



January 28, 2008

Financial Highlights for the Nine Months (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

Contact: Naoj Ito, Manager of Corporate Communications Tel: 03(3952)1160 Fax:03(3952)0726

E-mail:naoji.ito@mb.hoya.co.jp

(The yen amounts shown therein are rounded down to the nearest million.)

1.Performance for the nine months ended Dec. 31, 2007 and 2006

	Millions of Yen		variance (%)
	Nine months ended Dec. 31.		
(1)Results of Operations	2007	2006	
Net sales	345,814	290,626	(19.0)
Operating income	77,014	82,582	(-6.7)
Ordinary income	80,266	75,987	(5.6)
Net income	60,720	64,362	(-5.7)
Net income per share(Yen)	140.48	149.40	-8.92
Net Income per share after adjustment of potential shares(yen)	140.27	148.80	-8.53
(2)Financial Position	Millions of Yen		
	As of Dec. 31.	As of March 31.	As of Dec. 31.
	2007	2007	2006
Total assets	697,348	447,644	423,478
Net assets	418,780	367,145	343,290
Owner's equity ratio	58.8%	81.6%	80.6%
Net assets per share (Yen)	947.28	845.98	791.55
(3)Conditions of Cash Flow	Millions of Yen		
	Nine months ended Dec. 31.	Year ended Mar.31	
	2007	2006	2007
Net cash provided by operating activities	84,861	69,033	98,793
Net cash used in investing activities	-105,780	-33,364	-46,652
Net cash provided by (used in) financing activities	75,799	-18,568	-23,891
Cash and cash equivalents at end of period	179,183	105,748	120,621



2. Conditions of Dividends (unit: Yen)

	Year ending/ended 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

	Millions of Yen		
	Year ending/ended Mar.31.		variance (%)
	2008	2007	
Net sales	489,700	390,093	(25.5)
Operating income	101,100	107,213	(-5.7)
Ordinary income	106,200	102,909	(3.2)
Net income	80,000	83,391	(-4.1)
Net income per share(Yen)	185.09	193.50	-8.41

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.

Since PENTAX and its subsidiaries were consolidated to HOYA Corporation during the period under review, balance sheets of PENTAX and its subsidiaries as of December 31, 2007 are combined into the consolidated financial statements of HOYA Group. Profit and loss of PENTAX and its subsidiaries are combined into the consolidated statement of income from October 1, 2007 and the statement of income includes PENTAX and its subsidiaries' profit and loss only for three months ended December 31, 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

<u>Results of Operations</u>	<u>Millions of Yen</u>	
	<u>Nine months ended Dec. 31, 2007</u>	<u>Variance(%)</u> year-on-year
Net sales	345,814	(19.0)
Operating income	77,014	(-6.7)
Ordinary income	80,266	(5.6)
Net income	60,720	(-5.7)
Net income per share(Yen)	140.48	-8.92

Economic conditions during the term under review (from April 1, 2007 to December 31, 2007) partly made negative impact not only in medium or small-sized companies but also major companies in Japan due to increase in the cost of materials, such as crude oil, and trouble about subprime loan in the United States. However, improvements in corporate performance particularly among major companies led to keep high level of capital investments and expansion of employment despite some of severe situation, and economy as a whole was brisk.

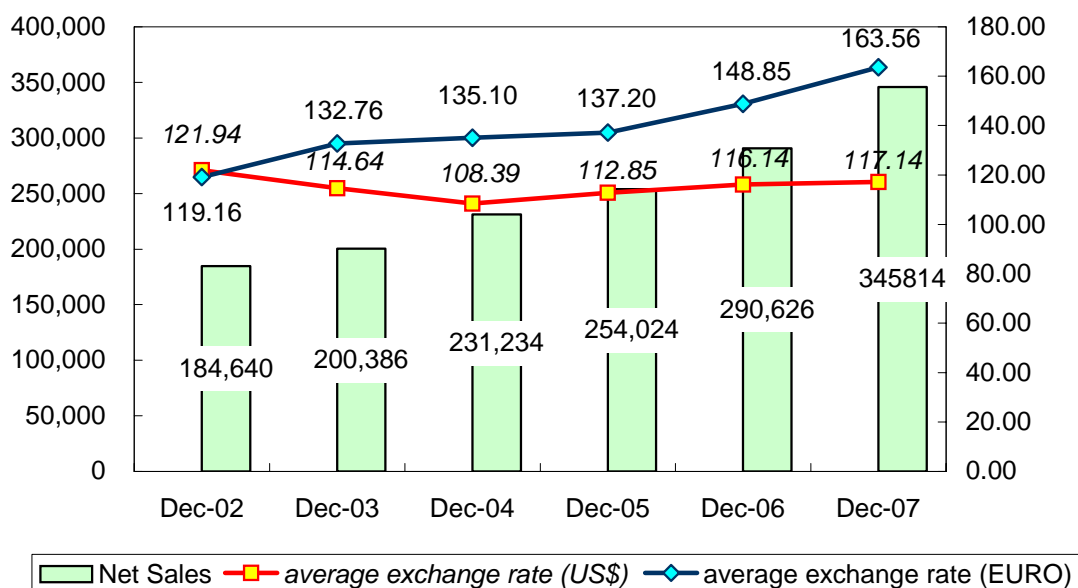
Meanwhile, for the HOYA Group, in the Electro-Optics sector, sales went down in some products because of price decline, and delay in commencement of production of new items. Though, in other products, the developments of new products by clients were vigorous, promoting robust demand, the whole of the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

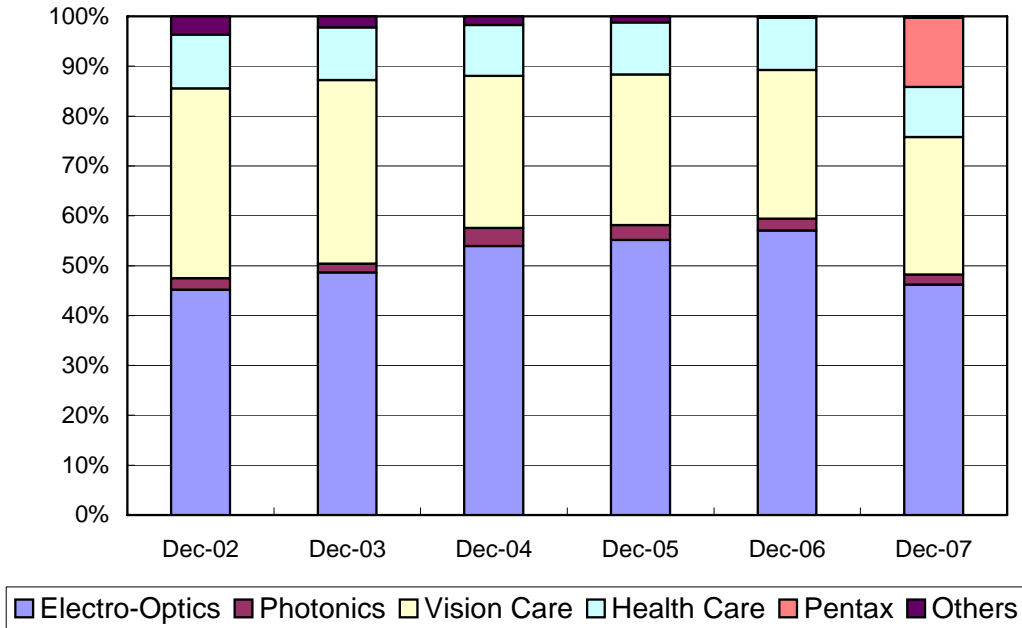
Moreover, the sales of newly consolidated Pentax Corporation and its subsidiaries for the three months from October 1 to December 31, 2007 have been combined.

As a result, during the term under review consolidated net sales increased year-on-year basis and posted historical record on nine-month basis. However operating income showed a decline year-on-year basis, because of decline in revenues and profit in the Electro-Optics sector. Goodwill on the acquisition of Pentax is amortized from this term. The growth of earnings of equity method affiliates and influence of exchange rate fluctuations led ordinary income to increase. Net income showed a decline because there was gain from sales of land during the same term last year.

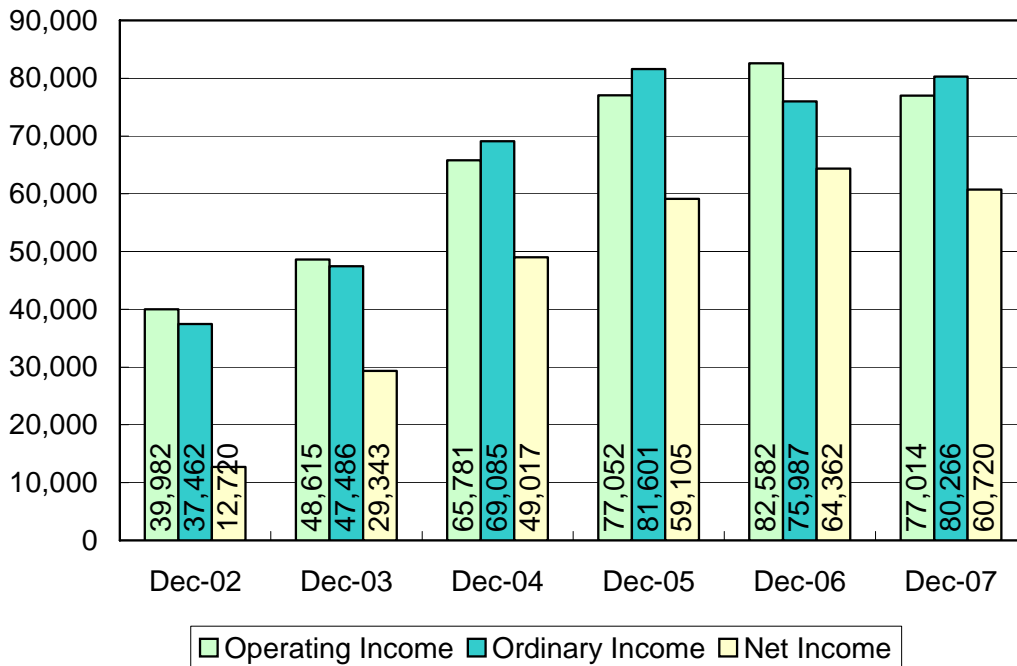
Net Sales (Million Yen) and Average Exchange Rate (Yen)
for the nine months ended Dec.31



Ratio of Net Sales by Business Segment
- Nine months ended Dec.31



Profits (Million Yen) - Nine months ended Dec.31

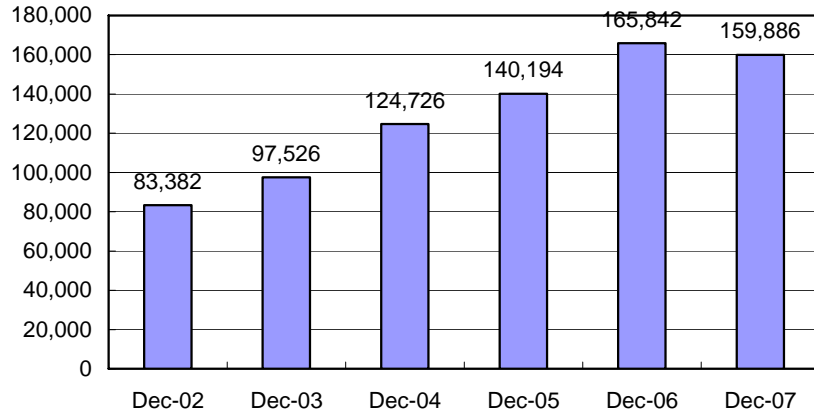


2) Segment Overview

1. Information Technology

Electro-Optics

Net sales of Electro-Optics (Million Yen) for nine months ended Dec.31



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.

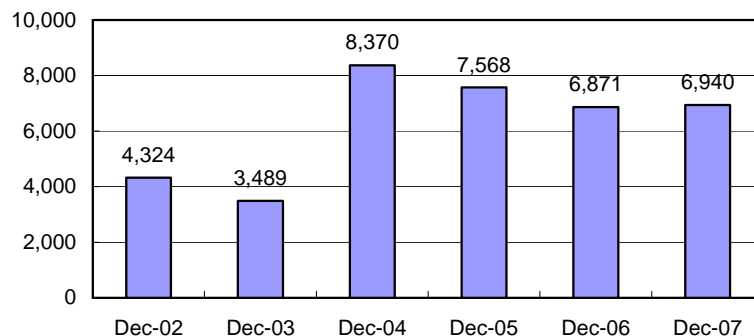
There was also an increase in orders for photomasks for semiconductor production, high precision products and next-generation developed products, leading to higher sales volume year-on-year. Demand for large-size masks for LCD hit wall, because LCD panel producers gave priority to commercial production at the upturn in demand of panels, and competition among mask producers for orders in the area of large-size masks for LCD was in a severe condition, 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.

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

Net sales of Photonics (Million Yen) for nine months ended Dec.31

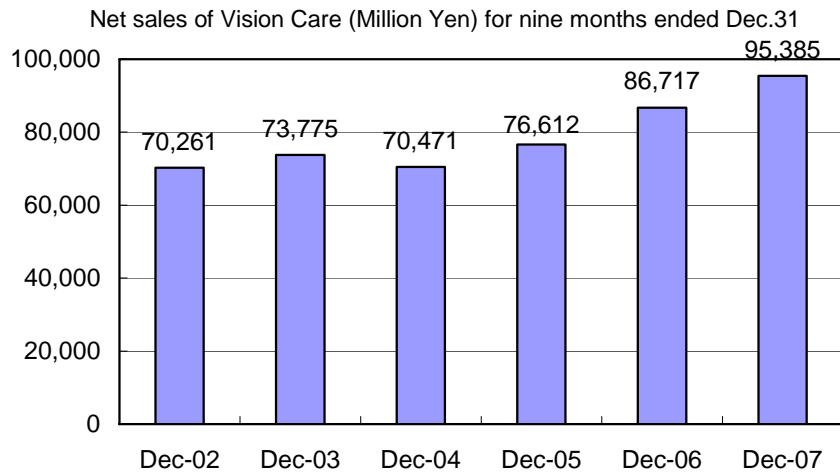


This segment covers laser-related equipment for industrial, dental and medical applications.

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

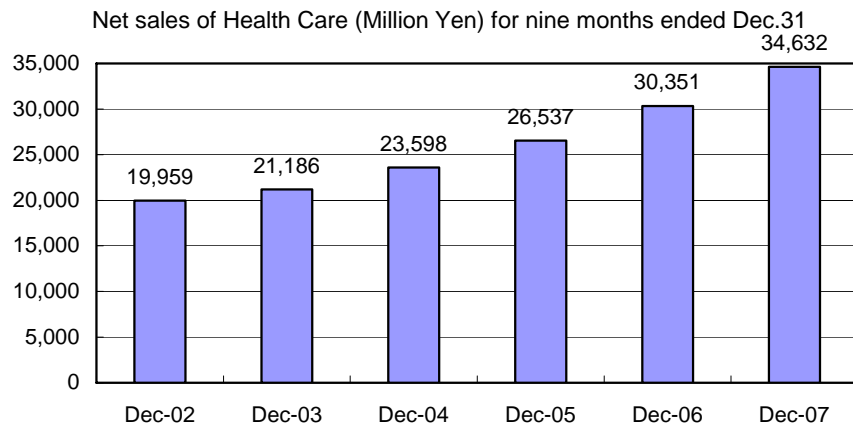


The slump in the domestic market for eyeglass lenses continued as before but HOYA realized growth in the high price bracket through the value-added enhancement of products centered in high-function coatings and newly-designed progressive lenses. In the low price bracket, however, overall sales in the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

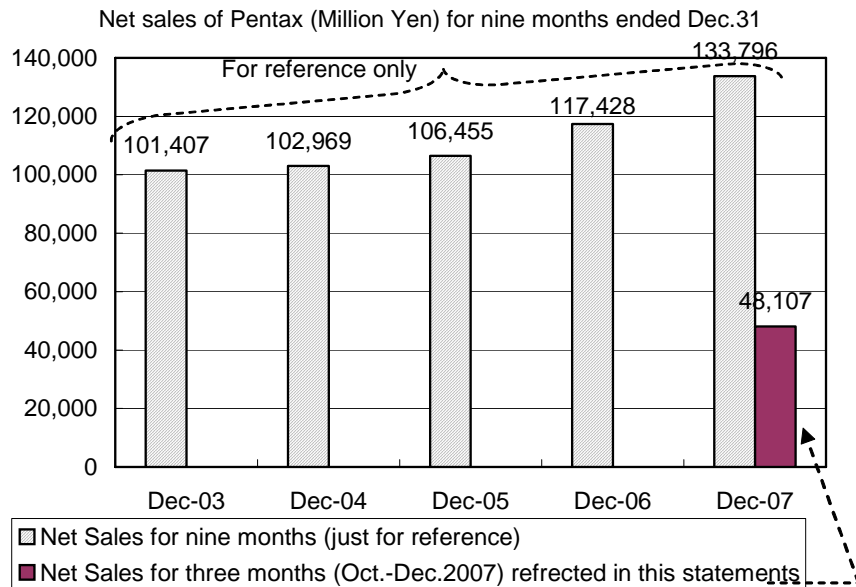
Health Care



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. Pentax



Life Care Business

In the medical endoscope field, we promoted region-by-region marketing strategies that meet market needs such as the intensive sale of high cost-performance models in the European market. In May 2007, we started selling to the U.S. our new endoscope system "i" series well compatible with megapixel images, which has been highly evaluated.

As a result, the net sales of this business as a whole increased year-on-year basis.

Imaging System Business

In the single-lens reflex digital camera field, the "K10D" middle-class digital single-lens reflex camera that was put on sale in November 2006 contributed to the sales as it has been highly valued both at home and abroad and it received Japan and European camera prizes. In the period under review, we started selling the "K100D Super" new standard-class digital single-lens reflex camera. We also introduced new high-performance interchangeable lenses on the market, and actively promoted the sales of such new products.

In the field of compact digital cameras, we put our efforts into replenishing the product line of our Optio series that capitalize on their respective characteristics, and the sales remained steady.

As a result, the net sales of this business as a whole increased year-on-year basis.

Optical Component Business

In the digital camera module field, we developed and started selling new products of low-profile high-functionality types, which efficiently employ the characteristics of sliding lens systems, as well as of popular types, and we also made efforts to find new customers and significantly increased sales.

In the microlens field, falling market prices of DVD products forced us to reduce the unit selling prices. In the security field, we endeavored to increase the sales of lenses for surveillance cameras.

As a result, the net sales of this business as a whole increased year-on-year basis.

4. Other businesses

	<u>Millions of Yen</u>
	<u>Nine months ended Dec. 31, 2007</u>
Net sales	861
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 Dec. 31, 2007</u>
Total assets	697,348
Net assets	418,780
Owner's equity ratio	58.8%

Since Pentax and its subsidiaries were consolidated from the term under review, both assets and liabilities increased significantly compared to the end of the previous fiscal year. The current assets increased Yen 144,202 million mainly since cash and deposit increased Yen 60,132 million. Fixed assets increased Yen 105,503 million to Yen 277,440 million due to increase of goodwill. As a result, total assets increased Yen 249,704 million compared to the end of the previous fiscal year. Liabilities increased Yen 198,069 million mainly due to issuance of Yen 99,965 million of corporate bonds to fund Pentax Tender Offer. Net assets increased Yen 51,635 million and came to Yen 418,780 million through earned surplus increased Yen 30,384 million.

2) Conditions of Cash Flows	<u>Millions of Yen</u>
	<u>Nine months ended Dec. 31, 2007</u>
Net cash provided by operating activities	84,861
Net cash used in investing activities	-105,780
Net cash provided by (used in) financing activities	75,799
Cash and cash equivalents at end of period	179,183

In terms of cash flows from operating activities, on the basis of cash increase of Yen 75,670 million in income before income taxes and Yen 33,620 million in depreciation and cash decrease of Yen 21,692 million as payment of income taxes, net cash provided by operating activities increased by Yen 15,828 million compared to the same period last year and came to Yen 84,861 million. Net cash used in investment activities increased by Yen 72,416 million to Yen 105,780 million, mainly used for Yen 72,462 million of Pentax Tender Offer and Yen 32,578 million of investment in order to handle next-generation products. Net cash provided by financing activities increased Yen 94,367 million and came to Yen 75,799 million, because of the proceed of Yen 99,677 million by issuing corporate bonds to fund Pentax Tender Offer, and payment of Yen 28,057 million for dividends. As a result, the term-end balance of cash and cash equivalents amounted to Yen 179,183 million, increased by Yen 58,561 million in comparison with that of the end of the previous fiscal year.

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

	<u>Millions of Yen</u>		variance (%)
	<u>Years ending/ended March 31,</u>		
	2008	2007	
Net sales	489,700	390,093	(25.5)
Operating income	101,100	107,213	(-5.7)
Ordinary income	106,200	102,909	(3.2)
Net income	80,000	83,391	(-4.1)
Net income per share (Yen)	185.09	193.50	-8.41 Yen

The Company discloses full scale financial information quarterly bases as precise as year-end financial statements so that investors such as securities analysts can make an appropriate forecast for the Company. For their references, the Company discloses full year projections at the announcement of the third quarter (from October 1 to December 31) results in the following January. In other words, the above projected numbers are the first forecasts made and disclosed by the Company as to the full year results.

The economy during the term under review seems slowing down impacted by rising cost of materials such as crude oil, the subprime loan crisis in the US and so on.

Amid such circumstances, for the HOYA Group, in the Electro-Optics (EO) sector, sales in some products are expected to decrease compared to last year because of severe price competition and delay in shipment of new items, while in other products sales are expected to grow in center of high-end products. As a whole, sales and profits in this sector are projected to decline year on year. In Vision-Care, an expansion of the overseas market for eyeglass lenses has been witnessed, and in Healthcare we expect a continuing sales growth, sales and profits in both divisions are expected to increase compared to last year.

Moreover, the sales of newly consolidated Pentax Corporation and its subsidiaries for the six months from October 1, 2007 to March 31, 2008 will be combined.

As HOYA group, the Company expects increase in net sales while foresees decrease in operating income because of the expected decline in sales and profits of EO sector. As for ordinary income, earnings of affiliates show improvement in profitability, although unpredictable exchange rate might affect the results. Projected decrease in net income attributes the extraordinary income from sales of land in the previous fiscal year.

HOYA group strives to strengthen development and sales of high precision products that meet customer needs by paying due attention to the afore-mentioned global economy and currency situation, in order to position ourselves to continue steady growth in the future.

Ref : Projected results for the 4th quarter

	<u>Millions of Yen</u>		variance (%)
	<u>Three months ending/ended March 31,</u>		
	2008	2007	
Net sales	143,886	99,467	(44.7)
Operating income	24,086	24,631	(-2.2)
Ordinary income	25,934	26,922	(-3.7)
Net income	19,280	19,028	(1.3)
Net income per share (Yen)	44.61	44.11	0.50 Yen

These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from that anticipated in these statements. These factors include changes in economic conditions, trends in our major markets, or fluctuation of currency exchange rates.

4. Preparation of the Consolidated Financial Statements

Scope of Consolidation and Application of the Equity Method

1. Number of consolidated subsidiaries : 104 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 the same period last year (Dec. 31, 2006) : 41 companies increased in total.
 7 companies increased due to the establishment: HOYA LENS VIETNAM LTD. (Vietnam)
 HOYA HOLDINGS (ASIA) B.V. (The Netherlands)
 HOEV CO.,LTD. (Vietnam)
 HOYA LENS NORWAY S.A. (Norway)
 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 closing: PENTAX TECHNOLOGY TAIWAN CO.,LTD. (Taiwan)
 - b) In comparison to the end of previous fiscal year (Mar. 31, 2007) : 37 companies increased in total.
 3 companies increased due to the establishment: HOYA HOLDINGS (ASIA) B.V. (The Netherlands)
 HOEV CO.,LTD. (Vietnam)
 HOYA LENS NORWAY S.A. (Norway)

 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 closing: PENTAX TECHNOLOGY TAIWAN CO.,LTD. (Taiwan)
 - B. Application of the equity method
 - a) In comparison to the end of the same period last year (Dec. 31, 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 already combined into the Consolidated Balance Sheets of HOYA Group at the end of Sep. 30, 2007. The Consolidated Statement of Income are combined from October 1, 2007). This report presented herein include Income Statements of PENTAX, but only for three months ended Dec. 31, 2007.

	as of Dec. 31,2007	as of Dec. 31,2006	variance	as of Mar. 31,2007
Consolidated subsidiaries	104 (jp 13, os91)	63 (jp 5, os58)	+41 (jp+8, os+33)	67 (jp 5, os62)
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	116	67	+49	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.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen			
	As of			
	Dec. 31,2007	Mar. 31, 2007	Variance	Dec. 31,2006
ASSETS				
Current assets				
Cash and deposits	180,753	120,621	60,132	105,748
Notes and accounts receivable - trade	130,316	94,296	36,020	93,673
Inventories	90,514	49,721	40,793	47,861
Deferred tax assets	9,556	7,067	2,489	4,781
Other current assets	11,061	5,309	5,752	6,151
Allowance for doubtful receivables	-2,294	-1,311	-983	-1,213
Total current assets	419,908	275,706	144,202	257,003
Fixed assets				
Tangible fixed assets				
Buildings and structures	41,842	33,871	7,971	31,716
Machinery and carriers	73,782	75,961	-2,179	74,759
Tools, equipment and fixtures	19,532	12,311	7,221	12,451
Lands	16,906	9,154	7,752	9,066
Construction in progress	20,390	11,918	8,472	10,916
Total tangible fixed assets	172,454	143,218	29,236	138,908
Intangible fixed assets				
Goodwill	53,399	2,242	51,157	—
Other intangible fixed assets	19,361	4,005	15,356	5,952
Total intangible fixed assets	72,761	6,248	66,513	5,952
Investments and other assets				
Investment securities	21,944	14,575	7,369	14,085
Deferred tax assets	2,524	2,723	-199	2,896
Other assets	8,098	5,493	2,605	4,947
Allowance for doubtful receivables	-342	-322	-20	-316
Total investment and other assets	32,225	22,470	9,755	21,613
Total fixed assets	277,440	171,937	105,503	166,474
TOTAL ASSETS	697,348	447,644	249,704	423,478

HOYA CORPORATION 3rd quarter (9 months ended December 31, 2007)

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen			
	As of			
LIABILITIES AND NET ASSETS	Dec.31,2007	Mar.31,2007	Variance	Dec.31,2006
LIABILITIES				
Current liabilities				
Notes and accounts payable - trade	61,720	28,779	32,941	28,612
Short-term bank loans	13,646	—	13,646	—
Long-term bank loans matured within a year	3,634	—	3,634	—
Commercial paper	4,997	—	4,997	5,997
Income tax payable	6,268	12,821	-6,553	8,623
Accrued expenses	24,837	17,279	7,558	—
Accrued bonuses to employees	4,043	4,327	-284	2,248
Other current liabilities	22,245	14,973	7,272	32,756
Total current liabilities	141,392	78,181	63,211	78,238
Long-term liabilities				
Corporate bonds	99,965	—	99,965	—
Long-term bank loans	20,096	—	20,096	—
Deferred tax liabilities	2,656	—	2,656	—
Accrued retirement benefits	10,874	—	10,874	—
Directors' retirement allowances	323	—	323	—
Allowance for special repairs	1,199	890	309	778
Other long-term liabilities	2,059	1,427	632	1,170
Total long-term liabilities	137,175	2,317	134,858	1,949
Total Liabilities	278,568	80,499	198,069	80,187
NET ASSETS				
Shareholders' equity				
Paid-in capital	6,264	6,264	—	6,264
Capital surplus	15,898	15,898	—	15,898
Earned surplus	352,897	322,513	30,384	304,051
Treasury stock	-8,028	-12,753	4,725	-13,998
Advances on subscription to treasury stock	—	1	-1	45
Total shareholders' equity	367,031	331,924	35,107	312,261
Valuation and translation adjustments				
Valuation difference on available-for-sale securities	-230	-85	-145	-36
Translation adjustments	43,227	33,263	9,964	29,162
Total valuation and translation adjustments	42,996	33,177	9,819	29,126
New share subscription rights	553	167	386	66
Minority interest	8,198	1,876	6,322	1,836
Total Net Assets	418,780	367,145	51,635	343,290
TOTAL LIABILITIES AND NET ASSETS	697,348	447,644	249,704	423,478
Notes:				
	Millions of Yen			
1. Accumulated depreciation	247,209	223,095		213,543
2. Guarantees of borrowings and lease obligations for customers and Group's employees	2,240	2,774		2,739
3. Value of discount on notes receivable	1,927	—		—
4. Number of shares of treasury stock (unit : shares)	2,170,207	3,447,681		3,784,297

(2) Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen			
	Nine months ended Dec. 31,			Year ended
	2007	2006	Variance(%)	Mar.31, 2007
Net sales	345,814	290,626	19.0	390,093
Cost of sales	185,089	146,372	26.5	197,410
Gross profit	160,724	144,254	11.4	192,682
Selling, general and administrative expenses	83,709	61,671	35.7	85,469
Operating income	77,014	82,582	-6.7	107,213
Non-operating income	9,660	3,622	166.7	5,827
Interest income	3,337	1,786		2,901
Equity in earnings of affiliates	4,177	55		642
Others	2,145	1,780		2,283
Non-operating expenses	6,408	10,217	-37.3	10,131
Interest expense	815	42		86
Sales discount	680	584		822
Foreign exchange losses	3,017	7,445		6,711
Others	1,895	2,145		2,510
Ordinary income	80,266	75,987	5.6	102,909
Extra-ordinary gains	586	10,448	-94.4	10,513
Gain on sales of property, plant and equipment	453	9,623		9,629
Others	132	824		884
Extra-ordinary losses	5,181	4,175	24.1	6,290
Additional retirement benefits paid to employees	1,841	218		1,055
Maintenance of environment	1,564	750		767
Loss on disposal of property, plant and equipment	457	2,836		3,327
Loss on impairment of long-lived assets	334	86		87
Others	983	283		1,053
Income before income taxes and other items	75,670	82,260	-8.0	107,132
Income taxes - Current	13,244	15,528	-14.7	23,491
Income taxes - Deferred	1,256	2,258	-44.4	70
Minority interests in net income	448	111	303.6	178
Net income	60,720	64,362	-5.7	83,391
Net income per share(Yen)	140.48	149.40	-8.92	193.50
Net income per share after adjustment of potential shares (Yen)	140.27	148.80	-8.53	192.78

Notes:

1. 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	345,814	340,512	5,302
Operating income	77,014	72,496	4,518
Ordinary income	80,266	74,876	5,390
Net income	60,720	55,937	4,783

2. Average rates of major foreign currencies:
- | | | Nine months ended Dec. 31, | | Variance(%) | Year ended |
|-----------|-----|----------------------------|--------|-------------|--------------|
| | | 2007 | 2006 | | Mar.31, 2007 |
| US\$ | Yen | 117.14 | 116.14 | -0.9% | 116.96 |
| Euro | Yen | 163.56 | 148.85 | -9.9% | 150.95 |
| Thai Baht | Yen | 3.74 | 3.12 | -19.9% | 3.24 |

(3) 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 MARCH 31, 2007	6,264	15,898	322,513	-12,753	1	331,924
Net income			60,720			60,720
Appropriations						
Cash dividends			-28,089			-28,089
Bonus to directors						
Loss on disposal of treasury stock						
Repurchase of treasury stocks				-12		-12
Disposal of treasury stocks			-2,247	4,737	-1	2,487
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			30,384	4,725	-1	35,107
Total increase / decrease during the term under review	-	-	30,384	4,725	-1	35,107
BALANCE DECEMBER 31, 2007	6,264	15,898	352,897	-8,028	-	367,031

	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						60,720
Appropriations						
Cash dividends						-28,089
Bonus to directors						
Loss on disposal of treasury stock						
Repurchase of treasury stocks						-12
Disposal of treasury stocks						2,487
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	-145	9,963	9,818	386	6,322	16,527
Total increase / decrease during the term under review	-145	9,963	9,818	386	6,322	51,635
BALANCE DECEMBER 31, 2007	-230	43,227	42,996	553	8,198	418,780

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
		3,447,681	3,131	1,280,605	2,170,207	

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

Increase due to repurchase of treasury stock less than one unit	3,131	shares
Decrease due to sale of treasury stock less than one unit	205	shares
Decrease due to exercise of stock option	1,280,400	shares

<Same period 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			64,362			64,362
Appropriations						
Cash dividends			-25,843			-25,843
Bonus to directors			-64			-64
Loss on disposal of treasury stock						
Repurchase of treasury stocks				-9		-9
Disposal of treasury stocks			-1,040	2,291		1,250
Increase / decrease due to change in accounting standard of overseas consolidated subsidiaries			290			290
Others					45	45
Net increase / decrease during the term under review except in Shareholders' Equity			37,705	2,281	45	40,032
Total increase / decrease during the term under review	-	-	37,705	2,281	45	40,032
BALANCE DECEMBER 31, 2006	6,264	15,898	304,051	-13,998	45	312,261

	Millions of Yen					
	Valuation and Translation Adjustments			New Share Subscription Rights	Minority Interest	Total Net Assets
	Valuation difference on available-for-sale securities	Translation Adjustments	Total Valuation and Translation Adjustments			
BALANCE MARCH 31, 2006	110	7,142	7,252	-	919	280,400
Net income						64,362
Appropriations						
Cash dividends						-25,843
Bonus to directors						-64
Loss on disposal of treasury stock						
Repurchase of treasury stocks						-9
Disposal of treasury stocks						1,250
Increase / decrease due to change in accounting standard of overseas consolidated subsidiaries						290
Others						45
Net increase / decrease during the term under review except in Shareholders' Equity	-146	22,020	21,874	66	916	22,857
Total increase / decrease during the term under review	-146	22,020	21,874	66	916	62,890
BALANCE DECEMBER 31, 2006	-36	29,162	29,126	66	1,836	343,290

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	2,137	619,447	3,784,297	

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

Increase due to repurchase of treasury stock less than one unit	2,137	shares
Decrease due to sale of treasury stock less than one unit	247	shares
Decrease due to exercise of stock option	619,200	shares

HOYA CORPORATION 3rd quarter (9 months ended December 31, 2007)

<Last 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
Loss on disposal of treasury stock						
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
Loss on disposal of treasury stock						
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 Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

Nine months ended Dec.31.

	2007	2006	variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	75,670	82,260	-6,590
Depreciation and amortization	33,620	25,593	8,027
Loss on impairment of long-lived assets	334	86	248
Provision for (reversal of) accrued allowances for doubtful receivables	287	-345	632
Provision for (reversal of) accrued bonuses to employees	-2,296	-1,950	-346
Provision for (Reversal of) reserve for periodic repairs	306	156	150
Interest income and dividend receivable	-3,365	-1,818	-1,547
Interest expense payable	815	42	773
Foreign exchange loss (gain)	1,811	3,882	-2,071
Equity in earnings of affiliates	-4,177	-55	-4,122
Gain on sales of property, plant and equipment and investment securities	-453	-9,623	9,170
Loss on disposal of property, plant and equipment and investment securities	457	2,836	-2,379
Loss on write-down of investment securities	871	7	864
Bonus to directors	—	-64	64
Other	4,809	1,689	3,120
(Increase) decrease in notes and accounts receivable	956	-13,099	14,055
(Increase) decrease in inventories	-8,084	-3,901	-4,183
(Increase) decrease in other current assets	39	849	-810
Increase (decrease) in notes and accounts payable	1,223	-1,111	2,334
Increase (decrease) in income taxes payable	374	-568	942
Increase (decrease) in other current liabilities	683	2,124	-1,441
Sub total	103,884	86,989	16,895
Interest and dividend receivable	3,214	1,645	1,569
Interest payable	-225	-30	-195
Legal settlement paid	-321	—	-321
Income taxes - paid	-21,692	-19,571	-2,121
Net cash provided by operating activities	84,861	69,033	15,828
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	-32,578	-40,563	7,985
Proceeds from sales of property, plant and equipment	746	10,201	-9,455
Purchases of investment securities	—	-204	204
Proceeds from sales of investment securities	26	30	-4
Expenditure for acquisition of subsidiary's stocks for consolidation	-72,462	-908	-71,554
Expenditure for loans	-84	-83	-1
Income from collection of loans	70	69	1
Expenditure for other investments	-1,781	-2,376	595
Income from other investments	283	471	-188
Net cash used in investing activities	-105,780	-33,364	-72,416
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term bank loans	1,796	5,997	-4,201
Proceeds from issuance of corporate bonds	99,677	—	99,677
Repayments of long-term debt	-33	—	-33
Increase in treasury stock	-29	-9	-20
Decrease in treasury stock	2,487	1,299	1,188
Dividends paid	-28,057	-25,853	-2,204
Dividends paid for minority shareholders	-40	-2	-38
Net cash provided by (used in) financing activities	75,799	-18,568	94,367
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	3,681	5,072	-1,391
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	58,561	22,174	36,387
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	120,621	83,574	37,047
CASH AND CASH EQUIVALENTS, END OF PERIOD	179,183	105,748	73,435

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

2. The above statements are direct translation from *Kessan Tanshin* made under the Japanese Accounting Standard.

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

	Dec.31.2007	Dec.31.2006
Cash and deposits	180,753	105,748
Time deposit over three months	-1,569	—
Total	179,183	105,748

(5) Notes Relating to Consolidated Financial Statements**Notes Relating to Investment Securities and Derivatives****1. Investment securities with market values: (Millions of Yen)**

	As of								
	Dec.31, 2007			Mar.31, 2007			Dec.31, 2006		
	Cost	Fair Value	Variance	Cost	Fair Value	Variance	Cost	Fair Value	Variance
Available-for-sale									
Available-for-sale :									
Marketable Equity securities	4,567	4,158	-408	1,692	1,541	-150	1,692	1,629	-63
Government bonds	—	—	—	—	—	—	—	—	—
Corporate bonds	—	—	—	—	—	—	—	—	—
Others	38	35	-2	—	—	—	—	—	—
Total	4,605	4,194	-411	1,692	1,541	-150	1,692	1,629	-63

2. Investment securities without market values: (Millions of Yen)

	As of		
	Dec.31, 2007	Mar.31, 2007	Dec.31, 2006
	Non-marketable stock of subsidiaries	16,350	11,678
Total	16,350	11,678	11,287
Non-marketable equity securities	1,147	1,099	902
Others	251	256	265
Total	1,398	1,355	1,168

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

(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	11,670	—	11,720	64
EURO	16,591	—	16,887	-296
Buy USD	1,440	—	1,435	-4
EURO	4,411	—	4,497	85

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	-100	-40

Notes : 1. 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 Taxes

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

	Millions of Yen		
	Dec.31, 2007	As of Mar.31, 2007	Dec.31, 2006
(1) Current deferred tax assets and liabilities			
Deferred tax assets			
Inventories - loss on write-down	2,748	78	—
Inventories - intercompany unrealized profits	2,078	2,647	2,441
Accrued bonuses to employees	1,630	1,655	851
Accrued enterprise taxes	698	922	435
Maintenance of environment	630	—	3
Other	1,934	1,763	1,048
Sub total amount of deferred tax assets - current	<u>9,720</u>	<u>7,067</u>	<u>4,781</u>
Valuation reserve	-149	—	—
Total amount of deferred tax assets - current	<u>9,571</u>	<u>7,067</u>	<u>4,781</u>
Deferred tax liabilities	-50	—	—
(2) Non-current deferred tax assets and liabilities			
Deferred tax assets			
Allowance for retirement benefits not deductible	3,525	—	—
Loss carryforwards	3,484	—	—
Excess amount of inclusion in deductible expenses for depreciation	1,486	1,576	1,614
Valuation reserve for investment securities not deductible	1,217	—	—
Loss on impairment not deductible	536	622	621
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	112	110	111
Other	2,547	600	732
Sub total amount of deferred tax assets - fixed	<u>13,811</u>	<u>3,429</u>	<u>3,598</u>
Valuation reserve	-4,704	—	—
Total amount of deferred tax assets - fixed	<u>9,106</u>	<u>3,429</u>	<u>3,598</u>
Deferred tax liabilities			
Valuation losses	-7,632	—	—
Net unrealized gain on available-for-sale securities	-589	—	—
Reserve for deferred income taxes on fixed assets	-345	-307	-315
Special depreciation reserve	-218	-232	-220
Other	-453	-165	-165
Total amount of deferred tax liabilities - fixed	<u>-9,238</u>	<u>-705</u>	<u>-702</u>
Net amount of deferred tax assets - fixed	<u>-132</u>	<u>2,723</u>	<u>2,896</u>

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

	Nine months ended Dec. 31,		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	-19.1	-17.5	-17.1
Non-Deductible expenses such as entertainment expenses	0.4	0.4	0.4
Per capita levy of inhabitants tax and others	0.1	0.1	0.1
Non-taxable dividend income	-2.1	-1.9	-1.5
Intercompany cash dividend and transactions	3.6	1.9	1.5
Equity in earnings of affiliates	-2.2	0.0	-0.2
Tax credit on experiment and research expenses	-0.3	-0.3	-0.7
Foreign tax deduction	-2.2	—	—
Other adjustment	0.6	-1.5	-0.9
Effective income tax rate	<u>19.2</u>	<u>21.6</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>Nine months ended Dec.31,</u>		<u>Year ended</u>
	<u>2007</u>	<u>2006</u>	<u>Mar.31, 2007</u>
Machinery and others	<u>122</u>	<u>86</u>	<u>87</u>
Total	<u><u>122</u></u>	<u><u>86</u></u>	<u><u>87</u></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>Nine months ended Dec. 31,</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><u>211</u></u>	<u><u>—</u></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%

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

The term from October 1, 2007 to December 31, 2007 are consolidated.

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 53,418 millions of Yen
 (excluding the portion of goodwill reported at the acquired company before the acquisition makes 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

5. Assets and liabilities acquired as of the business merger date and breakdown of major items

Current assets	99,351 millions of Yen
Fixed assets	55,966
<u>Total assets</u>	<u>155,318</u>
Current liabilities	67,822 millions of Yen
Fixed liabilities	39,716
<u>Total liabilities</u>	<u>107,539</u>

6. Allocation of acquisition cost

Allocation of acquisition cost has not completed in this third quarter, therefore the tentative accounting treatment was taken based on the most rational information available at the preparation of this financial statements.

7. 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

Per Share Information

	<u>Nine months ended Dec. 31,</u>		<u>Year ended</u>
	<u>2007</u>	<u>2006</u>	<u>Mar.31,2007</u>
Net assets per share (Yen)	947.28	791.55	845.98
Net income per share (Yen)	140.48	149.40	193.50
Net income per share after adjustment of potential shares (Yen)	140.27	148.80	192.78

The basics of the calculation of per share information are as follows:

	<u>Nine months ended Dec. 31,</u>		<u>Year ended</u>
	<u>2007</u>	<u>2006</u>	<u>Mar.31,2007</u>
<u>Net assets per share</u>			
Total of net assets in consolidated balance sheets (Millions of Yen)	418,780	343,290	367,145
Amount not imputed to common shareholders (Millions of Yen)	8,751	1,948	2,044
breakdown: (Minority interest)	8,198	1,836	1,876
(Advances on subscription to treasury stock)	—	45	1
(New share subscription rights)	553	66	167
Net assets related to common stock (Millions of Yen)	410,028	341,342	365,100
Number of common stocks issued at end of the term excluding treasury stocks (unit:shares)	432,846,813	431,232,723	431,569,339
<u>Net income per share</u>			
Net income (Millions of Yen)	60,720	64,362	83,391
Amount not imputed to common shareholders (Millions of Yen)	—	—	—
Net income related to common stock (Millions of Yen)	60,720	64,362	83,391
Average number of common stocks in the term (unit:shares)	432,226,353	430,821,771	430,967,580
<u>Net income per share after adjustment of potential shares</u>			
Net income (Millions of Yen)	60,720	64,362	83,391
Amount not imputed to common shareholders (Millions of Yen)	—	—	—
Net income related to common stock (Millions of Yen)	60,720	64,362	83,391
Number of increase in common stocks (unit:shares)	648,913	1,708,817	1,615,517
Average number of common stocks after adjustment of potential shares in the term (unit:shares)	432,875,266	432,530,588	432,583,097

(6) Segment Information

HOYA CORPORATION and Consolidated Subsidiaries

1. Industry Segments

(Figures less than a million Yen are omitted.)

For the nine months ended December 31, 2007

	Millions of Yen								Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimi. or corp.*	
Net sales:									
To outside customers	159,886	6,940	95,385	34,632	48,107	861	345,814	—	345,814
Intersegment	281	170	0	—	—	2,041	2,493	-2,493	—
Total	160,167	7,110	95,385	34,632	48,107	2,902	348,307	-2,493	345,814
Operating expenses	106,426	6,464	79,044	26,624	46,611	3,196	268,367	431	268,799
Operating income (-loss)	53,741	646	16,340	8,008	1,495	-293	79,939	-2,924	77,014
Operating income margin	33.6%	9.1%	17.1%	23.1%	3.1%	-10.1%	23.0%	—	22.3%
Assets	248,834	7,904	133,084	22,706	206,524	2,604	621,659	75,689	697,348
Depreciation	21,846	97	6,196	975	4,348	34	33,498	122	33,620
Loss on impairment	—	—	—	211	—	122	334	—	334
Capital Expenditures	21,601	96	7,623	633	2,412	137	32,505	9	32,515
R&D Expenses	7,264	847	1,072	1,031	1,598	11	11,826	—	11,826
Number of employees (p)	20,225	191	7,695	966	5,859	219	35,155	66	35,221

For the nine months ended December 31, 2006

	Millions of Yen								Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimi. or corp.*	
Net sales:									
To outside customers	165,842	6,871	86,717	30,351	—	843	290,626	—	290,626
Intersegment	310	190	-2	-0	—	2,067	2,565	-2,565	—
Total	166,153	7,061	86,714	30,351	—	2,910	293,192	-2,565	290,626
Operating expenses	103,502	6,620	71,290	23,721	—	3,216	208,351	-307	208,043
Operating income	62,650	441	15,424	6,629	—	-305	84,840	-2,258	82,582
Operating margin	37.7%	6.3%	17.8%	21.8%	—	-10.5%	28.9%	—	28.4%
Assets	267,415	7,683	110,728	21,368	—	2,448	409,643	13,834	423,478
Depreciation	19,456	89	5,091	826	—	33	25,497	96	25,593
Loss on impairment	—	—	—	—	—	86	86	—	86
Capital Expenditures	28,304	119	9,247	1,641	—	89	39,402	482	39,884
R&D Expenses	7,659	824	1,168	1,049	—	85	10,786	—	10,786
Number of employees (p)	19,927	204	7,400	881	—	205	28,617	63	28,680

Ref : Differences between the nine months of this year and the same period last year

	Millions of Yen								Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimi. or corp.*	
Net sales:									
To outside customers	-5,956	69	8,668	4,281	48,107	18	55,188	—	55,188
Variance(%)	-3.6%	1.0%	10.0%	14.1%	—	2.1%	19.0%	—	19.0%
Intersegment	-29	-20	2	0	—	-26	-72	72	—
Total	-5,986	49	8,671	4,281	48,107	-8	55,115	72	55,188
Operating expenses	2,924	-156	7,754	2,903	46,611	-20	60,016	738	60,756
Operating income	-8,909	205	916	1,379	1,495	12	-4,901	-666	-5,568
Variance(%)	-14.2%	46.5%	5.9%	20.8%	—	-3.9%	-5.8%	—	-6.7%
Assets	-18,581	221	22,356	1,338	206,524	156	212,016	61,855	273,870
Depreciation	2,390	8	1,105	149	4,348	1	8,001	26	8,027
Loss on impairment	—	—	—	211	—	36	248	—	248
Capital Expenditures	-6,703	-23	-1,624	-1,008	2,412	48	-6,897	-473	-7,369
R&D Expenses	-395	23	-96	-18	1,598	-74	1,040	—	1,040
Number of employees (p)	298	-13	295	85	5,859	14	6,538	3	6,541

*Elimi. or corp. : Eliminations or corporate

Notes:

1. The business divisions are classified by the similarities in products, such as types, characters, etc.
 2. 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.

Profit and loss of PENTAX and its subsidiaries are combined into the consolidated statement of income from October 1, 2007 and the statement of income includes PENTAX and its subsidiaries' profit and loss only for three months ended December 31, 2007.

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)
Others		Digital camera modules, Micro lenses, CCTV lenses, etc.
		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.

3. 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 Dec. 31, 2007 and 2006 are as follows:

<u>2007</u>	3,012 million Yen	<u>2006</u>	2,460 million Yen
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4. 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 Dec. 31, 2007 and 2006 are as follows:

<u>2007</u>	107,867 million Yen	<u>2006</u>	33,181 million Yen
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2. Geographical Segments

For the nine months ended December 31, 2007

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	212,285	39,761	60,834	32,933	345,814	—	345,814
Intersegment	35,923	242	507	120,065	156,738	-156,738	—
Total	248,208	40,003	61,342	152,998	502,553	-156,738	345,814
Operating expenses	223,055	34,859	56,043	117,057	431,016	-162,217	268,799
Operating income	25,153	5,144	5,298	35,941	71,536	5,478	77,014
Operating margin	10.1%	12.9%	8.6%	23.5%	14.2%	—	22.3%
Assets	342,142	46,871	82,065	259,038	730,118	-32,769	697,348

For the nine months ended December 31, 2006

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	203,505	27,393	36,137	23,590	290,626	—	290,626
Intersegment	20,398	220	674	119,792	141,084	-141,084	—
Total	223,903	27,614	36,811	143,382	431,711	-141,084	290,626
Operating expenses	193,939	26,744	31,901	100,090	352,676	-144,632	208,043
Operating income	29,963	869	4,909	43,292	79,035	3,547	82,582
Operating margin	13.4%	3.2%	13.3%	30.2%	18.3%	—	28.4%
Assets	175,142	13,879	81,580	211,728	482,330	-58,851	423,478

Ref:

Differences between the nine months of this year and the same period last year

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	8,780	12,368	24,697	9,343	55,188	—	55,188
Variance(%)	4.3%	45.2%	68.3%	39.6%	19.0%	—	19.0%
Intersegment	15,525	22	-167	273	15,654	-15,654	—
Total	24,305	12,389	24,531	9,616	70,842	-15,654	55,188
Operating expenses	29,116	8,115	24,142	16,967	78,340	-17,585	60,756
Operating income	-4,810	4,275	389	-7,351	-7,499	1,931	-5,568
Variance(%)	-16.1%	491.9%	7.9%	-17.0%	-9.5%	—	-6.7%
Assets	167,000	32,992	485	47,310	247,788	26,082	273,870

Notes:

1. Countries and regions are classified by geographical proximity, and the Company and subsidiaries are summarized in four areas based on the countries where the Group offices are located. The major countries and regions that belong to the classification other than Japan are as follows:

North America: United States of America, Canada, etc.

Europe: Netherlands, Germany, United Kingdom, etc., including South Africa

Asia: Singapore, Thailand, China, Republic of Korea, Taiwan, etc., including Australia

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 Dec. 31, 2007 and 2006 are as follows:

2007 2,918 million Yen 2006 2,179 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 Dec. 31, 2007 and 2006 are as follows:

2007 85,610 million Yen 2006 30,956 million Yen

3. Overseas Sales

For the nine months ended December 31, 2007

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	41,006	62,846	103,162	901	207,917
Total Consolidated Net Sales (B)					345,814
Overseas Sales ratio (A/B)	11.8%	18.2%	29.8%	0.3%	60.1%
Regional breakdown	19.7%	30.3%	49.6%	0.4%	100.0%

For the nine months ended December 31, 2006

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	33,502	37,766	86,002	6	157,277
Total Consolidated Net Sales (B)					290,626
Overseas Sales ratio (A/B)	11.5%	13.0%	29.6%	0.0%	54.1%
Regional breakdown	21.3%	24.0%	54.7%	0.0%	100.0%

Ref: Differences between the nine months of this year and the same period last year

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	7,504	25,080	17,160	895	50,640
Total Consolidated Net Sales (B)					55,188
Variance of Overseas Sales (%)	22.4%	66.4%	20.0%	—	32.2%

- Notes: 1. The overseas sales represent the sales of the Company and subsidiaries in countries and regions other than Japan.
2. Countries and regions are classified by geographical proximity, and the overseas sales are summarized in four areas based on the countries where the *Customers* are located. The major countries and regions that belong to the classification other than Japan are as follows:
- North America: United States of America, Canada, etc.
 Europe: Netherlands, Germany, United Kingdom, etc., including South Africa
 Asia: Singapore, Thailand, 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

Business Category	Millions of yen, (%), [%]					
	Nine months ended Dec. 31,		Variance		Year ended March 31	
	2007	2006	Amount	%	2006	
Electro-Optics						
Domestic	68,051 (42.6)	72,600 (43.8)	-4,549	-6.3	97,405 (44.4)	
Overseas	91,834 (57.4)	93,242 (56.2)	-1,408	-1.5	121,846 (55.6)	
total	159,886 [46.2]	165,842 [57.1]	-5,956	-3.6	219,252 [56.2]	
Photonics						
Domestic	3,414 (49.2)	3,882 (56.5)	-468	-12.1	5,216 (57.4)	
Overseas	3,526 (50.8)	2,988 (43.5)	538	18.0	3,876 (42.6)	
total	6,940 [2.0]	6,871 [2.4]	69	1.0	9,092 [2.3]	
Information Technology						
Domestic	71,466 (42.8)	76,483 (44.3)	-5,017	-6.6	102,622 (44.9)	
Overseas	95,361 (57.2)	96,230 (55.7)	-869	-0.9	125,722 (55.1)	
total	166,827 [48.2]	172,714 [59.5]	-5,887	-3.4	228,344 [58.5]	
Vision Care						
Domestic	25,725 (27.0)	26,827 (30.9)	-1,102	-4.1	35,635 (29.7)	
Overseas	69,660 (73.0)	59,889 (69.1)	9,771	16.3	84,173 (70.3)	
total	95,385 [27.6]	86,717 [29.8]	8,668	10.0	119,808 [30.7]	
Health Care						
Domestic	33,274 (96.1)	29,277 (96.5)	3,997	13.7	39,287 (96.2)	
Overseas	1,358 (3.9)	1,074 (3.5)	284	26.4	1,561 (3.8)	
total	34,632 [10.0]	30,351 [10.4]	4,281	14.1	40,849 [10.5]	
Eye Care						
Domestic	58,999 (45.4)	56,105 (47.9)	2,894	5.2	74,923 (46.6)	
Overseas	71,018 (54.6)	60,963 (52.1)	10,055	16.5	85,735 (53.4)	
total	130,018 [37.6]	117,068 [40.2]	12,950	11.1	160,658 [41.2]	
Pentax						
Domestic	6,569 (13.7)	— (—)	6,569	—	— (—)	
Overseas	41,538 (86.3)	— (—)	41,538	—	— (—)	
total	48,107 [13.9]	— [—]	48,107	—	— [—]	
Others						
Domestic	861 (100.0)	760 (90.2)	101	13.3	1,002 (92.0)	
Overseas	0 (0.0)	83 (9.8)	-83	—	87 (8.0)	
total	861 [0.3]	843 [0.3]	18	2.1	1,089 [0.3]	
Total Net Sales						
Domestic	137,896 (39.9)	133,348 (45.9)	4,548	3.4	178,547 (45.8)	
Overseas	207,917 (60.1)	157,277 (54.1)	50,640	32.2	211,545 (54.2)	
Total	345,814 [100.0]	290,626 [100.0]	55,188	19.0	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.