



HOYA's FINANCIAL REPORT 2006 for the year ended March 31, 2006

April 20, 2006

Annual Financial Highlights (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

(Revised on May 12, 2006)

Contact : Naoji Ito, Manager of Corporate Communications

Tel:03(3952)1160 Fax:03(3952)0726 E-mail:naoji.ito@mb.hoya.co.jp

Performance for the years ended March 31, 2006 and 2005

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

(1)Results of Operations	Years ended March 31,		Variance (%)
	2006	2005	
Net sales	344,228	308,172	11.7
Operating income	101,095	84,920	19.0
Ordinary income	103,637	89,525	15.8
Net income	75,620	64,135	17.9
Basic net income per share (Yen)	171.71	578.84	
ROE	27.1%	25.5%	
Ordinary income / total assets	29.1%	28.6%	
Ordinary income / net sales	30.1%	29.1%	

Notes : No changes have been made in accounting policy.

(2)Dividends	Years ended March 31,	
	2006	2005
Annual cash dividends per share (Yen)	150.00	150.00

(3)Financial Position	As of March 31,	
	2006	2005
Total assets	361,537	351,482
Shareholders' equity	279,480	277,889
Shareholders' equity ratio	77.3%	79.1%
Shareholders' equity per share (Yen)	648.87	2,494.37

(4)Conditions of Cash Flow	2006	2005
	Net cash provided by operating activities	105,855
Net cash used in investing activities	-52,012	-35,524
Net cash provided by (used in) financing activities	-85,787	-11,692
Cash and cash equivalents at end of period	83,574	112,874

Ref:Performance of HOYA CORPORATION for the years ended March 31, 2006 and 2005

	2006	2005	Variance(%)
Net sales	248,195	224,608	10.5
Operating income	29,746	35,131	-15.3
Ordinary income	44,788	46,536	-3.8
Net income	22,062	24,967	-11.6
EPS (Yen)	50.14	225.55	
Total assets	219,063	222,313	
Shareholders' equity	95,598	159,316	

With effect on November 15, 2005, HOYA CORPORATION carried out a four-for-one stock split. The per share information for the term under review reflects the stock split assuming that the above stock split was exercised on the beginning of the term under review. The per share information for the previous fiscal year is actual result and not adjusted.

The dividends per share for the term under review was Yen 150. The Interim dividend of Yen 120 doesn't reflect the stock split while the Year-end dividend of Yen 30 reflects it. The value of dividends for the interim and previous fiscal year are actual result and not adjusted.

Hoya Corporation does not guarantee the accuracy or completeness of the information herein. Unless otherwise stated estimates or forecasts are solely those of our company and subject to change without notice. Hoya Corporation accepts no liability whatsoever for any direct or consequential loss arising from any use of this report.

1.Global Group Management

The HOYA Group consists of the HOYA CORPORATION (the "Company"), 62 consolidated subsidiaries (5 in Japan and 57 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 (1) company is accounted for using the equity method (as of March 31, 2006).

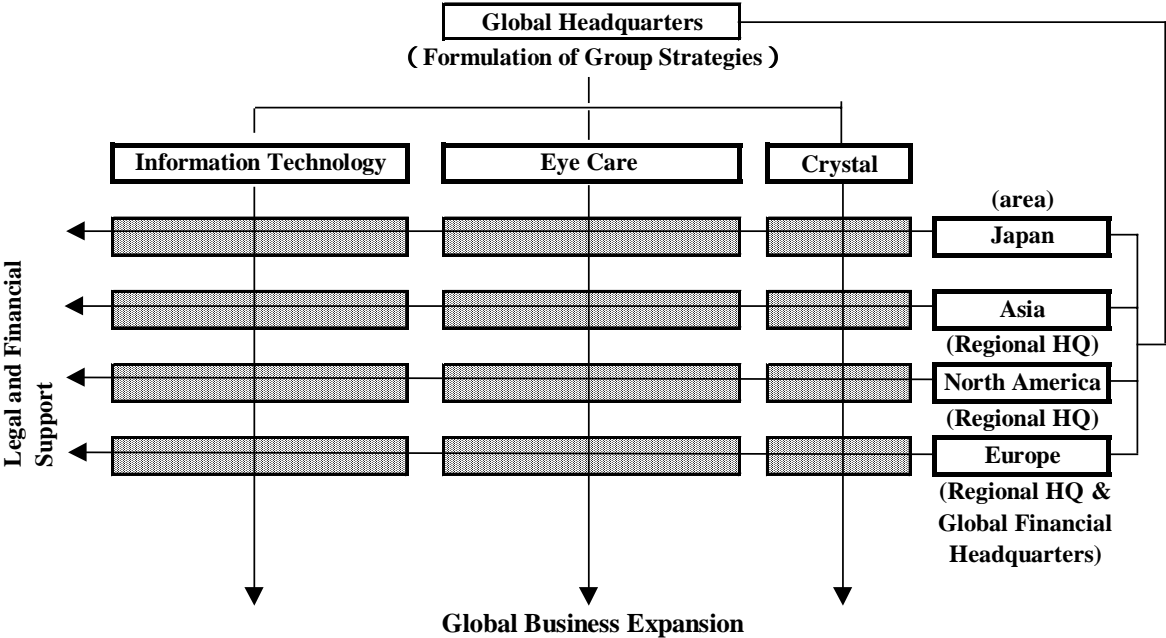
Our products are manufactured by the Company itself and by other companies in the Group both in Japan and abroad. In Japan, most of our products are distributed directly to retailers, specialty stores, assemblers, etc. Some products are exported to various countries abroad through our overseas Group 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 headquarters in North America, Europe and Asia are in charge of reinforcing relationships with the countries and areas in their respective regions, 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 this financial headquarters control global financial matters.

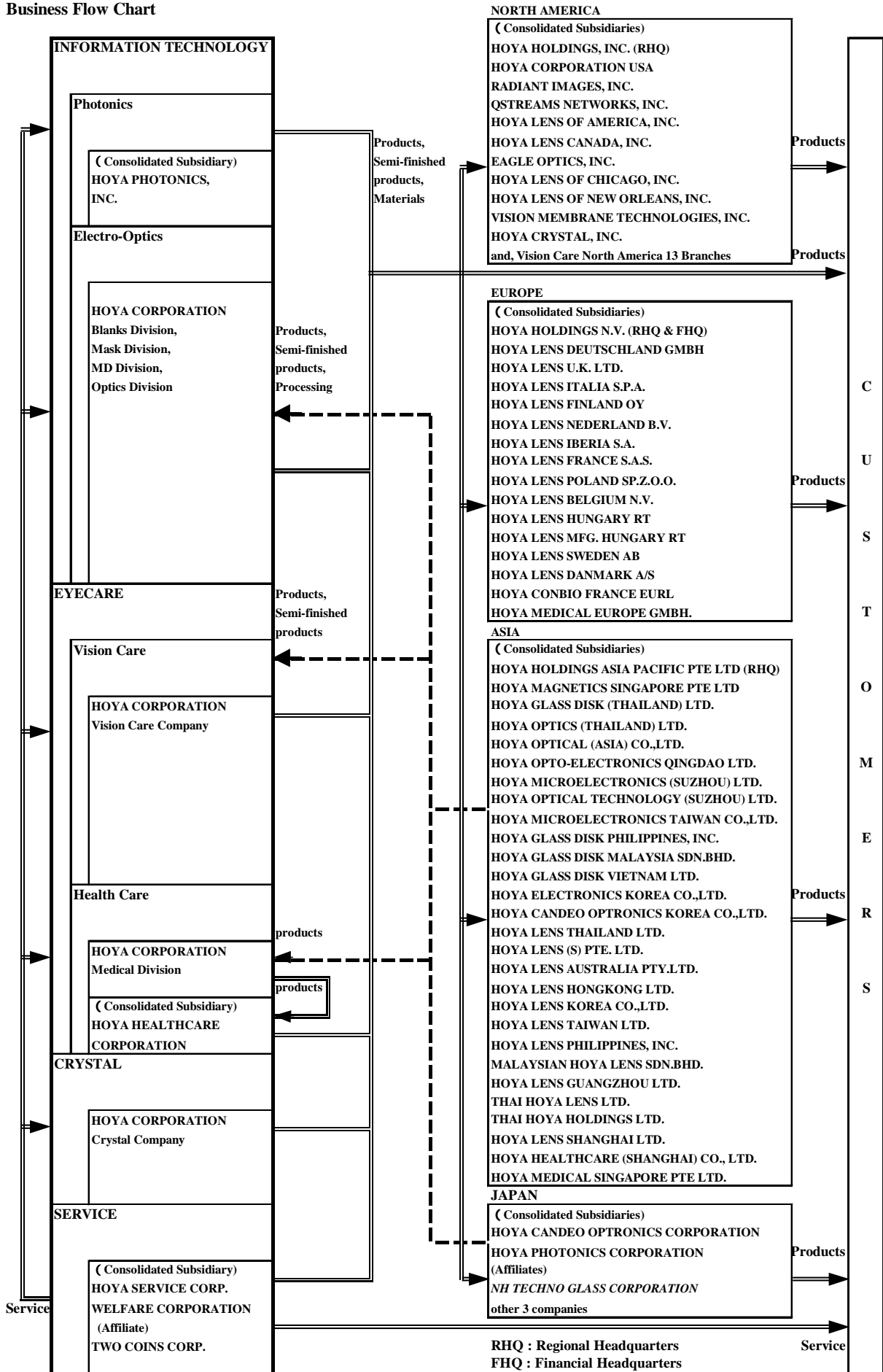
Global Group Management System



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, 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
Others	Crystal	Crystal glass products	HOYA CORP. Crystal Company HOYA CRYSTAL, INC.
	Service	Design of information systems, Outsourcing, etc.	HOYA SERVICE CORPORATION WELFARE CORPRATION

Business Flow Chart



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.

3. Business Overview

3-1. Results of Operations

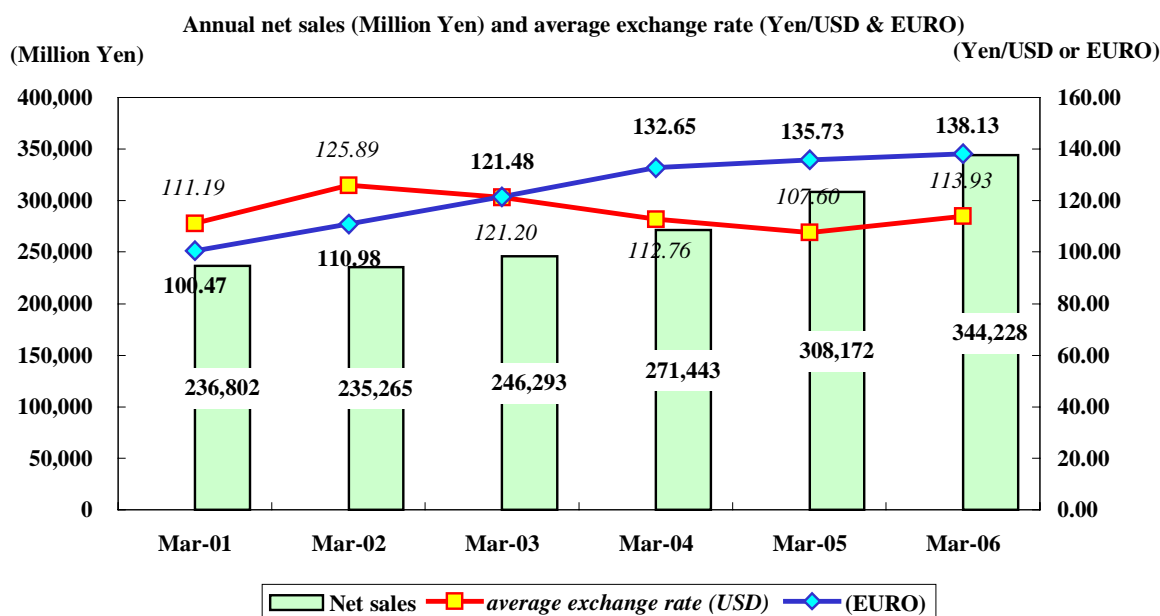
(1) General Overview

<u>Results of Operations</u>	<u>Millions of Yen</u> <u>Year ended Mar. 31, 2006</u>
Net sales	344,228
Operating income	101,095
Ordinary income	103,637
Net income	75,620
EPS (Yen)	171.71

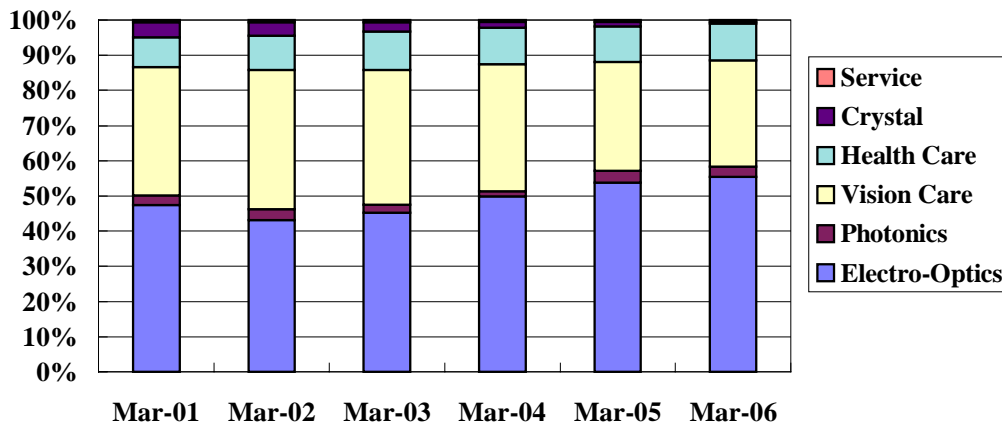
During the term under review, corporate earnings centered in export industries demonstrated steady growth, reflecting a tone of weakness in the yen, driven by brisk sales of digital appliance related products. The government also declared a breakaway from lackluster performance in the economy in August and announced an upward revision of its overall assessment of the business climate. Corporate plans for capital investment also improved and, prompted by an upturn in employment, greater optimism was evident in personal consumption while domestic demand showed firm recovery.

In the currency market during the term under review, the US dollar, euro and Thai baht appreciated by 5.9%, 1.8% and 4.9% respectively all against the yen, on a year-on-year basis.

Within that context, in the HOYA group, the Electro-Optics division saw continued demand for high-precision products as clients were active in aggressive production capacity reinforcement and new product development. In the Vision Care division, overseas eyeglass lens market enjoyed strong growth. In the Health Care division, sales were strong in high-function products. As a result, consolidated sales during the term under review increased 11.7% year-on-year to 344,228 million yen.



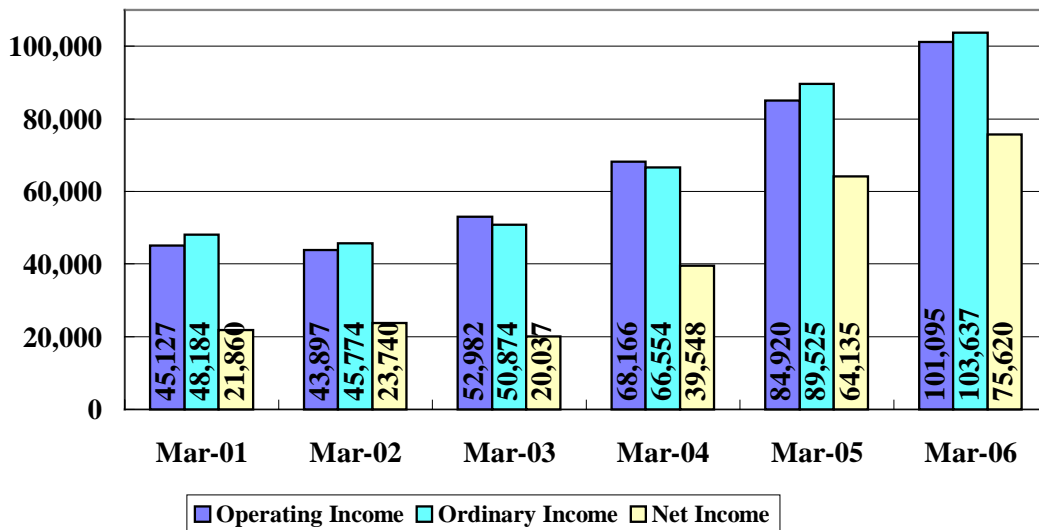
Ratio of Net Sales by Business Segment



During the term under review, the Electro-Optics division saws steady orders for high-precision products. In the Eye Care sector, a boost in revenues was achieved through expanded sales of high-value-added products. For the Group overall, operating income, ordinary income and net income for the term increased 19.0%, 15.8% and 17.9%, respectively, on a year-on-year basis. Together with the net sales, all three represented record results for the term.

Net income per share for the term under review was 171.71 yen. The Company carried out a four-for-one stock split on November 15, 2005 based on the decision in a meeting of the Board of Directors held on July 20, 2005 (For details, please refer to the Notes in this report).

Profits (Million Yen)



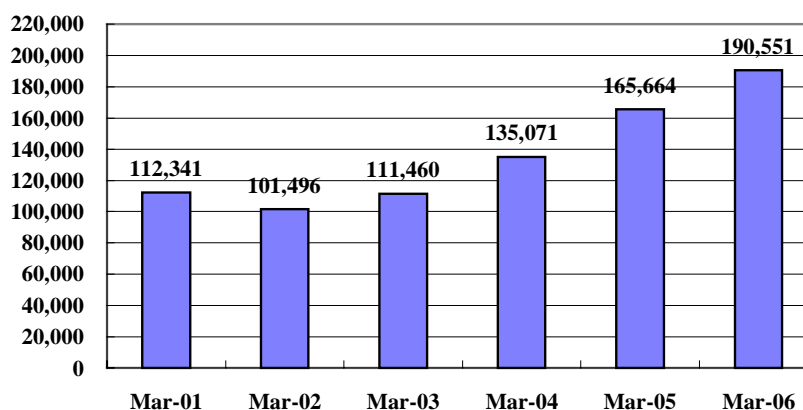
The management at HOYA strives hard to increase shareholder value in response to shareholder expectations. Considering the results of the fiscal year under review, the management proposes that a year-end dividend for the fiscal year be 30 yen per share. Consequently, the total dividend for the fiscal year, including an interim dividend of 120 yen per share already paid, will amount to 150 yen per share.

(2) Segment Overview

1) Information Technology

Electro-Optics

Annual Net sales of Electro-Optics (Million Yen)



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

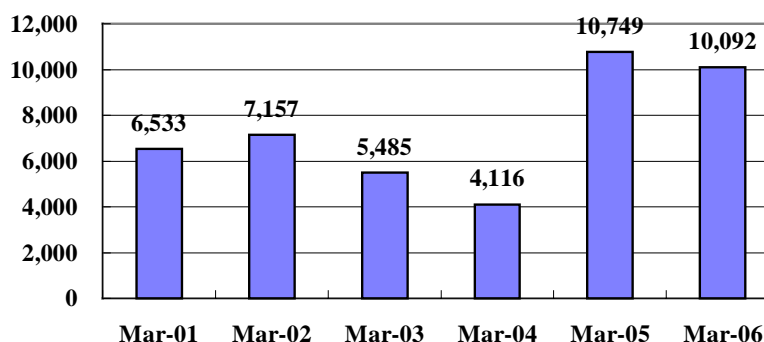
In photomasks for semiconductor production, sales remained flat year-on-year as there was a large orders by special reason for volume products in the previous year, while orders from overseas market and for next-generation products such as masks for 65nm level semiconductors increased. In terms of LCD masks, the demand of large LCD masks were healthy as LCD panel manufacturers launched new production lines and the development of new models remained vigorous, resulting in increased sales on a year-on-year basis.

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

In optical lenses, the Company has begun shipments for camera-equipped mobile phones and other new uses and has furthermore been promoting strategies for products with high value added properties. As a result, together with a gradual recovery in the market for digital cameras and other products, sales increased steadily on a year-on-year bases.

Photonics

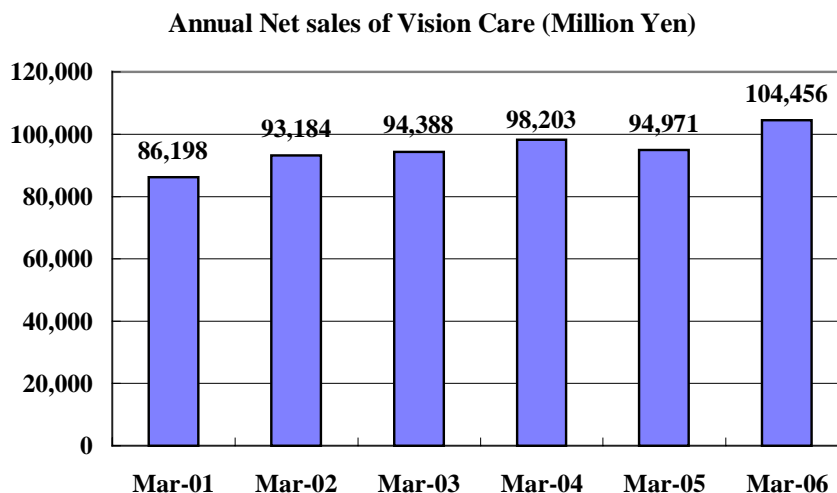
Annual Net sales of Photonics (Million Yen)



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

The reason why the sales of this segment have jumped up on the fiscal year ended March 31, 2005 is because that some businesses was transferred from Electro-Optics to this segment as part of its corporate restructuring initiatives.

2) Eye Care Vision Care

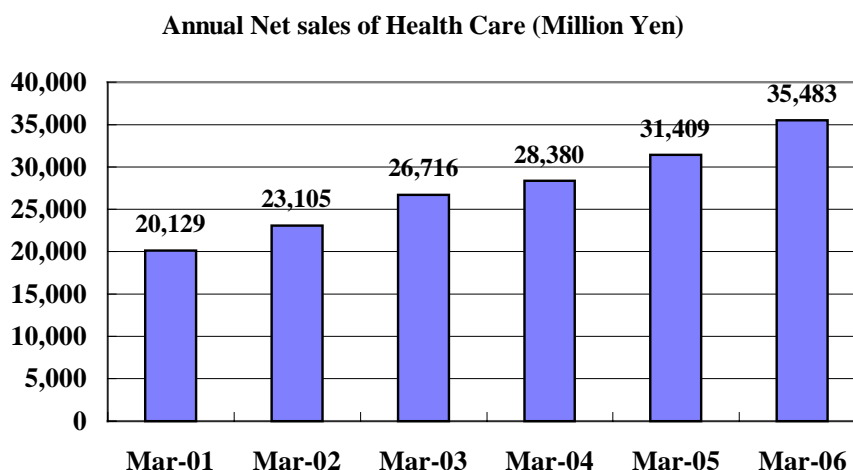


In spite of a slowdown in the domestic market for eyeglass lenses compared to the previous year, HOYA demonstrated growth in the high-end price range through the market introduction of new products and value-added enhancements of progressive lenses and other products. Sales overall, however, essentially hovered at much the same level as the previous year due to intense price competition in the low-price range.

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

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

Health Care



In the area of contact lenses, within the context of persistent price competition by discount shops in the market, HOYA boosted sales year-on-year through the establishment of new retail stores and expanded sales of multifocal lenses and other high value-added products through consulting sales capitalizing on its specialized knowledge.

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

3) Others

Crystal

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

3-2. Financial Position

	<u>Millions of Yen</u> <u>As of Mar. 31, 2006</u>
Total assets	361,537
Shareholders' equity	279,480
Shareholders' equity ratio	77.3%

At the end of the year under review, current assets decreased Yen 20,598 million and fixed assets increased Yen 30,864 million against the end of the previous year. As a result, total assets increased Yen 10,055 million. Shareholders'equity increased Yen 1,591 million. During the year under review, the Company acquired 15,686,800 shares of treasury stock and cancelled 14,379,000 shares at Yen 53,180 million.

3-3. Conditions of Cash Flows

	<u>Millions of Yen</u> <u>Year ended Mar. 31, 2006</u>
Net cash provided by operating activities	105,855
Net cash used in investing activities	-52,012
Net cash provided by (used in) financing activities	-85,787
Cash and cash equivalents at end of period	83,574

Cash flow from operating activities amounted to 105,855 million yen, comprised of 97,367 million yen in income before income taxes and minority interests and 26,251 million yen in depreciation and amortization among others. Cash flow from investment activities amounted to 52,012 million yen in cash payments that were mainly used for investment in order to handle next-generation products. Free cash flow amounted to 53,843 million yen and used 64,031 million yen for acquisition of treasury stock and 23,402 million yen for payment of dividends. As a result, the term-end balance of cash and cash equivalents decreased 29,300 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.

Hoya Corporation does not guarantee the accuracy or completeness of the information herein. Unless otherwise stated estimates or forecasts are solely those of our company and subject to change without notice. Hoya Corporation accepts no liability whatsoever for any direct or consequential loss arising from any use of this report.

4. Consolidated Financial Statements (unaudited)

(1) Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen			
	As of Mar.31,		Variance	
	2006	2005	Value	(%)
ASSETS				
Current assets	212,273	232,871	-20,598	-8.8
Cash and deposits	83,574	112,874	-29,300	
Notes and accounts receivable - trade	78,380	73,619	4,761	
Inventories	41,178	36,165	5,013	
Deferred tax assets	7,407	6,500	907	
Other current assets	3,246	4,947	-1,701	
Allowance for doubtful receivables	-1,512	-1,235	-277	
Fixed assets	149,152	118,288	30,864	26.1
Tangible fixed assets	120,603	95,158	25,445	26.7
Buildings and structures	29,548	25,114	4,434	
Machinery and carriers	58,493	45,016	13,477	
Land	8,648	8,937	-289	
Other tangible fixed assets	23,912	16,090	7,822	
Intangible fixed assets	7,424	5,489	1,935	35.3
Investments and other assets	21,123	17,640	3,483	19.7
Investment securities	14,060	10,383	3,677	
Deferred tax assets	2,757	3,097	-340	
Other assets	4,601	4,461	140	
Allowance for doubtful receivables	-295	-301	6	
Deferred charges	111	322	-211	-65.5
Total Assets	361,537	351,482	10,055	2.9
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities	79,305	70,792	8,513	12.0
Notes and accounts payable - trade	28,070	24,452	3,618	
Short-term bank loans	-	194	-194	
Income taxes payable	14,342	10,022	4,320	
Accrued bonuses to employees	4,207	3,917	290	
Other current liabilities	32,685	32,204	481	
Long-term liabilities	1,831	1,970	-139	-7.1
Reserve for periodic repairs	619	542	77	
Other long-term liabilities	1,211	1,427	-216	
Total Liabilities	81,137	72,762	8,375	11.5
Minority interest	919	830	89	10.7
Common stock	6,264	6,264	-	-
Additional paid-in capital	15,898	15,898	-	-
Retained earnings	266,345	268,255	-1,910	-0.7
Net unrealized gain on available-for-sale securities	110	37	73	-
Foreign currency translation adjustments	7,142	-4,687	11,829	-252.4
Treasury stock - at cost	-16,279	-7,878	-8,401	106.6
Total Shareholders' Equity	279,480	277,889	1,591	0.6
Total	361,537	351,482	10,055	2.9
notes:				
Accumulated depreciation	181,818	166,344	(Million Yen)	
Guarantees of borrowings and lease obligations for customers	2,206	1,369	(Million Yen)	
Number of shares of treasury stock	4,401,607	967,762	(stocks)	

(2) Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen			
	Years ended Mar. 31,		Variance	
	2006	2005	Value	(%)
Net sales	344,228	308,172	36,056	11.7
Cost of sales	172,033	158,023	14,010	8.9
Gross profit	172,194	150,148	22,046	14.7
Selling, general and administrative expenses	71,098	65,228	5,870	9.0
Operating income	101,095	84,920	16,175	19.0
Non-operating income	4,869	6,623	-1,754	-26.5
Interest income	1,788	1,013	775	
Foreign exchange gains	242	875	-633	
Equity in earnings of affiliates	1,285	3,707	-2,422	
Others	1,552	1,026	526	
Non-operating expenses	2,327	2,017	310	15.4
Interest expense	142	86	56	
Sales Discount	706	552	154	
Others	1,478	1,378	100	
Ordinary income	103,637	89,525	14,112	15.8
Extra-ordinary gains	2,389	719	1,670	232.3
Gain on sales of property, plant and equipment	109	194	-85	
Others	2,280	524	1,756	
Extra-ordinary losses	8,660	6,779	1,881	27.7
Maintenance of Environment	3,725	1,980	1,745	
Additional retirement benefits paid to employees	1,688	842	846	
Loss on impairment	1,232	859	373	
Loss on disposal of property, plant and equipment	625	948	-323	
Loss on close of factory	-	1,263	-1,263	
Others	1,388	885	503	
Income before income taxes and other items	97,367	83,466	13,901	16.7
Income taxes - Current	22,249	18,690	3,559	19.0
Income taxes - Deferred	-511	531	-1,042	-
Minority interests in net income	9	108	-99	-91.7
Net income	75,620	64,135	11,485	17.9
Basic net income per share(Yen)	171.71	578.84	-407.13	

Notes:

- Net income per share for the term under review decreased drastically as the company carried out a four-for-one stock split on November 15, 2005 and the number of outstanding shares increased four times. For details, please refer to the Notes at the next page.
- Effect of Exchange Rate Change on Net Sales and Incomes ("2006 A" is the actual value of this period. "2006 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)

		2006 A	2006 B	influences
Net sales	Million Yen	344,228	339,510	4,718
Operating income	Million Yen	101,095	98,277	2,818
Ordinary income	Million Yen	103,637	100,824	2,813
Net income	Million Yen	75,620	72,970	2,650

- Average rates of major foreign currencies:

		Years ended Mar. 31,		Variance(%)
		2006	2005	
US Dollar	Yen	113.93	107.60	-5.9%
Euro	Yen	138.13	135.73	-1.8%
Thail Baht	Yen	2.81	2.68	-4.9%

Notes Relating to Stock Split

In a meeting of the Board of Directors held on July 20, 2005, HOYA CORPORATION "the Company" decided to carry out a four-for-one stock split. The details are as follows:

1. Number of shares to be increased

Outstanding shares before stock split	112,349,005 shares
Increase in shares	337,047,015 shares
Outstanding shares after increase	449,396,020 shares

2. Method

With effect on November 15, 2005, the shares of shareholders recorded on September 30, 2005 will be split four for one.

3. Date entitled to dividend

October 1, 2005

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

	<u>Years ended Mar. 31,</u>		
	<u>2006</u>	<u>2005</u>	<u>Variance</u>
Shareholders' equity per share (Yen)	648.87	623.59	25.28
Basic net income per share (Yen)	171.71	144.71	27.00
Diluted net income per share (Yen)	171.08	144.38	26.70

The dividends per share for the term under review was Yen 150. The Interim dividend of Yen 120 doesn't reflect the stock split while the Year-end dividend of Yen 30 reflects it. For your reference, (1) The per share dividend for the interim and previous fiscal year which are re-calculated assuming that the above stock split was exercised on the beginning of the last fiscal year (2) The per share dividend assuming that the above stock split was not occurred (the value of dividends for the interim and previous fiscal year are actual result and not adjusted).

	<u>Years ended Mar. 31,</u>		
	<u>2006</u>	<u>2005</u>	<u>Variance</u>
(1)			
Interim dividends per share (Yen)	30.00	15.00	15.00
Year-end dividends per share (Yen)	30.00	22.50	7.50
Annual dividends per share (Yen)	60.00	37.50	22.50
(2)			
Interim dividends per share (Yen)	120.00	60.00	60.00
Year-end dividends per share (Yen)	120.00	90.00	30.00
Annual dividends per share (Yen)	240.00	150.00	90.00

Notes Relating to Purchase of Treasury Stock

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

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

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

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

(3) Consolidated Statements of Retained Earnings

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen		
	<u>Years ended Mar. 31,</u>		Variance
	2006	2005	
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	268,255	247,175	21,080
Adjustment of retained earnings	75,620	64,135	11,485
Net income	75,620	64,135	11,485
Appropriations	77,529	43,056	34,473
1. Cash dividends	23,398	12,241	11,157
2. Bonuses to directors	65	62	3
3. Cancellation of treasury stock	53,180	30,702	22,478
4. Loss on deposit of treasury stock	871	49	822
5. Others	13	-	13
Balance at the end of the period	266,345	268,255	-1,910

(4) Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen		
	<u>Years ended Mar.31,</u>		
	2006	2005	Variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	97,367	83,466	13,901
Depreciation and amortization	26,251	21,660	4,591
Loss on impairment of long-lived assets	1,232	859	373
Gain on transfer of businesses	-1,783	-	-1,783
Provision for (reversal of) accrued allowances for doubtful receivables	234	-344	578
Provision for (reversal of) accrued bonuses to employees	278	194	84
Provision for (Reversal of) reserve for periodic repairs	76	184	-108
Interest income and dividend receivable	-1,794	-1,022	-772
Interest expense payable	142	86	56
Foreign exchange loss (gain)	-598	-233	-365
Equity in earnings of affiliates	-1,285	-3,707	2,422
Gain on sales of property, plant and equipment and investment securities	-109	-194	85
Loss on disposal of property, plant and equipment and investment securities	625	948	-323
Bonus to directors	-65	-63	-2
Other	204	553	-349
(Increase) decrease in notes and accounts receivable	-4,041	-5,393	1,352
(Increase) decrease in inventories	-2,546	-2,525	-21
(Increase) decrease in other current assets	2,097	2,427	-330
Increase (decrease) in notes and accounts payable	3,643	-1,629	5,272
Increase (decrease) in income taxes payable	662	-706	1,368
Increase (decrease) in other current liabilities	1,757	3,848	-2,091
Sub total	122,348	98,409	23,939
Interest and dividend receivable	1,865	958	907
Interest payable	-112	-109	-3
Income taxes - paid	-18,246	-23,257	5,011
Net cash provided by operating activities	105,855	76,000	29,855
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	-47,741	-33,393	-14,348
Proceeds from sales of property, plant and equipment	266	540	-274
Purchases of investment securities	-2,069	-10	-2,059
Purchase of stocks of subsidiary for consolidation	-337	-	-337
Payment for loans	-2	-96	94
Proceeds from loans	116	211	-95
Increase in investments and other assets	-4,630	-3,096	-1,534
Decrease in investments and other assets	155	321	-166
Proceeds from transfer of businesses	2,230	-	2,230
Net cash used in investing activities	-52,012	-35,524	-16,488
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term bank loans	-207	-157	-50
Repayments of long-term bank loans	-	-161	161
Payments for purchase of treasury stock	-64,031	-38	-63,993
Proceeds from sales of treasury stock	1,855	911	944
Dividends paid	-23,402	-12,245	-11,157
Dividends paid for minority shareholders	-1	-0	-1
Net cash used in financing activities	-85,787	-11,692	-74,095
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	2,645	3,665	-1,020
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-29,300	32,449	-61,749
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	112,874	80,425	32,449
CASH AND CASH EQUIVALENTS, END OF PERIOD	83,574	112,874	-29,300

(5) Preparation of the Consolidated Financial Statements

Scope of Consolidation and Application of the Equity Method

1. Number of consolidated subsidiaries : 62 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 method (In comparison to March 31, 2005)

1) Scope of consolidation : 4 companies increased in total.

- 5 companies increased due to the establishment: HOYA MEDICAL EUROPE GMBH. (Germany)
HOYA HEALTHCARE (SHANGHAI) CO., LTD. (China)
HOYA CANDEO OPTRONICS KOREA CO., LTD. (Korea)
VISION MEMBRANE TECHNOLOGIES, INC. (U.S.A.)
Other one company (overseas)
- 1 company increased due to the transfer to the consolidated subsidiary: QSTREAMS NETWORKS, INC. (U.S.A.)
- 1 company decreased due to the merger into the parent company: HOYA ADVANCED SEMICONDUCTOR TECHNOLOGIES CO.,LTD. (Japan)
- 1 company decreased due to the closing: HOYA LENS MEXICO, SA.DE.CV. (Mexico)

2) Application of the equity method

None

	as of Mar. 31, 2006	as of Mar. 31, 2005	variance
Consolidated subsidiaries	62 (do 5, os57)	58 (do 6, os52)	+4 (do-1, os +5)
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	67	63	+4
(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	<u>Millions of Yen</u>	
	<u>Years ended Mar. 31,</u>	
	<u>2006</u>	<u>2005</u>
Cash and deposits	<u>83,574</u>	<u>112,874</u>
Total	<u>83,574</u>	<u>112,874</u>

2. Details of Important Non-financial Trading

<u>Year ended Mar.31, 2006</u>	<u>Millions of Yen</u>
--------------------------------	------------------------

Cancellation of treasury stock	53,180
--------------------------------	--------

(with effect on Feb 1, 2006 for 14,379,000 shares)

RE : The number of total issued and outstanding shares after the cancellation was 435,017,020 shares.

<u>Year ended Mar.31, 2005</u>	<u>Millions of Yen</u>
--------------------------------	------------------------

Cancellation of treasury stock	30,702
--------------------------------	--------

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

Notes Relating to Investment Securities and Derivatives

1. Investment securities with market values:

(Millions of Yen)

		<u>As of Mar. 31,</u>					
		2006			2005		
Available-for-sale		Cost	Fair Value	Variance	Cost	Fair Value	Variance
Securities of which <i>fair value</i> exceeds <i>cost</i>	Marketable Equity securities	1,692	1,874	181	159	308	148
	Government bonds	-	-	-	-	-	-
	Corporate bonds	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Sub total	1,692	1,874	181	159	308	148
Securities of which <i>fair value</i> does NOT exceed <i>cost</i>	Marketable Equity securities	-	-	-	-	-	-
	Government bonds	-	-	-	-	-	-
	Corporate bonds	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Sub total	-	-	-	-	-	-
Total		1,692	1,874	181	159	308	148

2. Condition of sales of marketable securities market during this fiscal year:

(Millions of Yen)

	<u>Years ended March 31,</u>	
	2006	2005
Value of sales	-	-
Total of gains from sales	-	-
Total of losses from sales	-	-

3. Investment securities of without market values:

(Millions of Yen)

	<u>As of Mar. 31,</u>	
	2006	2005
Non-marketable stock of subsidiaries	11,104	9,486
Total	11,104	9,486
Non-marketable equity securities	802	274
Others	279	314
Total	1,081	588

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,	
	<u>2006</u>	<u>2005</u>
(1) Current deferred tax assets and liabilities		
Deferred tax assets		
Inventories - intercompany unrealized profits	1,692	2,166
Maintenance of environment	1,474	323
Accrued bonuses to employees	1,601	1,529
Accrued enterprise taxes	727	691
Amortization of goodwill	-	285
Other	1,911	1,505
Total amount of deferred tax assets - current	<u>7,407</u>	<u>6,500</u>
(2) Non-current deferred tax assets and liabilities		
Deferred tax assets		
Amortization of goodwill and property, plant and equipment	1,962	1,876
Loss on impairment of long lived assets	556	861
Allowance for doubtful receivables	105	117
Loss on close of factory	-	510
Other	1,078	681
Total amount of deferred tax assets - fixed	<u>3,702</u>	<u>4,047</u>
Deferred tax liabilities		
Reserve for deferred income taxes on fixed assets	-406	-434
Special depreciation reserve	-298	-313
Net unrealized gain on available-for-sale securities	-74	-35
Other	-165	-165
Total amount of deferred tax liabilities - fixed	<u>-945</u>	<u>-949</u>
Net amount of deferred tax assets - fixed	<u>2,757</u>	<u>3,097</u>

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

	Years ended Mar.31,	
	<u>2006</u>	<u>2005</u>
Statutory tax rate of the Company	40.4 %	40.4 %
(Adjustment)		
Lower income tax rates applicable to income in certain foreign countries	-18.2	-13.8
Expenses not permanently deductible for income tax purposes	0.4	0.4
Per capita portion	0.1	0.1
Non-taxable dividend income	-1.8	-2.6
Intercompany cash dividend and transactions	1.8	0.8
Equity in earnings of affiliates	-0.5	-1.8
Tax credit on experiment and research expenses	-0.5	-0.8
Other adjustment - net	0.6	0.3
Effective income tax rate	<u>22.3</u>	<u>23.0</u>

Notes Relating to Employees' Retirement Benefits

1. Systems of employees' retirement benefits the Company adopts

The Company had systems to support lump sum severance pay and an employees' pension fund (Kosei Nenkin Kikin). During the third quarter of the fiscal year ended in March 2003, the system of lump sum severance pay was abolished. The employees' pension fund was dissolved with approval for its dissolution sanctioned by the Minister of Health, Labor and Welfare on January 29, 2003 and this has been in the process of completion. On May 26, 2004, the Company obtained approval from the Minister of Health, Labor and Welfare for the completion of the liquidation thereof.

2. Details of liabilities for employees' retirement benefits

(1) Breakdown of liabilities for employees' retirement benefits

None

(2) Breakdown of expenses for employees' retirement benefits

Additional retirement benefits paid to employees
Expenses for employees' retirement benefits

	Millions of Yen	
	Years ended Mar.31,	
	<u>2006</u>	<u>2005</u>
Additional retirement benefits paid to employees	1,688	842
Expenses for employees' retirement benefits	<u>1,688</u>	<u>842</u>

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

None

Notes Relating to Impairment of Fixed Assets

1. Crystal Division

(1) Group of assets applied :

Production facilities of crystal glassware, mainly at Musashi Factory, Crystal Division

(2) Breakdown of impairment

	<u>Millions of Yen</u>	
	<u>Years ended Mar.31,</u>	
	<u>2006</u>	<u>2005</u>
Machinery, etc.	<u>864</u>	<u>92</u>
Total	<u>864</u>	<u>92</u>

2. Photonics Division

(1) Group of assets applied :

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

(2) Breakdown of impairment

	<u>Millions of Yen</u>	
	<u>Years ended Mar.31,</u>	
	<u>2006</u>	<u>2005</u>
Land	-	449
Buildings and Others	-	317
Total	<u>-</u>	<u>766</u>

3. Headquarters

(1) Group of assets applied :

Land for lease at Machida-city, Tokyo

(2) Breakdown of impairment

	<u>Millions of Yen</u>	
	<u>Years ended Mar.31,</u>	
	<u>2006</u>	<u>2005</u>
Land	<u>368</u>	-
Total	<u>368</u>	-

5. Segment Information (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

(1) Industry Segments

Annual : for the year ended March 31, 2006

	Millions of Yen							Elimin. or corp.*	Consolidated
	Electro- Optics	Photo- nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	190,551	10,092	104,456	35,483	1,864	1,777	344,228	-	344,228
Intersegment	744	246	0	0	33	4,333	5,357	(5,357)	-
Total	191,296	10,339	104,457	35,483	1,898	6,111	349,585	(5,357)	344,228
Operating expenses	116,434	9,405	84,088	28,624	2,052	5,464	246,068	(2,936)	243,132
Operating income	74,862	933	20,369	6,859	-154	646	103,516	(2,421)	101,095
Operating margin	39.1%	9.0%	19.5%	19.3%	-8.2%	10.6%	29.6%	-	29.4%
Assets	204,191	7,605	98,243	19,927	840	3,984	334,792	26,745	361,537
Depreciation	18,715	108	6,444	855	-	53	26,177	74	26,251
Loss on impairment	-	-	-	-	864	-	864	368	1,232
Capital Expenditures	37,243	208	7,958	2,391	761	159	48,722	63	48,785
R&D Expenses	8,289	1,683	2,566	1,555	39	-	14,134	-	14,134
Number of employees (p)	17,133	191	6,794	733	86	185	25,122	54	25,176

Annual : for the year ended March 31, 2005

	Millions of Yen							Elimin. or corp.*	Consolidated
	Electro- Optics	Photo- nics	Vision Care	Health Care	Crystal	Service	Total		
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

Ref : Differences between the years ended Mar.31, 2006 and 2005

	Millions of Yen							Elimi. or corp.*	Consolidated
	Electro- Optics	Photo- nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	24,887	-657	9,485	4,074	-1,808	71	36,056	-	36,056
Variance	15.0%	-6.1%	10.0%	13.0%	-49.2%	4.2%	11.7%	-	11.7%
Intersegment	218	13	-17	0	-17	-721	-524	524	-
Total	25,106	-643	9,469	4,074	-1,824	-649	35,531	524	36,056
Operating expenses	13,535	-685	6,179	4,357	-2,091	-623	20,670	-790	19,880
Operating income	11,572	41	3,291	-282	266	-27	14,861	1,314	16,175
Variance	18.3%	4.6%	19.3%	-3.9%	-	-4.0%	16.8%	-	19.0%
Assets	41,553	-43	7,478	1,598	-1,059	769	50,295	-40,240	10,055
Depreciation	3,986	-18	545	187	-	-28	4,671	-80	4,591
Loss on impairment	-	-766	-	-	772	-	5	368	373
Capital Expenditures	5,281	17	1,172	1,654	669	-59	8,733	-123	8,610
R&D Expenses	492	789	1,043	839	14	-	3,177	-	3,177
Number of employees (p)	3,671	-35	330	132	-82	-71	3,945	-3	3,942

*Elimi. or corp. : Eliminations or corporate

Notes:

1. Products and Services of each Business Division:

Business Category	Division	Products and Services
Information Technology	Electro-Optics	Photomasks and Maskblanks for semiconductors, Masks and devices for liquid-crystal displays (LCDs) Glass disks for hard disk drives (HDDs), Optical Communication, Optical lenses, Optical glasses, Electronic glasses, etc.
	Photonics	Laser equipments for industrial, dental and medical purposes, Light sources for electronics industry, Special optical glasses, etc.
Eye Care	Vision Care	Eyeglass lenses, Eyeglass frames, etc.
	Health Care	Contact lenses, Intraocular lenses, etc.
Others	Crystal	Crystal glass products
	Service	Design of information systems, Outsourcing, etc.

2. Amounts and composition of unallocable operating expenses are included in "Eliminations or Corporate". Corporate operating expenses mainly consist of the administration expenses of the headquarters of the Company and the overseas regional headquarters, which are not allocated to each industry segment. Corporate operating expenses for the years ended Mar. 31, 2006 and 2005 are as follows:

<u>2006</u>	2,317 Million Yen
<u>2005</u>	2,873 Million Yen

3. Corporate assets included in "Eliminations or Corporate" mainly consist of cash, time deposits, investments securities and administrative assets of the Company and the overseas regional headquarters. Corporate assets as of Mar. 31, 2006 and 2005 are as follows:

<u>2006</u>	34,912 Million Yen
<u>2005</u>	75,075 Million Yen

(2) Geographical Segments

Annual : for the year ended March 31, 2006

	Millions of Yen						
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	Consolidated
Net sales:							
To outside customers	244,998	35,471	39,231	24,526	344,228	-	344,228
Intersegment	23,900	221	683	120,813	145,618	(145,618)	-
Total	268,898	35,692	39,914	145,340	489,846	(145,618)	344,228
Operating expenses	230,413	34,606	33,366	97,225	395,612	(152,479)	243,132
Operating income	38,484	1,086	6,548	48,114	94,234	6,861	101,095
Operating margin	14.3%	3.0%	16.4%	33.1%	19.2%	-	29.4%
Assets	163,840	22,377	63,345	149,298	398,861	-37,323	361,537

Annual : for the year ended March 31, 2005

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

Ref : Differences between the years ended Mar.31, 2006 and 2005

	Millions of Yen						
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	Consolidated
Net sales:							
To outside customers	14,053	4,696	5,428	11,879	36,056	-	36,056
Variance	6.1%	15.3%	16.1%	93.9%	11.7%	-	11.7%
Intersegment	4,852	22	428	31,065	36,366	-36,366	-
Total	18,904	4,717	5,856	42,944	72,422	-36,366	36,056
Operating expenses	26,001	3,694	5,171	26,222	61,088	-41,207	19,880
Operating income	-7,097	1,024	685	16,721	11,334	4,841	16,175
Variance	-15.6%	1651.6%	11.7%	53.3%	13.7%	-	19.0%
Assets	-2,098	5,249	30,418	45,107	78,676	-68,620	10,055

*Elimi. or corp. : Eliminations or corporate

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, which are not allocated to each industry segment. Corporate operating expenses for the years ended Mar. 31, 2006 and 2005 are as follows:

<u>2006</u>	2,317 Million Yen	<u>2005</u>	2,561 Million Yen
-------------	-------------------	-------------	-------------------

- Corporate assets included in "Eliminations or Corporate" mainly consist of cash, time deposits, investments securities and administrative assets of the Company. Corporate assets as of Mar. 31, 2006 and 2005 are as follows:

<u>2006</u>	33,958 Million Yen	<u>2005</u>	72,840 Million Yen
-------------	--------------------	-------------	--------------------

(3) Sales to Foreign Customers

Annual : for the year ended Mar. 31, 2006

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	42,673	41,200	85,988	859	170,722
Total Consolidated Net Sales (B)					344,228
Overseas Sales ratio A/B	12.4%	12.0%	25.0%	0.2%	49.6%
Regional Sales ratio	25.0%	24.1%	50.4%	0.5%	100.0%

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%

Ref: Differences between the years ended Mar.31, 2006 and 2005

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	-846	4,770	24,191	849	28,964
Total Consolidated Net Sales (B)					36,056
Variance of Overseas Sales	-1.9%	13.1%	39.1%	8490.0%	20.4%

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,		Variance	
	2006	2005	Value	%
Electro-Optics				
Domestic	94,448 (49.6)	86,964 (52.5)	7,484	8.6
Overseas	96,103 (50.4)	78,699 (47.5)	17,404	22.1
total	190,551 [55.4]	165,664 [53.8]	24,887	15.0
Photonics				
Domestic	5,519 (54.7)	7,291 (67.8)	-1,772	-24.3
Overseas	4,573 (45.3)	3,457 (32.2)	1,116	32.3
total	10,092 [2.9]	10,749 [3.5]	-657	-6.1
Information Technology				
Domestic	99,967 (49.8)	94,256 (53.4)	5,711	6.1
Overseas	100,677 (50.2)	82,157 (46.6)	18,520	22.5
total	200,644 [58.3]	176,413 [57.2]	24,231	13.7
Vision Care				
Domestic	36,089 (34.5)	36,601 (38.5)	-512	-1.4
Overseas	68,367 (65.5)	58,370 (61.5)	9,997	17.1
total	104,456 [30.4]	94,971 [30.8]	9,485	10.0
Health Care				
Domestic	34,228 (96.5)	30,692 (97.7)	3,536	11.5
Overseas	1,254 (3.5)	716 (2.3)	538	75.1
total	35,483 [10.3]	31,409 [10.2]	4,074	13.0
Eye Care				
Domestic	70,317 (50.2)	67,293 (53.2)	3,024	4.5
Overseas	69,622 (49.8)	59,086 (46.8)	10,536	17.8
total	139,940 [40.7]	126,380 [41.0]	13,560	10.7
Crystal				
Domestic	1,442 (77.4)	3,158 (86.0)	-1,716	-54.3
Overseas	421 (22.6)	514 (14.0)	-93	-18.1
total	1,864 [0.5]	3,672 [1.2]	-1,808	-49.2
Service				
Domestic	1,777 (100.0)	1,706 (100.0)	71	4.2
Overseas	- (-)	- (-)	-	-
total	1,777 [0.5]	1,706 [0.6]	71	4.2
Others				
Domestic	3,220 (88.4)	4,864 (90.4)	-1,644	-33.8
Overseas	421 (11.6)	514 (9.6)	-93	-18.1
total	3,642 [1.0]	5,378 [1.7]	-1,736	-32.3
Total Net Sales				
Domestic	173,506 (50.4)	166,414 (54.0)	7,092	4.3
Overseas	170,722 (49.6)	141,758 (46.0)	28,964	20.4
Total	344,228 [100.0]	308,172 [100.0]	36,056	11.7

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.