



October 29, 2007

Quarterly Financial Highlights (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

1. Performance for the three months ended September 30, 2007 and 2006 (2nd Quarter)

(Figures less than a million yen are omitted.)

(1)Results of Operations	Millions of Yen			
	Three months ended			
	Sep.30, 2007	Sep.30, 2006	variance(%)	Jun.30, 2007
Net sales	100,980	99,079	(1.9)	97,779
Operating income	26,849	28,126	(-4.5)	22,640
Ordinary income	28,119	25,700	(9.4)	23,976
Net income	21,020	22,899	(-8.2)	17,097
Net income per share(Yen)	48.64	53.16		39.61

Notes : No changes have been made in accounting policy.

(2)Financial Position	Millions of Yen		
	As of		
	Sep.30, 2007	Jun.30, 2007	Sep.30, 2006
Total assets	683,610	469,048	417,361
Net assets	401,907	387,950	322,690
Owner's equity ratio	57.5%	82.2%	76.9%
Net assets per share (Yen)	908.55	893.29	745.06

(3)Conditions of Cash Flows	Millions of Yen		
	Three months ended		
	Sep.30, 2007	Sep.30, 2006	Jun.30, 2007
Net cash provided by operating activities	30,450	35,017	21,815
Net cash used in investing activities	-84,120	-14,741	-10,891
Net cash used in financing activities	92,930	-22,256	-5,980
Cash and cash equivalents, end of period	166,108	98,685	131,610



2. Conditions of Dividends (unit: Yen)

	Year ended/ending Mar.31,	
	2008	2007
Interim cash dividends per share (Yen)	30.00	30.00
Year-end cash dividends per share (Yen)	N/A	35.00
Annual cash dividends per share (Yen)	N/A	65.00

3. Projected Results for the Year ending March 31, 2008

Hoya Corporation discloses financial reports quarterly on a consolidated basis. The forecast for the fiscal year will be released on a consolidated basis when the business results for the third quarter (from October 1 to December 31) are disclosed.

Notes:

During the period under review, HOYA Corporation ("HOYA") conducted the tender offer for the common stock of PENTAX Corporation ("PENTAX") and PENTAX became a consolidated subsidiary of HOYA Corporation as of August 14, 2007.

PENTAX has 33 consolidated subsidiaries worldwide that result in a significant increase in the number of consolidated subsidiaries of HOYA Corporation.

Since PENTAX and its subsidiaries were consolidated to HOYA Corporation during the period under review, balance sheets of PENTAX and its subsidiaries are combined into the consolidated financial statements of HOYA Group. The interim report presented herein does not include income statements of PENTAX and its subsidiaries. It will be combined from the second half (six months from October 1, 2007).

Hoya Corporation does not guarantee the accuracy or completeness of the information herein. Unless otherwise stated estimates or forecasts are solely those of our company and subject to change without notice. Hoya Corporation accepts no liability whatsoever for any direct or consequential loss arising from any use of this report.

[Business Overview and Financial Statements]

1. Results of Operations

1) General Overview

Results of Operations	Millions of Yen	Variance(%) year-on-year
	Three months ended Sep. 30, 2007	
Net sales	100,980	(1.9)
Operating income	26,849	(-4.5)
Ordinary income	28,119	(9.4)
Net income	21,020	(-8.2)
Net income per share(Yen)	48.64	-4.52

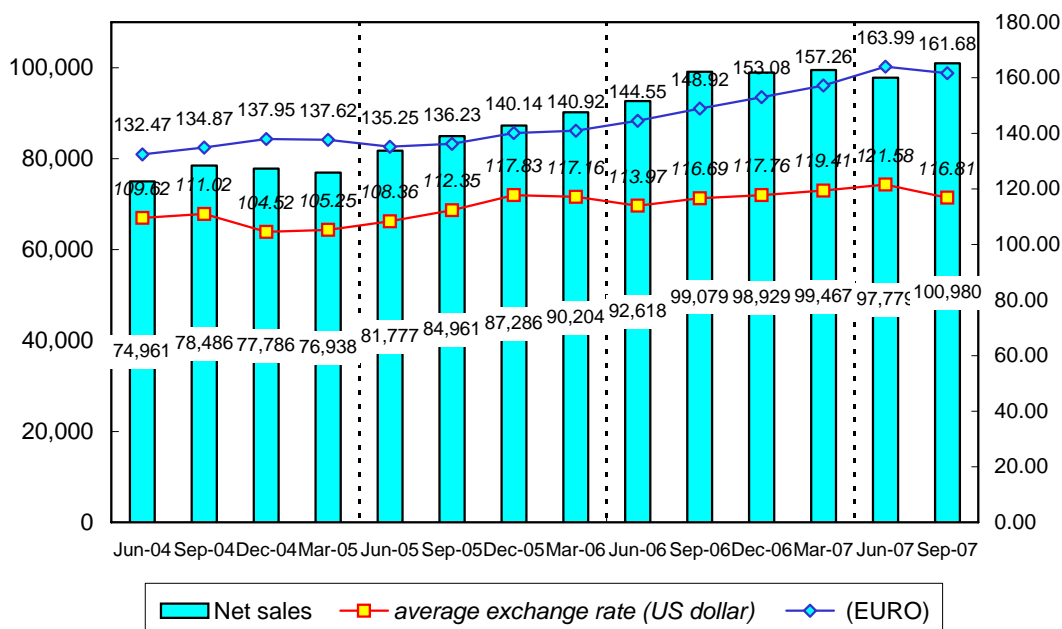
Economic conditions during the quarter under review made negative impact in medium or small-sized companies due to increase of resource price and cost, while in major companies relating to the manufacturing industries have kept high level economic activities. As a consequence, economy as a whole continued to the same healthy tone as the previous quarter, while keeping high level of capital investments and expansion of employment.

Meanwhile, for the HOYA Group, in the Electro-Optics sector, sales went down in some products because of price decline, delay in commencement of production of new items. Though, in other products, the development of new products by clients were vigorous, promoting robust demand, the whole of the sector showed a decline in revenues and profit.

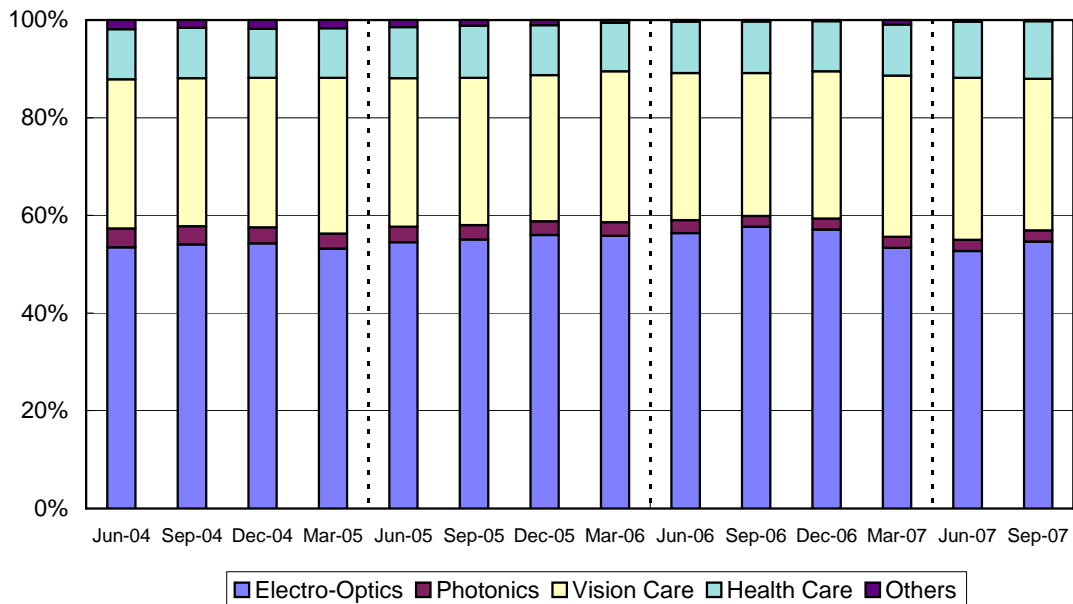
In Vision-Care division, the market overseas for eyeglass lenses showed an expansion, leading to increased revenues and profits. Healthcare division performed well, showing an increase in revenues and profit.

As a result, during the quarter under review consolidated net sales and ordinary income increased year-on-year basis and posted historical records on quarterly basis. Although operating income and net income decreased year-on-year basis, both of them increased compared to the first quarter (from April 1 to June 30).

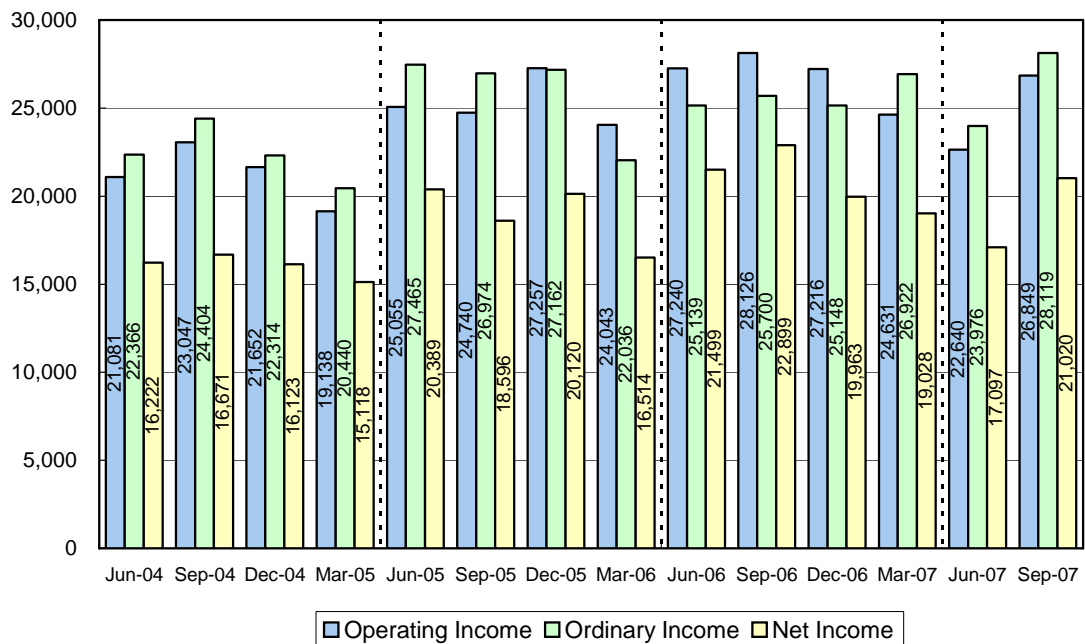
Quarterly net sales (Million Yen) and average exchange rate
(Yen/US dollar & EURO)



Ratio of Net Sales by Business Segment - Quarterly Transition



Quarterly Incomes (Millions of Yen)



2) Segment Overview

1.Information Technology

Electro-Optics

In terms of mask blanks for manufacturing semiconductors, HOYA received a decent volume of orders for such high-precision products as blanks for phase-shift masks, etc., and sales increased on a year-on-year basis.

There was also an increase in orders for photomasks for semiconductor production, high precision products and next-generation developed products, leading to higher sales volume year-on-year. Competition among mask producers for orders in the area of large-size masks for LCD use also intensified due to the broad reduction in panel prices by LCD panel producers. Sales of large-size masks decreased year-on-year.

In terms of glass disks for hard disk drives (HDDs), sales decreased on a year-on-year basis due to the internal delay in commencing of production with perpendicular recording method. The sales increased against June quarter.

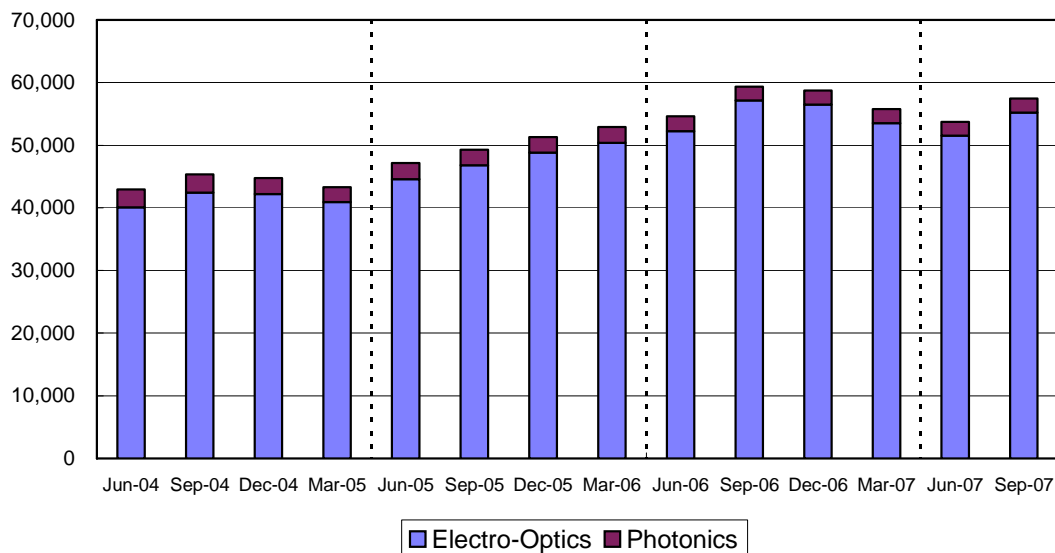
In optical lenses, in addition to the reemergence of a trend toward increase in lens shipments for digital cameras, the demand for lenses for mobile telephones equipped with cameras increased broadly, resulting in higher sales year-on-year.

Photonics

This segment covers laser-related equipment for industrial, dental and medical applications.

With laser-equipped industrial and medical equipment as major products, clients in the industrial area include producers of semiconductors, LCD panels, optical devices and so forth. The market has been fraught with intense competition as well as industry restructuring.

Quarterly Net Sales of Information Technology (Millions of Yen)



2. Eye Care

Vision Care

The slump in the domestic market for eyeglass lenses continued as before but HOYA realized growth in the high price bracket through the value-added enhancement of products centered in high-function coatings and newly-designed progressive lenses. In the low price bracket, however, overall sales in the domestic market were at essentially the level as in the previous year due to stiff price competition.

In eyeglass lenses in markets overseas, the expansion continued to advance in sales for newly designed progressive lenses, high refraction lenses and other high value added products in Asia-Oceania, Europe and North America and the markets remained firm. There was an overall increase in the sales volume year-on-year in spite of tough competition due to a price offensive in low-end lenses.

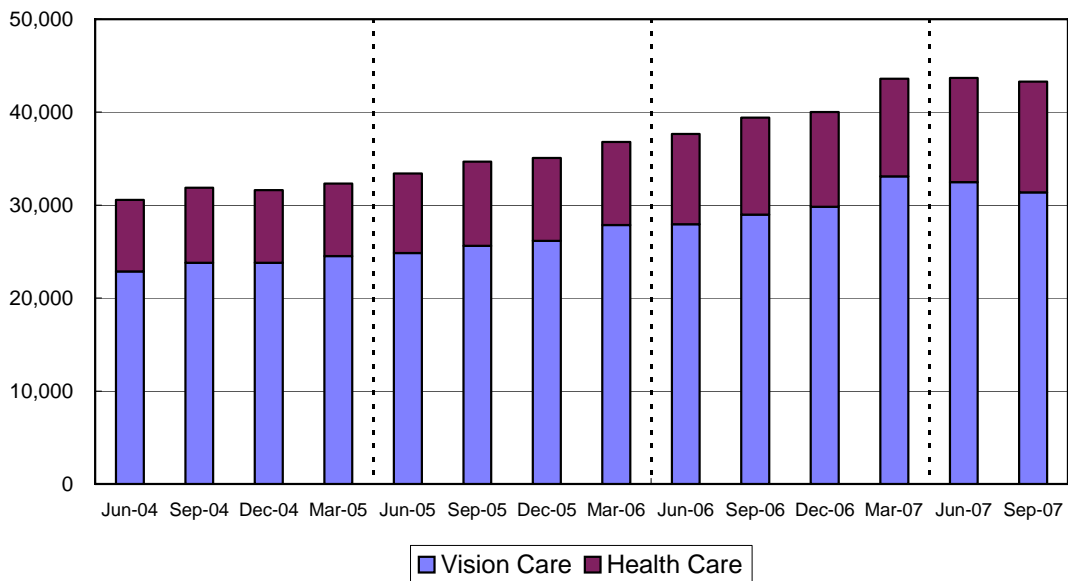
As a result, an increase was realized in the sector overall year-on-year.

Health Care

In contact lenses, it will continue to pursue differentiation from competitors through expanded sales in bifocal lenses and other high value added products through the consulting sales taking advantage of specialized knowledge.

In intraocular lenses, flexible (soft) intraocular lenses, especially yellow-lenses, have been demonstrating robust performance in the market, recording an increase in sales volume year-on-year.

Quarterly Net Sales of Eye Care (Millions of Yen)



3. Others

Crystal glassware and internal services (design of information system, etc.)

2. Financial Position

1) Assets, Liabilities and Net assets

	<u>Millions of Yen</u> <u>As of Sep. 30, 2007</u>
Total assets	683,610
Net assets	401,907
Owner's equity ratio	57.5%

Since Pentax and its subsidiaries were consolidated from the quarter under review, both assets and liabilities increased compared to the end of the previous quarter. The current assets increased Yen 113,613 million mainly since cash and deposit increased Yen 36,033 million. Fixed assets increased Yen 100,948 million to Yen 279,253 million mainly due to increase of goodwill. As a result, total assets increased Yen 214,562 million compared to the end of the previous quarter. Liabilities increased Yen 200,604 million mainly due to issuance of Yen 99,963 million of corporate bonds to fund Pentax Tender Offer. Net assets increased Yen 13,957 million and came to Yen 401,907 million through earned surplus increased Yen 19,146 million.

2) Conditions of Cash Flows

	<u>Millions of Yen</u> <u>Three months ended Sep. 30, 2007</u>
Net cash provided by operating activities	30,450
Net cash used in investing activities	-84,120
Net cash provided by financing activities	92,930
Cash and cash equivalents, end of period	166,108

In terms of cash flows from operating activities, on the basis of cash increase of Yen 26,260 million in income before income taxes compared to the same period last year and Yen 9,136 million in depreciation and the cash decrease of Yen 1,628 million as payment of income taxes, net cash provided by operating activities decreased by Yen 4,567 million to Yen 30,450 million. Net cash used in investment activities increased by Yen 69,379 million to Yen 84,120 million, mainly used for Yen 72,097 million of Pentax Tender Offer and Yen 12,267 million of investment in order to handle next-generation products. Net cash provided by financing activities increased by Yen 115,186 million compared to the same period last year and came to Yen 92,930 million, because of the proceed of Yen 99,677 million by issuing corporate bonds to fund Pentax Tender Offer. As a result, the term-end balance of cash and cash equivalents amounted to Yen 166,108 million, increased by Yen 34,497 million in comparison with that of the end of the previous quarter.

3. Preparation of the Consolidated Financial Statements

1) Scope of Consolidation and Application of the Equity Method

1. Number of consolidated subsidiaries : 103 companies

Major companies: <overseas> HOYA HOLDINGS, INC., HOYA HOLDINGS N.V.,
HOYA HOLDINGS ASIA PACIFIC PTE. LTD., HOYA PHOTONICS, INC.
<domestic> PENTAX CORPORATION,
HOYA CANDEO Optronics Corporation, HOYA Healthcare Corporation

2. Number of unconsolidated subsidiaries : None

3. Number of affiliates : 12 companies

(Number of affiliates accounted for by the equity method : 9 companies,

Major companies: NH TECHNO GLASS CORPORATION)

4. Changes in scope of consolidation and application of the equity method:

A. Scope of consolidation

a) In comparison to the same period last year (Sep. 30, 2006) : 39 companies increased in total.

5 companies increased due to the establishment: HOYA LENS VIETNAM LTD. (Vietnam)
HOYA HOLDINGS (ASIA) B.V. (The Netherlands)
and other 3 companies (overseas)

35 companies increased due to the acquisition: PENTAX CORPORATION (Japan)
and its 33 consolidated subsidiaries (Japan 7, overseas 26)
MORGAN OPTICAL, INC. (USA)

1 company decreased due to the merger into
the other subsidiary : HOYA CRYSTAL, INC. (USA)
* merged into HOYA CORPORATION USA (USA)

b) In comparison to the previous quarter (Jun. 30, 2007) : 35 companies increased in total.

1 company increased due to the establishment: HOYA HOLDINGS (ASIA) B.V. (The Netherlands)

34 companies increased due to the acquisition: PENTAX CORPORATION (Japan)
and its 33 consolidated subsidiaries (Japan 7, overseas 26)

B. Application of the equity method

a) In comparison to the same period last year (Sep. 30, 2006) : 8 companies increased in total.

3 companies increased : Overseas 3 subsidiaries of NH TECHNOGLASS CORPORATION
(Note) NH TECHNO had been counted in the financial report as one (1) domestic company until 1Q this year.
However, its 3 overseas subsidiaries are newly accounted for by equity method from this 2Q.

5 companies increased due to the acquisition: PENTAX group 5 companies (Japan 2, overseas 3)

b) In comparison to the previous quarter (Jun. 30, 2007) : 8 companies increased in total.

3 companies increased : Overseas 3 subsidiaries of NH TECHNOGLASS CORPORATION

5 companies increased due to the acquisition: PENTAX group 5 companies (Japan 2, overseas 3)

Since PENTAX and its subsidiaries were consolidated to HOYA Corporation during the period under review, assets and liabilities of PENTAX and its subsidiaries are combined into the Consolidated Balance Sheets of HOYA Group. The Consolidated Statement of Income will be combined from the third quarter (three months from October 1, 2007). The interim report presented herein does not include Income Statements of PENTAX, but only presents HOYA group income statements.

	as of Sep. 30, 2007	as of Sep. 30, 2006	variance	as of Jun. 30, 2007
Consolidated subsidiaries	103 (jp13, os90)	64 (jp 5, os59)	+39 (jp+8, os+31)	68 (jp 5, os63)
Nonconsolidated subsidiaries	- (jp -, os -)	- (jp -, os -)	- (jp-, os -)	- (jp -, os -)
Affiliates	12 (jp 6, os 6)	4 (jp 4, os -)	+8 (jp+2, os+6)	4 (jp 4, os -)
(accounted for by the equity method)	(9) (jp 3, os 6)	(1) (jp 1, os -)	(+8) (jp+2, os+6)	(1) (jp 1, os -)
Total Hoya Group	115	68	+47	72
(accounted for by the equity method)	(9)	(1)	(+8)	(1)

(jp : Japan domestic, os : overseas)

2) Changes in accounting policy :

From this fiscal year, the company changed its classification of industry segment.

4. Quarterly Consolidated Financial Statements (unaudited)

(1) Quarterly Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

ASSETS	As of			
	Sep.30,2007	Jun.30,2007	Variance	Sep.30,2006
ASSETS				
Current assets				
Cash and deposits	167,643	131,610	36,033	98,685
Notes and accounts receivable - trade	132,129	94,116	38,013	91,179
Inventories	84,594	54,835	29,759	45,432
Deferred tax assets	10,325	5,257	5,068	7,863
Other current assets	11,900	6,528	5,372	14,792
Allowance for doubtful receivables	-2,238	-1,605	-633	-1,224
Total current assets	404,356	290,743	113,613	256,728
Fixed assets				
Tangible fixed assets				
Buildings and structures	42,006	35,640	6,366	30,611
Machinery and carriers	75,676	75,772	-96	73,328
Tools, equipment and fixtures	20,599	12,850	7,749	12,103
Lands	16,839	9,343	7,496	8,867
Construction in progress	17,295	15,056	2,239	9,474
Total tangible fixed assets	172,417	148,664	23,753	134,386
Intangible fixed assets				
Goodwill	55,686	2,414	55,686	2,302
Other intangible fixed assets	19,941	4,288	19,941	3,549
Total intangible fixed assets	75,628	6,702	68,926	5,851
Investments and other assets				
Investment securities	20,045	15,219	4,826	12,955
Deferred tax assets	4,227	2,551	1,676	2,991
Other assets	7,251	5,491	1,760	4,723
Allowance for doubtful receivables	-316	-323	7	-274
Total investments and other assets	31,207	22,938	8,269	20,395
Total fixed assets	279,253	178,305	100,948	160,633
TOTAL ASSETS	683,610	469,048	214,562	417,361

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen			
	As of			
LIABILITIES AND NET ASSETS	Sep.30,2007	Jun.30,2007	Variance	Sep.30,2006
LIABILITIES				
Current liabilities				
Notes and accounts payable - trade	58,028	29,629	28,399	30,228
Short-term bank loans	16,812	—	16,812	—
Long-term bank loans matured within a year	3,634	—	3,634	—
Commercial paper	—	7,991	-7,991	7,497
Income tax payable	11,318	4,340	6,978	15,219
Accrued expenses	24,145	15,968	8,177	20,201
Accrued bonuses to employees	6,116	2,282	3,834	4,134
Other current liabilities	22,184	18,108	4,076	15,452
Total current liabilities	142,239	78,320	63,919	92,734
Long-term liabilities				
Corporate bonds	99,963	—	99,963	—
Long-term bank loans	20,123	—	20,123	—
Deferred tax liabilities	5,029	—	5,029	—
Accrued retirement benefits	10,810	—	10,810	—
Retirement benefit for directors	270	—	270	—
Allowance for special repairs	1,195	977	218	662
Other long-term liabilities	2,070	1,800	270	1,274
Total long-term liabilities	139,462	2,778	136,684	1,936
Total Liabilities	281,702	81,098	200,604	94,671
NET ASSETS				
Shareholders' equity				
Paid-in capital	6,264	6,264	—	6,264
Capital surplus	15,898	15,898	—	15,898
Earned surplus	343,323	324,177	19,146	297,696
Treasury stock	-8,170	-12,064	3,894	-15,521
Advances on subscription to treasury stock	—	5	-5	16
Total shareholders' equity	357,316	334,281	23,035	304,353
Valuation and translation adjustments				
Valuation difference on available-for-sale securities	-157	63	-220	-7
Translation adjustments	36,069	51,342	-15,273	16,658
Total valuation and translation adjustments	35,911	51,405	-15,494	16,651
New share subscription rights	476	346	130	—
Minority interest	8,203	1,916	6,287	1,685
Total Net Assets	401,907	387,950	13,957	322,690
TOTAL LIABILITIES AND NET ASSETS	683,610	469,048	214,562	417,361
Notes:				
	Millions of Yen			
1. Accumulated depreciation	236,159	237,877		196,198
2. Pledged assets	2,971	—		—
Secured liabilities	288	—		—
3. Guarantees of borrowings and lease obligations for customers and Group's employees	2,478	2,672		2,702
4. Value of discount on notes receivable	1,601	—		—
5. Number of shares of treasury stock (unit : shares)	2,208,619	3,261,279		4,196,357

(2) Quarterly Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	Three months ended				Jun.30, 2007
	Sep.30, 2007	Sep.30, 2006	Variance		
			Value	(%)	
Net sales	100,980	99,079	1,901	1.9	97,779
Cost of sales	52,384	50,117	2,267	4.5	52,120
Gross profit	48,597	48,961	-364	-0.7	45,658
Selling, general and administrative expenses	21,747	20,836	911	4.4	23,018
Operating income	26,849	28,126	-1,277	-4.5	22,640
Non-operating income	3,197	1,351	1,846	136.6	2,435
Interest income	1,293	777	516		1,030
Equity in earnings of affiliates	1,395	—	1,395		599
Others	510	574	-64		805
Non-operating expenses	1,928	3,776	-1,848	-48.9	1,099
Interest expense	155	2	153		10
Sales discount	226	186	40		234
Foreign exchange losses	682	2,692	-2,010		440
Equity in losses of affiliates	—	293	-293		—
Others	864	603	261		415
Ordinary income	28,119	25,700	2,419	9.4	23,976
Extra-ordinary gains	420	9,987	-9,567	-95.8	121
Gain on sales of property, plant and equipment	419	9,540	-9,121		22
Others	1	447	-446		98
Extra-ordinary losses	2,279	3,355	-1,076	-32.1	1,089
Additional retirement benefits paid to employees	1,522	5	1,517		62
Loss on impairment of long-lived assets	263	67	196		22
Maintenance of environment	251	729	-478		5
Loss on disposal of property, plant and equipment	209	2,539	-2,330		66
Others	34	14	20		932
Income before income taxes and other items	26,260	32,332	-6,072	-18.8	23,008
Income taxes - Current	6,053	11,015	-4,962	-45.0	3,956
Income taxes - Deferred	-775	-1,602	827	-51.6	1,932
Minority interests in net income	-37	22	-59	-268.2	21
Net income	21,020	22,899	-1,879	-8.2	17,097
Net income per share(Yen)	48.64	53.16	-4.52		39.61
Diluted net income per share(Yen)	48.55	52.96	-4.41		39.51

Notes:

- Effect of Exchange Rate Change on Net Sales and Incomes ("2007 A" is the actual value of this period. "2007 B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2007 A	2007 B	influences
Net sales	100,980	99,463	1,517
Operating income	26,849	25,257	1,592
Ordinary income	28,119	26,251	1,868
Net income	21,020	19,401	1,619

		Three months ended			
		Sep.30,2007	Sep.30,2006	Variance(%)	
2. Average rates of major foreign currencies				Jun.30,2007	
US\$	Yen	116.81	116.69	-0.1%	121.58
Euro	Yen	161.68	148.92	-8.6%	163.99
Thai Baht	Yen	3.76	3.09	-21.7%	3.77

(3) Quarterly Consolidated Statements of Changes in Net Assets

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen					
	Shareholders' Equity					
	Paid-in Capital	Capital Surplus	Earned Surplus	Treasury Stock	Advances on subscription to treasury stock	Total Shareholders' Equity
BALANCE JUNE 30, 2007	6,264	15,898	324,177	-12,064	5	334,281
Net income			21,020			21,020
Appropriations						
Cash dividends						
Bonus to directors						
Loss on deposit of treasury stock						
Repurchases of treasury stocks				-5		-5
Disposal of treasury stocks			-1,874	3,899	-5	2,019
Increase / decrease due to change in accounting standard of overseas consolidated subsidiaries						
Others						
Net increase / decrease during the term under review except in Shareholders' Equity			19,146	3,893	-5	23,034
Total increase / decrease during the term under review	—	—	19,146	3,893	-5	23,034
BALANCE SEPTEMBER 30, 2007	6,264	15,898	343,323	-8,170	—	357,316

	Millions of Yen					
	Valuation and Translation Adjustments					
	Valuation difference on available-for-sale securities	Translation Adjustments	Total Valuation and Translation Adjustments	New Share Subscription Rights	Minority Interest	Total Net Assets
BALANCE JUNE 30, 2007	63	51,342	51,405	346	1,916	387,950
Net income						21,020
Appropriations						
Cash dividends						
Bonus to directors						
Loss on deposit of treasury stock						
Repurchases of treasury stocks						-5
Disposal of treasury stocks						2,019
Increase / decrease due to change in accounting standard of overseas consolidated subsidiaries						
Others						
Net increase / decrease during the term under review except in Shareholders' Equity	-221	-15,272	-15,494	130	6,286	-9,077
Total increase / decrease during the term under review	-221	-15,272	-15,494	130	6,286	13,957
BALANCE SEPTEMBER 30, 2007	-157	36,069	35,911	476	8,203	401,907

Notes:

1. Condition of outstanding stocks	Common stock	beginning of the period	increase during the period	decrease during the period	end of the period	unit : shares
		435,017,020	—	—	435,017,020	
2. Condition of treasury stock	Common stock	beginning of the period	increase during the period	decrease during the period	end of the period	unit : shares
		3,261,279	1,373	1,054,033	2,208,619	

The breakdown of increase/decrease of treasury stock (by reason) is as follows :

Increase due to repurchase of treasury stock less than one unit	1,373 shares
Decrease due to sale of treasury stock less than one unit	33 shares
Decrease due to exercise of stock option	1,054,000 shares

<Last Year>

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen					
	Shareholders' Equity					
	Paid-in Capital	Capital Surplus	Earned Surplus	Treasury Stock	Advances on subscription to treasury stock	Total Shareholders' Equity
BALANCE JUNE 30, 2006	6,264	15,898	274,708	-15,954	3	280,920
Net income			22,899			22,899
Appropriations						
Cash dividends						
Bonus to directors						
Loss on deposit of treasury stock			-200			-200
Repurchases of treasury stocks				-2		-2
Disposal of treasury stocks				436		436
Increase / decrease due to change in accounting standard of overseas consolidated subsidiaries			290			290
Others					13	13
Net increase / decrease during the term under review except in Shareholders' Equity			22,988	433	13	23,433
BALANCE SEPTEMBER 30, 2006	6,264	15,898	297,696	-15,521	16	304,353

	Millions of Yen				
	Valuation and Translation Adjustments				
	Valuation difference on available-for- sale securities	Translation Adjustments	Total Valuation and Translation Adjustments	Minority Interest	Total Net Assets
BALANCE JUNE 30, 2006	-30	6,966	6,935	878	288,734
Net income					22,899
Appropriations					
Cash dividends					
Bonus to directors					
Loss on deposit of treasury stock					-200
Repurchases of treasury stocks					-2
Disposal of treasury stocks					436
Increase / decrease due to change in accounting standard of overseas consolidated subsidiaries					290
Others					13
Net increase / decrease during the term under review except in Shareholders' Equity	23	9,692	9,716	807	10,523
Total increase / decrease during the term under review	23	9,692	9,716	807	33,956
BALANCE SEPTEMBER 30, 2006	-7	16,658	16,651	1,685	322,690

Notes:

1. Condition of outstanding stocks	Common stock	beginning of the period	increase during the period	decrease during the period	end of the period	unit : shares
		435,017,020	—	—	435,017,020	
2. Condition of treasury stock	Common stock	beginning of the period	increase during the period	decrease during the period	end of the period	unit : shares
		4,313,419	633	117,695	4,196,357	

The breakdown of increase/decrease of treasury stock (by reason) is as follows :

Increase due to repurchase of treasury stock less than one unit	633 shares
Decrease due to sale of treasury stock less than one unit	95 shares
Decrease due to exercise of stock option	117,600 shares

(4) Quarterly Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen			
	Three months ended			
	Sep.30,2007	Sep.30,2006	Variance	Jun.30,2007
OPERATING ACTIVITIES:				
Income before income taxes and minority interests	26,260	32,332	-6,072	23,008
Depreciation and amortization	9,136	8,512	624	9,985
Loss on impairment of long-lived assets	262	67	195	22
Provision for (reversal of) accrued allowances for doubtful receivables	-13	-14	1	225
Provision for (reversal of) accrued bonuses to employees	1,861	1,834	27	-2,099
Provision for (reversal of) reserve for periodic repairs	219	-155	374	81
Interest income and dividend receivable	-1,294	-789	-505	-1,050
Interest expense payable	155	2	153	10
Foreign exchange loss (gain)	-1,256	3,256	-4,512	2,195
Equity in earnings of affiliates	-1,395	293	-1,688	-599
Gain on sales of property, plant and equipment and investment securities	-419	-9,539	9,120	-22
Loss on disposal of property, plant and equipment and investment securities	209	2,538	-2,329	66
Losses on write-down of investment securities	—	7	-7	871
Other	-417	696	-1,113	1,966
(Increase) decrease in notes and accounts receivable	-2,588	-7,633	5,045	1,570
(Increase) decrease in inventories	-818	-199	-619	-2,899
(Increase) decrease in other current assets	1,253	2,848	-1,595	-1,695
Increase (decrease) in notes and accounts payable	-1,419	292	-1,711	30
Increase (decrease) in income taxes payable	-344	-709	365	939
Increase (decrease) in other current liabilities	1,846	915	931	787
Sub total	31,237	34,554	-3,317	33,395
Interest and dividend - received	1,239	798	441	972
Interest - paid	-77	-2	-75	-10
Legal settlement paid	-321	—	-321	—
Income taxes - paid	-1,628	-333	-1,295	-12,541
Net cash provided by operating activities	30,450	35,017	-4,567	21,815
INVESTING ACTIVITIES:				
Payments for purchases of property, plant and equipment	-12,267	-14,153	1,886	-10,212
Proceeds from sales of property, plant and equipment	492	421	71	135
Payments for purchases of investment securities	—	-84	84	-0
Payments for acquisition of subsidiary's stocks for consolidation	-72,097	—	-72,097	-364
Payments for loans	-43	-10	-33	-0
Proceeds from collection of loans	17	33	-16	8
Expenditure for other investments	-283	-998	715	-554
Proceeds from other investments	60	49	11	97
Net cash used in investing activities	-84,120	-14,741	-69,379	-10,891
FINANCING ACTIVITIES:				
Net increase (decrease) in short-term bank loans	-7,991	-22,502	14,511	7,991
Proceeds from issuance of corporate bonds	99,677	—	99,677	—
Increase in treasury stock	-5	-2	-3	-3
Decrease in treasury stock	2,019	250	1,769	368
Dividends paid	-728	—	-728	-14,336
Dividends paid for minority shareholders	-40	-2	2	—
Net cash provided by / used in financing activities	92,930	-22,256	115,186	-5,980
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-4,762	216	-4,978	6,045
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	34,497	-1,764	36,261	10,988
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	131,610	100,449	31,161	120,621
CASH AND CASH EQUIVALENTS, END OF PERIOD	166,108	98,685	67,423	131,610

Notes: 1. Negative figures with "-" (minus) in the above statements indicate net
2. The above statements are direct translation from *Kessan Tanshin* made
3. Cash and cash equivalents at the end of the period (unit:Millions of Yen) :

	As of		
	Sep.30,2007	Sep.30,2006	Jun.30,2007
Cash and deposits	167,643	98,685	131,610
Time deposit over three months	-1,535	—	—
Total	166,108	98,685	131,610

(5) Notes for Quarterly Consolidated Financial Statements

Notes Relating to Investment Securities and Derivatives

1. Investment securities with market values:

(Millions of Yen)

	As of								
	Sep.30, 2007			Jun.30, 2007			Sep.30, 2006		
Available-for-sale	Cost	Fair Value	Variance	Cost	Fair Value	Variance	Cost	Fair Value	Variance
Available-for-sale :									
Marketable Equity securities	4,567	4,265	-302	1,694	1,795	101	1,692	1,685	-7
Government bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	4,567	4,265	-302	1,694	1,795	101	1,692	1,685	-7

2. Investment securities without market values:

(Millions of Yen)

	As of		
	Sep.30, 2007	Jun.30, 2007	Sep.30, 2006
Non-marketable stock of subsidiaries	14,304	12,977	10,123
Total	14,304	12,977	10,123
Non-marketable equity securities	1,143	186	882
Others	332	259	264
Total	1,475	445	1,146

3. Derivatives and Hedging Activities

(1) Conditions of transactions

The HOYA Group uses derivative financial instruments to manage its exposures to fluctuations in foreign currency exchange rates. Foreign exchange forward contracts are utilized by the Group to reduce foreign currency exchange risks. The Group does not enter into derivatives for trade or speculative purposes.

Hedge accounting methods

Deferral hedging is applied. Appropriation is adopted for hedging exchange risks when the criteria for appropriation are met.

Hedging methods and hedged items

Exchange risks are hedged based mainly on the company's "Internal Management Regulations", and the company has adopted a policy of not conducting any speculative derivative trading.

Hedging method: forward exchange contracts

Items hedged: Foreign currency denominated debt, Foreign currency denominated loan

(2) Fair Value of Transactions

Currency-related transactions

(Millions of Yen)

Items	Contract Value	Contract over One Year	Market Value	Unrealized gain (loss)
Forward foreign exchange contracts :				
Sell USD	10,611	1,034	10,626	15
EURO	12,832	-	12,832	-
Buy USD	1,305	-	1,305	-
EURO	3,423	1,034	3,465	42

Notes : 1. Market Value : Translated by forward exchange rates.

2. Transactions which are translated at the contracted forward rates are excluded.

Interest Rate Swap

(Millions of Yen)

Items	Contract Value	Contract over One Year	Market Value	Unrealized gain (loss)
Interest rate swap :				
Receive floating pay fixed	11,895	11,895	-60	-

Notes : 1. Calculation of market value

The principal amount regarding the interest rate swap is notional. The figures do not indicate market risks relating to the derivative transactions.

2. Calculation of market value is based on the prices provided by the financial institutions the Company entered into the interest rate swap contracts with.

Notes Relating to Income Tax

1. Breakdown of major factors giving rise to deferred tax assets and liabilities:

	Millions of Yen		
	As of		
	Sep.30, 2007	Jun.30, 2007	Sep.30, 2006
(1) Current deferred tax assets and liabilities			
Deferred tax assets			
Inventories - loss on write-down	2,831	111	—
Inventories - intercompany unrealized profits	2,710	2,671	1,965
Accrued bonuses to employees	2,408	798	1,544
Accrued enterprise taxes	654	80	950
Maintenance of environment	101	—	1,701
Loss on close of factory	—	—	404
Other	2,008	1,595	1,298
Sub total amount of deferred tax assets - current	<u>10,715</u>	<u>5,257</u>	<u>7,863</u>
Valuation reserve	-253	—	—
Total amount of deferred tax assets - current	<u>10,461</u>	<u>5,257</u>	<u>7,863</u>
Deferred tax liabilities	-137	-20	—
(2) Non-current deferred tax assets and liabilities			
Deferred tax assets			
Loss carryforwards	3,700	—	—
Allowance for retirement benefits not deductible	3,489	—	—
Valuation reserve for investment securities not deductible	1,217	—	—
Excess amount of inclusion in deductible expenses for depreciation	1,647	1,434	1,738
Loss on impairment not deductible	580	653	619
Loss on disposal of fixed assets not deductible	518	518	518
Valuation losses	382	—	—
Excess amount of inclusion in deductible expenses for allowance for doubtful receivables	107	110	111
Other	2,857	734	734
Sub total amount of deferred tax assets - current	<u>14,500</u>	<u>3,451</u>	<u>3,723</u>
Valuation reserve	-5,479	—	—
Total amount of deferred tax assets - current	<u>9,021</u>	<u>3,451</u>	<u>3,723</u>
Deferred tax liabilities			
Valuation losses	-8,083	—	—
Net unrealized gain on available-for-sale securities	-687	-42	—
Reserve for deferred income taxes on fixed assets	-351	-304	-332
Unrealized gain on lands	-316	—	—
Special depreciation reserve	-216	-235	-233
Other	-167	-316	-165
Total amount of deferred tax liabilities - fixed	<u>-9,824</u>	<u>-900</u>	<u>-732</u>
Net amount of deferred tax assets - fixed	<u>-802</u>	<u>2,551</u>	<u>2,991</u>

2. The effective income tax rates of the companies differed from the statutory tax rate for the following reasons:

	Three months ended		
	Sep.30, 2007	Sep.30, 2006	Jun.30, 2007
	40.4 %	40.4 %	40.4 %
Statutory tax rate of the Company			
(Adjustment)			
Lower income tax rates applicable to income in certain foreign countries	-17.4	-15.6	-16.3
Non-deductible expenses such as entertainment expenses	0.5	0.4	0.4
Per capita levy of inhabitants tax and others	0.0	0.1	0.0
Non-taxable dividend income	—	0.0	-6.6
Intercompany cash dividend and transactions	2.0	0.0	6.6
Equity in earnings of affiliates	-2.1	0.4	-1.1
Tax credit on experiment and research expenses	-0.2	-0.3	-0.3
Foreign tax deduction	-4.8	—	—
Other adjustment	1.7	3.7	2.5
Effective income tax rate	<u>20.1</u>	<u>29.1</u>	<u>25.6</u>

Notes Relating to Loss on Impairment of Fixed Assets

The company, which groups its assets in terms of its business units, accounted for impairment for the following groups of assets during the terms under review.

1. Tokyo Studio in the Crystal Division

Location	Akishima-shi, Tokyo
Use	Facilities for manufacturing crystal glassware, etc.
Asset Class	Machinery and equipment, etc.

In the Crystal Division, which experienced a substantial decline in demand for personal consumption and for corporate gifts amid the sluggish market, and book value of the asset group relating to this division was decreased to its recoverable amount, and the decrease was posted as impairment loss under extraordinary losses.

	<u>Millions of Yen</u>		
	<u>Three months ended</u>		
	<u>Sep.30, 2007</u>	<u>Sep.30, 2006</u>	<u>Jun. 30, 2007</u>
Machinery and others	<u>51</u>	<u>67</u>	<u>22</u>
Total	<u>51</u>	<u>67</u>	<u>22</u>

The recoverable amount of the asset group was measured in terms of its value in use while its future cash flows were computed by discounting them by 5%.

2. Rights in the Health Care Division

Location	San Diego, U.S.A.
Use	Research of Health Care products
Asset Class	Intangible fixed assets

Since there was a possibility for the non-competition provision, a basis of the rights that have been posted as intangible fixed assets, to be cancelled during the term under review, book value of the asset was decreased to its recoverable amount, and the decrease was posted as impairment loss under extraordinary losses.

	<u>Millions of Yen</u>		
	<u>Three months ended</u>		
	<u>Sep.30, 2007</u>	<u>Sep.30, 2006</u>	<u>Jun. 30, 2007</u>
Intangible fixed assets	<u>211</u>	<u>—</u>	<u>—</u>
Total	<u>211</u>	<u>—</u>	<u>—</u>

The recoverable amount of the asset was measured in terms of its value in use while its future cash flows were computed by discounting them by 5%.

Notes Relating to Business Merger

1. Name and description of business operations of the acquired company, reasons for the business merger, business merger date, legal configuration of the business merger, company name subsequent to the merger and ratio of acquired voting rights.

- (1) Name and description of business operations of the acquired company

Acquired company: PENTAX Corporation

Description of business operations: Life care, imaging systems, optical components and other product manufacturing, marketing, etc.

- (2) Major reasons for the business merger

HOYA and PENTAX aim to establish a solid management foundation by leveraging managerial resources of the two companies in a mutually complementary manner and to enhance corporate value by utilizing the two companies' strength in optical and precision processing technologies to develop appealing products and provide them to a broader customer base.

Subsequent to the business merger, HOYA and PENTAX shall aim for the optimization of the business portfolio and a further reinforcement of competitive strength.

- (3) Business merger date August 14, 2007

- (4) Legal configuration of the business merger Acquisition of stock

- (5) Name of the company subsequent to the merger PENTAX Corporation

- (6) Acquired voting rights 90.58%
(As of the end of the term under review, the Company holds 90.83% of the voting rights.)

2. Term of business performance of the acquired company included in consolidated interim financial statements

With the final day of the relevant consolidated interim accounting term as the acquisition date, only the balance sheet is on a consolidated basis.

3. Acquisition cost of the acquired company and breakdown

Cost of stock acquisition	94,482 millions of Yen
Disbursement directly required for the acquisition of stock	296
<u>Cost of acquisition</u>	<u>94,778</u>

4. Amount of goodwill or negative goodwill, reason for occurrence and depreciation method and term

- (1) Goodwill amount 46,718 millions of Yen

- (2) Cause for occurrence Since current net asset value at the time of the business merger was lower than the acquisition cost, the difference is recognized as goodwill.

- (3) Depreciation method and term 10-year term, straight line method

Per Share Information

	Three months ended,		
	Sep.30, 2007	Sep.30, 2006	Jun.30,2007
Net asset per share (Yen)	908.55	745.06	893.29
Basic net income per share (Yen)	48.64	53.16	39.61
Diluted net income per share (Yen)	48.55	52.96	39.51

The basis of the calculation of per share information as follows:

	Three months ended,		
	Sep.30, 2007	Sep.30, 2006	Jun.30,2007
Net asset per share (Yen)			
Net assets (Millions of Yen)	401,907	322,690	387,950
(Minority interest) (Millions of Yen)	8,203	1,685	1,916
(Advances on subscription to treasury stock) (Millions of Yen)	—	16	5
(New share subscription rights) (Millions of Yen)	476	—	346
Net assets on common stock (Millions of Yen)	393,227	320,988	385,681
Number of common stocks issued at end of the term excluding treasury stocks (unit:shares)	432,808,401	430,820,663	431,755,741
Basic net income per share			
Net income (Millions of Yen)	21,020	22,899	17,097
Net income on common stock (Millions of Yen)	21,020	22,899	17,097
Average number of common stocks (unit:shares)	432,171,861	430,752,119	431,670,794
Diluted net income per share (Yen)			
Net income (Millions of Yen)	21,020	22,899	17,097
Net income on common stock (Millions of Yen)	21,020	22,899	17,097
Number of common stocks increased (unit:shares)	825,716	1,626,056	1,087,345
Average number of common stocks (unit:shares)	432,997,577	432,378,175	432,758,139

Material Subsequent Events After the Closing of Accounts

1. Regarding Merger of HOYA and PENTAX Corporation

HOYA Corporation, at the meeting of the Board of Directors on October 29, 2007, resolved to sign the merger agreement between HOYA and PENTAX, a consolidated subsidiary of HOYA as of March 31, 2008.

For more information, please visit the following websites to get the news release dated October 29, 2007, "Notice of Merger Agreement between HOYA and PENTAX".

The Tokyo Stock Exchange

<http://www.tse.or.jp/listing/disclosure/index.html> (Japanese only)

HOYA corporate website (English is available)

http://www.hoya.co.jp/HOYA_DYNAMIC/index.cfm?fuseaction=investor.news_e

2. Notice of Issuance of Stock Options

In a meeting of the Board of Directors on October 29, 2007, HOYA Corporation decided to grant stock options to directors of the Company.

The terms and conditions of the stock options granted to directors of the Company were resolved at the Board of Directors' meeting in accordance with the deliberation of the compensation committee.

(6) Segment Information (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

1. Industry Segments

(Figures less than a million Yen are omitted.)

for the three months ended September 30, 2007

	Millions of Yen								Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	
Net sales:									
To outside customers	55,186	2,271	31,369	11,908	—	245	100,980	—	100,980
Intersegment	56	51	-0	—	—	699	807	-807	—
Total	55,243	2,322	31,368	11,908	—	944	101,788	-807	100,980
Operating expenses	36,162	2,163	25,696	8,953	—	1,046	74,023	107	74,130
Operating income	19,081	159	5,672	2,954	—	-102	27,765	-915	26,849
Operating income ratio	34.5%	6.8%	18.1%	24.8%	-	-10.8%	27.3%	-	26.6%
Assets	243,708	7,563	126,540	22,825	205,672	2,633	608,943	74,666	683,610
Depreciation	6,814	37	1,911	313	—	12	9,088	48	9,136
Loss on impairment	—	—	—	211	—	51	263	—	263
Capital Expenditures	6,968	20	2,845	276	—	47	10,159	-3	10,156
R&D Expenses	1,994	288	164	347	—	4	2,800	—	2,800
Number of employees (p)	19,636	199	7,700	957	6,018	215	34,725	68	34,793

for the three months ended September 30, 2006

	Millions of Yen								Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	
Net sales:									
To outside customers	57,134	2,223	28,985	10,423	—	314	99,079	—	99,079
Intersegment	91	77	-0	-0	—	646	812	-812	—
Total	57,225	2,299	28,984	10,423	—	960	99,892	-812	99,079
Operating expenses	35,449	2,176	23,731	7,996	—	1,137	70,488	464	70,954
Operating income	21,777	123	5,253	2,427	—	-176	29,404	-1,278	28,126
Operating income ratio	38.1%	5.4%	18.1%	23.3%	-	-18.3%	29.4%	-	28.4%
Assets	250,542	7,802	111,318	19,867	—	2,719	392,251	25,110	417,361
Depreciation	6,464	29	1,690	255	—	10	8,450	61	8,512
Loss on impairment	—	—	—	—	—	67	67	—	67
Capital Expenditures	12,287	39	3,718	429	—	75	16,548	477	17,025
R&D Expenses	2,773	278	429	317	—	15	3,814	—	3,814
Number of employees (p)	19,281	204	7,388	815	—	225	27,913	61	27,974

Ref : Differences between the second quarter of this year and the same period last year

	Millions of Yen								Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	
Net sales:									
To outside customers	-1,948	48	2,384	1,485	-	-69	1,901	-	1,901
Variance(%)	-3.4%	2.2%	8.2%	14.2%	-	-22.0%	1.9%	-	1.9%
Intersegment	-35	-26	0	0	-	53	-5	5	-
Total	-1,982	23	2,384	1,485	-	-16	1,896	5	1,901
Operating expenses	713	-13	1,965	957	-	-91	3,535	-357	3,176
Operating income	-2,696	36	419	527	-	74	-1,639	363	-1,277
Variance(%)	-12.4%	29.3%	8.0%	21.7%	-	-42.0%	-5.6%	-	-4.5%
Assets	-6,834	-239	15,222	2,958	205,672	-86	216,692	49,556	266,249
Depreciation	350	8	221	58	-	2	638	-13	624
Loss on impairment	-	-	-	211	-	-16	196	-	196
Capital Expenditures	-5,319	-19	-873	-153	-	-28	-6,389	-480	-6,869
R&D Expenses	-779	10	-265	30	-	-11	-1,014	-	-1,014
Number of employees (p)	355	-5	312	142	6,018	-10	6,812	7	6,819

*Elimi. or corp. : Eliminations or corporate

Notes:

1. Products and Services of each Business Division:

- (1) Since PENTAX and its subsidiaries were consolidated to HOYA Corporation during the period under review, the segmentation of business category, products and services are reclassified as per below. Although PENTAX and its subsidiaries operate several businesses classified into mainly three segments, they are presented as one segment of "PENTAX" in this report.

For preparing the quarterly report herein, income statements of PENTAX and its subsidiaries are not combined, but only their assets and number of employees are consolidated in this segment information.

Business Category	Division	Products and Services
Information Technology	Electro-Optics	Photomasks and Maskblanks for semiconductors, Masks and 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	Lazer equipments for industrial, dental, and medical purposes, Light sources for electronics industry, special optical glasses, etc.
Eye Care	Vision Care	Eyeglass lenses, eyeglass frames, etc.
	Health Care	Contact lenses and accessories, intraocular lenses, etc.
Pentax		(Lifecare) Endoscopes, Medical Accessories, APACERAM bne prosthesis, CHT Ceramic Hydroxyapatite, etc.
		(Imaging System)
		Digital cameras, Interchangeable lenses, Accessories for cameras, etc.
		(Optical Components)
		Digital camera modules, Micro lenses, CCTV lenses, etc.
Others		Crystal glass products; Design of information systems, etc.

- (2) Formerly the company's business segment classification was as follows:

Business Category	Division	Products and Services
Information Technology	Electro-Optics	Photomasks and Maskblanks for semiconductors, Masks and 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	Lazer equipments for industrial, dental, and medical purposes, Light sources for electronics industry, special optical glasses, etc.
Eye Care	Vision Care	Eyeglass lenses, eyeglass frames, etc.
	Health Care	Contact lenses and accessories, intraocular lenses, etc.
Others		Crystal glass products; Design of information systems, etc.

2. Amounts and composition of unallocable operating expenses are included in "Eliminations or Corporate". Corporate operating expenses mainly consist of the administration expenses of the headquarters of the Company and the overseas regional headquarters, which are not allocated to each industry segment. Corporate operating expenses for the three months ended Sep. 30, 2007 and 2006 are as follows:

2007 868 million Yen 2006 1,231 million Yen

3. Corporate assets included in "Eliminations or Corporate" mainly consist of cash, time deposits, investments securities and administrative assets of the Company and the overseas regional headquarters. Corporate assets as of Sep. 30, 2007 and 2006 are as follows:

2007 100,737 million Yen 2006 19,253 million Yen

2. Geographical Segments

(Figures less than a million Yen are omitted.)

for the three months ended September 30, 2007

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimin or corp.*	
Net sales:							
To outside customers	68,317	9,848	13,808	9,005	100,980	—	100,980
Intersegment	6,438	94	154	40,119	46,807	-46,807	—
Total	74,756	9,943	13,963	49,124	147,787	-46,807	100,980
Operating expenses	64,241	9,461	12,633	36,693	123,029	-48,898	74,130
Operating income	10,515	482	1,330	12,430	24,758	2,091	26,849
Operating income ratio	14.1%	4.9%	9.5%	25.3%	16.8%	—	26.6%
Assets	303,915	46,354	73,691	247,650	671,612	11,998	683,610

for the three months ended September 30, 2006

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimin or corp.*	
Net sales:							
To outside customers	70,328	9,016	11,539	8,197	99,079	—	99,079
Intersegment	7,131	68	247	41,256	48,702	-48,702	—
Total	77,458	9,083	11,786	49,453	147,781	-48,702	99,079
Operating expenses	66,882	9,073	10,664	34,141	120,759	-49,804	70,954
Operating income	10,577	11	1,123	15,313	27,023	1,103	28,126
Operating income ratio	13.7%	0.1%	9.5%	31.0%	18.3%	—	28.4%
Assets	176,164	13,331	91,006	193,604	474,106	-56,744	417,361

Ref : Differences between the second quarter of this year and the same period last year

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimin or corp.*	
Net sales:							
To outside customers	-2,011	832	2,269	808	1,901	-	1,901
Variance(%)	-2.9%	9.2%	19.7%	9.9%	1.9%	-	1.9%
Intersegment	-693	26	-93	-1,137	-1,895	1,895	-
Total	-2,702	860	2,177	-329	6	1,895	1,901
Operating expenses	-2,641	388	1,969	2,552	2,270	906	3,176
Operating income	-62	471	207	-2,883	-2,265	988	-1,277
Variance(%)	-0.6%	-	18.4%	-18.8%	-8.4%	-	-4.5%
Assets	127,751	33,023	-17,315	54,046	197,506	68,742	266,249

*Elimi. or corp. : Eliminations or corporate

Notes:

- Though PENTAX and its subsidiaries were consolidated to HOYA Corporation during the period under review, income statements of PENTAX and its subsidiaries are not combined, but only their assets are consolidated in this geographical segment information.
- The Company and its subsidiaries are summarized in four segments by geographic area based on the countries where the Group offices are located. The segments consisted of the following countries:
 - North America: United States of America and Canada
 - Europe: Netherlands, Germany, United Kingdom, etc., including South Africa
 - Asia: Singapore, Republic of Korea, Taiwan, etc., including Australia
- Amounts and composition of unallocable operating expenses are included in "Eliminations or Corporate". Corporate operating expenses mainly consist of the administration expenses of the headquarters of the Company and the overseas regional headquarters, which are not allocated to each geographical segment. Corporate operating expenses for the three months ended Sep. 30, 2007 and 2006 are as follows:

2007	833	million Yen
2006	1,132	million Yen
- Corporate assets included in "Eliminations or Corporate" mainly consist of cash, time deposits, investments securities and administrative assets of the Company and the overseas regional headquarters. Corporate assets as of Sep. 30, 2007 and 2006 are as follows:

2007	77,884	million Yen
2006	16,955	million Yen

3. Sales to Foreign Customers

(Figures less than a million Yen are omitted.)

for the three months ended September 30, 2007

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	9,920	14,391	31,788	269	56,369
Total Consolidated Net Sales (B)					100,980
Overseas Sales ratio A/B	9.8%	14.2%	31.5%	0.3%	55.8%
Regional Sales ratio	17.6%	25.5%	56.4%	0.5%	100.0%

for the three months ended September 30, 2006

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	10,875	12,091	30,390	0	53,356
Total Consolidated Net Sales (B)					99,079
Overseas Sales ratio A/B	11.0%	12.2%	30.7%	0.0%	53.9%
Regional Sales ratio	20.4%	22.7%	56.9%	0.0%	100.0%

Ref:

Differences between the second quarter of this year and the same period last year

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	-955	2,300	1,398	269	3,013
Total Consolidated Net Sales (B)					1,901
Variance(%)	-8.8%	19.0%	4.6%	-	5.6%

Note: The Company and subsidiaries are summarized in four segments by geographic area based on the countries where the Customers are located. The segments consisted of the following countries:

North America:	United States of America, Canada, etc.
Europe:	Netherlands, Germany, United Kingdom, etc., including South Africa
Asia:	Singapore, Republic of Korea, Taiwan, etc., including Australia
Other:	Saudi Arabia, Brazil, etc.

(7) Composition of Net Sales by Business Category

HOYA CORPORATION and Consolidated Subsidiaries

(unaudited)

Business Category	Millions of yen [%]					
	Three months ended		Variance		Three months ended	
	Sep.30, 2007	Sep.30, 2006	Value	(%)	Jun.30, 2007	
Electro-Optics						
Domestic	22,858 (41.4)	24,536 (42.9)	-1,678	-6.8	23,195 (45.0)	
Overseas	32,328 (58.6)	32,597 (57.1)	-269	-0.8	28,353 (55.0)	
total	55,186 [54.7]	57,134 [57.7]	-1,948	-3.4	51,549 [52.7]	
Photonics						
Domestic	1,255 (55.3)	1,416 (63.7)	-161	-11.4	964 (43.6)	
Overseas	1,016 (44.7)	806 (36.3)	210	26.1	1,246 (56.4)	
total	2,271 [2.2]	2,223 [2.2]	48	2.2	2,210 [2.3]	
Information Technology						
Domestic	24,113 (42.0)	25,953 (43.7)	-1,840	-7.1	24,160 (44.9)	
Overseas	33,344 (58.0)	33,404 (56.3)	-60	-0.2	29,599 (55.1)	
total	57,457 [56.9]	59,357 [59.9]	-1,900	-3.2	53,760 [55.0]	
Vision Care						
Domestic	8,815 (28.1)	9,365 (32.3)	-550	-5.9	8,622 (26.6)	
Overseas	22,554 (71.9)	19,620 (67.7)	2,934	15.0	23,832 (73.4)	
total	31,369 [31.1]	28,985 [29.3]	2,384	8.2	32,455 [33.2]	
Health Care						
Domestic	11,438 (96.1)	10,131 (97.2)	1,307	12.9	10,811 (96.3)	
Overseas	470 (3.9)	292 (2.8)	178	61.0	411 (3.7)	
total	11,908 [11.8]	10,423 [10.5]	1,485	14.2	11,223 [11.5]	
Eye Care						
Domestic	20,253 (46.8)	19,496 (49.5)	757	3.9	19,434 (44.5)	
Overseas	23,024 (53.2)	19,912 (50.5)	3,112	15.6	24,244 (55.5)	
total	43,278 [42.9]	39,408 [39.8]	3,870	9.8	43,678 [44.7]	
Others						
Domestic	245 (100.0)	274 (87.3)	-29	-10.6	340 (100.0)	
Overseas	0 (0.0)	40 (12.7)	-40	—	0 (0.0)	
total	245 [0.2]	314 [0.3]	-69	-22.0	340 [0.3]	
Total Net Sales						
Domestic	44,612 (44.2)	45,723 (46.1)	-1,111	-2.4	43,935 (44.9)	
Overseas	56,369 (55.8)	53,356 (53.9)	3,013	5.6	53,843 (55.1)	
total	100,980 [100.0]	99,079 [100.0]	1,901	1.9	97,779 [100.0]	

Notes: 1. Figures of less than a million yen are omitted.

2. Figures in () are percentages of business category sales.

3. Figures in [] are percentages of total net sales.