HOYA

Annual Financial Highlights (unaudited)

April 20, 2005

HOYA CORPORATION and Consolidated Subsidiaries

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Performance for the years ended March 31, 2005 and 2004

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

(1)Results of Operations	Years ended March 31, 2005	2004	Variance (%)
Net sales	308,172	271,443	13.5
Operating income	84,920	68,166	24.6
Ordinary income	89,525	66,554	34.5
Net income	64,135	39,548	62.2
Basic net income per share (Yen)	578.84	350.96	
ROE	25.8%	17.8%	
Ordinary income / total assets	27.9%	23.6%	
Ordinary income / net sales	29.1%	24.5%	

Notes : No changes have been made in accounting policy.

(2)Dividends	Years ended March 31, 2005	2004
Annual cash dividends per share (Yen)	160.00	100.00

(3)Financial Position	As of March 31, 2005	2004
Total assets	351,482	289,887
Shareholders' equity	277,889	218,978
Shareholders' equity ratio	79.1%	75.5%
Shareholders' equity per share (Yen)	2,494.37	1,967.60

(4)Conditions of Cash Flow	2005	2004
Net cash provided by operating activities	76,000	78,743
Net cash used in investing activities	-35,524	-28,338
Net cash provided by (used in) financing activities	-11,692	-42,853
Cash and cash equivalents at end of period	112,874	80,425

Ref:Performance of HOYA CORPORATION for the years ended March 31, 2005 and 2004

	2005	2004	Variance(%)
Net sales	224,608	183,771	22.2
Operating income	35,131	28,341	24.0
Ordinary income	46,536	33,610	38.5
Net income	24,967	15,558	60.5
EPS (Yen)	225.55	138.24	
Total assets	222,313	209,673	
Shareholders' equity	159,316	143,617	

1.Global Group Management

The HOYA Group consists of the HOYA CORPORATION (the "Company"), 58 consolidated subsidiaries (6 in Japan and 52 overseas) and five affiliates (5 in Japan). The HOYA Group is engaged in manufacturing, sales and businesses related to Electro-Optics, Photonics, Vision Care, Health Care and Crystal products. Of the five affiliates, one (1in Japan) is accounted for using the equity method (as of March 31, 2005).

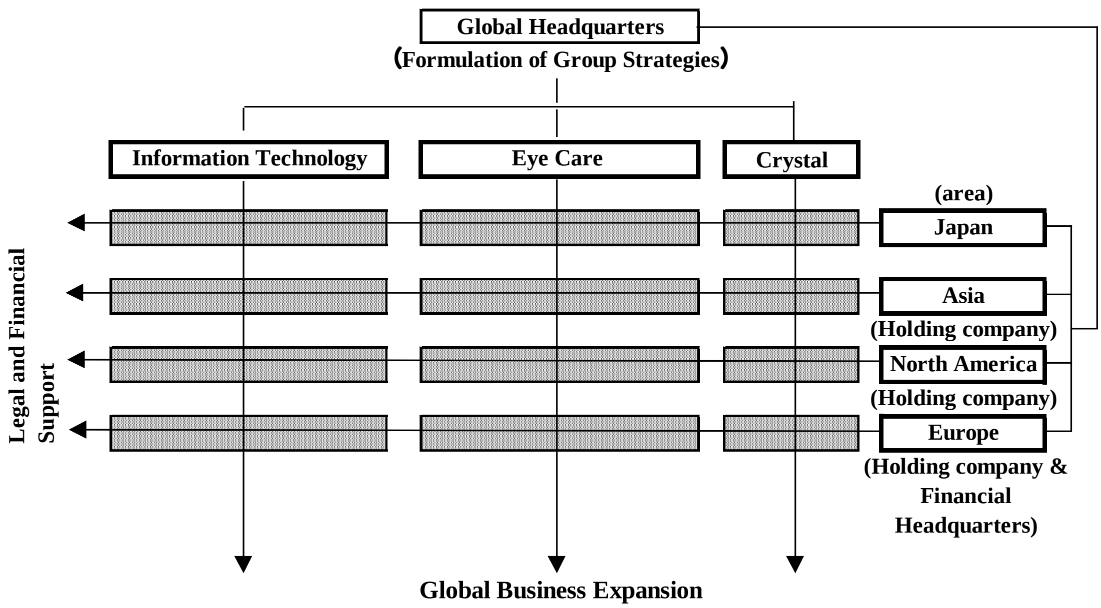
Our products are manufactured by the Company itself and by other companies in the Group both in Japan and abroad. In Japan, most of our products are distributed directly to retailers, specialty stores, assemblers, etc. Some products are exported to various countries abroad through our overseas Group companies.

The HOYA Group has adopted a global group management system. Global Headquarters at the HOYA CORPORATION formulate management strategies, which are enacted on a global basis by the two major business segments such as Information Technology and Eye Care in line with their respective business responsibilities.

By area, regional holding companies in North America, Europe and Asia are in charge of reinforcing relationships with the countries and areas in their respective regions, financial management on a regional basis, legal support and internal audits, thereby supporting the promotion of business activities.

In July 2003, the HOYA Group has moved its financial headquarters to HOYA HOLDINGS, N.V. so that the headquarters control global financial matters.

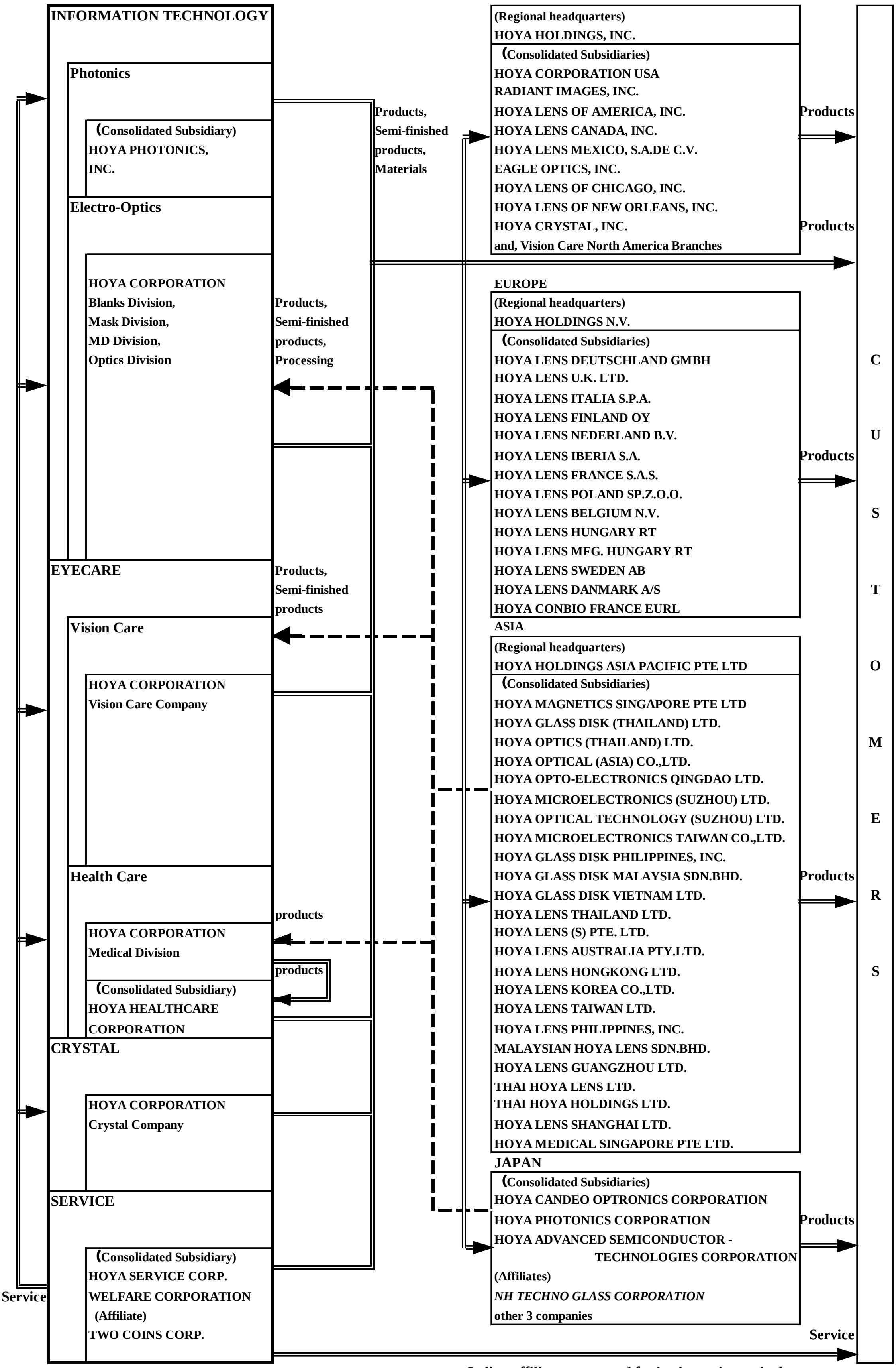
Global Group Management System



The Company and its consolidated subsidiaries are engaged mainly in the manufacture and sales of products in six major industries as per below: Electro-Optics, Photonics, Vision Care, Health Care, Crystal and Service.

Business Categories	Industries	Products and Services	Major Subsidiaries
Information Technology	Electro-Optics	Photomasks and Maskblanks for semiconductors, Masks and Devices for LCDs; Glass disks for hard disk drives (HDDs); Optical lenses, Optical glasses, Optical communication related devices, etc.	HOYA CORP. Blanks Division, Mask Division, MD Division, Optics Division, etc. HOYA CORPORATION USA HOYA MAGNETICS SINGAPORE PTE LTD HOYA GLASS DISK (THAILAND) LTD.
	Photonics	Laser equipments for industrial, dental, and medical purposes Light sources for electronics industry, etc.	HOYA PHOTONICS, INC. HOYA PHOTONICS CORPORATION HOYA CANDEO OPTRONICS CORPORATION
Eye Care	Vision Care	Eyeglass lenses, Eyeglass frames, Ophthalmic equipments, etc.	HOYA CORP. Vision Care Company HOYA LENS DEUTSCHLAND GMBH HOYA LENS U.K. LTD. HOYA LENS OF AMERICA, INC. HOYA LENS THAILAND LTD.
	Health Care	Contact lenses and accessories, Intraocular lenses, etc.	HOYA CORP. Medical Division HOYA HEALTHCARE CORPORATION
Lifestyle Refinement	Crystal	Crystal glass products	HOYA CORP. Crystal Company HOYA CRYSTAL, INC.
	Service	Design of information systems, Placement of temporary staff, etc.	HOYA SERVICE CORPORATION WELFARE CORPRATION

Business Flow Chart



Italic : affiliates accounted for by the equity method

2. Management Policies

An outline of the management policies of the HOYA Group is as follows:

Top Priority Policy of the Management
"Maximization of Corporate Value"

1. SVA management

(SVA:Shareholders' Value Added or an increment in shareholder value during one fiscal year)

In order to maximize corporate value, we will streamline our management and carry out SVA management. We are confident that we will be able to respond to the expectations of our shareholders and satisfy all stakeholders with an increase in corporate value by producing profits that exceed capital costs while paying due attention to all expenses.

2. Strategy of "Global Niche"

Applying our original technologies, which have been accumulated over many years, the Company will develop technologies that will prevail in the global marketplace, create new business fields with growth potential to attain the top market shares therein, and develop them into highly profitable businesses.

3. Harmonizing the interests of management, employees and shareholders

In order to improve business results and produce profits for both shareholders and management/employees simultaneously, board members are obliged to own shares in the Company, stock-options and an employee stock ownership plan have been established that allow employees to have a sense of participation in the management of the Company.

The Company has adopted new system that places importance on the employees' abilities regardless of age or sex so that they can work with enthusiasm.

4. Global group management

We will make the best combination of management resources in order to give full play to our competitive edge in a global perspective and strive to increase our share of overseas business.

Measures designed to promote globalization include not only expansion of the worldwide marketing network and transfer of manufacturing overseas, but also employment of locals in the senior management of overseas subsidiaries regardless of race.

5. Middle- to long-term policy on appropriation of retained earnings

The Company carries out its globalized management emphasizing consolidated accounting and its management emphasizing shareholder interests and exerts efforts to increase the enterprise value and shareholder value in response to shareholder expectations.

In terms of the cash dividend, the Company will determine the amount in consideration of the balance among repayment of profit to shareholders, welfare of employees and replenishment of retained earnings for future business development.

Funds from retained earnings will be appropriated for investments for the Company to establish the HOYA brand, accelerate further growth, enhance competitive edge of its products, and develop next-generation products.

6. Basic approach to corporate governance and measures being promoted

1) Basic approach

The Company is aware that corporate governance is one of the issues of highest priority in business management and has thus far promoted initiatives for numerous reforms. We aim to maximize shareholders value and enhance management efficiency based on the concept that "the company is the possession of the shareholders" and have furthermore established supervisors to monitor operations from the perspective of the shareholders and receive their advice when required in order to avoid implementing business operations that solely reflect the Company's own logic. At the same time, we have been promoting the separation of management supervision and operations and an acceleration in decision making.

2) Conditions of other measures

(1) Conditions of the corporate governance infrastructure

a) Reduction in the number of directors and participation in management by outside directors

We began gradually decreasing the number of directors in 1989 in order to be able to avoid having the Board of Directors become a mere facade and stimulate thoroughgoing and lively discussion.

We promoted the separation of management supervision and operations within an organizational configuration consisting of a divisionalized and company system and operations were executed centered in the heads of the operating divisions.

Meanwhile, in order to prevent promoting decision making based only on our own internal logic, we have had outside directors join us since 1995 so as to assure that voices could be heard without regard to internal hierarchy and human relationships and have made it possible for them to supervise management and provide advice. We further increased outside directors to three in 2001.

The overall number of directors at that time was six, the smallest number ever, and, at the same time, we equalized the number of internal and outside directors. Prompted by this, we established discretionary Remuneration and Nomination Committees centered in the outside directors, creating a structure in which the Company would receive the impartial judgments of the outside directors from the perspective of the shareholders. The Company had thus already established a structure similar to a "committee-establishing company" before the actual transformation.

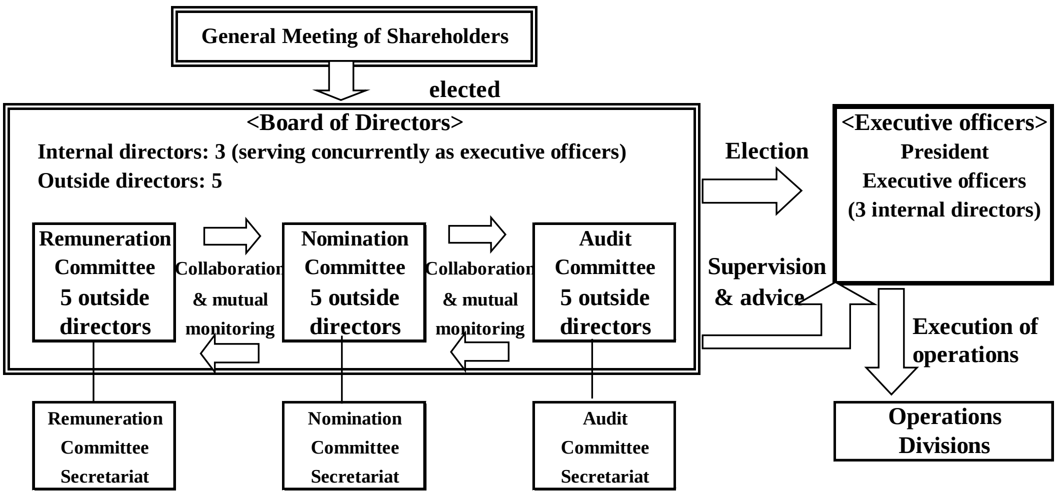
b) Transformation to a committee-establishing company

We transformed the Company to a committee-establishing company in June 2003. Through the extensive transfer of executive officer decision-making authority by the Board of Directors, it became possible for the executive officers to carry out management rapidly and effectively with the aim of improving performance and a reinforcement of the supervisory functions implemented by the three committees, the Nomination, Remuneration and Audit Committees, was sought based on the impartial decisions of the outside directors invited in from the outside.

Together with the transformation to a committee-establishing company, the outside directors were increased two from three to five, thus making up a majority share, the first such case for any listed companies in the domestic market. In addition, since the Company was first founded, the first female director was appointed with anticipation of advice also from the perspective of a woman.

The three executive officers elected by the Board of Directors also serve concurrently internal directors.

<Corporate Governance Structure>



c) Overview of the committees

The Nomination Committee decides upon proposals for the election and dismissal not only of directors but also executive officers. The Remuneration Committee decides the compensation of directors and executive officers. The Audit committee receives reports and explanations from the accounting auditors, verifies the financial statements, etc., monitors and verifies the internal control system and checks the conditions of operations and assets with the collaboration of the divisions in charge of internal control.

These three committees are all composed solely of the five outside directors and all of the outside directors participate in all of the committees as outside directors. The three committees undertake the mutual monitoring of the directors and the monitoring of the executive officers while promoting cooperation, thereby further enhancing corporate governance functions.

d) Placement of staff to assist outside directors

An Audit Committee Secretariat has been established as an organization to assist the auditing functions of the committee-establishing company.

The Audit Committee has a full-time secretariat with three employees. The Remuneration and Nomination Committees have an secretariat with one employee each concurrently in operations in charge of personnel affairs.

e) Operation execution and monitoring and internal control mechanism

Meetings of the Board of Directors are convened every month except February and August and a structure has been set up so that, while engaging in lively discussion, the outside directors monitor the execution of operations by the executive officers.

The three internal directors at the Company serve concurrently as executive officers and execute operations. Specifically, day-to-day operations are executed primarily by the general managers of the operating divisions. Each of the divisions provides detailed reports to the executive officers and measures for dealing with problem areas are debated at the regular business activity report meetings held once a month.

The HOYA Conduct Standards, based on the Group's business philosophy and basic management principles, were enacted in 1997 as a code of conduct that applies to all employees. They establish guiding principles to assure that the executives and employees conduct themselves in accordance with rigid professional ethics in the performance of their day-to-day work duties.

Furthermore, the HOYA Help Line, an in-house organization for reporting and consulting, was established in 2003 to deal with conduct that violates the code of conduct. Its purpose is to assure the soundness of the entire Group through the early detection of violations of the code of conduct, laws, prompt notification to the top management and disposition of the problem, while maximum respect is given to ensure the protection and anonymity of those who report problems. The HOYA Help Line is an exclusive organization set up at the HOYA headquarters and it also serves as a contact point for outside attorneys.

f) Conditions of attorneys, accounting auditors and other third parties (conditions of involvement in the company corporate governance system)

The Company maintains a close relationship with a number of attorneys and, when required, receives their advice as appropriate. The auditing firm, Tohmatsu & Co. has been appointed as the Company's accounting auditor and, besides periodic auditing, it responds to consultation as required and also strives to realize transparency and accuracy in accounting audits. For tax-related operations, the Company has concluded contracts with outside professionals and receives their advice as required.

(2) Summary of human, capital, transaction relationships and other vested interests between the Company and outside directors

There are no vested interests worthy of note. Importance is placed on the following points in the selection of candidates for outside directors.

- Persons who have sufficient experience in management, are cosmopolitan in outlook and are able to see things impartially from the perspective of the shareholders
- Persons who, rather than in formal name only, actually attend the Company's Board meetings, participate actively in discussion, are empathetic and willing to express their views

(3) Conditions of implementation of initiatives during the most recent year for the enhancement of corporate governance at the Company

Important meetings held during the term (April 1, 2004 - March 31, 2005)

- General Meeting of Shareholders: 66th Annual General Meeting of Shareholders, June 18, 2004
- Meetings of the Board of Directors: 10 meetings
- Meetings of the Remuneration Committee: 9 meetings
- Meetings of the Nomination Committee: 5 meetings
- Meetings of the Audit Committee: 9 meetings

3) Remuneration of executive officers

The compensation of the Company's directors and executive officers during the term is as indicated below.

Personnel as of the end of the term consisted of eight directors, of which three serve as executive officers as well as internal directors. There were no relocations during the term. The total amount of remuneration of those serving concurrently as both directors and executive officers is entered in the space for executive officers.

Category	Director		Executive officer		Total	
	Relevant personnel (person)	Amount paid (million yen)	Relevant personnel (person)	Amount paid (million yen)	Relevant personnel (person)	Amount paid (million yen)
Fixed amount as resolved by the Remuneration Committee	5	50	3	73	8	123
Not fixed amount as resolved by the Remuneration Committee	—	—	3	180	3	180
Total	—	50	—	253	—	303

4) Remuneration of auditors

The remuneration of the Company's auditors during the term is as indicated below.

	Payment amount (million yen)
(1) Remuneration to be paid for the audit certification.	54
(2) Amount of remuneration except item (1) above.	6

3. Business Overview

3-1. Results of Operations

(1) General Overview

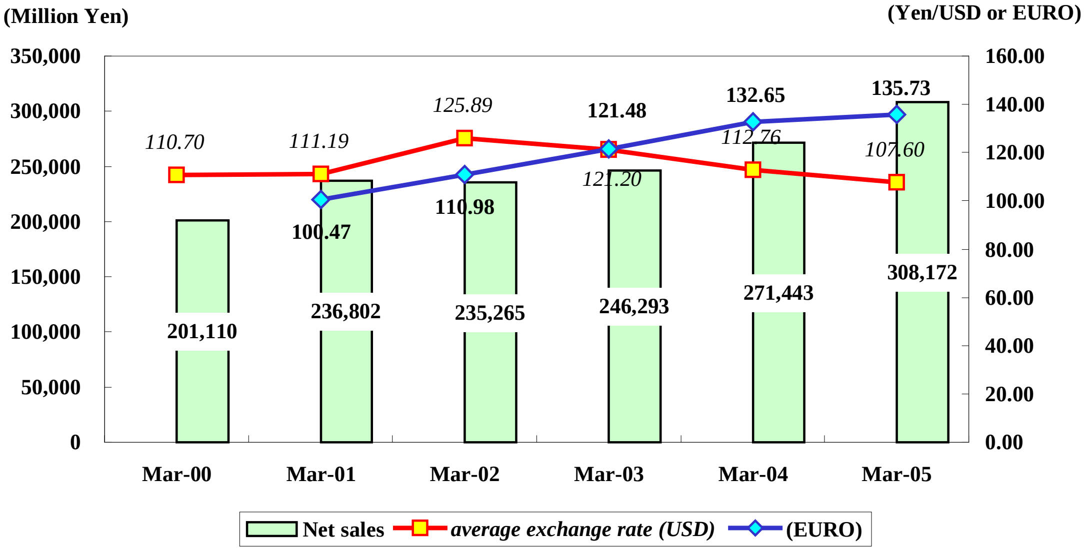
Results of Operations	Millions of Yen Year ended Mar. 31, 2005
Net sales	308,172
Operating income	84,920
Ordinary income	89,525
Net income	64,135
EPS (Yen)	578.84

A trend of recovery in the business climate centered in manufacturing industries driven by robust sales of digital appliances was evident during the term. 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 an restriction of production and a drop in some prices, putting pressure on profits and giving rise to uncertainty regarding the future economic outlook.

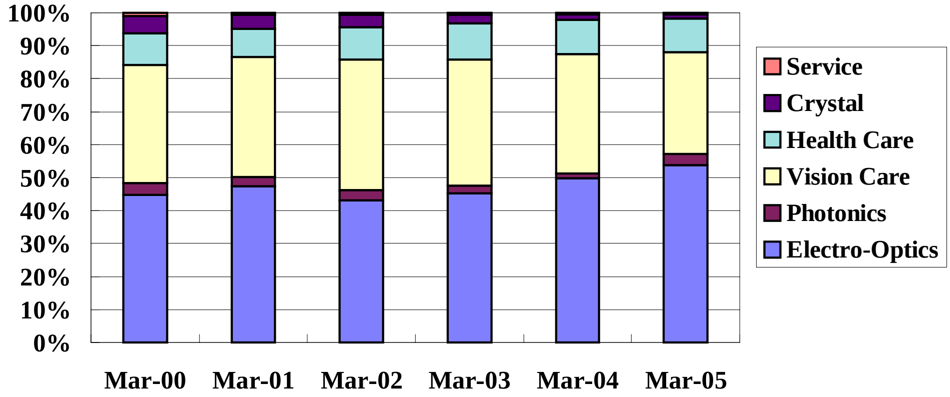
In the currency market during the nine-month term under review, the US dollar and Thai baht depreciated by 4.6% and 3.2%, respectively, while the euro appreciated by 2.3%, all against the yen, on a year-on-year basis.

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 year under review increased 13.5% year-on-year to 308,172 million yen.

Annual net sales (Million Yen) and average exchange rate (Yen/USD & EURO)



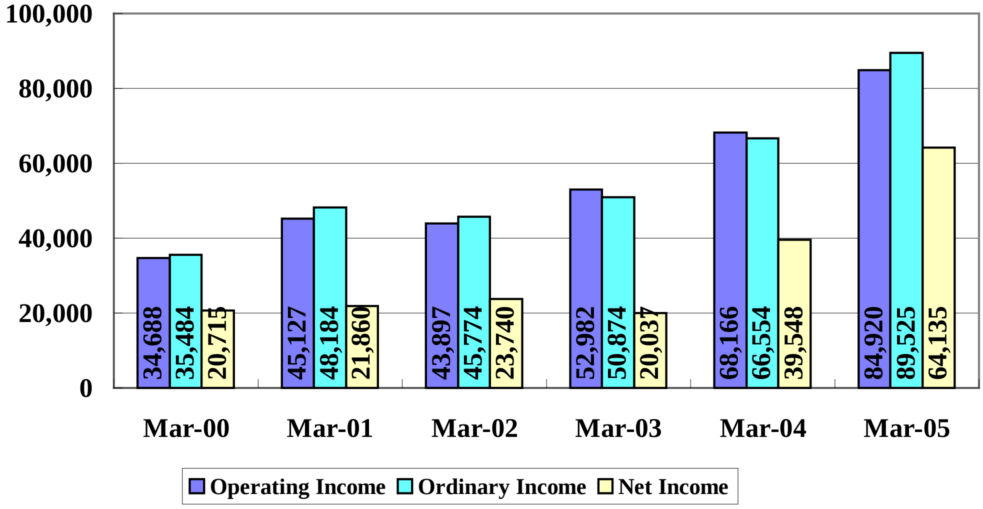
Ratio of Net Sales by Business Segment



During the year under review, orders for high precision products expanded in the Electro-Optics sector, major plants remained in full production and revenues also increased. In the Vision Care sector, sales declined in reaction to increased demand stimulated by the reform of the health insurance system during the previous fiscal year. 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 year increased 24.6%, 34.5% and 62.2% respectively on a year-on-year basis. Together with net sales, all three represented record resultsfor the annual basis.

Net income per share was 578.84 yen, an increase of 227.88 yen on a year-on-year basis.

Profits (Million Yen)

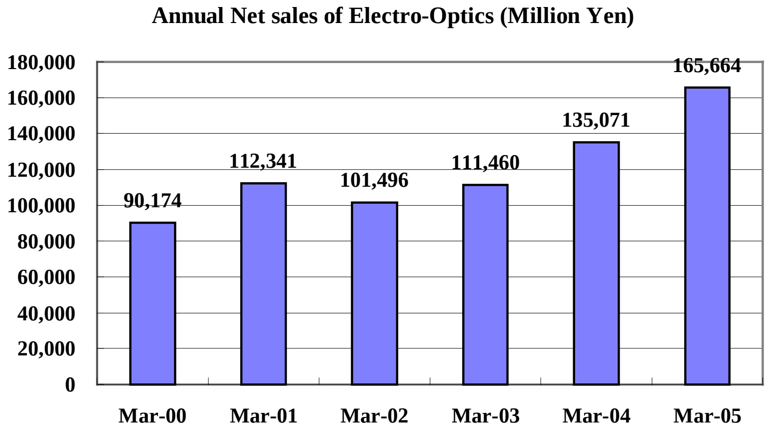


The management at HOYA strives hard to increase shareholder value in response to shareholder expectations. Considering the results of the fiscal year under review, the management proposes that a year-end dividend for the fiscal year be 90 yen per share. Consequently, the total dividend for the fiscal year, including an interim dividend of 60 yen per share already paid, will amount to 150 yen per share, an increase of 50 yen per share on a year-on-year basis.

(2) Segment Overview

1)Information Technology

Electro-Optics



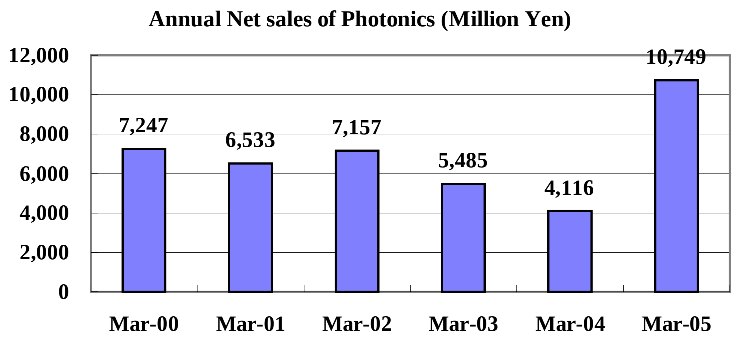
In mask blanks for semiconductor production, there was an increase in orders for phase shift mask blanks and other high-precision products and sales increased on a year-on-year basis.

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 devises stimulated a favorable expansion in demand and sales increased on a year-on-year basis. 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 increase in sales.

In optical products, during the first half of the fiscal year under review, 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 though the market trend became slow and inventory control started among the camera manufacturers during the second half.

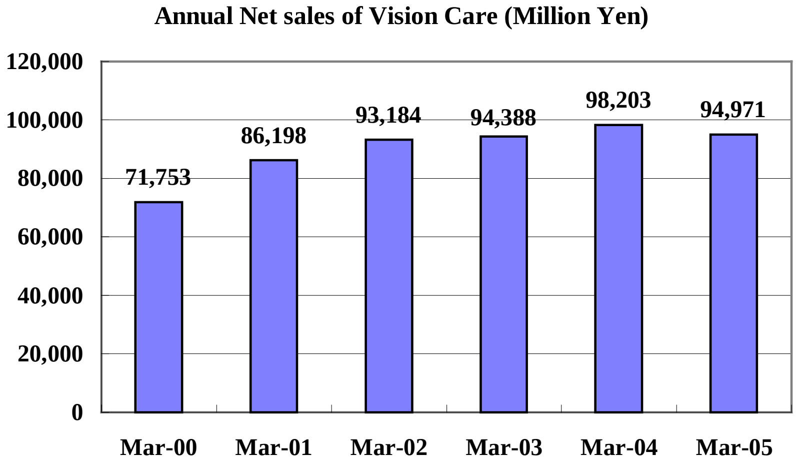
Photonics



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 fiscal year, which brought a significant increase over 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

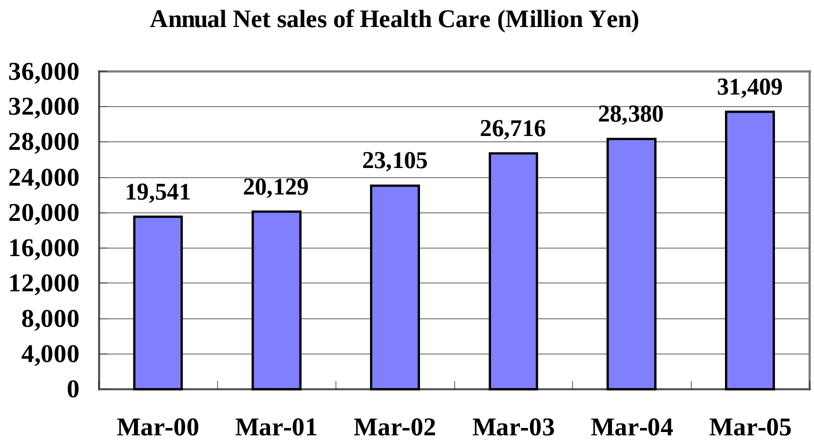


In the domestic eyeglass lens market, the prolonged stagnation seems to have hit bottom and the trend toward moderate recovery continues. At HOYA, sales grew through value-added enhancement of progressive lenses, coatings and other products. Overall, sales increased on a year-on-year basis.

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

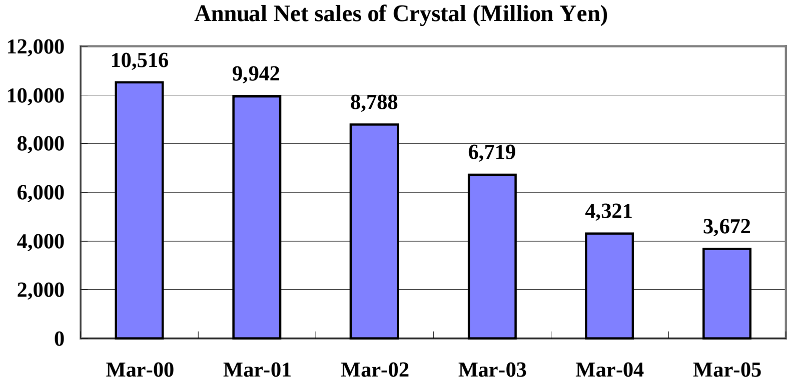


In terms of contact lenses, within the context of continued price competition in the market among discount retailers, HOYA sought to differentiate itself from its competitors by continuing the establishment of new retail stores, taking advantage of its professional expertise to improve face-to-face customer 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.

3-2. Financial Position

	Millions of Yen As of Mar. 31, 2005
Total assets	351,482
Shareholders' equity	277,889
Shareholders' equity ratio	79.1%

At the end of the year under review, current assets increased Yen 39,592 million and also fixed assets increased Yen 21,843 million against the end of the previous year. As a result, total assets increased Yen 61,595 million. Shareholders'equity increased Yen 58,911 million due to decrease of treasury stock as a negative factor of Yen 31,626 million in addition to increase of retained earnings.

3-3. Conditions of Cash Flows

	Millions of Yen Year ended Mar. 31, 2005
Net cash provided by operating activities	76,000
Net cash used in investing activities	-35,524
Net cash provided by (used in) financing activities	-11,692
Cash and cash equivalents at end of period	112,874

Cash flow from operating activities amounted to 76,000 million yen, comprised of 83,466 million yen in income before income taxes and minority interests and 21,660 million yen in depreciation and amortization among others. Cash flow from investment activities amounted to 35,524 million yen in cash payments that were mainly used for investment in order to handle next-generation products. Free cash flow amounted to 40,476 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 32,449 million yen from the end of the previous fiscal year.

3-4. Management Issues and Business Risks

1. Management Issues Faced by the HOYA Group:

We at HOYA Group hoist maximization of its corporate value as our principal policy and carry out management of the Group with a global perspective in order to acquire top shares in the worldwide market. On steering our manifold business operations, we determine the best combination of our management resources in order to give full play to our competitive edge, technological acumen, development capability and steering force, and face up to improving results.

(1) Flexible Adaptation to Changing Markets and Efficient Implementation of Management Resources

In the manifold business areas of HOYA Group, we will grasp the needs of our customers properly and devise strategies in advance of market competition in order to adapt nimbly and flexibly to moves in customers, markets, products and competition, etc. We realize as important management issues that the HOYA Group allocate management resources of the Group appropriately when judging plant and equipment investment, business tie-ups, M&As, withdrawal from or reduction in business operation, etc.; and we will keenly face up to the issues.

(2) Creation of New Business and Technologies

Securing corporate earnings and maintaining growth is imperative for any business enterprise. To meet such necessity, we realize it is an important management issue not only to expand our existing businesses, but also to introduce vectors for growth different from the existing ones by developing technologies that others cannot imitate and by creating new businesses and business areas.

We will strive ceaselessly to develop technologies that will prevail across the world and products with an enhanced competitive advantage; to explore and create new businesses; and to acquire and nurture talent able to carry our next generation of business.

2. Business Risks

(1) Fluctuation of Exchange Rates - As HOYA Group develops its business on a global scale, if the currencies of those countries in which HOYA Group has major manufacturing operations appreciate, export prices of its products would rise, which would incur an increase in costs on a consolidated basis. If the currencies of those countries in which HOYA has major sales operations depreciate, it would bring about a decrease in sales.

(2) Influence of International Situations - At present, the situation in certain countries, is extremely tense. Hereafter, in the event that movement of people, goods or money were restrained extraordinarily in a certain region, or if certain unexpected events took place in those countries in which HOYA Group has business operations - including changes in the political, economic or legal environments, labor shortages, strikes, or natural calamities, etc., - certain problems may arise in the execution of business operations.

(3) Our Business as in Production Goods - Every part of the Electro-Optics products range, which constitutes a major portion of the HOYA Group revenue, involves intermediate production goods, components or materials. Therefore, growth of the business thereof is affected substantially by the market conditions of such products as semiconductors, LCD panels and HDDs that are manufactured utilizing HOYA Group products, and by that of personal computers and home appliances, etc. that are manufactured utilizing the resultant products.

(4) Emergence of Discounters and Lowering of Prices in the Consumer Goods Sector - In recent years in the eyeglass and contact lens markets, discount shops of an unprecedented type have emerged and brought about a lowering of prices. If the influence of such discount shops swells to an extent that cannot be absorbed by HOYA's cost reduction efforts and strategies for adding high value both in Japan and abroad, the business results and financial condition of HOYA Group might be adversely affected.

(5) Competence for Developing New Products - In the industrial sector to which HOYA belongs, technological advances are swift and HOYA strives at all times to develop state-of-the-art technologies. However, if HOYA Group fails to sufficiently predict changes in the sector and markets or to develop new products that meet customer needs in time, the business results and financial condition of HOYA Group might be adversely affected.

(6) Competition - HOYA Group, which has the top market share for its many products in their respective sectors, is constantly exposed to relentless competition. There is no guarantee that HOYA Group can maintain its overwhelming market share and compete efficiently in future. If customers shift allegiance due to cost pressures or inefficiency of HOYA's competitiveness, the business results and financial condition of HOYA Group might be adversely affected.

(7) Production Capacity - At present, HOYA Group reinforces its production capacity so as to meet orders that exceed existing production capacity in multiple business areas. However, if the setting up of such capacity were delayed for any reason, it would affect not only HOYA's results but also the production and sales plans of its customers, which might bring about increased market share for its competitors, etc., and adversely affect the business results and financial condition of HOYA Group.

(8) New business - New business is important for future growth. In the event that no promising new business is developed, the growth of HOYA Group might not be achieved as planned. Besides, HOYA may carry out mergers and acquisitions as a part of its business strategy. If unexpected obstacles emerge after such acquisition and unscheduled time and costs are required, the business results and financial condition of HOYA Group might be adversely affected.

4. Consolidated Financial Statements (unaudited)

(1) Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen			
	As of Mar.31,		Variance	
	2005	2006	Value	(%)
ASSETS				
Current assets	232,871	193,279	39,592	20.5
Cash and deposits	112,874	80,425	32,449	
Notes and accounts receivable - trade	73,619	67,274	6,345	
Inventories	36,165	32,877	3,288	
Deferred tax assets	6,500	7,066	-566	
Other current assets	4,947	6,982	-2,035	
Allowance for doubtful receivables	-1,235	-1,347	112	
Fixed asstes	118,288	96,445	21,843	22.6
Tangible fixed assets	95,158	78,318	16,840	21.5
Buildings and structures	25,114	22,855	2,259	
Machinery and carriers	45,016	33,076	11,940	
Land	8,937	9,218	-281	
Other tangible fixed assets	16,090	13,167	2,923	
Intangible fixed assets	5,489	4,556	933	20.5
Investments and other assets	17,640	13,570	4,070	30.0
Investment securities	10,383	6,537	3,846	
Deferred tax assets	3,097	3,012	85	
Other assets	4,461	4,509	-48	
Allowance for doubtful receivables	-301	-487	186	
Deferred charges	322	162	160	98.8
Total Assets	351,482	289,887	61,595	21.2
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities	70,792	68,252	2,540	3.7
Notes and accounts payable - trade	24,452	25,770	-1,318	
Short-term bank loans	194	486	-292	
Income taxes payable	10,022	14,398	-4,376	
Accrued bonuses to employees	3,917	3,722	195	
Other current liabilities	32,204	23,874	8,330	
Long-term liabilities	1,970	1,934	36	1.9
Reserve for periodic repairs	542	357	185	
Other long-term liabilities	1,427	1,576	-149	
Total Liabilities	72,762	70,187	2,575	3.7
Minority interest	830	721	109	15.1
Common stock	6,264	6,264	-	-
Additional paid-in capital	15,898	15,898	-	-
Retained earnings	268,255	247,175	21,080	8.5
Net unrealized gain on available-for-sale securities	37	-30	67	-
Foreign currency translation adjustments	-4,687	-10,825	6,138	-56.7
Treasury stock - at cost	-7,878	-39,504	31,626	-80.1
Total Shareholders' Equity	277,889	218,978	58,911	26.9
Total	351,482	289,887	61,595	21.2

notes:

Accumulated depreciation	166,626	150,826	(Million Yen)
Guarantees of borrowings and lease obligations for customers	1,369	883	(Million Yen)
Number of shares of treasury stock	967,762	4,857,867	(stocks)

(2) Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen			
	Years ended Mar. 31,		Variance	
	2005	2004	Value	(%)
Net sales	308,172	271,443	36,729	13.5
Cost of sales	158,023	142,683	15,340	10.8
Gross profit	150,148	128,760	21,388	16.6
Selling, general and administrative expenses	65,228	60,594	4,634	7.6
Operating income	84,920	68,166	16,754	24.6
Non-operating income	6,623	3,829	2,794	73.0
Interest income	1,013	553	460	
Foreign exchange gains	875	-	875	
Equity in earnings of affiliates	3,707	1,699	2,008	
Others	1,026	1,576	-550	
Non-operating expenses	2,017	5,441	-3,424	-62.9
Interest expense	86	189	-103	
Sales Discount	552	638	-86	
Foreign exchange losses	-	2,900	-2,900	
Others	1,378	1,714	-336	
Ordinary income	89,525	66,554	22,971	34.5
Extra-ordinary gains	719	989	-270	-27.3
Gain on sales of property, plant and equipment	194	522	-328	
Gain on sales of investment securities	-	59	-59	
Others	524	406	118	
Extra-ordinary losses	6,779	12,047	-5,268	-43.7
Maintenance of Environment	1,980	-	1,980	
Loss on close of factory	1,263	-	1,263	
Loss on disposal of property, plant and equipment	948	1,899	-951	
Loss on impairment	859	2,040	-1,181	
Additional retirement benefits paid to employees	842	1,089	-247	
Amortization of goodwill	-	3,300	-3,300	
Additional expense incurred to dissolved contributory funded pension plan	-	887	-887	
Loss on write-down of investment securities	-	618	-618	
Others	885	2,210	-1,325	
Income before income taxes and other items	83,466	55,496	27,970	50.4
Income taxes - Current	18,690	18,573	117	0.6
Income taxes - Deferred	531	-2,774	3,305	-
Minority interests in net income	108	148	-40	-27.0
Net income	64,135	39,548	24,587	62.2
Basic net income per share(Yen)	578.84	350.96	227.88	

Notes:

1. 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	Million Yen	308,172	308,864	-692
Operating income	Million Yen	84,920	85,824	-904
Ordinary income	Million Yen	89,525	90,455	-930
Net income	Million Yen	64,135	65,100	-965

2. Average rates of major foreign currencies:

		Years ended Mar. 31,		
		2005	2004	Variance(%)
US Dollar	Yen	107.60	112.76	4.6%
Euro	Yen	135.73	132.65	-2.3%
Thail Baht	Yen	2.68	2.77	3.2%

(3) Consolidated Statements of Retained Earnings

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen		
	Years ended Mar. 31,		
	2005	2004	Variance
Additional Paid-In Capital			
Balance at the beginning of the period	15,898	15,898	-
Adjustment of retained earnings	-	-	-
Appropriations	-	-	-
Balance at the end of the period	15,898	15,898	-
Retained Earnings			
Balance at the beginning of the period	247,175	216,271	30,904
Adjustment of retained earnings	64,135	39,548	24,587
Net income	64,135	39,548	24,587
Appropriations	43,056	8,644	34,412
1. Cash dividends	12,241	8,439	3,802
2. Bonuses to directors	62	169	-107
3. Cancellation of treasury stock	30,702	-	30,702
4. Loss on deposit of treasury stock	49	35	14
Balance at the end of the period	268,255	247,175	21,080

(4) Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen		
	Years ended Mar.31,		
	2005	2004	Variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	83,466	55,496	27,970
Adjustments for:			
Income taxes - paid	-23,257	-2,980	-20,277
Depreciation and amortization	21,660	19,988	1,672
Loss on impairment of long-lived assets	859	2,040	-1,181
Amortization of goodwill	-	3,300	-3,300
Reversal of accrued bonuses to employees	194	191	3
Reversal of accrued retirement benefits	-	-292	292
Provision for (Reversal of) reserve for periodic repairs	184	93	91
Equity in earnings of affiliates	-3,707	-1,699	-2,008
Foreign exchange loss (gain)	-233	1,209	-1,442
Bonus to directors	-63	-169	106
Loss on write-down of investment securities	-	618	-618
Gain on sales of property, plant and equipment and investment securities	-194	-581	387
Loss on disposal of property, plant and equipment and investment securities	948	1,899	-951
Other	553	565	-12
Changes in assets and liabilities:			
(Increase) decrease in notes and accounts receivable	-5,795	-6,166	371
(Increase) decrease in inventories	-2,467	222	-2,689
(Increase) decrease in other current assets	2,363	-1,860	4,223
Increase (decrease) in notes and accounts payable	-1,629	5,115	-6,744
Increase (decrease) in other current liabilities	3,119	1,753	1,366
Total adjustment			
Net cash provided by operating activities	76,000	78,743	-2,743
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	-33,393	-23,211	-10,182
Proceeds from sales of property, plant and equipment	540	813	-273
Purchases of investment securities	-10	-378	368
Proceeds from sales of investment securities	-	102	-102
Purchases of goodwill	-	-3,300	3,300
Increase in investments and other assets	-3,096	-2,718	-378
Decrease in investments and other assets	321	660	-339
Payment for loans	-96	-2,474	2,378
Payment from loans	211	2,168	-1,957
Net cash used in investing activities	-35,524	-28,338	-7,186
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term bank loans	-157	-1,738	1,581
Repayment of long term bank loans	-161	43	-204
Net (increase) decrease in treasury stock	873	-32,503	33,376
Dividends paid	-12,245	-8,433	-3,812
Dividends paid for minority shareholders	0	-155	155
Proceeds from minority interests	-	19	-19
Net cash used in financing activities	-11,692	-42,853	31,161
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	28,783	7,552	21,231
Effect of Exchange Rate Changes on Cash and Cash Equivalents	3,665	-3,198	6,863
Cash and cash equivalents of newly consolidated subsidiaries, beginning of year	-	377	-377
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	80,425	75,694	4,731
CASH AND CASH EQUIVALENTS AT END OF YEAR	112,874	80,425	32,449

(5) Preparation of the Consolidated Financial Statements

Scope of Consolidation and Application of the Equity Method

1. **Number of consolidated subsidiaries : 58 companies**
   (Major consolidated subsidiaries :
   <overseas> HOYA HOLDINGS, INC., HOYA HOLDINGS N.V.,
   HOYA HOLDINGS ASIA PACIFIC PTE LTD., HOYA PHOTONICS, INC.
   <domestic> HOYA CANDEO OPTRONICS CORPORATION, HOYA HEALTHCARE CORPORATION
2. **Number of unconsolidated subsidiaries : None**
3. **Number of affiliates : 5 companies**
   (Number of affiliates accounted for by the equity method : 1company, NH TECHNO GLASS CORPORATION)

Notes: Changes in Accounting Policies and Others

1. **Changes in scope of consolidation and application of the equity met (In comparison to March 31, 2004)**

1) **Scope of consolidation** **: 3 companies increased in total.**

3 companies increased due to the establishment:	HOYA ELECTRONICS KOREA CO. LTD. (Korea) HOYA GLASSS DISK VIETNAM LTD. (Vietnam) HOYA LENS OF NEW ORLEANS, INC. (USA)
1company increased due to the acquisition :	RADIANT IMAGES, INC. (USA)
1company decreased due to the closing:	KOREA OPTICAL GLASS CO., LTD. (Korea)

2) **Application of the equity method**
None

	as of Mar. 31, 2005	as of Mar. 31, 2004	variance
Consolidated subsidiaries	58 (do 6, os52)	55 (do 6, os49)	+3 (do-, os +3)
Nonconsolidated subsidiaries	- (do -, os -)	- (do -, os -)	- (do-, os -)
Affiliates	5 (do 5, os -)	5 (do 5, os -)	- (do-, os-)
(accounted for by the equity method)	(1) (do 1, os -)	(1) (do 1, os -)	(-) (do-, os-)
Total Hoya Group	63	60	+3
(accounted for by the equity method)	(1)	(1)	(-)

(do : domestic, os : overseas)

2. **Changes in accounting policies**

None

Notes Relating to Consolidated Statements of Cash Flows

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

	Millions of Yen Years ended Mar. 31, 2005	2004
Cash and deposits	112,874	80,425
Marketable securities	-	-
Total	112,874	80,425

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

Year ended Mar. 31, 2005

None

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)

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

3. **Details of Important Non-financial Trading**

Year ended Mar.31, 2005	Millions of Yen
Cancellation of treasury stock	30,702

(with effect on June 1, 2004 for 3,775,400 shares)

Year ended Mar.31, 2004

None

Notes Relating to Investment Securities and Derivatives

1.Investment securities with market values:

(Millions of Yen)

		As of Mar. 31,					
		2005			2004		
Available-for-sale		Cost	Fair Value	Variance	Cost	Fair Value	Variance
Securities of which *fair value* exceeds *cost*	Marketable Equity securities	159	308	148	159	230	70
	Government bonds	-	-	-	-	-	-
	Corporate bonds	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Sub total	159	308	148	159	230	70
Securities of which *fair value* does NOT exceed *cost*	Marketable Equity securities	-	-	-	-	-	-
	Government bonds	-	-	-	-	-	-
	Corporate bonds	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Sub total	-	-	-	-	-	-
Total		159	308	148	159	230	70

2. Condition of sales of marketable securitiearket during this fiscal year:

(Millions of Yen)

	Years ended March 31,	
	2005	2004
Value of sales	-	102
Total of gains from sales	-	59
Total of losses from sales	-	-

3. Investment securities of without market values:

(Millions of Yen)

	As of Mar. 31,	
	2005	2004
Non-marketable stock of subsidiaries	9,486	5,689
Non-marketable equity securities	588	617

4. Derivatives

None

Notes Relating to Income Taxes

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

	Millions of Yen As of Mar. 31, 2005	2004
(1) Current deferred tax assets and liabilities		
Deferred tax assets		
Inventories - intercompany unrealized profits	2,166	1,604
Accrued bonuses to employees	1,529	1,409
Accrued enterprise taxes	691	1,200
Amortization of goodwill	285	1,493
Other	1,828	1,358
Total amount of deferred tax assets - current	6,500	7,066
(2) Non-current deferred tax assets and liabilities		
Deferred tax assets		
Amortization of goodwill and property, plant and equipment	1,876	2,069
Loss on impairment of long lived assets	861	824
Loss on close of factory	510	-
Allowance for doubtful receivables	117	181
Other	681	859
Total amount of deferred tax assets - fixed	4,047	3,934
Deferred tax liabilities		
Reserve for deferred income taxes on fixed assets	-434	-467
Special depreciation reserve	-313	-289
Net unrealized gain on available-for-sale securities	-35	-
Other	-165	-165
Total amount of deferred tax liabilities - fixed	-949	-922
Net amount of deferred tax assets - fixed	3,097	3,012

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

	Years ended Mar.31, 2005	2004
Statutory tax rate of the Company	40.4 %	41.7 %
(Adjustment)		
Lower income tax rates applicable to income in certain foreign countries	-13.8	-12.4
Expenses not permanently deductible for income tax purposes	0.4	0.7
Per capita portion	0.1	0.2
Non-taxable dividend income	-2.6	-2.1
Intercompany cash dividend and transactions	0.8	1.6
Equity in earnings of affiliates	-1.8	-1.2
Tax credit on experiment and research expenses	-0.8	-1.1
Other adjustment - net	0.3	1.1
Effective income tax rate	23.0	28.5

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	Millions of Yen Years ended Mar.31, 2005	2004
Additional expense incurred to dissolved contributory funded pension plan	-	887
Additional retirement benefits paid to employees	842	1,089
Expenses for employees' retirement benefits	842	1,977

(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 monthe ended March 31, 2004), 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

	Millions of Yen	
	Years ended Mar.31,	
	2005	2004
Buildings	-	1,004
Machinery	29	461
Furniture and equipment	35	67
Assets on lease	-	276
Others	27	230
Total	92	2,040

2. Photonics Division

(1) Group of assets applied :

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

(2) Breakdown of impairment

	Millions of Yen	
	Years ended Mar.31,	
	2005	2004
Land	449	-
Buildings and Others	317	-
Total	766	-

5. Segment Information (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

(1) Industry Segments

Annual : for the year ended March 31, 2005

Millions of Yen

	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	165,664	10,749	94,971	31,409	3,672	1,706	308,172	-	308,172
Intersegment	526	233	17	0	50	5,054	5,881	(5,881)	-
Total	166,190	10,982	94,988	31,409	3,722	6,760	314,054	(5,881)	308,172
Operating expenses	102,899	10,090	77,909	24,267	4,143	6,087	225,398	(2,146)	223,252
Operating income	63,290	892	17,078	7,141	-420	673	88,655	(3,735)	84,920
Operating margin	38.1%	8.1%	18.0%	22.7%	-11.3%	10.0%	28.2%	-	27.6%
Assets	162,638	7,648	90,765	18,329	1,899	3,215	284,497	66,985	351,482
Depreciation	14,729	126	5,899	668	-	81	21,506	154	21,660
Loss on impairment	-	766	-	-	92	-	859	-	859
Capital Expenditures	31,962	191	6,786	737	92	218	39,989	186	40,175
R&D Expenses	7,797	894	1,523	716	25	-	10,957	-	10,957
Number of employees (p)	13,462	226	6,464	601	168	256	21,177	57	21,234

Annual : for the year ended March 31, 2004

Millions of Yen

	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	135,071	4,116	98,203	28,380	4,321	1,350	271,443	-	271,443
Intersegment	80	0	18	0	61	5,803	5,964	(5,964)	-
Total	135,152	4,116	98,221	28,381	4,383	7,154	277,408	(5,964)	271,443
Operating expenses	89,982	4,192	80,724	22,108	4,879	6,546	208,434	(5,157)	203,277
Operating income	45,169	-76	17,496	6,272	-496	607	68,973	(807)	68,166
Operating margin	33.4%	-1.9%	17.8%	22.1%	-11.3%	8.5%	24.9%	-	25.1%
Assets	132,240	1,747	92,082	18,872	2,805	2,797	250,544	39,342	289,887
Depreciation	13,205	58	5,735	532	351	29	19,913	75	19,988
Loss on impairment	-	-	-	-	2,040	-	2,040	-	2,040
Capital Expenditures	22,246	36	6,915	1,201	224	14	30,638	20	30,659
R&D Expenses	7,376	243	1,342	855	29	-	9,846	0	9,847
Number of employees (p)	11,039	76	5,944	556	169	258	18,042	50	18,092

Ref : Differences between the years ended Mar.31, 2005 and 2004

Millions of Yen

	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total	Elimi. or corp.*	Consolidated
Net sales:									
To outside customers	30,593	6,633	-3,232	3,029	-649	356	36,729	-	36,729
Variance	22.6%	161.2%	-3.3%	10.7%	-15.0%	26.4%	13.5%	-	13.5%
Intersegment	446	233	-1	0	-11	-749	-83	83	-
Total	31,038	6,866	-3,233	3,028	-661	-394	36,646	83	36,729
Operating expenses	12,917	5,898	-2,815	2,159	-736	-459	16,964	3,011	19,975
Operating income	18,121	968	-418	869	76	66	19,682	(2,928)	16,754
Variance	40.1%	-	-2.4%	13.9%	-	10.9%	28.5%	-	24.6%
Assets	30,398	5,901	-1,317	-543	-906	418	33,953	27,643	61,595
Depreciation	1,524	68	164	136	-351	52	1,593	79	1,672
Loss on impairment	-	766	-	-	-1,948	-	-1,181	-	-1,181
Capital Expenditures	9,716	155	-129	-464	-132	204	9,351	166	9,516
R&D Expenses	421	651	181	-139	-4	-	1,111	0	1,110
Number of employees (p)	2,423	150	520	45	-1	-2	3,135	7	3,142

*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 years ended Mar. 31, 2005 and 2004 are as follows:**

2005	**2,873**	**Million Yen**
2004	**2,423**	**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 Mar. 31, 2005 and 2004 are as follows:**

2005	**75,075**	**Million Yen**
2004	**52,594**	**Million Yen**

(2) Geographical Segments

Annual : for the year ended March 31, 2005

	Japan	North America	Europe	Asia	Total	Elimi. or corp.	Consolidated
	Millions of Yen						
Net sales:							
To outside customers	230,945	30,775	33,803	12,647	308,172	-	308,172
Intersegment	19,048	199	255	89,748	109,252	(109,252)	-
Total	249,994	30,975	34,058	102,396	417,424	(109,252)	308,172
Operating expenses	204,412	30,912	28,195	71,003	334,524	(111,272)	223,252
Operating income	45,581	62	5,863	31,393	82,900	2,020	84,920
Operating margin	18.2%	0.2%	17.2%	30.7%	19.9%	-	27.6%
Assets	165,938	17,128	32,927	104,191	320,185	31,297	351,482

Annual : for the year ended March 31, 2004

	Japan	North America	Europe	Asia	Total	Elimi. or corp.	Consolidated
	Millions of Yen						
Net sales:							
To outside customers	188,441	33,112	37,485	12,404	271,443	-	271,443
Intersegment	16,789	91	849	60,195	77,926	(77,926)	-
Total	205,231	33,203	38,334	72,599	349,369	(77,926)	271,443
Operating expenses	167,668	31,390	29,293	54,693	283,045	(79,768)	203,277
Operating income	37,562	1,813	9,041	17,906	66,324	1,842	68,166
Operating margin	18.3%	5.5%	23.6%	24.7%	19.0%	-	25.1%
Assets	161,335	19,058	26,691	66,337	273,423	16,463	289,887

Ref : Differences between the years ended Mar.31, 2005 and 2004

	Japan	North America	Europe	Asia	Total	Elimi. or corp.	Consolidated
	Millions of Yen						
Net sales:							
To outside customers	42,504	-2,337	-3,682	243	36,729	-	36,729
Variance	22.6%	-7.1%	-9.8%	2.0%	13.5%	-	13.5%
Intersegment	2,259	108	-594	29,553	31,326	-31,326	-
Total	44,763	-2,228	-4,276	29,797	68,055	-31,326	36,729
Operating expenses	36,744	-478	-1,098	16,310	51,479	-31,504	19,975
Operating income	8,019	-1,751	-3,178	13,487	16,576	178	16,754
Variance	21.3%	-96.6%	-35.2%	75.3%	25.0%	-	24.6%
Assets	4,603	-1,930	6,236	37,854	46,762	14,834	61,595

*Elimi. or corp. : Eliminations or corporate

Notes:

1. 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.

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 years ended Mar. 31, 2005 and 2004 are as follows:

   2005 2,561 Million Yen 2004 2,074 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 Mar. 31, 2005 and 2004 are as follows:

   2005 72,840 Million Yen 2004 47,511 Million Yen

(3) Sales to Foreign Customers

Annual : for the year ended Mar. 31, 2005

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	43,519	36,430	61,797	10	141,758
Total Consolidated Net Sales (B)					308,172
Overseas Sales ratio A/B	14.1%	11.8%	20.1%	0.0%	46.0%
Regional Sales ratio	30.7%	25.7%	43.6%	0.0%	100.0%

Annual : for the year ended Mar. 31, 2004

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	38,282	40,168	44,656	11	123,118
Total Consolidated Net Sales (B)					271,443
Overseas Sales ratio A/B	14.1%	14.8%	16.5%	0.0%	45.4%
Regional Sales ratio	31.1%	32.6%	36.3%	0.0%	100.0%

Ref: Differences between the years ended Mar.31, 2005 and 2004

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	5,237	-3,738	17,141	-1	18,640
Total Consolidated Net Sales (B)					36,729
Variance of Overseas Sales	13.7%	-9.3%	38.4%	-9.1%	15.1%

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

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

6. Composition of Net Sales by Business Category

HOYA CORPORATION and Consolidated Subsidiaries **(Unaudited)**

Business Category / Company	Millions of Yen [%] Years ended March 31, 2005		2004		Variance Value	%
Electro-Optics						
Domestic	86,964	(52.5)	77,344	(57.3)	9,620	12.4
Overseas	78,699	(47.5)	57,726	(42.7)	20,973	36.3
total	165,664	[53.8]	135,071	[49.8]	30,593	22.6
Photonics						
Domestic	7,291	(67.8)	2,394	(58.2)	4,897	204.6
Overseas	3,457	(32.2)	1,721	(41.8)	1,736	100.9
total	10,749	[3.5]	4,116	[1.5]	6,633	161.2
Information Technology						
Domestic	94,256	(53.4)	79,739	(57.3)	14,517	18.2
Overseas	82,157	(46.6)	59,448	(42.7)	22,709	38.2
total	176,413	[57.3]	139,187	[51.3]	37,226	26.7
Vision Care						
Domestic	36,601	(38.5)	35,251	(35.9)	1,350	3.8
Overseas	58,370	(61.5)	62,952	(64.1)	-4,582	-7.3
total	94,971	[30.8]	98,203	[36.2]	-3,232	-3.3
Health Care						
Domestic	30,692	(97.7)	28,142	(99.2)	2,550	9.1
Overseas	716	(2.3)	238	(0.8)	478	200.8
total	31,409	[10.2]	28,380	[10.5]	3,029	10.7
Eye Care						
Domestic	67,293	(53.2)	63,393	(50.1)	3,900	6.2
Overseas	59,086	(46.8)	63,190	(49.9)	-4,104	-6.5
total	126,380	[41.0]	126,584	[46.6]	-204	-0.2
Crystal						
Domestic	3,158	(86.0)	3,841	(88.9)	-683	-17.8
Overseas	514	(14.0)	480	(11.1)	34	7.1
total	3,672	[1.2]	4,321	[1.6]	-649	-15.0
Service						
Domestic	1,706	(100.0)	1,350	(100.0)	356	26.4
Overseas	-	(-)	-	(-)	-	-
total	1,706	[0.5]	1,350	[0.5]	356	26.4
Lifestyle Refinement						
Domestic	4,864	(90.4)	5,192	(91.5)	-328	-6.3
Overseas	514	(9.6)	480	(8.5)	34	7.1
total	5,378	[1.7]	5,672	[2.1]	-294	-5.2
Total Net Sales						
Domestic	166,414	(54.0)	148,325	(54.6)	18,089	12.2
Overseas	141,758	(46.0)	123,118	(45.4)	18,640	15.1
Total	308,172	[100.0]	271,443	[100.0]	36,729	13.5

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.

7. Changes in Directors and Officers of HOYA CORP.

(With effect on June 17, 2005)

1. Change in Representative Officers
No change

2. Change in the Other Directors

1) Candidates for New Directors

Outside Director	**Yukiharu Kodama**	**Presently Chairman of Japan Information Processing Development Corporation (JIPDEC)**

 # It is subject to the election (as a Director) at the 67th Ordinary General Meeting of Shareholders of the Company scheduled for June 17, 2005.

 # The *Outside Director* in the paragraph above is a director who satisfies the requirements of outside directors as provided for in Article 188, Paragraph 2, Item 7-2 of the Commercial Code.

2) Retiring Directors

Outside Director	**Naotaka Saeki**

3. Date of Newly Appointment / Retirement
June 17, 2005