



Interim Financial Highlights (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

Performance for the six months ended September 30, 2004 and 2003 (unit:Millions of Yen)

(Figures less than a million yen are omitted.)

(1)Results of Operations	Six months ended September 30,		variance(%)	Year ended March 31,
	2004	2003		2004
Net sales	153,447	131,699	(16.5)	271,443
Operating income	44,128	30,936	(42.6)	68,166
Ordinary income	46,771	30,395	(53.9)	66,554
Net income	32,894	18,924	(73.8)	39,548
Net income per share(Yen)	298.95	166.21		350.96
Net income / shareholders' equity	14.0%	8.8%		17.8%
Ordinary income / total assets	15.3%	11.3%		23.6%
Ordinary income / net sales	30.5%	23.1%		24.5%

Note : No changes have been made in accounting policy.

(2)Financial Position	As of Sep. 30,	As of Mar. 31,	As of Sep. 30,
	2004	2004	2003
Total assets	319,944	289,887	265,734
Shareholders' equity	250,696	218,978	205,213
Shareholders' equity ratio	78.4%	75.5%	77.2%
Shareholders' equity per share (Yen)	2,252.35	1,967.60	1,845.23

(3)Conditions of Cash Flows	Six months ended September 30,		Year ended March 31,
	2004	2003	2004
Net cash provided by operating activities	35,613	37,530	78,743
Net cash used in investing activities	-18,192	-13,155	-28,338
Net cash provided (used in) financing activities	-5,639	-35,817	-42,853
Cash and cash equivalents, end of period	94,660	62,895	80,425

Ref:Performance of HOYA CORPORATION (non-consolidated)

Millions of Yen

	Six months ended September 30,		variance(%)	Year ended March 31,
	2004	2003		2004
Net sales	110,217	88,753	(24.2%)	183,771
Operating income	18,887	14,477	(30.5%)	28,341
Ordinary income	27,098	18,136	(49.4%)	33,610
Net income	17,439	10,571	(65.0%)	15,558
Net income per share(Yen)	158.49	92.85		138.24
Total assets	218,005	195,660		209,673
Shareholders' equity	155,831	141,042		143,617

Notes :

Hoya Corporation discloses financial reports quarterly on consolidated basis.

The forecast for the fiscal year will be released on consolidated basis when the business results for the third quarter are disclosed.

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"), 56 consolidated subsidiaries (6 in Japan and 50 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 (in Japan) is accounted for using the equity method (as of September 30, 2004).

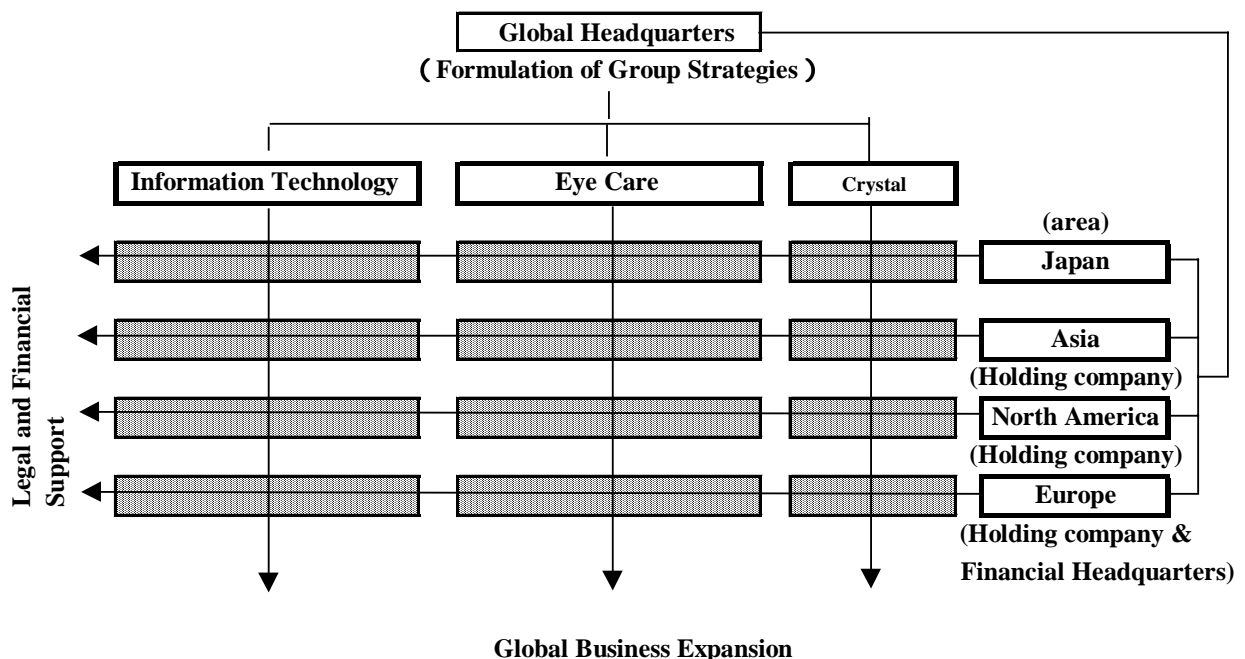
Our products are manufactured by the Company itself and by other companies in the Group both in Japan and abroad. In Japan, most of our products are distributed directly to retailers, specialty stores, assemblers, etc. Some products are exported to various countries abroad through our overseas Group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

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

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

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

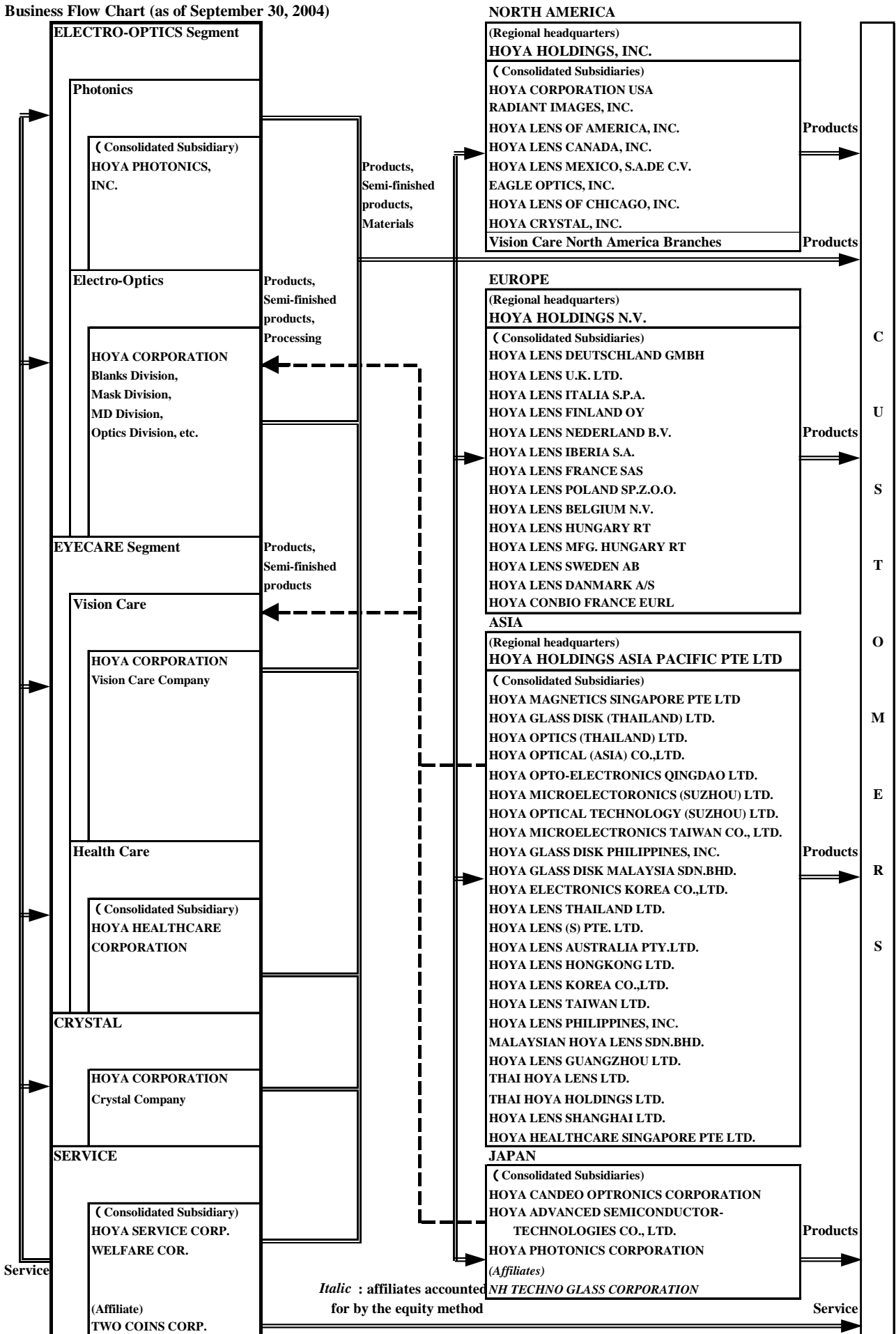
Global Group Management System



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

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

Business Flow Chart (as of September 30, 2004)



(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 shareholder 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. Corporate Governance (Outside board members)

We believe a business should be run so as to maximize its shareholder value. At HOYA, in order for the board of directors - as representatives of the shareholders' interests - to be fully functional, outside directors have long been invited to participate therein to provide oversight and advice. As of June 2003, the number of outside directors has been increased to five, comprising a majority of the board.

Simultaneously in June 2003, in order to separate the monitoring of management from the execution of business operations, the Company has shifted to a committee establishing company. All the three committees, being the Nomination, Remuneration and Audit Committees, are composed solely of outside directors so as to strengthen the Company's monitoring function under their fair judgment.

3. Global Niche Strategy (Gain top-share in global market)

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.

4. 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.

5. 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.

(3) Business Overview

1. Results of Operations

1) General Overview

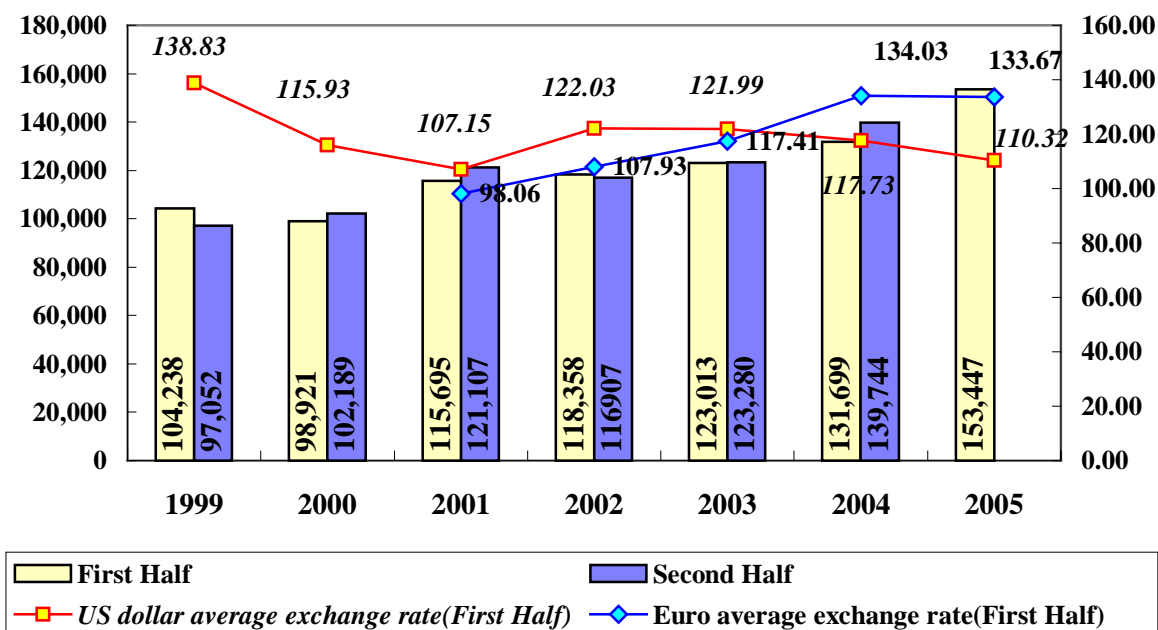
<u>Results of Operations</u>	<u>Millions of Yen</u> <u>Six months ended Sep. 30, 2004</u>
Net sales	153,447
Operating income	44,128
Ordinary income	46,771
Net income	32,894
Net income per share(Yen)	298.95

During the term under review, the trend toward economic recovery centered in manufacturing industries was clearly evident, continuing on the robust conditions of the previous year when the business climate improved sparked by brisk sales of digital home appliances. In the domestic market, personal consumption also reflected positive prospects spurred on by favorable sales of digital home appliances due to record-breaking hot weather and the Athens Olympics.

In the currency market during the term under review, the US dollar, euro and Thai baht depreciated by 6.3%, 0.3% and 4.9%, respectively, all against the yen on a year-on-year basis.

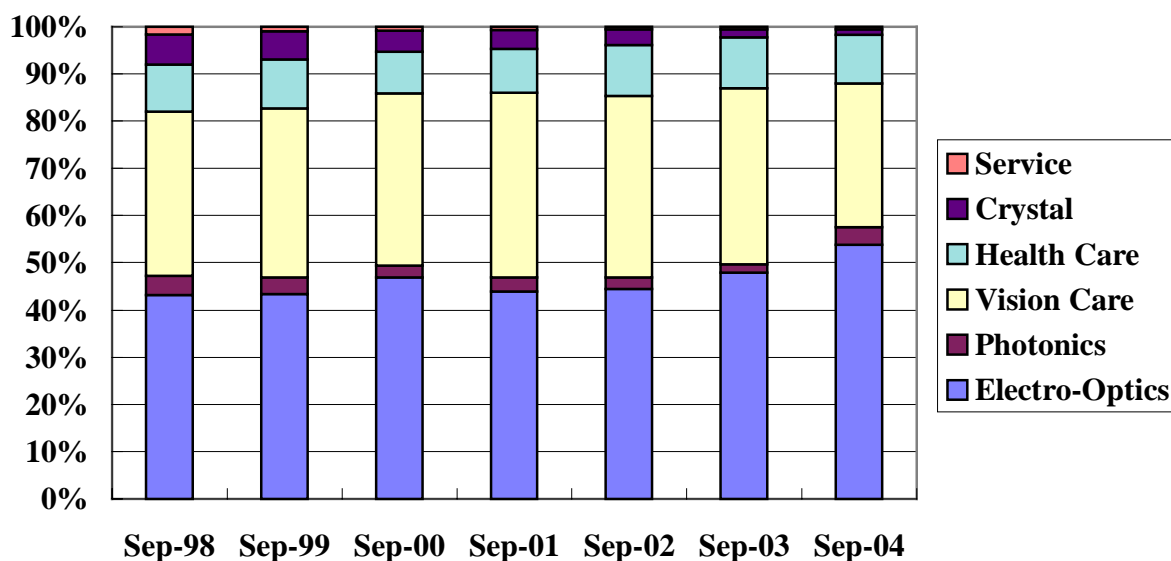
Within that context, in the HOYA Group, the Electro-Optics sector saw continued demand for high-precision products backed by favorable sales of digital home appliances. In the Vision Care division, though eyeglass lenses slowed in reaction to the good conditions of the previous year in the overseas market, the domestic market appeared to have hit the bottom after a prolonged slump. In the Health Care division, sales were firm in both contact lenses and intraocular lenses centered in high-function products. As a result, consolidated sales during the term under review increased 16.5% year-on-year to 153,447 million yen.

**Semiannual Net Sales (Million Yen) and
Average Exchange Rate (Yen/US\$& Euro)**



Note: '2005' means the fiscal year ends on March 31, 2005. Therefore, 'First half of 2005' means the six months from April to September 2004 and 'Second Half' means the six months from October 2004 to March 2005.

Ratio of Net Sales by Business Segment - First Half

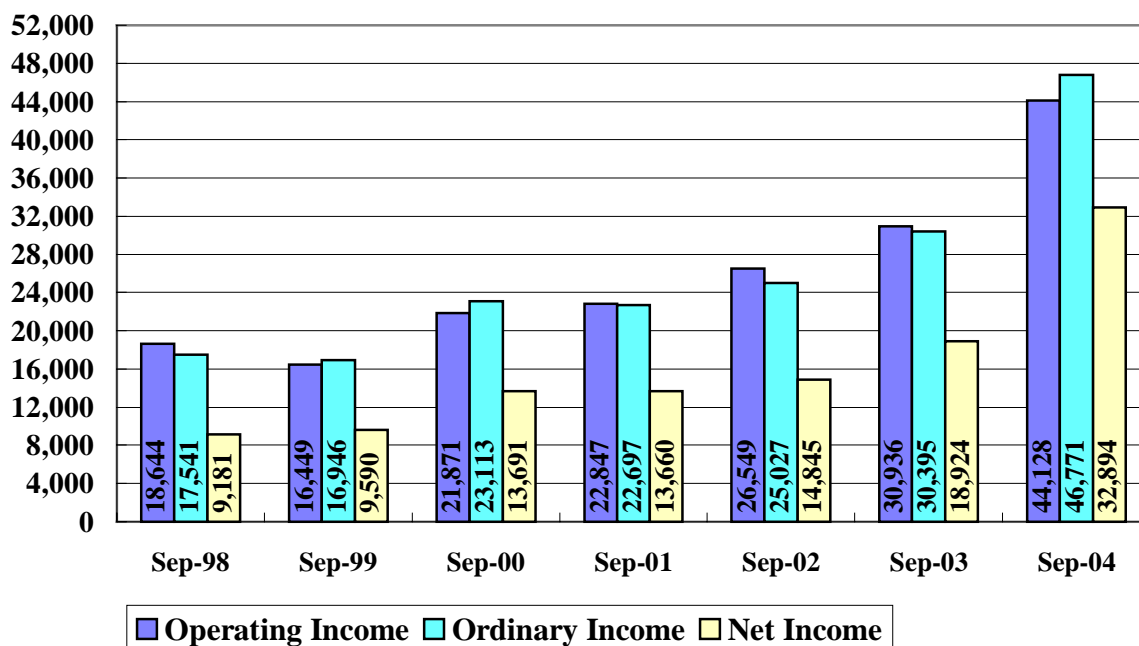


During the term under review, orders expanded in the Electro-Optics sector for its high precision products, major plants remained in full production and revenues also increased. In spite of a drop in sales of eyeglass lenses overseas, sales of high value-added products in the Vision Care sector continued to expand. Revenues were increased as the result of the integration and transfer of processing operations overseas. In the Health Care sector, multifocal contact lenses, soft intraocular lenses and other high-function products continued to sell well, resulting in increased revenues. As a result, for the Group overall, operating income, ordinary income and net income for the term increased 42.6%, 53.9% and 73.8% respectively on a year-on-year basis. Together with net sales, all three represented record results for the term.

Net income per share for the term increased Yen 132.74 year-on-year to Yen 298.95.

Net interim dividends per share were Yen 60, an increase of Yen 10 against the same term in the previous year.

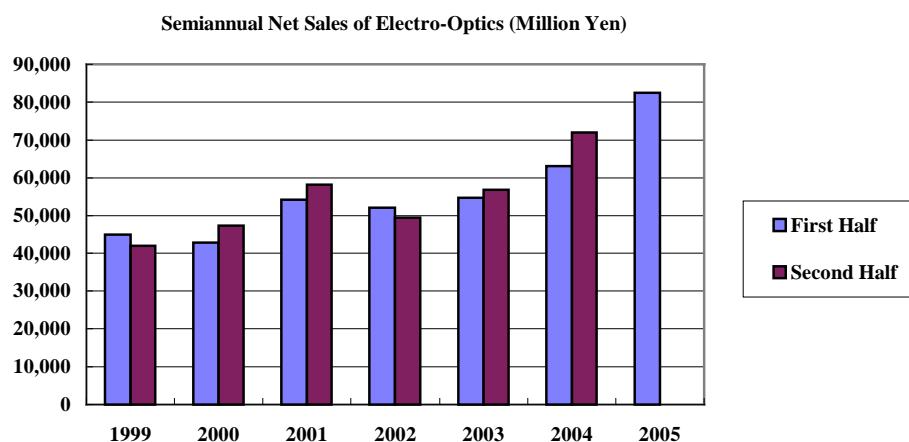
Interim Profits (Million Yen) - First Half



2) Segment Overview

1. Information Technology

Electro-Optics



In mask blanks for manufacturing semiconductors, HOYA received a firm volume of orders for phase shift mask blanks and other high-precision products in response to robust growth in the demand for high-precision products in the semiconductor market and sales increased on a year-on-year basis.

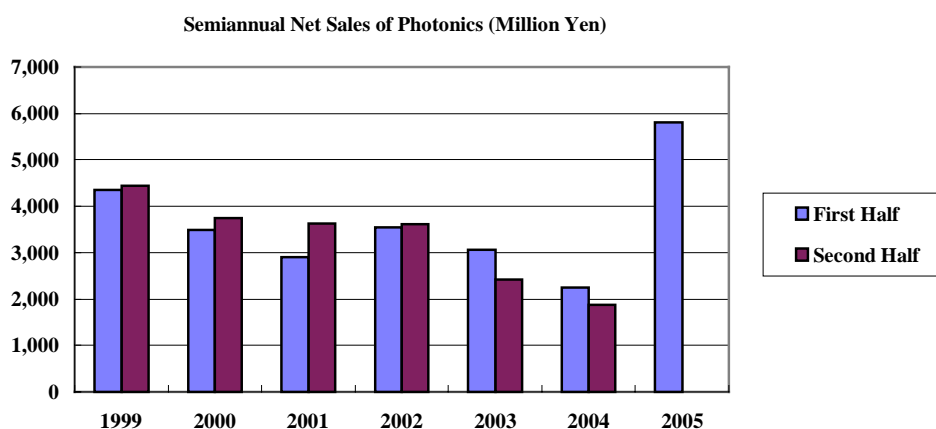
In photomasks for semiconductor production, sales increased year-on-year along with progress in the development of next-generation semiconductors and favorable sales of the company's products centered in high-precision products, boosting sales on a year-on-year basis.

In LCD masks, LCD panel manufacturers launched operations of new next-generation commercial production lines and, though concerns of an oversupply situation began to spread in the market, vigorous orders continue to be received for the company's products without any decline in the move toward new product development by the manufacturers, resulting in increased sales year-on-year.

In glass disks for hard disk drives (HDDs), an expansion in applications to portable music players and other devices stimulated a favorable growth in demand. Furthermore, the sales of the Nippon Sheet Glass Co., Ltd. sector transferred to HOYA in the 4th quarter of the previous fiscal year were included, resulting in a broad increase in sales on a year-on-year basis.

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

Photonics

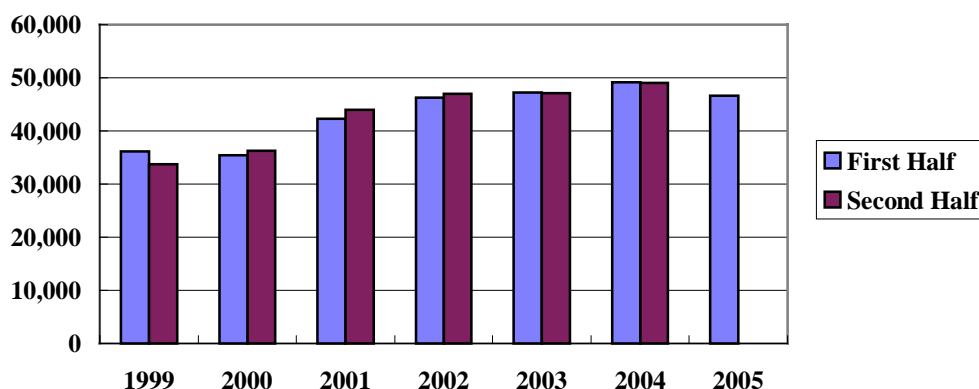


The sales of HOYA CANDEO OPTRONICS (former HOYA-SCHOTT Corp.) were posted to the Electro-Optics sector until the end of the previous fiscal year but have now been transferred to this sector beginning in the present term, which brought a significant increase over the same term in the previous year. The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

2. Eye Care

Vision Care

Semiannual Net Sales of Vision Care (Million Yen)



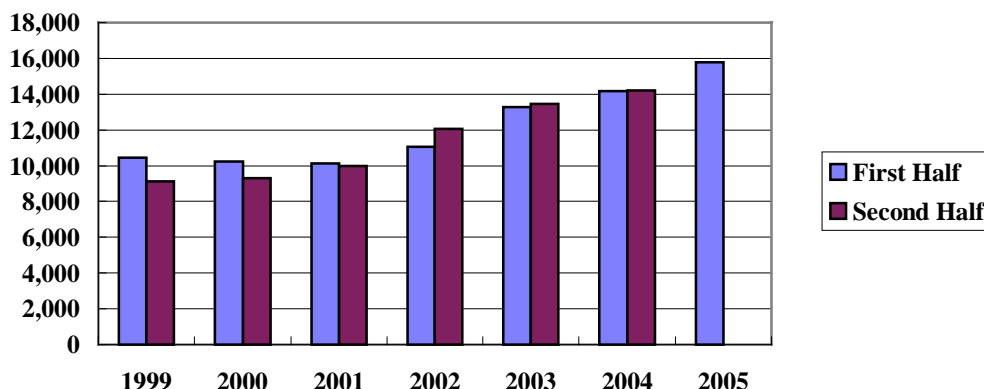
In the domestic eyeglass lens market, the prolonged stagnation seems to have bottomed out and a moderate recovery is becoming apparent. At HOYA, in spite of persistently intense price competition for products in the lower price range, sales grew in the upper price range through value-added enhancement of progressive lenses, coatings and other products. Overall, sales increased on a year-on-year basis

Overseas, sales in the Asia-Oceania region, where HOYA promoted the value-added enhancement of its products, remained solid. In the United States and Europe, HOYA strengthened its sales of high-value-added products. In Germany, Europe's largest market, however, sales declined in reaction to increased demand stimulated by the reform of the health insurance system during the previous fiscal year. The exchange rates had a further adverse effect during the term, resulting in a decline in aggregate sales in overseas markets on a year-on-year basis.

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

Health Care

Semiannual Net Sales of Health Care (Million Yen)

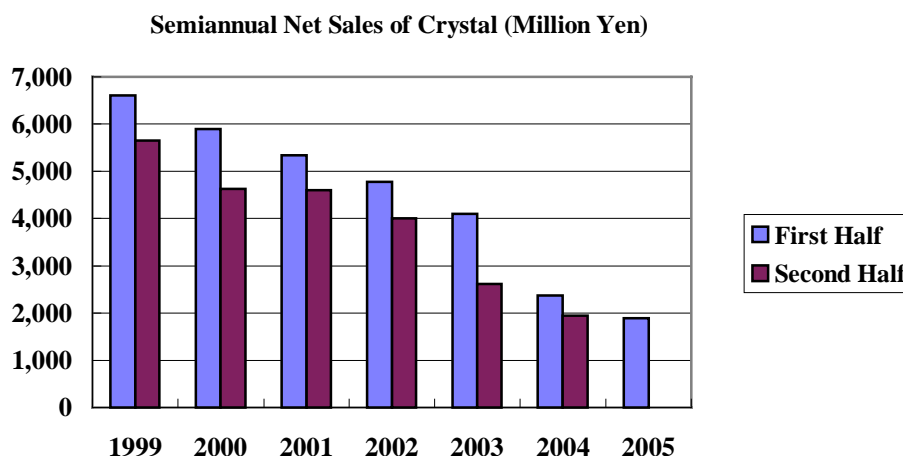


In terms of contact lenses, in the midst of intensified price competition in the market among discount retailers, HOYA sought to differentiate itself from its competitors by continuing the establishment of new retail stores, taking advantage of its professional expertise to improve face-to-face customer services and promoting sales of multifocal lenses and other high value-added products, thereby boosting sales on a year-on-year basis.

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

3. Lifestyle Refinement

Crystal



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

2. Financial Position

	<u>Millions of Yen</u>
	<u>As of Sep.30, 2004</u>
Total assets	319,944
Shareholders' equity	250,696
Shareholders' equity ratio	78.4%

At the end of the six months under review, total assets increased Yen 30,057 million as current assets increased Yen 20,518 million and fixed assets increased Yen 9,462 million from the end of the previous six months period. Shareholders' equity increased Yen 31,718 million due to a cancellation of treasury stock in spite of decrease of retained earnings.

3. Conditions of Cash Flows

	<u>Millions of Yen</u>
	<u>Six months ended Sep. 30, 2004</u>
Net cash provided by operating activities	35,613
Net cash used in investing activities	-18,192
Net cash provided by (used in) financing activities	-5,639
Cash and cash equivalents, end of period	94,660

Cash flow from operating activities amounted to Yen 35,613 million, comprised Yen 44,621 million in income before income taxes and minority interests and Yen 10,123 in depreciation and amortization among others. Cash flow from investing activities amounted to Yen 18,192 million in cash payments that were mainly used for investment in order to handle next-generation products. Free cash flow amounted to Yen 17,421 million, and used Yen 5,563 million for payment of dividends. The term-end balance of cash and cash equivalents increased Yen 14,235 million from the end of the previous fiscal year.

(4) Consolidated Financial Statements (unaudited)

1. Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	As of			
	Sep.30,2004	Mar.31,2004	Variance	Sep.30,2003
ASSETS				
Current assets	213,797	193,279	20,518	171,642
Cash and deposits	94,660	80,425	14,235	62,895
Notes and accounts receivable - trades	73,042	67,274	5,768	63,420
Inventories	35,307	32,877	2,430	33,360
Deferred tax assets	6,649	7,066	-417	5,517
Other current assets	5,591	6,982	-1,391	7,952
Allowance for doubtful receivables	-1,453	-1,347	-106	-1,504
Fixed assets	105,907	96,445	9,462	93,589
Tangible fixed assets	85,515	78,318	7,197	76,866
Buildings and structures	24,172	22,855	1,317	22,766
Machinery and vehicles	36,848	33,076	3,772	33,788
Lands	9,333	9,218	115	9,284
Other tangible fixed assets	15,161	13,167	1,994	11,027
Intangible fixed assets	4,888	4,556	332	4,895
Investments and other assets	15,503	13,570	1,933	11,826
Investment securities	8,183	6,193	1,990	5,265
Deferred tax assets	2,859	3,012	-153	2,030
Other assets	4,901	4,853	48	6,071
Allowance for doubtful receivables	-441	-487	46	-1,540
Deferred charges	239	162	77	503
Total Assets	319,944	289,887	30,057	265,734
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities	66,381	68,252	-1,871	57,501
Notes and accounts payable - trades	27,415	25,770	1,645	23,974
Short-term bank loans	150	486	-336	2,050
Income tax payable	11,885	14,398	-2,513	8,094
Accrued bonus to employees	3,835	3,722	113	3,746
Other current liabilities	23,094	23,874	-780	19,635
Long-term liabilities	2,039	1,934	105	1,947
Long-term bank loans	-	-	-	150
Other long-term liabilities	2,039	1,934	105	1,796
Total Liabilities	68,420	70,187	-1,767	59,449
Minority interest	827	721	106	1,070
Common stock	6,264	6,264	0	6,264
Capital surplus	15,898	15,898	0	15,898
Retained earnings	243,722	247,175	-3,453	232,147
Net unrealized gain (loss) on available-for-sale securities	23	-30	53	-3
Foreign currency translation adjustments	-6,714	-10,825	4,111	-9,154
Treasury stock-at cost	-8,498	-39,504	31,006	-39,938
Total Shareholders' Equity	250,696	218,978	31,718	205,213
Total	319,944	289,887	30,057	265,734
Notes:				
	<u>Millions of Yen</u>			
Accumulated depreciation	159,519	150,826		155,408
Guarantees of borrowings and lease obligations for customers	1,089	883		669
Number of shares of treasury stock (unit : stocks)	1,044,621	4,857,867		4,911,680

2. Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	<u>Six months ended</u>		<u>Variance</u>		<u>Year ended</u>
	<u>Sep.30,2004</u>	<u>Sep.30,2003</u>	<u>Value</u>	<u>(%)</u>	<u>Mar.31,2004</u>
Net sales	153,447	131,699	21,748	16.5	271,443
Cost of sales	77,839	70,367	7,472	10.6	142,683
Gross profit	75,607	61,331	14,276	23.3	128,760
Selling, general and administrative expenses	31,478	30,395	1,083	3.6	60,594
Operating income	44,128	30,936	13,192	42.6	68,166
Non-operating income	3,725	1,912	1,813	94.8	3,829
Interest income	429	303	126		553
Foreign exchange gains	732	-	732		-
Equity in earnings of associated companies	2,000	625	1,375		1,699
Others	563	982	-419		1,576
Non-operating expenses	1,083	2,453	-1,370	-55.8	5,441
Interest expense	62	128	-66		189
Sales discount	257	311	-54		638
Foreign exchange losses	-	1,468	-1,468		2,900
Others	763	546	217		1,714
Ordinary income	46,771	30,395	16,376	53.9	66,554
Extra-ordinary income	346	757	-411	-54.3	989
Gain on sales of property, plant and equipment	84	513	-429		522
Gain on sales of investment securities	-	59	-59		59
Others	262	184	78		406
Extra-ordinary losses	2,496	3,284	-788	-24.0	12,047
Maintenance of environment	1,101	-	1,101		-
Additional retirement benefits paid to employees	725	148	577		1,089
Loss on disposal of property, plant and equipment	362	1,029	-667		1,899
Loss on impairment of long-lived assets	57	-	57		2,040
Amortization of goodwill	-	-	-		3,300
Additional expense incurred to dissolve the contributory funded pension plan	-	879	-879		887
Loss on write-down of investment securities	-	228	-228		618
Others	249	998	-749		2,210
Income before income taxes and other items	44,621	27,868	16,753	60.1	55,496
Income taxes - Current	10,982	9,215	1,767	19.2	18,573
Income taxes - Deferred	644	-294	938	-319.0	-2,774
Minority interests in net income	100	23	77	334.8	148
Net income	32,894	18,924	13,970	73.8	39,548
Net income per share(Yen)	298.95	166.21	132.74		350.96

Notes:

1. 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	153,447	154,713	-1,266
Operating income	44,128	44,974	-846
Ordinary income	46,771	47,683	-912
Net income	32,894	33,784	-890

2. Average rates of major foreign currencies		<u>Six months ended</u>		<u>Variance(%)</u>	<u>Year ended</u>
		<u>Sep.30,2004</u>	<u>Sep.30,2003</u>		<u>Mar.31,2004</u>
US\$	Yen	110.32	117.73	6.3%	112.76
Euro	Yen	133.67	134.03	0.3%	132.65
Thail Baht	Yen	2.69	2.83	4.9%	2.77

3. Consolidated Statements of Retained Earnings

HOYA CORPORATION and Consolidated Subsidiaries

Items	Millions of Yen			Year ended Mar. 31, 2004
	Six months ended		Variance	
	Sep. 30,2004	Sep. 30,2003		
Capital Retained Earnings				
Balance at the beginning of the period	15,898	15,898	-	15,898
Adjustment of retained earnings	-	0	0	-
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	216,271
Adjustment of retained earnings	32,894	18,924	13,970	39,548
Net income	32,894	18,924	13,970	39,548
Appropriations	36,346	3,048	33,298	8,644
1. Cash dividends	5,563	2,879	2,684	8,439
2. Bonuses to directors	63	169	-106	169
3. Cancellation of treasury stock	30,702	-	30,702	-
4. Loss on deposit of treasury stock	18	-	18	35
Balance at the end of the period	243,722	232,147	11,575	247,175

4. Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen		
	<u>Six months ended Sep.30,</u>		
	2004	2003	Variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	44,621	27,868	16,753
Adjustments for:			
Income taxes - paid	-13,714	-3,634	-10,080
Depreciation and amortization	10,123	9,663	460
Loss on impairment of long-lived assets	57	-	57
Provision for (reversal of) accrued bonuses to employees	113	211	-98
Reversal of accrued retirement benefits	-	-292	292
Provision for (Reversal of) reserve for periodic repairs	137	95	42
Equity in loss earnings of associated companies	-2,000	-625	-1,375
Foreign exchange loss	-254	773	-1,027
Bonus to directors	-63	-169	106
Devaluation losses on investment securities	-	228	-228
Gain on sales of property, plant and equipment and investment securities	-84	-573	489
Loss on disposal of property, plant and equipment and investment securities	362	1,029	-667
Other	249	215	34
<i>Changes in assets and liabilities:</i>			
(Increase) decrease in notes and accounts receivable	-5,037	-3,241	-1,796
(Increase) decrease in inventories	-1,792	-615	-1,177
(Increase) decrease in other current assets	1,289	2,433	-1,144
Increase (decrease) in notes and accounts payable	1,524	3,117	-1,593
Increase (Decrease) in other current liabilities	80	1,046	-966
Total adjustment			
Net cash provided by operating activities	35,613	37,530	-1,917
INVESTING ACTIVITIES:			
Payment for purchases of property, plant and equipment	-17,066	-10,386	-6,680
Proceeds from sales of property, plant and equipment	85	655	-570
Payment for purchases of investment securities	-10	-295	285
Proceeds from sales of investment securities	-	102	-102
Increase in investments and other assets	-1,395	-1,209	-186
Decrease in investments and other assets	165	385	-220
Payments for loans	-64	-2,407	2,343
Proceeds from loans	93	-	93
Net cash used in investing activities	18,192	-13,155	31,347
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term borrowings	-348	-76	-272
Repayments of long-term bank loans	-11	-42	31
Net (increase) decrease in treasury stock	285	-32,901	33,186
Dividends paid	-5,563	-2,816	-2,747
Proceeds from minority interests	-	19	-19
Net cash used in financing activities	-5,639	-35,817	30,178
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,781	-11,442	23,223
Effect of Exchange Rate Changes on Cash and Cash Equivalents	2,453	-1,733	4,186
Cash and cash equivalents of newly consolidated subsidiaries, beginning of period	-	377	-377
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	80,425	75,694	4,731
CASH AND CASH EQUIVALENTS, END OF PERIOD	94,660	62,895	31,765

5. Scope of Consolidation and Application of the Equity Method

1. Number of consolidated subsidiaries : 56 companies
(Major companies: <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 : 1 company, NH TECHNO GLASS CORPORATION)

Notes: Changes in Accounting Policies and Others

1. Changes in scope of consolidation and application of the equity method:
 - A. Scope of consolidation
 - a) In comparison to the end of previous first half (Sep. 30, 2003) : 1company decreased in total.
 - 2 companies increased due to the establishment: HOYA MICROELECTRONICS TAIWAN CO.,LTD. (Taiwan)
HOYA ELECTRONICS KOREA CO., LTD. (Korea)
 - 3 companies increased due to the acquisition: HOYA GLASS DISK PHILIPPINES, INC. (Philippines)
HOYA GLASS DISK MALAYSIA SDN.BHD. (Malaysia)
RADIANT IMAGES, INC. (USA)
 - 1 company decreased due to the merger with the parent company : HOYA OPTICS CORPORATION (Japan)
 - 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) In comparison to the end of previous fiscal year (March 31, 2004) : 1company increased in total.
 - 1company increased due to the establishment: HOYA ELECTRONICS KOREA CO., LTD. (Korea)
 - 1company increased due to the acquisition: RADIANT IMAGES, INC. (USA)
 - 1company decreased due to the closing: KOREA OPTICAL GLASS CO., LTD. (Korea)
 - B. Application of the equity method
 - a) In comparison to the end of previous first half (Sep. 30, 2003) :
No change
 - b) In comparison to the end the previous fiscal year (March 31, 2004) :
No change

	as of Sep. 30, 2004	as of Sep. 30,2003	variance	as of Mar. 31,2004
Consolidated subsidiaries	56 (do 6, os50)	57 (do 7, os50)	-1 (do-1, os -)	55 (do 6, os49)
Nonconsolidated subsidiaries	- (do -, os -)	- (do -, os -)	- (do-, os -)	- (do -, os -)
Affiliates	5 (do 5, os -)	5 (do 5, os -)	- (do-, os-)	5 (do 5, os -)
(accounted for by the equity method)	(1) (do 1, os -)	(1) (do 1, os -)	- (do-, os-)	(1) (do 1, os -)
Total Hoya Group	61	62	-1	60
(accounted for by the equity method)	(1)	(1)	-	(1)

(do : domestic, os : overseas)

2. Changes in accounting policy :
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>		
	As of		
	<u>Sep.30,2004</u>	<u>Sep.30,2003</u>	<u>Mar.31,2004</u>
Cash and deposits	94,660	62,895	80,425
Marketable securities	-	-	-
Total	<u>94,660</u>	<u>62,895</u>	<u>80,425</u>

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

Six months ended Sep. 30, 2004

None

Six months ended Sep. 30, 2003

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

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

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

Year ended Mar. 31, 2004

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

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

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

3. Details of Important Non-financial Trading

Six months ended Sep. 30, 2004

Cancellation of treasury stock

Millions of Yen

30,702

Six months ended Sep. 30, 2003

None

Year 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>Sep.30, 2004</u>			<u>Mar.31, 2004</u>			<u>Sep.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	270	110	159	230	70	102	119	17
Government bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	159	270	110	159	230	70	102	119	17

2. Investment securities of non-current market values:

(Millions of Yen)

	As of		
	<u>Sep.30, 2004</u>	<u>Mar.31, 2004</u>	<u>Sep.30, 2003</u>
Non-marketable stock of subsidiaries	7,636	5,689	4,495
Total	7,636	5,689	4,495
Non-marketable equity securities	275	273	650
Total	275	273	650

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>Sep.30, 2004</u>	<u>Mar.31, 2004</u>	<u>Sep.30, 2003</u>
(1) Current deferred tax assets and liabilities			
Deferred tax assets			
Accrued bonus to employees	1,494	1,409	1,482
Amortization of goodwill	906	1,493	1,245
Inventories - intercompany unrealized profits	1,808	1,604	916
Accrued enterprise taxes	737	1,200	643
Other	1,702	1,358	1,229
Total amount of deferred tax assets - current	6,649	7,066	5,517
(2) Non-current deferred tax assets and liabilities			
Deferred tax assets			
Amortization of goodwill and property, plant and equipment	1,926	2,069	1,731
Allowance for doubtful receivables	153	181	364
Loss on impairment of long-lived assets	847	824	-
Other	807	859	974
Total amount of deferred tax assets - fixed	3,735	3,934	3,070
Deferred tax liabilities			
Reserve for deferred income taxes on fixed assets	-431	-467	-537
Special depreciation reserve	-278	-289	-337
Other	-165	-165	-165
Total amount of deferred tax liabilities - fixed	-875	-922	-1,040
Net amount of deferred tax assets - fixed	2,859	3,012	2,030

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

	<u>Six months ended Sep. 30.</u>		<u>Year ended</u>
	<u>2004</u>	<u>2003</u>	<u>Mar.31,2004</u>
Normal effective statutory tax rate of the Company	40.4 %	41.7 %	41.7 %
(Adjustment)			
Lower income tax rates applicable to income in certain foreign countries	-12.5	-8.9	-12.4
Expenses not permanently deductible for income tax purposes	0.2	0.3	0.7
Per capita portion	0.1	0.2	0.2
Non-taxable dividend income	-4.6	-4.1	-2.1
Intercompany cash dividend and transactions	4.6	3.2	1.6
Equity in earnings of associated companies	-1.8	-0.9	-1.2
Special tax credit on experiment and research expenses	-0.6	-	-1.1
Other - net	0.3	0.5	1.1
Effective income tax rate	26.1	32.0	28.5

Notes Relating to Employees' Retirement Benefits

1. Systems of employees' retirement benefits the Company adopts

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

	<u>Six months ended Sep. 30,</u>		<u>Year ended</u>
	<u>2004</u>	<u>2003</u>	<u>Mar.31,2004</u>
(2) Breakdown of expenses for employees' retirement benefits			
Additional expense incurred to dissolve the contributory funded pension plan	-	879	887
Additional retirement benefits paid to employees	725	148	1,089
Expenses for employees' retirement benefits	<u>725</u>	<u>1,027</u>	<u>1,977</u>

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

None

Notes Relating to Impairment on Fixed Assets

Since the 4th quarter of the last fiscal year (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

	<u>Six months ended Sep. 30,</u>		<u>Year ended</u>
	<u>2004</u>	<u>2003</u>	<u>Mar.31,2004</u>
Buildings	-	-	1,004
Machinery	10	-	461
Furniture and equipment	24	-	67
Assets on lease	-	-	276
Others	21	-	230
<u>Total</u>	<u>57</u>	<u>-</u>	<u>2,040</u>

(5) Segment Information (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

1. Industry Segments

(Figures less than a million Yen are omitted.)

for the six months ended September 30, 2004

	Millions of Yen							Elimin. or corp.*	Consolidated
	Electro- Optics	Photo- nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	82,511	5,811	46,665	15,790	1,891	776	153,447	-	153,447
Intersegment	300	95	1	0	26	2,508	2,932	(2,932)	-
Total	82,812	5,907	46,666	15,790	1,917	3,285	156,379	(2,932)	153,447
Operating expenses	49,900	5,145	38,577	11,967	1,890	2,967	110,449	(1,131)	109,318
Operating income	32,911	761	8,088	3,822	27	318	45,929	(1,800)	44,128
Operating income ratio	39.7%	12.9%	17.3%	24.2%	1.4%	9.7%	29.4%	-	28.8%
Assets	148,813	8,170	92,124	20,882	2,466	2,496	274,953	44,990	319,944
Depreciation	6,848	59	2,837	323	-	22	10,090	32	10,123
Loss on impairment	-	-	-	-	57	-	57	-	57
Capital Expenditures	13,045	50	3,056	335	57	169	16,713	180	16,894
R&D Expenses	3,503	423	708	453	12	-	5,100	-	5,100
Number of employees (p)	12,589	82	6,143	565	177	262	19,818	54	19,872

for the six months ended September 30, 2003

	Millions of Yen							Elimin. or corp.*	Consolidated
	Electro- Optics	Photo- nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	63,135	2,248	49,112	14,175	2,380	646	131,699	-	131,699
Intersegment	30	-	6	0	20	3,002	3,060	(3,060)	-
Total	63,166	2,248	49,119	14,175	2,400	3,648	134,759	(3,060)	131,699
Operating expenses	42,505	2,300	41,300	10,976	2,490	3,413	102,987	(2,225)	100,762
Operating income	20,660	-52	7,818	3,198	-90	235	31,771	(835)	30,936
Operating income ratio	32.7%	-2.3%	15.9%	22.6%	-3.8%	6.5%	23.6%	-	23.5%
Assets	123,731	2,418	93,047	15,944	4,835	2,977	242,955	22,779	265,734
Depreciation	6,332	32	2,810	264	168	16	9,625	37	9,663
Capital Expenditures	7,620	30	2,563	460	119	14	10,808	17	10,826
R&D Expenses	3,444	130	694	421	11	-	4,702	-30	4,671
Number of employees (p)	7,721	133	5,812	565	174	359	14,764	48	14,812

Ref:

Differences between the first half of this year and the same period last year

	Millions of Yen							Elimin. or corp.*	Consolidated
	Electro- Optics	Photo- nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	19,376	3,563	-2,447	1,615	-489	130	21,748	-	21,748
Variance(%)	30.7%	158.5%	-5.0%	11.4%	-20.5%	20.1%	16.5%	-	16.5%
Intersegment	270	95	-5	0	6	-494	-128	128	-
Total	19,646	3,659	-2,453	1,615	-483	-363	21,620	128	21,748
Operating expenses	7,395	2,845	-2,723	991	-600	-446	7,462	1,094	8,556
Operating income	12,251	813	270	624	117	83	14,158	(965)	13,192
Variance(%)	59.3%	-	3.5%	19.5%	-	35.3%	44.6%	-	42.6%
Assets	25,082	5,752	-923	4,938	-2,369	-481	31,998	22,211	54,210
Depreciation	516	27	27	59	-168	6	465	-5	460
Loss on impairment	-	-	-	-	57	-	57	-	57
Capital Expenditures	5,425	20	493	-125	-62	155	5,905	163	6,068
R&D Expenses	59	293	14	32	1	-	398	30	429
Number of employees (p)	4,868	-51	331	0	3	-97	5,054	6	5,060

*Elimi. or corp. : Eliminations or corporate

Notes:

1. The Business Categories and Industries over the six months ended September 30, 2003 are as follows:

Business Category	Industries	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	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, 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 the 1st quarter this fiscal year. As a result, sales of this segment increased drastically. HOYA CANDEO OPTRONICS CORP. changed to consolidated from equity-method affiliate as of the end of the 1st quarter 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 six months ended Sep. 30, 2004 and 2003 are as follows:

2004	1,405 million Yen
2003	1,096 million Yen

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

2004	59,745 million Yen
2003	35,650 million Yen

2. Geographical Segments

(Figures less than a million Yen are omitted.)

for the six months ended September 30, 2004

	Millions of Yen						Elimi. or corp.	Consolidated
	Japan	North America	Europe	Asia	Total			
Net sales:								
To outside customers	115,783	15,788	15,957	5,918	153,447	-		153,447
Intersegment	9,669	59	127	43,319	53,176	(53,176)		-
Total	125,453	15,847	16,085	49,238	206,624	(53,176)		153,447
Operating expenses	100,068	15,479	13,504	33,817	162,870	(53,551)		109,318
Operating income	25,384	367	2,580	15,420	43,754	374		44,128
Operating income ratio	20.2%	2.3%	16.1%	31.3%	21.2%	-		28.8%
Assets	168,718	20,035	30,728	90,716	310,199	9,745		319,944

for the six months ended September 30, 2003

	Millions of Yen						Elimi. or corp.	Consolidated
	Japan	North America	Europe	Asia	Total			
Net sales:								
To outside customers	89,985	17,602	17,977	6,133	131,699	-		131,699
Intersegment	8,560	45	794	27,663	37,064	(37,064)		-
Total	98,545	17,648	18,772	33,797	168,763	(37,064)		131,699
Operating expenses	79,358	16,731	14,874	27,194	138,159	(37,397)		100,762
Operating income	19,186	917	3,898	6,602	30,604	332		30,936
Operating income ratio	19.5%	5.2%	20.8%	19.5%	18.1%	-		23.5%
Assets	149,644	19,264	49,142	60,495	278,547	-12,813		265,734

Ref:

Differences between the first half of this year and the same period last year

	Millions of Yen						Elimi. or corp.	Consolidated
	Japan	North America	Europe	Asia	Total			
Net sales:								
To outside customers	25,798	-1,814	-2,020	-215	21,748	-		21,748
Variance(%)	28.7%	-10.3%	-11.2%	-3.5%	16.5%	-		16.5%
Intersegment	1,109	14	-667	15,656	16,112	(16,112)		-
Total	26,908	-1,801	-2,687	15,441	37,861	(16,112)		21,748
Operating expenses	20,710	-1,252	-1,370	6,623	24,711	(16,154)		8,556
Operating income	6,198	-550	-1,318	8,818	13,150	42		13,192
Variance(%)	32.3%	-60.0%	-33.8%	133.6%	43.0%	-		42.6%
Assets	19,074	771	-18,414	30,221	31,652	22,558		54,210

Notes:

- The Company and its 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 and Canada
 - Europe: Netherlands, Germany, United Kingdom, etc.
 - Asia: Singapore, Republic of Korea, Taiwan, etc.
- 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 six months ended Sep. 30, 2004 and 2003 are as follows:

2004	1,251 million Yen
2003	920 million Yen
- Corporate assets mainly consist of cash, time deposits, investments securities and administrative assets of the Company and the overseas regional holding companies. Corporate assets as of Sep. 30, 2004 and 2003 are as follows:

2004	55,875 million Yen
2003	19,993 million Yen

3. Sales to Foreign Customers

(Figures less than a million Yen are omitted.)

for the six months ended September 30, 2004

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	22,902	17,552	29,092	2	69,549
Consolidated Sales (B)					153,447
Overseas Sales ratio A/B	14.9%	11.4%	19.0%	0.0%	45.3%
Regional Sales ratio	32.9%	25.3%	41.8%	0.0%	100.0%

for the six months ended September 30, 2003

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	19,222	19,294	20,288	1	58,806
Consolidated Sales (B)					131,699
Overseas Sales ratio A/B	14.6%	14.7%	15.4%	0.0%	44.7%
Regional Sales ratio	32.7%	32.8%	34.5%	0.0%	100.0%

Ref:

Differences between the first half of this year and the same period last year

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	3,680	-1,742	8,804	1	10,743
Consolidated Sales (B)					21,748
Overseas Sales ratio A/B	19.1%	-9.0%	43.4%	100.0%	18.3%

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.

(6) Composition of Net Sales by Business Category

HOYA CORPORATION and Consolidated Subsidiaries

(unaudited)

Business Category Company	Millions of yen [%]				
	Six months ended September 30,		Variance		Year ended March 31,
	2004	2003	Value	(%)	2004
Electro-Optics					
Domestic	43,684 (52.9)	36,479 (57.8)	7,205	19.8	77,344 (57.3)
Overseas	38,827 (47.1)	26,656 (42.2)	12,171	45.7	57,726 (42.7)
total	82,511 [53.8]	63,135 [47.9]	19,376	30.7	135,071 [49.8]
Photonics					
Domestic	3,844 (66.2)	1,546 (68.8)	2,298	148.6	2,394 (58.2)
Overseas	1,966 (33.8)	701 (31.2)	1,265	180.5	1,721 (41.8)
total	5,811 [3.8]	2,248 [1.7]	3,563	158.5	4,116 [1.5]
Information Technology					
Domestic	47,529 (53.8)	38,026 (58.2)	9,503	25.0	79,739 (57.3)
Overseas	40,794 (46.2)	27,357 (41.8)	13,437	49.1	59,448 (42.7)
total	88,323 [57.6]	65,384 [49.6]	22,939	35.1	139,187 [51.3]
Vision Care					
Domestic	18,487 (39.6)	17,972 (36.6)	515	2.9	35,251 (35.9)
Overseas	28,177 (60.4)	31,140 (63.4)	-2,963	-9.5	62,952 (64.1)
total	46,665 [30.4]	49,112 [37.3]	-2,447	-5.0	98,203 [36.2]
Health Care					
Domestic	15,470 (98.0)	14,104 (99.5)	1,366	9.7	28,142 (99.2)
Overseas	319 (2.0)	71 (0.5)	248	349.3	238 (0.8)
total	15,790 [10.3]	14,175 [10.8]	1,615	11.4	28,380 [10.4]
Eye Care					
Domestic	33,958 (54.4)	32,076 (50.7)	1,882	5.9	63,393 (50.1)
Overseas	28,497 (45.6)	31,211 (49.3)	-2,714	-8.7	63,190 (49.9)
total	62,455 [40.7]	63,288 [48.1]	-833	-1.3	126,584 [46.6]
Crystal					
Domestic	1,633 (86.4)	2,143 (90.0)	-510	-23.8	3,841 (88.9)
Overseas	257 (13.6)	236 (10.0)	21	8.9	480 (11.1)
total	1,891 [1.2]	2,380 [1.8]	-489	-20.5	4,321 [1.6]
Service					
Domestic	776 (100.0)	646 (100.0)	130	20.1	1,350 (100.0)
Overseas	- (-)	0 (0.0)	-	-	0 (0.0)
total	776 [0.5]	646 [0.5]	130	20.1	1,350 [0.5]
Lifestyle Refinement					
Domestic	2,410 (90.3)	2,789 (92.2)	-379	-13.6	5,192 (91.5)
Overseas	257 (9.7)	236 (7.8)	21	8.9	480 (8.5)
total	2,668 [1.7]	3,026 [2.3]	-358	-11.8	5,672 [2.1]
Total Net Sales					
Domestic	83,898 (54.7)	72,892 (55.3)	11,006	15.1	148,325 (54.6)
Overseas	69,549 (45.3)	58,806 (44.7)	10,743	18.3	123,118 (45.4)
total	153,447 [100.0]	131,699 [100.0]	21,748	16.5	271,443 [100.0]

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

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

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