
Gain on sale of property, plant and equipment	216	
Gain on extinguishment of tie-in shares	9,333	
Others	79	**10,673**
Extraordinary losses		
Loss on sales of property, plants and equipment	207	
Loss on disposal of fixed assets	775	
Write-down of investment securities	524	
Loss on valuation of stocks of subsidiaries and affiliates	296	
Impairment loss	574	
Additional retirement benefits paid to employees	552	
Expenses for improvements on environment	1,882	
Others	981	**5,793**
Income before income taxes and other items		**142,138**
Income taxes - Current	147	
Income taxes - Deferred	6,491	6,639
Net income		**135,498**

For the 72nd Fiscal Year of HOYA CORPORATION

Non-Consolidated Statements of Changes in Net Assets

（From April 1, 2009 to March 31, 2010）

(Million yen)

	Shareholders’ equity							
		Capital surplus		Retained earnings				
					Other retained earnings			
	Common stock	Capital surplus	Total capital surplus	Legal retained earnings	Reserve for special depreciation	Reserve for advanced depreciation of fixed assets	Retained earnings brought forward	Total retained earnings
Balance as of March, 31, 2009	6,264	15,898	15,898	1,566	226	253	44,369	46,415
Changes during the current fiscal year under review								
Reversal of reserve for special depreciation					△ 88		88	-
Provision of reserve for special depreciation					47		△ 47	-
Reversal of reserve for advanced depreciation of fixed assets						△ 24	24	-
Dividends from retained earnings							△ 28,135	△ 28,135
Net income							135,498	135,498
Acquisition of treasury stocks								
Disposition of treasury stocks							△ 121	△ 121
Changes (net amounts) in items other than shareholders’ equity during the current fiscal year under review								
Total changes during the current fiscal year under review	-	-	-	-	△ 41	△ 24	107,307	107,242
Balance as of March 31, 2010	6,264	15,898	15,898	1,566	185	228	151,677	153,657

	Shareholders’ equity		Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Treasury stock – at cost	Total shareholders’ equity	Net unrealized gain (loss) on other marketable securities	Total valuation and translation adjustments		
Balance as of March, 31, 2009	△ 7,984	60,593	△ 302	△ 302	938	61,228
Changes during the current fiscal year under review						
Reversal of reserve for special depreciation		-				-
Provision of reserve for special depreciation		-				-
Reversal of reserve for advanced depreciation of fixed assets		-				-
Dividends from retained earnings		△ 28,135				△ 28,135
Net income		135,498				135,498
Acquisition of treasury stocks	△ 3,275	△ 3,275				△ 3,275
Disposition of treasury stocks	249	128				128
Changes (net amounts) in items other than shareholders’ equity during the current fiscal year under		-	449	449	292	742
Total changes during the current fiscal year under review	△ 3,025	104,216	449	449	292	104,959
Balance as of March 31, 2010	△ 11,010	164,809	147	147	1,231	166,188

Notes to Non-consolidated Financial Statements

Significant Accounting Policies

1. Standards and methods for evaluation of marketable securities

Investments in subsidiaries and affiliates:	Cost determined by the moving-average method
Other marketable securities:	
Those quoted on exchanges:	The market value method based on the market price, etc. at the end of the current fiscal year (All valuation gains and losses are processed through the method of direct entry in capital, and sale cost is calculated based on the moving average method)
Those not quoted on exchanges:	Cost determined by the moving-average method

2. Standards and methods for evaluation of derivatives: Market value method

3. Standards and methods for evaluation of inventories: Primarily the cost determined by the periodic average method (The amounts shown on the balance sheet are based on the method to reduce book value due to a decline in profitability.)

4. Methods of depreciation of fixed assets:

Tangible fixed assets (excluding leased assets)	The straight-line method is applied for buildings (except for building annexes) that have been acquired on April 1, 1998 and thereafter, and the declining-balance method is applied for other tangible fixed assets. The useful life is ten to 50 years for buildings, four to 12 years for machinery and equipment, two to 20 years for tools, equipment and fixture.
Intangible fixed assets (excluding leased assets)	The straight-line method is applied. The period of depreciation is 8 years for patent rights, 10 years for technological assets and 5 years for software (period of possible use within the Company).
Leased assets	With respect to leased assets for finance lease transactions based on which the right of ownership is not transferred, the useful life is used as the lease period, and the straight-line method is applied assuming that the remaining value is zero. With respect to finance lease transactions based on which the right of ownership is not transferred, accounting treatment similar to the method for ordinary lease transactions continues to be applied if the start date of the lease transaction is on or before March 31, 2008.

5. Standards for the conversion of foreign-currency-denominated assets and liabilities into Japanese currency
Foreign-currency-denominated credits and liabilities are converted into yen currency based on the spot exchange rate on the last day of the current consolidated fiscal year under review, and the exchange difference is treated as a gain or loss.

6. Methods of providing important allowances

(i) Allowance for doubtful receivables	To prepare against credit losses, an allowance for doubtful receivables is provided. For ordinary credits, an allowance is provided based on the historical loss ratios. For credits threatened with bankruptcy and for credits to borrowers under bankruptcy and reorganization, etc., allowance is provided based on an evaluation of the financial position of the borrowers.
(ii) Accrued bonus	To prepare for bonus payments to employees, an accrued bonus is provided in accordance with the estimated amounts payable.
(iii) Accrued warranty cost	To prepare for after-sale service expenses anticipated to result within the Company's warranty period, an amount estimated on the basis of results in past fiscal years and warranty cost forecasts is provided.
(iv) Allowance for retirement benefits for employees	To prepare for retirement benefits payment to employees, an allowance is provided at some of the divisions based on estimated retirement benefit obligations and pension assets at the end of the fiscal year under review. Past service liabilities are accounted for using an amount calculated by proportionally dividing them in a straight line in fixed years (10 years) within the average remaining period of employment of employees at the point of their accrual. Actuarial differences are accounted for in fiscal years following the fiscal years of their accrual using an amount calculated by proportionally dividing them in a straight line in fixed years (10 years) within the average remaining employment period of employees at the point of their accrual in each fiscal year.
(v) Reserve for periodic repairs	To prepare for expenses for large-scale repairs to continuous smelters after a fixed period of time, an amount estimated based on the expenses of the previous large-scale repairs is provided.

7. Treatment of national and local consumption taxes
The tax excluded method is applied.

8. Change of the method for indication
(Balance sheet)
(1) "Income tax receivable" (2,225 million yen for the previous fiscal year), which had been shown collectively as "Accounts receivable - other" in Current assets, is shown individually for the fiscal year under review because of its increased importance on an ongoing basis.
(2) "Leasehold rights" (1,911 million yen for the previous fiscal year) and "Software" (1,198 million yen for the previous fiscal year), which had been shown collectively as "Other" in Intangible assets, are shown individually for the fiscal year under review because of their increased importance on an ongoing basis.
(3) "Lease deposits" (556 million yen for the previous fiscal year), which had been shown collectively as "Other assets" in Investments and other assets, is shown individually for the fiscal year under review because of its increased importance.

(Statement of Income)
(1) "Loss on sale of property, plants and equipment" (246 million yen for the previous fiscal year) and "Loss on disposal of fixed assets" (325 million yen for the previous fiscal year), which had been shown collectively as "Loss on disposal of property, plants and equipment" in Extraordinary losses up to and including the previous fiscal year, are shown individually for the fiscal year under review.
(2) "Expenses for improvements on environment" (64 million yen in the previous fiscal year), which had been shown collectively as "Others" in Extraordinary losses, is shown individually for the fiscal year under review because of its increased importance.

Notes to Balance Sheets (non-consolidated)

1. The amounts shown are rounded down to the nearest million yen.
2. Accumulated depreciation of tangible fixed assets 125,417 million yen
   The accumulated depreciation includes the accumulated impairment losses.
3. Liabilities for guarantee 500 million yen
   The Company guarantees lease payments by other companies.
   PENTAX U.K. LTD. 498 million yen
   The Company guarantees transactions employees of the Company have with financial institutions. 1 million yen
4. Pecuniary claims to and from affiliates (excluding classified items)
   (1) Short-term receivables from (pecuniary claims to) affiliates 26,405 million yen
   (2) Short-term payables to (pecuniary claims from) affiliates 17,657 million yen
5. Discount for notes receivable 427 million yen

Notes to Statements of Income (non-consolidated)

1. The amounts shown are rounded down to the nearest million yen.
2. Transactions with affiliates
   (1) Sales 45,415 million yen
   (2) Purchases (including outsourced manufacturing fees and commission fee) 105,138 million yen
   (3) Transactions other than operating transactions 139,397 million yen

Notes to the Statements of Changes in Net Assets

1. The amounts shown are rounded down to the nearest million yen.
2. Matters relating to the number of treasury stocks

Share class	Number of shares at the end of the previous fiscal year	Number of shares increased during the current fiscal year under review	Number of shares decreased during the current fiscal year under review	Number of shares at the end of the current fiscal year under review
Common stock	2,160,060shares	1,526,884 shares	69,680shares	3,617,264 shares

(Notes) Details (causes) of the increase and decrease in the number of treasury stocks are as follows:
Increase due to share purchase demand in accordance with paragraph (1), Article 797 of the Companies Act: 1,525,000 shares
Increase due to repurchase of treasury stock less than one unit: 1,884 shares
Decrease due to sale of treasury stock less than one unit: 80 shares
Decrease due to the exercise of stock options: 69,600 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, 2010)

(1) Current deferred tax assets and liabilities

Deferred tax assets	
Accrued bonus	1,574million yen
Loss on valuation of inventories	1,487
Environmental expenses	702
Amount exceeding the limit of tax-deductible bad debt reserve	268
Accrued warranty cost	231
Points payable	222
Other deferred tax assets	851
Deferred tax assets – sub total	5,337
Valuation reserve	△1,046
Net amount of deferred tax assets – non-current	4,291

(2) Non-current deferred tax assets and liabilities

Deferred tax assets	
Loss carried forward	18,315million yen
Asset adjustment account	9,155
Amount exceeding the limit of tax-deductible depreciation expenses	1,953
Loss on impairment	1,858
Valuation loss on affiliated companies' shares	1,638
Valuation loss on investment in affiliated companies	1,574
Valuation loss on investment securities	584
Stock options	498
Other deferred tax assets	1,358
Deferred tax assets – sub total	36,937
Valuation reserve	△6,019
Total amount of deferred tax assets – current	30,918
Deferred tax liabilities	
Reserve for deferred income taxes on fixed assets	△ 155
Special depreciation reserve	△ 126
Others	△ 53
Total amount of deferred tax liabilities – non-current	△ 334
Net amount of deferred tax assets – non-current	30,583

Notes relating to fixed assets used under lease

Asset class	Contents and volumes of assets, etc.
Machinery and equipment	Part of Vision Care products manufacturing facilities Part of PENTAX products manufacturing facilities
Tools, equipment and fixtures	Part of computers and their peripherals Other office equipment, etc.

Notes concerning related parties (Unit: million yen)

Type	Name of the company, etc	Voting rights ownerships (rate of voting rights owned)(%)	Relationship with the party involved	Contents of transactions	Transaction amount	Item	Term-end balance
Subsidiaries	HOYA HOLDINGS N.V.	Ownership Direct 100.0	Borrowing of funds	Repayment of funds	46,676	Short-term loans to affiliates	–
				Payment of interest (Note 1)	396	Accrued interest	–
	PENTAX EUROPE GMBH	Ownership Direct 100.0	Customer	Sales of products (Note 2)	16,373	Accounts receivable - trade	6,203

Terms and conditions of transactions and the policy for determining them, etc.

(Note) 1. Interest rates on borrowed funds are determined reasonably in consideration of market interest rates.

2. The sale of products is outsourced. Retail prices for the Company are determined contractually in consideration of the cost to the Company and market prices.

Notes to per-share information

(1) Net assets per share: 382.38 yen

(2) Net income per share: 313.11 yen

Notes Concerning Important Subsequent Events

Due to the President's decision made on April 28, 2010, HOYA CORPORATION has concluded an agreement to transfer hard disk glass media manufacturing operation undertaken by HOYA MAGNETICS SINGAPORE, PTE. LTD. ("HOMS"), a wholly-owned subsidiary of the Company, and related assets.

1. Purpose of the Sale

Hard disk market is expected to continue growing at a high rate mainly due to demands related to note PCs and digital appliances. In addition, memory capacity of hard disks is expected to grow rapidly. Therefore, for the glass substrate and glass media operation, HOYA is required to strengthen its efforts for research and development of next-generation technologies for increasing the capacity of hard disk and to establish a manufacturing system which accommodates the demands.

As a response to such changes of business environment, and based on its judgment that utilization of its strength and efficient business operation are essential for future business expansion, HOYA will transfer its assets related to glass media to WESTERN DIGITAL CORPORATION. This will allow HOYA to concentrate on the glass substrate business with which the Company holds the world's largest market share and to provide the state-of-the-art products in the market ahead of other manufacturers while responding to customer expectations. At the same time, the Company will aim to develop its glass substrate business further and strengthen its competitive edge continuously through timely and efficient productions that respond to the growing demands.

2. Name of the Company with which the Agreement of Transfer was concluded

WESTERN DIGITAL CORPORATION

3. Scope and scale of the Sale (Fiscal year ended March 31, 2010)

(1) Scope of the Sale

The hard disk glass media manufacturing operation at HOMS and related equipment at HOYA's research and development facility

(2) Scale of the Sale

Net sales: 16.4 billion yen

Operating Income: 0.3 billion yen

4. Amount of assets and liabilities to be assigned

Assets subject to assignment: 12.8 billion yen

Liabilities subject to assignment: 1.4 billion yen

Both figures are based on the amounts shown in the ledgers as of March 31, 2010 and may fluctuate in accordance with the results of operations and asset appraisal before closing.

5. Anticipated closing date:

May 31, 2010

6. Consideration of the transfer

To be finalized after the asset evaluations, which are mandatory under the agreement, are completed.

Independent Auditors' Audit Report Concerning Financial Statements

Independent Auditors' Audit Report

May 17, 2010

To the Board of Directors of HOYA CORPORATION

Deloitte Touche Tohmatsu LLC

Designated Employee
Managing Partner Certified Public Accountant
Hitoshi Matsumoto (seal)

Designated Employee
Managing Partner Certified Public Accountant
Yoshiaki Hatori (seal)

Designated Employee
Managing Partner Certified Public Accountant
Ichiro Sakamoto (seal)

We, Deloitte Touche Tohmatsu LLC, conducted an audit of HOYA CORPORATION on its financial statements (balance sheets, statements of income, statements of changes in net assets, notes to financial statements and their supplementary schedules) for the 72nd fiscal year from April 1, 2009 to March 31, 2010, based on the provision of item (i), paragraph (2), Article 436 of the Companies Act. The management is responsible for the preparation of these financial statements and their supplementary schedules, and we are responsible for expressing opinions on the financial statements and their supplementary schedules from an independent position.

We conducted this audit based on the generally-accepted accounting standards in Japan. The audit criteria require us to obtain reasonable assurance as to whether the financial statements and their supplementary schedules contain any important misstatements. The audit is performed on the basis of testing audit and consists of reviewing the representation of the financial statements and their supplementary schedules as a whole including evaluation of the accounting policy adopted by the management, its application method, and the estimate conducted by the management. We consider ourselves to be provided with a reasonable basis for our opinions as a result of the audit.

We recognize that the above-mentioned financial statements and their supplementary schedules represent the situation of assets and profit and loss in the period concerning the financial statements and their supplementary schedules appropriately in all important points, based on the generally-accepted accounting standards in Japan.

There are no interests between HOYA CORPORATION and Deloitte Touche Tohmatsu LLC or the managing partners which must be documented according to the provisions of the Certified Public Accountant Act.

Audit Committee’s Audit Report

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 72nd fiscal year from April 1, 2009 to March 31, 2010. We hereby report the method and results thereof:

1. AUDIT METHOD AND ITS CONTENTS

We monitored and verified the resolutions of the Board of Directors concerning matters provided in items 2 and 5, paragraph (1), Article 416 of the Companies Act and the state of the system (internal control system) established on the basis thereof. At the same time, in accordance with the audit policy, assignment of duties, etc. determined by the Audit Committee and in collaboration with the audit section of the Company, we attended important meetings, received reports or heard from Directors, Executive Officers, etc. on matters concerning the performance of their duties, requested explanations whenever necessary, inspected important documents of settlement, etc. and investigated the state of activities and assets at the head office and principal business offices of the Company. 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 and verified whether or not the Company’s Independent Auditors maintained a position of independence and conducted an adequate audit, received reports on the state of duty execution from the Independent Auditors, and asked them for explanations whenever necessary. Additionally, we received from the Independent Auditors a notice that they were making preparations for the System for Ensuring Adequate Execution of Duties (a matter set out in the items of the Corporate Calculation Standard No. 131) 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 (balance sheets, statements of income, statements of changes in net assets, and notes to financial statements), their supplementary schedules, and consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statements of changes in net assets, and notes to consolidated financial statements) for the current fiscal year under review.

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 performance by the Directors or Executive Officers of their duties concerning said internal control system, no matter that needs to be pointed out exists.

With respect to internal control over financial reporting, we have been advised by the Executive Officers and Deloitte Touche Tomatsu LLC that no significant defects were noted at the time of preparation of this audit report.

(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 31, 2010

Audit Committee
HOYA CORPORATION

Yukiharu Kodama	Member of the Audit Committee
Takeo Shiina	Member of the Audit Committee
Yuzaburo Mogi	Member of the Audit Committee
Eiko Kono	Member of the Audit Committee
Itaru Koeda	Member of the Audit Committee

Notes: The Members of the Audit Committee, Yukiharu Kodama, Takeo Shiina, Yuzaburo Mogi, Eiko Kono, and Itaru Koeda are outside directors, as provided in item (xv), Article 2 and paragraph (3), Article 400 of the Companies Act.

Notice

◎ **Notice concerning online disclosure of HOYA Report 2010**

To enable better understanding of our business activities, HOYA CORPORATION formerly distributed printed copies of the HOYA Report each year. From this year, however, we have decided to disclose the Report online only, without printing it.
We plan to enhance the contents of the Report, for instance by using video, audio, and computer graphics, to provide easy-to-understand information about the HOYA Group.
The online HOYA Report 2010 will be available at our website (http://www.hoya.co.jp/english/) around late July. 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 formerly reported resolutions at the Ordinary General Meeting of Shareholders by sending printed matters. From this year, we will disclose the resolutions along with the results of exercise of voting rights on our website (http://www.hoya.co.jp/english/), and will cease the use of printed matters.

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 Department Mitsubishi UFJ Trust and Banking Corporation 7-10-11 Higashisuna, Koto-ku, Tokyo 137-8081, Japan Free phone: 0120-232-711
Market:	The Tokyo Stock Exchange
Method for public notice:	Electronic 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*.)

HOYA CORPORATION
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2-7-5 Naka-Ochiai, Shinjuku-ku, Tokyo 161-8525 Japan
Telephone: 03-3952-1151 (Switchboard)