

Quarterly Financial Highlights (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

1. Performance for the three months ended June 30, 2006 and 2005

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

(1) Results of Operations	Three months ended Jun. 30.		Variance (%)
	2006	2005	
Net sales	92,618	81,777	13.3
Operating income	27,240	25,055	8.7
Ordinary income	25,139	27,465	-8.5
Net income	21,499	20,389	5.4
Net income per share (Yen)	49.92	45.75	

Notes : No changes have been made in accounting policy.

(2) Financial Position	As of Jun. 30.	As of Mar. 31.	As of Jun. 30.
	2006	2006	2005
Total assets	391,972	361,537	352,588
Net assets	288,734	279,480	286,827
Shareholders' equity ratio	73.4%	77.3%	81.3%
Net assets per share (Yen)	668.33	648.87	643.63

(3) Conditions of Cash Flows	Three months ended Jun. 30.	
	2006	2005
Net cash provided by operating activities	14,065	17,758
Net cash used in investing activities	-14,825	-12,504
Net cash provided by (used in) financing activities	17,255	-9,805
Cash and cash equivalents at end of period	100,449	106,998

2. Projected Results for the First Half (Six months ending September 30, 2006)

	Six months ending/ended Sep. 30.		Variance (%)
	2006	2005	
Net sales	187,000	166,738	12.2
Operating income	54,500	49,795	9.4
Ordinary income	51,500	54,439	-5.4
Net income	41,500	38,985	6.5
Net income per share (Yen)	96.36	87.47	8.89

This report is provided solely for the information of professional analysts who are expected to make their own evaluation of the company. These statements are based on management's assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them.

This report contains forward-looking statements that are based on management's assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them.

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 currency exchange rates.

We accept no liability whatsoever for any direct or consequential loss arising from any use of this report.

1. Business Overview

1. Results of Operations

1) General Overview

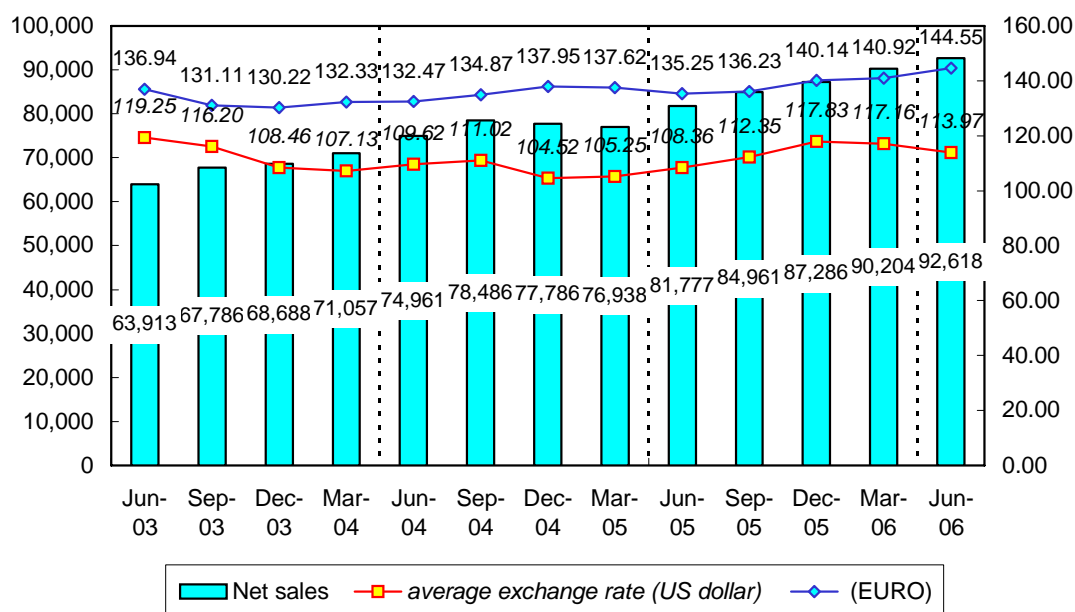
Results of Operations	Millions of Yen
	Three months ended Jun. 30, 2006
Net sales	92,618
Operating income	27,240
Ordinary income	25,139
Net income	21,499
Net income per share(Yen)	49.92

Economic conditions during the quarter under review were marked by a continuing tone of expansion in the business climate with the increase in capital investment spreading from large companies and manufacturing industries to SMEs and non-manufacturing industries. Improvements in corporate performance led to increased employment, improvement in household income and increased expenses, reinforcing the virtuous cycle of further upward growth in corporate capital investment.

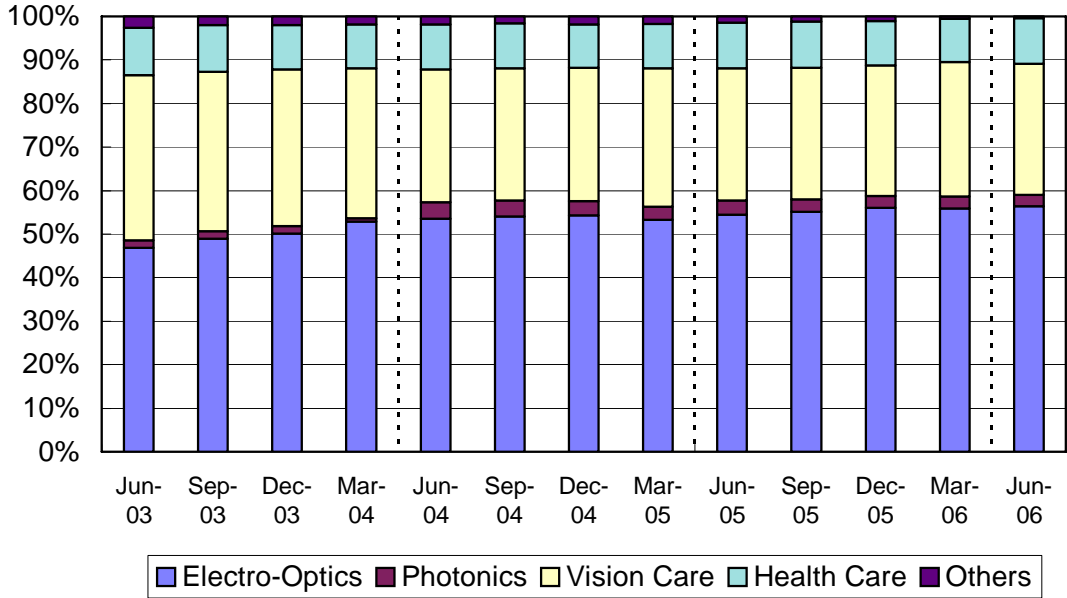
Meanwhile, for the HOYA Group overall, in the Electro-Optics sector, the general proactive reinforcement of production capacity by clients and the development of new products were vigorous, promoting robust demand overall and leading to increased revenues. In Vision-Care division, the market overseas for eyeglass lenses showed an expansion while the Healthcare division also performed well, showing an increase in revenues.

As a result, consolidated net sales, operating profits and net income during the quarter under review increased year-on-year basis. Net sales and net income posted historical records on quarterly basis.

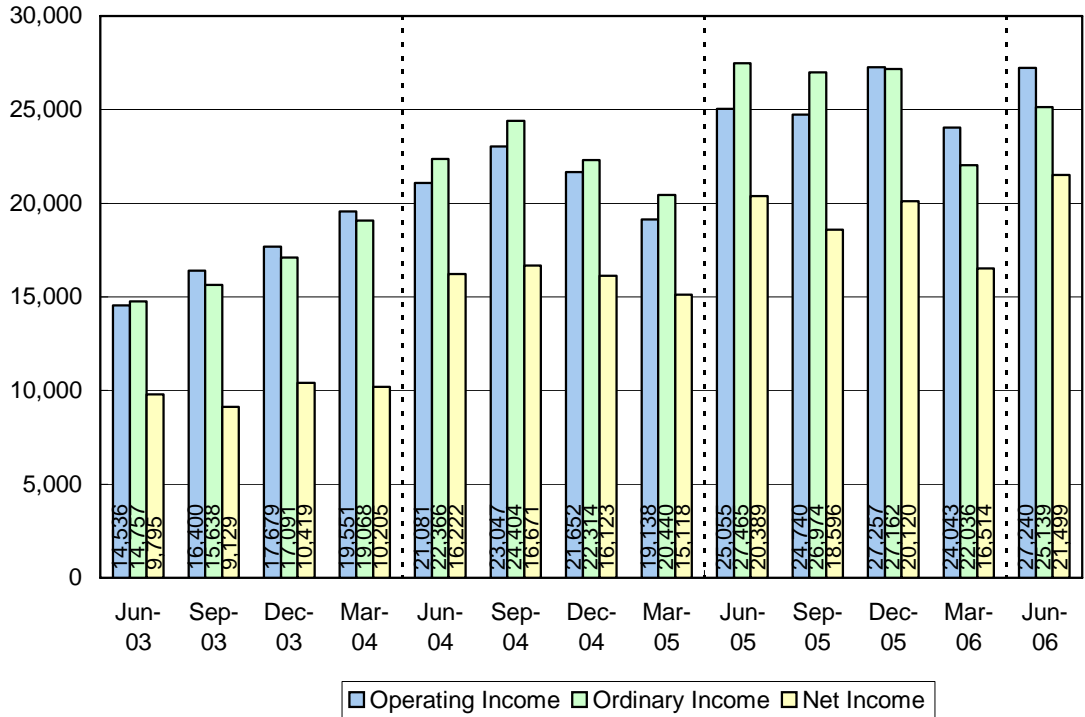
Quarterly net sales (Million Yen) and average exchange rate
(Yen/US dollar & EURO)



Ratio of Net Sales by Business Segment - Quarterly Transition



Quarterly Incomes (Millions of Yen)



2) Segment Overview

1. Information Technology

Electro-Optics

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

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

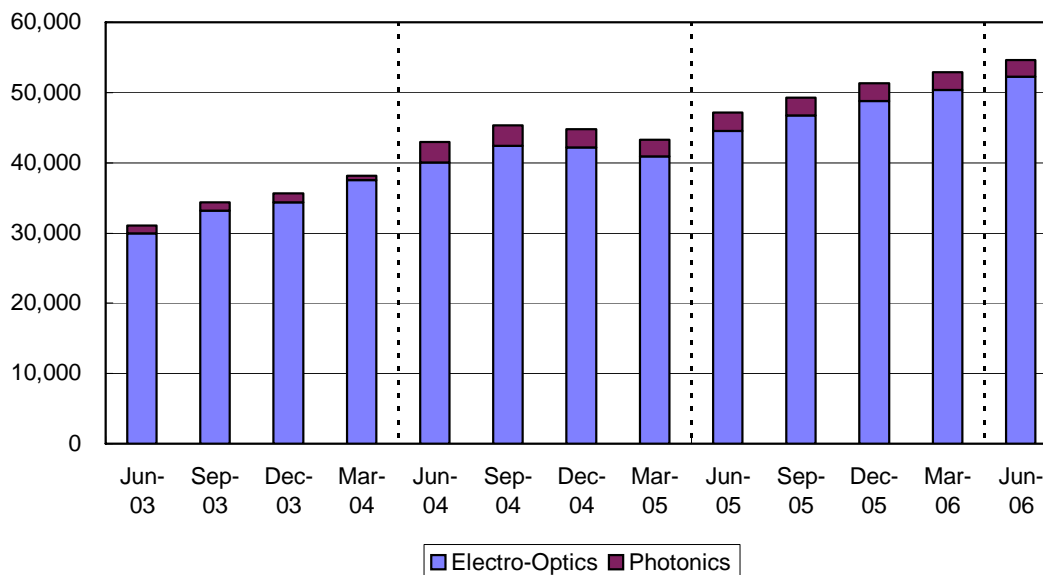
In terms of glass disks for hard disk drives (HDDs), the demand remained strong and, thanks to a commencing of shipment from new factory in Vietnam, the sales increased substantially on a year-on-year basis.

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

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, leading to a decline in sales against the previous year.

Quarterly Net Sales of Information Technology (Millions of Yen)



2. Eye Care

Vision Care

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

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

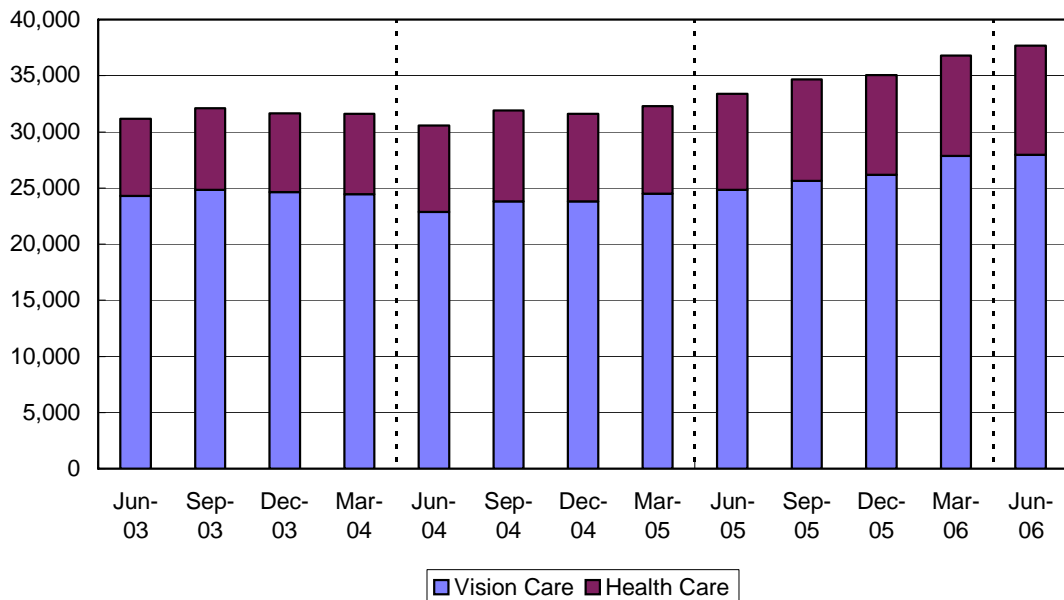
As a result, an increase was realized in the sector overall year-on-year.

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 continued establishment of new outlets and consulting sales taking advantage of specialized knowledge.

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

Quarterly Net Sales of Eye Care (Millions of Yen)



3. Others

In crystal, the crystal operations were reduced in scale through restructuring and, in services, the spin-off of the temporary staff outplacement service effective March 1, 2006, resulting in a reduction in sales year-on-year in both sectors.

2. Financial Position

	<u>Millions of Yen</u> <u>As of Jun. 30, 2006</u>
Total assets	391,972
Net assets	288,734
Shareholders' equity ratio	73.4%

At the end of the quarter under review, the current assets increased Yen 26,710 million since cash and deposit increased Yen 16,875 million. Fixed assets increased Yen 3,836 million and total assets increased Yen 30,435 million. Liabilities increased Yen 22,100 million due to issuance of commercial paper. Net asset came to Yen 288,734 million through earned surplus increased Yen 8,363 million. As a result, shareholders' equity ratio changed to 73.4%.

3. Conditions of Cash Flows

	<u>Millions of Yen</u> <u>Three months ended Jun. 30, 2006</u>
Net cash provided by operating activities	14,065
Net cash used in investing activities	-14,825
Net cash provided by (used in) financing activities	17,255
Cash and cash equivalents at end of period	100,449

In terms of cash flows from operating activities, on the basis of Yen 24,821 million in income before income taxes and Yen 7,553 million in depreciation, net cash provided by operating activities amounted to 14,065 million. Net cash used in investment activities amounted to Yen 14,825 million in cash payments that were mainly used for investment in order to handle next-generation products. The company issued commercial paper at Yen 30,000 million and used Yen 12,920 million for payment of dividends. As a result, the term-end balance of cash and cash equivalents increased by Yen 16,875 million in comparison with that of the end of the previous fiscal year.

4. Projected Results for the First Half

(Six months ending Sep. 30, 2006)

	<u>Millions of Yen</u>		variance (%)
	<u>Six months ending/ended</u>		
	Sep.30,2006	Sep.30,2005	
Net sales	187,000	166,738 (	12.2)
Operating income	54,500	49,795 (	9.4)
Ordinary income	51,500	54,439 (	-5.4)
Net income	41,500	38,985 (	6.5)
Net income per share (Yen)	96.36	87.47	8.89

RE:

1. To calculate Net income per share, expected Net income is divided by expected mid-term average number of shares.
2. With effect on November 15, 2005, the Company carried out a four-for-one stock split. The per share information for the six months and three months ended September 30, 2005 were adjusted to reflect the stock split assuming that the above stock split was exercised on the beginning of the previous fiscal year.

Ref: for the 2nd quarter

1. Year-on-year comparison	<u>Millions of Yen</u>		variance (%)
	<u>Three months ending/ended</u>		
	Sep.30,2006	Sep.30,2005	
Net sales	94,382	84,961 (	11.1)
Operating income	27,260	24,740 (	10.2)
Ordinary income	26,361	26,974 (	-2.3)
Net income	20,001	18,596 (	7.6)
Net income per share (Yen)	46.44	41.72	4.72

2. Quarter-on-quarter comparison	<u>Millions of Yen</u>		variance (%)
	<u>Three months ending/ended</u>		
	Sep.30,2006	Jun.30,2006	
Net sales	94,382	92,618 (	1.9)
Operating income	27,260	27,240 (	0.1)
Ordinary income	26,361	25,139 (	4.9)
Net income	20,001	21,499 (	-7.0)
Net income per share (Yen)	46.44	49.92	-3.48

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 currency exchange rates.

(2) Consolidated Financial Statements

1. Quarterly Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen			
	Jun.30,2006	Mar.31,2006	Variance	Jun.30,2005
ASSETS				
Current assets				
Cash and deposits	100,449	83,574	16,875	106,998
Notes and accounts receivable - trade	82,671	78,380	4,291	75,384
Inventories	44,254	41,178	3,076	37,507
Deferred tax assets	5,461	7,407	-1,946	5,407
Other current assets	7,327	3,246	4,081	5,601
Allowance for doubtful receivables	-1,182	-1,512	330	-1,337
Total current assets	238,983	212,273	26,710	229,561
Fixed assets				
Tangible fixed assets				
Buildings and structures	29,900	29,548	352	24,714
Machinery and carriers	62,405	58,493	3,912	46,677
Tools, equipment and fixtures	11,284	10,716	568	9,258
Lands	8,640	8,648	-8	8,892
Construction in progress	12,488	13,196	-708	9,599
Total tangible fixed assets	124,720	120,603	4,117	99,142
Intangible fixed assets				
Total intangible fixed assets	7,576	7,424	152	5,366
Investments and other assets				
Investment securities	13,117	14,060	-943	11,546
Deferred tax assets	3,154	2,757	397	2,468
Other assets	4,729	4,601	128	4,458
Allowance for doubtful receivables	-310	-295	-15	-307
Total investment and other assets	20,691	21,123	-432	18,165
Total fixed assets	152,988	149,152	3,836	122,674
Deferred charges				
Total deferred charges	—	111	-111	352
TOTAL ASSETS	391,972	361,537	30,435	352,588

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen			
	Jun.30,2006	Mar.31,2006	Variance	Jun.30,2005
LIABILITIES				
Current liabilities				
Notes and accounts payable - trade	29,173	28,070	1,103	26,621
Short-term bank loans	—	—	—	199
Commercial paper	30,000	—	30,000	—
Income tax payable	7,230	14,342	-7,112	4,929
Accrued bonuses to employees	2,325	4,207	-1,882	2,070
Other current liabilities	32,413	32,685	-272	29,008
Total current liabilities	101,143	79,305	21,838	62,829
Long-term liabilities				
Allowance for special repairs	817	619	198	684
Other long-term liabilities	1,276	1,211	65	1,389
Total long-term liabilities	2,093	1,831	262	2,073
Total Liabilities	103,237	81,137	22,100	64,903
NET ASSETS				
Owners' equity				
Paid-in capital	6,264	—	—	—
Capital surplus	15,898	—	—	—
Earned surplus	274,708	—	—	—
Treasury stock	-15,954	—	—	—
Advances on subscription to treasury stock	3	—	—	—
Total owners' equity	280,920	—	—	—
Valuation and translation adjustments				
Valuation difference on available-for-sale securities	-30	—	—	—
Translation adjustments	6,966	—	—	—
Total valuation and translation adjustments	6,935	—	—	—
Minority interest	878	—	—	—
Total Net Assets	288,734	—	—	—
TOTAL LIABILITIES AND NET ASSETS	391,972	—	—	—
MINORITY INTEREST	—	919	—	857
SHAREHOLDERS' EQUITY				
Common stock	—	6,264	—	6,264
Capital surplus	—	15,898	—	15,898
Retained earnings	—	266,345	—	278,545
Net unrealized gain (loss) on available - for - sale securities	—	110	—	63
Foreign currency translation adjustments	—	7,142	—	-6,293
Treasury stock - at cost	—	-16,279	—	-7,651
Total Shareholders' Equity	—	279,480	—	286,827
TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	—	361,537	—	352,588
Notes:				
	Millions of Yen			
1. Accumulated depreciation	187,926	181,818		169,660
2. Guarantees of borrowings and lease obligations for customers and Group's employees	2,424	2,206		1,501
3. Number of shares of treasury stock (stocks)	4,313,419	4,401,607		939,449

2. Quarterly Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	Three months ended		Variance		Mar.31, 2006
	Jun.30, 2006	Jun.30, 2005	Value	(%)	
Net sales	92,618	81,777	10,841	13.3	90,204
Cost of sales	45,539	40,072	5,467	13.6	46,839
Gross profit	47,079	41,705	5,374	12.9	43,364
Selling, general and administrative expenses	19,838	16,649	3,189	19.2	19,321
Operating income	27,240	25,055	2,185	8.7	24,043
Non-operating income	638	2,822	-2,184	-77.4	655
Interest income	442	417	25		332
Foreign exchange gains	—	575	-575		—
Equity in earnings of affiliates	—	1,131	-1,131		—
Others	195	698	-503		322
Non-operating expenses	2,739	411	2,328	566.4	2,663
Interest expense	34	66	-32		40
Sales discount	191	163	28		193
Foreign exchange losses	1,668	—	1,668		1,235
Equity in losses of affiliates	545	—	545		601
Others	300	181	119		591
Ordinary income	25,139	27,465	-2,326	-8.5	22,036
Extra-ordinary gains	121	69	52	75.4	585
Gain on sales of property, plant and equipment	66	18	48		52
Others	55	50	5		533
Extra-ordinary losses	439	584	-145	-24.8	1,663
Loss on disposal of property, plant and equipment	119	13	106		231
Additional retirement benefits paid to employees	94	292	-198		162
Loss on impairment	14	3	11		785
Maintenance of environment	11	—	11		140
Others	200	274	-74		344
Income before income taxes and minority interest:	24,821	26,951	-2,130	-7.9	20,958
Income taxes - Current	2,332	4,802	-2,470	-51.4	5,312
Income taxes - Deferred	955	1,728	-773	-44.7	-778
Minority interests in net income	33	31	2	6.5	-89
Net income	21,499	20,389	1,110	5.4	16,514
Net income per share(Yen)	49.92	45.75	4.17		38.21
Diluted net income per share(Yen)	49.71	45.63	4.08		38.03

Notes:

- With effect on November 15, 2005, HOYA CORPORATION carried out a four-for-one stock split. The per share information for the three months ended June 30, 2005 were adjusted to reflect the stock split assuming that the above stock split was exercised on the beginning of the previous fiscal year.
- Effect of Exchange Rate Change on Net Sales and Incomes ("2006 A" is the actual value of this period. "2006 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)

	2006 A	2006 B	influences
Net sales	92,618	91,002	1,616
Operating income	27,240	25,819	1,421
Ordinary income	25,139	23,683	1,456
Net income	21,499	20,170	1,329

	Three months ended Jun. 30.		
	2006	2005	Variance(%)
3. Average rates of major foreign currencies			
US\$	Yen 113.97	108.36	-5.2%
Euro	Yen 144.55	135.25	-6.9%
Thail Baht	Yen 3.00	2.68	-11.9%

3. Quarterly Consolidated Statements of Shareholders' Equity

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen					
	Owners' Equity					
	Paid-in Capital	Capital Surplus	Earned Surplus	Treasury Stock	Advances on subscription to treasury stock	Total Owners' Equity
BALANCE MARCH 31, 2006	6,264	15,898	266,345	-16,279	—	272,228
Net income	0	0	21,499	0	0	21,499
Appropriations						
Cash dividends	0	0	-12,918	0	0	-12,918
Bonus to directors	0	0	-64	0	0	-64
Loss on deposit of treasury stock	0	0	-153	0	0	-153
Repurchases of treasury stocks	0	0	0	-3	0	-3
Disposal of treasury stocks	0	0	0	328	0	328
Retirement of treasury stocks	0	0	0	0	0	0
Others	0	0	0	0	3	3
Net increase / decrease during the term under review except in Shareholders' Equity	0	0	0	0	0	0
BALANCE JUNE 30, 2006	6,264	15,898	274,708	-15,954	3	280,920

	Millions of Yen				
	Valuation and Translation Adjustments				
	Valuation difference on available-for- sale securities	Translation Adjustments	Total Valuation and Translation Adjustments	Minority Interest	Total Net Assets
BALANCE MARCH 31, 2006	110	7,142	7,252	919	280,399
Net income					21,499
Appropriations					
Cash dividends					-12,918
Bonus to directors					-64
Loss on deposit of treasury stock					-153
Repurchases of treasury stocks					-3
Disposal of treasury stocks					328
Retirement of treasury stocks					0
Others					3
Net increase / decrease during the term under review except in Shareholders' Equity	-140	-175	-316	-41	-357
BALANCE JUNE 30, 2006	-30	6,966	6,935	878	288,734

4. Quarterly Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen		
	Three months ended Jun.30.		
	2006	2005	variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	24,821	26,951	-2,130
Depreciation and amortization	7,553	5,398	2,155
Loss on impairment of long-lived assets	14	3	11
Gains on transfer of business	—	—	—
Provision for (reversal of) accrued allowances for doubtful receivables	-326	119	-445
Provision for (reversal of) accrued bonuses to employees	-1,885	-1,844	-41
Provision for (Reversal of) reserve for periodic repairs	197	141	56
Interest income and dividend receivable	-448	-420	-28
Interest expense payable	34	66	-32
Foreign exchange loss (gain)	72	-194	266
Equity in earnings of affiliates	545	-1,131	1,676
Gain on sales of property, plant and equipment and investment securities	-66	-18	-48
Loss on disposal of property, plant and equipment and investment securities	119	13	106
Bonus to directors	-64	-65	1
Other	84	285	-201
(Increase) decrease in notes and accounts receivable	-3,875	-1,894	-1,981
(Increase) decrease in inventories	-3,129	-1,562	-1,567
(Increase) decrease in other current assets	-1,455	-222	-1,233
Increase (decrease) in notes and accounts payable	803	2,266	-1,463
Increase (decrease) in income taxes payable	420	437	-17
Increase (decrease) in other current liabilities	728	-1,030	1,758
Sub total	24,143	27,299	-3,156
Interest and dividend receivable	409	400	9
Interest payable	-23	-56	33
Income taxes - paid	-10,463	-9,883	-580
Net cash provided by operating activities	14,065	17,758	-3,693
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	-13,509	-12,302	-1,207
Proceeds from sales of property, plant and equipment	153	11	142
Purchases of investment securities	-1,028	—	-1,028
Proceeds from sales of investment securities	30	—	30
Expenditure for acquisition of subsidiary's stocks for consolidation	—	—	—
Expenditure for loans	0	-1	1
Income from collection of loans	29	48	-19
Expenditure for other investments	-872	-291	-581
Income from other investments	373	31	342
Income from business transfer	—	—	—
Net cash used in investing activities	-14,825	-12,504	-2,321
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term bank loans	30,000	—	30,000
Increase in treasury stock	-3	-9	6
Decrease in treasury stock	178	228	-50
Dividends paid	-12,920	-10,024	-2,896
Net cash used in financing activities	17,255	-9,805	27,060
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	379	-1,324	1,703
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,875	-5,875	22,750
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	83,574	112,874	-29,300
CASH AND CASH EQUIVALENTS, END OF PERIOD	100,449	106,998	-6,549

Notes:

1. Negative figures with "-" (minus) in the consolidated statements of cash flows indicate net outflow of cash and cash
2. The above statements are direct translation from *Kessan Tanshin* which was made under the Japanese Accounting Standard.

5. Preparation of the Consolidated Financial Statements

Scope of Consolidation and Application of the Equity Method

1. Number of consolidated subsidiaries : 63 companies
 Major consolidated subsidiaries :
 <overseas> HOYA HOLDINGS, INC., HOYA HOLDINGS N.V.,
 HOYA HOLDINGS ASIA PACIFIC PTE LTD., HOYA PHOTONICS, INC.
 <domestic> HOYA CANDEO OPTRONICS CORPORATION, HOYA HEALTHCARE CORPORATION
2. Number of unconsolidated subsidiaries : None
3. Number of affiliates : 4 companies
 Number of affiliates accounted for by the equity method : 1 company, NH TECHNO GLASS CORP. (Japan)

Notes: Changes in Accounting Policies and Others

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

a. Scope of consolidation

In comparison to the same period last year (Jun.30, 2005) : 3 companies increased in total

3 companies increased due to the establishment: HOYA HEALTHCARE (SHANGHAI) CO.,LTD. (China)
 HOYA CANDEO OPTRONICS KOREA CO.,LTD. (Korea)
 VISION MEMBRANE TECHNOLOGIES, INC.(USA)

2 companies increased due to the acquisition: QSTREAMS NETWORKS, INC. (USA)
 HOYA HILL OPTICS SA (PTY) LTD. (South Africa)

1 company decreased due to the merger into the parent company : HOYA ADVANCED SEMICONDUCTOR TECHNOLOGIES CO.,LTD. (Japan)

1 company decreased due to the closing : HOYA LENS MEXICO, SA.DE.CV. (Mexico)

In comparison to the previous quarter (Mar.31, 2006) : 1 company increased

1 company increased due to the acquisition: HOYA HILL OPTICS SA (PTY) LTD. (South Africa)

b. Application of the equity method

In comparison to Jun.30, 2005 : No change

In comparison to Mar.31, 2006 : No change

	as of Jun.30, 2006	as of Jun.30, 2005	variance	as of Mar.31, 2006
Consolidated subsidiaries	63 (do 5, os58)	60 (do 6, os54)	+3 (do-1, os+4)	62 (do 5, os57)
Nonconsolidated subsidiaries	- (do -, os -)	- (do -, os -)	- (do -, os -)	- (do -, os -)
Affiliates	4 (do 4, os -)	5 (do 5, os -)	-1 (do-1, os-)	5 (do 5, os -)
(accounted for by the equity method)	(1) (do 1, os -)	(1) (do 1, os -)	(-) (do-, os-)	(1) (do 1, os -)
Total Hoya Group	67	65	+2	67
(accounted for by the equity method)	(1)	(1)	(-)	(1)

(do : domestic, os : overseas)

2. Changes in accounting policy :

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

Notes Relating to Stock Split

In a meeting of the Board of Directors held on July 20, 2005, HOYA CORPORATION "the Company" decided to carry out a four-for-one stock split. The details are as follows:

1. Number of shares to be increased
Outstanding shares before stock split 112,349,005 shares
Increase in shares 337,047,015 shares
Outstanding shares after increase 449,396,020 shares
2. Method
With effect on November 15, 2005, the shares of shareholders recorded on September 30, 2005 will be split four for one.
3. Date entitled to dividend
October 1, 2005

The per share information for the three months ended June 30 and September 30, 2005, as well as for the first half ended September 30, 2005 are adjusted to reflect the stock split assuming that the above stock split was exercised on the beginning of the previous fiscal year. For your reference, actual per share information which is not adjusted for the same period last year is as follows :

	<u>Three months ended</u>		<u>Six months ended</u>
	<u>Jun. 30, 2005</u>	<u>Sep.30, 2005</u>	<u>Sep.30, 2005</u>
Shareholders' equity per share (Yen)	2,574.53	2,738.40	2,738.40
Basic net income per share (Yen)	183.02	166.88	349.90
Diluted net income per share (Yen)	182.52	166.28	348.81

Notes Relating to Consolidated Statements of Cash Flows

1. Cash and Cash Equivalents at the End of the Period

	<u>Millions of Yen</u>		
	<u>Three months ended</u>		
	<u>Jun. 30,2006</u>	<u>Jun. 30,2005</u>	<u>Mar.31,2006</u>
Cash and deposits	<u>100,449</u>	<u>106,998</u>	<u>83,574</u>
Total	<u>100,449</u>	<u>106,998</u>	<u>83,574</u>

2. Details of Important Non-financial Trading

Three months ended Jun. 30, 2006 Millions of Yen
None

Three months ended Jun. 30, 2005
None

Three months ended Mar. 31, 2006
Cancellation of treasury stock 53,180
(with effect on February 1, 2006 for 14,379,000 shares)

Notes Relating to Investment Securities and Derivatives

1. Investment securities with market values:

(Millions of Yen)

	As of								
	Jun.30,2006			Mar.31, 2006			Jun.30, 2005		
	Cost	Fair Value	Variance	Cost	Fair Value	Variance	Cost	Fair Value	Variance
Available-for-sale									
Available-for-sale : Marketable Equity securities	1,692	1,640	-52	1,692	1,874	181	159	308	148
Government bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	1,692	1,640	-52	1,692	1,874	181	159	308	148

2. Investment securities without market values:

(Millions of Yen)

	As of		
	Jun.30,2006	Mar.31, 2006	Jun.30, 2005
	Non-marketable stock of subsidiaries	10,412	11,104	10,632
Total	10,412	11,104	10,632
Non-marketable equity securities	791	802	275
Others	273	279	329
Total	1,064	1,081	604

3. Derivatives

Significant hedge accounting methods

(1) Hedge accounting methods

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

(2) Hedging methods, items covered by hedging and hedging strategy

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

Notes Relating to Income Tax

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

	Millions of Yen		
	As of		
	<u>Jun.30, 2006</u>	<u>Mar.31, 2006</u>	<u>Jun.30, 2005</u>
(1) Current deferred tax assets and liabilities			
Deferred tax assets			
Inventories - intercompany unrealized profits	1,719	1,692	2,163
Maintenance of environment	1,459	1,474	—
Amount denied of expenses for accrued bonus	834	1,601	760
Loss on close of factory	404	510	510
Enterprise tax not deductible	171	727	249
Excess deductible amount of depreciation expenses	—	—	287
Other deferred tax assets	872	1,401	1,436
Total amount of deferred tax assets - current	<u>5,461</u>	<u>7,407</u>	<u>5,407</u>
(2) Non-current deferred tax assets and liabilities			
Deferred tax assets			
Excess amount of inclusion in deductible expenses for	1,866	1,962	1,800
Loss on impairment not deductible	606	1,376	698
Excess amount of inclusion in deductible expenses for allowance for doubtful receivables	118	105	114
Other deferred tax assets	1,399	258	744
Total amount of deferred tax assets - fixed	<u>3,990</u>	<u>3,702</u>	<u>3,357</u>
Deferred tax liabilities			
Reserve for deferred income taxes on fixed assets	-398	-406	-431
Special depreciation reserve	-250	-298	-255
Difference of evaluation for marketable securities	-21	-74	-35
Other deferred tax liabilities	-165	-165	-165
Total amount of deferred tax liabilities - fixed	<u>-836</u>	<u>-945</u>	<u>-889</u>
Net amount of deferred tax assets - fixed	<u><u>3,154</u></u>	<u><u>2,757</u></u>	<u><u>2,468</u></u>

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

	Three months ended		
	<u>Jun.30,2006</u>	<u>Jun.30,2005</u>	<u>Mar.31,2006</u>
Statutory tax rate of the Company	40.4 %	40.4 %	40.4 %
(Adjustment)			
Lower income tax rates applicable to income in certain foreign countries	-19.3	-15.3	-21.0
Non-Deductible expenses such as entertainment expenses	0.3	0.4	0.7
Per capita levy of inhabitants tax and others	0.1	0.1	0.1
Non-taxable dividend income	-6.3	-6.2	—
Intercompany cash dividend	6.3	6.2	—
Equity in earnings of affiliates	0.9	-1.7	1.2
Refund of income tax paid in previous year	-5.7	—	—
Tax credit on experiment and research expenses	-0.4	-0.4	-0.6
Other adjustment	-3.1	0.7	0.8
Effective income tax rate	<u>13.2</u>	<u>24.2</u>	<u>21.6</u>

Notes Relating to Employees' Retirement Benefits

1. Systems of employees' retirement benefits the Company adopts

The Company had systems to support lump sum severance pay and an employees' pension fund (Kosei Nenkin Kikin). During the third quarter of the fiscal year ended in March 2003, the system of lump sum severance pay was abolished. The employees' pension fund was dissolved with approval for its dissolution sanctioned by the Minister of Health, Labor and Welfare on January 29, 2003. On May 26, 2004, the Company obtained approval from the Minister of Health, Labor and Welfare for the completion of the liquidation thereof.

2. Details of liabilities for employees' retirement benefits

(1) Breakdown of liabilities for employees' retirement benefits

None

(2) Breakdown of expenses for employees' retirement benefits

	<u>Millions of Yen</u>		
	<u>Three months ended</u>		
	<u>Jun.30, 2006</u>	<u>Jun.30, 2005</u>	<u>Mar.31, 2006</u>
Additional retirement benefits paid to employees	94	292	162
Expenses for employees' retirement benefits	<u>94</u>	<u>292</u>	<u>162</u>

(3) Calculation basis of liabilities for employees' retirement benefits

None

Notes Relating to 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 and the former Musashi Factory, etc. in the Crystal Division

Location	Akishima-shi, Tokyo; Iruma-shi, Saitama, etc
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. The details are as follows.

	<u>Millions of Yen</u>		
	<u>Three months ended</u>		
	<u>Jun.30, 2006</u>	<u>Jun.30, 2005</u>	<u>Mar.31, 2006</u>
Machinery and others	14	3	417
Total	<u>14</u>	<u>3</u>	<u>417</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) Leased assets of head office

Location	Machida-shi, Tokyo
Use	Leasing
Asset Class	Land

The book value of the leased assets located in Machida City, Tokyo was reduced to the amount of potential recovery because of a decline in market price. The amount of reduction is recorded under extraordinary losses as an asset impairment losses.

	<u>Millions of Yen</u>		
	<u>Three months ended</u>		
	<u>Jun.30, 2006</u>	<u>Jun.30, 2005</u>	<u>Mar.31, 2006</u>
Land	-	-	368
Total	<u>-</u>	<u>-</u>	<u>368</u>

The recoverable amount for this group of assets is measured based on the posted price.

(3) Segment Information

HOYA CORPORATION and Consolidated Subsidiaries

1. Industry Segments

for the three months ended June 30, 2006

	Millions of Yen							
	Electro-Optics	Photo-nics	Vision Care	Health Care	Others	Total	Elimin. or corp.*	Consolidated
Net sales:								
To outside customers	52,239	2,402	27,926	9,733	317	92,618	-	92,618
Intersegment	116	46	0	-	727	890	(890)	-
Total	52,355	2,449	27,926	9,733	1,044	93,508	(890)	92,618
Operating expenses	32,162	2,248	22,756	7,616	983	65,768	(390)	65,377
Operating income	20,192	200	5,169	2,116	61	27,740	(499)	27,240
Operating margin	38.6%	8.2%	18.5%	21.7%	5.9%	29.7%	-	29.4%
Assets	221,916	7,649	105,543	18,202	2,669	355,980	35,991	391,972
Depreciation	5,578	27	1,651	270	10	7,538	14	7,553
Loss on impairment	-	-	-	-	14	14	-	14
Capital Expenditures	9,801	59	2,436	490	5	12,793	-	12,795
R&D Expenses	2,479	250	473	294	29	3,527	-	3,527
Number of employees (p)	18,400	199	7,279	782	227	26,887	57	26,944

for the three months ended June 30, 2005

	Millions of Yen							
	Electro-Optics	Photo-nics	Vision Care	Health Care	Others	Total	Elimin. or corp.*	Consolidated
Net sales:								
To outside customers	44,568	2,605	24,850	8,542	1,211	81,777	-	81,777
Intersegment	69	81	5	-	1,141	1,298	(1,298)	-
Total	44,637	2,686	24,856	8,542	2,352	83,076	(1,298)	81,777
Operating expenses	25,876	2,426	20,415	6,487	2,300	57,507	(784)	56,722
Operating income	18,761	259	4,440	2,054	53	25,569	(513)	25,055
Operating margin	42.0%	9.7%	17.9%	24.1%	2.3%	30.8%	-	30.6%
Assets	181,276	7,507	91,614	15,548	4,776	300,724	51,864	352,588
Depreciation	3,750	24	1,422	173	-	5,384	13	5,398
Loss on impairment	-	-	-	-	3	3	-	3
Capital Expenditures	7,540	37	1,594	479	10	9,663	-	9,663
R&D Expenses	1,943	257	630	179	9	3,021	-	3,021
Number of employees (p)	13,836	200	6,714	683	401	21,834	56	21,890

Ref:

Difference between the 1st quarter this year and the same quarter last year

	Millions of Yen							
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Total	Elimin. or corp.*	Consolidated
Net sales:								
To outside customers	7,671	-203	3,076	1,191	-894	10,841	-	10,841
Variance (%)	17.2%	-7.8%	12.4%	13.9%	-73.8%	13.3%	-	13.3%
Intersegment	47	-35	-5	-	-414	-408	408	-
Total	7,718	-237	3,070	1,191	-1,308	10,432	408	10,841
Operating expenses	6,286	-178	2,341	1,129	-1,317	8,261	394	8,655
Operating income	1,431	-59	729	62	8	2,171	14	2,185
Variance (%)	7.6%	-22.8%	16.4%	3.0%	-	8.5%	-	8.7%
Assets	40,640	142	13,929	2,654	-2,107	55,256	-15,873	39,384
Depreciation	1,828	3	229	97	-	2,154	1	2,155
Loss on impairment	-	-	-	-	11	11	-	11
Capital Expenditures	2,261	22	842	11	-5	3,130	2	3,132
R&D Expenses	536	-7	-157	115	20	506	-	506
Number of employees (p)	4,564	-1	565	99	-174	5,053	1	5,054

*Elimi. or corp. : Elimination or corporate

Note:

1. Products and Services of each Business Division:

(1) From this fiscal year, the company has changed its segmentation of industry as follows, because the necessity of disclosure has decreased due to the decline of their sales and profits :

Business Category	Division	Products and Services
Information Technologies	Electro-Optics	Photomasks and Maskblanks for semiconductors, Masks and Devices for liquid-crystal displays (LCDs), Glass disks for hard disk drives (HDDs), Optical lenses, optical glasses, electronic glasses, Optical communication related devices, etc.
	Photonics	Lazer equipments for industrial, dental, and medical purposes, Light sources for electronics industry, special optical glasses, etc.
Eye Care	Vision Care	Eyeglass lenses, eyeglass frames, etc.
	Health Care	Contact lenses and accessories, intraocular lenses, etc.
Others		Crystal glass products; Design of information systems, etc.

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

Business Category	Division	Products and Services
Information Technologies	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, ophthalmic equipments, etc.
	Health Care	Contact lenses and accessories, intraocular lenses, etc.
Others	Crystal	Crystal glass products
	Service	Design of information systems, placement of temporary staff, etc.

(3) The business results for the three months ended June 30, 2005 according to the former business segment are as follows:

	Millions of Yen								Elimin. or corp.*	Consolidated
	Electro-Optics	Photonics	Vision Care	Health Care	Crystal	Service	Total			
Net sales:										
To outside customers	44,568	2,605	24,850	8,542	760	450	81,777	-	81,777	
Intersegment	69	81	5	-	2	1,139	1,298	(1,298)	-	
Total	44,637	2,686	24,856	8,542	763	1,589	83,076	(1,298)	81,777	
Operating expenses	25,876	2,426	20,415	6,487	854	1,446	57,507	(784)	56,722	
Operating income	18,761	259	4,440	2,054	-90	143	25,569	(513)	25,055	
Operating margin	42.0%	9.7%	17.9%	24.1%	-11.9%	9.0%	30.8%	-	30.6%	
Assets	181,276	7,507	91,614	15,548	1,676	3,100	300,724	51,864	352,588	
Depreciation	3,750	24	1,422	173	0	13	5,384	13	5,398	
Loss on impairment	-	-	-	-	3	-	3	-	3	
Capital Expenditures	7,540	37	1,594	479	3	7	9,663	-	9,663	
R&D Expenses	1,943	257	630	179	9	-	3,021	-	3,021	
Number of employees (p)	13,836	200	6,714	683	149	252	21,834	56	21,890	

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 Jun. 30, 2006 and 2005 are as follows:

	<u>2006</u>		<u>2005</u>
Yen	471 million	Yen	583 million

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 holding companies. Corporate assets as of Jun. 30, 2006 and 2005 are as follows:

	<u>2006</u>		<u>2005</u>
Yen	20,708 million	Yen	57,551 million

2. Geographical Segments

for the three months ended June 30, 2006

Millions of Yen							
	Japan	North America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	64,743	9,098	11,181	7,594	92,618	-	92,618
Intersegment	6,576	78	277	37,332	44,264	(44,264)	-
Total	71,320	9,177	11,458	44,927	136,883	(44,264)	92,618
Operating expenses	61,476	8,750	9,740	30,799	110,767	(45,390)	65,377
Operating income	9,843	426	1,717	14,127	26,115	1,125	27,240
Operating margin	13.8%	4.7%	15.0%	31.5%	19.1%	-	29.4%
Assets	165,789	18,771	89,842	165,758	440,161	-48,188	391,972

for the three months ended June 30, 2005

Millions of Yen							
	Japan	North America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	59,948	8,086	9,089	4,653	81,777	-	81,777
Intersegment	5,047	64	116	27,354	32,582	(32,582)	-
Total	64,996	8,150	9,205	32,008	114,360	(32,582)	81,777
Operating expenses	54,502	7,944	7,499	20,446	90,393	(33,670)	56,722
Operating income	10,493	206	1,705	11,561	23,967	1,088	25,055
Operating margin	16.2%	2.5%	18.5%	36.1%	21.0%	-	30.6%
Assets	164,999	18,778	38,158	122,634	344,570	8,017	352,588

Ref : Difference between the 1st quarter this year and the same quarter last year

Millions of Yen							
	Japan	North America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	4,795	1,012	2,092	2,941	10,841	-	10,841
Variance (%)	8.0%	12.5%	23.0%	63.2%	13.3%	-	13.3%
Intersegment	1,529	14	161	9,978	11,682	-11,682	-
Total	6,324	1,027	2,253	12,919	22,523	-11,682	10,841
Operating expenses	6,974	806	2,241	10,353	20,374	-11,720	8,655
Operating income	-650	220	12	2,566	2,148	37	2,185
Variance (%)	-6.2%	106.8%	0.7%	22.2%	9.0%	-	8.7%
Assets	790	-7	51,684	43,124	95,591	-56,205	39,384

Notes:

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

North America: United States of America and Canada
 Europe: Netherlands, Germany, United Kingdom, etc.
 Asia: Singapore, Republic of Korea, Taiwan, etc.
 Re: Asia includes Australia, and Europe includes South Africa.

- 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 Jun. 30, 2006 and 2005 are as follows:

	<u>2006</u>		<u>2005</u>
	Yen	389 million	Yen
			506 million

- 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 holding companies. Corporate assets as of Jun. 30, 2006 and 2005 are as follows:

	<u>2006</u>		<u>2005</u>
	Yen	19,223 million	Yen
			55,101 million

3. Sales to Foreign Customers

for the three months ended June 30, 2006

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	11,488	11,718	25,858	5	49,071
Total Consolidated Net Sales (B)					92,618
Overseas Sales ratio A/B	12.4%	12.7%	27.9%	0.0%	53.0%
Regional Sales Ratio	23.4%	23.9%	52.7%	0.0%	100.0%

for the three months ended June 30, 2005

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	9,488	9,631	18,947	3	38,069
Total Consolidated Net Sales (B)					81,777
Overseas Sales ratio A/B	11.6%	11.8%	23.2%	0.0%	46.6%
Regional Sales Ratio	24.9%	25.3%	49.8%	0.0%	100.0%

Ref:

Difference between the 1st quarter this year and the same quarter last year

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	2,000	2,087	6,911	2	11,002
Total Consolidated Net Sales (B)					10,841
Variance (%)	21.1%	21.7%	36.5%	66.7%	28.9%

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

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

Re: Asia includes Australia, and Europe includes South Africa.

(4) Composition of Net Sales by Business Category

HOYA CORPORATION and Consolidated Subsidiaries

Business Category Company	Millions of Yen				Three months ended Mar. 31, 2006
	Three months ended Jun.30, 2006	Jun.30, 2005	Variance	(%)	
Electro-Optics					
Domestic	23,654 (45.3)	23,884 (53.6)	-230	-1.0	22,982 (45.6)
Overseas	28,585 (54.7)	20,683 (46.4)	7,902	38.2	27,375 (54.4)
total	52,239 [56.4]	44,568 [54.5]	7,671	17.2	50,357 [55.8]
Photonics					
Domestic	1,416 (59.0)	1,457 (55.9)	-41	-2.8	1,376 (54.5)
Overseas	986 (41.0)	1,147 (44.1)	-161	-14.0	1,148 (45.5)
total	2,402 [2.6]	2,605 [3.2]	-203	-7.8	2,524 [2.8]
Electro-Optics					
Domestic	25,070 (45.9)	25,342 (53.7)	-272	-1.1	24,358 (46.1)
Overseas	29,571 (54.1)	21,830 (46.3)	7,741	35.5	28,524 (53.9)
total	54,641 [59.0]	47,173 [57.7]	7,468	15.8	52,882 [58.6]
Vision Care					
Domestic	8,885 (31.8)	9,034 (36.4)	-149	-1.6	8,705 (31.3)
Overseas	19,040 (68.2)	15,815 (63.6)	3,225	20.4	19,139 (68.7)
total	27,926 [30.2]	24,850 [30.4]	3,076	12.4	27,844 [30.9]
Health Care					
Domestic	9,310 (95.7)	8,255 (96.6)	1,055	12.8	8,571 (95.8)
Overseas	422 (4.3)	287 (3.4)	135	47.0	375 (4.2)
total	9,733 [10.5]	8,542 [10.4]	1,191	13.9	8,946 [9.9]
Eye Care					
Domestic	18,195 (48.3)	17,290 (51.8)	905	5.2	17,276 (47.0)
Overseas	19,463 (51.7)	16,103 (48.2)	3,360	20.9	19,515 (53.0)
total	37,659 [40.7]	33,393 [40.8]	4,266	12.8	36,791 [40.8]
Others					
Domestic	280 (88.6)	1,075 (88.8)	-795	-74.0	473 (89.1)
Overseas	36 (11.4)	135 (11.2)	-99	-73.3	57 (10.9)
total	317 [0.3]	1,211 [1.5]	-894	-73.8	531 [0.6]
Total Net Sales					
Domestic	43,547 (47.0)	43,708 (53.4)	-161	-0.4	42,108 (46.7)
Overseas	49,071 (53.0)	38,069 (46.6)	11,002	28.9	48,096 (53.3)
Total	92,618 [100.0]	81,777 [100.0]	10,841	13.3	90,204 [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.