

January 20, 2006

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.)

1.Performance for the three months ended Dec. 31, 2005 and 2004

(1)Results of Operations	Millions of Yen		variance (%)
	Three months ended Dec. 31,		
	2005	2004	
Net sales	87,286	77,786	(12.2)
Operating income	27,257	21,652	(25.9)
Ordinary income	27,162	22,314	(21.7)
Net income	20,120	16,123	(24.8)
Basic net income per share(Yen)	46.20	144.82	

Notes : No changes have been made in accounting policy.

(2)Financial Position	Millions of Yen		
	As of Dec. 31,	As of Sep. 30,	As of Dec. 31,
	2005	2005	2004
Total assets	356,966	391,768	329,739
Shareholders' equity	259,926	305,191	260,157
Shareholders' equity ratio	72.8%	77.9%	78.9%
Shareholders' equity per share (Yen)	604.09	2,738.40	2,336.53

(3)Conditions of Cash Flow	Millions of Yen	
	Three months ended Dec. 31,	
	2005	2004
Net cash provided by operating activities	17,024	12,602
Net cash used in investing activities	-19,719	-10,284
Net cash provided by (used in) financing activities	-56,765	-6,537
Cash and cash equivalents at end of period	74,458	90,925

2. Projected Results for the Fourth Quarter	Millions of Yen		variance (%)
	Three months ending/ended		
	Mar.31,2006	Mar.31,2005	
Net sales	84,976	76,938	(10.4)
Operating income	23,448	19,138	(22.5)
Ordinary income	24,399	20,440	(19.4)
Net income	17,895	15,118	(18.4)
Net income per share (Yen)	40.52	135.18	-

(Notes)

1. According to the decision in a meeting of the Board of Directors held on July 20, 2005, Hoya Corporation carried out a four-for-one stock split with effect on November 15, 2005. The per share information for the term under review reflects the stock split assuming that this stock split was exercised on the beginning of the term under review, while the per share information for the previous quarter and the same period of last year do not reflect the stock split.
2. Hoya Corporation does not guarantee the accuracy or completeness of the information herein. Unless otherwise stated estimates or forecasts are solely those of our company and subject to change without notice. Hoya Corporation accepts no liability whatsoever for any direct or consequential loss arising from any use of this report.

1. Business Overview

1. Results of Operations

1) General Overview

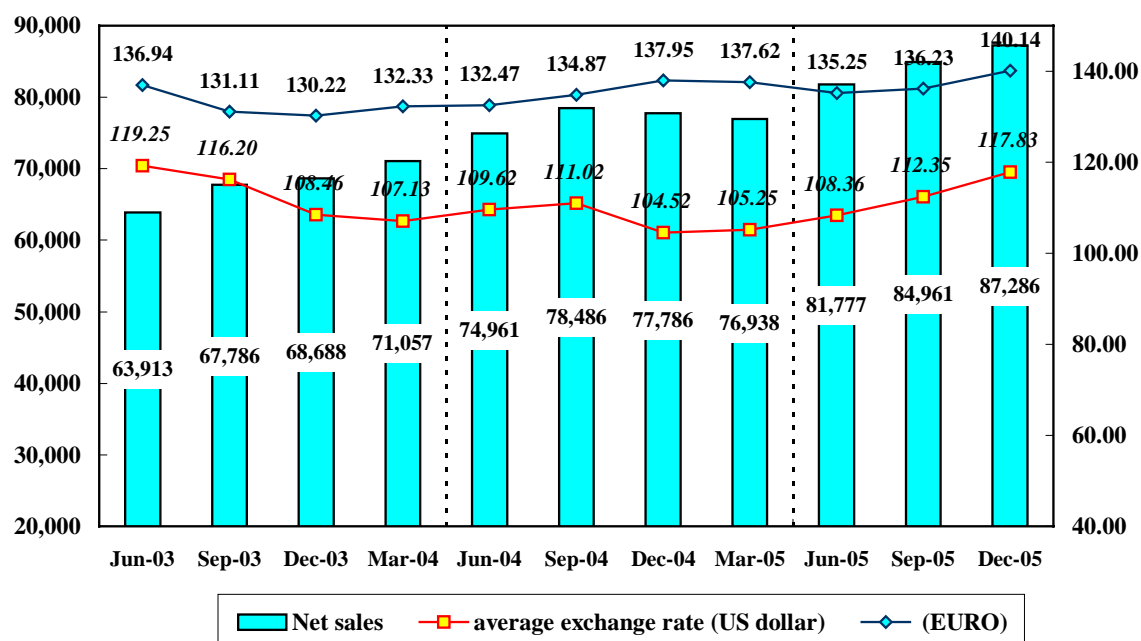
<u>Results of Operations</u>	<u>Millions of Yen</u> <u>Three months ended Dec. 31, 2005</u>
Net sales	87,286
Operating income	27,257
Ordinary income	27,162
Net income	20,120
Net income per share(Yen)	46.20

The quarter under review was marked by ongoing inventory adjustments of digital appliance products and enthusiasm in both corporate production and investment plans in anticipation of the future expansion of the market while personal consumption began to look more cheerful. The domestic stock markets have begun to demonstrate brisk movement through the increase of the individual investors.

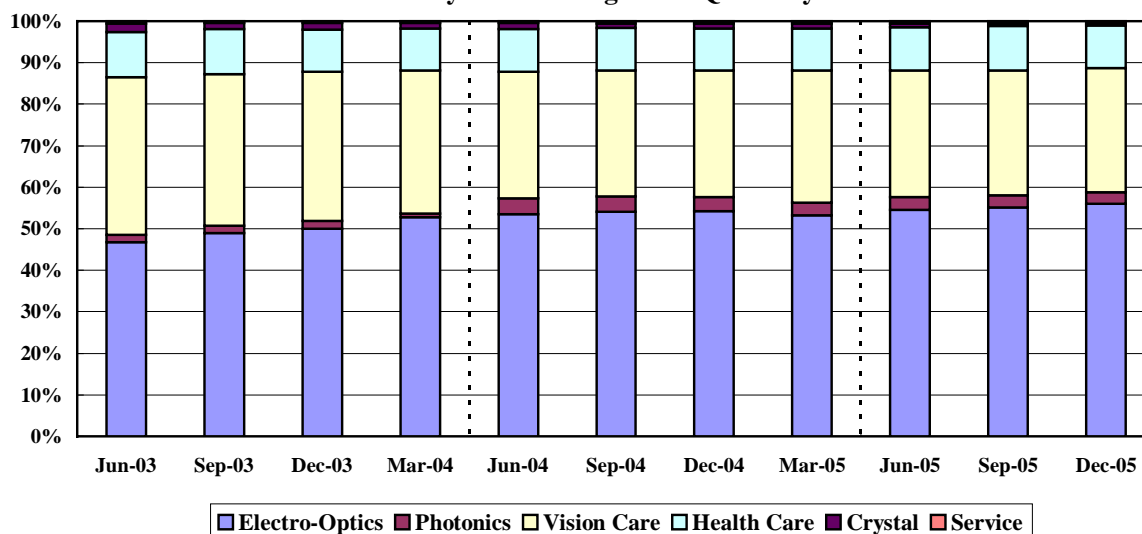
In the currency market during the quarter under review, the US dollar, euro and Thai baht appreciated by 12.7%, 1.6% and 9.5% respectively all against the yen on a year-on-year basis.

Within that context, in the HOYA group, the Electro-Optics division saw continued demand for high-precision products as clients were active in aggressive production capacity reinforcement and new product development. In the Vision Care division, both domestic and overseas eyeglass lens market enjoyed strong growth. In the Health Care division, sales were strong in high-function products. As a result, consolidated sales during the quarter under review increased 12.2% year-on-year to 87,286 million yen.

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



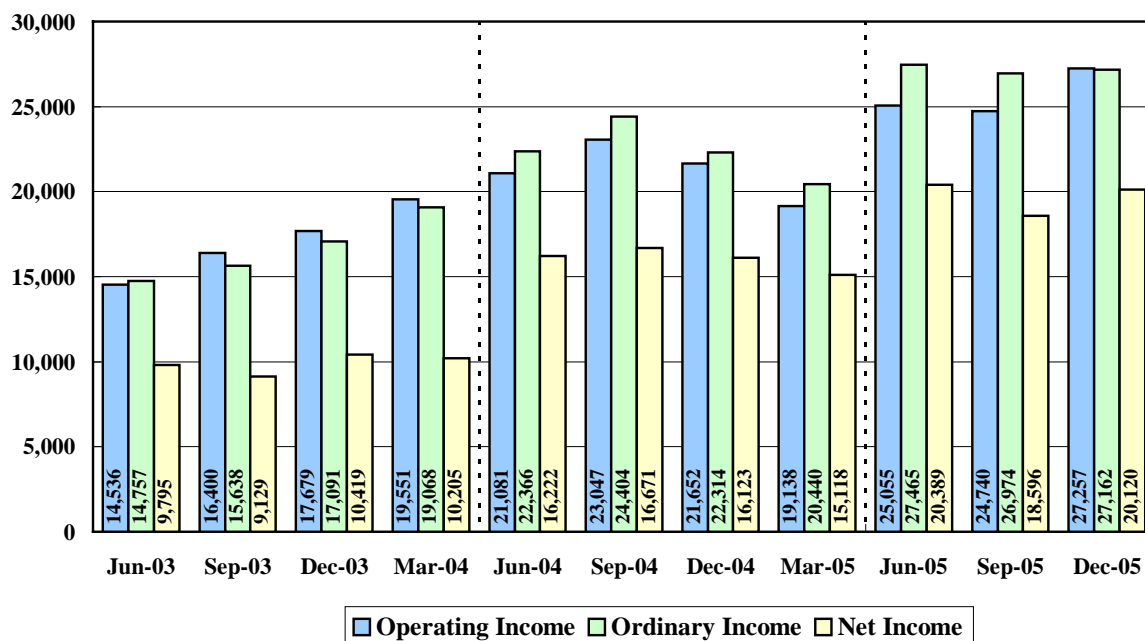
Ratio of Net Sales by Business Segment - Quarterly Transition



During the quarter under review, the Electro-Optics division saws steady orders for high-precision products. In the Eye Care sector, a boost in revenues was achieved through expanded sales of high-value-added products. For the Group overall, operating income, ordinary income and net income for the term increased 25.9%, 21.7% and 24.8%, respectively, on a year-on-year basis. Together with the net sales, operating income represented record results for the term.

Net income per share for quarter under review was 46.20yen. The Company carried out a four-for-one stock split on November 15, 2005 based on the decision in a meeting of the Board of Directors held on July 20, 2005, (For details, please refer to the Notes in this report).

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.

In photomasks for semiconductor production, sales decreased year-on-year as there was a large orders by special reason for volume products in the same period last year, while in the quarter under review there was an increase in orders from overseas market and for next-generation products such as masks for 65nm level semiconductors. In terms of LCD masks, the demand of large LCD masks were recovered as LCD panel manufacturers were active in launching new production lines, resulting in increased sales on a year-on-year basis.

In HDD (hard disk) glass disks, there was a decline in small-size disks for portable music players, which have been surging in growth, due to the utilization of other types of recording media and, given the expansion in the sales of notebook computers, 2.5-inch disks have been moving vigorously, bringing an increase in sales year-on-year.

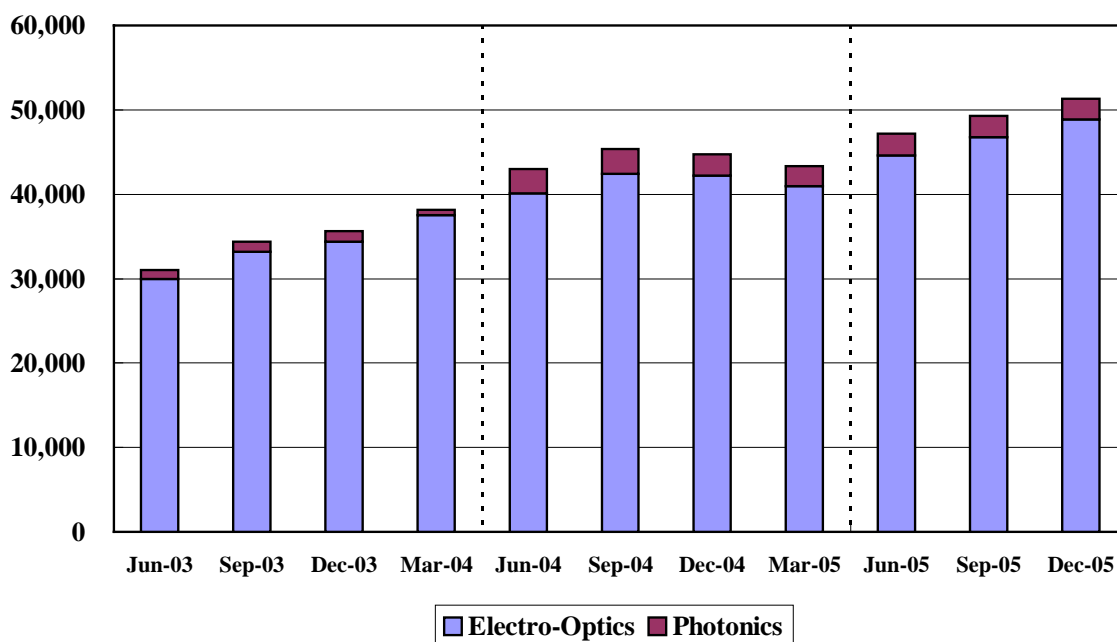
In optical lenses, growth has not been great in spite of a gradual recovery in the market for digital cameras and other products. HOYA has begun shipments for camera-equipped mobile phones and other new uses and has furthermore been promoting strategies for products with high value added properties, resulting in increased sales overall on a year-on-year basis.

Photonics

This segment covers laser-related equipment for industrial, dental and medical applications, light sources for electronics industry or special optical glasses, etc.

The reason why the sales of this segment have increased since the first quarter ended June 30, 2004 is because that some businesses was transferred from Electro-Optics to this segment as part of its corporate restructuring initiatives.

Quarterly Net Sales of Information Technology (Millions of Yen)



2. Eye Care

Vision Care

In the domestic eyeglass market, a moderate recovery has continued. At HOYA, in spite of persistently intense price competition for products in the lower price band, sales grew in the upper price band with the launch of new products onto the market and the addition of higher value to its products centered on progressive lenses. Overall, sales remained flat on a year-on-year basis.

Overseas, sales growth in all region such as Asia and Oceania, the United States and Europe, remained strong reflecting the higher value-added products promoted by HOYA. Especially there was a sign of recovery in Germany, Europe's largest market, while other markets showed an indication of growth. Aggregate sales in the term in overseas markets increased on a year-on-year basis.

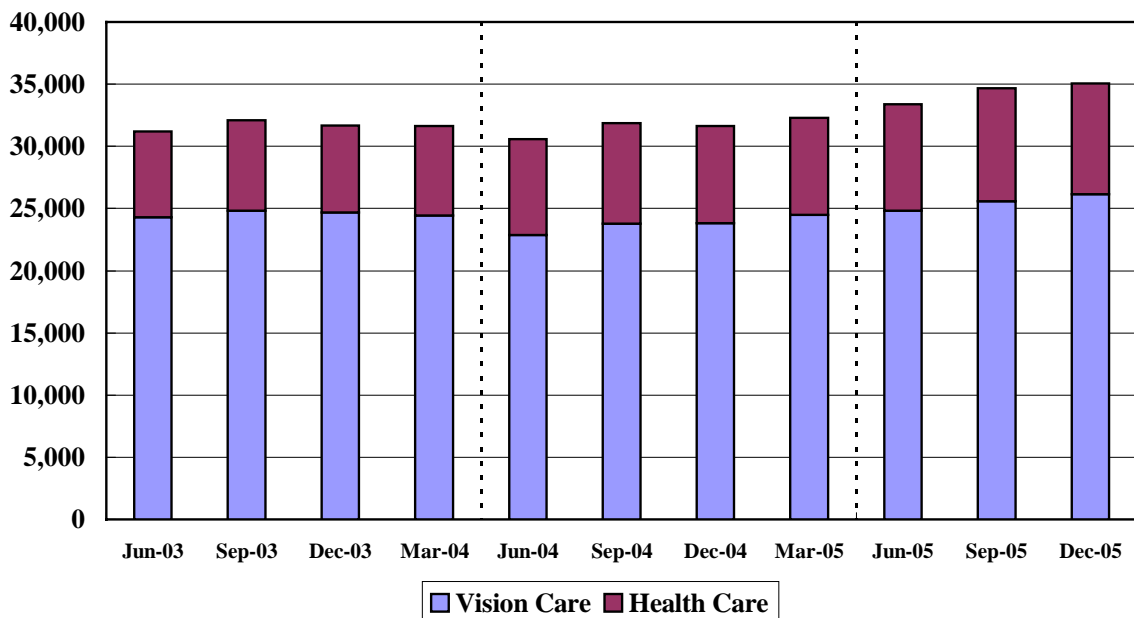
As a result, revenues of the Vision Care division as a whole increased on a year-on-year basis.

Health Care

In terms of contact lenses, in the midst of intensified price competition in the market among discount retailers, HOYA sought to differentiate itself from its competitors by continuing the establishment of new retail stores, taking advantage of its professional expertise to improve face-to-face customer services and promoting sales of multifocal lenses and other high value-added products, thereby boosting sales on a year-on-year basis.

Sales of intraocular lenses (IOL) increased on a year-on-year basis due to favorable sales of soft intraocular lenses, especially new item of yellow-lens, during the term both in Japan and overseas.

Quarterly Net Sales of Eye Care (Millions of Yen)



3. Other Businesses

Crystal

In terms of crystal, HOYA is reducing the scale of its operations in this sector as part of its business restructuring initiatives. The sales decreased on a year-on-year basis.

2. Financial Position

	<u>Millions of Yen</u> <u>As of Dec. 31, 2005</u>
Total assets	356,966
Shareholders' equity	259,926
Shareholders' equity ratio	72.8%

At the end of the quarter under review, total assets decreased Yen 34,802 million as current assets decreased Yen 48,728 million due to decrease of Yen 56,846 in cash and deposits, while fixed assets increased Yen 14,447 million from the end of the previous quarter. Shareholders' equity decreased Yen 45,265 million due to increase of treasury stock as a negative factor of Yen 63,387 in spite of increase of Yen 6,470 in retained earnings.

3. Conditions of Cash Flows

	<u>Millions of Yen</u> <u>Three months ended Dec. 31, 2005</u>
Net cash provided by operating activities	17,024
Net cash used in investing activities	-19,719
Net cash provided by (used in) financing activities	-56,765
Cash and cash equivalents at end of period	74,458

Cash flow from operating activities during the quarter under review amounted to Yen 17,024 million, which included Yen 25,962 million in quarterly income before income taxes and minority interests and Yen 7,103 in depreciation and amortization among others. The company used Yen 64,006 million for purchase of treasury stock and Yen 13,377 million for payment of dividends. The term-end balance of cash and cash equivalents decreased Yen 56,845 million from the end of previous quarter.

4. Projected Results for the Fourth Quarter

1. Year-on-year comparison	<u>Millions of Yen</u>		variance (%)
	<u>Three months ending/ended</u>		
	Mar.31,2006	Mar.31,2005	
Net sales	84,976	76,938 (	10.4)
Operating income	23,448	19,138 (	22.5)
Ordinary income	24,399	20,440 (	19.4)
Net income	17,895	15,118 (	18.4)
Net income per share (Yen)	40.52	135.18	-

(Note)

HOYA CORPORATION carried out a four-for-one stock split with effect on November 15, 2005. Consequently, number of outstanding shares increased 337,047,015 shares to 449,396,020 shares. The above forecast of net income per share for the three months ending March 31, 2006 is calculated based on the number of increased outstanding shares, while the result of the same period of last year was calculated based on the number of outstanding shares before split. For your reference, the result of the net income per share is re-calculated as per below, assuming the above stock split was exercised on the beginning of the last fiscal year:

	<u>Three months ending/ended</u>		variance (amount)
	Mar.31,2006	Mar.31,2005	
Net income per share (Yen)	40.52	33.79	6.73 Yen

2. Quarter-on-quarter comparison	<u>Three months ending/ended</u>		variance (%)
	Mar.31,2006	Dec.31,2005	
Net sales	84,976	87,286 (	-2.6)
Operating income	23,448	27,257 (	-14.0)
Ordinary income	24,399	27,162 (	-10.2)
Net income	17,895	20,120 (	-11.1)
Net income per share (Yen)	40.52	46.20	-5.68 Yen

Ref : Projected Results for the Year ending March 31, 2006

	<u>Millions of Yen</u>		variance (%)
	<u>Years ending/ended</u>		
	Mar.31,2006	Mar.31,2005	
Net sales	339,000	308,172 (	10.0)
Operating income	100,500	84,920 (	18.3)
Ordinary income	106,000	89,525 (	18.4)
Net income	77,000	64,135 (	20.1)
Net income per share (Yen)	174.19	578.84	-

(Note)

HOYA CORPORATION carried out a four-for-one stock split with effect on November 15, 2005. Consequently, number of outstanding shares increased 337,047,015 shares to 449,396,020 shares. The above forecast of net income per share for the year ending March 31, 2006 is calculated based on the number of increased outstanding shares, while the result of the last fiscal year ended March 31, 2005 was calculated based on the number of outstanding shares before split. For your reference, the result of the net income per share is re-calculated as per below, assuming the above stock split was exercised on the beginning of the last fiscal year:

	<u>Years ending/ended March 31,</u>		variance (amount)
	2006	2005	
Net income per share (Yen)	174.19	144.71	29.48 Yen

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

(2) Consolidated Financial Statements (unaudited)

1. Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	Dec. 31,2005	Sep. 30, 2005	Variance(%)	Dec. 31,2004
ASSETS				
Current assets	210,235	258,963	-18.8	214,539
Cash and deposits	74,458	131,304		90,925
Notes and accounts receivable - trade	83,759	77,485		77,180
Inventories	41,700	38,670		36,869
Deferred tax assets	6,249	7,961		5,232
Other current assets	5,534	4,981		5,775
Allowance for doubtful receivables	-1,467	-1,440		-1,443
Fixed asstes	146,657	132,210	10.9	114,971
Tangible fixed assets	116,385	106,630	9.1	92,954
Buildings and structures	28,895	26,321		23,605
Machinery and carriers	58,181	50,528		37,486
Land	8,948	8,874		9,319
Other tangible fixed assets	20,359	20,905		22,542
Intangible fixed assets	7,266	5,701	27.5	5,242
Investments and other assets	23,005	19,879	15.7	16,775
Investment securities	14,813	12,438		9,443
Deferred tax assets	3,293	2,808		2,719
Other assets	5,203	4,941		5,051
Allowance for doubtful receivables	-306	-309		-438
Deferred charges	74	594	-87.5	228
Total Assets	356,966	391,768	-8.9	329,739
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities	93,834	83,499	12.4	66,600
Notes and accounts payable - trade	28,174	27,580		28,634
Commercial Paper	20,000	-		-
Income taxes payable	10,256	11,937		8,143
Accrued bonuses to employees	2,085	4,072		1,996
Other current liabilities	33,317	39,908		27,825
Long-term liabilities	2,250	2,176	3.4	2,127
Allowance for special repairs	757	748		-
Other long-term liabilities	1,493	1,427		2,127
Total Liabilities	96,085	85,676	12.1	68,727
Minority interests	954	901	5.9	855
Common stock	6,264	6,264	-	6,264
Additional paid-in capital	15,898	15,898	-	15,898
Retained earnings	303,597	297,127	2.2	253,154
Net unrealized gain on available-for-sale securities	82	71	15.5	41
Foreign currency translation adjustments	4,812	-6,830	-170.5	-7,012
Treasury stock - at cost	-70,727	-7,340	863.6	-8,189
Total Shareholders' Equity	259,926	305,191	-14.8	260,157
Total	356,966	391,768	-8.9	329,739
notes:		<u>Millions of Yen</u>		
Accumulated depreciation	176,548	175,390		162,795
Guarantees of borrowings and lease obligations for customers	2,209	1,640		1,230
Number of shares of treasury stock (unit : stocks)	19,123,407	900,605		1,006,092

2. Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen			
	Three months ended Dec. 31,		Variance(%)	Three months ended Sep.30, 2005
	2005	2004		
Net sales	87,286	77,786	12.2	84,961
Cost of sales	40,830	39,491	3.4	44,291
Gross profit	46,456	38,295	21.3	40,669
Selling, general and administrative expenses	19,198	16,643	15.4	15,930
Operating income	27,257	21,652	25.9	24,740
Non-operating income	759	1,828	-58.5	2,757
Interest income	482	264		557
Foreign exchange gains	-	-		1,191
Equity in earnings of affiliates	110	1,304		645
Others	167	260		364
Non-operating expenses	855	1,166	-26.7	523
Interest expense	31	23		4
Sales discount	177	126		172
Foreign exchange losses	288	630		-
Others	358	387		348
Ordinary income	27,162	22,314	21.7	26,974
Extra-ordinary gains	319	103	209.7	1,415
Gain on sales of property, plant and equipment	15	45		24
Others	305	57		1,391
Extra-ordinary losses	1,518	869	74.7	4,894
Loss on impairment of long-lived assets	320	26		124
Additional retirement benefits paid to employees	383	40		851
Loss on disposal of property, plant and equipment	178	310		203
Maintenance of environment	47	86		3,538
Others	591	407		178
Income before income taxes and other items	25,963	21,548	20.5	23,494
Income taxes - Current	4,422	3,888	13.7	7,713
Income taxes - Deferred	1,388	1,506	-7.8	-2,850
Minority interests in net income	30	30	0.0	37
Net income	20,120	16,123	24.8	18,596
Net income per share(Yen)	46.20	144.82	-98.62	166.88

Notes:

- Net income per share for the term under review decreased drastically as the company carried out a four-for-one stock split on November 15, 2005 and the number of outstanding shares increased four times. For details, please refer to the Notes at the next page.
- Effect of Exchange Rate Change on Net Sales and Incomes ("2005 A" is the actual value of this period. "2005 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)

	2005 A	2005 B	influences
Net sales	87,286	85,363	1,923
Operating income	27,257	25,908	1,349
Ordinary income	27,162	25,854	1,308
Net income	20,120	18,899	1,221

3. Average rates of major foreign currencies		Three months ended Dec. 31,		Variance(%)	Three months ended Sep.30, 2005
		2005	2004		
US\$	Yen	117.83	104.52	-12.7%	112.35
Euro	Yen	140.14	137.95	-1.6%	136.23
Thail Baht	Yen	2.87	2.62	-9.5%	2.71

3. Consolidated Statements of Retained Earnings

HOYA CORPORATION and Consolidated Subsidiaries

	<u>Millions of Yen</u>			
	<u>Three months ended</u>		Variance	<u>Three months ended</u>
	Dec. 31, 2005	Dec. 31, 2004		Sep. 30, 2005
Additional paid-in capital				
Balance at the beginning of the period	15,898	15,898	-	15,898
Adjustment of retained earnings	-	-	-	-
Appropriations	-	-	-	-
Balance at the end of the period	15,898	15,898	-	15,898
Retained earnings				
Balance at the beginning of the period	297,127	243,722	53,405	278,545
Adjustment of retained earnings	20,120	16,123	3,997	18,596
Net income	20,120	16,123	3,997	18,596
Appropriations	13,651	6,693	6,958	14
1. Cash dividends	13,374	6,678	6,696	-
2. Loss on disposal of treasury stock	278	14	264	14
Balance at the end of the period	303,597	253,154	50,443	297,127

4. Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

Three months ended Dec.31,

	2005	2004	variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	25,962	21,548	4,414
Depreciation and amortization	7,103	5,341	1,762
Loss on impairment of long-lived assets	319	26	293
Provision for (reversal of) accrued allowances for doubtful receivables	0	-20	20
Provision for (reversal of) accrued bonuses to employees	-1,995	-1,838	-157
Provision for (Reversal of) reserve for periodic repairs	8	67	-59
Interest income and dividend receivable	-482	-266	-216
Interest expense payable	31	23	8
Foreign exchange loss (gain)	-323	168	-491
Equity in earnings of affiliates	-109	-1,304	1,195
Gain on sales of property, plant and equipment and investment securities	-14	-45	31
Loss on disposal of property, plant and equipment and investment securities	177	310	-133
Other	-262	89	-351
(Increase) decrease in notes and accounts receivable	-5,719	-4,142	-1,577
(Increase) decrease in inventories	-1,587	-1,737	150
(Increase) decrease in other current assets	-935	302	-1,237
Increase (decrease) in notes and accounts payable	264	1,198	-934
Increase (decrease) in income taxes payable	-234	-303	69
Increase (decrease) in other current liabilities	615	541	74
Sub total	22,817	19,958	2,859
Interest and dividend receivable	507	242	265
Interest payable	-11	-19	8
Income taxes - paid	-6,288	-7,578	1,290
Net cash provided by operating activities	17,024	12,602	4,422
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	-16,493	-9,363	-7,130
Proceeds from sales of property, plant and equipment	65	86	-21
Purchases of investment securities	-1,532	-	-1,532
Payment for loans	0	-32	32
Proceeds from loans	33	71	-38
Increase in investments and other assets	-1,819	-1,126	-693
Decrease in investments and other assets	28	79	-51
Net cash used in investing activities	-19,719	-10,284	-9,435
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term bank loans	20,000	-	20,000
Repayments of long-term bank loans	-	-150	150
Payments for purchase of treasury stock	-64,006	-16	-63,990
Proceeds from sales of treasury stock	618	311	307
Dividends paid	-13,377	-6,682	-6,695
Net cash used in financing activities	-56,765	-6,537	-50,228
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	2,614	483	2,131
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-56,845	-3,735	-53,110
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	131,304	94,660	36,644
CASH AND CASH EQUIVALENTS, END OF PERIOD	74,458	90,925	-16,467

Note : Cash and Cash Equivalents at the End of the Period

Three months ended Dec.31,

	2005	2004
Cash and deposits	74,458	90,925
Marketable securities	-	-
Total	74,458	90,925

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.
<domestic> HOYA CANDEO OPTRONICS CORPORATION, HOYA HEALTHCARE CORPORATION
2. Number of unconsolidated subsidiaries : None
3. Number of affiliates : 6 companies
(Number of affiliates accounted for by the equity method : 1 company, NH TECHNO GLASS CORPORATION)

Notes: Changes in Accounting Policies and Others

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

1) Scope of consolidation

a) In comparison to the end of the same period of last year (Dec. 31, 2004) : 6 companies increased in total.

6 companies increased due to the establishment: HOYA LENS OF NEW ORLEANS, INC. (USA)
HOYA MEDICAL EUROPE GMBH. (Germany)
HOYA HEALTHCARE (SHANGHAI) CO.,LTD. (China)
HOYA CANDEO OPTRONICS KOREA CO.,LTD. (Korea)
VISION MEMBRANE TECHNOLOGIES, INC. (USA)
Other one company (overseas)

b) In comparison to the end of previous quarter (Sep. 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) Application of the equity method

a) In comparison to the end of the same period of last year (Dec. 31, 2004) :

No change

b) In comparison to the end the previous quarter (Sep. 30, 2005) :

No change

	as of Dec.31, 2005	as of Dec. 31, 2004	variance	as of Sep.30, 2005
Consolidated subsidiaries	63 (do 6, os57)	57 (do 6, os51)	+6 (do-, os+6)	60 (do 6, os54)
Nonconsolidated subsidiaries	- (do -, os -)	- (do -, os -)	- (do -, os -)	- (do -, os -)
Affiliates	6 (do 5, os 1)	5 (do 5, os -)	+1 (do-, os+1)	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	69	62	+7	65
(accounted for by the equity method)	(1)	(1)	(-)	(1)

(do : domestic, os : overseas)

2. Changes in accounting policy :

None

Notes Relating to Investment Securities and Derivatives

1. Investment securities with market values:

(Millions of Yen)

	As of								
	Dec.31, 2005			Sep.30, 2005			Dec.31, 2004		
Available-for-sale	Cost	Fair Value	Variance	Cost	Fair Value	Variance	Cost	Fair Value	Variance
Available-for-sale :									
Marketable Equity securities	1,692	1,870	177	159	327	167	159	290	131
Government bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	1,692	1,870	177	159	327	167	159	290	131

2. Investment securities without market values:

(Millions of Yen)

	As of		
	Dec.31, 2005	Sep.30, 2005	Dec.31, 2004
Non-marketable stock of subsidiaries	11,650	11,117	8,881
Total	11,650	11,117	8,881
Non-marketable equity securities	1,016	261	271
Others	276	732	-
Total	1,292	993	271

3. Derivatives

None

Notes Relating to Income Taxes

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

	<u>Millions of Yen</u>		
	<u>As of</u>		
	<u>Dec.31, 2005</u>	<u>Sep.30, 2005</u>	<u>Dec.31, 2004</u>
(1) Current deferred tax assets and liabilities			
Deferred tax assets			
Inventories - intercompany unrealized profits	2,049	2,277	1,952
Maintenance of environment	1,414	1,753	-
Accrued bonuses to employees	801	1,564	778
Accrued enterprise taxes	418	777	391
Amortization of goodwill	-	-	595
Other	1,564	1,589	1,513
Total amount of deferred tax assets - current	6,249	7,961	5,232
(2) Non-current deferred tax assets and liabilities			
Deferred tax assets			
Amortization of goodwill and property, plant and equipment	1,938	2,005	1,927
Loss on impairment of long-lived assets	877	748	858
Allowance for doubtful receivables	109	115	153
Other	1,275	845	727
Total amount of deferred tax assets - fixed	4,201	3,715	3,666
Deferred tax liabilities			
Reserve for deferred income taxes on fixed assets	-415	-423	-445
Special depreciation reserve	-293	-277	-308
Net unrealized gain on available-for-sale securities	-33	-40	-27
Other	-165	-165	-165
Total amount of deferred tax liabilities - fixed	-907	-906	-947
Net amount of deferred tax assets - fixed	3,293	2,808	2,719

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

	<u>Three months ended</u>		
	<u>Dec.31,2005</u>	<u>Dec.31,2004</u>	<u>Sep.30,2005</u>
	40.4 %	40.4 %	40.4 %
Statutory tax rate of the Company			
(Adjustment)			
Lower income tax rates applicable to income in certain foreign countries	-18.0	-14.0	-19.1
Non-Deductible expenses such as entertainment expenses	0.3	0.3	0.2
Per capita levy of inhabitants tax and others	0.1	0.1	0.1
Non-taxable dividend income	0.0	-0.3	-0.3
Intercompany cash dividend	0.0	0.3	0.4
Equity in earnings of affiliates	-0.2	-2.4	-1.1
Tax credit on experiment and research expenses	-0.4	-0.8	-0.5
Other adjustment - net	0.2	1.4	0.5
Effective income tax rate	22.4	25.0	20.7

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 and this has been in the process of completion. During the first quarter of the fiscal year under review, 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

Millions of Yen

Three months ended

	<u>Dec.31, 2005</u>	<u>Dec.31,2004</u>	<u>Sep.30, 2005</u>
(2) Breakdown of expenses for employees' retirement benefits			
Additional retirement benefits paid to employees	383	40	851
Expenses for employees' retirement benefits	<u>383</u>	<u>40</u>	<u>851</u>

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

None

Notes Relating to Impairment of Fixed Assets

Since the 4th quarter of the last fiscal year (three months ended March 31, 2004), the Company has adopted impairment accounting for fixed assets :

(1) Group of assets applied :

Production facilities of crystal glassware at Musashi Factory, Crystal Division

Millions of Yen

(2) Breakdown of impairment

	<u>Dec.31, 2005</u>	<u>Dec.31, 2004</u>	<u>Sep.30, 2005</u>
Machinery and others	320	26	124
<u>Total</u>	<u>320</u>	<u>26</u>	<u>124</u>

(3) Segment Information (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

1. Industry Segments

For the three months ended December 31, 2005

	Millions of Yen							Elimi. or corp.*	Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	48,842	2,451	26,155	8,916	443	480	87,286	-	87,286
Intersegment	74	59	-3	-1	10	1,033	1,174	(1,174)	-
Total	48,915	2,510	26,152	8,915	454	1,514	88,460	(1,174)	87,286
Operating expenses	29,471	2,209	20,433	7,040	174	1,339	60,666	(637)	60,029
Operating income	19,444	302	5,719	1,876	278	175	27,793	(536)	27,257
Operating income ratio	39.8%	12.0%	21.9%	21.0%	61.2%	11.6%	31.4%	-	31.2%
Assets	205,710	7,502	98,581	18,417	1,169	3,262	334,643	22,323	356,966
Depreciation	5,169	27	1,654	225	0	13	7,090	13	7,103
Loss on impairment	-	-	-	-	320	-	320	-	320
Capital Expenditures	11,386	88	2,508	796	293	3	15,077	-	15,077
R&D Expenses	2,109	263	671	256	2	-	3,302	-	3,302
Number of employees (p)	15,949	188	6,847	713	93	212	24,002	50	24,052

For the three months ended December 31, 2004

	Millions of Yen							Elimi. or corp.*	Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	42,214	2,558	23,806	7,807	950	449	77,786	-	77,786
Intersegment	167	71	14	0	16	1,304	1,574	(1,574)	-
Total	42,381	2,629	23,821	7,807	966	1,754	79,361	(1,574)	77,786
Operating expenses	26,573	2,462	19,046	6,097	1,096	1,554	56,830	(696)	56,134
Operating income	15,808	166	4,775	1,709	-129	200	22,530	(878)	21,652
Operating income ratio	37.3%	6.4%	20.1%	21.9%	-13.4%	11.4%	28.4%	-	27.8%
Assets	164,117	8,336	91,024	21,322	2,198	3,068	290,067	39,672	329,739
Depreciation	3,590	36	1,430	164	-	12	5,235	106	5,341
Capital Expenditures	12,155	53	1,851	265	26	0	14,351	6	14,357
R&D Expenses	2,550	217	533	75	5	-	3,383	-	3,383
Number of employees (p)	13,372	88	6,200	582	176	259	20,677	55	20,732

Ref : Differences between the 3rd quarter of this year and the same period last year

	Millions of Yen							Elimi. or corp.*	Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	6,628	-107	2,349	1,109	-507	31	9,500	-	9,500
Variance(%)	15.7%	-4.2%	9.9%	14.2%	-53.4%	6.9%	12.2%	-	12.2%
Intersegment	-93	-12	-17	-1	-6	-271	-400	400	-
Total	6,534	-119	2,331	1,108	-512	-240	9,099	400	9,500
Operating expenses	2,898	-253	1,387	943	-922	-215	3,836	59	3,895
Operating income	3,636	136	944	167	407	-25	5,263	342	5,605
Variance(%)	23.0%	81.9%	19.8%	9.8%	-	-12.5%	23.4%	-	25.9%
Assets	41,593	-834	7,557	-2,905	-1,029	194	44,576	-17,349	27,227
Depreciation	1,579	-9	224	61	0	1	1,855	-93	1,762
Loss on impairment	-	-	-	-	294	-	294	-	294
Capital Expenditures	-769	35	657	531	267	3	726	-	720
R&D Expenses	-441	46	138	181	-3	-	-81	-	-81
Number of employees (p)	2,577	100	647	131	-83	-47	3,325	-5	3,320

*Elimi. or corp. : Eliminations or corporate

Notes:

1. Products and Services of each Business Division:

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 Communication, Optical lenses, Optical glasses, Electronic glasses, etc.
	Photonics	Laser 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, Intraocular lenses, etc.
Lifestyle Refinement	Crystal	Crystal glass products
	Service	Design of information systems, Outsourcing, etc.

2. Amounts and composition of unallocable operating expenses are included in "Eliminations or Corporate". Corporate operating expenses mainly consist of the administration expenses of the headquarters of the Company and the overseas regional headquarters, which are not allocated to each industry segment. Corporate operating expenses for the three months ended Dec. 31, 2005 and 2004 are as follows:

<u>2005</u>	525 million Yen
<u>2004</u>	630 million Yen

3. Corporate assets included in "Eliminations or Corporate" mainly consist of cash, time deposits, investments securities and administrative assets of the Company and the overseas regional headquarters. Corporate assets as of Dec. 31, 2005 and 2004 are as follows:

<u>2005</u>	28,776 million Yen
<u>2004</u>	53,194 million Yen

2. Geographic Segments

For the three months ended December 31, 2005

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	61,326	9,025	10,243	6,692	87,286	-	87,286
Intersegment	6,931	91	173	33,234	40,430	(40,430)	-
Total	68,257	9,115	10,416	39,926	127,716	(40,430)	87,286
Operating expenses	58,675	8,503	8,849	26,293	102,320	(42,291)	60,029
Operating income	9,582	613	1,568	13,633	25,396	1,862	27,257
Operating income ratio	14.0%	6.7%	15.1%	34.1%	19.9%	-	31.2%
Assets	172,257	21,002	51,118	148,290	392,669	(35,703)	356,966

For the three months ended December 31, 2004

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	58,128	7,713	8,952	2,993	77,786	-	77,786
Intersegment	4,911	27	60	23,110	28,110	(28,110)	-
Total	63,039	7,741	9,012	26,104	105,896	(28,110)	77,786
Operating expenses	52,221	7,878	7,133	17,798	85,032	(28,898)	56,134
Operating income	10,817	-137	1,878	8,305	20,864	788	21,652
Operating income ratio	17.2%	-1.8%	20.8%	31.8%	19.7%	-	27.8%
Assets	175,708	19,001	31,355	99,470	325,535	4,204	329,739

Ref: Differences between the 3rd quarter 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	3,198	1,312	1,291	3,699	9,500	-	9,500
Variance(%)	5.5%	17.0%	14.4%	123.6%	12.2%	-	12.2%
Intersegment	2,020	64	113	10,124	12,320	-12,320	-
Total	5,218	1,374	1,404	13,822	21,820	-12,320	9,500
Operating expenses	6,454	625	1,716	8,495	17,288	-13,393	3,895
Operating income	-1,235	750	-310	5,328	4,532	1,074	5,605
Variance(%)	-11.4%	-547.4%	-16.5%	64.2%	21.7%	-	25.9%
Assets	-3,451	2,001	19,763	48,820	67,134	-39,907	27,227

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, Canada, etc.
 - Europe: Netherlands, Germany, United Kingdom, etc.
 - Asia: Singapore, Thailand, China, Republic of Korea, Taiwan, etc.
- 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 Dec. 31. 2005 and 2004 are as follows:

<u>2005</u>	455 million Yen	<u>2004</u>	465 million Yen
-------------	-----------------	-------------	-----------------
- Corporate assets included in "Eliminations or Corporate" mainly consist of cash, time deposits, investments securities and administrative assets of the Company and the overseas regional headquarters. Corporate assets as of Dec. 31, 2005 and 2004 are as follows:

<u>2005</u>	69,332 million Yen	<u>2004</u>	47,887 million Yen
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3. Sales to Foreign Customers

For the three months ended December 31, 2005

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	10,025	10,747	23,502	2	44,275
Total Consolidated Net Sales (B)					87,286
Overseas Sales ratio (A/B)	11.5%	12.3%	26.9%	0.0%	50.7%
Regional Sales ratio	22.6%	24.3%	53.1%	0.0%	100.0%

For the three months ended December 31, 2004

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	10,933	9,463	15,542	2	35,940
Total Consolidated Net Sales (B)					77,786
Overseas Sales ratio (A/B)	14.0%	12.2%	20.0%	0.0%	46.2%
Regional Sales ratio	30.4%	26.3%	43.3%	0.0%	100.0%

Ref: Differences between the 3rd quarter of this year and the same period last year

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	-908	1,284	7,960	0	8,335
Total Consolidated Net Sales (B)					9,500
Overseas Sales ratio (A/B)	-8.3%	13.6%	51.2%	-	23.2%

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, Thailand, Republic of Korea, Taiwan, etc.
Other:	Saudi Arabia, Brazil, etc.

(4) Composition of Net Sales by Business Category

HOYA CORPORATION and Consolidated Subsidiaries

(Unaudited)

Business Category Company	Millions of yen, (%), [%]					
	Three months ended Dec. 31,		Variance		Three months ended	
	2005	2004	Amount	%	Sep.30, 2005	
Electro-Optics						
Domestic	23,393 (47.9)	22,329 (52.9)	1,064	4.8	24,189 (51.7)	
Overseas	25,449 (52.1)	19,885 (47.1)	5,564	28.0	22,595 (48.3)	
total	48,842 [56.0]	42,214 [54.3]	6,628	15.7	46,784 [55.1]	
Photonics						
Domestic	1,400 (57.1)	1,581 (61.8)	-181	-11.4	1,286 (51.2)	
Overseas	1,051 (42.9)	977 (38.2)	74	7.6	1,226 (48.8)	
total	2,451 [2.8]	2,558 [3.3]	-107	-4.2	2,512 [2.9]	
Information Technology						
Domestic	24,792 (48.3)	23,911 (53.4)	881	3.7	25,475 (51.7)	
Overseas	26,500 (51.7)	20,862 (46.6)	5,638	27.0	23,822 (48.3)	
total	51,293 [58.8]	44,773 [57.6]	6,520	14.6	49,297 [58.0]	
Vision Care						
Domestic	8,811 (33.7)	9,074 (38.1)	-263	-2.9	9,538 (37.2)	
Overseas	17,344 (66.3)	14,732 (61.9)	2,612	17.7	16,069 (62.8)	
total	26,155 [30.0]	23,806 [30.6]	2,349	9.9	25,607 [30.1]	
Health Care						
Domestic	8,565 (96.1)	7,622 (97.6)	943	12.4	8,837 (97.3)	
Overseas	350 (3.9)	185 (2.4)	165	89.2	242 (2.7)	
total	8,916 [10.2]	7,807 [10.0]	1,109	14.2	9,079 [10.7]	
Eye Care						
Domestic	17,377 (49.5)	16,696 (52.8)	681	4.1	18,375 (53.0)	
Overseas	17,693 (50.5)	14,917 (47.2)	2,776	18.6	16,311 (47.0)	
total	35,070 [40.2]	31,614 [40.6]	3,456	10.9	34,686 [40.8]	
Crystal						
Domestic	361 (81.5)	789 (83.1)	-428	-54.2	332 (69.2)	
Overseas	81 (18.5)	161 (16.9)	-80	-49.7	148 (30.8)	
total	443 [0.5]	950 [1.2]	-507	-53.4	480 [0.6]	
Service						
Domestic	480 (100.0)	449 (100.0)	31	6.9	498 (100.0)	
Overseas	- (-)	- (0.0)	0	-	- (-)	
total	480 [0.5]	449 [0.6]	31	6.9	498 [0.6]	
Others						
Domestic	842 (91.2)	1,238 (88.5)	-396	-32.0	830 (84.9)	
Overseas	81 (8.8)	161 (11.5)	-80	-49.7	148 (15.1)	
total	923 [1.0]	1,399 [1.8]	-476	-34.0	978 [1.2]	
Total Net Sales						
Domestic	43,011 (49.3)	41,846 (53.8)	1,165	2.8	44,680 (52.6)	
Overseas	44,275 (50.7)	35,940 (46.2)	8,335	23.2	40,281 (47.4)	
Total	87,286 [100.0]	77,786 [100.0]	9,500	12.2	84,961 [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.