Security Code: 7741
Attached documents for the Notice of the 73rd Ordinary General Meeting of Shareholders

HOYA

The 73rd Business Report

For the period from April 1, 2010 to March 31, 2011

HOYA CORPORATION

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Business Report

An attachment to the Notice of the 73rd Ordinary General Meeting of Shareholders
(For the period from April 1, 2010 to March 31, 2011)

HOYA CORPORATION would like to convey our deepest sympathies to all those who have been affected by the Great East Japan Earthquake that struck on March 11, 2011, and extend our sincere wishes for the swift recovery and restoration of the communities in the area.

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

1. Business Development and Results:

i) General Overview:

As of March 31, 2011, the HOYA Group consisted of the HOYA CORPORATION, 102 consolidated subsidiaries (four of which are domestic and 98 overseas) and ten affiliates (five of which are Japanese and the other five overseas).
The HOYA Group is operated and managed through global consolidated group management. The Global Headquarters of HOYA CORPORATION develops management strategies for the HOYA Group, and the independent management teams of business segments, including Information Technology, and Life Care, 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.

<Adoption of the designated International Financial Reporting Standards>
Beginning with the 73rd fiscal year, the HOYA Group prepares its consolidated financial statements and other documents in compliance with the designated International Financial Reporting Standards (IFRS) pursuant to the first paragraph, Article 120 of the Ordinance on Accounting of Companies.

With respect to reportable segments presented in the overview of operation by business category, the HOYA Group divides its business into three reportable segments, based on with the aggregation criteria of IFRS. These segments are Information Technology, Life Care, and Other Businesses.
The Information Technology segment handles information technology (IT)-related production goods, including semiconductors and liquid crystals, as well as digital cameras, lens units and other products. The Life Care segment handles consumer goods, such as eyeglass lenses and contact lenses, as well as medical equipment, such as intraocular lenses and endoscopes. The Other Businesses segment offers mainly information system services and takes charge of newly initiated business enterprises.

<Sales>
During the current consolidated fiscal year, the global economy achieved some recovery, especially among emerging countries. Nevertheless, a sense of uncertainty lingered in the United States and Europe, while the protracted appreciation of the yen sounded an increasingly loud alarm over the future course of business in Japan, mainly among export-related businesses.
In the foreign exchange market, the yen appreciated 8.0% against the U.S. dollar on average during the current fiscal year while it gained 13.8% against the euro and 0.4% against the Thai baht over the preceding fiscal year.
Against such a backdrop, the HOYA Group responded to a rise in orders, a reflection of the market recovery, both production and shipment volumes generally increased year on year. However, sales were affected greatly by a fall in unit prices and the strong yen.
As a result, Sales for the current fiscal year amounted to 413,349 million yen, a 2.7% increase year on year.

<Profits>
As described, sales increased from a year earlier levels. Combined with efforts to slash mainly fixed costs, income before taxes increased 26.2% year on year, to 63,758 million yen as total expenses also decreased.
The profit before tax was 15.4%, a 2.8 percentage point improvement over the previous consolidated fiscal year's 12.6%.
The manufacturing operation of glass media for HDDs (hard disk drives) was sold together with its associated assets. As a result, 10,343 million yen gain from its sale was recorded, boosting net profit by 43.5% year on year, to 59,579 million yen.

<Capital>
Total assets at the end of the current consolidated fiscal year grew 18,351 million yen, or 3.3% year on year, to 578,641 million yen.
Non-current assets decreased 16,953 million yen year on year, to 204,185 million yen.
Current assets increased by 35,304 million yen year on year, to 374,456 million yen. The increase was primarily due to a rise in other short-term financial assets by 21,379 million yen, and a 17,313 million yen increase in cash and cash equivalents.

Liabilities amounted to 201,100 million yen, a 440 million yen decrease from the levels of a year earlier.
Total equity increased by 18,792 million yen year on year, to 377,541 million yen, partly due to a 31,703 million yen increase in retained earnings. Equity attributable to owners of the Company, which is obtained by deducting non-controlling interest in equity from total equity, amounted to 376,836 million yen, improving the ratio of equity attributable to equity holders of the parent by 1.3 point from a year earlier levels, to 65.1%.
The breakdown of changes in retained earnings is as presented later in this report in the section for Consolidated Statement of Changes in Equity.

ii) Outline of consolidated results by business segment

Information Technology

Annual Sales

Business Category		71st Fiscal Year (Ended March 2009)	72nd Fiscal Year (Ended March 2010)	73rd Fiscal Year (Ended March 2011)
Electronics related products	**(million yen)**	**127,371**	**99,110**	**110,737**
Imaging related products	**(million yen)**	**114,969**	**101,852**	**97,998**
Total	**(million yen)**	**242,340**	**200,963**	**208,735**

Sales : 208,735 million yen (up 3.9% YOY)
Profit before tax : 36,506 million yen (up 12.3% YOY)

<Electronics related products>
The markets of semiconductors and liquid crystal-related products are on a global rebound, driven by strong demand in emerging countries. The Company's shipment volumes generally increased from a year earlier levels, especially among the state-of-the-art products and high precision products. However, sales did not grow significantly, due to a continued falling trend of unit prices and yen's appreciation.

In contrast, the market of HDD-related products grew rapidly, helped by the global growth of notebook PC market. Orders for the HOYA Group's glass disks for HDD were sound, and shipment volumes far surpassed those in the preceding consolidated fiscal year. In spite of a fall in unit prices attributed to the strong yen, revenues were up.

<Imaging related products>
Reflecting a global rebound of demand, primarily among emerging countries, sales volumes increased at a healthy pace in the digital camera market. Orders for high precision lenses for digital cameras that the Company manufactures came in rapid successions, prompting full-capacity operations. As a result, shipment volumes increased. Shipments of camera modules, that combine multiple lenses, were also strong. Among Pentax brand of digital cameras, the main body of single-lens reflex cameras, and especially those for beginners, remained strong, and exerted positive impact on the sales of interchangeable lenses, resulting in a rise in shipment volumes over the preceding consolidated fiscal year.

As a result, the Information Technology segment posted sales of 208,735 million yen, a 3.9% increase over the preceding consolidated fiscal year. Profit before tax rose 12.3% year on year, to 36,506 million yen.

Life Care

Annual Sales

Business Category		71st Fiscal Year (Ended March 2009)	72nd Fiscal Year (Ended March 2010)	73rd Fiscal Year (Ended March 2011)
Health Care related products	**(million yen)**	**150,919**	**147,580**	**152,254**
Medical related products	**(million yen)**	**56,488**	**51,594**	**50,752**
Total	**(million yen)**	**207,407**	**199,175**	**203,006**

Sales : 203,006 million yen (up 1.9% YOY)
Profit before tax : 36,743 million yen (up 12.4% YOY)

<Health Care related Products>
Eyeglass lenses experienced an increase in shipment volumes from the preceding consolidated fiscal year. However, domestic sales were greatly affected by a fall in unit prices while the overseas markets were also significantly impacted by yen's appreciation in spite of a revenue increase on a local currency basis.

Sale volumes of contact lenses grew, thanks to an increase in the number of customers visiting directly-managed stores, a sales expansion of products with high added value, and an increase in the number of stores, resulting from aggressive opening of new stores.

<Medical related Products>
In the markets of medical equipment, medical institutions continued to hold off new purchases because of financial instability in Europe and the stagnant economy in the United States. Although markets in emerging countries were healthy, a large percentage of the HOYA Group's sales of endoscopes for medical treatment is derived from the European and American markets. For this reason, shipment volumes were stagnant in comparison with the preceding consolidated fiscal year. The strong yen also had a significant effect. As for intraocular lenses (IOL), soft lenses sold at a healthy pace.

As a result, the Life Care segment reported sales of 203,006 million yen, a 1.9% increase over the preceding consolidated fiscal year. Profit before tax was 36,743 million yen, up 12.4% from the preceding consolidated fiscal year.

Other Businesses

Sales : 1,585 million yen
Profit before tax : 946 million yen

The Other Businesses segment posted sales of 1,585 million yen, a 30.8% decrease from the preceding consolidated fiscal year. However, Profit before tax was substantially higher than in the preceding consolidated fiscal year due to cost reduction effort, etc.

2. Overview of Capital Investment:

The total capital investment of the HOYA Group amounted to 38,488 million yen during the consolidated fiscal year under review, an increase of 9,468 million yen over the preceding consolidated fiscal year.

In the consolidated fiscal year under review, investment in the Information Technology business with a view to the next generation, accounted for approximately 70% of the total investment by the Group. A particular focus of this investment was placed on expanding the facilities for glass disks for HDDs, whose memory capacity is expanding rapidly.
The investment was funded with internally generated funds.

The Great East Japan Earthquake that struck on March 11, 2011 caused some damage to the Company's facilities. The cost to repair the damaged facilities did not significantly affect the results of the current consolidated fiscal year. The Company will promptly initiate necessary measures to curtail its power consumption and prepare for disasters.

Category		71st Fiscal Year (Ended March 2009)	72nd Fiscal Year (Ended March 2010)	73rd Fiscal Year (Ended March 2011)
Capital Investment	(million yen)	34,839	29,020	38,488

3. Financing:

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

4. Corporate Reorganizations, etc.:

Sale of the hard disk glass media manufacturing operation and related assets
The Company entered into an agreement on April 28, 2010 with Western Digital Corporation, a US HDD manufacturer, to transfer the hard disk glass media manufacturing operation and related assets that were operated by the Company and its 100% owned subsidiary, HOYA MAGNETICS SINGAPORE, PTE. LTD. The transfer was completed on June 30, 2010.
Gain from the sale of this operation in the amount of 10,343 million yen was reported in the current consolidated fiscal year.
In the years ahead, the Company will concentrate its managerial resources on the manufacture of glass substrates for HDDs, where the company boasts the top share in the global market, in an effort to further strengthen the competitiveness and growth of the business segment.

5. Management Issues Requiring Actions:

The principal policy of HOYA Group is to maximize its corporate value and to manage the Group with a global perspective, with the aim of acquiring 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 Life Care Business Fields

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 Life Care business fields (health care-related products, such as eyeglass lenses and contact lenses, and medical-related products, including endoscopes for medical treatment and intraocular lenses), where knowledge and experience in optics are applied, as a strategic growth area, and place priority on investing management resources in these fields and expanding the business.

(4) Securing Stable Earnings in the Information Technology Business Area

The market is quickly approaching maturity in the Information Technology business area. However, we will accelerate technological development, promotion of product differentiation and new product development by strengthening cooperation with customers in this business area where stable earnings are expected. At the same time, we will endeavor to reduce costs by relocating some production facilities to foreign countries, integrating and closing some production bases and by innovating production technologies. We will invest earnings thus generated in the Life Care business area, which is a future area of growth.

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

(5) Power usage curtailment and emergency preparedness

The HOYA Group has always made group-wide efforts to reduce energy consumption and protect the environment. The Great East Japan Earthquake has intensified the necessity to further reduce power consumption. The HOYA Group will respond willingly to this request as a responsible member of the society. In addition, the Group intends to accelerate its on-going plans to spread out its product manufacturing sites and relocate some to foreign countries as a way to disperse risks.

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

Overview of Assets, Profits and Losses of the HOYA Group

Classification		70th Fiscal Year (Ended March 2008) [Japanese GAAP]	71st Fiscal Year (Ended March 2009) [IFRS]	72nd Fiscal Year (Ended March 2010) [IFRS]	73rd Fiscal Year (Current consolidated fiscal year) (Ended March 2011) [IFRS]
Sales	**(million yen)**	**481,631**	**453,795**	**402,430**	**413,349**
Profit before tax	**(million yen)**	**94,553**	**49,889**	**50,514**	**63,758**
Profit for the year	**(million yen)**	**80,086**	**29,079**	**41,517**	**59,579**
Profit attributable to owners of the Company	**(million yen)**	**81,725**	**29,380**	**41,214**	**59,744**
Basic earnings per share	**(yen)**	**189.01**	**69.90**	**95.24**	**138.49**
Total assets	**(million yen)**	**689,443**	**600,221**	**560,290**	**578,641**
Total equity	**(million yen)**	**394,625**	**342,984**	**358,749**	**377,541**
Equity attributable to owners of the Company per share	**(yen)**	**903.49**	**788.27**	**828.82**	**873.49**

(Notes)

1. Starting with the 73rd consolidated fiscal year, the Group began to use the designated International Financial Reporting Standards, in the preparation of its consolidated financial statements pursuant to the first paragraph, Article 120 of the Ordinance on Accounting of Companies. For information, figures prepared in accordance with the designated International Financial Reporting Standards are shown for the 71st and the 72nd fiscal years as well. Detailed information on these figures can be found in the *Consolidated Financial Statements for the 72nd Fiscal Year, prepared in accordance with the International Financial Reporting Standards (IFRS Report)* issued on December 21, 2010, found at the Company's website (http://www.hoya.co.jp/english).
2. Regarding the 72nd fiscal year, the profit and loss from continuing operations reported in the IFRS Statements referred to above are presented after rearrangement of profit and loss that was newly reclassified to discontinued operations in the current consolidate fiscal year.
3. For the 70th fiscal year, items that were previously disclosed as Net sales, Income before income taxes and minority interest, Net income for the year before adjustments for minority shareholder gains or losses, Net income, Net income per share, Total assets, Net assets, Net assets per share are now presented as Sales, Profit before tax, Profit for the year, Profit attributable to owners of the Company, Basic earnings per share, Total assets, Total equity, Equity attributable to owners of the Company per share, respectively.
4. Basic earnings per share and Profit for the year per share are computed, based on the average of the total number of the outstanding shares during the year. Equity attributable to owners of the Company per share and total equity per share are computed, based on the total number of shares outstanding as of the end of fiscal years. The figures for the total number of outstanding shares exclude treasury shares.
5. The overview of the 73rd fiscal year (the current consolidated fiscal year) is provided in the section of this report titled "1. Business Development and Results."
6. The significant decrease in Profit before tax and that in Profit for the year in the 71st fiscal year were attributed to the reduction in orders associated with the financial crisis that originated in the United States during the fiscal year, and asset impairment accounting applied to non-current assets at the business divisions in the former PENTAX segment. Also contributing were the booking of special extra retirement payments accompanying the reorganization of business divisions and the write-down of investment securities.
7. In the 70th fiscal year, the Company began to own a majority of the outstanding shares of PENTAX Corporation during the interim period of the consolidated fiscal year as the result of a tender offer. As a consequence, PENTAX began to be included in the scope of consolidation, starting with the interim consolidated fiscal year. However, profits or losses for PENTAX recorded in the statement 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, 2011)

Company Name	Capital stock	Voting rights owned by the Company	Main business
HOYA HOLDINGS, INC. (USA)	5,488 thousands of U.S. dollar	100.0%	Regional headquarters in North America
HOYA HOLDINGS N.V. (The Netherlands)	9,929 thousands of euro	100.0%	Holding company in Europe, controlling the distribution and sale of eyeglass lenses in Europe
HOYA HOLDINGS (ASIA) B.V. (The Netherlands)	18 thousands of euro	100.0%	Holding company in Asia
HOYA HOLDINGS ASIA PACIFIC PTE LTD. (Singapore)	80,793 thousands of Singapore dollar	100.0% (100.0%)	Regional headquarters in Asia and Oceania

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

8. Major Businesses (as of March 31, 2011)

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

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

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

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

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

9. Head Office, Principal Places of Business and Plants (as of March 31, 2011)

(1) HOYA CORPORATION

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

(2) Subsidiaries

Segment	Name	Location
Information Technology	HOYA CORPORATION USA	USA
	HOYA GLASS DISK THAILAND LTD.	Thailand
	HOYA OPTICAL TECHNOLOGY (SUZHOU) LTD.	China
	HOYA PHOTONICS, INC.	USA
	HOYA CANDEO OPTRONICS CORPORATION	Toda-shi, Saitama
	PENTAX OF AMERICA, INC.	USA
	PENTAX CEBU PHILIPPINES CORPORATION	The Philippines
	PENTAX VN CO., LTD.	Vietnam
	PENTAX EUROPE IMAGING SYSTEMS SAS	France
Life Care	VISION CARE COMPANY, GLOBAL Headquarters	Thailand
	HOYA LENS DEUTSCHLAND GMBH	Germany
	HOYA LENS U. K. LTD.	UK
	HOYA LENS OF AMERICA, INC.	USA
	HOYA LENS THAILAND LTD.	Thailand
	HOYA SURGICAL OPTICS, INC.	USA
	HOYA MEDICAL SINGAPORE PTE, LTD.	Singapore
	PENTAX EUROPE GMBH	Germany
Other	HOYA SERVICE CORPORATION	Shinjuku-ku, Tokyo
Corporate	HOYA HOLDINGS, INC.	USA
	HOYA HOLDINGS N. V.	The Netherlands
	HOYA HOLDINGS (ASIA) B. V.	The Netherlands
	HOYA HOLDINGS ASIA PACIFIC PTE LTD.	Singapore

(Note) PENTAX OF AMERICA, INC. is listed in the Information Technology segment. The company, however, also handles some product groups of the Life Care segment.

10. Employees (as of March 31, 2011)

(1) By Segment

Division	Number of Employees	Year-on-year Comparison at Year End
Information Technology	24,484	Up 1,350
Life Care	11,565	Up 763
Other Businesses	310	Up 14
Corporate	188	Down 30
Total	36,547	Up 2,097

(Notes)

1. The number of employees represents directly-hired employees only. Temporary and contract workers are excluded.
2. The Corporate figure represents the number of employees in the Global Headquarters (including the R&D Center) and overseas regional headquarters.
3. Employees at HOYA CORPORATION numbered 4,739 (down 172 YOY). Their ages and service periods averaged 42.0 and 14.8 years, respectively.

(2) By Region

Region	Number of Employees	Year-on-year Comparison at Year End
Japan	4,198	Down 164
America	1,838	Down 46
Europe	2,621	Up 150
Asia	27,890	Up 2,157
Total	36,547	Up 2,097

(3) Changes in the number of employees

Category	70th Fiscal Year (Ended March 2008)	71st Fiscal Year (Ended March 2009)	72nd Fiscal Year (Ended March 2010)	73rd Fiscal Year (Ended March 2011)
Overseas	30,387	29,578	30,088	32,349
Japan	5,158	5,014	4,362	4,198

11. Major Lenders (as of March 31, 2011)

Lender	Loans Payable
Japan Science and Technology Agency	428 million yen
The Yamaguchi Bank, Ltd.	165 million yen
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	125 million yen

12. Other Important Matters concerning the HOYA Group

(1) Postponement of initial public offering of a company accounted for by the equity method and suspension of a sale of shares owned by the Company

On March 9, 2011, Tokyo Stock Exchange approved the initial public offering of AvanStrate Inc. (to be referred to as "AvanStrate"), a company accounted for by the equity method by the Company, on TSE Mothers.

However, AvanStrate decided to hold off the issue and sale of new shares by subscription in connection with the listing and postpone the listing on TSE Mothers in light of the impact of the Great East Japan Earthquake that struck on March 11, 2011 and the conditions of the stock market at the time.

The Company planned to sell part of AvanStrate shares that it owns in the domestic market. This sale, too, was suspended as the result of AvanStrate's decision not to issue and sell new shares by subscription, and the postponement of its listing.

The effect of the suspension of the sale on the Company is minimal.

(2) Donation of money and an offer of free Company products to the sufferers of the Great East Japan Earthquake

HOYA CORPORATION would like to convey our deepest sympathies once again to all those who have been affected by the Great East Japan Earthquake that struck on March 11, 2011.

The HOYA Group donated 100 million yen to the regional governments of the areas affected by the earthquake. The money will be used to aid individuals who were affected by the earthquake and also to restore the damaged areas.

In addition, the HOYA Group donated medical equipment, including rigid video laryngoscopes for intubation for speedy and accurate tracheal intubation of injured people, through disaster headquarters of local governments in the quake-struck areas. Also offered free as relief supplies were Company products that are needed in the affected areas, such as eyeglass lenses and cleaning and storage solutions for contact lenses.

It is the sincere hope of the HOYA Group that the affected areas will be restored as quickly as possible.

II. Current State of the Company

1. State of Shares (as of March 31, 2011):

(1) Total number of shares the Company authorized:	Common stock: 1,250,519,400 shares
(2) Total number of issued shares:	Common stock: 435,017,020 shares
(3) Number of shareholders:	88,168 persons (up 7,335 YOY)
(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	Japan Trustee Services Bank, Ltd. (Trust Account)	284,544	6.60
2	JP Morgan Chase Bank 380055	224,713	5.21
3	The Master Trust Bank of Japan, Ltd. (Trust Account)	158,678	3.68
4	State Street Bank and Trust Company 505225	105,043	2.43
5	Mamoru Yamanaka	96,724	2.24
6	SSBT OD05 OMNIBUS ACCOUNT - TREATYCLIENTS	96,017	2.23
7	Mellon Bank NA as agent for its client Mellon Omnibus US Pension	94,372	2.19
8	State Street Bank and Trust Company	89,524	2.08
9	State Street Bank and Trust Company 505223	79,483	1.84
10	JP Morgan Chase Oppenheimer JASDEC Lending Account	68,184	1.58

(Notes)

1. In consideration of the number of voting rights, the numbers of shares are stated in units of one hundred shares and the shares that do not constitute one trading unit are rounded down.
2. The percentage of investment is calculated by excluding treasury stocks (3,602,848 shares).

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, 2011)

Issue (Date of resolution)		5th issue of stock subscription rights (December 22, 2005)	6th issue of stock subscription rights (October 19, 2006)	7th issue of stock subscription rights (October 29, 2007)	8th issue of stock subscription rights (November 10, 2008)	10th issue of stock subscription rights (November 19, 2009)	11th issue of stock subscription rights (November 18, 2010)
Number of stock acquisition rights		165 rights	167 rights	158 rights	430 rights	465 rights	219 rights
Type and number of shares to be issued on exercise of stock subscription rights		66,000 shares of ordinary share	66,800 shares of ordinary share	63,200 shares of ordinary share	172,000 shares of ordinary share	186,000 shares of ordinary share	87,600 shares of ordinary share
Exercise price per share		4,150 yen	4,750 yen	4,230 yen	1,556 yen	2,215 yen	1,947 yen
Amount paid for new stock subscription rights		No payment is required in exchange for new stock subscription rights.					
Exercise period		October 1, 2006 - September 30, 2015	October 1, 2007 - September 30, 2016	October 1, 2008 - September 30, 2017	October 1, 2009 - September 30, 2018	October 1, 2010 - September 30, 2019	October 1, 2011 – September 30, 2020
Outline of terms and conditions for the exercise of stock subscription rights		-Exercise of stock acquisition rights is permitted under certain conditions even after retiring from the post due to the expiration of term of office or mandatory retirement age. -Inheritance or transfer of the stock subscription rights, creation of a pledge concerning the rights, etc. are not permitted.					
State of owner ship	Directors (excluding Outside Directors) and Executive Officers	Number of owners: 2 Number of stock subscription rights: 85	Number of owners: 2 Number of stock subscription rights: 127	Number of owners: 2 Number of stock subscription rights: 118	Number of owners: 3 Number of stock subscription rights: 390	Number of owners: 4 Number of stock subscription rights: 375	Number of owners: 4 Number of stock subscription rights: 169
	Outside Directors	Number of owners: 4 Number of stock subscription rights: 80	Number of owners: 4 Number of stock subscription rights: 40	Number of owners: 4 Number of stock subscription rights: 40	Number of owners: 4 Number of stock subscription rights: 40	Number of owners: 5 Number of stock subscription rights: 90	Number of owners: 5 Number of stock subscription rights: 50

(Notes)

1 The first issue of stock subscription rights, resolved at the meeting of the Board of Directors held on October 21, 2002, the third issue of stock subscription rights, resolved at the meeting of the Board of Directors held on November 27, 2003, and the fourth issue of stock subscription 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 subscription rights were granted to Directors and Executive Officers of the Company in the second issue of stock subscription rights resolved at the meeting of the Board of Directors held on May 23, 2003 and in the ninth issue of stock subscription rights resolved at the meeting of the Board of Directors held on February 5, 2009.

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

Issue (Date of the resolution)		11th issue of stock subscription rights (November 18, 2010)
Number of stock subscription rights		2,845 rights
Type and number of shares to be issued on exercise of stock subscription rights		1,138,000 shares of ordinary shares
Exercise price per share		1,947 yen
Amount paid for new stock subscription rights		No payment is required in exchange for new stock acquisition rights.
Exercise period		October 1, 2011- September 30, 2020
Outline of terms and conditions for the exercise of stock subscription rights		-Exercise of stock subscription 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 subscription rights, creation of a pledge concerning the rights, etc. are not permitted.
State of owner ship	Employees of the Company	Number of owners: 71 Number of stock subscription rights: 1,450 rights
	Officers and employees of subsidiaries of the Company	Number of owners: 70 Number of stock acquisition rights:1,395 rights

3. Directors of the Company

(1) Directors and Executive Officers (as of March 31, 2011)

Name	Position and role at the Company	Important positions of other organization concurrently held
Takeo Shiina	**Director Chairman, Nomination Committee Audit Committee member Compensation Committee member**	**Honorary 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, Inc. 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**	**Chairman Emeritus and Advisor of Nissan Motor Co., Ltd. Chairman of Calsonic Kansei Corporation Chairman of Nissan Shatai Co., Ltd.**
Hiroshi Suzuki	**Director President & CEO**	
Hiroshi Hamada	**Director Executive Officer & Chief Operating Officer (COO)**	
Kenji Ema	**Director Executive Officer & Chief Financial Officer (CFO)**	
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 the 15th item , 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. Director Takeo Shiina was appointed as an Honorary Advisor of IBM Japan Ltd. as of April 1, 2010.
4. Mr. Hiroaki Tanji, Executive Officer, retired from his post upon completion of his term at the conclusion of the 72nd ordinary general meeting of shareholders, held on June 18, 2010.
5. The Company has no important business relationship with any other organization at which its Outside Directors concurrently 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 of Directors consists of a fixed salary and stock options.

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

(iii) Policy concerning remuneration for Executive Officers

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

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

Performance-based compensation is determined by both financial performance, measured as the percentage of targets met with respect to sales, profit for the year and earnings per share, which is given an 80% weight, and the degree of achievement with respect to management measures set at the beginning of the fiscal year, which is given a 20% weight.

Remuneration typically consists of 50% fixed salary and 50% performance-based pay. The performance-based portion, however, can fluctuate widely, depending on the Company's performance.

(iv) Stock Options

The granting of stock options to Directors and Executive Officers is deliberated upon by the Compensation Committee, based on Company performance and individuals' evaluations. The final decision on stock options is made by the Board of Directors.

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

(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 remuneration by type		
				Fixed salary	Performance-based remuneration	Stock options
Directors	Outside	5 persons	66 million yen	51 million yen	—	16 million yen
	Internal	3 persons	24 million yen	24 million yen	—	—
	Total	8 persons	90 million yen	75 million yen	—	16 million yen
Executive Officers		5 persons	368 million yen	171 million yen	128 million yen	69 million yen
Total		10 persons	458 million yen	245 million yen	128 million yen	85 million yen

(Notes)
1. The total amount of remuneration includes remuneration paid to one Executive Officer who retired as of the conclusion of the 72nd Ordinary General Meeting of Shareholders.
2. At the end of the fiscal year under review, there were eight Directors and four Executive Officers. Three of the four 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” above for important positions and roles concurrently held by the Company’s Outside Directors at other organization and their relationship with the Company.

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

Name	Board of directors meeting	Audit Committee	Compensation Committee	Nomination Committee
Takeo Shiina	10/10	9/10	7/7	8/8
Yuzaburo Mogi	10/10	10/10	7/7	8/8
Eiko Kono	10/10	10/10	7/7	8/8
Yukiharu Kodama	10/10	10/10	6/7	6/8
Itaru Koeda	10/10	10/10	7/7	8/8

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

Name	Major Activities
Takeo Shiina	Mr. Shiina actively made useful contributions to the discussion of items on the agenda, based on his substantial management experience and expertise. As an Outside Director, he made remarks from a fair and impartial position as the occasion required, and fulfilled his role in terms of management supervision. As the Chairman of the Nomination Committee, Mr. Shiina led discussion toward Committee decisions on agenda items including the selection of candidates for Director’s posts and the appointment of candidates for Executive Officers.
Yuzaburo Mogi	Mr. Mogi actively made useful contributions to the discussion of items on the agenda, based on his substantial management experience and expertise. As an Outside Director, he made remarks from a fair and impartial position as the occasion required, and fulfilled his role in terms of management supervision. As the Chairman of the Compensation Committee, he led the discussion of agenda items toward Committee decisions, for conducting fair and adequate performance evaluations and constructing a remuneration system that gives heightened incentives to Directors and Executive Officers.
Eiko Kono	Ms. Kono actively made useful contributions to the discussion of items on the agenda, based on her substantial management experience and expertise. As an Outside Director, she 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 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 actively made useful contributions to the discussion of items on the agenda, based on his substantial management experience and expertise. As an Outside Director, he made remarks from a fair and impartial position as the occasion required, and fulfilled his role in terms of management supervision. As the Chairman of the Audit Committee, Mr. Kodama led the discussions toward Committee decisions on agenda items, including verification of financial statements, monitoring of internal control systems, and auditing of operations and assets.
Itaru Koeda	Mr. Koeda made useful contributions to the discussion of items on the agenda, based on his substantial management experience and expertise. As an Outside Director, he made remarks from a fair and impartial position as the occasion required, and fulfilled his role in term of management supervision.

(iv) Overview of Liability Limitation Contract

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

4. Independent Auditors

(1) Name: Deloitte Touche Tohmatsu LLC

(2) Amount of remuneration, etc.

Classification	Amount of payment
Amount of remuneration, etc. paid to independent auditors regarding the fiscal year under review	**249 million yen**
Aggregate amount of monetary and other asset gains the Company and its subsidiaries owe to independent auditors	**249 million yen**

(Notes)

1. The audit agreement between the Company and its independent auditors makes no clear distinction between the amount of audit fees based on the Companies Act and the audit fee based on the Financial Instruments and Exchange Act. For this reason, the total amount of remuneration, etc. for the independent auditors is stated as the amount of remuneration, etc. for the fiscal year under review.
2. The member firms of Deloitte Touche Tohmatsu Limited. 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 first paragraph, 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 first item, first paragraph, Article 416 of the Companies Act and Article 112 of the Ordinance for Enforcement of the Companies Act are as follows:

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

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

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

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

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

(2) Matters required for ensuring the adequacy of operations

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

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

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

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

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

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

2) Basic Policy for Eliminating Antisocial Forces

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

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

The Company does not have a specific basic policy in this regard. However, the Company’s basic view is as follows:
The Company takes the view that judgment should ultimately lie with shareholders when an acquisition proposal and the like is made with the transfer of management control as its objective. 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 Company 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 among returns to the shareholders, the welfare of employees and the buildup of internal reserves for future growth of the Company.

With respect to internal reserves, resources will be appropriated preferentially in markets so as to establish brands, particularly for consumables in the Life Care business fields. Furthermore, the Company plans to aggressively pursue mergers and acquisitions (M&A) to ensure its future business growth, and make timely investment in M&A, as well as in R&D expenditures to strengthen its competitiveness. The Company will also continue to make capital investment so as to secure proper production capacity and develop next-generation technologies and new products so that it will 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 on a recovery course and the macroeconomic environment remains challenging. Taking these factors into consideration, the Company set the year-end dividend for the consolidated fiscal year under review at 35 yen per share so as to respond to the support of shareholders while retaining adequate internal reserves needed 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. Yen amounts shown were obtained by rounding fractions to the closest stated units. Percentage figures shown were also obtained by rounding fractions to the lowest place shown. Numbers of shares shown were obtained by rounding down fractions less than the stated units.
2. Sales and other figures do not include consumption tax or local consumption tax.

Consolidated Statement of Financial Position

(As of March 31, 2011)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		**EQUITY AND LIABILITY**	
Non-current assets:	**204,185**	**EQUITY**	
		Equity attributable to owners of the Company:	**376,836**
Property, plant and equipment–net	118,574	Share capital	6,264
Goodwill	2,629	Capital reserves	15,899
Other intangible assets	15,157	Treasury shares	(10,964)
Investments in associates	11,247	Other capital reserves	(2,496)
Long-term financial assets accounted for by the equity method	19,043	Retained earnings	427,722
Other non-current assets	1,634	Accumulated other comprehensive loss	(59,590)
Deferred tax assets	35,901	**Non-controlling interests**	705
		Total equity	**377,541**
Current assets:	**374,456**	**LIABILITIES**	
		Non-current liabilities:	**111,961**
Inventories	63,665	Interest-bearing long-term debt	100,769
Trade and other receivables	86,454	Other long-term financial liabilities	197
Other short-term financial assets	26,964	Provision for retirement benefits obligation	8,121
Income taxes receivable	2,273	Other provisions	1,461
Other current assets	9,848	Other non-current liabilities	1,198
Cash and cash equivalents	185,252	Deferred tax liabilities	214
		Current liabilities:	**89,140**
		Interest-bearing short-term debt	2,415
		Trade and other payables	51,433
		Other short-term financial liabilities	823
		Income taxes payable	3,110
		Other provisions	803
		Other current liabilities	30,556
		Total liabilities	**201,100**
Total assets	**578,641**	**Total equity and liabilities**	**578,641**

Consolidated Statement of Comprehensive Income

(From April 1, 2010, to March 31, 2011)

(Millions of yen)

Item	Amount	
Continuing operations		
Revenue:		
Sales	413,349	
Finance income	918	
Share of profit in associates accounted for by the equity method	1,605	
Other revenue	3,741	**419,613**
Expenses:		
Changes in inventories of goods, products and work in progress	(4,834)	
Raw materials and consumables used	98,975	
Employee benefits expense	93,997	
Depreciation and amortization	30,369	
Subcontracting cost	7,395	
Advertising and promotion expense	12,088	
Commission expense	21,510	
Impairment losses	1,944	
Finance costs	2,585	
Other expenses	91,827	**355,855**
Income before tax		**63,758**
Income tax expenses		14,053
Income for the year from continuing operations		**49,705**
Discontinued Operations		
Income for the year from discontinued operations		9,873
Net income for the year		**59,579**
Other comprehensive income:		
Net gain on revaluation of available-for-sale financial assets	406	
Exchange differences on translating foreign operations	(14,188)	
Share of other comprehensive income in associates accounted for by the equity method	241	
Income tax relating to components of other comprehensive income	512	**(13,030)**
Total comprehensive income for the year		**46,549**
Net income attributable to:		
Owners of the Company	59,744	
Non-controlling interests	(166)	59,579
Total comprehensive income attributable to:		
Owners of the Company	46,757	
Non-controlling interests	(208)	46,549

Consolidated Statements of Changes in Equity

(From April 1, 2010, to March 31, 2011)

(Millions of yen)

	Share capital	Capital reserves	Treasury shares	Other capital reserves	Retained earnings
Balance at April 1, 2010	6,264	15,899	(11,010)	(3,014)	396,019
Comprehensive income for the year					
Net income for the year					59,744
Other comprehensive income					
Total comprehensive income for the year					59,744
Transactions with owners					
Contributions by and distributions to owners					
Acquisition of treasury shares			(6)		
Disposal of treasury shares			52	(26)	
Dividends, Yen 65 per share					(28,041)
Change in non-controlling interests					
Share-based payments（Stock option）				544	
Total contributions by and distributions to owners			47	518	(28,041)
Total transactions with owners	—	—	47	518	(28,041)
Balance at March 31, 2011	6,264	15,899	(10,964)	(2,496)	427,722

	Net gain on revaluation of available-for-sale financial assets	Exchange differences on translation of foreign operation	Share of other comprehen-sive income in associates	Accumulated other comprehen-sive income	Attributable to owners of the Company	Non-controlling interests	Total equity
Balance at April 1, 2010	148	(44,480)	(2,271)	(46,603)	357,555	1,194	358,749
Comprehensive income for the year							
Net income for the year					59,744	(166)	59,579
Other comprehensive income	213	(13,441)	241	(12,987)	(12,987)	(43)	(13,030)
Total comprehensive income for the year	213	(13,441)	241	(12,987)	46,757	(208)	46,549
Transactions with owners							
Contributions by and distributions to owners							
Acquisition of treasury shares					(6)		(6)
Disposal of treasury shares					27		27
Dividends, Yen 65 per share					(28,041)	(69)	(28,110)
Change in non-controlling interests						(212)	(212)
Share-based payments（Stock option）					544		544
Total contributions by and distributions to owners					(27,476)	(281)	(27,757)
Total transactions with owners	—	—	—	—	(27,476)	(281)	(27,757)
Balance at March 31, 2011	361	(57,921)	(2,030)	(59,590)	376,836	705	377,541

Independent Auditors' Audit Report Concerning Consolidated Financial Statements

(TRANSLATION)

INDEPENDENT AUDITORS' REPORT

May 16, 2011

To the Board of Directors of
HOYA CORPORATION:

Deloitte Touche Tohmatsu LLC

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

Hitoshi Matsumoto

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

Yoshiaki Hatori

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

Ichiro Sakamoto

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

Kazuhiro Sota

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements prepared in accordance with designated International Financial Reporting Standards with some omissions of disclosure items pursuant to the latter part of the first paragraph of Article 120 of the Ordinance of Companies Accounting, namely, the consolidated statement of financial position as of March 31, 2011 of HOYA CORPORATION (the "Company") and consolidated subsidiaries, and the related statements of comprehensive income and changes in equity, and the related notes for the fiscal year from April 1, 2010 to March 31, 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above, that are prepared in accordance with designated International Financial Reporting Standards with some omissions of disclosure items pursuant to the latter part of the first paragraph of Article 120 of the Ordinance of Companies Accounting, present fairly, in all material respects, the financial position of the Company and consolidated subsidiaries as of March 31, 2011, and the results of their operations for the year then ended.

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

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

Non-consolidated Balance Sheets

(As of March 31, 2011)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)		**(Liabilities)**	
Current assets	**197,448**	**Current liabilities**	**58,968**
Cash and deposits	78,773	Notes payable – trade	603
Notes receivable – trade	4,573	Accounts payable – trade	28,979
Accounts receivable – trade	54,112	Current portion of long–term debt	290
Securities	10,000	Accounts payable – other	8,550
Merchandise and finished goods	14,535	Accrued expenses	6,530
Work in process	3,928	Accrued income taxes	634
Raw materials and supplies	7,393	Advances received	2,359
Short-term loans receivable to subsidiaries and affiliates	4,647	Deposits received	2,291
Deferred tax assets	7,564	Accrued bonuses to employees	4,468
Accounts receivable - other	6,657	Accrued warranty cost	497
Income taxes receivable	1,827	Accounts payable–facilities	3,226
Other current assets	3,903	Other current liabilities	540
Allowance for doubtful receivables	(463)		
Fixed assets	**153,933**	**Long-term liabilities**	**110,421**
Tangible fixed assets	**45,511**	Bonds	99,985
Buildings	10,218	Long-term debt	428
Structures	772	Employees` pension and retirement benefits	7,185
Melting furnaces	263	Reserve for periodic repairs	962
Machinery and equipment	8,733	Asset retirement obligations	1,117
Vehicles	13	Other long-term liabilities	744
Tools, equipment and fixtures	9,796	**Total liabilities**	**169,389**
Land	14,020	**(Net assets)**	
Construction in progress	1,697	**Shareholders' equity:**	**179,901**
Intangible fixed assets	**10,476**	**Common stock**	**6,264**
Patents	5,634	**Capital surplus**	**15,899**
Technology	3,180	Additional paid-in capital	15,899
Leasehold rights	6	**Retained earnings**	**168,702**
Software	1,513	Legal reserve	1,566
Others	143	Other retained earnings	167,136
Investments and other assets	**97,946**	Reserve for special depreciation	108
Investment securities	13,320	Reserve for advanced depreciation of fixed assets	207
Stocks of subsidiaries and affiliates	50,093	Unappropriated Retained earnings	166,821
Investments in capital	2	**Treasury stock – at cost**	**(10,964)**
Investments in capital of subsidiaries and affiliates	9,009	**Valuation and translation adjustments**	**360**
Long-term loans receivable	166	Net unrealized gain on other marketable securities	360
Long-term loans receivable from subsidiaries and affiliates	998	**Stock subscription rights**	**1,731**
Claims provable in Long-term receivable	216		
Long-term prepaid expenses	281		
Deferred tax assets	20,630		
Lease deposits	3,708		
Other assets	1,111		
Allowance for doubtful accounts	(1,588)	**Total net assets**	**181,992**
Total assets	**351,381**	**Total liabilities and net assets**	**351,381**

Non-consolidated Statements of income

(From April 1, 2010, to March 31, 2011)

(Millions of yen)

Item	Amount	
Net sales		**290,797**
Cost of sales		**202,883**
Gross profit		**87,913**
Selling, general and administrative expenses		**71,036**
Operating income		**16,877**
Non-operating income		
Interest income	253	
Dividends income	34,724	
Commission fee earned	10,459	
Others	1,127	**46,564**
Non-operating expenses		
Interest expense	123	
Interest on bonds	1,655	
Provision for doubtful accounts	858	
Foreign exchange losses	4,930	
Others	355	**7,920**
Ordinary income		**55,521**
Special income		
Reversal of allowance for periodic repairs	61	
Gain on sales of property, plant and equipment	108	
Gain on reversal of stock subscription rights	40	**210**
Special losses		
Loss on sales of fixed assets	36	
Loss on disposal of fixed assets	335	
Loss on write-down of investment securities	613	
Impairment losses	58	
Loss on disaster	769	
Additional retirement benefits paid to employees	1,696	
Loss on adjustment for changes of accounting standard for asset retirement obligations	825	
Expenses for improvements on environment	580	
Others	373	**5,285**
Income before income taxes		**50,446**
Income taxes–current	716	
Income taxes–deferred	6,490	7,206
Net income		**43,239**

Non-Consolidated Statements of Changes in Net Assets

(From April 1, 2010, to March 31, 2011)

(Millions of yen)

	Shareholders' equity							
		Capital surplus		Retained earnings				
					Other retained earnings			
	Common stock	Additional paid-in capital	Total capital surplus	Legal reserve	Reserve for special depreciation	Reserve for advanced depreciation of fixed assets	Unappropriated retained earnings	Total retained earnings
Balance as of March 31, 2010	6,264	15,899	15,899	1,566	186	229	151,677	153,657
Changes during the current fiscal year under review								
Reversal of reserve for special depreciation					(78)		78	—
Reversal of reserve for advanced depreciation of fixed assets						(22)	22	—
Dividends from retained earnings							(28,041)	(28,041)
Net income							43,239	43,239
Acquisition of treasury stock								
Disposition of treasury stock							(22)	(22)
Decrease by split-off type corporate division							(132)	(132)
Changes in items other than shareholders' equity during the current fiscal year under review - net								
Total changes during the current fiscal year under review	—	—	—	—	(78)	(22)	15,144	15,044
Balance as of March 31, 2011	6,264	15,899	15,899	1,566	108	207	166,821	168,702

	Shareholders' equity		Valuation and translation adjustments		Stock subscription rights	Total net assets
	Treasury stock – at cost	Total shareholders' equity	Unrealized gain on available-for-sale securities	Total valuation and translation adjustments		
Balance as of March 31, 2010	(11,010)	164,810	147	147	1,231	166,188
Changes during the current fiscal year under review						
Reversal of reserve for special depreciation		—				—
Reversal of reserve for advanced depreciation of fixed assets		—				—
Dividends from retained earnings		(28,041)				(28,041)
Net income		43,239				43,239
Acquisition of treasury stock	(6)	(6)				(6)
Disposition of treasury stock	52	31				31
Decrease split-off type by corporate division		(132)				(132)
Changes in items other than shareholders' equity during the current fiscal year under review- net			213	213	500	713
Total changes during the current fiscal year under review	47	15,091	213	213	500	15,804
Balance as of March 31, 2011	(10,964)	179,901	360	360	1,731	181,992

Independent Auditors' Audit Report Concerning Financial Statements

(TRANSLATION)

INDEPENDENT AUDITORS' REPORT

May 16, 2011

To the Board of Directors of
HOYA CORPORATION:

Deloitte Touche Tohmatsu LLC

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

Hitoshi Matsumoto

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

Yoshiaki Hatori

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

Ichiro Sakamoto

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

Kazuhiro Sota

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the balance sheet as of March 31, 2011 of HOYA CORPORATION (the "Company"), and the related statements of income and changes in net assets, and the related notes for the 73rd fiscal year from April 1, 2010 to March 31, 2011, and the accompanying supplemental schedules. These financial statements and the accompanying supplemental schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the accompanying supplemental schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accompanying supplemental schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and the accompanying supplemental schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement and the accompanying supplemental schedules presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2011, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

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

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

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 73nd fiscal year from April 1, 2010 to March 31, 2011. We hereby report the method and results thereof:

1. AUDIT METHOD AND ITS CONTENTS

We received periodic reports from the Directors, Executive Officers and others concerning the state of construction and management of the system (internal control system) established in accordance with the resolutions of the Board of Directors concerning matters provided for in (b) and (e) of first item, first paragraph, Article 416 of the Companies Act, requested explanations and expressed its opinions as necessary. In addition, we attended important meetings, received reports from Directors, Executive Officers and others on matters concerning the performance of their duties, requested explanations whenever necessary, inspected documentation of important decisions, etc. and investigated the state of activities and assets at the head office and major business offices of the Company in accordance with the audit policy and the assignment of duties, etc. established by the Audit Committee and in collaboration with the audit department of the Company.

Regarding internal controls over financial reports, we received reports on the evaluation of the internal controls and the state of audits from Executive Officers and others, as well as Deloitte Touche Tohmatsu LLC, and requested explanations as necessary.

With respect to subsidiaries, we communicated and exchanged information with directors and auditors thereof, and received business reports from the subsidiaries whenever necessary.

We also monitored the Company's Independent Auditors to verify that they maintained a position of independence and conducted proper audits. We received reports from the Independent Auditors on the state of execution of their duties, and asked them for explanations whenever necessary. Additionally, we received from the Independent Auditors a letter that they were taking steps to build the System for Ensuring Adequate Execution of Duties (pursuant to the items of Article 131 of the Ordinance for Companies Accounting) in accordance with the Standards for Quality Control of Audit (Business Accounting Council, October 28, 2005), and asked the Independent Auditors for explanations whenever necessary.

Based on the method described above, we examined the business report, financial statements (consisting of the balance sheet, statement of income, statement of changes in total equity, and notes to financial statements), their supplementary schedules, and consolidated financial statements (consisting of the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity, and notes to consolidated financial statements, prepared by omitting certain items required to be disclosed by the designated International Financial Reporting Standards and pursuant to the provisions of the latter part of first paragraph, Article 120 of the Ordinance for Companies Accounting) for the current fiscal year.

2. AUDIT RESULTS

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

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

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

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

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

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

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

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

May 27, 2011

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 the 15th item, Article 2 and third paragraph, Article 400 of the Companies Act.

Notice

Notice concerning online disclosure of HOYA Report 2011

To enable better understanding of our business activities, HOYA CORPORATION formerly distributed printed copies of the HOYA Report each year. From last 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 2011 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 discloses the resolutions along with the results of exercise of voting rights on our website (http://www.hoya.co.jp/english/).

Shareholders' Memo

Business year:	From April 1 every year to March 31 of the following year
Date to determine shareholders who are entitled to receive year-end dividend payments	March 31
Date to determine shareholders who are entitled to receive interim dividend payments	September 30
Ordinary General Meetings of Shareholders:	June every year
Transfer agent **Account management institution for the special accounts**	Mitsubishi UFJ Trust and Banking Corporation
Contact	Corporate Agency 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)