



January 21, 2005

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, 2004 and 2003

	Millions of Yen		variance (%)
	Nine months ended Dec. 31,		
(1)Results of Operations	2004	2003	
Net sales	231,234	200,386	(15.4)
Operating income	65,781	48,615	(35.3)
Ordinary income	69,085	47,486	(45.5)
Net income	49,017	29,343	(67.0)
Basic net income per share(Yen)	443.74	259.73	

Notes : No changes have been made in accounting policy.

	Millions of Yen		
	As of Dec. 31,	As of March 31,	As of Dec. 31,
(2)Financial Position	2004	2004	2003
Total assets	329,739	289,887	275,251
Shareholders' equity	260,157	218,978	209,967
Shareholders' equity ratio	78.9%	75.5%	76.3%
Shareholders' equity per share (Yen)	2,336.53	1,967.60	1,887.57

	Millions of Yen	
	Nine months ended Dec. 31,	
(3)Conditions of Cash Flow	2004	2003
Net cash provided by operating activities	48,215	54,775
Net cash used in investing activities	-28,476	-20,260
Net cash provided by (used in) financing activities	-12,176	-42,258
Cash and cash equivalents at end of period	90,925	66,125

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

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(1) Business Overview

1.Results of Operations

1) General Overview

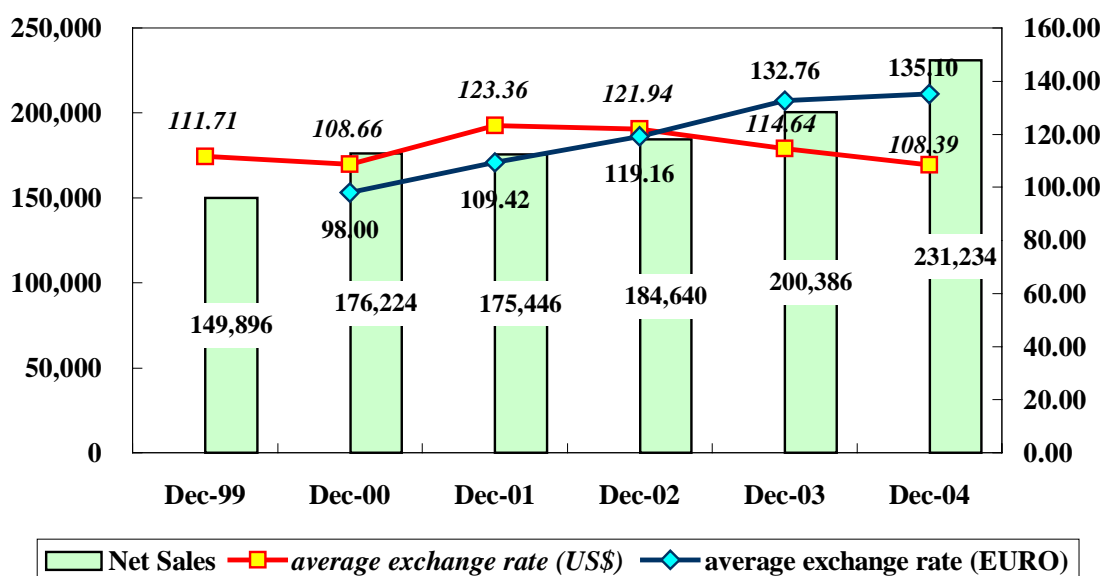
<u>Results of Operations</u>	<u>Millions of Yen</u> <u>Nine months ended Dec. 31, 2004</u>
Net sales	231,234
Operating income	65,781
Ordinary income	69,085
Net income	49,017
Net income per share(Yen)	443.74

A trend of recovery in the business climate centered in manufacturing industries driven by robust sales of digital appliances was evident during the term (nine months). Optimism returned to personal consumption even in the domestic market sparked by sales of digital appliances for a number of reasons including record-breaking heat and the Athens Olympics effect. Meanwhile, however, an imbalance emerged between demand and production capacity expanded in response to brisk demand, inducing a drop in some prices, putting pressure on profits and giving rise to uncertainty regarding the future economic outlook.

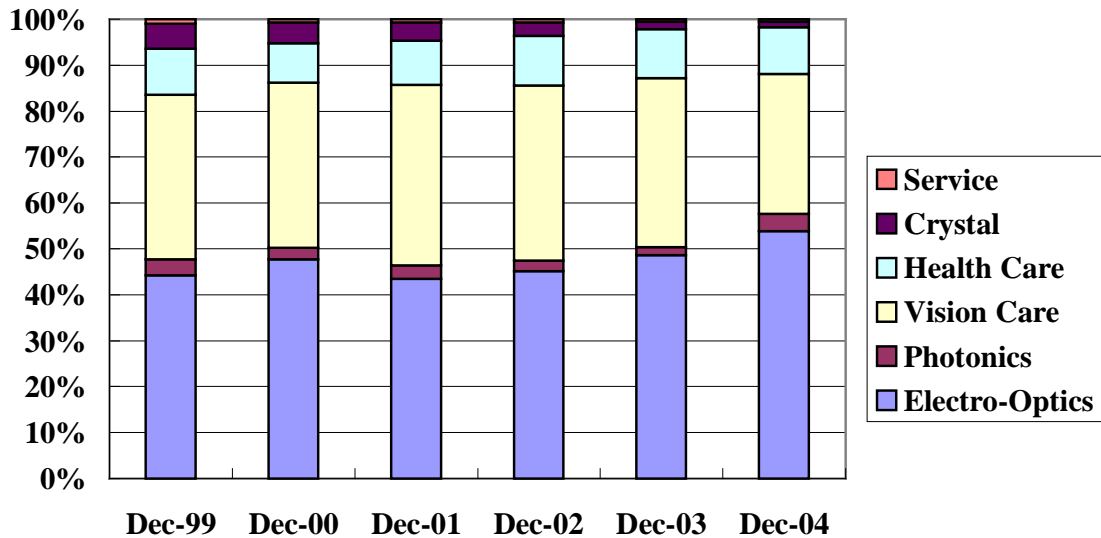
In the currency market during the nine-month term under review, the US dollar and Thai baht depreciated by 5.5% and 4.7%, respectively, while the euro appreciated by 1.8%, all against the yen, on a year-on-year basis.

Within that context, in the HOYA Group, the Electro-Optics sector saw continued demand for high-precision products backed by favorable sales of digital home appliances. In the Eye Care division, though eyeglass lenses slowed in reaction to the good conditions of the previous year in markets overseas, a moderate trend toward recovery was seen in the domestic market. In the Health Care division, performance was steady centered in high-function products, realizing a boost in sales. As a result, consolidated sales during the nine-month term under review increased 15.4% year-on-year to 231,234 million yen.

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



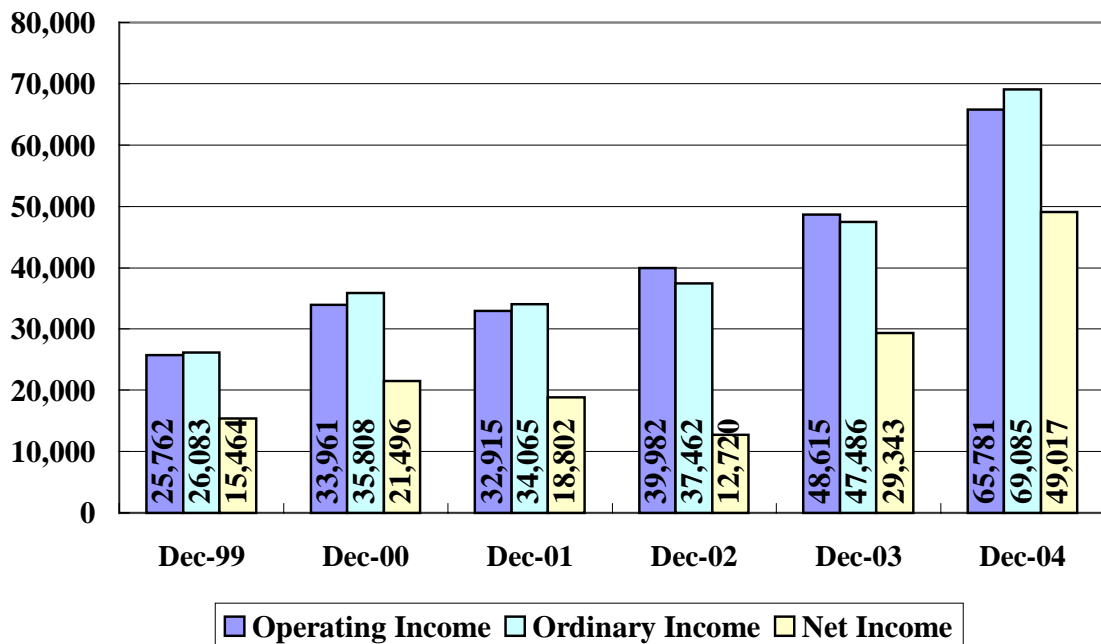
Ratio of Net Sales by Business Segment - Nine months ended Dec.31



During the nine-month term under review, orders for high precision products expanded in the Electro-Optics sector, major plants remained in full production and revenues also increased. In spite of a drop in sales of eyeglass lenses overseas, sales of high value-added products in the Eye Care sector continued to expand and, in addition, increased revenues were also achieved as the result of the integration and transfer of manufacturing and processing operations overseas. In the Health Care sector, bifocal contact lenses, soft intraocular lenses and other high-function products continued to sell well, resulting in increased revenues. As a result, for the Group overall, operating income, ordinary income and net income for the term increased 35.3%, 45.5% and 67.0% respectively on a year-on-year basis. Together with net sales, all three represented record results for the nine-month term.

Net income per share for the nine-month period was 443.74 yen, an increase of 184.01 yen on a year-on-year basis.

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

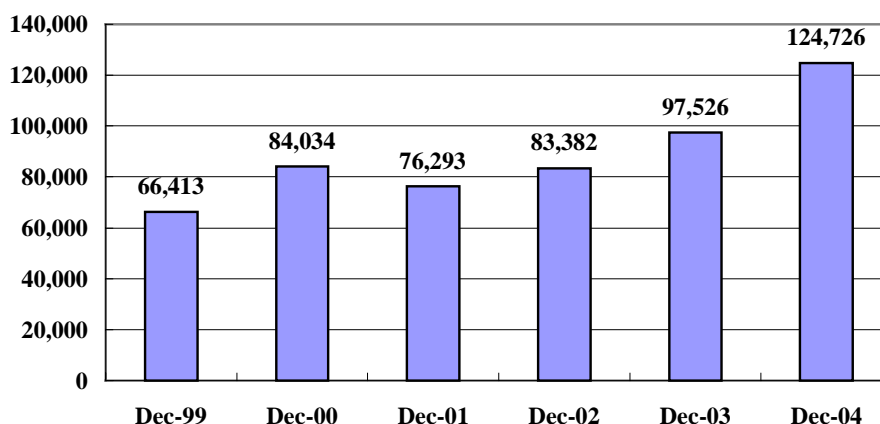


2) Segment Overview

1. Information Technology

Electro-Optics

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



In 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.

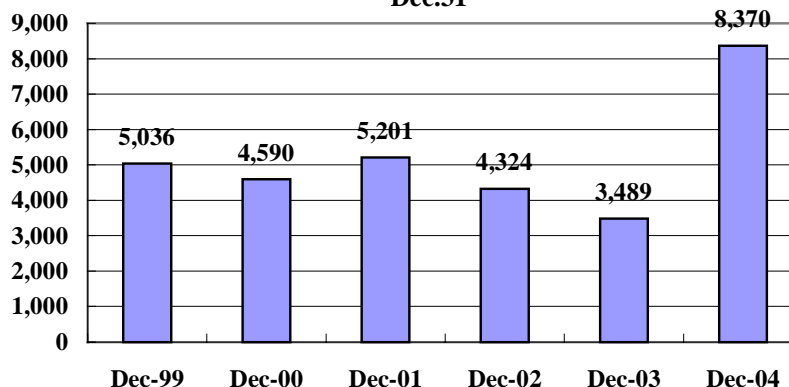
Sales of photomasks for semiconductor production increased year-on-year due to an increase in orders for high-precision products and next-generation products under development. In large LCD masks, LCD panel manufacturers launched new-generation commercial production lines and price reductions are occurring in the market due to oversupply; however, the manufacturers were strongly motivated to develop new products and orders for HOYA products also remained vigorous, resulting in increased sales year-on-year.

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, sales of digital cameras and other digital products continued robust growth and sales of our molded aspheric lenses and other optical lenses fared well. Sales increased on a year-on-year basis.

Photonics

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

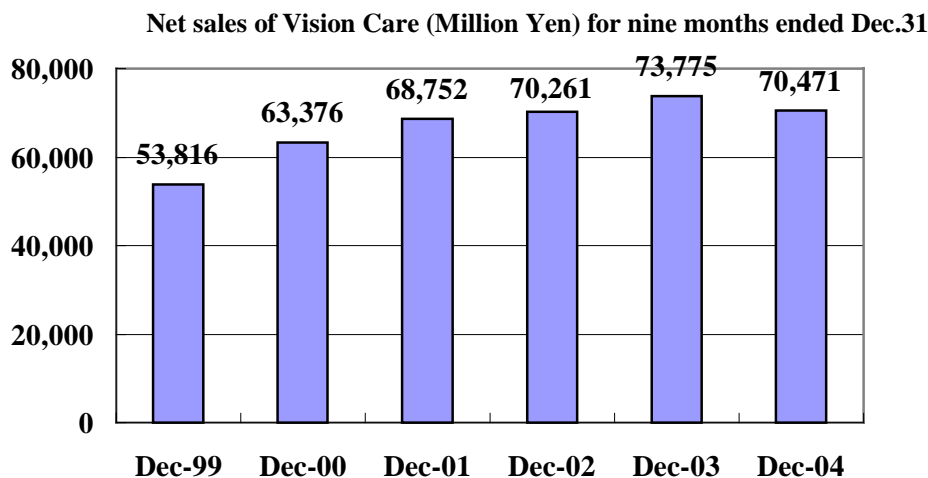


This segment covers laser-related equipment for industrial, dental and medical applications.

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 the previous fiscal year.

2. Eye Care

Vision Care

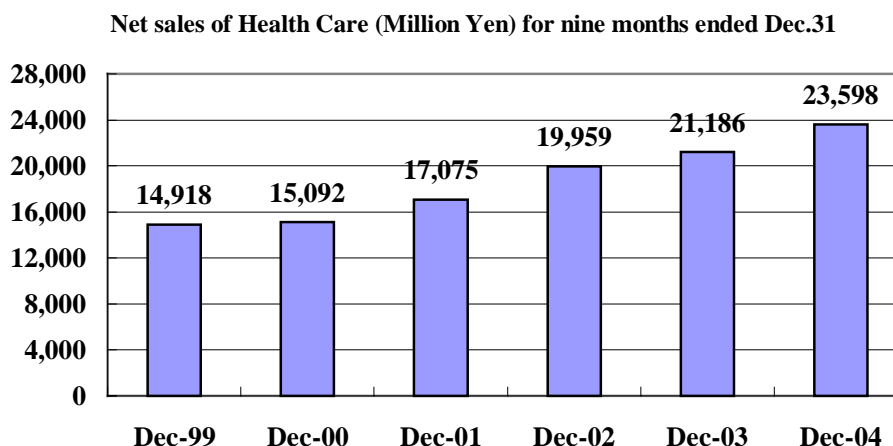


In the domestic eyeglass lens market, the prolonged stagnation seems to have hit bottom and the trend toward moderate recovery continues. At HOYA, sales grew through value-added enhancement of progressive lenses, coatings and other products. Overall, sales increased on a year-on-year basis.

Overseas, sales growth in the Asia-Oceania region remained solid reflecting the value-added enhancement of products promoted by HOYA. In the United States and Europe, HOYA strengthened its sales of high-value-added products. In Germany, Europe's largest market, however, sales declined in reaction to increased demand stimulated by the reform of the health insurance system during the previous fiscal year. Aggregate sales in overseas markets declined on a year-on-year basis.

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

Health Care



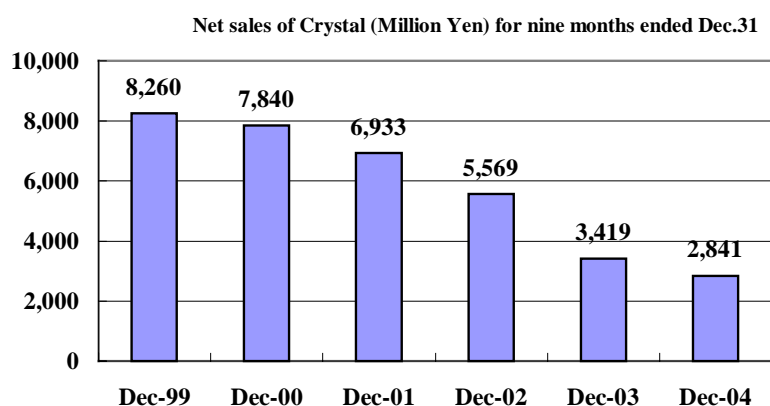
In terms of contact lenses, within the context of continued price competition in the market among discount retailers, HOYA sought to differentiate itself from its competitors by continuing the establishment of new outlets, taking advantage of its professional expertise to improve face-to-face customer services and promoting sales of bifocal 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 during the term both in Japan and overseas.

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.



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 nine months under review, total assets increased Yen 39,852 million as current assets increased Yen 21,260 million and fixed assets increased Yen 18,526 million from the end of the previous fiscal year. Shareholders' equity increased Yen 41,179 million. In this term under review, the Company cancelled 30,702 million yen of treasury stock.

3. Conditions of Cash Flows

	<u>Millions of Yen</u>
	<u>Nine months ended Dec. 31, 2004</u>
Net cash provided by operating activities	48,215
Net cash used in investing activities	-28,476
Net cash provided by (used in) financing activities	-12,176
Cash and cash equivalents at end of period	90,925

Cash flow from operating activities amounted to 48,215 million yen, comprised of 66,169 million yen in income before income taxes and minority interests and 15,464 million yen in depreciation and amortization among others. Cash flow from investment activities amounted to 28,476 million yen in cash payments that were mainly used for investment in order to handle next-generation products. Free cash flow amounted to 19,739 million yen and used 12,245 million yen for payment of dividends. As a result, the term-end balance of cash and cash equivalents increased 10,499 million yen from the end of the previous fiscal year.

4. Projected Results for the Year ending March 31, 2005

	<u>Millions of Yen</u>		variance (%)
	<u>Years ending/ended March 31,</u>		
	2005	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

Ref : Projected results for the 4th quarter

	<u>Millions of Yen</u>		variance (%)
	<u>Three months ending/ended March 31,</u>		
	2005	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

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	Mar. 31, 2004	Variance(%)	Dec. 31,2003
ASSETS				
Current assets	214,539	193,279	11.0	180,257
Cash and deposits	90,925	80,425		66,125
Notes and accounts receivable - trade	77,180	67,274		68,010
Inventories	36,869	32,877		33,804
Deferred tax assets	5,232	7,066		5,283
Other current assets	5,775	6,982		8,398
Allowance for doubtful receivables	-1,443	-1,347		-1,365
Fixed asstes	114,971	96,445	19.2	94,560
Tangible fixed assets	92,954	78,318	18.7	78,539
Buildings and structures	23,605	22,855		22,463
Machinery and carriers	37,486	33,076		32,497
Land	9,319	9,218		9,294
Other tangible fixed assets	22,542	13,167		14,284
Intangible fixed assets	5,242	4,556	15.1	4,747
Investments and other assets	16,775	13,570	23.6	11,273
Investment securities	9,443	6,193		5,380
Deferred tax assets	2,719	3,012		1,559
Other assets	5,051	4,853		4,853
Allowance for doubtful receivables	-438	-487		-519
Deferred charges	228	162	40.7	433
Total Assets	329,739	289,887	13.7	275,251
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities	66,600	68,252	-2.4	62,496
Notes and accounts payable - trade	28,634	25,770		26,849
Short-term bank loans	-	486		1,297
Income taxes payable	8,143	14,398		10,590
Accrued bonuses to employees	1,996	3,722		1,876
Other current liabilities	27,825	23,874		21,882
Long-term liabilities	2,127	1,934	10.0	1,847
Long-term bank loans	-	-		0
Other long-term liabilities	2,127	1,934		1,846
Total Liabilities	68,727	70,187	-2.1	64,343
Minority interests	855	721	18.6	940
Common stock	6,264	6,264	-	6,264
Additional paid-in capital	15,898	15,898	-	15,898
Retained earnings	253,154	247,175	2.4	236,995
Net unrealized gain on available-for-sale securities	41	-30	-236.7	-77
Foreign currency translation adjustments	-7,012	-10,825	-35.2	-9,367
Treasury stock - at cost	-8,189	-39,504	-79.3	-39,745
Total Shareholders' Equity	260,157	218,978	18.8	209,967
Total	329,739	289,887	13.7	275,251
notes:		<u>Millions of Yen</u>		
Accumulated depreciation	162,795	150,826		158,237
Guarantees of borrowings and lease obligations for customers	1,230	883		746
Number of shares of treasury stock (unit:stocks)	1,006,092	4,857,867		4,887,862

2. Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

(Nine months ended Dec. 31, 2004 and 2003)	Millions of Yen			
	Nine months ended Dec. 31,		Variance(%)	Year ended
	2004	2003		Mar.31, 2004
Net sales	231,234	200,386	15.4	271,443
Cost of sales	117,331	105,806	10.9	142,683
Gross profit	113,903	94,580	20.4	128,760
Selling, general and administrative expenses	48,122	45,965	4.7	60,594
Operating income	65,781	48,615	35.3	68,166
Non-operating income	4,924	2,539	93.9	3,829
Interest income	693	439		553
Foreign exchange gains	102	-		-
Equity in earnings of affiliates	3,304	900		1,699
Others	823	1,200		1,576
Non-operating expenses	1,620	3,669	-55.8	5,441
Interest expense	85	169		189
Sales discount	383	481		638
Foreign exchange losses	-	2,277		2,900
Others	1,150	741		1,714
Ordinary income	69,085	47,486	45.5	66,554
Extra-ordinary gains	449	842	-46.7	989
Gain on sales of property, plant and equipment	129	522		522
Gain on sales of investment securities	-	59		59
Others	319	261		406
Extra-ordinary losses	3,365	4,756	-29.2	12,047
Maintenance of environment	1,187	-		-
Additional retirement benefits paid to employees	765	851		1,089
Loss on disposal of property, plant and equipment	672	1,386		1,899
Loss on impairment of long-lived assets	83	-		2,040
Amortization of goodwill	-	-		3,300
Additional expense incurred to dissolved contributory funded	-	887		887
Loss on write-down of investment securities	-	469		618
Others	656	1,160		2,210
Income before income taxes and other items	66,169	43,572	51.9	55,496
Income taxes - Current	14,870	13,382	11.1	18,573
Income taxes - Deferred	2,150	718	199.4	-2,774
Minority interests in net income	130	127	2.4	148
Net income	49,017	29,343	67.0	39,548
Basic net income per share(Yen)	443.74	259.73	184.01	350.96

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	231,234	232,252	-1,018
Operating income	65,781	66,782	-1,001
Ordinary income	69,085	70,135	-1,050
Net income	49,017	50,080	-1,063

2. Average rates of major foreign currencies:
- | | | Nine months ended Dec. 31, | | Variance(%) | Year ended |
|------------|-----|----------------------------|--------|-------------|--------------|
| | | 2004 | 2003 | | Mar.31, 2004 |
| US\$ | Yen | 108.39 | 114.64 | 5.5% | 112.76 |
| Euro | Yen | 135.10 | 132.76 | -1.8% | 132.65 |
| Thail Baht | Yen | 2.66 | 2.79 | 4.7% | 2.77 |

3. Consolidated Statements of Retained Earnings

HOYA CORPORATION and Consolidated Subsidiaries

	<u>Millions of Yen</u>			<u>Year ended</u> <u>Mar. 31, 2004</u>
	<u>Nine months ended</u>		<u>Variance</u>	
	<u>Dec.31,2004</u>	<u>Dec.31,2003</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	247,175	216,271	30,904	216,271
Adjustment of retained earnings	49,017	29,343	19,674	39,548
Net income	49,017	29,343	19,674	39,548
Appropriations	43,039	8,620	34,419	8,644
1. Cash dividends	12,241	8,439	3,802	8,439
2. Bonuses to directors	63	169	-106	169
3. Cancellation of treasury stock	30,702	-	30,702	-
4. Loss on disposal of treasury stock	32	11	21	35
Balance at the end of the period	253,154	236,995	16,159	247,175

4. Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

(Nine months ended Dec. 31, 2004 and 2003)	<u>Millions of Yen</u>		
	<u>Nine months ended Dec.31,</u> 2004	2003	variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	66,169	43,572	22,597
Adjustments for:			
Income taxes - paid	-21,292	-1,869	-19,423
Depreciation and amortization	15,464	14,690	774
Loss on impairment of long-lived assets	83	-	83
Provision for (reversal of) accrued bonuses to employees	-1,725	-1,655	-70
Provision for (reversal of) accrued retirement benefits	-	-292	292
Provision for (reversal of) reserve for periodic repairs	204	178	26
Equity in earnings of affiliates	-3,304	-900	-2,404
Foreign exchange loss (gain)	-85	1,131	-1,216
Bonus to directors	-63	-169	106
Loss on write-down of investment securities	-	469	-469
Gain on sales of property, plant and equipment and investment securities	-129	-581	452
Loss on disposal of property, plant and equipment and investment securities	672	1,386	-714
Other	338	303	35
<i>Changes in assets and liabilities:</i>			
(Increase) decrease in notes and accounts receivable	-9,199	-7,743	-1,456
(Increase) decrease in inventories	-3,530	-1,105	-2,425
(Increase) decrease in other current assets	1,568	-1,530	3,098
Increase (decrease) in notes and accounts payable	2,722	6,120	-3,398
Increase (decrease) in other current liabilities	323	2,771	-2,448
Total adjustment			
Net cash provided by operating activities	48,215	54,775	-6,560
INVESTING ACTIVITIES:			
Payment for purchases of property, plant and equipment	-26,429	-17,288	-9,141
Proceeds from sales of property, plant and equipment	171	775	-604
Payment for purchases of investment securities	-10	-365	355
Proceeds from sales of investment securities	-	102	-102
Payments for loans	-96	-2,430	2,334
Proceeds from loans	164	-	164
Increase in investments and other assets	-2,522	-1,642	-880
Decrease in investments and other assets	245	589	-344
Net cash used in investing activities	-28,476	-20,260	-8,216
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term bank loans	-348	-926	578
Repayments of long term bank loans	-161	-43	-118
Net (increase) decrease in treasury stock	580	-32,719	33,299
Dividends paid	-12,245	-8,433	-3,812
Dividends paid for minority shareholders	0	-155	155
Proceeds from minority shareholders	-	19	-19
Net cash used in financing activities	-12,176	-42,258	30,082
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,562	-7,742	15,304
Effect of Exchange Rate Changes on Cash and Cash Equivalents	2,936	-2,203	5,139
Cash and cash equivalents of merged non-consolidated subsidiaries, beginning of period	-	377	-377
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	80,425	75,694	4,731
CASH AND CASH EQUIVALENTS, END OF PERIOD	90,925	66,125	24,800

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 period 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 fiscal year (March 31, 2004) : 2 companies increased in total.

2 companies increased due to the establishment: HOYA ELECTRONICS KOREA CO., LTD. (Korea)
HOYA GLASS DISK VIETNAM LTD. (Vietnam)

1 company increased due to the acquisition: RADIANT IMAGES, INC. (USA)

1 company decreased due to the closing: KOREA OPTICAL GLASS CO., LTD. (Korea)

2) Application of the equity method

a) In comparison to the end of the same period of last year (Dec. 31, 2003) :

No change

b) In comparison to the end the previous fiscal year (March 31, 2004) :

No change

	as of Dec.31, 2004	as of Dec. 31, 2003	variance	as of Mar.31, 2004
Consolidated subsidiaries	57 (do 6, os51)	56 (do 7, os49)	+1 (do-1, os+2)	55 (do 6, os49)
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	60
(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 period under review, the impairment losses of 83 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 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>2004</u>	<u>2003</u>	<u>Year ended</u> <u>Mar.31,2004</u>
Cash and deposits	90,925	66,125	80,425
Marketable securities	-	-	-
Total	<u>90,925</u>	<u>66,125</u>	<u>80,425</u>

2. Details of Asstets and Liabilities of the Newly Consolidated Subsidiaries by Increase of Proxy Rights:

Nine months ended Dec. 31, 2004

None

Nine months ended Dec. 31, 2003

HOYA-SCHOTT CORPORATION (as of June 30, 2003)

(This company has changed its corporate name to HOYA CANDEO OPTRONICS CORPORATION)

	<u>Millions of Yen</u>
Current assets	2,052
Fixed assets	<u>554</u>
Total assets	<u>2,607</u>
Current liabilities	701
Long-term liabilities	<u>168</u>
Total liabilities	<u>870</u>

Year ended Mar. 31, 2004

HOYA-SCHOTT CORPORATION (as of June 30, 2003)

(This company has changed its corporate name to HOYA CANDEO OPTRONICS CORPORATION)

	<u>Millions of Yen</u>
Current assets	2,052
Fixed assets	<u>554</u>
Total assets	<u>2,607</u>
Current liabilities	701
Long-term liabilities	<u>168</u>
Total liabilities	<u>870</u>

3. Details of Important Non-financial Trading

<u>Nine months ended Dec.31, 2004</u>	<u>Millions of Yen</u>
Cancellation of treasury stock	30,702

Nine months ended Dec.31, 2003

None

Year ended Mar. 31, 2004

None

Notes Relating to Investment Securities and Derivatives

1. Investment securities with market values:

(Millions of Yen)

	As of								
	<u>Dec.31, 2004</u>			<u>Mar.31, 2004</u>			<u>Dec.31, 2003</u>		
	Cost	Fair Value	Variance	Cost	Fair Value	Variance	Cost	Fair Value	Variance
Available-for-sale									
Available-for-sale :									
Marketable Equity securities	159	290	131	159	230	70	102	109	6
Government bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	159	290	131	159	230	70	102	109	6

2. Investment securities without market values:

(Millions of Yen)

	As of		
	<u>Dec.31, 2004</u>	<u>Mar.31, 2004</u>	<u>Dec.31, 2003</u>
	Non-marketable stock of subsidiaries	8,881	5,689
Total	8,881	5,689	4,852
Non-marketable equity securities	271	273	418
Total	271	273	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>Mar.31, 2004</u>	<u>Dec.31, 2003</u>
(1) Current deferred tax assets and liabilities			
Deferred tax assets			
Inventories - intercompany unrealized profits	1,952	1,604	1,053
Accrued bonuses to employees	778	1,409	747
Amortization of goodwill	595	1,493	1,238
Accrued enterprise taxes	391	1,200	811
Other	1,513	1,358	1,433
Total amount of deferred tax assets - current	<u>5,232</u>	<u>7,066</u>	<u>5,283</u>
(2) Non-current deferred tax assets and liabilities			
Deferred tax assets			
Amortization of goodwill and property, plant and equipment	1,927	2,069	1,315
Loss on impairment of long-lived assets	858	824	-
Allowance for doubtful receivables	153	181	176
Other	727	859	1,075
Total amount of deferred tax assets - fixed	<u>3,666</u>	<u>3,934</u>	<u>2,567</u>
Deferred tax liabilities			
Reserve for deferred income taxes on fixed assets	-445	-467	-521
Special depreciation reserve	-308	-289	-314
Net unrealized gain on available-for-sale securities	-27	-	-
Other	-165	-165	-171
Total amount of deferred tax liabilities - fixed	<u>-947</u>	<u>-922</u>	<u>-1,007</u>
Net amount of deferred tax assets - fixed	<u>2,719</u>	<u>3,012</u>	<u>1,559</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>2004</u>	<u>2003</u>	<u>Mar.31,2004</u>
Statutory tax rate of the Company	40.4 %	41.7 %	41.7 %
(Adjustment)			
Lower income tax rates applicable to income in certain foreign countries	-13.0	-9.8	-12.4
Expenses not permanently deductible for income tax purposes	0.3	0.6	0.7
Per capita portion	0.1	0.2	0.2
Non-taxable dividend income	-3.2	-2.6	-2.1
Intercompany cash dividend and transactions	3.2	2.0	1.6
Equity in earnings of affiliates	-2.0	-0.8	-1.2
Tax credit on experiment and research expenses	-0.7	-	-1.1
Other adjustment - net	0.6	1.1	1.1
Effective income tax rate	<u>25.7</u>	<u>32.4</u>	<u>28.5</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

	<u>Nine months ended</u>		<u>Year ended</u>
	<u>Dec.31, 2004</u>	<u>Dec.31, 2003</u>	<u>Mar.31,2004</u>
(2) Breakdown of expenses for employees' retirement benefits			
Additional expense incurred to dissolved contributory funded	-	887	887
Additional retirement benefits paid to employees	765	851	1,089
Expenses for employees' retirement benefits	<u>765</u>	<u>1,739</u>	<u>1,977</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

(2) Breakdown of impairment

	<u>Nine months ended</u>		<u>Year ended</u>
	<u>Dec.31, 2004</u>	<u>Dec.31, 2003</u>	<u>Mar.31,2004</u>
Buildings	-	-	1,004
Machinery	23	-	461
Furniture and equipment	33	-	67
Assets on lease	-	-	276
Others	26	-	230
<u>Total</u>	<u>83</u>	<u>-</u>	<u>2,040</u>

(3) Segment Information (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

1. Industry Segments

For the nine 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	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

For the nine 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	97,526	3,489	73,775	21,186	3,419	989	200,386	-	200,386
Intersegment	44	-	10	0	53	4,479	4,588	(4,588)	-
Total	97,571	3,489	73,786	21,186	3,472	5,468	204,975	(4,588)	200,386
Operating expenses	64,967	3,515	61,493	16,643	3,614	5,024	155,257	(3,485)	151,771
Operating income	32,604	-25	12,293	4,543	-141	444	49,717	(1,102)	48,615
Operating income ratio	33.4%	-0.7%	16.7%	21.4%	-4.1%	8.1%	24.3%	-	24.3%
Assets	131,907	2,275	96,217	16,569	4,930	2,798	254,700	20,550	275,251
Depreciation	9,652	50	4,250	399	258	23	14,633	56	14,690
Capital Expenditures	12,474	35	5,141	953	152	14	18,772	19	18,791
R&D Expenses	5,447	195	1,015	643	20	-	7,322	-79	7,243
Number of employees (p)	8,438	135	5,874	562	175	355	15,539	50	15,589

Ref : Differences between the nine months 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	27,200	4,881	-3,304	2,412	-578	237	30,848	-	30,848
Variance(%)	27.9%	139.9%	-4.5%	11.4%	-16.9%	24.0%	15.4%	-	15.4%
Intersegment	423	166	6	0	-10	-667	-82	82	-
Total	27,622	5,047	-3,299	2,412	-588	-429	30,766	82	30,848
Operating expenses	11,507	4,093	-3,869	1,422	-627	-503	12,023	1,658	13,682
Operating income	16,115	953	570	989	39	74	18,743	-1,577	17,166
Variance(%)	49.4%	-	4.6%	21.8%	-	16.7%	37.7%	-	35.3%
Assets	32,210	6,061	-5,193	4,753	-2,732	270	35,367	19,122	54,488
Depreciation	787	46	17	88	-258	11	692	83	774
Loss on impairment	-	-	-	-	83	-	83	-	83
Capital Expenditures	12,726	68	-234	-353	-69	155	12,293	167	12,460
R&D Expenses	606	446	227	-115	-3	-	1,161	79	1,240
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 present term. 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 nine months ended Dec. 31, 2004 and 2003 are as follows:

<u>2004</u>	2,035 million Yen
<u>2003</u>	1,491 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. Geographical Segments

For the nine months ended December 31, 2004

	Millions of Yen						Elimi. or corp.	Consolidated
	Japan	North America	Europe	Asia	Total			
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

For the nine months ended December 31, 2003

	Millions of Yen						Elimi. or corp.	Consolidated
	Japan	North America	Europe	Asia	Total			
Net sales:								
To outside customers	137,785	25,394	28,132	9,074	200,386	-		200,386
Intersegment	12,594	69	836	43,490	56,990	(56,990)		-
Total	150,380	25,463	28,969	52,564	257,377	(56,990)		200,386
Operating expenses	121,823	24,405	22,266	40,987	209,482	(57,710)		151,771
Operating income	28,556	1,058	6,702	11,577	47,895	719		48,615
Operating income ratio	19.0%	4.2%	23.1%	22.0%	18.6%	-		24.3%
Assets	152,407	18,267	28,952	66,239	265,868	9,383		275,251

Ref:

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

	Millions of Yen						Elimi. or corp.	Consolidated
	Japan	North America	Europe	Asia	Total			
Net sales:								
To outside customers	36,126	-1,893	-3,223	-163	30,848	-		30,848
Variance(%)	26.2%	-7.5%	-11.5%	-1.8%	15.4%	-		15.4%
Intersegment	1,986	18	-648	22,940	24,296	-24,296		-
Total	38,112	-1,875	-3,872	22,778	55,144	-24,296		30,848
Operating expenses	30,467	-1,047	-1,628	10,629	38,420	-24,739		13,682
Operating income	7,646	-828	-2,243	12,149	16,723	443		17,166
Variance(%)	26.8%	-78.3%	-33.5%	104.9%	34.9%	-		35.3%
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 nine months ended Dec. 31, 2004 and 2003 are as follows:

<u>2004</u>	1,716 million Yen	<u>2003</u>	1,296 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 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 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%

For the nine months ended December 31, 2003

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	28,014	30,116	31,866	5	90,003
Total Consolidated Net Sales (B)					200,386
Overseas Sales ratio (A/B)	14.0%	15.0%	15.9%	0.0%	44.9%
Regional Sales ratio	31.1%	33.5%	35.4%	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)	5,821	-3,101	12,768	-1	15,486
Total Consolidated Net Sales (B)					30,848
Overseas Sales ratio (A/B)	20.8%	-10.3%	40.1%	-20.0%	17.2%

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

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

Business Category Company	Nine months ended Dec. 31,		Variance		Year ended March 31,	
	2004	2003	Amount	%	2004	
Electro-Optics						
Domestic	66,014 (52.9)	56,496 (57.9)	9,518	16.8	77,344 (57.3)	
Overseas	58,712 (47.1)	41,030 (42.1)	17,682	43.1	57,726 (42.7)	
total	124,726 [53.9]	97,526 [48.7]	27,200	27.9	135,071 [49.8]	
Photonics						
Domestic	5,425 (64.8)	2,200 (63.1)	3,225	146.6	2,394 (58.2)	
Overseas	2,944 (35.2)	1,289 (36.9)	1,655	128.4	1,721 (41.8)	
total	8,370 [3.6]	3,489 [1.7]	4,881	139.9	4,116 [1.5]	
Information Technology						
Domestic	71,440 (53.7)	58,696 (58.1)	12,744	21.7	79,739 (57.3)	
Overseas	61,656 (46.3)	42,319 (41.9)	19,337	45.7	59,448 (42.7)	
total	133,096 [57.6]	101,016 [50.4]	32,080	31.8	139,187 [51.3]	
Vision Care						
Domestic	27,561 (39.1)	26,588 (36.0)	973	3.7	35,251 (35.9)	
Overseas	42,910 (60.9)	47,186 (64.0)	-4,276	-9.1	62,952 (64.1)	
total	70,471 [30.5]	73,775 [36.8]	-3,304	-4.5	98,203 [36.2]	
Health Care						
Domestic	23,093 (97.9)	21,042 (99.3)	2,051	9.7	28,142 (99.2)	
Overseas	504 (2.1)	144 (0.7)	360	250.0	238 (0.8)	
total	23,598 [10.2]	21,186 [10.6]	2,412	11.4	28,380 [10.4]	
Eye Care						
Domestic	50,654 (53.8)	47,630 (50.2)	3,024	6.3	63,393 (50.1)	
Overseas	43,414 (46.2)	47,330 (49.8)	-3,916	-8.3	63,190 (49.9)	
total	94,069 [40.7]	94,961 [47.4]	-892	-0.9	126,584 [46.6]	
Crystal						
Domestic	2,422 (85.3)	3,066 (89.7)	-644	-21.0	3,841 (88.9)	
Overseas	418 (14.7)	353 (10.3)	65	18.4	480 (11.1)	
total	2,841 [1.2]	3,419 [1.7]	-578	-16.9	4,321 [1.6]	
Service						
Domestic	1,226 (100.0)	989 (100.0)	237	24.0	1,350 (100.0)	
Overseas	- (0.0)	0 (0.0)	0	-	0 (0.0)	
total	1,226 [0.5]	989 [0.5]	237	24.0	1,350 [0.5]	
Lifestyle Refinement						
Domestic	3,649 (89.7)	4,055 (92.0)	-406	-10.0	5,192 (91.5)	
Overseas	418 (10.3)	353 (8.0)	65	18.4	480 (8.5)	
total	4,067 [1.8]	4,409 [2.2]	-342	-7.8	5,672 [2.1]	
Total Net Sales						
Domestic	125,744 (54.4)	110,383 (55.1)	15,361	13.9	148,325 (54.6)	
Overseas	105,489 (45.6)	90,003 (44.9)	15,486	17.2	123,118 (45.4)	
Total	231,234 [100.0]	200,386 [100.0]	30,848	15.4	271,443 [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.