



Interim Financial Highlights (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

Performance for the six months ended September 30, 2003 and 2002 (unit:Millions of Yen)

(1)Results of Operations	(Figures less than a million yen are omitted.)			
	Six months ended September 30,		variance(%)	Year ended March 31,
	2003	2002		2003
Net sales	131,699	123,013	(7.1)	246,293
Operating income	30,936	26,549	(16.5)	52,982
Ordinary income	30,395	25,027	(21.4)	50,874
Net income	18,924	14,845	(27.5)	20,037
Net income per share(Yen)	166.21	127.84		171.10
Net income / shareholders' equity	8.8%	6.6%		9.0%
Ordinary income / total assets	11.3%	8.8%		18.4%
Ordinary income / net sales	23.1%	20.3%		20.7%

Note : No changes have been made in accounting policy.

(2)Financial Position	As of Sep. 30,	As of Mar. 31,	As of Sep. 30,
	2003	2003	2002
Total assets	265,734	274,288	291,099
Shareholders' equity	205,213	224,218	227,964
Shareholders' equity ratio	77.2%	81.7%	78.3%
Shareholders' equity per share (Yen)	1,845.23	1,946.79	1,963.19

(3)Conditions of Cash Flows	Six months ended September 30,		Year ended March 31,
	2003	2002	2003
Net cash provided by operating activities	37,530	32,371	38,390
Net cash used in investing activities	-13,155	-6,379	-13,583
Net cash provided (used in) financing activities	-35,817	-3,161	-14,547
Cash and cash equivalents, end of period	62,895	88,068	75,694

Ref:Performance of HOYA CORPORATION (non-consolidated)

	Millions of Yen			
	Six months ended September 30,		change(%)	Year ended March 31,
	2003	2002		2003
Net sales	88,753	79,432	(11.7%)	159,432
Operating income	14,477	13,895	(4.2%)	26,536
Ordinary income	18,136	15,430	(17.5%)	29,460
Net income	10,571	8,700	(21.5%)	8,852
Net income per share(Yen)	92.85	74.92		75.27
Total assets	195,660	227,892		209,387
Shareholders' equity	141,042	177,565		166,374

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 ("HOYA") consists of HOYA CORPORATION (the "Company"), 57 consolidated subsidiaries and five affiliates including one affiliate accounted for by the equity method (as of Sep. 30, 2003).

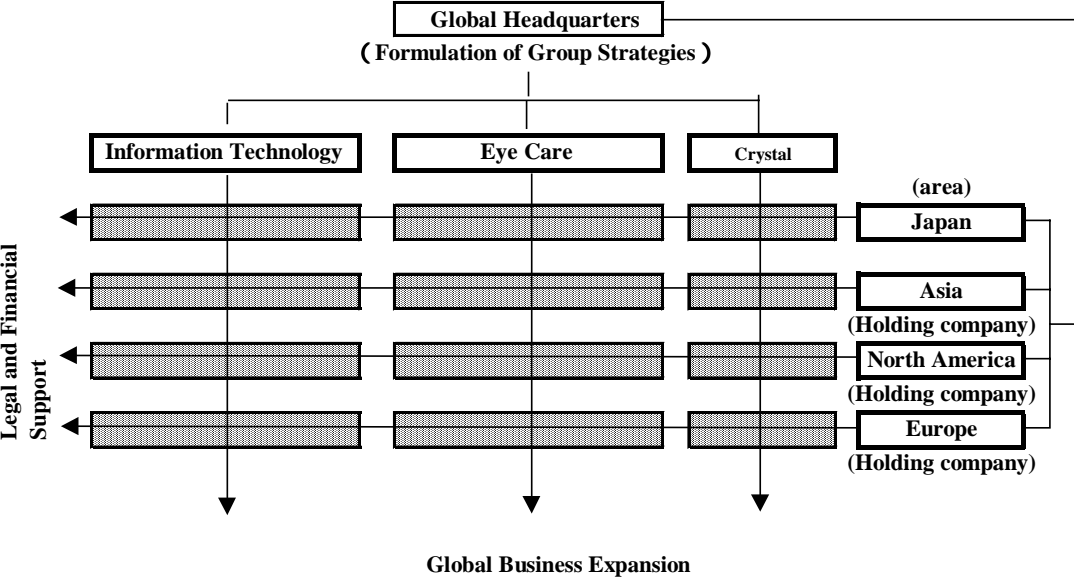
The Company and its consolidated subsidiaries are engaged mainly in the manufacture and sales of products in six major segments : Electro-Optics, Photonics, Vision Care, Health Care, Crystal and Service.

The products of each segment are manufactured by the Company, or by its subsidiaries and affiliates overseas.

In the domestic market, products are sold directly to retailers, specialty stores or assemblers. Products destined for overseas markets are exported to subsidiaries in various countries and marketed by them.

HOYA has adopted a global group management system. The Information Technology and Eye Care segment implement the corporate strategy formulated at the Group Headquarters. Regional holding companies in three areas serve legal and financial supports to sales activities of regional subsidiaries as the frontline representatives of Global Headquarters.

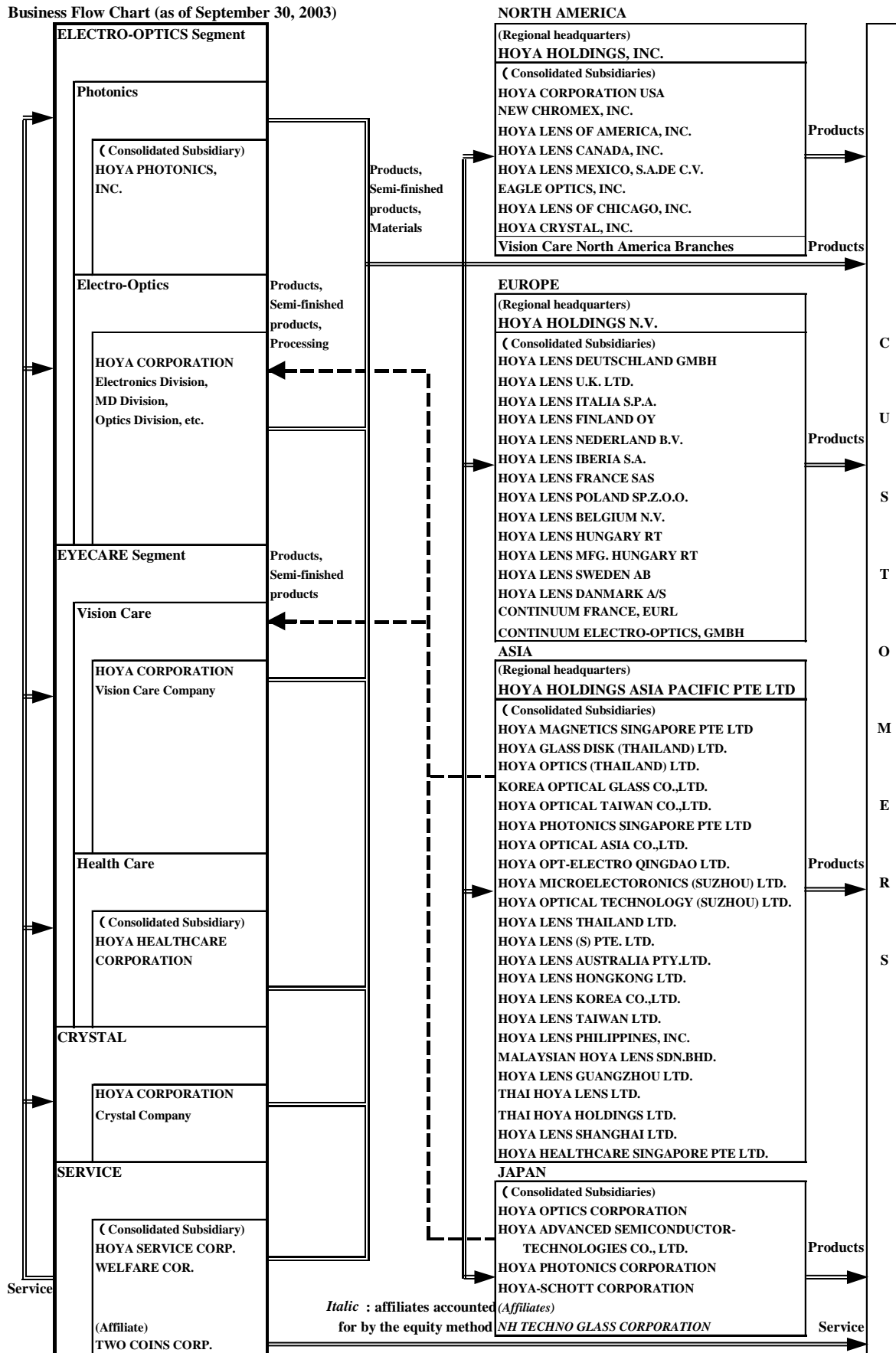
Global Group Management System



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 and Affiliates
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. Electronics Division, etc. HOYA CORPORATION USA HOYA MAGNETICS SINGAPORE PTE LTD HOYA GLASS DISK (THAILAND) LTD. HOYA OPTICS CORPORATION
	Photonics	Laser equipments for industrial, dental, and medical purposes	HOYA PHOTONICS, INC. HOYA PHOTONICS 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, 2003)



(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, bonus payments to employees are linked to business results, and an employee stock ownership plan has been established that allows 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 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.

(3) Business Overview

1. Results of Operations

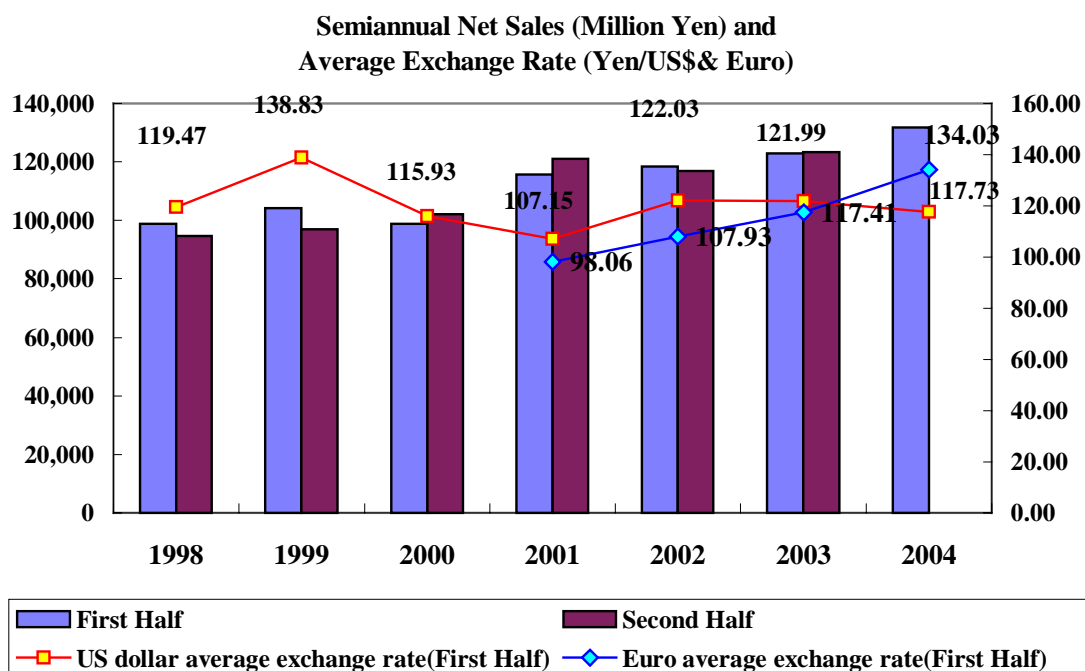
1) General Overview

<u>Results of Operations</u>	<u>Millions of Yen</u> <u>Six months ended Sep. 30, 2003</u>
Net sales	131,699
Operating income	30,936
Ordinary income	30,395
Net income	18,924
Net income per share(Yen)	166.21

In the six months under review, a trend towards economic recovery in the United States led to a worldwide upsurge in investment by IT-related industries and demand for semiconductors clearly recovered. In Japan, too, the sales of digital home appliances boomed and exports recovered, which was accompanied by the positive effects of restructuring, and an upturn in corporate earnings. Stock prices recovered, too, and the Japanese economy was considered to have "moderately bottomed out." Personal consumption, however, remained sluggish reflecting concerns over employment and personal income due to corporate restructuring.

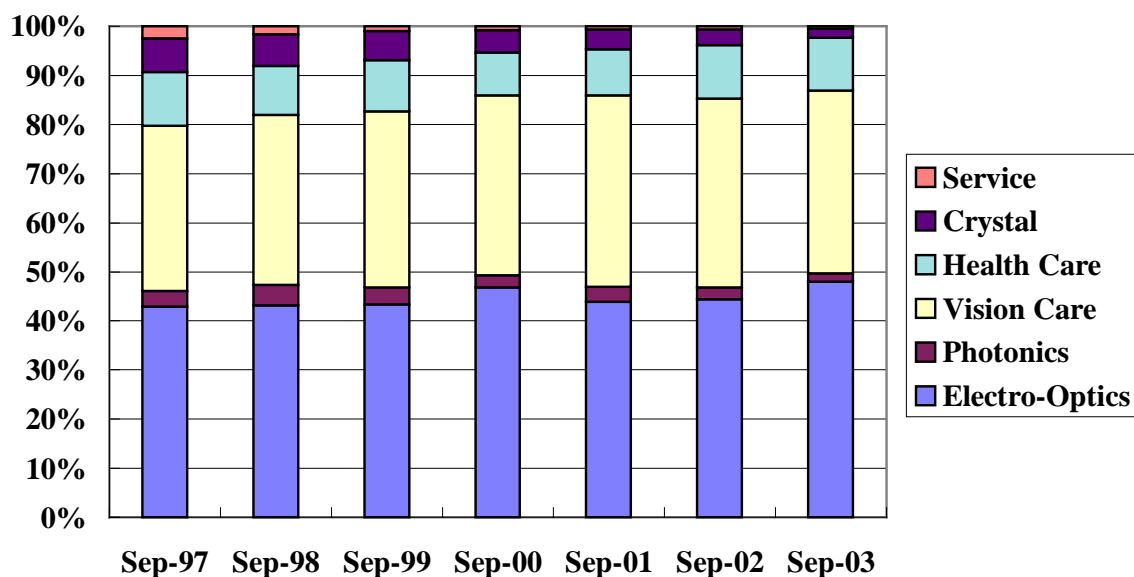
In the currency market, during the six months under review, the US dollar depreciated by 3.5% and the Thai baht depreciated by 1.4%, but the euro appreciated by 14.2%, all against the yen, respectively on a year-on-year basis.

In this environment, in the Electro-Optics segment of the HOYA Group, sales increased thanks to an increase in shipment of final goods to the market, to the enhanced precision of products to meet client requests for new development, and to an increase in orders brought about by the new operation of next-generation manufacturing lines. In the Eye-Care segment, such mainstay products as eyeglass lenses, contact lenses and intraocular lenses, etc. sold solidly. As a result, consolidated sales during the six months under review increased 7.1% year-on-year to Yen 131,699 million.



Note: '2004' means the fiscal year ends on March 31, 2004. Therefore, 'First half of 2004' means the six months from April to September 2003 and 'Second Half' means the six months from October 2003 to March 2004.

Ratio of Net Sales by Business Segment - First Half

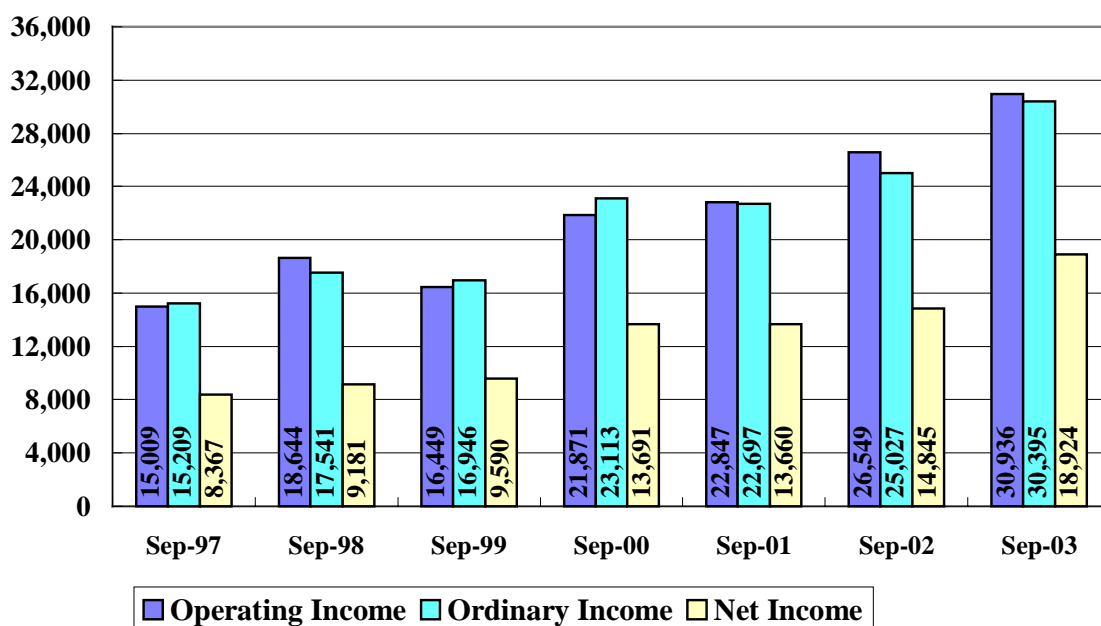


In the six months under review, in the Electro-Optics segment, the Company received an increased volume of orders for high precision products, the main factories were kept fully operational, and earnings increased. In the Eye Care segment, while some eyeglass lenses endured a trend of lowering prices, the Company expanded sales of high-value-added products, such that earnings increased. As a result, on a Group basis, operating income, ordinary income and net income for the six months increased 16.5%, 21.4% and 27.5% respectively on a year-on-year basis. The respective income as well as sales recorded historical interim results respectively.

Net income per share for the six months was Yen 166.21, an increase of Yen 38.37 on a year-on-year basis.

With respect to the interim dividend for the six months under review, Yen 50 per share will be paid, an increase of Yen 25 on a year-on-year basis.

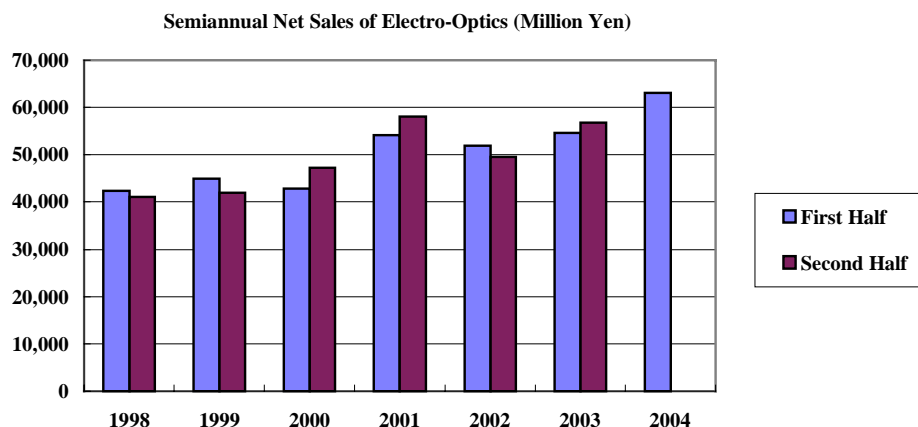
Interim Profits (Million Yen) - First Half



2) Segment Overview

1. Information Technology

Electro-Optics



In terms of mask blanks for manufacturing semiconductors, as the precision of semiconductors traded on the market was steadily enhanced, the Company benefited from strong demand for such next-generation products as blanks for phase-shift masks, etc. and sales increased on a year-on-year basis.

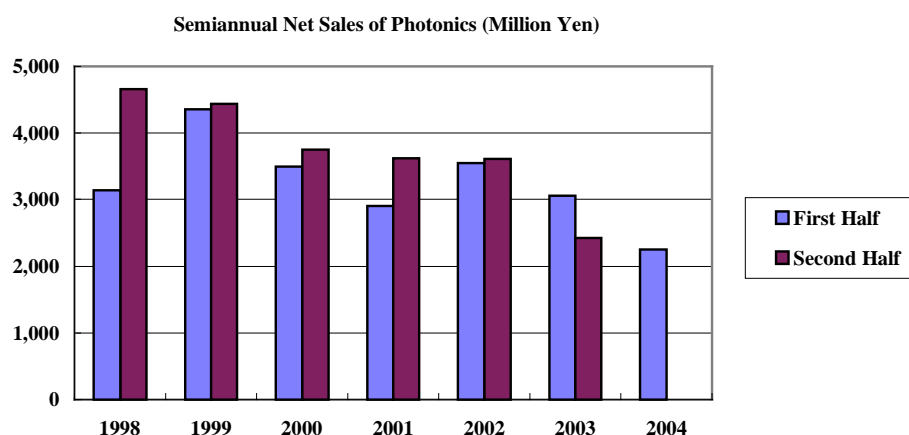
In terms of photomasks for manufacturing semiconductors, in tandem with the steady increase in demand for semiconductors across the world, high precision products and products destined for overseas market sold favorably and sales increased on a year-on-year basis.

In terms of masks for LCDs, LCD panel manufacturers began operation of new-generation mass-production lines, the market for LCD appliances such as LCD televisions, etc. expanded, and the Company constantly received a brisk stream of orders. Sales increased on a year-on-year basis.

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 grew substantially in the market, and sales of molded aspheric lenses continued to be favorable. Sales increased on a year-on-year basis.

Photonics

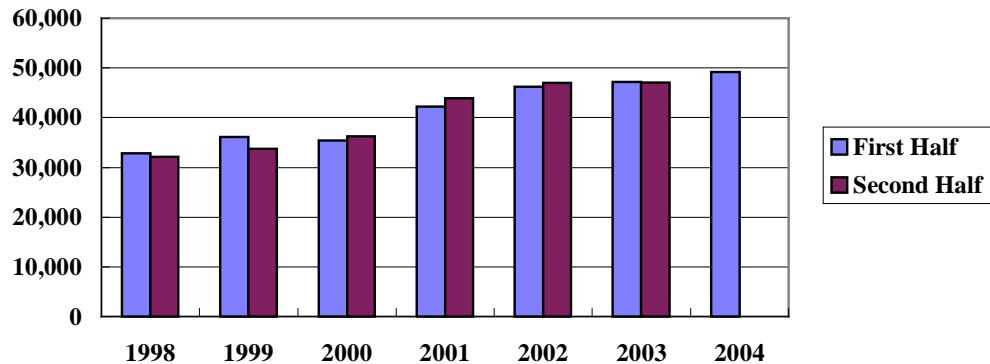


In terms of laser-related equipment (Photonics), sales of laser-related equipment for industrial and medical uses increased year-on-year, but not enough to offset the sales of the division handling physicochemical use that was sold off in October 2002. Accordingly, overall sales decreased on a year-on-year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

2. Eye Care

Vision Care

Semiannual Net Sales of Vision Care (Million Yen)



In the domestic eyeglass market, tough conditions persisted as the market continued to gravitate towards low-priced products and replacement cycles lengthened. HOYA promoted sales of its high-value-added products, such as newly designed progressive lenses, etc., and secured steady sales of products in the upper price band but sales quantity of ordinary products decreased. Overall, sales decreased on a year-on-year basis.

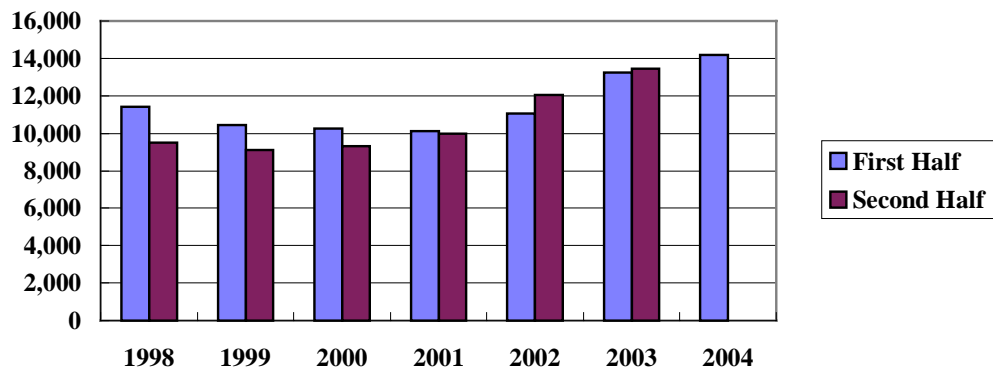
Overseas, in the Asia Pacific region, in spite of the influence of SARS, HOYA expanded sales of high value-added lenses, etc. and sales increased on a year-on-year basis. In Europe and North America, too, a considerable volume of low-priced products circulated in the market and the price competition for ordinary products intensified. HOYA, however, strengthened its sales of high value-added products, including progressive and highly refractive lenses, etc., and sales increased on a year-on-year basis.

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

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

Health Care

Semiannual Net Sales of Health Care (Million Yen)

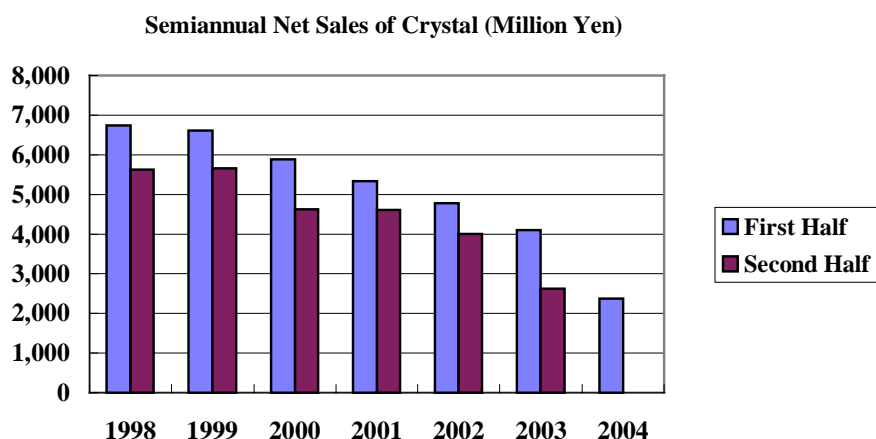


In terms of contact lenses, while price competition in the market intensified among discount shops, HOYA tried to distinguish itself from the competition by promoting sales of high-value-added products and products backed by its *E-System* of lens compensation services and by improving its face-to-face services to clients capitalizing on its expertise. 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.

3. Lifestyle Refinement

Crystal



Sales of crystal decreased on a year-on-year basis due to the diminished market for gifts amid stagnating personal consumption as well as to the commencement of business reform in order to reconstruct the brand.

2. Financial Position

	<u>Millions of Yen</u>
	<u>As of Sep.30, 2003</u>
Total assets	265,734
Shareholders' equity	205,213
Shareholders' equity ratio	77.2%

At the end of the six months under review, total assets decreased Yen 8,554 million as current assets decreased Yen 6,511 million and fixed assets decreased Yen 2,134 million from the end of the previous six months period. Shareholders' equity decreased Yen 19,005 million due to an huge increase of treasury stock in spite of increase of retained earnings.

3. Conditions of Cash Flows

	<u>Millions of Yen</u>
	<u>Six months ended Sep. 30, 2003</u>
Net cash provided by operating activities	37,530
Net cash used in investing activities	-13,155
Net cash provided by (used in) financing activities	-35,817
Cash and cash equivalents, end of period	62,895

Cash flow from operating activities amounted to Yen 37,530 million, comprised Yen 27,868 million in income before income taxes and minority interests and Yen 9,663 in depreciation and amortization among others. Cash flow from investing activities amounted to Yen 13,155 million in cash payments that were mainly used for investment in order to handle next-generation products. Free cash flow amounted to Yen 24,375 million, As decrease in treasury stock amounted to Yen 32,901 million, the term-end balance of cash and cash equivalents decreased Yen 12,799 million from the end of the previous fiscal year.

4. Business Plans for the Second Half

(Six months ending March 31, 2004)

1) Market Environment

For those major manufacturers whose sales and earnings improved due to a recovery in exports, the recent abrupt appreciation of the yen is ominous. For smaller companies, especially those in the non-manufacturing sector, the outlook for business conditions is far from clear due to the deflationary trend and sluggish personal consumption in Japan, and there is no real knowing what the forthcoming trend in business conditions will be.

In the industries with which HOYA deals, the high-tech sector is expected to grow steadily due to enhanced production performance with a view to the next generation and to an expansion in the final goods market.

In the market of eyeglasses categorized in consumption goods, a gravitation towards low-priced products still persists and there is no knowing the future. Overseas, while price competition exists, high value-added products are progressively being added with higher value.

In the contact lens market, while the number of people using them increases, intense price competition continues.

2) Management Issues

In this situation, we will clarify the positions in which each business segment of the Company is located, to capitalize on their strengths, and to prepare for nimble operation according to possible changes in the environment. We will improve our technologies, develop high value-added products, consolidate production capacities, reduce costs and systematize our sales network so as to secure and augment our market shares and will strive to enhance our growth and profitability.

3) Operational Issues

In terms of mask blanks and photomasks for manufacturing semiconductors, while making it a priority to supply high-precision products without delay to meet customers' demand, the Company will make efforts to develop products of ever higher quality.

In terms of masks for LCDs, in view of the rapidly growing market, the Company will secure enough production capacity and will make efforts to ensure an adequate supply for our clients of high quality products.

In terms of glass disks for HDDs, the Company will smoothly carry out the recently announced transfer of business operations from Nippon Sheet Glass Co., Ltd., and, at the same time, will explore possibilities to expand the adoption of HDDs for digital home appliances and to expand its customer base.

In terms of optical lenses and glasses, the Company will make efforts to consolidate its production capacity so as to ensure an adequate supply of lenses for digital cameras, to develop technologies so as to offer the high quality products.

In terms of eyeglasses, market conditions in Japan remain difficult due to a fall in prices. The Company will endeavor to reduce costs by shifting its mass production facilities abroad and to expand sales of new products. Overseas, the Company will endeavor to enhance its higher value-addition.

In terms of contact lenses, the Company will continue to establish new outlets and will make efforts to improve customer services and to expand sales of highly functional products. In terms of soft intraocular lenses, the Company will make efforts to increase sales by launching new products and starting to market in Europe.

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.

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

(4) Consolidated Financial Statements (unaudited)

1. Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen			
	As of			
	Sep.30,2003	Mar.31,2003	Variance	Sep.30,2002
ASSETS				
Current assets	171,642	178,153	-6,511	189,356
Cash and deposits	62,895	75,694	-12,799	88,068
Notes and accounts receivable - trades	63,420	58,945	4,475	57,212
Inventories	33,360	32,360	1,000	35,024
Refundable income tax - receivable	-	3,899	-3,899	-
Deferred taxes	5,517	3,969	1,548	4,354
Other current assets	7,952	4,583	3,369	5,925
Allowance for doubtful receivables	-1,504	-1,299	-205	-1,229
Fixed assets	93,589	95,723	-2,134	101,388
Tangible fixed assets	76,866	77,237	-371	80,453
Buildings and structures	22,766	23,539	-773	24,733
Machinery and vehicles	33,788	33,203	585	34,943
Lands	9,284	9,326	-42	9,389
Other tangible fixed assets	11,027	11,167	-140	11,387
Intangible fixed assets	4,895	5,106	-211	4,081
Investments and other assets	11,826	13,379	-1,553	16,853
Investment securities	5,265	5,739	-474	5,716
Long-term deferred taxes	2,030	3,210	-1,180	6,666
Other investments and other assets	6,071	6,140	-69	5,963
Allowance for doubtful receivables	-1,540	-1,711	171	-1,493
Deferred charges	503	411	92	355
Total Assets	265,734	274,288	-8,554	291,099
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities	57,501	47,889	9,612	53,922
Notes and accounts payable - trades	23,974	20,405	3,569	22,087
Short-term loan payable	2,050	2,284	-234	3,264
Income tax payable	8,094	2,609	5,485	7,883
Accrued bonus	3,746	3,512	234	3,602
Other current liabilities	19,635	19,077	558	17,083
Long-term liabilities	1,947	1,996	-49	9,057
Long-term loan payable	150	7	143	417
Employees retirement benefits	-	-	-	6,898
Directors retirement benefits	-	316	-316	293
Other long-term liabilities	1,796	1,673	123	1,446
Total Liabilities	59,449	49,886	9,563	62,979
Minority interest	1,070	183	887	155
Common stock	6,264	6,264	0	6,264
Additional paid-in capital	15,898	15,898	0	15,898
Retained earnings	232,147	216,271	15,876	214,048
Evaluation difference of investments securitis	-3	15	-18	28
Foreign currency statement translation adjustments	-9,154	-7,178	-1,976	-8,234
Treasury stock, at cost	-39,938	-7,052	-32,886	-40
Total Shareholders' Equity	205,213	224,218	-19,005	227,964
Total	265,734	274,288	-8,554	291,099
Notes:				
		<u>Millions of Yen</u>		
Accumulated depreciation	155,408	148,647		146,623
Guarantees of borrowings and lease obligations for customers	669	486		558
Number of shares of treasury stock (unit : stocks)	4,911,680	951,050		4,867

2. Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	Six months ended		Variance		Year ended
	Sep.30,2003	Sep.30,2002	Value	(%)	Mar.31,2003
Net sales	131,699	123,013	8,686	7.1	246,293
Cost of sales	70,367	66,796	3,571	5.3	133,274
Gross profit	61,331	56,216	5,115	9.1	113,018
Selling, general and administrative expenses	30,395	29,667	728	2.5	60,035
Operating income	30,936	26,549	4,387	16.5	52,982
Non-operating income	1,912	1,523	389	25.5	3,038
Interest income	303	272	31		580
Equity in earnings of associated companies	625	325	300		417
Others	982	925	57		2,040
Non-operating expenses	2,453	3,045	-592	-19.4	5,146
Interest expense	128	223	-95		374
Foreign exchange losses	1,468	864	604		1,251
Others	857	1,956	-1,099		3,520
Ordinary income	30,395	25,027	5,368	21.4	50,874
Extra-ordinary income	757	184	573	311.4	1,469
Gain on sales of property, plant and equipment	513	75	438		725
Gain on sales of investment securities	59	109	-50		109
Others	184	-	184		634
Extra-ordinary losses	3,284	2,273	1,011	44.5	23,600
Loss on disposal of property, plant and equipment	1,029	339	690		1,946
Coverage to Company's employees pension funds	879	-	879		14,949
Loss on evaluation of investment securities	228	32	196		110
Additional retirement benefits paid to employees	148	1,421	-1,273		3,691
Others	998	480	518		2,901
Income before income taxes and other items	27,868	22,938	4,930	21.5	28,742
Income taxes - Current	9,215	8,117	1,098	13.5	5,648
Income taxes - Deferred	-294	-35	-259	740.0	3,028
Minority interests in net income	23	11	12	109.1	28
Net income	18,924	14,845	4,079	27.5	20,037
Net income per share(Yen)	166.21	127.84	38.37		171.10

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	131,699	130,266	1,433
Operating income	30,936	30,603	333
Ordinary income	30,395	30,074	321
Net income	18,924	18,715	209

		Six months ended			Year ended
		Sep.30,2003	Sep.30,2002	Variance(%)	Mar.31,2003
2. Average rates of major foreign currencies					
US\$	Yen	117.73	121.99	3.5%	121.20
Euro	Yen	134.03	117.41	-14.2%	121.48
Thail Baht	Yen	2.83	2.87	1.4%	2.83

3. Consolidated Statements of Retained Earnings

HOYA CORPORATION and Consolidated Subsidiaries

Items	Millions of Yen			Year ended Mar. 31, 2003
	Six months ended		Variance	
	Sep. 30,2003	Sep. 30,2002		
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	216,271	202,255	14,016	202,255
Adjustment of retained earnings	18,924	14,845	4,079	20,037
Net income	18,924	14,845	4,079	20,037
Appropriations	3,048	3,052	-4	6,021
1. Cash dividends	2,879	2,903	-24	5,806
2. Bonuses to directors	169	149	20	149
3. for merger of unconsolidated subsidiaries	-	-	-	65
Balance at the end of the period	232,147	214,048	18,099	216,271

4. Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen		
	Six months ended Sep.30,		
	2003	2002	Variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	27,868	22,938	4,930
Adjustments for:			
Income taxes - paid	-3,634	-5,004	1,370
Depreciation and amortization	9,663	9,710	-47
Provision for (reversal of) accrued bonuses to employees	211	-270	481
Reversal of accrued retirement benefits	-292	-374	82
Provision for (Reversal of) reserve for periodic repairs	95	-83	178
Equity in loss earnings of associated companies	-625	-325	-300
Foreign exchange loss	773	489	284
Bonus to directors	-169	-149	-20
Devaluation losses on investment securities	228	32	196
Gain on sales of property, plant and equipment and investment securities	-573	-184	-389
Loss on disposal of property, plant and equipment and investment securities	1,029	339	690
Other	215	254	-39
<i>Changes in assets and liabilities:</i>			
(Increase) decrease in notes and accounts receivable	-3,241	1,634	-4,875
(Increase) decrease in inventories	-615	207	-822
(Increase) decrease in other current assets	2,433	326	2,107
Increase (decrease) in notes and accounts payable	3,117	2,426	691
Increase (Decrease) in other current liabilities	1,046	404	642
Total adjustment			
Net cash provided by operating activities	37,530	32,371	5,159
INVESTING ACTIVITIES:			
Payment for purchases of property, plant and equipment	-10,386	-6,807	-3,579
Proceeds from sales of property, plant and equipment	655	556	99
Payment for purchases of investment securities	-295	-0	-295
Proceeds from sales of investment securities	102	307	-205
Increase in investments and other assets	-1,209	-834	-375
Decrease in investments and other assets	385	398	-13
Payments for loans	-2,407	-	-2,407
Net cash used in investing activities	-13,155	-6,379	-6,776
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term borrowings	-76	-257	181
Repayments of long-term bank loans	-42	-15	-27
Net (increase) decrease in treasury stock	-32,901	-23	-32,878
Dividends paid	-2,816	-2,864	48
Proceeds from minority interests	19	-	19
Net cash used in financing activities	-35,817	-3,161	-32,656
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-11,442	22,830	-34,272
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-1,733	-1,083	-650
Cash and cash equivalents of newly consolidated subsidiaries, beginning of period	377	-	377
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	75,694	66,321	9,373
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 March 31, 2003 : 5 companies increased in total.
4 companies increased due to the establishment: 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 transfer to the consolidated subsidiary : HOYA SCHOTT CORPORATION (Japan)
 - 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 March 31, 2003 : 1 company decreased.
1 company decreased due to the transfer to the consolidated subsidiary : HOYA SCHOTT CORPORATION (Japan)
 - b) In comparison to the end of Sep. 30, 2002 : 1 company decreased.
Same as the above : HOYA SCHOTT CORPORATION (Japan)

	as of Sep. 30, 2003	as of Mar. 31, 2003	variance	as of Sep. 30,2002
Consolidated subsidiaries	57 (do 7, os50)	52 (do 6, os46)	+5 (do+1, os +4)	52 (do 8, os44)
Nonconsolidated subsidiaries	- (do -, os -)	- (do -, os -)	- (do-, os -)	- (do -, os -)
Affiliates	5 (do 5, os -)	6 (do 6, os -)	-1 (do-1, os-)	6 (do 6, os -)
(accounted for by the equity method)	(1) (do 1, os -)	(2) (do 2, os -)	(-1) (do-1, os-)	(2) (do 2, os -)
Total Hoya Group	62	58	+4	58
(accounted for by the equity method)	(1)	(2)	(-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>Mar.31,2003</u>
Cash and deposits	62,895	88,068	75,694
Marketable securities	-	-	-
Total	<u>62,895</u>	<u>88,068</u>	<u>75,694</u>

2. Details of Assets and Liabilities of the Newly Consolidated Subsidiaries by Acquisition of Shares

Six months ended Sep. 30, 2003

None

Six months ended Sep. 30, 2002

None

Year ended Mar. 31, 2003

HOYA LENS OF CHICAGO, INC. (as of Mar. 1, 2003)

	<u>Millions of Yen</u>
Current assets	226
Goodwill	1,132
Fixed assets	82
Current liabilities	-93
Long-term liabilities	-
Value for acquisition of shares of this subsidiary	<u>1,348</u>
Cash and cash equivalents possessed by this subsidiary	<u>47</u>
Balance : Payments for purchases of this subsidiary net of cash acquired	1,301

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

Six months ended Sep. 30, 2003

HOYA-SCHOTT CORPORATION (as of June 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>

Six months ended Sep. 30, 2002

None

Year ended Mar. 31, 2003

HOYA TECHNO-PROCESS CORPORATION and other 2 companies

(merged with HOYA CORPORATION : as of Mar. 1, 2003)

	<u>Millions of Yen</u>
Current assets	82
Fixed assets	<u>0</u>
Total assets	<u>82</u>
Current liabilities	37
Long-term liabilities	-
Total liabilities	<u>37</u>

4. Details of Assets and Liabilities Decreased by the Sale of Business:

Six months ended Sep. 30, 2003

None

Six months ended Sep. 30, 2002

None

Year ended Mar. 31, 2003

A part of Hearing aids business in Health Care segment

	<u>Millions of Yen</u>
Current assets	109
Fixed assets	<u>324</u>
Total assets	<u>433</u>
Current liabilities	28
Long-term liabilities	<u>-</u>
Total liabilities	<u>28</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>Mar.31, 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	145	170	25	202	251	49
Government bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	102	119	17	145	170	25	202	251	49

2. Investment securities of non-current market values:

(Millions of Yen)

	As of		
	<u>Sep.30, 2003</u>	<u>Mar.31, 2003</u>	<u>Sep.30, 2002</u>
	Non-marketable stock of subsidiaries	4,495	4,953
Total	4,495	4,953	5,001
Non-marketable equity securities	650	615	463
Non-marketable corporate bonds	-	-	-
Non-marketable foreign bonds	-	-	-
Commercial paper	-	-	-
Total	650	615	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>As of</u>		
	<u>Sep.30, 2003</u>	<u>Mar.31, 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	1,361	1,212
Excess deductible amount of depreciation expenses	1,245	1,264	1,264
Inventories - intercompany unrealized profits	916	829	696
Enterprise tax not deductible	643	76	613
Other deferred tax assets	1,229	772	638
Total amount of deferred tax assets - current	5,517	4,304	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	3,969	4,354
(2) Non-current deferred tax assets and liabilities			
Deferred tax assets			
Amount denied of evaluation loss of fixed assets	927	913	657
Excess amount of inclusion in deductible expenses for depreciation	804	1,589	2,147
Excess amount of inclusion in deductible expenses for allowance for doubtful receivables	364	401	281
Excess amount of inclusion in deductible expenses for reserve for employees' retirement benefits	-	-	2,613
Other deferred tax assets	974	1,382	2,135
Total amount of deferred tax assets - fixed	3,070	4,286	7,835
Deferred tax liabilities			
Reserve for deferred income taxes on fixed assets	-537	-582	-618
Special depreciation reserve	-337	-312	-358
Difference of evaluation of other marketable securities	-	-10	-20
Other deferred tax liabilities	-165	-171	-171
Total amount of deferred tax liabilities - fixed	-1,040	-1,076	-1,168
Net amount of deferred tax assets - fixed	2,030	3,210	6,666

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>2003</u>	<u>2002</u>	<u>Mar.31,2003</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	-8.9	-7.5	-13.5
Non-Deductible expenses such as entertainment expenses	0.3	0.4	0.6
Per capita levy of inhabitants tax and others	0.2	0.3	0.4
Non-taxable income such as dividend received	-4.1	-2.6	-2.1
Intercompany cash dividend	3.2	2.6	2.1
Correction of deferred tax assets due to change of tax rate	-	-	0.3
Other adjustment	-0.4	0.3	0.7
Effective income tax rate	32.0	35.2	30.2

(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, 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

for the six 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	54,630	3,059	47,268	13,266	4,103	685	123,013	-	123,013
Intersegment	116	-	14	0	11	1,407	1,550	(1,550)	-
Total	54,747	3,059	47,283	13,266	4,115	2,092	124,564	(1,550)	123,013
Operating expenses	38,043	3,528	39,055	10,749	3,914	1,972	97,263	(798)	96,464
Operating income	16,703	-468	8,228	2,517	200	120	27,301	(752)	26,549
Operating income ratio	30.5%	-15.3%	17.4%	19.0%	4.9%	5.7%	21.9%	-	21.6%
Assets	116,038	4,121	93,788	16,083	8,576	2,997	241,607	49,492	291,099
Depreciation	6,408	42	2,748	281	158	15	9,656	54	9,710
Capital Expenditures	4,945	38	1,512	232	57	2	6,789	9	6,798
R&D Expenses	2,822	251	788	343	16	-	4,222	-22	4,200
Number of employees (p)	6,021	229	6,379	625	283	129	13,666	45	13,711

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	8,505	-811	1,844	909	-1,723	-39	8,686	-	8,686
Variance(%)	15.6%	-26.5%	3.9%	6.9%	-42.0%	-5.7%	7.1%	-	7.1%
Intersegment	-86	-	-8	0	9	1,595	1,510	(1,510)	-
Total	8,419	-811	1,836	909	-1,715	1,556	10,195	(1,510)	8,686
Operating expenses	4,462	-1,228	2,245	227	-1,424	1,441	5,724	(1,427)	4,298
Operating income	3,957	416	-410	681	-290	115	4,470	(83)	4,387
Variance(%)	23.7%	-88.9%	-5.0%	27.1%	-145.0%	95.8%	16.4%	-	16.5%
Assets	7,693	-1,703	-741	-139	-3,741	-20	1,348	-26,713	-25,365
Depreciation	-76	-10	62	-17	10	1	-31	-17	-47
Capital Expenditures	2,675	-8	1,051	228	62	12	4,019	8	4,028
R&D Expenses	622	-121	-94	78	-5	-	480	-8	471
Number of employees (p)	1,700	-96	-567	-60	-109	230	1,098	3	1,101

*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
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.

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, 2003 and 2002 are as follows:

2003	1,096 million Yen
2002	971 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 six months ended September 30, 2003

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

for the six months ended September 30, 2002

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	83,236	18,474	15,308	5,994	123,013	-	123,013
Intersegment	8,716	24	842	21,428	31,011	(31,011)	-
Total	91,952	18,498	16,150	27,423	154,025	(31,011)	123,013
Operating expenses	73,927	18,057	13,615	22,353	127,954	(31,490)	96,464
Operating income	18,025	440	2,535	5,069	26,070	478	26,549
Operating income ratio	19.6%	2.4%	15.7%	18.5%	16.9%	-	21.6%
Assets	144,238	19,665	31,514	54,123	249,541	41,558	291,099

Ref:

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

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	6,749	-872	2,669	139	8,686	-	8,686
Variance(%)	8.1%	-4.7%	17.4%	2.3%	7.1%	-	7.1%
Intersegment	-156	21	-48	6,235	6,053	(6,053)	-
Total	6,593	-850	2,622	6,374	14,738	(6,053)	8,686
Operating expenses	5,431	-1,326	1,259	4,841	10,205	(5,907)	4,298
Operating income	1,161	477	1,363	1,533	4,534	(146)	4,387
Variance(%)	6.4%	108.4%	53.8%	30.2%	17.4%	-	16.5%
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 six months ended Sep. 30, 2003 and 2002 are as follows:

2003	920 million Yen
2002	857 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 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%

for the six months ended September 30, 2002

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	18,946	18,967	15,384	56	53,354
Consolidated Sales (B)					123,013
Overseas Sales ratio A/B	15.4%	15.5%	12.5%	0.0%	43.4%
Regional Sales ratio	35.5%	35.6%	28.8%	0.1%	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)	276	327	4,904	-55	5,452
Consolidated Sales (B)					8,686
Overseas Sales ratio A/B	1.5%	1.7%	31.9%	-98.2%	10.2%

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.

(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,	
	2003	2002	Value	(%)	2003	
Electro-Optics						
Domestic	36,479 (57.8)	31,456 (57.6)	5,023	16.0	64,273 (57.7)	
Overseas	26,656 (42.2)	23,173 (42.4)	3,483	15.0	47,186 (42.3)	
total	63,135 [47.9]	54,630 [44.4]	8,505	15.6	111,460 [45.3]	
Photonics						
Domestic	1,546 (68.8)	1,695 (55.4)	-149	-8.8	3,296 (60.1)	
Overseas	701 (31.2)	1,364 (44.6)	-663	-48.6	2,188 (39.9)	
total	2,248 [1.7]	3,059 [2.5]	-811	-26.5	5,485 [2.2]	
Information Technology						
Domestic	38,026 (58.2)	33,152 (57.5)	4,874	14.7	67,570 (57.8)	
Overseas	27,357 (41.8)	24,537 (42.5)	2,820	11.5	49,375 (42.2)	
total	65,384 [49.6]	57,690 [46.9]	7,694	13.3	116,946 [47.5]	
Vision Care						
Domestic	17,972 (36.6)	18,864 (39.9)	-892	-4.7	36,160 (38.3)	
Overseas	31,140 (63.4)	28,404 (60.1)	2,736	9.6	58,227 (61.7)	
total	49,112 [37.3]	47,268 [38.4]	1,844	3.9	94,388 [38.3]	
Health Care						
Domestic	14,104 (99.5)	13,235 (99.8)	869	6.6	26,655 (99.8)	
Overseas	71 (0.5)	30 (0.2)	41	136.7	61 (0.2)	
total	14,175 [10.8]	13,266 [10.8]	909	6.9	26,716 [10.8]	
Eye Care						
Domestic	32,076 (50.7)	32,100 (53.0)	-24	-0.1	62,816 (51.9)	
Overseas	31,211 (49.3)	28,434 (47.0)	2,777	9.8	58,288 (48.1)	
total	63,288 [48.1]	60,535 [49.2]	2,753	4.5	121,105 [49.2]	
Crystal						
Domestic	2,143 (90.0)	3,721 (90.7)	-1,578	-42.4	6,096 (90.7)	
Overseas	236 (10.0)	381 (9.3)	-145	-38.1	622 (9.3)	
total	2,380 [1.8]	4,103 [3.3]	-1,723	-42.0	6,719 [2.7]	
Service						
Domestic	646 (100.0)	685 (100.0)	-39	-5.7	1,522 (100.0)	
Overseas	0 (0.0)	0 (0.0)	0	-	0 (0.0)	
total	646 [0.5]	685 [0.6]	-39	-5.7	1,522 [0.6]	
Lifestyle Refinement						
Domestic	2,789 (92.2)	4,406 (92.0)	-1,617	-36.7	7,619 (92.5)	
Overseas	236 (7.8)	381 (8.0)	-145	-38.1	622 (7.5)	
total	3,026 [2.3]	4,788 [3.9]	-1,762	-36.8	8,241 [3.3]	
Total Net Sales						
Domestic	72,892 (55.3)	69,658 (56.6)	3,234	4.6	138,006 (56.0)	
Overseas	58,806 (44.7)	53,354 (43.4)	5,452	10.2	108,286 (44.0)	
total	131,699 [100.0]	123,013 [100.0]	8,686	7.1	246,293 [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.