

Financial Highlights for the Three Months (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

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

Performance for the fourth quarter (three months ended March 31, 2008 and 2007)

	Millions of Yen		Variance (%)
	Three months ended March 31,		
(1)Results of Operations	2008	2007	
Net sales	135,816	99,467	36.5
Operating income	<u>18,059</u>	24,631	<u>-26.7</u>
Ordinary income	<u>19,908</u>	26,922	<u>-26.1</u>
Net income	<u>21,004</u>	19,028	<u>10.4</u>
Net income per share(Yen)	<u>48.53</u>	44.11	
Net income per share after adjustment of potential shares(Yen)	<u>48.52</u>	43.97	

	Millions of Yen		
	As of Mar. 31, 2008	As of Dec. 31, 2007	As of Mar. 31, 2007
(2)Financial Position			
Total assets	<u>689,443</u>	697,348	447,644
Net assets	<u>394,625</u>	418,780	367,145
Owner's equity ratio	<u>56.7%</u>	58.8%	81.6%
Net assets per share (Yen)	<u>903.49</u>	947.28	845.98

	Millions of Yen	
	Three months ended March 31,	
(3)Conditions of Cash Flow	2008	2007
Net cash provided by operating activities	34,948	29,759
Net cash used in investing activities	-7,256	-13,287
Net cash provided by (used in) financing activities	-7,546	-5,323
Cash and cash equivalents at end of period	181,335	120,621



2. Conditions of Dividends (unit: Yen)

	<u>Years ended Mar.31,</u>	
	<u>2008</u>	<u>2007</u>
Interim cash dividends per share (Yen)	30.00	30.00
Year-end cash dividends per share (Yen)	<u>35.00</u>	<u>35.00</u>
Annual cash dividends per share (Yen)	65.00	65.00

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 second quarter, balance sheets of PENTAX and its subsidiaries as of September 30, 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 six months ended March 31, 2008.

For more information, refer to Page 20 "Notes relating to Business Merger".

After the acquisition and consolidation, HOYA finally merged with PENTAX on March 31, 2008. For more information, refer to Page 24 "Notes relating to Business Merger - 2".

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[Business Overview and Financial Statements]

1. Results of Operations

1) General Overview

Results of Operations	Millions of Yen Three months ended Mar. 31, 2008	Variance(%) year-on-year
Net sales	135,816	(36.5)
Operating income	<u>18,059</u>	(<u>-26.7</u>)
Ordinary income	<u>19,908</u>	(<u>-26.1</u>)
Net income	<u>21,004</u>	(<u>10.4</u>)
Net income per share(Yen)	<u>48.53</u>	

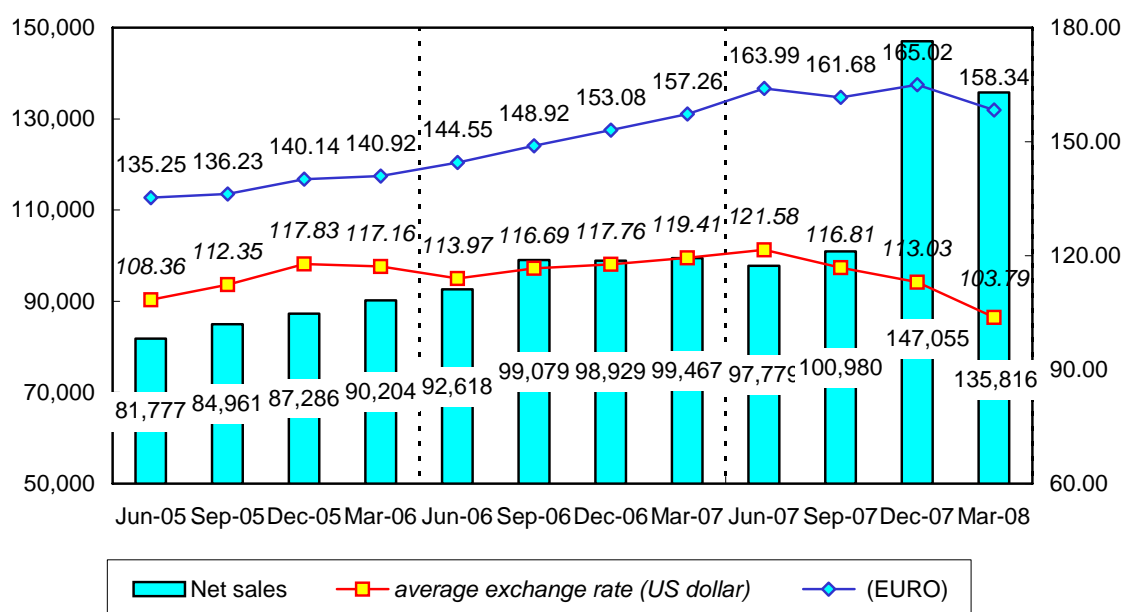
Economic conditions during the quarter under review (from January 1, 2008 to March 31, 2008), with the business sentiment in the Japanese corporations dampened by the rising cost of low materials and crude oil, sub-prime loan problems in the United States and unstable financial market condition represented by the rapid appreciation of the Yen as well as the decline of stock prices, made a negative impact not only on mid-to-small sized companies but also major companies in Japan and hence increased uncertainty toward the future economy.

Meanwhile, for the HOYA Group, in the Electro-Optics sector, sales went down in major products because of price decline, and influences of lower production efficiency by new technologies and showed a decline in revenues and profit. In Vision-Care division, the market overseas for eyeglass lenses showed decline, leading to decreased revenues and profit. Healthcare division performed well and revenues increased, showing an decrease in profit.

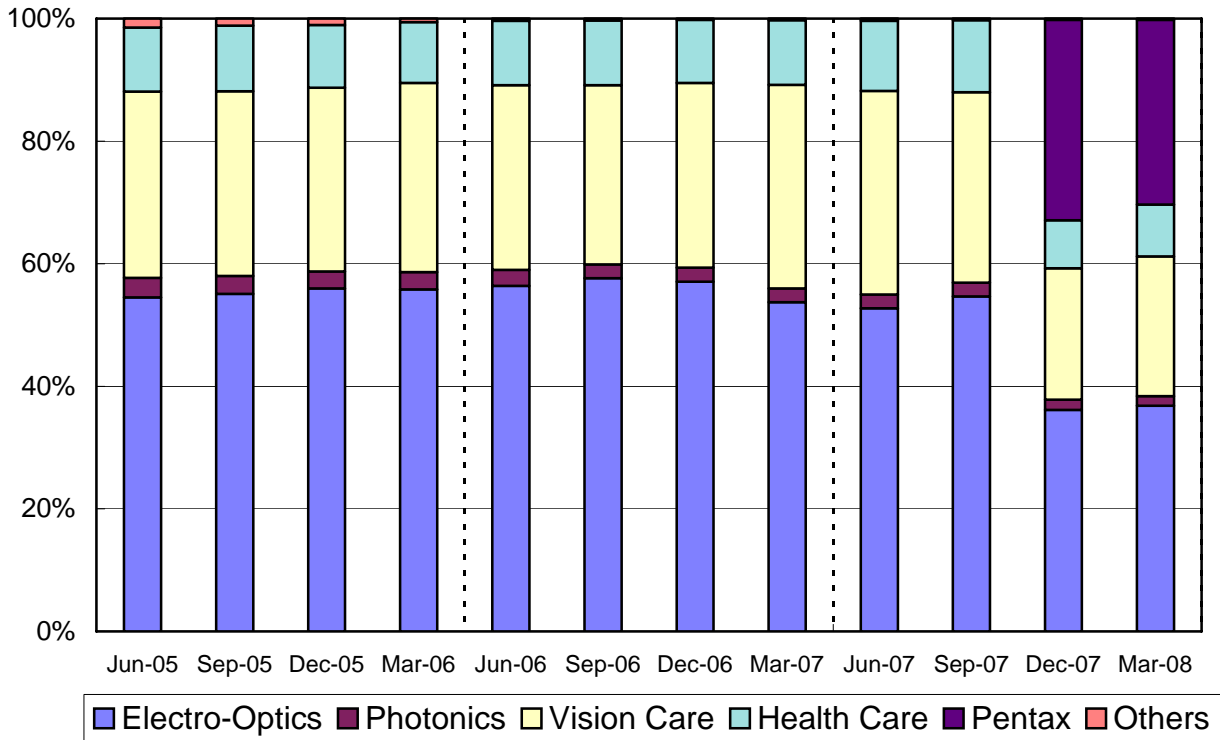
The sales of newly consolidated Pentax Corporation and its subsidiaries have been combined from the previous quarter.

As a result, during the quarter under review consolidated net sales substantially increased year-on-year basis thanks to the consolidation of Pentax. However operating income decreased year-on-year basis, mainly because of decrease in profit through decline of revenues and profitability in the Electro-Optics sector. Goodwill on the acquisition of Pentax has been amortized from the previous quarter. Instead of the growth in earnings of equity method affiliates, influence of exchange rate fluctuations led ordinary income to decrease. Quarterly net income, however, increased year-on-year basis due to decline of payment of income taxes owing to significant decrease of loss carryforwards by merger of Pentax.

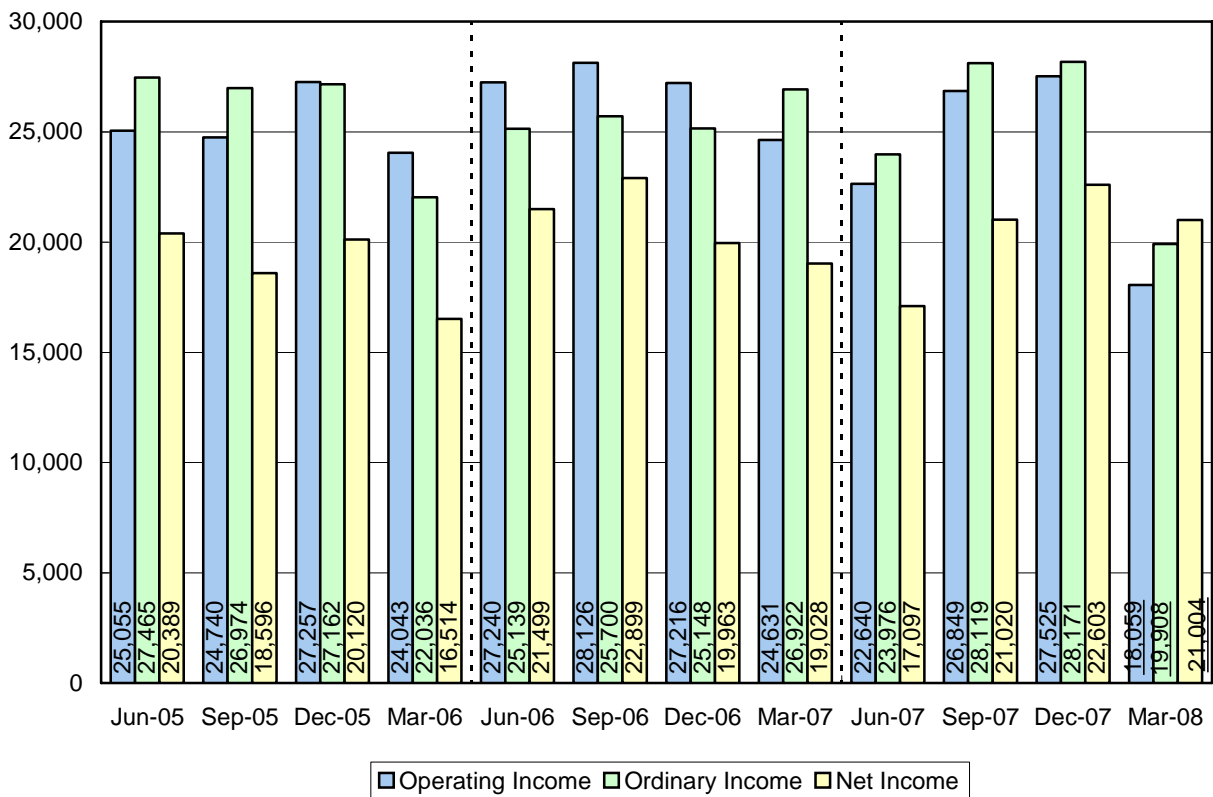
Quarterly net sales (Million Yen) and average exchange rate
(Yen/US dollar & EURO)



Ratio of Net Sales by Business Segment - Quarterly Transition



Quarterly Incomes (Millions of Yen)



2) Segment Overview

1.Information Technology

Electro-Optics

In terms of mask blanks for manufacturing semiconductors, HOYA received a decent volume of orders for such high-precision products as blanks for phase-shift masks, etc. However, due to fluctuation of currency exchange and seasonal factors, sales decreased on a year-on-year basis.

There was a decrease of photomasks for semiconductor production for development purpose and there was a seasonal decrease in orders and prices in the market wholly. Also there were large orders in the same period last year by development for digital appliance related products. As a result, net sales declined 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.

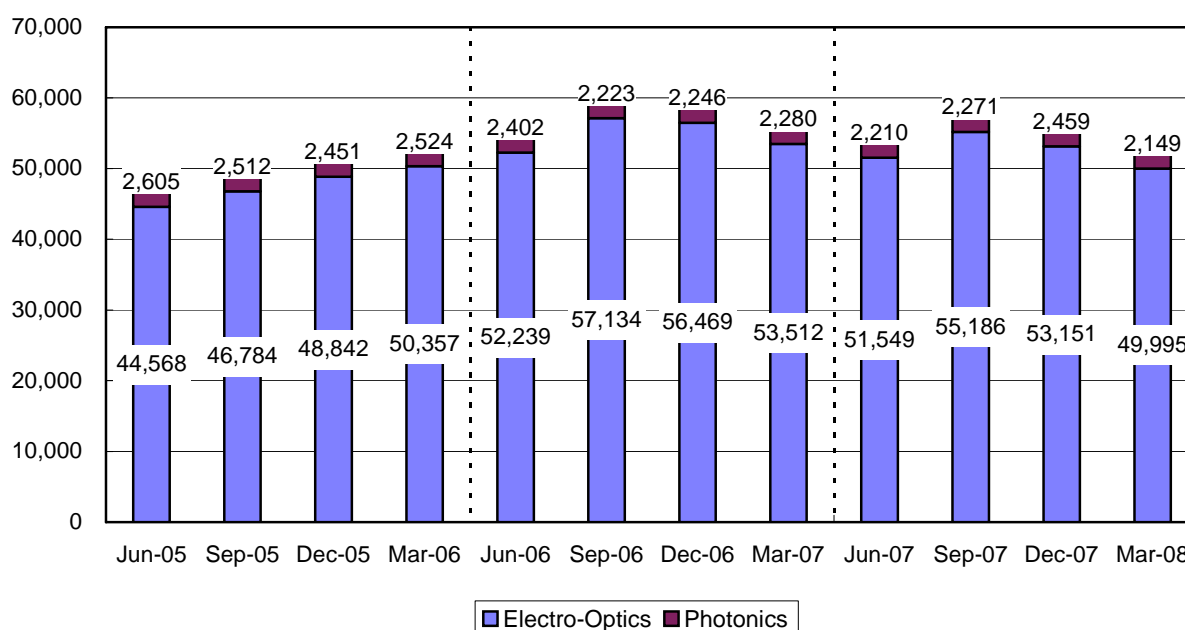
In terms of glass disks for hard disk drives (HDDs), sales slightly decreased on a year-on-year basis mainly due to the seasonal fluctuation of orders and the decline of production volume of glass media after adopting the perpendicular recording method.

In optical lenses, the markets of digital still cameras and video cameras have expanded globally. However, there was a rapid production adjustment over the market in the latter half, in addition, because of decrease in the shipment of lenses for mobile telephones, resulting in lower sales year-on-year.

Photonics

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. Sales decreased on a year-on-year basis.

Quarterly Net Sales of Information Technology (Millions of Yen)



2. Eye Care

Vision Care

The domestic market for eyeglass lenses remains stagnant. Even in the high price segment, where HOYA had enjoyed sales growth centered with the highly functional coatings and the newly-designed progressive lenses, the business condition became severer. Under such business environment together with price competition seen in the low priced segment, sales in the domestic market decreased year on year.

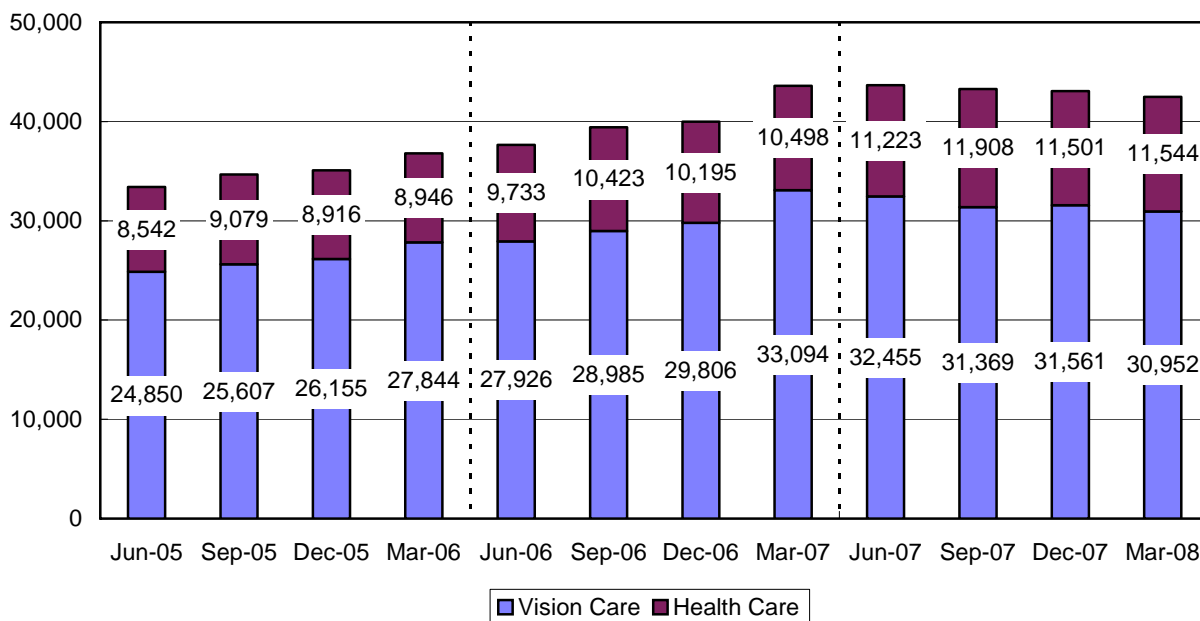
There was also tough competition in overseas market due the price offenses made by low-end lenses of others. As HOYA expanded marketing of high value added products such as newly designed progressive lenses and high index lenses, sales in Asia Pacific region showed healthy growth but experienced difficult situation in Europe and North America, as a result, overseas sales in this quarter decreased compared to the same period last year.

Health Care

In contact lenses, the Company continued to pursue differentiation from competitors through the consulting sales taking advantage of specialized knowledge and to expand sales in bifocal lenses and other high value added products. As a result, total net sales increased steadily year-on-year basis.

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

Quarterly Net Sales of Eye Care (Millions of Yen)



3. Pentax

From the third quarter, the sales of this segment was consolidated.

Life Care Business

In the medical endoscope field, not only U.S. market we started sales to the European market of our new endoscope system "i" series well compatible with megapixel images, which has been highly evaluated. In the U.S. market, the new products began to make an effect gradually. 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, we started selling the "K20D" and "K200D" in the period under review. We also introduced many types of new interchangeable lenses on the market, and actively promoted the sales of such new products. The sales of interchangeable lenses significantly increased.

In the field of compact digital cameras, on the contrary, decline of sales volume and discounted sales of old models resulted in the decrease of net sales.

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

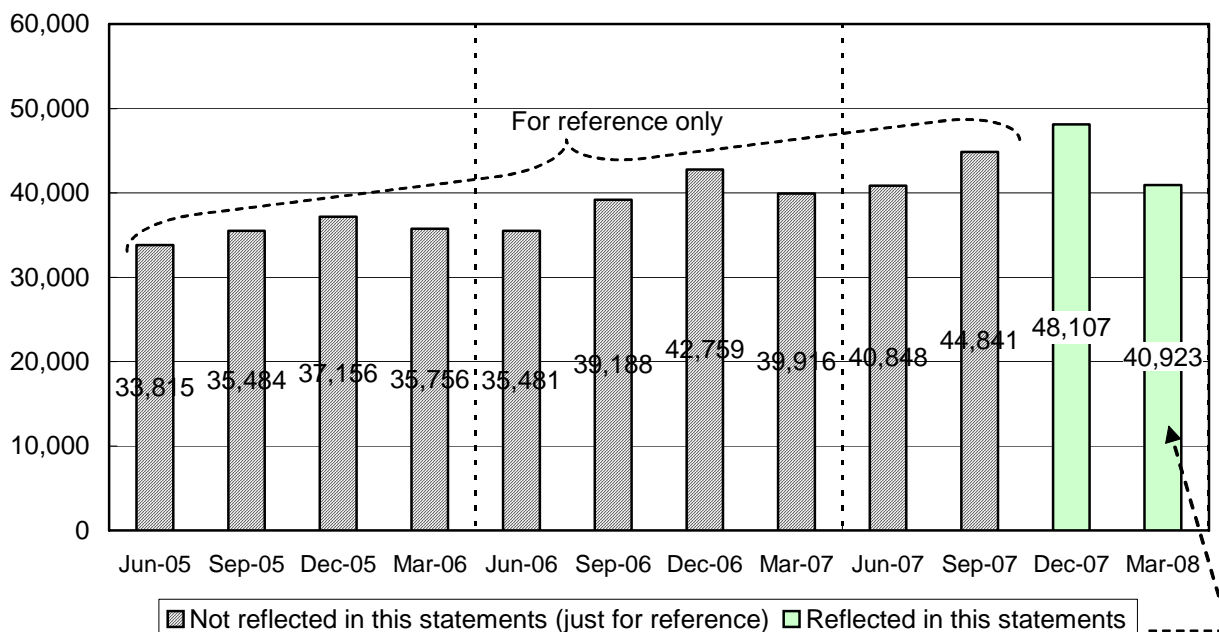
Optical Component Business

In the digital camera module field, we developed and started selling new products of high-functionality types, as well as of popular types, and significantly increased sales.

In the microlens field, falling market prices and withdrawal of HD DVD forced us to reduce the total net sales.

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

<Ref:> Quarterly Net Sales of Pentax (Millions of Yen)



4. Other Businesses

	<u>Millions of Yen</u>
	<u>Three months ended Mar. 31, 2008</u>
Quarterly net sales	250
Crystal glassware and internal services (design of information system, etc.)	

Financial Position

1) Assets, Liabilities and Net Assets	<u>Millions of Yen</u>
	<u>As of Mar. 31, 2008</u>
Total assets	<u>689,443</u>
Net assets	<u>394,625</u>
Owner's equity ratio	<u>56.7%</u>

At the end of the quarter under review, the current assets decreased Yen 9,636 million from the beginning of the quarter under review. Fixed assets increased Yen 1,730 million and total assets decreased Yen 7,905 million. Liabilities increased Yen 16,250 million. Net assets decreased Yen 24,155 million and came to Yen 394,625 million.

2) Conditions of Cash Flows	<u>Millions of Yen</u>
	<u>Three months ended Mar. 31, 2008</u>
Net cash provided by operating activities	34,948
Net cash used in investing activities	-7,256
Net cash provided by (used in) financing activities	-7,546
Cash and cash equivalents at end of period	181,335

In terms of cash flows from operating activities, on the basis of Yen 18,882 million in income before income taxes and Yen 11,255 million in depreciation, net cash provided by operating activities amounted to 34,948 million. Net cash used in investment activities amounted to Yen 7,256 million in cash payments that were mainly used for investment in order to handle next-generation products. Free cash flow came to Yen 27,692 million. As a result, the term-end balance of cash and cash equivalents increased by Yen 2,151 million in comparison with that of the end of the previous quarter, and came to Yen 181,335 million.

3. Preparation of the Consolidated Financial Statements

Scope of Consolidation and Application of the Equity Method

1. Number of consolidated subsidiaries : 100 companies
Major companies: <overseas> HOYA HOLDINGS, INC.,HOYA HOLDINGS N.V.,
HOYA HOLDINGS ASIA PACIFIC PTE. LTD., HOYA PHOTONICS, INC.
<domestic> HOYA CANDEO OPTRONICS CORP., HOYA HEALTHCARE CORP.
2. Number of unconsolidated subsidiaries : None
3. Number of affiliates : 11 companies
(Number of affiliates accounted for by the equity method : 8 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 Mar.31, 2007 : 33 companies increased in total
5 companies increased due to the establishment: HOYA HOLDINGS (ASIA) B.V. (The Netherlands)
HOEV CO.,LTD. (Vietnam)
HOYA LENS NORWAY S.A. (Norway)
HOYA SURGICAL OPTICS, INC. (USA.)
PENTAX MEDICAL SINGAPORE PTE.LTD. (Singapore)
 - 36 companies increased due to the acquisition: PENTAX CORPORATION (Japan)
and its consolidated subsidiaries (Japan 7, overseas 26)
MORGAN OPTICAL, INC. (USA)
FOCUS PREFERENCE SDN BHD (Malaysia)
 - 5 companies decreased due to the merger among subsidiaries : PENTAX's 5 subsidiaries were merged into
PENTAX CORPORATION on March 30, 2008
 - 1 company decreased due to the merger into the parent company (HOYA): PENTAX CORPORATION was merged into
HOYA CORPORATION on March 31, 2008
 - 2 companies decreased due to the closing:
 - b) In comparison to Dec.31, 2007 : 4 companies decreased in total
3 companies increased due to the establishment: FOCUS PREFERENCE SDN BHD (Malaysia)
HOYA SURGICAL OPTICS (USA.)
PENTAX MEDICAL SINGAPORE PTE.LTD. (Singapore)
 - 5 companies decreased due to the merger among subsidiaries : PENTAX's 5 subsidiaries were merged into
PENTAX CORPORATION on March 30, 2008
 - 1 company decreased due to the merger into the parent company (HOYA): PENTAX CORPORATION was merged into
HOYA on March 31, 2008
 - 2 companies decreased due to the closing:
- B. Application of the equity method
 - a) In comparison to Mar.31, 2007 : 7 companies increased in total
3 companies increased : Overseas subsidiaries of NH TECHNOGLASS
CORPORATION

(Note) NH TECHNO had been counted in the former financial report as one (1) domestic company until 1Q
this year. However, its overseas subsidiaries are newly accounted for by equity method from this 2Q.
 - 4 companies increased due to the acquisition: PENTAX group companies (Japan 1, overseas 3)
- b) In comparison to Dec.31, 2007 : 1 company decreased in total

Since PENTAX and its subsidiaries were consolidated to HOYA Corporation during the 2nd quarter, assets and liabilities of PENTAX and its subsidiaries are combined into the Consolidated Balance Sheets of HOYA Group from the 2nd quarter already. The Consolidated Statement of Income are combined from the 3rd quarter (three months from October 1, 2007). This report presented herein include Income Statements of PENTAX, but only for the third and fourth quarter this year.

	as of Mar. 31, 2008	as of Mar. 31, 2007	variance	as of Dec. 31, 2007
Consolidated subsidiaries	100 (jp 7, os93)	67 (jp 5, os62)	33 (jp 2, os31)	104 (jp13, os91)
Affiliates	11 (jp 5, os 6)	4 (jp 4, os -)	7 (jp 1, os 6)	12 (jp 6, os 6)
(accounted for by the equity method)	(8) (jp 2, os 6)	(1) (jp 1, os -)	(7) (jp 1, os 6)	(9) (jp 3, os 6)
Total Hoya Group	111	71	40	116
(accounted for by the equity method)	(8)	(1)	(7)	(9)

(jp : Japan domestic, os : overseas)

5. Changes in accounting policies
From this fiscal year, the company has changed its classification of industry segment.

4. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	As of			Mar.31,2007
	Mar.31,2008	Dec.31,2007	Variance(%)	
ASSETS				
Current assets				
Cash and deposits	181,467	180,753		120,621
Notes and accounts receivable - trade	120,521	130,316		94,296
Inventories	82,822	90,514		49,721
Deferred tax assets	<u>10,867</u>	9,556		7,067
Other current assets	<u>16,982</u>	11,061		5,309
Allowance for doubtful receivables	<u>-2,388</u>	-2,294		-1,311
Total current assets	<u>410,272</u>	419,908	-2.3	275,706
Fixed assets				
Tangible fixed assets				
Buildings and structures	40,636	41,842		33,871
Machinery and carriers	67,264	73,782		75,961
Tools, equipment and fixtures	17,202	19,532		12,311
Lands	16,887	16,906		9,154
Construction in progress	10,211	20,390		11,918
Total tangible fixed assets	152,202	172,454	-11.7	143,218
Intangible fixed assets				
Goodwill	<u>32,680</u>	53,399		—
Other intangible fixed assets	<u>23,624</u>	19,361		6,248
Total intangible fixed assets	<u>56,304</u>	72,761	-22.6	6,248
Investments and other assets				
Investment securities	22,202	21,944		14,575
Deferred tax assets	<u>41,159</u>	2,524		2,723
Other assets	7,626	8,098		5,493
Allowance for doubtful receivables	-325	-342		-322
Total investment and other assets	<u>70,663</u>	32,225	119.3	22,470
Total fixed assets	<u>279,170</u>	277,440	0.6	171,937
TOTAL ASSETS	<u>689,443</u>	697,348	-1.1	447,644

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

LIABILITIES AND NET ASSETS	As of			
	Mar.31,2008	Dec.31,2007	Variance(%)	Mar.31,2007
LIABILITIES				
Current liabilities				
Notes and accounts payable - trade	55,539	61,720		28,779
Short-term bank loans	6,465	13,646		-
Long-term bank loans matured within a year	8,749	3,634		-
Commercial paper	6,191	4,997		-
Income tax payable	30,793	6,268		12,821
Accrued expenses	22,514	24,837		-
Accrued bonuses to employees	7,452	4,043		4,327
Other current liabilities	<u>31,149</u>	<u>22,245</u>		<u>32,252</u>
Total current liabilities	<u>168,855</u>	<u>141,392</u>	<u>19.4</u>	<u>78,181</u>
Long-term liabilities				
Corporate bonds	99,966	99,965		-
Long-term bank loans	13,268	20,096		-
Deferred tax liabilities	<u>185</u>	<u>2,656</u>		-
Accrued retirement benefits	<u>10,210</u>	<u>10,874</u>		-
Directors' retirement allowances	-	323		-
Allowance for special repairs	1,017	1,199		890
Other long-term liabilities	<u>1,314</u>	<u>2,059</u>		<u>1,427</u>
Total long-term liabilities	<u>125,962</u>	<u>137,175</u>	<u>-8.2</u>	<u>2,317</u>
Total Liabilities	<u>294,818</u>	<u>278,568</u>	<u>5.8</u>	<u>80,499</u>
NET ASSETS				
Shareholders' equity				
Paid-in capital	6,264	6,264		6,264
Capital surplus	15,898	15,898		15,898
Earned surplus	<u>373,887</u>	<u>352,897</u>		<u>322,513</u>
Treasury stock	-7,984	-8,028		-12,753
Advances on subscription to treasury stock	-	-		1
Total shareholders' equity	<u>388,066</u>	<u>367,031</u>	<u>5.7</u>	<u>331,924</u>
Valuation and translation adjustments				
Valuation difference on available-for-sale securities	<u>-834</u>	<u>-230</u>		<u>-85</u>
Translation adjustments	<u>3,851</u>	<u>43,227</u>		<u>33,263</u>
Total valuation and translation adjustments	<u>3,016</u>	<u>42,996</u>	<u>-93.0</u>	<u>33,177</u>
New share subscription rights	632	553	14.3	167
Minority interest	2,909	8,198	-64.5	1,876
Total Net Assets	<u>394,625</u>	<u>418,780</u>	<u>-5.8</u>	<u>367,145</u>
TOTAL LIABILITIES AND NET ASSETS	<u>689,443</u>	<u>697,348</u>	<u>-1.1</u>	<u>447,644</u>
Notes:				
	Millions of Yen			
1. Accumulated depreciation	238,399	247,209		223,095
2. Guarantees of borrowings and lease obligations for customers and Group's employees	2,072	2,240		2,774
3. Value of discount on notes receivable	<u>1,551</u>	<u>1,927</u>		-
4. Number of shares of treasury stock (unit : shares)	2,158,291	2,170,207		3,447,681

(2) Quarterly Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	Three months ended			
	Mar.31,2008	Mar.31,2007	variance(%)	Dec.31,2007
Net sales	135,816	99,467	36.5	147,055
Cost of sales	77,854	51,038	52.5	80,585
Gross profit	57,962	48,428	19.7	66,469
Selling, general and administrative expenses	39,903	23,798	67.7	38,944
Operating income	18,059	24,631	-26.7	27,525
Non-operating income	6,907	2,939	135.0	4,028
Interest income	1,228	1,114		1,014
Equity in earnings of affiliates	1,748	586		2,183
Foreign exchange gains	—	734		—
Others	3,930	503		830
Non-operating expenses	5,058	648	680.6	3,381
Interest expense	635	44		650
Sales Discount	263	238		220
Foreign exchange losses	2,429	—		1,895
Others	1,729	365		616
Ordinary income	19,908	26,922	-26.1	28,171
Extra-ordinary gains	239	65	267.7	45
Gain on sales of property, plant and equipment	65	5		12
Others	174	60		33
Extra-ordinary losses	1,266	2,115	-40.1	1,813
Loss on disposal of property, plant and equipment	667	491		182
Loss on impairment of long-lived assets	247	1		49
Additional retirement benefits paid to employees	78	837		257
Maintenance of environment	47	17		1,308
Others	224	769		17
Income before income taxes and other items	18,882	24,872	-24.1	26,402
Income taxes - Current	21,305	7,963	167.5	3,235
Income taxes - Deferred	-21,339	-2,188	875.3	99
Minority interests in net income	-2,088	67	—	464
Net income	21,004	19,028	10.4	22,603
Net income per share(Yen)	48.53	44.11		52.22
Net income per share after adjustment of potential shares(Yen)	48.52	43.97		52.18

Notes:

- Effect of Exchange Rate Change on Net Sales and Incomes ("2008 A" is the actual value of this period. "2008 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)

		2008 A	2008 B	influences
Net sales	Million Yen	135,816	138,283	-2,467
Operating income	Million Yen	18,059	18,528	-469
Ordinary income	Million Yen	19,908	20,377	-469
Net income	Million Yen	21,004	21,396	-392

		Three months ended			
		Mar.31,2008	Mar.31,2007	Variance(%)	Dec.31,2007
2. Average rates of major foreign currencies					
US\$	Yen	103.79	119.41	13.1%	113.03
Euro	Yen	158.34	157.26	-0.7%	165.02
Thai Baht	Yen	3.38	3.58	5.6%	3.69

(3) Quarterly Consolidated Statements of Changes in Net Assets

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen					
	Shareholders' Equity					
	Paid-in Capital	Capital Surplus	Earned Surplus	Treasury Stock	Advances on subscription to treasury stock	Total Shareholders' Equity
BALANCE DECEMBER 31, 2007	6,264	15,898	352,897	-8,028	-	367,031
Net income			<u>21,004</u>			<u>21,004</u>
Appropriations						
Cash dividends						
Bonus to directors						
Loss on disposal of treasury stock						
Repurchase of treasury stocks				-0		-0
Disposal of treasury stocks			-13	45		31
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			<u>20,990</u>	44	-	<u>21,034</u>
Total increase / decrease during the term under review	-	-	<u>20,990</u>	44	-	<u>21,034</u>
BALANCE MARCH 31, 2008	6,264	15,898	<u>373,887</u>	-7,984	-	<u>388,066</u>

	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 DECEMBER 31, 2007	-230	43,227	42,996	553	8,198	418,780
Net income						<u>21,004</u>
Appropriations						
Cash dividends						
Bonus to directors						
Loss on disposal of treasury stock						
Repurchase of treasury stocks						-0
Disposal of treasury stocks						31
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	<u>-603</u>	<u>-39,375</u>	<u>-39,979</u>	79	-5,289	<u>-45,190</u>
Total increase / decrease during the term under review	<u>-603</u>	<u>-39,375</u>	<u>-39,979</u>	79	-5,289	<u>-24,155</u>
BALANCE MARCH 31, 2008	<u>-834</u>	<u>3,851</u>	<u>3,016</u>	632	2,909	<u>394,625</u>

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
		2,170,207	276	12,192	2,158,291	

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

Increase due to repurchase of treasury stock less than one unit	276 shares
Decrease due to sale of treasury stock less than one unit	192 shares
Decrease due to exercise of stock option	12,000 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 DECEMBER 31, 2006	6,264	15,898	304,051	-13,998	45	312,261
Net income			19,028			19,028
Appropriations						
Cash dividends						
Bonus to directors						
Loss on disposal of treasury stock						
Repurchase of treasury stocks				-3		-3
Disposal of treasury stocks			-565	1,247		681
Increase / decrease due to change in accounting standard of overseas consolidated subsidiaries						
Others					-43	-43
Net increase / decrease during the term under review except in Shareholders' Equity			18,462	1,244	-43	19,663
Total increase / decrease during the term under review	-	-	18,462	1,244	-43	19,663
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 DECEMBER 31, 2006	-36	29,162	29,126	66	1,836	343,290
Net income						19,028
Appropriations						
Cash dividends						
Bonus to directors						
Loss on disposal of treasury stock						
Repurchase of treasury stocks						-3
Disposal of treasury stocks						681
Increase / decrease due to change in accounting standard of overseas consolidated subsidiaries						
Others						-43
Net increase / decrease during the term under review except in Shareholders' Equity	-49	4,100	4,051	167	39	4,258
Total increase / decrease during the term under review	-49	4,100	4,051	100	39	23,854
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
		3,784,297	724	337,340	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	724 shares
Decrease due to sale of treasury stock less than one unit	140 shares
Decrease due to exercise of stock option	337,200 shares

<Previous quarter>

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 SEPTEMBER 30, 2007	6,264	15,898	343,323	-8,170	—	357,316
Net income			22,603			22,603
Appropriations						
Cash dividends			-12,984			-12,984
Bonus to directors						
Loss on disposal of treasury stock						
Repurchase of treasury stocks				-3		-3
Disposal of treasury stocks			-45	145		100
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			9,573	141	-	9,715
Total increase / decrease during the term under review	-	-	9,573	141	-	9,715
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 SEPTEMBER 30, 2007	-157	36,069	35,911	476	8,203	401,907
Net income						22,603
Appropriations						
Cash dividends						-12,984
Bonus to directors						
Loss on disposal of treasury stock						
Repurchase of treasury stocks						-3
Disposal of treasury stocks						100
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	-73	7,158	7,085	76	-4	7,156
Total increase / decrease during the term under review	-73	7,158	7,085	76	-4	16,872
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
		2,208,619	960	39,372	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	960 shares
Decrease due to sale of treasury stock less than one unit	172 shares
Decrease due to exercise of stock option	39,200 shares

(4) Quarterly Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen
Three months ended Mar.3

	2008	2007	variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	18,882	24,872	-5,990
Depreciation and amortization	11,255	10,744	511
Loss on impairment of long-lived assets	247	1	246
Provision for (reversal of) accrued allowances for doubtful receivables	269	103	166
Provision for (reversal of) accrued bonuses to employees	3,429	2,105	1,324
Provision for (Reversal of) reserve for periodic repairs	-180	111	-291
Interest income and dividend receivable	-1,229	-1,104	-125
Interest expense payable	635	44	591
Foreign exchange loss (gain)	-3,932	900	-4,832
Equity in earnings of affiliates	-1,748	-586	-1,162
Gain on sales of property, plant and equipment and investment securities	-65	-5	-60
Loss on disposal of property, plant and equipment and investment securities	667	490	177
Other	7,269	-2,394	9,663
(Increase) decrease in notes and accounts receivable	5,297	-701	5,998
(Increase) decrease in inventories	921	-897	1,818
(Increase) decrease in other current assets	1,000	1,399	-399
Increase (decrease) in notes and accounts payable	-4,393	-96	-4,297
Increase (decrease) in income taxes payable	-332	-453	121
Increase (decrease) in other current liabilities	191	-1,882	2,073
Sub total	38,183	32,650	5,533
Interest and dividend receivable	1,204	910	294
Interest payable	-1,172	-10	-1,162
Income taxes - paid	-3,267	-3,790	523
Net cash provided by operating activities	34,948	29,759	5,189
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	-6,309	-11,816	5,507
Proceeds from sales of property, plant and equipment	468	16	452
Purchases of investment securities	-	-203	203
Expenditure for loans	-97	-500	403
Income from collection of loans	31	8	23
Expenditure for other investments	-1,443	-897	-546
Income from other investments	93	104	-11
Net cash used in investing activities	-7,256	-13,287	6,031
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term bank loans	-5,677	-5,997	320
Proceeds from long-term bank loans and issuance of corporate bonds	126	-	126
Repayments of long-term debt	-1,833	-	-1,833
Payments for purchase of treasury stock	-	-3	3
Proceeds from sales of treasury stock	30	635	-605
Dividends paid	-17	42	-59
Dividends paid for minority shareholders	-174	-	-174
Net cash provided by (used in) financing activities	-7,546	-5,323	-2,223
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-17,992	3,725	-21,717
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,151	14,873	-12,722
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	179,183	105,748	73,435
CASH AND CASH EQUIVALENTS, END OF PERIOD	181,335	120,621	60,714

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

	2008	2007
Cash and deposits	181,467	120,621
Time deposit over three months	-131	-
Total	181,335	120,621

(5) Notes for Quarterly Consolidated Financial Statements

Notes Relating to Investment Securities and Derivatives

1. Investment securities with market values: (Millions of Yen)

	As of								
	Mar.31, 2008			Dec.31, 2007			Mar.31, 2007		
	Cost	Fair Value	Variance	Cost	Fair Value	Variance	Cost	Fair Value	Variance
Available-for-sale									
Available-for-sale :									
Marketable Equity securities	4,641	3,579	-1,061	4,567	4,158	-408	1,692	1,541	-150
Others	35	35	0	38	35	-2	—	—	—
Total	4,677	3,616	-1,060	4,605	4,194	-411	1,692	1,541	-150

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

	As of		
	Mar.31, 2008	Dec.31, 2007	Mar.31, 2007
	Non-marketable stock of subsidiaries	17,279	16,350
Total	17,279	16,350	11,678
Non-marketable equity securities	1,059	1,147	1,099
Others	248	251	256
Total	1,307	1,398	1,355

3. Derivatives and Hedging Activities

Significant hedge accounting methods

(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	7,625	—	587	587
EURO	10,140	—	111	111
Buy USD	100	—	5	5
EURO	1,777	—	104	104
Option				
Buy				
Call				
USD	321	—	15	15

Notes : 1. Calculation of Market Value :

(1) Forward foreign exchange contract : Translated by forward exchange rates.

(2) Currency option contracts : Calculation of market value is based on the prices provided by the financial institutions the Company has business connection with.

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	11,010	8,710	-82	-22

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

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

	Millions of Yen		
	As of		
	Mar. 31,	Dec.31,	Mar.31,
(1) Current deferred tax assets and liabilities	<u>2008</u>	<u>2007</u>	<u>2007</u>
Deferred tax assets			
Inventories - loss on write-down	5,120	2,748	78
Accrued bonuses to employees	2,834	1,630	1,655
Inventories - intercompany unrealized profits	2,001	2,078	2,647
Accrued enterprise taxes	1,591	698	922
Maintenance of environment	601	630	-
Other	4,552	1,934	1,763
Sub total amount of deferred tax assets - current	<u>16,702</u>	<u>9,720</u>	<u>7,067</u>
Valuation reserve	-1,589	△ 149	-
Total amount of deferred tax assets - current	<u>15,113</u>	<u>9,571</u>	<u>7,067</u>
<u>Deferred tax liabilities</u>			
Retained earnings of equity method affiliates	-2,600	-	-
Other	-1,749	-50	-
Total amount of deferred tax liabilities - fixed	<u>-4,349</u>	<u>-50</u>	<u>-</u>
Net amount of deferred tax assets - fixed	<u>10,764</u>	<u>9,521</u>	<u>7,067</u>
(2) Non-current deferred tax assets and liabilities			
Deferred tax assets			
Loss carryforwards	20,161	3,484	-
Asset account adjustment	20,012	-	-
Valuation reserve for investment securities not deductible	2,569	1,217	-
Excess amount of inclusion in deductible expenses for	1,016	1,486	1,576
Loss on impairment not deductible	531	536	622
Loss on disposal of fixed assets not deductible	518	518	518
Excess amount of inclusion in deductible expenses for	131	112	110
Allowance for retirement benefits not deductible	-	3,525	-
Valuation losses	-	382	-
Other	1,782	2,547	600
Sub total amount of deferred tax assets - fixed	<u>46,723</u>	<u>13,811</u>	<u>3,429</u>
Valuation reserve	-4,804	-4,704	-
Total amount of deferred tax assets - fixed	<u>41,918</u>	<u>9,106</u>	<u>3,429</u>
Deferred tax liabilities			
Depreciation	-292	-	-
Special depreciation reserve	-289	-218	-232
Reserve for deferred income taxes on fixed assets	-197	-345	-307
Net unrealized gain on available-for-sale securities	-0	-589	-
Valuation losses	-	-7,632	-
Other	-165	-453	-165
Total amount of deferred tax liabilities - fixed	<u>-944</u>	<u>-9,238</u>	<u>-705</u>
Net amount of deferred tax assets - fixed	<u>40,973</u>	<u>-132</u>	<u>2,723</u>

Notes Relating to Loss on Impairment of Fixed Assets

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

1. Tokyo Studio in the Crystal Division

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

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

	<u>Millions of Yen</u>		
	<u>Three months ended</u>		
	<u>Mar.31,</u>	<u>Mar.31,</u>	<u>Dec.31,</u>
	<u>2008</u>	<u>2007</u>	<u>2007</u>
Machinery and others	6	1	49
Total	<u>6</u>	<u>1</u>	<u>49</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. Assets for the surveying instruments business in the Pentax Division

Location	Ogawa-cho, Saitama
Use	Assets for the surveying instruments business
Asset Class	Buildings and structures

In the Pentax Division, which experienced a substantial decline in demand for surveying instruments business, and book value of the asset group relating to this business was reduced to its recoverable amount, and the amount of reduction was posted as impairment loss under extraordinary losses.

	<u>Three months ended</u>		
	<u>Mar.31,</u>		
	<u>2008</u>	<u>2007</u>	<u>2007</u>
Buildings and structures	73	-	-
Tools, equipment and fixtures	64	-	-
Other assets	11	-	-
Total	<u>149</u>	<u>-</u>	<u>-</u>

3. Idle assets

Location	Mullheim, Germany	Itabashi-ku, Tokyo
Use	Idle assets	Idle assets
Asset Class	Buildings	Machinery and equipment

Since there was no usage plan for the above idle assets and the market price of the assets was declined compared to the book value, the book value of the assets was reduced to the amount of potential recovery and the amount of reduction was posted as impairment loss under extraordinary losses.

	<u>Three months ended</u>		
	<u>Mar.31,</u>		
	<u>2008</u>	<u>2007</u>	<u>2007</u>
Buildings and structures	61	-	-
Machinery, equipment and carriers	29	-	-
Total	<u>91</u>	<u>-</u>	<u>-</u>

The recoverable amount of the asset was measured in terms of its actual selling price.

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%
(With effect on March 31, 2008, HOYA merged with PENTAX. For more information, please refer to the following notes "Business relationship under common control".)

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

The term from January 1, 2008 to March 31, 2008 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 27,225 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	<u>100,132</u> millions of Yen
Fixed assets	<u>74,056</u>
<u>Total assets</u>	<u>174,188</u>
Current liabilities	67,822 millions of Yen
Fixed liabilities	<u>30,375</u>
<u>Total liabilities</u>	<u>98,197</u>

Notes Relating to Business Merger - 2

Business relationship under common control

<Outline of the deal>

PENTAX Corporation, HOYA's consolidated subsidiary, merged its five subsidiaries such as PENTAX Optotech Co.,Ltd., PENTAX Tohoku Co.,Ltd., PENTAX Fukushima Co.,Ltd., PENTAX Service Co.,Ltd. and PENTAX Incubation Co.,Ltd. on March 30, 2008. After that, HOYA CORPORATION merged PENTAX Corporation on March 31, 2008.

<Reasons for the business merger>

HOYA and PENTAX entered into a Basic Understanding Regarding Merger, in order to build a firm business structure by leveraging the managerial resources of the two companies in a mutually complementary manner, and to create synergies and accelerate business growth for the future. Based on the above-mentioned agreement, HOYA conducted the Tender Offer. As a result, HOYA held majority of the total outstanding shares of PENTAX and consolidated.

However, we thought that it would be significant to demonstrate the mobility and flexibility of the management in order to strengthen the principle businesses of PENTAX. It is desirable for each business unit of PENTAX to be enabled to make management decisions and to take actions as promptly as the business units of HOYA do, and to appropriately allocate the management resources within the HOYA group taken as a whole, not within the small framework of a subsidiary. To that end, we reached a conclusion that the management integration through a merger as initially contemplated would be most appropriate. If PENTAX ceases to be a subsidiary of HOYA and is merged into HOYA, each business unit of PENTAX will become a part of HOYA's main body and we will be a flat organization. We believe that this will enable us to make flexible and prompt management decisions and to further growth in new areas through the appropriate allocation of resources.

1. Merger of six consolidated subsidiaries such as PENTAX Corporation, PENTAX Optotech Co.,Ltd., PENTAX Tohoku Co.,Ltd., PENTAX Fukushima Co.,Ltd., PENTAX Service Co.,Ltd., PENTAX Incubation Co.,Ltd.

(1) Names of the companies involved in the merger, descriptions of their businesses, date of the merger, legal form of the merger, and name of the company after the merger

1) Names of the companies involved in the merger and descriptions of their businesses

Absorbing company:	PENTAX Corporation
Description of business:	Manufacturing and sales, etc. of life care products, imaging systems and optical components
Absorbed company:	PENTAX Optotech Co.,Ltd.
Description of business:	Manufacturing and sales of optical components, precision components and machinery and appliances
Absorbed company:	PENTAX Tohoku Co.,Ltd.
Description of	Manufacturing of medical equipment
Absorbed company:	PENTAX Fukushima Co.,Ltd.
Description of	Manufacturing of optical components
Absorbed company:	PENTAX Service Co.,Ltd.
Description of	Repairs of optical equipment
Absorbed company:	PENTAX Incubation Co.,Ltd.
Description of	Medical equipments research and development, etc.

2) Date of the merger

March 30, 2008

3) Legal form of the merger and name of the company after the merger

This is a merger with Pentax Corporation remaining as the surviving company, and the name of the company after the merger is Pentax Corporation. There shall be no issuance of new shares or capital increase as a result of the merger.

(2) Outline of accounting procedure taken

As the above-mentioned merger is classified as a transaction under common control, all transactions relating to the merger have been deleted as they are deemed internal transactions. Therefore this accounting procedure has no effect on our consolidated financial statements.

Notes Relating to Business Merger - 2

2. Merger of PENTAX Corporation

(1) Names of the companies involved in the merger, descriptions of their businesses, date of the merger, legal form of the merger, and name of the company after the merger

1) Names of the companies involved in the merger and descriptions of their businesses

Absorbing company: HOYA CORPORATION (The Company)

Description of business: Manufacturing and sales, etc. of Electro-Optics, Vision Care, Health Care and other products

Absorbed company: PENTAX Corporation

Description of business: Manufacturing and sales, etc. of life care products, imaging systems and optical components

2) Date of the merger March 31, 2008

3) Legal form of the merger and name of the company after the merger

This is a merger with our company remaining as the surviving company and Pentax Corporation as the absorbed company, and the name of the company after the merger is HOYA Corporation. There shall be no issuance of new shares or capital increase as a result of the merger.

(2) Outline of accounting procedure taken

In accordance with "Accounting Standard for Corporate Mergers" (Business Accounting Council, dated October 31, 2003) and "Application Guidelines for Accounting Standards for Corporate Mergers and Accounting Standards for Corporate Splits" (Corporate Accounting Standard Application Guideline No. 10, dated December 27, 2005), we processed the merger as a transaction under common control. The assets and liabilities we took over from the absorbed company have been recorded at appropriate book values given the day before the merger date, unless otherwise recorded at revised appropriate book values if revised in the process of compilation of the consolidated financial statements after the merger date.

(3) Items regarding a further acquisition of shares in the subsidiary

1) Acquisition cost of the acquired company and breakdown

Cost of stock acquisition 9,756 millions of Yen

Disbursement directly required for
the acquisition of stock — millions of Yen

Cost of acquisition 9,756 millions of Yen

2) Money paid in exchange for shares and the method of calculating the amount

a) Price for shares

Yen 770 per share

b) Method of calculating

We calculated the price in a comprehensive manner based on calculations by a third-party institution.

c) Number of shares acquired and appraisal value for the shares

Common stock 12,671,186 shares

Appraisal value 9,756 millions of Yen

3) Amount of goodwill or negative goodwill, reason for occurrence and depreciation method and term

a) Goodwill amount 4,506 millions of Yen

b) Cause for occurrence

Goodwill was generated because the acquisition cost of Pentax shares that we further acquired exceeded the value of shares held by minority shareholders which decreased as a result of the further acquisition.

c) Depreciation method and term 10-year term, straight line method

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>Three months ended</u>		
	<u>Mar.31,</u>		<u>Dec.31,</u>
	<u>2008</u>	<u>2007</u>	<u>2007</u>
Net asset per share (Yen)	903.49	845.98	947.28
Net income per share (Yen)	48.53	44.11	52.22
Net income per share after adjustment of potential shares (Yen)	48.52	43.97	52.18

The basement of the calculation of per share information as follow:

	<u>Three months ended</u>		
	<u>Mar.31,</u>		<u>Dec.31,</u>
	<u>2008</u>	<u>2007</u>	<u>2007</u>
Net asset per share (Yen)			
Total of net assets in consolidated balance sheets (Millions of Yen)	394,625	367,145	418,780
Amount not imputed to common shareholders (Millions of Yen)	3,541	2,044	8,751
breakdown: (Minority interest)	2,909	1,876	8,198
(Advances on subscription to treasury stock)	—	1	—
(New share subscription rights)	632	167	553
Net assets related to common stock (Millions of Yen)	391,083	365,100	410,028
Number of common stocks issued at end of the term excluding treasury stocks (unit:shares)	432,858,729	431,569,339	432,846,813
Net income per share			
Net income (Millions of Yen)	21,004	19,028	22,603
Amount not imputed to common shareholders (Millions of Yen)	—	—	—
Net income related to common stock (Millions of Yen)	21,004	19,028	22,603
Average number of common stocks in the term (unit:shares)	432,857,592	431,413,106	432,830,367
Net income per share after adjustment of potential shares			
Net income (Millions of Yen)	21,004	19,028	22,603
Amount not imputed to common shareholders (Millions of Yen)	—	—	—
Net income related to common stock (Millions of Yen)	21,004	19,028	22,603
Number of increase in common stocks (unit:shares)	71,604	1,313,160	334,997
Average number of common stocks after adjustment of potential shares in the term (unit:shares)	432,929,196	432,726,266	433,165,364

Material facts occurring after the closing of accounts

HOYA CORPORATION decided and signed the agreement on May 9, 2008 on the partial sale of its shareholding in its affiliate (consolidated by equity method accounting), NH TECHNO GLASS CORPORATION. As a result, we will recognize an extra-ordinary gain on a consolidated and a non-consolidated basis in the fiscal year ending March 31, 2009 as below:

1. Details of transfer

- (1) Number of shares held before transfer: 30,000 shares (50%)
- (2) Number of shares transferred: 12,921 shares (Proceeds: JPY17.4 billion)
- (3) Number of shares held after transfer: 17,079 shares (28.5%)

The Company will sell 21.5% of its shareholdings out of 50% in NH Techno Glass to The Carlyle Group, however, will eventually hold 47.4% shares of NH Techno Glass after processing changes of capital structure, reorganizations and so on. The Company will co-work with The Carlyle Group as one of the main shareholders of NH Techno Glass.

2. Impact on the Group's operation

It is estimated that the Company will recognize an extra-ordinary gain on a consolidated basis of JPY 10.4 billion at its result of the first quarter for the fiscal year to March 2009.

The above transaction, namely the transfer of the shares, will become officially effective when its closing conditions are met. It is expected the closing will be done four or five weeks after the execution of the share purchase agreement.

For more information, please visit the following websites to get the news release dated May 9, 2008, "Recognition of an extra-ordinary gain - partial sale of shares in NH TECHNO GLASS".

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

(6) Segment Information

HOYA CORPORATION and Consolidated Subsidiaries

1. Industry Segments

Fourth quarter : for the three months ended March 31, 2008

	Millions of Yen								
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	49,995	2,149	30,952	11,544	40,923	250	135,816	—	135,816
Intersegment	101	75	-2	—	2	719	896	-896	—
Total	50,097	2,225	30,950	11,544	40,926	969	136,713	-896	135,816
Operating expenses	36,375	2,047	26,638	9,386	42,556	1,031	118,035	-277	117,757
Operating income (-loss)	13,722	177	4,312	2,157	-1,630	-61	18,678	-619	18,059
Operating margin	27.4%	8.0%	13.9%	18.7%	-4.0%	-6.3%	13.7%	—	13.3%
Assets	210,007	8,036	112,379	24,415	204,853	2,817	562,510	126,933	689,443
Depreciation	5,806	40	1,531	335	3,507	12	11,234	21	11,255
Loss on impairment	—	—	61	0	179	6	247	—	247
Capital Expenditures	2,828	45	1,811	214	2,041	8	6,949	0	6,950
R&D Expenses	2,611	271	335	465	1,899	2	5,585	—	5,585
Number of employees (p)	20,682	185	7,547	970	5,885	215	35,484	61	35,545

Fourth quarter : for the three months ended March 31, 2007

	Millions of Yen								
	Electro-Optics	Photo-nics	Vision Care	Health Care	Pentax	Others	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	53,410	2,221	33,091	10,498	-	246	99,467	-	99,467
Intersegment	103	58	2	0	-	698	862	-862	-
Total	53,512	2,280	33,094	10,498	-	945	100,329	-862	99,467
Operating expenses	36,079	2,230	27,351	7,913	-	989	74,563	273	74,837
Operating income	17,434	49	5,743	2,585	-	-45	25,766	-1,135	24,631
Operating margin	32.6%	2.1%	17.4%	24.6%	-	-4.8%	25.7%	-	24.8%
Assets	258,746	7,760	118,228	24,410	-	2,518	411,664	35,979	447,644
Depreciation	7,992	35	2,313	343	-	11	10,696	48	10,744
Loss on impairment	-	-	-	-	-	1	1	—	1
Capital Expenditures	11,595	35	2,423	477	-	0	14,533	14	14,547
R&D Expenses	2,844	334	506	411	-	37	4,133	—	4,133
Number of employees (p)	19,570	199	7,506	910	-	198	28,383	67	28,450

Ref : Differences between the three months 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.*	Consolidated
Net sales:									
To outside customers	-3,415	-72	-2,139	1,046	40,923	4	36,349	-	36,349
Variance	-6.4%	-3.2%	-6.5%	10.0%	-	1.6%	36.5%	-	36.5%
Intersegment	-2	17	-4	-0	2	21	34	-34	-
Total	-3,415	-55	-2,144	1,046	40,926	24	36,384	-34	36,349
Operating expenses	296	-183	-713	1,473	42,556	42	43,472	-550	42,920
Operating income	-3,712	128	-1,431	2,157	-1,630	-16	-7,088	516	-6,572
Variance	-21.3%	261.2%	-24.9%	-16.6%	-	35.6%	-27.5%	-	-26.7%
Assets	-48,739	276	-5,849	5	204,853	299	150,846	90,954	241,799
Depreciation	-2,186	5	-782	-8	3,507	1	538	-27	511
Loss on impairment	-	-	-	0	-	5	246	-	246
Capital Expenditures	-8,767	10	-612	-263	2,041	8	-7,584	-14	-7,597
R&D Expenses	-233	-63	-171	54	1,899	-35	1,452	-	1,452
Number of employees (p)	1,112	-14	41	60	5,885	17	7,101	-6	7,095

*Elimin. 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 second quarter of this fiscal year, the segmentation of business category, products and services were 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 six months ended March 31, 2008.

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, CCTV lenses, etc.
		(Optical Components) Digital camera modules, Micro 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.

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 three months ended Mar. 31, 2008 and 2007 are as follows:

2008	3,276 million Yen	2007	909 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 Mar. 31, 2008 and 2007 are as follows:

2008	<u>153,256</u> million Yen	2007	61,381 million Yen
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2. Geographical Segments

Fourth quarter : for the three months ended March 31, 2008

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	79,280	16,919	28,585	11,032	135,816	—	135,816
Intersegment	18,088	131	248	37,164	55,633	-55,633	—
Total	97,369	17,050	28,834	48,196	191,450	-55,633	135,816
Operating expenses	92,364	16,928	27,315	40,302	176,911	-59,154	117,757
Operating income	5,004	121	1,518	7,894	14,538	3,520	18,059
Operating margin	5.1%	0.7%	5.3%	16.4%	7.6%	—	13.3%
Assets	333,039	37,722	66,642	228,174	665,578	23,865	689,443

Fourth quarter : for the three months ended March 31, 2007

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	66,868	10,062	15,199	7,337	99,467	—	99,467
Intersegment	6,449	85	138	39,332	46,005	-46,005	—
Total	73,317	10,147	15,338	46,670	145,471	-46,005	99,467
Operating expenses	63,082	10,171	12,762	35,136	121,150	-46,314	74,837
Operating income	10,236	-24	2,576	11,533	24,320	310	24,631
Operating margin	14.0%	-0.2%	16.8%	24.7%	16.7%	—	24.8%
Assets	193,390	13,507	107,564	207,158	521,619	-73,975	447,644

Ref : Differences between the three 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	12,412	6,857	13,386	3,695	36,349	—	36,349
Variance	18.6%	68.1%	88.1%	50.4%	36.5%	—	36.5%
Intersegment	11,639	46	110	-2,168	9,628	-9,628	—
Total	24,052	6,903	13,496	1,526	45,979	-9,628	36,349
Operating expenses	29,282	6,757	14,553	5,166	55,761	-12,840	42,920
Operating income	-5,232	145	-1,058	-3,639	-9,782	3,210	-6,572
Variance	-51.1%	-604.2%	-41.1%	-31.6%	-40.2%	—	-26.7%
Assets	139,649	24,215	-40,922	21,016	143,959	97,840	241,799

*Elimi. or corp. : Eliminations or corporate

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 three months ended Mar. 31, 2008 and 2007 are as follows:

2008	1,223 Million Yen	2007	814 Million Yen
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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 Mar. 31, 2008 and 2007 are as follows:

2008	115,499 Million Yen	2007	59,046 Million Yen
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3. Overseas Sales

Fourth quarter : for the three months ended March 31, 2008

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	18,288	29,270	37,270	367	85,193
Total Consolidated Net Sales (B)					135,816
Overseas Sales ratio A/B	13.5%	21.6%	27.4%	0.3%	62.8%
Regional breakdown	21.5%	34.4%	43.7%	0.4%	100.0%

Fourth quarter : for the three months ended March 31, 2007

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	11,452	15,758	27,057	1	54,268
Total Consolidated Net Sales (B)					99,467
Overseas Sales ratio A/B	11.5%	15.9%	27.2%	0.0%	54.6%
Regional breakdown	21.1%	29.0%	49.9%	0.0%	100.0%

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

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	6,836	13,512	10,213	366	30,925
Total Consolidated Net Sales (B)					36,349
Variance of Overseas Sales	59.7%	85.7%	37.7%	-	57.0%

- 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 [%]					
	Three months ended		Variance		Three months ended	
	Mar.31,2008	Mar.31,2007	Amount	%	Dec.31, 2007	
Electro-Optics						
Domestic	20,709 (41.4)	24,805 (46.4)	-4,096	-16.5	21,998 (41.4)	
Overseas	29,286 (58.6)	28,604 (53.6)	682	2.4	31,153 (58.6)	
total	49,995 [36.8]	53,410 [53.7]	-3,415	-6.4	53,151 [36.1]	
Photonics						
Domestic	992 (46.2)	1,333 (60.0)	-341	-25.6	1,195 (48.6)	
Overseas	1,157 (53.8)	888 (40.0)	269	30.3	1,264 (51.4)	
total	2,149 [1.6]	2,221 [2.2]	-72	-3.2	2,459 [1.7]	
Information Technology						
Domestic	21,701 (41.6)	26,139 (47.0)	-4,438	-17.0	23,193 (41.7)	
Overseas	30,444 (58.4)	29,492 (53.0)	952	3.2	32,417 (58.3)	
total	52,145 [38.4]	55,631 [55.9]	-3,486	-6.3	55,610 [37.8]	
Vision Care						
Domestic	7,699 (24.9)	8,807 (26.6)	-1,108	-12.6	8,288 (26.3)	
Overseas	23,253 (75.1)	24,284 (73.4)	-1,031	-4.2	23,273 (73.7)	
total	30,952 [22.8]	33,091 [33.3]	-2,139	-6.5	31,561 [21.5]	
Health Care						
Domestic	11,098 (96.1)	10,010 (95.4)	1,088	10.9	11,024 (95.9)	
Overseas	446 (3.9)	487 (4.6)	-41	-8.4	477 (4.1)	
total	11,544 [8.5]	10,498 [10.6]	1,046	10.0	11,501 [7.8]	
Eye Care						
Domestic	18,797 (44.2)	18,818 (43.2)	-21	-0.1	19,312 (44.8)	
Overseas	23,699 (55.8)	24,772 (56.8)	-1,073	-4.3	23,750 (55.2)	
total	42,497 [31.3]	43,590 [43.9]	-1,093	-2.5	43,062 [29.3]	
Pentax						
Domestic	9,874 (24.1)	- (-)	9,874	-	6,569 (13.7)	
Overseas	31,049 (75.9)	- (-)	31,049	-	41,538 (86.3)	
total	40,923 [30.1]	- [-]	40,923	-	48,107 [32.7]	
Others						
Domestic	250 (100.0)	242 (98.4)	8	3.3	276 (100.0)	
Overseas	0 (0.0)	4 (1.6)	-4	-	0 (0.0)	
total	250 [0.2]	246 [0.2]	4	1.6	276 [0.2]	
Total Net Sales						
Domestic	50,623 (37.3)	45,199 (45.4)	5,424	12.0	49,350 (33.6)	
Overseas	85,193 (62.7)	54,268 (54.6)	30,925	57.0	97,705 (66.4)	
Total	135,816 [100.0]	99,467 [100.0]	36,349	36.5	147,055 [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.