



January 20, 2006

Financial Highlights for the Nine 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 nine months ended Dec. 31, 2005 and 2004

	Millions of Yen		variance (%)
	Nine months ended Dec. 31, 2005	2004	
(1)Results of Operations			
Net sales	254,024	231,234	(9.9)
Operating income	77,052	65,781	(17.1)
Ordinary income	81,601	69,085	(18.1)
Net income	59,105	49,017	(20.6)
Net income per share(Yen)	133.64	443.74	

Notes : No changes have been made in accounting policy.

	Millions of Yen		
	As of Dec. 31, 2005	As of March 31, 2005	As of Dec. 31, 2004
(2)Financial Position			
Total assets	356,966	351,482	329,739
Shareholders' equity	259,926	277,889	260,157
Shareholders' equity ratio	72.8%	79.1%	78.9%
Shareholders' equity per share (Yen)	604.09	2,494.37	2,336.53

	Millions of Yen	
	Nine months ended Dec. 31, 2005	2004
(3)Conditions of Cash Flow		
Net cash provided by operating activities	64,585	48,215
Net cash used in investing activities	-40,116	-28,476
Net cash provided by (used in) financing activities	-66,482	-12,176
Cash and cash equivalents at end of period	74,458	90,925

	Millions of Yen		variance (%)
	Year ending/ended March 31, 2006	2005	
2. Projected Results for the Year ending March 31, 2006			
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	

(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 fiscal year 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

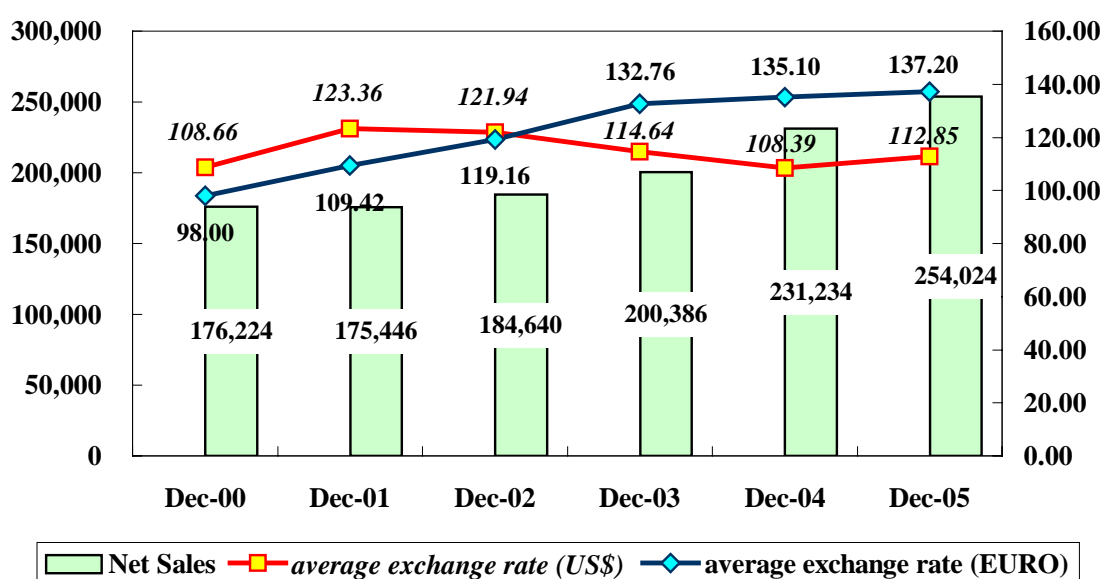
<u>Results of Operations</u>	<u>Millions of Yen</u>
	<u>Nine months ended Dec. 31, 2005</u>
Net sales	254,024
Operating income	77,052
Ordinary income	81,601
Net income	59,105
Net income per share(Yen)	133.64

During the term under review, there were ongoing inventory adjustments of digital appliance products, which had been the driving force in the economy, and signs were evident of a recovery in production centered in new products. With "the economy breaking away from the lull" as pointed out by the government and an upward revision in overall assessment, corporate capital investment plans are on the upswing and, prompted by an improvement in employment, personal consumption is also beginning to look brighter.

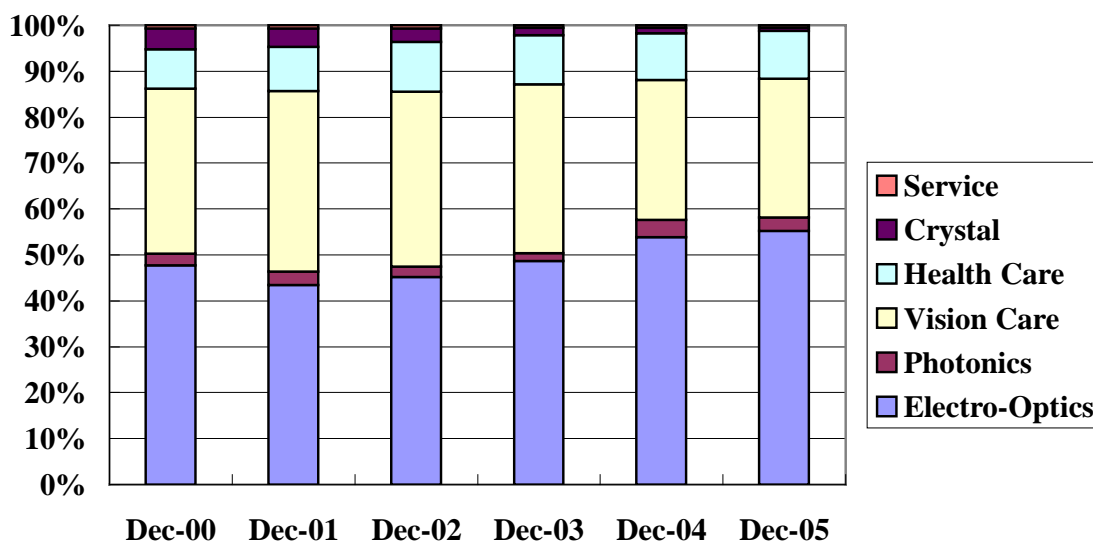
In the currency market during the nine-month term under review, the US dollar, euro and Thai baht appreciated by 4.1%, 1.6% and 3.4% respectively all against the yen, on a year-on-year basis.

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 term under review increased 9.9% year-on-year to 254,024 million yen.

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



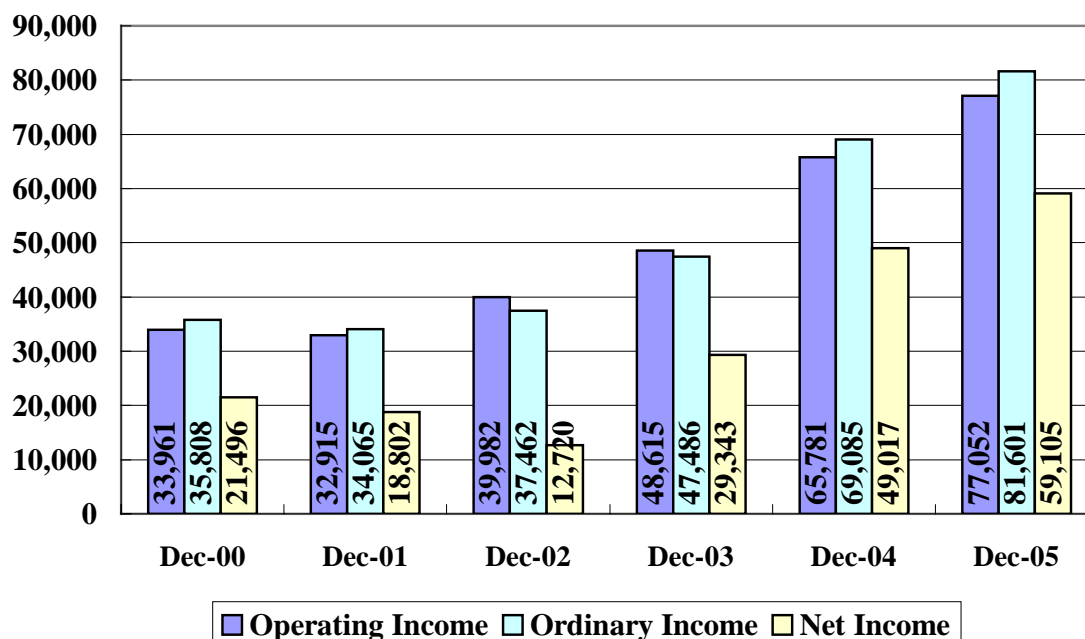
Ratio of Net Sales by Business Segment - Nine months ended Dec.31



During the term under review, the Electro-Optics division saw 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 17.1%, 18.1% and 20.6%, respectively, on a year-on-year basis. Together with the net sales, all three represented record results for the term.

Net income per share for the nine-month period was 133.64yen. 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).

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

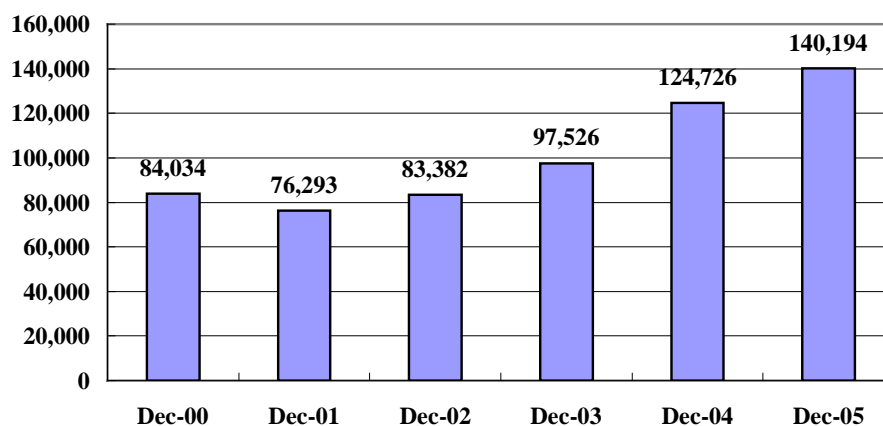


2) Segment Overview

1. Information Technology

Electro-Optics

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



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

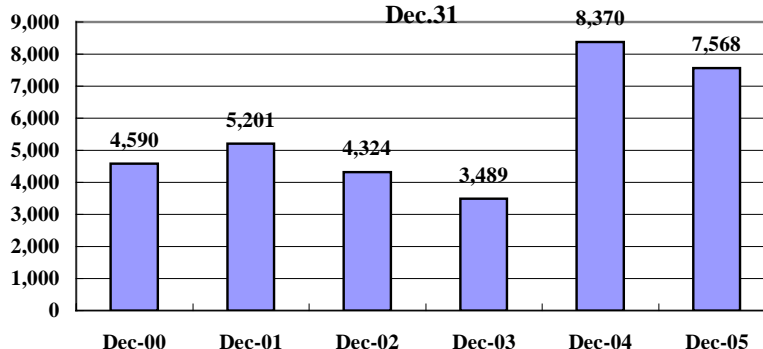
In photomasks for semiconductor production, sales remained flat year-on-year while orders from overseas market and for next-generation products such as masks for 65nm level semiconductors increased. In terms of LCD masks, the demand of large LCD masks were healthy as LCD panel manufacturers launched new production lines and the development of new models remained vigorous, 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. As a result, sales increased on a year-on-year bases.

Photonics

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

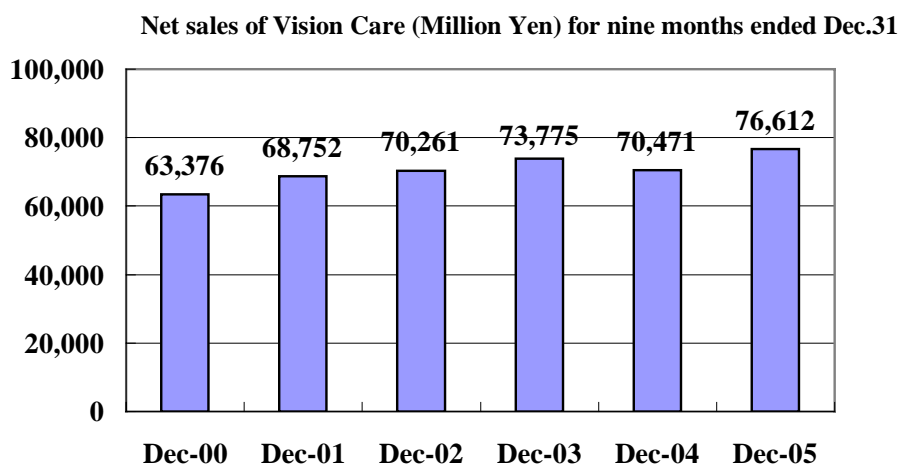


This segment covers laser-related equipment for industrial, dental and medical applications, light sources for electronics industry or special optical glasses, etc.

The reason why the sales of this segment have jumped up on the term ended December 31, 2004 is because that some businesses was transferred from Electro-Optics to this segment as part of its corporate restructuring initiatives.

2. Eye Care

Vision Care

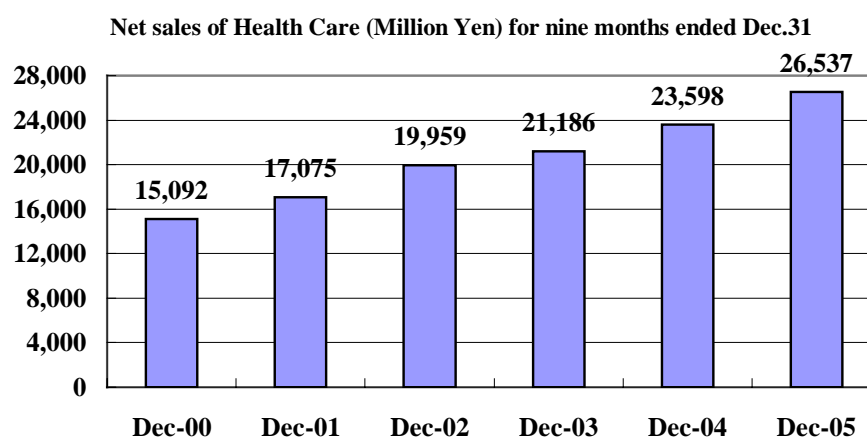


In the domestic eyeglass market, a moderate recovery has continued. At HOYA, in spite of persistently intense price competition for products in the lower price band, sales grew in the upper price band with the launch of new products onto the market and the addition of higher value to its products centered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

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 nine months under review, total assets increased Yen 5,484 million as fixed assets increased Yen 28,369 million, while current assets decreased Yen 22,636 million from the end of the previous fiscal year. Shareholders' equity decreased Yen 17,963 million due to increase of treasury stock as a negative factor of Yen 62,849 in spite of increase of Yen 35,342 in retained earnings.

3. Conditions of Cash Flows

	<u>Millions of Yen</u> <u>Nine months ended Dec. 31, 2005</u>
Net cash provided by operating activities	64,585
Net cash used in investing activities	-40,116
Net cash provided by (used in) financing activities	-66,482
Cash and cash equivalents at end of period	74,458

Cash flow from operating activities amounted to Yen 64,585million, comprised Yen 76,408 million in income before income taxes and minority interests and Yen 18,430 in depreciation and amortization among others. Cash flow from investing activities amounted to Yen 40,116 million in cash payments that were mainly used for investment in order to handle next-generation products. Free cash flow amounted to Yen 24,469 million, and used Yen 64,028 million for purchase of treasury stock and Yen 23,402 million for payment of dividends. The term-end balance of cash and cash equivalents decreased Yen 38,415 million from the end of the previous fiscal year.

4. Projected Results for the Year ending March 31, 2006

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

Ref : Projected results for the 4th quarter

	<u>Millions of Yen</u>		variance (%)
	<u>Three months ending/ended March 31,</u>		
	2006	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 as mentioned in the above note. In the same way as above, the result of the net income per share for the same period last year is re-calculated as per below, assuming the above stock split was exercised on the beginning of the same period last year:

	<u>Three months ending/ended March 31,</u>		variance
	2006	2005	(amount)
Net income per share (Yen)	40.52	33.79	6.73 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	Mar. 31, 2005	Variance(%)	Dec. 31,2004
ASSETS				
Current assets	210,235	232,871	-9.7	214,539
Cash and deposits	74,458	112,874		90,925
Notes and accounts receivable - trade	83,759	73,619		77,180
Inventories	41,700	36,165		36,869
Deferred tax assets	6,249	6,500		5,232
Other current assets	5,534	4,947		5,775
Allowance for doubtful receivables	-1,467	-1,235		-1,443
Fixed asstes	146,657	118,288	24.0	114,971
Tangible fixed assets	116,385	95,158	22.3	92,954
Buildings and structures	28,895	25,114		23,605
Machinery and carriers	58,181	45,016		37,486
Land	8,948	8,937		9,319
Other tangible fixed assets	20,359	16,090		22,542
Intangible fixed assets	7,266	5,489	32.4	5,242
Investments and other assets	23,005	17,640	30.4	16,775
Investment securities	14,813	10,383		9,443
Deferred tax assets	3,293	3,097		2,719
Other assets	5,203	4,461		5,051
Allowance for doubtful receivables	-306	-301		-438
Deferred charges	74	322	-77.0	228
Total Assets	356,966	351,482	1.6	329,739
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities	93,834	70,792	32.5	66,600
Notes and accounts payable - trade	28,174	24,452		28,634
Short-term bank loans	-	194		-
Commercial Paper	20,000	-		-
Income taxes payable	10,256	10,022		8,143
Accrued bonuses to employees	2,085	3,917		1,996
Other current liabilities	33,317	32,204		27,825
Long-term liabilities	2,250	1,970	14.2	2,127
Allowance for special repairs	757	542		-
Other long-term liabilities	1,493	1,427		2,127
Total Liabilities	96,085	72,762	32.1	68,727
Minority interests	954	830	14.9	855
Common stock	6,264	6,264	-	6,264
Additional paid-in capital	15,898	15,898	-	15,898
Retained earnings	303,597	268,255	13.2	253,154
Net unrealized gain on available-for-sale securities	82	37	121.6	41
Foreign currency translation adjustments	4,812	-4,687	-202.7	-7,012
Treasury stock - at cost	-70,727	-7,878	797.8	-8,189
Total Shareholders' Equity	259,926	277,889	-6.5	260,157
Total	356,966	351,482	1.6	329,739
notes:		<u>Millions of Yen</u>		
Accumulated depreciation	176,548	166,344		162,795
Guarantees of borrowings and lease obligations for customers	2,209	1,369		1,230
Number of shares of treasury stock (unit:stocks)	19,123,407	967,762		1,006,092

2. Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen			
	Nine months ended Dec. 31,		Variance(%)	Year ended
	2005	2004		Mar.31, 2005
Net sales	254,024	231,234	9.9	308,172
Cost of sales	125,193	117,331	6.7	158,023
Gross profit	128,830	113,903	13.1	150,148
Selling, general and administrative expenses	51,777	48,122	7.6	65,228
Operating income	77,052	65,781	17.1	84,920
Non-operating income	6,050	4,924	22.9	6,623
Interest income	1,456	693		1,013
Foreign exchange gains	1,478	102		875
Equity in earnings of affiliates	1,886	3,304		3,707
Others	1,229	823		1,026
Non-operating expenses	1,501	1,620	-7.3	2,017
Interest expense	101	85		86
Sales discount	512	383		552
Others	887	1,150		1,378
Ordinary income	81,601	69,085	18.1	89,525
Extra-ordinary gains	1,803	449	301.6	719
Gain on sales of property, plant and equipment	57	129		194
Others	1,746	319		524
Extra-ordinary losses	6,996	3,365	107.9	6,779
Maintenance of environment	3,585	1,187		1,980
Additional retirement benefits paid to employees	1,526	765		842
Loss on impairment of long-lived assets	447	83		859
Loss on disposal of property, plant and equipment	394	672		948
Loss on closure of plant	-	-		1,263
Others	1,043	656		885
Income before income taxes and other items	76,408	66,169	15.5	83,466
Income taxes - Current	16,937	14,870	13.9	18,690
Income taxes - Deferred	266	2,150	-87.6	531
Minority interests in net income	98	130	-24.6	108
Net income	59,105	49,017	20.6	64,135
Net income per share(Yen)	133.64	443.74	-310.10	578.84

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	254,024	251,414	2,610
Operating income	77,052	75,673	1,379
Ordinary income	81,601	80,247	1,354
Net income	59,105	57,862	1,243

3. Average rates of major foreign currencies:		Nine months ended Dec. 31,		Variance(%)	Year ended
		2005	2004		Mar.31, 2005
US\$	Yen	112.85	108.39	-4.1%	107.60
Euro	Yen	137.20	135.10	-1.6%	135.73
Thail Baht	Yen	2.75	2.66	-3.4%	2.68

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 term under review reflects the stock split assuming that the above stock split was exercised on the beginning of the term under review. The per share information for the same period last year and previous fiscal year is actual result and not adjusted. For your reference, per share information for the same period last year and previous fiscal year which is re-calculated assuming that the above stock split was exercised on the beginning of each term is as follows :

	<u>Nine months ended Dec. 31,</u>		Variance	<u>Year ended Mar. 31,</u>
	2005	2004		2005
Shareholders' equity per share (Yen)	604.09	584.13	19.96	623.59
Basic net income per share (Yen)	133.64	110.93	22.71	144.71
Diluted net income per share (Yen)	133.24	110.67	22.57	144.38

Notes Relating to Purchase of Treasury Stock

HOYA CORPORATION has completed the acquisition of the Treasury Stock, resolved at the Board of Directors meeting held on October 20, 2005 in accordance with Article 211-3, Section 1-2 of the Commercial Code of Japan.

- | | |
|-------------------------------------|--|
| 1. Period of the purchase | From November 15, 2005 to December 1, 2005 |
| 2. Total number of shares purchased | 15,686,800 shares |
| 3. Total cost of acquisition | 63,999,973,000 Yen |
| 4. Method of the purchase | Purchase on the Tokyo Stock Exchange |

(Note)

Decision of the Board of Directors meeting held on October 20, 2005 is as follows:

Type of shares to be purchased:	Common shares of the Company
Number of shares to be purchased:	16,000,000 shares (Maximum)
Value of the purchase:	64,000 million yen (Maximum)
Period of the purchase:	From October 21, 2005 to December 20, 2005

3. Consolidated Statements of Retained Earnings

HOYA CORPORATION and Consolidated Subsidiaries

	<u>Millions of Yen</u>			<u>Year ended</u> <u>Mar. 31, 2005</u>
	<u>Nine months ended</u>		<u>Variance</u>	
	<u>Dec.31,2005</u>	<u>Dec.31,2004</u>		
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	268,255	247,175	21,080	247,175
Adjustment of retained earnings	59,105	49,017	10,088	64,135
Net income	59,105	49,017	10,088	64,135
Appropriations	23,763	43,039	-19,276	43,056
1. Cash dividends	23,398	12,241	11,157	12,241
2. Bonuses to directors	65	63	2	62
3. Cancellation of treasury stock	-	30,702	-30,702	30,702
4. Loss on disposal of treasury stock	300	32	268	49
Balance at the end of the period	303,597	253,154	50,443	268,255

4. Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	<u>Millions of Yen</u>		
	<u>Nine months ended Dec.31,</u>		
	2005	2004	variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	76,408	66,169	10,239
Depreciation and amortization	18,430	15,464	2,966
Loss on impairment of long-lived assets	447	83	364
Provision for (reversal of) accrued allowances for doubtful receivables	209	-5	214
Provision for (reversal of) accrued bonuses to employees	-1,842	-1,725	-117
Provision for (Reversal of) reserve for periodic repairs	214	204	10
Interest income and dividend receivable	-1,461	-701	-760
Interest expense payable	101	85	16
Foreign exchange loss (gain)	-671	-85	-586
Equity in earnings of affiliates	-1,886	-3,304	1,418
Gain on sales of property, plant and equipment and investment securities	-57	-129	72
Loss on disposal of property, plant and equipment and investment securities	394	672	-278
Bonus to directors	-65	-63	-2
Other	-2,161	338	-2,499
(Increase) decrease in notes and accounts receivable	-9,457	-9,136	-321
(Increase) decrease in inventories	-3,762	-3,588	-174
(Increase) decrease in other current assets	-1,617	1,589	-3,206
Increase (decrease) in notes and accounts payable	3,993	2,722	1,271
Increase (decrease) in income taxes payable	916	-426	1,342
Increase (decrease) in other current liabilities	1,971	761	1,210
Sub total	80,103	68,926	11,177
Interest and dividend receivable	1,526	680	846
Interest payable	-70	-98	28
Income taxes - paid	-16,973	-21,292	4,319
Net cash provided by operating activities	64,585	48,215	16,370
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	-37,131	-26,429	-10,702
Proceeds from sales of property, plant and equipment	221	171	50
Purchases of investment securities	-1,532	-10	-1,522
Payment for loans	-2	-96	94
Proceeds from loans	93	164	-71
Increase in investments and other assets	-3,247	-2,522	-725
Decrease in investments and other assets	1,483	245	1,238
Net cash used in investing activities	-40,116	-28,476	-11,640
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term bank loans	19,792	-348	20,140
Repayments of long-term bank loans	-	-161	161
Payments for purchase of treasury stock	-64,028	-32	-63,996
Proceeds from sales of treasury stock	1,156	613	543
Dividends paid	-23,402	-12,245	-11,157
Dividends paid for minority shareholders	-1	0	-1
Net cash used in financing activities	-66,482	-12,176	-54,306
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	3,597	2,936	661
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-38,415	10,499	-48,914
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	112,874	80,425	32,449
CASH AND CASH EQUIVALENTS, END OF PERIOD	74,458	90,925	-16,467

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 fiscal year (March 31, 2005) : 5 companies increased in total.

5 companies increased due to the establishment: 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)

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 fiscal year (March 31, 2005) :

No change

	as of Dec.31, 2005	as of Dec. 31, 2004	variance	as of Mar.31, 2005
Consolidated subsidiaries	63 (do 6, os57)	57 (do 6, os51)	+6 (do-, os+6)	58 (do 6, os52)
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	63
(accounted for by the equity method)	(1)	(1)	(-)	(1)

(do : domestic, os : overseas)

2. Changes in accounting policy :

None

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>Nine months ended Dec.31,</u> <u>2005</u>	<u>2004</u>	<u>Year ended</u> <u>Mar.31,2005</u>
Cash and deposits	74,458	90,925	112,874
Marketable securities	-	-	-
Total	<u>74,458</u>	<u>90,925</u>	<u>112,874</u>

2. Details of Important Non-financial Trading

<u>Nine months ended Dec.31, 2005</u>	<u>Millions of Yen</u>
None	
<u>Nine months ended Dec.31, 2004</u>	
Cancellation of treasury stock (3,775,400 shares with effect on June 1, 2004)	30,702
<u>Year ended Mar. 31, 2005</u>	
Cancellation of treasury stock (3,775,400 shares with effect on June 1, 2004)	30,702

Notes Relating to Investment Securities and Derivatives

1. Investment securities with market values:

(Millions of Yen)

	As of								
	<u>Dec.31, 2005</u>			<u>Mar.31, 2005</u>			<u>Dec.31, 2004</u>		
	Cost	Fair Value	Variance	Cost	Fair Value	Variance	Cost	Fair Value	Variance
Available-for-sale									
Available-for-sale :									
Marketable Equity securities	1,692	1,870	177	159	308	148	159	290	131
Government bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	1,692	1,870	177	159	308	148	159	290	131

2. Investment securities without market values:

(Millions of Yen)

	As of		
	<u>Dec.31, 2005</u>	<u>Mar.31, 2005</u>	<u>Dec.31, 2004</u>
	Non-marketable stock of subsidiaries	11,650	9,486
Total	11,650	9,486	8,881
Non-marketable equity securities	1,016	274	271
Others	276	314	-
Total	1,292	588	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>Mar.31, 2005</u>	<u>Dec.31, 2004</u>
(1) Current deferred tax assets and liabilities			
Deferred tax assets			
Inventories - intercompany unrealized profits	2,049	2,166	1,952
Maintenance of environment	1,414	323	-
Accrued bonuses to employees	801	1,529	778
Accrued enterprise taxes	418	691	391
Amortization of goodwill	-	285	595
Other	1,564	1,505	1,513
Total amount of deferred tax assets - current	<u>6,249</u>	<u>6,500</u>	<u>5,232</u>
(2) Non-current deferred tax assets and liabilities			
Deferred tax assets			
Amortization of goodwill and property, plant and equipment	1,938	1,876	1,927
Loss on impairment of long-lived assets	877	861	-
Allowance for doubtful receivables	109	117	153
Loss on closure of plant	-	510	-
Other	1,275	681	727
Total amount of deferred tax assets - fixed	<u>4,201</u>	<u>4,047</u>	<u>3,666</u>
Deferred tax liabilities			
Reserve for deferred income taxes on fixed assets	-415	-434	-445
Special depreciation reserve	-293	-313	-308
Net unrealized gain on available-for-sale securities	-33	-35	-27
Other	-165	-165	-165
Total amount of deferred tax liabilities - fixed	<u>-907</u>	<u>-949</u>	<u>-947</u>
Net amount of deferred tax assets - fixed	<u>3,293</u>	<u>3,097</u>	<u>2,719</u>

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

	<u>Nine months ended Dec. 31,</u>		<u>Year ended</u>
	<u>2005</u>	<u>2004</u>	<u>Mar.31,2005</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	-17.4	-13.0	-13.8
Expenses not permanently deductible for income tax purposes	0.3	0.3	0.4
Per capita portion	0.1	0.1	0.1
Non-taxable dividend income	-2.3	-3.2	-2.6
Intercompany cash dividend and transactions	2.3	3.2	0.8
Equity in earnings of affiliates	-1.0	-2.0	-1.8
Tax credit on experiment and research expenses	-0.5	-0.7	-0.8
Other adjustment - net	0.6	0.6	0.3
Effective income tax rate	<u>22.5</u>	<u>25.7</u>	<u>23.0</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 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

(2) Breakdown of expenses for employees' retirement benefits

Additional retirement benefits paid to employees

Expenses for employees' retirement benefits

<u>Millions of Yen</u>		
	<u>Nine months ended Dec.31</u>	<u>Year ended</u>
	<u>2005</u>	<u>2004</u>
		<u>Mar.31,2005</u>
	1,526	765
	<u>1,526</u>	<u>765</u>
		<u>842</u>
		<u>842</u>

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

None

Notes Relating to Impairment of Fixed Assets

The Company has adopted impairment accounting for fixed assets :

1. Crystal Division

(1) Group of assets applied :

Production facilities of crystal glassware at Musashi Factory, Crystal Division

(2) Breakdown of impairment

	<u>Millions of Yen</u>		
	<u>Nine months ended Dec. 31,</u>		<u>Year ended</u>
	<u>2005</u>	<u>2004</u>	<u>Mar.31,2005</u>
Machinery and others	447	83	92
Total	<u>447</u>	<u>83</u>	<u>92</u>

2. Photonics Division

(1) Group of assets applied :

Production facilities of photonics products at Maebashi Factory, HOYA CANDEO OPTRONICS CORPORATION

(2) Breakdown of impairment

	<u>Millions of Yen</u>		
	<u>Nine months ended Dec. 31,</u>		<u>Year ended</u>
	<u>2005</u>	<u>2004</u>	<u>Mar.31,2005</u>
Land	-	-	449
Buildings and Others	-	-	317
Total	<u>-</u>	<u>-</u>	<u>766</u>

(3) Segment Information (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

1. Industry Segments

For the nine months ended December 31, 2005

	Millions of Yen								Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total	Elimi. or corp.*	
Net sales:									
To outside customers	140,194	7,568	76,612	26,537	1,683	1,428	254,024	-	254,024
Intersegment	677	199	1	-1	27	3,388	4,295	(4,295)	-
Total	140,871	7,768	76,614	26,536	1,711	4,817	258,319	(4,295)	254,024
Operating expenses	84,555	7,076	61,441	20,358	1,695	4,310	179,438	(2,466)	176,971
Operating income	56,316	692	15,172	6,178	15	506	78,880	(1,828)	77,052
Operating income ratio	40.0%	8.9%	19.8%	23.3%	0.9%	10.5%	30.5%	-	30.3%
Assets	205,710	7,502	98,581	18,417	1,169	3,262	334,643	22,323	356,966
Depreciation	13,035	74	4,638	601	0	40	18,391	39	18,430
Loss on impairment	-	-	-	-	447	-	447	-	447
Capital Expenditures	28,878	139	5,943	1,433	421	22	36,838	27	36,865
R&D Expenses	6,415	781	1,870	702	20	-	9,790	-	9,790
Number of employees (p)	15,949	188	6,847	713	93	212	24,002	50	24,052

For the nine months ended December 31, 2004

	Millions of Yen								Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total	Elimi. or corp.*	
Net sales:									
To outside customers	124,726	8,370	70,471	23,598	2,841	1,226	231,234	-	231,234
Intersegment	467	166	16	0	43	3,812	4,506	(4,506)	-
Total	125,193	8,536	70,487	23,598	2,884	5,039	235,741	(4,506)	231,234
Operating expenses	76,474	7,608	57,624	18,065	2,987	4,521	167,280	(1,827)	165,453
Operating income	48,719	928	12,863	5,532	-102	518	68,460	(2,679)	65,781
Operating income ratio	38.9%	10.9%	18.3%	23.5%	-3.6%	10.3%	29.0%	-	28.4%
Assets	164,117	8,336	91,024	21,322	2,198	3,068	290,067	39,672	329,739
Depreciation	10,439	96	4,267	487	-	34	15,325	139	15,464
Loss on impairment	-	-	-	-	83	-	83	-	83
Capital Expenditures	25,200	103	4,907	600	83	169	31,065	186	31,251
R&D Expenses	6,053	641	1,242	528	17	-	8,483	-	8,483
Number of employees (p)	13,372	88	6,200	582	176	259	20,677	55	20,732

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

	Millions of Yen								Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total	Elimi. or corp.*	
Net sales:									
To outside customers	15,468	-802	6,141	2,939	-1,158	202	22,790	-	22,790
Variance(%)	12.4%	-9.6%	8.7%	12.5%	-40.8%	16.5%	9.9%	-	9.9%
Intersegment	210	33	-15	-1	-16	-424	-211	211	-
Total	15,678	-768	6,127	2,938	-1,173	-222	22,578	211	22,790
Operating expenses	8,081	-532	3,817	2,293	-1,292	-211	12,158	-639	11,518
Operating income	7,597	-236	2,309	646	117	-12	10,420	851	11,271
Variance(%)	15.6%	-25.4%	18.0%	11.7%	-	-2.3%	15.2%	-	17.1%
Assets	41,593	-834	7,557	-2,905	-1,029	194	44,576	-17,349	27,227
Depreciation	2,596	-22	371	114	0	6	3,066	-100	2,966
Loss on impairment	-	-	-	-	364	-	364	-	364
Capital Expenditures	3,678	36	1,036	833	338	-147	5,773	-159	5,614
R&D Expenses	362	140	628	174	3	-	1,307	-	1,307
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.
Others	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 nine months ended Dec. 31, 2005 and 2004 are as follows:

<u>2005</u>	1,865 million Yen
<u>2004</u>	2,035 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. Geographical Segments

For the nine months ended December 31, 2005

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	183,633	25,881	28,506	16,002	254,024	-	254,024
Intersegment	17,751	190	419	88,690	107,052	(107,052)	-
Total	201,384	26,071	28,926	104,693	361,076	(107,052)	254,024
Operating expenses	170,157	24,863	24,264	68,956	288,242	(111,270)	176,971
Operating income	31,226	1,208	4,662	35,736	72,834	4,218	77,052
Operating income ratio	15.5%	4.6%	16.1%	34.1%	20.2%	-	30.3%
Assets	172,257	21,002	51,118	148,290	392,669	(35,703)	356,966

For the nine months ended December 31, 2004

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	173,911	23,501	24,909	8,911	231,234	-	231,234
Intersegment	14,580	87	188	66,430	81,286	(81,286)	-
Total	188,492	23,588	25,097	75,342	312,521	(81,286)	231,234
Operating expenses	152,290	23,358	20,638	51,616	247,902	(82,449)	165,453
Operating income	36,202	230	4,459	23,726	64,618	1,162	65,781
Operating income ratio	19.2%	1.0%	17.8%	31.5%	20.7%	-	28.4%
Assets	175,708	19,001	31,355	99,470	325,535	4,204	329,739

Ref:

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

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	9,722	2,380	3,597	7,091	22,790	-	22,790
Variance(%)	5.6%	10.1%	14.4%	79.6%	9.9%	-	9.9%
Intersegment	3,171	103	231	22,260	25,766	-25,766	-
Total	12,892	2,483	3,829	29,351	48,555	-25,766	22,790
Operating expenses	17,867	1,505	3,626	17,340	40,340	-28,821	11,518
Operating income	-4,976	978	203	12,010	8,216	3,056	11,271
Variance(%)	-13.7%	425.2%	4.6%	50.6%	12.7%	-	17.1%
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 nine months ended Dec. 31, 2005 and 2004 are as follows:

<u>2005</u>	1,643 million Yen	<u>2004</u>	1,716 million Yen
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- 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 nine months ended December 31, 2005

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	30,287	30,006	62,323	8	122,625
Total Consolidated Net Sales (B)					254,024
Overseas Sales ratio (A/B)	11.9%	11.8%	24.6%	0.0%	48.3%
Regional Sales ratio	24.7%	24.5%	50.8%	0.0%	100.0%

For the nine months ended December 31, 2004

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	33,835	27,015	44,634	4	105,489
Total Consolidated Net Sales (B)					231,234
Overseas Sales ratio (A/B)	14.6%	11.7%	19.3%	0.0%	45.6%
Regional Sales ratio	32.1%	25.6%	42.3%	0.0%	100.0%

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

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	-3,548	2,991	17,689	4	17,136
Total Consolidated Net Sales (B)					22,790
Overseas Sales ratio (A/B)	-10.5%	11.1%	39.6%	100.0%	16.2%

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

Business Category Company	Millions of yen, (%), [%]					
	Nine months ended Dec. 31,		Variance		Year ended March 31,	
	2005	2004	Amount	%	2005	
Electro-Optics						
Domestic	71,466 (51.0)	66,014 (52.9)	5,452	8.3	86,964 (52.5)	
Overseas	68,727 (49.0)	58,712 (47.1)	10,015	17.1	78,699 (47.5)	
total	140,194 [55.2]	124,726 [53.9]	15,468	12.4	165,664 [53.8]	
Photonics						
Domestic	4,143 (54.7)	5,425 (64.8)	-1,282	-23.6	7,291 (67.8)	
Overseas	3,425 (45.3)	2,944 (35.2)	481	16.3	3,457 (32.2)	
total	7,568 [3.0]	8,370 [3.6]	-802	-9.6	10,749 [3.5]	
Information Technology						
Domestic	75,609 (51.2)	71,440 (53.7)	4,169	5.8	94,256 (53.4)	
Overseas	72,153 (48.8)	61,656 (46.3)	10,497	17.0	82,157 (46.6)	
total	147,763 [58.2]	133,096 [57.6]	14,667	11.0	176,413 [57.2]	
Vision Care						
Domestic	27,383 (35.7)	27,561 (39.1)	-178	-0.6	36,601 (38.5)	
Overseas	49,228 (64.3)	42,910 (60.9)	6,318	14.7	58,370 (61.5)	
total	76,612 [30.2]	70,471 [30.5]	6,141	8.7	94,971 [30.8]	
Health Care						
Domestic	25,657 (96.7)	23,093 (97.9)	2,564	11.1	30,692 (97.7)	
Overseas	879 (3.3)	504 (2.1)	375	74.4	716 (2.3)	
total	26,537 [10.4]	23,598 [10.2]	2,939	12.5	31,409 [10.4]	
Eye Care						
Domestic	53,041 (51.4)	50,654 (53.8)	2,387	4.7	67,293 (53.2)	
Overseas	50,107 (48.6)	43,414 (46.2)	6,693	15.4	59,086 (46.8)	
total	103,149 [40.6]	94,069 [40.7]	9,080	9.7	126,380 [41.0]	
Crystal						
Domestic	1,318 (78.3)	2,422 (85.3)	-1,104	-45.6	3,158 (86.0)	
Overseas	364 (21.7)	418 (14.7)	-54	-12.9	514 (14.0)	
total	1,683 [0.7]	2,841 [1.2]	-1,158	-40.8	3,672 [1.2]	
Service						
Domestic	1,428 (100.0)	1,226 (100.0)	202	16.5	1,706 (100.0)	
Overseas	- (0.0)	- (0.0)	-	-	- (0.0)	
total	1,428 [0.5]	1,226 [0.5]	202	16.5	1,706 [0.6]	
Others						
Domestic	2,747 (88.3)	3,649 (89.7)	-902	-24.7	4,864 (90.4)	
Overseas	364 (11.7)	418 (10.3)	-54	-12.9	514 (9.6)	
total	3,111 [1.2]	4,067 [1.8]	-956	-23.5	5,378 [1.7]	
Total Net Sales						
Domestic	131,398 (51.7)	125,744 (54.4)	5,654	4.5	166,414 (54.0)	
Overseas	122,625 (48.3)	105,489 (45.6)	17,136	16.2	141,758 (46.0)	
Total	254,024 [100.0]	231,234 [100.0]	22,790	9.9	308,172 [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.