

January 21, 2005

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, 2004 and 2003

(1)Results of Operations	Millions of Yen		variance (%)
	Three months ended Dec. 31,		
	2004	2003	
Net sales	77,786	68,688	(13.2)
Operating income	21,652	17,679	(22.5)
Ordinary income	22,314	17,091	(30.6)
Net income	16,123	10,419	(54.7)
Basic net income per share(Yen)	144.82	93.68	

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,
	2004	2004	2003
Total assets	329,739	319,944	275,251
Shareholders' equity	260,157	250,696	209,967
Shareholders' equity ratio	78.9%	78.4%	76.3%
Shareholders' equity per share (Yen)	2,336.53	2,252.35	1,887.57

(3)Conditions of Cash Flow	Millions of Yen	
	Three months ended Dec. 31,	
	2004	2003
Net cash provided by operating activities	12,602	17,245
Net cash used in investing activities	-10,284	-7,105
Net cash provided by (used in) financing activities	-6,537	-6,440
Cash and cash equivalents at end of period	90,925	66,125

2. Projected Results for the Fourth Quarter	Millions of Yen		variance (%)
	Three months ending/ended		
	Mar.31,2005	Mar.31,2004	
Net sales	74,766	71,057	(5.2)
Operating income	19,219	19,551	(-1.7)
Ordinary income	20,415	19,068	(7.1)
Net income	13,983	10,205	(37.0)
Net income per share (Yen)	125.03	91.28	33.75

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1. Business Overview

1. Results of Operations

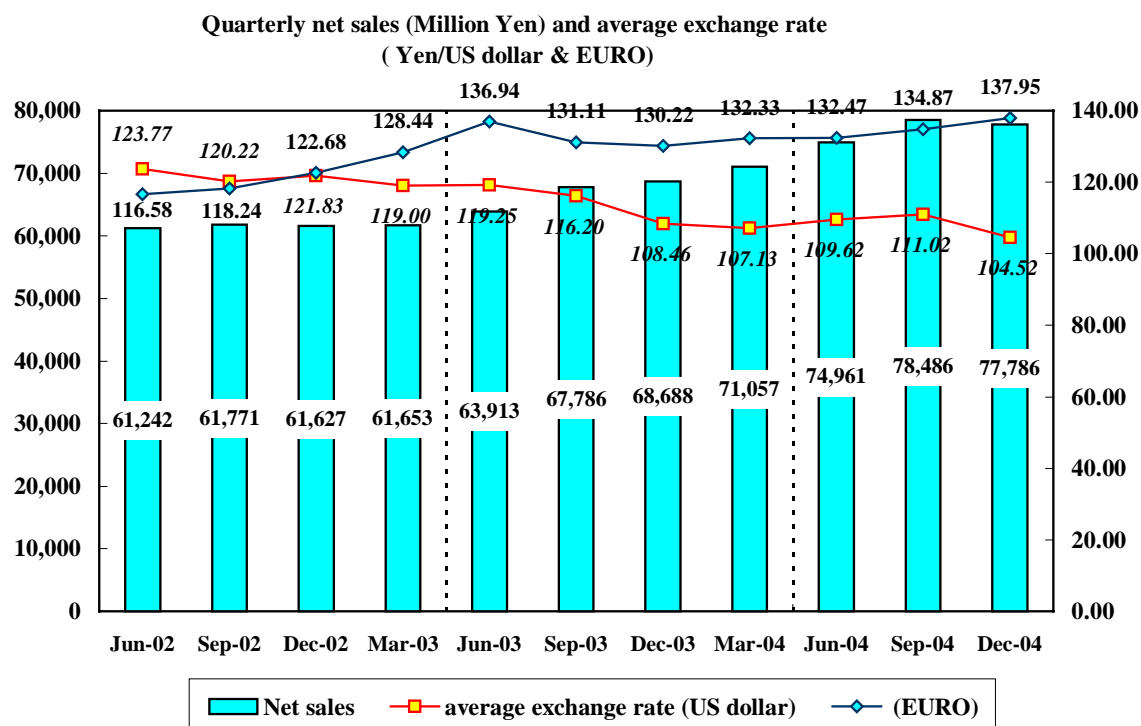
1) General Overview

<u>Results of Operations</u>	<u>Millions of Yen</u> <u>Three months ended Dec. 31, 2004</u>
Net sales	77,786
Operating income	21,652
Ordinary income	22,314
Net income	16,123
Net income per share(Yen)	144.82

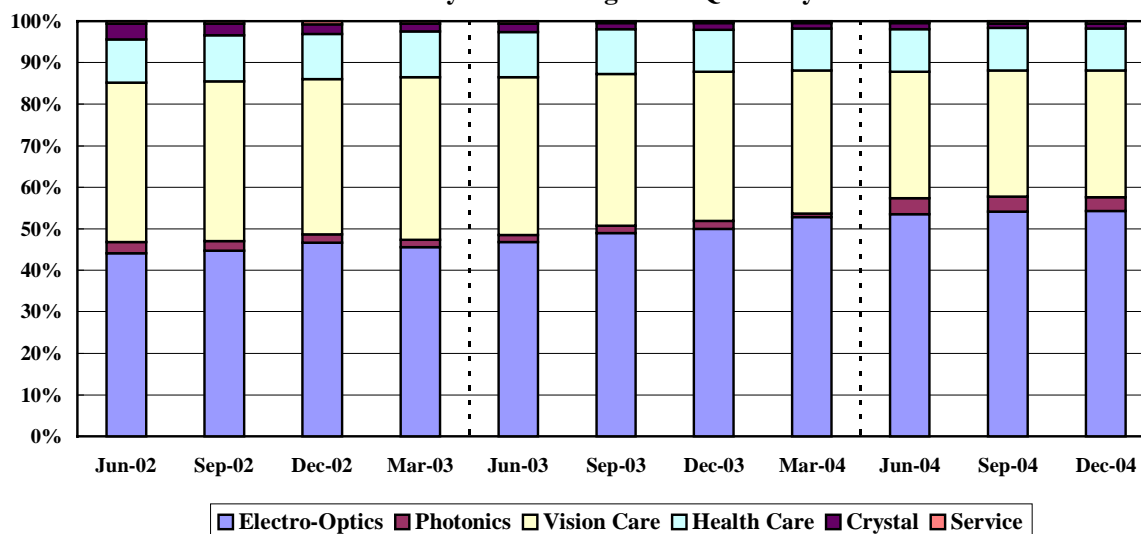
During the quarter under review, while continuing capital investments for the future and the development of new products in digital home appliance related products, the driving force in the economy, production adjustments due to the downturn in growth in demand for some products and price reductions resulting from reinforced production capacity were evident in the market, bringing a deterioration in business confidence.

In the currency market during the quarter under review, the US dollar and Thai baht depreciated by 3.6% and 3.7%, respectively, while the euro appreciated by 5.9%, all against the yen, on a year-on-year basis.

Within that context, in the HOYA Group, the Electro-Optics sector saw continued demand for high-precision products due to the effects of the active reinforcement of production capacity by clients and new product development. In the Vision Care division, though conditions were tough in markets in Europe and the United States, moderate growth continued in the domestic market. In the Health Care division, sales were firm in high-function products. As a result, consolidated sales during the quarter under review increased 13.2% year-on-year to 77,786 million yen.

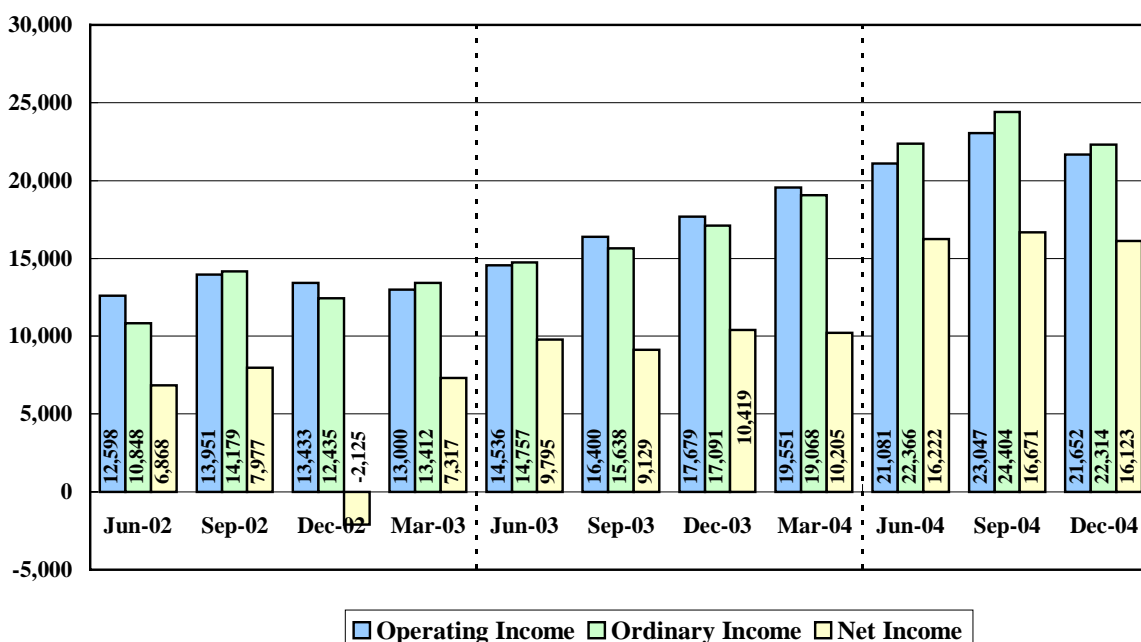


Ratio of Net Sales by Business Segment - Quarterly Transition



In the quarter under review, orders for high-precision products remained firm in the Electro-Optics sector. The Eye Care sector, a boost in revenues was achieved through the integration of commercial production plants and processing operations and expanded sales of high-value-added products. For the Group overall, operating income, ordinary income and net income for the quarter increased 22.5%, 30.6% and 54.7% respectively on a year-on-year basis. Net income per share for the quarter increased 51.14 yen year-on-year to 144.82 yen.

Quarterly Incomes (Millions of Yen)



Note : In the quarter ended Dec. 31, 2002, the Company posted the expenses for dissolution of the employee pension fund for Yen 14,949 million under extra-ordinary loss.

2) Segment Overview

1.Information Technology

Electro-Optics

In mask blanks for semiconductor production, there was an increase in orders for phase shift mask blanks and other high-precision products and sales increased on a year-on-year basis.

In photomasks for semiconductor production, sales increased year-on-year along with an increase in orders for high-precision products and next-generation products over the same term in the previous year. Though the prices of large LCD masks continued to fall due to expanded LCD panel supply capacity and market conditions are severe, 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 glass disks for hard disk drives (HDDs), an expansion in HDD applications to portable music players and other devices stimulated a favorable expansion in demand. Furthermore, the sales of the Nippon Sheet Glass Co.,Ltd. sector transferred to HOYA in the 4th quarter of the previous fiscal year were included beginning in the 1st quarter, resulting in a broad increase in sales on a year-on-year basis.

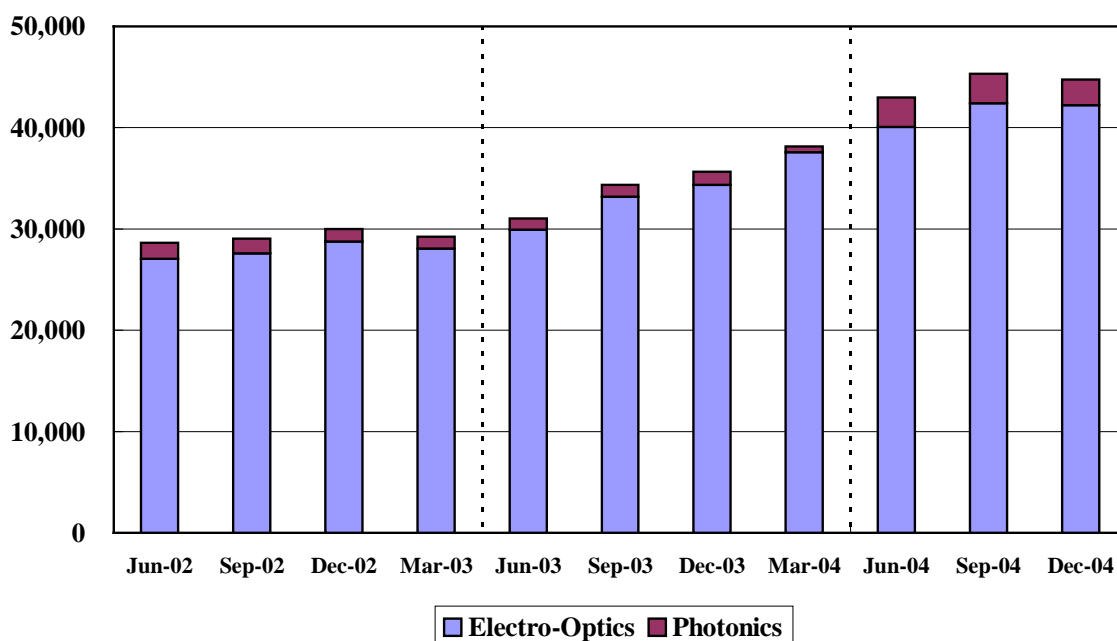
In optical products, though the momentum of digital cameras in the market slowed, growth still continued, resulting in increased sales on a year-on-year basis.

Photonics

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

The sales of HOYA CANDEO OPTRONICS (former HOYA-SCHOTT Corp.) were posted to the Electro-Optics sector until the end of the previous fiscal year but have now been transferred to this sector beginning in the present term, which brought a significant increase over the same term in the previous year. The former HOYA-SCHOTT Corp. was converted from an affiliated company to which the equity method applies to a consolidated subsidiary effective as of end of the 1st quarter of previous fiscal year.

Quarterly Net Sales of Information Technology (Millions of Yen)



2. Eye Care

Vision Care

Moderate recovery continues in the domestic eyeglass lens market. At HOYA, sales grew through the market introduction of new products and the value-added enhancement of progressive lenses and other products. Overall, sales increased on a year-on-year basis.

In overseas markets, sales in the Asia-Oceania region, where HOYA promoted the value-added enhancement of its products, remained solid. In the United States and Europe, we continued to reinforce efforts to realize the value-added enhancement of progressive, high-refraction and other lenses, though, in Germany, Europe's largest market, however, sales decreased in reaction to increased demand stimulated by the reform to the health insurance system during the same quarter in the previous fiscal year. As a result, there was a decline in aggregate sales in overseas markets on a year-on-year basis.

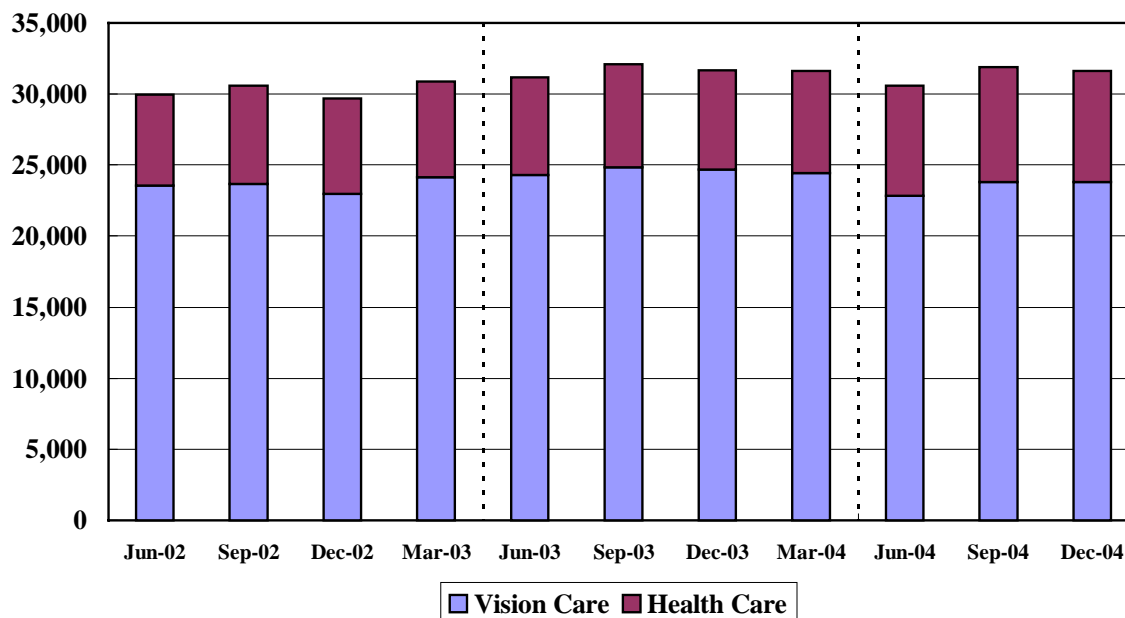
As a result, the overall sales of the division decreased on a year-on-year basis.

Health Care

In contact lenses, amidst continued price competition in the market among discount retailers, HOYA sought to differentiate itself from its competitors by improving face-to-face customer services and expanding sales high value-added products with an added contribution to growth through an increase in customers of newly established outlets, 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 both in Japan and overseas.

Quarterly Net Sales of Eye Care (Millions of Yen)

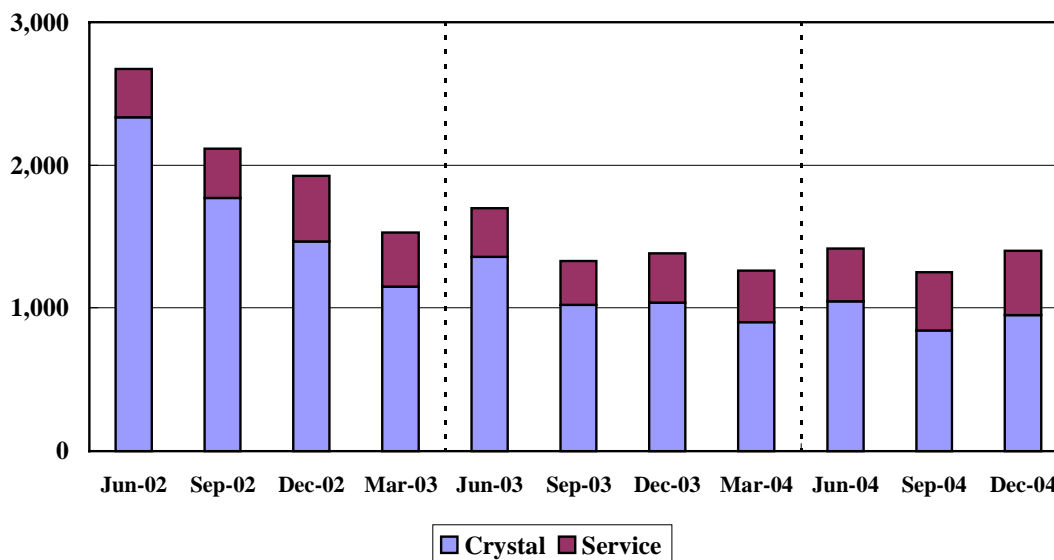


3. Lifestyle Refinement

Crystal

In terms of crystal, HOYA is reducing the scale of its operations in this sector as part of its business restructuring initiatives and, since corporate demand in the market remained slow, sales decreased on a year-on-year basis.

Quarterly Net Sales of Lifestyle Refinement (Millions of Yen)



2. Financial Position

	<u>Millions of Yen</u>
	<u>As of Dec. 31, 2004</u>
Total assets	329,739
Shareholders' equity	260,157
Shareholders' equity ratio	78.9%

At the end of the quarter under review, current assets increased Yen 742 million and fixed assets also increased Yen 9,064 million against the end of the previous quarter. As a result, total assets increased Yen 9,795 million.

3. Conditions of Cash Flows

	<u>Millions of Yen</u>
	<u>Three months ended Dec. 31, 2004</u>
Net cash provided by operating activities	12,602
Net cash used in investing activities	-10,284
Net cash provided by (used in) financing activities	-6,537
Cash and cash equivalents at end of period	90,925

Cash flow from operating activities during the quarter under review amounted to 12,602 million yen, comprised of 21,548 million yen in quarterly income before income taxes and minority interests and 5,341 million yen in depreciation and amortization among others. Free cash flow amounted to 2,318 million yen. As a result, the term-end balance of cash and cash equivalents decreased 3,735 million yen from the end of the 2nd 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.31,2005	Mar.31,2004	
Net sales	74,766	71,057 (	5.2)
Operating income	19,219	19,551 (	-1.7)
Ordinary income	20,415	19,068 (	7.1)
Net income	13,983	10,205 (	37.0)
Net income per share (Yen)	125.03	91.28	33.75 Yen

2. Quarter-on-quarter comparison	<u>Millions of Yen</u>		variance (%)
	<u>Three months ending/ended</u>		
	Mar.31,2005	Dec.31,2004	
Net sales	74,766	77,786 (	-3.9)
Operating income	19,219	21,652 (	-11.2)
Ordinary income	20,415	22,314 (	-8.5)
Net income	13,983	16,123 (	-13.3)
Net income per share (Yen)	125.03	144.82	-19.79 Yen

Ref : Projected Results for the Year ending March 31, 2005

	<u>Millions of Yen</u>		variance (%)
	<u>Years ending/ended</u>		
	Mar.31,2005	Mar.31,2004	
Net sales	306,000	271,443 (	12.7)
Operating income	85,000	68,166 (	24.7)
Ordinary income	89,500	66,554 (	34.5)
Net income	63,000	39,548 (	59.3)
Net income per share (Yen)	568.61	350.96	217.65 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. 31,2004	Sep. 30, 2004	Variance(%)	Dec. 31,2003
ASSETS				
Current assets	214,539	213,797	0.3	180,257
Cash and deposits	90,925	94,660		66,125
Notes and accounts receivable - trade	77,180	73,042		68,010
Inventories	36,869	35,307		33,804
Deferred tax assets	5,232	6,649		5,283
Other current assets	5,775	5,591		8,398
Allowance for doubtful receivables	-1,443	-1,453		-1,365
Fixed asstes	114,971	105,907	8.6	94,560
Tangible fixed assets	92,954	85,515	8.7	78,539
Buildings and structures	23,605	24,172		22,463
Machinery and carriers	37,486	36,848		32,497
Land	9,319	9,333		9,294
Other tangible fixed assets	22,542	15,161		14,284
Intangible fixed assets	5,242	4,888	7.2	4,747
Investments and other assets	16,775	15,503	8.2	11,273
Investment securities	9,443	8,183		5,380
Deferred tax assets	2,719	2,859		1,559
Other assets	5,051	4,901		4,853
Allowance for doubtful receivables	-438	-441		-519
Deferred charges	228	239	-4.6	433
Total Assets	329,739	319,944	3.1	275,251
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities	66,600	66,381	0.3	62,496
Notes and accounts payable - trade	28,634	27,415		26,849
Short-term bank loans	-	150		1,297
Income taxes payable	8,143	11,885		10,590
Accrued bonuses to employees	1,996	3,835		1,876
Other current liabilities	27,825	23,094		21,882
Long-term liabilities	2,127	2,039	4.3	1,847
Long-term bank loans	-	-		0
Other long-term liabilities	2,127	2,039		1,846
Total Liabilities	68,727	68,420	0.4	64,343
Minority interests	855	827	3.4	940
Common stock	6,264	6,264	-	6,264
Additional paid-in capital	15,898	15,898	-	15,898
Retained earnings	253,154	243,722	3.9	236,995
Net unrealized gain on available-for-sale securities	41	23	78.3	-77
Foreign currency translation adjustments	-7,012	-6,714	4.4	-9,367
Treasury stock - at cost	-8,189	-8,498	-3.6	-39,745
Total Shareholders' Equity	260,157	250,696	3.8	209,967
Total	329,739	319,944	3.1	275,251
notes:		<u>Millions of Yen</u>		
Accumulated depreciation	162,795	159,519		158,237
Guarantees of borrowings and lease obligations for customers	1,230	1,089		746
Number of shares of treasury stock (unit : stocks)	1,006,092	1,044,621		4,887,862

2. Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

(Three months ended Dec. 31, 2004 and 2003)	Millions of Yen			
	Three months ended Dec. 31,		Variance(%)	Three months ended Sep.30, 2004
	2004	2003		
Net sales	77,786	68,688	13.2	78,486
Cost of sales	39,491	35,439	11.4	39,772
Gross profit	38,295	33,249	15.2	38,713
Selling, general and administrative expenses	16,643	15,570	6.9	15,666
Operating income	21,652	17,679	22.5	23,047
Non-operating income	1,828	627	191.5	1,723
Interest income	264	136		212
Foreign exchange gains	-	-		114
Equity in earnings of affiliates	1,304	275		1,118
Others	260	218		276
Non-operating expenses	1,166	1,216	-4.1	365
Interest expense	23	41		28
Sales discount	126	170		144
Foreign exchange losses	630	809		-
Others	387	195		192
Ordinary income	22,314	17,091	30.6	24,404
Extra-ordinary gains	103	85	21.2	161
Gain on sales of property, plant and equipment	45	9		49
Others	57	76		112
Extra-ordinary losses	869	1,472	-41.0	2,283
Loss on disposal of property, plant and equipment	310	357		279
Maintenance of environment	86	-		1,101
Additional retirement benefits paid to employees	40	703		684
Loss on impairment of long-lived assets	26	-		26
Additional expense incurred to dissolved contributory funded pension plan	-	8		-
Loss on write-down of investment securities	-	241		-
Others	407	162		192
Income before income taxes and other items	21,548	15,704	37.2	22,282
Income taxes - Current	3,888	4,167	-6.7	6,866
Income taxes - Deferred	1,506	1,012	48.8	-1,302
Minority interests in net income	30	104	-71.2	47
Net income	16,123	10,419	54.7	16,671
Basic net income per share(Yen)	144.82	93.68	51.14	149.78

Notes:

1. Effect of Exchange Rate Change on Net Sales and Incomes ("2004 A" is the actual value of this period. "2004 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)

	2004 A	2004 B	influences
Net sales	77,786	77,539	247
Operating income	21,652	21,806	-154
Ordinary income	22,314	22,452	-138
Net income	16,123	16,295	-172

2. Average rates of major foreign currencies		Three months ended Dec. 31,		Variance(%)	Three months ended Sep.30, 2004
		2004	2003		
US\$	Yen	104.52	108.46	3.6%	111.02
Euro	Yen	137.95	130.22	-5.9%	134.87
Thail Baht	Yen	2.62	2.72	3.7%	2.67

3. Consolidated Statements of Retained Earnings

HOYA CORPORATION and Consolidated Subsidiaries

(Three months ended Dec. 31, 2004 and 2003)

	<u>Millions of Yen</u>			<u>Three months ended</u> Sep. 30, 2004
	<u>Three months ended</u> Dec. 31, 2004	<u>Three months ended</u> Dec. 31, 2003	Variance	
Additional paid-in capital				
Balance at the beginning of the period	15,898	15,898	-	15,898
Adjustment of retained earnings	-	-	-	-
Appropriations	-	0	0	-
Loss on disposal of treasury stock	-	0	0	-
Balance at the end of the period	15,898	15,898	-	15,898
Retained earnings				
Balance at the beginning of the period	243,722	232,147	11,575	227,060
Adjustment of retained earnings	16,123	10,419	5,704	16,671
Net income	16,123	10,419	5,704	16,671
Appropriations	6,693	5,572	1,121	9
1. Cash dividends	6,678	5,560	1,118	-
2. Loss on disposal of treasury stock	14	11	3	9
Balance at the end of the period	253,154	236,995	16,159	243,722

4. Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	<u>Millions of Yen</u>		
	<u>Three months ended Dec.31,</u>		
	2004	2003	variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	21,548	15,703	5,845
Adjustments for:			
Income taxes - paid	-7,578	-1,939	-5,639
Depreciation and amortization	5,341	5,027	314
Loss on impairment of long-lived assets	26	-	26
Provision for (reversal of) accrued bonuses to employees	-1,838	-1,867	29
Provision for (reversal of) reserve for periodic repairs	67	83	-16
Equity in earnings of affiliates	-1,304	-274	-1,030
Foreign exchange loss (gain)	168	358	-190
Loss on write-down of investment securities	-	240	-240
Gain on sales of property, plant and equipment and investment securities	-45	-8	-37
Loss on disposal of property, plant and equipment and investment securities	310	357	-47
Other	89	87	2
<i>Changes in assets and liabilities:</i>			
(Increase) decrease in notes and accounts receivable	-4,162	-4,502	340
(Increase) decrease in inventories	-1,737	-489	-1,248
(Increase) decrease in other current assets	278	-259	537
Increase (decrease) in notes and accounts payable	1,198	3,002	-1,804
Increase (decrease) in other current liabilities	242	1,725	-1,483
Total adjustment			
Net cash provided by operating activities	12,602	17,245	-4,643
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	-9,363	-6,901	-2,462
Proceeds from sales of property, plant and equipment	86	120	-34
Purchases of investment securities	-	-70	70
Payments for loans	-32	-	-32
Proceeds from loans	71	-	71
Increase in investments and other assets	-1,126	-456	-670
Decrease in investments and other assets	79	203	-124
Net cash used in investing activities	-10,284	-7,105	-3,179
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term bank loans	-	-849	849
Repayments of long term bank loans	-150	0	-150
Net (increase) decrease in treasury stock	295	181	114
Dividends paid	-6,682	-5,616	-1,066
Dividends paid for minority shareholders	-	-155	155
Net cash used in financing activities	-6,537	-6,440	-97
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-4,218	3,700	-7,918
Effect of Exchange Rate Changes on Cash and Cash Equivalents	483	-470	953
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	94,660	62,895	31,765
CASH AND CASH EQUIVALENTS, END OF PERIOD	90,925	66,125	24,800

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

	<u>Three months ended Dec.31,</u>	
	2004	2003
Cash and deposits	90,925	66,125
Marketable securities	-	-
Total	<u>90,925</u>	<u>66,125</u>

5. Preparation of the Consolidated Financial Statements

Scope of Consolidation and Application of the Equity Method

1. Number of consolidated subsidiaries : 57 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 : 5 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 quarter of last year (Dec. 31, 2003) : 1 company increased in total.
 - 2 companies increased due to the establishment: HOYA ELECTRONICS KOREA CO., LTD. (Korea)
HOYA GLASS DISK VIETNAM LTD. (Vietnam)
 - 3 companies increased due to the acquisition: HOYA GLASS DISK PHILIPPINES, INC. (Philippines)
HOYA GLASS DISK MALAYSIA SDN.BHD. (Malaysia)
RADIANT IMAGES, INC. (USA)
 - 1 company decreased due to the merger with the parent company : HOYA OPTICS CORPORATION (Japan)
 - 2 companies decreased due to the closing: HOYA OPTICAL TAIWAN CO., LTD. (Taiwan)
KOREA OPTICAL GLASS CO., LTD. (Korea)
 - 1 company decreased due to the disposal: NEW CHROMEX, INC. (USA)
 - b) In comparison to the end of previous quarter (September 30, 2004) : 1 company increased.
1 company increased due to the establishment: HOYA GLASS DISK VIETNAM LTD. (Vietnam)
 - 2) Application of the equity method
 - a) In comparison to the end of the same quarter of last year (Dec. 31, 2003) :
No change
 - b) In comparison to the end the previous quarter (September 30, 2004) :
No change

	as of Dec.31, 2004	as of Dec.31, 2003	variance	as of Sep. 30, 2004
Consolidated subsidiaries	57 (do 6, os51)	56 (do 7, os49)	+1 (do-1, os+2)	56 (do 6, os50)
Nonconsolidated subsidiaries	- (do -, os -)	- (do -, os -)	- (do -, os -)	- (do -, os -)
Affiliates	5 (do 5, os -)	5 (do 5, os -)	- (do -, 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	62	61	+1	61
(accounted for by the equity method)	(1)	(1)	(-)	(1)

(do : domestic, os : overseas)

2. Additional information: Impairment of Long-Lived Assets

From the forth quarter ended March 31, 2004, the company has adopted "Accounting Standard for Impairment of Long-Lived Assets "(Accounting Standards Board, August 9, 2002) and "Guidelines for Accounting Standard for Impairment of Long-Lived Assets"(Accounting Standards Board Guideline no. 6, October 31, 2003), which became applicable to the consolidated financial statements for the fiscal year ended March 31, 2004.

For the quarter under review, the impairment losses of 26 million yen are reported as Extraordinary Loss, and it reduced income before income taxes and minority interests by the same amounts compared to the previous accounting period. The accumulated impairment losses are deducted from the respective assets in the balance sheet.

Notes Relating to Investment Securities and Derivatives

1. Investment securities with market values:

(Millions of Yen)

	As of								
	Dec.31, 2004			Sep.30, 2004			Dec.31, 2003		
Available-for-sale	Cost	Fair Value	Variance	Cost	Fair Value	Variance	Cost	Fair Value	Variance
Available-for-sale :									
Marketable Equity securities	159	290	131	159	270	110	102	109	6
Government bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	159	290	131	159	270	110	102	109	6

2. Investment securities without market values:

(Millions of Yen)

	As of		
	Dec.31, 2004	Sep.30, 2004	Dec.31, 2003
Non-marketable stock of subsidiaries	8,881	7,636	4,852
Total	8,881	7,636	4,852
Non-marketable equity securities	271	275	418
Total	271	275	418

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, 2004</u>	<u>Sep.30, 2004</u>	<u>Dec.31, 2003</u>
(1) Current deferred tax assets and liabilities			
Deferred tax assets			
Inventories - intercompany unrealized profits	1,952	1,808	1,053
Accrued bonuses to employees	778	1,494	747
Amortization of goodwill	595	906	1,238
Accrued enterprise taxes	391	737	811
Other	1,513	1,702	1,433
Total amount of deferred tax assets - current	5,232	6,649	5,283
(2) Non-current deferred tax assets and liabilities			
Deferred tax assets			
Amortization of goodwill and property, plant and equipment	1,927	1,926	1,315
Loss on impairment of long-lived assets	858	847	-
Allowance for doubtful receivables	153	153	176
Other	727	822	1,075
Total amount of deferred tax assets - fixed	3,666	3,750	2,567
Deferred tax liabilities			
Reserve for deferred income taxes on fixed assets	-445	-431	-521
Special depreciation reserve	-308	-278	-314
Net unrealized gain on available-for-sale securities	-27	-15	-
Other	-165	-165	-171
Total amount of deferred tax liabilities - fixed	-947	-890	-1,007
Net amount of deferred tax assets - fixed	2,719	2,859	1,559

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.31,2004</u>	<u>Dec.31,2003</u>	<u>Sep.30,2004</u>
	40.4 %	41.7 %	40.4 %
Statutory tax rate of the Company			
(Adjustment)			
Lower income tax rates applicable to income in certain foreign countries	-14.0	-11.4	-11.8
Non-Deductible expenses such as entertainment expenses	0.3	1.0	0.2
Per capita levy of inhabitants tax and others	0.1	0.1	0.1
Non-taxable dividend income	-0.3	0.0	-
Intercompany cash dividend	0.3	-	-
Equity in earnings of affiliates	-2.4	-0.7	-2.0
Tax credit on experiment and research expenses	-0.8	-	-0.6
Other adjustment - net	1.4	2.3	-1.3
Effective income tax rate	25.0	33.0	25.0

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

	<u>Millions of Yen</u>		
	<u>Three months ended</u>		
	<u>Dec.31, 2004</u>	<u>Dec.31,2003</u>	<u>Sep.30, 2004</u>
(2) Breakdown of expenses for employees' retirement benefits			
Additional expense incurred to dissolved contributory funded pension plan	-	8	-
Additional retirement benefits paid to employees	<u>40</u>	<u>703</u>	<u>684</u>
Expenses for employees' retirement benefits	<u><u>40</u></u>	<u><u>712</u></u>	<u><u>684</u></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

	<u>Millions of Yen</u>		
	<u>Three months ended</u>		
	<u>Dec.31, 2004</u>	<u>Dec.31, 2003</u>	<u>Sep.30, 2004</u>
(2) Breakdown of impairment			
Buildings	-	-	-
Machinery	12	-	0
Furniture and equipment	9	-	16
Assets on lease	-	-	-
Others	<u>5</u>	<u>-</u>	<u>9</u>
Total	<u><u>26</u></u>	<u><u>-</u></u>	<u><u>26</u></u>

(3) Segment Information (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

1. Industry Segments

For the three months ended December 31, 2004

	Millions of Yen								
	Electro- Optics	Photo- nics	Vision Care	Health Care	Crystal	Service	Total	Elimi. or corp.*	Consolidated
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
Loss on impairment	-	-	-	-	26	-	26	-	26
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

For the three months ended December 31, 2003

	Millions of Yen								
	Electro- Optics	Photo- nics	Vision Care	Health Care	Crystal	Service	Total	Elimi. or corp.*	Consolidated
Net sales:									
To outside customers	34,391	1,241	24,663	7,011	1,039	343	68,688	-	68,688
Intersegment	14	-	4	0	33	1,477	1,528	(1,528)	-
Total	34,405	1,241	24,667	7,011	1,072	1,820	70,217	(1,528)	68,688
Operating expenses	22,462	1,215	20,193	5,667	1,124	1,611	52,270	(1,260)	51,009
Operating income	11,944	27	4,475	1,345	-51	209	17,946	(267)	17,679
Operating income ratio	34.7%	2.2%	18.1%	19.2%	-4.8%	11.5%	25.6%	-	25.7%
Assets	131,907	2,275	96,217	16,569	4,930	2,798	254,700	20,550	275,251
Depreciation	3,319	17	1,439	134	90	6	5,008	18	5,027
Capital Expenditures	4,854	5	2,578	492	33	-	7,963	1	7,965
R&D Expenses	2,002	65	321	222	8	-	2,620	-48	2,571
Number of employees (p)	8,438	135	5,874	562	175	355	15,539	50	15,589

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

	Millions of Yen								
	Electro- Optics	Photo- nics	Vision Care	Health Care	Crystal	Service	Total	Elimi. or corp.*	Consolidated
Net sales:									
To outside customers	7,823	1,317	-857	796	-89	106	9,098	-	9,098
Variance(%)	22.7%	106.1%	-3.5%	11.4%	-8.6%	30.9%	13.2%	-	13.2%
Intersegment	153	71	10	0	-17	-173	46	-46	-
Total	7,976	1,388	-846	796	-106	-66	9,144	-46	9,098
Operating expenses	4,111	1,247	-1,147	430	-28	-57	4,560	564	5,125
Operating income	3,864	139	300	364	-78	-9	4,584	-611	3,973
Variance(%)	32.4%	514.8%	6.7%	27.1%	-	-4.3%	25.5%	-	22.5%
Assets	32,210	6,061	-5,193	4,753	-2,732	270	35,367	19,122	54,488
Depreciation	271	19	-9	30	-90	6	227	88	314
Loss on impairment	-	-	-	-	26	-	26	-	26
Capital Expenditures	7,301	48	-727	-227	-7	0	6,388	5	6,392
R&D Expenses	548	152	212	-147	-3	-	763	48	812
Number of employees (p)	4,934	-47	326	20	1	-96	5,138	5	5,143

*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, Ophthalmic equipments, etc.
	Health Care	Contact lenses, Intraocular lenses, etc.
Lifestyle Refinement	Crystal	Crystal glass products
	Service	Design of information systems, Placement of temporary staff, etc.

The sales of HOYA CANDEO OPTRONICS (former HOYA-SCHOTT Corp.) were posted to the Electro-Optics sector until the end of the previous fiscal year but have now been transferred to the Photonics sector beginning in the 1st quarter of this fiscal year. The former HOYA-SCHOTT Corp. was converted from an affiliated company to which the equity method applies to a consolidated subsidiary effective as of end of the 1st quarter of the previous fiscal year.

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 holding companies, which are not allocated to each industry segment. Corporate operating expenses for the three months ended Dec. 31, 2004 and 2003 are as follows:

<u>2004</u>	630 million Yen
<u>2003</u>	395 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 holding companies. Corporate assets as of Dec. 31, 2004 and 2003 are as follows:

<u>2004</u>	53,194 million Yen
<u>2003</u>	35,776 million Yen

2. Geographic Segments

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

For the three months ended December 31, 2003

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	47,800	7,792	10,155	2,941	68,688	-	68,688
Intersegment	4,034	24	42	15,827	19,926	(19,926)	-
Total	51,835	7,815	10,197	18,767	88,615	(19,926)	68,688
Operating expenses	42,465	7,674	7,431	13,793	71,362	(20,352)	51,009
Operating income	9,370	141	2,765	4,975	17,252	426	17,679
Operating income ratio	18.1%	1.8%	27.1%	26.5%	19.5%	-	25.7%
Assets	152,407	18,267	28,952	66,239	265,868	9,383	275,251

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	10,328	-79	-1,203	52	9,098	-	9,098
Variance(%)	21.6%	-1.0%	-11.8%	1.8%	13.2%	-	13.2%
Intersegment	877	3	18	7,283	8,184	-8,184	-
Total	11,204	-74	-1,185	7,337	17,281	-8,184	9,098
Operating expenses	9,756	204	-298	4,005	13,670	-8,546	5,125
Operating income	1,447	-278	-887	3,330	3,612	362	3,973
Variance(%)	15.4%	-197.2%	-32.1%	66.9%	20.9%	-	22.5%
Assets	23,301	734	2,403	33,231	59,667	-5,179	54,488

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 holding companies, which are not allocated to each industry segment. Corporate operating expenses for the three months ended Dec. 31, 2004 and 2003 are as follows:

<u>2004</u>	465 million Yen	<u>2003</u>	400 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 holding companies. Corporate assets as of Dec. 31, 2004 and 2003 are as follows:

<u>2004</u>	47,887 million Yen	<u>2003</u>	30,499 million Yen
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3. Sales to Foreign Customers

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%

For the three months ended December 31, 2003

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	8,792	10,822	11,578	4	31,197
Total Consolidated Net Sales (B)					68,688
Overseas Sales ratio (A/B)	12.8%	15.7%	16.9%	0.0%	45.4%
Regional Sales ratio	28.2%	34.7%	37.1%	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)	2,141	-1,359	3,964	-2	4,743
Total Consolidated Net Sales (B)					9,098
Overseas Sales ratio (A/B)	24.4%	-12.6%	34.2%	-	15.2%

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)

(Three months ended Dec. 31, 2004 and 2003)

Business Category Company	Three months ended Dec. 31,		Variance		Three months ended Sep.30, 2004
	2004	2003	Amount	%	
Electro-Optics					
Domestic	22,329 (52.9)	20,017 (58.2)	2,312	11.6	21,907 (51.6)
Overseas	19,885 (47.1)	14,374 (41.8)	5,511	38.3	20,517 (48.4)
total	42,214 [54.3]	34,391 [50.1]	7,823	22.7	42,424 [54.1]
Photonics					
Domestic	1,581 (61.8)	654 (52.7)	927	141.7	1,984 (67.9)
Overseas	977 (38.2)	588 (47.3)	389	66.2	940 (32.1)
total	2,558 [3.3]	1,241 [1.8]	1,317	106.1	2,924 [3.7]
Information Technology					
Domestic	23,911 (53.4)	20,670 (58.0)	3,241	15.7	23,891 (52.7)
Overseas	20,862 (46.6)	14,962 (42.0)	5,900	39.4	21,457 (47.3)
total	44,773 [57.6]	35,632 [51.9]	9,141	25.7	45,348 [57.8]
Vision Care					
Domestic	9,074 (38.1)	8,616 (34.9)	458	5.3	9,590 (40.3)
Overseas	14,732 (61.9)	16,046 (65.1)	-1,314	-8.2	14,213 (59.7)
total	23,806 [30.6]	24,663 [35.9]	-857	-3.5	23,803 [30.3]
Health Care					
Domestic	7,622 (97.6)	6,938 (99.0)	684	9.9	7,940 (98.2)
Overseas	185 (2.4)	73 (1.0)	112	153.4	143 (1.8)
total	7,807 [10.0]	7,011 [10.2]	796	11.4	8,084 [10.3]
Eye Care					
Domestic	16,696 (52.8)	15,554 (49.1)	1,142	7.3	17,531 (55.0)
Overseas	14,917 (47.2)	16,119 (50.9)	-1,202	-7.5	14,356 (45.0)
total	31,614 [40.6]	31,674 [46.1]	-60	-0.2	31,887 [40.6]
Crystal					
Domestic	789 (83.1)	923 (88.8)	-134	-14.5	701 (83.1)
Overseas	161 (16.9)	117 (11.2)	44	37.6	142 (16.9)
total	950 [1.2]	1,039 [1.5]	-89	-8.6	844 [1.1]
Service					
Domestic	449 (100.0)	343 (100.0)	106	30.9	407 (100.0)
Overseas	- (-)	0 (0.0)	0	-	- (-)
total	449 [0.6]	343 [0.5]	106	30.9	407 [0.5]
Lifestyle Refinement					
Domestic	1,238 (88.5)	1,266 (91.5)	-28	-2.2	1,108 (88.6)
Overseas	161 (11.5)	117 (8.5)	44	37.6	142 (11.4)
total	1,399 [1.8]	1,383 [2.0]	16	1.2	1,251 [1.6]
Total Net Sales					
Domestic	41,846 (53.8)	37,491 (54.6)	4,355	11.6	42,530 (54.2)
Overseas	35,940 (46.2)	31,197 (45.4)	4,743	15.2	35,956 (45.8)
Total	77,786 [100.0]	68,688 [100.0]	9,098	13.2	78,486 [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.