

**Briefing Summary of the Analyst / Investor Meeting
for the Consolidated Financial Results for the Fiscal Year Ended March 31, 2009**

Tokyo, April 30, 2009

Note: This memo is posted for reference purposes for the convenience of those who were unable to attend the meeting and is not a verbatim record of all statements made at the meeting. Please be aware that it has been compiled in a concise form at the judgment of the Company's Corporate Communications Group. Please also refer to the cautionary notes on the final page.

An explanation for the figures from Mr. Ema, CFO

- Pentax was included in a scope of consolidation of HOYA group after the second half of the previous fiscal year. Regarding the year-on-year growth rate, including the results of the first half of the previous fiscal year, before the consolidation of Pentax's: the sales decreased by 113.1 billion yen (19.9% decrease), the operating profit fell 39.3 billion yen (40% decrease).
- A structural reform was implemented in the 4th quarter and recorded impairment losses for Pentax. 28.9 billion yen was booked for the 4th quarter, amounting to 30.4 billion yen for the whole financial year.
- In the present 4th quarter, the first deficit on a quarterly base was recorded since our company published its first quarterly results.
- Regarding the dividend, interim dividends were 30 yen per share, year-end dividends of 35 yen per share, totaling to 65 yen. The dividends are planned to be formally decided on the board meeting of May.
- The dividend payout ratio is 112%. Due to corporate restructuring and impairment, HOYA unconsolidated account has recorded losses, but as we expect these not to be borne by the shareholders, the dividend is set at the same amount as for the previous year. The dividend payout ratio which excludes the influence of the reforms and restructurings is approximately 50%. As we are expecting to accelerate our growth by focusing on the healthcare businesses, restructuring our business and increasing profits, we settled the dividend in the same spirit.
- With respect to profits and losses, as especially the digital market stagnated the second half of the fiscal year ended March 31, 2009, the demand fell, and our company as well suffered from the reduction in quantity and the reduced unit price induced by the influence of the currency exchange, resulting in not-so-good business results.
- Almost all of our 102 consolidated subsidiaries are located overseas. Regarding the influence of the currency exchange, a negative sales influence of 9,849 million yen is

recorded in the 4th quarter. If we subtract this from the 52.8 billion yen sales decrease compared to the same period last year, this means a sales decrease at the business base of 43 billion yen. The breakdown list shows us a minus of 26.2 billion yen for EO (Electro-optic division) and 1.1 billion yen for VC (vision care), a plus of 900 million yen for HC (healthcare), and another minus of 15.5 billion for Pentax. The influence of the currency exchange on the operating profit is showing a minus of 904 million yen. Although the operating profits fell with 18.1 billion yen, at the business base a minus of approximately 17.2 billion is recorded, which, broken down, gives a minus of 13.8 billion yen for EO, a plus of 600 million yen for VC and one of 500 million yen for HC, and a minus of 5.1 billion for Pentax.

- Consolidated operating loss for the 4th quarter was 60 million yen. For HDD-use glass discs in the EO division, as well as for the mask division, there was a operating loss for the 4th quarter. Mask Blanks made a profit and optical lenses stayed just within the black figures. Pentax had an operating loss of 7.6 billion yen, primarily caused by the losses in the camera department. Endoscopes showed black figures, but with the figures before consolidation included, there was decrease in profit compared to the same period last year.
- Operating profit for the 4th quarter on a consolidated basis showed a profit loss of 18.1 billion yen, mainly caused by the loss of 13.6 billion yen in the EO division, and 6 billion yen for Pentax, In the EO division, there was a profit loss compared to the same period last year for nearly all products.

An Outline of Operations from Mr. Hamada, COO

- Blanks experienced a great and sudden fall in demand in the latter half of 2008. Blanks managed to stay in the black, but the mask situation was difficult. However, I think that the problem was not that their competitiveness in the market was falling, but that the entire industry was experience a downturn. From the latter half of March through April to June, it seems that demand has gradually been restored. It feels as though our customers put their foot down hard on the brake to adjust their stock and stopped orders, but when their stock levels turned out to be too little, that amount has now come back. It is difficult to say how things will develop in the latter half of the year.
- The demand for LCD masks dropped in 4th quarter. We have seen a restructure of the industry. The demand for masks seems to have slowly recovered from April to June. The panel makers' rate of operation in Taiwan and Korea is said to have risen by between 70% and 90% compared to in March.
- With respect to memory disks, both substrate and media had a bad period from January to March. In particular, media was close to zero. A sudden recovery was observed in April to June. As you might expect, the latter half of the year is difficult to forecast, so all

companies are said to be conducting their production prudently.

- Optic lenses improved from April to June in comparison to the January to March period, and may recover further in July to September, but it is difficult to make any predictions for after summer.
- The Pentax digital camera figures have shrunk by some 60% in comparison with last year. We have restructured, moved our facilities and lightened our organization, and fixed expenses have fallen. With respect to the product, we plan to continue to deliver a full line-up.
- Endoscopes have seen a rapid downturn in the USA from three months ago. The number of patients is said to have decreased, and we have seen the budgets of hospitals and clinics reduced through February and March.
- Endoscopes have grown by two digits in the local currency, but the period of January to March in the previous year yielded negative growth. The number of IOL patients is also said to have decreased.
- The contact lens shops “Eye-City” have expanded abroad to open 8 shops in China, and in the future will advance further in Asia.
- With respect to glasses lenses, in America and Europe we are feeling some effects from the exchange rate and the regression of the economic outlook, but I think that it will be enough if we can achieve growth that exceeds that of the market. The Japanese market is retracting, and we are introducing new brands.

Comments from Mr. Suzuki, CEO

- EO is recovering a little. The portion that had been lost has been regained. It is possible to “double order”, and at the moment this recovery is up to August, after which we may see it start to drop off again. We believe that the EO sales in the first half of the year are cruising at 20% less than they were last year.
- I think the market for consumption goods in general will continue to shrink. Rather than a short-term decrease, this will probably occur over a long period of time.
- Against this background, HOYA is currently undergoing a restructure, believing that there are sectors which have not kept up with the reduction in the market, and it is necessary to shrink a little more. The operational structure will be changed, and offices and factories moved, and functions themselves will be reviewed.
- The outlook for this fiscal year quarters is worse than that of three months ago. We believe we must restructure in the first half of the year, and take on a form that will produce profits under tough conditions.
- We are looking conservatively at our extraordinary losses, and look to deal with everything that we can now. We have taken on balance sheets that will bear future profits by lightening our load.

- With respect to dividends, we have made our decisions considering cash needs. In the future, there may be opportunities for M&A, but in these circumstances capital investment has decreased, there is a healthy cash flow, and cash will continue to accumulate, so in consideration of these circumstances, we have decided on the same way as last year.

Questions & Answers

Q) Please tell us about the direction of M&A

A) We are conscious of “synergy efficiency” and have clear targets. Looking at the external environment, we think that it would be best to wait a little longer. From there, we are looking towards taking on new projects and new technology.

Q) What are your predictions of investment and depreciation for this period? What is the breakdown of impairment losses, and the extent of your plans to reduce fixed expenses through measures such as by downsizing?

A) For this period, we predict capital investment of 22 billion yen and depreciation expenses of 37.5 billion yen. This will vary according to the business environment. Extraordinary losses are mostly of impairment of the goodwill from the purchase of Pentax, and also include losses from patent rights or fixed assets. The question of fixed expense reduction has not been settled.

Q) Although it is difficult time at the moment, please tell us about your views of growth once the market has recovered.

A) We think that the growth of EO will be difficult, so we are looking to increase the efficiency of our operations, and to place ourselves in a position of ‘cash cows’. Although we do not foresee a great amount of growth in the markets for medical fields such as endoscopy, we secure the position of No,2 and No,3 in the respective markets with relatively low share value, and we believe that growth by gaining shares is a possible strategy. Thirdly, we think it is necessary to continue M&A the ‘core’ projects of the next stage of growth. Individually, we are looking to expand ‘technology’ that is different to current EO.

Q) What does “double ordering” mean? And please explain the seasonality of your business.

A) This refers to large-scale ordering in the current period, in which not even the customers can know what to expect in the latter half of the fiscal year, assuming that the market will recover, rather than based on real demand. Our company believes that in such a situation, it is critical that macrodata be compiled, and the chain from the materials of each product right through to the completed product be examined closely. As for seasonality, I don’t think, in these circumstances, that we can take much from past experience.

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