



October 29, 2007

Interim Financial Highlights (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

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1. Performance for the six months ended Sep. 30, 2007 and 2006 (unit:Millions of Yen)

(Figures less than a million yen are omitted.)

(1)Results of Operations	Six months ended September 30.		variance(%)	Year ended March 31.
	2007	2006		2007
Net sales	198,759	191,697	(3.7)	390,093
Operating income	49,489	55,366	(-10.6)	107,213
Ordinary income	52,095	50,839	(2.5)	102,909
Net income	38,117	44,398	(-14.1)	83,391
Net income per share(Yen)	88.25	103.08		193.50

Notes : Canges in accounting policy.

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

(2)Financial Position	As of Sep. 30.	As of Mar. 31.	As of Sep. 30
	2007	2007	2006
Total assets	683,610	447,644	417,361
Net assets	401,907	367,145	322,690
Owner's equity ratio	57.5%	81.6%	76.9%
Net assets per share (Yen)	908.55	845.98	745.06

(3)Conditions of Cash Flows	Six months ended September 30.		Year ended March 31.
	2007	2006	2007
Net cash provided by operating activities	52,265	49,083	98,793
Net cash used in investing activities	-95,012	-29,567	-46,652
Net cash used in financing activities	86,950	-5,001	-23,891
Cash and cash equivalents, end of period	166,108	98,685	120,621

2. Dividends (unit: Yen)

	Year ending/ended March 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.



Interim Financial Highlights (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

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).

(Figures less than a million yen are omitted.)

Ref: Performance of HOYA CORPORATION (non-consolidated)

	Millions of Yen			
	Six months ended September 30,		variance(%)	Year ended March 31,
	2007	2006		2007
Net sales	132,589	138,117	(-4.0)	274,961
Operating income	12,181	14,614	(-16.6)	28,459
Ordinary income	21,478	21,494	(-0.1)	38,996
Net income	15,603	19,345	(-19.3)	29,750
Net income per share(Yen)	36.13	44.91		69.03
Total assets	329,063	236,504		227,029
Net assets	102,918	102,330		99,803

Notes :

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.

1. Business Overview

(1) Results of Operations

1) General Overview

Results of Operations	Millions of Yen		Variance(%) year-on-year
	Six months ended Sep. 30, 2007		
Net sales	198,759		(3.7)
Operating income	49,489		(-10.6)
Ordinary income	52,095		(2.5)
Net income	38,117		(-14.1)
Net income per share(Yen)	88.25		-14.83

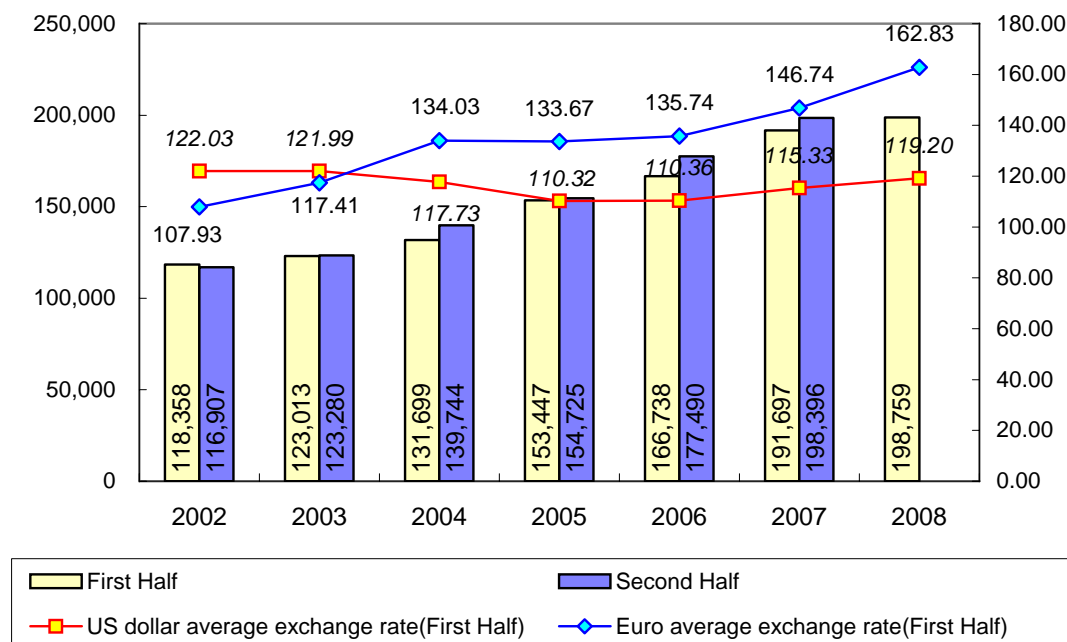
Economic conditions during the term under review made negative impact in medium or small-sized companies due to increase of resource price and cost with weakening yen, while in major companies relating to the manufacturing industries have kept high level economic activities. As a consequence, economy as a whole continued to post a gradual upward growth, keep high tone 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, inventory adjustment, 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 profit. Healthcare division performed well, showing an increase in revenues and profit.

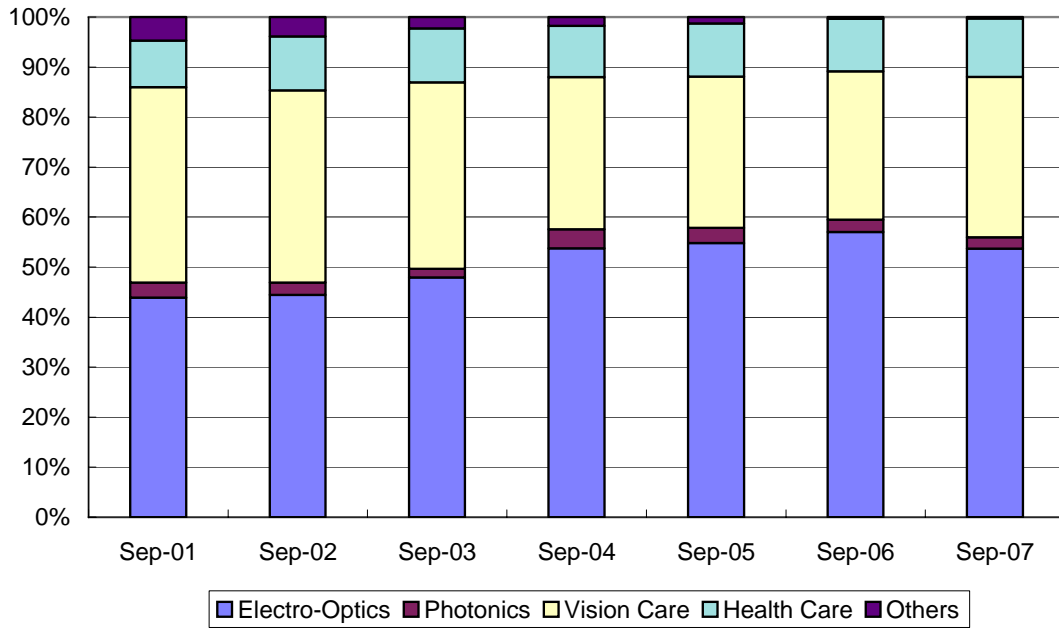
As a result, during the term under review consolidated net sales and ordinary income increased year-on-year basis and net sales posted historical records on semiannual basis, while operating profits and net income decreased.

Semiannual Net Sales (Million Yen) and
Average Exchange Rate (Yen/US\$& Euro)

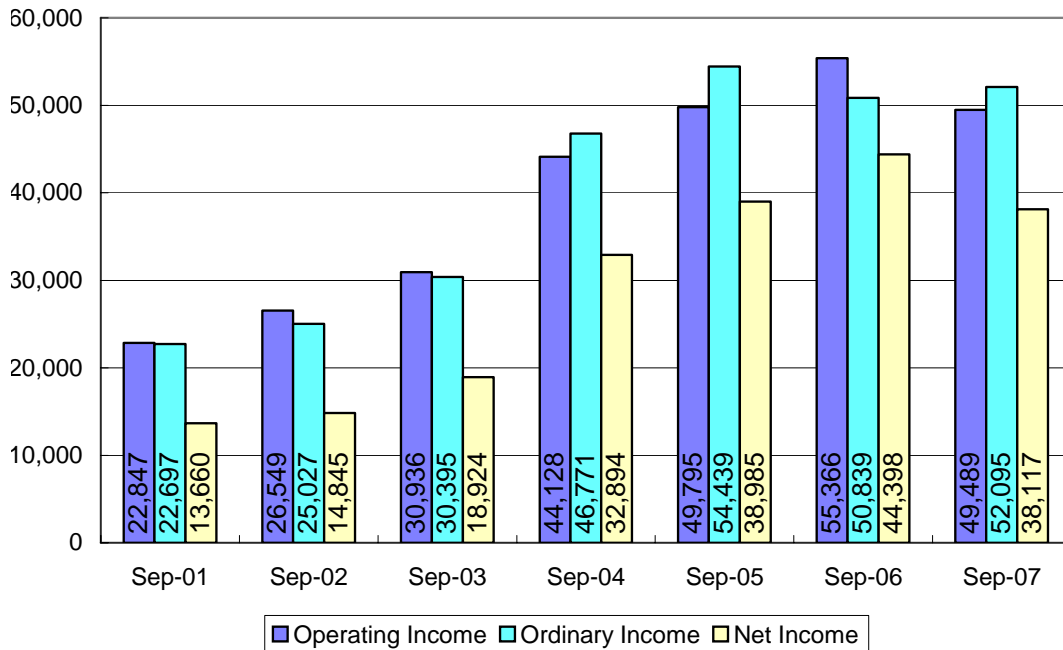


Note: '2008' means the fiscal year ends on March 31, 2008. Therefore, 'First half of 2008' means the six months from April to September 2007 and 'Second Half 2008' means the six months from October 2007 to March 2008.

Ratio of Net Sales by Business Segment - First Half



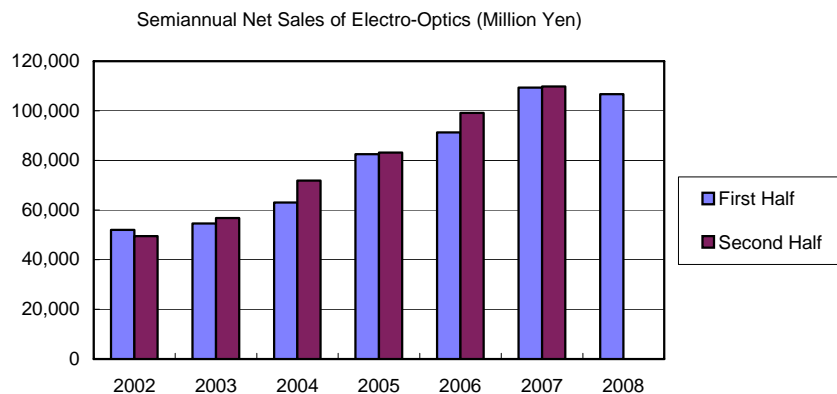
Interim Profits (Million Yen) - First Half



2) Segment Overview

1. Information Technology

Electro-Optics



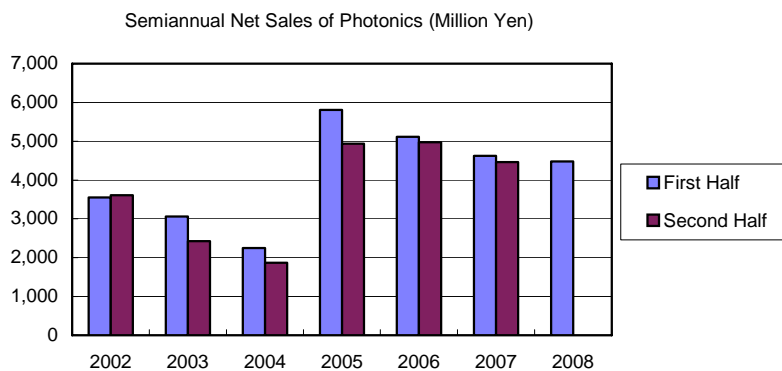
In terms of mask blanks for manufacturing semiconductors, HOYA received a decent volume of orders for such high-precision products as blanks for phase-shift masks, etc., and sales increased on a year-on-year basis.

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.

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.

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

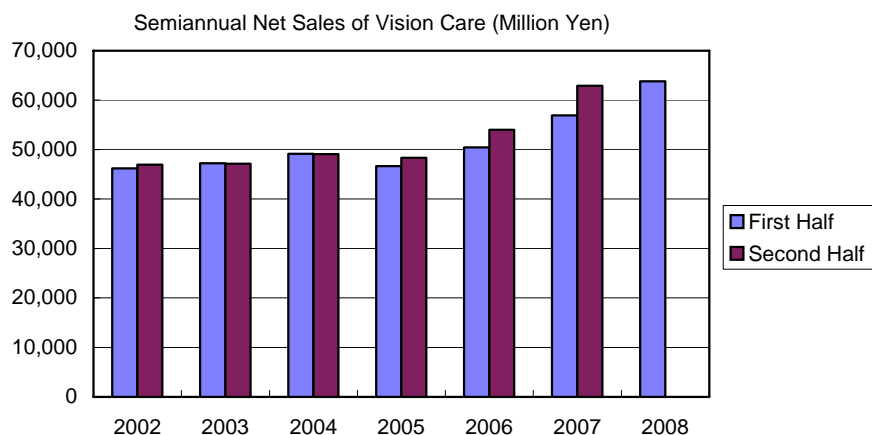


This segment covers laser-related equipment for industrial, dental and medical applications.

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.

2. Eye Care

Vision Care

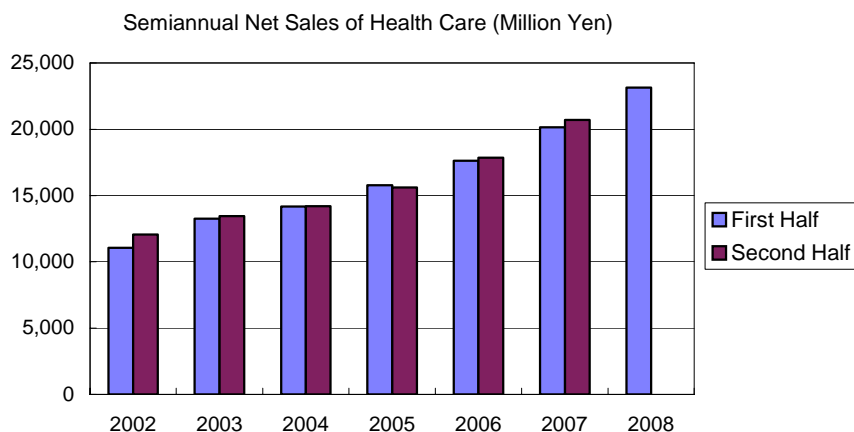


The slump in the domestic market for eyeglass lenses continued as before but HOYA realized growth in the high price bracket through the value-added enhancement of products centered in high-function coatings and newly-designed progressive lenses. In the low price bracket, however, overall sales in the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

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 term under review, both assets and liabilities increased compared to the end of the previous fiscal year. The current assets increased Yen 128,650 million mainly since cash and deposit increased Yen 47,022 million. Fixed assets increased Yen 107,316 million to Yen 279,253 million due to increase of goodwill. As a result, total assets increased Yen 235,966 million compared to the end of the previous fiscal year. Liabilities increased Yen 201,203 million mainly due to issuance of Yen 99,963 million of corporate bonds to fund Pentax Tender Offer. Net assets increased Yen 34,762 million and came to Yen 401,907 million through earned surplus increased Yen 20,810 million.

2) Conditions of Cash Flows	<u>Millions of Yen</u> <u>Six months ended Sep. 30, 2007</u>
Net cash provided by operating activities	52,265
Net cash used in investing activities	-95,012
Net cash provided by financing activities	86,950
Cash and cash equivalents at end of period	166,108

In terms of cash flows from operating activities, on the basis of cash increase of Yen 49,268 million in income before income taxes compared to the same period last year and Yen 19,122 million in depreciation and the cash decrease of Yen 14,170 million as payment of income taxes, net cash provided by operating activities increased by Yen 3,182 million to Yen 52,265 million. Net cash used in investment activities increased by Yen 65,445 million to Yen 95,012 million, mainly used for Yen 72,462 million of Pentax Tender Offer and Yen 22,479 million of investment in order to handle next-generation products. Net cash provided by financing activities increased Yen 91,951 million compared to the same period last year and came to Yen 86,950 million, because of the proceed of Yen 99,677 million by issuing corporate bonds to fund Pentax Tender Offer, and payment of Yen 15,065 million for dividends. As a result, the term-end balance of cash and cash equivalents amounted to Yen 166,108 million, increased by Yen 45,486 million in comparison with that of the end of the previous fiscal year.

(3) Middle- to long-term policy on appropriation of retained earnings

In the distribution of retained earnings, the Company intends to monitor cash demand and make decisions from medium- and long-term perspective, taking into consideration the balance of returns to shareholders, the welfare of employees and the strengthening of internal reserves for future business actions.

The Company will meanwhile appropriate internal reserves on a preferential basis to such operations as securing the production capabilities needed to fulfill the supply obligations of a company with the leading share in the market, capital investment in developing next-generation products, and investment in markets to establish the HOYA brand. Moreover, the Company plans to aggressively explore the potential for mergers and acquisitions (M&A), to increase corporate value, and to invest in such activities in a timely way.

In light of the balance between business performance and internal reserves required to prepare for future growth, the Company set interim dividends for the consolidated fiscal year under review at 30.00 yen per share, the same amount as that of the same period last year.

2. Global Group Management

The HOYA Group consists of the HOYA CORPORATION (the "Company"), 103 consolidated subsidiaries (13 in Japan and 90 overseas) and 12 affiliates (6 in Japan and 6 overseas). The HOYA Group is engaged in manufacturing, sales and businesses related to mainly Electro-Optics, Photonics, Vision Care, Health Care and Pentax products. Of the affiliates, 9 companies (3 in Japan and 6 overseas) are accounted for using the equity method (as of September 30, 2007).

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 results 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).

The HOYA Group has adopted a global group management system. Global Headquarters at the HOYA CORPORATION formulate management strategies, which are enacted on a global basis by each business segment in line with their respective business responsibilities.

By area, regional headquarters in North America, Europe and Asia are in charge of reinforcing relationships with the countries and areas in their respective regions, financial management on a regional basis, legal support and internal audits, thereby supporting the promotion of business activities.

In July 2003, the HOYA Group has moved its financial headquarters to the Netherlands so that the financial headquarters can control global financial matters effectively.

Industry segments of the Group and their respective products and services are categorized as per below with the information of the main subsidiaries fallen into each industry. Industry segmentation equals to business segmentation.

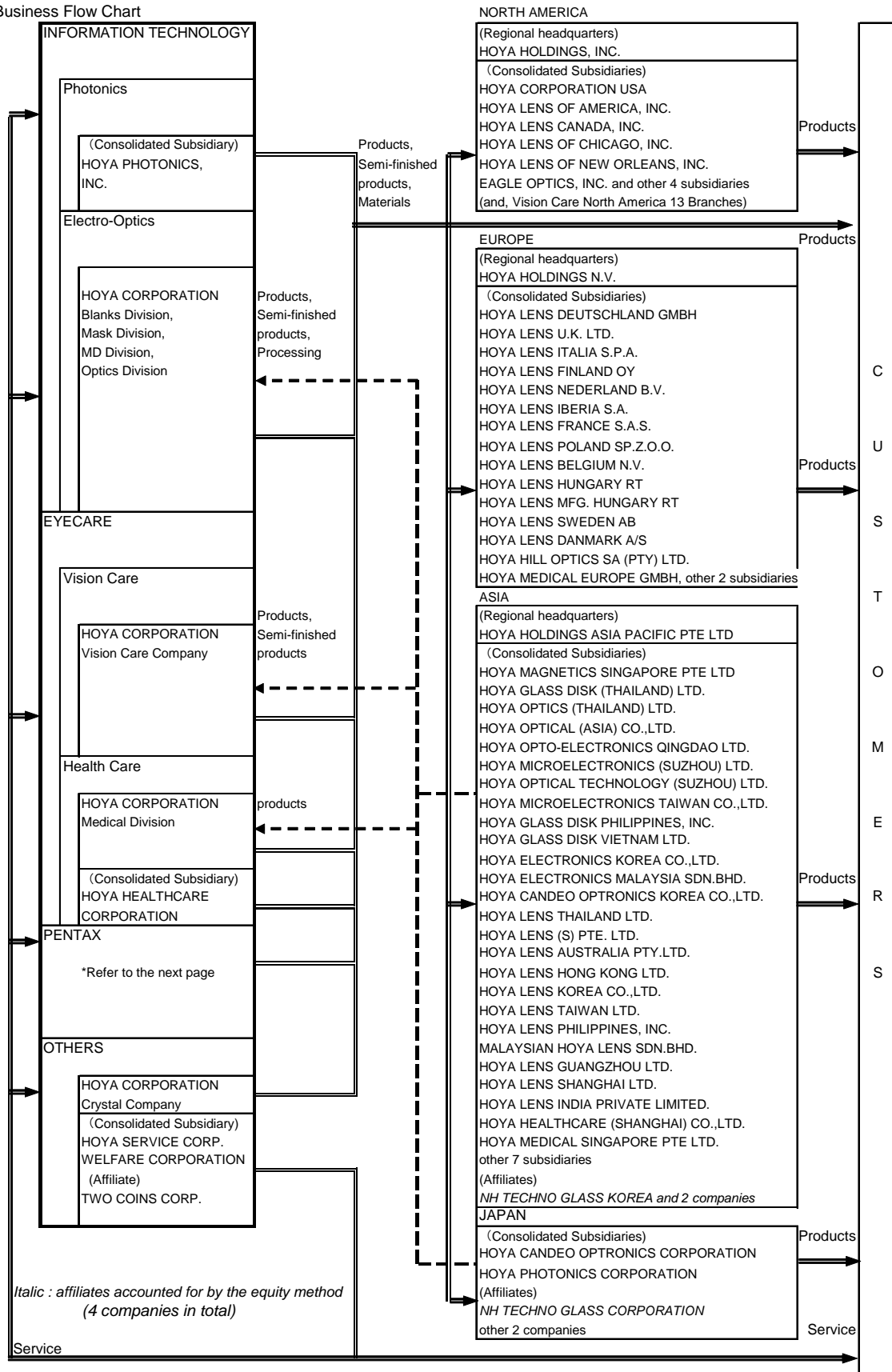
(1) PENTAX and its subsidiaries were consolidated to HOYA Corporation during the period under review, while income statement of PENTAX and its subsidiaries will be combined from the second half. Although PENTAX and its subsidiaries operate several businesses classified into mainly three segments, they are presented as one segment of "PENTAX" in this report.

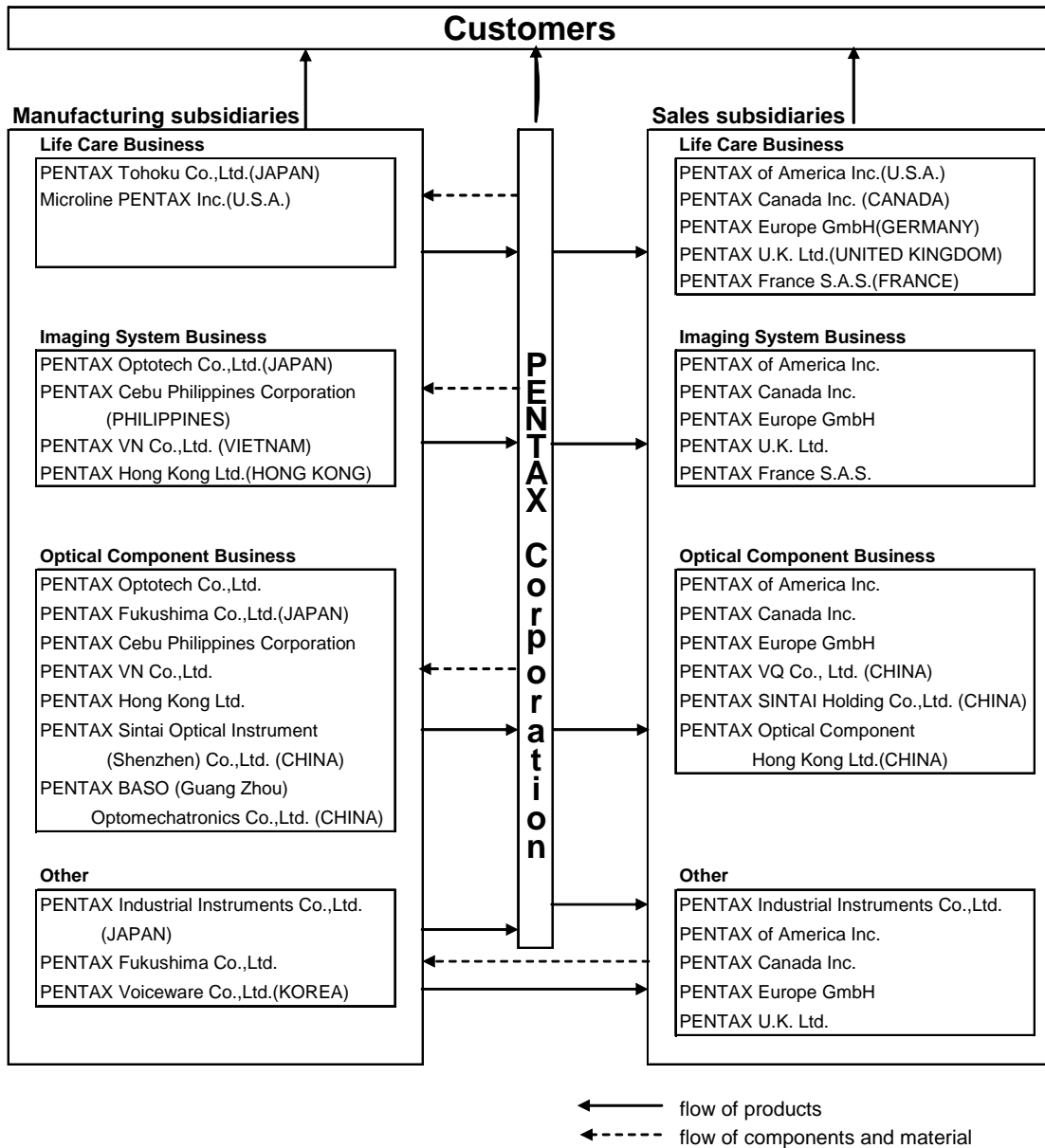
Business Categories	Industries	Products and Services	Major Subsidiaries
Information Technology	Electro-Optics	Photomasks and Maskblanks for semiconductors, Masks and Devices for LCDs, Glass disks for hard disk drives (HDDs), Optical lenses, optical glasses, Optical communication related devices, etc.	HOYA CORP. Blanks Division, Mask Division, MD Division, Optics Division, etc. HOYA CORPORATION USA HOYA MAGNETICS SINGAPORE PTE LTD HOYA GLASS DISK (THAILAND) LTD.
	Photonics	Lazer equipments for industrial, dental, and medical purposes, Light sources for electronics industry, etc.	HOYA PHOTONICS, INC. HOYA PHOTONICS CORPORATION HOYA CANDEO OPTRONICS CORPORATION
Eye Care	Vision Care	Eyeglass lenses, eyeglass frames, etc.	HOYA CORP. Vision Care Company HOYA LENS DEUTSCHLAND GMBH HOYA LENS U.K. LTD. HOYA LENS OF AMERICA, INC. HOYA LENS THAILAND LTD.
	Health Care	Contact lenses and accessories, Intraocular lenses, etc.	HOYA CORP. Medical Division, HOYA HEALTHCARE CORPORATION, etc.
Pentax		(Lifecare) Endoscopes, Medical accessories, APACERAM bone prosthesis, etc. (Imaging System) Digital cameras, Interchangeable lenses, Accessories for cameras (Optical Components) Digital camera modules, Micro lenses, CCTV lenses, etc.	PENTAX CORPORATION PENTAX OPTOTECH CO.,LTD. PENTAX OF AMERICA, INC. PENTAX EUROPE GMBH PENTAX CEBU PHILIPPINES CORPORATION PENTAX VN CO.,LTD.
Others		Crystal glass products, Design of information systems, outsourcing, etc.	HOYA CORP. Crystal Company HOYA SERVICE CORPORATION

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

Business Categories	Industries	Products and Services	Major Subsidiaries
Information Technology	Electro-Optics	Photomasks and Maskblanks for semiconductors, Masks and Devices for LCDs, Glass disks for hard disk drives (HDDs), Optical lenses, optical glasses, Optical communication related devices, etc.	HOYA CORP. Blanks Division, Mask Division, MD Division, Optics Division, etc. HOYA CORPORATION USA HOYA MAGNETICS SINGAPORE PTE LTD HOYA GLASS DISK (THAILAND) LTD.
	Photonics	Lazer equipments for industrial, dental, and medical purposes, Light sources for electronics industry, etc.	HOYA PHOTONICS, INC. HOYA PHOTONICS CORPORATION HOYA CANDEO OPTRONICS CORPORATION
Eye Care	Vision Care	Eyeglass lenses, eyeglass frames, etc.	HOYA CORP. Vision Care Company HOYA LENS DEUTSCHLAND GMBH HOYA LENS U.K. LTD. HOYA LENS OF AMERICA, INC. HOYA LENS THAILAND LTD.
	Health Care	Contact lenses and accessories, Intraocular lenses, etc.	HOYA CORP. Medical Division, HOYA HEALTHCARE CORPORATION, etc.
Others		Crystal glass products, Design of information systems, outsourcing, etc.	HOYA CORP. Crystal Company HOYA SERVICE CORPORATION

Business Flow Chart





3. Management Policies

Top Priority Policy of the Management "Maximization of Corporate Value"

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

Management issues at the HOYA Group are as follows:

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

In the manifold business areas of the HOYA Group, we will accurately identify the needs of our customers 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) Management Integration with Pentax Corporation

HOYA Corporation, in accordance with a decision of the representative executive officer dated July 2, 2007, commenced the tender offer for the common stock of PENTAX Corporation on July 3, 2007, and completed on August 6, 2007. As a result of the tender offer, HOYA acquired more than 90% of the common stock of PENTAX, and PENTAX became a subsidiary of HOYA as of August 14, 2007.

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.

Following the Management Integration, based on the common core technological foundation in optics, imaging and materials, both companies will be able to optimize their business portfolios, focusing on the life care, optics, information technology, eye care and imaging systems areas. Expected stable revenues from the information technology and eye care areas will support the life care area in achieving strategic growth. In addition, vertical integration in the optics field will lead to qualitative structural reform and further strengthen competitiveness.

PENTAX brand will be maintained in their respective business divisions even after the integration.

4. Consolidated Interim Financial Statements (unaudited)

(1) Consolidated Interim Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen			
	As of			
ASSETS	Sep.30,2007	Mar.31,2007	Variance	Sep.30,2006
ASSETS				
Current assets				
Cash and deposits	167,643	120,621	47,022	98,685
Notes and accounts receivable - trade	132,129	94,296	37,833	91,179
Inventories	84,594	49,721	34,873	45,432
Deferred tax assets	10,325	7,067	3,258	7,863
Other current assets	11,900	5,309	6,591	14,792
Allowance for doubtful receivables	-2,238	-1,311	-927	-1,224
Total current assets	404,356	275,706	128,650	256,728
Fixed assets				
Tangible fixed assets				
Buildings and structures	42,006	33,871	8,135	30,611
Machinery and carriers	75,676	75,961	-285	73,328
Tools, equipment and fixtures	20,599	12,311	8,288	12,103
Lands	16,839	9,154	7,685	8,867
Construction in progress	17,295	11,918	5,377	9,474
Total tangible fixed assets	172,417	143,218	29,199	134,386
Intangible fixed assets				
Goodwill	55,686	2,242	53,444	2,302
Other intangible fixed assets	19,941	4,005	15,936	3,549
Total intangible fixed assets	75,628	6,248	69,380	5,851
Investments and other assets				
Investment securities	20,045	14,575	5,470	12,955
Deferred tax assets	4,227	2,723	1,504	2,991
Other assets	7,251	5,493	1,758	4,723
Allowance for doubtful receivables	-316	-322	6	-274
Total investments and other assets	31,207	22,470	8,737	20,395
Total fixed assets	279,253	171,937	107,316	160,633
TOTAL ASSETS	683,610	447,644	235,966	417,361

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen			
	As of			
	Sep.30,2007	Mar.31,2007	Variance	Sep.30,2006
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current liabilities				
Notes and accounts payable - trade	58,028	28,779	29,249	30,228
Short-term bank loans	16,812	—	16,812	—
Long-term bank loans matured within a year	3,634	—	3,634	—
Commercial paper	—	—	—	7,497
Income tax payable	11,318	12,821	-1,503	15,219
Accrued expenses	24,145	17,279	6,866	20,201
Accrued bonuses to employees	6,116	4,327	1,789	4,134
Other current liabilities	22,184	14,973	7,211	15,452
Total current liabilities	142,239	78,181	64,058	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	890	305	662
Other long-term liabilities	2,070	1,427	643	1,274
Total long-term liabilities	139,462	2,317	137,145	1,936
Total Liabilities	281,702	80,499	201,203	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	322,513	20,810	297,696
Treasury stock	-8,170	-12,753	4,583	-15,521
Advances on subscription to treasury stock	—	1	-1	16
Total shareholders' equity	357,316	331,924	25,392	304,353
Valuation and translation adjustments				
Valuation difference on available-for-sale securities	-157	-85	-72	-7
Translation adjustments	36,069	33,263	2,806	16,658
Total valuation and translation adjustments	35,911	33,177	2,734	16,651
New share subscription rights	476	167	309	—
Minority interest	8,203	1,876	6,327	1,685
Total Net Assets	401,907	367,145	34,762	322,690
TOTAL LIABILITIES AND NET ASSETS	683,610	447,644	235,966	417,361

Notes:	Millions of Yen		
	Sep.30,2007	Mar.31,2007	Sep.30,2006
1. Accumulated depreciation	236,159	223,095	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	2,774	2,702
4. Value of discount on notes receivable	1,601	—	—
5. Number of shares of treasury stock (unit : shares)	2,208,619	3,447,681	4,196,357

(2) Consolidated Interim Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	Six months ended		Variance		Year ended
	Sep.30,2007	Sep.30,2006	Value	(%)	Mar.31,2007
Net sales	198,759	191,697	7,062	3.7	390,093
Cost of sales	104,504	95,656	8,848	9.2	197,410
Gross profit	94,255	96,040	-1,785	-1.9	192,682
Selling, general and administrative expenses	44,765	40,674	4,091	10.1	85,469
Operating income	49,489	55,366	-5,877	-10.6	107,213
Non-operating income	5,632	1,989	3,643	183.2	5,827
Interest income	2,323	1,219	1,104		2,901
Equity in earnings of affiliates	1,994	—	1,994		642
Others	1,315	769	546		2,283
Non-operating expenses	3,027	6,515	-3,488	-53.5	10,131
Interest expense	165	36	129		86
Sales discount	460	377	83		822
Foreign exchange losses	1,122	4,360	-3,238		6,711
Equity in losses of affiliates	—	838	-838		—
Others	1,279	903	376		2,510
Ordinary income	52,095	50,839	1,256	2.5	102,909
Extra-ordinary gains	541	10,108	-9,567	-94.6	10,513
Gain on sales of property, plant and equipment	441	9,606	-9,165		9,629
Others	99	502	-403		884
Extra-ordinary losses	3,368	3,794	-426	-11.2	6,290
Additional retirement benefits paid to employees	1,584	99	1,485		1,055
Loss on impairment of long-lived assets	285	81	204		87
Loss on disposal of property, plant and equipment	275	2,658	-2,383		3,327
Maintenance of environment	256	740	-484		767
Others	966	214	752		1,053
Income before income taxes and other items	49,268	57,153	-7,885	-13.8	107,132
Income taxes - Current	10,009	13,347	-3,338	-25.0	23,491
Income taxes - Deferred	1,157	-647	1,804	—	70
Minority interests in net income	-16	55	-71	—	178
Net income	38,117	44,398	-6,281	-14.1	83,391
Net income per share(Yen)	88.25	103.08	-14.83		193.50
Diluted net income per share(Yen)	88.06	102.67	-14.61		192.78

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	198,759	194,103	4,656
Operating income	49,489	45,942	3,547
Ordinary income	52,095	47,796	4,299
Net income	38,117	34,351	3,766

- Average rates of major foreign currencies
- | | | Six months ended | | Variance(%) | Year ended |
|-----------|-----|------------------|-------------|-------------|-------------|
| | | Sep.30,2007 | Sep.30,2006 | | Mar.31,2007 |
| US\$ | Yen | 119.20 | 115.33 | -3.4% | 116.96 |
| Euro | Yen | 162.83 | 146.74 | -11.0% | 150.95 |
| Thai Baht | Yen | 3.77 | 3.05 | -23.6% | 3.24 |

(3) Consolidated Interim 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 MARCH 31, 2007	6,264	15,898	322,513	-12,753	1	331,924
Net income			38,117			38,117
Appropriations						
Cash dividends			-15,104			-15,104
Bonus to directors						
Loss on deposit of treasury stock						
Repurchases of treasury stocks				-8		-8
Disposal of treasury stocks			-2,202	4,591	-1	2,387
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			20,810	4,583	-1	25,391
Total increase / decrease during the term under review	—	—	20,810	4,583	-1	25,391
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 MARCH 31, 2007	-85	33,263	33,177	167	1,876	367,145
Net income						38,117
Appropriations						
Cash dividends						-15,104
Bonus to directors						
Loss on deposit of treasury stock						
Repurchases of treasury stocks						-8
Disposal of treasury stocks						2,387
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	-71	2,805	2,733	309	6,327	9,370
Total increase / decrease during the term under review	-71	2,805	2,733	309	6,327	34,762
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
		3,447,681	2,171	1,241,233	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	2,171	shares
Decrease due to sale of treasury stock less than one unit	33	shares
Decrease due to exercise of stock option	1,241,200	shares

<Same period of 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 MARCH 31, 2006	6,264	15,898	266,345	-16,279	—	272,228
Net income			44,398			44,398
Appropriations						
Cash dividends			-12,918			-12,918
Bonus to directors			-64			-64
Loss on deposit of treasury stock			-353			-353
Repurchases of treasury stocks				-5		-5
Disposal of treasury stocks				764		764
Increase / decrease due to change in accounting standard of overseas consolidated subsidiaries			290			290
Others					16	16
Net increase / decrease during the term under review except in Shareholders' Equity			31,350	758	16	32,125
Total increase / decrease during the term under review	—	—	31,350	758	16	32,125
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 MARCH 31, 2006	110	7,142	7,252	919	280,399
Net income					44,398
Appropriations					
Cash dividends					-12,918
Bonus to directors					-64
Loss on deposit of treasury stock					-353
Repurchases of treasury stocks					-5
Disposal of treasury stocks					764
Increase / decrease due to change in accounting standard of overseas consolidated subsidiaries					290
Others					16
Net increase / decrease during the term under review except in Shareholders' Equity	-116	9,516	9,400	765	10,165
Total increase / decrease during the term under review	-116	9,516	9,400	765	42,290
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
		4,401,607	1,321	206,571	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	1,321	shares
Decrease due to sale of treasury stock less than one unit	171	shares
Decrease due to exercise of stock option	206,400	shares

<Previous fiscal 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 MARCH 31, 2006	6,264	15,898	266,345	-16,279	-	272,228
Net income			83,391			83,391
Appropriations						
Cash dividends			-25,843			-25,843
Bonus to directors			-64			-64
Repurchase of treasury stocks				-12		-12
Disposal of treasury stocks			-1,606	3,539		1,932
Increase / decrease due to change in accounting standard of overseas consolidated subsidiaries			290			290
Others					1	1
Net increase / decrease during the term under review except in Shareholders' Equity			56,167	3,526	1	59,695
Total increase / decrease during the term under review	-	-	56,167	3,526	1	59,695
BALANCE MARCH 31, 2007	6,264	15,898	322,513	-12,753	1	331,924

	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 MARCH 31, 2006	110	7,142	7,252	-	919	280,400
Net income						83,391
Appropriations						
Cash dividends						-25,843
Bonus to directors						-64
Repurchase of treasury stocks						-12
Disposal of treasury stocks						1,932
Increase / decrease due to change in accounting standard of overseas consolidated subsidiaries						290
Others						1
Net increase / decrease during the term under review except in Shareholders' Equity	-195	26,121	25,925	167	956	27,049
Total increase / decrease during the term under review	-195	26,121	25,925	167	956	86,744
BALANCE MARCH 31, 2007	-85	33,263	33,177	167	1,876	367,145

Notes:

1. Condition of issued 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
		4,401,607	2,861	956,787	3,447,681	

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

Increase due to repurchase of treasury stock less than one unit	2,861	shares
Decrease due to sale of treasury stock less than one unit	387	shares
Decrease due to exercise of stock option	956,400	shares

(4) Consolidated Interim Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen		
	<u>Six months ended Sep.30,</u>		
	2007	2006	Variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	49,268	57,153	-7,885
Depreciation and amortization	19,122	16,065	3,057
Loss on impairment of long-lived assets	285	81	204
Provision for (reversal of) accrued allowances for doubtful receivables	211	-341	552
Provision for (reversal of) accrued bonuses to employees	-238	-50	-188
Provision for (reversal of) reserve for periodic repairs	301	42	259
Interest income and dividend receivable	-2,344	-1,238	-1,106
Interest expense payable	165	36	129
Foreign exchange loss (gain)	938	3,329	-2,391
Equity in earnings of affiliates	-1,994	838	-2,832
Gain on sales of property, plant and equipment and investment securities	-441	-9,606	9,165
Loss on disposal of property, plant and equipment and investment securities	275	2,658	-2,383
Losses on write-down of investment securities	871	7	864
Bonus to directors	—	-64	64
Other	1,548	780	768
(Increase) decrease in notes and accounts receivable	-1,017	-11,509	10,492
(Increase) decrease in inventories	-3,717	-3,329	-388
(Increase) decrease in other current assets	-441	1,392	-1,833
Increase (decrease) in notes and accounts payable	-1,388	1,096	-2,484
Increase (decrease) in income taxes payable	595	-289	884
Increase (decrease) in other current liabilities	2,633	1,643	990
Sub total	64,633	58,698	5,935
Interest and dividend - received	2,211	1,207	1,004
Interest - paid	-88	-25	-63
Legal settlement paid	-321	—	-321
Income taxes - paid	-14,170	-10,796	-3,374
Net cash provided by operating activities	52,265	49,083	3,182
INVESTING ACTIVITIES:			
Payments for purchases of property, plant and equipment	-22,479	-27,663	5,184
Proceeds from sales of property, plant and equipment	628	575	53
Payments for purchases of investment securities	—	-204	204
Proceeds from sales of investment securities	—	30	-30
Payments for acquisition of subsidiary's stocks for consolidation	-72,462	-908	-71,554
Payments for loans	-44	-10	-34
Proceeds from collection of loans	25	63	-38
Expenditure for other investments	-837	-1,871	1,034
Proceeds from other investments	158	423	-265
Net cash used in investing activities	-95,012	-29,567	-65,445
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term bank loans	—	7,497	-7,497
Proceeds from issuance of corporate bonds	99,677	—	99,677
Increase in treasury stock	-8	-5	-3
Decrease in treasury stock	2,387	429	1,958
Dividends paid	-15,065	-12,920	-2,145
Dividends paid for minority shareholders	-40	-2	2
Net cash provided by / used in financing activities	86,950	-5,001	91,951
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	1,282	596	686
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	45,486	15,111	30,375
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	120,621	83,574	37,047
CASH AND CASH EQUIVALENTS, END OF PERIOD	166,108	98,685	67,423

Notes: 1. Negative figures with "-" (minus) in the above statements indicate net outflow

2. The above statements are direct translation from *Kessan Tanshin* made

3. Cash and cash equivalents at the end of the period

	2007	2006
Cash and deposits	167,643	98,685
Time deposit over three months	-1,535	—
Total	166,108	98,685

(5) Preparation of the Consolidated Interim 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 end of previous first half (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 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 end of previous fiscal year (Mar. 31, 2007) : 36 companies increased in total.

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

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

B. Application of the equity method

a) In comparison to the end of previous first half (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 companies (Japan 2, overseas 3)

b) In comparison to the end the previous fiscal year (March 31, 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 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 second half (six 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 Mar. 31,2007
Consolidated subsidiaries	103 (jp 13, os90)	64 (jp 5, os59)	+39 (jp+8, os+31)	67 (jp 5, os62)
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	71
(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.

(6) Notes Relating to Consolidated Interim Financial Statements

Notes Relating to Investment Securities and Derivatives

1. Investment securities with market values:

(Millions of Yen)

	As of								
	Sep.30. 2007			Mar.31. 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	1,692	1,541	-150	1,692	1,685	-7
Government bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	4,567	4,265	-302	1,692	1,541	-150	1,692	1,685	-7

2. Investment securities without market values:

(Millions of Yen)

	As of		
	Sep.30. 2007	Mar.31. 2007	Sep.30. 2006
Non-marketable stock of subsidiaries	14,304	11,678	10,123
Total	14,304	11,678	10,123
Non-marketable equity securities	1,143	1,099	882
Others	332	256	264
Total	1,475	1,355	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		
	Sep.30, 2007	As of Mar.31, 2007	Sep.30, 2006
(1) Current deferred tax assets and liabilities			
Deferred tax assets			
Inventories - loss on write-down	2,831	78	—
Inventories - intercompany unrealized profits	2,710	2,647	1,965
Accrued bonuses to employees	2,408	1,655	1,544
Accrued enterprise taxes	654	922	950
Maintenance of environment	101	—	1,701
Loss on close of factory	—	—	404
Other	2,008	1,763	1,298
Sub total amount of deferred tax assets - current	<u>10,715</u>	<u>7,067</u>	<u>7,863</u>
Valuation reserve	-253	—	—
Total amount of deferred tax assets - current	<u>10,461</u>	<u>7,067</u>	<u>7,863</u>
Deferred tax liabilities	-137	—	—
(2) Non-current deferred tax assets and liabilities			
Deferred tax assets			
Loss carryforwards	3,700	—	—
Allowance for retirement benefits not deductible	3,489	—	—
Excess amount of inclusion in deductible expenses for depreciation	1,647	1,576	1,738
Valuation reserve for investment securities not deductible	1,217	—	—
Loss on impairment not deductible	580	622	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	600	734
Sub total amount of deferred tax assets - fixed	<u>14,500</u>	<u>3,429</u>	<u>3,723</u>
Valuation reserve	-5,479	—	—
Total amount of deferred tax assets - fixed	<u>9,021</u>	<u>3,429</u>	<u>3,723</u>
Deferred tax liabilities			
Valuation losses	-8,083	—	—
Net unrealized gain on available-for-sale securities	-687	—	—
Reserve for deferred income taxes on fixed assets	-351	-307	-332
Unrealized gain on lands	-316	—	—
Special depreciation reserve	-216	-232	-233
Other	-167	-165	-165
Total amount of deferred tax liabilities - fixed	<u>-9,824</u>	<u>-705</u>	<u>-732</u>
Net amount of deferred tax assets - fixed	<u>-802</u>	<u>2,723</u>	<u>2,991</u>

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

	Six months ended Sep. 30,		Year ended
	2007	2006	Mar.31,2007
Statutory tax rate of the Company	40.4 %	40.4 %	40.4 %
(Adjustment)			
Lower income tax rates applicable to income in certain foreign countries	-16.8	-17.2	-17.1
Non-Deductible expenses such as entertainment expenses	0.4	0.4	0.4
Per capita levy of inhabitants tax and others	0.0	0.1	0.1
Non-taxable dividend income	-3.1	-2.7	-1.5
Intercompany cash dividend and transactions	4.1	2.7	1.5
Equity in earnings of affiliates	-1.6	0.6	-0.2
Refund of income tax paid in previous year	—	-2.4	—
Tax credit on experiment and research expenses	-0.3	-0.3	-0.7
Foreign tax deduction	-2.6	—	—
Other adjustment	2.2	0.6	-0.9
Effective income tax rate	<u>22.7</u>	<u>22.2</u>	<u>22.0</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>Six months ended Sep. 30,</u>	<u>Sep. 30,</u>	<u>Year ended</u>
	<u>2007</u>	<u>2006</u>	<u>Mar.31,2007</u>
Machinery and others	<u>73</u>	<u>81</u>	<u>87</u>
Total	<u>73</u>	<u>81</u>	<u>87</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>Six months ended Sep. 30,</u>	<u>Sep. 30,</u>	<u>Year ended</u>
	<u>2007</u>	<u>2006</u>	<u>Mar.31,2007</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

	<u>Six months ended Sep. 30,</u>		<u>Year ended</u>
	<u>2007</u>	<u>2006</u>	<u>Mar.31,2007</u>
Net asset per share (Yen)	908.55	745.06	845.98
Basic net income per share (Yen)	88.25	103.08	193.50
Diluted net income per share (Yen)	88.06	102.67	192.78

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

	<u>Six months ended Sep. 30,</u>		<u>Year ended</u>
	<u>2007</u>	<u>2006</u>	<u>Mar.31,2007</u>
<u>Net asset per share (Yen)</u>			
Net assets (Millions of Yen)	401,907	322,690	367,145
(Minority interest) (Millions of Yen)	8,203	1,685	1,876
(Advances on subscription to treasury stock) (Millions of Yen)	—	16	1
(New share subscription rights) (Millions of Yen)	476	—	167
Net assets on common stock (Millions of Yen)	393,227	320,988	365,100
Number of common stocks issued at end of the term excluding treasury stocks (unit:shares)	432,808,401	430,820,663	431,569,339
<u>Basic net income per share</u>			
Net income (Millions of Yen)	38,117	44,398	83,391
Net income on common stock (Millions of Yen)	38,117	44,398	83,391
Average number of common stocks (unit:shares)	431,922,697	430,713,264	430,967,580
<u>Diluted net income per share (Yen)</u>			
Net income (Millions of Yen)	38,117	44,398	83,391
Net income on common stock (Millions of Yen)	38,117	44,398	83,391
Number of common stocks increased (unit:shares)	955,987	1,716,618	1,615,517
Average number of common stocks (unit:shares)	432,878,684	432,429,882	432,583,097

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/compsearch/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.

(7) Segment Information (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

1. Industry Segments

(Figures less than a million Yen are omitted.)

for the six months ended September 30, 2007

	Millions of Yen								
	Electro- Optics	Photo- nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	Consoli- dated
Net sales:									
To outside customers	106,735	4,481	63,824	23,131	—	585	198,759	—	198,759
Intersegment	116	102	0	—	—	1,379	1,599	-1,599	—
Total	106,852	4,584	63,824	23,131	—	1,965	200,358	-1,599	198,759
Operating expenses	71,798	4,242	52,875	17,739	—	2,114	148,769	499	149,269
Operating income	35,054	342	10,949	5,392	—	-149	51,588	-2,098	49,489
Operating income ratio	32.8%	7.5%	17.2%	23.3%	—	-7.6%	25.7%	—	24.9%
Assets	243,708	7,563	126,540	22,825	205,672	2,633	608,943	74,666	683,610
Depreciation	14,336	64	3,952	646	—	22	19,022	99	19,122
Loss on impairment	—	—	—	211	—	73	285	—	285
Capital Expenditures	14,325	60	5,592	463	—	89	20,531	1	20,532
R&D Expenses	4,411	556	723	736	—	8	6,436	—	6,436
Number of employees (p)	19,636	199	7,700	957	6,018	215	34,725	68	34,793

for the six months ended September 30, 2006

	Millions of Yen								
	Electro- Optics	Photo- nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	Consoli- dated
Net sales:									
To outside customers	109,373	4,625	56,911	20,156	—	631	191,697	—	191,697
Intersegment	207	123	-0	-0	—	1,373	1,702	-1,702	—
Total	109,580	4,748	56,910	20,156	—	2,004	193,400	-1,702	191,697
Operating expenses	67,611	4,424	46,487	15,612	—	2,120	136,256	74	136,331
Operating income	41,969	323	10,422	4,543	—	-115	57,144	-1,777	55,366
Operating income ratio	38.3%	6.8%	18.3%	22.5%	—	-5.8%	29.6%	—	28.9%
Assets	250,542	7,802	111,318	19,867	—	2,719	392,251	25,110	417,361
Depreciation	12,043	57	3,341	525	—	21	15,989	76	16,065
Loss on impairment	—	—	—	—	—	81	81	—	81
Capital Expenditures	22,088	98	6,154	919	—	80	29,341	479	29,820
R&D Expenses	5,252	529	902	612	—	45	7,342	—	7,342
Number of employees (p)	19,281	204	7,388	815	—	225	27,913	61	27,974

Ref : Differences between the first half of this year and the same period last year

	Millions of Yen								
	Electro- Optics	Photo- nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	Consoli- dated
Net sales:									
To outside customers	-2,638	-144	6,913	2,975	-	-46	7,062	-	7,062
Variance(%)	-2.4%	-3.1%	12.1%	14.8%	-	-7.3%	3.7%	-	3.7%
Intersegment	-91	-21	0	0	-	6	-103	103	-
Total	-2,728	-164	6,914	2,975	-	-39	6,958	103	7,062
Operating expenses	4,187	-182	6,388	2,127	-	-6	12,513	425	12,938
Operating income	-6,915	19	527	849	-	-34	-5,556	-321	-5,877
Variance(%)	-16.5%	5.9%	5.1%	18.7%	-	-29.6%	-9.7%	18.1%	-10.6%
Assets	-6,834	-239	15,222	2,958	205,672	-86	216,692	49,556	266,249
Depreciation	2,293	7	611	121	-	1	3,033	23	3,057
Loss on impairment	-	-	-	211	-	-8	204	-	204
Capital Expenditures	-7,763	-38	-562	-456	-	9	-8,810	-478	-9,288
R&D Expenses	-841	27	-179	124	-	-37	-906	-	-906
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 interim 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 bone 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 nine months ended Sep. 30, 2007 and 2006 are as follows:
- 2007 2,096 million Yen
2006 1,702 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 six months ended September 30, 2007

	Millions of Yen						
	Japan	North America	Europe	Asia	Total	Elimin or corp.*	Consolidated
Net sales:							
To outside customers	132,833	20,181	28,588	17,155	198,759	-	198,759
Intersegment	13,499	147	292	78,346	92,285	-92,285	-
Total	146,332	20,328	28,881	95,502	291,045	-92,285	198,759
Operating expenses	126,627	19,084	25,760	73,912	245,384	-96,115	149,269
Operating income	19,705	1,243	3,120	21,590	45,660	3,829	49,489
Operating income ratio	13.5%	6.1%	10.8%	22.6%	15.7%	-	24.9%
Assets	303,915	46,354	73,691	247,650	671,612	11,998	683,610

for the six months ended September 30, 2006

	Millions of Yen						
	Japan	North America	Europe	Asia	Total	Elimin or corp.*	Consolidated
Net sales:							
To outside customers	135,071	18,114	22,720	15,791	191,697	-	191,697
Intersegment	13,707	146	524	78,588	92,966	-92,966	-
Total	148,778	18,260	23,244	94,380	284,664	-92,966	191,697
Operating expenses	128,358	17,823	20,404	64,940	231,526	-95,194	136,331
Operating income	20,420	437	2,840	29,440	53,138	2,228	55,366
Operating income ratio	13.7%	2.4%	12.2%	31.2%	18.7%	-	28.9%
Assets	176,164	13,331	91,006	193,604	474,106	-56,744	417,361

Ref : Differences between the first half of this year and the same period last year

	Millions of Yen						
	Japan	North America	Europe	Asia	Total	Elimin or corp.*	Consolidated
Net sales:							
To outside customers	-2,238	2,067	5,868	1,364	7,062	-	7,062
Variance(%)	-1.7%	11.4%	25.8%	8.6%	3.7%	-	3.7%
Intersegment	-208	1	-232	-242	-681	681	-
Total	-2,446	2,068	5,637	1,122	6,381	681	7,062
Operating expenses	-1,731	1,261	5,356	8,972	13,858	-921	12,938
Operating income	-715	806	280	-7,850	-7,478	1,601	-5,877
Variance(%)	-3.5%	184.4%	9.9%	-26.7%	-14.1%	-	-10.6%
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 six months ended Sep. 30, 2007 and 2006 are as follows:
 - 2007 2,033 million Yen
 - 2006 1,521 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 six months ended September 30, 2007

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	20,742	29,839	59,181	448	110,212
Total Consolidated Net Sales (B)					198,759
Overseas Sales ratio A/B	10.5%	15.0%	29.8%	0.2%	55.5%
Regional Sales ratio	18.8%	27.1%	53.7%	0.4%	100.0%

for the six months ended September 30, 2006

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	22,363	23,809	56,248	5	102,427
Total Consolidated Net Sales (B)					191,697
Overseas Sales ratio A/B	11.7%	12.4%	29.3%	0.0%	53.4%
Regional Sales ratio	21.8%	23.3%	54.9%	0.0%	100.0%

Ref : Differences between the first half of this year and the same period last year

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	-1,621	6,030	2,933	443	7,785
Total Consolidated Net Sales (B)					7,062
Overseas Sales ratio A/B	-7.2%	25.3%	5.2%	—	7.6%

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.

(8) Composition of Net Sales by Business Category

HOYA CORPORATION and Consolidated Subsidiaries

(unaudited)

Business Category	Millions of yen [%]						
	Six months ended September 30,		Variance		Year ended March 31,		
	2007	2006	Value	(%)	2007		
Electro-Optics							
Domestic	46,053 (43.1)	48,190 (44.1)	-2,137	-4.4	97,405 (44.4)		
Overseas	60,682 (56.9)	61,182 (55.9)	-500	-0.8	121,846 (55.6)		
total	106,735 [53.7]	109,373 [57.1]	-2,638	-2.4	219,252 [56.2]		
Photonics							
Domestic	2,219 (49.5)	2,832 (61.2)	-613	-21.6	5,216 (57.4)		
Overseas	2,262 (50.5)	1,792 (38.8)	470	26.2	3,876 (42.6)		
total	4,481 [2.3]	4,625 [2.4]	-144	-3.1	9,092 [2.3]		
Information Technology							
Domestic	48,273 (43.4)	51,023 (44.8)	-2,750	-5.4	102,622 (44.9)		
Overseas	62,944 (56.6)	62,975 (55.2)	-31	-0.0	125,722 (55.1)		
total	111,217 [56.0]	113,998 [59.5]	-2,781	-2.4	228,344 [58.5]		
Vision Care							
Domestic	17,437 (27.3)	18,250 (32.1)	-813	-4.5	35,635 (29.7)		
Overseas	46,387 (72.7)	38,660 (67.9)	7,727	20.0	84,173 (70.3)		
total	63,824 [32.1]	56,911 [29.7]	6,913	12.1	119,808 [30.7]		
Health Care							
Domestic	22,250 (96.2)	19,442 (96.5)	2,808	14.4	39,287 (96.2)		
Overseas	881 (3.8)	714 (3.5)	167	23.4	1,561 (3.8)		
total	23,131 [11.6]	20,156 [10.5]	2,975	14.8	40,849 [10.5]		
Eye Care							
Domestic	39,687 (45.6)	37,692 (48.9)	1,995	5.3	74,923 (46.6)		
Overseas	47,268 (54.4)	39,375 (51.1)	7,893	20.0	85,735 (53.4)		
total	86,956 [43.7]	77,067 [40.2]	9,889	12.8	160,658 [41.2]		
Others							
Domestic	585 (100.0)	555 (87.9)	30	5.4	1,002 (92.0)		
Overseas	0 (0.0)	76 (12.1)	-76	—	87 (8.0)		
total	585 [0.3]	631 [0.3]	-46	-7.3	1,089 [0.3]		
Total Net Sales							
Domestic	88,547 (44.5)	89,270 (46.6)	-723	-0.8	178,547 (45.8)		
Overseas	110,212 (55.5)	102,427 (53.4)	7,785	7.6	211,545 (54.2)		
total	198,759 [100.0]	191,697 [100.0]	7,062	3.7	390,093 [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.