

Quarterly Report

- Three months ended June 30, 2004 - 1st quarter for the year ending March 31, 2005

Quarterly Financial Highlights (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

1. Performance for the three months ended June 30, 2004 and 2003

(Unit: Millions of Yen, figures less than a million yen are omitted.)

(1) Results of Operations	<u>Three months ended Jun. 30,</u>		Variance (%)
	2004	2003	
Net sales	74,961	63,913	17.3
Operating income	21,081	14,536	45.0
Ordinary income	22,366	14,757	51.6
Net income	16,222	9,795	65.6
Net income per share(Yen)	149.15	85.05	

Notes : No changes have been made in accounting policy.

(2) Financial Position	<u>As of Jun. 30,</u>	<u>As of Mar. 31,</u>	<u>As of Jun. 30,</u>
	2004	2004	2003
Total assets	293,699	289,887	290,686
Shareholders' equity	230,648	218,978	233,082
Shareholders' equity ratio	78.5%	75.5%	80.2%
Shareholders' equity per share (Yen)	2,072.58	1,967.60	2,023.76

(3) Conditions of Cash Flows	<u>Three months ended Jun. 30,</u>	
	2004	2003
Net cash provided by operating activities	10,090	14,358
Net cash used in investing activities	-8,328	-6,925
Net cash provided by (used in) financing activities	-5,685	-2,723
Cash and cash equivalents, end of period	77,158	81,498

2. Earnings Forecasts (First Half : Six months ending September 30, 2004)

	<u>Six months ending/ended Sep.30,</u>		Variance(%)
	2004	2003	
Net sales	150,000	131,699	13.9
Operating income	42,000	30,936	35.8
Ordinary income	43,500	30,395	43.1
Net income	28,500	18,924	50.6
Net income per share (Yen)	259.03	166.21	92.82

This report is provided solely for the information of professional analysts who are expected to make their own evaluation of the company. These statements are based on management's assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them.

These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from that anticipated in these statements. These factors include changes in economic conditions, trends in our major markets, or currency exchange rates.

We accept no liability whatsoever for any direct or consequential loss arising from any use of this report.

1. Business Overview

1. Results of Operations

1) General Overview

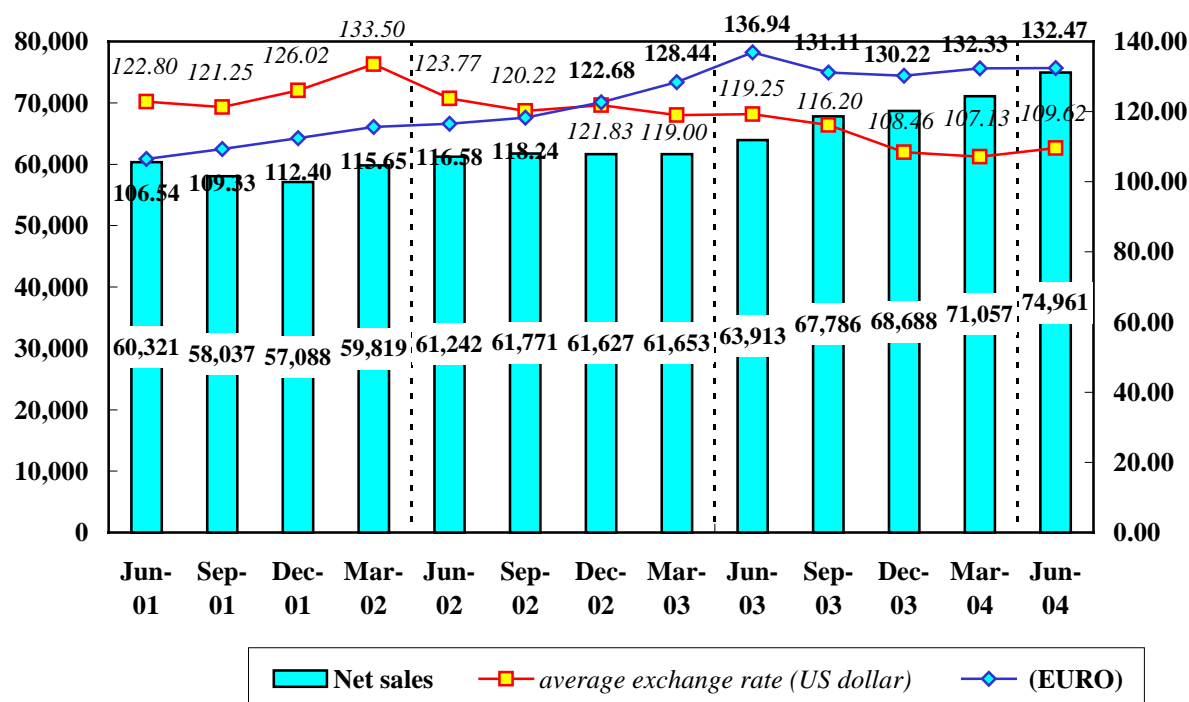
<u>Results of Operations</u>	<u>Millions of Yen</u> <u>Three months ended Jun. 30, 2004</u>
Net sales	74,961
Operating income	21,081
Ordinary income	22,366
Net income	16,222
Net income per share(Yen)	149.15

During the quarter under review, an improvement in business conditions for manufacturers was observed centered on digital home appliances, continuing the trend from the previous fiscal year. With the focus on the Athens Olympics, digital home appliances are acting as an engine for market growth, reviving some bright prospects for certain areas of personal consumption.

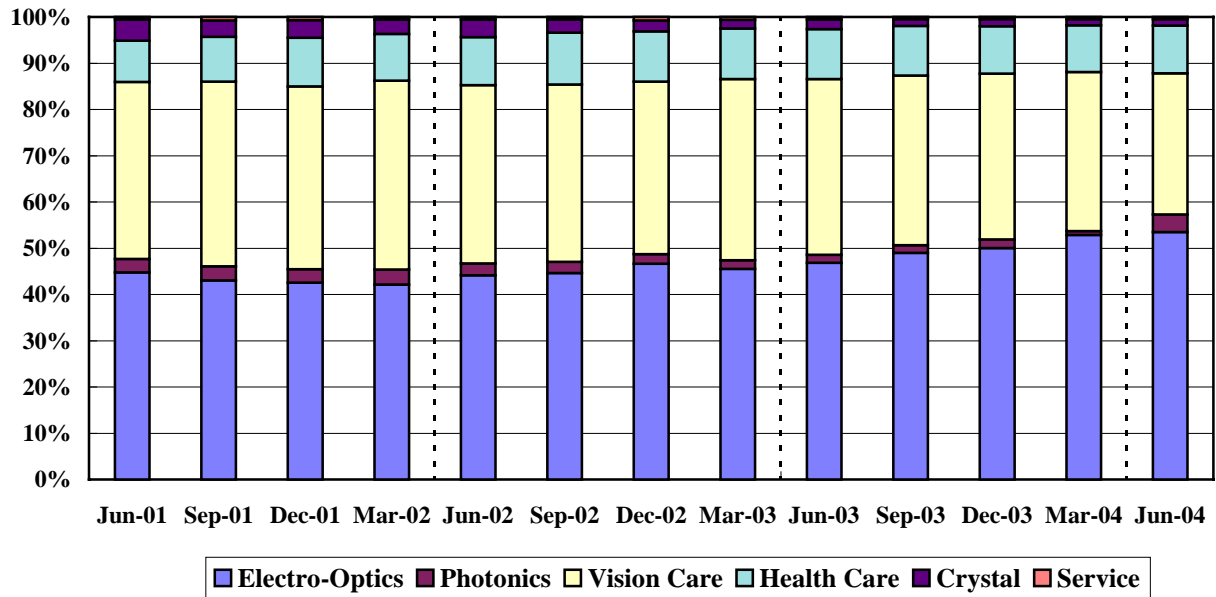
On the currency market, in terms of the quarterly averaged exchange rates, the US dollar, the euro and the Thai baht depreciated by 8.1%, 3.3% and 3.9%, respectively, all against the yen on a year-on-year basis.

At HOYA Group under this business environment, the Electro-Optics segment saw continued demand for its high precision products with solid demand for digital home appliances providing the driving force. In the Vision Care division, the prolonged stagnation of the domestic market seems to have bottomed out. In the Health Care division, highly functional products, such as contact lenses and intraocular lenses, etc., enjoyed solid sales. As a result, consolidated sales during the quarter under review increased 17.3% year-on-year to 74,961 million yen.

Quarterly net sales (Million Yen) and average exchange rate
(Yen/US dollar & EURO)

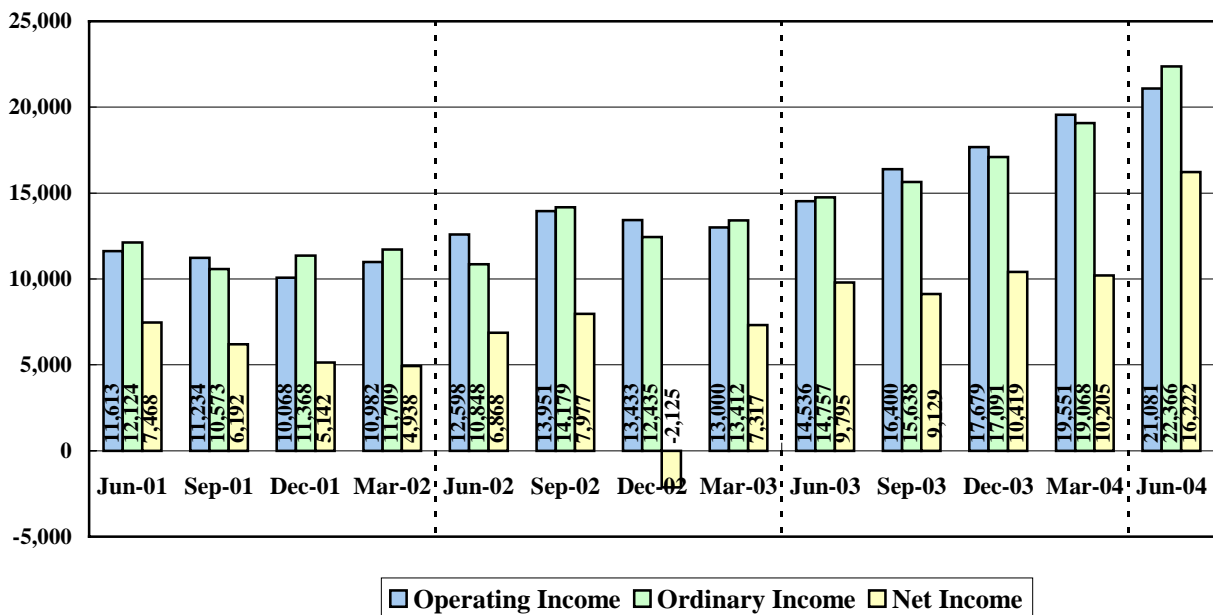


Ratio of Net Sales by Business Segment - Quarterly Transition



In the quarter under review, the Electro-Optics segment received a steady and decent volume of orders for its high precision products, and the main factories were kept fully operational; while the Eye Care segment benefited from the effects of the integration of its mass production plants and the expanded sales of its high-value-added products; such that earnings of both segments increased. On a Group basis, operating income, ordinary income and net income for the quarter increased 45.0%, 51.6% and 65.6% respectively on a year-on-year basis. Together with the net sales, all three incomes represented record quarterly results. Net income per share for the quarter increased 64.10 yen year-on-year to

Quarterly Incomes (Millions of Yen)



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

2) Segment Overview

1.Information Technology

Electro-Optics

In 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 terms of photomasks for manufacturing semiconductors, sales increased year-on-year with an advance in the high precision of products and an increase in overseas sales. In terms of large-sized masks for LCDs, HOYA saw strong demand for these masks as LCD panel manufacturers successively began operation of new production lines and actively began development of new models centered on LCD televisions, such that sales increased year-on-year.

In terms of glass disks for hard disk drives (HDDs), thanks to a recovery in sales of personal computers as well as to broadened applications, such as for portable music players, demand expanded favorably, and sales of the segment of Nippon Sheet Glass Co., Ltd. that was transferred to HOYA in the 4th quarter of the previous fiscal year are included starting from the 1st quarter under review, such that sales increased substantially on a year-on-year basis.

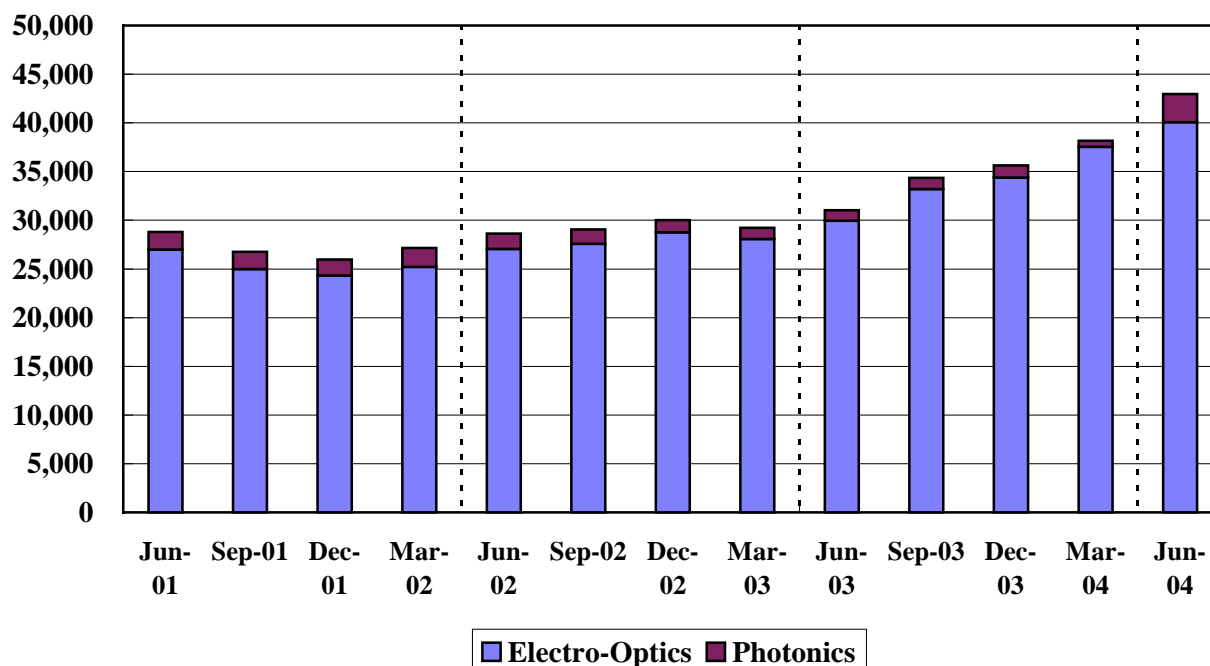
In terms of optical lenses and glasses, sales of digital products, such as digital cameras, continued to grow in the market, and sales of our optical lenses, such as molded aspheric lenses, fared well. Sales increased on a year-on-year basis.

Photonics

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

In terms of the Photonics business, HOYA CANDEO OPTRONICS CORP. (formerly HOYA-SCHOTT CORP.) which has belonged to Electro-Optics segment until the previous fiscal year moved to this segment in this quarter under review. As a result, sales of this segment increased drastically. HOYA-SCHOTT CORP. changed to consolidated from equity-method affiliate as of the end of the same period last year.

Quarterly Net Sales of Electro-Optics (Millions of Yen)



2. Eye Care

Vision Care

In the domestic eyeglass market, the prolonged stagnation seems to have bottomed out, and a moderate recovery is beginning to be felt. At HOYA, in spite of persistently intense price competition for products in the lower price band, sales grew in the upper price band with the launch of new products onto the market and the addition of higher value to its products centered on progressive lenses. Overall, sales increased on a year-on-year basis.

Overseas, sales in Asia, where HOYA promoted the added high-value of its products, remained solid. In the United States and Europe, HOYA strengthened its sales of high-value-added products, including progressive and highly refractive lenses, etc. However, in Germany, which is the largest market in Europe, sales decreased in recoil to special procurements instigated by the amendments to the health insurance system during the previous fiscal year. The exchange rates also had a negative effect during the quarter under review. Aggregate sales for the overseas market decreased on a year-on-year basis.

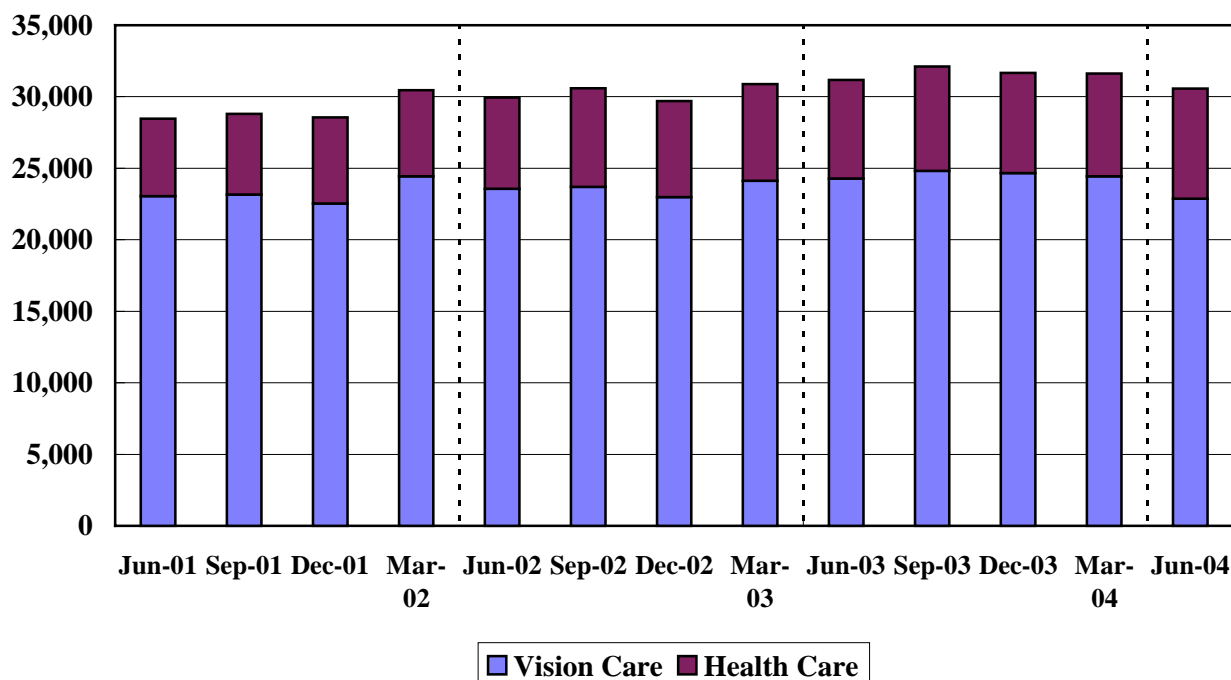
As a result, sales of the Vision Care division as a whole decreased on a year-on-year basis.

Health Care

In terms of contact lenses, while price competition in the market intensified among discount retailers, HOYA sought to distinguish itself from the competition by accelerating the establishment of new outlets, by capitalizing on its expertise to improve its face-to-face services to clients, and by promoting sales of high-value-added products such as bifocal lenses, etc., such that sales increased on a year-on-year basis.

Sales of intraocular lenses (IOL) increased on a year-on-year basis as soft intraocular lenses sold well both in Japan and overseas.

Quarterly Net Sales of Eye Care (Millions of Yen)

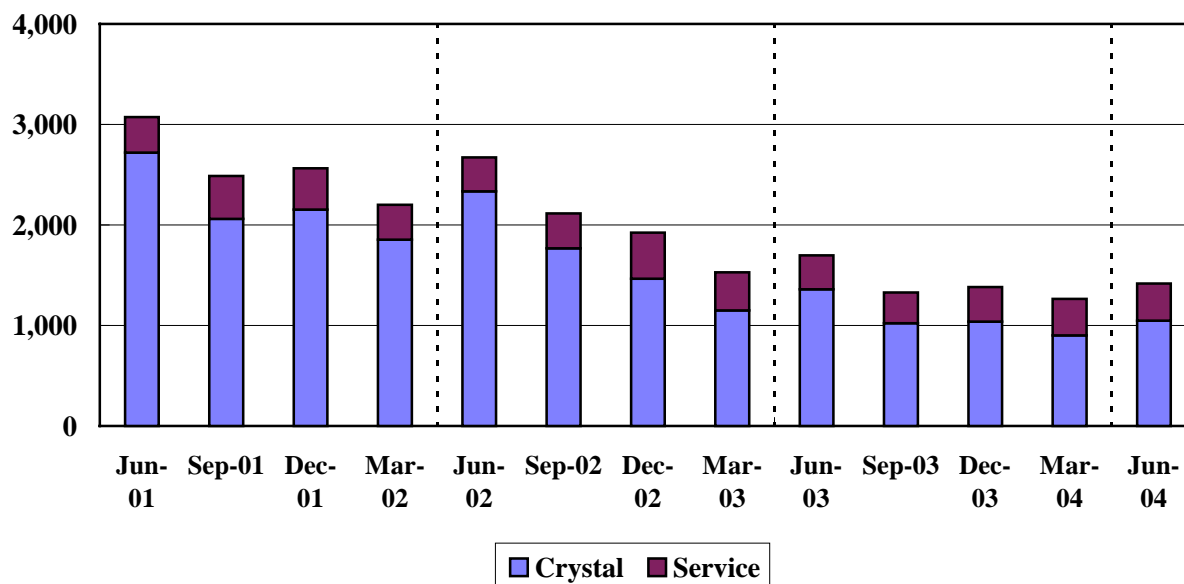


3. Lifestyle Refinement

Crystal

In terms of crystal, HOYA cut back on its operations as part of its business restructuring. While a trend towards recovery in personal consumption was observed in the market, corporate demand remained stagnant. As a result, sales decreased on a year-on-year basis.

Quarterly Net Sales of lifestyle Refinement (Millions of Yen)



2. Financial Position

Total assets
Shareholders' equity
Shareholders' equity ratio

Millions of Yen
As of Jun. 30, 2004
293,699
230,648
78.5%

At the end of the quarter under review, the current assets decreased Yen 1,646 million since cash and deposit decreased Yen 3,267 million. Fixed assets increased Yen 5,396 million and total assets increased Yen 3,812 million. Liabilities decreased Yen 7,911 million. Shareholders' equity increased Yen 11,670 million through such factors as Yen 16,222 million of quarterly net income and Yen 5,563 million of payment of dividends. As a result, shareholders' equity ratio increased to 78.5%.

3. Conditions of Cash Flows

Net cash provided by operating activities
Net cash used in investing activities
Net cash provided by (used in) financing activities
Cash and cash equivalents, end of period

Millions of Yen
Three months ended Jun. 30, 2004
10,090
-8,328
-5,685
77,158

In terms of cash flows from operating activities, on the basis of Yen 22,338 million in income before income taxes and Yen 4,897 million in depreciation, net cash provided by operating activities amounted to 10,090 million. The outstanding cash and cash equivalents at the end of the period decreased by Yen 3,267 million in comparison with that of the end of the previous fiscal year.

4. Earnings Forecast for the First Half

(Six months ending Sep. 30, 2004)

As we head towards the Athens Olympics in August, it is expected that the movement of people, goods and money will become more active, consumption will be stimulated, and the market centered on digital home appliances will keep growing steadily in continuance of the favorable conditions from the previous fiscal year.

In terms of the business environment for HOYA, markets related to the electronics sector are expected to continue expanding driven by the boom in digital home appliances. It is expected that new device products featuring semiconductors of various types will be mass-produced and trial manufacture of next-generation products will start; plant and equipment investment for large-sized LCD panels will continue; demand for HDDs will grow sharply; along with advances in the functionality of digital cameras and cell phones; etc. In the domestic eyeglass market, it seems the market gravitation towards low-priced products has bottomed out and the market is expected to recover moderately centered on high-value-added products. In terms of Intraocular lenses, overseas sales are expected to grow.

Trends in the currency markets and the situation in Iraq remain unclear, and there can be no reliable prediction with respect to the business trends in the latter half of this fiscal year, which may be affected by a possible recoil after the Olympic Games and a shift in policies after the presidential election in the United States, etc. We, at HOYA, however, expect to secure an increase in sales and profits on a year-on-year basis for the first half of the current fiscal year to continue the solid results of the first quarter. For the latter half of the fiscal year, too, we will strive to develop technologies and to generate more orders with a view to beginning full-scale operation of the production facilities that are under construction in various areas.

	<u>Millions of Yen</u>		
	<u>Six months ending/ended</u>		variance
	Sep.30,2004	Sep.30,2003	(%)
Net sales	150,000	131,699	(13.9)
Operating income	42,000	30,936	(35.8)
Ordinary income	43,500	30,395	(43.1)
Net income	28,500	18,924	(50.6)
Net income per share (Yen)	259.03	166.21	92.82

RE: To calculate Net income per share, expected Net income is divided by expected mid-term average number of shares.

Ref:Forecast for the 2nd quarter

1. Year-on-year comparison	<u>Millions of Yen</u>		
	<u>Three months ending/ended</u>		variance
	Sep.30,2004	Sep.30,2003	(%)
Net sales	75,039	67,786	(10.7)
Operating income	20,919	16,400	(27.6)
Ordinary income	21,134	15,638	(35.1)
Net income	12,278	9,129	(34.5)
Net income per share (Yen)	110.32	81.12	29.20

2. Quarter-on-quarter comparison	<u>Millions of Yen</u>		
	<u>Three months ending/ended</u>		variance
	Sep.30,2004	Jun.30,2004	(%)
Net sales	75,039	74,961	(0.1)
Operating income	20,919	21,081	(-0.8)
Ordinary income	21,134	22,366	(-5.5)
Net income	12,278	16,222	(-24.3)
Net income per share (Yen)	110.32	149.15	-38.83

These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from that anticipated in these statements. These factors include changes in economic conditions, trends in our major markets, or currency exchange rates.

(2) Consolidated Financial Statements

1. Quarterly Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	Jun.30,2004	Mar.31,2004	Variance	Jun.30,2003
ASSETS				
Current assets	191,634	193,279	-1,645	192,470
Cash and deposits	77,158	80,425	-3,267	81,498
Notes and accounts receivable - trades	69,902	67,274	2,628	62,393
Inventories	34,207	32,877	1,330	34,437
Income taxes refund receivable	-	-	-	3,899
Deferred tax assets	5,132	7,066	-1,934	3,481
Other current assets	6,651	6,982	-331	8,336
Allowance for doubtful receivables	-1,418	-1,347	-71	-1,576
Fixed assets	101,841	96,445	5,396	97,805
Tangible fixed assets	82,772	78,318	4,454	80,072
Buildings and structures	22,884	22,855	29	23,800
Machinery and vehicles	34,530	33,076	1,454	35,441
Lands	9,275	9,218	57	9,403
Other tangible fixed assets	16,081	13,167	2,914	11,427
Intangible fixed assets	4,867	4,556	311	5,047
Investments and other assets	14,201	13,570	631	12,686
Investment securities	6,963	6,193	770	5,444
Deferred tax assets	3,008	3,012	-4	2,646
Other assets	4,716	4,853	-137	6,307
Allowance for doubtful receivables	-485	-487	2	-1,712
Deferred charges	224	162	62	411
Total Assets	293,699	289,887	3,812	290,686
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities	60,111	68,252	-8,141	54,561
Notes and accounts payable - trades	27,292	25,770	1,522	22,779
Short-term bank loans	233	486	-253	2,201
Income tax payable	5,461	14,398	-8,937	4,877
Accrued bonus to employees	1,982	3,722	-1,740	1,889
Other current liabilities	25,141	23,874	1,267	22,813
Long-term liabilities	2,164	1,934	230	1,979
Long-term bank loans	10	-	10	150
Liability for directors retirement benefits	-	-	-	117
Other long-term liabilities	2,153	1,934	219	1,711
Total Liabilities	62,276	70,187	-7,911	56,540
Minority interest	774	721	53	1,063
Common stock	6,264	6,264	-	6,264
Capital surplus	15,898	15,898	-	15,898
Retained earnings	227,060	247,175	-20,115	223,018
Net unrealized gain (loss) on available - for - sale securities	-28	-30	2	77
Foreign currency translation adjustments	-9,893	-10,825	932	-5,119
Treasury stock - at cost	-8,650	-39,504	30,854	-7,056
Total Shareholders' Equity	230,648	218,978	11,670	233,082
Total	293,699	289,887	3,812	290,686
Notes:				
	Millions of Yen			
1. Accumulated depreciation	154,725	150,826		154,394
2. Guarantees of borrowings and lease obligations for customers and Group's employees	918	883		537
3. Number of shares of treasury stock (stocks)	1,063,567	4,857,867		951,597

2. Quarterly Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	Three months ended				
	Jun.30, 2004	Jun.30, 2003	Variance		Mar.31, 2004
			Value	(%)	
Net sales	74,961	63,913	11,048	17.3	71,057
Cost of sales	38,067	34,065	4,002	11.7	36,877
Gross profit	36,894	29,847	7,047	23.6	34,180
Selling, general and administrative expenses	15,812	15,311	501	3.3	14,629
Operating income	21,081	14,536	6,545	45.0	19,551
Non-operating income	2,002	966	1,036	107.2	1,290
Interest income	216	153	63		114
Foreign exchange gains	618	-	618		-
Equity in earnings of associated companies	881	395	486		799
Others	286	417	-131		376
Non-operating expenses	718	745	-27	-3.6	1,772
Interest expense	33	78	-45		20
Foreign exchange losses	-	240	-240		-
Others	685	426	259		1,130
Ordinary income	22,366	14,757	7,609	51.6	19,068
Extra-ordinary income	185	169	16	9.5	147
Gain on sales of property, plant and equipment	35	37	-2		-
Others	149	132	17		147
Extra-ordinary losses	213	230	-17	-7.4	7,291
Loss on disposal of property, plant and equipment	83	105	-22		513
Additional retirement benefits paid to employees	41	66	-25		238
Loss on impairment	30	-	30		2,040
Amortization of goodwill	-	-	-		3,300
Loss on write-down of investment securities	-	-	-		149
Others	56	58	-2		1,050
Income before income taxes and minority interests	22,338	14,695	7,643	52.0	11,924
Income taxes - Current	4,115	3,794	321	8.5	5,191
Income taxes - Deferred	1,947	1,096	851	77.6	-3,492
Minority interests in net income	52	9	43	477.8	21
Net income	16,222	9,795	6,427	65.6	10,205
Net income per share(Yen)	149.15	85.05	64.10		91.28

Notes:

- Influences of Exchange Currency ("2004 A" is the actual value of this period. "2004 B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2004 A	2004 B	influences
Net sales	74,961	76,050	-1,089
Operating income	21,081	21,531	-450
Ordinary income	22,366	22,839	-473
Net income	16,222	16,650	-428

	Three months ended Jun. 30.		
	2004	2003	Variance(%)
2. Average rates of major foreign currencies			
US\$	Yen 109.62	119.25	8.1%
Euro	Yen 132.47	136.94	3.3%
Thail Baht	Yen 2.71	2.82	3.9%

3. Quarterly Consolidated Statements of Retained Earnings

HOYA CORPORATION and Consolidated Subsidiaries

Items	Millions of Yen			
	Three months ended			Mar. 31, 2004
	Jun. 30, 2004	Jun. 30, 2003	Variance	
Capital Retained Earnings				
Balance at the beginning of the period	15,898	15,898	-	15,898
Adjustment of retained earnings	-	-	-	-
Appropriations	-	-	-	-
Balance at the end of the period	15,898	15,898	-	15,898
Profit Retained Earnings				
Balance at the beginning of the period	247,175	216,271	30,904	236,995
Adjustment of retained earnings	16,222	9,795	6,427	10,205
Net income	16,222	9,795	6,427	10,205
Appropriations	36,337	3,048	33,289	24
1. Cash dividends	5,563	2,879	2,684	-
2. Bonuses to directors	63	169	-106	-
3. Cancellation of treasury stock	30,702	-	30,702	-
4. Loss on deposit of treasury stock	-	-	-	247,175
Balance at the end of the period	227,060	223,018	4,042	247,175

4. Quarterly Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	<u>Millions of Yen</u>		
	<u>Three months ended Jun.30,</u>		variance
	2004	2003	
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	22,338	14,695	7,643
Adjustments for:			
Income taxes - paid	-13,123	-1,837	-11,286
Depreciation and amortization	4,897	4,645	252
Loss on impairment of long-lived assets	30	-	30
Provision for (reversal of) accrued bonuses to employees	-1,738	-1,649	-89
Reversal of accrued retirement benefits	-	-236	236
Provision for (Reversal of) reserve for periodic repairs	233	64	169
Equity in earnings of associated companies	-881	-395	-486
Foreign exchange loss (gain)	-154	46	-200
Bonus to directors	-63	-169	106
Devaluation losses on investment securities	-	0	0
Gain on sales of property, plant and equipment and investment securities	-35	-45	10
Loss on disposal of property, plant and equipment and investment securities	83	105	-22
Other	242	141	101
<i>Changes in assets and liabilities:</i>			
(Increase) decrease in notes and accounts receivable	-2,384	-1,499	-885
(Increase) decrease in inventories	-1,167	-1,175	8
(Increase) decrease in other current assets	557	-1,150	1,707
Increase (decrease) in notes and accounts payable	1,493	1,685	-192
Increase (decrease) in other current liabilities	-238	1,130	-1,368
Total adjustment			
Net cash provided by operating activities	10,090	14,358	-4,268
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	-7,729	-4,019	-3,710
Proceeds from sales of property, plant and equipment	79	54	25
Purchases of investment securities	-	-178	178
Proceeds from sales of investment securities	-	14	-14
Increase in investments and other assets	-879	-598	-281
Decrease in investments and other assets	121	210	-89
Payment for loans	-	-2,407	2,407
Proceeds from loans	79	-	79
Net cash used in investing activities	-8,328	-6,925	-1,403
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term borrowings	-262	-89	-173
Repayment of long term bank loans	0	-42	42
Net (increase) decrease in treasury stock	141	-4	145
Dividends paid	-5,563	-2,606	-2,957
Proceed from minority interests	-	19	-19
Net cash used in financing activities	-5,685	-2,723	-2,962
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-3,923	4,709	-8,632
Effect of Exchange Rate Changes on Cash and Cash Equivalents	657	716	-59
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	80,425	75,694	4,731
Cash and cash equivalents of newly consolidated subsidiaries, beginning of year	-	377	-377
CASH AND CASH EQUIVALENTS, END OF PERIOD	77,158	81,498	-4,340

Note: Negative figures with "-" (minus) in the consolidated statements of cash flows indicate net outflow of cash and cash equivalents.

5. Scope of Consolidation and Application of the Equity Method

1. Number of consolidated subsidiaries : 55 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 CORP. (Japan)

Notes: Changes in Accounting Policies and Others

1. Changes in scope of consolidation and application of the equity method:

a. Scope of consolidation

In comparison to Mar.31, 2004 : No change in the number of company in total

1 company increased due to the acquisition : RADIANT IMAGES, INC. (USA)
1 company decreased due to the closing: KOREA OPTICAL GLASS CO., LTD. (Korea)

In comparison to Jun.30, 2003 : 1company decreased in total

2 companies increased due to the establishment: HOYA LENS SHANGHAI LTD. (China)
HOYA MICROELECTRONICS TAIWAN CO.,LTD. (Taiwan)

3 companies increased due to the acquisition : HOYA GLASS DISK PHILIPPINES, INC. (Philippines)
(changed its corporate name from NSG PHILIPPINES, INC.)
HOYA GLASS DISK MALAYSIA SDN.BHD.(Malaysia)
(changed its corporate name from
ADVANCED DISK TECHNOLOGY SDN.BHD.)
RADIANT IMAGES, INC. (USA)

1 company decreased due to the merger into
the parent company: HOYA OPTICS CORPORATION (Japan)

4 companies decreased due to the closing: HOYA PHOTONICS SINGAPORE PTE LTD. (Singapore)
CONTINUUM ELECTRO-OPTICS GMBH (Germany)
HOYA OPTICAL TAIWAN CO., LTD. (Taiwan)
KOREA OPTICAL GLASS CO., LTD. (Korea)

1 company decreased due to the disposal: NEW CHROMEX, INC. (USA)

b. Application of the equity method

In comparison to Mar.31, 2004 : No change

In comparison to Jun.30, 2003 : No change

2. Changes in accounting policy :

The impairment accounting system was applied on fixed assets

	as of Jun.30, 2004	as of Mar.31, 2004	variance	as of Jun.30, 2003
Consolidated subsidiaries	55 (do 6, os49)	55 (do 6, os49)	- (do-, os -)	56 (do 7, os49)
Nonconsolidated subsidiaries	- (do -, os -)	- (do -, os -)	- (do -, os -)	- (do -, os -)
Affiliates	5 (do 5, os -)	5 (do 5, os -)	- (do-, os-)	5 (do 5, os -)
(accounted for by the equity method)	(1) (do 1, os -)	(1) (do 1, os -)	(-) (do-, os-)	(1) (do 1, os -)
Total Hoya Group	60	60	-	61
(accounted for by the equity method)	(1)	(1)	(-)	(1)

(do : domestic, os : overseas)

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>Three months ended</u>		
	<u>Jun. 30,2004</u>	<u>Jun. 30,2003</u>	<u>Mar.31,2004</u>
Cash and deposits	77,158	81,498	80,425
Marketable securities	-	-	-
Total	<u>77,158</u>	<u>81,498</u>	<u>80,425</u>

2. Details of Assets and Liabilities of the Newly Consolidated Subsidiaries to HOYA CORPORATION by Increase of Proxy Rights:

Three months ended Jun. 30, 2004

None

Three months ended Jun. 30, 2003

HOYA-SCHOTT CORPORATION (as of Jun. 30, 2003.)

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

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

Three months ended Mar. 31, 2004

None

3. Details of Important Non-financial Trading

<u>Three months ended Jun. 30, 2004</u>	<u>Millions of Yen</u>
Cancellation of treasury stock	30,702

Three months ended Jun. 30, 2003

None

Three months ended Mar. 31, 2004

None

Notes Relating to Investment Securities and Derivatives

1. Investment securities of current market values:

(Millions of Yen)

	As of								
	<u>Jun.30,2004</u>			<u>Mar.31, 2004</u>			<u>Jun.30, 2003</u>		
Available-for-sale	Cost	Fair Value	Variance	Cost	Fair Value	Variance	Cost	Fair Value	Variance
Available-for-sale :									
Marketable Equity securities	159	237	77	159	230	70	139	207	67
Government bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	159	237	77	159	230	70	139	207	67

2. Investment securities of non-current market values:

(Millions of Yen)

	As of		
	<u>Jun.30,2004</u>	<u>Mar.31, 2004</u>	<u>Jun.30, 2003</u>
Non-marketable stock of subsidiaries	6,464	5,689	4,442
Total	6,464	5,689	4,442
Non-marketable equity securities	262	273	794
Non-marketable corporate bonds	-	-	-
Non-marketable foreign bond	-	-	-
Commercial paper	-	-	-
Total	262	273	794

3. Derivatives

None

Notes Relating to Tax Effect Accounting

1. Breakdown of deferred tax assets and deferred tax liabilities by major cause of accrual:

	<u>Millions of Yen</u>		
	<u>As of</u>		
	<u>Jun.30, 2004</u>	<u>Mar.31, 2004</u>	<u>Jun.30, 2003</u>
(1) Current deferred tax assets and liabilities			
Deferred tax assets			
Inventories - intercompany unrealized profits	1,744	1,604	1,065
Excess deductible amount of depreciation expenses	1,217	1,493	1,264
Amount denied of expenses for accrued bonus	742	1,409	712
Enterprise tax not deductible	261	1,200	266
Other deferred tax assets	1,166	1,358	507
Total amount of deferred tax assets - current	<u>5,132</u>	<u>7,066</u>	<u>3,816</u>
Deferred tax liabilities			
Enterprise taxes refund receivable	-	-	-334
Total amount of deferred tax liabilities - current	<u>-</u>	<u>-</u>	<u>-334</u>
Net amount of deferred tax assets - current	<u>5,132</u>	<u>7,066</u>	<u>3,481</u>
(2) Non-current deferred tax assets and liabilities			
Deferred tax assets			
Excess amount of inclusion in deductible expenses for depreciation	1,955	2,069	1,970
Loss on impairment not deductible	836	824	-
Excess amount of inclusion in deductible expenses for allowance for doubtful receivables	169	181	402
Other deferred tax assets	938	859	1,347
Total amount of deferred tax assets - fixed	<u>3,900</u>	<u>3,934</u>	<u>3,720</u>
Deferred tax liabilities			
Reserve for deferred income taxes on fixed assets	-442	-467	-552
Special depreciation reserve	-283	-289	-302
Difference of evaluation for marketable securities	-	-	-52
Other deferred tax liabilities	-165	-165	-165
Total amount of deferred tax liabilities - fixed	<u>-891</u>	<u>-922</u>	<u>-1,073</u>
Net amount of deferred tax assets - fixed	<u>3,008</u>	<u>3,012</u>	<u>2,646</u>

2. Reconciliation of the difference between statutory income tax rate and actual tax rate:

	<u>Three months ended</u>		
	<u>Jun.30,2004</u>	<u>Jun.30,2003</u>	<u>Mar.31,2004</u>
Statutory tax rate of the Company	40.4 %	41.7 %	41.7 %
(Adjustment)			
Lower income tax rates applicable to income in certain foreign countries	-13.2	-8.4	-22.0
Non-Deductible expenses such as entertainment expenses	0.3	0.3	0.9
Per capita levy of inhabitants tax and others	0.1	0.2	0.3
Non-taxable income such as dividend received	-9.3	-7.7	-
Intercompany cash dividend	9.3	6.0	-
Extra tax deduction on expenses for research	-0.7	-	-5.3
Other adjustment	0.2	1.2	-1.4
Effective income tax rate	<u>27.1</u>	<u>33.3</u>	<u>14.2</u>

Notes Relating to Employees' Retirement Benefits

1. Systems of employees' retirement benefits the Company adopts

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

	<u>Millions of Yen</u>		
	<u>Three months ended</u>		
	<u>Jun.30, 2004</u>	<u>Jun.30, 2003</u>	<u>Mar.31, 2004</u>
Additional retirement benefits paid to employees	<u>41</u>	<u>66</u>	<u>238</u>
Expenses for employees' retirement benefits	<u>41</u>	<u>66</u>	<u>238</u>

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

None

Notes Relating to Impairment on Fixed Assets

Since the previous quarter (three months ended March 31, 2004), the Company has applied impairment accounting on fixed assets :

(1) Group of assets applied :

Production facilities of crystal glassware at Musashi Factory, Crystal Division

(2) Breakdown of impairment

	<u>Millions of Yen</u>	
	<u>Three months ended</u>	
	<u>Jun.30, 2004</u>	<u>Mar.31, 2004</u>
Buildings	-	1,004
Machinery	18	461
Assets on lease	-	276
Others	12	297
<u>Total</u>	<u>30</u>	<u>2,040</u>

(3) Segment Information

HOYA CORPORATION and Consolidated Subsidiaries

1. Industry Segments

for the three months ended June 30, 2004

	Millions of Yen								
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	40,087	2,887	22,862	7,706	1,047	369	74,961	-	74,961
Intersegment	145	53	2	0	19	1,241	1,462	(1,462)	-
Total	40,232	2,940	22,865	7,707	1,066	1,611	76,423	(1,462)	74,961
Operating expenses	24,573	2,540	18,914	5,870	959	1,443	54,302	(422)	53,879
Operating income	15,658	399	3,950	1,836	107	168	22,121	(1,039)	21,081
Operating margin	38.9%	13.6%	17.3%	23.8%	10.0%	10.4%	28.9%	-	28.1%
Assets	137,785	8,024	91,920	18,261	2,504	2,429	260,926	32,773	293,699
Depreciation	3,270	29	1,411	159	-	9	4,880	16	4,897
Loss on impairment	-	-	-	-	30	-	30	-	30
Capital Expenditures	7,695	36	1,603	122	30	122	9,611	179	9,790
R&D Expenses	1,655	216	432	180	6	-	2,491	-	2,491
Number of employees (p)	11,739	224	5,899	559	176	262	18,859	55	18,914

for the three months ended June 30, 2003

	Millions of Yen								
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	29,937	1,093	24,284	6,898	1,359	339	63,913	-	63,913
Intersegment	18	-	2	0	13	1,436	1,470	(1,470)	-
Total	29,955	1,093	24,286	6,898	1,373	1,776	65,384	(1,470)	63,913
Operating expenses	20,137	1,111	20,696	5,387	1,325	1,667	50,324	(947)	49,377
Operating income	9,818	-17	3,590	1,510	48	108	15,059	(523)	14,536
Operating margin	32.8%	-1.6%	14.8%	21.9%	3.5%	6.1%	23.0%	-	22.7%
Assets	121,972	2,522	95,741	14,286	5,239	2,733	242,496	48,190	290,686
Depreciation	2,938	16	1,448	135	80	8	4,627	18	4,645
Capital Expenditures	4,802	19	1,123	230	69	12	6,258	11	6,269
R&D Expenses	1,602	65	353	198	4	-	2,224	(14)	2,210
Number of employees (p)	6,932	135	6,094	568	179	368	14,276	44	14,320

Ref:

Difference between the 1st quarter this year and the same quarter last year

	Millions of Yen								
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	10,150	1,794	-1,422	808	-312	30	11,048	-	11,048
Variance (%)	33.9%	164.1%	-5.9%	11.7%	-23.0%	8.8%	17.3%	-	17.3%
Intersegment	127	53	0	0	6	-195	-8	8	-
Total	10,277	1,847	-1,421	809	-307	-165	11,039	8	11,048
Operating expenses	4,436	1,429	-1,782	483	-366	-224	3,978	525	4,502
Operating income	5,840	416	360	326	59	60	7,062	-516	6,545
Variance (%)	59.5%	-	10.0%	21.6%	122.9%	55.6%	46.9%	-	45.0%
Assets	15,813	5,502	-3,821	3,975	-2,735	-304	18,430	-15,417	3,013
Depreciation	332	13	-37	24	-80	1	253	-2	252
Loss on impairment	-	-	-	-	30	-	30	-	30
Capital Expenditures	2,893	17	480	-108	-39	110	3,353	168	3,521
R&D Expenses	53	151	79	-18	2	-	267	14	281
Number of employees (p)	4,807	89	-195	-9	-3	-106	4,583	11	4,594

*Elimi. or corp. : Elimination or corporate

Note:

The Business Categories and Industries over the reviewing periods are as follows:

Business Category	Industries	Products and Services
Information Technologies	(Electro-Optics)	Photomasks and Maskblanks for semiconductors, Masks and Devices for liquid-crystal displays (LCDs) Glass disks for hard disk drives (HDDs), Optical lenses, optical glasses, electronic glasses, Optical communication related devices, etc.
	(Photonics)	Lazer 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 and accessories, intraocular lenses, etc.
Lifestyle Refinement	(Crystal)	Crystal glass products
	(Service)	Design of information systems, placement of temporary staff, etc.

In terms of the Photonics business, HOYA CANDEO OPTRONICS CORP. (formerly HOYA-SCHOTT CORP.) which has belonged to Electro-Optics segment until the previous fiscal year moved to Photonics segment in this quarter under review. As a result, sales of this segment increased drastically. HOYA-SCHOTT CORP. changed to consolidated from equity-method affiliate as of the end of the same period last year.

2. Corporate operating expenses mainly consist of the administration expenses of the headquarters of the Company and the overseas regional holding companies, which are not allocated to each industry segment. Corporate operating expenses for the three months ended Jun. 30, 2004 and 2003 are as follows:

	<u>2004</u>		<u>2003</u>
Yen	651 million	Yen	637 million

3. Corporate assets mainly consist of cash and time deposits, investments securities and administrative assets of the Company and the overseas regional holding companies. Corporate assets as of Jun. 30, 2004 and 2003 are as follows:

	<u>2004</u>		<u>2003</u>
Yen	44,648 million	Yen	59,899 million

2. Geographical Segments

(Figures less than a million Yen are omitted.)

<u>for the three months ended June 30, 2004</u>		Millions of Yen					
	Japan	North America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	55,910	8,106	7,990	2,953	74,961	-	74,961
Intersegment	5,121	14	60	21,072	26,268	(26,268)	-
Total	61,031	8,120	8,051	24,026	101,229	(26,268)	74,961
Operating expenses	48,518	7,931	6,607	16,503	79,561	(25,681)	53,879
Operating income	12,513	188	1,443	7,522	21,668	(586)	21,081
Operating margin	20.5%	2.3%	17.9%	31.3%	21.4%	-	28.1%
Assets	162,497	20,313	28,648	75,572	287,031	6,668	293,699

<u>for the three months ended June 30, 2003</u>		Millions of Yen					
	Japan	North America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	43,124	8,839	8,986	2,963	63,913	-	63,913
Intersegment	4,473	18	564	13,114	18,170	(18,170)	-
Total	47,597	8,857	9,550	16,077	82,083	(18,170)	63,913
Operating expenses	38,176	8,378	7,621	12,890	67,067	(17,690)	49,377
Operating income	9,421	478	1,928	3,187	15,015	(479)	14,536
Operating margin	19.8%	5.4%	20.2%	19.8%	18.3%	-	22.7%
Assets	131,203	20,927	41,926	59,767	253,824	36,862	290,686

Ref : Difference between the 1st quarter this year and the same quarter last year

		Millions of Yen					
	Japan	North America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	12,786	-733	-996	-10	11,048	-	11,048
Variance (%)	29.6%	-8.3%	-11.1%	-0.3%	17.3%	-	17.3%
Intersegment	648	-4	-504	7,958	8,098	-8,098	-
Total	13,434	-737	-1,499	7,949	19,146	-8,098	11,048
Operating expenses	10,342	-447	-1,014	3,613	12,494	-7,991	4,502
Operating income	3,092	-290	-485	4,335	6,653	-107	6,545
Variance (%)	32.8%	-60.7%	-25.2%	136.0%	44.3%	-	45.0%
Assets	31,294	-614	-13,278	15,805	33,207	-30,194	3,013

Notes:

1. Corporate operating expenses mainly consist of the administration expenses of the headquarters of the Company and the overseas regional holding companies. Corporate operating expenses for the three months ended Jun. 30, 2004 and 2003 are as follows:

	<u>2004</u>		<u>2003</u>
Yen	571 million	Yen	562 million

2. Corporate assets mainly consist of cash and time deposits, investments securities and administrative assets of the Company and the overseas regional holding companies. Corporate assets as of Jun. 30, 2004 and 2003 are as follows:

	<u>2004</u>		<u>2003</u>
Yen	40,190 million	Yen	55,145 million

3. Sales to Foreign Customers

(Figures less than a million Yen are omitted.)

for the three months ended June 30, 2004

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	11,462	8,816	13,314	0	33,593
Consolidated Sales (B)					74,961
Overseas Sales ratio A/B	15.3%	11.7%	17.8%	0.0%	44.8%
Regional Sales Ratio	34.1%	26.3%	39.6%	0.0%	100.0%

for the three months ended June 30, 2003

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	9,565	9,585	9,608	0	28,759
Consolidated Sales (B)					63,913
Overseas Sales ratio A/B	15.0%	15.0%	15.0%	0.0%	45.0%
Regional Sales Ratio	33.3%	33.3%	33.4%	0.0%	100.0%

Ref:

Difference between the 1st quarter this year and the same quarter last year

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	1,897	-769	3,706	0	4,834
Consolidated Sales (B)					11,048
Variance (%)	19.8%	-8.0%	38.6%	-	16.8%

Note: The Company and consolidated subsidiaries are summarized in four segments by geographic area based on the countries where the Companies 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.

(4) Composition of Net Sales by Business Category

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

Business Category Company	Three months ended					Three months ended
	Jun.30, 2004	Jun.30, 2003	Variance	(%)		Mar. 31, 2004
Electro-Optics						
Domestic	21,776 (54.3)	17,264 (57.7)	4,512	26.1		20,848 (55.5)
Overseas	18,310 (45.7)	12,673 (42.3)	5,637	44.5		16,696 (44.5)
total	40,087 [53.5]	29,937 [46.8]	10,150	33.9		37,545 [52.8]
Photonics						
Domestic	1,860 (64.4)	694 (63.5)	1,166	168.0		194 (31.0)
Overseas	1,026 (35.6)	399 (36.5)	627	157.1		432 (69.0)
total	2,887 [3.8]	1,093 [1.7]	1,794	164.1		627 [0.9]
Electro-Optics						
Domestic	23,636 (55.0)	17,958 (57.9)	5,678	31.6		21,043 (55.1)
Overseas	19,337 (45.0)	13,072 (42.1)	6,265	47.9		17,129 (44.9)
total	42,974 [57.3]	31,031 [48.5]	11,943	38.5		38,172 [53.7]
Vision Care						
Domestic	8,897 (38.9)	8,725 (35.9)	172	2.0		8,663 (35.5)
Overseas	13,964 (61.1)	15,559 (64.1)	-1,595	-10.3		15,766 (64.5)
total	22,862 [30.5]	24,284 [38.0]	-1,422	-5.9		24,428 [34.4]
Health Care						
Domestic	7,530 (97.7)	6,884 (99.8)	646	9.4		7,100 (98.7)
Overseas	176 (2.3)	13 (0.2)	163	1253.8		94 (1.3)
total	7,706 [10.3]	6,898 [10.8]	808	11.7		7,194 [10.1]
Eye Care						
Domestic	16,427 (53.7)	15,609 (50.1)	818	5.2		15,763 (49.8)
Overseas	14,140 (46.3)	15,572 (49.9)	-1,432	-9.2		15,860 (50.2)
total	30,568 [40.8]	31,182 [48.8]	-614	-2.0		31,623 [44.5]
Crystal						
Domestic	932 (89.0)	1,244 (91.6)	-312	-25.1		775 (85.9)
Overseas	115 (11.0)	114 (8.4)	1	0.9		127 (14.1)
total	1,047 [1.4]	1,359 [2.1]	-312	-23.0		902 [1.3]
Service						
Domestic	369 (100.0)	339 (100.0)	30	8.8		361 (100.0)
Overseas	0 (0.0)	0 (0.0)	0	-		0 (0.0)
total	369 [0.5]	339 [0.6]	30	8.8		361 [0.5]
Lifestyle Refinement						
Domestic	1,302 (91.9)	1,584 (93.3)	-282	-17.8		1,137 (90.0)
Overseas	115 (8.1)	114 (6.7)	1	0.9		127 (10.0)
total	1,417 [1.9]	1,699 [2.7]	-282	-16.6		1,263 [1.8]
Total Net Sales						
Domestic	41,367 (55.2)	35,153 (55.0)	6,214	17.7		37,942 (53.4)
Overseas	33,593 (44.8)	28,759 (45.0)	4,834	16.8		33,115 (46.6)
Total	74,961 [100.0]	63,913 [100.0]	11,048	17.3		71,057 [100.0]

Notes: 1.Figures of less than a million yen are omitted.

2.Figures in () are percentages of business category sales.

3.Figures in [] are percentages of total net sales.