



Quarterly Financial Highlights (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

Performance for the three months ended September 30, 2003 and 2002 (Second Quarter)

(Figures less than a million yen are omitted.)

(1)Results of Operations	<u>Millions of Yen</u>			
	Three months ended			Jun.30, 2003
	Sep.30, 2003	Sep.30, 2002	change(%)	
Net sales	67,786	61,771	(9.7)	63,913
Operating income	16,400	13,951	(17.6)	14,536
Ordinary income	15,638	14,179	(10.3)	14,757
Net income	9,129	7,977	(14.4)	9,795
Net income per share(Yen)	81.12	68.70		85.05
Ordinary income / net sales	23.1%	21.9%		23.1%

Notes : No changes have been made in accounting policy.

(2)Financial Position	<u>Millions of Yen</u>		
	As of		
	Sep.30, 2003	Jun.30, 2003	Sep.30, 2002
Total assets	265,734	290,686	291,099
Shareholders' equity	205,213	233,082	227,964
Shareholders' equity ratio	77.2%	80.2%	78.3%
Shareholders' equity per share (Yen)	1,845.23	2,023.76	1,963.19

(3)Conditions of Cash Flows	<u>Millions of Yen</u>		
	Three months ended		
	Sep.30, 2003	Sep.30, 2002	Jun.30, 2003
Net cash provided by operating activities	23,171	20,210	14,358
Net cash used in investing activities	-6,229	-4,128	-6,925
Net cash provided (used in) financing activities	-33,094	-395	-2,723
Cash and cash equivalents, end of period	62,895	88,068	81,498

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. Business Overview

1. Results of Operations

1) General Overview

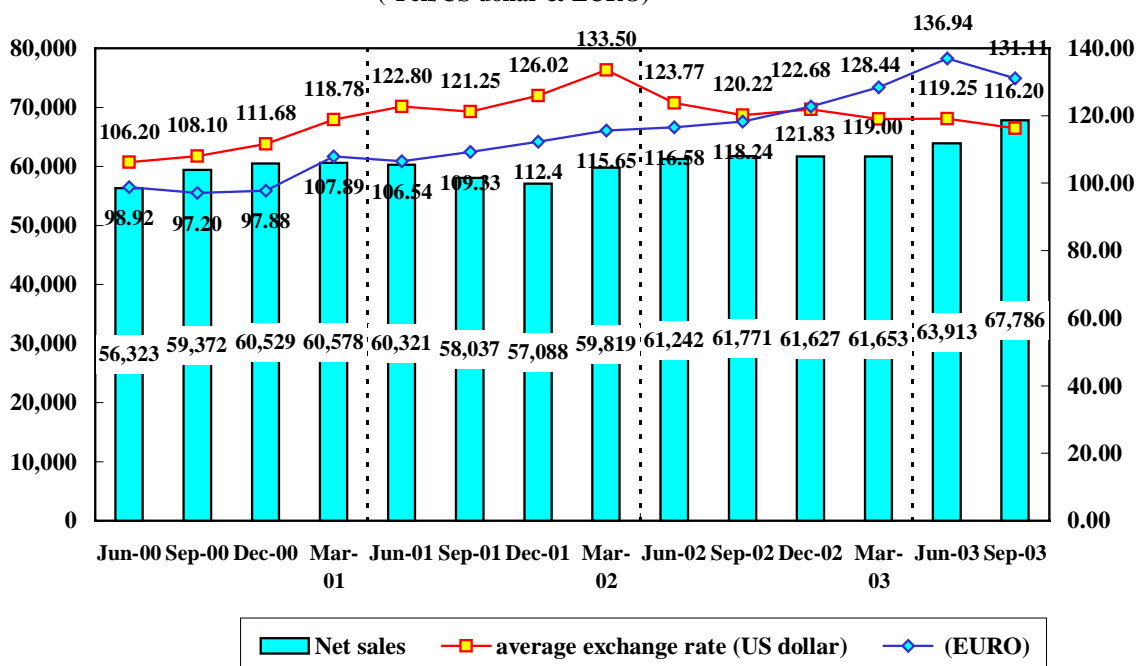
<u>Results of Operations</u>	<u>Millions of Yen</u> <u>Three months ended Sep. 30, 2003</u>
Net sales	67,786
Operating income	16,400
Ordinary income	15,638
Net income	9,129
Net income per share(Yen)	81.12

In the quarter under review, a trend towards economic recovery in the United States led to an upsurge in plant and equipment investment by IT-related industries worldwide and a recovery in demand for semiconductors became evident. In Japan, too, sales of digital home appliances surged and exports recovered, which led to a recovery in stock prices, with the Japanese economy being deemed to have "moderately bottomed out." However, personal consumption remained sluggish reflecting concerns over employment and personal income due to corporate restructuring.

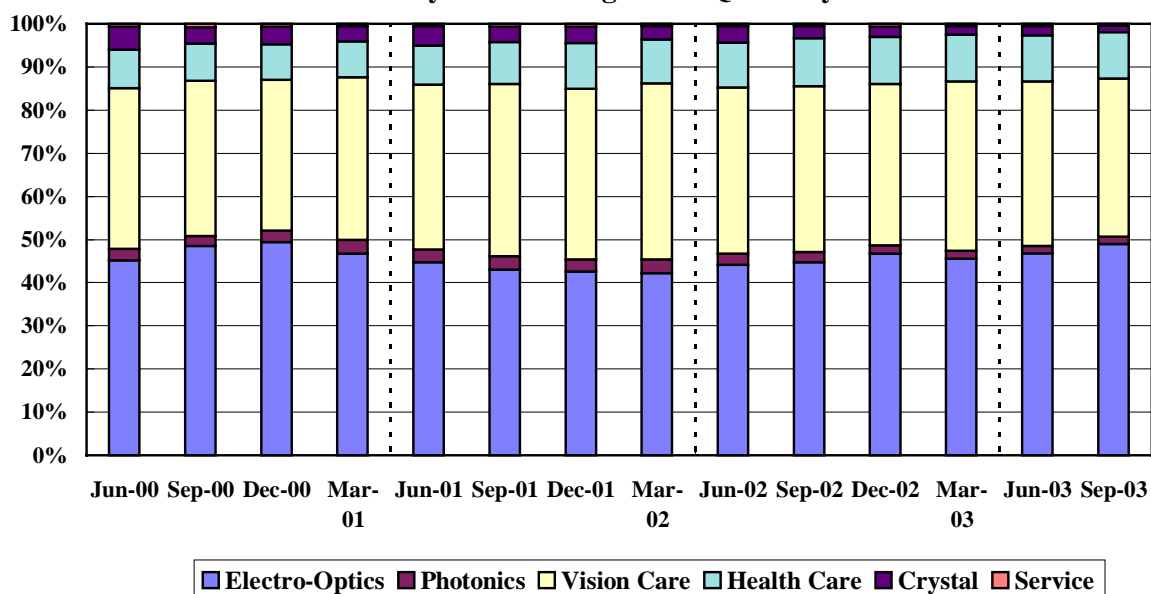
In the currency market, during the quarter under review, the US dollar depreciated by 3.3%, but the euro appreciated by 10.9% and the Thai baht appreciated by 0.4% all against the yen respectively on a year-on-year basis.

At HOYA Group in this business environment, the Electro-Optics segment saw a peak in shipment of its high precision products in general, the Vision Care division went through persistently difficult conditions in Japan but fared favorably overseas, and in the Health Care division, turnover increased as sales of contact lenses, intraocular lenses, etc. were steady respectively. As a result, consolidated sales during the quarter under review increased 9.7% year-on-year to Yen 67,786 million.

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

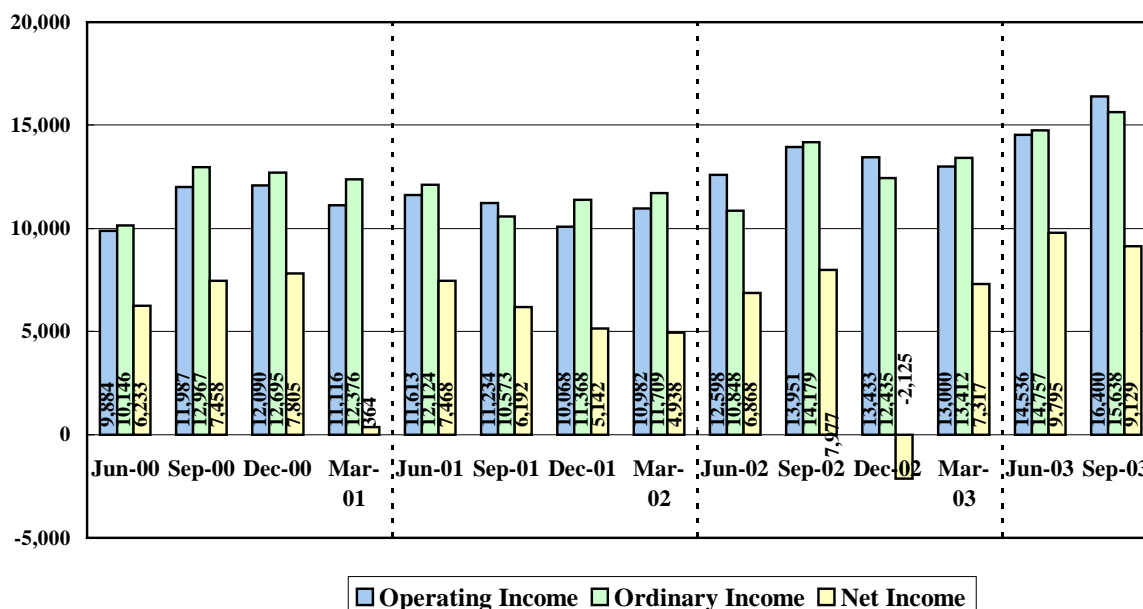


Ratio of Net Sales by Business Segment - Quarterly Transition



In the quarter under review, the Electro-Optics segment saw a peak in shipment of its high precision products and the main factories were kept fully operational, while the Eye Care segment expanded sales of high-value-added products, such that earnings increased. On a Group basis, operating income, ordinary income increased by 17.6% and 10.3% on a year-on-year basis. Both two of incomes as well as sales recorded historical quarterly results respectively. Net income increased by 14.4% on a year-on-year basis. Net income per share for the quarter was Yen 81.12, an increase of Yen 12.42 on a year-on-year basis.

Quarterly Incomes (Millions of Yen)



Notes:

1. In the quarter ended March 31, 2001, the Company amortized goodwill for Yen 14,347 million and appropriated it into extra-ordinary loss.
2. 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, continuing from the 1st quarter, the Company 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, thanks to enhanced precision of products and to expanded shipment to overseas markets, sales increased on a year-on-year basis. Sales of large masks for LCDs increased on a year-on-year basis, too, as each LCD panel manufacturer began operation of new production lines and actively developed new models.

In terms of glass disks for HDDs (Hard Disk Drives), thanks to a recovery in sales of personal computers, demand for both glass substrates (Substrates) and coated products (Media) was favorable and sales increased on a year-on-year basis.

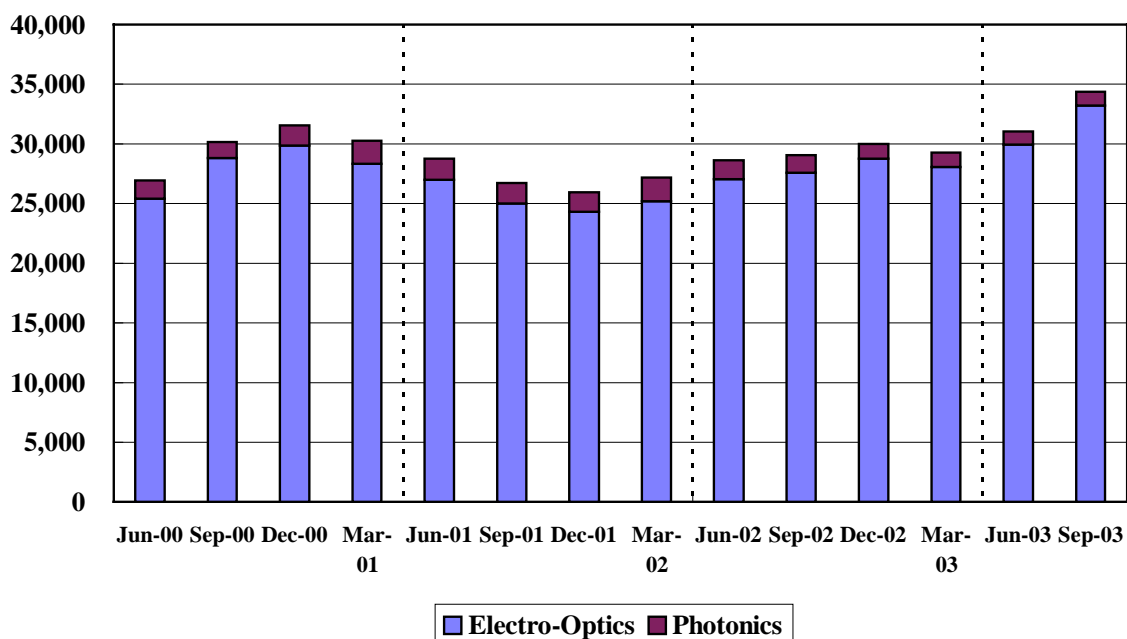
In terms of optical lenses and glasses, sales of digital cameras continued to be favorable, and there was sound demand for HOYA's optical lenses, mainly molded aspheric lenses. Sales increased on a year-on-year basis.

Photonics

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

In terms of laser-related equipment (Photonics), sales of laser-related equipment for industrial and medical uses increased year-on-year, but not enough to offset the sales of the division handling physicochemical use that was sold off in October 2002. Accordingly, overall sales decreased on a year-on-year basis.

Quarterly Net Sales of Information Technology (Millions of Yen)



2. Eye Care

Vision Care

In the domestic eyeglass market, tough conditions persisted as the market continued to gravitate towards low-priced products due to sluggish consumption. HOYA promoted higher value-addition of products such as double-sided aspherical single-focus lenses and progressive lenses in the main and sales increased in the upper price band, but overall sales decreased on a year-on-year basis.

Looking at the overseas market, in the Asia Pacific region, although sales recovered from the influence of SARS, there was a delay in some areas, HOYA promoted higher value-addition of its products and sales increased on a year-on-year basis.

In Europe and North America, HOYA continued to carry out higher value-addition of its products including progressive and highly refractive lenses, etc. with vigor and sales increased on a year-on-year basis.

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

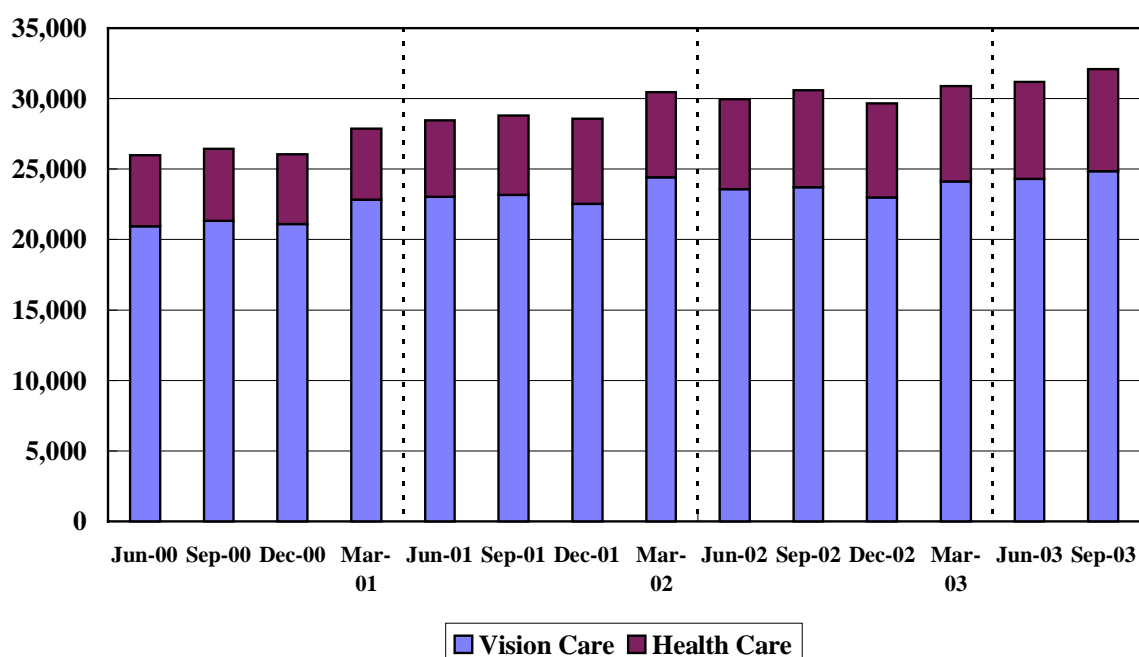
Sales growth was also helped by a weaker yen against the euro in the currency markets on a year-on-year basis.

Health Care

In terms of contact lenses, while price competition in the market intensified, HOYA tried to distinguish itself from the competition by promoting sales of high-value-added products and products backed by its *E-System* of lens compensation services and by improving its face-to-face services to clients. Sales at newly established outlets were favorable, too. Overall sales increased on a year-on-year basis.

Sales of intraocular lenses increased substantially on a year-on-year basis thanks to the favorable sales of well-received soft intraocular lenses.

Quarterly Net Sales of Eye Care (Millions of Yen)

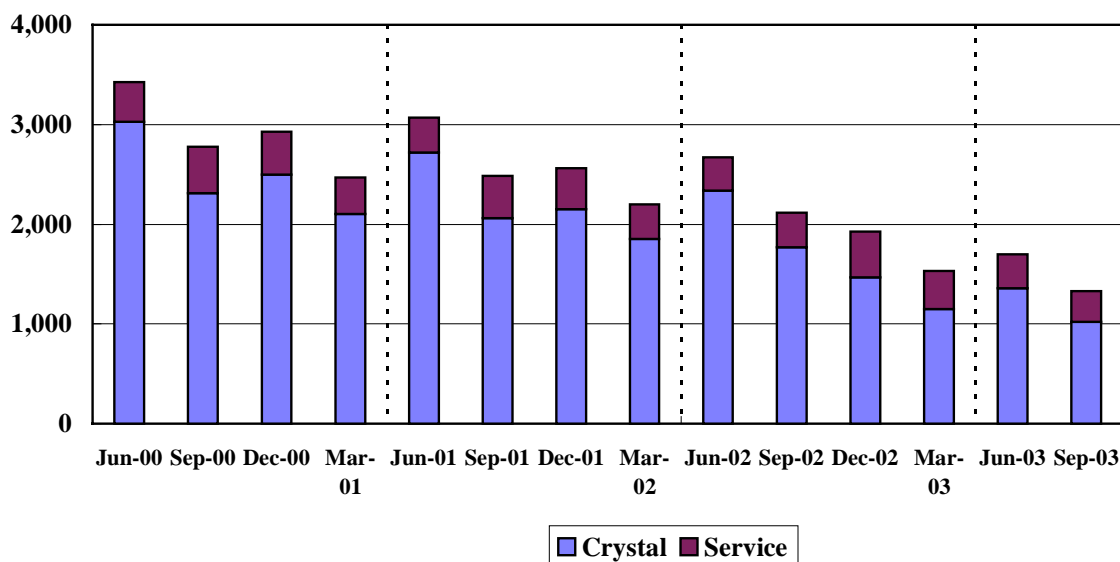


3. Lifestyle Refinement

Crystal

Sales of crystal decreased on a year-on-year basis due to the dampened personal consumption amid sluggish economic conditions as well as to our downsizing as part of the business reform in order to reconstruct business operations.

Quarterly Net Sales of Lifestyle Refinement (Millions of Yen)



2. Financial Position

Total assets
Shareholders' equity
Shareholders' equity ratio

Millions of Yen
As of Sep. 30, 2003
265,734
205,213
77.2%

At the end of the quarter under review, current assets decreased Yen 20,828 million and fixed assets also decreased Yen 4,216 million against the end of the previous quarter. As a result, total assets decreased Yen 24,952 million. Shareholders' equity decreased Yen 27,869 million due to increase of treasury stock as a negative factor in spite of increase in retained earnings.

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 Sep. 30, 2003
23,171
-6,229
-33,094
62,895

Cash flow from operating activities during the quarter under review amounted to Yen 23,171 million, which included Yen 13,173 million in quarterly income before income taxes and minority interests and Yen 5,018 in depreciation and amortization among others. Free cash flow amounted to Yen 16,942 million. As decrease in treasury stock amounted to Yen 32,897 million, the term-end balance of cash and cash equivalents decreased Yen 18,603 million from the previous quarter.

(2) Consolidated Financial Statements (unaudited)

1. Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen			
	As of			
	Sep.30,2003	Jun.30,2003	Variance	Sep.30,2002
ASSETS				
Current assets	171,642	192,470	-20,828	189,356
Cash and deposits	62,895	81,498	-18,603	88,068
Notes and accounts receivable - trades	63,420	62,393	1,027	57,212
Inventories	33,360	34,437	-1,077	35,024
Refundable income tax - receivable	-	3,899	-3,899	-
Deferred taxes	5,517	3,481	2,036	4,354
Other current assets	7,952	8,336	-384	5,925
Allowance for doubtful receivables	-1,504	-1,576	72	-1,229
Fixed assets	93,589	97,805	-4,216	101,388
Tangible fixed assets	76,866	80,072	-3,206	80,453
Buildings and structures	22,766	23,800	-1,034	24,733
Machinery and vehicles	33,788	35,441	-1,653	34,943
Lands	9,284	9,403	-119	9,389
Other tangible fixed assets	11,027	11,427	-400	11,387
Intangible fixed assets	4,895	5,047	-152	4,081
Investments and other assets	11,826	12,686	-860	16,853
Investment securities	5,265	5,444	-179	5,716
Long-term deferred taxes	2,030	2,646	-616	6,666
Other investments and other assets	6,071	6,307	-236	5,963
Allowance for doubtful receivables	-1,540	-1,712	172	-1,493
Deferred charges	503	411	92	355
Total Assets	265,734	290,686	-24,952	291,099
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities	57,501	54,561	2,940	53,922
Notes and accounts payable - trades	23,974	22,779	1,195	22,087
Short-term loan payable	2,050	2,201	-151	3,264
Income tax payable	8,094	4,877	3,217	7,883
Accrued bonus	3,746	1,889	1,857	3,602
Other current liabilities	19,635	22,813	-3,178	17,083
Long-term liabilities	1,947	1,979	-32	9,057
Long-term loan payable	150	150	-	417
Employees retirement benefits	-	-	-	6,898
Directors retirement benefits	-	117	-117	293
Other long-term liabilities	1,796	1,711	85	1,446
Total Liabilities	59,449	56,540	2,909	62,979
Minority interest	1,070	1,063	7	155
Common stock	6,264	6,264	-	6,264
Additional paid-in capital	15,898	15,898	-	15,898
Retained earnings	232,147	223,018	9,129	214,048
Evaluation difference of investments securitis	-3	77	-80	28
Foreign currency statement translation adjustments	-9,154	-5,119	-4,035	-8,234
Treasury stock, at cost	-39,938	-7,056	-32,882	-40
Total Shareholders' Equity	205,213	233,082	-27,869	227,964
Total	265,734	290,686	-24,952	291,099
Notes:	Millions of Yen			
Accumulated depreciation	155,408	154,394		146,623
Guarantees of borrowings and lease obligations for customers	669	537		558
Number of shares of treasury stock (unit : stocks)	4,911,680	951,597		4,867

2. Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

Three months ended

	Sep.30,2003	Sep.30,2002	Variance		Jun.30,2003
			Value	(%)	
Net sales	67,786	61,771	6,015	9.7	63,913
Cost of sales	36,302	33,277	3,025	9.1	34,065
Gross profit	31,484	28,494	2,990	10.5	29,847
Selling, general and administrative expenses	15,084	14,543	541	3.7	15,311
Operating income	16,400	13,951	2,449	17.6	14,536
Non-operating income	946	1,356	-410	-30.2	966
Interest income	150	145	5		153
Foreign exchange gains	-	570	-570		-
Equity in earnings of associated companies	230	129	101		395
Others	565	512	53		417
Non-operating expenses	1,708	1,126	582	51.7	745
Interest expense	50	78	-28		78
Foreign exchange losses	1,227	-	1,227		240
Others	431	1,048	-617		426
Ordinary income	15,638	14,179	1,459	10.3	14,757
Extra-ordinary income	588	70	518	740.0	169
Gain on sales of property, plant and equipment	476	53	423		37
Gain on sales of investment securities	51	17	34		8
Others	61	-	61		123
Extra-ordinary losses	3,054	1,996	1,058	53.0	230
Loss on disposal of property, plant and equipment	924	134	790		105
Coverage to Company's employees pension funds	879	-	879		-
Loss on disposal of property, plant and equipment	228	26	202		-
Additional retirement benefits paid to employees	82	1,370	-1,288		66
Others	940	466	474		58
Income before income taxes and other items	13,173	12,253	920	7.5	14,695
Income taxes - Current	5,421	5,177	244	4.7	3,794
Income taxes - Deferred	-1,390	-906	-484	53.4	1,096
Minority interests in net income	14	7	7	100.0	9
Net income	9,129	7,977	1,152	14.4	9,795
Net income per share(Yen)	81.12	68.70	12.42		85.05

Notes:

- Influences of Exchange Currency ("2003 A" is the actual value of this period. "2003 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)

	2003 A	2003 B	influences
Net sales	67,786	67,256	530
Operating income	16,400	16,219	181
Ordinary income	15,638	15,457	181
Net income	9,129	9,014	115

2. Average rates of major foreign currencies		Three months ended		
		Sep.30,2003	Sep.30,2002	Variance(%)
US\$	Yen	116.20	120.22	3.34%
Euro	Yen	131.11	118.24	-10.88%
Thail Baht	Yen	2.83	2.82	-0.35%

3. Consolidated Statements of Retained Earnings

HOYA CORPORATION and Consolidated Subsidiaries

Items	Millions of Yen			
	Three months ended			Jun. 30, 2003
	Sep. 30,2003	Sep. 30,2002	Variance	
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	223,018	206,071	16,947	216,271
Adjustment of retained earnings	9,129	7,977	1,152	9,795
Net income	9,129	7,977	1,152	9,795
Appropriations	-	-	-	3,048
1. Cash dividends	-	-	-	2,879
2. Bonuses to directors	-	-	-	169
Balance at the end of the period	232,147	214,048	18,099	223,018

4. Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen		
	<u>Three months ended Sep.30,</u>		
	2003	2002	Variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	13,172	12,253	919
Adjustments for:			
Income taxes - paid	-1,796	-1,381	-415
Depreciation and amortization	5,017	4,885	132
Provision for (reversal of) accrued bonuses to employees	1,861	1,558	303
Reversal of accrued retirement benefits	-56	-355	299
Provision for (Reversal of) reserve for periodic repairs	30	24	6
Equity in loss earnings of associated companies	-230	-129	-101
Foreign exchange loss	726	-145	871
Devaluation losses on investment securities	228	26	202
Gain on sales of property, plant and equipment and investment securities	-527	-70	-457
Loss on disposal of property, plant and equipment and investment securities	923	134	789
Other	73	148	-75
<i>Changes in assets and liabilities:</i>			
(Increase) decrease in notes and accounts receivable	-1,742	2,405	-4,147
(Increase) decrease in inventories	559	882	-323
(Increase) decrease in other current assets	3,584	-275	3,859
Increase (decrease) in notes and accounts payable	1,431	251	1,180
Increase (Decrease) in other current liabilities	-84	-2	-82
Total adjustment			
Net cash provided by operating activities	23,171	20,210	2,961
INVESTING ACTIVITIES:			
Payment for purchases of property, plant and equipment	-6,367	-4,053	-2,314
Proceeds from sales of property, plant and equipment	600	27	573
Payment for purchases of investment securities	-116	0	-116
Proceeds from sales of investment securities	88	59	29
Increase in investments and other assets	-610	-407	-203
Decrease in investments and other assets	175	244	-69
Net cash used in investing activities	-6,229	-4,128	-2,101
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term borrowings	13	-44	57
Repayments of long-term bank loans	-0	-7	7
Decrease in treasury stock	-32,897	-11	-32,886
Increase in treasury stock	0	-	0
Dividends paid	-210	-331	121
Net cash used in financing activities	-33,094	-395	-32,699
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-16,152	15,685	-31,837
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-2,449	440	-2,889
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	81,498	71,941	9,557
CASH AND CASH EQUIVALENTS, END OF PERIOD	62,895	88,068	-25,173

5. Scope of Consolidation and Application of the Equity Method

1. Number of consolidated subsidiaries : 57 companies
(Major companies: <overseas> HOYA HOLDINGS, INC.,HOYA HOLDINGS N.V.,
HOYA HOLDINGS ASIA PACIFIC PTE. LTD., HOYA PHOTONICS, INC.
<domestic> HOYA OPTICS 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 June 30, 2003 : 1 company increased.
4 companies increased due to the establishment: HOYA LENS SHANGHAI LTD. (China)
 - b) In comparison to the end of Sep. 30, 2002 : 5 companies increased in total.
5 companies increased due to the establishment: HOYA HEALTHCARE SINGAPORE PTE LTD. (Singapore)
HOYA MICROELECTRONICS (SUZHOU) LTD. (China)
HOYA OPTICAL TECHNOLOGY (SUZHOU) LTD. (China)
HOYA LENS DANMARK A/S (Denmark)
HOYA LENS SHANGHAI LTD. (China)

1 company increased due to the acquisition: HOYA LENS OF CHICAGO, INC. (USA)
1 company increased due to the transfer to the consolidated subsidiary : HOYA SCHOTT CORPORATION (Japan)

2 companies decreased due to the merger with the parent company : HOYA CRYSTAL CORPORATION (Japan)
HOYA CRYSTALSHOP CORPORATION (Japan)
 - B. Application of the equity method
 - a) In comparison to the end of June 30, 2003 :
None
 - b) In comparison to the end of Sep. 30, 2002 : 1 company decreased.
1 company decreased due to the transfer to the consolidated subsidiary : HOYA SCHOTT CORPORATION (Japan)

	as of Sep. 30, 2003	as of Jun. 30, 2003	variance	as of Sep. 30,2002
Consolidated subsidiaries	57 (do 7, os50)	56 (do 7, os49)	+1 (do-, os +1)	52 (do 8, os44)
Nonconsolidated subsidiaries	- (do -, os -)	- (do -, os -)	- (do-, os -)	- (do -, os -)
Affiliates	5 (do 5, os -)	5 (do 5, os -)	- (do-, os-)	6 (do 6, os -)
(accounted for by the equity method)	(1) (do 1, os -)	(1) (do 1, os -)	(-) (do-, os-)	(2) (do 2, os -)
Total Hoya Group	62	61	+1	58
(accounted for by the equity method)	(1)	(1)	(-)	(2)

(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>		
	<u>As of</u>		
	<u>Sep.30,2003</u>	<u>Sep.30,2002</u>	<u>Jun.30,2003</u>
Cash and deposits	62,895	88,068	81,498
Marketable securities	-	-	-
Total	<u>62,895</u>	<u>88,068</u>	<u>81,498</u>

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

Three months ended Sep. 30, 2003

None

Three months ended Sep. 30, 2002

None

Three months ended Jun. 30, 2003

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

	<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>

Notes Relating to Investment Securities and Derivatives

1. Investment securities of current market values:

(Millions of Yen)

	As of								
	<u>Sep.30, 2003</u>			<u>Jun.30, 2003</u>			<u>Sep.30, 2002</u>		
	Cost	Fair Value	Variance	Cost	Fair Value	Variance	Cost	Fair Value	Variance
Available-for-sale									
Available-for-sale : Marketable Equity securities	102	119	17	139	207	67	202	251	49
Government bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	102	119	17	139	207	67	202	251	49

2. Investment securities of non-current market values:

(Millions of Yen)

	As of		
	<u>Sep.30, 2003</u>	<u>Jun.30, 2003</u>	<u>Sep.30, 2002</u>
	Non-marketable stock of subsidiaries	4,495	4,442
Total	4,495	4,442	5,001
Non-marketable equity securities	650	794	463
Non-marketable corporate bonds	-	-	-
Non-marketable foreign bonds	-	-	-
Commercial paper	-	-	-
Total	650	794	463

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>Sep.30, 2003</u>	<u>As of Jun.30, 2003</u>	<u>Sep.30, 2002</u>
(1) Current deferred tax assets and liabilities			
Deferred tax assets			
Excess deductible amount of expenses for accrued bonus	1,482	712	1,212
Excess deductible amount of depreciation expenses	1,245	1,264	1,264
Inventories - intercompany unrealized profits	916	1,065	696
Enterprise tax not deductible	643	266	613
Other deferred tax assets	1,229	507	638
Total amount of deferred tax assets - current	5,517	3,816	4,425
Deferred tax liabilities			
Refundable income tax - receivable	-	-334	-
Prepaid pension expenses	-	-	-71
Total amount of deferred tax liabilities - current	-	-334	-71
Net amount of deferred tax assets - current	5,517	3,481	4,354
(2) Non-current deferred tax assets and liabilities			
Deferred tax assets			
Amount denied of evaluation loss of fixed assets	927	856	657
Excess amount of inclusion in deductible expenses for depreciation	804	1,114	2,147
Excess amount of inclusion in deductible expenses for allowance for doubtful receivables	364	402	281
Excess amount of inclusion in deductible expenses for reserve for employees' retirement benefits	-	-	2,613
Other deferred tax assets	974	1,347	2,135
Total amount of deferred tax assets - fixed	3,070	3,720	7,835
Deferred tax liabilities			
Reserve for deferred income taxes on fixed assets	-537	-552	-618
Special depreciation reserve	-337	-302	-358
Difference of evaluation of other marketable securities	-	-52	-20
Other deferred tax liabilities	-165	-165	-171
Total amount of deferred tax liabilities - fixed	-1,040	-1,073	-1,168
Net amount of deferred tax assets - fixed	2,030	2,646	6,666

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

	<u>Three months ended</u>		
	<u>Sep.30,2003</u>	<u>Sep.30,2002</u>	<u>Jun.30,2003</u>
Statutory tax rate of the Company	41.7 %	41.7 %	41.7 %
(Adjustment)			
Lower income tax rates applicable to income in certain foreign countries	-9.4	-7.7	-8.4
Non-Deductible expenses such as entertainment expenses	0.3	0.2	0.3
Per capita levy of inhabitants tax and others	0.2	0.3	0.2
Non-taxable income such as dividend received	-	-	-7.7
Intercompany cash dividend	-	-	6.0
Other adjustment	-2.2	0.3	1.2
Effective income tax rate	30.6	34.8	33.3

Notes Relating to Employees' Retirement Benefits

1. Systems of employees' retirement benefits the Company adopts

HOYA had systems to support lump sum severance pay and an employees' pension fund. In the 3rd quarter of Fiscal 2002, the system of lump sum severance pay was abolished. The employees' pension fund was dissolved on January 29, 2003 once the Minister of Health, Labor and Welfare sanctioned approval of its dissolution on that date.

2. Details of liabilities for employees' retirement benefits

(1) Breakdown of liabilities for employees' retirement benefits

	Millions of Yen		
	As of		
	<u>Sep.30, 2003</u>	<u>Jun.30, 2003</u>	<u>Sep.30, 2002</u>
Liabilities for employees' retirement benefits	-	-	67,256
Pension assets	-	-	-38,213
Accrued liabilities for employees' retirement benefits	-	-	29,043
Unappropriated amount of the difference arising from the change in accounting standards	-	-	2,640
Unrecognized prior service cost (decrease in liabilities)	-	-	1,614
Unrecognized actuarial differences (increase in liabilities)	-	-	-26,569
Prepaid pension expenses	-	-	169
Reserve for employees' retirement benefits	-	-	6,898

(2) Breakdown of expenses for employees' retirement benefits

	Three months ended		
	<u>Sep.30, 2003</u>	<u>Sep.30, 2002</u>	<u>Jun. 30, 2003</u>
Service cost	-	565	-
Interest expenses	-	411	-
Expected return of investments	-	-508	-
Difference arising from the change in accounting standards	-	-52	-
Prior service cost	-	-41	-
Actuarial differences	-	594	-
sub total	-	970	-
Coverage to Company's employees pension funds	879	-	-
Additional retirement benefits paid to employees	82	1,370	66
Expenses for employees' retirement benefits	961	2,340	66

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

1. Discount rate	-	2.5%	-
2. Expected rate of return of investments	-	5.5%	-
3. Method of periodical allocation of the estimated amount of employees' retirement benefits	-	pro rata division over the period	pro rata division over the period
4. Number of years over which the difference arising from the change in accounting standards is amortized	-	15 years	-
5. Number of years over which the prior service cost is amortized	-	12 years	-
6. Number of years over which the actuarial differences are amortized	-	12 years	-

(3) Segment Information (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

1. Industry Segments

(Figures less than a million Yen are omitted.)

for the three 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	33,198	1,155	24,828	7,277	1,021	307	67,786	-	67,786
Intersegment	12	-	4	0	7	1,566	1,590	(1,590)	-
Total	33,211	1,155	24,833	7,277	1,027	1,872	69,375	(1,590)	67,786
Operating expenses	22,368	1,189	20,604	5,589	1,165	1,746	52,663	(1,278)	51,385
Operating income	10,842	-35	4,228	1,688	-138	127	16,712	(312)	16,400
Operating income ratio	32.6%	-3.0%	17.0%	23.2%	-13.4%	6.8%	24.1%	-	24.2%
Assets	123,731	2,418	93,047	15,944	4,835	2,977	242,955	22,779	265,734
Depreciation	3,394	16	1,362	129	88	8	4,998	19	5,018
Capital Expenditures	2,818	11	1,440	230	50	2	4,550	6	4,557
R&D Expenses	1,842	64	340	222	7	-	2,478	-16	2,461
Number of employees (p)	7,721	133	5,812	565	174	359	14,764	48	14,812

for the three months ended September 30, 2002

	Millions of Yen							Elimin. or corp.*	Consolidated
	Electro- Optics	Photo- nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	27,584	1,484	23,694	6,893	1,769	347	61,771	-	61,771
Intersegment	57	-	12	0	3	683	756	(756)	-
Total	27,642	1,484	23,707	6,893	1,773	1,030	62,527	(756)	61,771
Operating expenses	18,844	1,707	19,437	5,430	1,778	977	48,172	(351)	47,821
Operating income	8,798	-222	4,270	1,463	-6	54	14,356	(405)	13,951
Operating income ratio	31.8%	-0.1%	18.0%	21.2%	-0.3%	5.2%	23.0%	-	22.6%
Assets	116,038	4,121	93,788	16,083	8,576	2,997	241,607	49,492	291,099
Depreciation	3,262	22	1,358	139	71	8	4,860	28	4,887
Capital Expenditures	3,167	18	820	95	31	1	4,132	2	4,134
R&D Expenses	1,401	126	369	180	6	-	2,085	-10	2,074
Number of employees (p)	6,021	229	6,379	625	283	129	13,666	45	13,711

Ref:

Differences between the second quarter 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	5,614	-329	1,134	384	-748	-40	6,015	-	6,015
Variance(%)	20.4%	-22.2%	4.8%	5.6%	-42.3%	-11.5%	9.7%	-	9.7%
Intersegment	-45	-	-8	0	4	883	834	(834)	-
Total	5,569	-329	1,126	384	-746	842	6,848	(834)	6,015
Operating expenses	3,524	-518	1,167	159	-613	769	4,491	(927)	3,564
Operating income	2,044	187	-42	225	-132	73	2,356	93	2,449
Variance(%)	23.2%	-	-1.0%	15.4%	-	135.2%	16.4%	-	17.6%
Assets	7,693	-1,703	-741	-139	-3,741	-20	1,348	-26,713	-25,365
Depreciation	132	-6	4	-10	17	0	138	-9	131
Capital Expenditures	-349	-7	620	135	19	1	418	4	423
R&D Expenses	441	-62	-29	42	1	-	393	-6	387
Number of employees (p)	1,700	-96	-567	-60	-109	230	1,098	3	1,101

*Elimi. or corp. : Eliminations or corporate

Note:

1. The Business Categories and Industries over the three 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, etc.
Eye Care	Vision Care	Eyeglass lenses, eyeglass frames, ophthalmic equipments, etc.
	Health Care	Contact lenses, intraocular lenses, hearing aids, etc.
Lifestyle Refinement	Crystal	Crystal glass products
	Service	Design of information systems, placement of temporary staff, etc.

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 Sep. 30, 2003 and 2002 are as follows:

2003	1,096 million Yen
2002	491 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, 2003 and 2002 are as follows:

2003	35,650 million Yen
2002	61,309 million Yen

2. Geographical Segments

(Figures less than a million Yen are omitted.)

for the three months ended September 30, 2003

	Millions of Yen						Elimination s or	Consolidated
	Japan	North America	Europe	Asia	Total			
Net sales:								
To outside customers	46,861	8,763	8,991	3,170	67,786	-		67,786
Intersegment	4,087	27	230	14,549	18,894	(18,894)		-
Total	50,948	8,791	9,222	17,720	86,680	(18,894)		67,786
Operating expenses	41,182	8,353	7,253	14,304	71,092	(19,707)		51,385
Operating income	9,765	439	1,970	3,415	15,589	811		16,400
Operating income ratio	19.2%	5.0%	21.4%	19.3%	18.0%	-		24.2%
Assets	149,644	19,264	49,142	60,495	278,547	-12,813		265,734

for the three months ended September 30, 2002

	Millions of Yen						Elimination s or	Consolidated
	Japan	North America	Europe	Asia	Total			
Net sales:								
To outside customers	42,206	8,989	7,532	3,044	61,771	-		61,771
Intersegment	3,868	15	467	10,316	14,666	(14,666)		-
Total	46,074	9,004	7,999	13,361	76,437	(14,666)		61,771
Operating expenses	36,580	8,743	6,827	10,791	62,941	(15,121)		47,821
Operating income	9,494	260	1,172	2,570	13,495	455		13,951
Operating income ratio	20.6%	2.9%	14.7%	19.2%	17.7%	-		22.6%
Assets	144,238	19,665	31,514	54,123	249,541	41,558		291,099

Ref : Differences between the second quarter of this year and the same period last year

	Millions of Yen						Elimination s or	Consolidated
	Japan	North America	Europe	Asia	Total			
Net sales:								
To outside customers	4,655	-226	1,459	126	6,015	-		6,015
Variance(%)	11.0%	-2.5%	19.4%	4.1%	9.7%	-		9.7%
Intersegment	219	12	-237	4,233	4,228	(4,228)		-
Total	4,874	-213	1,223	4,359	10,243	(4,228)		6,015
Operating expenses	4,602	-390	426	3,513	8,151	(4,586)		3,564
Operating income	271	179	798	845	2,094	356		2,449
Variance(%)	2.9%	68.8%	68.1%	32.9%	15.5%	-		17.6%
Assets	5,406	-401	17,628	6,372	29,006	-54,371		-25,365

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 three months ended Sep. 30, 2003 and 2002 are as follows:

2003 920 million Yen
 2002 439 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, 2003 and 2002 are as follows:

2003 19,993 million Yen
 2002 57,816 million Yen

3. Sales to Foreign Customers

(Figures less than a million Yen are omitted.)

for the three months ended September 30, 2003

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	9,657	9,709	10,680	1	30,047
Consolidated Sales (B)					67,786
Overseas Sales ratio A/B	14.2%	14.3%	15.8%	0.0%	44.3%
Regional Sales ratio	32.1%	32.3%	35.6%	0.0%	100.0%

for the three months ended September 30, 2002

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	8,990	8,997	7,840	27	25,853
Consolidated Sales (B)					61,771
Overseas Sales ratio A/B	14.6%	14.6%	12.7%	0.0%	41.9%
Regional Sales ratio	34.8%	34.8%	30.3%	0.1%	100.0%

Ref:

Differences between the second quarter of this year and the same period last year

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	667	712	2,840	-26	4,194
Consolidated Sales (B)					6,015
Variance(%)	7.4%	7.9%	36.2%	-96.3%	16.2%

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

(unaudited)

Business Category Company	Millions of yen [%]					
	Three months ended		Variance		Three months ended	
	Sep.30, 2003	Sep.30, 2002	Value	(%)	Jun.30, 2003	
Electro-Optics						
Domestic	19,215 (57.9)	16,502 (59.8)	2,713	16.4	17,264 (57.7)	
Overseas	13,983 (42.1)	11,082 (40.2)	2,901	26.2	12,673 (42.3)	
total	33,198 [49.0]	27,584 [44.7]	5,614	20.4	29,937 [46.8]	
Photonics						
Domestic	852 (73.8)	863 (58.2)	-11	-1.3	694 (63.5)	
Overseas	302 (26.2)	621 (41.8)	-319	-51.4	399 (36.5)	
total	1,155 [1.7]	1,484 [2.4]	-329	-22.2	1,093 [1.7]	
Information Technology						
Domestic	20,068 (58.4)	17,366 (59.7)	2,702	15.6	17,958 (57.9)	
Overseas	14,285 (41.6)	11,702 (40.3)	2,583	22.1	13,072 (42.1)	
total	34,353 [50.7]	29,068 [47.1]	5,285	18.2	31,031 [48.5]	
Vision Care						
Domestic	9,247 (37.2)	9,775 (41.3)	-528	-5.4	8,725 (35.9)	
Overseas	15,581 (62.8)	13,920 (58.7)	1,661	11.9	15,559 (64.1)	
total	24,828 [36.6]	23,694 [38.4]	1,134	4.8	24,284 [38.0]	
Health Care						
Domestic	7,220 (99.2)	6,879 (99.8)	341	5.0	6,884 (99.8)	
Overseas	58 (0.8)	14 (0.2)	44	314.3	13 (0.2)	
total	7,277 [10.7]	6,893 [11.2]	384	5.6	6,898 [10.8]	
Eye Care						
Domestic	16,467 (51.3)	16,654 (54.4)	-187	-1.1	15,609 (50.1)	
Overseas	15,639 (48.7)	13,933 (45.6)	1,706	12.2	15,572 (49.9)	
total	32,106 [47.4]	30,588 [49.5]	1,518	5.0	31,182 [48.8]	
Crystal						
Domestic	899 (88.1)	1,553 (87.8)	-654	-42.1	1,244 (91.6)	
Overseas	122 (11.9)	216 (12.2)	-94	-43.5	114 (8.4)	
total	1,021 [1.5]	1,769 [2.9]	-748	-42.3	1,359 [2.1]	
Service						
Domestic	307 (100.0)	347 (100.0)	-40	-11.5	339 (100.0)	
Overseas	0 (0.0)	0 (0.0)	0	-	0 (0.0)	
total	307 [0.5]	347 [0.6]	-40	-11.5	339 [0.6]	
Lifestyle Refinement						
Domestic	1,205 (90.8)	1,900 (89.8)	-695	-36.6	1,584 (93.3)	
Overseas	122 (9.2)	216 (10.2)	-94	-43.5	114 (6.7)	
total	1,327 [1.9]	2,116 [3.4]	-789	-37.3	1,699 [2.7]	
Total Net Sales						
Domestic	37,739 (55.7)	35,918 (58.1)	1,821	5.1	35,153 (55.0)	
Overseas	30,047 (44.3)	25,853 (41.9)	4,194	16.2	28,759 (45.0)	
total	67,786 [100.0]	61,771 [100.0]	6,015	9.7	63,913 [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.